

PT Indosat Tbk

Nine Month 2007 Results



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Key Achievement in Q3 2007

- 1 highest net income growth in the last five years ⁽¹⁾
- 2 highest net income in the last three years⁽¹⁾
- 3 Six quarter of consecutive revenue growth
- 4 our three line of businesses, cellular, fixed data and Fixed voice are growing
- 5 three pronged strategies are *again* proven to improve performance

⁽¹⁾

Net Income (Rp. Bn)						
9M01	9M02	9M03	9M04	9M05	9M06	9M07
435	567	1,378	1,516	1,018	927	1,445
	30.3%	143.2%	10.0%	-32.8%	-8.9%	55.9%

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- **Telecom Market**
- Growing Business
- Proven Strategy
- Financial Strength
- Guidance 2007
- Guidance 2008



Indonesian – telecommunication market

Telecommunication Penetration

Subscribers	Unit	Sept 2007	Penetration rate
Fixed Phone	Mn	8.7	3.9%
GSM	Mn	80.8	35.9%
CDMA	Mn	11.6	5.2%
Total	Mn	101.1	44.9%

Source : Company data and media info

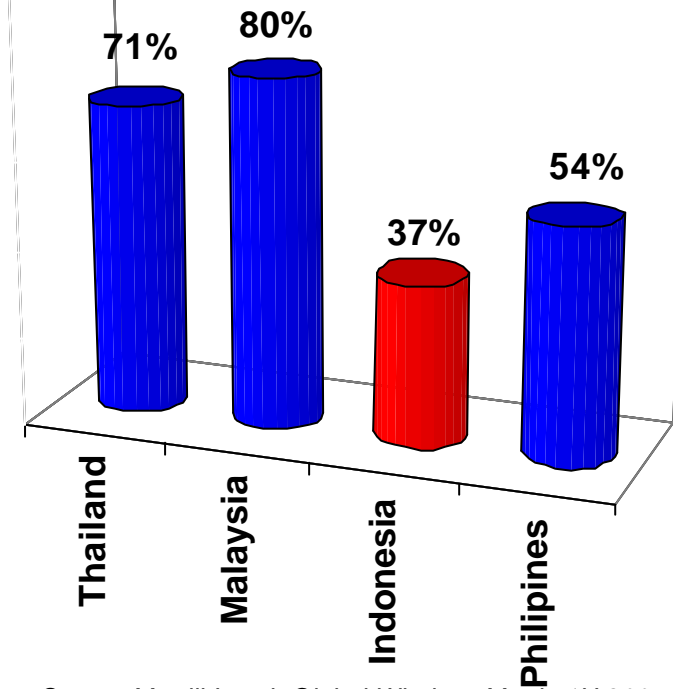
Cellular Regional Penetration

Subscribers	Penetr
Jakarta	57%
Java excl Jakarta	25%
Outside Java	33%

Indonesian penetration rate as of Sept 2007

Source : Company data and media info

Cellular Penetration 1H 2007



Source Merrill Lynch Global Wireless Matrix 1H 2007

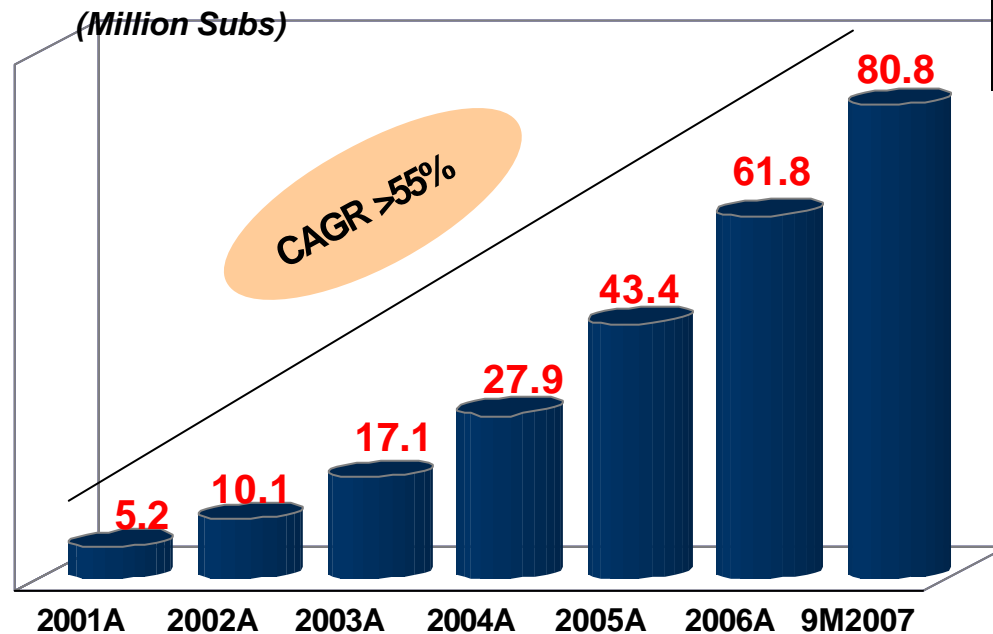
Indonesia market continues to grow but some areas getting saturated. Outside Java provides growth opportunities.

