



**PT Indosat Tbk
FY 2013 Highlights**

Agenda



Financial and Operational Highlights

Management Focus and Key Updates

Supplemental Information

An advertisement for Indosat IM3 PLAY! online. The top part shows a smiling woman and man holding smartphones, surrounded by colorful social media icons like Facebook, Twitter, and WhatsApp. The text "indosat IM3 PLAY! online" is at the top. The bottom part is a yellow banner with the text "GRATIS Internet & BBM SeTAHUN + Nelpon & SMS". To the right of the banner is a circular orange button that says "TEKAN *123#" and a graphic of an IM3 SIM card with the text "Beli Sekarang!". At the bottom right, there are social media icons for IM3 and @indosatmania, and the "INSTANT INDOESAT ASSISTANT" logo.



Financial and Operational Highlights

FY13 YoY Overview



Consolidated Revenue growth of 6.4% to IDR 23,855 billion

EBITDA decreased 1.6% to IDR 10,376 billion, EBITDA Margin of 43.5%

Loss Attributable to Owners of The Company of IDR 2,782 billion

Free Cash Flow decreased to -IDR 675 billion

The advertisement features two women talking on mobile phones. The woman on the left is wearing a red top and a blue and white patterned skirt. The woman on the right is wearing a green top and a floral patterned skirt. The background is a bright, colorful outdoor setting. The text 'indosat IM3 PLAY!' is prominently displayed at the top. Below it, 'SOULMATE' is written in a stylized font. The main headline reads 'NELPON soulmate-mu sepuasnya SeTahun cuma 10 ribu' with a call to action 'Tekan *123*300#'. At the bottom, there is a list of terms and conditions in Indonesian, including details about the service, duration, and contact information.

4Q13 QoQ Overview



Consolidated Revenue decreased 0.6%
to IDR 6,056 billion

EBITDA decreased 9.2% to IDR 2,410 billion,
EBITDA Margin of 39.8%

Loss Attributable to Owners of The Company of
IDR 1,016 billion

Free Cash Flow decreased to -IDR 1,045 billion

SAY I DO TO iPhone!

SUPER OFFER
LIKE NO OTHERS!

iPhone 5s

We give you a proposal you can't resist

Super Discount **Rp 3.000.000**
Super Big Data **96 GB**
Unlimited Super WiFi **12 months**

Only at **OkeShop**,
Pacific Place Jakarta
25 – 26 January 2014

Also available special discount at:
OkeShop: Grand Indonesia
Global Teleshop: Plaza Indonesia, Gandaria City, Central Park

Bank Partner: Bank BCA, Bank ANZ, Bank BNI, Bank
BRI, Bank CIMB Niaga, Bank Danamon, Bank Standard
Chartered, Bank Mega, Bank UOB

MENTARI
MATRIX
tro

*Khusus iPhone, selanjutnya akan terdapat label iPhone terdapat
**Label & spesifikasi lainnya

Info: www.indosat.com/iphone atau hubungi 111 (Masuk dari 1000) Masuk
08 dan 0 2014. Apple Inc. All rights reserved.

