



**PT Indosat Tbk
1H 2013 Results**

Agenda



Financial and Operational Results

Management Focus

Supplemental Information





Financial and Operational Highlights

1H13 YoY Overview



Consolidated Revenue growth of 14.2% to IDR 11,708.1 billion

EBITDA growth of 9.6% to IDR 5.311,0 billion, EBITDA Margin fall of 1.9 ppt to 45.4%

Loss Attributable to Owners of The Company increased 28.1% to IDR 231.2 billion

Free Cash Flow decreased 108.9% to - IDR 108.6 billion



BlackBerry® Q10

The QWERTY Strikes Back!

THE BIGGEST **12 GB**
SUPER DATA PACKAGE

- Only Rp 2.499.000*
- 12 Months Free Insurance

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2Q13 QoQ Overview



Consolidated Revenue increased 2.3%
to IDR 5,919.9 billion

EBITDA increased 2.0% to IDR 2,681.8 billion,
EBITDA Margin fall 0.1 ppt to 45.3%

Loss Attributable to Owners of The Company
increased 124.9% to IDR 160.1 billion

Free Cash Flow increased 178.2% to
IDR 390.4 billion



SUPER INTERNET

6 GB Hanya
Rp **25 Ribu**

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Indosat
SUPER 3G+

Financial highlights

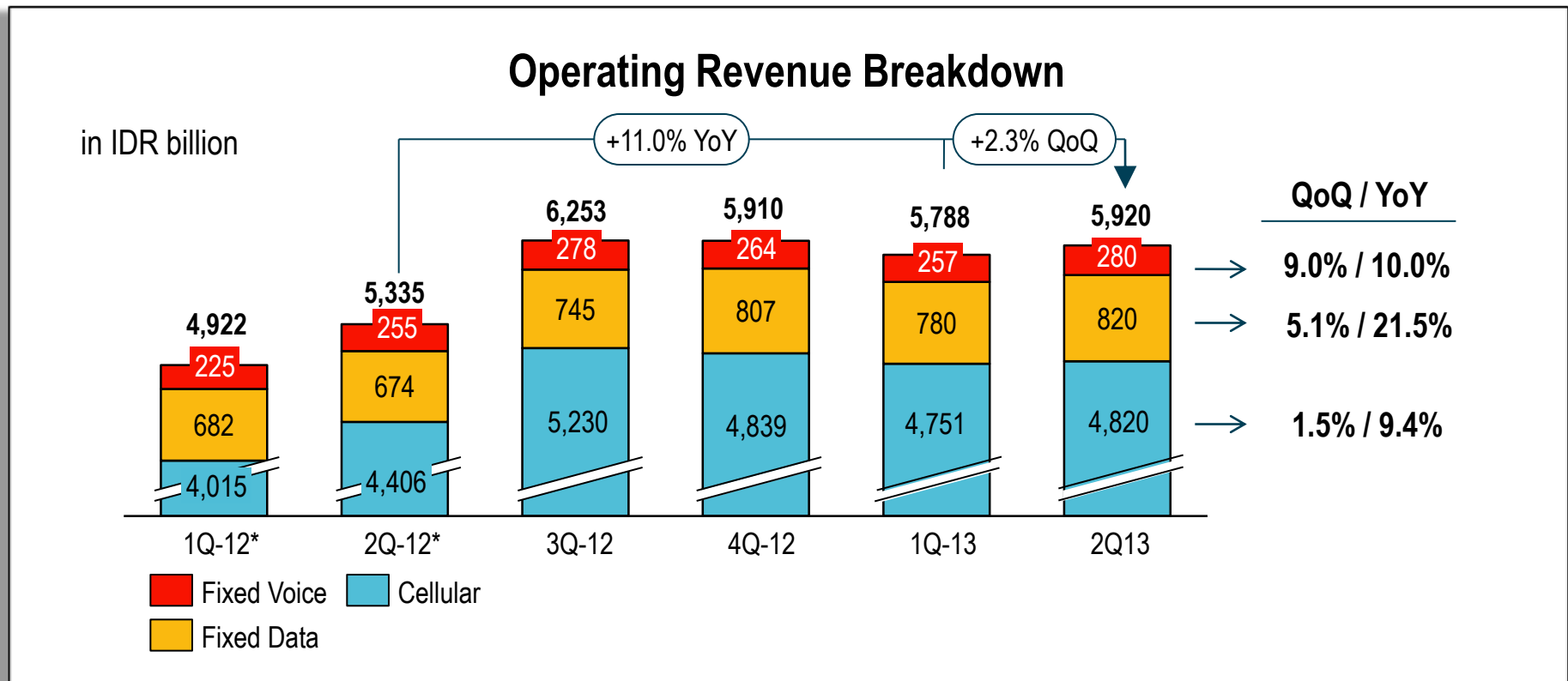


In IDR billion	1H-12*	1H-13	YoY	1Q-13	2Q-13	QoQ
Operating Revenue	10,257	11,708	14.2%	5,788	5,920	2.3%
EBITDA	4,847	5,311	9.6%	2,629	2,682	2.0%
EBITDA Margin	47.3%	45.4%	-1.9ppt	45.4%	45.3%	-0.1ppt
Loss Attribution to Owners of the Company	-180	-231	28.1%	-71	-160	124.9%

