



PT Indosat Tbk
1Q 2013 Results

Agenda



Financial and Operational Results

Management Focus

Supplemental Information

A promotional advertisement for Indosat's "7 HARI MALAM" service. It features a woman in an orange dress smiling and gesturing towards the text. The text includes: "7 HARI MALAM" in large bold letters, "Nelpon, SMS & Internetan" below it, "REGISTRASI TEKAN *123*1*1#", "Lalu isi ulang mulai dari Rp 10.000", "Gratis pulsa hingga Rp 250.000 selama 7 hari 7 malam", and "Beli Sekarang!". At the bottom, there are social media icons for Facebook and Twitter, and logos for Indosat, MENTARI, and IIME.

7 HARI MALAM
Nelpon, SMS & Internetan

REGISTRASI TEKAN *123*1*1#
Lalu isi ulang mulai dari Rp 10.000
Gratis pulsa hingga Rp 250.000 selama 7 hari 7 malam
Beli Sekarang!

Facebook icon, Twitter icon @indosatmania, Indosat logo, MENTARI logo, IIME logo



Financial and Operational Highlights

YoY Overview



Consolidated Revenue growth of 17.6% to IDR 5,788.2 billion

EBITDA growth of 13.8% to IDR 2.629,2 billion, EBITDA Margin fall of 1.5 ppt to 45.4%

Profit Attributable to Owners of The Company decreased to a loss of IDR 71.1 billion

Free Cash Flow decreased 703.7% to - IDR 499.0 billion



QoQ Overview



Consolidated Revenue decreased 2.1%
to IDR 5,788.2 billion

EBITDA decreased 9.1% to IDR 2,629.2 billion,
EBITDA Margin fall 3.6 ppt to 45.4%

Profit Attributable to Owners of The Company
increased 94.3% to a loss of IDR 71.1 billion

Free Cash Flow decreased 11.6% to
- IDR 499.0 billion



Jadilah yang pertama mendapatkan
Super Experience BlackBerry® Z10
dengan **INDOSAT MENTARI**

™ BlackBerry.

Super Deal BB Z10
hanya Rp 1.499.000

dengan menukarkan HP lama Anda*

- Data Kuota 12 GB/3 Bulan
- Credit Card Support s/d 1 Juta

Financial highlights

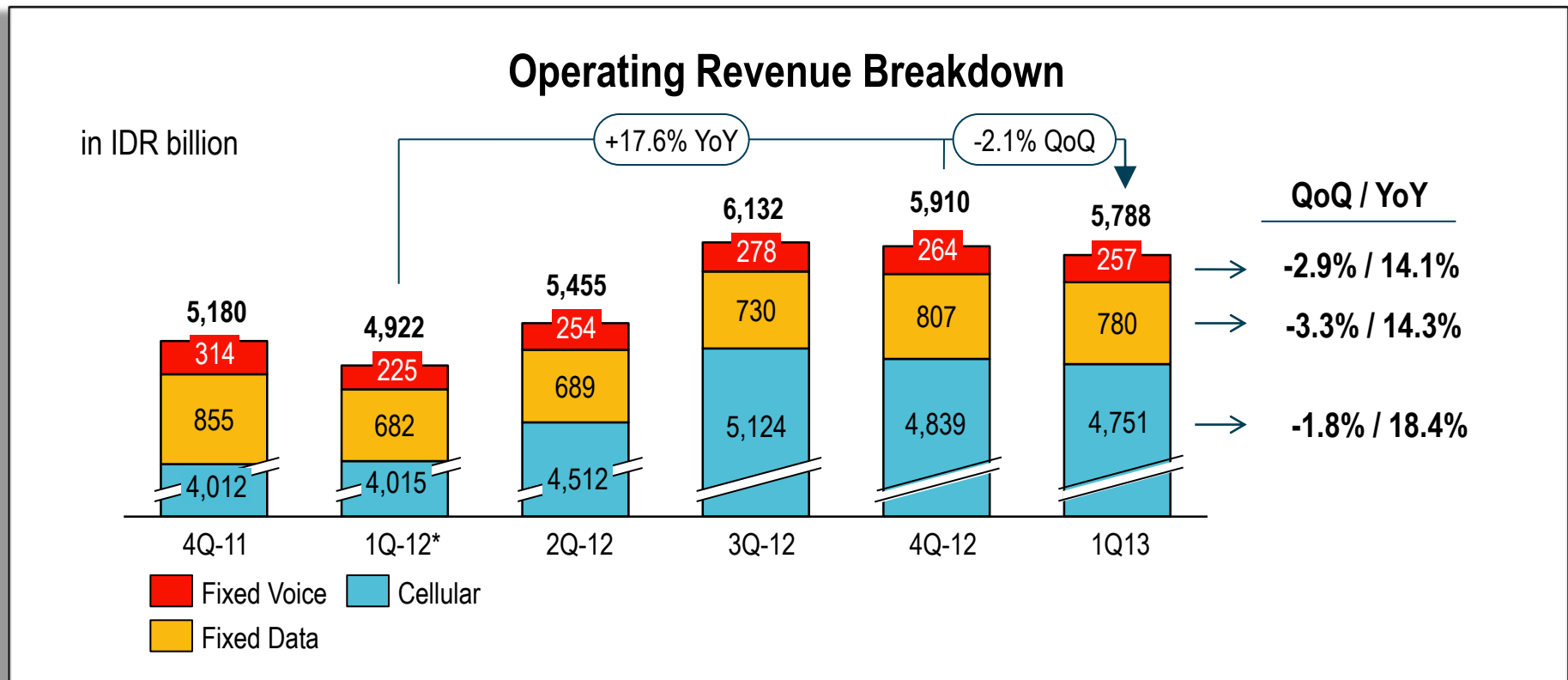


In IDR billion	1Q-12*	1Q-13	YoY	4Q-12	1Q-13	QoQ
Operating Revenue	4,922	5,788	17.6%	5,910	5,788	-2.1%
EBITDA	2,310	2,629	13.8%	2,893	2,629	-9.1%
EBITDA Margin	46.9%	45.4%	-1.5ppt	49.0%	45.4%	-3.6ppt
Profit Attribution to Owners of the Company	-23	-71	-214.4%	-1,253	-71	94.3%

- EBITDA growth driven by improvement in the top line and good cost control

*Restated due to tower transaction and service concession arrangement

Strong growth in cellular and fixed data



- Competitive commercial programs driving good cellular revenue momentum
- Government & enterprise connectivity projects contributed solid growth in fixed data

