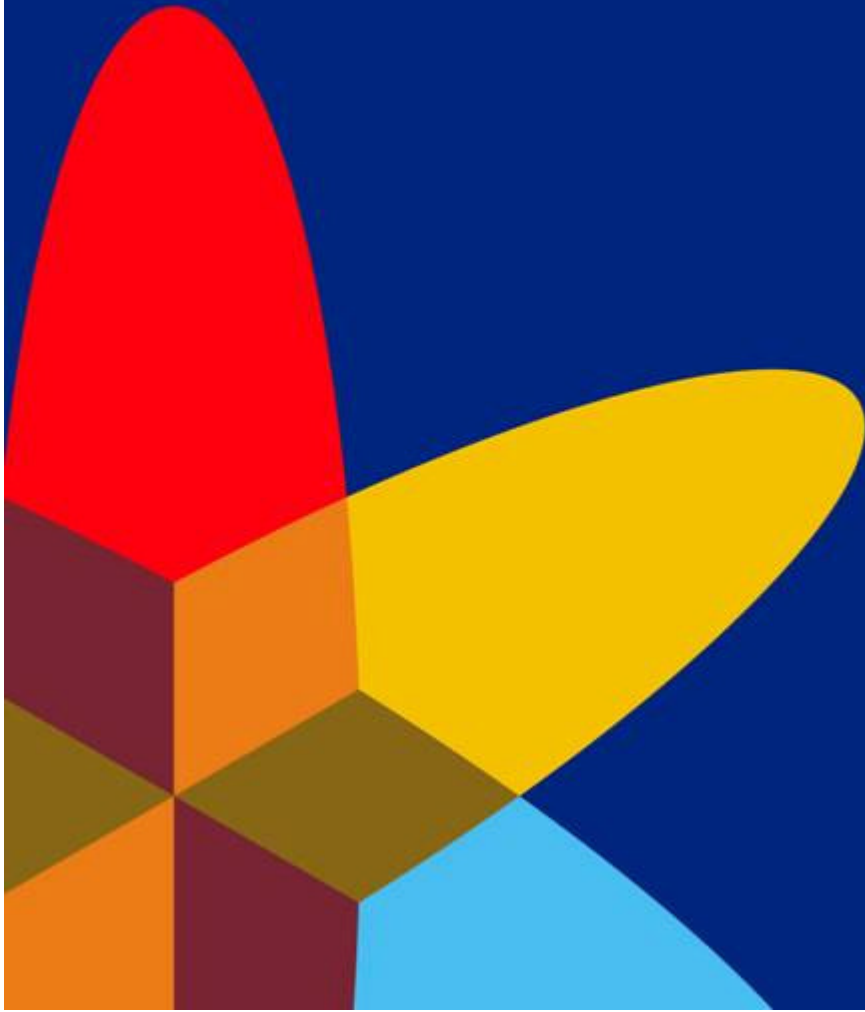


# PT Indosat Tbk

First Nine Months of 2005 Results



# Key Business Segment

Indosat's key businesses are Cellular, Fixed Telecom and MIDI



	Cellular Business	Fixed Telecom	MIDI
<b>Description</b>	<ul style="list-style-type: none"> <li>Second largest cellular operator in Indonesia</li> </ul>	<ul style="list-style-type: none"> <li>Revenue comes primarily from IDD business (86%)</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Data Communications, Leased Lines, Satellite, Internet</li> </ul>
<b>Contribution (9M 2005)</b>	<ul style="list-style-type: none"> <li>75% of revenue</li> </ul>	<ul style="list-style-type: none"> <li>11% of revenue</li> </ul>	<ul style="list-style-type: none"> <li>14% of revenue</li> </ul>
<b>Target Market Segment</b>	<ul style="list-style-type: none"> <li>Corporate</li> <li>Youth</li> <li>Mass</li> </ul>	<ul style="list-style-type: none"> <li>Corporate</li> <li>SME</li> <li>Residential</li> </ul>	<ul style="list-style-type: none"> <li>Wholesale</li> <li>Corporate</li> <li>Residential</li> </ul>

## Services



- Matrix – Postpaid for high end with advanced features
- Mentari – Prepaid for general users
- IM3 – Prepaid for the young & trendy



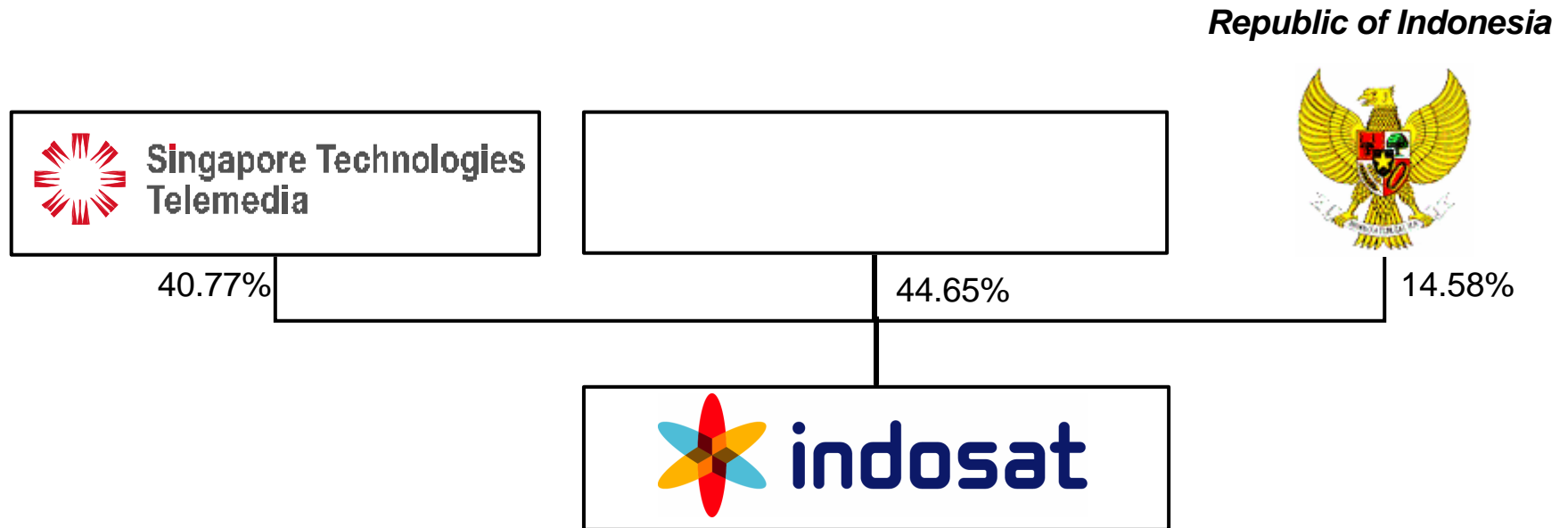
- IDD 001
- IDD 008
- Flat call
- StarOne



