



INDOSAT RELEASES LIMITED REVIEWED RESULTS FOR PERIOD ENDED 31 MARCH 2010

Also issues 2010 guidance for new CAPEX commitment and for the first time, cash-out CAPEX

Jakarta, 10 May 2010: PT Indosat Tbk (“Indosat” or the “Company”) (Ticker: ISAT: IDX, IIT: NYSE) has completed a limited review by independent accountants of its first quarter results and is pleased to announce details.

For the first quarter of 2010, the Company booked a 2.6 per cent year-on-year growth in consolidated operating revenue to Rp 4.73 trillion. EBITDA rose 2.5 per cent with a stable EBITDA margin at 47 per cent. While operating expenses increased by 12.0 per cent for the period, this was largely due to higher depreciation and amortization charges. Overall the Company posted a 132.6 per cent gain in net profit to Rp278 billion, up from Rp119.5 billion a year ago, due in large part to movements in foreign exchange.

With the addition of almost 6 million customers, the Company’s cellular subscriber base grew 17.6 per cent from a year ago to 39.1 million. It has more than doubled its 3.5G wireless broadband subscribers to over 755 thousand, up 118.7 per cent from last year’s 346 thousand.

In line with the capital expenditure (“CAPEX”) guidance given last year, Indosat is also pleased to confirm new CAPEX commitments of US\$550-700 million for 2010. It is issuing as well for the first time, a cash-out CAPEX guidance of US\$1.0-1.2 billion – a practice aligned with reporting guidelines at the Qatar Telecom Q.S.C. (“Qtel”) Group level.

Commenting on the results Mr. Harry Sasongko, President Director and CEO of Indosat said: *“The continued operational and financial performance of our business is testament to the success of our balanced strategy. Overall Indosat has maintained its strong market position as Indonesia’s second largest fully-integrated telecommunications and information service provider.”*

Mr Sasongko noted the Company’s recent adoption of a balanced value-driven growth strategy. Since last year (2009), Indosat has begun balancing subscriber growth with the cultivation of a quality subscriber base, through reducing calling-card type behavior and trimming the numbers of inactive prepaid subscribers.

The Company was the first operator in Indonesia to introduce innovative products such as Android and Blackberry, and will continue to employ innovative marketing campaigns to capture higher value customers.

“Our ARPU increased by 7.7% from a year ago, demonstrating the initial impact of the shift in customers from ‘calling card’ to more profitable ‘value’ customer,” said Mr Sasongko.

Indosat remains dedicated to maintaining and improving consistently a high level of network quality to support growth of the business, as evidenced by its continued commitment to CAPEX investments. The Company has been focusing heavily on decongesting some of its networks, thereby improving quality and consequently, utilization and efficiency.

Just on May 7, Indosat commissioned Ericsson – a world-class equipment manufacturer – to modernize its network and launch Asia’s fastest mobile network. This will be based on Ericsson’s HSPA Evolution technology, which is capable of reaching speeds of up to 42Mbps.

Said Mr Sasongko: *“Indosat will be the first operator in Asia and second in the world to offer the fastest internet access of DC-HSPA+ 42 Mbps. The technology upgrade will allow mobile broadband users to access various applications including messaging, social networking and streaming, with much greater ease and at an unparalleled speed. This initiative will bring the latest global technology and equipment to Indonesia, giving our customers the highest satisfaction in their telecommunications experience.”*

He added: *“We will continue to focus on acquiring quality and value accretive subscribers, while working to improve ARPU mix by retaining a larger share of the medium to high end market. Whilst we have recently embarked on this journey toward a value-driven strategy, we are convinced that Indosat has the capability and commitment to see this through successfully. Going forward, we are confident that this is the strategy that will, ultimately, reap long-term and optimum benefits for all our customers and stakeholders.”*

Description	1Q 2009	1Q 2010	% Change
Operating Revenue (IDRbn)	4,616.9	4,734.7	2.6
Operating Expenses (IDRbn)	3,560.8	3,988.7	12.0
Operating Income (IDRbn)	1,056.1	746.0	-29.4
Other Expenses (IDRbn)	(852.9)	(325.5)	-61.8
Net Income (IDRbn)	119.5	278.0	132.6
EBITDA* (IDRbn)	2,173.7	2,227.6	2.5
EBITDA Margin (%)	47.1	47.0	-0.1
Total Debt (IDRbn)	22,970.3	24,937.4	8.6

Description	1Q 2009	1Q 2010	% Change
Cellular subscribers (million)	33.3	39.1	17.6
Wireless Broadband 3.5G subscribers (thousand)	345.5	755.6	118.7
ARPU Cellular (Rupiah)	30,625	32,988	7.7
FWA subscribers (thousand)	698.8	686.5	-1.8
ARPU FWA (Rupiah)	25,601	19,051	-25.6
BTS (2G and 3G)**	14,403	17,010	18.1

Indosat plans to conduct a *conference call* with analysts and investors on May 31st 2010. A full review of these results is available on the Company’s website at www.indosat.com.

**EBITDA (earnings before interest, taxes, depreciation and amortization) is a non-GAAP measure that management believes is a useful supplemental measure of cash available prior to debt service, capital expenditures and income tax. Investors are cautioned that EBITDA should not be construed as an alternative to net income determined in accordance with GAAP as an indicator of the Company’s performance or to cash flows from operations as a measure of liquidity and cash flows. EBITDA does not have a standardized meaning prescribed by GAAP. The Company’s method of calculating EBITDA may differ from the methods used by other companies and, accordingly, it may not be comparable to similarly titled measures used by other companies.*

About Indosat

Indosat Tbk is a leading telecommunication and information service provider in Indonesia that provides cellular services (Mentari, Matrix and IM3), fixed telecommunication services or fixed voice (IDD 001, IDD 008 and FlatCall 01016, fixed wireless service, StarOne, and fixed line service, Indosat Phone). The company also provides Multimedia, Internet & Data Communication Services (MIDI) through its subsidiary company, Indosat Mega Media (IM2) and Lintasarta. Indosat is also the pioneer in providing postpaid and prepaid 3.5G cellular services using HSDPA technology. And the Company’s shares are listed in the Indonesia Stock Exchange (IDX:ISAT) and its American Depository Shares are listed in the New York Stock Exchange (NYSE:IIT).

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