



PT Indosat Tbk
1Q 2014 Results

Agenda



Financial and Operational Highlights

Management Focus and Key Updates

Supplemental Information

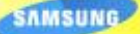


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Financial and Operational Highlights

1Q14 YoY Overview



Consolidated Revenue decreased 0.3% to IDR 5,773 billion

EBITDA decreased 0.7% to IDR 2,611 billion, EBITDA Margin of 45.2%

Profit Attributable to Owners of The Company increased to IDR 800 billion

Free Cash Flow increased to IDR 1,319 billion



1Q14 QoQ Overview



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to IDR 5,773 billion

EBITDA growth of 8.3% to IDR 2,611 billion,
EBITDA Margin of 45.2%

Profit Attributable to Owners of The Company
increased to IDR 800 billion

Free Cash Flow increased to IDR 1,319 billion

An advertisement for the Indosat Tourist Package. The top half features the Indosat logo and the text "INDOSAT TOURIST PACKAGE" in large, bold, black letters, with "BIG SAVING CONNECTED ANYTIME" below it. The background shows a hand holding a smartphone displaying "WELCOME TO INDONESIA" against a backdrop of a globe and various Indonesian landmarks. The bottom half is a yellow banner with white text detailing the offer: "TOP UP ONLY IDR 50.000 REGISTER *122*8*1# FOR FREE 100 MINUTES INTERNATIONAL CALL" and "FREE 30 INTERNATIONAL SMS FREE 50MB DATA". It also includes the "Validity 7 days" note and logos for "indosat MENTARI" and "IME".

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**INDOSAT
TOURIST PACKAGE**

BIG SAVING CONNECTED ANYTIME

TOP UP ONLY IDR 50.000
REGISTER *122*8*1#
FOR
FREE 100 MINUTES
INTERNATIONAL CALL

FREE 30
INTERNATIONAL SMS
FREE 50MB DATA

Validity 7 days

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MENTARI

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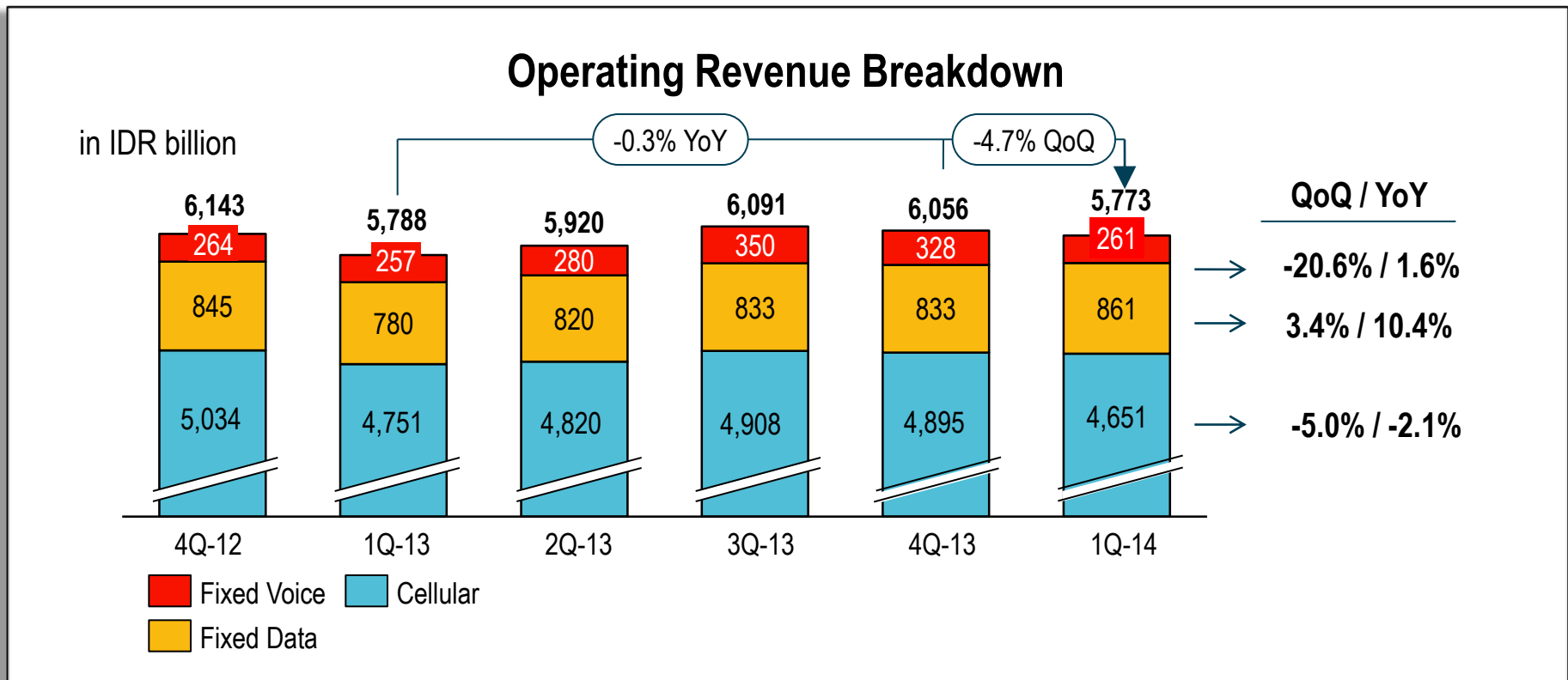
Financial Highlights



in IDR billion	1Q-13	1Q-14	YoY	4Q-13	1Q-14	QoQ
Operating Revenue	5,788	5,773	-0.3%	6,056	5,773	-4.7%
EBITDA	2,629	2,611	-0.7%	2,410	2,611	8.3%
EBITDA Margin	45.4%	45.2%	-0.2ppt	39.8%	45.2%	5.4ppt
Profit /Loss Attributable to Owners of the Company	-71	800	1,224.6%	-1,016	800	178.8%

- Stable Revenue and EBITDA / EBITDA margin YoY
- Net profit up on positive FX and TBIG block sale