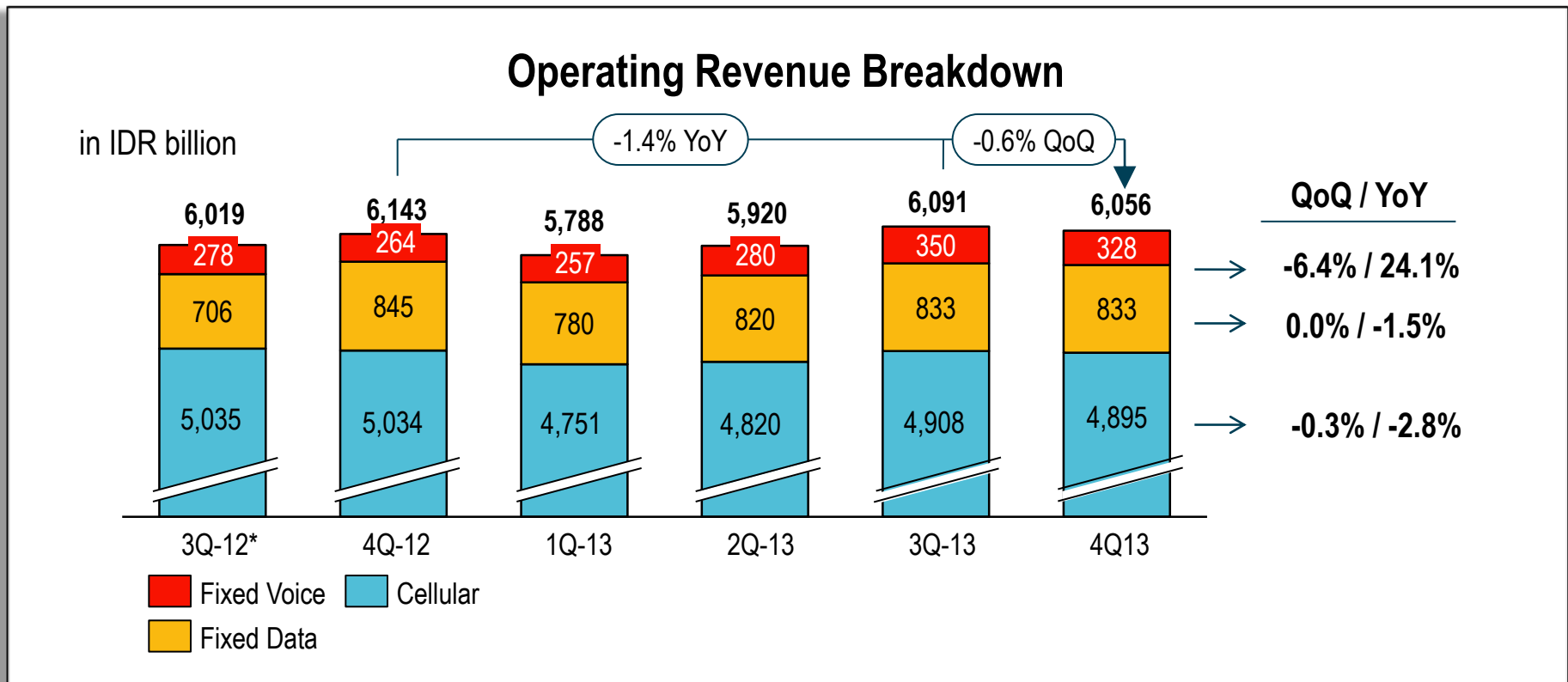
Financial highlights



in IDR billion	FY-12	FY-13	YoY	3Q-13	4Q-13	QoQ
Operating Revenue	22,419	23,855	6.4%	6,091	6,056	-0.6%
EBITDA	10,540	10,376	-1.6%	2,655	2,410	-9.2%
EBITDA Margin	47.0%	43.5%	-3.5ppt	43.6%	39.8%	-3.8ppt
Profit /Loss Attributable to Owners of the Company	375	-2,782	-841.7%	-1,535	-1,016	-33.8%

- Revenue growth and EBITDA margin FY2013 in line with guidance

Strong performance in fixed data and voice



- Relatively steady cellular performance despite network modernization is in progress
- Strong IDD incoming growth due to seasonality and higher FX in 4Q13

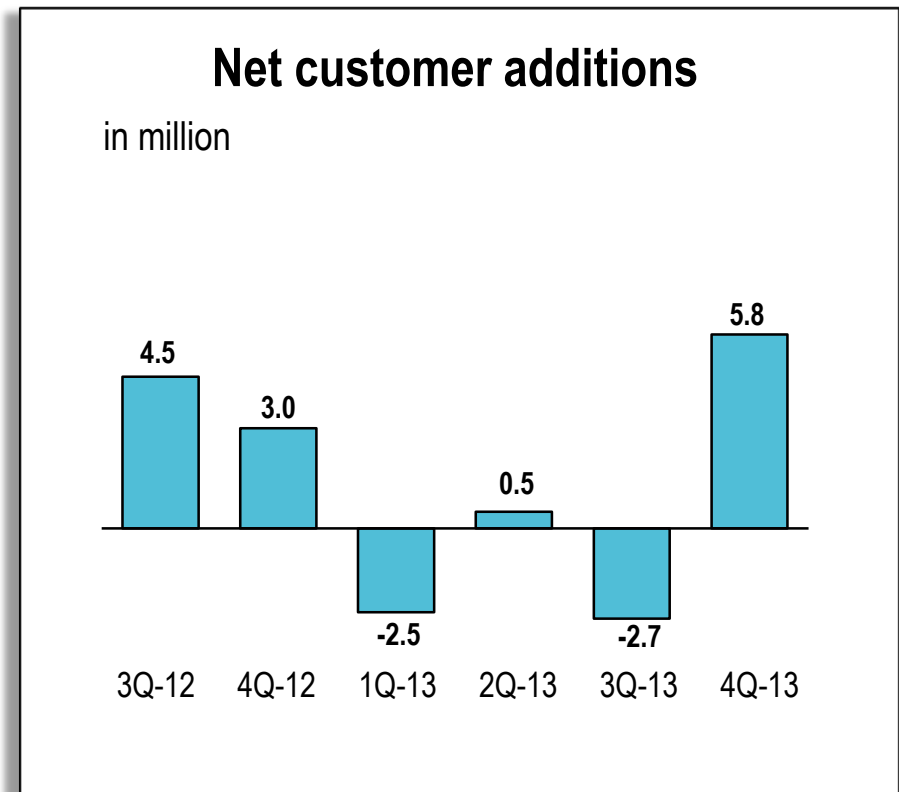
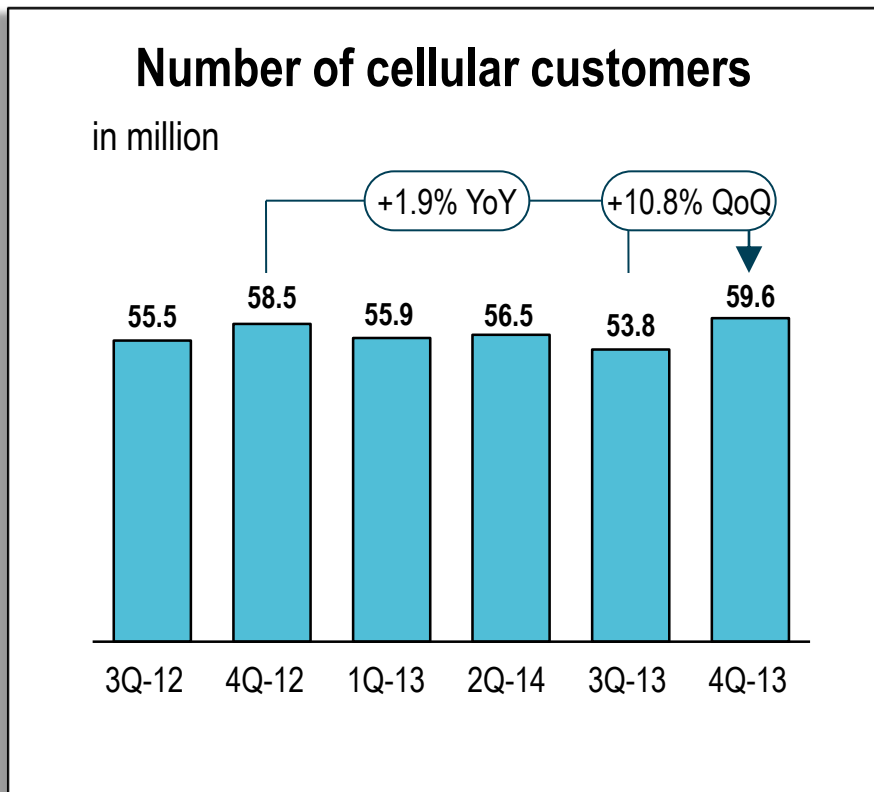
*Restated due to tower transaction and service concession arrangement