Indonesian – growing cellular market

Indonesian cellular market grew by more than 55% during 2001- 9M 2007 and is expected to continue growing over the next few years

Leveraging factor of Market growth

- Penetration levels reaching 100% in some large cities such as Jakarta
- 2008 Strategy is to focus more outside Java while maintaining market-share in our home-base of Jakarta & Java

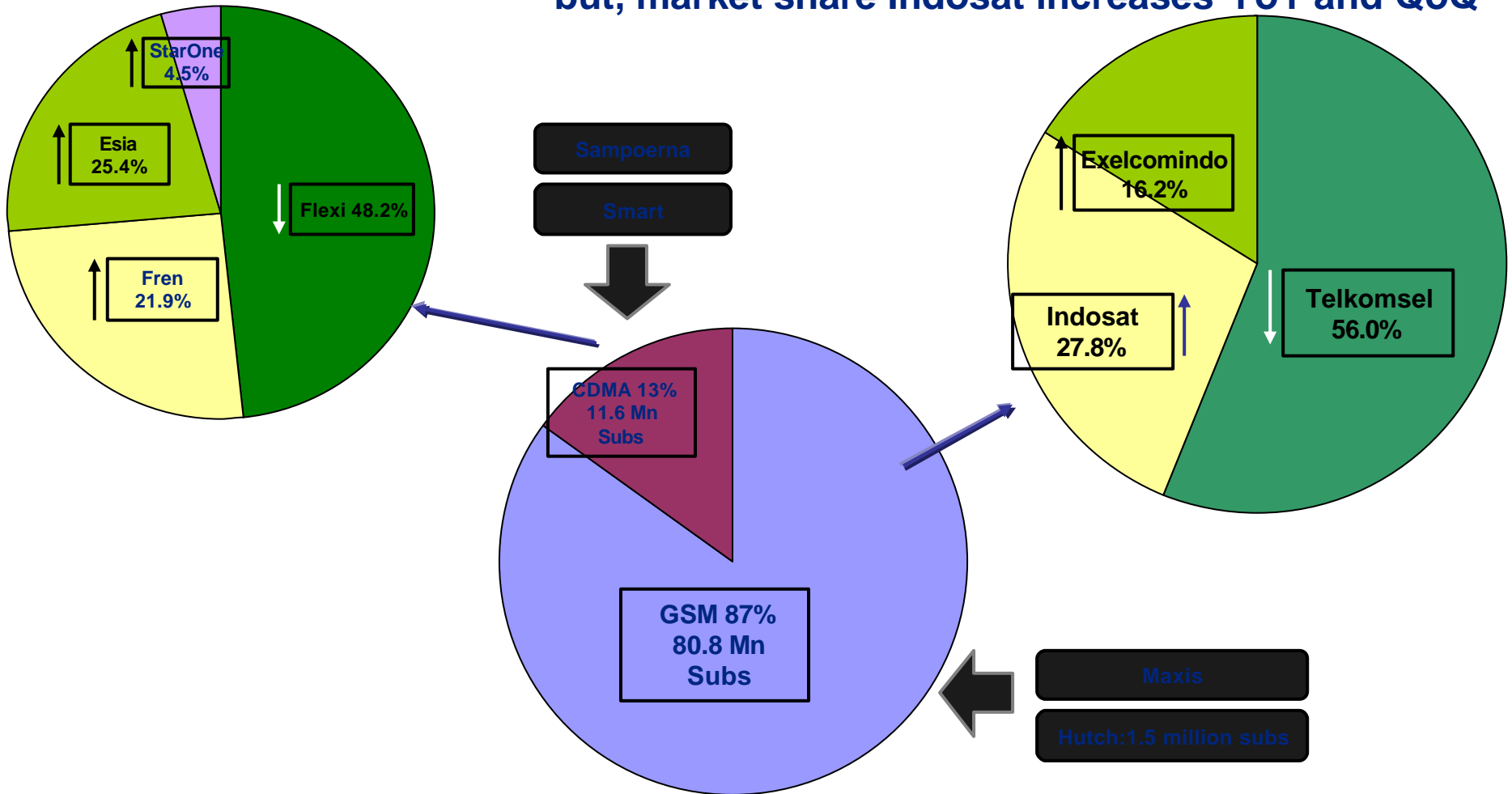


Penetration (%)



But, *competition* is getting tougher

but, market share Indosat increases YoY and QoQ



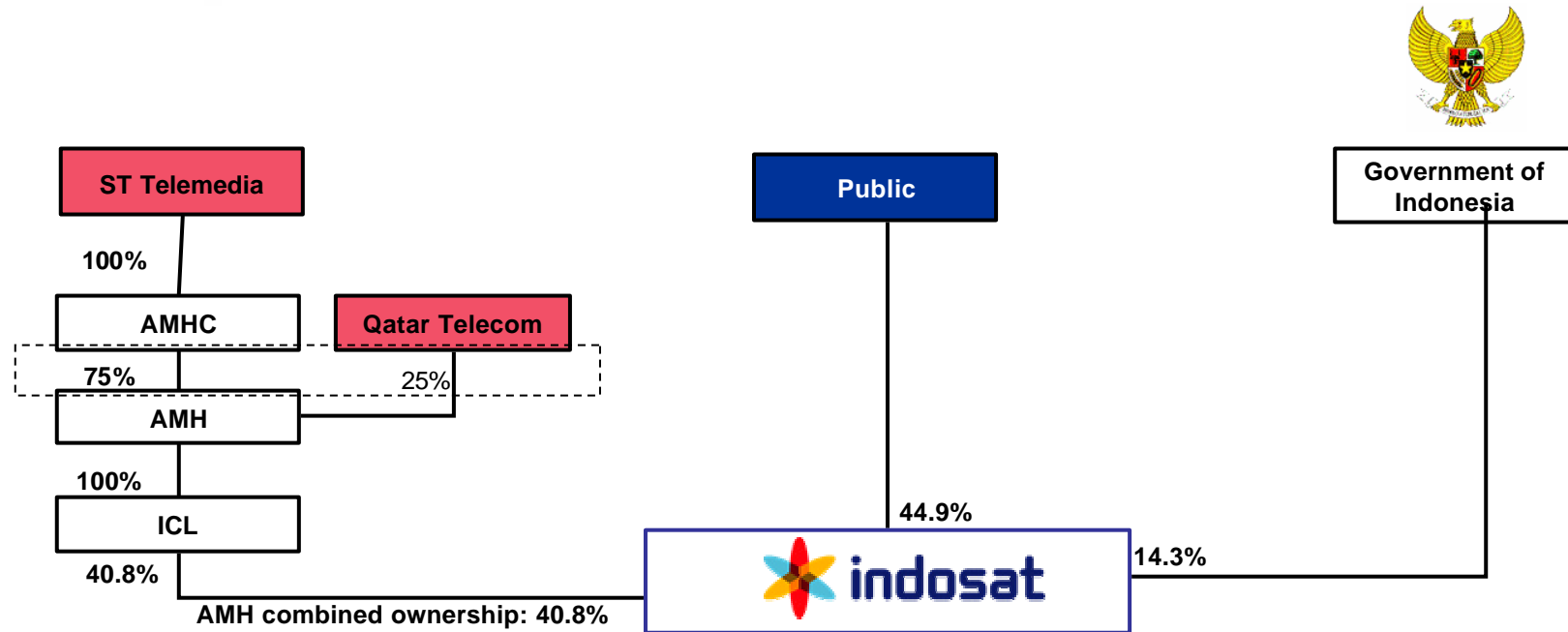
Company data and company estimates

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Indosat – *shareholding structure*