Continued strong performance in fixed data



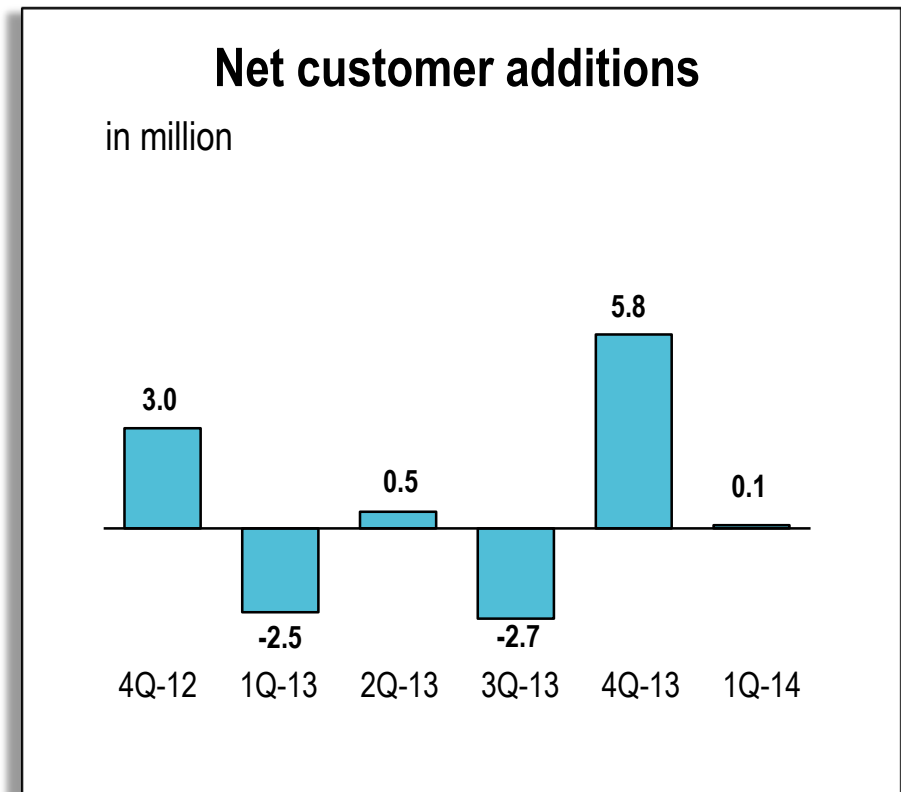
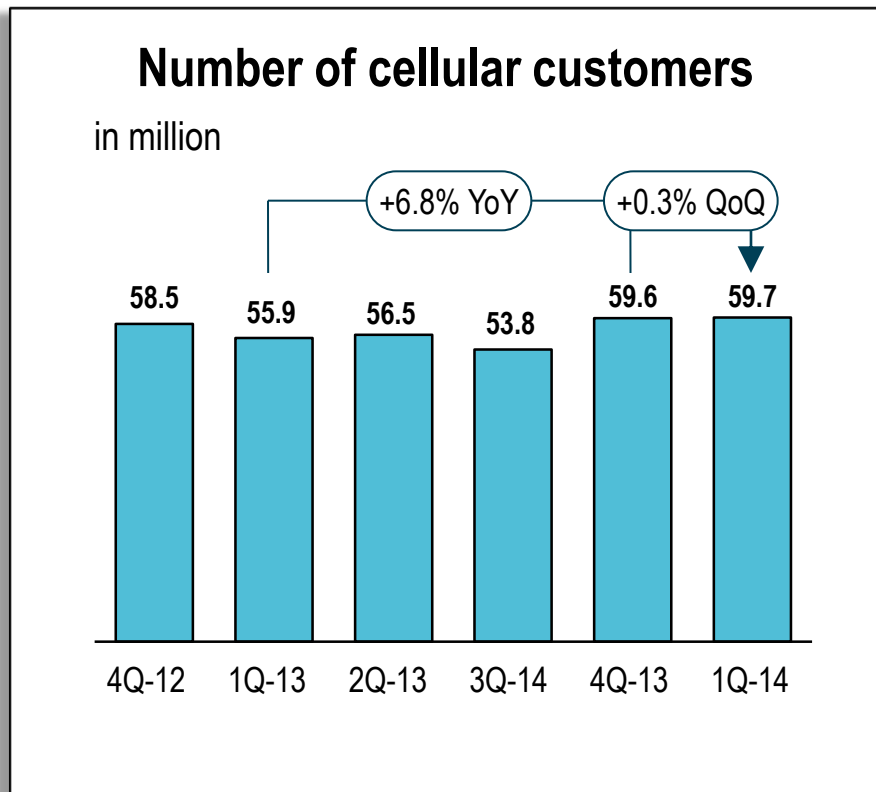
- Cellular performance expected to improve in 2H14
- Fixed data grew by strong demand from government and enterprise projects connectivity

