



PT Indosat Tbk
9M 2014 Results

Agenda

Financial and Operational Highlights

Management Focus and Key Updates

Supplemental Information



SMARTPHONE GRATIS **PERTAMA DI INDONESIA!**

Dapatkan di Galeri Indosat, Erafone, OkeShop, Global Teleshop & Android Land



GRATIS Samsung Galaxy S5

GRATIS LG G2 **GRATIS** Samsung Galaxy Star Plus **GRATIS** Nokia Lumia 625 **GRATIS** Nokia XL **GRATIS** LG L40

GRATIS iPhone 5s **GRATIS** Sony Xperia Z2 **GRATIS** BlackBerry Q10 **GRATIS** LG Nexus 5 **GRATIS** Samsung Galaxy Grand II

Tersedia puluhan Smartphone dan Tablet lainnya!

Aktifkan Pascabayar bulanan mulai Rp 100.000

BONUS nelson, SMS, internetan + **BONUS** waze *Aplikasi navigasi lalu lintas



Financial and Operational Highlights

3Q14 QoQ Overview



Consolidated Revenue increased 4.5%
to IDR 6,104 billion

EBITDA increased 6.1% to IDR 2,569 billion,
EBITDA Margin reached 42.1%

Loss Attributable to Owners of The Company
decreased to a loss of IDR 211 billion

Free Cash Flow decreased to IDR 356 billion

Eksklusif
untuk pelanggan bisnis

- + Diskon ^{Rp}297.000*
- + Telepon Unlimited ²⁴Jam antar karyawan
- + Telepon 120 menit ke sesama Indosat
- + 200 SMS
- + 4GB Data/Internet
- + Internet super cepat hingga 42 Mbps ²⁴Jam terluas dan stabil**
- + Ponsel diantar ke kantor Anda

* Total diskon tarif paket untuk 3 bulan pertama
** Ritel Rader di Jakarta, Bandung, Sukabumi, Semarang, Angkola & Sibolga, Bali dan regional segera kota-kota lainnya.

Connecting Opportunities

KECEPATAN
42 Mbps
TERLUAS

9M14 YoY Overview

Consolidated Revenue decreased 0.5% to IDR 17,717 billion

EBITDA decreased 4.6% to IDR 7,600 billion, EBITDA Margin reached to 42.9%

Loss Attributable to Owners of The Company decreased to loss IDR 1,323 billion

Free Cash Flow increased to IDR 2,551 billion



Indosat IM3 GRATIS 30

JARINGAN BARU CEPAT & STABIL

LANGSUNG GRATIS 30 MENIT NELPON

TIAP HARI

SMS MB INTERNET

#IWANTITNOW

Langsung GRATIS 30 Menit setiap hari ke sesama Indosat berlaku 24 Jam

Langsung GRATIS 30 SMS setiap hari ke semua operator berlaku 24 Jam

Langsung GRATIS 30 MB setiap hari berlaku Pkl 00.00 – 17.00

CARANYA:

- 1**  Beli kartu IM3
- 2**  Aktifkan kartunya
- 3**  Langsung dapat GRATIS Nelpon, SMS dan internetan

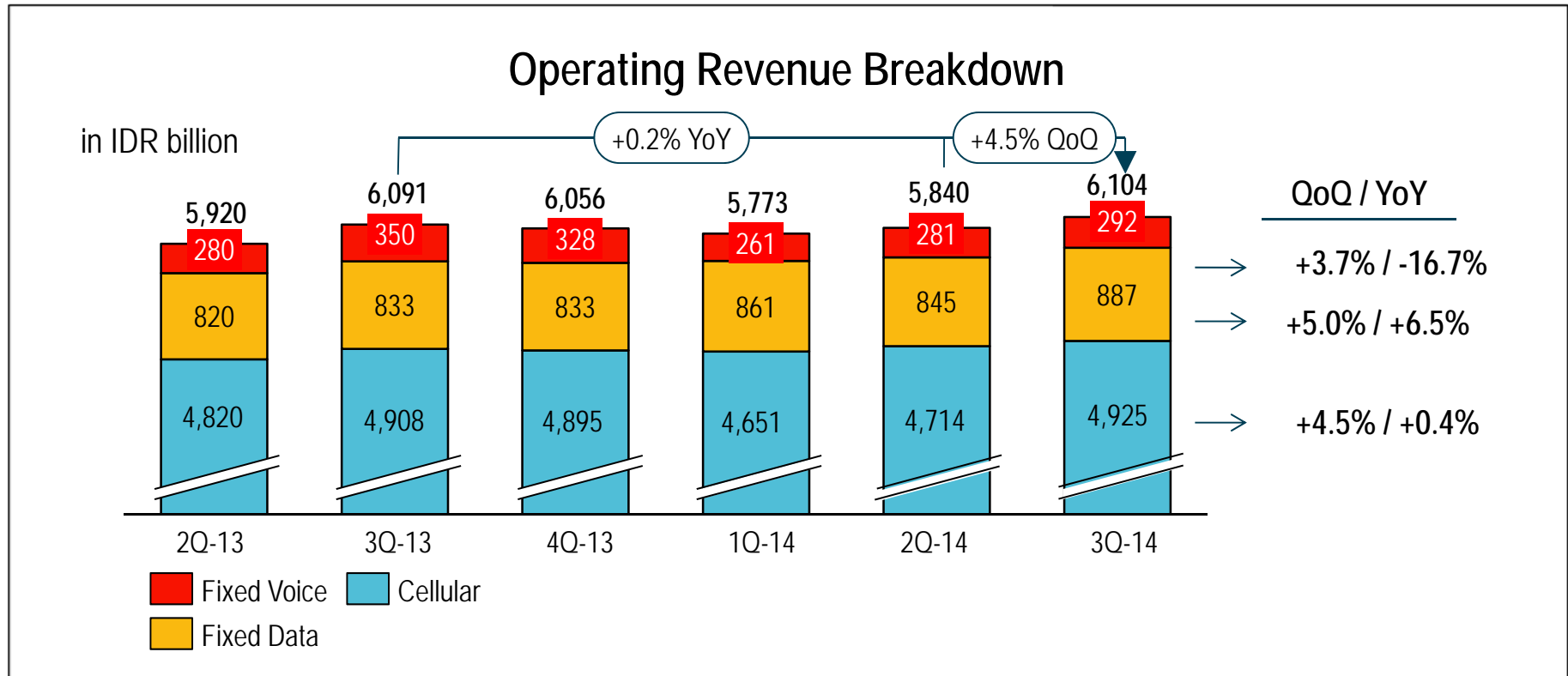
Financial Highlights



in IDR billion	9M-13	9M-14	YoY	2Q-14	3Q-14	QoQ
Operating Revenue	17,799	17,717	-0.5%	5,840	6,104	4.5%
EBITDA	7,966	7,600	-4.6%	2,421	2,569	6.1%
EBITDA Margin	44.8%	42.9%	-1.9ppt	41.5%	42.1%	0.6ppt
Profit /Loss Attributable to Owners of the Company	-1,766	-1,323	-25.1%	-1,912	-211	-89.0%

- Improved revenue growth QoQ.
- EBITDA margin YTD in line with guidance.