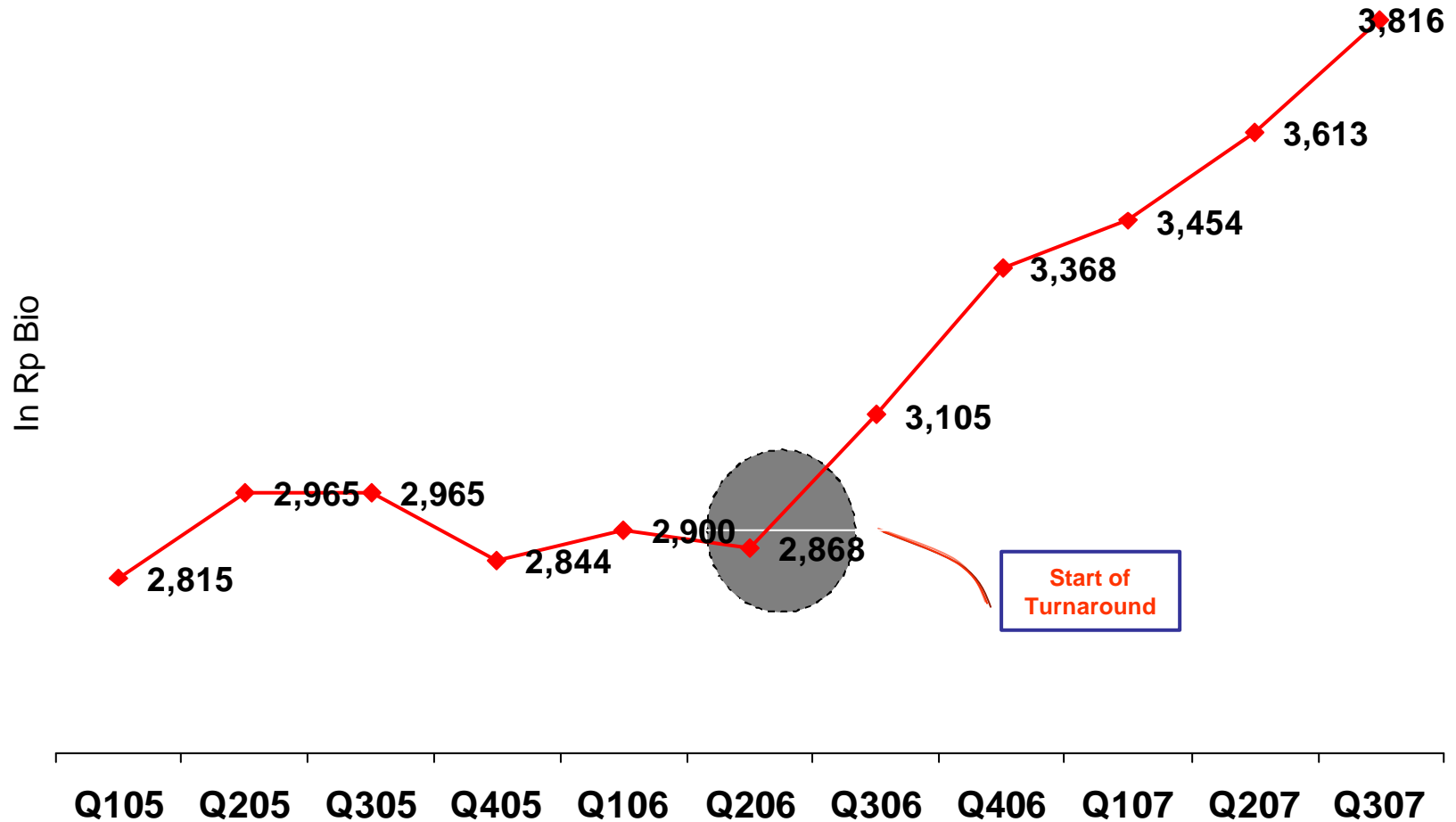
- Indonesian Government owns 14.29%, including Series A share
- Indosat's shares are majority owned by public investors (44.90%). They have been listed in JSX and NYSE for more than 10 years.
- ST Telemedia stake in Indosat remains 75% through its AMH. AMH through Indonesia Communications Limited owns (40.8%)

Indosat – *competitive scenario*

		Indosat	TSEL	Telkom	Excel	Bakrie	Mobile-8	Hutch	NTS
Mobile	Cellular	✓	✓		✓		✓	✓	✓
	3G	✓	✓		✓			✓	✓
Fixed Services	Fixed Landline	✓		✓	✓				
	Fixed wireless	✓		✓		✓	✓		
	DLD	✓		✓					
Others	IDD	✓		✓					
	Internet	✓		✓	✓				
	Satellite	✓		✓					

Indosat remains the sole full network service provider in Indonesia

Four Quarters of Solid (net) Revenue Growth



Net Revenue consistently shown a positive growth since second quarter 2006

Indosat – *Three Lines of Business*



Cellular Business

77% of Total Revenues



Matrix – Postpaid for high end with advanced features



Mentari – Prepaid for general users



IM3 – Prepaid for the young & trendy



indosat3G

3G – HSDPA services for wireless broadband

Fixed Data Business

13% of Total Revenues

Indosat

- International Leased Circuit
- International Frame Relay/ATM
- VSATs
- Wholesale Internet Access



