

PT Indosat Tbk

9M 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 9M 2010 Developments

Continued sequential quarterly growth

- Operating Revenue of IDR14,843.1 billion an 8.1% increase 9M 2010 over 9M 2009
- 9M 2010 EBITDA margin of 48.0%
- Second consecutive quarter of industry leading Cellular growth:
 - Cellular revenue growth of 6.4% over Q2 2010 and 16.6% over 9M 2009

Meeting the competitive threat

- Cellular customer growth which continued to gain momentum and added over 11.5 million net customers over 9M 2009 – Growth of 40.9%:
 - Indosat total GSM subscribers of 39.7 million as at 30 September 2010
- 9M 2010 actual cash out capital expenditure of IDR 4,339.6 billion as the company continues to invest in the network

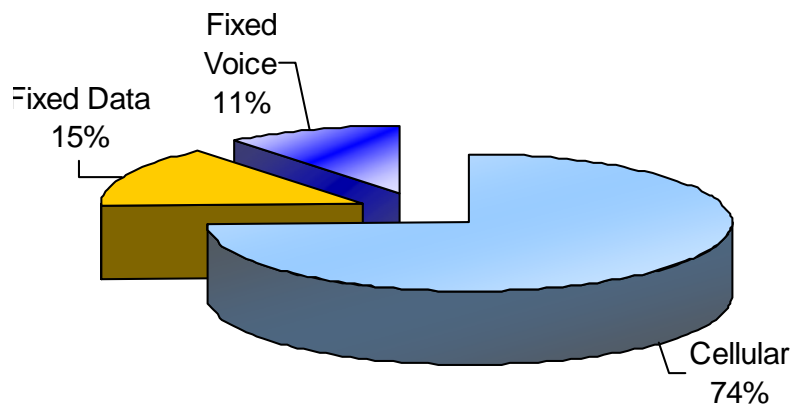
Subsequent events – Financing update

- 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

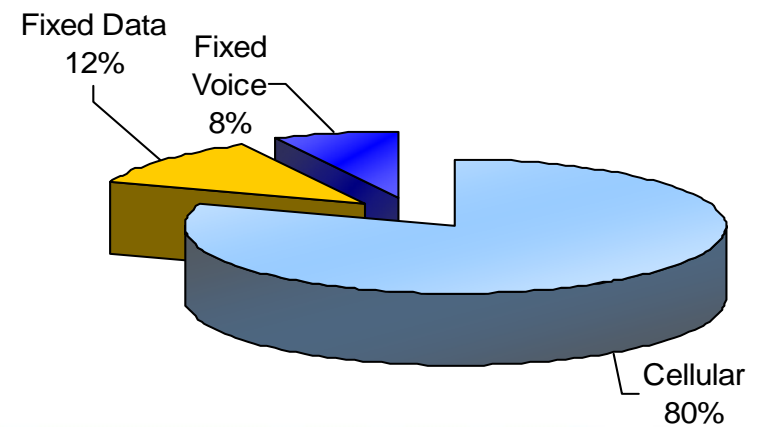
9M 2010 Results

	9M 2009 (billion IDR)	9M 2010 (billion IDR)	YoY
Cellular	10,217.3	11,914.4	16.6%
Fixed Data	2,009.0	1,810.9	(9.9%)
Fixed Voice	1,506.5	1,117.9	(25.8%)
Operating Revenue	13,732.9	14,843.1	8.1%
EBITDA	6,327.4	7,127.7	12.6%
EBITDA Margin	46.1%	48.0%	1.9%
Net Income	1,449.9	530.9	(63.4%)