- Frame Relay
- Leased Circuits
- Data Comms
- Internet Access
- VSATs

# Ownership Structure

- Indosat's shares are majority owned by public investors (44.65%)
- ST Telemedia through Indonesia Communications Limited owns (40.77%)
- Indonesian Government owns 14.58% including Series A share



Listed on the JSX, SSX and NYSE with market cap of around Rp28.2 trillion<sup>(1)</sup>

Note:

(1) Per 30 September 2005

# Vision and Strategy

**VISION : To become a leading cellular / wireless focused telecommunication network and service provider in Indonesia**

## Strategy

**Focus on cellular subs growth**

**Maintain IDD business and entering into DLD and FWA business**

**Nurturing MIDI business through synergy among business lines**

**Increase efficiency and synergy development**

# Main Initiatives 2005-2006

## Enhanced Customer Focus

- Enhance services in new regions
- Enhance market segmentation and targeting

## Acceleration of network roll out and investment

(Around US\$900 mio in 2005 and US\$670 mio in 2006, 85% for cellular)

**Committed to Good Corporate Governance due to the listing in the Jakarta, Surabaya and NY Stock Exchanges**

# Major Achievements in Nine Months 2005

**12.7 cellular subscribers with a cellular revenues growth of 25.2% (YoY)**

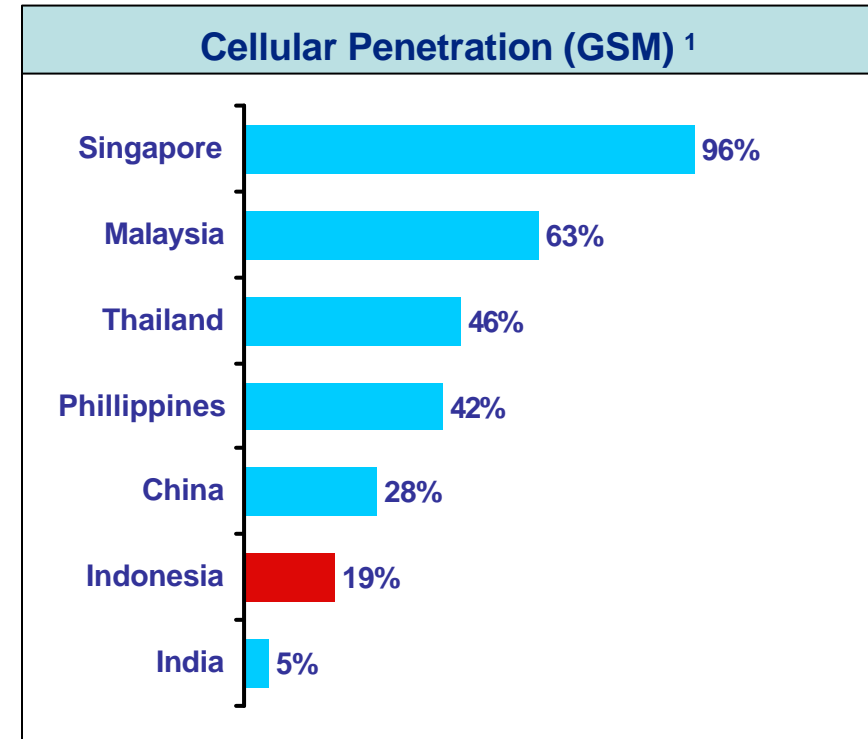
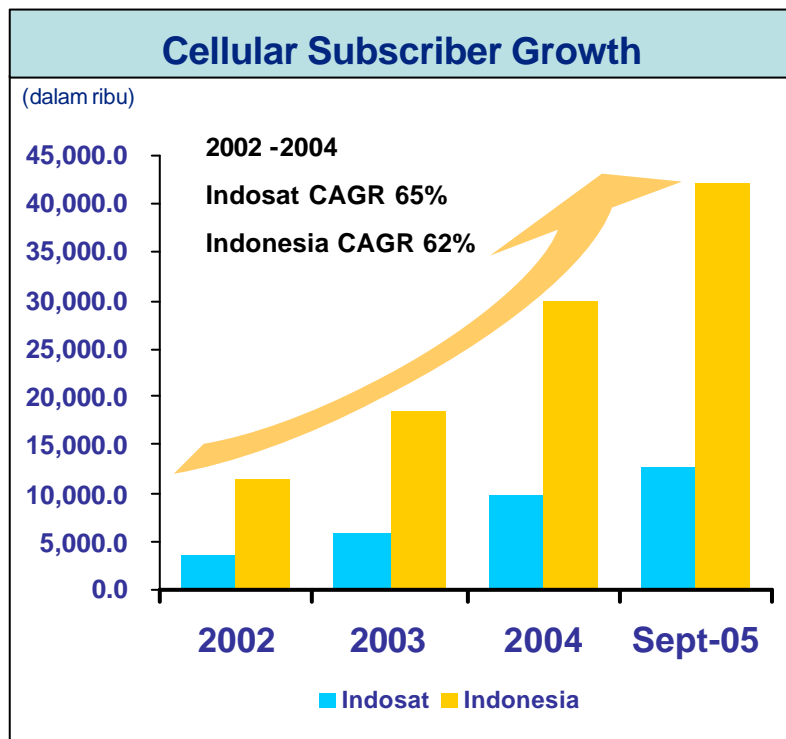
**MIDI revenues increased 11.4% (YoY)**

