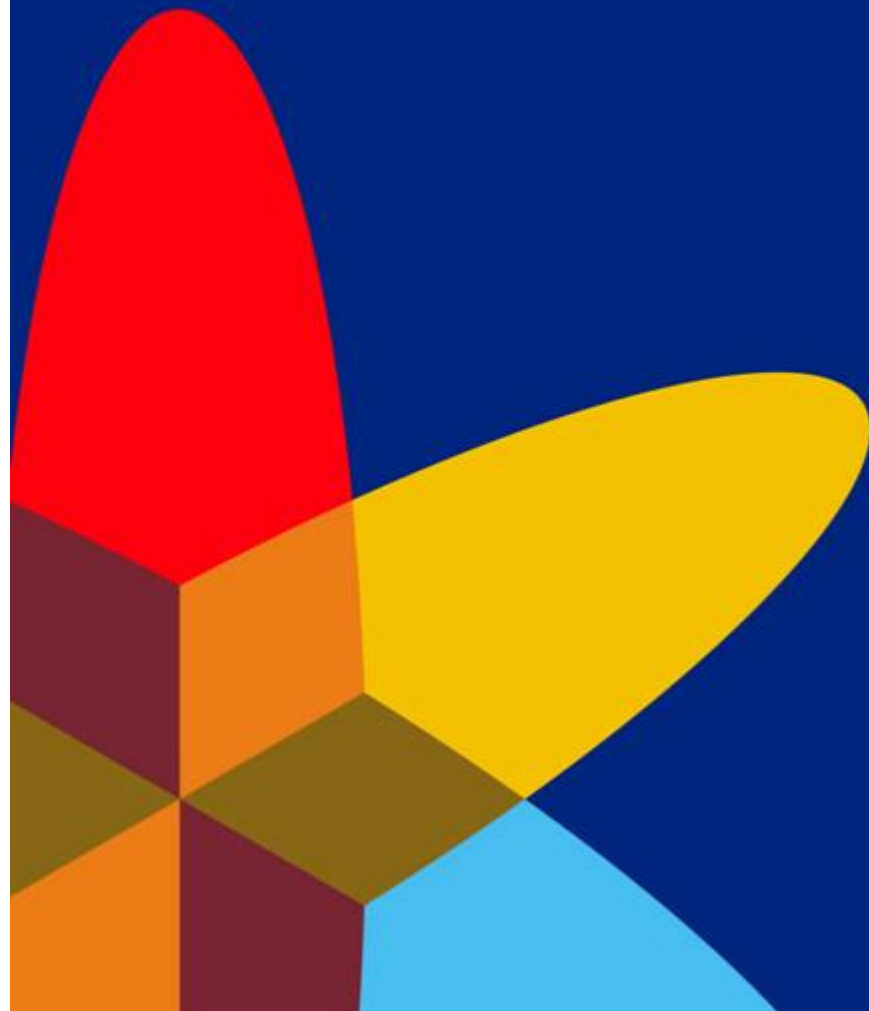



**Investor Presentation
1H 2008**



- 
- 1** Key Messages in 1H 2008
 - 2** Competition and Our Responses
 - 3** Results of Our Responses
 - 4** Indosat in Full Year 2008: Guidance and Policy



1

Key Messages in 1H 2008



Key Messages in H1-08

We gain around 8 mio net add subs by adopted marketing strategy through IM3 aggressive promotions (IM3 sejuta nol) to respond the competition in 2Q 2008. With this response we see that our traffic is elastics

Sustainable growth of three lines of business (cellular, fixed data and fixed voice) in revenue and profits

We increased subs market share to be 30% but we realize it takes time to translate into revenue shares