Segment Revenue Overview



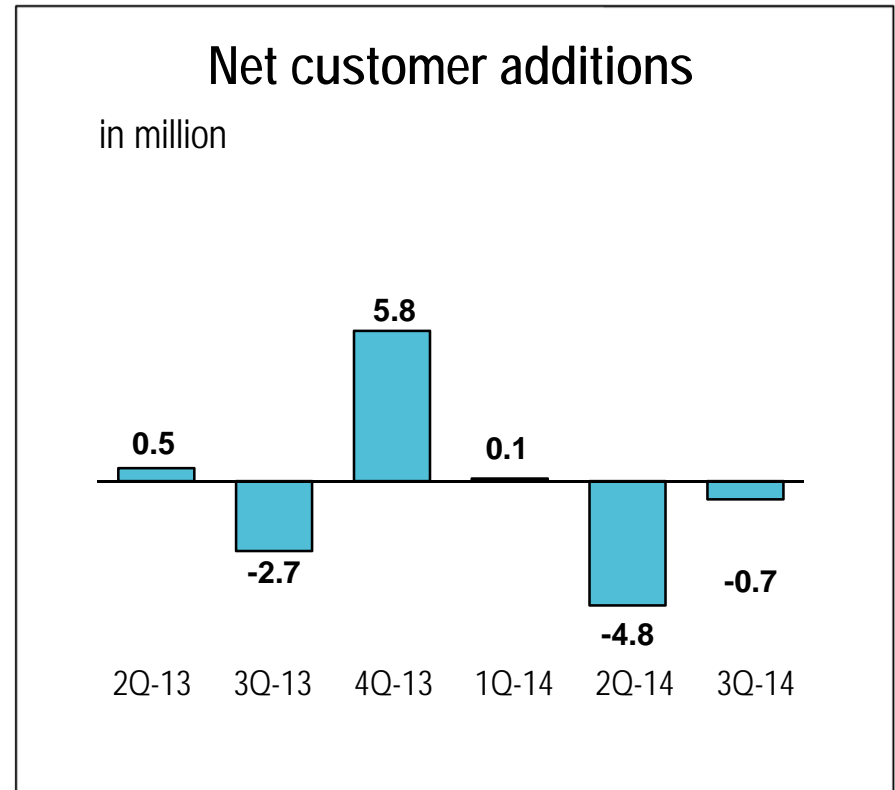
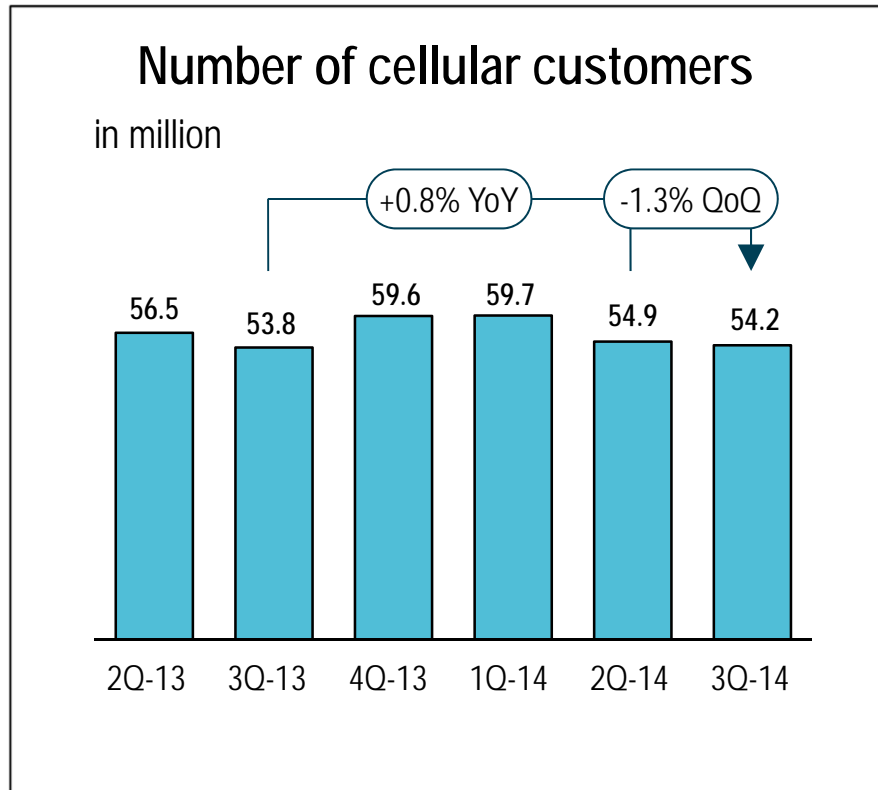
- Improving revenue momentum in 3Q14 after network modernization
- Continued strong demand for fixed data services & connectivity

Cellular revenue performance



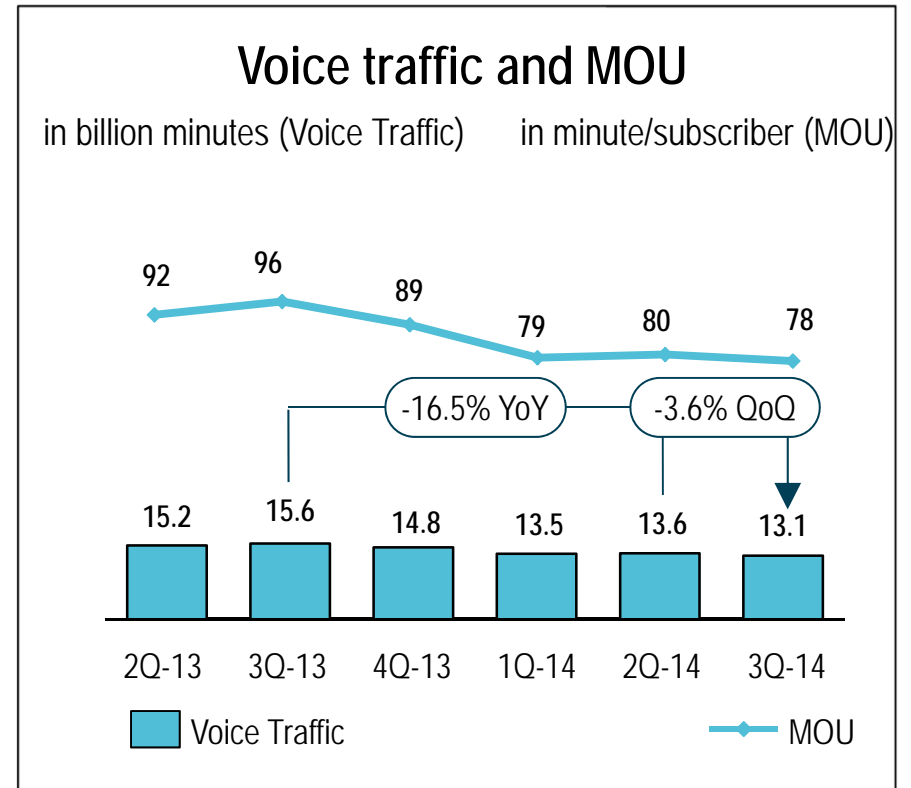
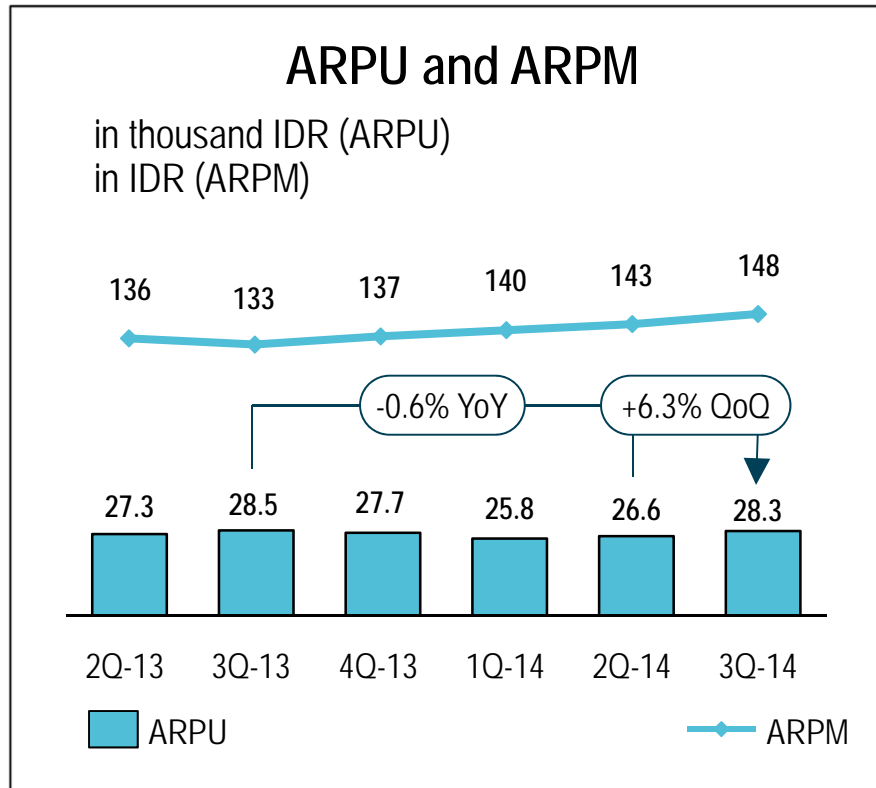
	3Q14 YoY	3Q14 QoQ	
Voice	-7.9%	-0.3%	Migration to data continued to impact voice usage
SMS	2.1%	0.7%	Higher effective SMS rate paid
Data	22.1%	24.1%	Significant QoQ revenue growth driven by improved network data experience
VAS	55.2%	6.2%	Improved execution and performance in VAS from Gaming & Content

