2008 Key Messages

Indosat’s strong customer acquisition trend continued during 2008 with 12M subscribers added to the network. Today the total subscriber base stands at 36.5M and has achieved the company’s full year guidance for 2008.

Sustained revenue and profit growth continued in the three core lines of business (cellular, fixed data and fixed voice).

Subscriber market share now stands at 28.7%*.

Margin pressure persists due to ongoing price competition.

Continued addition of network capacity in key operating regions.

The Indonesian economy is not immune to the current economic crisis. However, given their essential nature, telecom services have proven to be more resilient.

*Company Estimate
Content

• Review of Full Year 2008 Results
• Qtel’s Commitment and Strategy for Indosat
• Qtel Transaction Update
2008 saw Indosat achieve Operating Revenues of Rp18,659.1 billion and EBITDA of Rp9,321.2 billion, reflecting year on year growth of 13.2% and 7.0%.

- Cellular, fixed data services (multimedia, data communication and internet) and fixed voice services contributed 76%, 15%, and 9% to consolidated operating revenues respectively.

- Net income decreased by 8.0%, reaching Rp1,878.5 billion at the end of 2008. This was mainly due to the depreciation of the IDR from Rp9,393 in December 2007 to Rp10,950 in December 2008.

<table>
<thead>
<tr>
<th></th>
<th>FY 2007 Rp.bn</th>
<th>FY 2008 Rp.bn</th>
<th>YoY</th>
<th>Highlight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>16,488.5</td>
<td>18,659.1</td>
<td>13.2%</td>
<td>Supported by the growth in three core lines of business</td>
</tr>
<tr>
<td>Cellular</td>
<td>12,752.5</td>
<td>14,178.9</td>
<td>11.2%</td>
<td>Driven by the increase in subscriber base</td>
</tr>
<tr>
<td>Fixed Data</td>
<td>2,168.6</td>
<td>2,735.5</td>
<td>26.1%</td>
<td>Growth in internet, leased line and IPVPN</td>
</tr>
<tr>
<td>Fixed Voice</td>
<td>1,567.4</td>
<td>1,744.7</td>
<td>11.3%</td>
<td>IDD incoming traffic growth and increase in StarOne subscribers base</td>
</tr>
<tr>
<td>EBITDA</td>
<td>8,714.8</td>
<td>9,321.2</td>
<td>7.0%</td>
<td>Slower growth due to higher competition and global economic crisis pressure.</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>52.9%</td>
<td>50.0%</td>
<td>(2.9)%</td>
<td></td>
</tr>
<tr>
<td>Net Income</td>
<td>2,042.0</td>
<td>1,878.5</td>
<td>(8.0)%</td>
<td>Decrease mainly from loss on F/X due to depreciation of IDR</td>
</tr>
</tbody>
</table>
## Business Segment Performance

### Cellular
- **FY08 Net Addition**: 12mn
- **FY08 Subscribers**: 36.5 mn
- **Blended ARPU (Rp)**: 38.6k
- **Blended MOU**: 97.6 mnt

### Fixed Data
- **Revenue Contribution and Growth**:
  - **Internet**: 53%
  - **IPVPN**: 49%
  - **World Link & direct link**: -27%
  - **Others**: 39%

### Fixed Voice
- **IDD**
  - **Total Traffic**: 1,958mm mnt
  - **Outgoing**: 474mm mnt
  - **Incoming**: 1,485mm mnt

### StarOne
- **FY08 Subscribers**: 762k
- **Blended ARPU (Rp)**: 22.9k

### Segment Revenue (Bn)

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellular</td>
<td></td>
<td></td>
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<tr>
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<td>1,744.7</td>
</tr>
</tbody>
</table>
Sound Balance Sheet to Support Growth