- Domestic Leased Circuit
- Domestic Frame Relay/ATM
- VSATs
- Corporate Solutions



- IP – Virtual Private Network
- Dedicated and Dial Up Internets
- Wi-Fi & HotSpots

Fixed Voice Business

10% of Total Revenues



IDD 001 – Premium IDD



IDD 008 – Budget IDD



FlatCall 016 – Flat Rate IDD



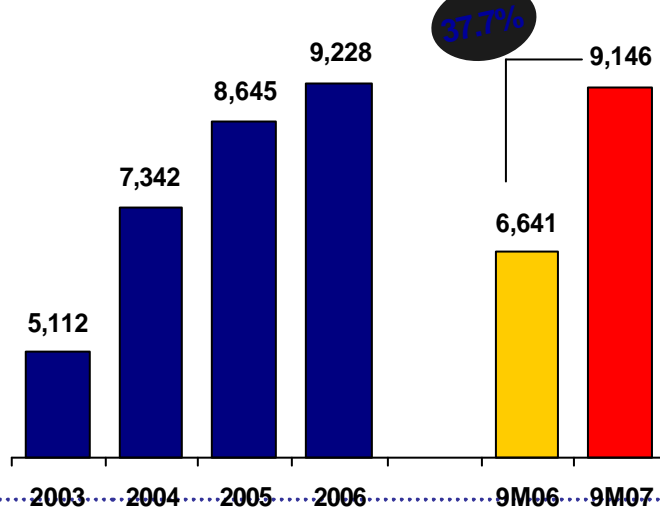
StarOne – Fixed Wireless Access



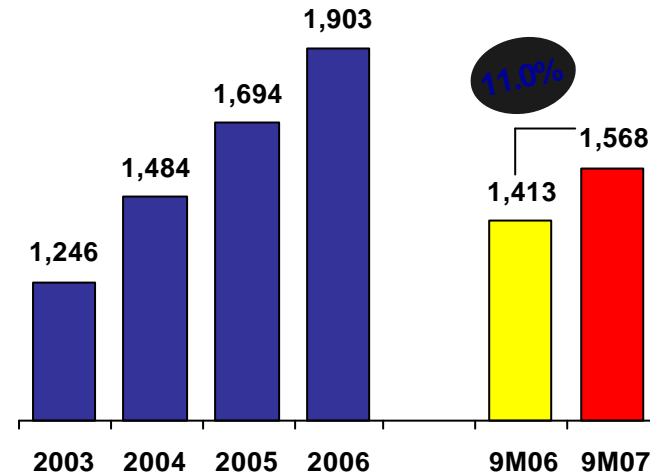
GlobalSave – VoIP Service

All three lines business are *growing*

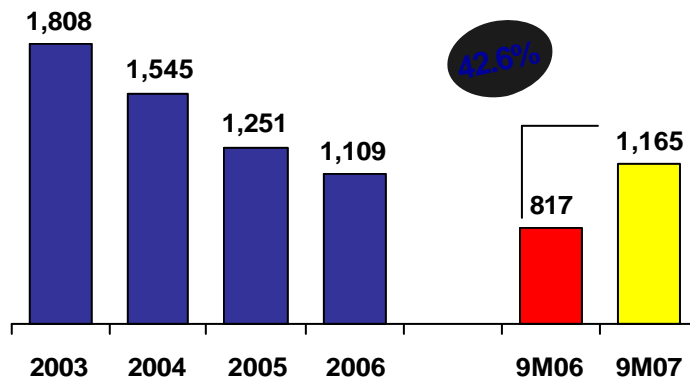
Cellular (Rp. bn)



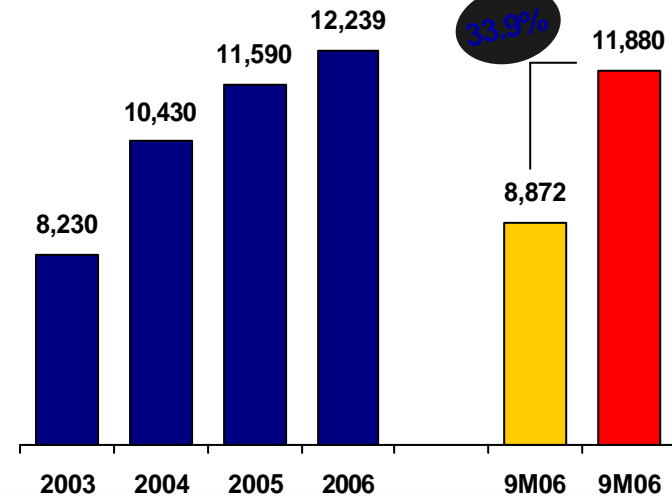
Fixed Data(MIDI) (Rp. bn)



Fixed Voice Revenue (Rp.bn)