Cellular customer base



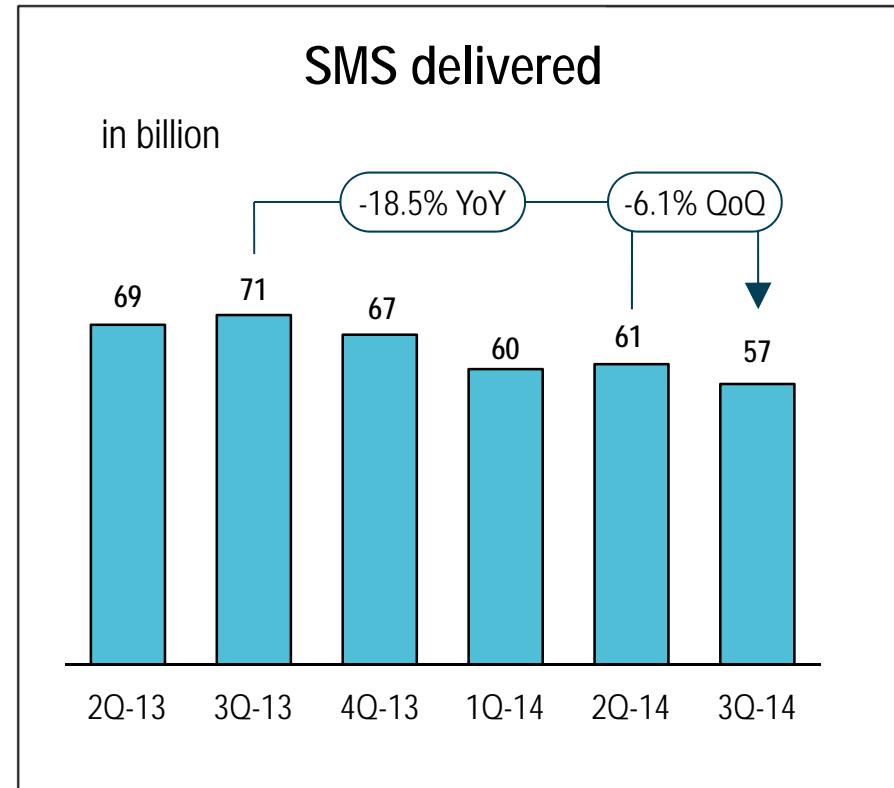
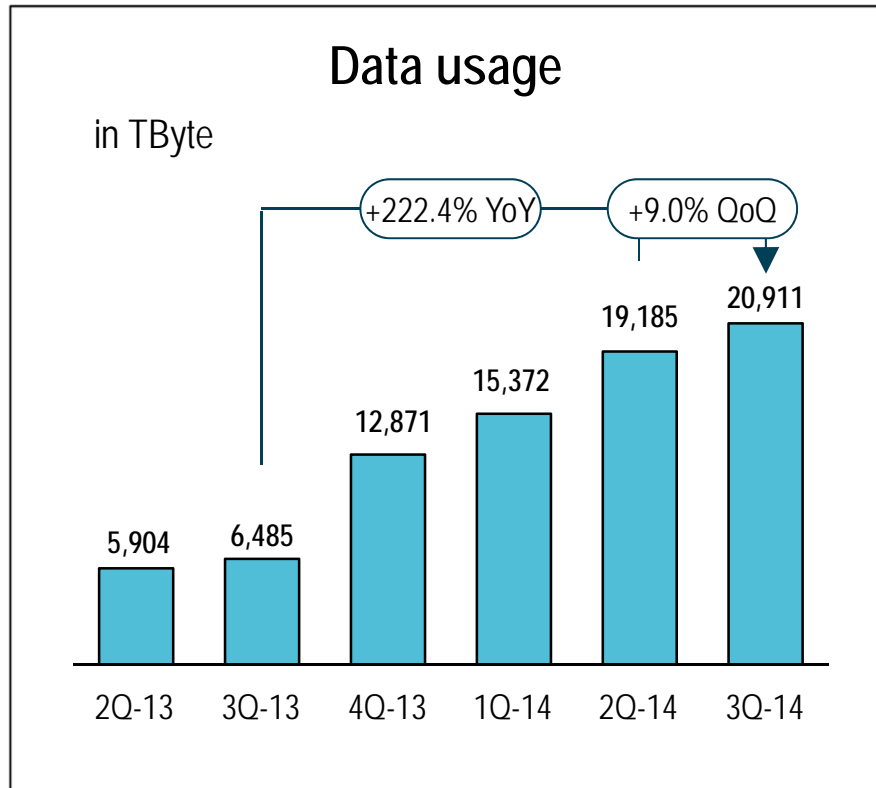
- Stable cellular customer base

ARPU stable



- ARPU stable on improved pricing environment
- Voice traffic continued to migrate to data (VoIP)

Healthy data usage growth



- Modernized network enabling greater data experience and data usage growth
- Stronger focus on data revenue monetization from 3Q14 onward