Cellular revenue performance



	4Q13 YoY	4Q13 QoQ	
Voice	-9.1%	-2.7%	Revenue impacted by lower usage
SMS	-5.8%	5.3%	Revenue affected by lower usage and recent less discount SMS offering
Data	37.1%	-6.9%	Data growth profile improving on incremental data users and aggressive campaign to drive usage
VAS	54.0%	2.4%	VAS growth driven by strong demand for content

Cellular customer base



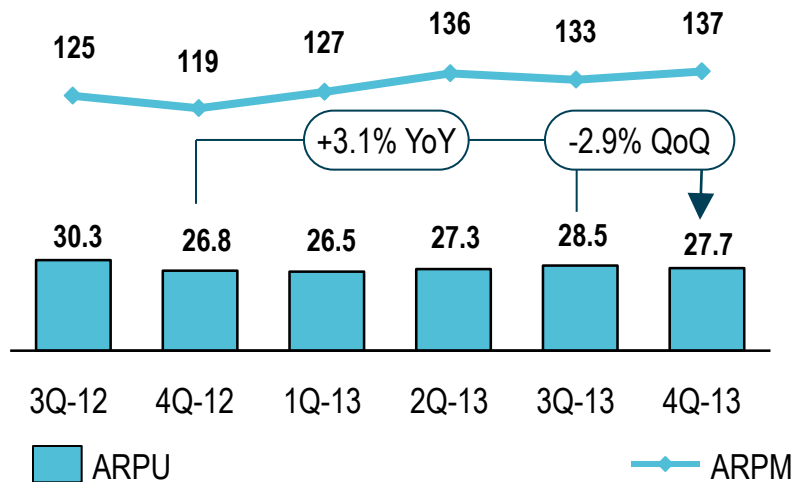
- Positive net customers addition due to aggressive acquisition campaign during 4Q13 festive

Stable ARPU & Positive ARPM



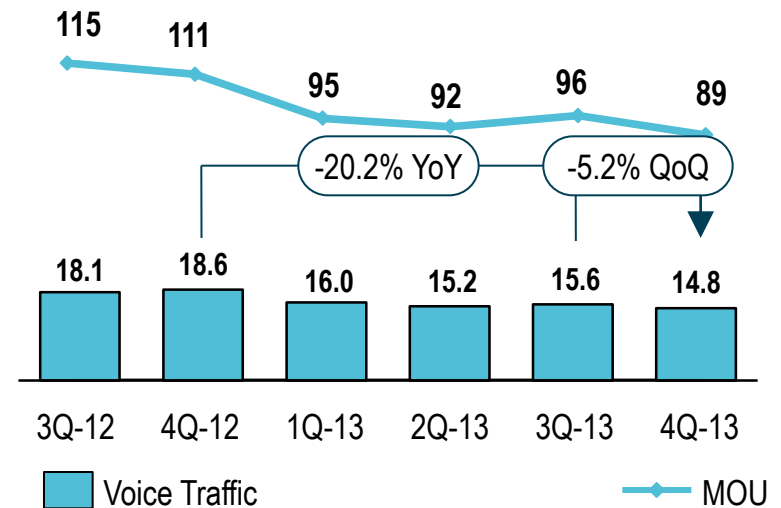
ARPU and ARPM

in thousand IDR (ARPU)
in IDR (ARPM)