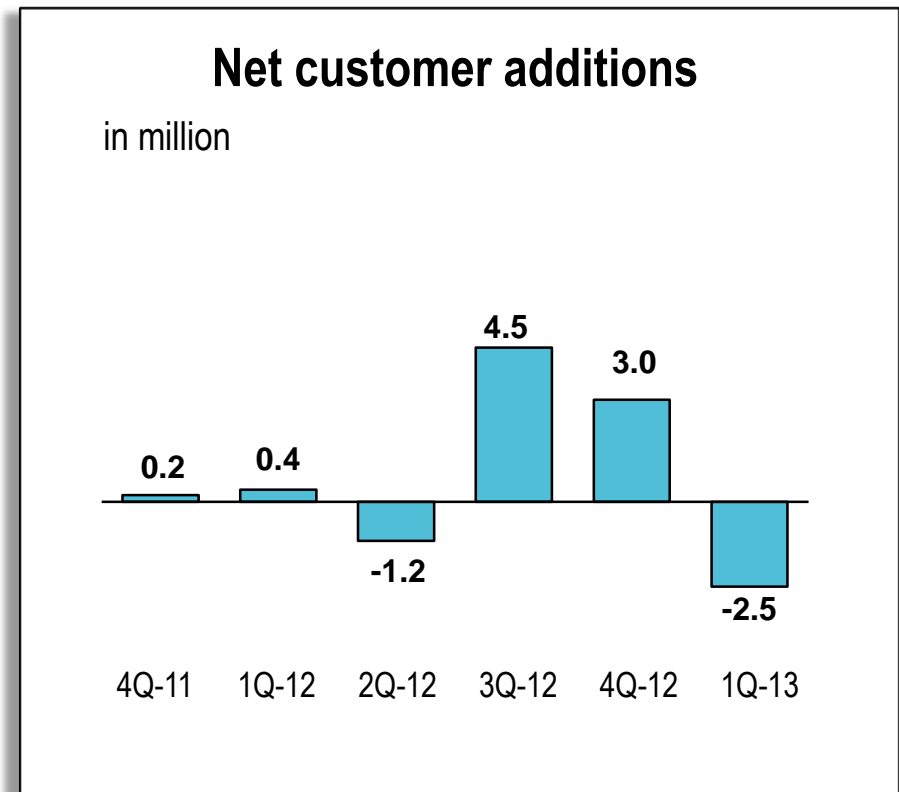
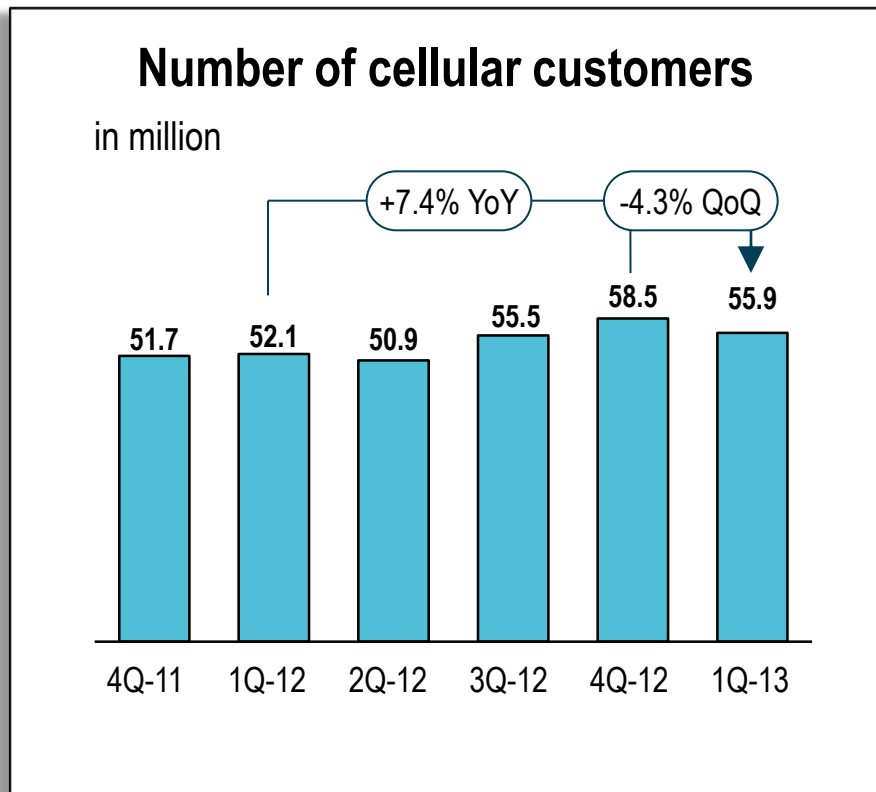
*Restated due to tower transaction and service concession arrangement

