

# **PT Indosat Tbk**

**1H Results Presentation 2009**



# 1. Highlights

2. Key Messages

3. Results

4. Indosat Management Team

# Highlights

**New Management Structure and Composition of Board of Directors**

**Subscriber declines in line with value driven growth strategy**

**Rational acquisition and pricing driving ARPM**

**Network Optimization Program**

1. Highlight

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# 1H 2009 – Key Messages



- ✓ Key management changes implemented:
  - New management structure in-line with international industry best-practice
  - New Board of Directors in place providing platform for long term stability and growth
  - BOD reduced in size from 9 to 5 members
  - New management team fully in place by September 1, 2009
  
- ✓ Subscriber decline consistent with value driven strategy
  - Acquisition strategy to address calling card type behavior
  
- ✓ Positive impact from limiting on-net promotional offers and price increases
  - Positive impact on ARPM and ARPU
  - Increased network capacity for higher value customers

# 1H 2009 – Market Overview

## ✓ Network Optimization

- Network improvement program underway in order to better position Indosat in value-driven market segments
- Zero CAPEX spend optimization program has resulted in:
  - Packet core performance significantly increased utilizing architecture improvements only
  - Traffic resources optimized by bringing the signaling system to non-blocking
- Initial results indicate successful decongestion of high-speed wireless data network



## ✓ Promotions & Pricing– Armistice?

- Limited promotional activities amongst national operators in second quarter
- Niche / limited mobility operators aggressive in pricing to lower end of market

## ✓ Pricing – Slight improvements

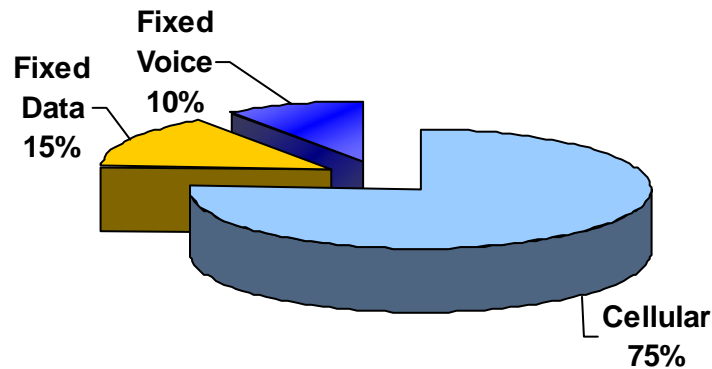
- All 3 nationwide operators have increased pricing to a limited extent in both voice and SMS

1. Highlights
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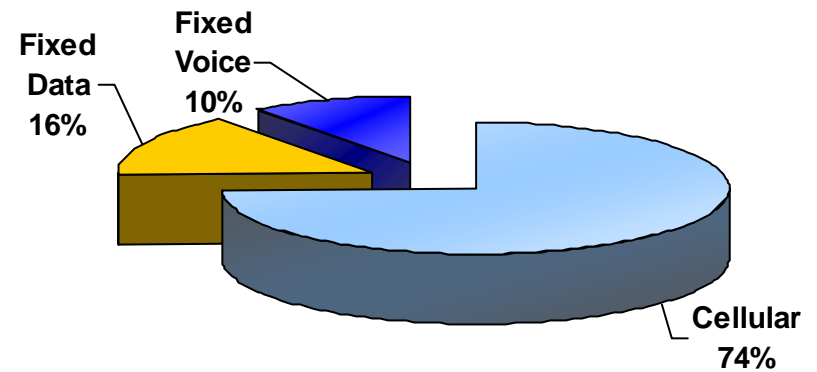
# 1H 2009 Results

	1H 2008 (billion IDR)	1H 2009 (billion IDR)	YoY
Cellular	6,694.0	6,604.7	-1.3%
Fixed Data	1,286.9	1,396.5	8.5%
Fixed Voice	853.2	918.5	7.7%
<b>Operating Revenue</b>	<b>8,843.1</b>	<b>8,919.7</b>	<b>1.0%</b>
<b>EBITDA</b>	<b>4,413.9</b>	<b>4,332.1</b>	<b>-1.9%</b>
<b>EBITDA Margin</b>	<b>50.0%</b>	<b>48.6%</b>	<b>-1.4%</b>
<b>Net Income</b>	<b>1,055.8</b>	<b>1,007.1</b>	<b>-4.6%</b>