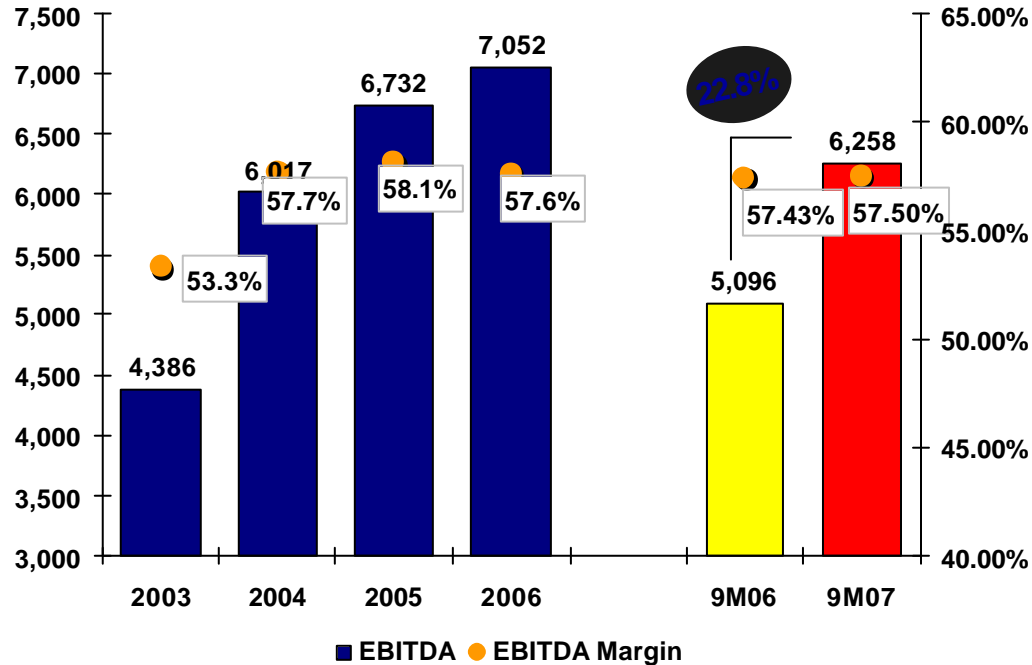


Total Revenue (Rp. bn)



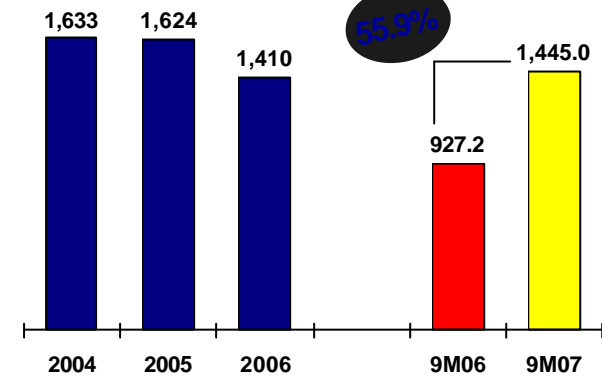
Maintain EBITDA and *increase* return

EBITDA (Rp. bn) and EBITDA margin

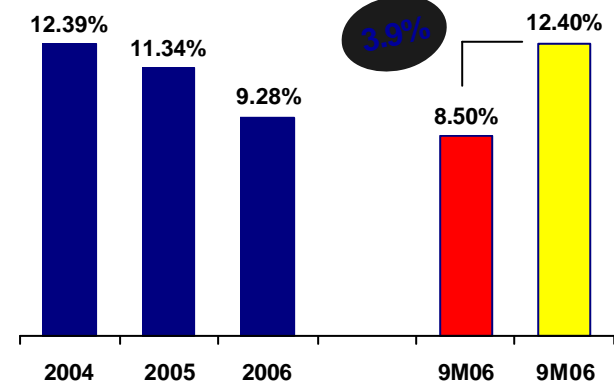


Target to maintain EBITDA margins within full year guidance of 57%-59% despite competitive pressures

Net Income (Rp. bn)

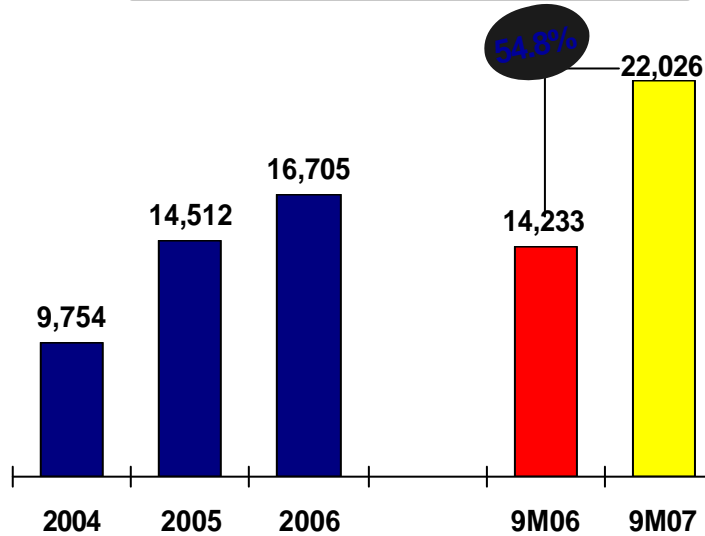


Return on Equity (ROE)

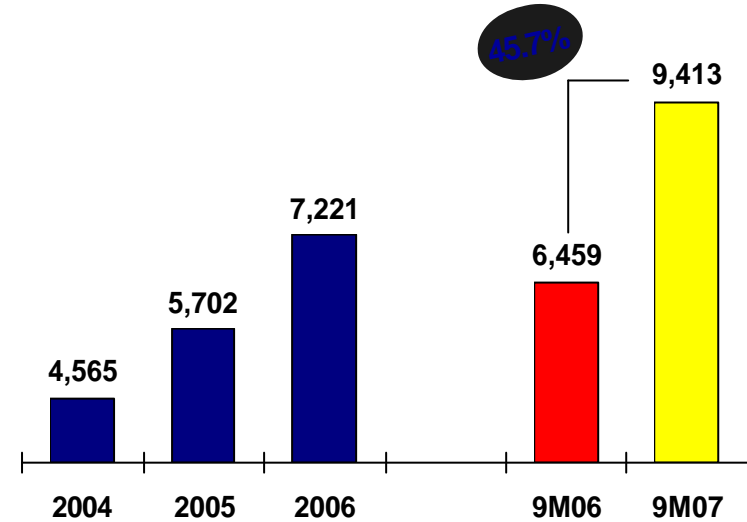


Operational data *(supports performance)*

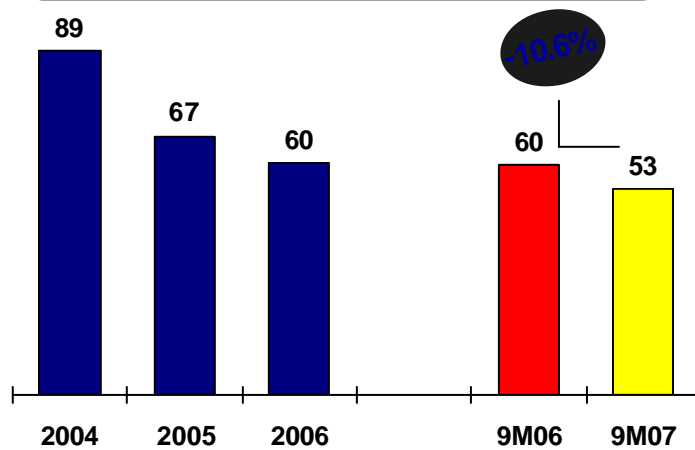
Subscribers (000)



