



PT Indosat Tbk.

9M 2017 Results



**Financial and
Operational
Highlights**

9M17 YoY Overview



Consolidated Revenue increased 4.8% from IDR 21,525 billion to IDR 22,566 billion

EBITDA increased 4.7% from IDR 9,466 billion to IDR 9,906 billion, EBITDA Margin reached 43.9%

Profit Attributable to Owners of The Parent increased from IDR 845 billion to IDR 1,090 billion

Free Cash Flow increased from IDR 2,647 billion to IDR 3,523 billion

3Q17 QoQ Overview



SEKARANG DENGAN
BONUS
HINGGA
20GB
DI SEMUA JARINGAN

Internet makin asik dengan
Freedom Plus

**Mega Bonus hingga 20GB
+ YouTube Tanpa Kuota!**

Consolidated Revenue decreased 4.7% from IDR 7,823 billion to IDR 7,453 billion

EBITDA decreased 9.6% from IDR 3,574 billion to IDR 3,232 billion, EBITDA Margin reached 43.4%

Profit Attributable to Owners of The Parent decreased from IDR 610 billion to IDR 306 billion

Free Cash Flow decreased from IDR 1,464 billion to IDR 1,008 billion

Financial Highlights

in IDR billion

	9M-16	9M-17	YoY	2Q-17	3Q-17	QoQ
Operating Revenue	21,525	22,566	4.8%	7,823	7,453	-4.7%
EBITDA	9,466	9,906	4.7%	3,574	3,232	-9.6%
EBITDA Margin	44.0%	43.9%	0.1ppt	45.7%	43.4%	-2.3ppt
Profit Attributable to Owners of the Parent	845	1,090	29.0%	610	306	-49.9%

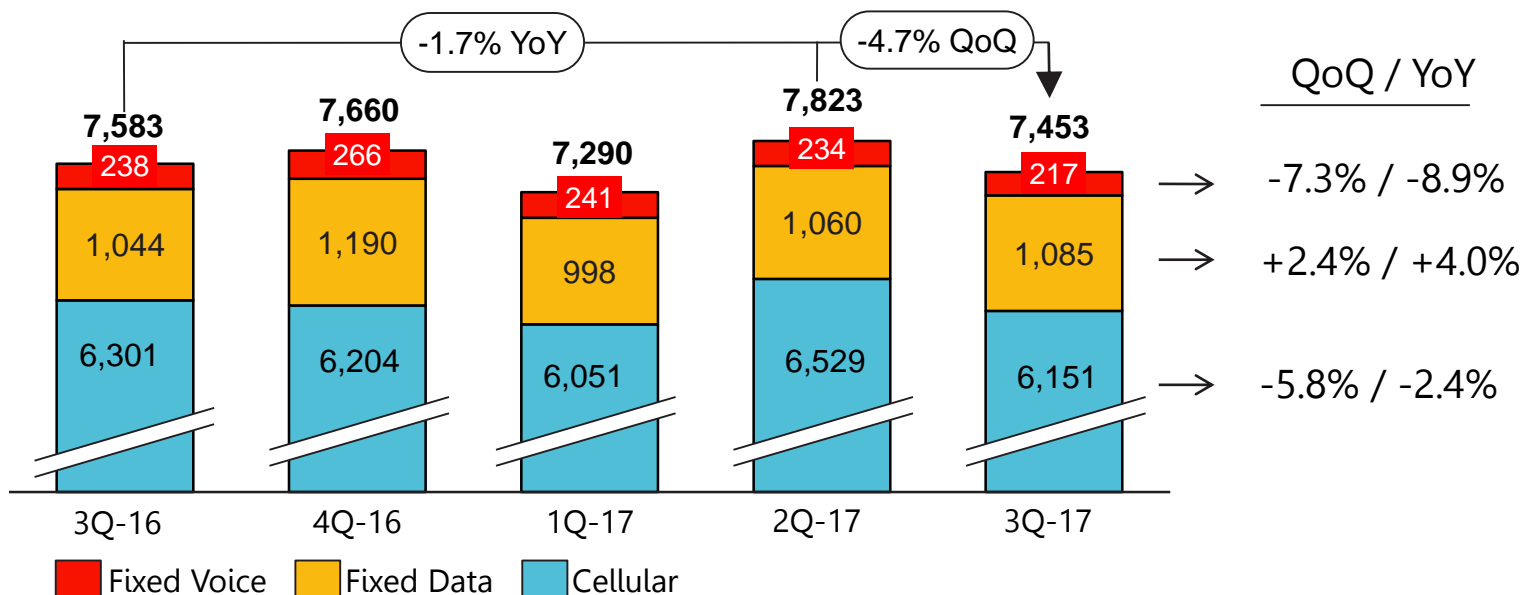
- Operating performance YoY maintained



Segment Revenue Overview

Operating Revenue Breakdown

in IDR billion



- Fixed data segment delivered outstanding performance supported by B2B IT services
- Soft cellular revenue QoQ due to seasonality impact both in 3Q16 and 2Q17.

