

PT Indosat Tbk.

Full Year 2011 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**

Today's Agenda

- **FY 2011 Overview**
 - **Financial & Operational Results**
 - **Commercial, Strategy and Technical**
 - **Tower Sale and Leaseback Transaction**

FY 2011 Overview

Consolidated Revenue Growth of 3.9% YoY

- Cellular Revenue Growth of 4.5% YoY
- Normalized* EBITDA Margin of 48.1%, fall 0.4% YoY
 - EBITDA Margin of 45.7% , fall 2.8% YoY
- Free Cash Flow of IDR 1,282 billion, growth of 46.0% YoY
- Profit Attributable to Owners of The Company of IDR 835 billion, growth of 29% YoY
- Debt lower by 2.7% YoY
- Over 51 Million Customers now using the Indosat network

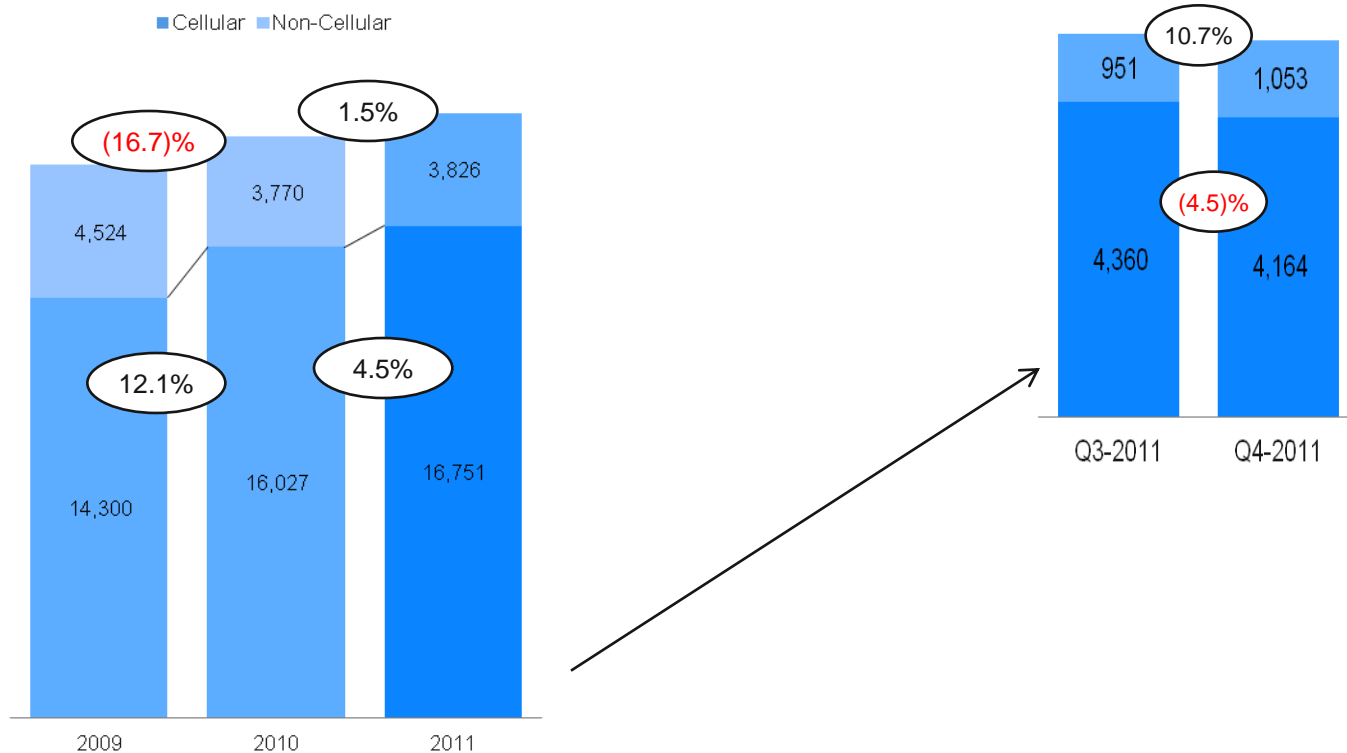
* Net of Voluntary Separation Scheme (VSS) costs

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FY2011 Revenue Profile

Figures in IDR billion

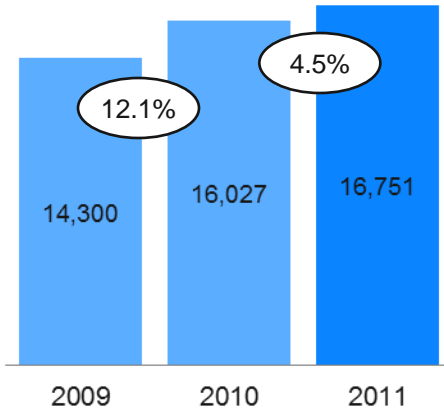


**Competitive environment impacting mobile growth,
data growth not yet enough to compensate**

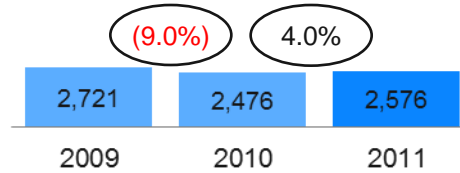
FY2011 Segmented Revenue

Figures in IDR billion

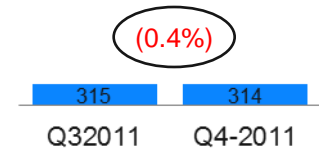
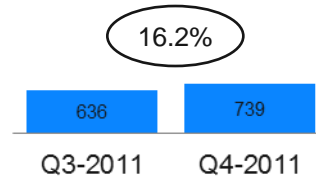
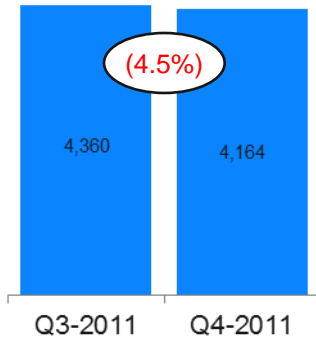
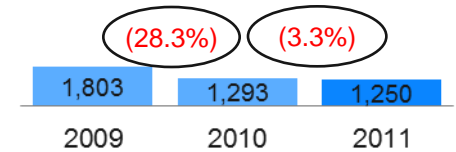
Cellular Revenue