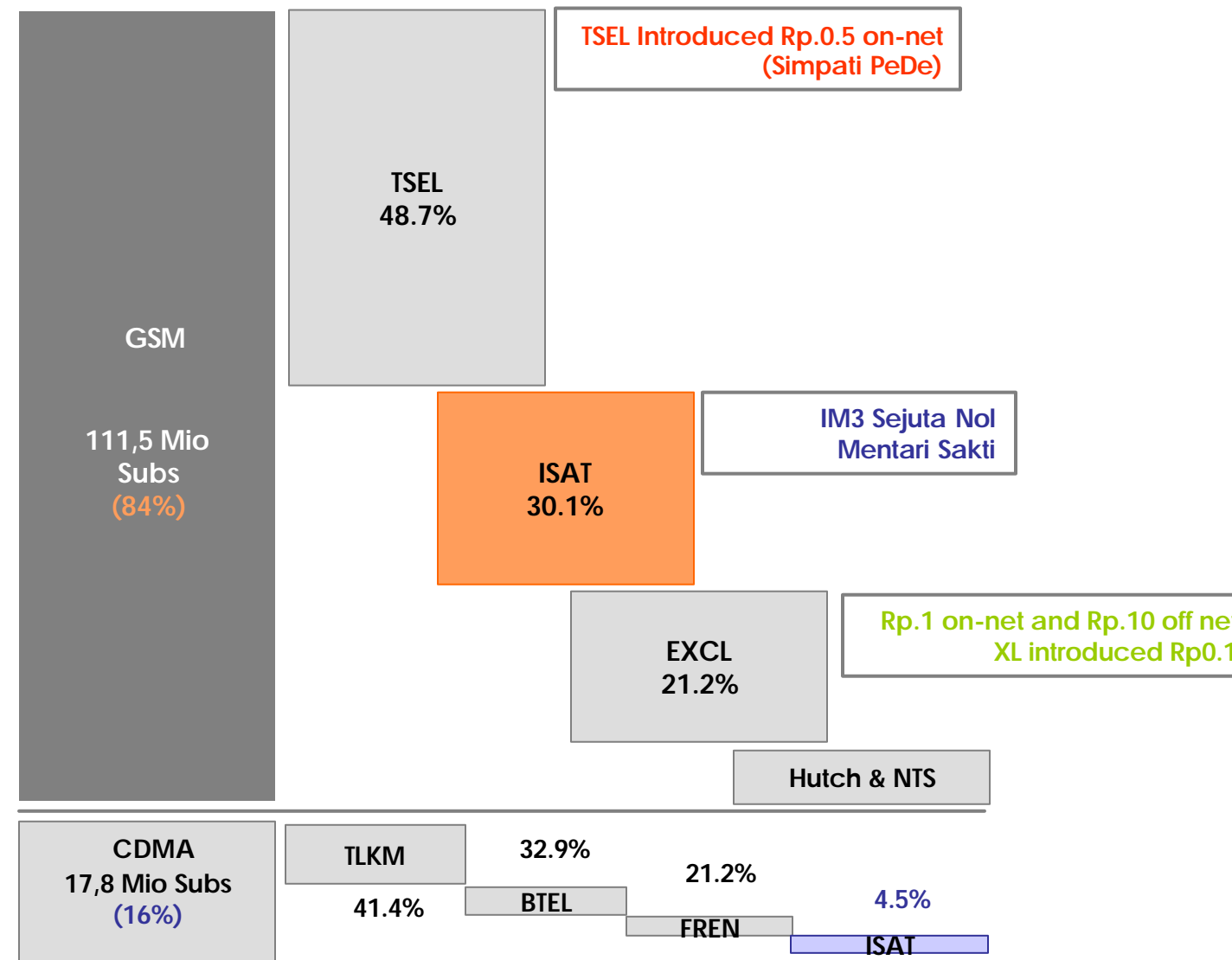
Margin growth is slowing down due aggressive competition leading to higher cost of subs acquisitions and retention

Network roll out is still in line with full year target but to succeed in this intensifying competition, we faced challenged in network capacity.