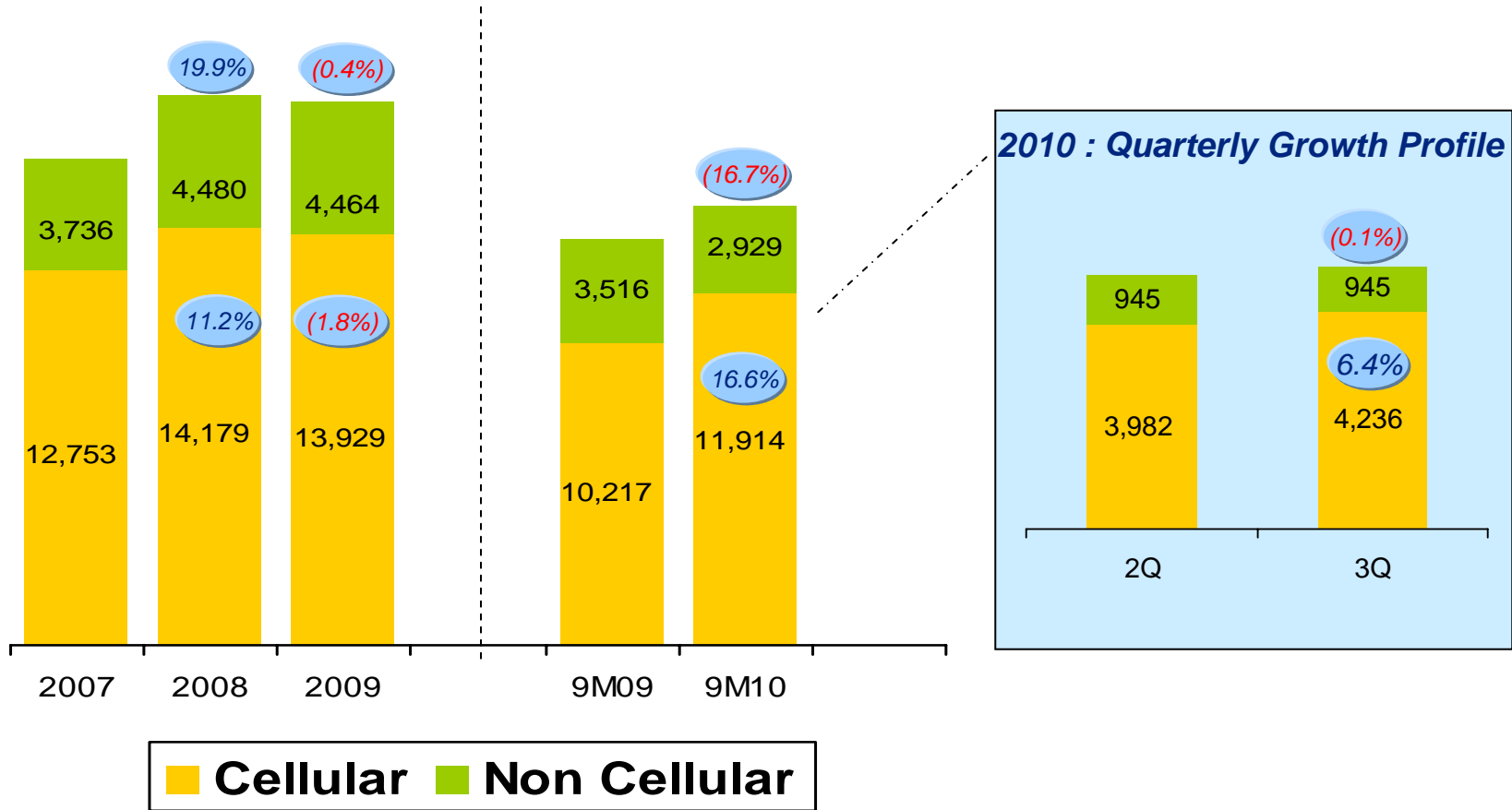
9M 2009



9M 2010

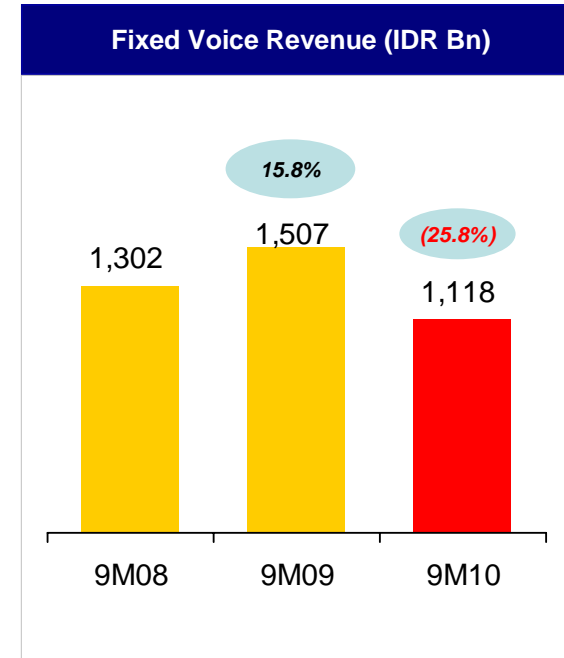