Solid cellular revenue growth YoY



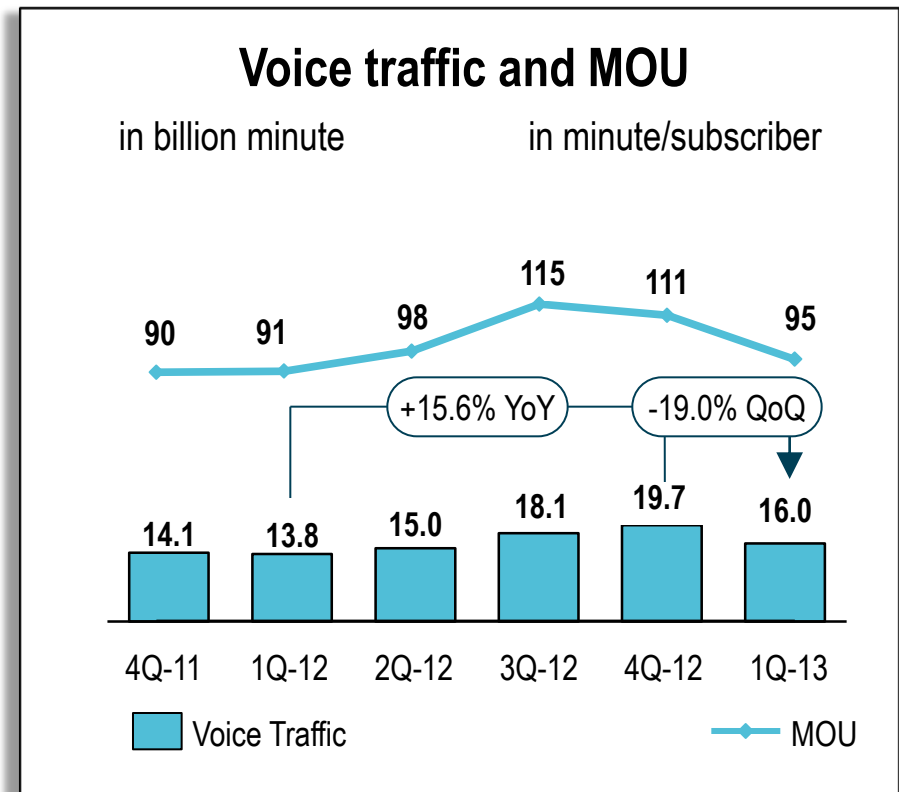
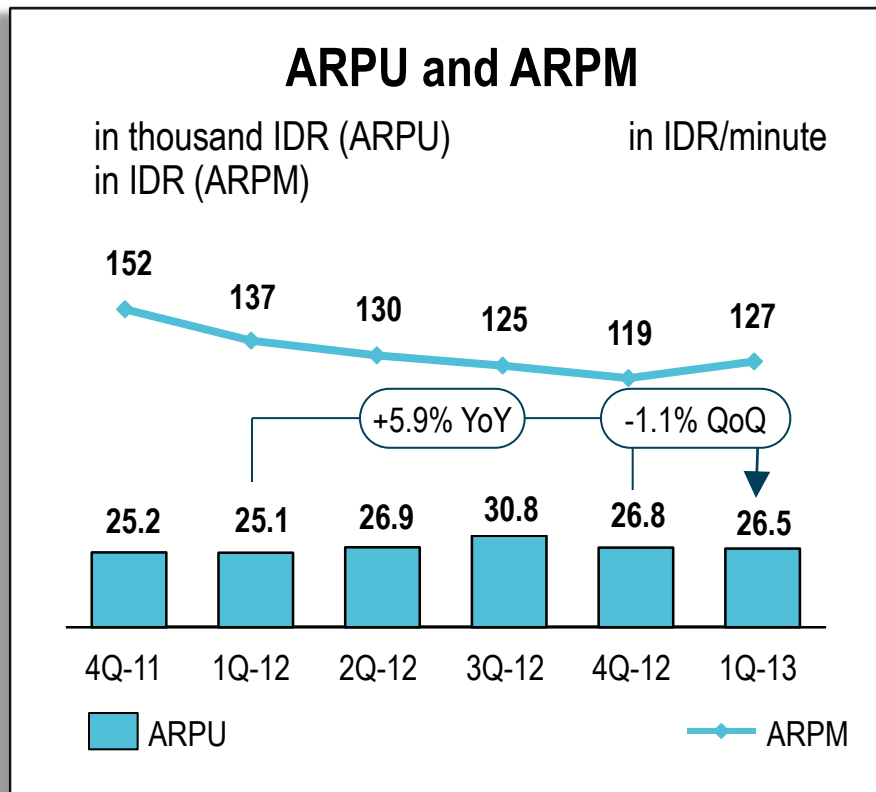
	YoY	QoQ	
Voice	8.0%	-9.3%	Revenue growth YoY up on increased customer base and usage
SMS	10.8%	-6.7%	Successful SMS campaigns and SMS interconnect driving growth
Data	23.3%	13.1%	Data growth accelerating and gaining momentum driven by increased data user uptake
VAS	5.2%	14.6%	VAS growth driven by strong demand for content

Steady growth in customer base YoY



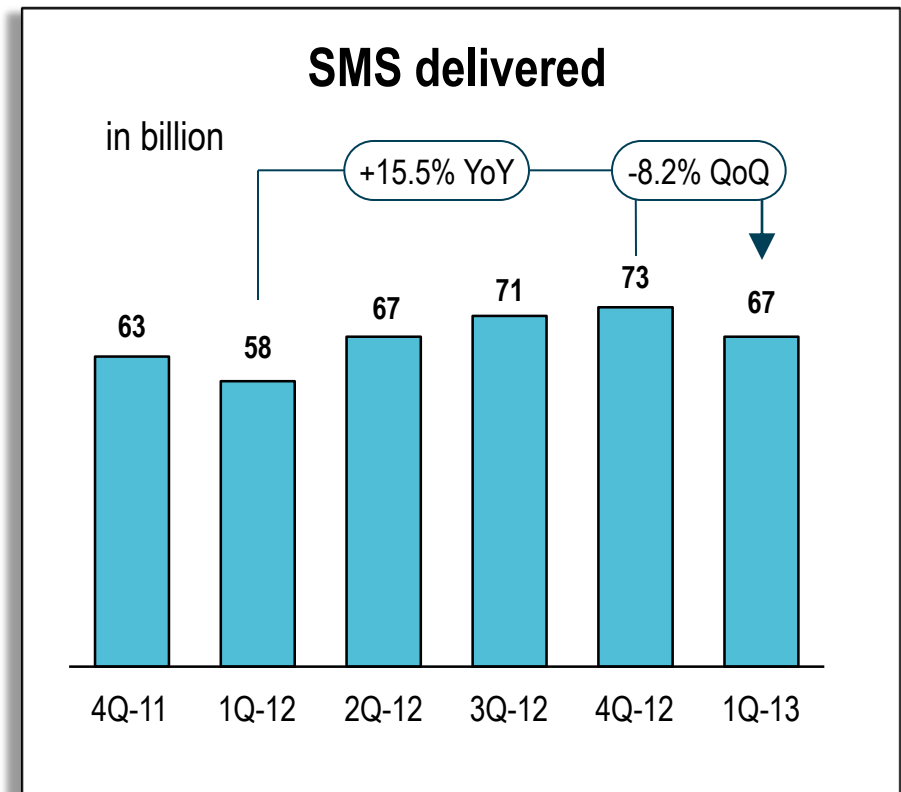
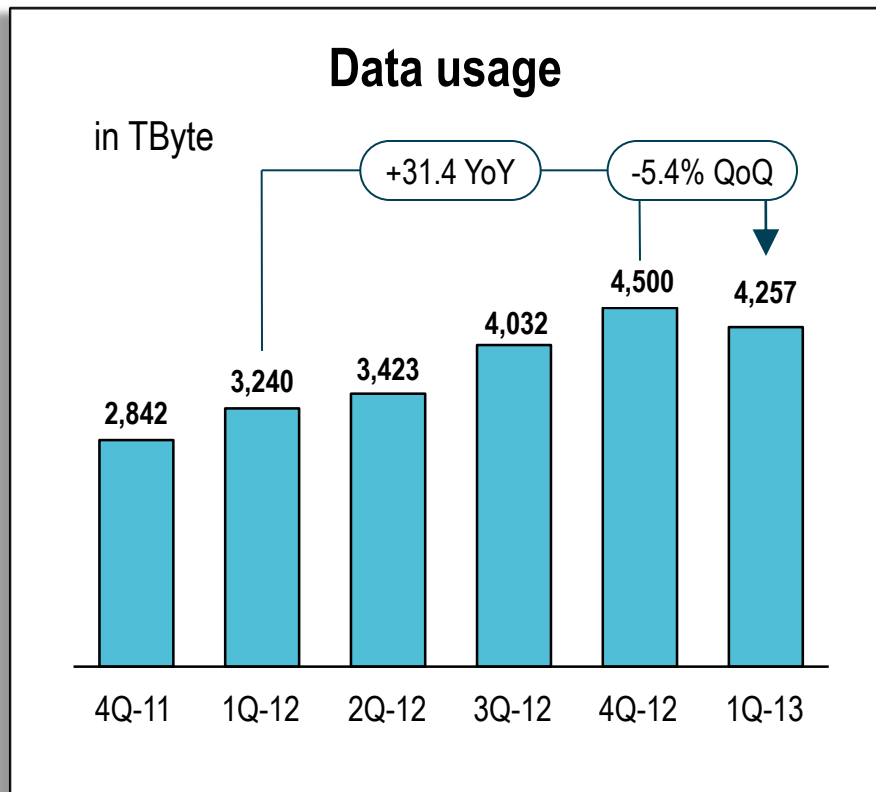
- Rotational churn in first quarter due to strong gross adds in previous two quarters