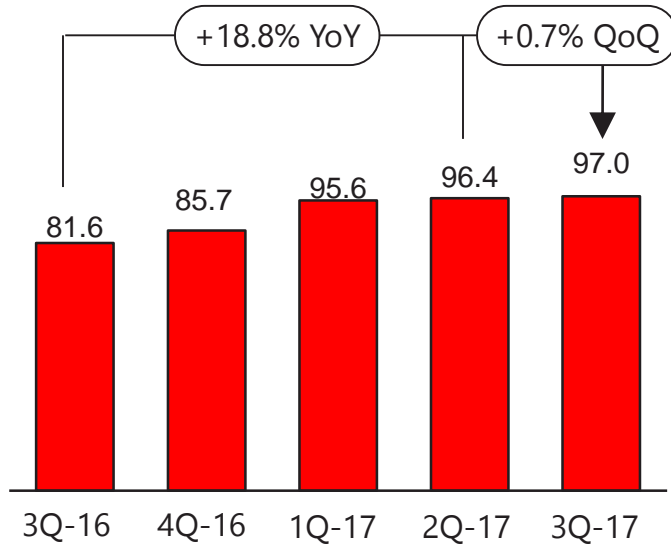
Cellular Revenue Performance

	9M-17 VS 9M-16	3Q-17 VS 2Q-17	
Voice	-4.7%	-1.7%	<ul style="list-style-type: none"> - Data took the lead in driving cellular revenue growth - Legacy services continued to decline as data usage is growing
SMS	-17.2%	-16.5%	
Data	38.7%	-0.7%	
VAS	7.1%	-3.3%	Gaming and content usage grew in youth segment.

Cellular Customer Base

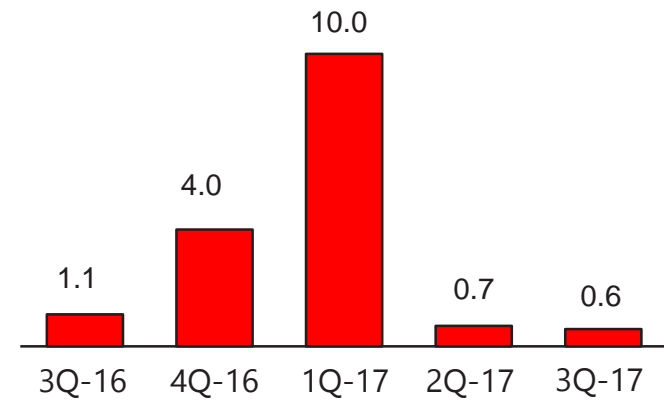
Number of cellular customers

in million



Net cellular customers adds

in million

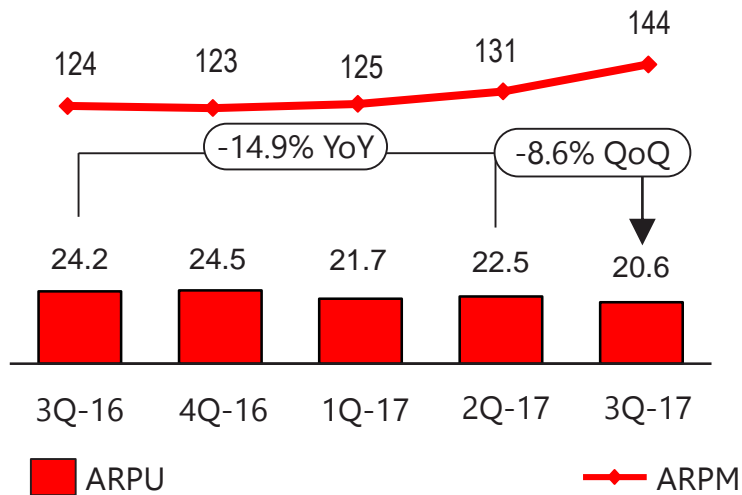


ARPU and voice usage indicator

ARPU and ARPM

in thousand IDR
(ARPU)

