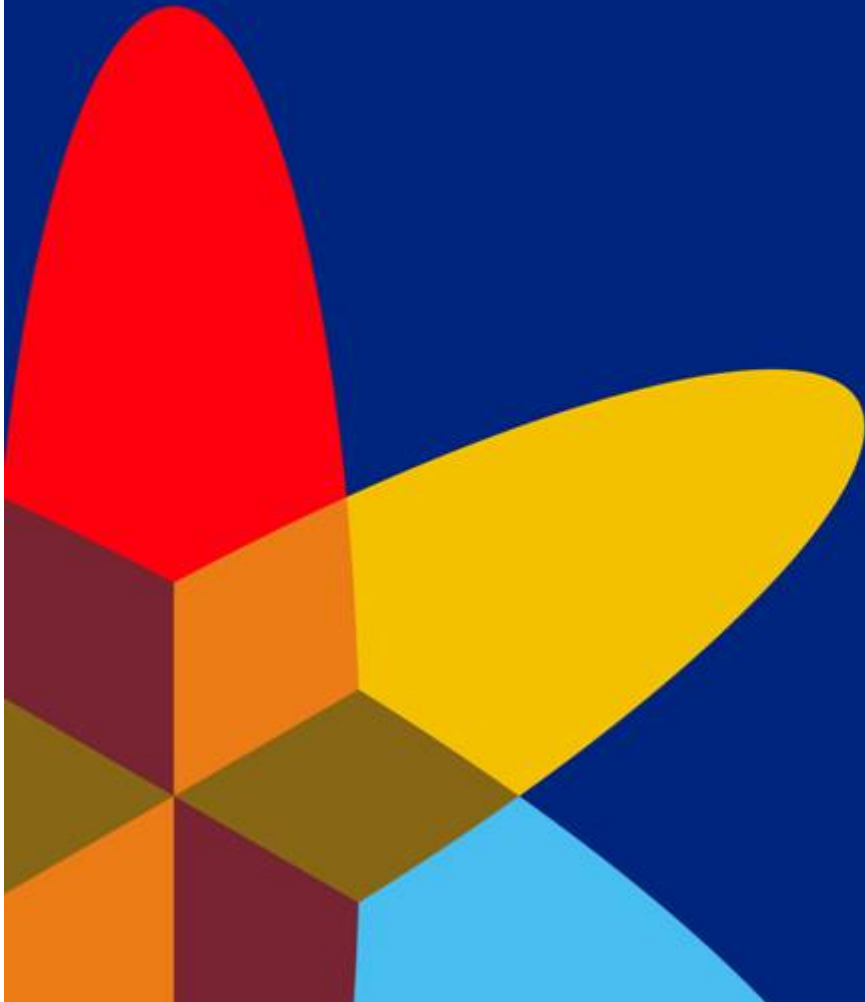


PT Indosat Tbk

1H 2010 Results



Disclaimer

- **PT Indosat Tbk cautions investors that certain statements contained in this document state management's intentions, hopes, beliefs, expectations, or predictions of the future are forward-looking statements**
- **Management 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:**
 - Our ability to manage domestic and international growth and maintain a high level of customer service
 - Future sales growth
 - Market acceptance of our product and service offerings
 - Our ability to secure adequate financing or equity capital to fund our operations
 - Network expansion
 - Performance of our network and equipment
 - Our 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**

Today's agenda

- **Results review**
- **Strategy review**
- **Segmented review**

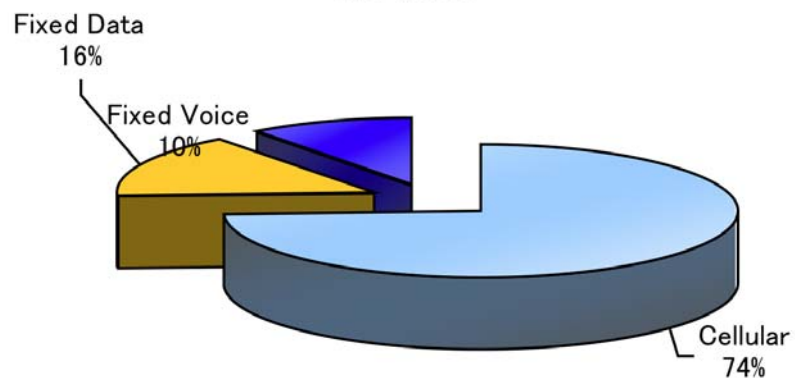
Key 1H 2010 Developments

- **Sequential quarterly growth supports strategic and tactical changes:**
 - Operating Revenue increased by 5.8% 1H10 over 1H09
 - 1H 2010 EBITDA margin of 47.7%
 - Continued strength and momentum particularly in Cellular segment:
 - Industry leading cellular revenue growth of over 7.7% over Q1 2010 and 14.4% YoY
- **Meeting the competitive threat:**
 - Cellular customer growth which continue gained momentum and added 9.7 million net customers over 1H 2009 – Growth of 34.5%
 - Indosat total GSM subscribers of 37.8 million as at 30th of June 2010
 - 1H 2010 actual cash out capital expenditure of USD \$336.4 million as the company continues to invest in the network
- **Subsequent Events – Financing update**
 - Indosat priced a USD \$650 Million bond on July 22, 2010 with the cash proceeds used to refinance 2010 and 2012 USD denominated bonds and other current existing liabilities.