Positive ARPU trend on higher usage



- 1Q13 commercial programs resulted in positive voice traffic & revenue growth trend
- Seasonal impact in first quarter

Healthy data and SMS usage growth



- Data usage growth strengthening
- Seasonal impact in first quarter

Operational expenses

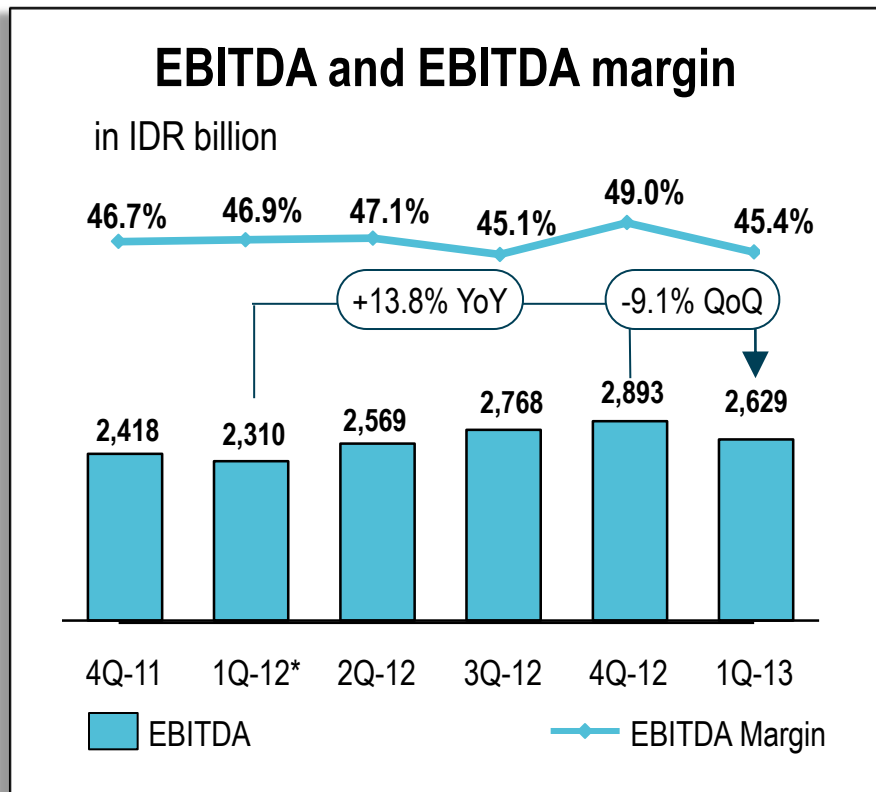


As percentage of revenue	4Q-11	1Q-12*	2Q-12	3Q-12	4Q-12	1Q-13
Cost of Service	40.7%	38.3%	38.8%	41.1%	40.3%	41.6%
Personnel	7.3%	6.8%	6.6%	5.8%	6.3%	7.1%
Marketing	1.7%	4.2%	5.4%	5.6%	1.3%	2.9%
General and Administration	3.5%	3.7%	2.1%	2.4%	3.1%	3.0%
Total Operating Expenses	55.3%	53.1%	52.9%	54.9%	51.0%	54.6%
Depreciation and Amortization	33.5%	34.5%	31.8%	38.1%	42.3%	37.0%
Total Expenses	86.8%	87.6%	84.7%	93.0%	93.4%	91.5%

- Cost of service and depreciation impacted by SMS interconnect and change in network equipment useful life