**Leverage**
- Gross Debt to Equity: 125%
- Net Debt to Equity: 92%
- Debt to EBITDA: 233%
- Interest Coverage: 519%

**Total Debt**
- 21.8 Trillion

**Net Debt**
- 16.0 Trillion

- USD: 49%
- Rupiah: 51%
- Bonds: 48%
- Loans: 52%
### 2008 Guidance

The change in shareholding structure is not expected to have any significant impact on the existing company targets.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>13%-15% ; 10%-12%</td>
<td>13.2%</td>
</tr>
<tr>
<td><strong>Cellular Revenue</strong></td>
<td></td>
<td>11.2%</td>
</tr>
<tr>
<td><strong>Subscriber Net Additions</strong></td>
<td>At least 12 million subs</td>
<td>12 MN</td>
</tr>
<tr>
<td><strong>EBITDA Margin (over gross)</strong></td>
<td>48%-50%</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>Fixed Data Revenue</strong></td>
<td>30%-35%</td>
<td>26.1%</td>
</tr>
<tr>
<td><strong>Fixed Voice Telecom Revenue</strong></td>
<td>8%-12%</td>
<td>11.3%</td>
</tr>
<tr>
<td><strong>ARPU</strong></td>
<td>20%-25%</td>
<td>-27%</td>
</tr>
<tr>
<td><strong>Capital Expenditure</strong></td>
<td></td>
<td>US$ 1.4 billion</td>
</tr>
</tbody>
</table>

*Fixed Voice Telecom Revenue: 8%-12% will be dedicated for cellular expansion.*
Indosat Presentation FY08

Wireless Competitive Landscape
(Company’s Estimate)

FY 2007

CDMA
(Subs: 14 mm;
13.5% of total wireless market)

Indosat 27.9%
24.5 mm Subs

Excelcomindo 17.6%
15.5 mm Subs

Telkomsel 54.5%
47.9 mm Subs

GSM (Subs: 87.9 mm;
86.5% of total wireless market)

Note: Compared among three incumbent operators 2007 given minimal market share.

FY 2008

CDMA
(Subs: 25.7 mm;
16.3% of total wireless market)

Indosat 28.7%
36.5 mm Subs

Excelcomindo 20.3%
26.0 mm Subs

Telkomsel 51.1%
65.3 mm Subs

GSM (Subs: 131.5 mm;
83.7% of total wireless market)

Hutch & NTS 4.9%
GSM
Revenue and EBITDA\(^1\) Growth

**Revenue Growth**

- **Bharti Airtel**: 21.6%
- **Indosat\(^2\)**: 13.2%
- **Telkom**: 7.8%
- **Starhub**: 2.5%
- **SK Telecom**: 2.3%
- **Chunghwa Telecom**: 1.3%
- **Singtel**: -2.6%

**EBITDA Growth**

- **Bharti Airtel**: 18.7%
- **Indosat\(^2\)**: 6.7%
- **Telkom**: 6.6%
- **Starhub**: 0.5%
- **SK Telecom**: 3.0%
- **Chunghwa Telecom**: -0.1%
- **Singtel**: 0.8%

Note: (1) Bloomberg Estimates
(2) Company Actuals
Business Strategy

- Cooperation with Qtel is expected to bring substantial in the form of sharing sector expertise and leveraging economic of scale.

- The change in ownership is not expected to entail a material shift in the strategy of the company with Indosat remaining committed to the communicated strategy:
  
  - Prudent network rollout
  - Product and service innovation
  - Enhancing the distribution network

- Indosat remains strongly positioned to lever its value proposition across of services while pursuing growth in all of its three key segments:
  
  - Cellular
  - Fixed Data
  - Fixed Voice
• Review of Full Year 2008 Results
• Qtel’s Commitment and Strategy for Indosat
• Qtel Transaction Update
**Transaction Update**

- **June 6th, 2008** - Qatar Telecom (Qtel) signs a Share Purchase Agreement with STT to acquire an interest in Indosat
- **June 22nd, 2008** - Qtel completes the acquisition of 40.81% of Indosat shares
- **July 1st, 2008** - Qtel submits a Tender Offer statement to Bapepam with the intent to acquire all of the outstanding Series B Common Shares (except those shares owned by the Government)
- **December 31st, 2008** - Qtel owns 2,217,590,000 Series B shares of Indosat representing approximately 40.81% of the total issued and outstanding shares in Indosat
- **February 18th, 2009** - Close of Indosat Tender Offer

**Current Structure**

As of December 31, 2008

- **Qatar Telecom**: 100%
  - **ICLM**: 39.96%
  - **ICLS**: 0.85%
  - **Public**: 44.9%
  - **Government of Indonesia**: 14.29%
Marketing Programs

IM3

Nelpon
Rp 0,1
per detik sehari

Gampang nelpon kapan aja!