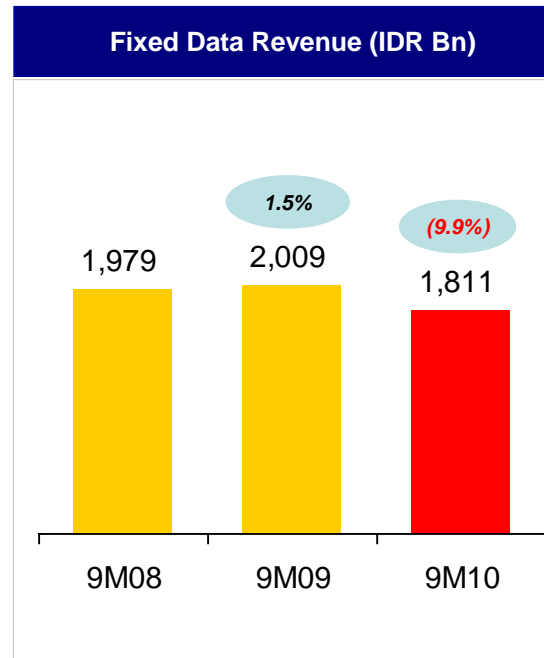
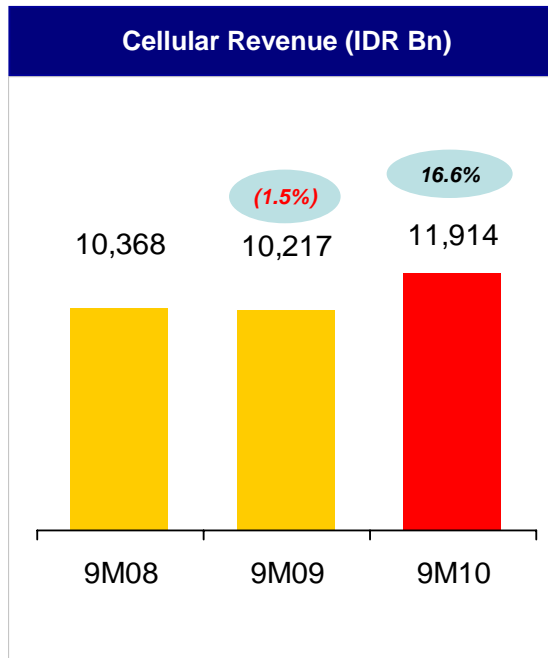


