

making the world a better place

PT Indosat Tbk 2008 Sustainability Report

Indosat *Sustainability Report* 2008 merupakan laporan keberlanjutan yang pertama kali kami susun dan dipublikasikan sebagai bagian dari komitmen dan pertanggungjawaban kami kepada para *stakeholder*. Laporan ini mencakup pembahasan mengenai berbagai program dan kebijakan yang telah kami laksanakan sepanjang tahun 2008 dalam rangka menjamin keberlanjutan usaha dan kehidupan komunitas sekitar. Penyajian laporan ini telah merujuk pada standar penyusunan *Sustainability Report* yang ditetapkan oleh *Global Reporting Initiatives* (GRI), sebagai implementasi prinsip transparansi dan akuntabilitas oleh Perusahaan. Melalui penerapan lima inisiatif utama CSR Indosat yaitu *Organizational Governance*, *Consumer Issues*, *Labor Practice*, *Environment* dan *Community Involvement*, kami berupaya memenuhi dan melindungi kepentingan para *stakeholder* secara optimal untuk dapat terus tumbuh bersama kami.

Indosat Sustainability Report 2008 is the first such report produced by the Company. It signals our ever-growing commitment and responsibility to our stakeholders. This report comprises reviews of various programs and policies put forth in 2008 in ensuring the sustainability of our business and the community and environment around us. It is presented in accordance with the standards set forth by the Global Reporting Initiatives (GRI), and is a reflection of our firm commitment to principles of transparency and accountability. Through implementing initiatives in the five key areas of Indosat's Corporate Social Responsibility (CSR) Program, namely *Organizational Governance*, *Consumer Issues*, *Labor Practice*, *Environment* and *Community Involvement*, we endeavor to fulfil our stakeholders' interests, and ensure that their interests continue to grow in tandem with Indosat's development.

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making the world a better place

Kehidupan adalah sebuah proses berkelanjutan. Bagaikan sebuah rantai kehidupan, kesempurnaan jalinannya sangat tergantung pada partisipasi setiap pihak dalam menjalankan perannya. Indosat merupakan bagian dari mata rantai kehidupan bangsa Indonesia. Kami menyadari bahwa kami harus menjalankan peran secara utuh dan bertanggung jawab untuk menjaga kesinambungan proses kehidupan. Melalui berbagai produk dan layanan telekomunikasi, kami berupaya menghadirkan manfaat komunikasi bagi interaksi sosial masyarakat sekaligus fondasi pertumbuhan ekonomi bangsa. Melalui program tanggung jawab sosial perusahaan, kami berupaya menciptakan kehidupan berkualitas bagi lingkungan sekitar. Semua itu kami laksanakan dengan berpedoman pada prinsip tata kelola yang baik, untuk menjadi entitas tangguh yang mampu memberikan kontribusi terbaik bagi terciptanya kehidupan yang lebih baik, di saat ini dan di masa yang akan datang.

Life is indeed an on-going process. Just like a chain of life, the perfection of its connection is very much dependent on participation from each party in carrying out their respective roles. Indosat is a part of Indonesia's chain of life. We realize that we must fulfill our roles completely and be responsible for sustaining the process of life. Through a number of telecommunication products and services, we strive to provide communication benefit to social interaction and to lay a foundation to the national economic development. Through the Company's social responsibility initiatives, we strive to create a quality of life for the environment where our Company is operated. We implement these by employing the principles of good corporate governance, so that we can become a strong entity and capable to deliver the utmost benefit to create a better life for today and in the future.

Indosat at a Glance



Visi

Menjadi perusahaan penyedia solusi informasi dan komunikasi pilihan dengan;

- Menawarkan produk, layanan, dan solusi informasi dan komunikasi yang lengkap dan berkualitas.
- Berada pada *top-of-mind* pelanggan dalam menyediakan produk, layanan, dan solusi informasi dan komunikasi.
- Menyediakan produk dan layanan yang dapat meningkatkan kualitas hidup dari masyarakat yang dilayani.

Vision

To be the provider of choice for communication and information solutions in Indonesia

- To offer a full range of quality communication and information products, services and solutions.
- To be a customers' 'first choice' for the provision of information and communications products, services and solutions.
- To provide products and services which contribute to a better quality of life for the communities in which we operate.

Misi

- Menyediakan dan mengembangkan produk, layanan dan solusi inovatif dan berkualitas untuk memberikan manfaat yang sebesar-besarnya bagi para pelanggan.
- Meningkatkan *shareholder value* secara terus menerus.
- Mewujudkan kualitas kehidupan *stakeholder* yang lebih baik.

Mission

- To develop and provide innovative and high quality products, services, and solutions, which offer the best value to our customers.
- To continuously enhance shareholder values.
- To provide a better quality of life for stakeholders.

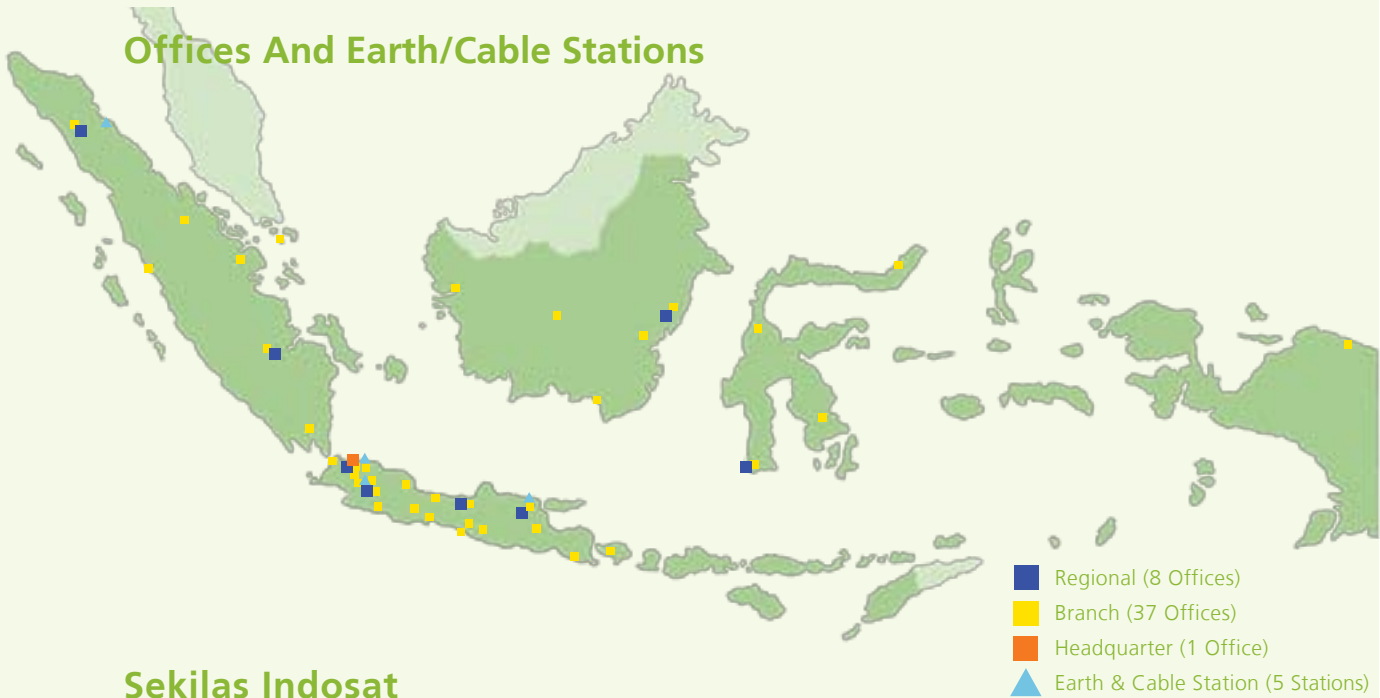
Tujuan CSR

Bertumbuh, mematuhi ketentuan dan regulasi yang berlaku serta peduli kepada masyarakat.

CSR Goals

To grow, to comply with laws and regulations, and to care for the community.

Offices And Earth/Cable Stations



Sekilas Indosat

Indosat Highlights

Penyelenggara telekomunikasi dan informasi terkemuka di Indonesia yang memberikan layanan jasa Selular, Telekomunikasi Tetap, MIDI - Multimedia, Komunikasi Data dan Internet.

A leading telecommunications and information service provider in Indonesia that offers Cellular, Fixed Telecommunication and MIDI (Multimedia, Data Communication and Internet) products and services.

Produk dan Layanan

Products and Services

Celular



IM3 (Prepaid)

BlackBerry

Blackberry (Postpaid and Prepaid)



Matrix (Postpaid)



Mentari (Prepaid)

indosat 3.5G

Indosat Broadband 3.5G (Postpaid and Prepaid)

Fixed Telecommunication



Flat Call 01016 (VoIP)



Indosat 001, Indosat 008 (IDD)



StarOne (Fixed Wireless)



MIDI (Multimedia, Data Communication and Internet)



IPLC (International Private Leased Circuit) & DPLC (Domestic), Frame Relay & ATM, Internet Network Provider (INP), Indosat Dedicated Internet Access (IDIA), Indosat National Internet Exchange (INIX), MPLS Based Services, Satellite Services, Disaster Recovery Center (DRC), and any customized communication solutions.



Financial Highlights

| (in Billion Rupiah) | 2008 | 2007 | 2006 | 2005 | 2004 | |
|--|-----------|-----------|-----------|-----------|----------|--|
| Statement of Income | | | | | | Laporan Laba Rugi |
| Operating Revenues* | 18,659.1 | 16,488.5 | 12,239.4 | 11,589.8 | 10,430.1 | Pendapatan Usaha |
| Operating Expenses* | 13,925.9 | 11,968.9 | 8,840.7 | 7,937.9 | 7,232.0 | beban Usaha |
| Operating Income | 4,733.3 | 4,519.6 | 3,398.7 | 3,651.9 | 3,198.1 | Labanya Usaha |
| Other Income (Expenses) - Net | (2,408.2) | (1,590.0) | (1,375.8) | (1,299.2) | (876.8) | Penghasilan (Beban) Lain - Bersih |
| Equity in Net Income (Loss) of Associated Companies | 0.0 | 0.0 | (0.2) | 0.1 | 61.5 | Bagian laba (Rugi) Bersih Perusahaan Asosiasi |
| Income Before Income Tax | 2,325.1 | 2,929.6 | 2,022.7 | 2,352.8 | 2,382.8 | Labanya Sebelum Pajak Penghasilan |
| Income Tax Benefit (Expenses) - Net | (419.8) | (859.5) | (576.1) | (697.9) | (724.6) | Beban Pajak Penghasilan Bersih |
| Income Before, Minority Interest in Net Income of Subsidiaries | 1,905.3 | 2,070.1 | 1,446.6 | 1,654.9 | 1,658.2 | Labanya Sebelum, Hak Minoritas atas Labanya Bersih Anak Perusahaan |
| Minority Interest in Net Income of Subsidiaries | (26.8) | (28.1) | (36.5) | (31.4) | (25.0) | Hak Minoritas atas Labanya Bersih Anak Perusahaan |
| Net Income | 1,878.5 | 2,042.0 | 1,410.1 | 1,623.5 | 1,633.2 | Labanya Bersih |
| Share Outstanding (in millions of shares)** | 5,433.9 | 5,433.9 | 5,433.9 | 5,356.2 | 5,285.3 | Jumlah Saham Beredar (dalam jutaan lembar saham)* |
| Basic Earning per Share (in Rp)** | 345.7 | 375.8 | 260.9 | 309.0 | 313.9 | Labanya per Saham Dasar (dalam Rupiah)* |
| Dividend per Share (in Rp)** | - | 187.90 | 129.75 | 149.32 | 154.23 | Dividen per Saham (dalam Rupiah)* |
| EBITDA*** | 9,321.2 | 8,714.8 | 7,051.9 | 6,732.1 | 6,016.7 | EBITDA** |
| Balance Sheet | | | | | | Neraca |
| Total Assets | 51,693.3 | 45,305.1 | 34,228.7 | 32,787.1 | 27,872.5 | Jumlah Aktiva |
| Property and Equipment - Net**** | 38,394.1 | 30,572.8 | 24,918.6 | 21,564.8 | 17,243.2 | Aktiva Tetap - Bersih**** |
| Working Capital | (1,015.5) | (864.5) | (1,137.8) | 2,095.6 | 2,080.3 | Modal Kerja |
| Total Liabilities | 33,994.8 | 28,463.0 | 18,826.3 | 18,296.1 | 14,523.4 | Jumlah Kewajiban |
| Minority Interest | 288.9 | 297.4 | 200.6 | 175.7 | 164.5 | Hak Minoritas |
| Total Stockholders' Equity | 17,409.6 | 16,544.7 | 15,201.7 | 14,315.3 | 13,184.6 | Jumlah Ekuitas |
| Operating Ratios (%) | | | | | | Rasio Usaha (%) |
| Operating Income to Operating Revenues | 25.37 | 27.41 | 27.77 | 31.51 | 30.66 | Labanya usaha terhadap Pendapatan Usaha |
| Operating Income to Stockholders' Equity | 27.19 | 27.32 | 22.36 | 25.51 | 24.26 | Labanya usaha terhadap Ekuitas |
| Operating Income to Total Assets | 9.16 | 9.98 | 9.93 | 11.14 | 11.47 | Labanya usaha terhadap Jumlah Aktiva |
| EBITDA Margin | 49.96 | 52.85 | 57.62 | 58.09 | 57.69 | Marjin EBITDA |
| Net Profit Margin | 10.07 | 12.38 | 11.52 | 14.01 | 15.66 | Marjin Labanya bersih |
| Return on Equity | 10.79 | 12.34 | 9.28 | 11.34 | 12.39 | Pengembalian Modal |
| Return on Assets | 3.63 | 4.51 | 4.12 | 4.95 | 5.86 | Pengembalian Aktiva |
| Financial Ratios (%) | | | | | | Rasio keuangan (%) |
| Current Ratio | 90.49 | 92.59 | 83.28 | 138.58 | 146.30 | Rasio Lancar |
| Debt to Equity Ratio | 124.97 | 100.89 | 75.13 | 87.34 | 71.96 | Rasio Hutang terhadap Ekuitas |
| Total Liabilities to Total Assets | 65.76 | 62.83 | 55.00 | 55.80 | 52.11 | Total Kewajiban terhadap Total Aktiva |
| Dividend per Share (Rp) | | | | | | Dividen per Saham (Rp) |
| Final | - | 187.90 | 129.75 | 149.32 | 154.23 | Final |
| Payment Date | - | 15/7/2008 | 13/07/07 | 8/8/2006 | 15/07/05 | Tanggal Pembayaran |

* In 2007, Indosat started reporting Operating Revenues and Operating Expenses from interconnection on a Gross Basis.

** After taking into account the 5-for-1 stock split completed in March 2004. Basic earnings per share has been computed by dividing net income by the weighted-average number of shares outstanding during the year after considering the effect of the exercise of ESOP Phase I and Phase II.

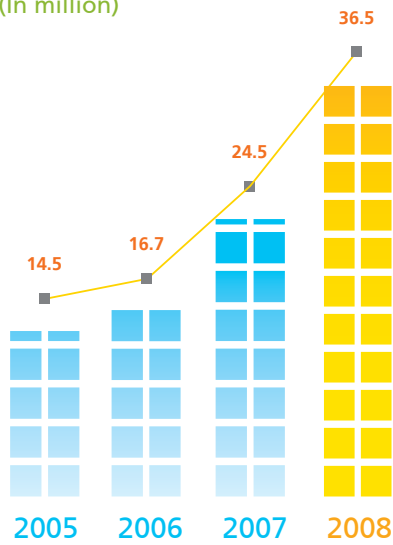
*** EBITDA: Earnings before interest, other non operating income and expenses, income tax expenses, depreciation and amortization as computed under Indonesian GAAP.