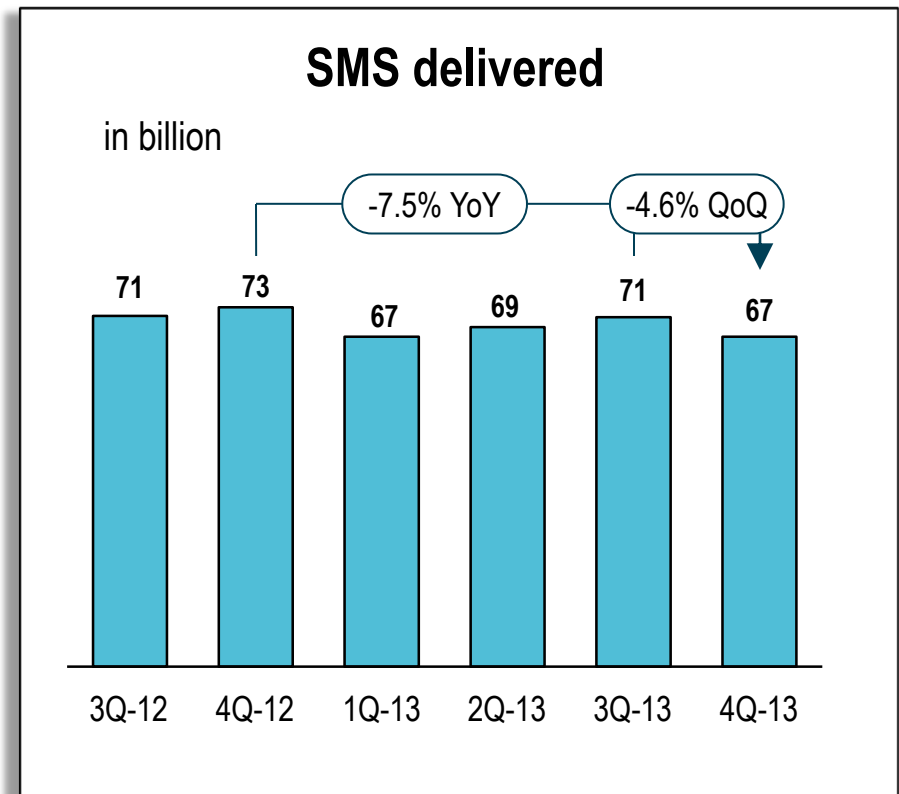
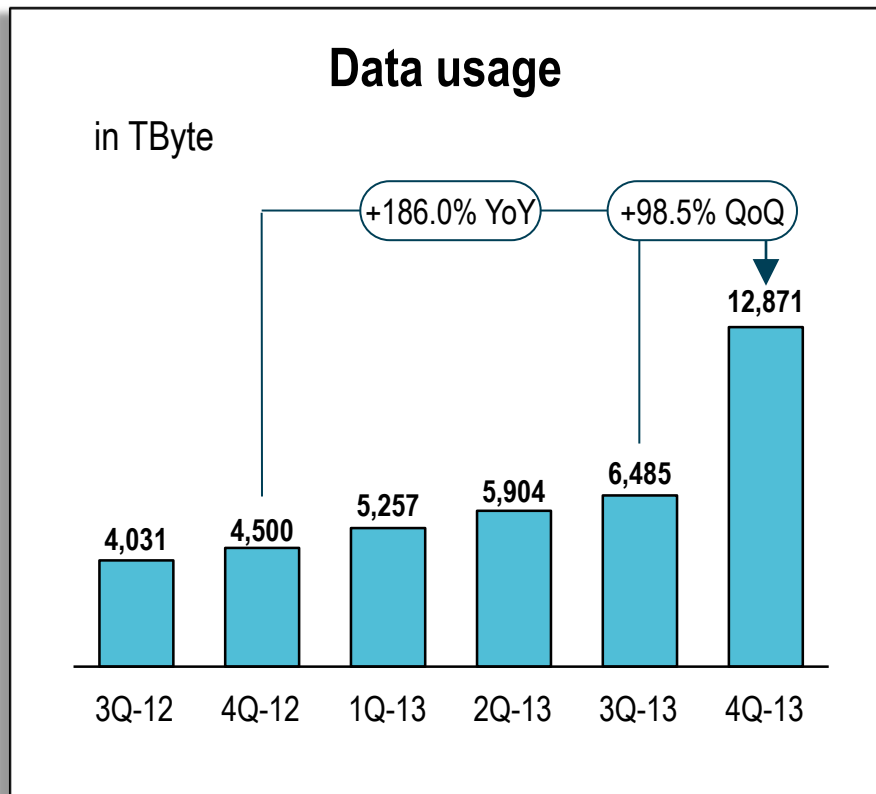
Voice traffic and MOU

in billion minutes
in minute/subscriber



- ARPU is stable while ARPM increase due to higher voice tariff in certain areas
- Total voice traffic decrease affected by lower MOU/customer

Substantial data usage growth in 4Q



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

Operational expenses

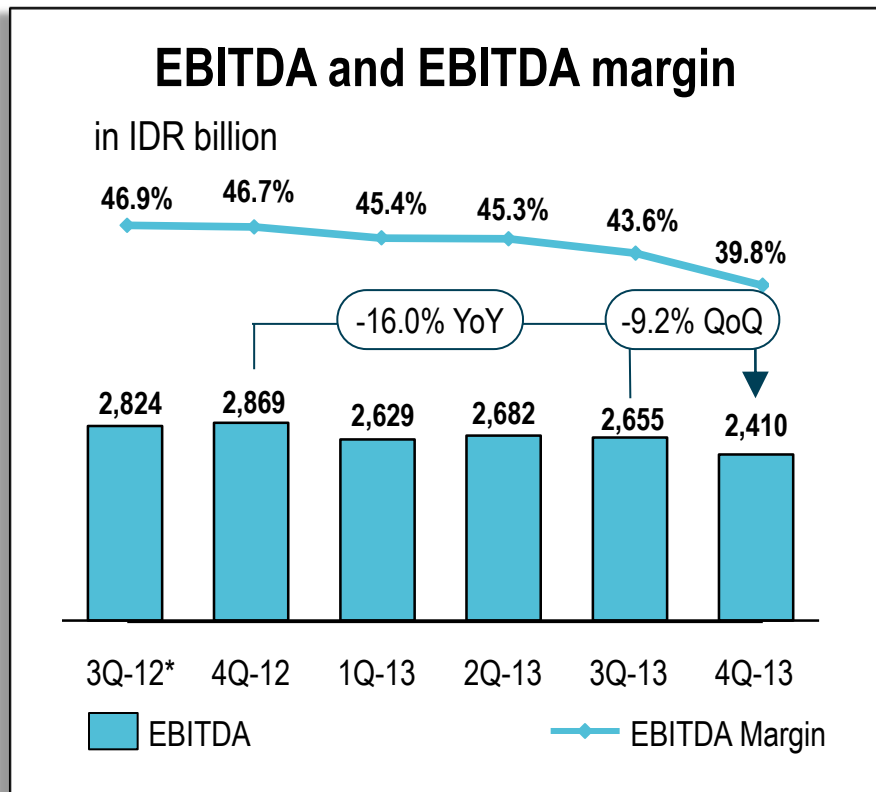


as percentage of revenue	3Q-12*	4Q-12	1Q-13	2Q-13	3Q-13	4Q-13
Cost of Service (CoS)	40.6%	39.8%	41.6%	41.2%	41.7%	42.4%
Personnel	5.9%	6.1%	7.1%	6.6%	6.7%	8.6%
Marketing	4.1%	4.5%	2.9%	3.7%	4.2%	4.0%
General and Administration	2.4%	3.0%	3.0%	3.1%	3.8%	5.2%
Total Operating Expenses	53.1%	53.3%	54.6%	54.7%	56.4%	60.2%
Depreciation and Amortization	39.5%	40.5%	37.0%	36.5%	37.8%	38.9%
Total Expenses	92.6%	93.8%	91.5%	91.2%	94.2%	99.1%

