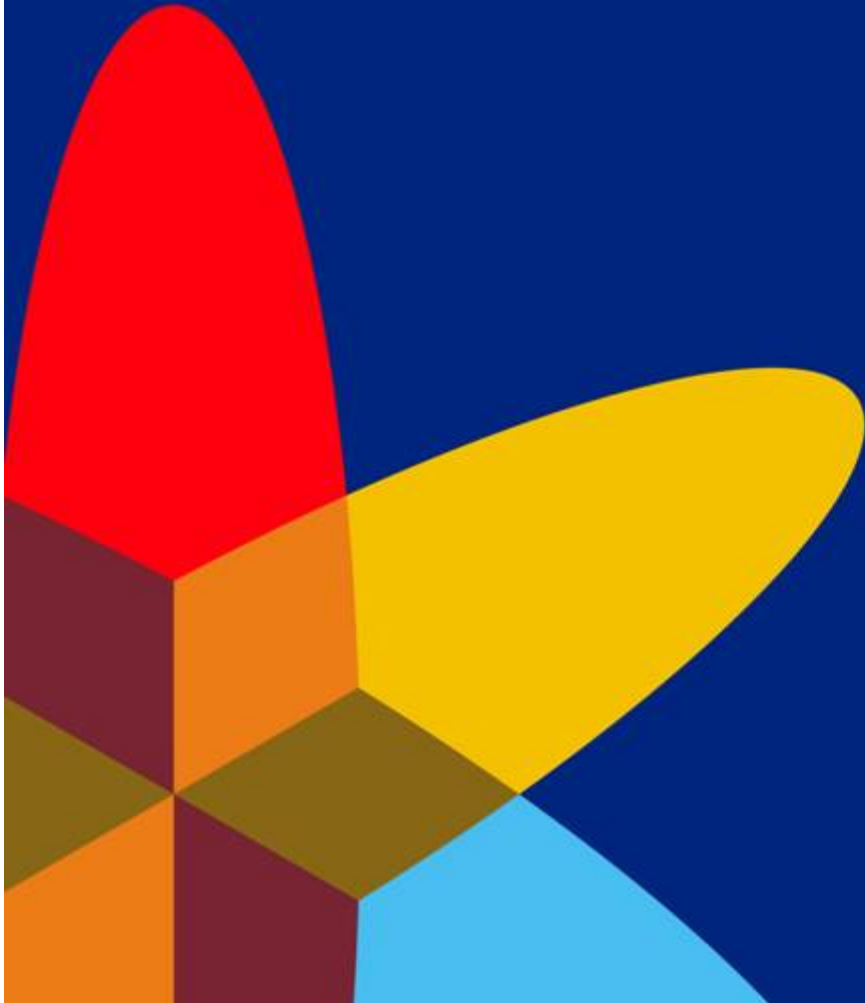


# PT Indosat Tbk

9M 2009 Results



# Disclaimer

- **PT Indosat Tbk cautions investors that certain statements contained in this document state management's intentions, hopes, beliefs, expectations, or predictions of the future are forward-looking statements**
- **Management wishes to caution the reader that forward-looking statements are not historical facts and are only estimates or predictions. Actual results may differ materially from those projected as a result of risks and uncertainties including, but not limited to:**
  - Our ability to manage domestic and international growth and maintain a high level of customer service
  - Future sales growth
  - Market acceptance of our product and service offerings
  - Our ability to secure adequate financing or equity capital to fund our operations
  - Network expansion
  - Performance of our network and equipment
  - Our ability to enter into strategic alliances or transactions
  - Cooperation of incumbent local exchange carriers in provisioning lines and interconnecting our equipment
  - Regulatory approval processes
  - Changes in technology
  - Price competition
  - Other market conditions and associated risks
- **The company undertakes no obligation to update publicly any forward-looking statements, whether as a result of future events, new information, or otherwise**