Cellular revenue performance



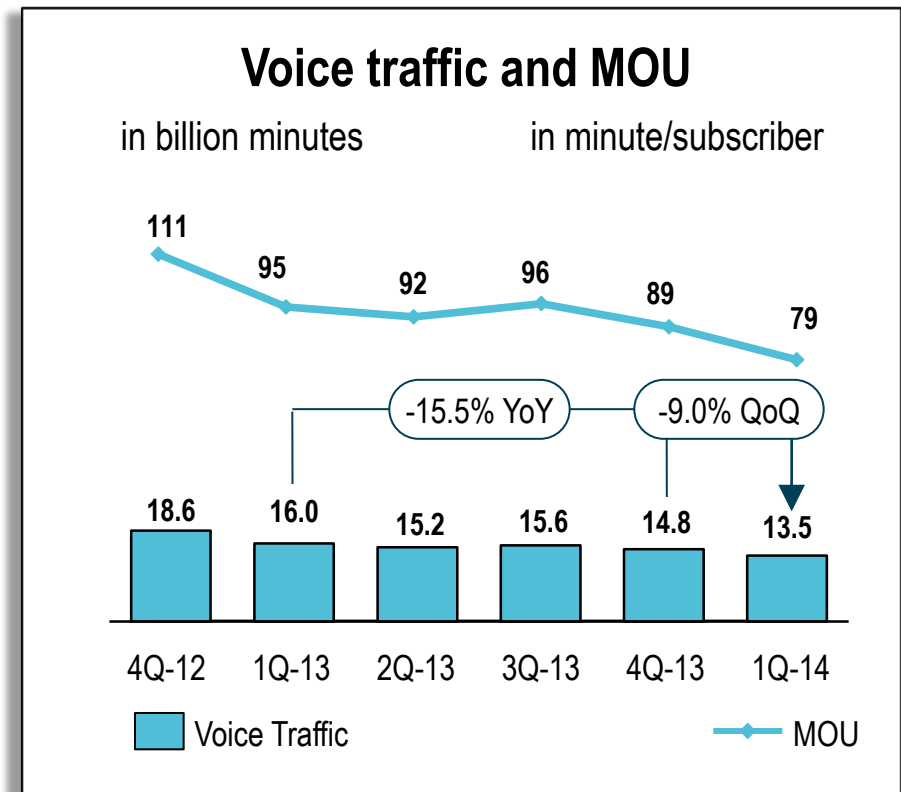
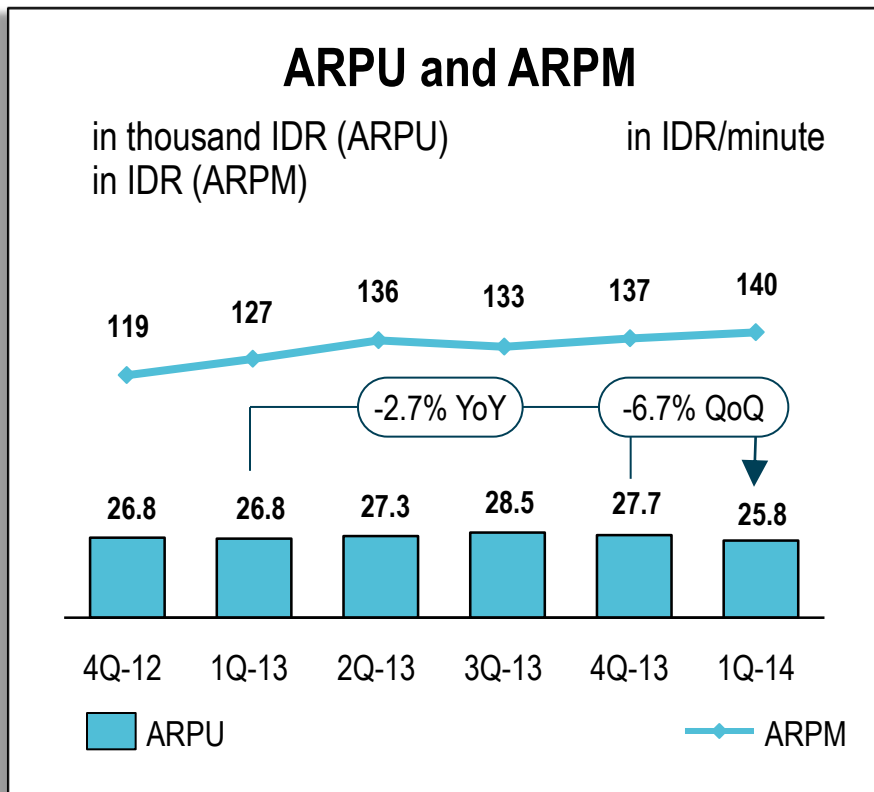
	1Q14 YoY	1Q14 QoQ	
Voice	-7.1%	-7.4%	Voice Revenue impacted by seasonality and lower usage because of migration to data.
SMS	-4.5%	-5.4%	SMS Revenue impacted by seasonality and lower usage due to migration to data.
Data	29.3%	6.7%	Modernized network enabling faster data revenue growth.
VAS	51.4%	12.7%	VAS growth driven by strong demand for content