- CoS impacted by regulatory fees and maintenance
- Personnel and G&A increased due to restructuring, professional and legal fees

*Restated due to tower transaction and service concession arrangement

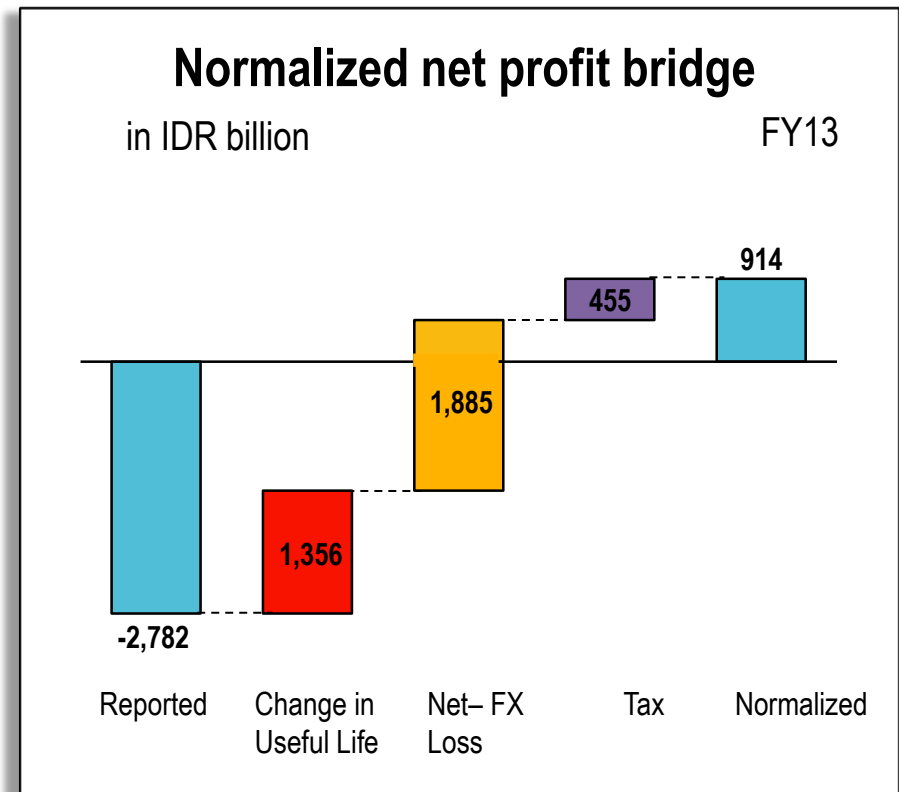
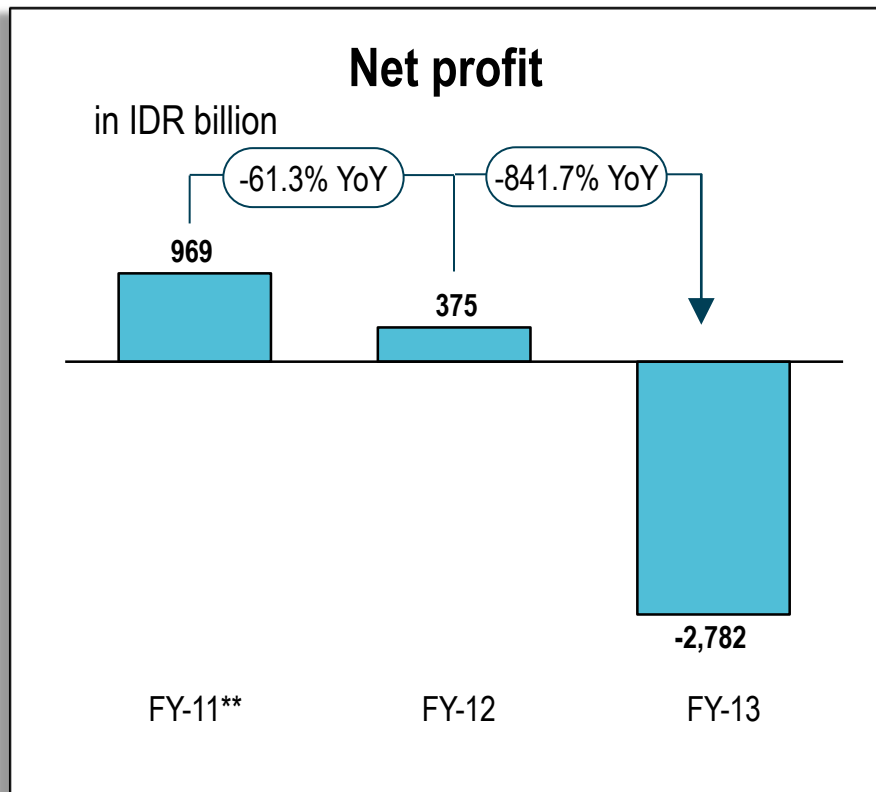
EBITDA performance



- 4Q EBITDA (YoY) impacted by increased restructuring costs, CoS, professional and legal fees
- YTD EBITDA margin in line with guidance