# Today's agenda

- **Results review**
- **Strategy review**
- **Segmented review**

# Key developments

## Continued solid financial performance

- Operating Revenue of Rp13.4 trillion and Net Income of Rp1.45 trillion
- Value strategy beginning to yield positive results:
  - Cellular revenues grew at 5.6% QoQ

## Meeting the competitive threat

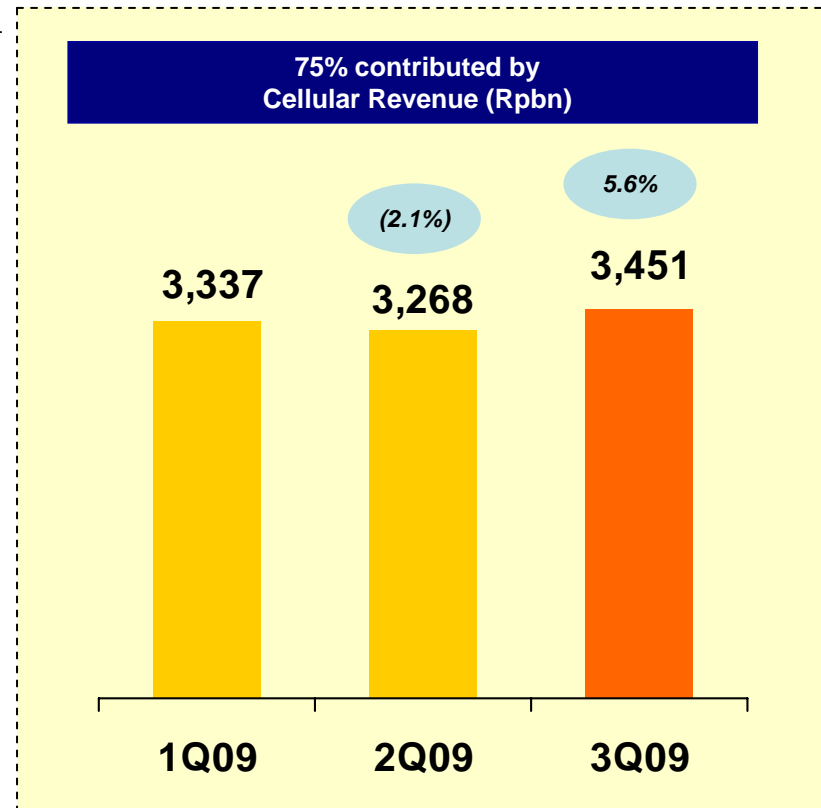
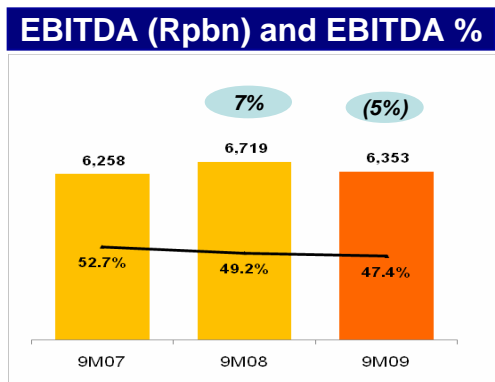
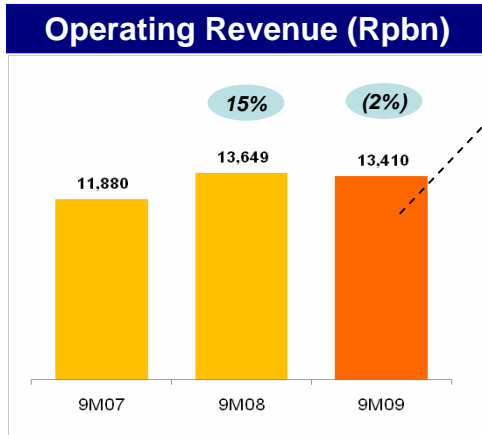
- Bottoming out of decline in subscribers:
  - Indosat currently serves 28.7 million cellular subscribers
- Palapa D satellite launched in Q3 2009
- Despite continued price competition Indosat still achieved a 9M EBITDA margin of 47.4%
- Capital expenditure of USD574 million to support the roll-out of more than 1,950 new BTS