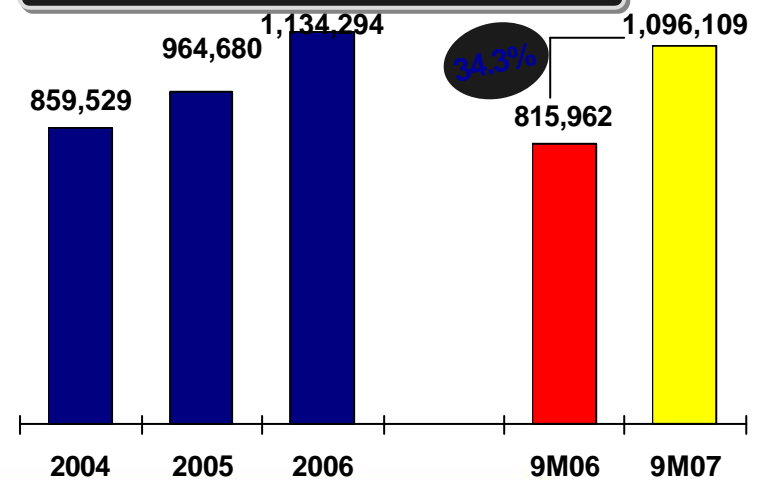
BTS numbers



ARPU (000)

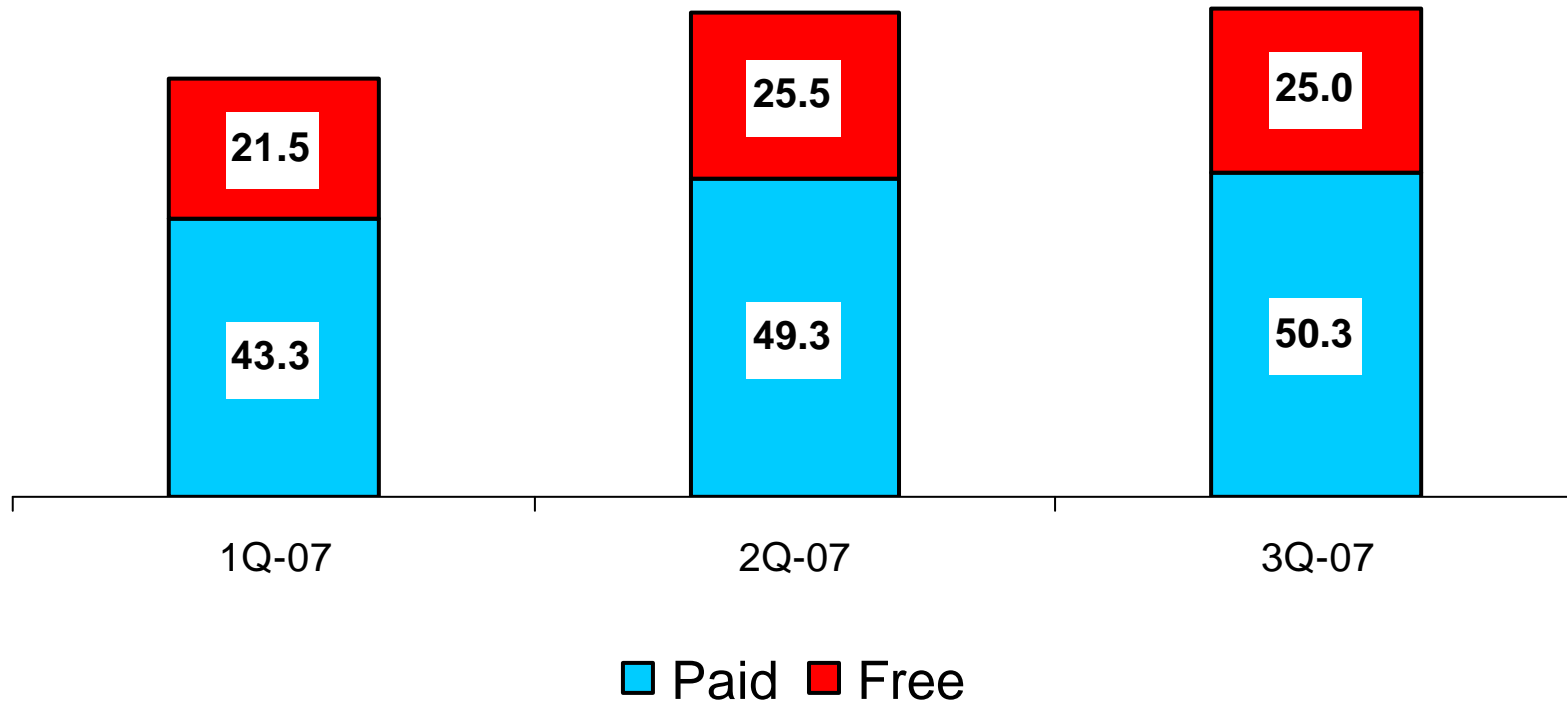


IDD Traffics (000 Minutes)