*Restated due to tower transaction and service concession arrangement

Normalized net profit*



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

* Net profit is Profit Attribution to Owners of the Company

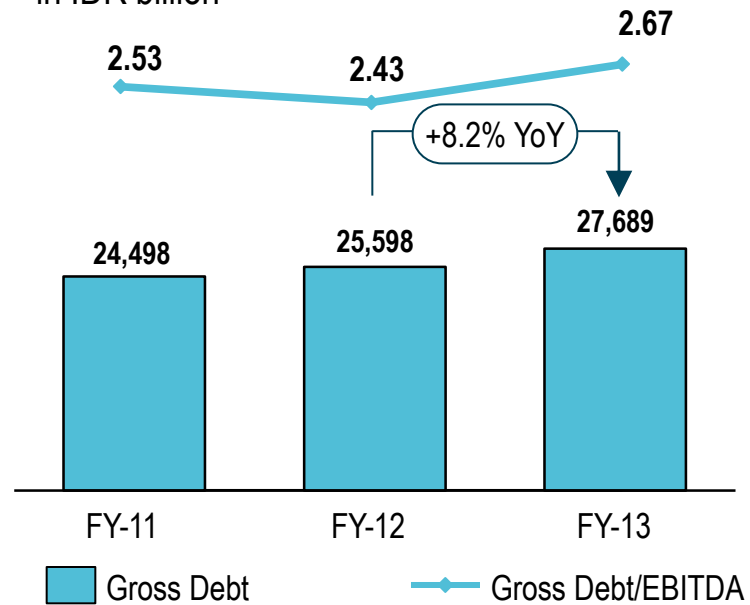
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Balance sheet



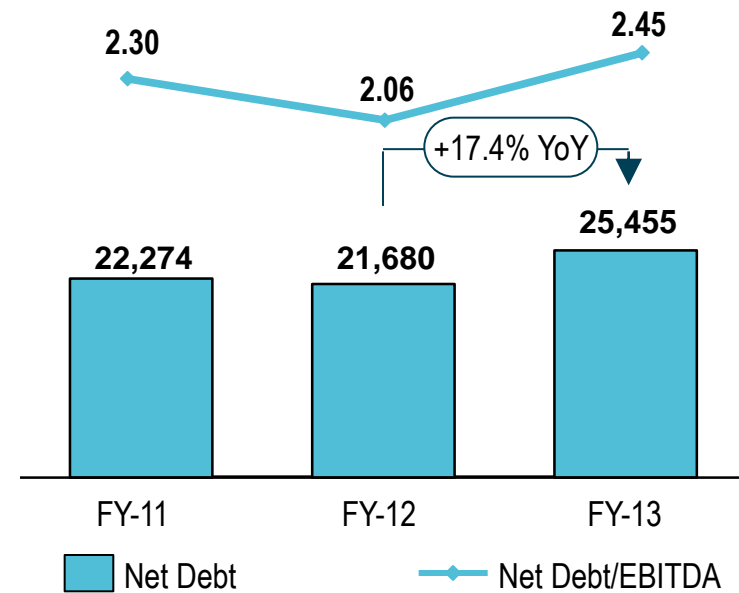
Gross debt* and gross debt/EBITDA

in IDR billion



Net debt* and net debt/EBITDA

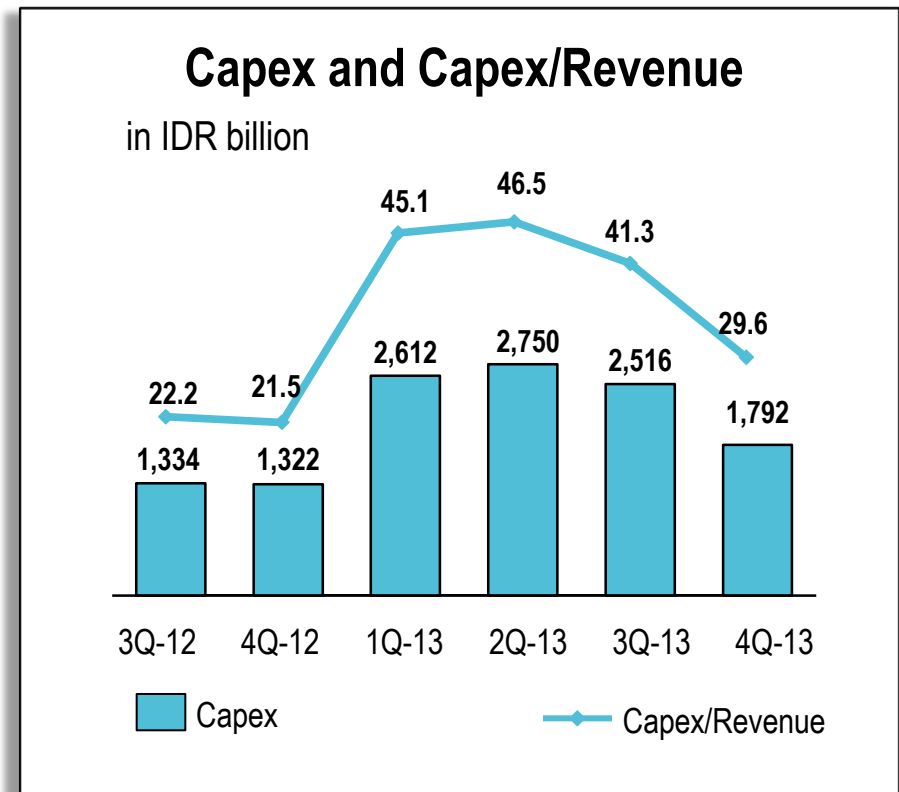
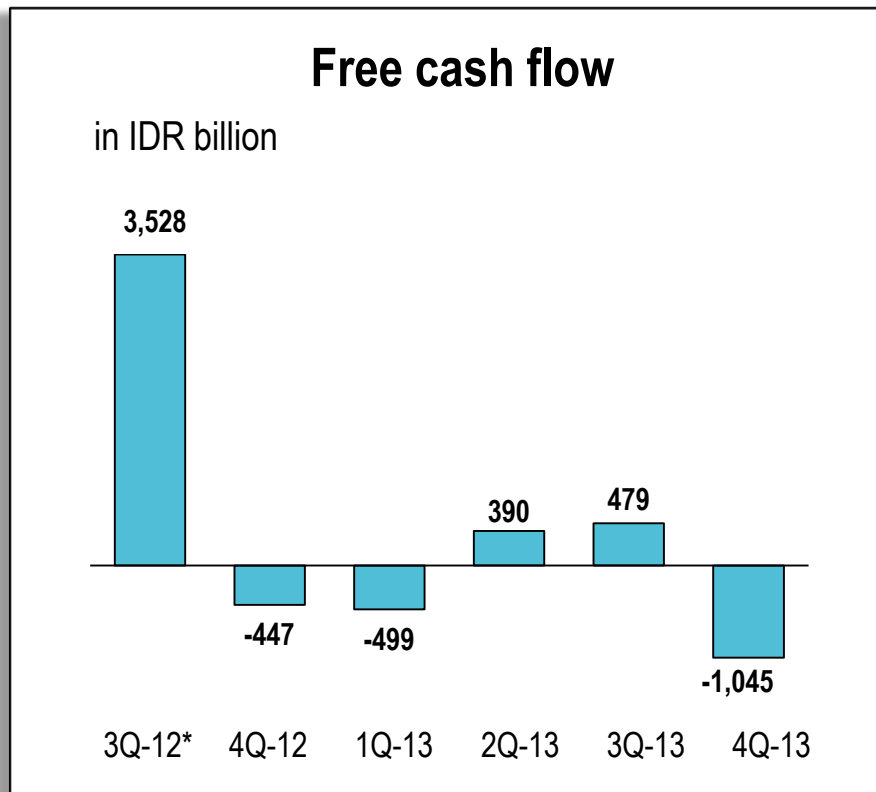
in IDR billion