## Foreign exchange impacts impacting results

- Rupiah appreciation led to F/X gains positively impacting net income
- 43.3% of total USD bonds and loans are hedged: Total Indosat debt of Rp24.42 trillion

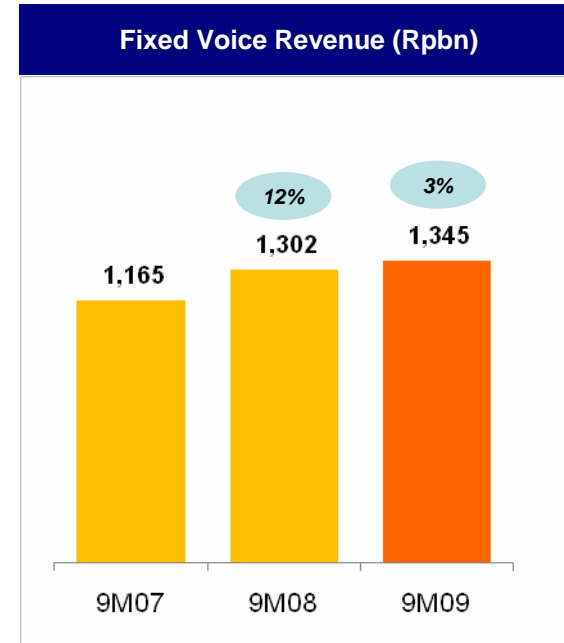
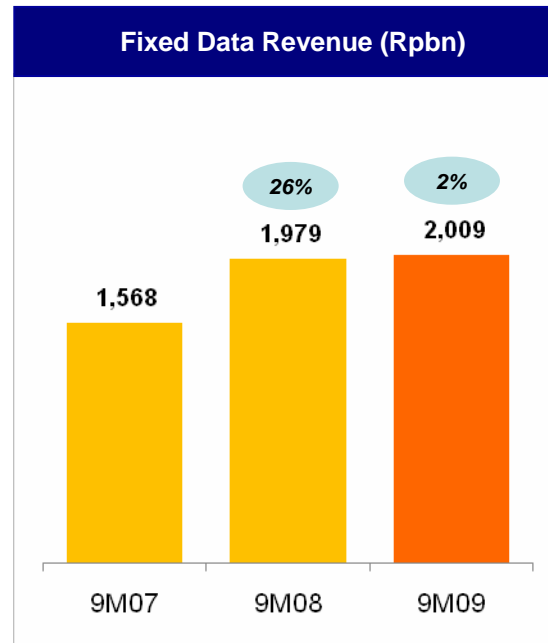
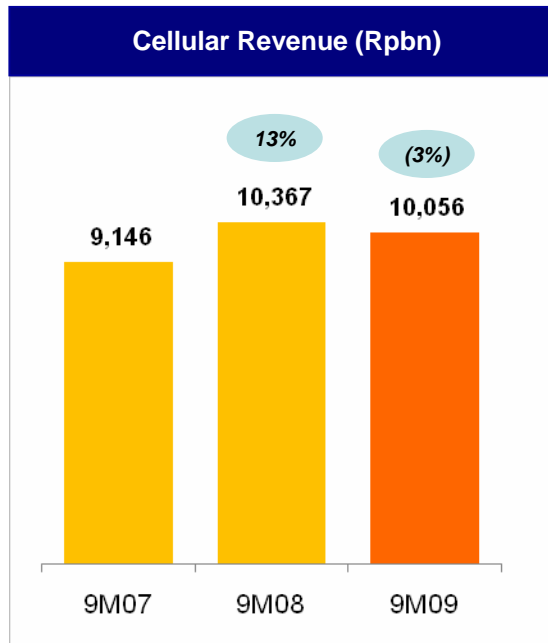
\*Company Estimate