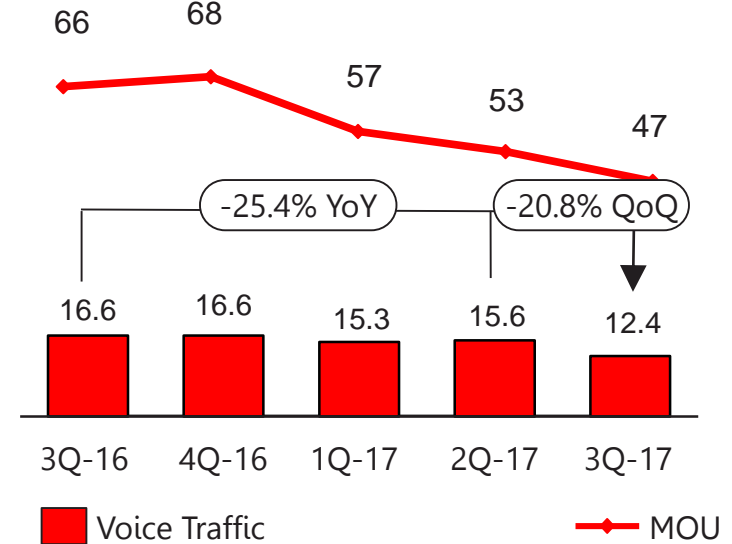
in IDR
(ARPM)



Voice Traffic and MOU

in billion minutes
(Voice Traffic)

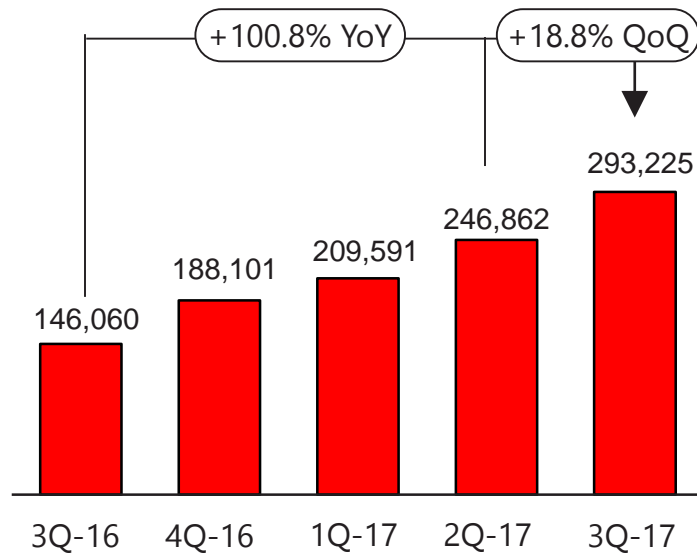
in minute/subscriber
(MOU)



Strong Data Usage

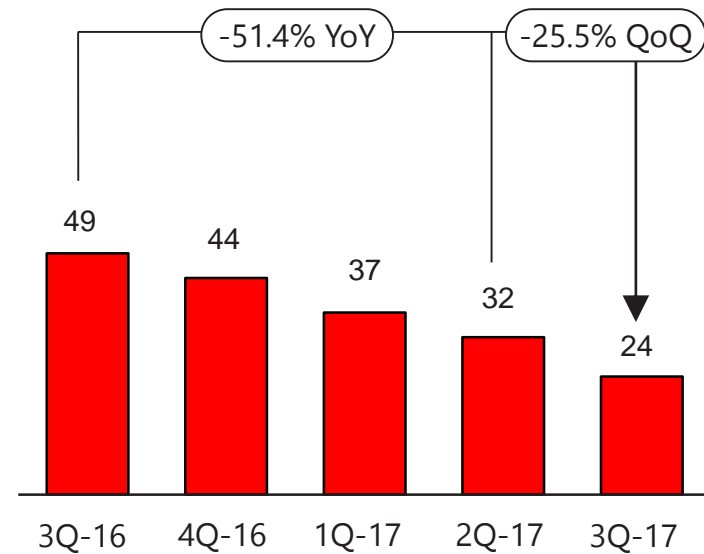
Data Usage

in TByte



SMS Delivered

in billion



- Data traffic grew double digit QoQ amid intensifying competition in data
- SMS traffic continued to decline as trend shifting toward messaging application