Operational expenses

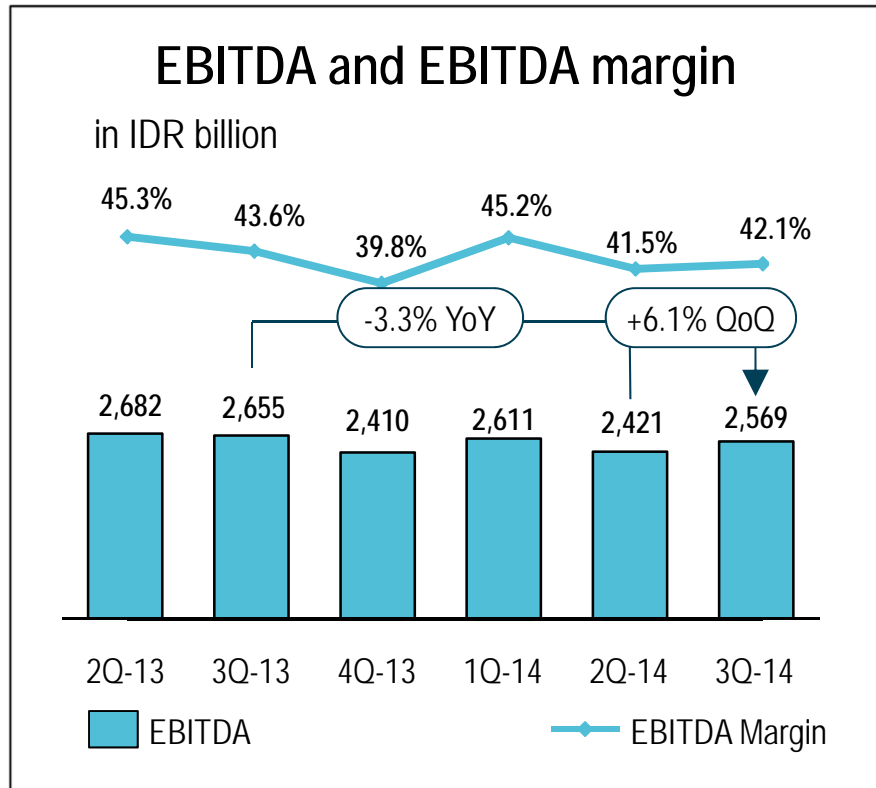


as percentage of revenue

	2Q-13	3Q-13	4Q-13	1Q-14	2Q-14	3Q-14
Cost of Service (CoS)	41.2%	41.7%	42.4%	41.4%	43.4%	42.7%
Personnel	7.0%	6.8%	8.7%	7.2%	7.3%	7.4%
Marketing	3.7%	4.2%	4.0%	2.8%	3.6%	4.9%
General and Administration	2.8%	3.7%	5.1%	3.4%	4.1%	3.0%
Total Operating Expenses	54.7%	56.4%	60.2%	54.8%	58.5%	57.9%
Depreciation and Amortization	36.5%	37.8%	38.9%	34.4%	33.6%	33.4%
Provision for IM2 Legal Case					23.5%	
Total Expenses	91.2%	94.2%	99.1%	89.2%	116.7%	91.3%

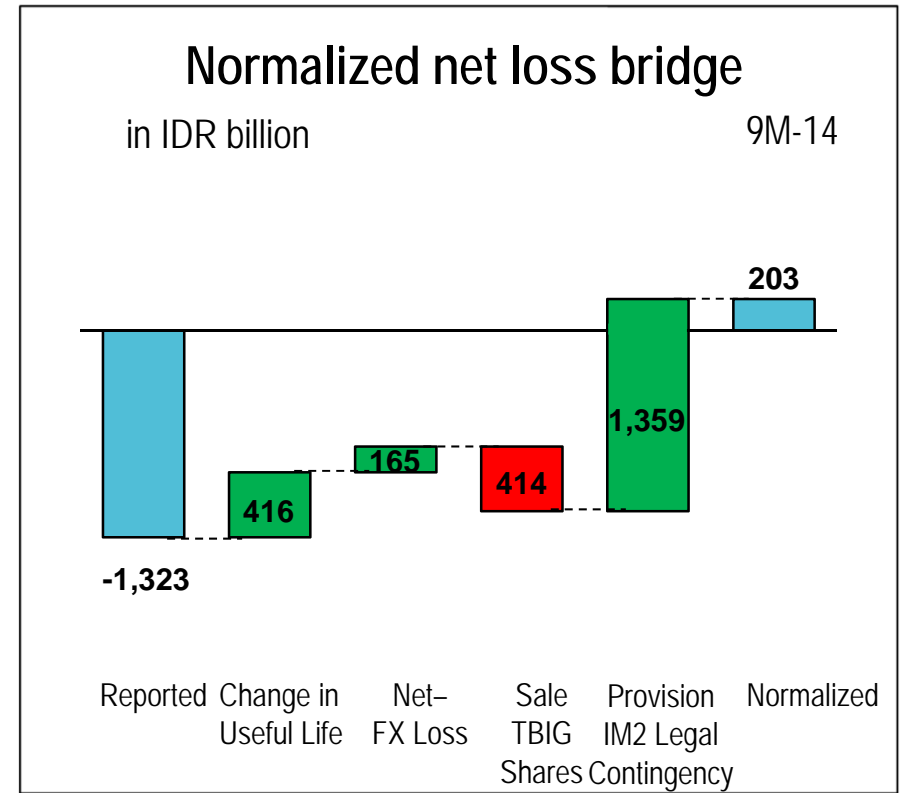
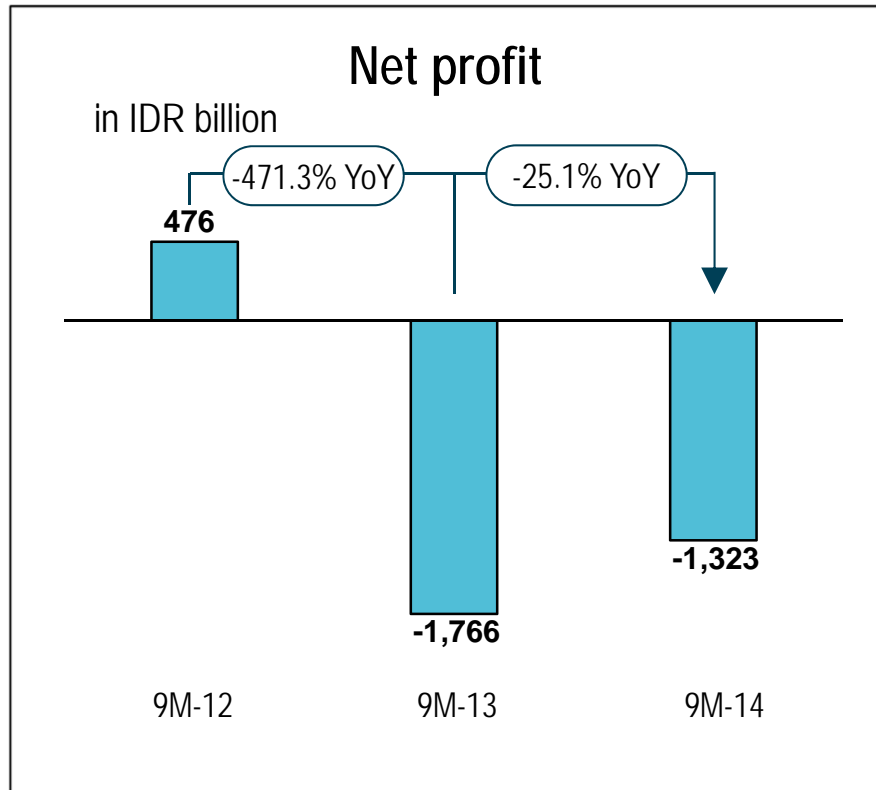
- Increased go to market expenses during the festive season and modernization launches
- Provisions made for IM2 case on potential penalty
- D & A declining in line with expectation and guidance

Overall stable EBITDA



- YTD EBITDA margin in line with guidance
- Effective cost control and enhanced cost efficiency