# 9M Results - Revenue and EBITDA



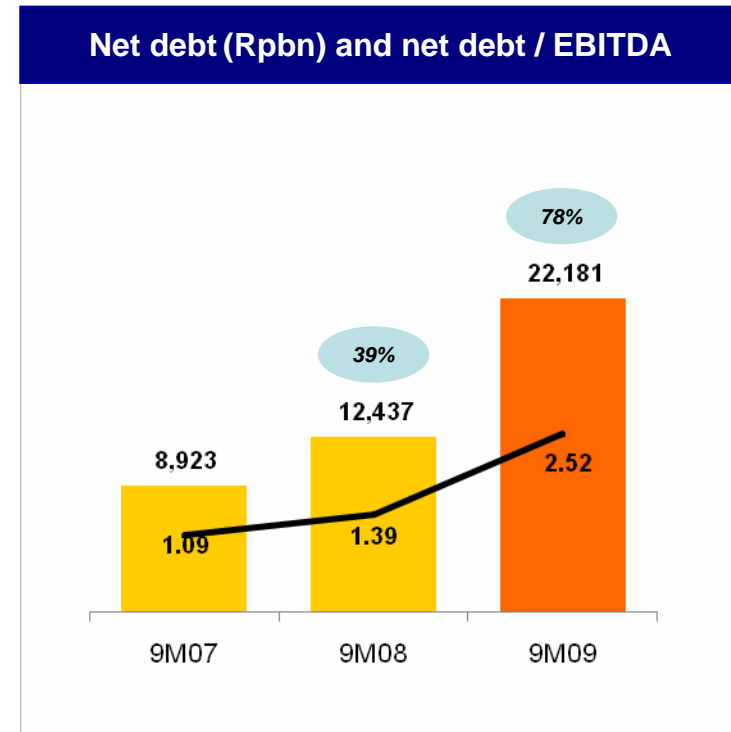
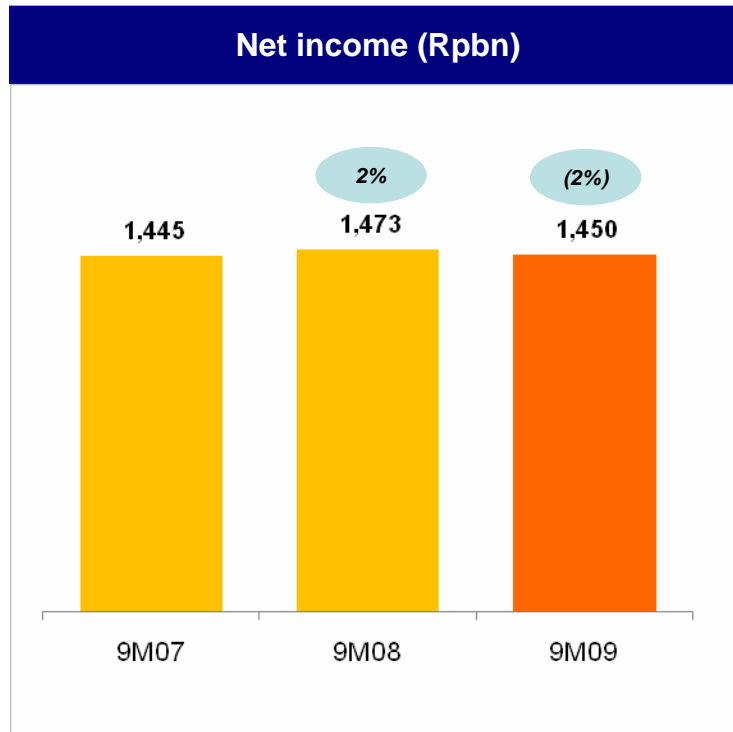
Reduction of 6.8 million customers has had little impact on cellular revenue