Fixed Data Revenue



Fixed Voice Revenue

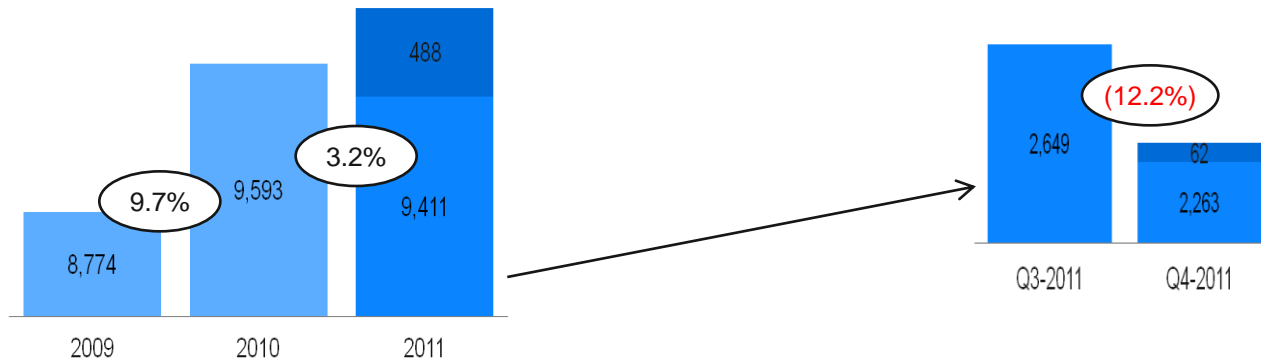


In mobile, Q4 saw challenges from regulatory pressure on Premium Content but Fixed Data Revenue gain traction from corporate solution business

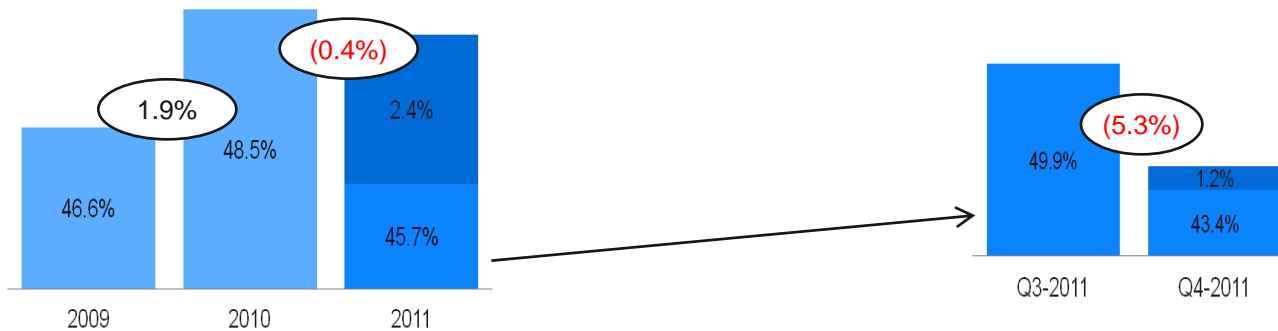
FY2011 EBITDA

Figures in IDR billion

EBITDA (Normalized)

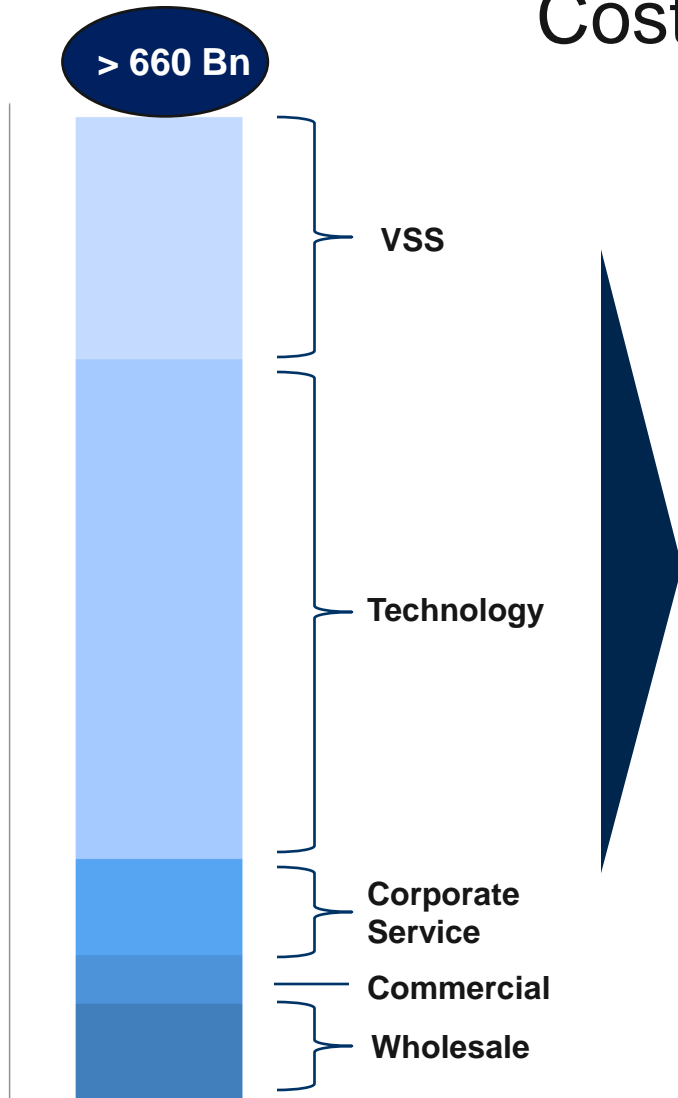


EBITDA Margin (Normalized)



Normalized EBITDA continues to grow in the face of slower revenue growth showing good controllable OPEX management

