



INDOSAT

INDOSAT DIVESTED SHARE OWNERSHIP IN PT SISINDOSAT

Jakarta, January 7th 2005 – PT Indosat Tbk (“Indosat” or “Company”) formally announced the closing of the sale transaction of its 96.87% share ownership in PT Sisindosat Lintasbuana (Sisindosat). The transaction was closed with the signing of sales and purchase agreement by Indosat’s Deputy President Director, Ng Eng Ho and PT Aneka Spring Telekomindo President Director, Herry Andriejanssen (“buyer”) at Indosat Headquarter Office, Jakarta.

”Following an offering process which started in mid of last year, Indosat decided in early December of last year to select PT Aneka Spring Telekomindo as the buyer of our shareholding in Sisindosat”, said Indosat Deputy President Director, Ng Eng Ho.

The share purchase agreement was executed with PT Aneka Spring Telekomindo in December 17th 2004. While, the transaction was closed on January 7th 2005 with the receipt of cash payment for Indosat amounted to Rp40 billion.

“The sale of Indosat’s share ownership in Sisindosat is part of our non core subsidiaries restructuring strategy. Through this, we can more focus on cellular business, while still maintaining our fixed telecommunication and grow MIDI businesses”, continued Eng Ho.

Sisindosat was formerly founded as a subsidiary of Indosat on April 17th 1990 with a primary line of business as Oracle distributor in Indonesia. In order to anticipate the fast growing of IT technology development, Sisindosat has implemented business transformation by changing its vision from Oracle distributor to “The Leading IT Company in Indonesia “ through offering more comprehensive and integral services and solutions.

Indosat is a leading telecommunication and information provider in Indonesia that provides: cellular, fixed telecommunication and multimedia, data communication and internet (MIDI). Until the third quarter of 2004, cellular business contributed 68,5% of company’s operating revenues, IDD (16,4%) and MIDI & others (14,2%). Indosat’s shares are listed in the Jakarta and Surabaya Stock Exchange (JSX:ISAT) and its American Depository Shares are listed in the New York Stock Exchange (NYSE:IIT).

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