1H 2008



1H 2009





# Business Segment Performance

Cellular			Fixed Voice			Fixed Data		
		YoY	Revenue Contribution:			<b>IDD</b>		
1H09 Net Addition	(7.7)mn	(197.6)%	▪ Internet	27%	Total Traffic:	998.6 mm mnt	2.3%	
1H09 Subscribers:	28.9 mn	(10.9)%	▪ IPVPN	21%	Outgoing:	244.5 mm mnt	13.3%	
Blended ARPU (Rp):	33.3k	(18.7)%	▪ World Link & direct link	14%	Incoming:	754.1 mm mnt	-0.9%	
Blended MOU:	95.5mnt	22.8%	▪ Others	39%	<b>StarOne</b>			
					1H09 Subscribers:	572.3k	(28.1)%	
					Blended ARPU (Rp):	28k	2.2%	

## Segment Revenue (Bn)



# Debt Composition

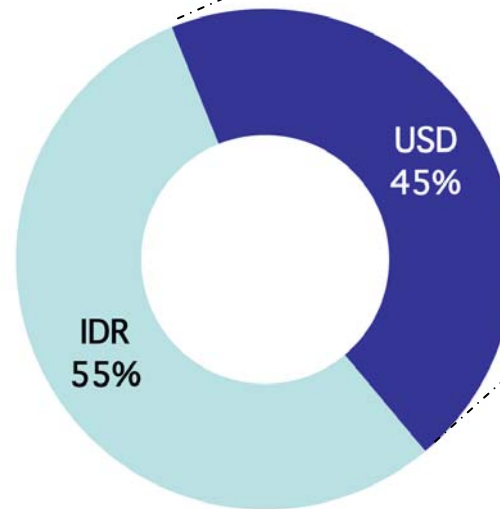
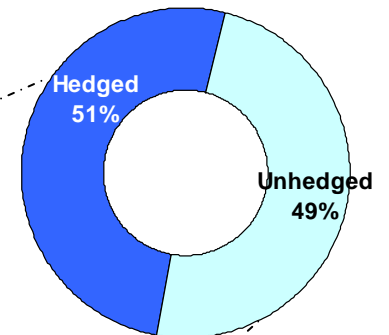
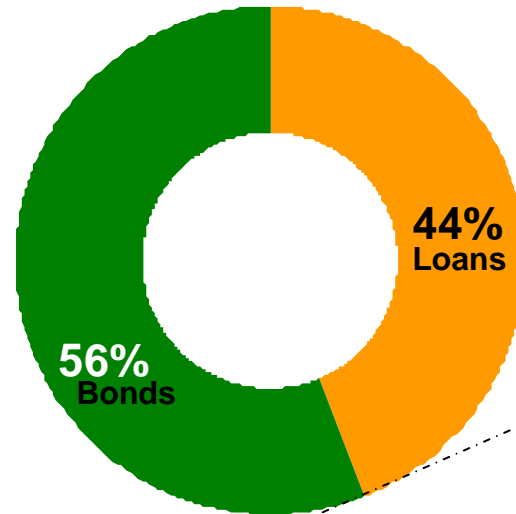
Total Debt