Cost Efficiency Program

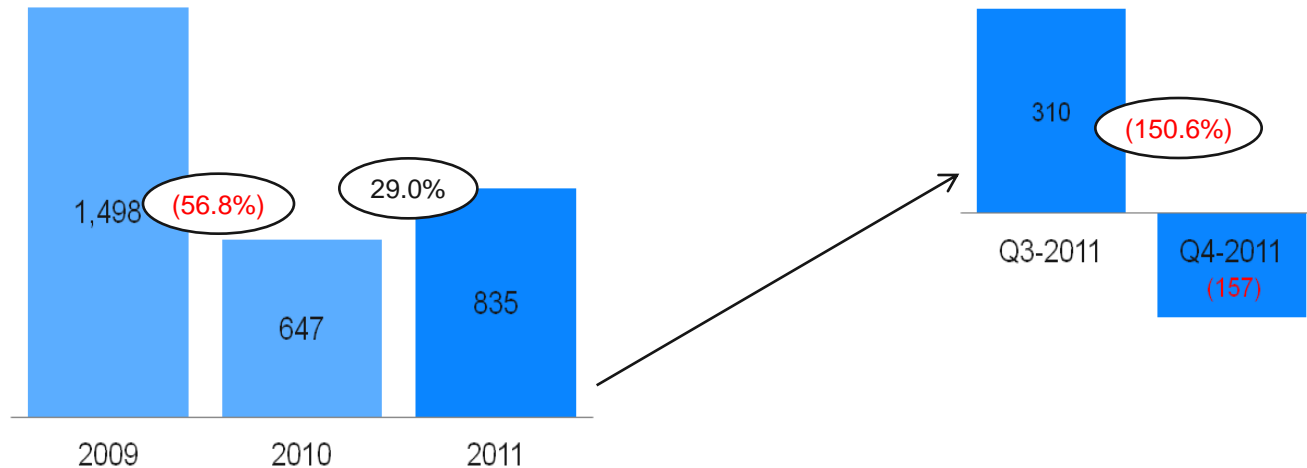


2011 Cost Savings
(in IDR Bn)

Significant Areas of Savings	
VSS	<ul style="list-style-type: none"> • Number of permanent employees • Outsourcing costs
Technology	<ul style="list-style-type: none"> • Power and fuel costs • Re-scoping of maintenance contracts
Corporate Services	<ul style="list-style-type: none"> • Facility and property optimization • Termination of unused MW (license/BHP) • Power conversion • Business process improvements
Commercial	<ul style="list-style-type: none"> • Repackaging starter pack and physical voucher • Marketing agency rationalization
Wholesale	<ul style="list-style-type: none"> • Satellite Transponder Optimization • Leased Circuit Optimalization

FY2011 Profit Attributable to Owners of the Company

Figures in IDR billion

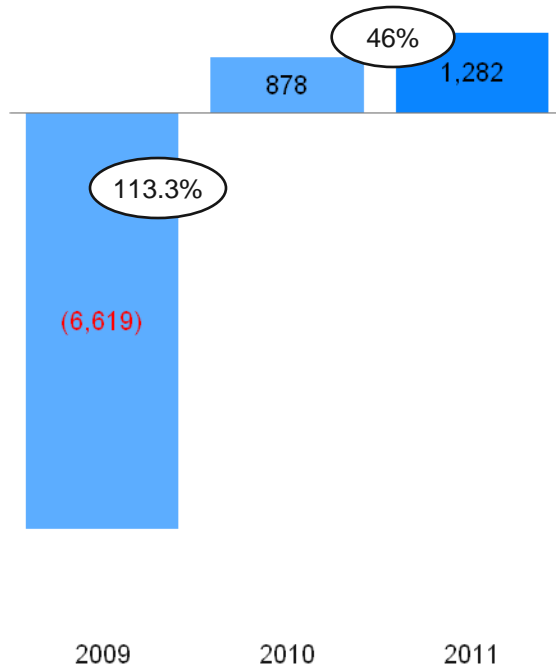


Lower absolute debt service costs and favorable FX movements positively impact Net Income on yearly basis but weigh down on quarterly basis