Operational expenses

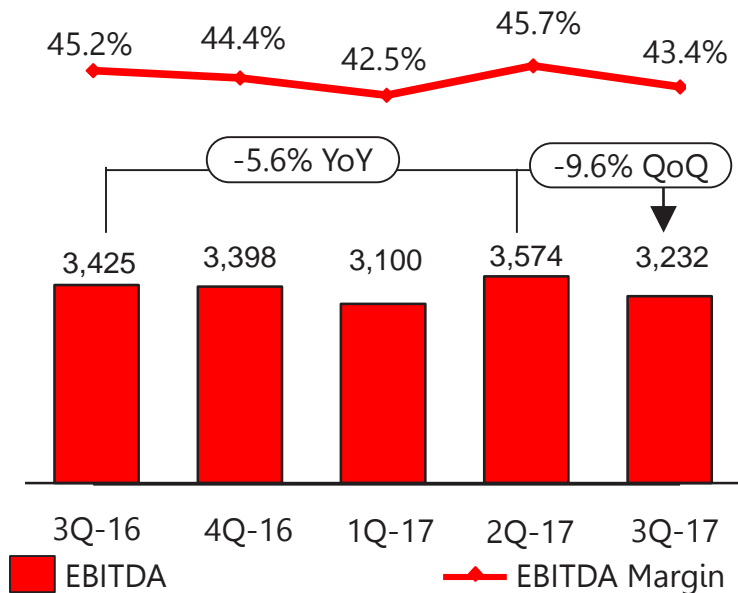
as percentage of revenue

	3Q-16	4Q-16	1Q-17	2Q-17	3Q-17
Cost of Service (CoS)	40.6%	40.9%	42.6%	39.6%	41.2%
Personnel	6.8%	7.2%	8.2%	7.2%	7.6%
Marketing	4.0%	3.5%	3.6%	4.2%	4.7%
General and Administration	3.5%	4.0%	3.1%	3.2%	3.2%
Total Operating Expenses	54.9%	55.6%	57.5%	54.3%	56.6%
Depreciation and Amortization	29.9%	29.4%	30.5%	28.2%	29.8%
Total Expenses	84.8%	85.1%	88.0%	82.5%	86.4%

EBITDA and Net Profit performance

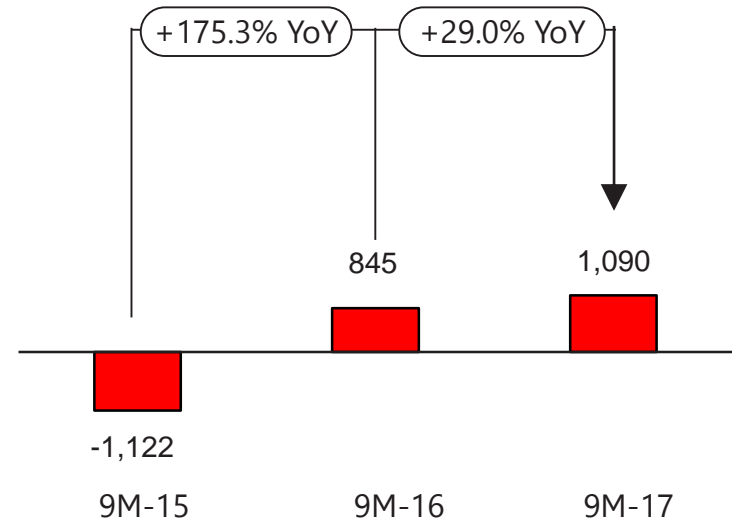
EBITDA and EBITDA margin

in IDR billion



Net profit

in IDR billion



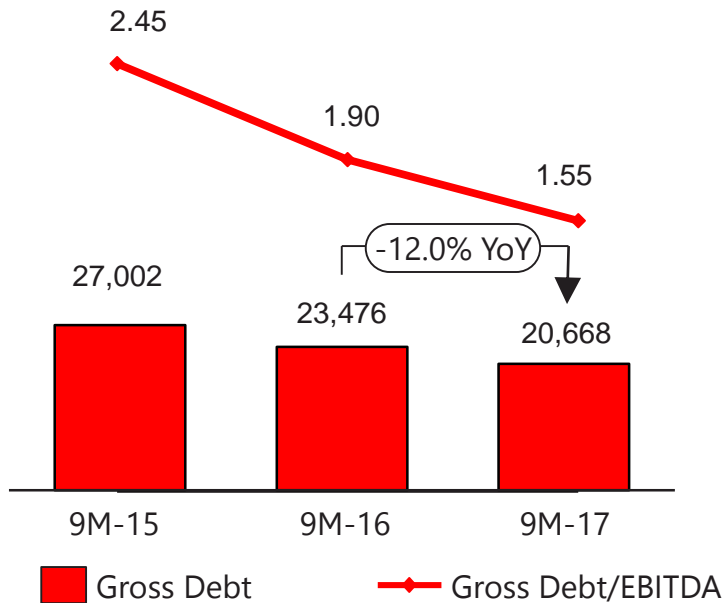
- EBITDA margin inline with guidance.
- Profitability maintained.