Rp22.7T

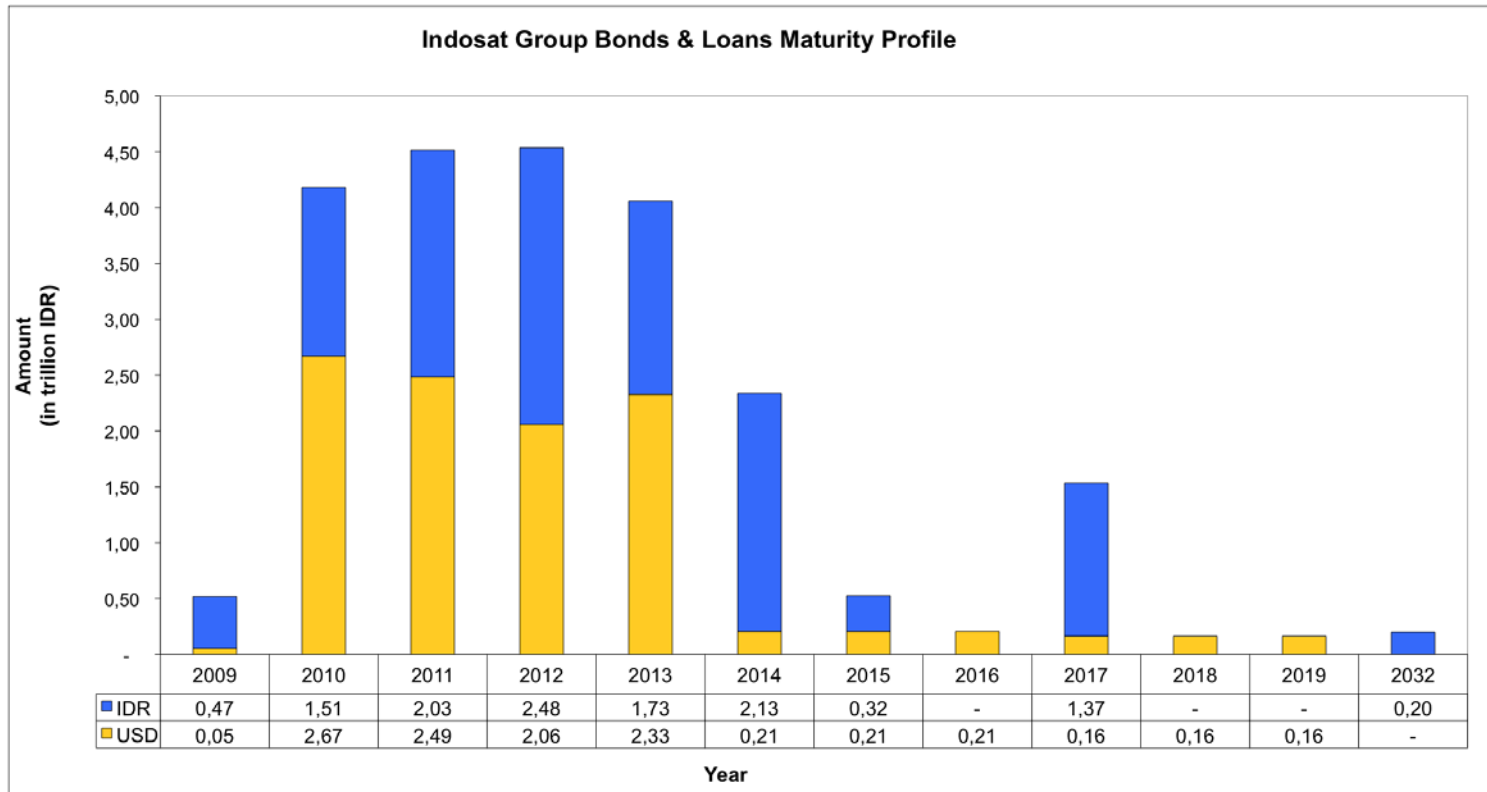
Leverage

Sound

- Gross Debt to Equity 130%
- Net Debt to Equity 111%
- Debt to EBITDA 249%
- Interest Coverage 525%