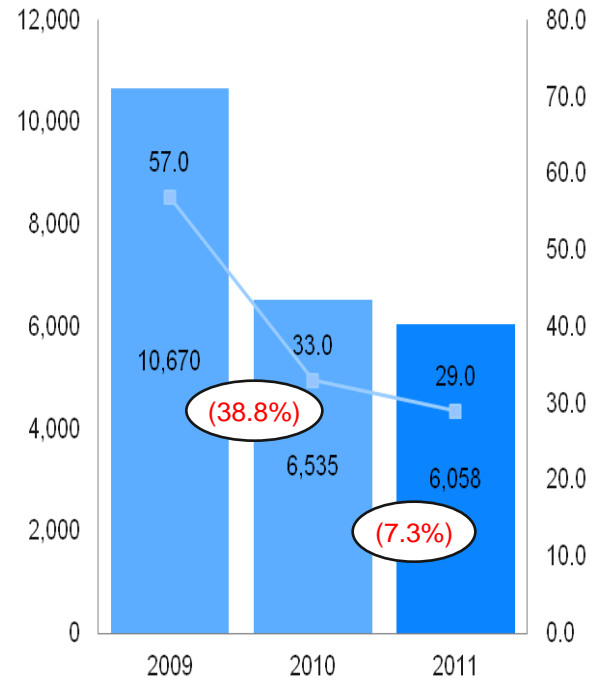
2011 FCF and CAPEX

Figures in IDR billion

Free Cash Flow



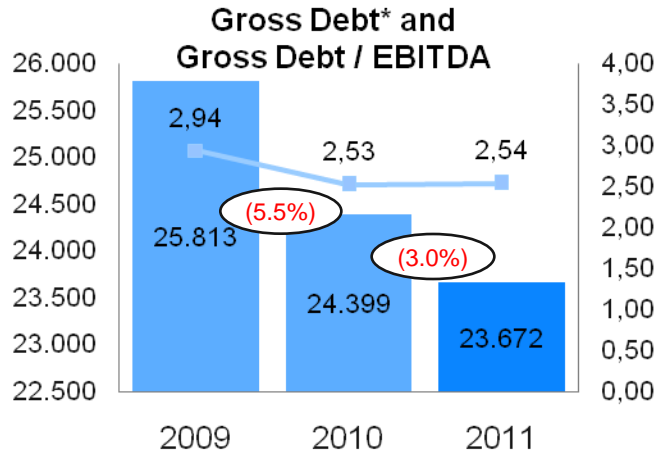
CAPEX and CAPEX / Revenue



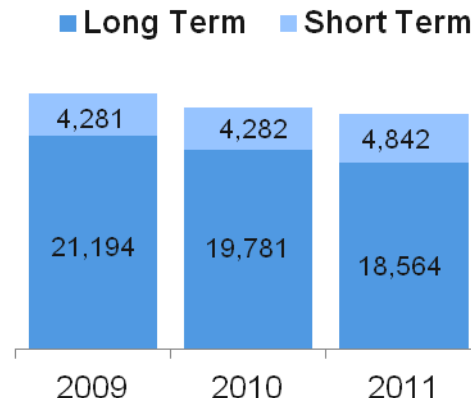
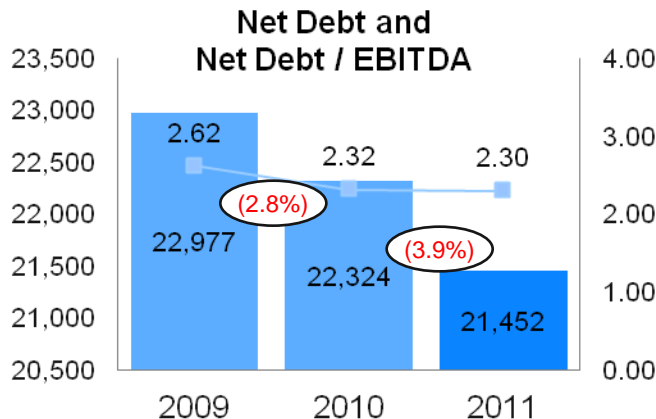
CAPEX efficiency and Free Cash Flow generation is improving

FY 2011 Debt Summary

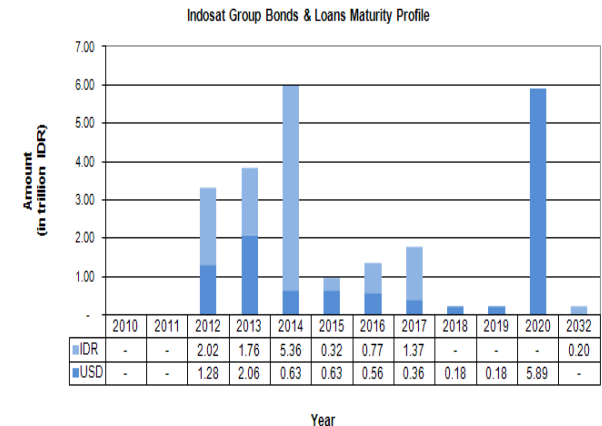
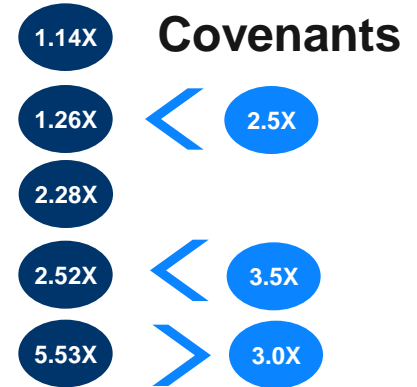
Figures in IDR billion



*Before amortised issuance cost, to calculate ratio



- Net Debt to Equity
- Gross Debt to Equity
- Net Debt to EBITDA
- Gross Debt to EBITDA
- Interest Coverage



Note : RCF Mandiri is placed in 2014

Gearing levels relatively stable YoY as the company moves towards a 2X or lower Debt/EBITDA target

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2011 Commercial Roadmap & Activities



In 2011, we launched various marketing activities targeted to enhance subscriber growth and revenue generation as well as escalating overall performance

Example:



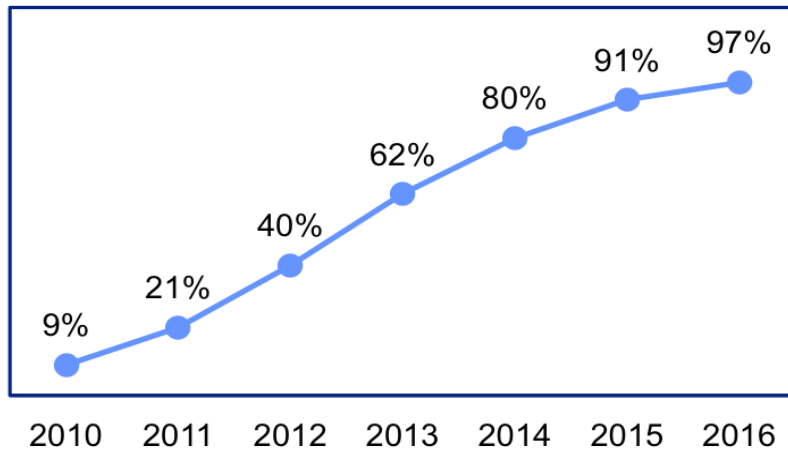
“**IME** Gratis Gak Abis-Abis”, provides bundled voice, SMS and Social Network Data, based on paid registration, paid SMS or Voice, or certain data usage with optimized peak/off-peak minutes

Wireless broadband is one of Indosat's key focus areas for future growth



We aim to gain market leadership in wireless broadband by becoming the preferred operator for data services