- Increased net debt due to higher FX

* IDR 3.4tn and IDR 3.9tn of obligation under finance lease are included in FY12 and FY13 respectively

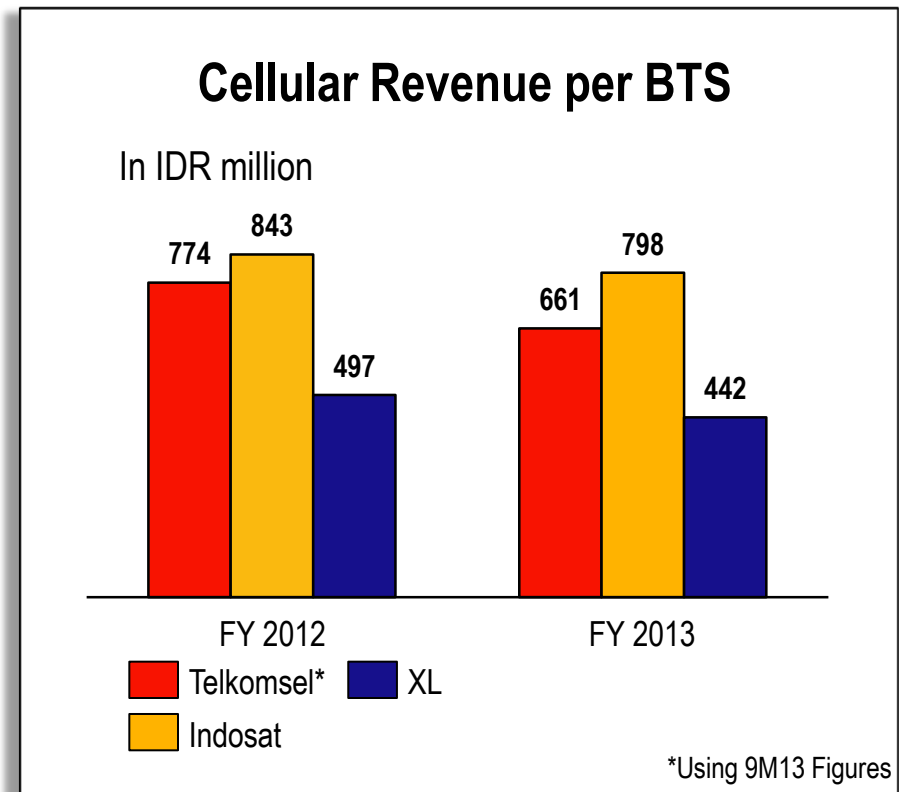
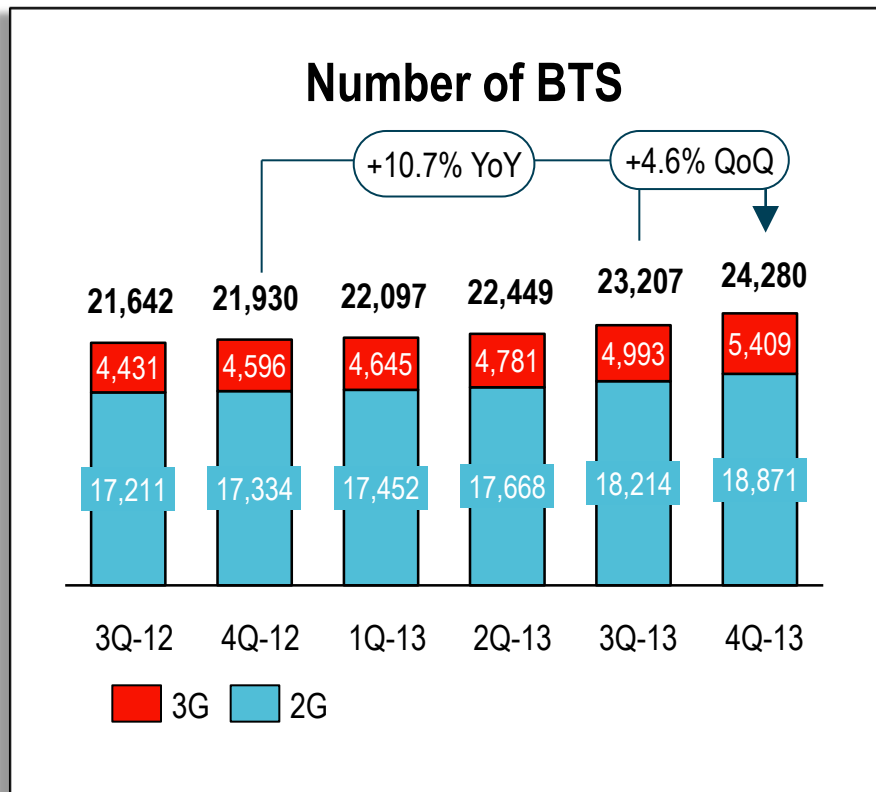
Free Cash Flow