Stable cellular customer base



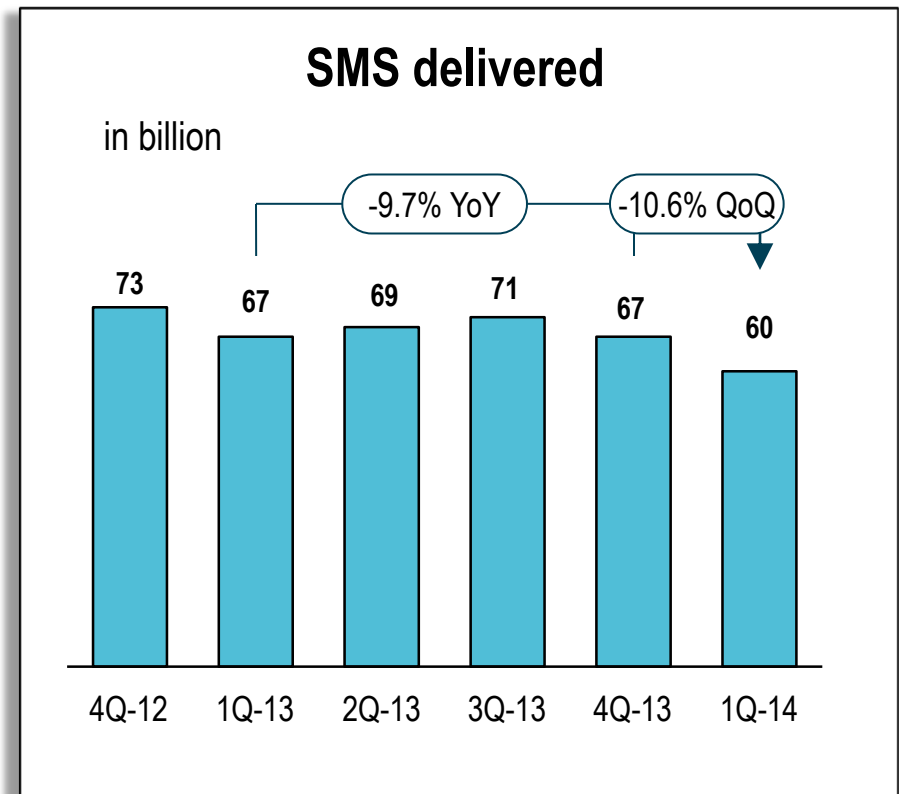
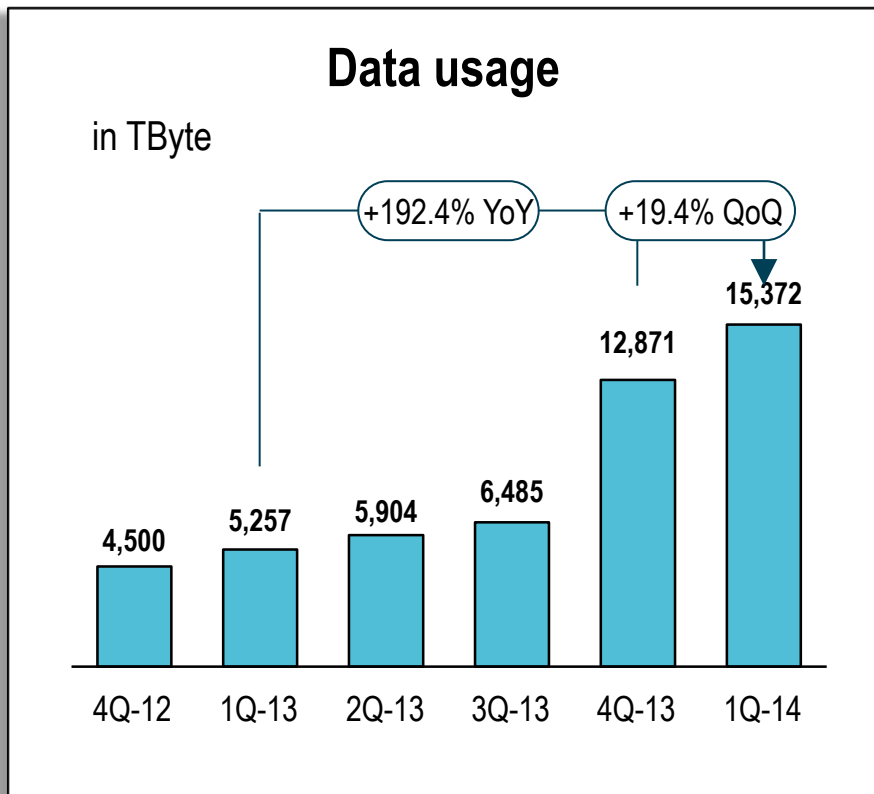
- Focus on acquiring high quality customers and growing active data users

ARPU impacted by seasonality and migration to data



- Decreasing voice traffic inline with industry trends

Substantial data usage growth



- Data usage growth improving from data centric campaigns and an increasingly modernized network

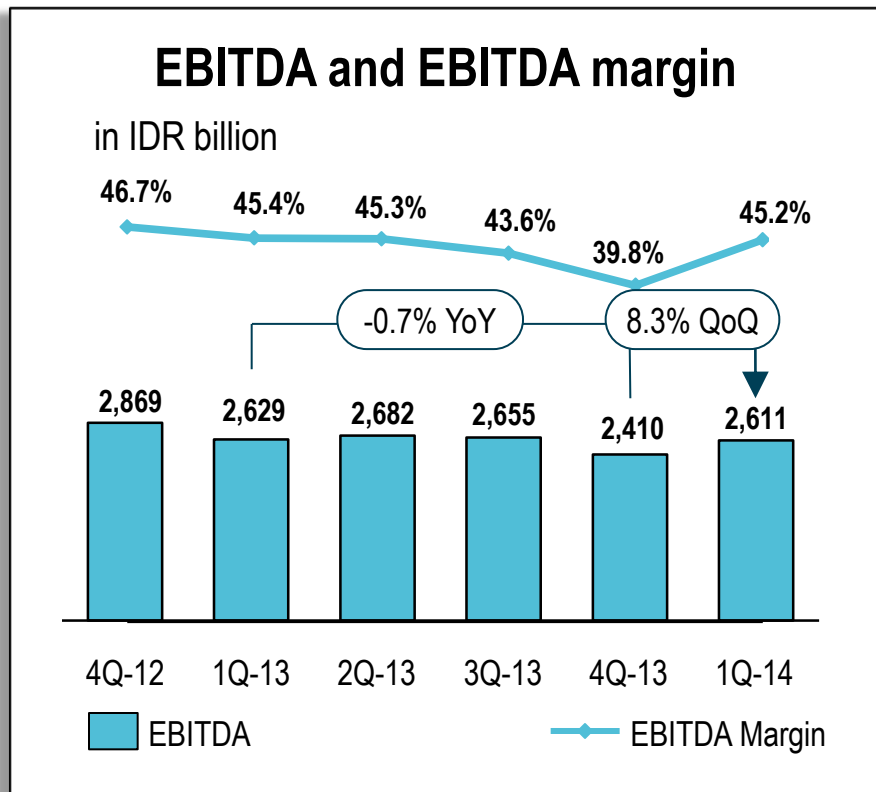
Operational expenses



as percentage of revenue	4Q-12	1Q-13	2Q-13	3Q-13	4Q-13	1Q-14
Cost of Service (CoS)	39.8%	41.6%	41.2%	41.7%	42.4%	41.4%
Personnel	6.1%	7.2%	6.5%	6.7%	8.6%	7.2%
Marketing	4.5%	2.9%	3.7%	4.2%	4.0%	2.8%
General and Administration	3.0%	2.8%	3.3%	3.8%	5.2%	3.4%
Total Operating Expenses	53.3%	54.6%	54.7%	56.4%	60.2%	54.8%
Depreciation and Amortization	40.5%	37.0%	36.5%	37.8%	38.9%	34.4%
Total Expenses	93.8%	91.5%	91.2%	94.2%	99.1%	89.2%