- Solid growth YoY in revenue and EBITDA

*Restated due to tower transaction and service concession arrangement

Strong performance in fixed data



- Fixed data driven by enterprise & government connectivity projects

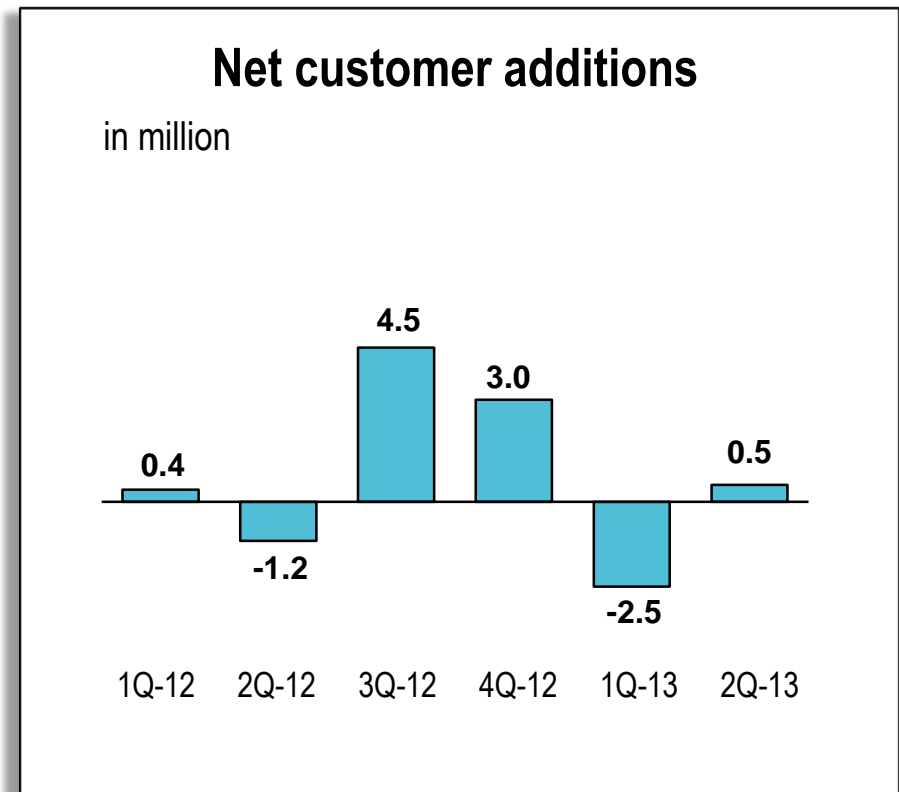
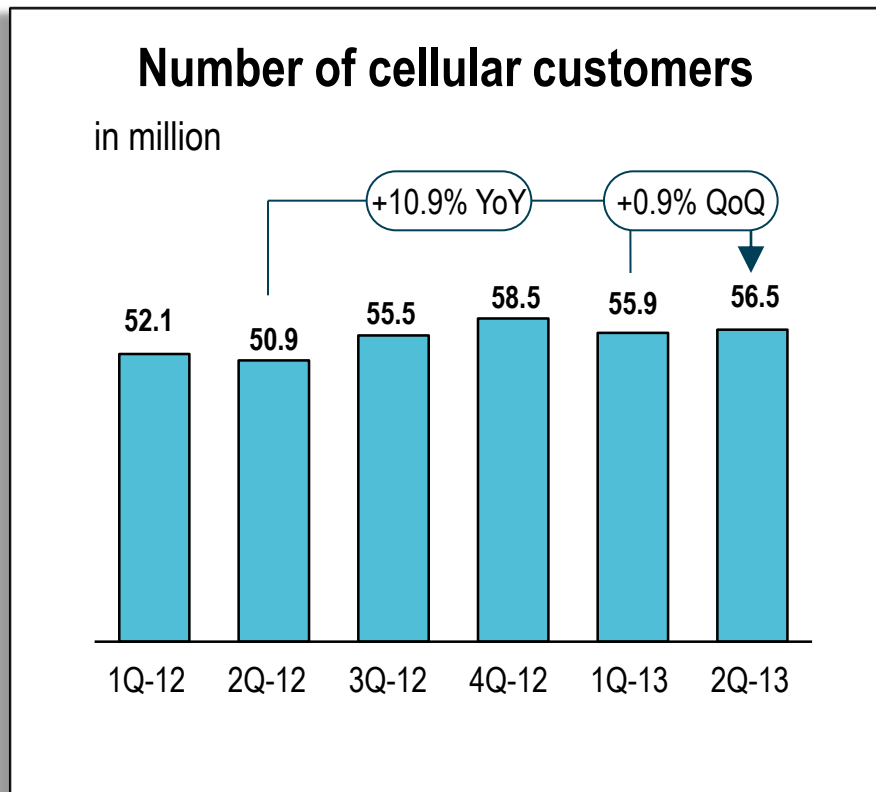
*Restated due to tower transaction and service concession arrangement

Cellular revenue performance



	2Q13 YoY	2Q13 QoQ	
Voice	6.3%	1.7%	Revenue growth up on increased customer base and higher ARPU
SMS	4.9%	-4.2%	Revenue affected by SMS interconnect and SMS campaign
Data	34.2%	15.4%	Data growth profile improving on incremental data users
VAS	31.1%	11.4%	VAS growth driven by strong demand for content

Steady growth in customer base YoY



- Positive net customers addition from improved acquisitions

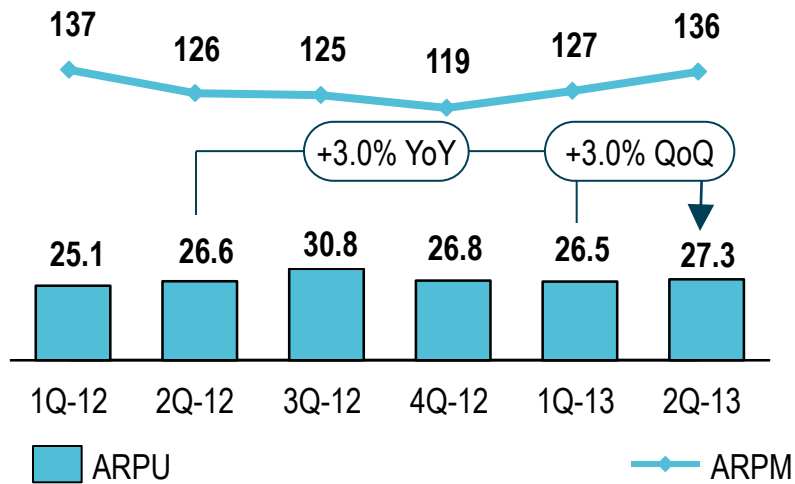
Stable ARPU



ARPU and ARPM

in thousand IDR (ARPU)
in IDR (ARPM)