# 9M Results - Segmented revenue

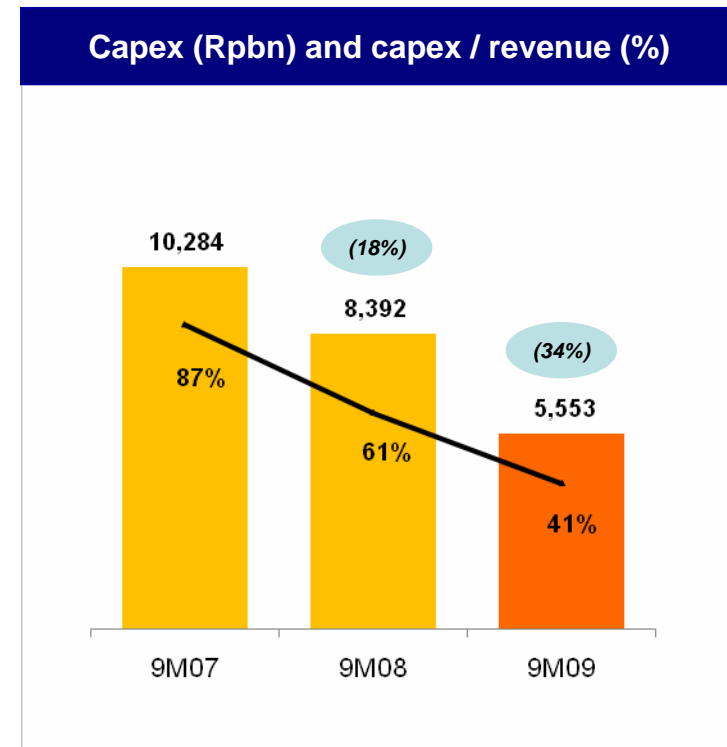
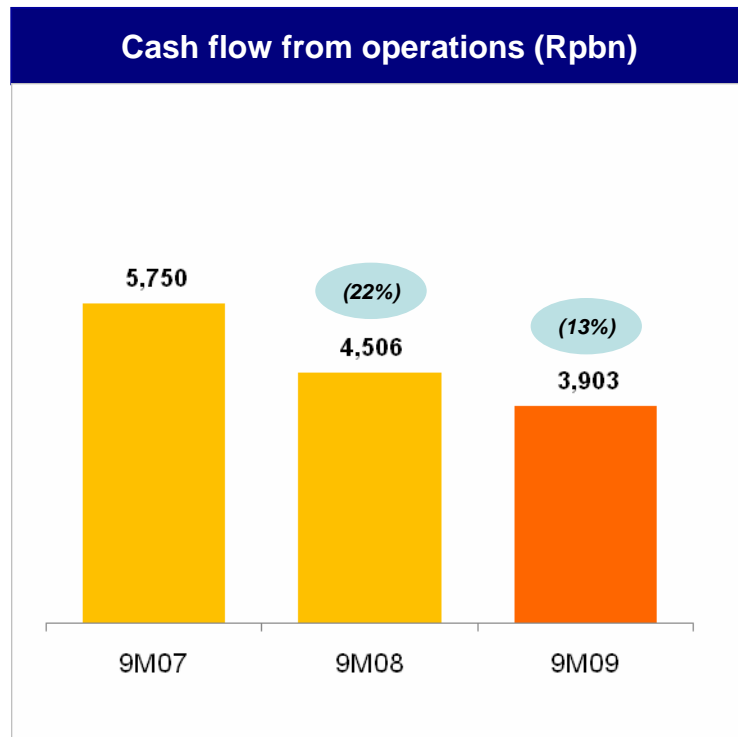


