

**STATEMENT ON CORPORATE GOVERNANCE  
AS REQUIRED BY SECTION 303A.11  
OF THE NEW YORK STOCK EXCHANGE LISTED COMPANY MANUAL**

We are incorporated under the laws of the Republic of Indonesia and the principal trading market for our ordinary shares is the Jakarta Stock Exchange (the “JSX”). Our ordinary shares are registered with the United States Securities and Exchange Commission and are listed on the New York Stock Exchange (the “NYSE”). As such, we are subject to certain corporate governance requirements.

Our home country requirements for corporate governance are embodied primarily in Law No. 1 of 1995 on Limited Liability Companies, the Law No. 8 of 1995 on Capital Market, the Regulations of the Indonesian Capital Market Supervisory Board (“BAPEPAM Regulations”) and the rules issued by the Indonesian stock exchanges, namely the JSX and the Surabaya Stock Exchange. In addition to these statutory requirements, our articles of association incorporate provisions directing certain corporate governance practices.

However, many of the corporate governance rules contained in the NYSE Listed Company Manual (the “NYSE listing standards”) are not required for “foreign private issuers” and we are permitted to follow our home country corporate governance practices in lieu of most corporate governance standards contained in the NYSE listing standards. Although we have complied voluntarily with most of the corporate governance rules contained in the NYSE listing standards, there are differences between our corporate governance standards and those standards applicable to U.S. companies listed on the NYSE.

Section 303A.11 requires NYSE-listed foreign private issuers to describe the significant differences between their corporate governance standards and the corporate governance standards applicable to U.S. companies listed on the NYSE. While our management believes that our corporate governance practices are similar in many respects to those of U.S. companies listed on the NYSE and provide investors with protections comparable to those envisioned by the NYSE listing standards, certain important differences are described below.

***Audit Committee***

The NYSE listing standards require NYSE-listed companies to maintain an audit committee comprised of at least three members satisfying the requirements for independence set forth in Section 303A.02. Pursuant to BAPEPAM Regulations, public companies in Indonesia must maintain audit committees comprised of at least one independent commissioner and two members from outside the company. Our Audit Committee consists of five members, three of whom are independent Commissioners and two of whom are independent outsiders, as required by BAPEPAM Regulations.

In addition, our Audit Committee's written charter does not require our Audit Committee to review earnings guidance provided to analysts and rating agencies as required under Section 303A.07(c)(iii)(C), although the written charter does require review of press releases containing financial information. Unlike the requirements set forth in the NYSE listing standards, our audit committee does not have direct responsibility for the appointment, retention and compensation of our external auditor. Our audit committee can only recommend the appointment of the external auditor to the Board of Commissioners, and the Board of Commissioner's decision is subject to shareholder approval as required by Indonesian law.

A copy of our Audit Committee's written charter can be found on our website at [www.indosat.com](http://www.indosat.com).

### ***Composition of Board of Directors; Nominating Committee***

The NYSE listing standards require that the board of directors of an NYSE-listed company consist of a majority of independent directors and that a nominating committee be established. We have a dual board structure, with a separate Board of Directors and Board of Commissioners, separating the powers of management (exercised by the Board of Directors) from those of supervision (exercised by the Board of Commissioners). As such, when the NYSE listing standards apply corporate governance principles to the directors of a NYSE-listed company, we evaluate our practices with reference to our Commissioners. As required by BAPEPAM Regulations and JSX rules, our nine-member Board of Commissioners maintains a minimum of at least three independent members. Further, we do not have a nominating committee. At meetings of our shareholders, our shareholders nominate and elect persons to our Board of Commissioners.

Pursuant to the NYSE listing standards, directors of NYSE-listed companies must meet at regularly-scheduled executive sessions without management. Neither the BAPEPAM Regulations nor JSX rules require us to hold such executive sessions where the Board of Commissioners meets without any Directors present. In the past, our Board of Commissioners, which is entirely composed of non-management persons, has met in executive session periodically, in addition to the customary presentation of information by our Board of Directors to the Board of Commissioners. In early 2005, we instituted procedures by which our Board of Commissioners started meeting in executive session at the end of each regularly-scheduled meeting, which currently occur at least on a quarterly basis.

### ***Compensation Committee***

The NYSE listing standards require NYSE-listed companies to maintain a compensation committee composed entirely of independent directors with a written charter addressing the committee's performance and responsibilities as well as requiring an annual performance evaluation. Our Remuneration Committee currently has three members from our Board of Commissioners and has the responsibilities contained in the NYSE listing standards. However, only one commissioner of the three committee members is independent and its written charter does not provide for an annual performance evaluation of the Remuneration Committee.

A copy of our Remuneration Committee's written charter can be found on our website at [www.indosat.com](http://www.indosat.com)