

MEDIA RELEASE

XL to acquire Axis

Leads industry consolidation to benefit customers, Indonesian telecommunications industry and all stakeholders

Jakarta, September 26 2013 – Axiata Group Berhad's (Axiata) Indonesian subsidiary, PT XL Axiata Tbk. (XL), has entered into a conditional sale and purchase agreement (CSPA) with Saudi Telecom Company (STC) and Teleglobal Investments B.V. (Teleglobal), a subsidiary of STC, to acquire PT AXIS Telekom Indonesia (AXIS). This action will support a healthier telecommunications industry and, more importantly, enable XL to provide better network quality to customers at a much lower cost.

The financially prudent transaction reflects XL's disciplined approach to strategic initiatives. XL is paying as consideration a nominal equity value and only part of AXIS' overall liabilities and indebtedness.

Key highlights of the CSPA are the following:

- Teleglobal will sell (or procure the sale of) a 95% equity stake in AXIS to XL.
- AXIS is valued at 100% enterprise value of USD 865 million, on a cash free and debt free basis.
- The purchase consideration will be utilised towards payment of a nominal value for AXIS equity and redemption of axis' indebtedness.
- The completion of the transaction is subject to:
 - All applicable regulatory approvals
 - XL shareholders' approval at an Extraordinary General Meeting of Shareholders
 - Spectrum retention

The acquisition will address XL's current challenges and provide additional resources for XL whilst also benefitting other stakeholders.

Key Rationale for XL's acquisition of Axis:

- Over 65 million customers will immediately benefit from the superior quality of service and wider coverage.
- Consolidates the industry further and paves the way for more prudent, growth focused expansion with a more efficient capex profile.
- Supports the government's national broadband objective.
- Addresses XL's current challenges - Provides additional spectrum capacity to XL, subject to regulatory approvals, leading to:
 - Significantly enhanced quality of service and network experience on both 2G and 3G
 - Enhanced asset utilization, particularly on XL's towers and network equipment, with tangible reduction in capex and opex spends
- Further reinforces XL's leadership position, with sizeable business operations and scale
 - Larger subscriber base and on-net community
 - Stronger and more effective data focus and traction amongst the youth segment
 - Complementary businesses with multiple areas of revenue and cost synergies



President Director of XL, Hasnul Suhaimi, said, "XL is committed to our customers who will significantly benefit from this transaction. With the acquisition of AXIS (AXIS launched its services in April 2008 and is available in many major islands of Indonesia), XL will reinforce its leadership in the Indonesian telecommunications industry with strong traction in mobile data services. I believe all industry participants are in agreement that the industry must consolidate. This will be driven by companies like XL who have the will and ability to accelerate the development of high quality communication services in Indonesia. Furthermore, XL is committed to investing in the next generation of mobile technologies and to bring back the broader industry ecosystem to healthier economics. We will fully comply with the prevailing regulations, and will consult and work with the regulators throughout the approval process."

President & Group Chief Executive Officer of Axiata, Dato' Sri Jamaludin Ibrahim added "As the majority shareholder of XL, Axiata strongly supports the transaction.

We are a long term investor and the acquisition is in line with our strategy of continued investment in every country we operate in and supporting in-market consolidation where it benefits all parties. We are confident we can successfully execute the integration as we did with Hello and Smart in Cambodia as well as Suntel and Dialog in Sri Lanka. Both acquisitions saw smooth and successful integration both strategically and financially."

Both companies have integration plans and teams in place, which, post regulatory approvals, will drive integration and synergies with XL's strong execution track record and cost leadership DNA.

Merrill Lynch (Singapore) Pte. Ltd. (Bank of America Merrill Lynch) is acting as exclusive financial advisor to XL in respect of this transaction.

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About Axiata

Axiata is one of the largest Asian telecommunication companies. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore.

The Group's mobile subsidiaries and associates operate under the brand name 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia, 'Idea' in India and 'M1' in Singapore.

The Group, including its subsidiaries and associates, has close to 230 million mobile subscribers in Asia. The Group revenue for 2012 was USD 5.7 billion. The Group provides employment to over 20,000 people across Asia. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009, 2010, 2011, 2012 and 2013 Asia Pacific ICT Award for Best Telecom Group and the Telecom Asia Best Regional Mobile Group 2010 and 2011 for its operations in multiple Asian markets.

About XL

XL is one of the major cellular providers in Indonesia with 54 million subscribers. XL is 66.5% owned by Axiata Group Berhad through Axiata Investments (Indonesia) Sdn Bhd.

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