**IDD traffic increased 7.1% despite a decline in its revenues due to a tighter competition**

**Realization of merger benefits (cost efficiencies)**

# Cellular Services

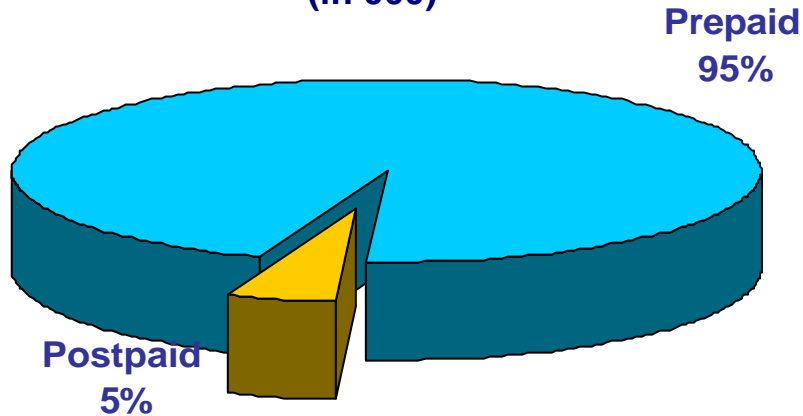
- Recording a high subs growth in recent years (CAGR 65% 2002-2004)
- In Nine Months 2005 Indosat recorded net add of 2.9 million subs, hence the cellular subs base on September 30, 2005 was 12.7 million subscribers.
- Indonesian cellular penetration is relatively lower compared to other countries.



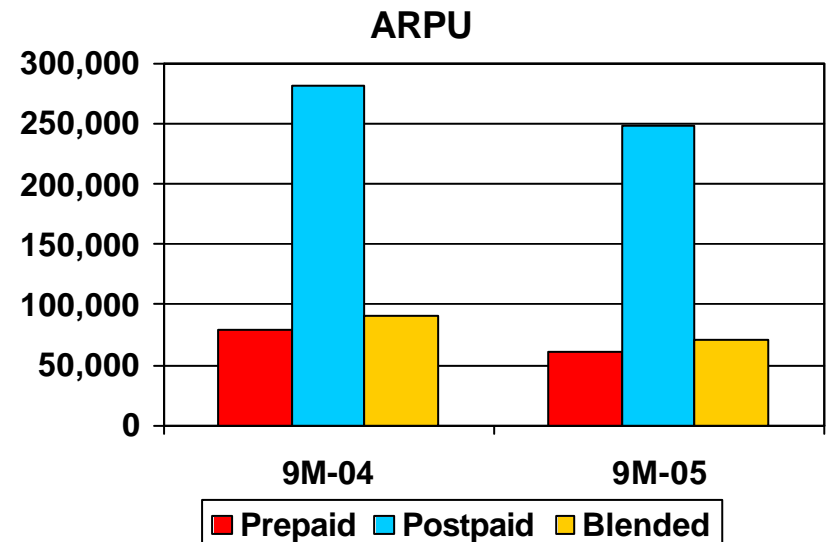
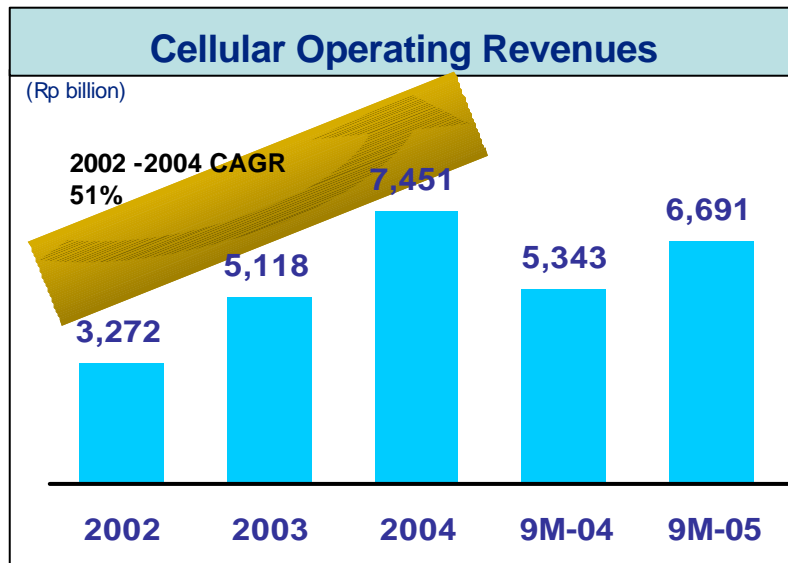
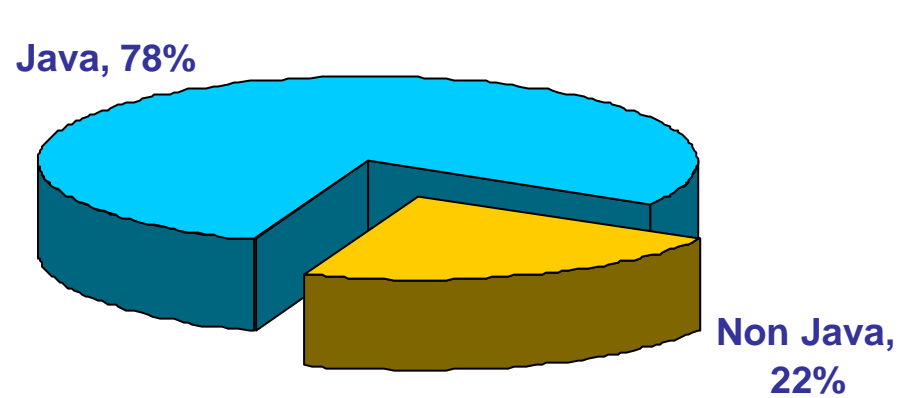
Notes : (1) Penetration data as Q2 2005, except Indonesia per 30 September 2005