- Network modernization and higher FX driving higher cash capex

*Restated due to tower transaction and service concession arrangement

Network roll-out



- Network modernization program mainly focusing on existing footprint in key market areas
- Continuing the modernization in key market areas outside Java in 2014

Q4 in summary



SAY I DO TO iPhone!

We give you a proposal you can't resist

- > Super Big Data **96 GB**
- > Unlimited Super Wifi **12 months**

iPhone 5s iPhone 5s

GRATIS Internet & BBM SeTAHUN

+ Nelpon & SMS

TEKAN *123#

Beli Sekarang!

indosat **IME** ▶ **PLAY!** online

f IM3 @indosatmania

INSTANT INDOCAT ASSISTANT

NELPON soulmate-mu sepuasnya SeTahun cuma 10 ribu

Tekan *123+300#

indosat **IME** ▶ **PLAY!**

SOU **MATE**

Daftar CUG Pro + Flat Call GRATIS Rp45.000 abonemen bulan ke 2

Nikmati 200 menit Flat Call 01016 untuk ucapan *Gong Xi Fa Cai* ke mitra bisnis Anda di 18 negara



Management Focus and Key Updates

Near term management focus



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

Drive strong uptake, usage and monetization of our data services

Improve cost efficiencies to enable investments in growth

Transform culture with focus on quick wins

Developing adjacent and new businesses



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 9.67 trillion	IDR 8-9 trillion

Thank You



Any further questions?

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Upcoming events

1Q 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



**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

MOODY'S

In August 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.

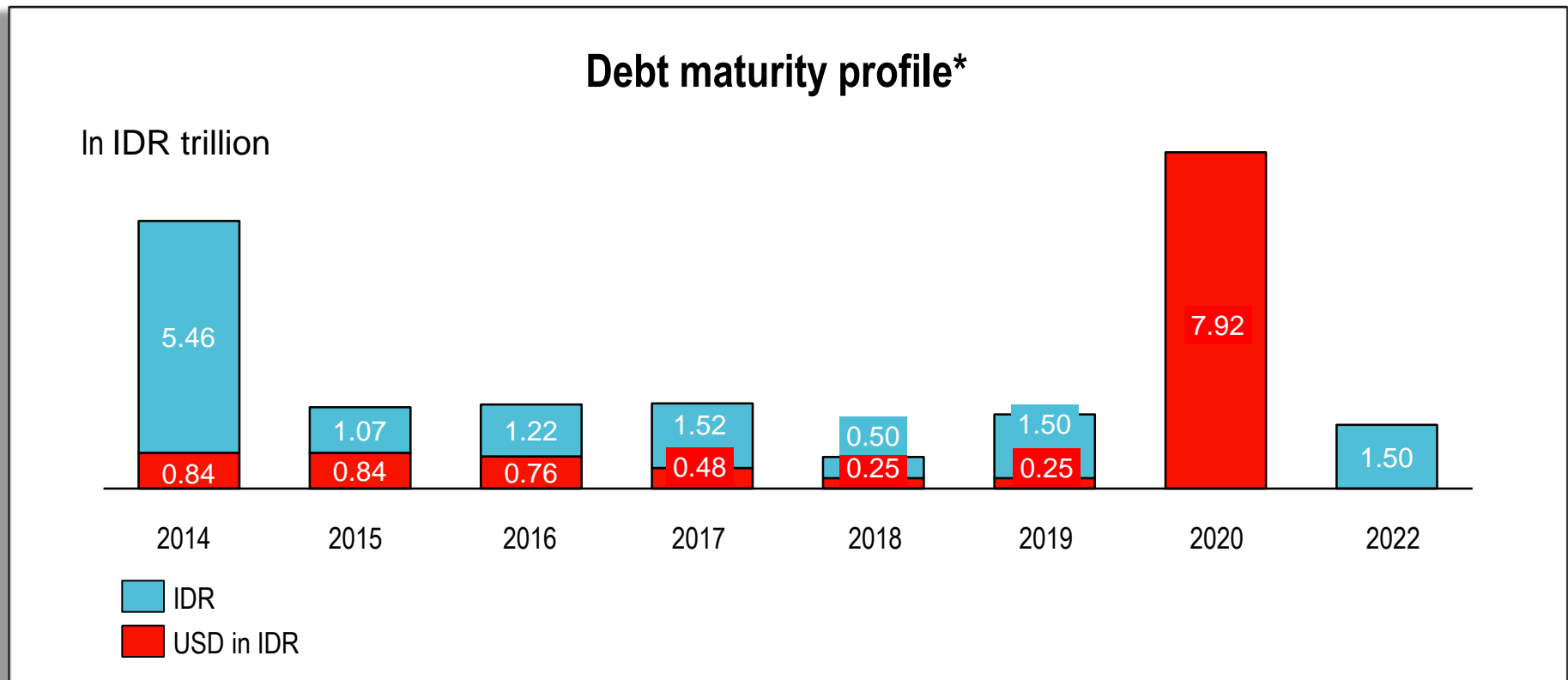
FitchRatings

In June 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'.



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 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	7.5	15.0
	Axis	-	-	15.0	10.0
	Hutchison	-	-	10.0	10.0

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