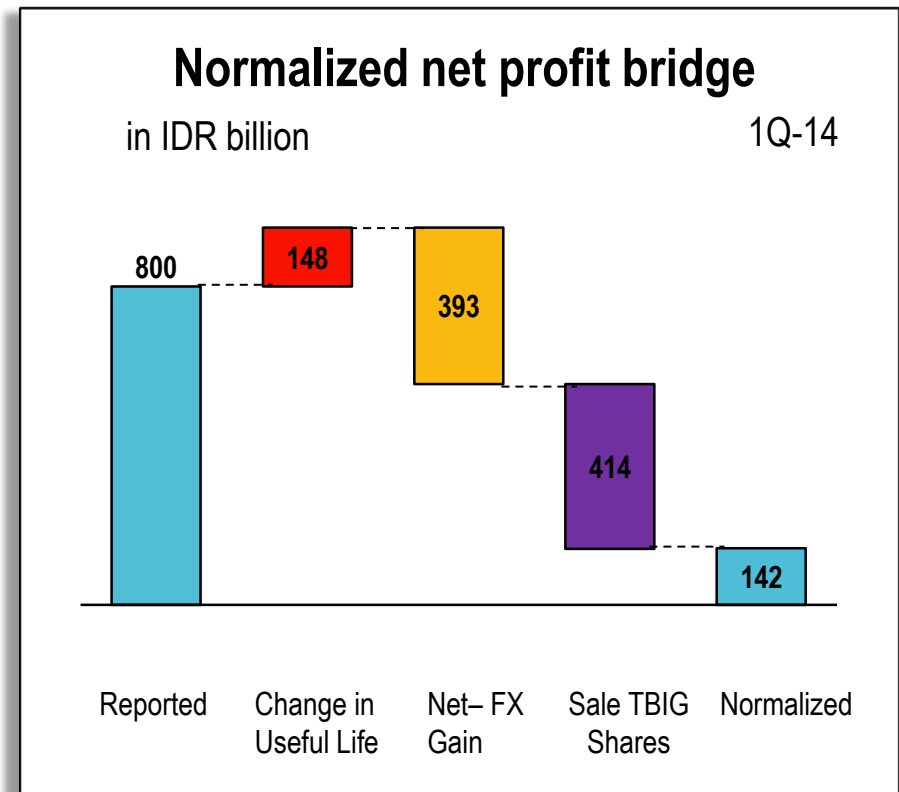
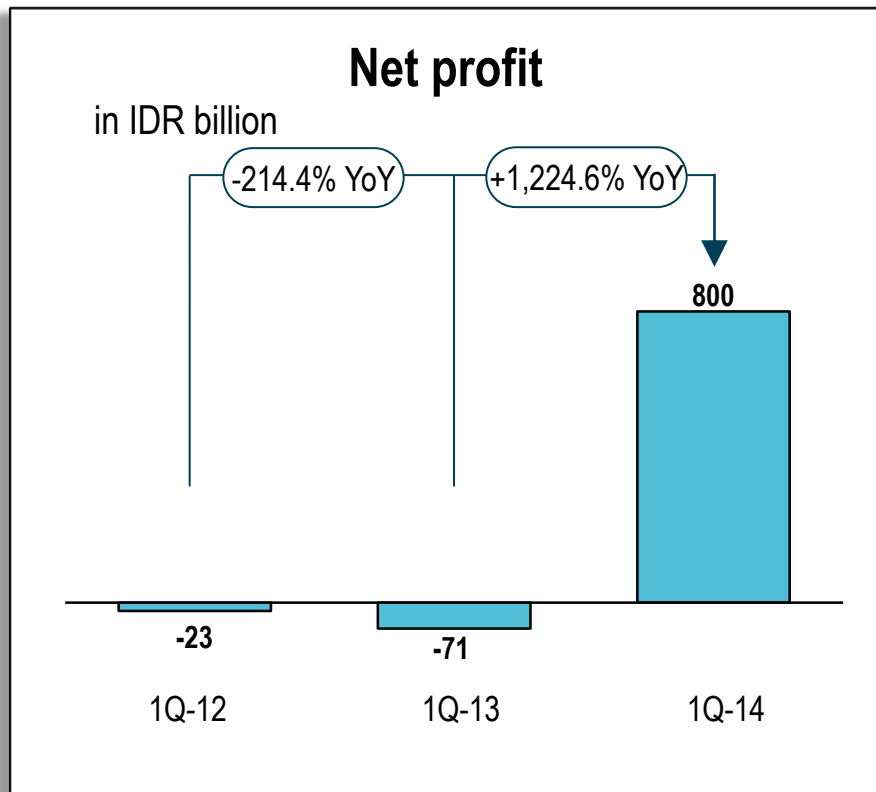
- Depreciation and Amortization have decreased inline with guidance due to less impact from asset useful life change

Stable EBITDA performance



- 1Q EBITDA (QoQ) improved due to cost management and increased efficiencies
- YTD EBITDA margin in line with guidance

Normalized net profit*



- Net profit up on FX Gain and sale of TBIG Shares

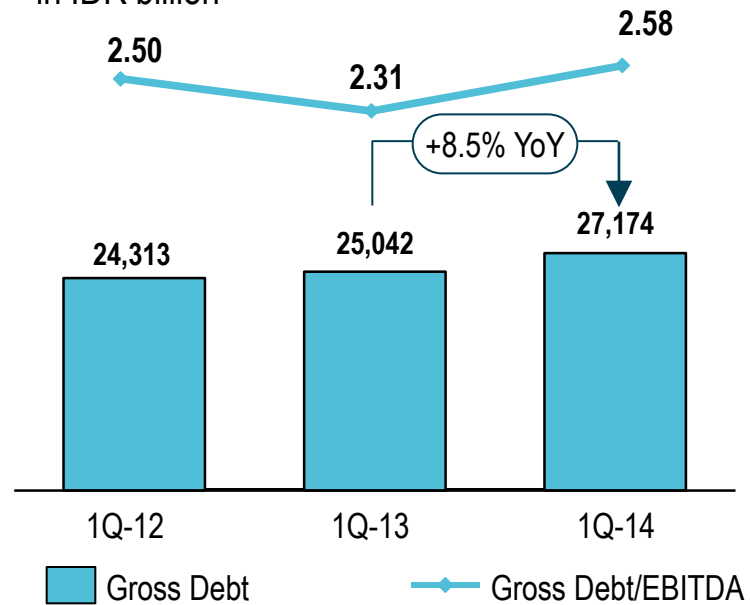
* Net profit is Profit Attribution to Owners of the Company