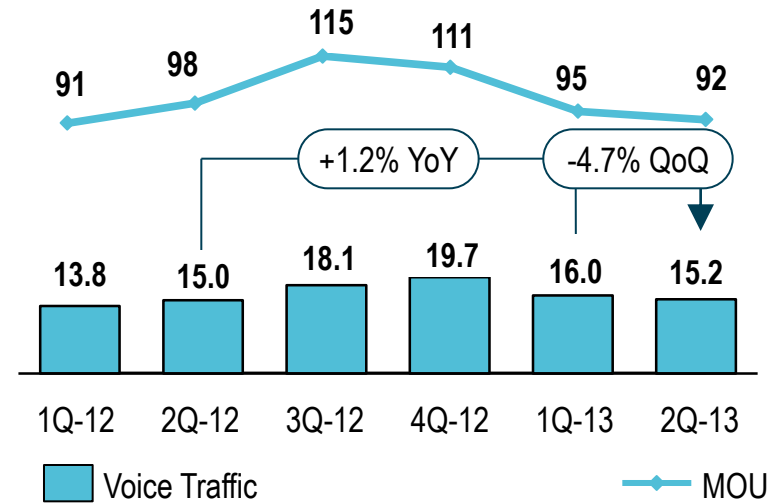
in IDR/minute



Voice traffic and MOU

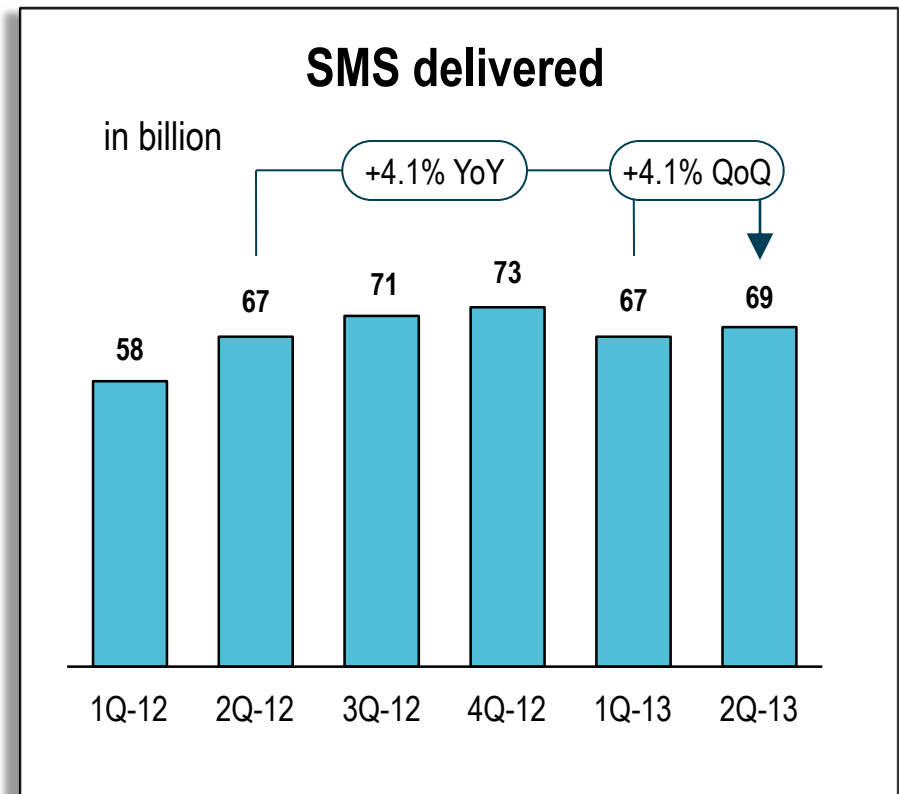
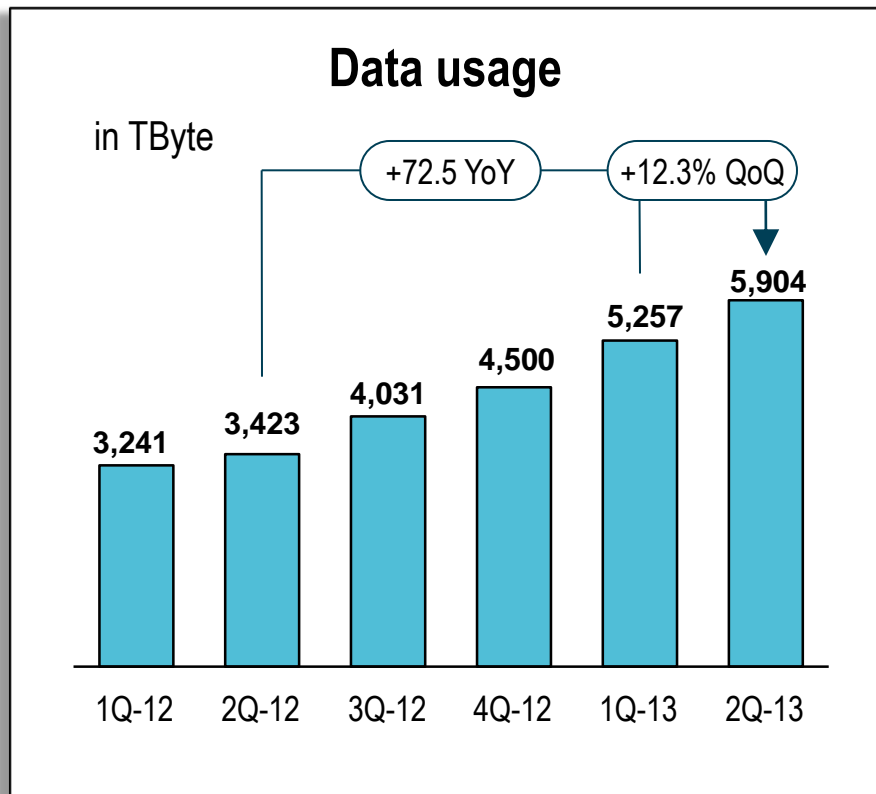
in billion minutes