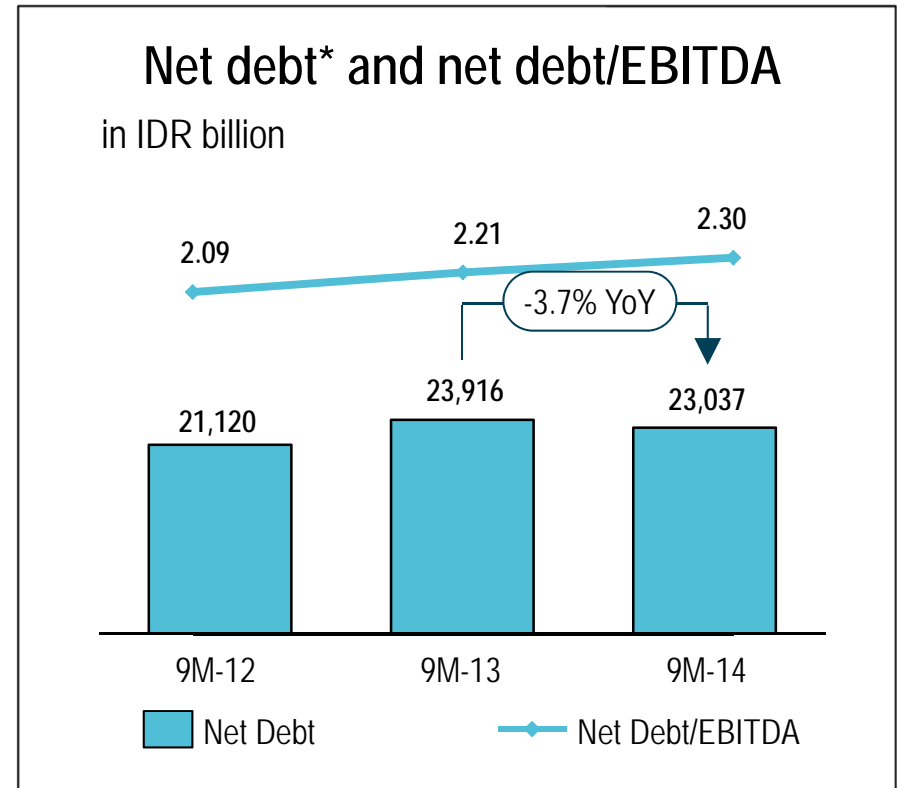
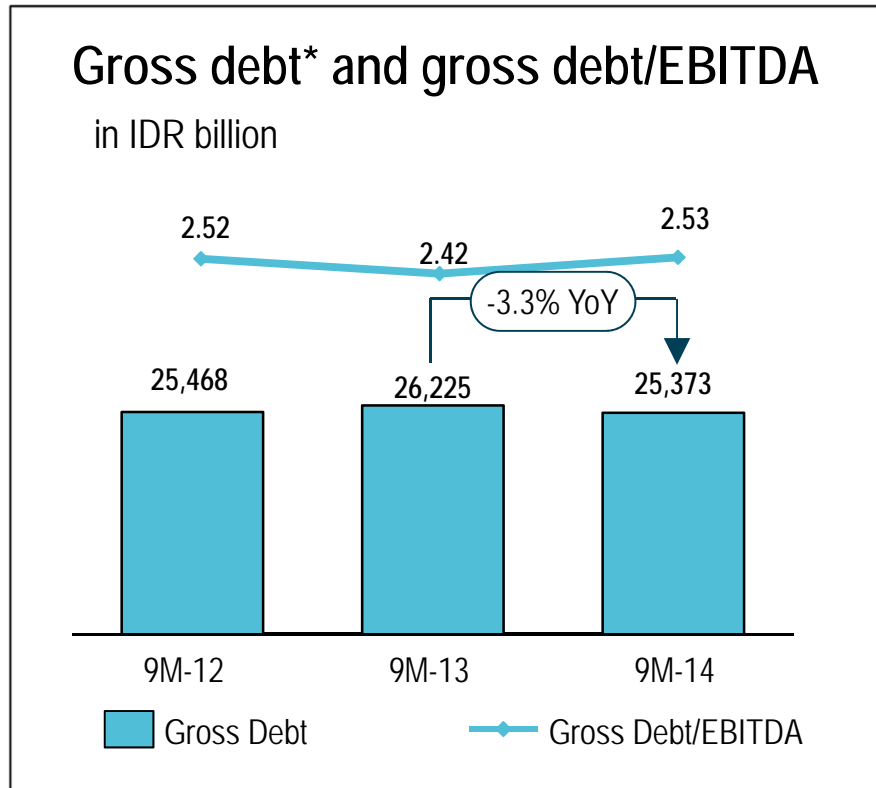
Normalized net profit*



- Net loss impacted mainly by IM2 provision

* Net profit is Profit Attribution to Owners of the Company

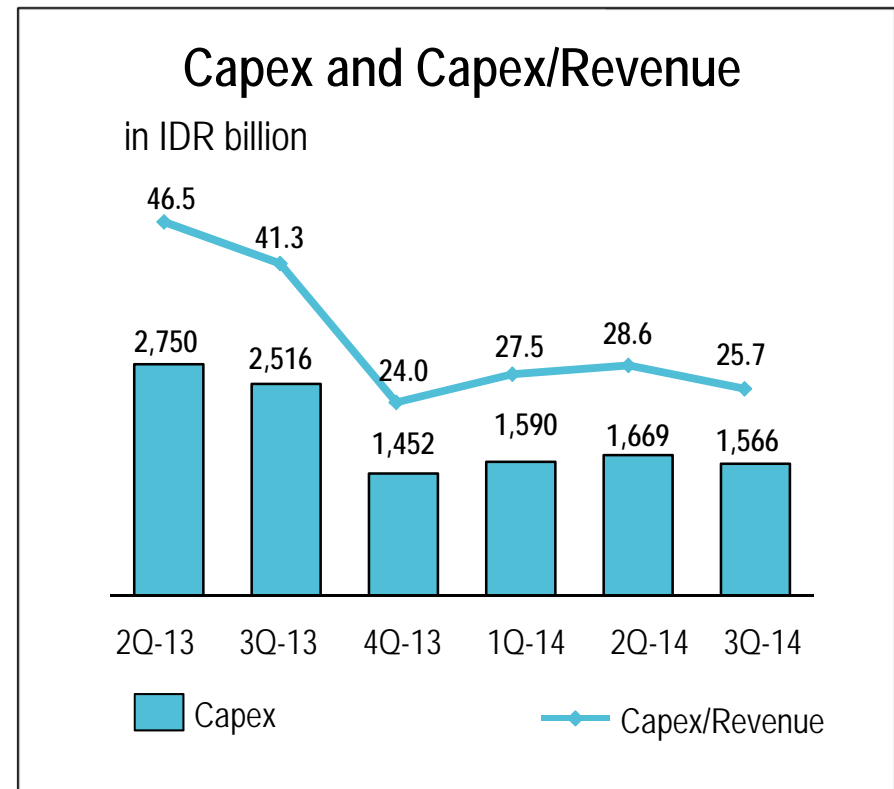
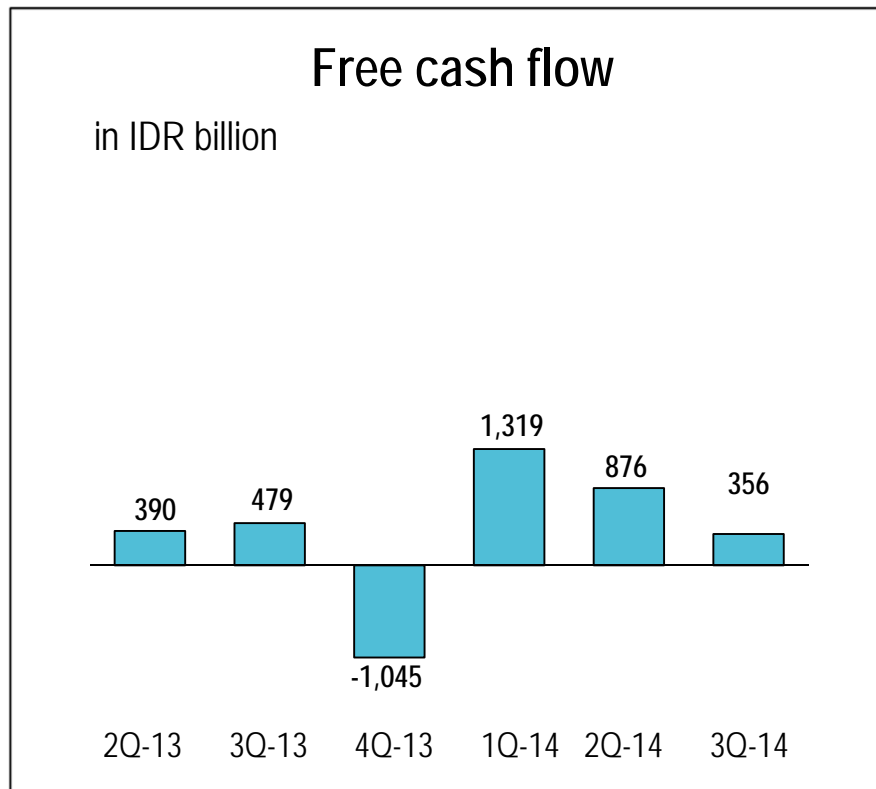
Balance sheet