3G penetration in Indonesia



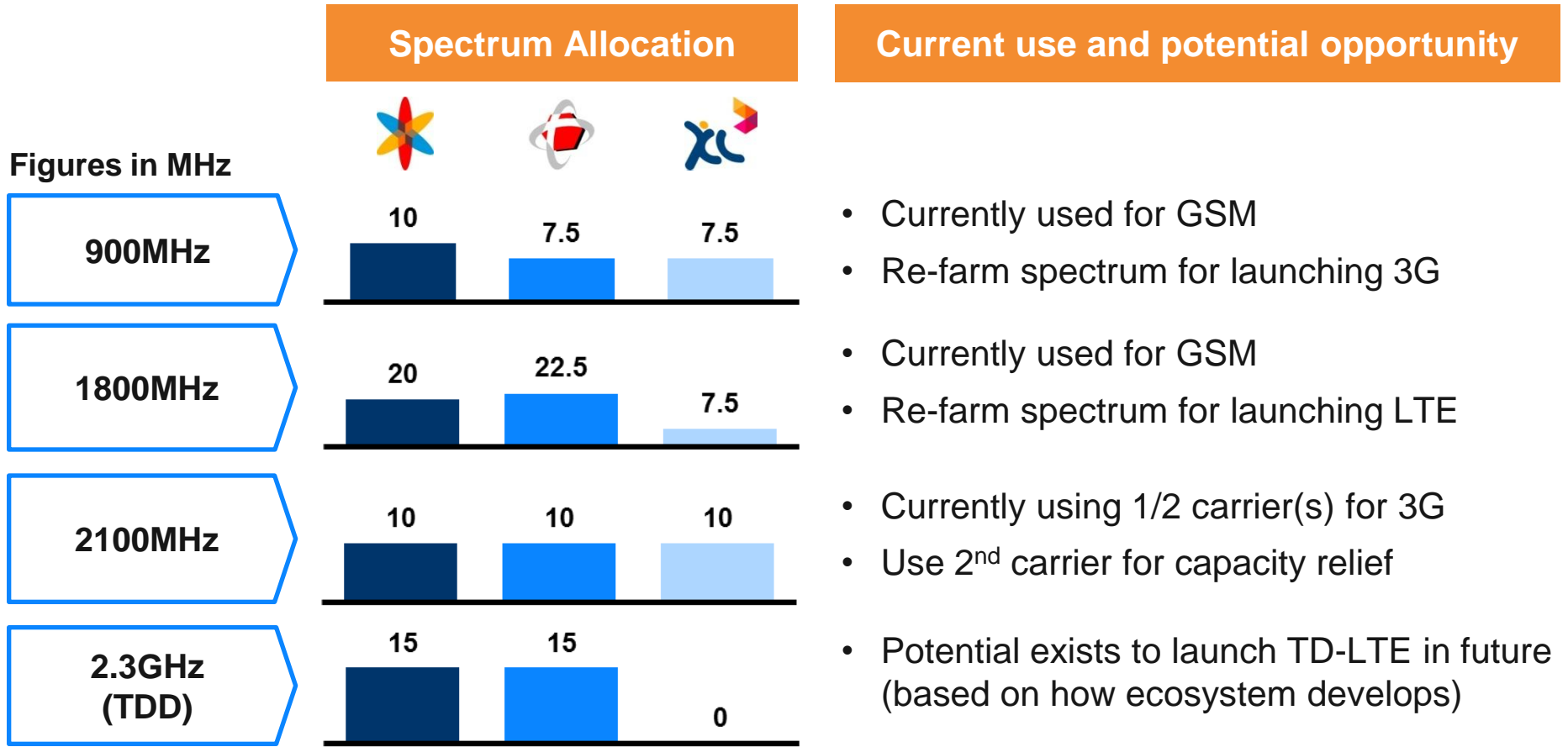
3G is expected to witness steep increase in uptake in immediate future...



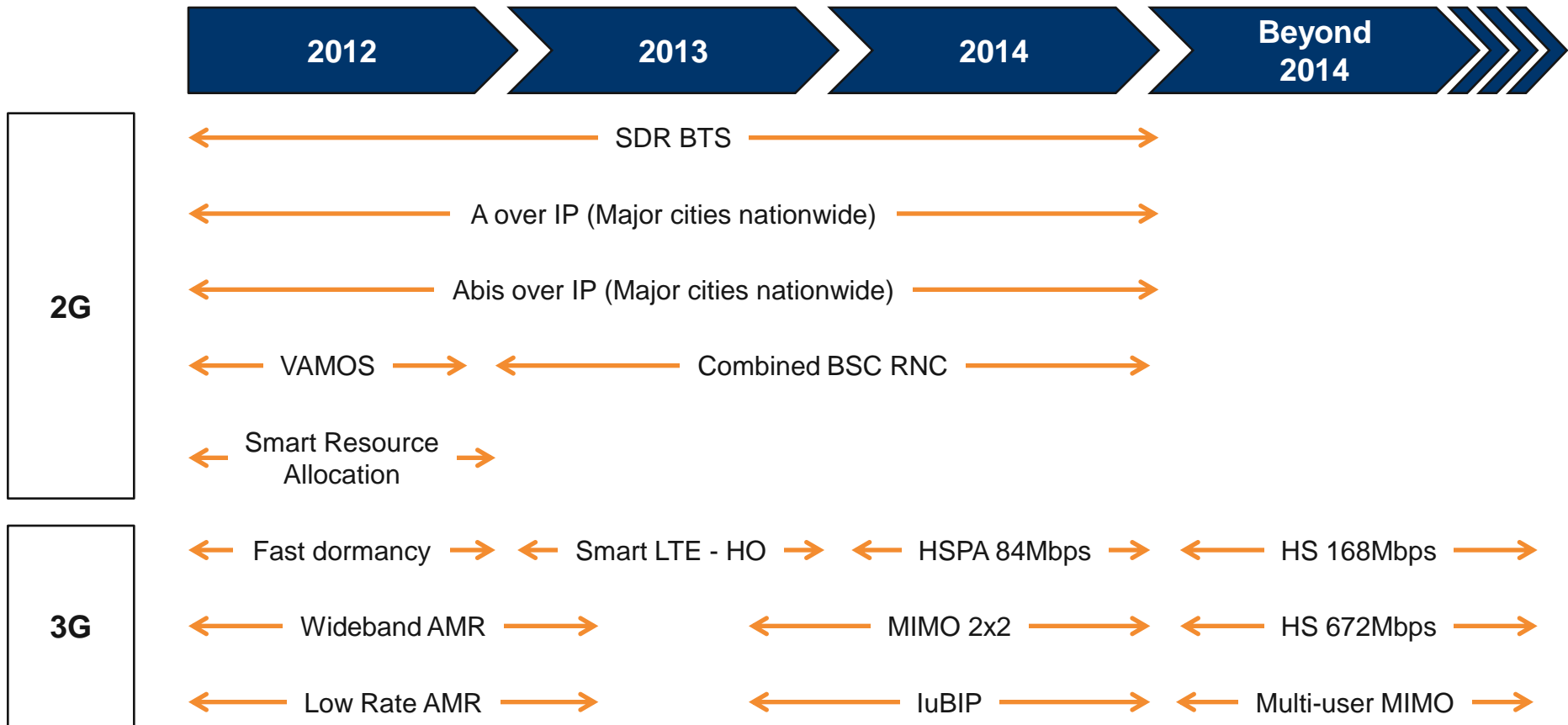
PACKAGE	QUOTA	SPEED	ACTIVE PERIOD
50 K	500 MB	384 Kbps	30 days
100 K	2 GB	384 Kbps	
150 K	3 GB	1 Mbps	
200 K	5 GB	2 Mbps	

...and we will continue focusing on data, which has already been recognized as a key element of our overall strategy