Balance sheet

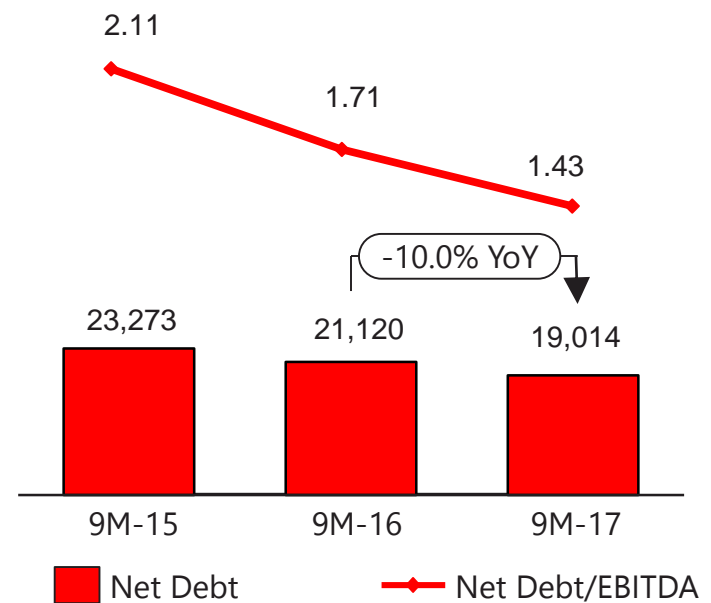
Gross debt* and gross debt/EBITDA

in IDR billion



Net debt* and net debt/EBITDA

in IDR billion



* IDR 4.24tn, IDR 3.46tn and IDR 3.02tn of obligation under finance lease are included in 9M15, 9M16 and 9M17 respectively

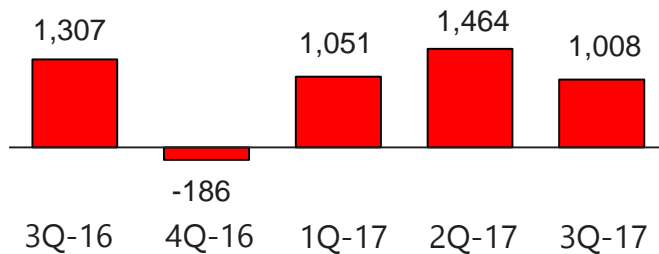
- Gearing level continuously improved
- USD debt portion has come down to 3% level