in minute/subscriber



- Higher ARPM supporting revenue growth

Healthy data usage growth



- Data usage growth on the right trajectory from higher incremental data users

Operational expenses

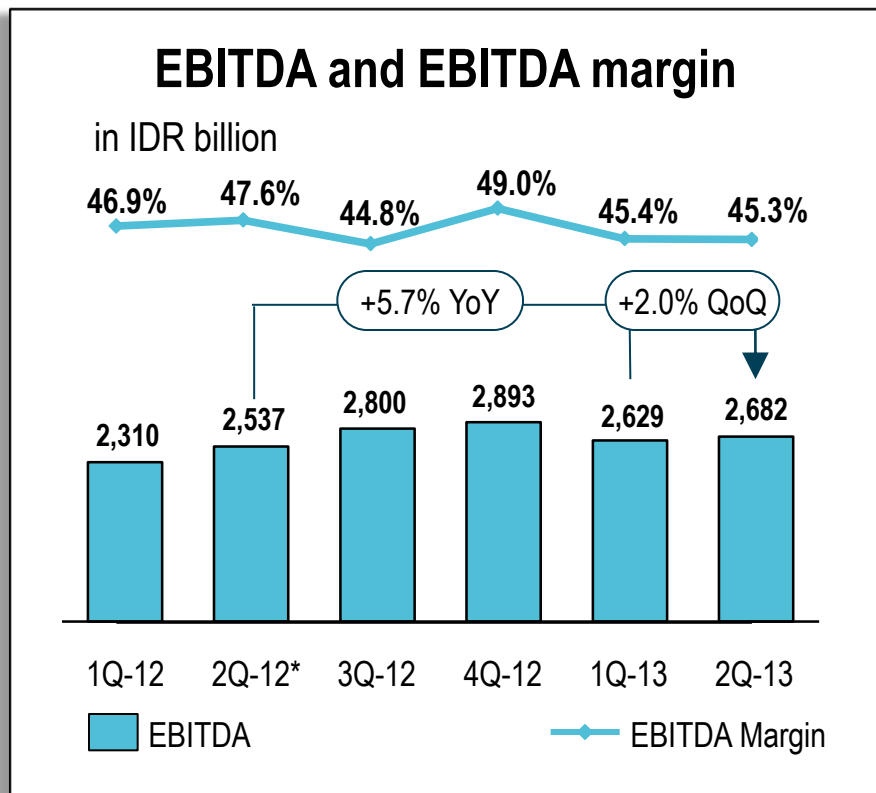


As percentage of revenue	1Q-12*	2Q-12*	3Q-12	4Q-12	1Q-13	2Q-13
Cost of Service	38.3%	39.9%	40.1%	40.3%	41.6%	41.2%
Personnel	6.8%	6.8%	5.7%	6.3%	7.1%	6.6%
Marketing	4.2%	3.6%	7.1%	1.3%	2.9%	3.7%
General and Administration	3.7%	2.2%	2.3%	3.1%	3.0%	3.1%
Total Operating Expenses	53.1%	52.4%	55.2%	51.0%	54.6%	54.7%
Depreciation and Amortization	34.5%	32.0%	37.8%	42.3%	37.0%	36.5%
Total Expenses	87.6%	84.5%	93.0%	93.4%	91.5%	91.2%