# Cellular Subscribers Composition

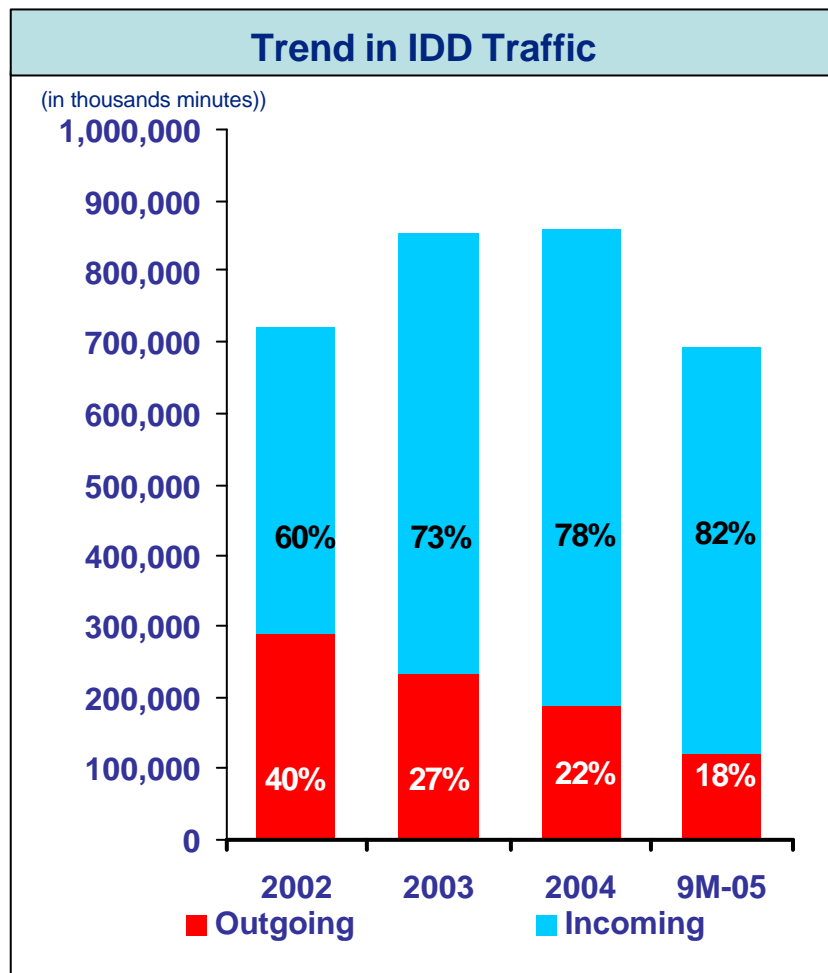
Subs composition as at September 30 2005  
(in 000)



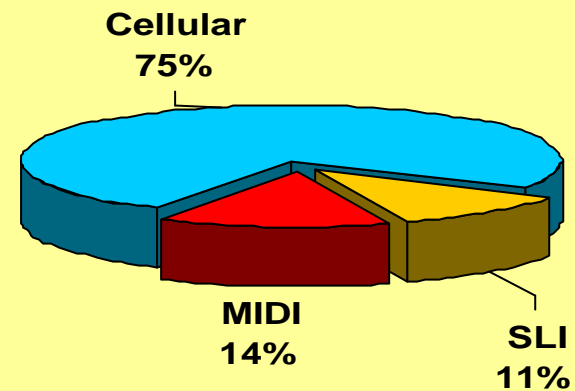
Subs Composition as at September 30 2005



# Fixed Telecommunication and MIDI



## Revenues Composition (9M - 2005)

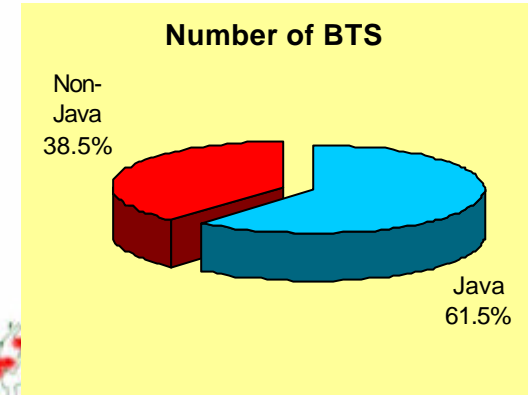


- Fixed telecommunication contributed 11% to operating revenues. IDD contributed 86% to fixed telecom revenues.
- MIDI revenues increased 11.4% (YoY), mainly due to continued demand in the domestic wholesale market.