Balance sheet



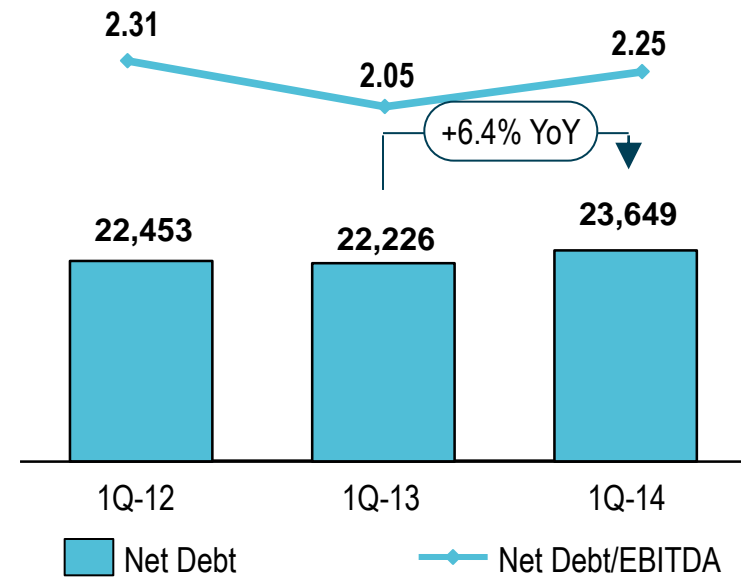
Gross debt* and gross debt/EBITDA

in IDR billion



Net debt* and net debt/EBITDA

in IDR billion



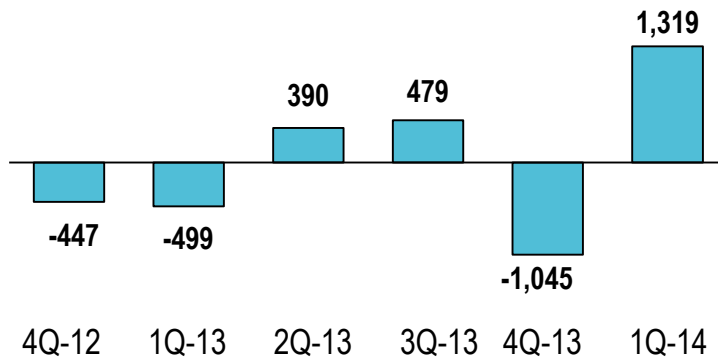
- Overall debt has decreased due to strengthening of the IDR compared to FY13

* IDR 3.4tn and IDR 3.7tn of obligation under finance lease are included in 1Q13 and 1Q14 respectively