*Restated due to tower transaction and service concession arrangement

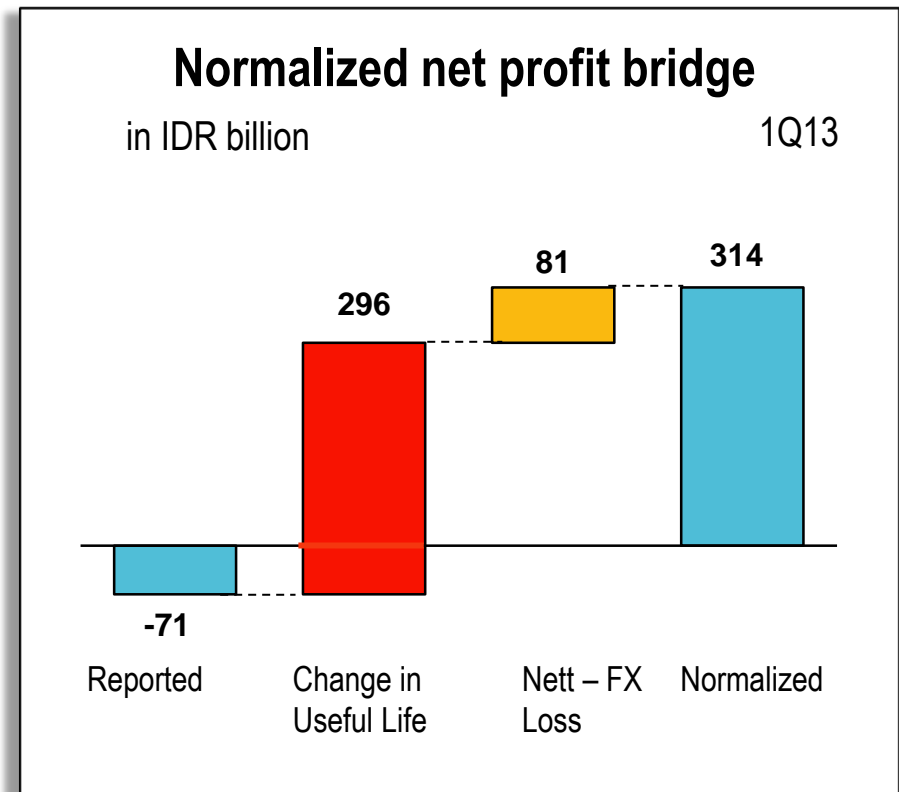
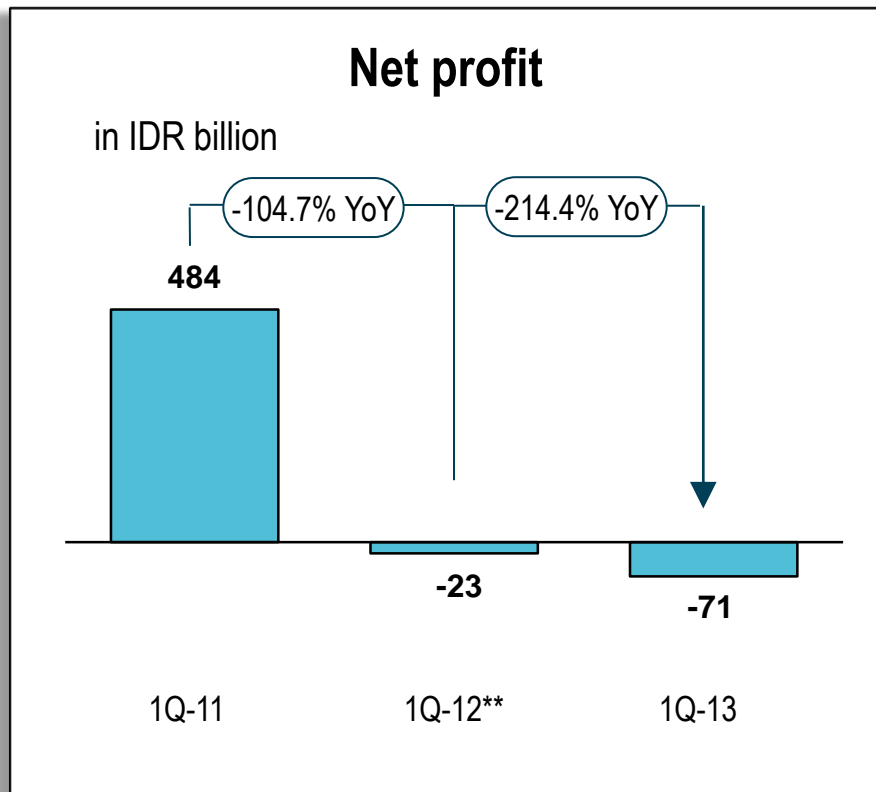
Solid EBITDA growth YoY



- Revenue growth and cost control resulting in healthy EBITDA growth
- EBITDA Margin inline with the guidance

*Restated due to tower transaction and service concession arrangement

Normalized net profit* up on improved operational performance



- Net profit impacted by tower sale & leaseback and change in useful life of network equipment

* Net profit is Profit Attribution to Owners of the Company

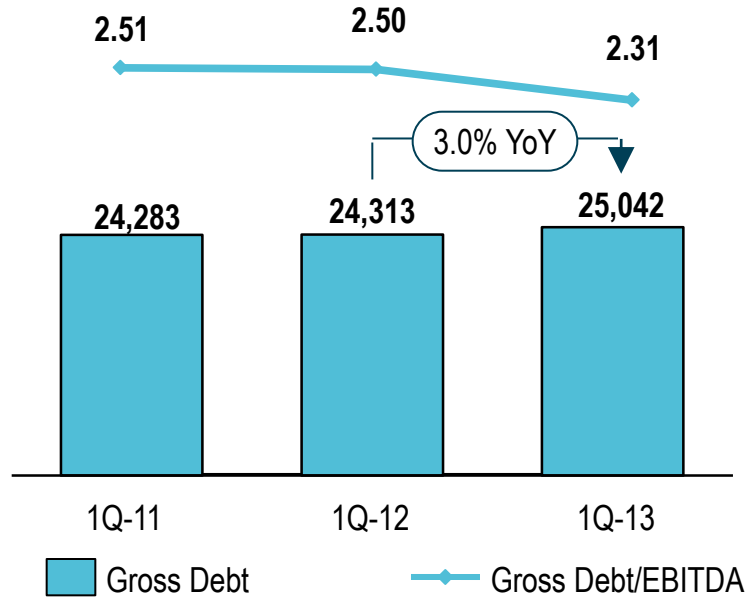
** Restated due to tower transaction and service concession arrangement