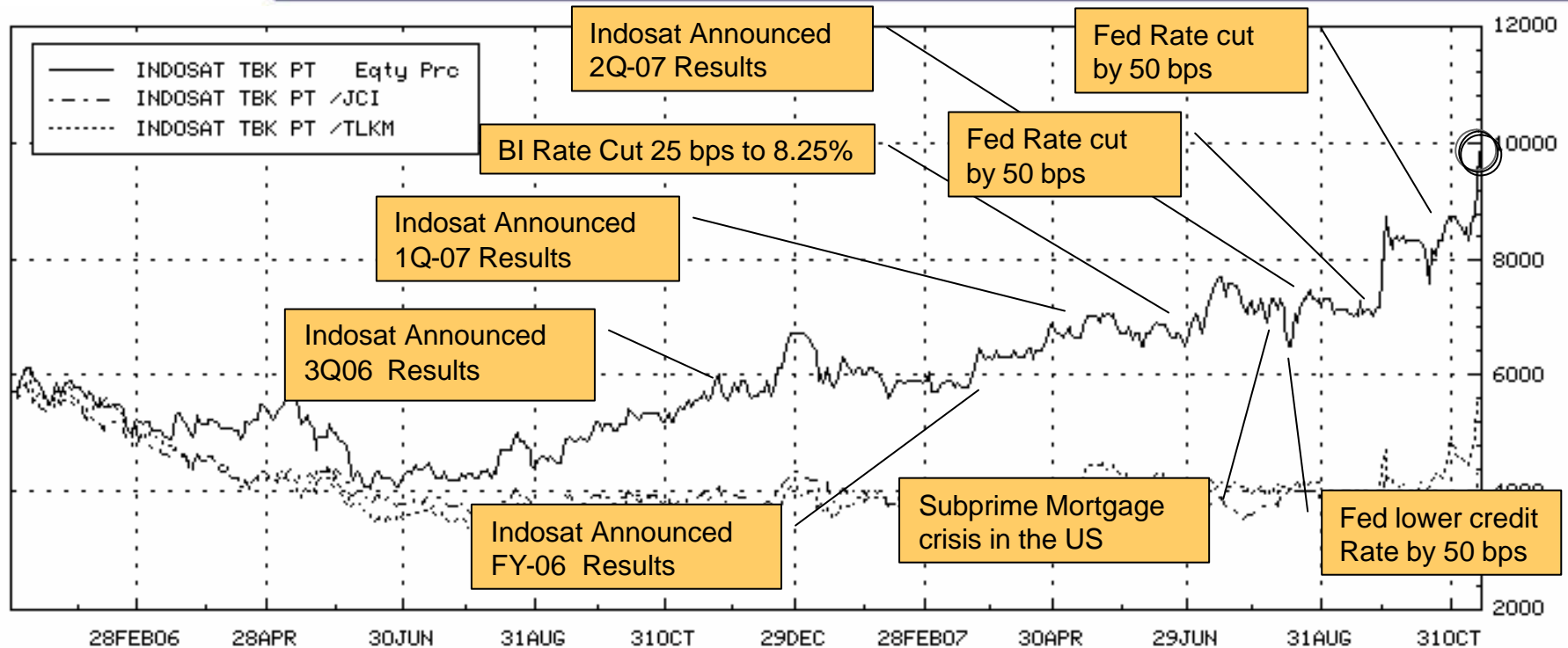


Operational data (*supports performance*)

Growing Minutes of Usage (*per subs*)



Share performance at all time high



- **Indosat share price started to increase in line with market since 3Q-06**

- Market understand that network issued has been resolved and Indosat has regained its growth momentum.
- Share price steadily grew as investors realized that Indosat can maintain its growth momentum.

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Indosat – *Proven three pronged cellular strategy*

Prudent Network rollout

- BTS increased by 45.7%
- By end-Q3 Indosat added 2,192 new BTS and now has a total of 9,413. Indosat has built an additional 1K BTS which are awaiting license approvals.
- Prudent and selective deployment: revenue growth of 33.9% YoY exceeding depreciation growth of 15.3% YoY
- Network covers most regencies and more than 50% districts across the country

Enhanced distribution scheme

- Refinement of distribution scheme
- Currently, distribution of Indosat product cover all 31 provinces, 100% of regencies and cover most (more than 50%) districts

Continued product and services innovation

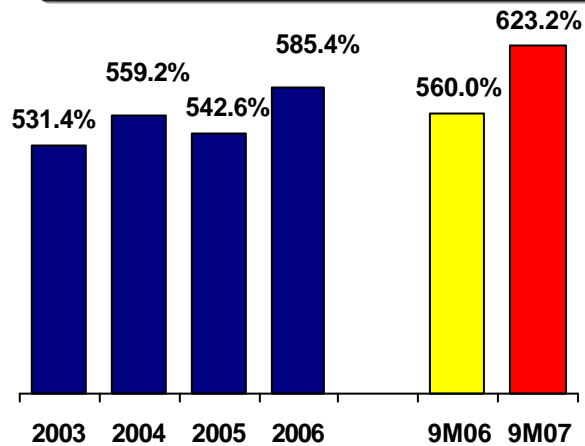
- Spending on marketing increased to 4-5% of revenue
- Mentari gains top brand awareness
- Various new product and features launched
 - Mentari 5000 or Rp.0
 - Super Voucher 200
 - Cheap SMS tariff for IM3
 - Matrix Auto

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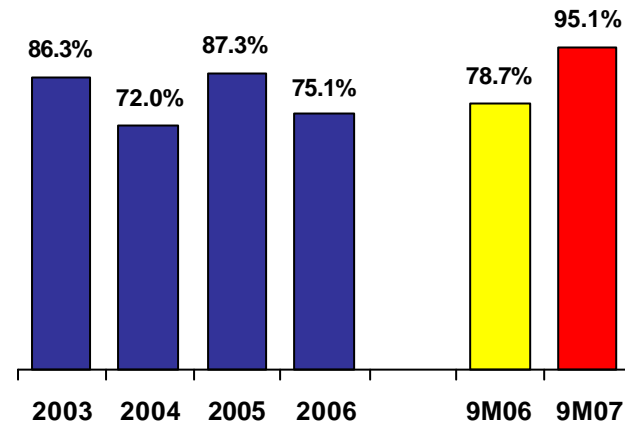
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Indosat – *sound balance sheet*