**** After regrouping by the company for year 2008.

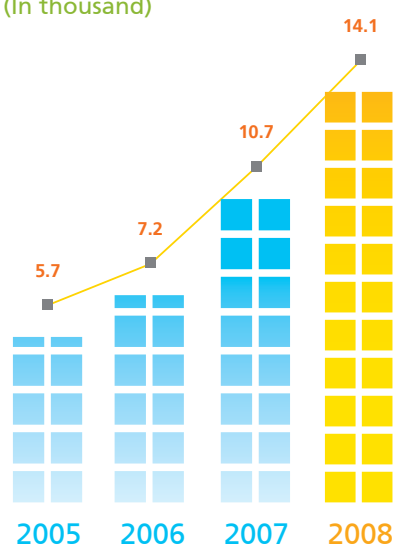
Operational Highlights

| | Unit | 2008 | 2007 | % Change | |
|--|-------------|---------------|---------------|----------|--|
| Cellular | | | | | Seluler |
| Prepaid Subscriber | subscriber | 35,591,033 | 23,945,431 | 48.6% | Pelanggan Prabayar |
| Postpaid Subscriber | subscriber | 919,213 | 599,991 | 53.2% | Pelanggan Paskabayar |
| Total Subscriber | subscriber | 36,510,246 | 24,545,422 | 48.7% | Total Pelanggan |
| ARPU Prepaid | Rp | 34,610 | 47,028 | -26.4% | ARPU Prabayar |
| ARPU Postpaid | Rp | 189,710 | 182,682 | 3.8% | ARPU Paskabayar |
| ARPU Blended | Rp | 38,639 | 52,828 | -34.0% | ARPU Gabungan |
| Fixed Wireless | | | | | Telepon Tetap Nirkabel |
| Prepaid Subscriber | subscriber | 681,362 | 594,203 | 14.7% | Pelanggan Prabayar |
| Postpaid Subscriber | subscriber | 80,227 | 33,731 | 137.8% | Pelanggan Paskabayar |
| Total Subscriber | subscriber | 761,589 | 627,934 | 21.3% | Total Pelanggan |
| ARPU Prepaid | Rp | 17,955 | 26,590 | -32.5% | ARPU Prabayar |
| ARPU Postpaid | Rp | 94,555 | 170,160 | -44.4% | ARPU Paskabayar |
| ARPU Blended | Rp | 22,858 | 34,641 | -34.0% | ARPU Gabungan |
| IDD | | | | | SLI |
| Outgoing Traffic | minute | 473,991,957 | 296,891,382 | 59.7% | Trafik Outgoing |
| Incoming Traffic | minute | 1,484,450,321 | 1,236,603,921 | 20.0% | Trafik Incoming |
| Total Traffic | minute | 1,958,442,278 | 1,533,495,303 | 27.7% | Total Trafik |
| Incoming/Outgoing Ratio | - | 3.1 | 4.2 | -24.8% | Rasio Incoming/outgoing |
| MIDI | | | | | MIDI |
| Wholesale | | | | | <i>Wholesale</i> |
| International High Speed Leased Line | cct/64kbps | 45,594 | 19,195 | 137.5% | Sirkuit Sewa Internasional Kecepatan Tinggi |
| Domestic High Speed Leased Circuit | cct/64kbps | 129,315 | 50,750 | 154.8% | Sirkuit Sewa Domestik Kecepatan Tinggi |
| Satellite Transponder Leased | transponder | 17.2 | 13.7 | 25.6% | Sewa Transponder Satelit |
| Datacom | | | | | Komunikasi Data |
| International High Speed Leased Line | cct/64kbps | 1,482 | 1,055 | 40.5% | Sirkuit Sewa Internasional Kecepatan Tinggi |
| Domestic High Speed Leased Circuit | cct/64kbps | 14,056 | 11,778 | 19.3% | Sirkuit Sewa Domestik Kecepatan Tinggi |
| Frame Relay | port | 494 | 789 | -37.4% | Frame Relay |
| IPVPN | cct/64kbps | 18,114 | 7,242 | 150.1% | IPVPN |
| Lintasarta | | | | | Lintasarta : |
| High Speed Leased Line (SDL) | link | 906 | 922 | -1.7% | Sirkuit Sewa Kecepatan Tinggi |
| Frame Relay | access | 4,431 | 4,652 | -4.8% | Frame Relay |
| VSAT | terminal | 2,564 | 1,880 | 36.4% | VSAT |
| IPVPN | link | 6,182 | 4,206 | 47.0% | IPVPN |
| IMM | | | | | IMM |
| Internet Dial Up | user | 13,142 | 21,222 | -38.1% | Internet Dial Up |
| Internet Dedicated | link | 1,665 | 1,396 | 19.3% | Internet Dedicated |
| IPVPN | link | 562 | 369 | 52.3% | IPVPN |
| Employee (Permanent and non-permanent including subsidiaries) | Person | 7,700 | 7,645 | 0.7% | Karyawan (Tetap dan tidak tetap termasuk anak perusahaan) |

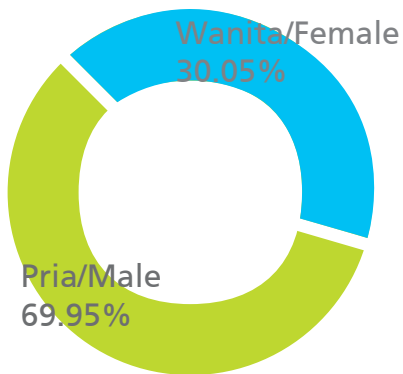
Number of Subscribers (In million)



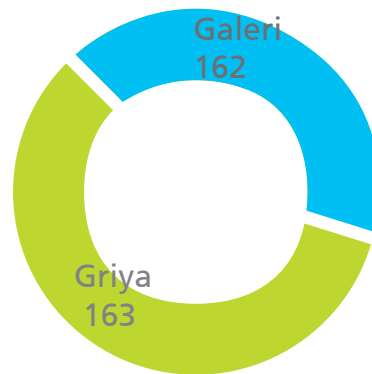
BTS (In thousand)



Number of Employees



Galeri & Griya Indosat



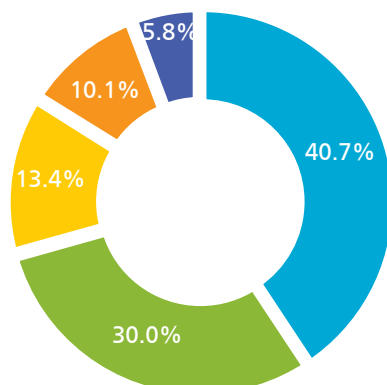
FMC* and IOC**

| | 2007 | 2008 |
|-----|--------|---------|
| FMC | 85,552 | 119,296 |
| IOC | 36,691 | 169,007 |

* Frontliner Mentari IM3 Club

** Indosat Outlet Community

Community Involvement Budget*



- Indonesia Belajar
- Indonesia Sehat
- Indonesia Hijau
- Berbagi Bersama Indosat
- Indosat Peduli

*total Rp40 billion (include communication programs)

Awards

- 24 January **Recognition for NAD and Nias Reconstruction.** Indosat received recognition from the Institution for Rehabilitation and Reconstruction of NAD & Nias. The award was presented directly by the President of the Republic of Indonesia, Dr Susilo Bambang Yudhoyono.
- 17 February **Top Brand Award 2008.** Three Indosat cellular products received the Top Brand Award 2008 from Frontier Consulting Group and Marketing Magazine. Matrix was recognized in the post-paid Simcard category, while Mentari and IM3 were recognized in the pre-paid SIM-card category.
- 12 March **Call Center Award 2008.** The Indosat Contact Centre won the highest rating of Excellence at the Call Center Awards 2008 for the telecommunications industry category. The award was given by Marketing Magazine and Carre-Center for Customer Satisfaction & Loyalty (Carre-CCSL).
- 24 April **Cellular Awards 2008.** Indosat earned three awards in the Cellular Awards 2008: Best CSR Program, Best Brand Value Added Service (VAS) for Matrix and Best Brand Mobile Banking (Matrix).
- 9 May **Indonesian Call Center Award.** Indosat was named the Best Contact Center 2008 by The Indonesian Call Center Association.
- 10 May **The Biggest and the Most Active Sukuk Issuer Award.** Indosat won this award at Karim Business Consulting's 2008 Awards Night.
- 13 August **Annual Report Award.** Indosat clinched top spot in the Annual Report Award 2007, in the category of non-state-owned companies and non-financial companies.
- 14 September **Indonesia's Best Wealth Creator Award 2008.** Indosat clinched Indonesia's Best Wealth Creator Award 2008, at the SWA 100 Wealth Creator Awards 2008. The rating used a methodology of Wealth Added Index or WAI™ to assess the extent by which shareholder value created by companies exceeded the expectations of investors and shareholders. The calculation also measured how much a company's financial performance benefited shareholders.
- 29 October **Metro TV MDGs Award.** Indosat was recognized in the category Goal No. 5 Mother and Child Healthcare Development.
- 4 November **Broadband Service Provider of the Year.** Indosat was named Broadband Service Provider of the Year at the Forst & Sullivan Telecoms Awards.
- 10 November **The Best Achievement Award.** Indosat won the Best Achievement Award for Mobile Cellular Provider – the highest recognition from the Indonesian Board of Telecommunications Regulator.
- 19 December **Corporate Governance Perception Index (CGPI) 2007.** Indosat was recognized in the category of Trusted Company Performance at the Corporate Governance Perception Index (CGPI) Award 2007 held by The Indonesian Institute For Corporate Governance (IICG), in conjunction with SWA Sembada Magazine.

President Director's Report

Sebagai Perusahaan yang telah beroperasi dan melayani masyarakat selama 41 tahun, membangun fondasi yang kokoh dan terus bertumbuh menjadi entitas bisnis yang besar dan maju adalah tujuan Indosat. Dan bertumbuh bersama masyarakat adalah aspirasi utama kami. Kami menyadari bahwa kesuksesan Indosat selama ini adalah hasil dari dedikasi yang terus menerus dan dukungan dari para *stakeholder*. Kerja keras kami untuk melakukan inovasi produk dan layanan telah terlaksana, dan dapat terealisasi berkat kepercayaan yang diberikan masyarakat kepada kami.

As a Company that has been in operation and serving this nation for the past 41 years, Indosat's goal is to build on our solid foundation and continue to expand and become an even larger and more robust business entity. And growing with society is our ultimate aspiration. We believe that Indosat's success over the years is the result of the ongoing, dedicated support from our stakeholders. Our hard work to create innovative products and unparalleled services has been realized, in part, through the trust placed in us by society.



Johnny Swandi Sjam
Direktur Utama
President Director

Sebagai wujud apresiasi kami kepada para *stakeholder*, dan dengan diiringi rasa syukur kami kepada Allah SWT, kami menyampaikan *Sustainability Report* 2008 yang juga merupakan laporan lengkap kami yang pertama kali tentang keberlanjutan usaha, sepanjang perjalanan Indosat sebagai penyelenggara telekomunikasi di Indonesia. Melalui tema *Making The World A Better Place*, laporan ini menyajikan komitmen kami untuk terus melayani masyarakat dan mengimplementasikan program tanggung jawab sosial yang berkelanjutan.

Komitmen kami untuk menjadi Perusahaan yang bertanggung jawab dimulai sejak Indosat berdiri di tahun 1967. Bila awalnya Indosat merupakan perusahaan modal asing dan kini kami merupakan salah satu Perusahaan telekomunikasi terkemuka di Indonesia. Kami adalah BUMN pertama yang mencatatkan sahamnya di Bursa Efek Jakarta, Bursa Efek Surabaya dan *New York Stock Exchange* pada tahun 1994. Kami telah menyaksikan pertumbuhan berkelanjutan sejak Indosat didirikan dan kini telah menjadi Perusahaan telekomunikasi terlengkap yang menyediakan layanan selular, data tetap (MIDI) dan telepon tetap. Komitmen kami untuk memberikan pelayanan terbaik, implementasi tata kelola terbaik dan secara terus menerus meningkatkan hubungan dan kerjasama dengan mitra dan para *stakeholder* adalah hal-hal yang membedakan kami dengan Perusahaan lainnya. Kami percaya dengan menjunjung tinggi prinsip-prinsip dan dukungan kepada para *stakeholder* utamalah yang telah membawa kami menuju kesuksesan. Kami juga mendukung pentingnya melindungi kondisi lingkungan sekitar. Sampai saat ini kami telah mengalokasikan dana dari biaya operasional Perusahaan untuk program-program tanggung jawab sosial.

Di Indosat, kami menyadari pentingnya memperhatikan aspek ekonomi, sosial dan lingkungan yang merupakan dasar terciptanya keberlanjutan dan kesejahteraan. Secara khusus kami mengacu atas aspek ini dalam program tanggung jawab sosial perusahaan atau CSR (*Corporate Social Responsibility*). Pada tahun 2008, kami membentuk Komite CSR yang beranggotakan Direksi dan manajemen senior, yang mengawasi perencanaan, strategi dan implementasi inisiatif CSR. Kami yakin, setiap saat, tujuan CSR akan dipenuhi dan kami akan menjadi Perusahaan yang dapat dipercaya serta patuh pada ketentuan dan regulasi yang berlaku.

To show our appreciation to all our stakeholders, and with the blessing of God Almighty, we would like to present the Sustainability Report 2008, which also serves as our first comprehensive report on sustainability, in our journey to providing leading telecommunication services in Indonesia. Adopting the theme "Making The World A Better Place", this report presents our commitment to continuing to serve our community and to implementing an ongoing program on social responsibility.

Our commitment to becoming a responsible Company began as early as 1967 when Indosat was established. What started out as a direct foreign investment Company has now developed into a leading international telecommunication services provider in Indonesia. We were the first state-owned Company to list on the Jakarta Stock Exchange, the Surabaya Stock Exchange and the New York Stock Exchange in 1994. We have witnessed ongoing growth since the founding of Indosat and are now seen as an integrated telecommunications Company that offers services in cellular, fixed data (MIDI) and fixed voice. Our commitment to providing excellent telecommunication services, implementing the best corporate governance and continually improving the quality of our relationships with partners and stakeholders is what distinguishes us from our peers. We believe that upholding solid principles and our support from key stakeholders has helped lead to our success. We are dedicated to protecting the environment and have gone as far as allocating funds from our operating expenses for these social responsible programs.

At Indosat, we endeavour to be aware of economic, social and environmental concerns as these form the backbone of sustainable welfare. We are particularly determined to include these aspects in our CSR program. In 2008, we established a CSR committee which consists of Directors and members of Indosat's senior management who oversee the planning, strategy and implementation of CSR initiatives. We ensure, at all times, that CSR objectives are met and that we are seen as a trusted Company that complies with all laws and regulations.

Program CSR diimplementasikan melalui 5 (lima) inisiatif utama yaitu Tata Kelola Perusahaan (*Organizational Governance*), Peduli Terhadap Pelanggan (*Consumer Issues*), Pengembangan Sumber Daya Manusia Termasuk Pemenuhan Hak-hak Pegawai (*Labour Practice*), Pelestarian Lingkungan Hidup (*Environment*) serta Peningkatan Kualitas Hidup dan Kemandirian Komunitas (*Community Involvement*). Kelima inisiatif ini berjalan seiring dengan partisipasi kami dalam inisiatif *Global Compact*, sejak 2006, yang menekankan pada kepatuhan terhadap hak-hak kemanusiaan (HAM), ketenagakerjaan, lingkungan dan anti korupsi.

Program CSR di tahun 2008 memiliki tema khusus yaitu "Indosat Cinta Indonesia" dan merefleksikan komitmen dan tanggungjawab Indosat sebagai Perusahaan di Indonesia dan peduli atas kesejahteraan masyarakat dan lingkungan. Hal ini juga mendemonstrasikan upaya kami untuk mengajak setiap insan Indonesia membangun kembali jiwa nasionalisme, di tahun perayaan ke 100 tahun gerakan kebangkitan Indonesia.

Indosat berkomitmen untuk mendukung perkembangan komunitas dalam hal pendidikan, kesehatan dan lingkungan. Program kami diarahkan untuk meningkatkan kemampuan murid, guru dan sekolah, dalam ilmu pengetahuan dan keahlian dibidang ilmu pengetahuan alam (IPA). Inisiatif ini termasuk pula dalam penyelenggaraan IWIC (*Indosat Wireless Innovation Contest*), yang memasuki tahun ketiga di tahun 2008. Ini adalah upaya kami untuk meningkatkan jiwa inovasi dalam masyarakat khususnya teknologi nirkabel.

Program Kesehatan kami laksanakan dengan mengoperasikan 16 mobil klinik di seluruh regional di Indonesia yang bertujuan untuk meningkatkan kualitas kesehatan masyarakat, khususnya ibu dan anak-anak. Program lingkungan kami implementasikan dalam program upaya menggunakan energi alternatif bagi BTS yaitu energi matahari, angin dan *biofuel*. Kami juga telah memulai program Tanam dan Pelihara Pohon yang dilakukan oleh karyawan dan komunitas.

Our CSR program adopts initiatives in the five primary areas of: Organizational Governance, Consumer Issues, Labor Practice, Environment and Community Involvement. These are all aligned with our participation in the "Global Compact" initiatives, which began in 2006 and focus on the commitment to human rights, labor force, environment and anti-corruption.

The CSR program we introduced in 2008 was dubbed "Indosat Cinta Indonesia" ("Indosat Loves Indonesia") and focused on reflecting our commitment and responsibility as a telecommunication Company in Indonesia that cares for the welfare of society and the environment. It also demonstrated our efforts to encourage each and every Indonesian to celebrate the spirit of nationalism, in the year that Indonesia marked the 100th anniversary of its national awakening movement.

Indosat is committed to supporting the development of education, health and the environment. Our education program is aimed primarily at encouraging students, teachers and schools to improve their knowledge and proficiency in science. This initiative includes the IWIC (Indosat Wireless Innovation Contest), which entered into its 3rd year in 2008, and encourages communities to create innovation in wireless technology.

Our health program deployed 16 mobile clinics to all regions in Indonesia to improve healthcare in the communities, in particular among mothers and children. Our environment program implemented BTS technology using solar, wind and biofuel as alternative energy sources. We have also initiated a tree-planting and grooming program for our employees and the community.

Di tahun 2008, Indosat menyalurkan dana untuk kegiatan CSR bagi komunitas sebesar Rp40 miliar untuk ke seluruh wilayah operasional Perusahaan. Laporan yang lebih komprehensif kami sajikan dalam bagian lain laporan ini.

Pada kesempatan ini kami menyampaikan terima kasih atas seluruh dukungan yang telah diberikan selama ini, dan telah mendukung terlaksananya tujuan CSR kami. Kami akan terus berupaya untuk melanjutkan komitmen sosial untuk meningkatkan keberlangsungan Perusahaan, lingkungan bagi masyarakat dan utamanya adalah membangun bangsa. Bersama-sama dengan para *stakeholder*, kami mengharapkan dapat menciptakan kehidupan yang lebih baik bagi semua.

In 2008, Indosat channeled a CSR budget of Rp40 billion to all regions in which we operate to fulfil the above CSR objectives. A more comprehensive report can be viewed in another section of this report.

We would like to take this opportunity to extend our gratitude for your support over the year, which has played a vital role in helping us realize our CSR goals. We will continue to pursue our social commitments in a bid to enhance the Company's sustainability, the community environment and most importantly, our nation's development. Together, in partnership with all of our stakeholders, we look forward to creating a better life for all of us.