Balance sheet improving



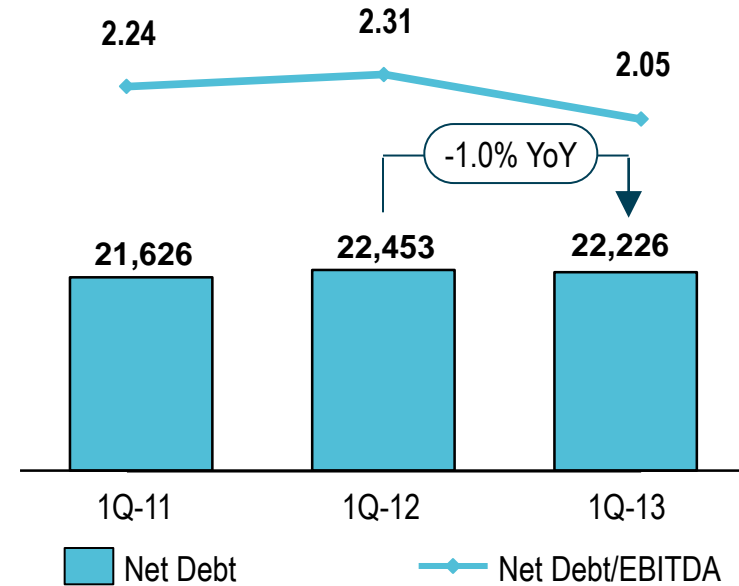
Gross debt* and gross debt/EBITDA

in IDR billion



Net debt* and net debt/EBITDA

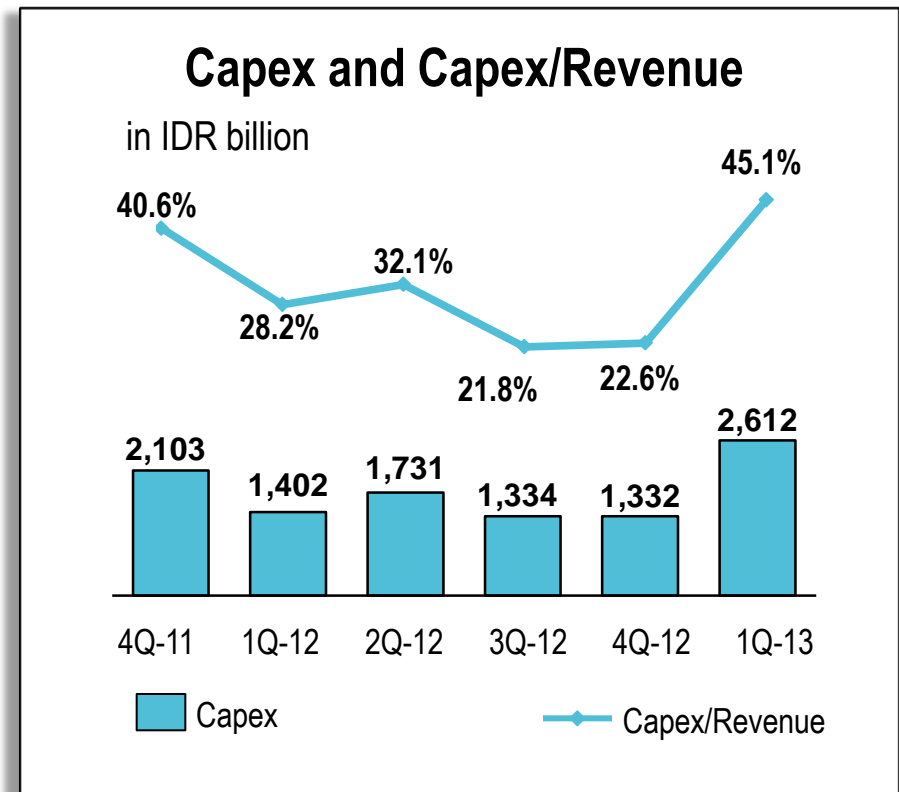
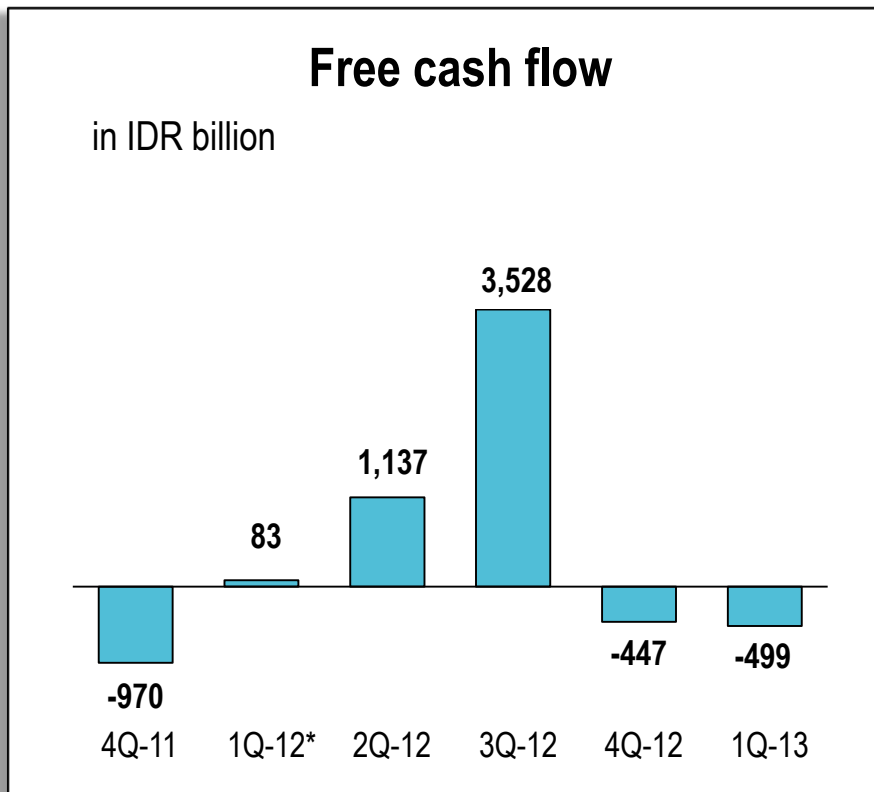
in IDR billion



- Better operational cash flow together with tower proceeds strengthening balance sheet

* IDR 951.1bn and IDR 3.4tn of obligation under finance lease are included in 1Q12 and 1Q13 respectively