- 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

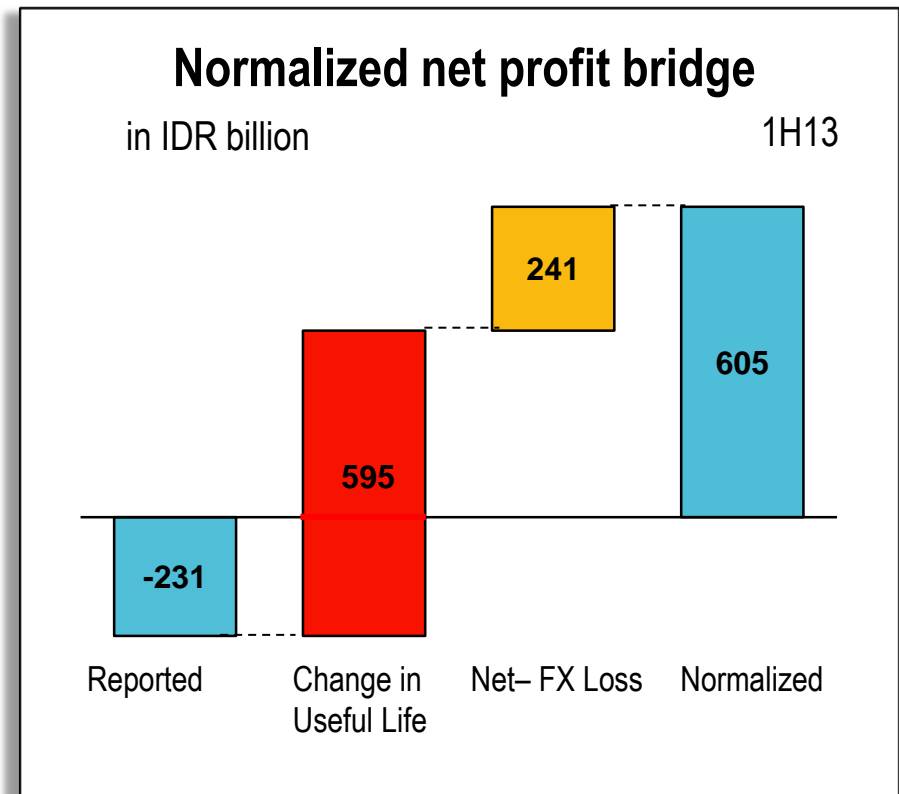
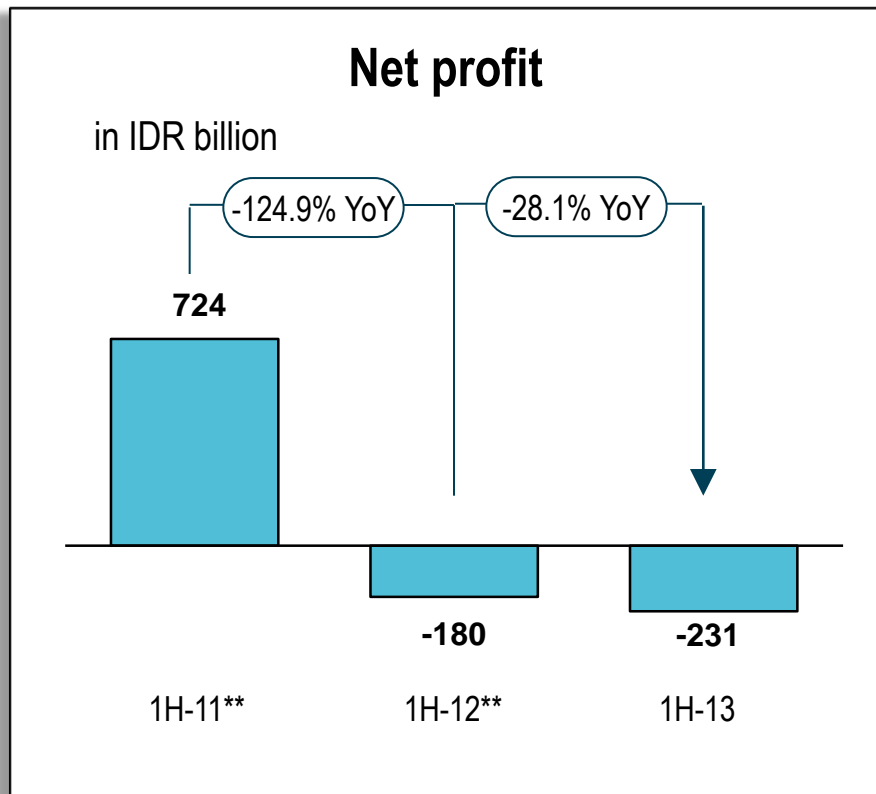
Solid EBITDA performance



- Revenue growth and good cost control resulting in solid EBITDA growth
- EBITDA margin in line with guidance

*Restated due to tower transaction and service concession arrangement

Normalized net profit* up on improved operating results



- Net profit impacted by change in network equipment useful life and FX loss

* Net profit is Profit Attribution to Owners of the Company

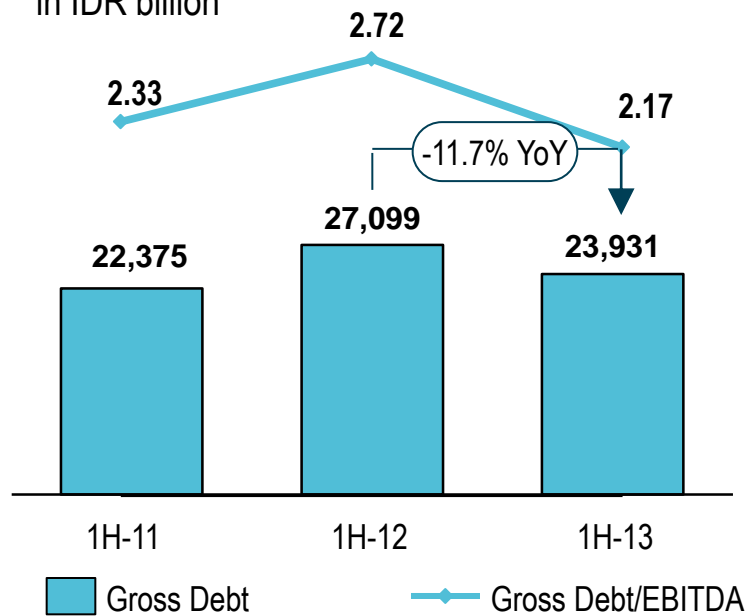
** Restated due to tower transaction and service concession arrangement