Free cash flow & Capex

Free cash flow

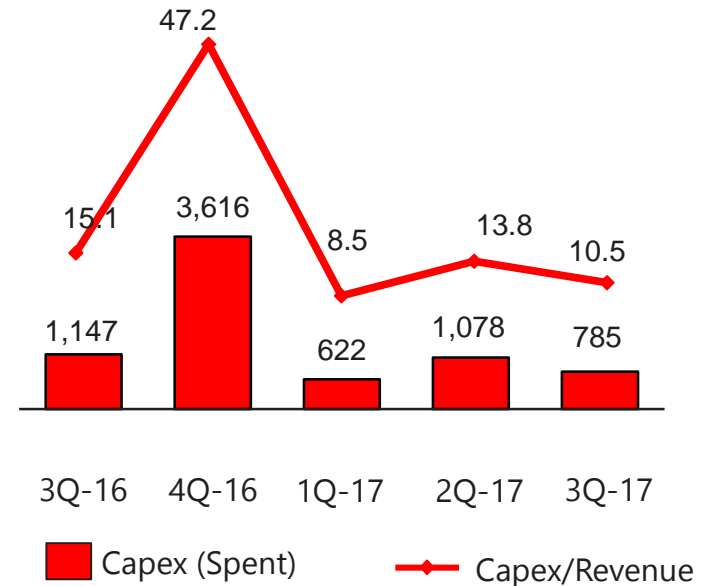
in IDR billion



Capex and Capex/Revenue

in IDR billion

in %

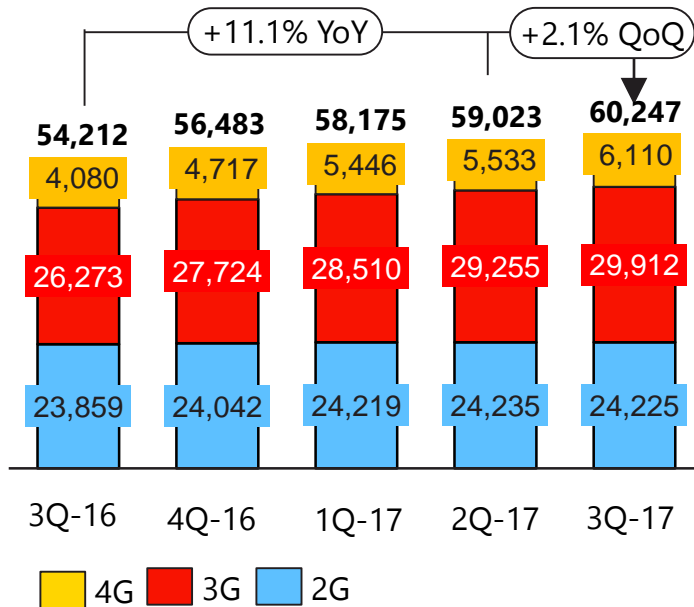


- Capex rollout will accelerate in 4Q17
- Capex guidance unchanged.

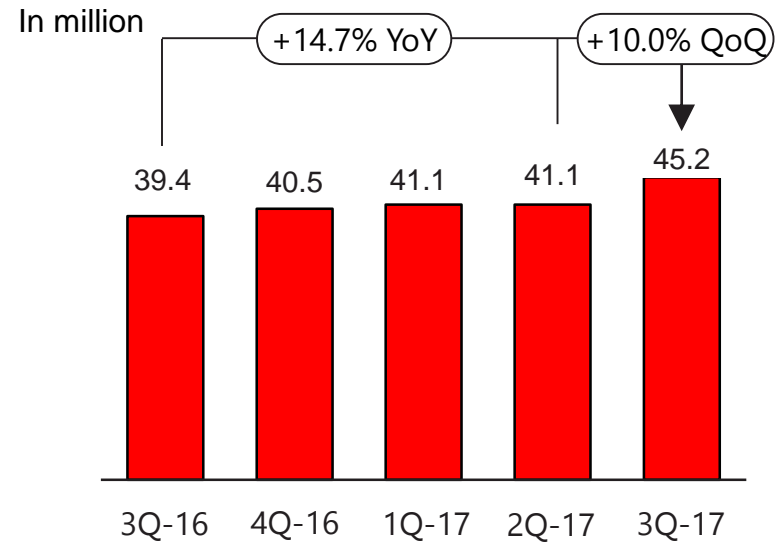


Network & Data User

Number of BTS



Data User



- 4G coverage has reached 175 cities in Indonesia, 63 cities addition during 9M-17.



Key updates

2017 Guidance

	FY-16 Actual	9M 2017 Actual	2017 Guidance
Consolidated Revenue Growth	9.0%	4.8%	In line with market
EBITDA Margin	44.1%	43.9%	Low to Mid 40's
CAPEX	IDR 7.3 trillion (Cash out)	IDR 2.5 trillion (Spent)	~ IDR 6 trillion (Spent)