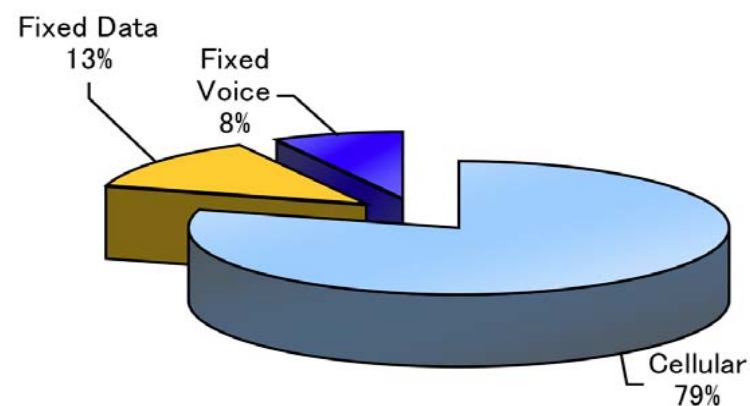
1H 2010 Results

	1H 2009 (billion IDR)	1H 2010 (billion IDR)	YoY
Cellular	6,710.7	7,678.2	14.4%
Fixed Data	1,396.4	1,222.4	(12.5%)
Fixed Voice	1,028.1	761.2	(26.0%)
Operating Revenue	9,135.2	9,661.8	5.8%
EBITDA	4,319.3	4,607.6	6.7%
EBITDA Margin	47.3%	47.7%	0.4%
Net Income	1,007.1	287.1	(71.5%)