Free Cash Flow

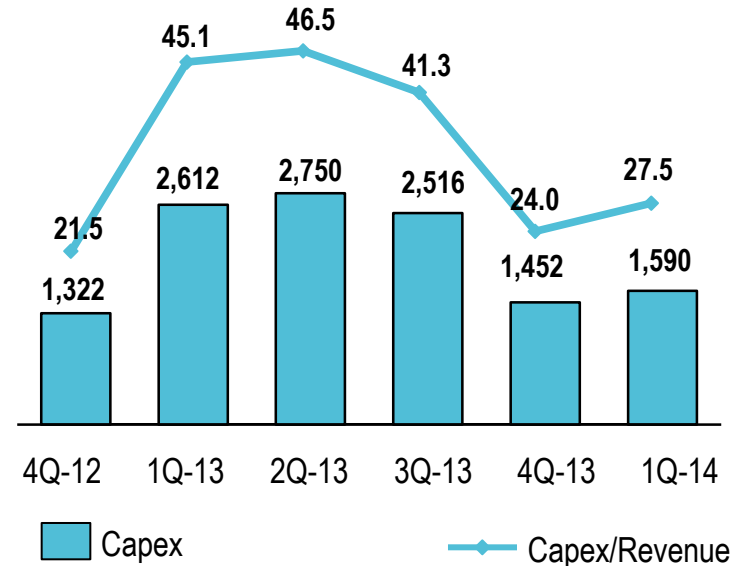
Free cash flow

in IDR billion



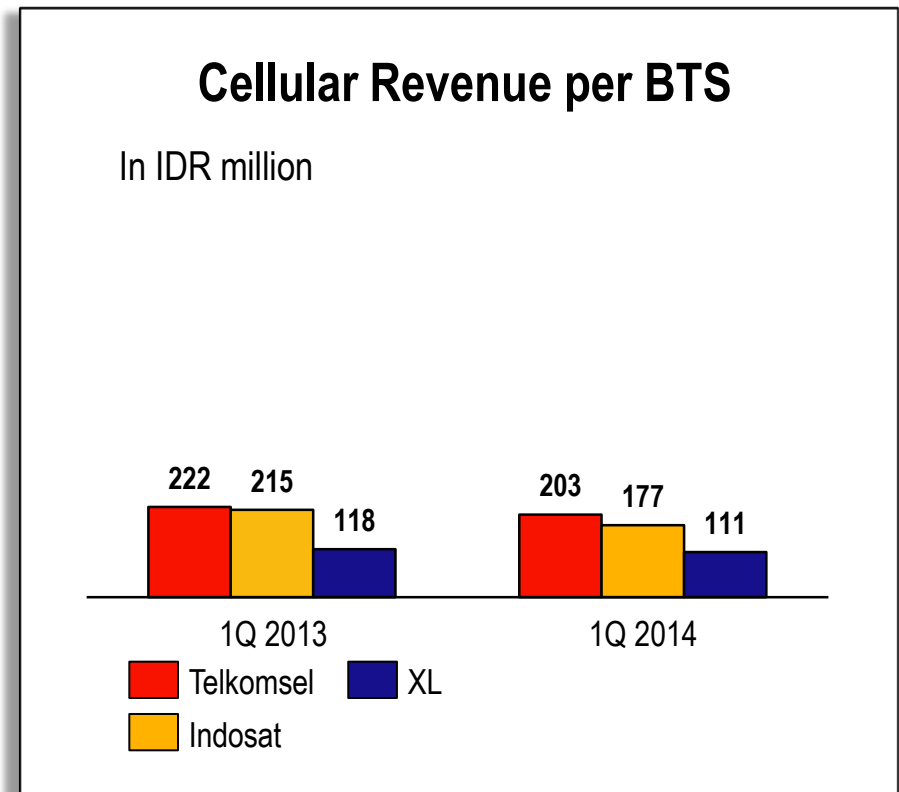
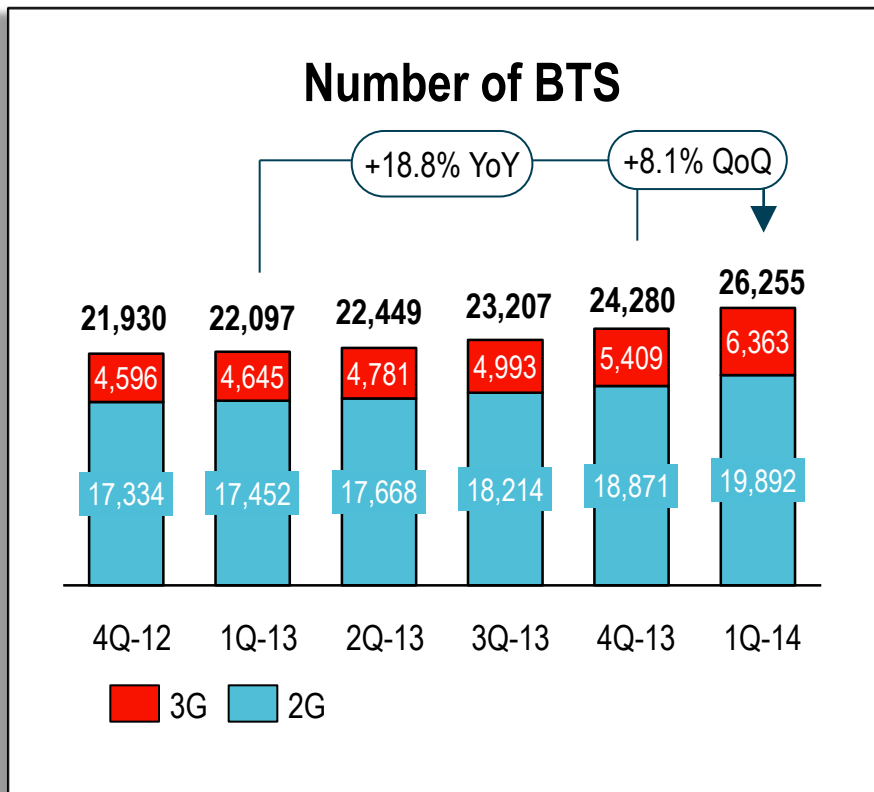
Capex and Capex/Revenue

in IDR billion



- Free cash flow elevated by IDR 1.379 trillion from TBIG block sale.
- Continuous high capex due to network modernization.

Network Development



- Network modernization nearing finalization in Java.
- Modernization in progress for key market areas outside of Java.

Q1 in summary



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Menu Baru

MENU BARU
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LEBIH MUDAH
LEBIH CEPAT

We Believe
doing business is all about connecting you with...

your employees, partners, and customers | your branches | the digital world | your machines | your fleets | your IT Infrastructures

indosat Business
Connecting Opportunities

to achieve greater opportunities



Management Focus and Key Updates

Our Focus



Executing well on network modernization to improve network quality and customer experience

Driving strong uptake, usage, monetization of our data services and developing our data ecosystem

Improving cost efficiencies to enable investments for growth

People and culture

Developing adjacent and new businesses

WELCOME TO BALI
ISLAND OF A THOUSAND TEMPLES

STAY CONNECTED WITH INDOSAT
&
EXPERIENCE ROAMING CONNECTION
ON OUR BROADBAND NETWORK
KEEP IN TOUCH WITH YOUR FAMILY AND FRIENDS
DIAL 001 + COUNTRY CODE + PHONE NUMBER



2014 Guidance



	FY 2013 Actual	FY 2014 Guidance
Consolidated Revenue Growth	6.4%	In line with Industry or better
EBITDA Margin	43.5%	Low-Mid 40's
Cash CAPEX	IDR 9.33 trillion	IDR 8-9 trillion

Thank You



Any further questions?

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Investor@indosat.com**

Upcoming events

1H – 2014 Results

Disclaimer



- **PT Indosat Tbk (“Indosat” or “Company”) cautions investors that certain statements contained in this document state its management's intentions, hopes, beliefs, expectations, or predictions of the future are forward-looking statements**
- **The Company 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:**
 - The Company's ability to manage domestic and international growth and maintain a high level of customer service
 - Future sales growth
 - Market acceptance of the Company's product and service offerings
 - The Company's ability to secure adequate financing or equity capital to fund our operations
 - Network expansion
 - Performance of the Company's network and equipment
 - The Company's 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**
- **Please be also advised that the information provided herein are merely issued to coincide with the release of Ooredoo QSC (formerly known as Qatar Telecom QSC) results for the year ended 31 December 2013, as the Company's indirect majority shareholder that consolidates Indosat's results in its financial statements. Subject to the completion of, including but not limited to the audit by the Public Accountant Firm on the Company's consolidated financial statements which are prepared in accordance with the Indonesian Financial Accounting Standards (IFAS), Indosat expects to file and release its consolidated financial statements for the year ended 31 December 2013 on 30 April 2014 at the latest (“Indosat's Official Release”). Accordingly, the information provided herein may differ from what is contained in Indosat's Official Release.**





Supplemental Information

Credit ratings maintained



FitchRatings

On 2 April 2014: 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 affirmed the foreign-currency senior unsecured rating of 'BBB'.