9M 2010 Revenue



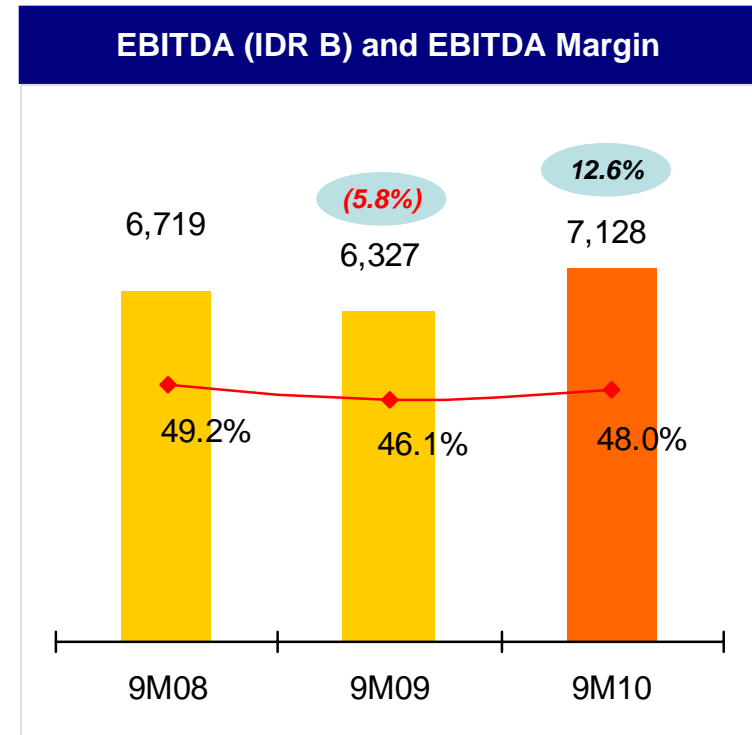
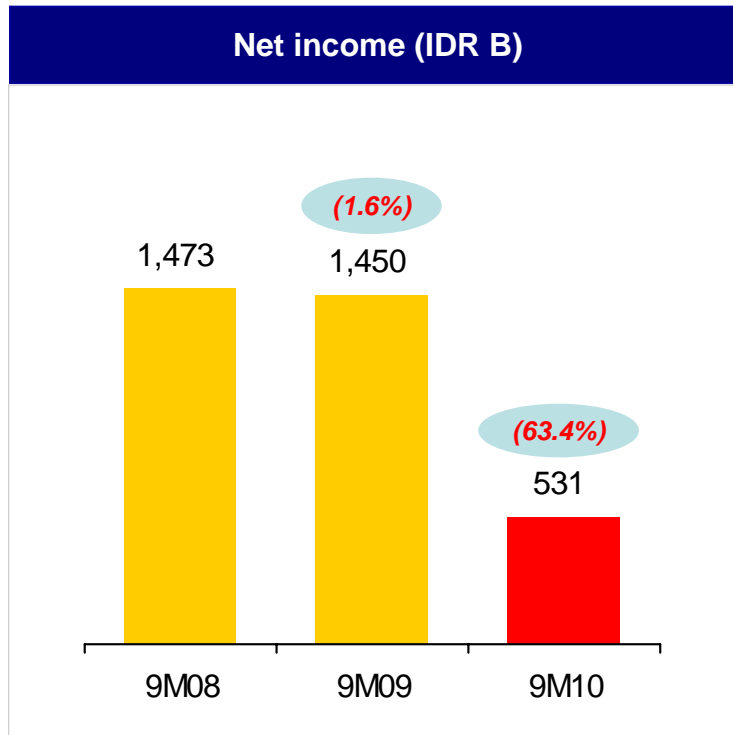
Indosat cellular continued to post strong growth in 3Q 2010, building on the momentum and successes from the first half of 2010