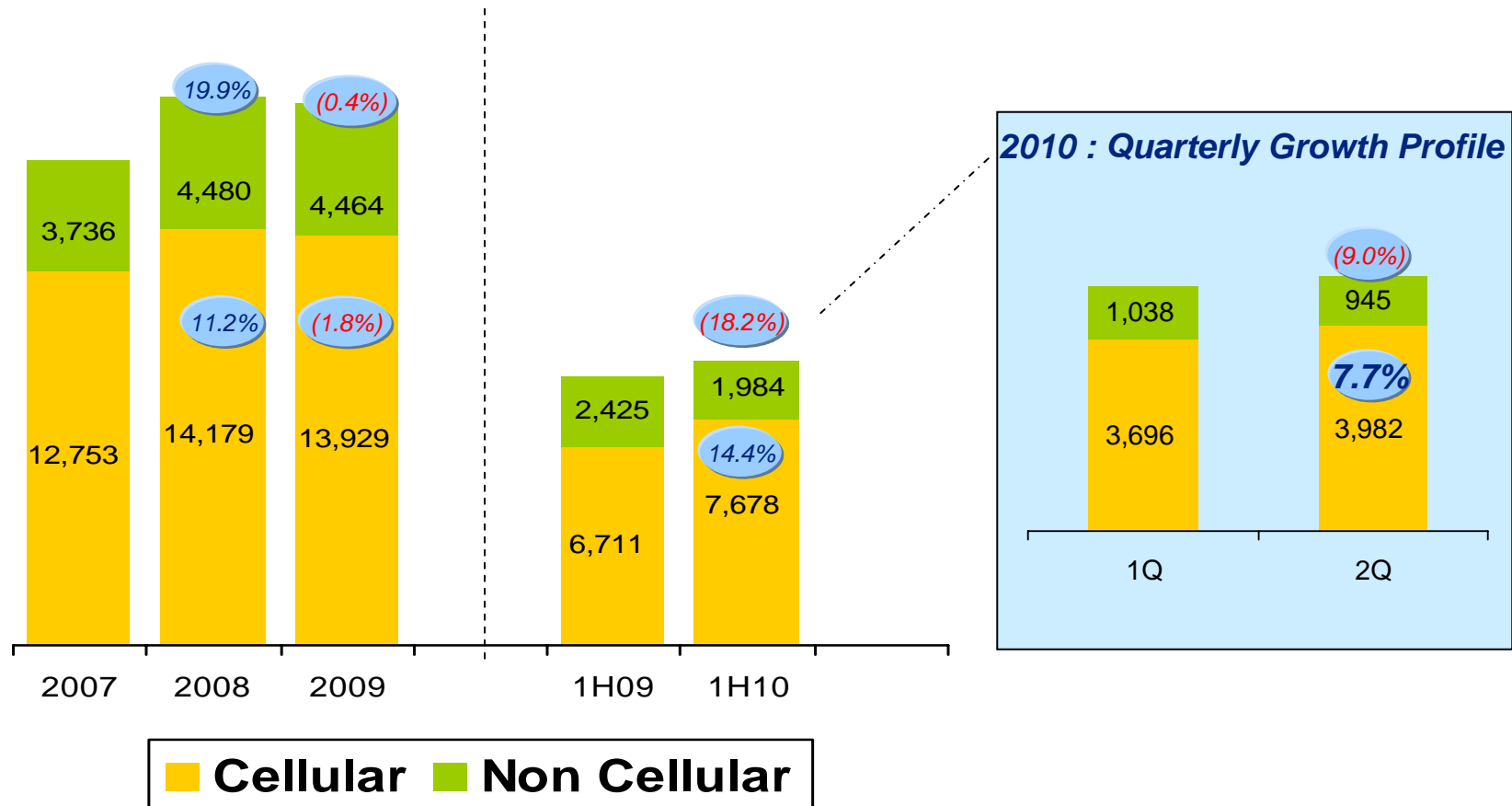
1H 2009



1H 2010

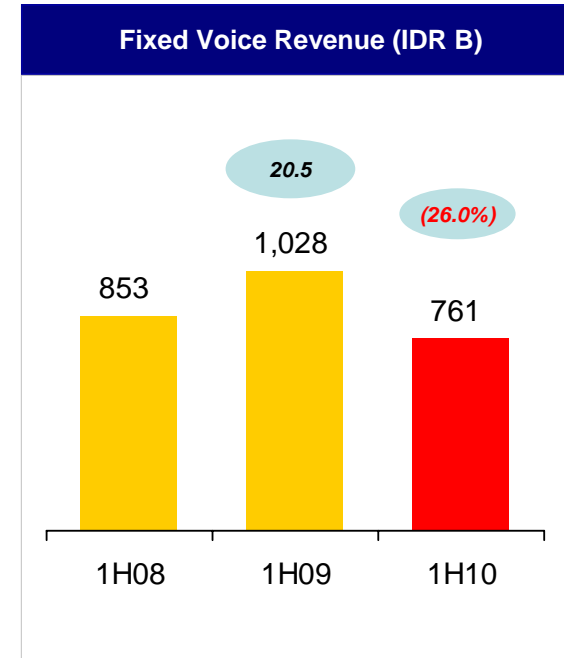
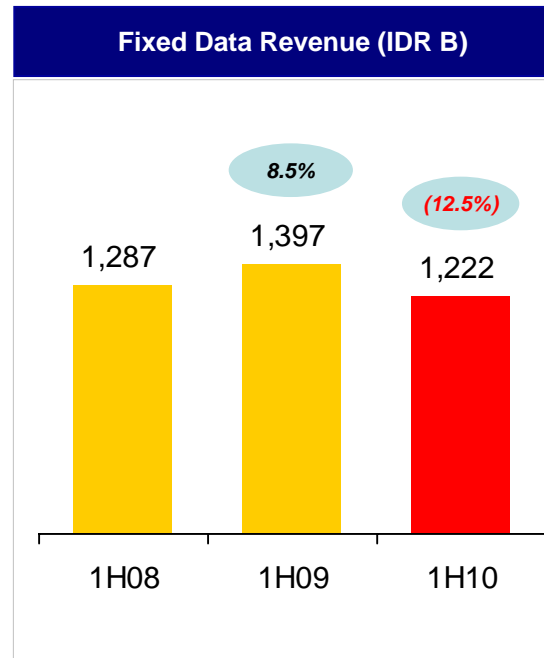
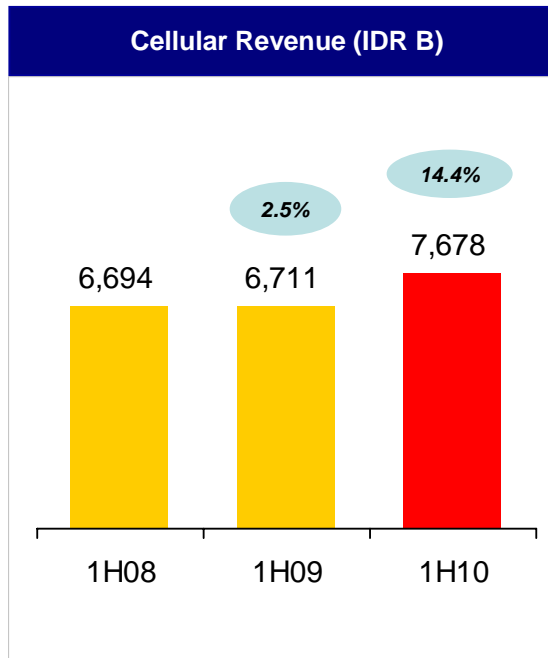