MOODY'S

On 4 March 2014, Moody's Investors Service says that PT Indosat Tbk's operating performance for FY2013 was weaker than expected, but can be accommodated within its Ba1 rating with a stable outlook.

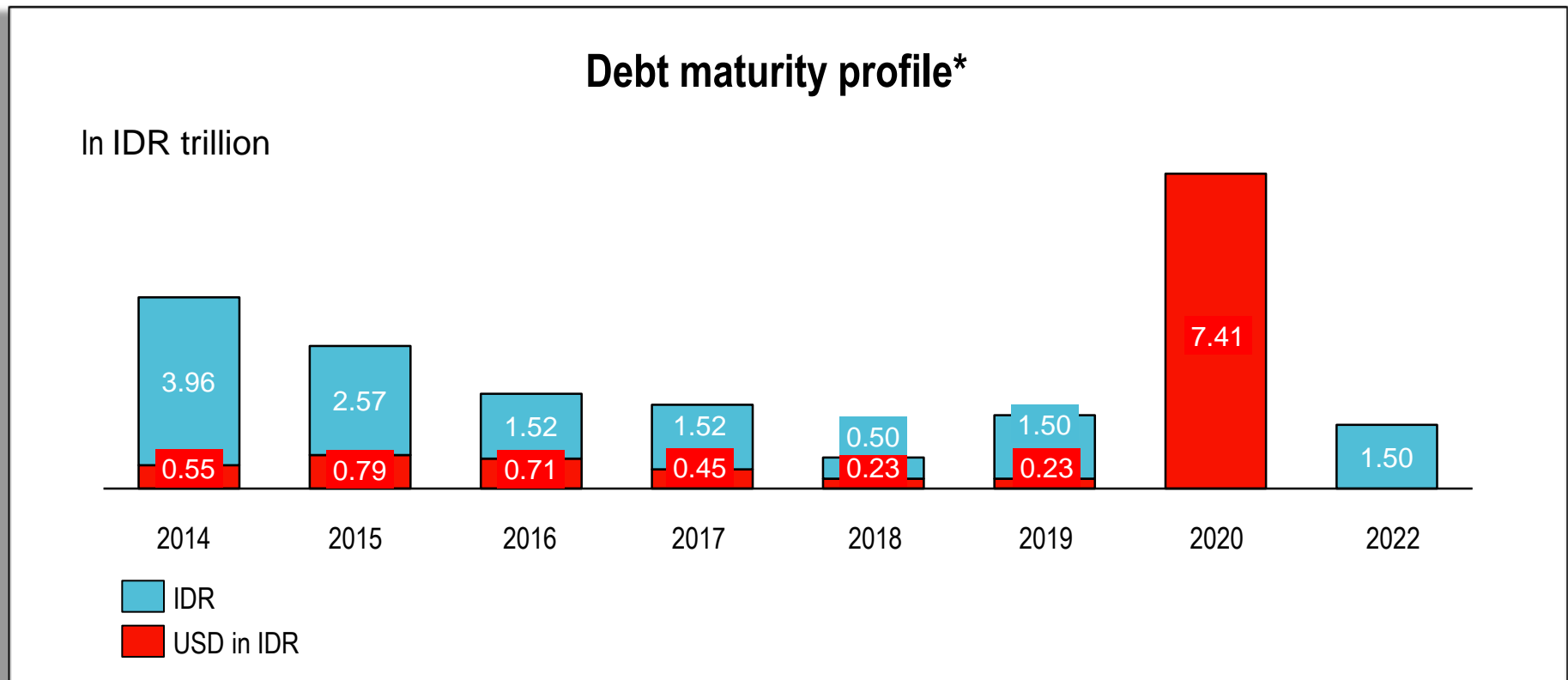


On 12 March 2014, PEFINDO has affirmed its "idAA+" ratings for PT Indosat Tbk (ISAT) and its Bonds V/2007 Serie B, Bonds VI/2008 Serie B, Bonds VII/2009, and Bonds VIII/2012. PEFINDO has also affirmed the "idAA+(sy)" ratings for ISAT's Sukuk Ijarah IV/2009 and Sukuk Ijarah V/2012. PEFINDO likewise affirmed its ratings of "idAA+" and "idAA+(sy)" for the Company's IDR1.23 trillion Bonds V/2007 Serie A and IDR0.4 trillion Sukuk Ijarah II/2007, respectively, which will be internally financed upon their maturity on 29 May 2014. The outlook for the rating is "stable".

**STANDARD
& POOR'S**

On 4 February 2014, Standard and Poor's ("S&P") said today that its rating and outlook on PT Indosat Tbk. (BB+/Stable/--; axBBB+/-) are not affected by the downgrade of the company's parent Ooredoo Q.S.C. (A-/Stable/A-1). Their rating on Indosat does not factor in any notching uplift from their assessment that the company is "strategically important" to its parent. The lowering of the rating on Ooredoo results in the lowering of the group credit profile of Indosat to 'a-' from 'a'. The foreign currency sovereign rating on Indonesia (BB+/Stable/B; axBBB+/axA-2) continues to constrain the rating on Indosat





Debt maturity profile



* Excluding obligation under capital lease

Spectrum overview for top 5 cellular operators



in Mhz		850 Mhz	900 Mhz	1800 Mhz	2100 Mhz
	Indosat	3.6	10.0	20.0	10.0
	Telkomsel	5.0 – 7.5*	7.5	22.5	15.0
	XL Axiata	-	7.5	22.5	15.0**
	Hutchison	-	-	10.0	10.0

* Telkom and Bakrie Telekom have the same spectrum, differentiated by its operational areas

** Assumed XL return 10M gained from its merger transaction