2

Competition and Our Responses


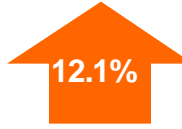
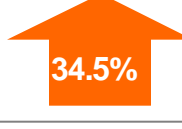
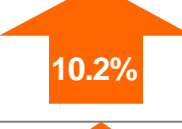
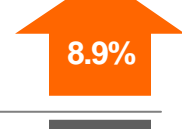
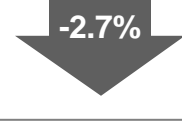

Wireless market (subscriber market shares)





3 Results of Our Responses

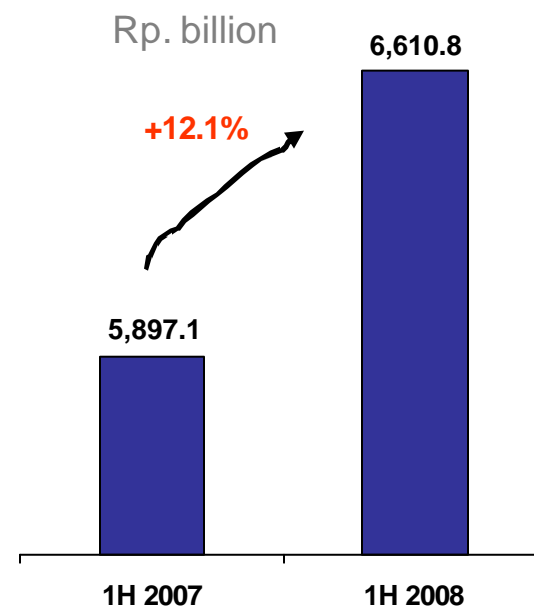
Group: sustainable growth in revenue and margin

	1H2007 Rp.bn	1H2008 Rp.bn	YoY	Highlight
Consolidated Revenue	7,690.2	8,834.1	 14.9%	supported by the growth in three lines of business
Cellular	5,897.1	6,610.8	 12.1%	higher mobile customer adds offset the decline in ARPM
Fixed data	1,018.7	1,370.2	 34.5%	growing in wholesale and IPVPN
Fixed voice	774.4	853.2	 10.2%	growing in outgoing traffics and starone subscriber number
EBITDA	4,053.0	4,413.9	 8.9%	growing but slower due to higher competition. pressure from competition leads to lower EBITDA margin
EBITDA margin (over gross)	52.7%	50.0%	 -2.7%	
Net Income	845.1	1,055.8	 24.9%	

Cellular: driving revenue with strong subs net adds

cellular revenue growth

12%



strong net add
In 2008 (000)

7,882

- 2008 prepaid net add 7,668
- 2008 postpaid net add 214
- prepaid end subs 31,614 •YoY 65%
- postpaid end subs 813 •YoY -7%
- total end subs 32,427 •YoY 62%