1H10 Results - Revenue



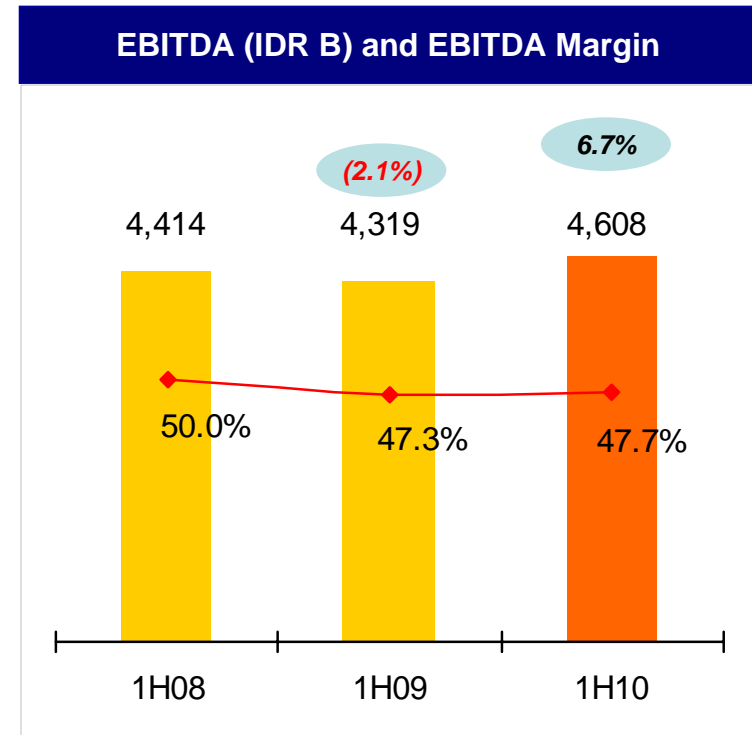
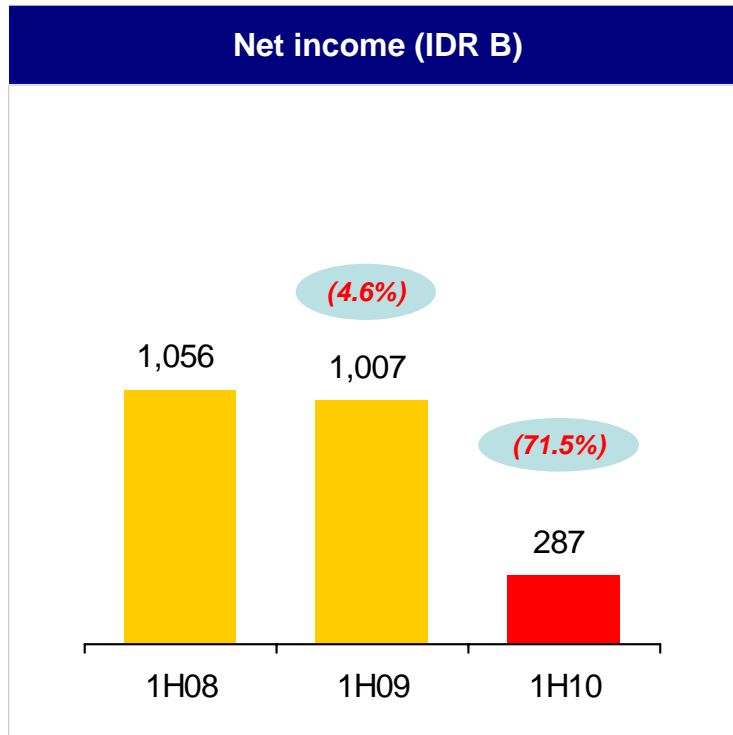
Industry leading growth in cellular revenues Q2/Q1 2010 attributable to value driven growth strategy

1H10 Results - Segmented revenue



Cellular revenues have driven overall growth, while fixed voice has been negatively impacted by the appreciation of the IDR vs USD