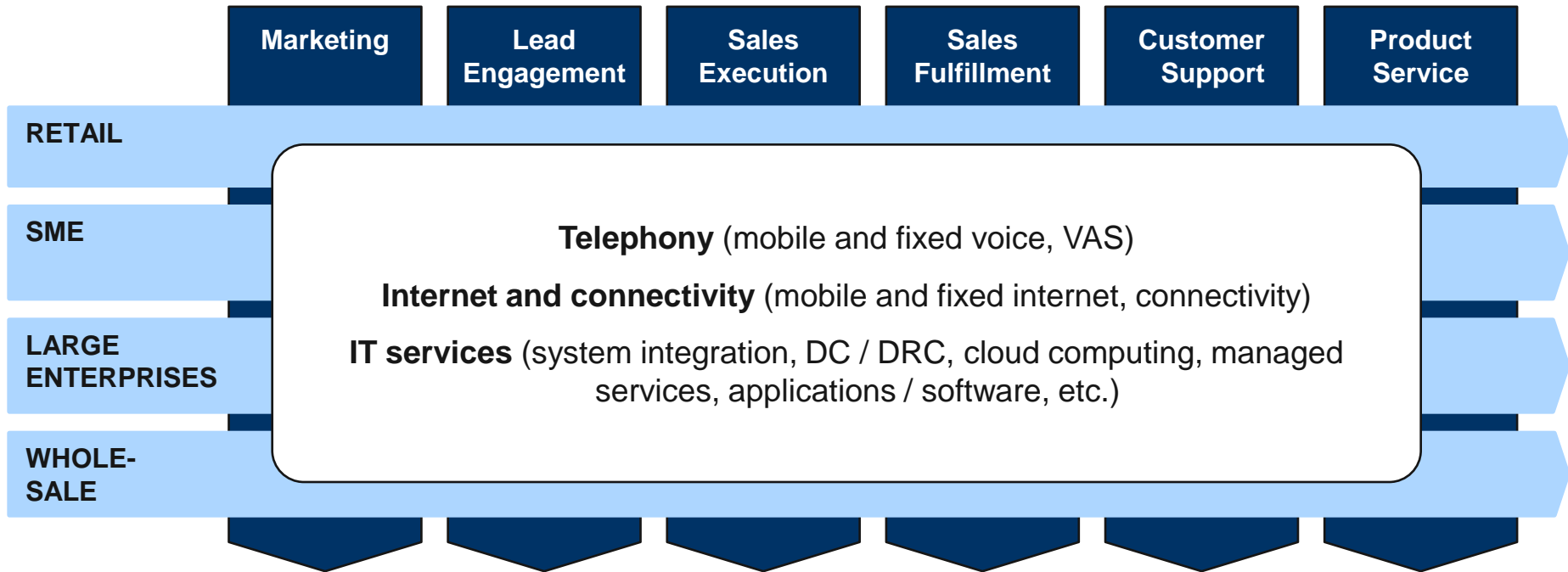
We are aiming for wireless broadband leadership, enabled by efficient use of available spectrum, a key strategic asset,...



...as well as planning multiple network initiatives to optimise investments, and provide best wireless experience to our customers



In addition, we are aligning our offer and organisation in line with needs of individual customer segments



We are also focusing on having an active device play, through co-marketing, bundling, co-branding, revenue share partnerships and custom-made white labelling tie-ups, to promote devices that enable best user experience on Indosat network

Today's Agenda

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- **Financial & Operational Results**
- **Company Strategy**
- **Tower Sale and Leaseback Transaction**

Tower Sale & leaseback Transaction

On 8 February 2012 Indosat announced that it has signed the transaction documents with PT Tower Bersama Infrastructure Tbk. and its subsidiary PT Solusi Menara Indonesia (together as “Tower Bersama”) for the sale and leaseback of 2,500 towers, approximately 25% of Indosat’s existing tower assets,