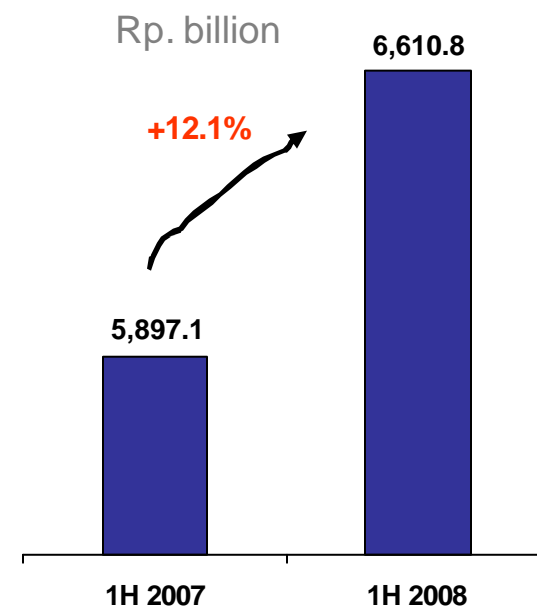


indosat3.5G
speed gives you more

Cellular: strong subs net adds but ARPU and MOU are challenge

cellular revenue growth

12%



blended ARPUs

Rp.41k

• prepaid Rp.37k

• postpaid Rp.202k

total data % of ARPU

• non sms data % of ARPU 5%

30%

• blended MOU 98.1 mnt



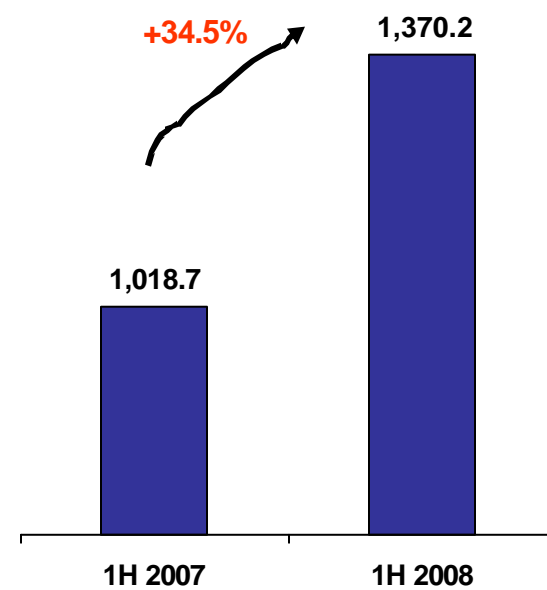
indosat3.5G
speed gives you more

Fixed data: IPVPN and leased circuit are the driver