# Cellular Network Coverage



## Indosat Cellular Coverage



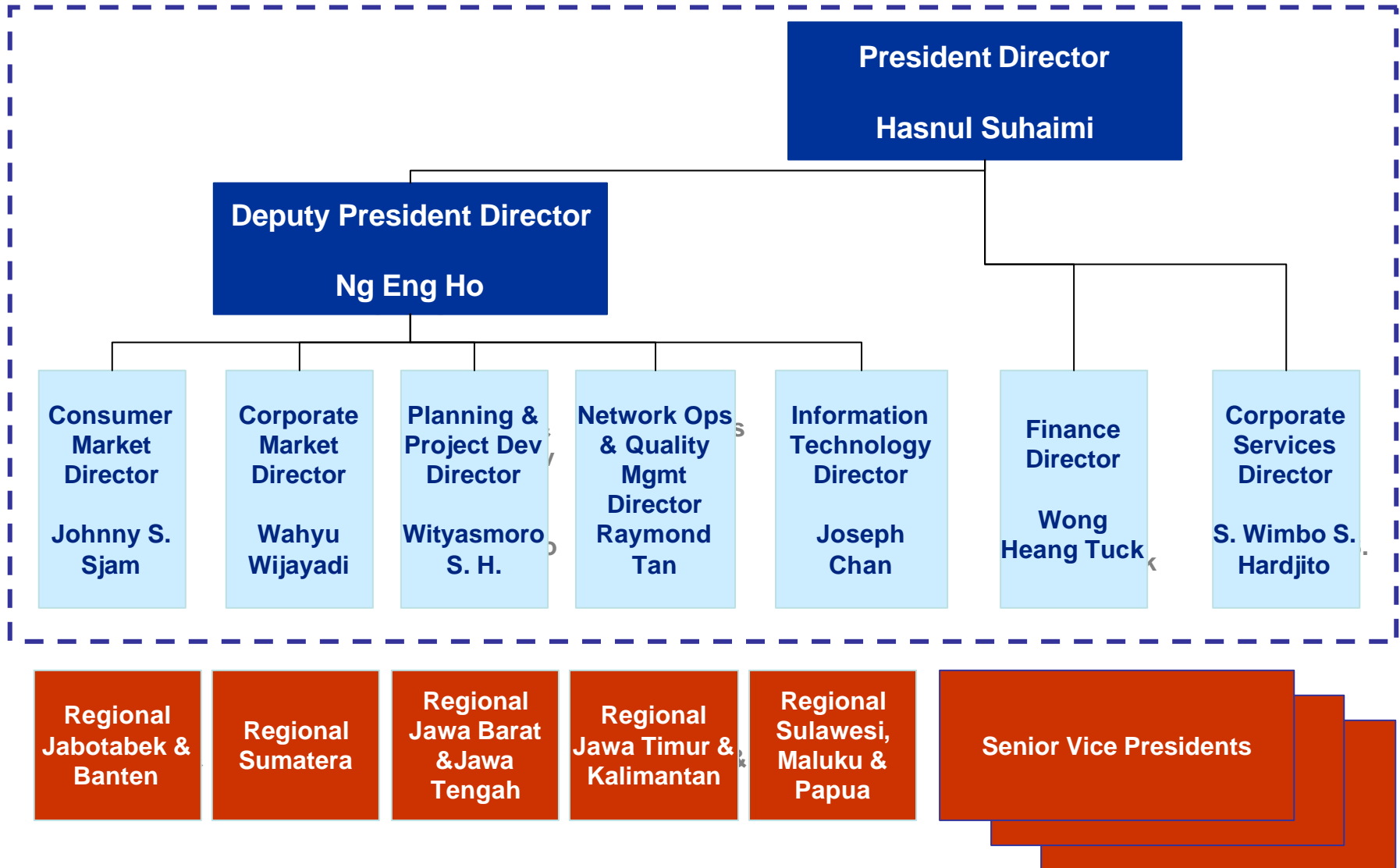
9M-05

Base Stations	4,851
Base Station Controllers	142
Mobile Switching Centers	41

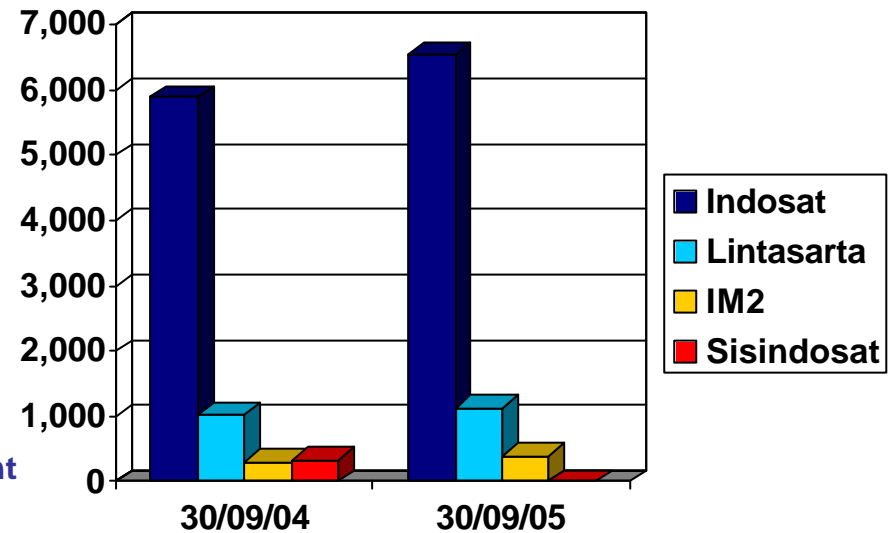
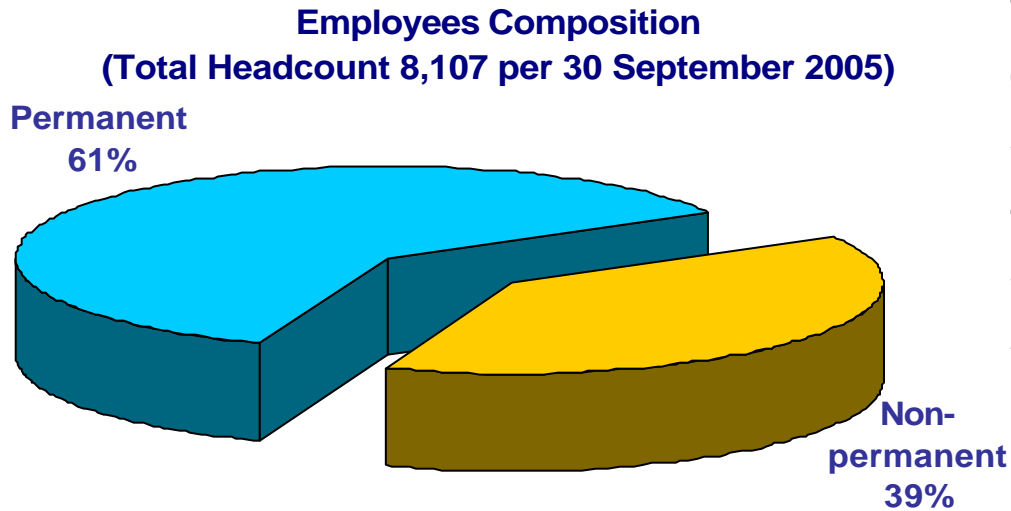
Radio Network Planning  
Cellular Network Planning & Engineering