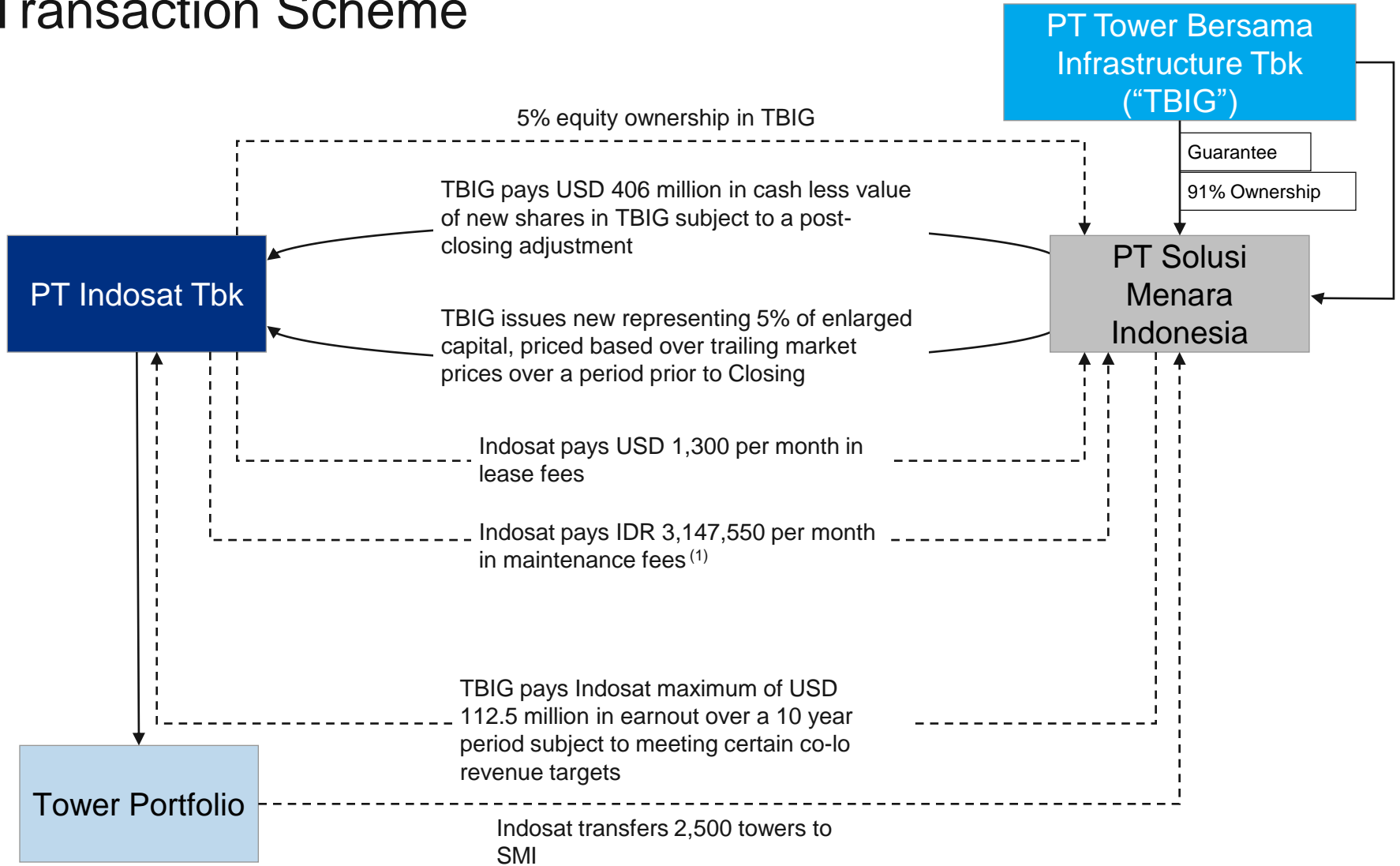
Opportunity on Towers Sale

- Tower Companies (“TowerCo”) currently seek to acquire towers to grow tenancies
- By selling the towers to a TowerCo, it will monetize part of Indosat non-core assets at attractive valuations
- Additional cost savings from Radio Active Network (“RAN”) sharing are expected to be attainable after Indosat has sold its towers
- Upfront cash proceeds will help Indosat continue to delever as well as help fund its Capex
- Upfront shares in a TowerCo will allow us to benefit from the expected growth in the tower industry and demonstrates our confidence in Tower Bersama
- Partnership with a professional TowerCo will not only help Indosat improve the towers sold, but it will also benefit from best practices for its remaining tower portfolio
- Enables management to focus on execution of core wireless business

Why Now?

- TowerCos want to monetize Telcos’ rapid growth in network expansion through increased co-locations
- Indosat management would like to focus on core business of serving customers, and leaving non-core aspects of running the towers to a professional TowerCo
- Sale of limited number of sites facilitates integration into TowerCo
- Flexibility to select towers to retain or divest
- First mover advantage versus other major operators with ability to select preferred partner

Transaction Scheme



1) Maintenance fees increase according to Indonesian CPI. Denominated in IDR for the first 2 years. Subject to certain agreed terms, after two years up to ~25% of this amount could be payable in USD.

Ratings Updates

MOODY'S

On 8 February 2012, Moody's affirmed Indosat Ba1 ratings and **Stable outlook**, follows announcement that Indosat has agreed to sell 2,500 of its communications towers to PT Tower Bersama Infrastructure Tbk.

STANDARD & POOR'S

On 10 February 2012, S&P placed its 'BB' long-term corporate credit rating on Indonesia-based telecom operator PT Indosat Tbk. And the 'BB' rating on the company's guaranteed senior unsecured notes on CreditWatch with positive implications.

FitchRatings

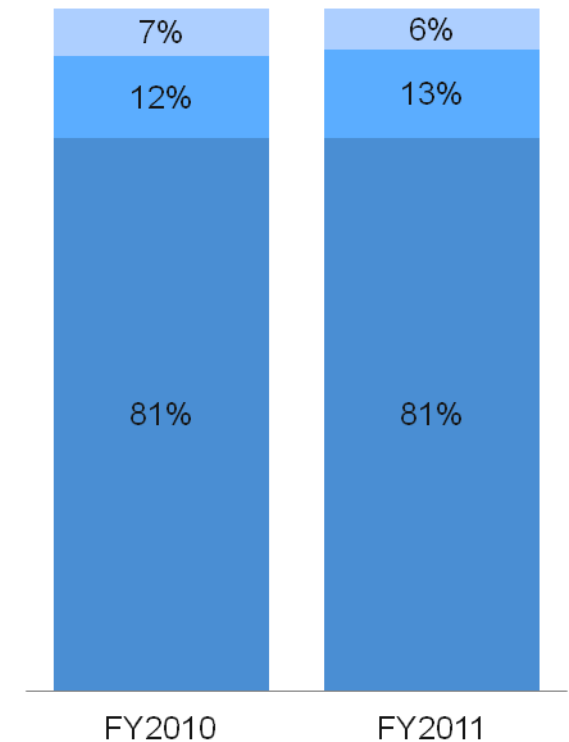
On 9 February 2012, FitchRatings says that the agreement signed between PT Indosat Tbk. (Indosat; 'BBB-/Positive) and PT Tower Bersama Infrastructure Tbk. (TBI; 'BB'/Stable) for the sale and leaseback of 2,500 towers has no impact on Indosat's ratings.

Supplemental Information

Financial KPIs

	FY 2010	FY 2011	YoY (%)	QoQ (%)
Cellular (bn IDR)	16,027.0	16,750.9	4.5	(4.5)
Fixed Data (bn IDR)	2,476.3	2,576.0	4	16.2
Fixed Voice (bn IDR)	1,293.2	1,250.0	(3.3)	(0.4)
Operating Revenue (bn IDR)	19,796.5	20,576.9	3.9	(1.8)
EBITDA (bn IDR)	9,593.3	9,410.9	(1.9)	(14.6)
Normalized EBITDA* (bn IDR)	9,593.3	9,898.7	3.2	(12.2)
EBITDA Margin (%)	48.5	45.7	(2.8)	(6.5)
Normalized EBITDA Margin* (%)	48.5	48.1	(0.4)	(5.3)
Net Income (bn IDR)	647.2	835.0	29	(150.6)