Thank You

Investor Relations & Corporate
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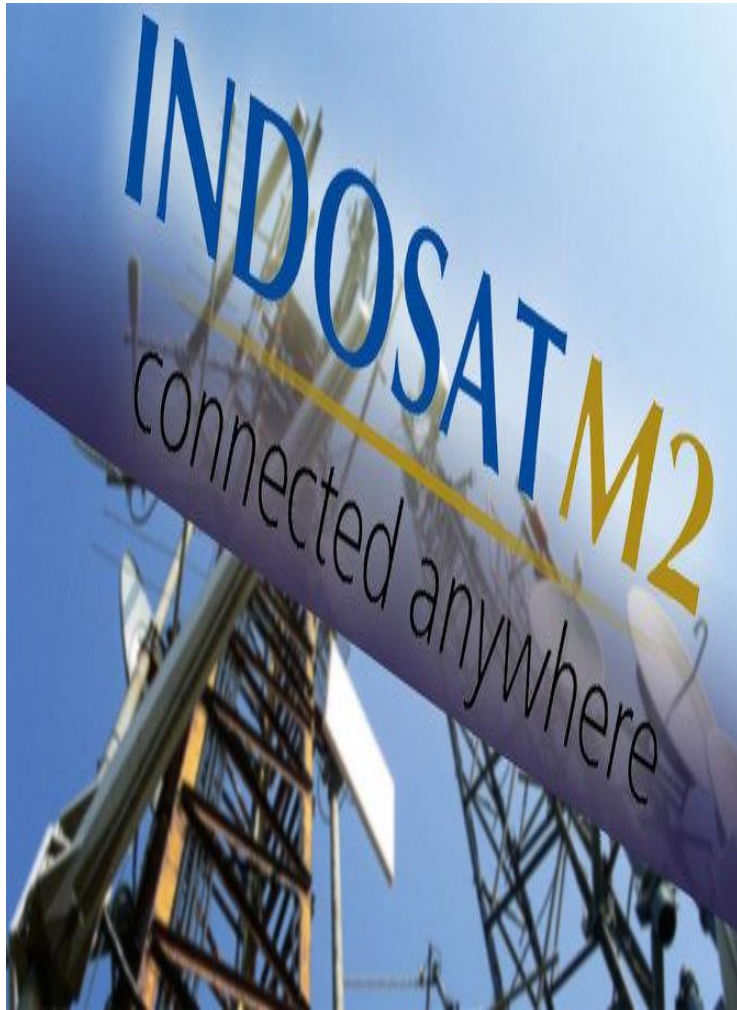
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**Supplemental
Information**

IM2 case development



On September 16, 2014, the South Jakarta Attorney Office (“Kejaksaan Negeri Jakarta Selatan”), without preliminary notification, executed the Supreme Court’s Decision on Mr. Indar Atmanto. The execution was done based on a quotation of the Supreme Court’s Decision, which states, among others, that (i) Mr. Indar Atmanto is found guilty and sentenced to eight years imprisonment and charged with penalty of Rp300,000,000,- (if the penalty is not paid, Mr. Indar Atmanto would serve an additional six months imprisonment), and (ii) IM2 pay the losses sustained by the State amounting to Rp1,358,343,346,674,-.

Subsequently, on January 16, 2015, Mr. Indar Atmanto and/or his lawyer or IM2 received the document on the Supreme Court’s decision regarding the litigation case. As of the issuance date of the consolidated financial statements, Mr. Indar Atmanto and IM2 plan to conduct further legal act by submitting a reconsideration request *peninjauan kembali* (“PK”).

On March 16, 2015, Mr. Indar Atmanto’s submission of Judicial Review [Peninjauan Kembali (“PK”)] was officially registered at the Corruption Court under No. 08/AKTA.PID.SUS/PK/TPK/2015/PN.Jkt.Pst.

On November 4, 2015, the Supreme Court’s official website announced that the Judicial Review filed by Mr. Indar Atmanto was rejected based on Supreme Court’s decision dated October 20, 2015. However, no detailed information regarding the exact content of such Supreme Court’s decision was available. As of the issuance date of the interim consolidated financial statements, the official copy of such Supreme Court’s decision hasn’t been received.



Credit ratings



On 21 August 2017, PEFINDO has affirmed its “**idAAA**” rating for PT Indosat Tbk (ISAT)’s Shelf Registered Bond I Phase IV Year 2016 Serie A of IDR1,075 billion and its “**idAAA(sy)**” rating for ISAT’s Shelf Registered Sukuk Ijarah I Phase IV Year 2016 Serie A of IDR163 billion that will mature on September 12, 2017.



On 12 May 2017, Moody's Investors Service has upgraded to Baa3 from Ba1 the issuer rating of Indosat Tbk. (P.T.) (Indosat Ooredoo). The outlook for the rating is stable. At the same time, Moody's has withdrawn the company's Ba1 Corporate Family Rating. The rating upgrade reflects the continued strengthening of Indosat Ooredoo's operational metrics as well as the ongoing stabilization of its financial profile, including lower leverage levels.



On 10 March 2017, Fitch Ratings has upgraded PT Indosat Tbk's (Indosat Ooredoo) Long-Term Foreign-Currency Issuer Default Rating (IDR) and foreigncurrency senior unsecured debt rating to 'BBB+' from 'BBB' and simultaneously affirmed its LongTerm Local Currency IDR at 'BBB+'. Fitch Ratings Indonesia has also affirmed the National LongTerm Rating at 'AAA(idn)'. The Outlook is Stable.