fixed data revenue growth

35%

Rp. billion



driver are wholesale leased circuit and IPVPN

wholesale leased circuit growth

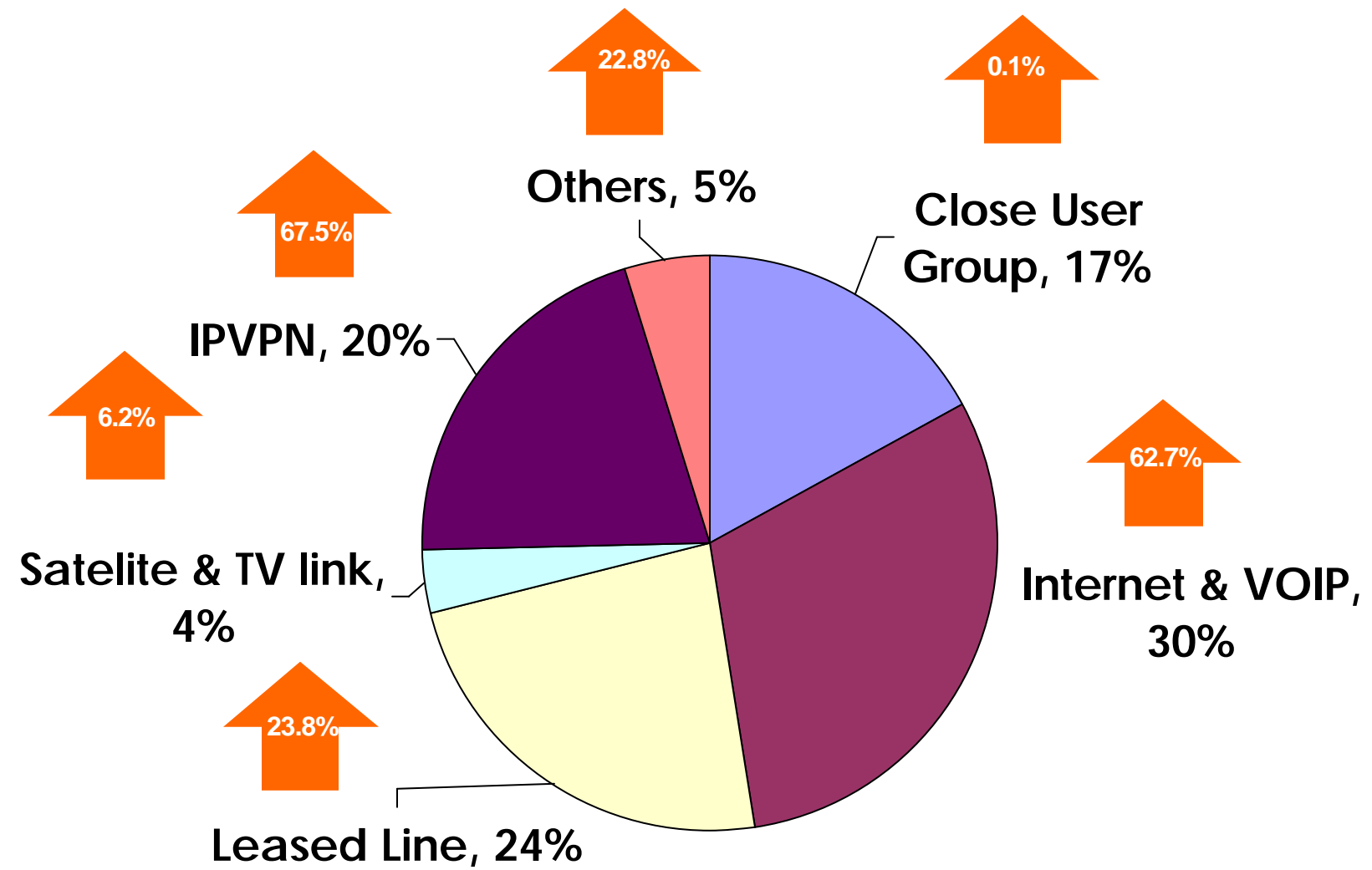
• Int'l 137.5% • domestic 96%

IPVPN growth 90%

• IM2 63.3% • LA 38.3%



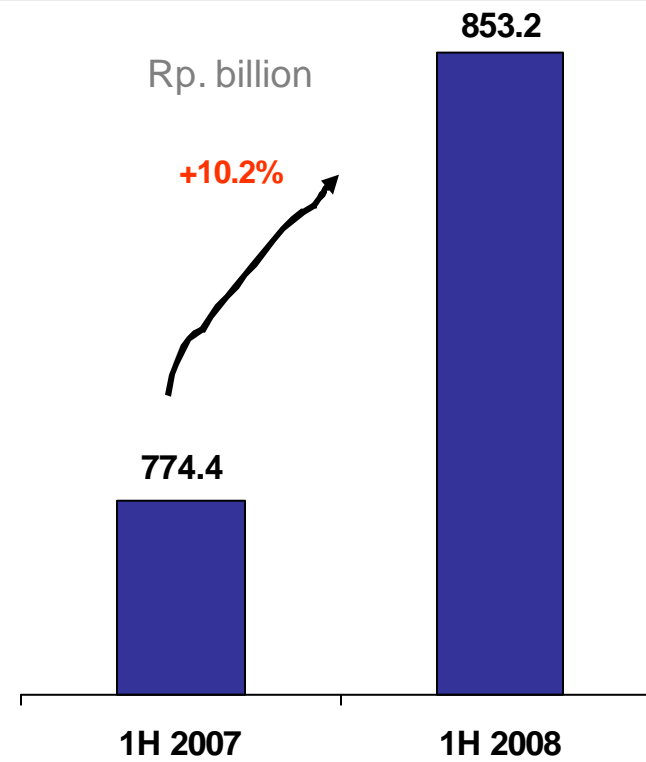
Fixed data: Revenue Contribution and Growth



Fixed voice: defend not to decline

fixed voice revenue growth

10%



IDD traffics is still growing
(million minutes)