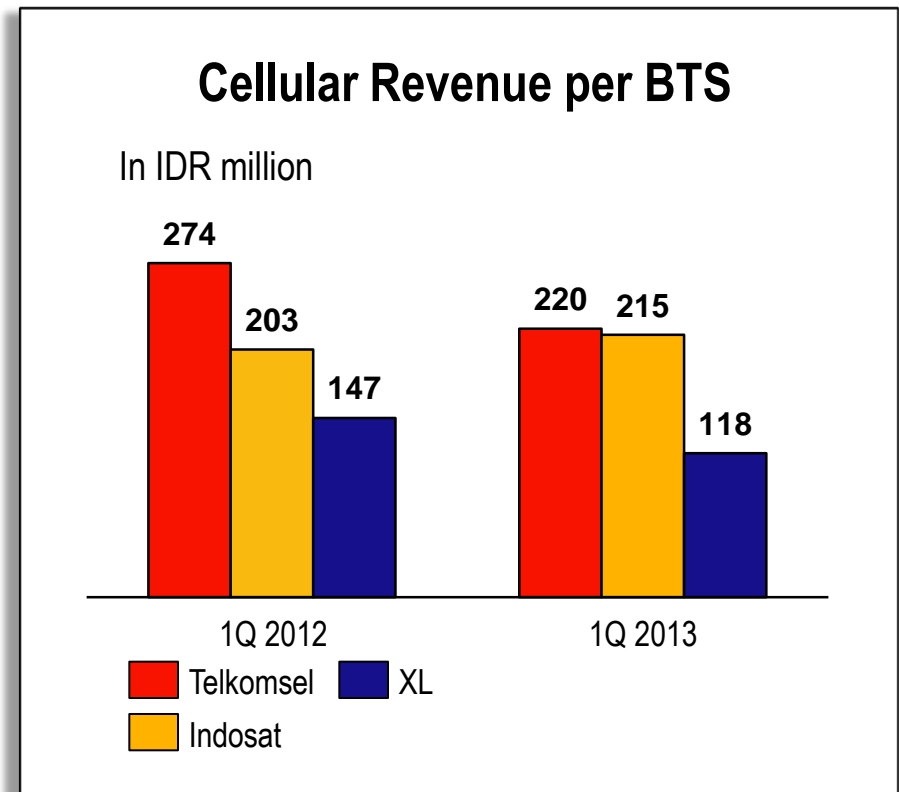
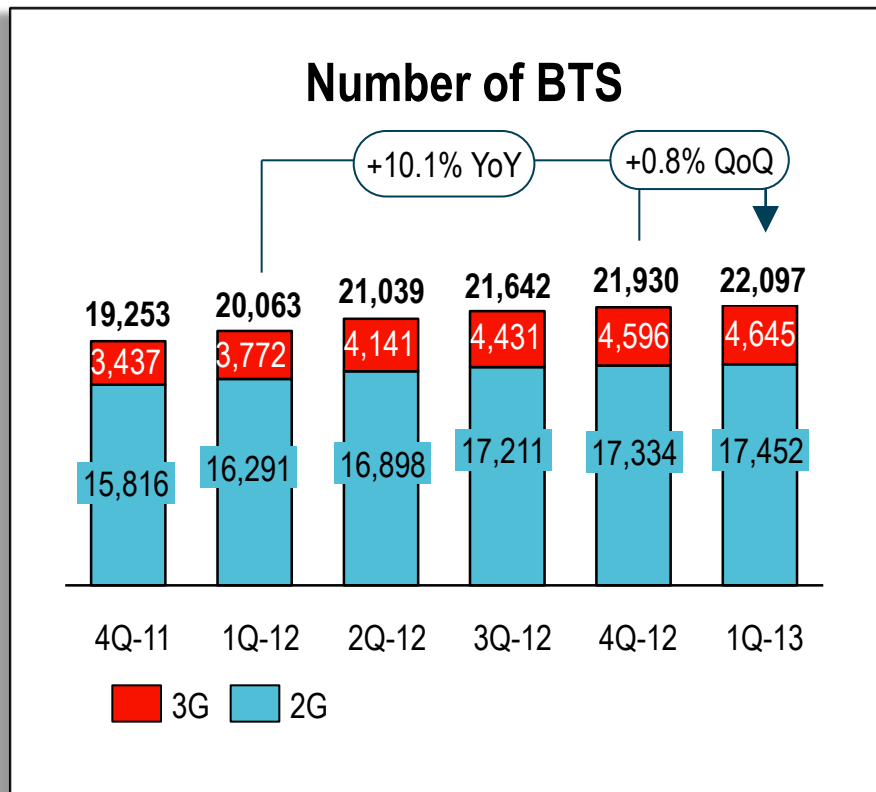
Free Cash Flow decreased on higher cash CAPEX



- Modernization driving higher cash capex in first quarter

*Restated due to tower transaction and service concession arrangement

Network roll-out



- Network modernization program mainly focusing on existing footprint in key market areas
- Network quality improvement expected during 2H13

Indosat – FC Barcelona: Exclusive Official Telecom Partner for Indonesia



Indosat as Exclusive Official Telecom Partner for Indonesia



To grab and develop VAS content business through community

Messi is the  brand ambassador





Management Focus and Key updates

Near Term Management Focus



Enhance data services and VAS offerings

Device bundling with prominent partners

Execute modernization program in key areas to improve customer experience on data

Improve operational efficiencies further

Corporate values and culture transformation

An advertisement for Indosat IM3 featuring a Huawei Ascend Y 200 smartphone. The ad is set against a yellow background with a black and white patterned border. The text includes the Indosat logo and IM3 branding at the top. The main headline reads "Hape pintar gak pake mahal". Below this, it says "HUAWEI Ascend Y 200" and "Cuma Rp. 999 ribu". A list of features includes "GRATIS Internetan s.d 6 bulan" and "GRATIS microSD 4 GB". A call to action says "tekan *990*2*8*2#" or "atau sms y200 ke 990". At the bottom, there are logos for Gensia, Huawei, Indosat SUPER 3G+, and IM3, along with social media icons for Facebook and Twitter. A small note at the bottom says "Info lebih lanjut klik www.indosat.com/ind3 atau telepon 100 dari HP Kamu".

2013 Guidance



	FY 2012 Actual	FY 2013 Guidance
Consolidated Revenue Growth	10.4%	In line with Industry or better
EBITDA Margin	46.5%	Mid 40's
Cash CAPEX	IDR 6.3 trillion	IDR 8 trillion \pm 10%

Thank You



Any further questions?

**Indosat Investor Relations
JI. Medan Merdeka Barat No. 21
Jakarta - 10110
Tel: +62 21 30442615
Investor@indosat.com**

Upcoming events

Indosat AGMS in June 2013

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**





Supplemental Information

Credit ratings maintained



MOODY'S

On 8 February 2012, Moody's affirmed Indosat Ba1 ratings and Stable outlook, follows announcement that Indosat has agreed to sell 2,500 of its communications towers to PT Tower Bersama Infrastructure Tbk.

FitchRatings

On 30 April 2012, FitchRatings upgraded Indonesia-based Indosat Long-Term Foreign and Local-Currency Issuer Default Ratings (IDR) and Foreign Currency senior unsecured rating to 'BBB' from 'BBB-'. The Outlook is Stable.