# Organization Structure



# Human Resources



Indosat employees comprise of permanent employees (61%) and non-permanent employees (39%).

Non-permanent employees are hired for support functions.

# Financial Performance (9M 05 vs 9M 04)

In billion Rupiah

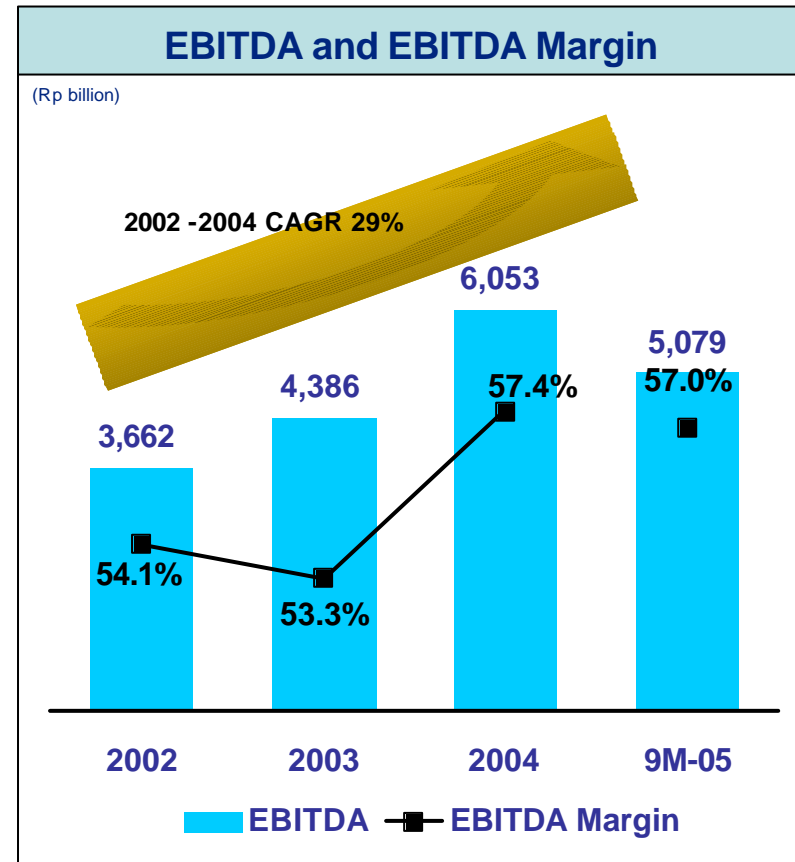
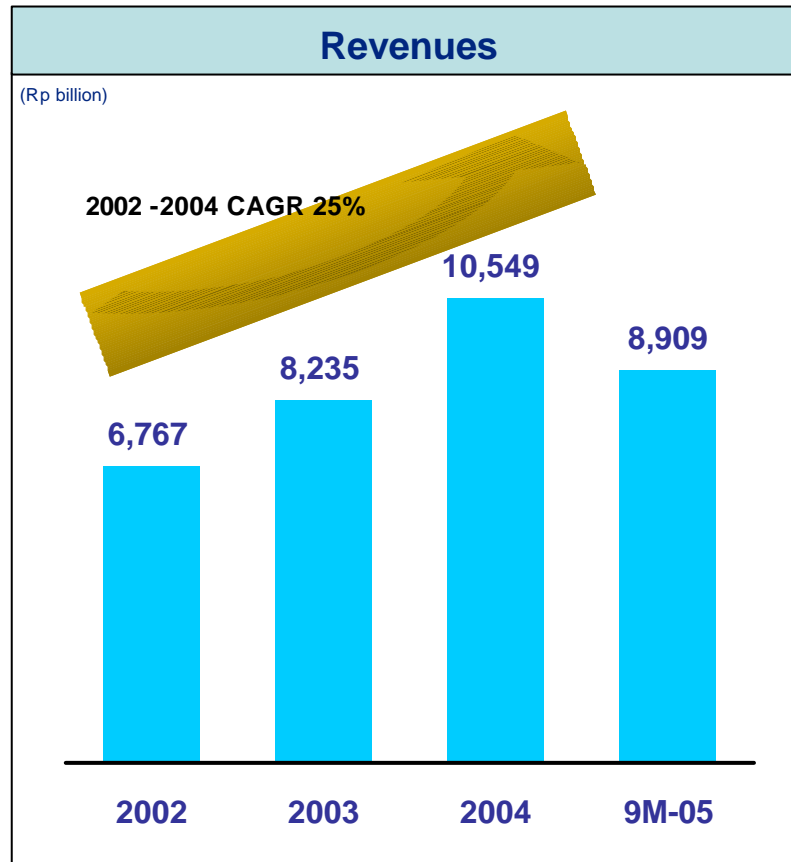
Operating Revenues	Rp8,908.6	↑	14.2%
Operating Income	Rp2,859.7	↑	6.8%
EBITDA	Rp5,078.7	↑	10.4%
Other Income (Expenses)	(Rp1,344.9)	↑	154.6%
Net Income	Rp1,018.4	↓	32.8%

(1) Restated for the early adoption of 'SAK' 24 (Revised 2004), "Accounting for Employee Benefits", and SAK 38 (Revised 2004), "Accounting for Restructuring Transactions of Entities under Common Control".

