

Unofficial Translation

**(Letter Head) Ministry of Communications and Informatics – Directorate
General of Post and Telecommunications**

Press Release

No. 45/DJPT.1/KOMINFO/IX/2005

Jakarta, September 23, 2005

The Signing of the Memorandum of Understanding between PT Telkom and PT Indosat on the Access Code and between PT Indosat and PT Bakrie Telecom on the Mobile Virtual Network Operator

1. On September 23, 2005 taking place at the Department of Communications and Informatics, held the signing of the Memorandum of Understanding (MoU) between PT Telkom and PT Indosat on the Interconnection of the Fixed Domestic Long Distance and Fixed International Network and the MoU signing between PT Indosat and PT Bakrie Telecom on the Mobile Virtual Network Operator. The MoU was signed by each President Directors and witnessed by the Minister of Communications and Informatics. Through this cooperation, PT Telkom and PT Indosat may precede with the development and the customer expansion without having to wait for the infrastructure development.
2. The signing of the MoU or technically known as the Agreement between PT Indosat and PT Telkom has an important role, mainly the agreement related to the Domestic Long Distance (DLD), as it is a transition phase towards the full implementation of the "01X" access code on April 1, 2010 as stipulated in the Minister of Communications and Informatics Regulation No. 06 Year 2005, dated May 17, 2005.
3. The most important realization of the Agreement is the implementation of the DLD "0" Access Code for the customers of both companies. Consequently, customers of each company may operate DLD calls between operators. Previously, DLD calls between operators may only be generated through PT Telkom's DLD network. Therefore, after the signing of the Agreement, PT Indosat DLD network may also terminate DLD calls.
4. Related to the agreement on interconnection of the international network and services, Local Fixed Telecommunications customers of PT Indosat (which previously may only dial IDD 001 or 008) will have an alternative for their IDD calls, through IDD 007 owned by PT Telkom and Local Fixed Telecommunications customers of PT Telkom will have an alternative to

dial IDD 001 and 008 owned by PT Indosat. Therefore, all Local Fixed Telecommunications customers of PT Telkom and PT Indosat may equally and automatically (normally opened) access 3 IDD access codes (i.e IDD 001,007 and 008) from their own terminal.

5. The Agreement between PT Indosat and PT Bakrie Telecom on the technical operation and the network utilization (Mobile Virtual Network Operator) has also an important role. The Agreement enables PT Indosat and PT Bakrie Telecom to mutually work together on the non-exclusive utilization of the frequency owned by PT Indosat and PT Bakrie Telecom, which is beneficial for the operations, distribution of the telecommunication traffic and the utilization of the network by utilizing the telecommunications infrastructure of each companies and the usage of 10 MHz (825-835 MHz) of the 800 Mhz frequency owned by Bakrie Telecom in the Jakarta, Banten and West Java area and the usage of 5 MHz (830-835 MHz) of the 800 Mhz owned by PT Indosat outside Jakarta, Banten and West Java area.
6. Furthermore, PT Bakrie Telecom agree to provide enough capacity for PT Indosat to distribute the telecommunication traffic by PT Indosat through the network owned by PT Bakrie Telekom, and PT Indosat also agree to provide enough capacity for PT Bakrie Telecom to distribute the telecommunication traffic by PT Bakrie Telecom through the network owned by PT Indosat. The agreement must be abide by both parties even though either party comes into a similar agreement with other parties.
7. The DGPT must accommodate and facilitate the availability of capacity. PT Indosat will return 5 MHz of its 1900 MHz broadband frequency for the Jakarta, Banten and West Java area to DGPT, hence PT Indosat will have the right to use 5 MHz of the 1900 MHz broadband frequency to be used for the nationwide 3rd generation cellular service (3G) in accordance to the prevailing rules and regulations. Related to the frequency allocation for PT Indosat, the DGPT determines the fees that must be paid by PT Indosat in similar amount to those who w in the 3G tender,
8. DGPT allows PT Indosat to participate in a tender for additional 5 MHz allocation in the 1900 MHz frequency outside the frequency allocated for the nationwide 3G network and services. Furthermore, DGPT will compensate Indosat fairly and equally with other operators for the cost of migration of its network and customers from 1900 MHz to the 800 Mhz. The compensation will be calculated according to the amount of the 3G nationwide frequency payment in accordance with the prevailing laws. In addition, DGPT will also grant PT Bakrie Telecom a nationwide license to support the signing of the agreement.
9. The signing of both MoUs marked the dedication and commitment from the Minister of Communications and Informatics in facilitating the

resolution of various issues pertaining to the development of national telecommunications through business to business relationship principles. Furthermore, the agreement between Telkom and Indosat on the domestic and international long distance network is expected to eliminate the controversy which developed and enhance the provision of alternative of service for the public. The MOU between Indosat and Bakrie Telecom on the mobile virtual network operator is intended to demonstrate to the public that the government consistently, rapidly and comprehensively conducts the management/re-allocation of frequency for 3G services as committed during the press conference on 31 August 2005.

Head of General Affairs and PR Department

Signed/Stamped

Gatot S. Dewa Broto
Mobile : 0811898504
e-mail : gatot_b@postel.go.id