Balance sheet strengthening



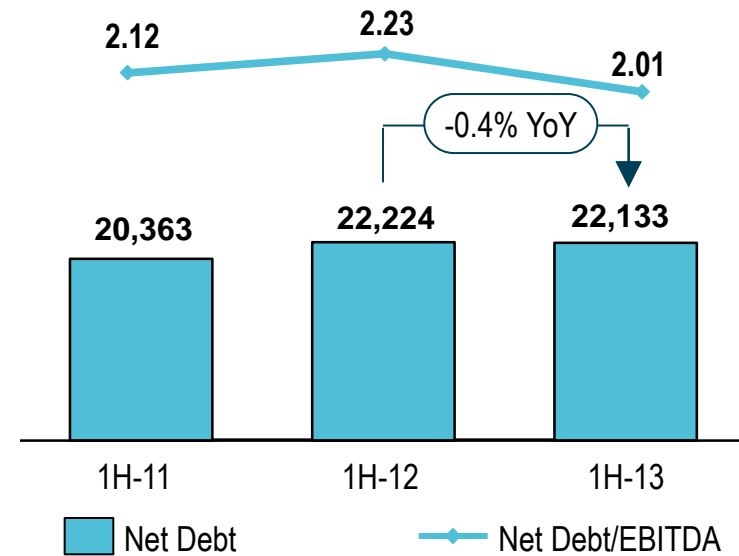
Gross debt* and gross debt/EBITDA

in IDR billion



Net debt* and net debt/EBITDA

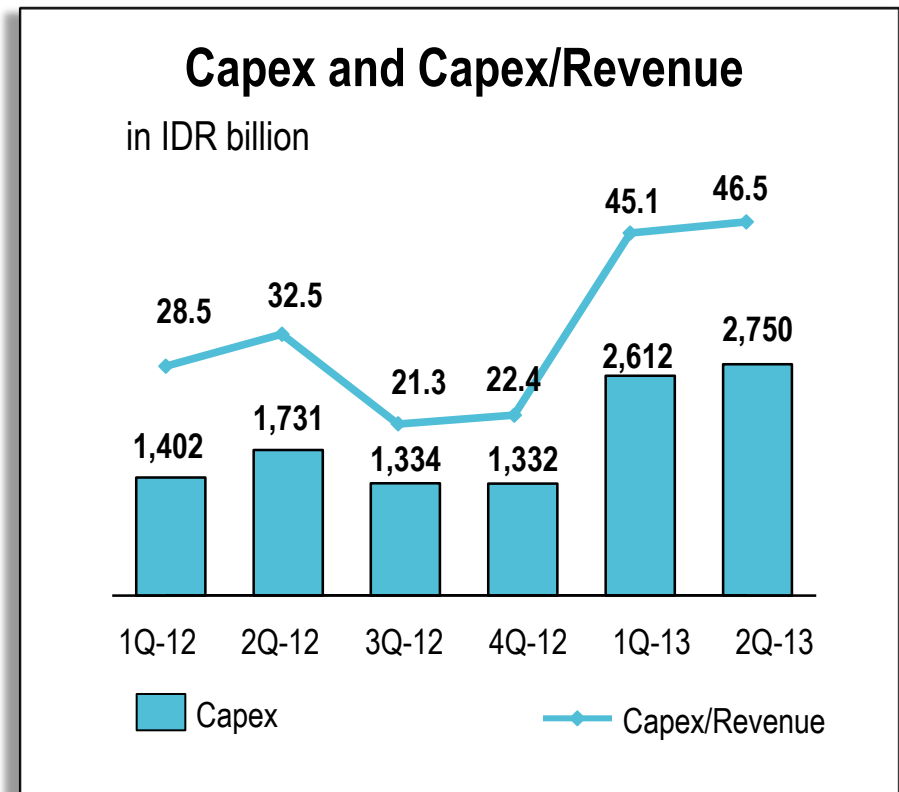
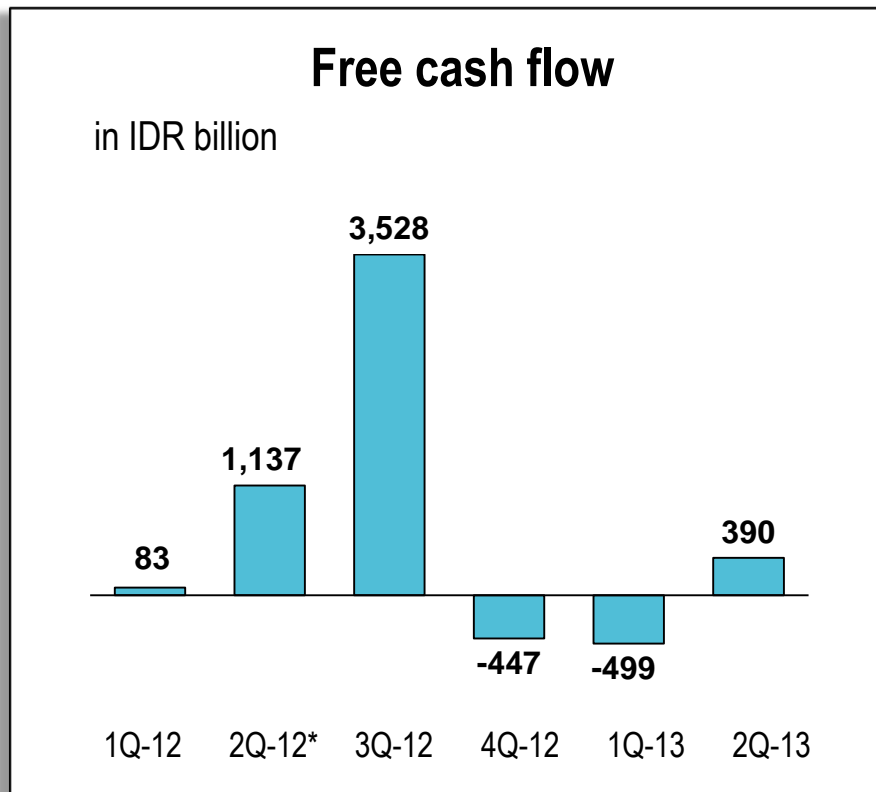
in IDR billion



- Organic deleveraging and better performance improved financial ratios

* IDR 1.0tn and IDR 3.4tn of obligation under finance lease are included in 1H12 and 1H13 respectively