■ Cellular ■ Fixed Data ■ Fixed Voice

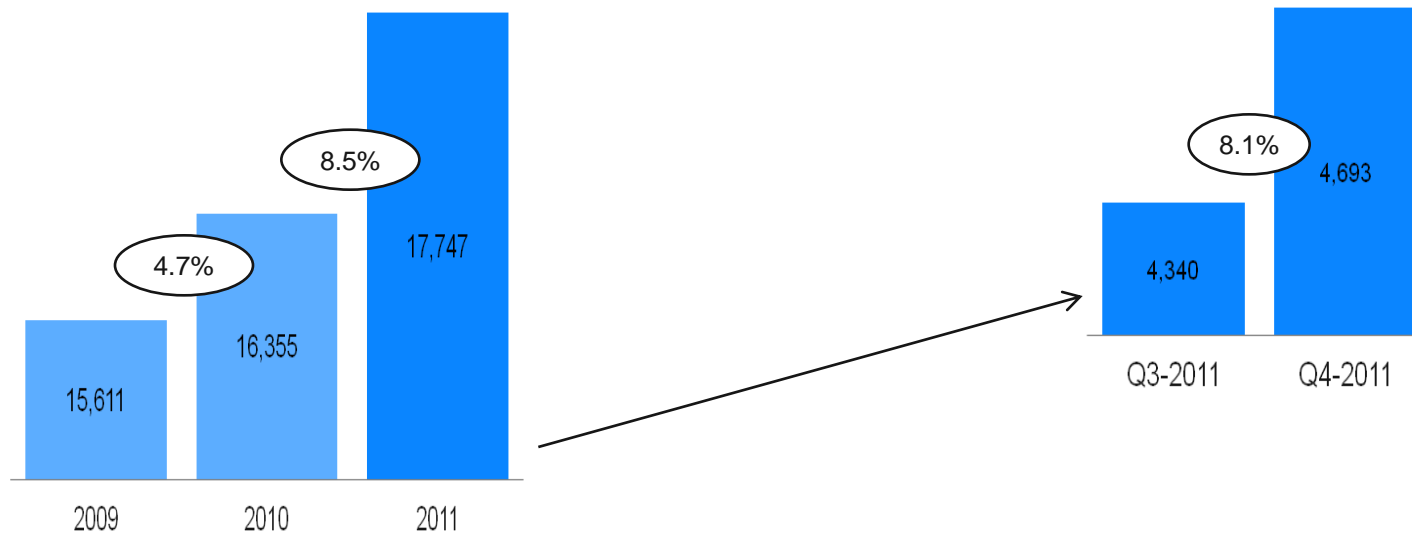


* Exclusive of charges associated with the Voluntary Separation Scheme (VSS)

Slower growth in mobile has resulted in opportunities for non-mobile segments to maintain revenue share

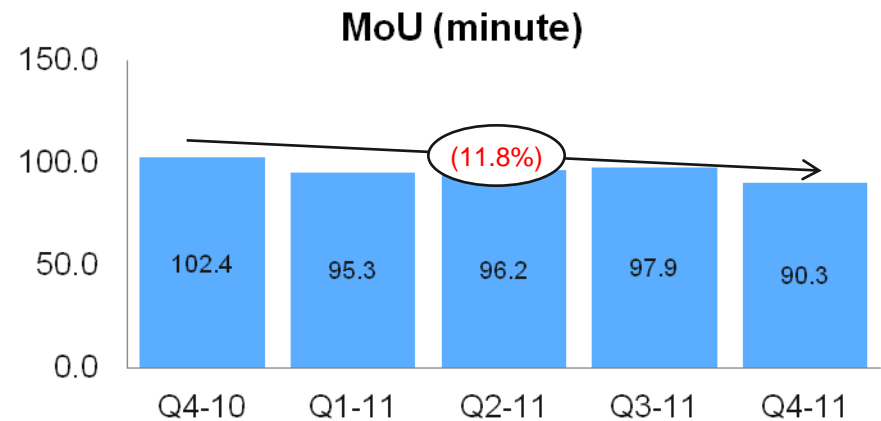
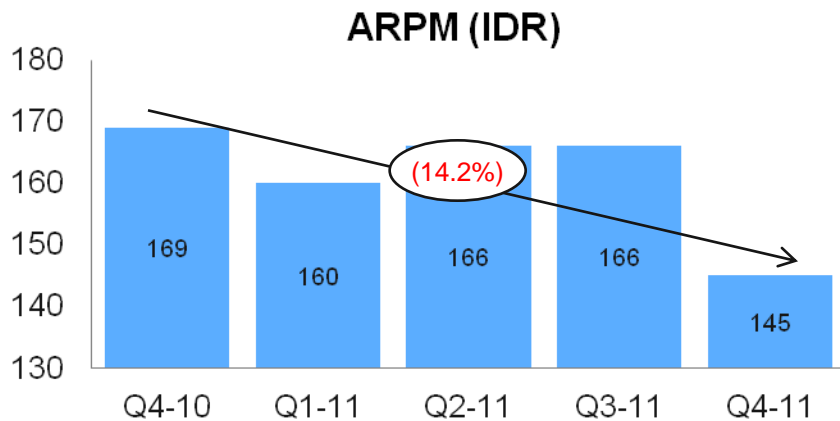
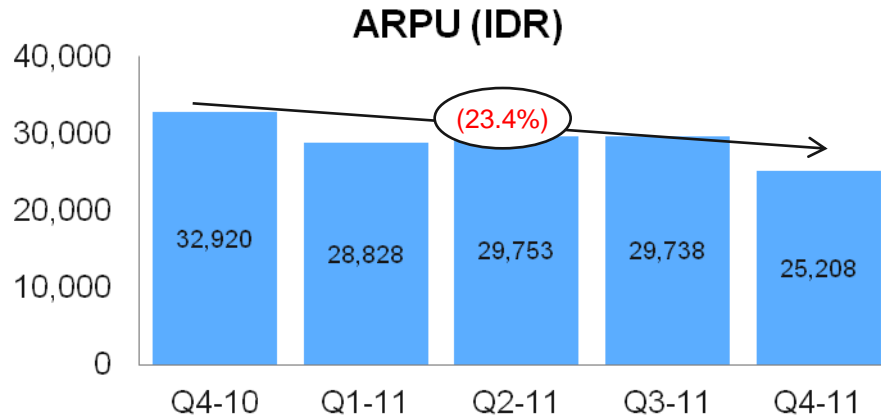
FY2011 OPERATING EXPENSES

Figures in IDR billion



The Voluntary Separation Scheme, a 7% increase in Depreciation and Amortization expenses and Spectrum and License Fees have resulted in higher Operating Expenses

Operational Overview FY 2011



Relatively stable metrics with good potential to stimulate usage

Thank You

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1Q-2012 Results
Mid Q2 2012

**Any further
questions?**

**Upcoming
events**