9M 2010 Segmented revenue



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

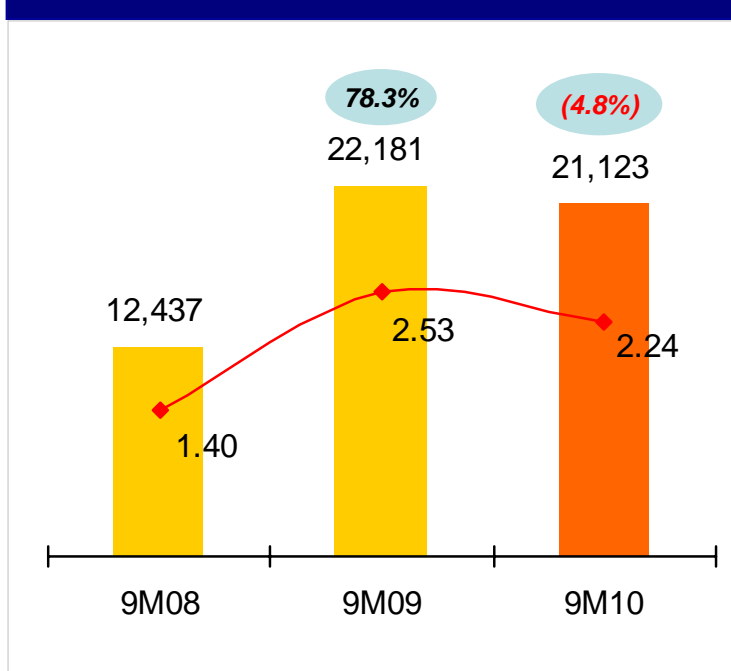
9M 2010 Net income and EBITDA



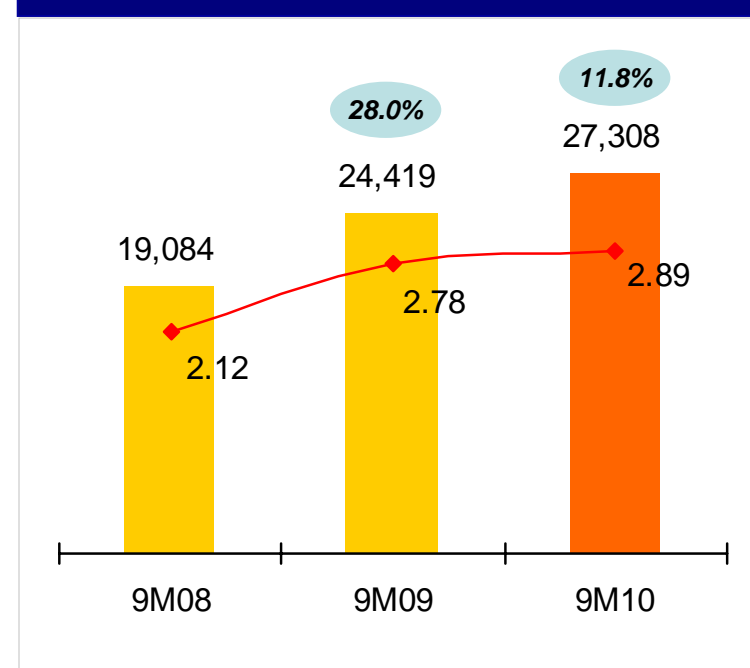
Net Income has decreased, largely driven by lower foreign exchange gains, higher financing costs and higher amortization and depreciation charges

9M 2010 Debt

Net debt (IDR B) and net debt / EBITDA

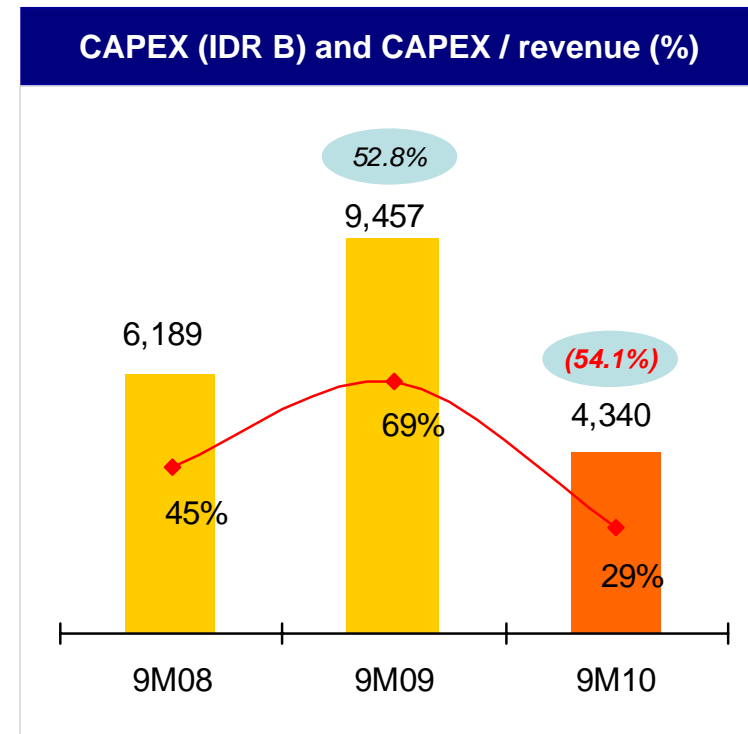
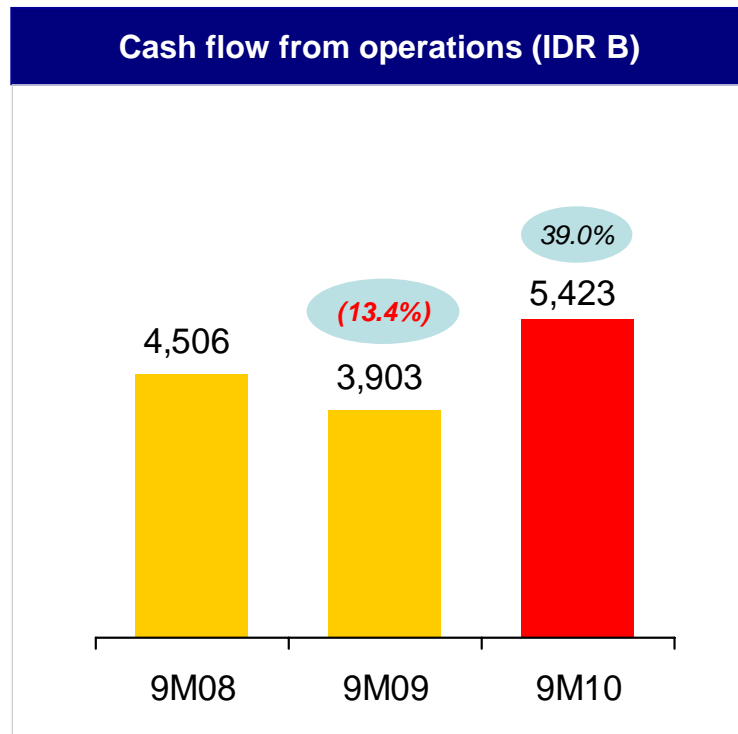