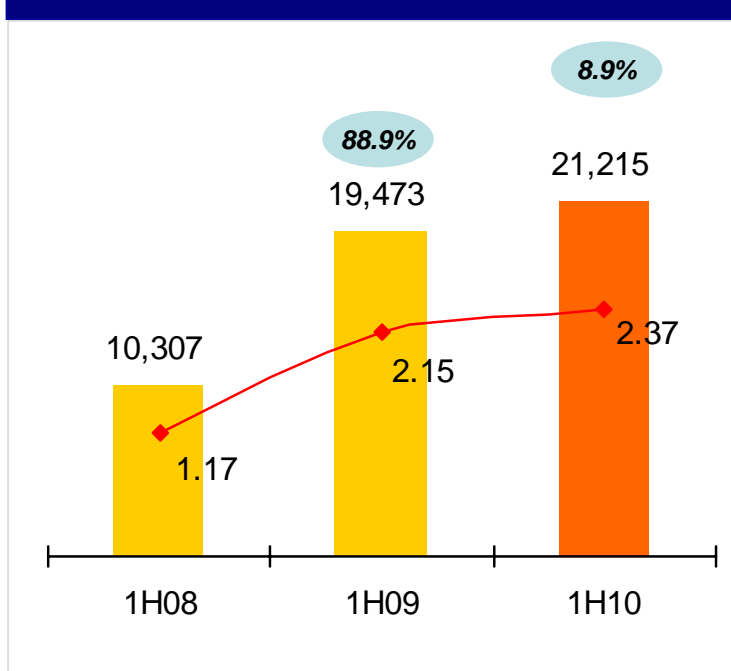
1H10 Results - Net income and EBITDA



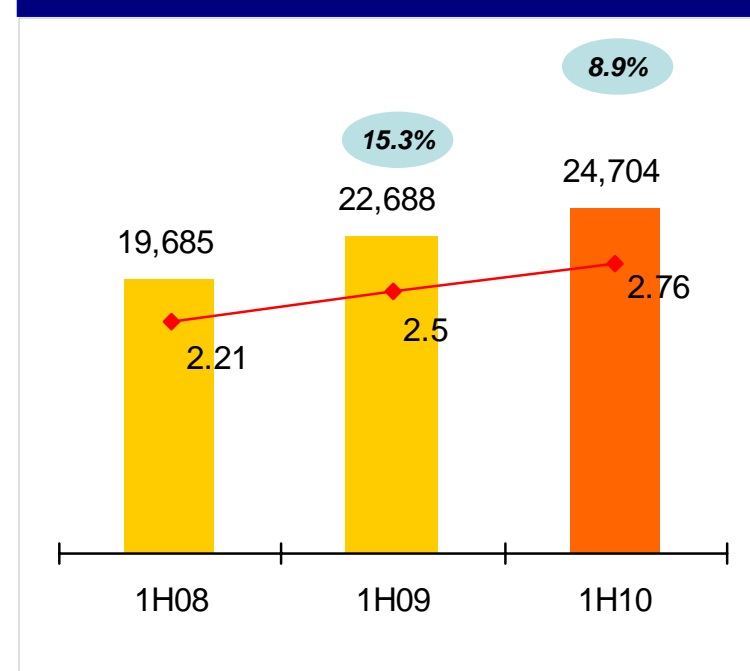
Net Income negatively affected by mark-to-market on derivatives due to the appreciation of the IDR and also by increased depreciation expense

1H10 Results – Debt

Net debt (IDR B) and net debt / EBITDA

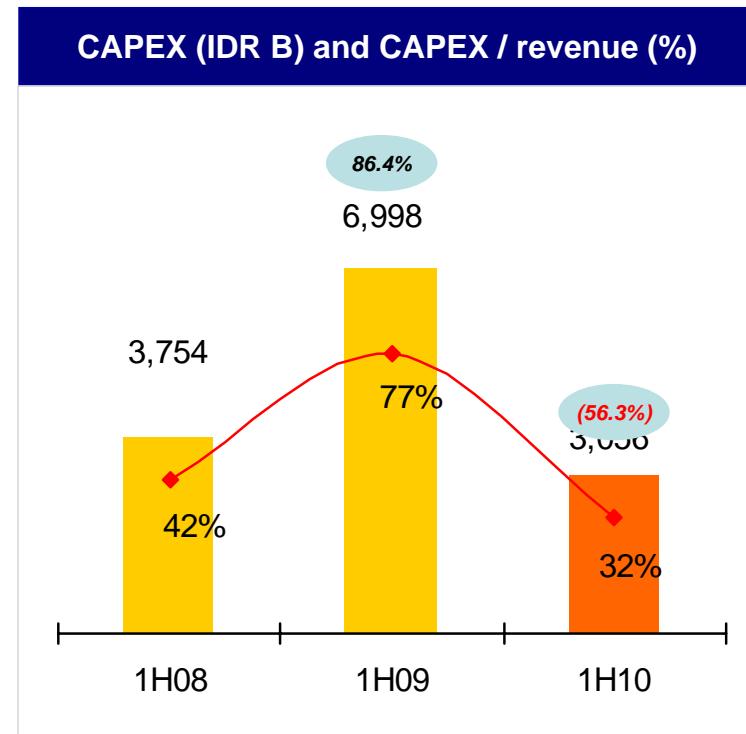
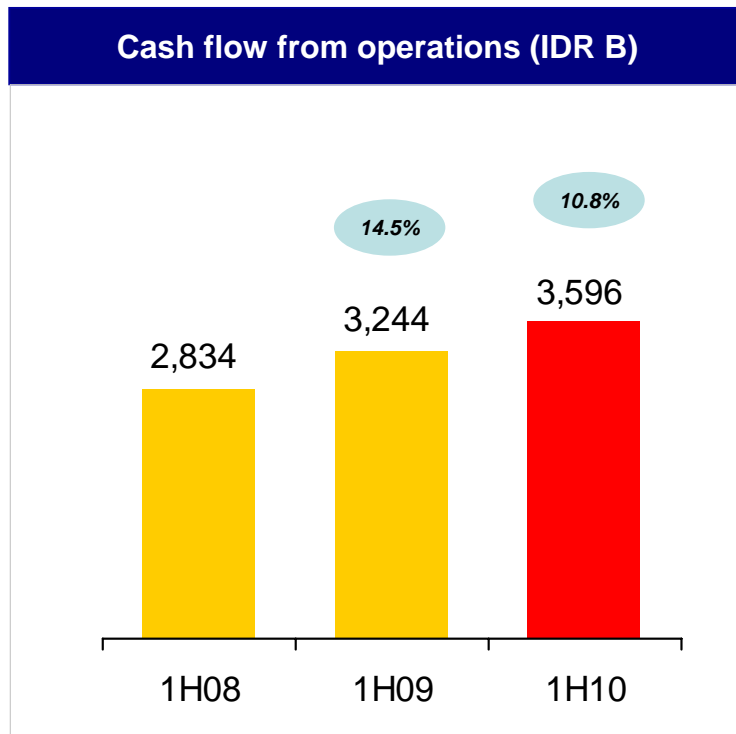