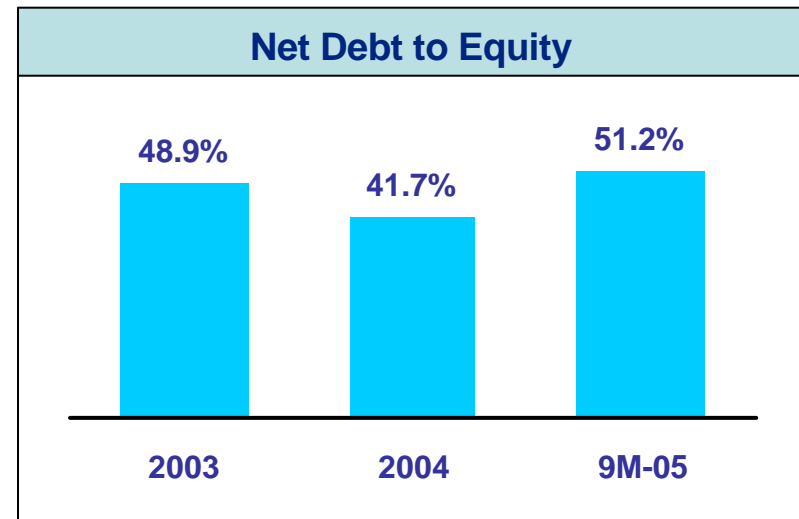
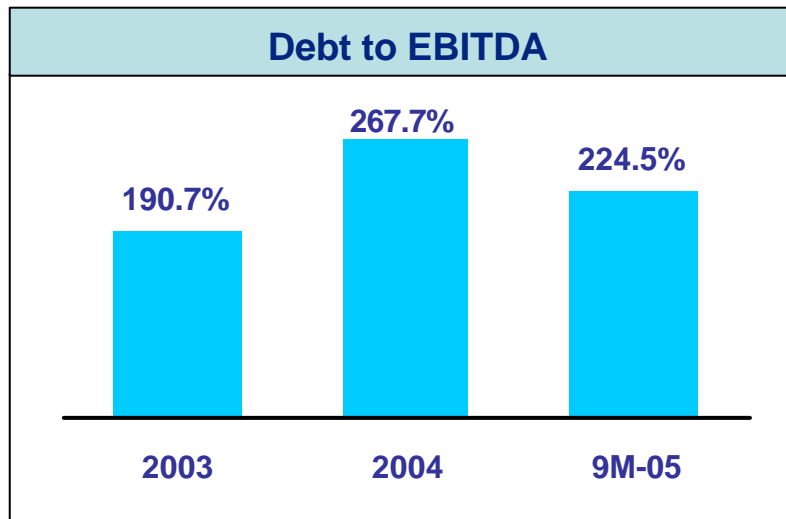
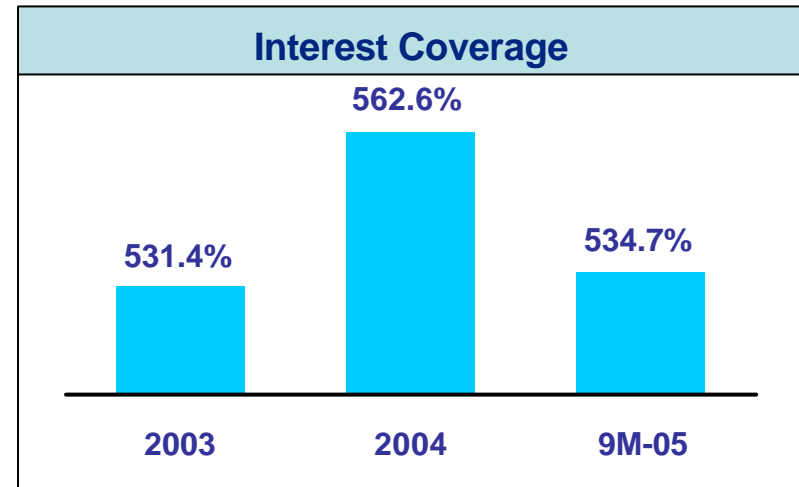
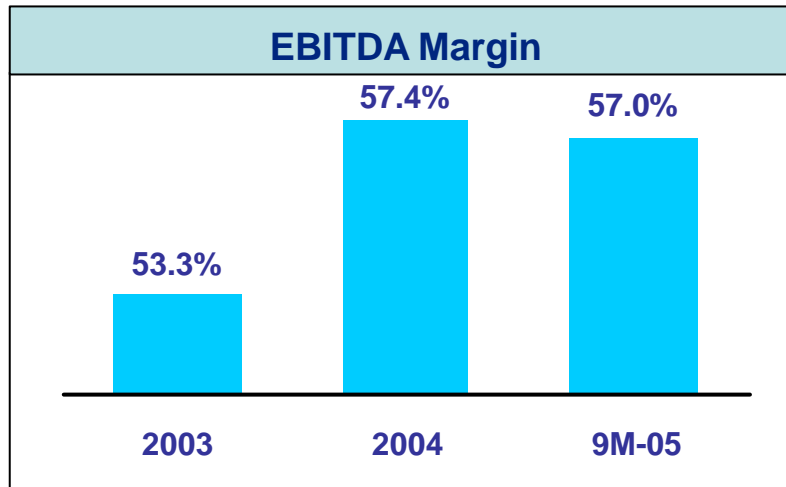
(2) In 9M-04 we recorded pre-tax gain from the sale of our shares in subsidiaries amounting to Rp394.3 billion