- Debt level stable, weakening IDR YoY increased debt level.

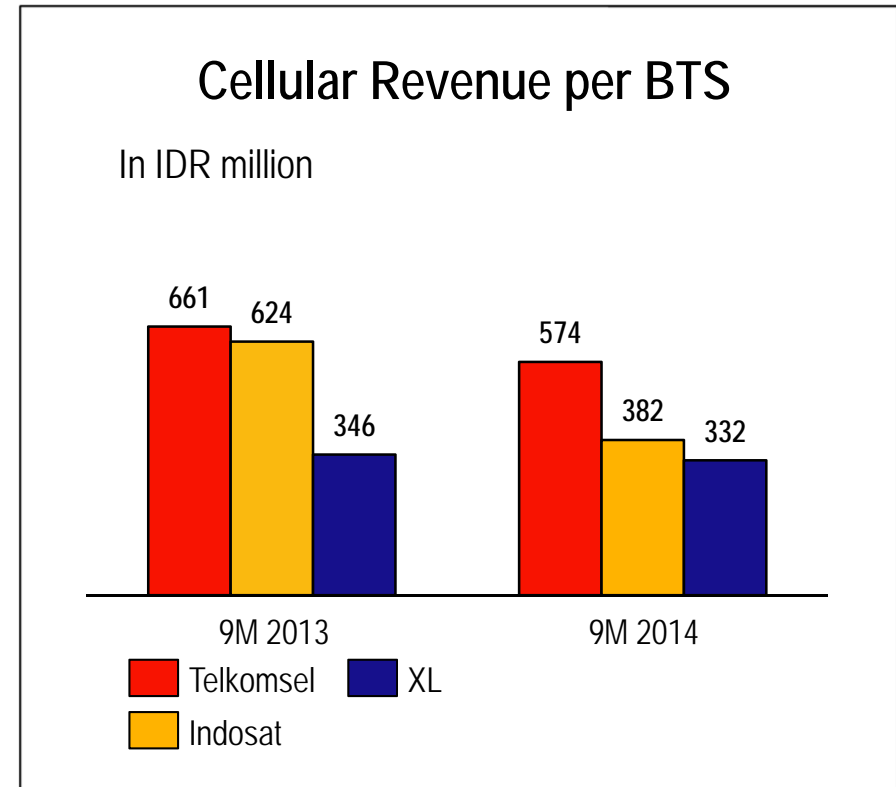
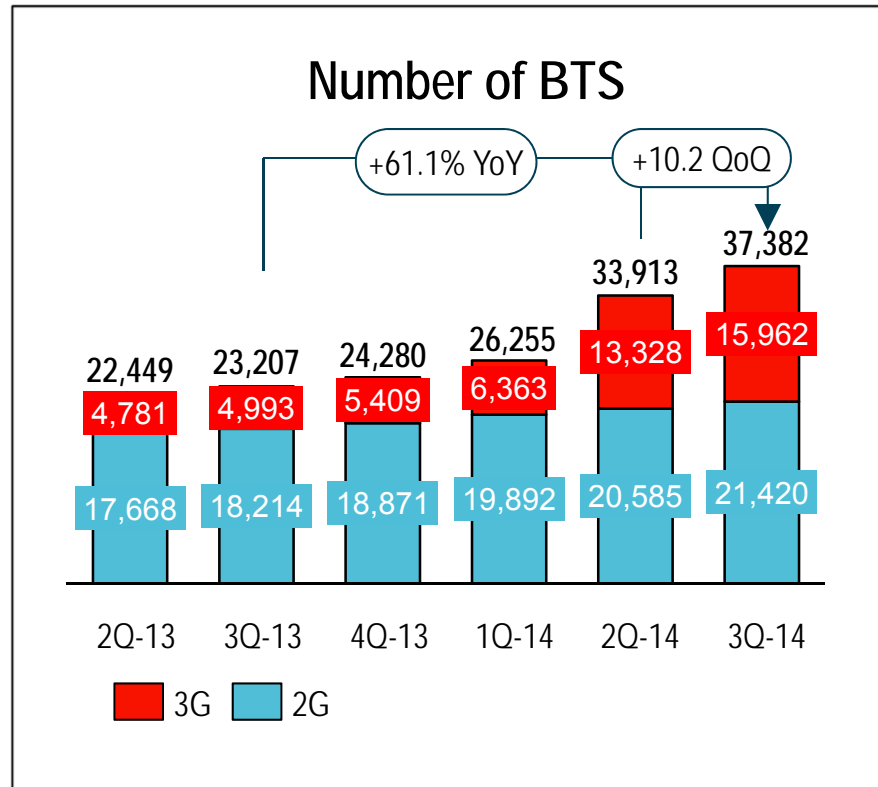
* IDR 3.5tn and IDR 3.6tn of obligation under finance lease are included in 9M13 and 9M14 respectively

Free Cash Flow & Capex



- Continuous positive free cash flow maintained in 3Q14
- 3Q14 lower free cash flow due to higher payment to suppliers

Network Development



- Network modernization completed for key cities in Java and Bali.
- Modernization outside of Java was finalized in October 2014.