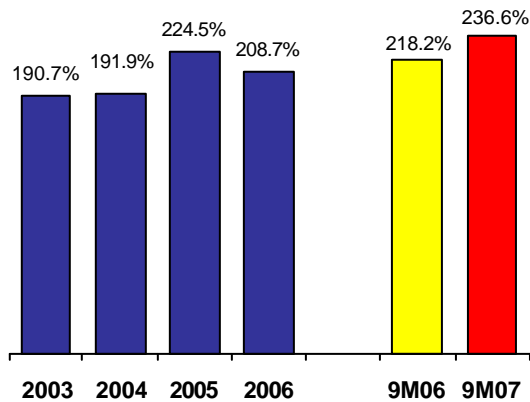
Interest Coverage



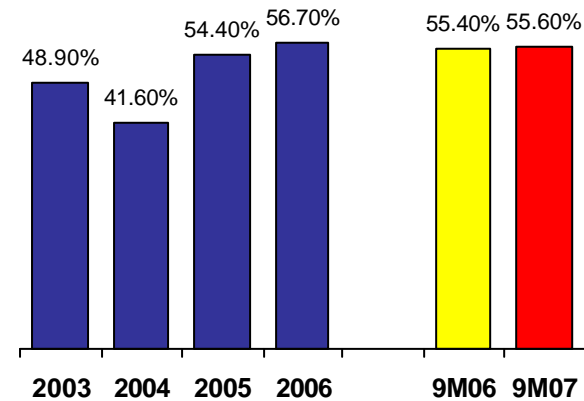
Gearing Ratio (Gross Debt)



Debt to EBITDA

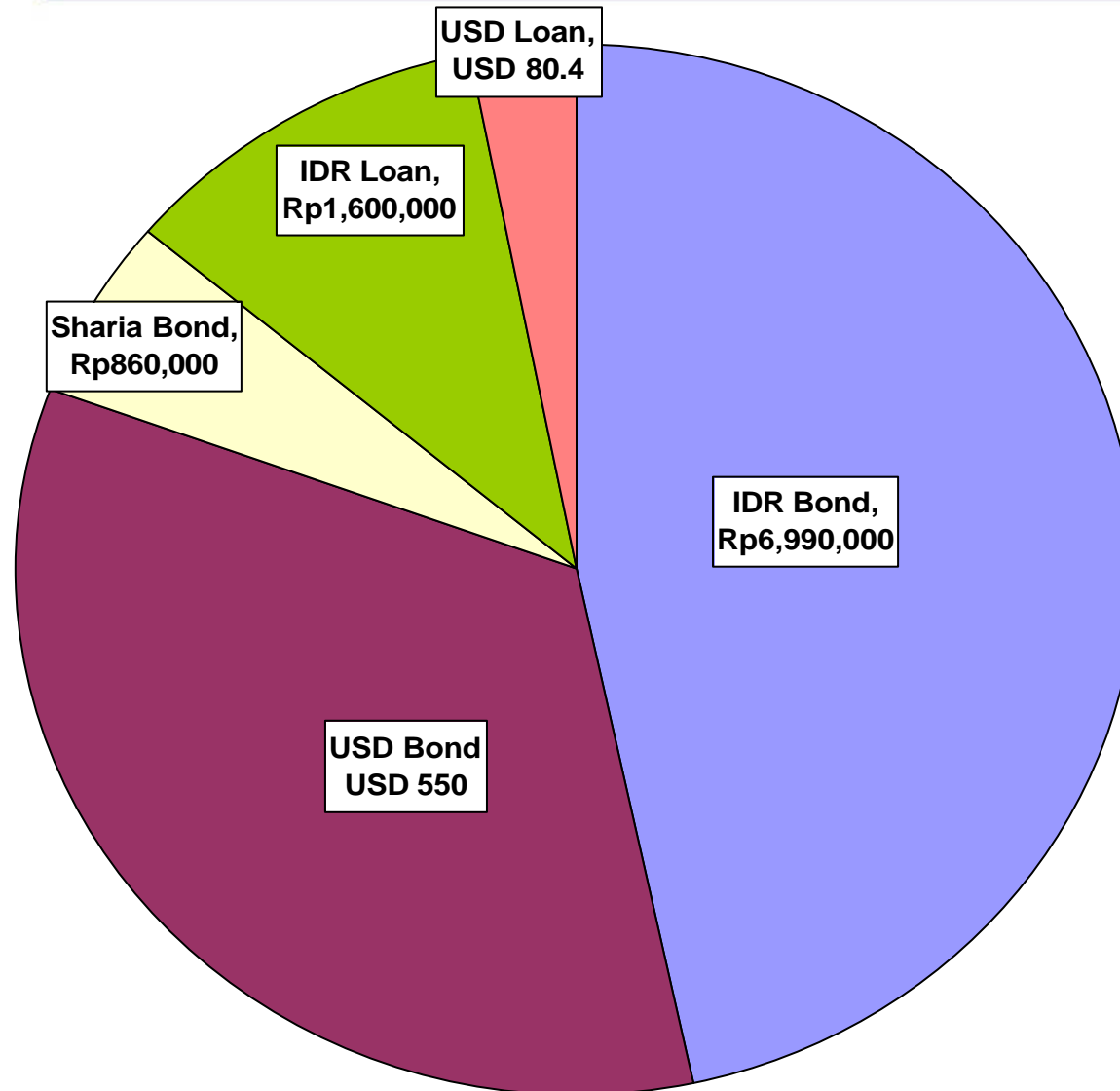


Gearing Ratio (Net Debt)



Sufficient resources and flexibility to support plans and actions

Indosat – *Debt portion (million)*



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*With this achievement, we are confident to
achieve our guidance*



Revenue (net) more than 20% with cellular revenue growth of 25%



Subscriber (net add) this year of 6-7 million subs



EBITDA margins between 57%-59%



CAPEX of US\$ 1.2 billion

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Guidance 2008



Grow total (net) revenue at least 18%;
Grow cellular (net) revenue at least 20%



Increase subscriber (net add) to around 6 million subs



Maintain EBITDA margin (over net) between 57%-59%



CAPEX around USD 1.2 billion
(85% will be dedicated for cellular expansion)

Thank you