# Debt Maturity



Exchange Rate USD1 = Rp10,225

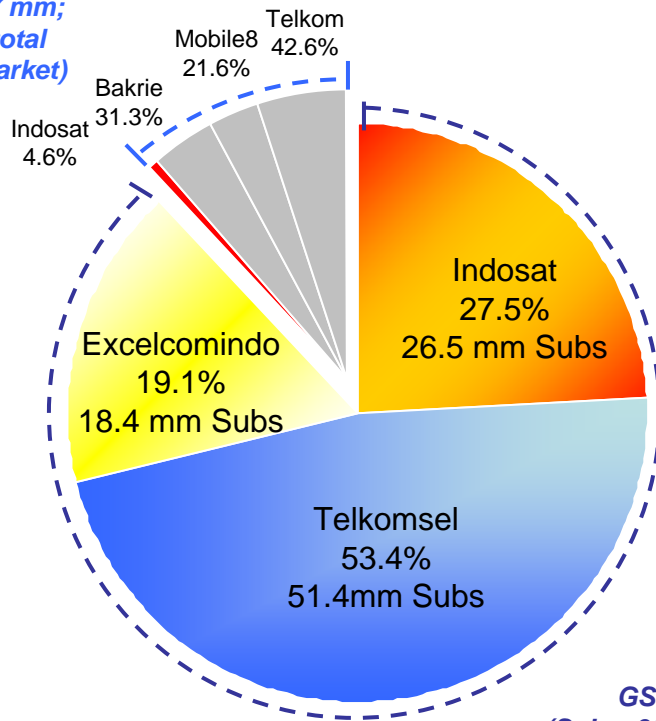
IDR bond market has recently opened and ISAT will capitalize and issue IDR 1.5TR in Q4 2009

# Wireless Competitive Landscape

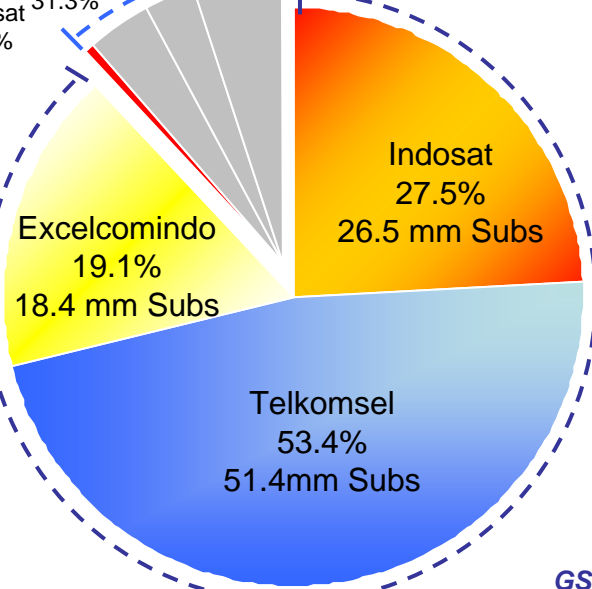
(Company's Estimate)

1H 2008

**CDMA**  
(Subs: 15.7 mm;  
13.7% of total  
wireless market)



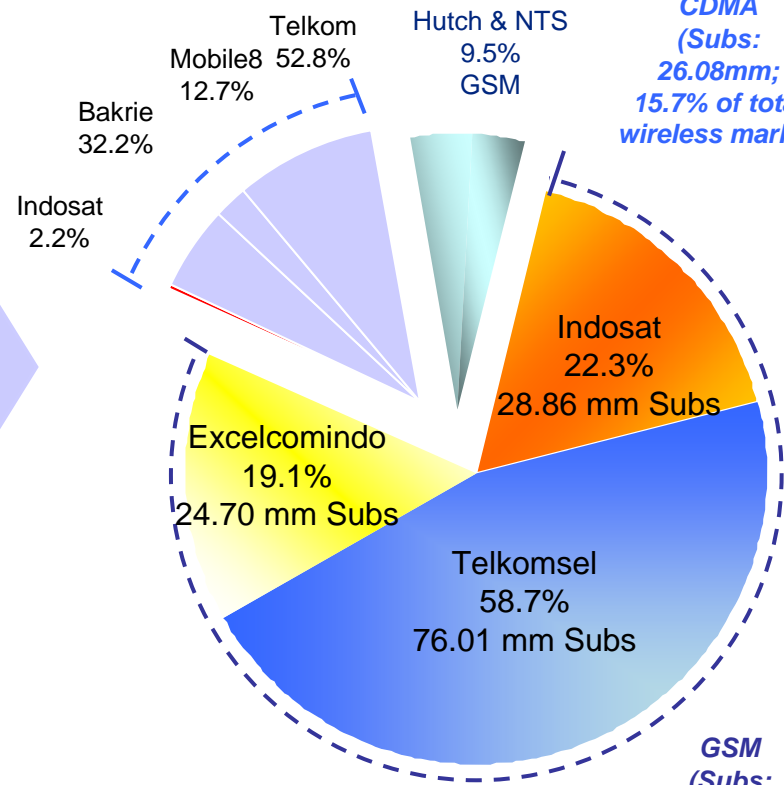
**GSM**  
(Subs: 96.2 mm;  
86.3% of total  
wireless market)