Atas Nama Direksi,
On behalf of the Board of Directors,
Johnny Swandi Sjam

Sustainability at Indosat



Insan Gemilang sebagai Landasan Insan Indosat

Sebagai Perusahaan yang senantiasa melayani kebutuhan telekomunikasi masyarakat Indonesia sejak tahun 1967, Indosat mengemban amanat untuk memberikan kontribusi terbaik bagi pembinaan tali silaturahmi bangsa. Upaya tersebut kemudian diterjemahkan dalam bentuk visi dan misi Perusahaan yang menjadi fondasi dalam penetapan berbagai strategi dan operasional bisnis Perusahaan.

Insan Gemilang, Our Foundation

As a company that has been providing telecommunications services in Indonesia since 1967, Indosat has a duty to contribute its best toward community bonding and nation building. This mandate is manifested in the Company's vision and mission, which lay the foundation for the Company's various strategies and business operations.

Dalam rangka mewujudkan visi dan misi Perusahaan kami menyadari semangat memberi kontribusi terbaik harus terpatri secara mendalam dan menjadi bagian dari budaya kerja Perusahaan. Dengan berbekal sumber daya manusia yang berkualitas kami pun menerapkan nilai-nilai *Insan Gemilang* sebagai landasan cara kerja dan berpikir seluruh kalangan internal Perusahaan, yang meliputi:

Integritas

Mematuhi standar etika tertinggi dalam semua aspek kerja berdasarkan prinsip-prinsip loyalitas, tanggung-jawab, dan dedikasi terhadap perusahaan.

Kerjasama

Bekerja dalam tim dengan kinerja yang baik, memanfaatkan keahlian dan pengalaman dari kolega dan mitra kami dalam suasana yang saling percaya.

Keunggulan

Bertekad untuk menghasilkan yang terbaik dalam hal apapun yang dilakukan dan berupaya untuk mencapai perbaikan yang berkesinambungan serta memperoleh hasil yang melebihi harapan.

Kemitraan

Bertekad menjadi mitra yang baik, menjalin hubungan yang kolaboratif, produktif, dan saling menguntungkan.

Fokus pada Pelanggan

Bertekad untuk mencapai dan melebihi harapan dari pelanggan dalam semua hal yang dikerjakan.

Tanggung Jawab Sosial Perusahaan Merupakan Misi Kami

Sesuai misi Perusahaan, maka Perusahaan telah menempatkan program tanggung jawab sosial Perusahaan sebagai salah satu kegiatan utama Perusahaan. Kami percaya, bahwa tanpa dukungan para *stakeholder* dan masyarakat, kami tidak akan dapat mempertahankan eksistensi Perusahaan. Untuk itulah kami menetapkan tujuan, strategi dan komitee CSR sebagai landasan program CSR kami.

To realize our vision and mission, we are fully aware that we need to nurture a spirit of always doing our best and contributing our utmost, and such a spirit must be embedded in our Company Culture. Supported by talented human resources, we have incorporated the *Insan Gemilang* values into the Company's internal framework and thinking. These values comprise:

Integrity

To uphold the highest ethical standards in all aspects of our work; based on the principles of loyalty, responsibility, and dedication to the Company.

Teamwork

To work together as one - utilizing the skills and experiences of our colleagues and partners in an environment that nurtures trust.

Excellence

To strive to produce the best results in everything that we do and to create results that exceed expectations.

Partnership

To be committed to becoming a solid partner and to work to create collaborative, productive, and mutually beneficial relationships with these partners.

Focus on Customer

To focus on exceeding our customers' expectations in everything that we do.

Corporate Social Responsibility, Our Mission

In line with the Company's mission, we have designated CSR programs as one of the key pillars of the Company's main activities. We believe that without the support from stakeholders and society, the effort to maintain our existence would be near impossible. Therefore, we have set out our objective, strategy and CSR committee as the foundation for our CSR programs.

Tujuan CSR

Adalah menjadi perusahaan yang bertumbuh, mematuhi ketentuan dan regulasi serta peduli kepada masyarakat.

Tujuan tersebut juga menjadi pedoman kami dalam melaksanakan program CSR yang menyentuh tiga aspek dasar kehidupan (*triple bottom lines*). Kami percaya bahwa dengan memberikan kontribusi bagi peningkatan standar ekonomi, sosial dan lingkungan, kami telah turut berperan dalam menciptakan kehidupan yang lebih baik bagi masyarakat. Efek jangka panjang dari kehidupan yang lebih baik adalah kesinambungan pertumbuhan ekonomi dan industri, hingga membentuk sebuah rantai kehidupan yang berkesinambungan bagi Perusahaan, para *stakeholder* maupun seluruh masyarakat.

5 Inisiatif CSR

Untuk menjamin tercapainya tujuan CSR, kami telah merancang dan mengimplementasikan program dalam lima inisiatif utama, yang akan melibatkan seluruh *stakeholder* Perusahaan:

CSR Goals

Our CSR goals is to grow, to comply with laws and regulations and to care for the community.

This objective has served as our fundamental guidance in carrying out CSR programs that address three aspects of life: economic, social, and environment (dubbed the "triple bottomline"). We believe that by making meaningful contributions to enhance economic, social and environment standards, we can help create a higher standard of living for society. The long-term impact of a better quality of living translates into sustainable growth of the economy and industry sectors, thereby creating a continuous circle of life for the Company, for our stakeholders as well as for society.

5 CSR Initiatives

To ensure that we achieve our CSR goals, we have designed and implemented sustainable activities across five key focus areas, which we feel would involve all stakeholders of the Company in a comprehensive manner:



5 CSR Initiatives of Indosat

1. Organizational Governance

Penerapan tata kelola Perusahaan terbaik termasuk mematuhi regulasi dan ketentuan yang berlaku, berlandaskan 5 prinsip: transparansi, akuntabilitas, pertanggungjawaban, independensi dan kesetaraan.

1. Organizational Governance

Implementing corporate governance best practices, including compliance with the prevailing provisions and regulations. Our corporate governance rests on five key pillars, namely transparency, accountability, responsibility, independence and fairness.

2. Consumer Issues

Menyediakan dan mengembangkan produk dan jasa telekomunikasi yang memberikan manfaat luas bagi pemakainya, layanan yang transparan dan terpercaya.

3. Labor Practices

Mengembangkan hubungan yang saling menguntungkan antara Perusahaan dan karyawan serta pengembangan sistem, organisasi dan fasilitas pendukung sehingga memberikan manfaat yang sebesar-besarnya bagi Perusahaan.

4. Environment

Mengembangkan budaya peduli lingkungan termasuk upaya-upaya nyata untuk mengurangi penggunaan emisi karbon dalam kegiatan Perusahaan.

5. Community Involvement

Ikut mengembangkan kualitas hidup komunitas dalam hal kualitas pendidikan sekolah dan olahraga, kualitas kesehatan, serta ikut serta dalam mendukung kegiatan sosial komunitas termasuk bantuan saat bencana/musibah.

Komite CSR

Komite CSR melaksanakan koordinasi dan rapat secara reguler sejalan dengan prinsip-prinsip transparansi, pertanggungjawaban dan akuntabilitas, untuk melaksanakan program-program CSR Indosat secara komprehensif:

2. Consumer Issues

Providing and developing telecommunications products and services that not only extend maximum benefits to the users, but also offer transparent and trustworthy services.

3. Labor Practices

Empowering a mutual benefit relationship between the Company and its employees as well as developing a system, organization and other support facilities to create maximum benefit for the Company.

4. Environment

Adopting an environment-conscious culture, including implementing conscious efforts to reduce carbon emissions from our business activities.

5. Community Involvement

Playing a part in improving the community’s quality of life, particularly in the areas of education, sports and health, as well as supporting community activities and welfare initiatives, such as disaster relief support.

CSR Committee

The CSR Committee conducts intensive coordination and routinely convenes in accordance with principles of transparency, responsibility and accountability, to implement Indosat’s CSR program in a comprehensive manner:



Tata Kelola Perusahaan Sebagai Prinsip Dasar Pelaksanaan CSR

Tata kelola perusahaan yang baik adalah merupakan syarat penting bagi tercapainya tujuan Perusahaan dan tujuan CSR. Kami senantiasa berupaya maksimal untuk menjalankan kegiatan bisnis secara bertanggung jawab agar dapat memberi manfaat berkelanjutan bagi para pemegang saham dan para *stakeholders*. Terkait dengan hal tersebut, kami berkomitmen untuk menerapkan prinsip-prinsip tata kelola Perusahaan dengan standar tertinggi.

Sebagai Perusahaan publik yang mencatatkan sahamnya secara dual listing di Bursa Efek Indonesia (BEI) dan New York Stock Exchange (NYSE), kami senantiasa berupaya mematuhi seluruh ketentuan yang dikeluarkan oleh otoritas pasar modal, baik di Indonesia maupun di Amerika Serikat serta peraturan yang terkait lainnya.

Dalam menjalankan Perusahaan, kami menerapkan prinsip-prinsip tata kelola yang sesuai dengan standar yang ditetapkan oleh Komite Nasional Kebijakan Governance Indonesia dan senantiasa memperhatikan perkembangan praktek tata kelola terbaik yang dilakukan Perusahaan-Perusahaan dunia lainnya. Kegiatan tata kelola Perusahaan dilandasi oleh 5 prinsip utama yaitu Transparansi, Akuntabilitas, Pertanggung Jawaban, Independensi dan Kesetaraan.

Transparansi

Dalam rangka memenuhi prinsip transparansi, kami berupaya menyediakan informasi secara tepat waktu, memadai, jelas, akurat, serta mudah diakses dan dipahami oleh para *stakeholder* demi memelihara dan menjaga obyektivitas dalam menjalankan usaha.

Kami memiliki kebijakan Prosedur dan Pengawasan Keterbukaan Informasi dan membentuk Komite Keterbukaan Informasi (*Disclosure Committee*) sejak tahun 2004.

Sepanjang tahun 2008, Perusahaan telah mengeluarkan sebanyak 63 informasi yang bersifat material. Sedangkan penyebaran informasi kami lakukan melalui berbagai media, antara lain situs: www.indosat.com, *fact sheet*, buletin triwulanan untuk investor, pengumuman Perusahaan, mailing list, dan konferensi

Corporate Governance as Principal Foundation for CSR Implementation

Good corporate governance is an important cornerstone of the Company's overall business approach. It is also vital for Indosat in achieving our CSR objectives. We have always made every effort to conduct our business responsibly, to deliver sustainable benefits to all our shareholders and stakeholders. In relation to this, we are fully committed to complying with the highest standards of corporate governance.

As a public company dual-listed on the Indonesia Stock Exchange (IDX) and New York Stock Exchange (NYSE), we adhere strictly to regulations stipulated by the capital market authorities in both Indonesia and the United States, as well as other related regulations.

In our operations, we have always been guided firmly by principles of good corporate governance set out by Indonesia's National Committee for Governance Policy. At the same time, we strive to keep pace with best practices developed by other global companies. Indosat's corporate governance rests on five key pillars, namely Transparency, Accountability, Responsibility, Independence and Fairness.

Transparency

We strive to provide timely, relevant, accurate and accessible information to all stakeholders as part of our effort to adhere to the principle of transparency, and to maintain objectivity in our business operations.

We have implemented a policy on "Information Disclosure Procedure and Monitoring" and established a Disclosure Committee in 2004.

In 2008, the Company released 63 articles of material information. The information was disseminated through various channels including the Company's website: www.indosat.com, fact-sheets, quarterly investor bulletins, company announcements, mailing list and press conferences, to ensure that all

pers, guna menjamin ketersediaan informasi yang akurat mengenai kinerja dan kegiatan Perusahaan bagi para *stakeholder*. Pengelolaan informasi yang bersifat material, termasuk pendistribusiannya, dilaksanakan oleh Grup *Corporate Secretary* yang membawahi 4 (empat) unit kerja yaitu *Investor Relations*, *Public Relations*, *Internal Communications*, dan *Corporate Data*.

Akuntabilitas

Dalam rangka memenuhi prinsip akuntabilitas, kami telah menetapkan tugas dan tanggung jawab dari Dewan Komisaris, Direksi dan karyawan, dan Komite-komite sesuai dengan visi, misi, nilai-nilai, serta strategi Perusahaan.

Kode Etik

Sejak tahun 2004 kami menerbitkan Kode Etik yang diperbaharui dari waktu ke waktu sebagai acuan praktek bisnis oleh Direksi dan seluruh karyawan untuk memastikan kegiatan usaha dijalankan dengan penuh integritas serta sesuai dengan ketentuan hukum dan perundang-undangan yang berlaku.

Struktur dan Kerangka Tata Kelola

Struktur dan kerangka tata kelola Perusahaan dijalankan melalui beberapa mekanisme atau struktur, antara lain Rapat Umum Pemegang Saham (RUPS), Dewan Komisaris dan Direksi serta komite-komite: Komite Audit, Komite Remunerasi dan Komite Manajemen Risiko.

Indikator Kinerja

Perusahaan juga telah menyempurnakan sistem Indikator Kinerja Utama (Key Performance Indicator/KPI) sejak 3 tahun yang lalu, sehingga kami dapat mengukur kinerja Perusahaan sesuai dengan struktur organisasi.

Kebijakan Penanganan Pengaduan

Kami juga mengeluarkan kebijakan penanganan pengaduan (*whistle-blower policy*), dimana pihak eksternal maupun internal Perusahaan dapat memberikan masukan kepada Komite Audit berkenaan dengan pelaksanaan kepatuhan Perusahaan.

stakeholders were provided with accurate information relating to the Company's performance and activities. The Corporate Secretary Group is responsible for managing and distributing material information. The group is supported by four units, namely Investor Relations, Public Relations, Internal Communications and Corporate Data.

Accountability

We have clearly mapped out a framework for accountability, within which the roles and responsibilities of the Board of Commissioners, Board of Directors, employees and other committees have been clearly defined and aligned with the Company's vision, mission, values and strategy.

Code of Ethics

Our commitment is stated and reflected in the Code of Ethics we released in 2004. The Code serves as a guide for Directors and all employees to ensure that all businesses are carried out with full integrity and in accordance with the prevailing law and regulations.

Structure and Corporate Governance Framework

The Company's corporate governance framework comprises a number of elements and structures, namely the General Meeting of Shareholders (GMOS), Board of Commissioners, Board of Directors, and other individual committees such as the Audit Committee, Remuneration Committee, and Risk Management Committee.

Performance Indicator

The Company refined its Key Performance Indicator system three years ago to align performance measurement with organizational structure.

Whistle-Blower Policy

We have also adopted a "whistle-blower policy" to allow both external and internal parties to give input to the Audit Committee on Company policies and regulations.

Pertanggungjawaban

Dalam rangka memenuhi prinsip pertanggungjawaban, kami berupaya untuk memastikan kepatuhan terhadap hukum yang berlaku dan berpegang teguh pada prinsip kehati-hatian antara lain melalui penerapan kebijakan Asset Liability Management (ALM) yang terukur dan selalu patuh terhadap covenant (kewajiban) dari obligasi yang diterbitkan. Sebagai Perusahaan telekomunikasi kami juga senantiasa mematuhi Undang-Undang Telekomunikasi dan peraturan-peraturan yang dikeluarkan pemerintah antara lain oleh Departemen Komunikasi dan Informatika serta Badan Regulasi Telekomunikasi Indonesia.

Dalam hal pengendalian internal dan resiko, kami telah membentuk *Group Enterprise Risk Management* sejak 2006, di samping *Group Internal Audit*. Kami juga telah berhasil menyelesaikan secara penuh Pasal 404 U.S. Sarbanes-Oxley (SOX) terkait pengendalian internal terhadap laporan keuangan tahun 2008.

Prinsip-prinsip UN Global Compact

Sejalan dengan komitmen kami untuk membangun masyarakat yang berkelanjutan, maka sejak tahun 2006, kami telah mendukung *UN Global Compact* suatu inisiatif dari Perserikatan Bangsa Bangsa. Kami menjunjung tinggi prinsip-prinsip dalam UN Global Compact dan berusaha menjadikan prinsip-prinsip tersebut sebagai bagian dari strategi dan budaya Perusahaan. Kami memegang teguh prinsip anti korupsi melalui penerapan kebijakan *whistleblower* dan kode etik. Kami juga mengadakan diskusi secara rutin dengan Serikat Pekerja untuk menelaah kesepakatan kami dengan mereka serta untuk memastikan bahwa kami selalu patuh terhadap standar perburuhan yang berlaku. Dalam penerapan prinsip-prinsip lingkungan hidup, kami telah melakukan usaha dan investasi yang cukup besar dalam program tanggung jawab Perusahaan (CSR) termasuk kemungkinan pemakaian energi alternatif untuk menara BTS kami guna mengurangi penggunaan bahan bakar. Program sosial kami saat ini berfokus pada bidang pendidikan dan kesehatan, hal yang tengah menjadi perhatian bangsa ini. Untuk menjaga prinsip hak asasi manusia, kami secara teratur menelaah kebijakan sumber daya manusia untuk memastikan kepatuhannya terhadap aturan-aturan Departemen Tenaga Kerja.

Responsibility

In line with our commitment to corporate responsibility, we take every care to ensure compliance with prevailing laws and to practice principles of prudence, by applying a measured Asset Liability Management (ALM) policy and complying with covenants of the various issued bonds. As a telecommunications company, we have to comply with laws and regulations enforced by the Ministry of Communication and Information, as well as those of the Indonesian Telecommunications Regulatory Board.