26%

total traffics

885

•outgoing

216

•YoY

73%

•incoming

670

•YoY

16%

INDOSAT
IDD 001

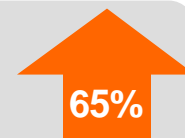
008
IDD

INDOSAT
FlatCall 01016

star one

Fixed voice: starone is growing steadily

starone subs growth



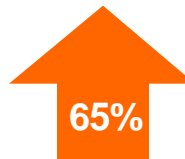
starone blended ARPU Rp.27k

•fighting brand with costs are already sunks

•prepaid end subs

750k

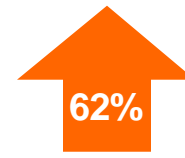
•YoY



•postpaid end subs

45k

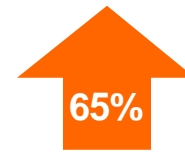
•YoY



•total end subs

795k

•YoY



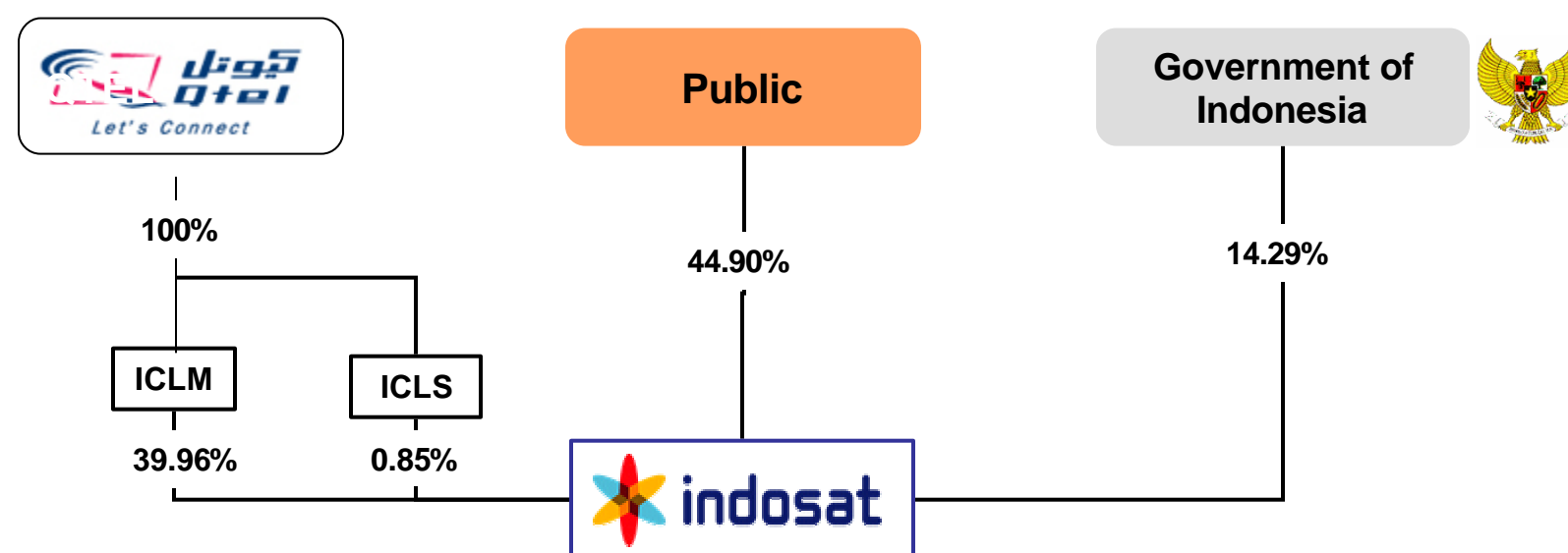
•postpaid

Rp.107k

•prepaid

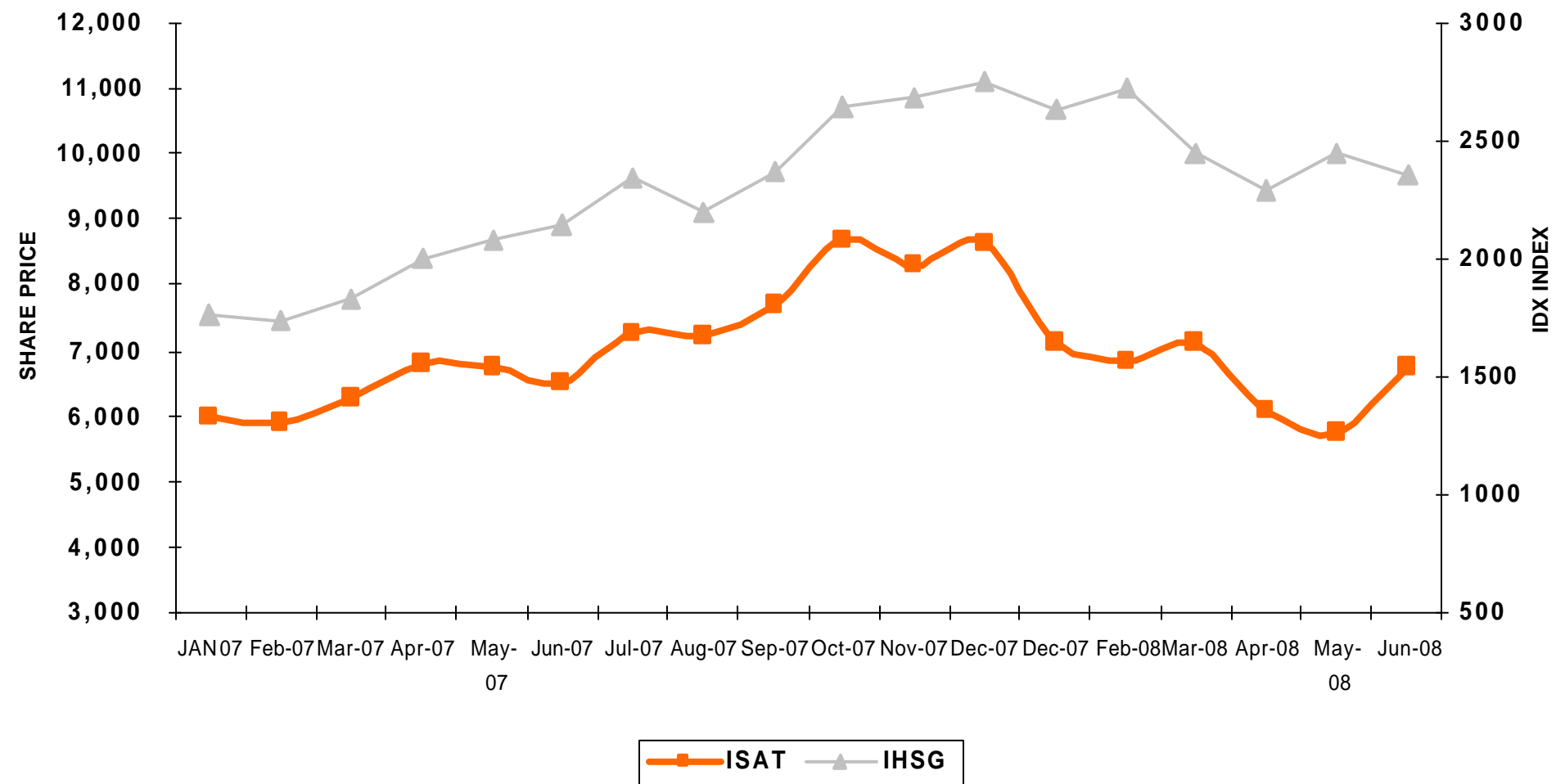
Rp.23k

Indosat new 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 IDX and NYSE for more than 10 years.
- QTEL has Purchased 100% shares of ICLM & ICLS from AMH, since June 22, 2008 where ICLM and ICLS are owner of 40.81% of Indosat Shares.

Market performance





4

Indosat in Full Year 2008: Guidance and Policy

New 2008 guidance adjusted in line with industry momentum

	Previous	New
grow total revenue grow cellular revenue	At least 18% ; At least 20%	13%-15% ; 10%-12%
target subscriber (net add)	around 8 million subs	around 12 million subs
target EBITDA margin (over gross)	52%-54%	48%-52%
Fixed Data Revenue	15%-20%	30%-35%
Fixed Voice Telecom Revenue	10%-15%	8%-12%
ARPU decline	15%-20%	20%-25%
Capex Plan (85% will be dedicated for cellular expansion)	US\$ 1.2 billion	US\$ 1.4 billion

Thank You