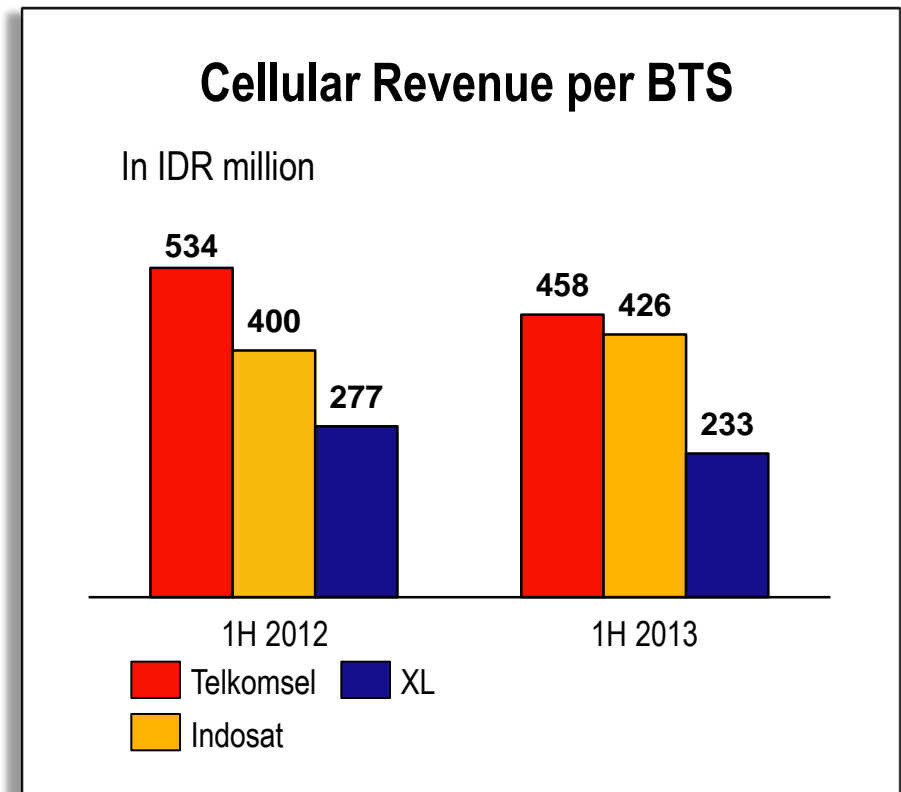
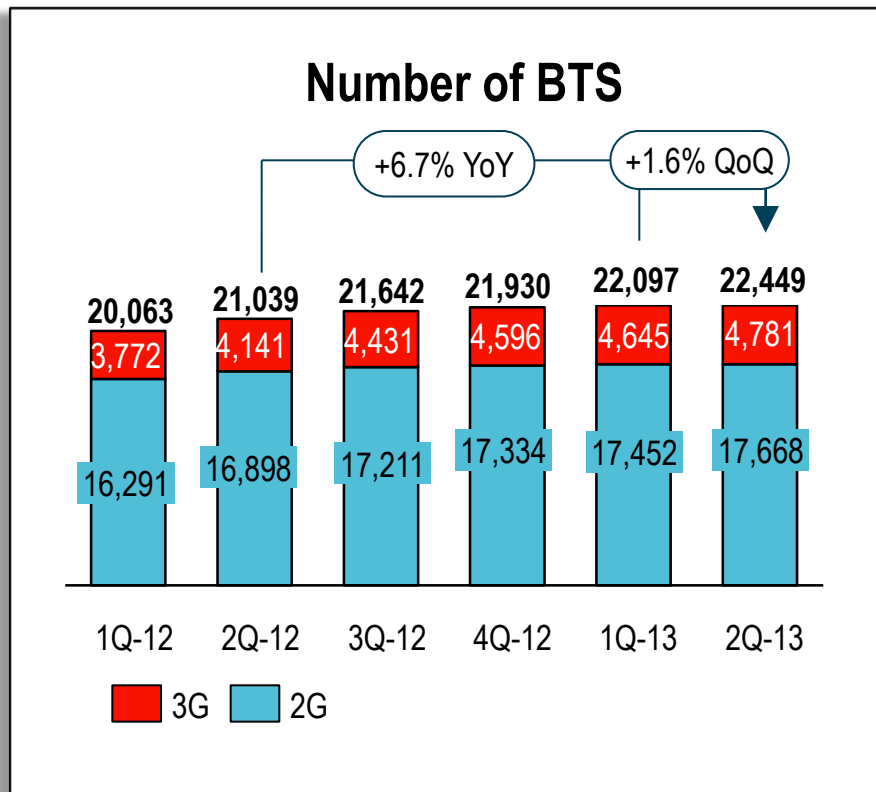
Free Cash Flow



- Network modernization driving higher cash capex
- 2Q FCF positive due to better cash from operations and working capital

*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

Latest launches & campaigns



Bulan 1000 Berkah

Registrasi tekan *123*1000#
Lalu isi ulang mulai dari Rp 10 Ribu

GRATIS 1000 MB INTERNETAN MENIT NELPON SMS

Indosat
IME
Indosat MENTARI

Indosatmaria

The QWERTY Strikes Back!

THE BIGGEST SUPER DATA PACKAGE 12 GB

- Only Rp 2.499.000*
- 12 Months Free Insurance

Tekan *123*100#

BlackBerry® Q10

Bebas Komunikasi SEPULASNYA Antar Karyawan

- + 250 menit telepon ke sesama nomor Indosat
- + 100 SMS ke semua operator
- + 50 Internet/Data

PWTAR

dompetku

BONUS PULSA SENILAI Rp 10.000

* minimum setor tunai (cash in) Rp 50.000

BONUS BELANJA di

Alfamart
Belanja puas, harga puas



Management Focus and Key updates

Near Term Management Focus



Network modernization and network readiness for Idul Fitri peak season

Segment & data performance

Distribution network

People & culture

An advertisement for the Huawei Ascend Y 200 smartphone, set against a yellow background with a black and white patterned border. The ad features the Indosat logo and IM3 branding at the top. The headline reads "Hape pintar gak pake mahal". Below it, the phone is shown with its screen displaying various app icons. Text on the ad includes "HUAWEI Ascend Y 200", "Cuma Rp. 999 ribu", and promotional offers: "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 Genta, Huawei, Indosat SUPER 3G+, and IM3, along with social media handles for Indosat and Indosatmania. A small note at the very bottom says "Info lebih lanjut klik www.indosat.com/ind3 atau telepon 100 dari HP Kamu".

Key updates



Corruption Court found Mr. Indar Atmanto (former IMM President Director) guilty in the IMM case. Statement of appeal have been lodged by defendant, making the verdict not yet final and binding.

All 3G operators have started frequency 2.1GHz re-arrangement process and the process should finish in October 2013.



2013 Guidance



	FY 2012* Actual	FY 2013 Guidance
Consolidated Revenue Growth	9.2%	In line with Industry or better
EBITDA Margin	47.0%	Mid 40's
Cash CAPEX	IDR 5.8 trillion	IDR 8 trillion \pm 10%

*Restated due to tower transaction and service concession arrangement

Thank You



Any further questions?