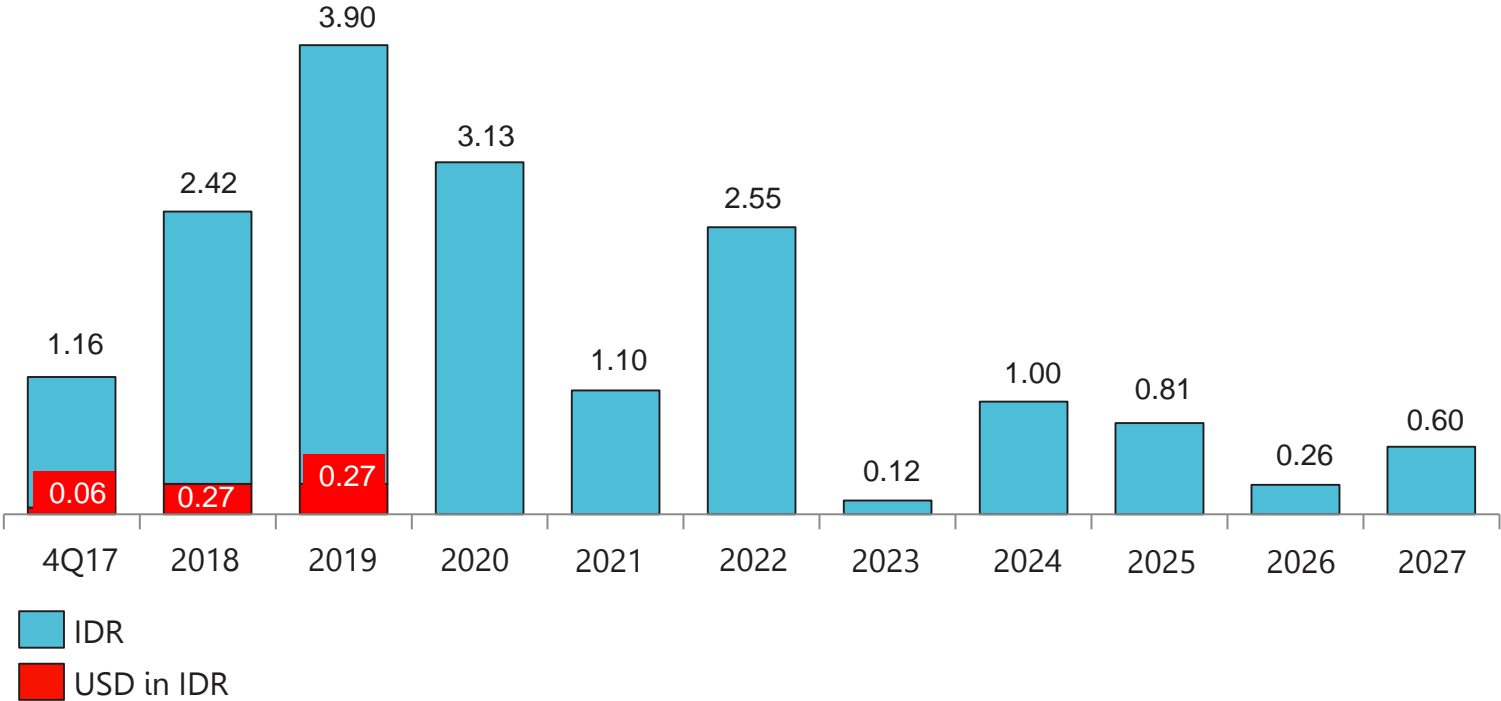


On January 17, 2017, S&P Global Ratings affirmed its 'BB+' long-term corporate credit rating on PT Indosat Tbk. The outlook remains positive. At the same time, they affirmed their 'axBBB+' long-term ASEAN regional scale rating on the Indonesia-based telecommunications company.



Debt maturity profile*





In IDR trillion



* Excluding obligation under finance lease



Spectrum overview

in Mhz		850 Mhz	900 Mhz	1800 Mhz	2100 Mhz	2300 Mhz
 Indosat Valid until		2 x 2.5 2020	2 x 10.0 2020	2 x 20.0 2020	2 x 10.0 2019 & 2026	15.0* 2019
 Telkomsel		2 x 4.5	2 x 7.5	2 x 22.5	2 x 15.0	30.0
 XL Axiata		-	2 x 7.5	2 x 22.5	2 x 15.0	-
 Hutchison		-	-	2 x 10.0	2 x 10.0	-

* Indosat/IM2: West Java exclude Bogor, Depok & Bekasi

Disclaimer

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

