



## INDOSAT REPORTED NET INCOME OF Rp 1,378.6 BILLION FOR NINE MONTHS OF 2004 OR INCREASED BY 143.3% YEAR-ON-YEAR.

Jakarta, October 29, 2004. PT Indosat Tbk ("Indosat" or "the Company") released its un-audited consolidated financial statements for the nine months ended September 30, 2003 and 2004 as it has submitted its financial long form report to the capital market regulators and stock exchanges.

The Company recorded un-audited consolidated operating revenues amounting to Rp7,803.5 billion or increased 29.8% yoy, operating income amounting to Rp2,674.5 billion or increased 38.2% yoy, and net income recorded as Rp1,378.6 billion, or increased by 143.3% compared to the same period last year. EBITDA for the period was recorded as Rp4,597.5 billion representing an EBITDA margin of 58.9%.

Cellular, international calls and MIDI ("Multimedia, Data Communication, and Internet") services contributed 68.5%, 16.4%, and 14.2% to operating revenues, respectively. Other services contributed the remaining 0.9% of operating revenues.

The financial statements were prepared in accordance with the generally accepted accounting principles in Indonesia which may vary in certain respects with those in the USA.

"The solid financial and business performance for the period of nine months ended September 30, 2004 reflected the cellular revenues growth supported by the cellular subscriber base of 9 million, as well as our efforts in controlling operating expenses which resulted in a 58.9% EBITDA margin," stated Ng Eng Ho, Deputy President Director of Indosat. "We are optimistic that cellular subscribers growth trend will continue and our target of EBITDA margin of 56-58% at year end could be achieved", continued Eng Ho.

The table below summarizes key financial performance for the period ended September 30, 2003 and 2004.

### Financial Summary

*For Period Ended 30 September*

In Billion Rp	2003	2004	(%) Growth
Operating Revenues	6,012.6	7,803.5	29.8%
Operating Expense	4,077.3	5,128.9	25.8%
Operating Income	1,935.3	2,674.5	38.2%
Net Income	566.6	1,378.6	143.3%
EBITDA*)	3,290.2	4,597.5	39.7%

\*EBITDA: Earning before interest, amortization of goodwill, non-operating income and expense, income tax expense and depreciation as computed under Indonesian GAAP.

While for the operational results, Indosat highlighted the following achievements for the period ended September 30, 2004:

- ❖ Indosat's mobile cellular subscriber base reached 8.977 million, or a 78.5% increase compared to our subscriber base at September 30, 2003.
- ❖ Indosat's total IDD minutes recorded a slight growth of 2.1% year-on-year although outgoing minutes declined by 15.7% due to competition.
- ❖ Indosat's MIDI recorded a positive growth due to the increased demand for wholesale leased circuit communication services both in international and domestic market.
- ❖ Indosat Fixed Wireless Access or "StarOne" recorded a subscribers base of around 22,500 in Jakarta and Surabaya and recently starting the cooperation with the Jogjakarta Municipality and two revenues sharing partners for deployment in that area.

"We continue to focus our effort in developing the cellular business, while maintaining our fixed telecommunications and nurturing MIDI business. From the planned US \$ 650 to 700 million capital expenditure in 2004, we are still committed to spend around 80% of such planned capital expenditures to expand our cellular network coverage, capacity and quality," explained Eng Ho.

PT Indosat will hold a conference call with analysts and investors to further elaborate the third quarter 2004 results and achievements on November 1, 2004.

PT Indosat Tbk is a provider of information and communication services in Indonesia providing cellular services, fixed telecommunication and multimedia, data communication & Internet (MIDI). Indosat shares are listed in the Jakarta Stock Exchanges (JSX: ISAT) and its American Depository Shares are listed on the New York Stock Exchange (NYSE: IIT).

Attachments : Profit and Loss statements and Balance Sheet

For Further Information Please Contact :

Corporate Secretary  
Telp : 62-21-3869614  
Fax : 62-21-3804045  
E-mail: [investor@indosat.com](mailto:investor@indosat.com)  
Website: [www.indosat.com](http://www.indosat.com)

Public Relations Division  
Telp : 62-21-3869625  
Fax : 62-21-3812617  
E-mail : [publicrelations@indosat.com](mailto:publicrelations@indosat.com)  
Website : [www.indosat.com](http://www.indosat.com)