Gross debt (IDR B) and Gross debt / EBITDA



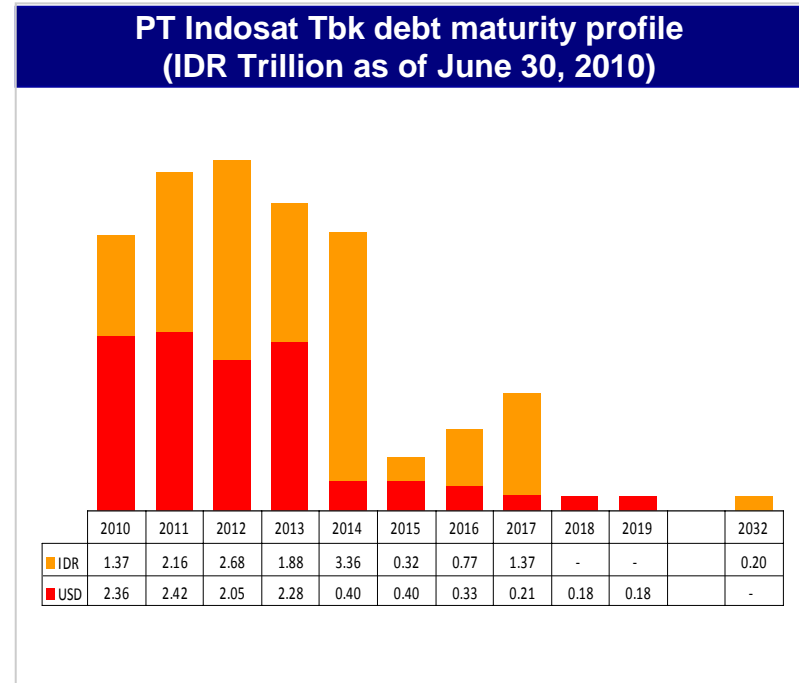
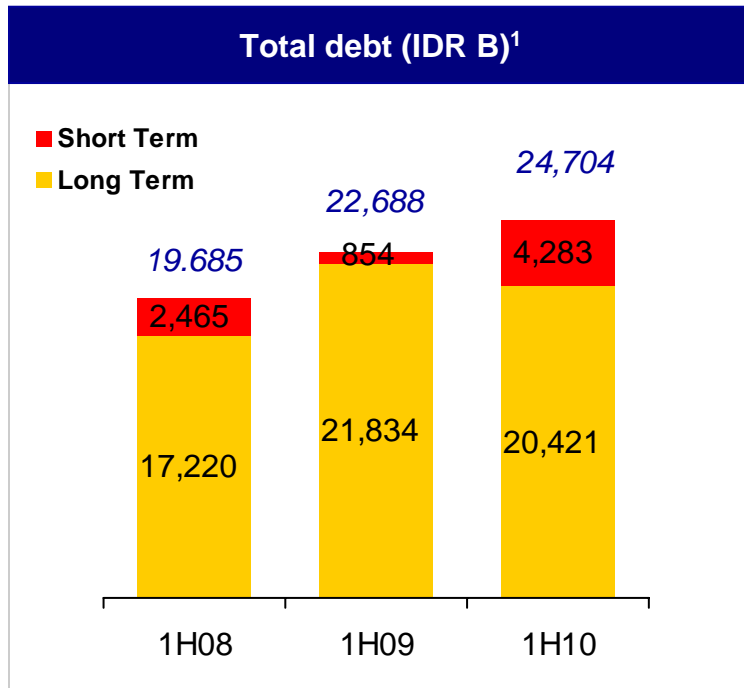
Slight increase in overall debt on year – with ratios well within existing covenants