Gross debt (IDR B) and Gross debt / EBITDA



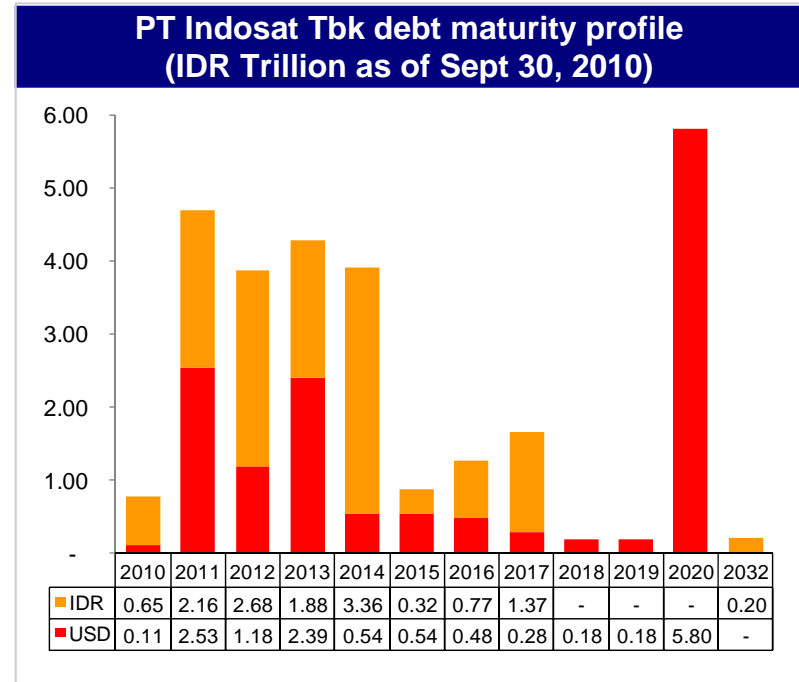
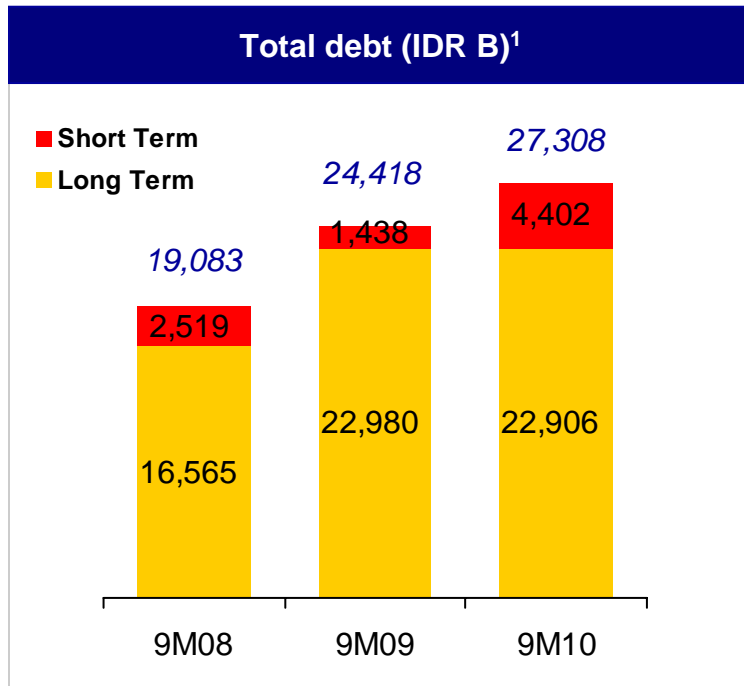
Indosat concluded a highly successful refinancing exercise in July 2010, raising USD 650 million at 7.375% over 10 years in the international bond market.