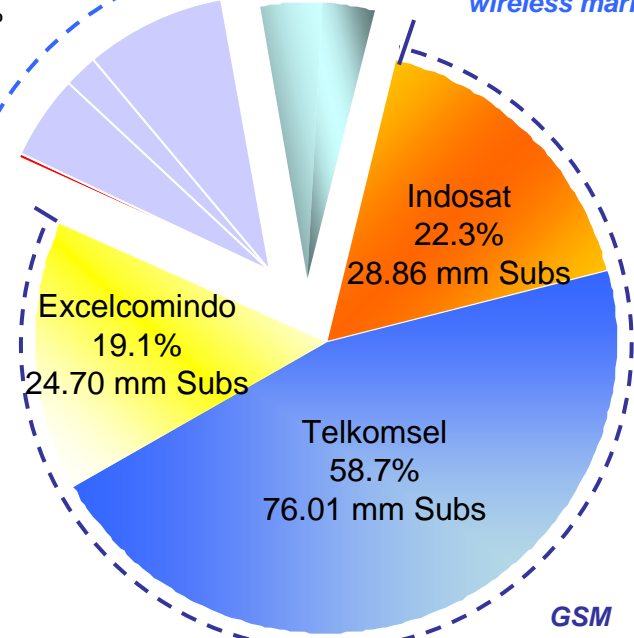
Note: Compared among three incumbent operators 2008 given minimal market share.

1H 2009

**CDMA**  
(Subs: 26.08mm;  
15.7% of total  
wireless market)



**GSM**  
(Subs: 140.56mm;  
84.3% of total  
wireless market)





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# New BOD



**Harry Sasongko Tirtotjondro**  
*President Director & CEO*



**Peter Wladyslaw  
Kuncewicz**  
*Director and Chief  
Financial Officer (CFO)*



**Stephen Edward  
Hobbs**  
*Director and Chief  
Technology Officer  
(CTO)*



**Kaizad Bomi Heerjee**  
*Director and Chief  
Commercial Officer  
(CCO)*



**Fadzri Sentosa**  
*Director & Chief  
Wholesale and  
Infrastructure Officer  
(CWIO)*

# New BOD Members



**Harry Sasongko Tirtotjondro ; *President Director & CEO*** *(since August 11, 2009)*

- CEO and Country Manager, GE Money Indonesia (2005-2009)
- Operational Director, PT Bank Lippo (1998-2005)
- BoC Member and Managing Director of Consumer Banking, PT Bank Tiara (1995-1998)
- Vice President and Director, Citibank (1988-1995)



**Peter Wladyslaw Kuncewicz ; *Director and Chief Financial Officer***  
*(CFO)* *(Since September 1, 2009)*

- Chief Finance Officer, Telenor Pakistan (2006-2009)
- Chief Finance Officer, Star Foods SA (1998-2006)
- Finance Director, United Biscuits Poland (1996-1997)



**Stephen Edward Hobbs ; *Director and Chief Technology Officer***  
*(CTO)* *(Since June 11, 2009)*

- Chief Executive Officer and Founder of Independent Consulting Firm for Cable & Wireless (UK), Telcomcel, Virgin Mobile (UK, Asia and USA), Wataniya (Kuwait)
- MVNO and Wireless security program Expert, Virgin Mobile Asia Pacific (2001)
- CTO Asiacell Northern Iraq (2003-2004)
- CTO Cable & Wireless Global Mobile (1998-2000)

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# Thank You