1H10 Results - Cash flow from operations and capital expenditure



Continued growth in cash flow as a result of normalized CAPEX to revenue

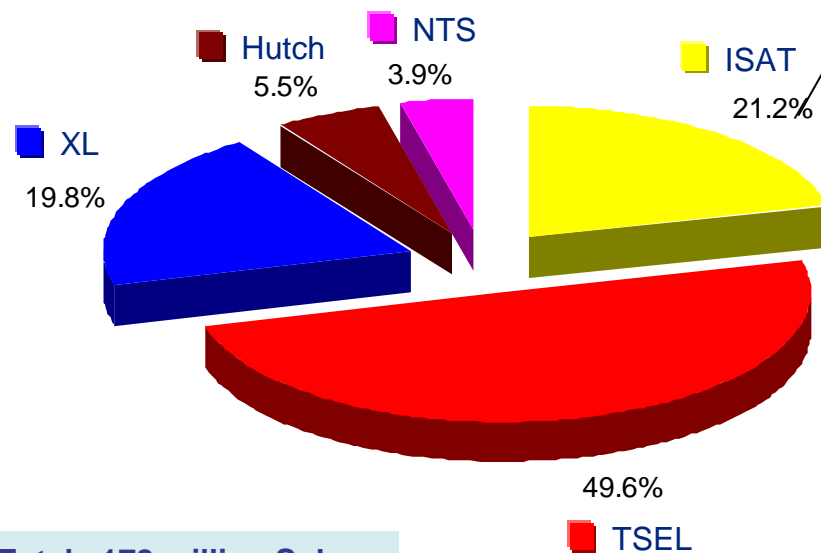
FY09 Results - Debt breakdown



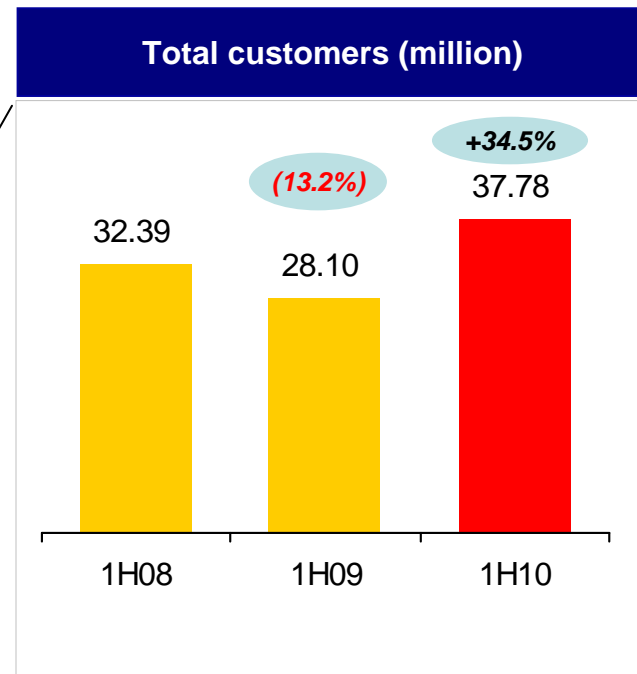
- Gross Debt to Equity **1.41X**
- Net Debt to Equity **1.21X**
- Gross Debt to EBITDA **2.76X**
- Net Debt to EBITDA **2.37X**
- Interest Coverage **4.45X**

- USD **41%**
- Rupiah **59%**
- Bonds **45%**
- Loans **55%**
- Hedge of USD Bonds & Loans **44.6%**

Indosat Customer Market Share 1H-2010



Total 178 million Subs



Sources : Company data & IA Estimation

Note : - Sampoerna Telecom and Smart not yet monitor.

ADJUSTMENT TO SUBSCRIBER NUMBERS

INDOSAT ISSUES ADJUSTMENT TO SUBSCRIBER NUMBERS No impact on financial performance

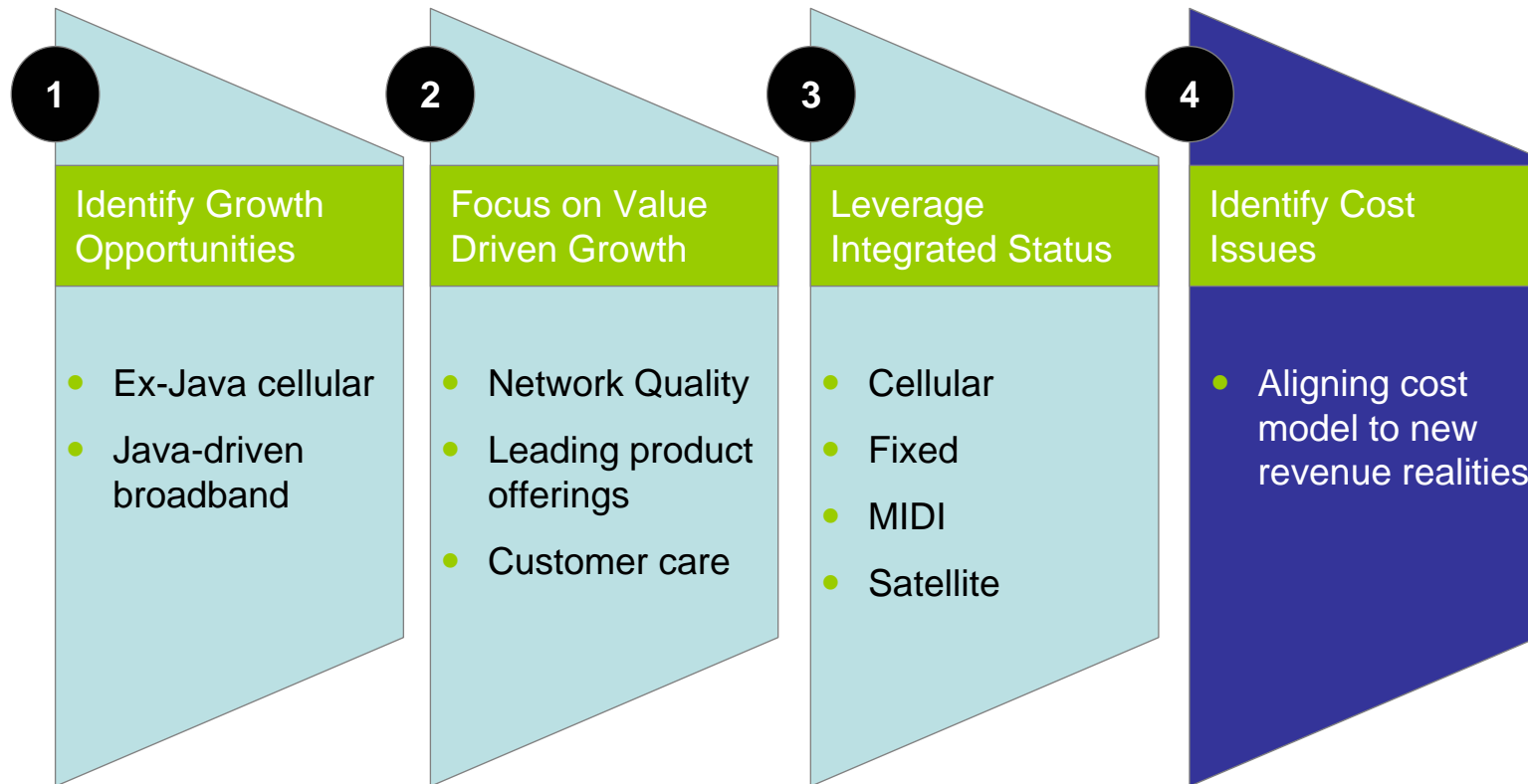
	Q1-09	Q2-09	HY1-09	Q3-09	Q4-09	FY2009	Q1-10
Subscribers							
- Previous	33,267,296	28,856,834	28,856,834	28,707,198	33,136,515	33,136,515	39,121,912
- Revised	33,434,332	28,085,527	28,085,527	28,154,812	32,967,201	32,967,201	37,725,043
ARPU (IDR)							
- Previous	30,625	37,234	33,930	40,237	41,224	37,330	32,988
- Revised	30,561	37,283	33,922	40,774	42,037	37,664	33,827
MOU							
- Previous	94	95	95	107	109	102	102
- Revised	94	97	95	108	111	102	106