In risk and internal control, we have established an Enterprise Risk Management (ERM) Group since 2006, in addition to the Group Internal Audit. We have also successfully implemented in 2008 the final requirements of Section 404 of the U.S. Sarbanes-Oxley (SOX) Act regarding internal controls over financial reporting in 2008.

UN Global Compact Principles

In line with our commitment to building sustainable communities, we have supported the United Nations (UN) initiative called the UN Global Compact since 2006. We uphold the principles of the UN Global Compact and strive to incorporate these principles into our Company strategy and culture. We uphold the principles of anti-corruption through the enactment of the whistleblower policy and the code of ethics. We also undertake regular discussions with the union to review our agreement with them and to ensure we comply with the current labor standards. To implement our environmental policy we invested considerable time, effort, and a sizeable investment in our corporate social responsibility program, including studying the possibilities for alternative energy in our cellular base station towers to reduce fuel use. Our social programs focus on education and health, in line with the current concerns of our Nation. To uphold our human rights principles, we regularly review our employment policy to ensure its compliance with the Ministry of Labor regulations.

Independensi

Dalam rangka memenuhi prinsip independensi, kami berupaya agar masing-masing organ di Perusahaan bersifat independen dan tidak terpengaruh oleh kepentingan tertentu. Berbagai upaya kami lakukan untuk meminimalisir terjadinya benturan kepentingan dalam kegiatan pengelolaan Perusahaan dengan mengupayakan rangkap jabatan oleh anggota Dewan Komisaris dan Direksi Perseroan di Perusahaan lain tidak saling menghambat dalam pelaksanaan tugasnya.

Selain itu, untuk menjaga independensi, auditor Independen Indosat ditunjuk oleh Rapat Umum Pemegang Saham Tahunan berdasarkan rekomendasi dari Dewan Komisaris dan Komite Audit.

Keadilan dan Kesetaraan

Dalam rangka memenuhi prinsip kesetaraan, kami berupaya untuk memberikan perlakuan yang setara dan wajar kepada para *stakeholder*.

Informasi Perusahaan dapat diperoleh secara setara oleh para pemegang saham. Untuk menghindari pengungkapan terbatas, kami menempatkan seluruh informasi yang telah kami ungkapkan ke publik dalam situs kami di <http://www.indosat.com>.

Kami juga memberikan kesempatan yang sama dalam proses penerimaan karyawan dan kesempatan berkarir. Setiap 2 (dua) tahun sekali, Perusahaan menyelenggarakan survei kepuasan kerja guna mengukur tingkat kepuasan kerja serta loyalitas karyawan. Hasil survei terakhir menunjukkan adanya peningkatan indeks, dengan satu indikator terpenting, yaitu tingkat *turnover* karyawan, tercatat sebesar 2% per tahun atau jauh lebih rendah dibanding standar industri telekomunikasi yang berkisar pada angka 6% per tahun.

Di samping itu kepada karyawan kami berupaya menerapkan pendekatan manajemen terbuka kepada masing-masing anggota Perusahaan sesuai struktur organisasi Perusahaan baik secara langsung maupun melalui intranet. Dalam hal komunikasi dengan Direktur Utama kami juga memiliki blog CEO tersendiri. Blog CEO merupakan sarana komunikasi dua arah antara CEO dengan seluruh karyawan.

Independence

In keeping with the spirit of independence, we make every effort to encourage each of our workforce units to be independent and not to be overtly influenced by any particular interest. Some of our efforts include minimalizing any conflicts of interest in management and operational activities, by ensuring that multiple appointments undertaken by members of the Board of Commissioners and Board of Directors do not affect their abilities to carry out their responsibilities in the Company.

To maintain further independence, the Independent Auditor is appointed by shareholders at the Annual General Meeting, based on recommendations from the Board of Commissioners and the Audit Committee.

Fairness

In keeping with the principle of fairness, we make every attempt to treat all stakeholders fairly.

We ensure that all shareholders have equal access to Company information. To avoid selective disclosure, every single piece of information that has been disclosed to the general public is uploaded onto our website at <http://www.indosat.com>.

We also provide equal opportunity in employee recruitment as well as career development. We conduct a work satisfaction survey every other year (biannually), to gauge the level of employee satisfaction as well as their sense of loyalty. The latest survey results shows that Indosat has outperformed in one particularly important key indicator. Our employee turnover stands at 2% per annum, far below the telecommunications industry average of about 6% per annum.

In addition, we strive to implement an open management approach within Indosat through direct interactions as well as the intranet, along the lines of the Company's Organization Structure. To encourage communication with our President Director, we have also established a CEO blog to facilitate an interactive, two-way dialogue with all employees.

Engagement with Stakeholders



Pelanggan

Customers



Komunitas

Community



Lingkungan

Environment

Keterlibatan dengan para *stakeholder* sangat penting untuk mengidentifikasi hal-hal yang dapat mempengaruhi masyarakat dan lingkungan usaha. Mendengarkan dan berkerjasama dengan para *stakeholder* secara konstruktif akan menjadi masukan penting bagi proses pengambilan keputusan Perusahaan.

Oleh karena itu, Indosat sangat memperhatikan langkah-langkah selanjutnya dalam mengintegrasikan keterlibatan para *stakeholder* ke dalam proses usaha dan sistem manajemen Perusahaan. Kami berkomitmen menciptakan pertumbuhan usaha seiring dengan perkembangan yang bermanfaat bagi para *stakeholder*. Bisnis Indosat melayani segmen sosial ekonomi masyarakat di seluruh Indonesia, sehingga para *stakeholder* yang terlibat semakin beragam, baik pengguna layanan, karyawan, pemasok, distributor hingga komunitas masyarakat sekitar. Tingkat keterlibatan tinggi juga terjadi pada seluruh tahapan operasional bisnis, mulai dari penyelenggaraan dan pemeliharaan jaringan layanan, distribusi, pemasaran, pelayanan pelanggan hingga berbagai proses penunjang lainnya. Setiap pihak memiliki peran dan tanggung jawabnya masing-masing dalam berkontribusi menggerakkan roda perekonomian.

Menyadari pentingnya peranan para *stakeholder* bagi pertumbuhan Perusahaan yang berkelanjutan, kami menerapkan strategi manajemen dan pembinaan hubungan baik dengan para *stakeholder* yang mengacu pada prinsip tata kelola Perusahaan dan nilai budaya kerja Indosat. Sesuai komitmen tanggung jawab sosial perusahaan yang ditujukan bagi para *stakeholder*, kami berupaya menciptakan pertumbuhan yang harmonis dan berkelanjutan. Kami menyadari bahwa tanggung jawab sosial perusahaan tidak hanya terbatas pada peningkatan kualitas hidup semata, namun juga mencakup keberlangsungan hidup aspek pendukung eksistensi Perusahaan. Melalui program terencana yang berkesinambungan, kami berupaya mewujudkan cita-cita untuk menciptakan kualitas kehidupan yang lebih baik di masa mendatang.



Distributor

Distributors



Pemasok

Suppliers/Vendors



Karyawan

Employees

It is extremely important to engage with our stakeholders in identifying and responding to issues that have the potential to affect the communities and environment in which we operate. Listening to our stakeholders and working with them in a constructive manner will yield insightful inputs for our decision making process.

For these reasons, Indosat takes extra care and effort to further integrate stakeholder engagement into our business processes and management system. While we are committed to achieving growth for the Company, we are also equally serious about creating a similar growth that benefits our stakeholders. In keeping with the expansion of our business, which serves all segments of the Indonesian market across different social and economic strata, more and more stakeholders are today involved with Indosat. They include subscribers, employees, vendors and suppliers, distributors, as well as our surrounding communities. The intensifying involvement occurs across all stages of our business operation, from the development and maintenance of service networks, distribution, marketing, customer service to other various business supporting components. Each party has its unique role and responsibility in contributing to the advancement of the national economy.

Recognizing the important role played by stakeholders in the sustainability of our business, we have sought to build and maintain a good relationship with each and every one of them, and to manage these relationships in a strategic manner. These efforts are all carried out in accordance with principles of good corporate governance, strengthened by the good business ethics embedded in Indosat's corporate culture. Through our commitment to social responsibility, we aim to create a harmonious and sustainable growth for every stakeholder. This reflects our understanding that corporate social responsibility goes beyond merely improving the standard of living for the community to encompass diverse aspects of sustainability. Through an ongoing and well-planned framework, we are determined to realize our goal of creating a better and sustainable quality of life for the future.

Customers

Kepedulian Terhadap Pelanggan

Kompetisi bisnis telekomunikasi yang semakin ketat saat ini menuntut setiap pelaku industri untuk peka terhadap berbagai kebutuhan pelanggan. Selain sebagai bagian dari tuntutan operasional bisnis, kepekaan terhadap kebutuhan pelanggan juga merupakan refleksi dari tanggung jawab perusahaan yang berhubungan erat dengan pembentukan citra Perusahaan di mata publik.



The intensifying business competition today demands a more sensitive approach from industry players in addressing customer needs. In addition to the conduct of business operations, sensitivity to customer needs is also a gauge of the Company's level of responsibility, and is absolutely crucial in creating a positive image of the Company.

Sebagai operator penyelenggara layanan telekomunikasi terpadu yang menyediakan layanan telekomunikasi selular, komunikasi data tetap dan telepon tetap, melindungi hak dan kepentingan para pelanggan adalah hal yang penting bagi keberlangsungan bisnis Perusahaan. Pertumbuhan pelanggan yang terus meningkat setiap tahunnya menuntut kami untuk terus meningkatkan kualitas pelayanan.

Service Excellence Year

Indosat mencanangkan tahun 2008 sebagai tahun Service Excellence dan menjadikan semangat Melayani dengan Kualitas sebagai bagian dari budaya Perusahaan. Untuk mendukung upaya tersebut, kami telah menerapkan hal-hal sebagai berikut:

People Development, yaitu program peningkatan kualitas kompetensi, ketrampilan dan wawasan bagi lebih dari 1.500 petugas *contact center* Indosat dengan mengikuti tidak kurang dari 7 modul pelatihan dalam 18 kelompok.

| Year | Customer Service Modules | Customer Service Training Batch* | |
|------|--------------------------|----------------------------------|-----------------------------|
| | | In House (available package) | Insert (Package by request) |
| 2007 | 8 | 13 | 3 |
| 2008 | 7 | 15 | 3 |

Business Process, yaitu program peningkatan kualitas proses pelayanan pelanggan. Langkah yang dilakukan adalah dengan menyusun standarisasi pelayanan dengan mengacu pada standar pelayanan terbaik yang dijalankan oleh berbagai operator telekomunikasi nasional maupun internasional.

Di tahun 2008 Indosat berhasil mengurangi rata-rata *waiting time* pelanggan di Galeri Indosat dari 8,70 menit per pelanggan di tahun 2007 menjadi 7,40 menit per pelanggan di 2008. Keberhasilan tersebut didukung oleh peningkatan jumlah petugas pelayanan pelanggan di Galeri Indosat, yaitu menjadi 725 orang pada tahun 2008.

Adapun *servicing time* kami akui mengalami peningkatan menjadi rata-rata 11,21 menit per pelanggan di 2008 dari 10,16 menit per pelanggan di 2007. Hal ini disebabkan oleh semakin berkembangnya minat dan kebutuhan pelanggan terhadap berbagai inovasi fitur layanan

As a telecommunications operator that provides integrated services in Cellular, Fixed Data and Fixed Telecommunications, protecting the rights and interests of customers is crucial to sustaining our business. The annual growth in subscriber numbers means that we have to keep improving our service.

Service Excellence Year

Indosat declared the year of 2008 as the year of Service Excellence and adopted the spirit of Providing Quality Service as part of our corporate culture. To support this effort, we implemented the following:

People Development, an initiative aimed at improving the competency level, skills and knowledge of more than 1,500 Indosat contact centre officers, through no fewer than 7 training modules in 18 training batches.

*Remarks: Each batch is attended by 30 participants

Business Process, a program aimed at enhancing the quality of the customer service process. Steps taken include service standardization by pegging it to best service standards and practices adopted by various national as well as international telecommunication operators.

In 2008, we succeeded in reducing the average waiting time for customers in Galeri Indosat, from 8.70 minutes per customer in 2007 to 7.40 minutes per customer in 2008. This was achieved by increasing the number of customer service operators in Galeri Indosat to 725 operators in 2008

We admit that the average *servicing time* has lengthened, from 10.16 minute per customer in 2007 to 11.21 minute per customer in 2008 which was due mainly to the robust expansion and intensified interests and needs of customers for our various service features, such

Indosat, seperti komunikasi data, *mobile-content* dan *Blackberry* yang membutuhkan waktu pelayanan yang lebih lama dibandingkan permintaan informasi jasa-jasa dasar.

Infrastruktur Pelayanan Pelanggan, yaitu peningkatan kualitas fasilitas pelayanan di Galeri Indosat yang mengutamakan nilai kenyamanan, fungsional dan estetis bagi seluruh pelanggan. Salah satu inovasi yang dilakukan adalah dengan menyediakan VIP lounge dan Pojok Teknologi atau Techno Corner. Indosat juga mengembangkan aplikasi CRM yang kami sebut dengan I-Care yang dapat memudahkan petugas layanan pelanggan, dalam hal akurasi data, kecepatan pelayanan, dan kemudahan penelusuran keluhan pelanggan.

Dalam rangka memberikan pelayanan terbaik bagi pelanggan seluler Indosat yang hingga akhir tahun 2008 telah berjumlah 36,5 juta pelanggan, Indosat juga selalu menjaga kualitas layanan melalui telepon (*contact center*) bagi seluruh pelanggan, dengan selalu mengacu pada Peraturan Menteri Komunikasi dan Informatika tentang Standar Kualitas Pelayanan Jasa Teleponi Dasar no. 12/PER/M.KOMINFO/04/2008 untuk Jaringan Bergerak Seluler, no. 13/PER/M.KOMINFO/04/2008 untuk Jaringan Tetap Mobilitas Terbatas, dan no. 11/PER/M.KOMINFO/04/2008 untuk Jaringan Tetap Lokal

Selain pelayanan pelanggan yang bersifat individu, Indosat juga berupaya memperhatikan kualitas pelayanan bagi pelanggan korporat yang memanfaatkan solusi layanan *voice*, *mobile*, *connectivity*, serta *VAS & hosting*, dengan ketersediaan tim pelayanan purna jual selama 24 jam sehari dan 7 hari seminggu. Tim ini terdiri dari fungsi *helpdesk* dan *technical support* yang akan menindaklanjuti setiap keluhan yang disampaikan pelanggan korporat dengan target waktu penanganan adalah 180 menit sampai dengan penyelesaian masalah.

Salah satu wujud keberhasilan implementasi program *Service Excellence* adalah diperolehnya beberapa penghargaan dalam bidang pelayanan, antara lain Call Center Award (Februari 2008) dan *Service Quality Award* (Juni 2008).

as data communications, mobile content and Blackberry service. These service features require a longer serving time compared to inquiries on basic services.

Customer Service Infrastructure, a quality improvement of customer service facilities at Galeri Indosat, with the priority on enhancing comfort, service functions and aesthetics for all our customers. One of the innovations included setting up a VIP lounge and Techno Corner. We also developed a CRM application dubbed "I-Care" to help operators to keep track of data accuracy, service promptness, and customer complaints.

To provide the best service to all Indosat cellular subscribers which reached 36.5 million in 2008, we are dedicated to maintaining our service level at the contact center by complying with Regulation No. 12/PER/M.KOMINFO/04/2008 set forth by the Ministry of Communications and Information on Telephone Service Quality Standards for Mobile Cellular Network, with Regulation No. 13/PER/M.KOMINFO/04/2008 for Limited Mobile Fixed Network, and No. 11/PER/M.KOMINFO/04/2008 for Fixed Local Network.

In addition to improving service for individual customers, Indosat also paid special attention to the service quality for our corporate customers who subscribe to our voice solution service, mobile, connectivity as well as VAS & hosting. We provided them with post-sales service 24 hours a day, 7 days a week. The team consists of a mix of staff in the helpdesk function and technical support, who are responsible for following up on any complaints forwarded by corporate subscribers and for thoroughly handling these complaints within 180 minutes.

Our successful implementation of the Service Excellence program has been recognized through our various award wins, namely the Call Center Award in February 2008 and Service Quality Award in June 2008.

Penanganan Keluhan

Sejalan dengan semangat mewujudkan *Service Excellence*, salah satu upaya yang dilakukan adalah dengan menerapkan kebijakan Penanganan Keluhan yang mewajibkan penanganan masalah pelanggan secara cepat dan tuntas.

Saat ini kami telah memiliki beberapa saluran untuk menampung keluhan pelanggan, yaitu:

GALERI INDOSAT, yaitu kantor pelayanan bagi pelanggan Indosat. Hingga akhir tahun 2008, Indosat telah memiliki 162 Galeri yang tersebar di delapan wilayah operasional Regional Indosat.

GRIYA INDOSAT, yang merupakan kantor pelayanan pelanggan yang dikelola bersama oleh Indosat dan mitra dealer untuk melayani pelanggan di lokasi yang tidak terjangkau oleh Galeri Indosat. Hingga 2008, Griya Indosat telah beroperasi di 163 titik, dengan 10 di antaranya merupakan Griya Online.

CONTACT CENTER untuk semua layanan Indosat, yang memungkinkan pelanggan menyampaikan keluhan lewat telepon.

Complaint Handling

In keeping with the spirit of Service Excellence, we have set out a Complaint Handling policy which enforces a prompt and timely handling of complaints.

To date, we have established a number of customer complaint channels, such as:

GALERI INDOSAT, a service center for our customers. As at the end of 2008, Indosat had 162 Galleries throughout eight Indosat operational regions.