In line with expectations, Cellular, Fixed Data and Fixed Voice contributed 75%, 15% and 10% of operating revenue respectively in 9M 2009

# 9M Results - Net income and net debt

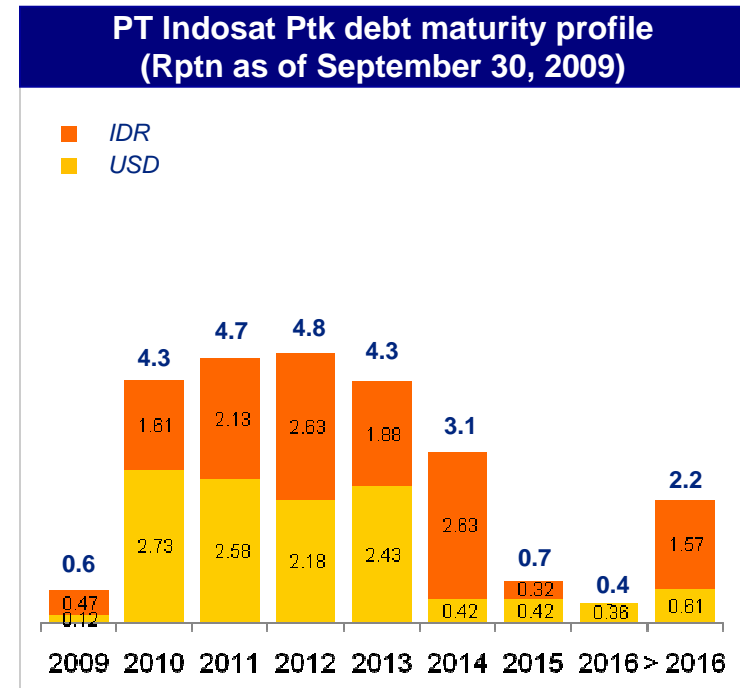
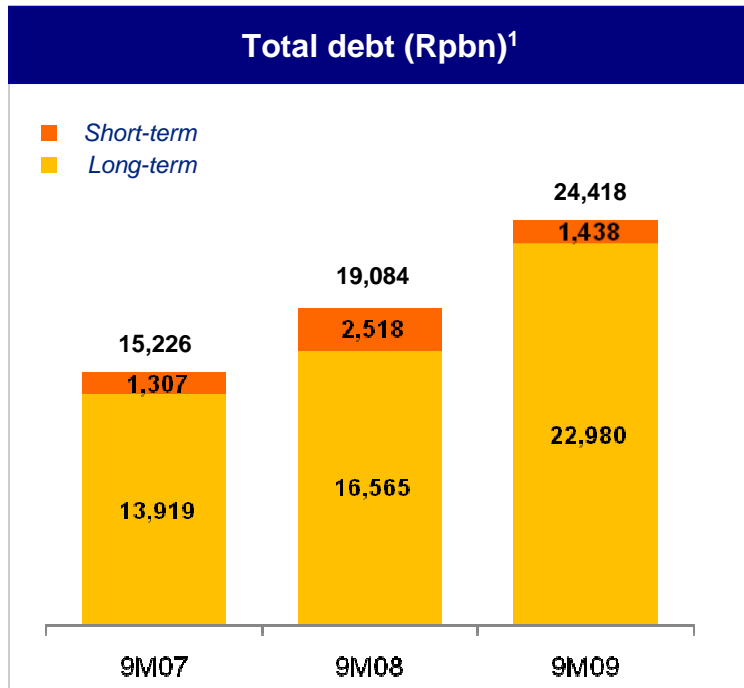


# 9M Results - Cash flow from operations and capital expenditure



Optimization of CAPEX ongoing and in line with overall strategy to drive value through the business