Restatement of subscriber numbers *not* material; Improvement in operational metrics

Today's agenda

- **Results review**
- **Strategy review**
- **Segmented review**

Key Strategic Focus



Better alignment of management and commercial targets to shareholder expectations

“Value” Driven Growth Strategy

High Level of Network Quality

- Additional capacity and coverage and improving network and IT quality
- On time & an efficient network and supporting infrastructure roll-out

Strong Distribution Channel

- Improving distribution capability by optimizing distribution channel
- Implementing competitive dealer incentive system
- Reducing channel concentration by creating alternative channels

Marketing and Product Innovation

- Strengthening subscribers' perception with effective marketing campaign
- Providing competitive programs
- Launching innovative products
- Creating programs to increase customers' loyalty and to retain valued customers

Value



Issues and Game Plan

	Issues	Game Plan
Network Optimization	<ul style="list-style-type: none"> • Network congestion as a result of promotion heavy industry dynamic 	<ul style="list-style-type: none"> • Identified areas for network traffic optimization • In-time deployment of radio equipment to meet traffic trends • Continue the evolution of core and radio layers towards fully native IP interworking
Ex-Java	<ul style="list-style-type: none"> • Market share ex-Java as opportunity for growth and improvement 	<ul style="list-style-type: none"> • Identified 12 clusters, ex-Java, which have been selectively targeted for expansion • Identified areas with high population density, existing distribution network and infrastructure with favorable competitive dynamics
Pricing	<ul style="list-style-type: none"> • National and regional pricing regimes, deep price cutting 	<ul style="list-style-type: none"> • Increased segmentation in product, price and promotion • Opportunity for growth through CRM and churn management
Business Units	<ul style="list-style-type: none"> • Legacy organization structured geographically 	<ul style="list-style-type: none"> • Increase accountability – separate into 4 SBU structure (Mobile, Broadband, Infrastructure and Corporate) • Separation of P&L accounts for each SBU – increase visibility and accountability
Functional Management	<ul style="list-style-type: none"> • Needed to align with global best practice 	<ul style="list-style-type: none"> • Procurement function shifted from Commercial Director to Finance Director • Transparent relationship with vendors and dealers • Formed Investment Committee to approve projects based on business plan and returns analysis

Today's agenda

- Results review
- Strategy review
- **Segmented review**

1H10 Results - Segmented review

Cellular

		YoY
1H10 Net Addition	9.7M	
1H10 Subscribers:	37.8M	34.5%
Blended ARPU (IDR):	34.72 k	2.3%
Blended MOU:	116 minutes	21.3%

Fixed Data

Revenue Contribution and Growth:

▪ Global Corporate Services	69.6%	9.6%
▪ Satellites Lease	5.0%	18.2%
▪ Multimedia	24.1%	29.9%
▪ Others	1.3%	(40.3%)

Fixed Voice

IDD

• Total Traffic:	981.4Mn minutes	(1.7%)
• Outgoing:	228.9Mn minutes	(6.4%)
• Incoming:	752.6Mn minutes	(0.2%)

StarOne

• 1H10 Subscribers:	697K	+21.4%
• Blended ARPU (IDR):	18.4K	(34.4%)

Thank You

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**Any further
questions?**

**Upcoming
events**

9M 2010 Financial Highlights – TBD





indosat