9M 2010 Cash flow operations and capex



Decrease in CAPEX spend a result of increased network design efficiencies and supply chain challenges

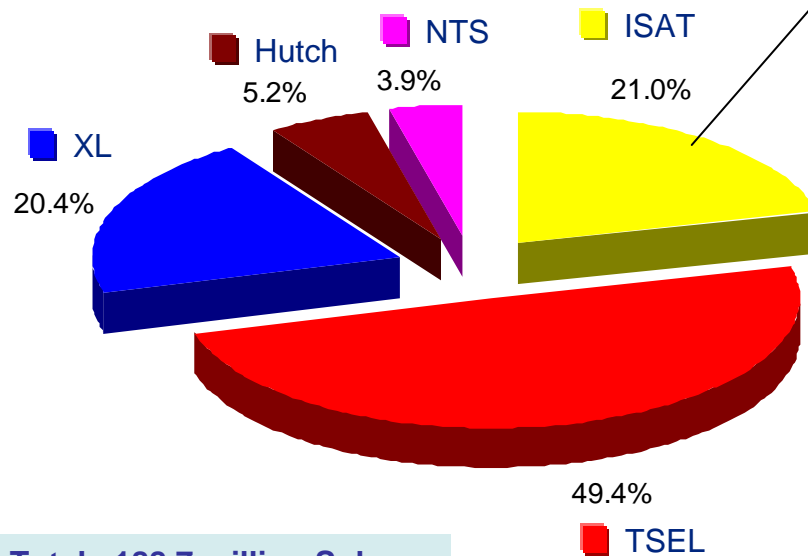
9M 2010 Debt breakdown



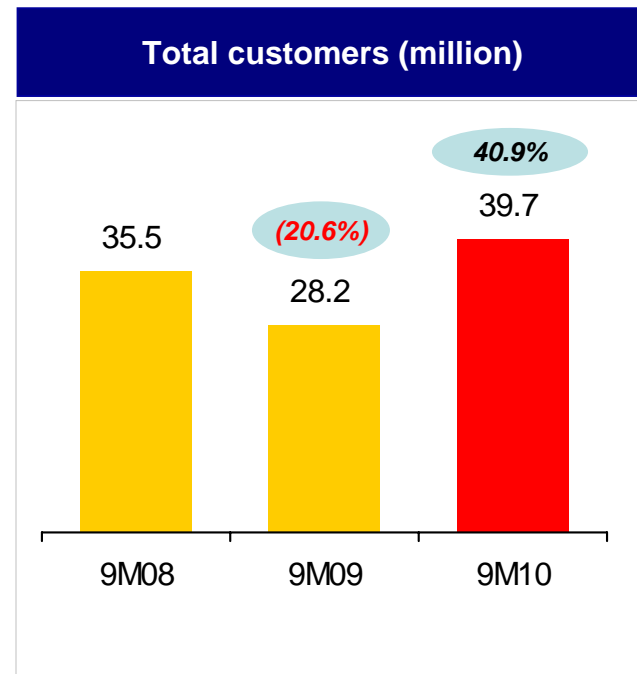
- Gross Debt to Equity **1.53X**
- Net Debt to Equity **1.19X**
- Gross Debt to EBITDA **2.89X**
- Net Debt to EBITDA **2.24X**
- Interest Coverage **4.61X**

- USD **49.6%**
- Rupiah **50.4%**
- Bonds **50.6%**
- Loans **49.4%**
- Hedge of USD Bonds & Loans **33%**