GRIYA INDOSAT, a service center jointly operated by Indosat and dealer partners to serve our customers who live or operate outside of Galeri Indosat's service coverage. As at the end of 2008, there were 163 Griya Indosat points including 10 Griya Online facilities.

CONTACT CENTER for all Indosat services put in place to enable customers to forward their complaints by phones.

| | | | | |
|---|---|--|--|--|
|  <p>IME</p> <p>PSTN: 021 - 54388888 021 - 30003000</p> <p>Ponsel: 300/100</p> |  <p>mentari</p> <p>PSTN: 021 - 54388888 021 - 30003000</p> <p>Ponsel: 222/100</p> |  <p>Matrix</p> <p>PSTN: 021 - 54388888 021 - 30003000</p> <p>Ponsel: 111</p> |  <p>starone</p> <p>PSTN: 021 - 54388888 021 - 30003000 031 - 60111111</p> <p>Ponsel: 222/100</p> |  <p>INDOSAT SLI 008</p> <p>PSTN: 101 & 104 (Operator Assistance)</p> |
|---|---|--|--|--|

EMAIL, untuk semua layanan GSM, CDMA, I-Phone, pelanggan dapat menyampaikan keluhan atau pertanyaan melalui alamat email: customer_service@indosat.com

PORTAL, untuk semua produk indosat, pelanggan dapat menyampaikan keluhan atau pertanyaan melalui www.indosat.com/enquiry.

Peningkatan Kualitas Teknis

Hingga tahun 2008 Indosat telah membangun 14.162 BTS di seluruh Indonesia disamping pembangunan lain untuk meningkatkan kualitas layanan. Sesuai dengan

EMAIL, for all GSM, CDMA, I-Phone services, to facilitate any questions or complaints from customers through the email address at customer_service@indosat.com.

PORTAL, for all Indosat products, to facilitate any questions or complaints from customers through the Company website address at www.indosat.com/enquiry.

Technical Quality Enhancement

As at the end of 2008, Indosat has built 14,162 BTS in Indonesia, in addition to other development works to improve the quality of our services. The enhancement

ketentuan standar kualitas layanan telekomunikasi yang telah ditetapkan pada UU No. 36 tahun 1999 tentang komunikasi dan Peraturan Menteri Komunikasi dan Informatika RI tanggal 21 April 2008 tentang Standar Kualitas Layanan Telekomunikasi Jasa Teleponi Dasar, Indosat senantiasa berupaya mengembangkan jaringan, menjaga kualitas teknis jaringan dan melakukan mitigasi risiko jaringan secara responsif untuk menjamin keberlangsungan layanan. Upaya tersebut dilakukan dalam rangka melayani kebutuhan telekomunikasi pelanggan secara optimal, baik dalam kondisi normal maupun kondisi puncak seperti masa liburan panjang, Lebaran dan Tahun Baru.

Shariah Compliance

Sebagai wujud perhatian dan tanggung jawab kami kepada pelanggan dan masyarakat Indonesia yang mayoritas merupakan penganut agama Islam, maka kami berupaya memberikan jaminan yang memenuhi ketentuan syariah. Pada tahun 2008, Indosat menerima sertifikasi syariah yang diterbitkan oleh Dewan Syariah Nasional - MUI untuk 10 layanan dasar jasa telekomunikasi (voice dan sms), yaitu Matrix, Mentari, IM3, StarOne, I-phone, Indosat SLI 001, Indosat SLI 008, Indosat FlatCall 01016, Indosat *Global Save*, dan Indosat *Corporate Solution*. Selain itu, Indosat juga merupakan Perusahaan terbuka pertama yang menerbitkan Obligasi Syariah di BES (2002), dan dilanjutkan obligasi syariah (2005 dan 2007).

Perlindungan Pelanggan

Dalam rangka melindungi hak pelanggan, Indosat telah menetapkan beberapa kebijakan khusus terkait penyampaian informasi pelanggan kepada pihak luar yang mengacu pada UU no. 36 Tahun 1999 tentang Telekomunikasi, yaitu:

Keputusan Direksi 004/Kebijakan/COO-CDO-CDA/2005 tentang kebijakan pemberian data/profile pelanggan untuk internal Indosat

Keputusan Direksi 013/Kebijakan/COO-CDO-CDB/2008 dan ND 210/COO-CDB/SVC/2008 tentang keamanan akses dan download data tagihan pelanggan Indosat yang antara lain mengenai ketentuan bahwa hanya pihak berwajib yang berhak memperoleh akses informasi pelanggan atas pertimbangan keamanan nasional dan hanya dapat diperoleh secara resmi melalui Group Legal Indosat.

work was conducted in accordance with Law No. 36/1999 on the standard of telecommunications service quality for basic telephone services, as stipulated by the Minister of Communications and Information on April 21 2008. Indosat continues to expand our network, maintain the quality of the technical network and mitigating risks to ensure service sustainability. We have sought to address in an optimal way customers' needs for communications, during normal as well as peak periods such as long holidays, the Eid festivals and New Year.

Shariah Compliance

As a reflection of our dedication and duty to the Indonesian society, the majority of whom are Muslim, we have sought to ensure that our products are in compliance with Shariah Law. In 2008, Indosat received the Shariah Certificate issued by the National Shariah Board (MUI) for 10 basic telecommunications services (voice and sms). These are: Matrix, Mentari, IM3, StarOne, I-phone, Indosat SLI 001, Indosat SLI 008, Indosat FlatCall 01016, Indosat *Global Save*, and Indosat *Corporate Solutions*. In addition, Indosat was also the first public company to issue Shariah Bonds on the Surabaya Stock Exchange in 2002, followed by Shariah Bonds in 2005 and 2007.

Customer Protection

To protect our customers' rights and interests, Indosat has set out special policies pertaining to customer information disclosures to third parties. This is in accordance with Law No. 36/1999 on Telecommunications, as follows:

Director's Decree 004/Kebijakan/COO-CDO/2005 on disclosure of customers, data/profile for internal use.

Directors' Decree 013/Kebijakan/COO-CDO/2008 and ND 210/COO-CDB/SVC/2008 on the security of data access and customer billing downloads. This spells out provisions that permit only authorized government institutions to access customer information for national security reason and that such information can be formally obtained only through the Indosat Legal Group.

Program Pemasaran dan Promosi

Pada penayangan publikasi pemasaran dan promosi di media massa, kami selalu merujuk pada Kode Etik Periklanan dan prinsip keterbukaan informasi. Kami juga menerapkan sistem *Integrated Marketing Communications*, yaitu memanfaatkan semua media untuk menyampaikan pesan sehingga informasi yang tidak bisa ditampilkan di satu media karena keterbatasan tempat dan waktu, akan ditampilkan secara lebih lengkap di media yang lain.

Saat ini, Indosat juga telah mengembangkan media komunikasi terintegrasi bagi para *stakeholder* berupa Website Indosat (www.indosat.com) yang dapat menjadi rujukan informasi korporat dan pemasaran yang akurat dan terpercaya. Hal tersebut dapat terlihat dari jumlah hits pada website tersebut.

Retensi Pelanggan

Dalam rangka membina hubungan baik dengan pelanggan, Indosat juga aktif menyelenggarakan berbagai program retensi yang disesuaikan dengan kebutuhan pelanggan, dengan program utama sebagai berikut:

Program Poin Plus Plus, merupakan program apresiasi untuk seluruh pelanggan seluler Indosat (baik pasca bayar maupun prabayar) yang dilakukan melalui mekanisme pengumpulan poin berdasarkan atas pemakaian dan pengisian pulsa isi ulang, serta lamanya berlangganan.

Retensi yang khusus dilaksanakan pada beberapa segmen pelanggan atau komunitas, yang pada tahun 2008 dapat terbagi menjadi tiga kelompok utama, yaitu *Premium Segment and Partnership*, *Mass Program and Churn Retention* serta *Community Retention* seperti misalnya komunitas *Blackberry* (isat-bb@yahoogroups.com), yaitu komunitas pengguna *Blackberry* yang memiliki kesamaan hobby dan keingintahuan dunia *Blackberry* secara lengkap (*handheld*, layanan, fitur, aplikasi, dan lain-lain).

Customer Gathering bagi pelanggan layanan Indosat *Corporate Solution* antara lain berupa pemutakhiran layanan Indosat, *focus group discussion* dan sebagainya.

Marketing and Promotion Program

In marketing publications and promotions in the media, we always comply with the Advertising Code of Ethics and adhere to the principle of information transparency. The Integrated Marketing Communications system was implemented to tap on all media resources in creating awareness. Information that could not be conveyed through any one particular medium owing to limited time or space would be presented in a more comprehensive manner through another medium.

To date, Indosat has developed an integrated communication tool for stakeholders at the Indosat Website (www.indosat.com), which serves to disseminate accurate and reliable corporate and marketing information. The effort has proven effective thus far, judging from the number of website hits.

Customer Retention

To foster good relationships with subscribers, Indosat actively conducts various retention programs tailored to customer needs. Main programs are as follows:

“Program Poin Plus Plus”, an appreciation program for all Indosat cellular subscribers (post-paid and pre-paid) through point accumulation based on usage, credit top-up and duration of the subscription period.

Special retention programs were introduced to several customer segments in 2008. These were divided into three main categories, Premium Segment and Partnership, Mass Program and Churn Retention, and Community Retention such as Blackberry community (isat-bb@yahoogroups.com), a Blackberry-user community that allows members to share similar interests and passions for blackberry products (i.e handheld, service, feature, application, etc.).

Customer Gathering for Indosat Corporate Solution Services Subscribers, to provide updates on the latest Indosat services, to conduct focus group discussions, etc.

Community



Sebagai wujud apresiasi atas dukungan masyarakat dan komitmen tanggung jawab sosial perusahaan, saat ini kami telah melaksanakan program Indosat Cinta Indonesia yang merefleksikan komitmen Indosat sebagai Perusahaan telekomunikasi yang mengedepankan inovasi dalam pelayanan, penerapan dan patuh terhadap prinsip tata kelola perusahaan yang baik serta secara aktif berpartisipasi dalam peningkatan kualitas hidup komunitas.

As a show of our appreciation to society and our commitment to corporate social responsibility, we have launched the Indosat Loves Indonesia program. This program reflects our commitment as a telecommunications company to implementing service innovations, observing the principles of good corporate governance, and actively raising living standards for the greater community.

Bagi kami, peningkatan kualitas hidup komunitas sekitar juga merupakan salah satu tolok ukur keberhasilan Perusahaan untuk memberikan manfaat terbaik bagi para *stakeholder*. Untuk itu, kami berupaya menyelenggarakan rangkaian program terpadu yang tepat sasaran dan menyentuh berbagai aspek penting kehidupan masyarakat, yang meliputi:

1. Indonesia Belajar

Program yang berfokus pada pendidikan ini bertujuan ikut membantu meningkatkan kecerdasan generasi muda sebagai tulang punggung masa depan bangsa serta meningkatkan ketrampilan guru dalam proses pengajaran di sekolah

2. Indonesia Sehat

Program yang berfokus pada upaya ikut meningkatkan kualitas kesehatan masyarakat, khususnya ibu dan anak, sebagai salah satu tolak ukur tingkat kesejahteraan bangsa.

3. Berbagi Bersama Indosat

Program yang menyalurkan bantuan donasi ini diselenggarakan dengan melibatkan partisipasi pelanggan, sebagai salah satu komponen para *stakeholder* Perusahaan.

4. Indosat Peduli

Program yang berfokus pada penanganan bencana yang menimpa masyarakat di sekitar wilayah operasional Indosat serta pemberian donasi bagi kegiatan-kegiatan masyarakat.

Program-program tersebut kemudian dijabarkan dalam berbagai kegiatan terpadu dan berkesinambungan untuk dapat memberikan manfaat terbaik bagi komunitas.

Indonesia Belajar

Berbagai program turunan yang telah kami selenggarakan dalam rangka meningkatkan kecerdasan bangsa adalah:

a. Indosat Wireless Innovation Contest (IWIC)

Merupakan kompetisi inovasi dalam bidang teknologi nirkabel (wireless) yang dapat diaplikasikan dalam aktivitas sehari-hari dan mendukung peningkatan produktivitas. Ajang rutin yang telah memasuki tahun ketiga ini memperoleh tanggapan positif dari berbagai pihak, yang terlihat dari jumlah peserta yang terus meningkat setiap tahunnya.

We feel strongly that the enhancing the quality of life for the community is an important way to gauge how well a company has succeeded in creating best benefits for its stakeholders. Therefore, Indosat has consistently and continuously carried out a series of integrated programs that touch on various key social aspects. Details of the integrated programs are as follows:

1. Together We Learn

An education-focused program aimed at improving competency levels among the younger generation, who form the future backbone of the nation. The program also aims to raise the proficiency level of teachers to help them teach more effectively.

2. A Healthy Indonesia

A program that aims to improve healthcare quality for the community, with particular focus on mothers and children.

3. Sharing With Indosat

A program to raise and channel donations through engaging the participation of customers, who are also one of the stakeholders of the Company.

4. Indosat Cares

A disaster relief program that focuses on helping victims in disaster-hit areas where Indosat operates, and on raising and channeling donations to support community needs and activities.

The programs mentioned above are implemented through various integrated and sustainable initiatives, to maximise benefits for the community.

Together We Learn

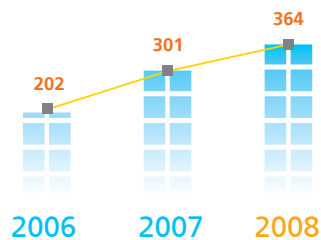
Below are various sub-programs conducted by the Company to improve national education standards:

a. Indosat Wireless Innovation Contest (IWIC)

IWIC is a competition involving wireless technology innovations that are applicable to daily life and can support productivity improvement. This event has entered into its 3rd year and received positive reviews from many parties, as reflected by the steadily increasing number of participants every year.



Number of Participants IWIC (2006-2008)



Kualitas karya para peserta juga terus mengalami peningkatan. Salah satunya karya pemenang IWIC tahun 2006 yang telah diimplementasikan sebagai salah satu program retensi pelanggan Indosat, yakni Program SMS ZIP, sebagai program yang dapat meningkatkan jumlah karakter hingga 220 karakter.

The quality of work submitted by participating students continues to improve. One of the submissions by the IWIC 2006 winning teams has been successfully implemented on the Indosat customer retention program. Named the SMS Zip Program, it increase the number of characters allowed in each SMS to 220 characters.

Participants, submissions:

| Year | Number of Participants | Category | | High School */ | Idea **/ | IWIC for School ***/ |
|------|------------------------|----------|----------|----------------|----------|----------------------|
| | | Hardware | Software | | | |
| 2006 | 202 | 71 | 79 | 52 | - | - |
| 2007 | 301 | 75 | 86 | - | 140 | - |
| 2008 | 364 | - | 172 | - | 161 | 31 |

*/ Implemented only in 2006

**/ Implemented from 2007

***/ Implemented in 2008 and becomes ISMS (Indosat Science and Multimedia School)

“IWIC adalah sebuah pengalaman yang tidak terlupakan dan sangat berguna untuk mengasah kreativitas generasi muda dan menjadi wadah untuk menampung karya terbaik generasi muda Indonesia, khususnya di bidang telco. Semoga IWIC terus diselenggarakan. (Lingga Wardhana - Juara I IWIC 2007)”

IWIC has been unforgettable experience for me. It is extremely helpful in honing the creativity of our generation and is also an effective media to showcase the best creations from our generation, particularly in the telecommunications field. I hope IWIC will continue in the future. (Lingga Wardhana - First Prize Winner of IWIC 2007)



b. Peningkatan Kompetensi Guru IPA dan Matematika di Sumatera Barat (Tingkat Nasional)

Merupakan program peningkatan kompetensi guru IPA dalam pengelolaan dan pemanfaatan laboratorium bekerja sama dengan Universitas Andalas, Universitas Bung Hatta dan Universitas Negeri Padang. Pelatihan ini mencakup peningkatan kecerdasan matematika, dengan memperhatikan aspek proses, aspek konsep dan teori, serta aspek konteks atau penerapan dalam kehidupan sehari-hari. Dengan program ini diharapkan kualitas belajar mengajar mata pelajaran IPA dan Matematika akan meningkat, yang otomatis akan turut meningkatkan kualitas pemahaman siswa terhadap mata ajaran tersebut. Hingga tahun 2008 tak kurang dari 724 guru dan lebih dari 202 sekolah telah mengikuti program ini. Dari segi kualitas terjadi peningkatan nilai mata pelajaran IPA dan Matematika hingga rata-rata 40%.

b. Competency Development of Science and Maths Teachers in West Sumatera (National Level)

This program focuses on developing the competency of Science teachers in managing and utilizing the laboratorium in cooperation with Andalas University, Bung Hatta University and Padang State University. This program also includes improving their math proficiency by attending to the processing, conceptual and theoretical aspects as well as contextual aspects or the application of math in daily activities. This program is expected to improve their learning and teaching quality in science and math subjects, which will naturally enhance their students' proficiency level in these subjects. By 2008, no fewer than 724 teachers from more than 202 schools completed the program. These participants demonstrated an average of a 40% improvement in grades in both Science and Math after undergoing training.

“Setelah saya mengikuti dan menerapkan modul pelajaran IPA dari program pelatihan dan peningkatan kompetensi guru IPA yang diselenggarakan oleh Indosat, murid-murid tempat saya mengajar menjadi lebih menyukai pelajaran IPA. Saya bahagia sekali, nilai mereka menjadi lebih baik (Ibu Elyanis - Guru SMA 2 Padang).”