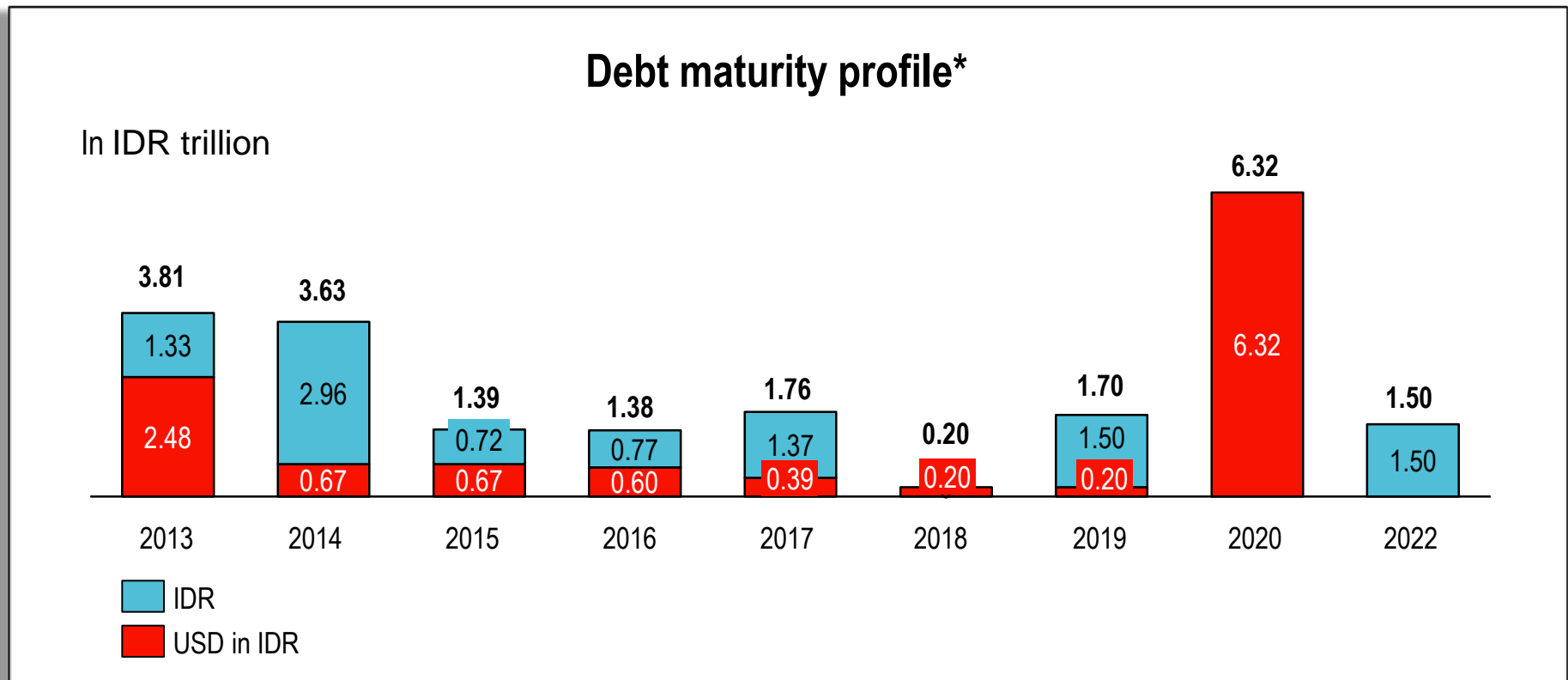
STANDARD
& POOR'S

On 3 July 2012, Standard and Poor's ("S&P") has upgraded Long-Term Credit Rating and the Indosat's Guaranteed Notes Rating to 'BB+' from 'BB'. S&P also removed all the ratings from their CreditWatch. The Outlook is Stable to reflect S&P expectation that Indosat's operating performance will be stable. The agency also raised their long-term ASEAN regional rating scale on Indosat to 'axBBB+' from 'axBBB-'.



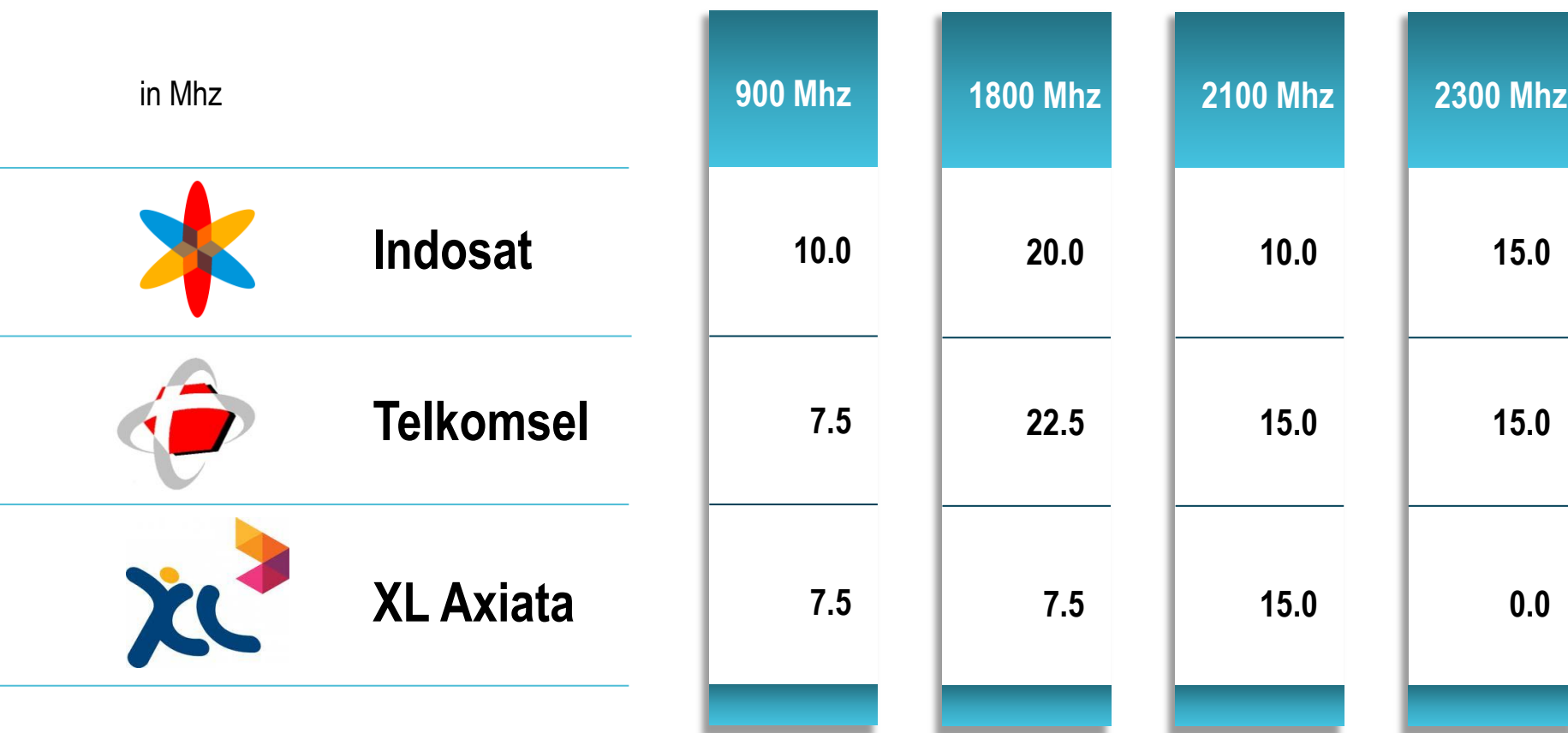
On 12 June 2012, Pefindo assigned Indosat, all its IDR Bond and Sukuk Ijarah rating 'idAA+' and 'idAA+(sy)' respectively. The Outlook is stable. The ratings reflect the strong parent support, Indosat's stable market position, and its stable operating performance. However, the ratings are offset by Indosat aggressive capital structure and intense competition within the telecommunication industry.

Debt maturity profile



* Excluding obligation under capital lease

Spectrum overview for top 3 cellular operators



- Telkomsel and XL each acquire 5Mhz on the last auction