9M 2010 Indosat Market Share



Total 188.7 million Subs



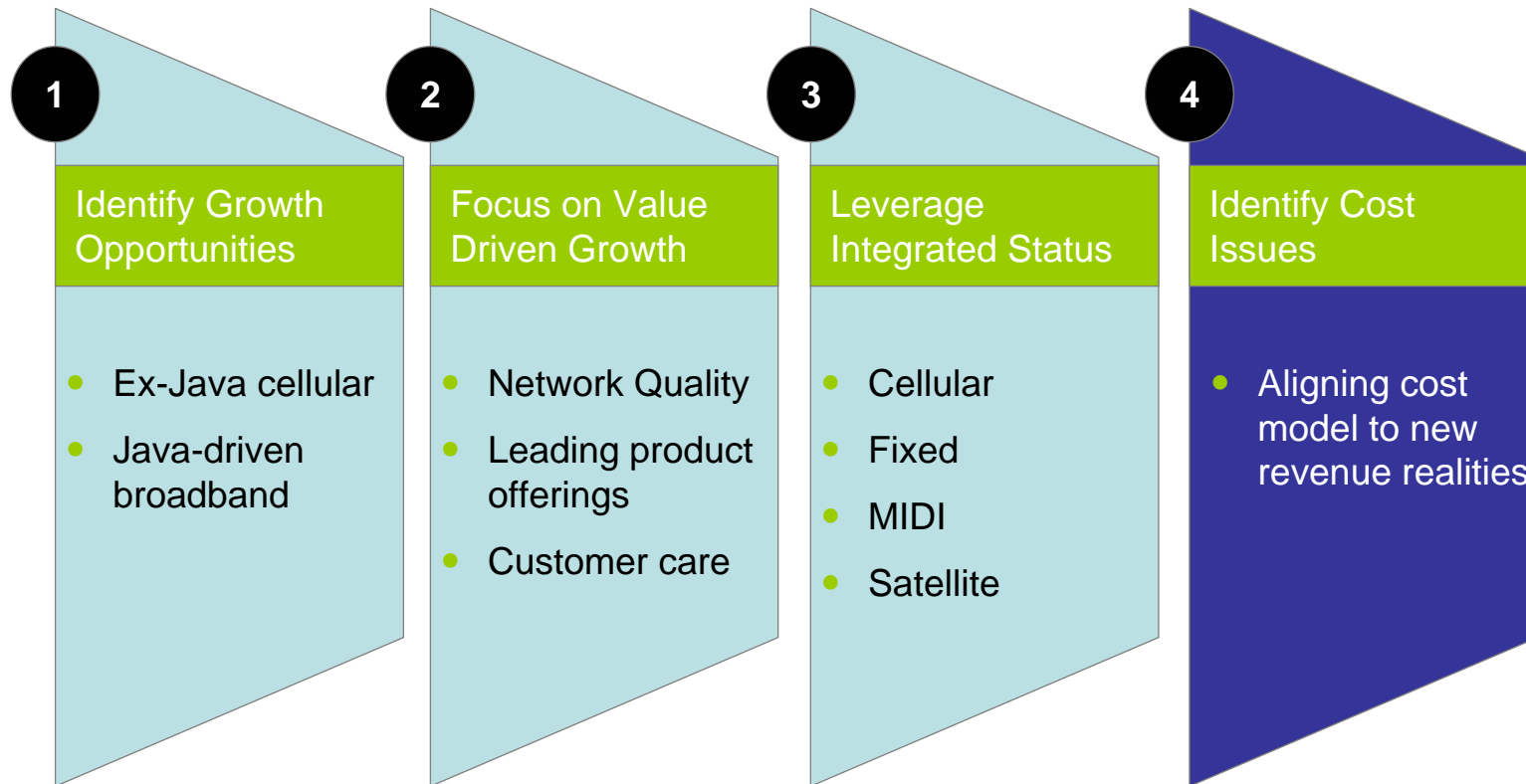
Sources : Company data & IA Estimation

Note : - Sampoerna Telecom and Smart not yet monitor.

Today's agenda

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- **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

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9M 2010 Results - Segmented review

Cellular

		YoY
Net Additions:	11.5M	
Subscribers:	39.7M	40.9%
Blended ARPU (IDR):	35.3 K	(2.5%)
Blended MOU:	116 minutes	17.0%

Fixed Data

Revenue Contribution and Growth:

▪ Global Corporate Services	70.5%	(4.9%)
▪ Satellites Lease	5.2%	(1.1%)
▪ Multimedia	22.8%	(25.9%)
▪ Others	1.5%	83.5%

Fixed Voice

IDD

• Total Traffic:	1,471.7 Mn minutes	(1.0%)
• Outgoing:	345.5 Mn minutes	(7.1%)
• Incoming:	1,126.2 Mn minutes	1.1%

StarOne

• 9M 2010 Subscribers:	722.6 K	33.1%
• Blended ARPU (IDR):	17.8 K	(37.8%)

Thank You

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**Any further
questions?**

**Upcoming
events**

FY 2010 Financial Highlights – TBD