After I attended Indosat's Training and Competency Improvement Program for Science Teachers and put into practice the modules that I had learnt, my students are now more interested in studying science. I am very proud that their grades are now improving. (Mrs. Elyanis - Teacher of SMA 2 Padang).

c. Pengembangan dan Pembinaan Sekolah di Nangroe Aceh Darussalam (NAD)

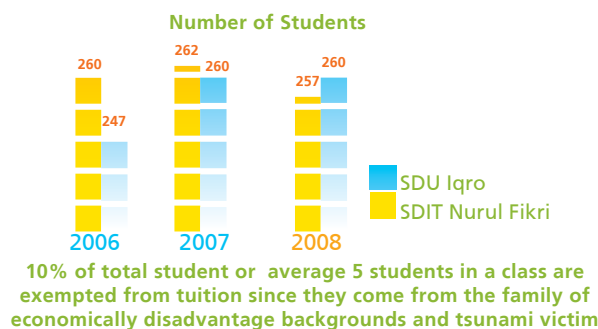
Sebagai kelanjutan dari berbagai program bantuan tanggap darurat bagi para korban bencana nasional

c. Development and Training of Schools in Nangroe Aceh Darussalam

Following the disaster relief programs administered to tsunami victims in NAD, Indosat developed and

tsunami di NAD, Indosat mendirikan dan membina dua sekolah dasar di Aceh yaitu Sekolah Dasar Unggulan (SDU) Iqro, Sigli dan Sekolah Dasar Islam Terpadu (SDIT) Nurul Fikri, Aceh Besar. Berdasarkan hasil pembinaan sejak tahun 2005, para siswa di kedua sekolah tersebut telah mencatatkan sejumlah prestasi yang membanggakan, dalam bidang akademik maupun non akademik.

provided training to two elementary schools in Aceh, namely the Sekolah Dasar Unggulan (SDU) Iqro in Sigli and Sekolah Dasar Islam Terpadu (SDIT) Nurul Fikri in Aceh Besar. The training has been ongoing since 2007 and has produced notable results in students from both schools, both in academic as well as non-academic fields.



d. Program Beasiswa

Indosat telah memberikan beasiswa kepada 890 siswa berprestasi dari seluruh propinsi di Indonesia, yang terdiri dari anggota Paskibraka Nasional (sejak 1996) dan Duta Belia yang merupakan tim pelajar berprestasi (sejak 2007) serta bagi para mahasiswa berprestasi yang kurang mampu (sejak 2006) sejumlah 63 mahasiswa dari 6 perguruan tinggi negeri di Indonesia. Hingga 2008 total dana beasiswa yang telah digulirkan mencapai Rp2.756.850.000.-.

d. Scholarship Program

Indosat granted scholarship to 890 high-achieving students from all provinces across Indonesia. Among them were members of Paskibraka Nasional (since 1996) and Young Ambassador, a students' group of high-achievers (since 2007), as well as 63 outstanding college students from across 6 universities, who come from low-income families (since 2006). Total scholarship grants in 2008 reached Rp2,756,850,000.

e. Program Pembinaan Bagi Tim Panahan Junior

Indosat bekerjasama dengan PP PERPANI menyelenggarakan Program Pembinaan Olahraga Panahan bagi siswa tingkat SD dan SMP atau tingkat dasar dan menengah dengan rentang usia antara 11 - 15 tahun, di 11 PPLP (Pusat Pendidikan dan Latihan Pelajar) Propinsi yang berada di bawah binaan PERPANI. Pada tahun 2008, Indosat juga turut mendukung 8 atlet panahan junior nasional yang memiliki prestasi baik.

e. Training Program for Archery Junior Team

Together with PP PERPANI, Indosat conducts a Panahan Sports Training Program for elementary and junior high-school students aged 11-15 years in 11 Provincial Education and Training Centres for Students under PERPANI. In 2008, Indosat supported 8 junior national archery athletes who ranked top in their field.

Number of Participants and Championship Activities

| Year | Participants | Championships |
|------|--------------|----------------------------|
| 2007 | 96 | 2 (National Championships) |
| 2008 | 105 | 3 (National Championships) |

f. Indosat Science and Multimedia School (ISMS)

Program yang diluncurkan dalam bulan November 2008 ini merupakan program penyediaan sarana pembelajaran sains bagi sekolah-sekolah lanjutan atas di

f. Indosat Science and Multimedia School (ISMS)

This program that was launched in November 2008 provides science learning tools for high schools in Indonesia. The tools include a laptop, free one-

seluruh Indonesia, yang terdiri dari laptop, akses wireless broadband cuma-cuma selama satu tahun, proyektor (infocus), software modul pembelajaran Fisika serta pelatihan tentang IT dan multimedia bagi para guru. Melalui bantuan fasilitas multimedia tersebut, diharapkan kualitas kegiatan belajar dan mengajar, khususnya mata pelajaran sains, dapat meningkat. Pada tahun 2008, jumlah sekolah yang menerima bantuan program ISMS adalah sebanyak 103 sekolah yang tersebar di seluruh wilayah operasional Indosat.

Indonesia Sehat

Indosat berupaya memberikan kontribusi pada perbaikan kondisi kesehatan nasional, khususnya bagi ibu hamil, anak-anak serta masyarakat dengan menyelenggarakan program layanan kesehatan gratis sejak tahun 2007 melalui armada Mobil Klinik Sehat Keliling Indosat yang tersebar di 8 regional operasional Indosat bekerja sama dengan Rumah Zakat Indonesia, Pos Keadilan Peduli Umat, Bulan Sabit Merah Indonesia, dan Dompot Dhuafa Republika. Melalui peningkatan jumlah armada dan fasilitas Mobil Klinik yang hingga tahun 2008 telah mencapai 16 mobil, maka jumlah warga yang menerima layanan kesehatan gratis dari Indosat pun terus mengalami peningkatan yakni 6.075 pasien di tahun 2007 dan 114.408 pasien di tahun 2008, yang menjangkau 718 desa dan 58 area binaan.

Selain itu, melalui program Indonesia Sehat, Indosat juga memiliki beberapa daerah binaan di sejumlah propinsi, yang berhasil meningkatkan kualitas kesehatan rata-rata pada tahun 2008 sekitar 46% untuk setiap wilayah binaan.

Healthcare Program in Developing Areas

| Provinces | Numbers of Villages served | Numbers of Developing Areas | Health Improvement* |
|----------------------|----------------------------|-----------------------------|---------------------|
| West Java | 92 | 6 | 46% |
| Central Java | 91 | 8 | 45% |
| East Java | 93 | 8 | 45% |
| South Kalimantan | 71 | 10 | 47% |
| South Sulawesi | 71 | 10 | 47% |
| Jabodetabek & Banten | 101 | 5 | 45% |
| Bengkulu | 96 | 6 | 44% |
| West Sumatera | 103 | 5 | 46% |

* Data was generated from bi-monthly health-card report

Berkat berbagai upaya berkesinambungan tersebut, Program Indonesia Sehat telah memperoleh pengakuan berupa penghargaan dari MetroTV MDGs Award 2008, untuk tujuan nomer 5, yakni peningkatan kesehatan ibu.

year subscription for wireless broadband, projector, software module for studying physics, as well as IT and multimedia training for teachers. Through the above facilities, we hope to improve both the learning and teaching quality in schools, particularly in science. In 2008, a total of 103 schools were enrolled in the ISMS Program throughout all Indosat operational regions.

A Healthy Indonesia

Indosat has always sought to help improve health and healthcare standards in Indonesia, particularly for pregnant mothers and children. We launched a Free Health Service program in 2007 that deployed Mobile Clinic Services to eight Indosat operational Regions, in cooperation with Rumah Zakat Indonesia, Pos Keadilan Peduli Umat, Bulan Sabit Merah Indonesia, and Dompot Dhuafa Republika. In 2008, the number of mobile clinic service units was augmented to 16 vehicles in total. This enabled us to widen our coverage, multiplying the number of patients attended to by almost 20 times, from 6,075 in 2007 to 114,408 patients in 2008, covering 718 villages and 58 developing areas.

In addition, through the Indonesia Sehat program, Indosat also ran programs to develop healthcare in a number of provinces, achieving an average of 46% improvement in health quality in each of these developing areas in 2008.

Thanks to the various programs, Indonesia Sehat was recognized for its achievements and received an award from MetroTV MDGs Award 2008 in the category of Objective No. 5: Improving Mothers' Health.

“Alhamdulillah bisa periksa USG gratis yang kesekian kalinya, saya jadi tahu jenis kelamin anak saya. (Ibu Hasanah, Ibu Rumah Tangga, Surabaya) ”

Praise be to Allah that I have been able to receive as many free ultra-sound scans as I have needed, to find out the gender of my child. (Mrs. Hasanah, housewife, Surabaya)

“Menarik, jadi kita bisa tahu apa yang sebelumnya tidak tahu mengenai kehamilan yang aman. Bisa bertambah pengetahuan. (Purnamawati, Ibu Rumah Tangga, Bandung) ”

This is very interesting. We have now learnt what we didn't know before, about how to go through a safe pregnancy. This enriches our knowledge. (Mrs. Purnamawati, housewife, Bandung)



Berbagi Bersama Indosat

Melalui Program Donasi 17 8 45, Indosat bersama pelanggan turut memberi sumbangan bagi dunia pendidikan dengan menyisihkan sebagian pendapatan Perusahaan dari percakapan, SMS dan layanan produk tertentu yang diselenggarakan bertepatan dengan HUT RI tanggal 17 Agustus setiap tahunnya sejak tahun 2006. Total dana yang terkumpul selalu mengalami peningkatan dari waktu ke waktu. Sedangkan total dana yang telah disumbangkan hingga tahun 2008 mencapai Rp2,552 milyar, yang digunakan untuk perbaikan sekolah, penambahan sarana belajar mengajar dan sebagainya.

Sharing with Indosat

Through the 17 8 45 Donation Program, Indosat along with its customers made donations toward Indonesia's education sector. The Company donates of portion of its revenue generated from calls, SMS and other product services. This program has been conducted every year since 2006, in conjunction with the celebration of Indonesia's Independence Day on August 17th. Donations have increased every year. Total proceeds in 2008 reached Rp2.552 billion and were allocated for school renovations, the provision of additional learning and teaching tools, etc.

Indosat Peduli

Indosat Peduli merupakan program penanganan pasca bencana dan aksi sosial lainnya seperti pemberian donasi dan bantuan sosial lainnya termasuk kegiatan di sekitar BTS.

Tim SAR Indosat

Di tahun 2006 Indosat membentuk Tim SAR Indosat yang hingga tahun 2008 telah beranggotakan 146 karyawan. Indosat memberikan pelatihan khusus kepada seluruh anggota Tim SAR dan membekali dengan peralatan lengkap, seperti perahu karet dayung, perahu karet motor, tenda dan sebagainya. Hingga tahun 2008, Tim SAR Indosat telah terjun langsung pada penanganan 3 kali bencana banjir di Jakarta, Jawa Tengah, dan Jawa Timur, meliputi Bojonegoro, Madiun, Solo, Sragen, Karangtengah, Boyolali.

Indosat Cares

Indosat Cares is a relief program aimed at giving aid to disaster victims and social initiatives such as donation and social support services as well as for activities at BTS location.

Indosat's SAR Team

In 2006, Indosat set up a Search-And-Rescue team (SAR) with a total of 146 employees. Indosat provided special training to the team and supported the team with a full set of equipment, such as manual rubber boats, motor rubber boat, tents, etc. Up to 2008, the team was deployed in 3 flooding areas in Jakarta, Central Java and East Java, covering Bojonegoro, Madiun, Solo, Sragen, Karangtengah, Boyolali.



Kegiatan bagi Komunitas di Sekitar BTS

Untuk menciptakan hubungan yang memberikan manfaat bagi komunitas di sekitar BTS di seluruh Indonesia, Indosat selalu peduli untuk membantu masyarakat sekitar antara lain melalui kegiatan sosial berupa bantuan fasilitas mesjid, sarana sekolah, pembangunan jalan dan sebagainya.

Community Activities Around BTS Locations

To nurture a strong relationship with the communities surrounding our BTS's across Indonesia, Indosat shows its care and concern through constant and beneficial social activities such as improvement works for mosque facilities, school facilities, road-building, to name a few.

“Saya mewakili lembaga Rumah Zakat Indonesia yang menjadi mitra untuk mengoperasikan Mobil Klinik Sehat Keliling Indosat merasakan betul betapa bermanfaatnya mobil tersebut. Mudah-mudahan itu merupakan bukti amal baik keluarga besar Indosat. (Virida Dimas, Rumah Zakat Indonesia, mitra pengoperasian Mobil Klinik Sehat Keliling Indosat)”

On behalf of Rumah Zakat Indonesia, who has been partnering Indosat in operating the mobile health services, I would like to highlight how much these services have benefited the community. They reflect the generosity and good deeds from the Indosat family. (Virida Dimas, Rumah Zakat Indonesia, Operating partner of Indosat's mobile health services)

Environment

Dalam rangka turut memberikan kontribusi dalam upaya pelestarian lingkungan, Indosat menyelenggarakan program Indonesia Hijau sebagai bagian dari tanggung jawab sosial perusahaan. Program ini awalnya dimulai dengan keinginan untuk mengurangi emisi karbon yang ditimbulkan oleh penggunaan energi listrik konvensional bagi BTS, yang dioperasikan oleh Perusahaan yang beroperasi 24 jam sehari, 7 hari seminggu untuk mendukung layanan seluler kami. Selanjutnya kami juga menyadari bahwa kelestarian lingkungan perlu dibentuk dengan membangun budaya peduli lingkungan bagi karyawan Perusahaan.



Indosat conducts an Indonesia Hijau (Green Indonesia) program as a positive contribution toward environmental conservation. It is part of our overall commitment to Corporate Social Responsibility (CSR). The program was introduced initially with the sole intention of reducing carbon emissions from our Base Transceiver Stations (BTS), which operate 24 hours a day, seven days a week, consuming conventional energy to sustain and support our cellular services. As the program unfolded, however, we came to realize that environmental conservation should be a more holistic effort that begins with nurturing and instilling a culture of environmental consciousness among Indosat employees.

Dilatarbelakangi kedua hal tersebut maka di tahun 2008, Perusahaan meluncurkan program Indonesia Hijau sebagai payung berbagai kegiatan Perusahaan kedepan terkait kepedulian lingkungan. Program yang telah kami implementasikan mencakup studi penggunaan energi alternatif bagi pengoperasian BTS serta peluncuran 8 aksi internal peduli lingkungan. Program Indonesia Hijau ini kedepan akan merupakan inisiatif jangka panjang, termasuk berbagai aksi ramah lingkungan yang melibatkan kalangan internal dan mitra Perusahaan.

BTS dengan Energi Alternatif

Bekerjasama dengan Institut Teknologi Bandung (ITB) sebagai peneliti dan PT LEN Industri (Persero) sebagai pemasok produk dalam negeri, Indosat melaksanakan inisiatif mempelajari penggunaan energi alternatif yaitu surya dan energi angin sebagai sumber daya bagi operasional BTS. Saat ini BTS yang berjumlah lebih dari 14.000 menggunakan energi listrik dan energi diesel bagi sumber dayanya. Kedua institusi nasional ini dipilih Indosat untuk menjadi mitra dengan pertimbangan kemampuan dan kualitas yang dapat diberikan institusi dalam negeri ini sesuai dengan bidangnya masing-masing. Dalam studi dan *pilot project* yang dilakukan selama 12 bulan tim berhasil membuktikan bahwa energi surya dan energi angin tidak saja layak untuk menjadi sumber daya alternatif, ekonomis untuk jangka panjang dan mengingat ketersediaannya yang tidak terbatas di alam dapat menghemat pemakaian energi berbahan bakar karbon yang semakin langka di bumi. Energi listrik yang saat ini dipasok oleh Perusahaan listrik menggunakan bahan bakar batu bara yang berbahan dasar karbon. Dalam implementasinya, tim berhasil mengembangkan sistem hibrida yaitu menggabungkan antara penggunaan pembangkit listrik tenaga surya, tenaga angin, biofuel dan pasokan PLN. Mulai dari uji kelayakan, uji komersial hingga implementasi di 2 area (BTS Labuhan di Lombok dan BTS Uluwatu di Bali), BTS Energi Alternatif ini terbukti berhasil mengurangi emisi CO2 ekuivalen sebesar 2,4 ton. Ini adalah studi pertama kali yang pernah dilakukan di Indonesia oleh operator telekomunikasi.

Program Sejuta Pohon Untuk Indonesia

Pohon merupakan paru-paru dunia yang dapat menjamin ketersediaan oksigen dan udara yang sehat bagi manusia. Bertepatan dengan ulang tahun ke 41 di

With this in mind, we broadened the 2008 Indonesia Hijau program into an umbrella for all future Indosat activities related to environmental conservation. Besides the usage of alternative energy in operating BTS's, the program included eight other environmentally-friendly internal initiatives. Eventually though, the Indonesia Hijau program will evolve into a long-term initiative for implementing various environmentally-friendly activities that engage not only internal stakeholders, but also external partners of the Company.

Alternative Energy for BTS

Together with our research partner Bandung Institute of Technology and local content suppliers PT LEN Industri (Persero), Indosat launched a study on the potential for harnessing alternative energy resources, namely solar and wind energy, for operating our BTS's. To date, we have more than 14,000 BTS's using electrical and diesel energy. Both organizations were selected as our partners based on their expertise and high quality of work in their respective fields. In the study and pilot project which was executed over 12 months, the team successfully showed that solar and wind energy were feasible alternative energy resources and efficient for long-term consumption, owing to their inexhaustible and renewable nature. This will contribute towards conserving carbon-based fuel energy, which is now becoming more scarce. Electrical energy is currently supplied by a power company using a carbon-based coal fuel. The team succeeded in developing a hybrid system which combines solar power, wind power, biofuel and electrical power supplied by the National Power Company (PLN). From a feasibility study to a commercial test and finally implementation in two areas (BTS Labuhan in Lombok and BTS Uluwatu in Bali), the results show that alternative energy has succeeded in reducing CO2 emissions equivalent to 2.4 tons. This is the first such study ever conducted by a telecommunications operator in Indonesia.