Q3 in summary



indosat MATRIX

SMARTPHONE GRATIS PERTAMA DI INDONESIA

Dapatkan di Galeri Indosat, Erafone, OkeShop, Global Teleshop & Android Land

GRATIS Samsung Galaxy S5

Terdapat puluhan Smartphone dan Tablet lainnya

Aktifkan Pascabayar bulanan mulai Rp 100.000

BONUS nelson, SMS, internetan + **BONUS** waze
*Aplikasi navigasi lalu lintas

indosat MENTARI

JARINGAN BARU INTERNET CEPAT

LANGSUNG AKTIF **3GB** BERLAKU 90 HARI

#IWANTITNOW

indosat IME GRATIS30

JARINGAN BARU CEPAT & STABIL

LANGSUNG GRATIS

30 MENIT NELPON — SMS — MB INTERNET

TIAP HARI

#IWANTITNOW

Bundling Eksklusif untuk pelanggan bisnis

- ✦ Diskon Rp297.000*
- ✦ Telepon Unlimited 24 Jam antar karyawan
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- ✦ Ponsel diantar ke kantor Anda

* Total diskon tarif paket untuk 3 bulan pertama.

Connecting Opportunities



indosat
member of Ooredoo Group

Management Focus and Key Updates

Our Focus



Continuous improvement in network optimization and customer experience

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

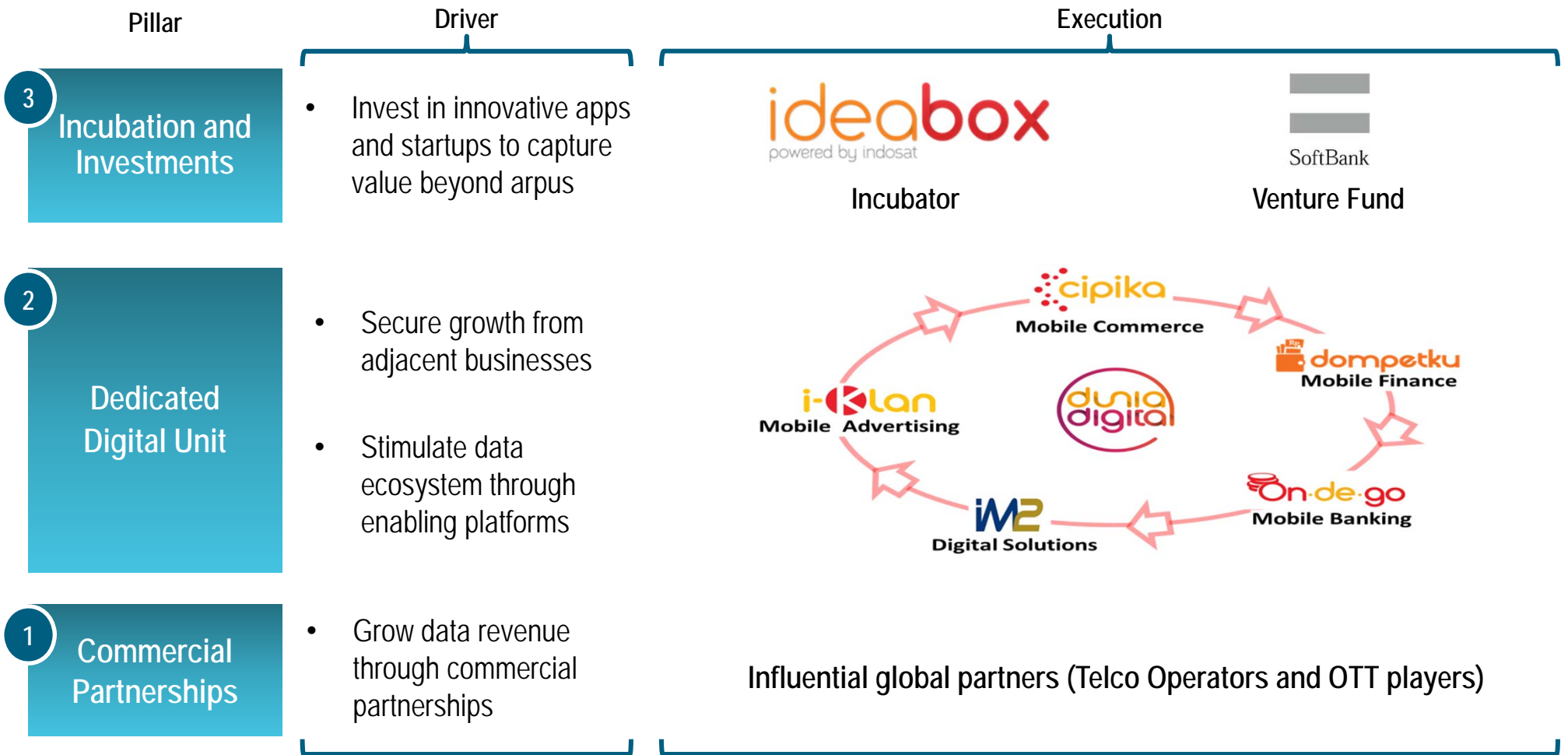
Improving cost efficiencies to enable investments for growth

People and culture

Developing adjacent and new businesses



Digital Business Snapshot



2014 Guidance



	FY 2013 Actual	FY 2014 Guidance
Consolidated Revenue Growth	6.4%	Low single digit
EBITDA Margin	43.5%	Low-Mid 40's
Cash CAPEX	IDR 9.33 trillion	IDR 7-8 trillion

Thank You



Any further questions?

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Upcoming events

FY – 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.



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Supplemental Information

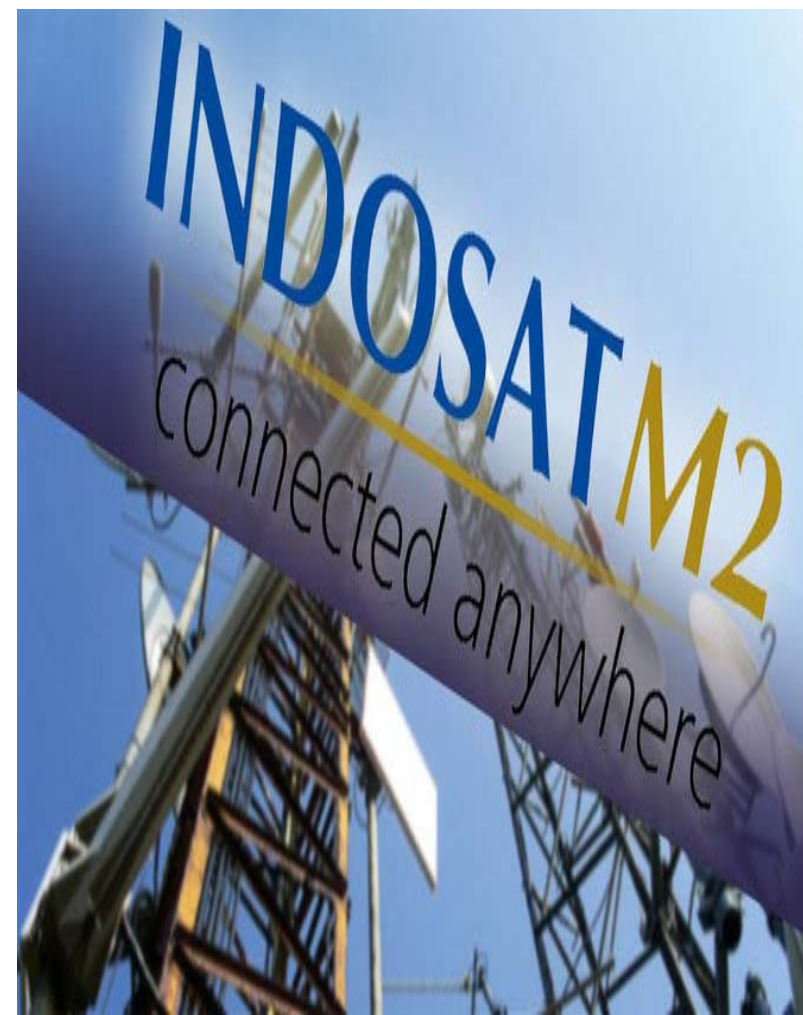
IM2 case development based on disclosure to OJK dated 21 October 2014



The Supreme Court decided that, among other things, Mr. Indar Atmanto, former President Director of IM2, found guilty and sentenced him with 8 years of imprisonment and a penalty of Rp 300.000.000,-, and to also punish PT Indosat Mega Media ("IM2"), the Company's subsidiary, to pay compensation on the state loss in the amount of Rp 1.358.343.346.674,-. Nevertheless, please kindly be informed that neither Mr. Indar Atmanto nor his legal counsel have received the complete copy of such Supreme Court decision.