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Upcoming events

9M 2013 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**





Supplemental Information

Credit ratings maintained



MOODY'S

On 29 January 2013, Moody's released its credit opinion on Indosat, affirmed Indosat Ba1 ratings and Stable outlook. The stable outlook reflects Moody's expectation that Indosat will retain its market position amid increasing competition for data services, and leverage, in terms of adjusted debt/EBITDA will remain in line with the rating level, at 2.5-3.0x over the near term.

FitchRatings

On 28 April 2013, Fitch Ratings has affirmed PT Indosat Tbk's (Indosat) Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDR) at 'BBB'. The agency has also affirmed the Indonesia-based company's National Long-Term Rating at 'AAA(idn)'. The Outlook is Stable on the IDR and the National Long-Term Rating. Fitch has also assigned a foreign-currency senior unsecured rating of 'BBB'.

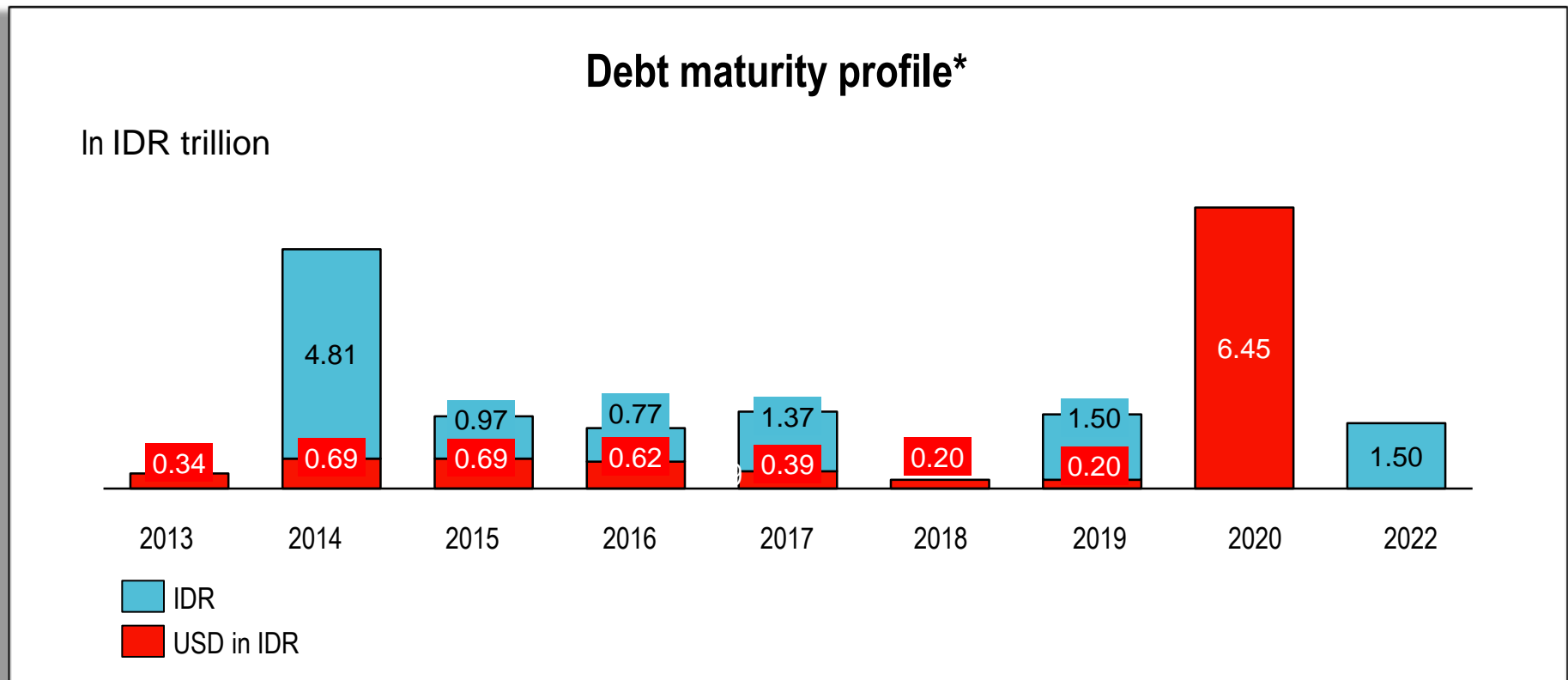
STANDARD
& POOR'S

On 10 July 2013, Standard and Poor's ("S&P") said today that its long-term corporate credit rating and outlook on PT Indosat Tbk. (BB+/Stable/--; axBBB+/--) are not affected by an adverse court ruling. They do not expect the ruling to disrupt Indosat's operations. They expect Indosat to maintain its good operating performance of the past three quarters. They believe the penalty will not materially affect Indosat's cash flow adequacy, and that the company has strong liquidity to meet the penalty.



On 14 March 2013, PEFINDO affirmed its ratings of "idAA+" for PT Indosat Tbk. (ISAT or the Company) and its Bonds V/2007, Bonds VI/2008, Bonds VII/2009, and Bonds VIII/2012, and "idAA+(sy)" for its Sukuk Ijarah II/2007, Sukuk Ijarah III/2008, Sukuk Ijarah IV/2009, and Sukuk Ijarah V/2012. The outlook of the rating is "Stable". The ratings reflect the strong support from the major shareholder, the Company's stable market position, and its stable operating performance. However, the ratings are offset by the Company's 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



in Mhz		900 Mhz	1800 Mhz	2100 Mhz	2300 Mhz
	Indosat	10.0	20.0	10.0	15.0
	Telkomsel	7.5	22.5	15.0	15.0
	XL Axiata	7.5	7.5	15.0	0.0
	Axis	0.0	15.0	10.0	0.0
	Hutchison	0.0	10.0	10.0	0.0

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