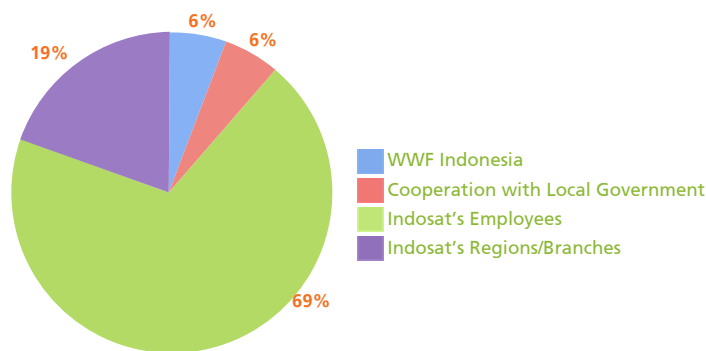
One Million Trees for Indonesia

Trees are the lungs of the Earth. They provide oxygen and healthy air for humankind. In conjunction with Indosat's 41st anniversary in November 2008, we launched a

bulan November 2008, Indosat meluncurkan program “Sejuta Pohon Untuk Indonesia” bagi karyawan dan mitra usahanya sebagai bentuk kepedulian kami atas pentingnya pohon bagi kehidupan. Menggunakan konsep tanam danelihara kami mencanangkan dalam beberapa tahun untuk merealisasikan program ini. Program antara lain diwujudkan melalui kerjasama dengan WWF Indonesia untuk penanaman pohon di Gunung Rinjani - Lombok. Disamping itu diarahkan untuk membangun penghijauan diberbagai wilayah operasional Perusahaan di berbagai kota seperti Blora, Balikpapan, Bogor, Medan, Palembang, Makassar, dan sebagainya bekerja sama dengan pemerintah daerah setempat, berbagai Perguruan Tinggi, sekolah dan institusi lainnya. Program ini juga telah melibatkan partisipasi aktif seluruh karyawan untuk menanam minimal 10 pohon produktif (buah dan obat per karyawan) di area rumah dan lingkungan-nya. Hingga akhir 2008 tak kurang dari 157.531 pohon telah ditanam Indosat dan mitranya dan juga akan dipantau perkembangannya secara berkala.

program known as A Million Trees for Indonesia for our employees and partners, to mark the importance of trees in our lives. The program emphasizes not only planting but also nurturing, and will be rolled out over several years. One of the projects under this program is our partnership with WWF Indonesia to plant trees on Mount Rinjani, Lombok. We have also established greening projects in various Indosat operation regions, such as Blora, Balikpapan, Bogor, Medan, Makassar, and so forth, in cooperation with the local governments, various universities, schools and other institutions. A Million Trees for Indonesia calls for active participation from all employees to plant a minimum of 10 productive trees (fruit and herbs) in their own communities and homes. By the end of 2008, no fewer than 157,531 trees have been planted by Indosat and our partners, and we will continue to monitor the progress of this program.

Number of Trees planted in 2008



Aksi Internal Ramah Lingkungan

Pada bulan November 2008, kami juga mengawali pembentukan budaya peduli lingkungan bagi seluruh karyawan Perusahaan melalui program bertajuk 8 Aksi Internal Ramah Lingkungan yang diharapkan dapat ikut membantu kondisi lingkungan dan bumi kita. Delapan aksi tersebut mencakup kegiatan hemat kertas, hemat air, hemat listrik, pemilahan sampah (organik dan non organik), lingkungan kerja bebas rokok, aksi tanam pohon dan pembuatan biopori, pengembangan *green-building*, dan penggunaan energi alternatif untuk operasional BTS.

Pro-Environment Internal Actions

In November 2008, we began nurturing a pro-environment culture among all employees through a program known as 8 Pro-Environment Internal Actions. To help save the environment, all employees are urged to follow eight actions: save paper, save water, save electricity, sort and recycle waste (organic and nonorganic waste), create a smoke-free environment at work, plant more trees and create more biopores, develop green buildings, and use alternative energy sources to power BTS's.

Bantuan mesin pemroses biji jarak untuk produksi biofuel

Dalam rangka mendukung uji komersial BTS Energi Alternatif, pada tahun 2008 Indosat merintis kerjasama dengan petani lokal Sumbawa untuk penanaman pohon jarak yang merupakan sumber energi biofuel untuk menjaga kesinambungan pasokan biofuel bagi BTS nya. Direncanakan di awal 2009, akan dilakukan bantuan 25 alat pengepres biji jarak bagi 25 kelompok tani dan perangkat pengolahan minyak jarak menjadi bahan bakar melalui Koperasi Serba Usaha SETIA di Sumbawa. Selanjutnya, sebagian minyak jarak hasil produksi para petani tersebut dimanfaatkan sebagai biodiesel untuk BTS Indosat di wilayah Nusa Tenggara.

Jarak seeds processing machines for biofuel

To support commercial testing for an alternative energy source for our BTS's, in 2008 Indosat pioneered a joint effort with local farmers in Sumbawa to plant Jarak trees as a biofuel resource for BTS's. The program is scheduled to be implemented in 2009, with Indosat providing support in the form of supplying 25 Jarak seeds pressing machines and other processing equipment to 25 farming units, to enable them to extract Jarak oil for fuel production. The initiative will be conducted through the Multi Purpose Co-operation SETIA in Sumbawa. The oil production will generate biodiesel for Indosat BTS's in the Nusa Tenggara region.



Distributors



Menjangkau Pasar Nasional Melalui Kemitraan

Salah satu kunci keberhasilan dalam menguasai segmen pasar retail adalah dengan memiliki saluran distribusi (*distribution channel*) yang handal dan terpercaya, sehingga menjamin ketersediaan produk layanan Indosat di tengah masyarakat, setiap saat dan di mana saja. Terlebih lagi dengan jumlah pelanggan yang terus bertambah dan tersebar di berbagai pelosok Indonesia.

Reaching Nationwide Market Through Partnership

One of the keys to success in the retail market is to have strong and trusted distribution channels to ensure that there is adequate provision of Indosat services to customers, anytime and anywhere. This is especially important with the growing number of customers in all regions of Indonesia.

Untuk itu, kami menjalin kerjasama dengan para dealer, outlet penjual produk Indosat dan tenaga penjual di outlet-outlet. Mereka adalah mitra strategis yang menjadi perpanjangan tangan dalam proses penjualan produk Indosat kepada masyarakat, dengan tetap mengacu pada komitmen penerapan GCG pada operasional bisnis Perusahaan. Pola kemitraan ini memberikan peluang penciptaan lapangan kerja dan pemenuhan kebutuhan ekonomi masyarakat mengingat setiap outlet membutuhkan tenaga penjual dan setiap tenaga penjual akan menghasilkan pendapatan bagi keluarganya.

Untuk menjamin keberlangsungan jaringan distribusi sekaligus memberi peluang lapangan kerja bagi masyarakat, Indosat membentuk komunitas jaringan distribusi, yang anggotanya terus bertambah dari waktu ke waktu.

Komunitas jaringan distribusi yang telah dibentuk oleh Indosat adalah sebagai berikut:

Komunitas Outlet atau yang dikenal dengan istilah IOC (Indosat Outlet Community)

Outlet penjual produk Indosat ini telah menjadi aktivitas kewirausahaan kecil hingga menengah, khususnya di daerah-daerah di pelosok dan pinggiran kota. Mereka juga turut memberi kontribusi dengan menciptakan lapangan kerja baru bagi masyarakat setempat.

Komunitas tenaga penjual (frontliner) atau yang dikenal dengan istilah FMC (Frontliner Mentari, IM3 Club)

Para tenaga penjual ini umumnya juga para penduduk sekitar yang tidak mendapatkan kesempatan kerja di sektor formal. Setiap outlet setidaknya membutuhkan dua tenaga penjual, sehingga dengan total outlet mencapai lebih dari 160 ribu, maka setidaknya ada 320 ribu anggota masyarakat mendapat pekerjaan dari rantai distribusi Indosat. Dimana 30% di antaranya resmi menjadi anggota FMC.

Komunitas tenaga canvasser atau yang dikenal dengan istilah ICC (Indosat Canvasser Community)

Merupakan komunitas tenaga penjual (canvasser) yang dikelola oleh Dealer dan bertugas mendistribusikan produk Indosat milik Dealer ke seluruh outlet yang berada di wilayah penjualan dan pembinaan Dealer.

To achieve this, Indosat works closely with dealers, service sales outlets and their sales teams. These are the strategic partners who will serve as Indosat's extended arm in reaching out to more customers, and also adhere to our commitment to Good Corporate Governance in business operations. Such a partnership approach creates opportunity for greater employment, as every outlet would require sales staff and each of these staff members will be able to earn an income to support his or her family.

To ensure the sustainability of our distribution networks and to provide more job opportunities for society, Indosat set up dedicated distribution network communities, whose members continue to grow from time to time.

The distribution network communities formed by Indosat are:

Indosat Outlet Community

Allowing sales outlets of Indosat products has stimulated the growth of small to medium-size entrepreneurships, particularly in the rural areas or city outskirts. These businesses, in turn, create new job opportunities in their surrounding communities.

Frontliners Community widely known as FMC (Frontliner Mentari, IM3 Club)

In general sales persons from this group lack opportunities to work in the formal sector. Each outlet needs at least two employees, so that with more than 160 thousand outlets, there are at least 320 thousand people who are now employed as a result of Indosat's distribution networks. About 30% of them are official members of the FMC.

Indosat Canvasser Community

A canvasser community is managed by dealers to distribute Indosat products owned by Dealers to the outlets within their regions of sales.

Distributors' Scope of Work

| Classification | Scope Of Work | Total |
|----------------|--|----------------------|
| IOC | Manage outlets, ensure the provisions of products and sell the products | 169,007 |
| FMC | Serve as sales force in outlets and to educate consumers on Indosat products | 119,296 |
| ICC | Serve as sales force managed by Dealers to ensure Indosat products availability in their retail outlet network | 3,712 active members |

Sistem Distribusi Voucher Yang Efektif dan Ramah Lingkungan

Pada tahun 2008 kami melakukan inovasi baru berupa optimalisasi penggunaan voucher elektronik di kalangan distributor, yang memiliki beberapa kelebihan dibandingkan distribusi voucher konvensional (voucher fisik), yaitu:

Lebih efisien, karena setelah melakukan optimalisasi voucher elektronik, kami berhasil menghemat biaya produksi voucher fisik.

Penghematan sumber daya, karena melalui sistem distribusi elektronik ini, biaya dan penggunaan sumber daya Perusahaan untuk pengiriman voucher fisik juga berkurang.

Lebih aman, voucher elektronik ini lebih aman karena bagi distributor tidak rawan pencurian atau penipuan, serta lebih akurat karena jumlah nominal pengambilan voucher langsung tercatat dalam database sistem.

Ramah lingkungan, karena mengurangi penggunaan kertas dan plastik sebagai materi voucher.

Pembinaan Hubungan Distributor Berbasis Kemitraan

Melalui program pembinaan hubungan distributor yang saling menguntungkan, kami berupaya mempertahankan kualitas dan kinerja para distributor, sekaligus loyalitas jangka panjang yang dapat meningkatkan daya saing distribusi produk Indosat dibandingkan produk kompetitor.

A Green and Effective Voucher Distribution System

In 2008, we launched a new innovative approach in voucher distribution by optimizing the usage of electronic voucher in distribution channels. This approach has more advantages compared to conventional vouchers, namely:

Greater efficiency, as it does not require physical vouchers, therefore saves on production costs.

Deploys less resources, as there is no need for the Company to distribute the vouchers, unlike in the case of physical vouchers.

Safer, as for the distributor it reduces the possibility of theft and forgery. Also ensures greater accuracy as the voucher value will be automatically recorded in the Indosat database system.

Environmentally friendlier, as there is no need to use paper and plastic for voucher material.

A Growing & Strengthening Partnership With Distributors

We are committed to helping our distributors maintain their high service quality and standard of performance. We also aim to deepen their long-term loyalty, which can increase our competitive advantage against our competitors' products.

Beberapa program pembinaan hubungan distributor yang telah kami laksanakan adalah:

Menyelenggarakan pelatihan wirausaha dan pembekalan wawasan management, serta pelatihan-pelatihan lainnya guna meningkatkan kualitas para distributor binaan Indosat.

Menyediakan nomor layanan (*call center*) khusus bagi para distributor, dalam rangka mempermudah koordinasi distribusi produk dan layanan dari Indosat

Mengimplementasikan sistem reward dan punishment bagi para distributor secara transparan, sesuai dengan KPI (*sales dan non sales*) yang disepakati bersama antara Indosat dan distributor, antara lain melalui *event Dealer Gathering*, Program Apresiasi berdasarkan pencapaian distributor dan penilaian serta evaluasi setiap triwulan.

Peningkatan *reliability system* dari Indosat, serta kualitas program dari para distributor. Hal ini dilaksanakan dalam rangka meningkatkan kinerja dan memberikan layanan terbaik di antara kedua belah pihak.

To achieve the above objectives, we have implemented several programs for our distributors:

Conducted entrepreneurship and management training programs, as well as other forms of training, to enhance the performance of our distributors.

Provided a special call centre dedicated to our distributors, to facilitate the coordination of our products and services.

Implemented a transparent reward and punishment mechanism based on the agreed key performance indicators (sales and non-sales) through Dealer Gathering events, Appreciation Programs, based on their quarterly achievements and evaluation.

Enhanced Indosat's reliability system and the quality of programs conducted by distributors, to improve their performance and provide the best service on both sides.

“ Pendekatan kekeluargaan yang dibina oleh Indosat selama ini sangat baik dan hal ini yang tidak dimiliki oleh operator lain (Bp. Jems, Outlet Batas Cell, Makassar) ”

The family-oriented approach adopted by Indosat is very good and deeply appreciated, as no other operator has a similar approach (Mr. Jems, Outlet Batas Cell, Makassar)

Suppliers/Vendors

Salah satu misi Indosat adalah menyediakan serta mengembangkan produk, layanan dan solusi inovatif dan berkualitas, yang memberikan manfaat terbaik bagi para pelanggan. Dalam rangka mewujudkan misi tersebut, kami senantiasa melakukan pengembangan bisnis Perusahaan dengan menggabungkan antara kompetensi sumber daya internal Perusahaan dengan kompetensi para mitra eksternal.



One of our business missions is to provide and develop innovative and quality products, services and solutions that extend the greatest benefits to our consumers. To fulfill this, we have always expanded our business by combining our internal resources with the competencies of our external partners.

Pemasok merupakan bagian dari mitra strategis yang mendukung implementasi berbagai strategi operasional Perusahaan melalui hal-hal sebagai berikut:

E-Procurement

Kami telah mengimplementasikan sistem E-Procurement sejak tahun 2005 sebagai upaya menciptakan sistem administrasi pengadaan yang aman dan transparan. Sistem ini menjamin kesempatan yang sama bagi semua calon pemasok yang berminat untuk menjadi mitra Indosat, selama pihak yang bersangkutan dapat memenuhi prosedur dan ketentuan administrasi yang berlaku.

Tertib Administrasi dan Persyaratan yang Ketat

Seluruh fungsi dalam Perusahaan wajib mengikuti standar proses dan prosedur dalam penerbitan permintaan pembelian barang dan jasa untuk mengimplementasikan proses pengadaan yang efisien dan efektif. Kami juga telah mengaplikasikan sistem *System Application Process* (SAP) untuk mendukung efisiensi dan akuntabilitas proses pengadaan tersebut. Juga menetapkan sistem seleksi yang ketat untuk menjamin kualitas jasa dan barang yang diberikan termasuk pemenuhan standarisasi Kesehatan dan Keselamatan Kerja (K3) untuk mitra proyek yang material.

Kesempatan Bagi Mitra Lokal

Kami memberikan perhatian terhadap mitra lokal ekonomi lemah sebagai pemasok kegiatan pemasaran termasuk memberikan referensi dan rekomendasi sebagai mitra sub-kontrak dalam mendukung pekerjaan pemasok asing yang terpilih.

Edukasi Bagi Para Mitra

Kami secara berkesinambungan memberikan edukasi antara lain penyelenggaraan pelatihan spesifikasi perangkat telekomunikasi terbaru, aspek teknis maupun aspek hukum termasuk panduan proyek management serta sertifikasi berjenjang bagi para *Project Manager* yang bertujuan untuk meningkatkan pengawasan dan kualitas pekerjaan yang dilaksanakan oleh para mitra Indosat, pencantuman klausul mengenai etika (*code of ethic*) dalam setiap kontrak kerjasama, sosialisasi budaya Perusahaan secara berkesinambungan kepada pemasok dan memastikan bahwa pelaksanaan memenuhi amdal (analisa dampak lingkungan)

Pemasok Mendukung Proses Edukasi Masyarakat

Dalam pembangunan menara BTS pemasok diwajibkan melaksanakan edukasi kepada masyarakat mengenai manfaat menara BTS, faktor keselamatan dan keamanan dengan melibatkan Kepala Desa/pemuka masyarakat.