In light of the development as stated above, pursuant to the prevailing accounting principles (PSAK No. 57; IAS 37 : "Provisions, Contingent Liabilities and Contingent Assets", and PSAK 8; IAS 10 : "Events after the Reporting Period"), IM2 recognizes in its financial statements for period ended 30 June 2014, a provision for legal contingencies amounting to Rp 1.358.643.346.674,- ("Recognition of Accounting Provision").

Please be advised that this Recognition of Accounting Provision is merely conducted to comply with the prevailing accounting principles and in consideration of the legal interest of minority shareholders. The Company still and will always support either Mr. Indar Atmanto or IM2 to continue to undertake any remedy available based on the prevailing laws.



Credit ratings improved Upgrade to AAA by Pefindo



On 5 November 2014, PEFINDO has raised its ratings for Indosat and its Bonds V/2007 Serie B, Bonds VI/2008 Serie B, Bonds VII/2009 Serie B, and Bonds VIII/2012 to "idAAA" from "idAA+". PEFINDO has also raised its ratings for ISAT's Sukuk Ijarah IV/2009 Serie B and Sukuk Ijarah V/2012 to "idAAA(sy)" from "idAA+(sy)". The outlook for the corporate rating is "stable". PEFINDO has also assigned "idAAA" and "idAAA(sy)" ratings for the proposed IDR9 trillion Shelf Registration Bond I/2014-2016 and IDR1 trillion Sukuk Ijarah I/2014-2016 of Indosat respectively.



On 14 July 2014, Standard and Poor's ("S&P") has affirmed its rating and outlook on Indosat (BB+/Stable/NR; axBBB+/-). The stable outlook reflects the outlook on the sovereign credit rating on Indonesia (BB+/Stable/B; axBBB+/axA-2). S&P says that Indosat has adequate cushion in its covenants to absorb a more than 15% decline in EBITDA and Indosat has good financial flexibility due to its strategic relationship with parent Ooredoo, good banking relationships, and access to local and global financial markets.

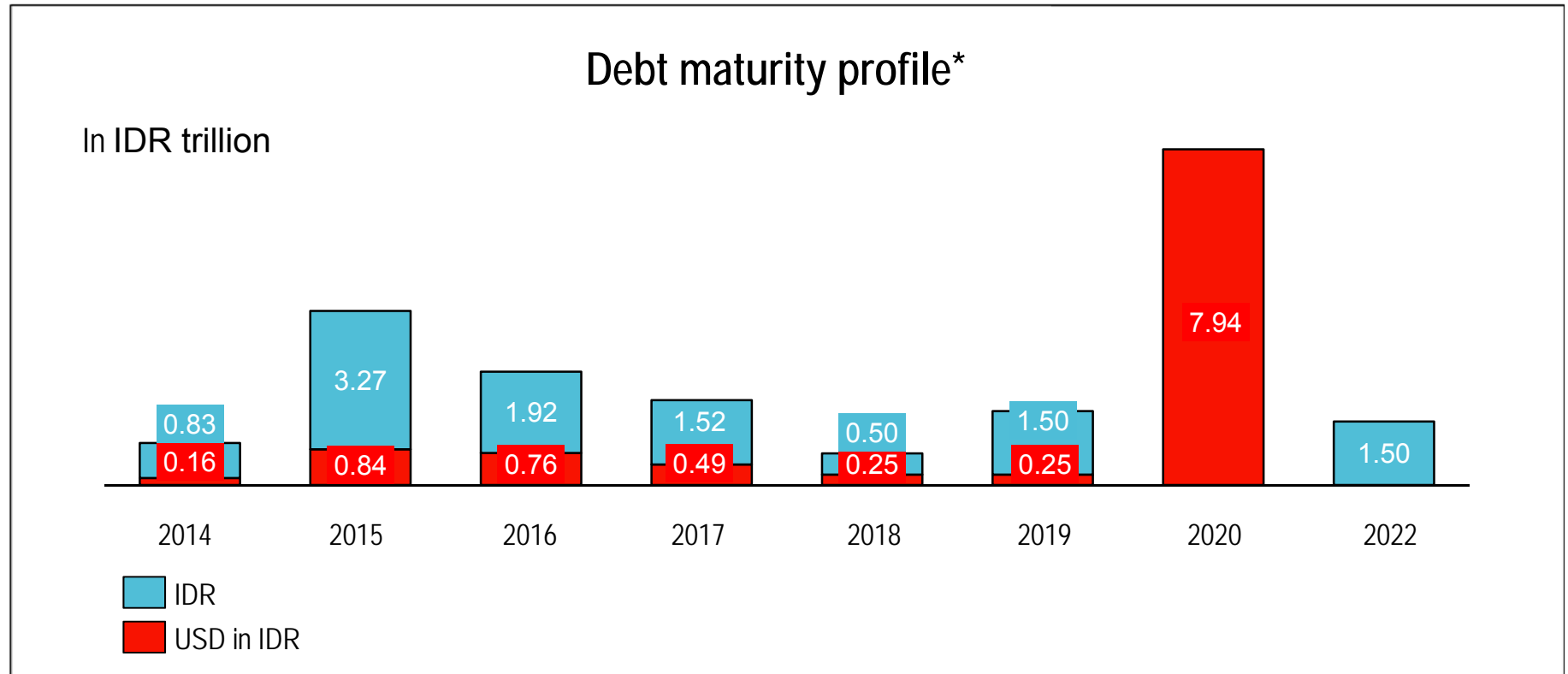


On 2 April 2014: Fitch Ratings has affirmed Indosat Long-Term Foreign and Local-Currency Issuer Default Ratings (IDR) at 'BBB'. The agency has also affirmed the Indonesia-based Indosat's National Long-Term Rating at 'AAA(idn)'. The Outlook is Stable on the IDR and the National Long-Term Rating. Fitch has also affirmed the foreign-currency senior unsecured rating of 'BBB'. On 5 September 2014 Fitch has reaffirmed the Indonesia-based Indosat's unsecured National Long-Term Rating at 'AAA(idn)' and the upcoming National Long-Term Ratings on its IDR9trn bond programme and IDR1trn sukuk ijarah programme at "AAA(idn)".



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.



Debt maturity profile



* Excluding obligation under capital lease

Spectrum overview for top 4 cellular operators



in Mhz	850 Mhz	900 Mhz	1800 Mhz	2100 Mhz	2300 Mhz
 Indosat	2.5	10.0	20.0	10.0	15.0**
 Telkomsel	3.5 – 5.0*	7.5	22.5	15.0	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

** Indosat/IM2: West Java exclude Bogor, Depok & Bekasi ; Telkom/Telkomsel: Maluku & North Maluku