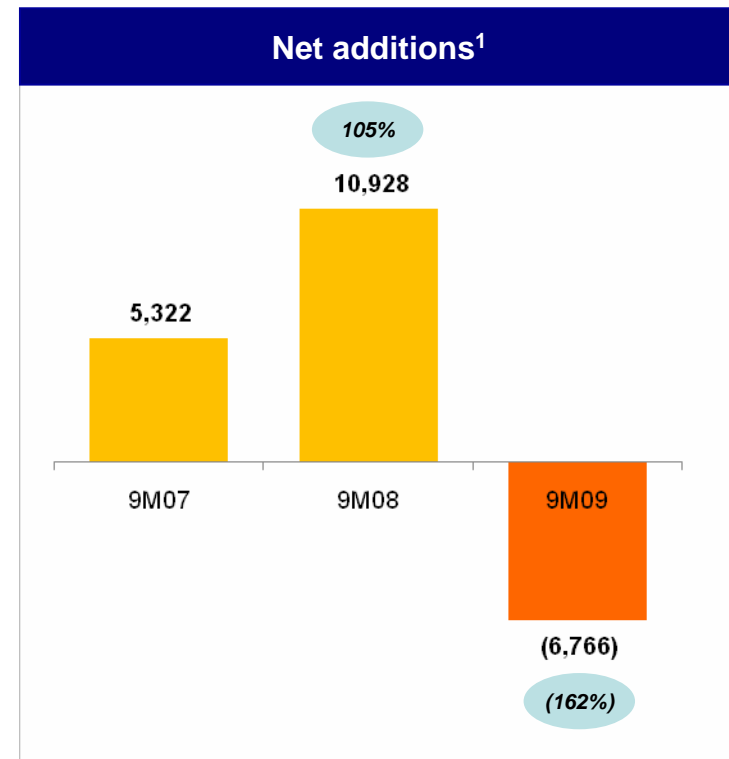
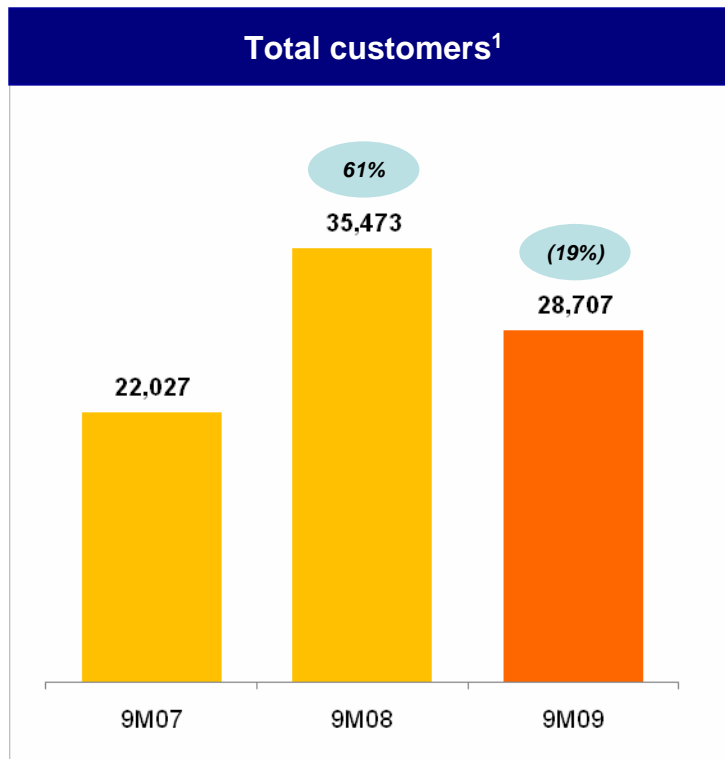
# 9M Results - Debt breakdown



- Gross Debt to Equity 136%
  - Net Debt to Equity 124%
  - Net Debt to EBITDA 252%
  - Interest Coverage 512%
- 
- USD 46%
  - Bonds 41%
  - Hedge of USD Bonds & Loans 43.3%
  - Rupiah 54%
  - Loans 59%