Suppliers are one of our strategic partner groups who help ensure the smooth implementation of our business operations through these initiatives:

E-Procurement

We have implemented an E-Procurement system since 2005 to create a secure and transparent administration process for procurement. This system guarantees an equal opportunity for all suppliers to become our partners, provided that they fulfill the prevailing administrative procedures and regulations.

Compliance with Administration

All internal units and stakeholders of the Company must follow a proper series of administration procedures, to implement efficient and effective procurement process. We have also applied the System Application Process (SAP) to enhance efficiency and accountability at every stage of the procurement process. We have consistently adopted a strict system of selection and appraisal to ensure the quality of all products and services including the Health, Security, Safety and Environment (HSSE) standards, especially for material projects.

Opportunity for Local Partners

We also attend to local vendors from lower economic background, particularly in marketing area, and provide them with reference and recommendation to become sub-contracting vendors to appointed foreign vendors.

Education for Partners

We continuously strive to educate the vendors with trainings on the latest specification of telecommunications equipments, technical and legal aspects, including project management guidelines as well as tiered-certification for Project Manager which is aimed to improve the performance quality and its control on projects conducted by Indosat vendors, stipulation of clause on code of ethics in every contract agreement, continuous socialization of corporate culture and fulfillment assurance of analysis for environmental impacts.

Supporting Community Education Process

Upon constructing the BTS towers, the vendors are required to educate the surrounding communities on the benefit as well as the security and safety aspects. This education process calls for the involvement from the Head of the Village and other prominent village members.

Employees



Di Indosat kami selalu berupaya membina hubungan ketenagakerjaan secara profesional, dengan tetap mengutamakan prinsip kekeluargaan dan kode etik yang berlaku, baik bagi karyawan tetap dan karyawan tidak tetap.

At Indosat, we make every effort to ensure that we maintain a professional employment relationship with each and everyone one of our staff members. We abide by a code of ethics for both permanent and non-permanent employees.

Hingga akhir tahun 2008, Indosat, termasuk anak perusahaan, memperkerjakan total karyawan (tetap dan tidak tetap) berjumlah 7.700 orang, dengan jenjang pendidikan yang bervariasi dan komposisi gender yang relatif seimbang.

Karyawan permanen adalah orang yang bekerja di Perusahaan yang secara formal terkait perjanjian kerja dalam waktu tidak tertentu (tetap) dengan Perusahaan termasuk karyawan dalam masa percobaan dan saat ini masa kerja karyawan permanen adalah rata-rata 12,2 tahun.

Penciptaan Suasana Kerja Kondusif dan Perlindungan Sosial

Dalam rangka menciptakan lingkungan kerja yang kondusif bagi para karyawan, kami selalu berupaya memenuhi hak kepegawaian dan memberikan perlindungan sosial secara optimal sesuai dengan peraturan yang berlaku. Beberapa program dan kebijakan yang telah kami laksanakan, antara lain adalah:

- Fasilitas cuti tahunan dan cuti khusus (anggota keluarga sakit, pindah rumah, dsb) yang kami tetapkan melebihi ketentuan minimum yang ditetapkan oleh UU Ketenagakerjaan RI.
- Penerapan waktu kerja yang fleksibel, sehingga karyawan dapat mengatur waktu kerja sesuai dengan kebutuhannya, dengan tetap total jam kerja yang telah ditetapkan oleh Perusahaan.
- Fasilitas ruang menyusui yang disediakan dalam rangka menciptakan lingkungan kerja yang kondusif bagi para ibu bekerja.
- Mendukung pembentukan Koperasi Karyawan yang produktif, aktivitas keagamaan dan kesenian serta olahraga bagi para karyawan.

Optimalisasi Dialog Sosial Sebagai Sarana Pembinaan Hubungan Kemitraan Dengan Karyawan

Sesuai dengan komitmen penerapan GCG, khususnya prinsip keadilan dan kesetaraan, kami memberikan hak kepada karyawan untuk membentuk Serikat Pekerja Indosat (SPI) dan menempatkan SPI sebagai mitra kerja Perusahaan. Secara rutin kami juga selalu melakukan diskusi dengan SPI dalam bentuk Forum Komunikasi. SPI dilibatkan dalam memberikan masukan atau usulan yang terkait dengan kesejahteraan karyawan yang dilakukan minimal 3 bulan sekali atau disesuaikan dengan kebutuhan yang ada. Disamping itu juga secara rutin setiap 2 tahun sekali melakukan pengkajian ulang Perjanjian Kerja Bersama (PKB), yang melibatkan manajemen dan para anggota SPI.

As at the end of 2008, Indosat and its subsidiaries engaged a total of 7,700 employees (permanent and non-permanent), who come from a range of educational backgrounds. The male/female split was approximately equal.

Permanent employees are those who work for the Company under a formal employment agreement which is not limited to a fixed period. This includes those who are still under probation. To date, the average service period of permanent employees is 12.2 years.

Creating A Conducive Working Environment and Social Protection

In our efforts to create a conducive working environment, we have always taken care to safeguard employee rights and provide social protection in accordance with national regulations. We have implemented a number of programs and policies, for example:

- Additional annual leave and special leave (compassionate leave, relocation leave, etc) are provided in accordance with regulations stipulated under Indonesia's Labour Law.
- Flexible working hours allowing employees to manage their working time according to their needs, with total working hours determined by the Company.
- A nursing room was provided to create a conducive working environment for working mothers.
- Support for the establishment of a productive "Employee Cooperation", as well as support for religious activities, artistic pursuits and sports, for the benefit and enjoyment of all employees.

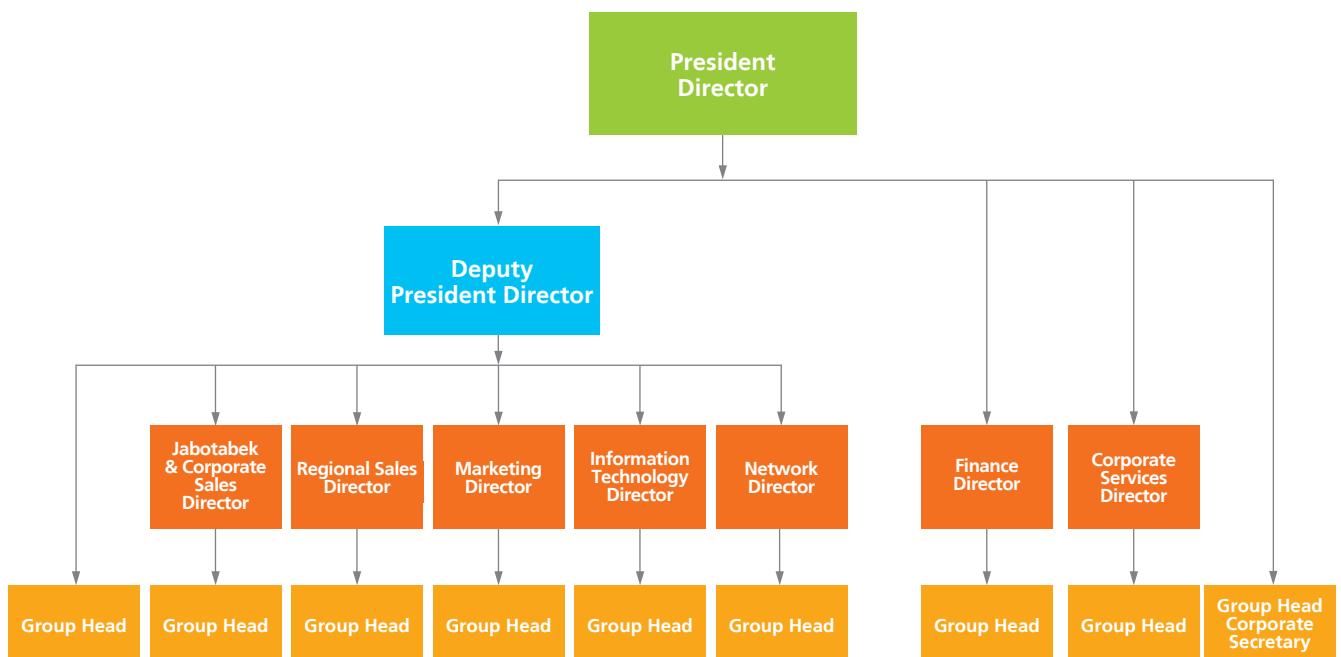
Using Social Dialogue to Facilitate Partnership with Employees

In keeping with our commitment to implementing Good Corporate Governance (GCG), in particular the principles of justice and equality, we have granted employees the right to establish an Indosat Labour Union (ILU), and to position the ILU as the Company's working partner. ILU is involved in providing input and advice on employees welfare at least once a quarter or whenever deemed necessary. The Employment Agreement (EA) is reviewed bi-annually and involves contributions from both the management and members of ILU.

Pada tahun 2008, dilakukan beberapa perubahan PKB untuk 28 materi, antara lain mengenai lembur, pindah sementara, alih fungsi, hari libur resmi, ijin meninggalkan pekerjaan, dan sebagainya. Manajemen juga menyediakan berbagai sarana komunikasi antara manajemen dengan karyawan termasuk intranet yang dapat diakses oleh setiap karyawan di seluruh Indonesia untuk memperoleh informasi terkini atas kegiatan Perusahaan, portal unit kerja untuk mempermudah penyebaran informasi seperti regulasi terkini, ketentuan bagi karyawan dan lain-lain.

In 2008, changes were made to 28 key EA issues, including: overtime, temporary assignments, cross assignments, official holidays, and permission to leave work. The management also created a number of communication channels, including the intranet - accessible to all Indosat employees throughout Indonesia - to encourage easier access to the latest Company information. The intranet acts as a portal disseminating key information on the Company's activities and the latest regulation provisions for employees.

Organizational Structure



Jaminan Kesehatan dan Keselamatan Kerja

Kesehatan dan keselamatan kerja karyawan selalu menjadi bagian dari prioritas perhatian manajemen Indosat. Setiap karyawan tetap mendapat fasilitas kesehatan dalam bentuk pemeriksaan kesehatan menyeluruh secara berkala, tersedianya *nursery room*, tersedianya poliklinik umum dan gigi bagi karyawan dan keluarganya, jaminan dan fasilitas kesehatan lainnya baik dalam masa perawatan (operasi atau melahirkan), termasuk pemeriksaan penunjang (laboratorium, fisioterapi, *rontgen*, dan lain-lain).

Assurance on Health, Safety and Environment

A healthy, safe and secure work environment for our employees remains a top priority for Indosat management. Each of our permanent employees is entitled to a range of healthcare benefits and facilities, such as regular comprehensive health checks, a nursery room, a polyclinic and dental clinic available for employees and their family members, medical insurance and facilities covering operations or childbirth, including supplementary medical services such as laboratory tests, physiotherapy, health scans and so on.

Beberapa fasilitas dan program tambahan yang telah kami selenggarakan secara berkesinambungan, antara lain berupa penyelenggaraan seminar kesehatan dan keselamatan kerja; fasilitas perlindungan keselamatan kerja yang lengkap bagi seluruh karyawan; fasilitas

Some additional programs and benefits that we offer on a regular basis include: seminars on Health, Safety, Security and the Environment; safe work facilities for all employees; a No Smoking policy within all office areas; special recognition for productive and healthy

Poliklinik Umum dan Poliklinik Gigi; kebijakan Dilarang Merokok di lingkungan kantor; penghargaan khusus bagi karyawan yang sehat dan produktif; serta fasilitas olahraga berupa *Fitness Center* serta mensponsori berbagai aktivitas olahraga karyawan.

Pengembangan Kompetensi Karyawan

Kami berupaya melaksanakan pengembangan kompetensi yang berkelanjutan sebagai bagian dari strategi jangka panjang Perusahaan dan regenerasi organisasi masa depan.

Beberapa program pengembangan kompetensi yang telah kami terapkan adalah:

- Mewajibkan setiap karyawan untuk mengalokasikan minimal dua hari kerja pada setiap semester untuk mengikuti pelatihan. Pada tahun 2008, jumlah hari pelatihan per karyawan adalah 15,92 hari atau meningkat 0,76 % dibanding tahun 2007. Program pelatihan mencakup 988 program, baik *inhouse training*, *exhouse training*, *online training*, dan *project training*.

employees; sports facilities such as a fitness centre and the sponsorship of sporting activities undertaken by employees.

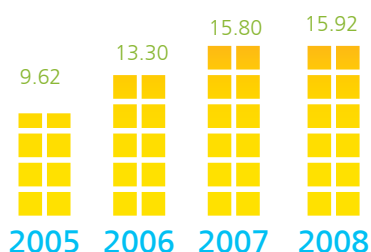
Employee Competency Enhancement

We place great emphasis on enhancing employee skills and competency on an ongoing basis, as part of our long-term strategy to ensure a smooth flow of talent and leadership succession and renewal.

Programs to develop employee skills and competency include:

- Ensuring that all employees receive a minimum of two days of training each semester. In 2008, each employee received a total of 15.92 days of training, which represented a 0.76% increase compared to the figure for 2007. Total training programs in 2008 numbered 988, encompassing in-house training, external training, online training, and project training.

Number of Trainings/Employee



- Menjamin persamaan hak dan tidak adanya praktik diskriminasi berdasarkan suku, agama, *gender* atau hal-hal lainnya dalam proses pengembangan kompetensi dan promosi karyawan.
- Mengelola Pusat Pelatihan, sebagai tempat penyelenggaraan pelatihan internal Perusahaan.
- Memberikan apresiasi khusus kepada karyawan dengan prestasi kerja istimewa, baik berupa promosi karir, kompensasi gaji, pemberian bonus atau pelatihan khusus di luar negeri.
- Fasilitas Perpustakaan dan Pengetahuan Karyawan. (*Library and Knowledge Center*), sebagai bagian upaya peningkatan wawasan karyawan.
- Ensuring equal rights and the absence of discriminatory practices based on race, religion, gender, etc in competency development processes as well as employee promotions.
- Operating a Training Centre for the Company's in-house training sessions.
- Providing special recognition to high-performing employees, through rewards such as career promotions, salary compensations, bonuses or special overseas trainings.
- Providing a Library and Knowledge Center as part of Indosat's efforts in developing employee's knowledge.

Beberapa inovasi dalam bidang pengelolaan dan peningkatan kompetensi SDM yang kami lakukan pada tahun 2008, antara lain adalah:

- Pelatihan khusus bagi Direksi dan *Group Head* antara lain yaitu *Telecommunication Strategy and Marketing, Executive Development Program, Transition to General Management*, dan lain sebagainya.
- Penerapan "*Knowledge Management*" sebagai bagian dari inisiatif pengembangan kompetensi dan meningkatkan budaya belajar serta merangsang tumbuhnya inovasi di dalam Perusahaan, diantaranya dengan penyelenggaraan program rutin "*Knowledge Cafe*" dengan 11 topik seminar dari berbagai pembicara ternama yang diikuti oleh total 1.044 karyawan sepanjang tahun 2008.
- Menurunkan *turn-over rate* karyawan, sehingga berhasil mencapai angka yang lebih rendah dibandingkan standar rata-rata industri.

Several innovations in HR competency development and management were implemented in 2008, including:

- Special training for Directors and Group Heads, in topics such as Telecommunications Strategy and Marketing, Executive Development, Transition to General Management, to name a few.
- Implementing "*Knowledge Management*" as part of our initiatives to develop competency, encourage learning, and stimulate innovation within the Company. This includes the "*Knowledge Cafe*", a program which offered 11 seminar discussions by various renown speakers and which were attended by 1,044 employees throughout 2008.
- Lowering employee turn-over rate, which is now lower than the industry average.

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| ECONOMIC PERFORMANCE INDICATORS | | |
| <i>Aspect: Economic Performance</i> | | |
| EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | 4 |
| EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate change. | - |
| <i>Aspect: Market Presence.</i> | | |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | 45 |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation | 47-49 |
| <i>Aspect: Indirect Economic Impacts</i> | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement. | 20-50 |
| ENVIRONMENTAL PERFORMANCE INDICATORS | | |
| <i>Aspect: Materials</i> | | |
| EN1 | Materials used by weight or volume. | 37 |
| <i>Aspect: Energy</i> | | |
| EN3 | Direct energy consumption by primary energy source. | 37 |
| EN4 | Indirect energy consumption by primary source. | - |
| EN6 | Initiatives to provide energy-efficient ore renewable energy based products and services, and reductions in energy requirements as a result of these initiatives. | 37 |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | 37 |
| <i>Aspect: Water</i> | | |
| EN8 | Total water withdrawal by source. | - |
| <i>Aspect: Emissions, Effluents, and Waste.</i> | | |
| EN22 | Total weight of waste by type and disposal method. | - |
| <i>Aspect: Overall</i> | | |
| SOCIAL PERFORMANCE INDICATORS | | |
| Labor Practices and Decent Work | | |
| 46-50 | | |
| <i>Aspect: Employment</i> | | |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | 46-50 |
| <i>Aspect: Occupational Health and Safety</i> | | |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region. | 46-50 |
| <i>Aspect: Training and Education</i> | | |
| LA11 | Program for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | 46-50 |
| <i>Aspect: Diversity and Equal Opportunity</i> | | |
| LA13 | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity. | 46-50 |
| HUMAN RIGHTS PERFORMANCE INDICATORS | | |
| <i>Aspect: Investment and Procurement</i> | | |
| 44-45 | | |
| <i>Aspect: Non-Discrimination</i> | | |
| 49 | | |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights. | 47-48 |
| SOCIETY PERFORMANCE INDICATORS | | |
| <i>Aspect: Community</i> | | |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting. | 28-35 |
| <i>Aspect: Product and Service Labeling</i> | | |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | 23-24 |

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