Punya Indosat
Senangnya... :) bisa nelpon di jam sibuk

MATRIX

GO BOLD NOW!
Even Bolder and Faster with Indosat 3.5G Network

MENTARI

Ribuan Kali Nelpon
Rp 1.000 per hari

Seni kelentang Mentari Kalah, penuh-putus ribuan kali nelpon setara hanya Rp 1,000 per hari*

* Tarif nelpon mobile telese Rp 5/detik dan Rp 15/3 detik ke semua operator seluler Indonesia.

Kompas I Hari 35x540mm
Marketing Programs

3.5G

- Postpaid
  - By Indosat

*Indosat 3.5G Broadband
layanan akses internet
kini hingga 18 Mbps*

- prepaid
  - By IM2

*Lebih menarik*

StarOne

*GRATIS 6 bulan
nelpon dan sms
sepasang***

FlatCall

*48/6 detik

USA, HONG KONG, CANADA, SINGAPORE

**1 ABAD KERANGKATAN NASIONAL UNTUK 1 KEJAYAAN INDONESIA**

*Punyai indosat

**Bicara ke luar negeri
sesuka Anda.

Indosat*
Indosat - Sharia Certified

Sharia Compliance certification has been issued by the National Sharia Board (DSN-MUI) for 10 of Indosat’s brands.
Corporate Social Responsibility

INDONESIA BELAJAR (Education)  Plan for new “Multimedia School Programs”, continue 3rd year of National Workshop for Science and Mathematic Teachers, continue 3rd year of Archery Sport Education for Junior, prepare the 3rd annual Indosat Wireless Innovation Contest, continue student scholarships.

INDOSAT PEDULI (Social & Disaster Support)  Kampung Siaga  Indosat in Manggarai Jakarta, Ramadhan Donation for Orphanages and Muslim Group in High School

BERBAGI BERSAMA INDOSAT (Marketing Donation)  SMS Donation Program during Ramadan, call donation program during Independence Day

INDONESIA SEHAT (Health for Woman & Children)  16 Mobile clinics are now ready to operate in 8 regions with facilities of USG and inhalation equipment. The program now serves 27,000 woman, 42,300 children and 20,000 elderly people.

ALTERNATIVE ENERGY(Solar, Wind & Biodiesel BTS)  Initial trial finalized with implementation now poised for more BTS in East Indonesia
2008 Awards

Best Contact Center 2008 – May 9th
In eleventh category as Best Operation, Best Design Technology, Best Infrastructure & Best Contribution

The Asian Wall Street Journal Award 2008 – May 9th
Ranked 6th Overall and 5th in Innovation amongst Indonesian company rankings

Islamic Finance Award 2008 – May 10th
Awarded the largest and most active Sukuk issuer in 2008

2007 Vision Award for Annual Report – July 14th (3Q-08)
League of American Communications Professionals (LACP) competition

Annual Report Award 2007 – August 12th (3Q-08)
Awarded for “Best Private Non-Financial Listed” company

Indonesia’s Best Wealth Award 2008 – September 14th (3Q-08)
Best Wealth Creator Award 2008
Recent Developments

Fitch Ratings-Singapore/Seoul-25 February 2009: Fitch Ratings has today upgraded PT Indosat Tbk’s (Indosat) Long-term foreign currency Issuer Default Rating (IDR) to 'BB+' from 'BB-' (BB minus) and Long-term local currency IDR to 'BBB-' (BBB minus) from 'BB-' (BB minus). The Outlook is Stable. At the same time, the ratings on Indosat's senior unsecured notes programme have been upgraded to 'BB+' from 'BB-' (BB minus).

Tender Offer process has finished at February 18, 2009 in Indonesia Stock Exchange (IDX) and New York Stock Exchange (NYSE)

The allotment of the tender offer is still in process

Payment to the participants of Tender Offer will be done at March 5, 2009
Thank You