# Revenues and EBITDA growth

Indosat recorded healthy revenues and EBITDA growth



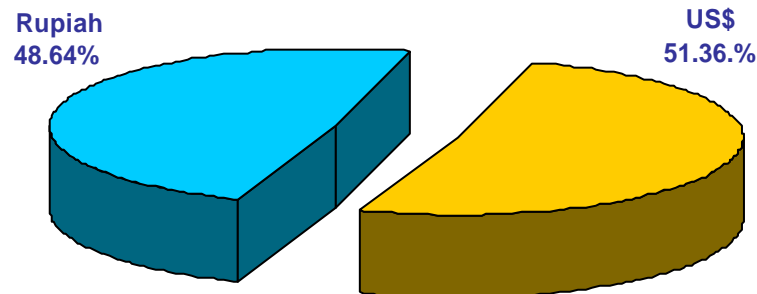
# Sound Balance Sheet



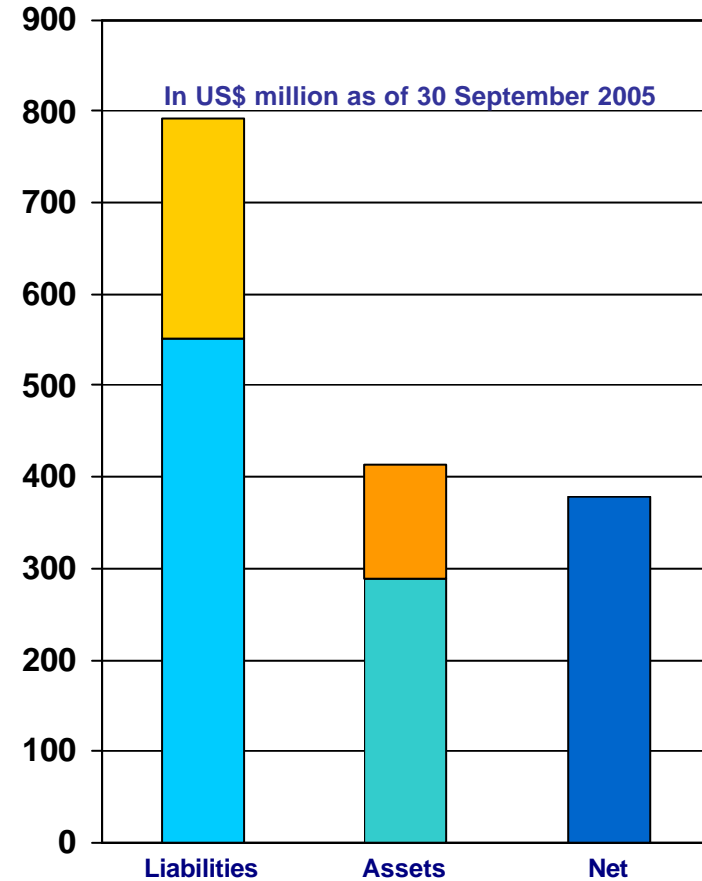
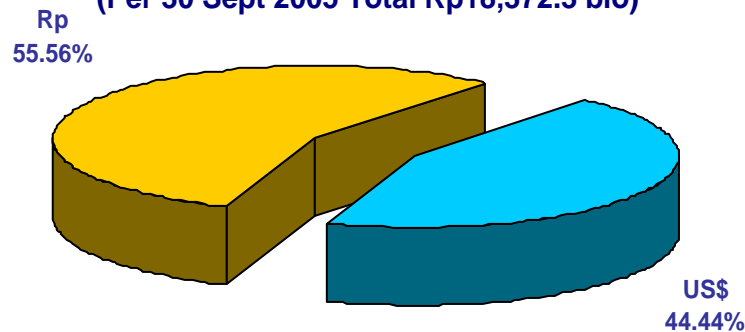
# Composition of Assets & Liabilities

- Indosat is relatively hedged against currency and interest rate fluctuations (98% of debts had fixed interest rate as at 30 September 2005).
- Net liabilities in US\$ was US\$378 million of which US\$275 million was hedged as of 30 September 2005.

**Cash and its Equivalent**  
(Per 30 Sept 2005 Total Rp 5,794.5 bio)



**Payables**  
(Per 30 Sept 2005 Total Rp18,372.3 bio)



Others		
Payables	242	
Bonds Payable	550	
Receivables		125
Cash & Equivalent		289

# Recent Development

## Launched DLD Services

- Indosat's fixed line and wireless customers can make DLD and IDD calls more easily and automatically with more broaden coverage of destination.
- On October 18, 2005, Indosat launched its DLD services with national access code "0" is remain applicable.
- Indosat offers its DLD customers off net and on net price with discount for any call to Indosat Fixed and cellular subscribers.
- For IDD, Telkom's customers can easily make calls by dialing 001 and 008 automatically and vice versa.

## "Matrix You"

- Free National Roaming for all Matrix subscribers.
- Provides 3 options, which are Free Monthly Fee Packages, Free 180 SMS Package and Family & Friends Package.

## Preparation for 3G Services

- Indosat has started 3G trial in August 2005 following the assignment of trial spectrum in July 2005.
- Supporting 3G trial, Indosat has installed 10 BTSs in Jakarta and Surabaya.
- Indosat had initiated the plan to migrate its fixed wireless network from the 1900 MHz band in Jakarta.

# Thank You