Note: (1) As at 30 September

# 9M Results - Total and net additions



Gross and Net addition of customers in line with shift away from pure *volume* into value. Focus on *revenue* vs. headline customer numbers

Note: (1) As at 30 September

# 9M Results - Performance summary

Rp Billions	9 months ended September 2009	Change 9M 2009 / 9M 2008
<b>Consolidated revenue</b>	<b>13,409.5</b>	<b>-1.8%</b>
<b>EBITDA</b>	<b>6,352.9</b>	<b>-5.4%</b>
<b>Cash flow from operations</b>	<b>3,902.8</b>	<b>-13.4%</b>
<b>Earnings per share</b>	<b>266.8</b>	<b>-1.6%</b>
<b>Capital expenditure (committed)</b>	<b>5,553.4</b>	<b>-33.8%</b>

Cellular revenue, 75% of the consolidated total, increased by 5.6% QoQ reflecting solid progress in the company's shift towards value

# Today's agenda

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- **Strategy review**
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# Key strategic developments

## Strategy updates

- Subscriber *clean-up* topped out in 2Q 2009, normalized active customer ratio now seen in overall customer base
- Network capacity optimization program continued through 3Q 2009, with recent developments including launch of Indonesia's first 21 Mbps wireless data service

## New management team

- New Board of Directors fully in place as at September 1, team focused on 2010 business plan and strategy
- New BOD members will undertake non-deal road-show in late Q4 to meet with key stakeholders

## Other

- Indosat successfully obtained 2<sup>nd</sup> 3G carrier (5Mhz); only 1 other operator has a full 10 Mhz of 3G spectrum – in line with strategy to solidify market leading position in wireless broadband
- Palapa D satellite launched in Q3 2009 – Critical back-bone to ensure Indosat remain a service leader for years to come
- Regulatory update: Proposed changes to spectrum fees payable to the government are still under discussion

# Strategy - Positioned for success

## Investors Look For..

**A clear and consistent strategy with diversity of product and services**

**Professional and veteran management**

**Companies who are a *step* ahead**

**Financial strength**

## Indosat Has...

- A vision to be a premier and leading telecommunications company in Indonesia
- Fully integrated operator with Multiple business lines - Cellular, Fixed Voice, Fixed Data, and ILD/IDD
- Ability to capture economies of scale for product offerings leveraging different lines of business

- A new-look management team with a proven track record
- Re-structured management below BOD to better reflect both the needs of Indosat's customers and to bring in-line with international best practices

- Indosat is leading the industry towards a more sustainable business model, driving hard at the customer value proposition and away from volume only
- The pioneer in Indonesian wireless broadband, Indosat continues to focus in on ensuring the best quality of service is available to the Indonesian wireless broadband consumer

- Stable top line growth
- High and stable EBITDA margins
- A solid credit rating

# Today's agenda

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- **Segmented review**

# Segmented review

## Cellular

9M09 Net Addition	-6.8mn	-162%
9M09 Subscribers:	28.7 mn	-21.4%
Blended ARPU (Rp):	36.0k	-8.9%
Blended MOU:	99 mnt	-0.4%

## Fixed Data

### Revenue Contribution and Growth:

▪ Internet	27.1%	7.6%
▪ IPVPN	18.21%	-12.8%
▪ World Link & direct link	14.1%	-13.6%
▪ Others	40.6%	12.3%

## Fixed Voice

### IDD

• Total Traffic:	1,486mn mnt	+8.2%
• Outgoing:	372mn mnt	+6.3%
• Incoming:	1,114mn mnt	+6.8%

### StarOne

• 9M09 Net Additions:	- 353k	-193%
• 9M09 Subscribers:	543k	-39.4%
• Blended ARPU (Rp):	28.6k	+15%

# Thank You

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**Any further  
questions?**

**Upcoming  
events**

FY 2009 Financial Highlights – TBD

