

PT BAKRIE TELECOM Tbk.

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Ticker : BTEL

Major Shareholders:

PT Bakrie Brothers Tbk.	16.35%
Raiffeisen Bank International	7.24%
PT Bakrie Global Ventura	6.94%

KEY RESULTS:

- Net revenues fairly stable yoy at Rp 1.11 trillion.
- Total OPEX at Rp 1.01 trillion in 1H13 significantly lower by 28% from continuous improvements in cost structure.
- 1H13 EBITDA at Rp 531.4 billion higher by 20% yoy enjoying EBITDA margin at 40.7%.
- Operating profit of Rp 101.5 billion from better results in the last two quarters as opposed to operating loss posted in 1H12.

FINANCIAL HIGHLIGHTS

Statement of Income (in Rp bn)	1Q13	2Q13	Change
Gross Revenue	683.9	620.9	-9.2%
Net Revenue	582.5	530.2	-9.0%
Total Opex	532.1	479.1	-10.0%
EBITDA	276.9	254.5	-8.1%
Operating Profit	50.4	51.1	1.4%
Net Loss	(97.5)	(195.2)	100.3%

Statement of Income (in Rp bn)	1H12	1H13	Change
Gross Revenue	1,375.4	1,304.9	-5.1%
Net Revenue	1,118.9	1,112.7	-0.5%
Total Opex	1,406.1	1,011.2	-28.1%
EBITDA	442.4	531.4	20.1%
Operating Profit (Loss)	(287.2)	101.5	n.a.
Net Loss	(749.7)	(292.7)	-61.0%

Balance Sheet (in Rp bn)	FY12	1H13	Change
Total Assets	9,052,4	8,886,5	-1,8%
Total Liabilities	7,414,4	7,541,2	1,7%
Total Equity	1,638,0	1,345,3	-17,9%

OPERATIONAL PERFORMANCE

Operating Results	1Q13	2Q13	Change
Subscribers	11.651.220	11.523.889	-1,1%
of which voice subscribers	11.020.416	10.876.723	-1,3%
of which data subscribers	630.804	647.166	2,6%
Blended ARPU	20k	18k	-10,0%

Operating Results	1H12	1H13	Change
Subscribers	11.463.989	11.523.889	0,5%
of which voice subscribers	11.099.550	10.876.723	-2,0%
of which data subscribers	364.439	647.166	77,6%
Blended ARPU	20k	19k	-2,6%
Minutes of Usage	7.573	7.502	-0,9%

FINANCIAL & OPERATING RESULTS

GROSS OPERATING REVENUES & NET OPERATING REVENUES

In 2Q13, the Company's gross revenues declined by 9.2% compared to previous quarter falling to Rp 620.9 billion due to the decrease in service revenues.

Consequently net revenues declined by 9.0% to Rp 530.2 billion.

Operating Revenue (in Rp bn)	1Q13	2Q13	Change
Gross Revenue	683.9	620.9	-9.2%
- Voice	342.1	293.4	-14.2%
- Non Voice	264.7	255.1	-3.6%
- Others	77.2	72.4	-6.2%
Telecommunication Service Revenue	616.0	557.0	-9.6%
Net Interconnection and discounts	(33.5)	(26.8)	-20.0%
Net Revenue	582.5	530.2	-9.0%

Examining 1H13, BTEL gross revenues are Rp 1.30 trillion, lower by 5.1% compared to 1H12 driven by lower telecommunication service revenues.

The good performance in data services yoy supported the sustainability of the revenues.

As a result, 1H13 net revenues remained mostly on the same level with 1H12 at Rp 1.11 trillion.

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2Q & 1st Half 2013 Results

Operating Revenue (in Rp bn)	1H12	1H13	Change
Gross Revenue	1,375.4	1,304.9	-5.1%
- Voice	724.2	635.5	-12.2%
- Non Voice	497.3	519.7	4.5%
- Others	153.8	149.6	-2.7%
Telecommunication Service Revenue	1,244.8	1,173.0	-5.8%
Net Interconnection and discounts	(126.0)	(60.3)	-52.2%
Net Revenue	1,118.9	1,112.7	-0.5%

OPERATING EXPENSES

2Q13 operating expenses amounted to Rp 479.1 billion, significantly lower than in previous quarter by 10.0%:

- Depreciation expense in 2Q13 amounted to Rp 203.4 billion, lower by 10.2% due to fixed assets impairment resulted in 4Q12.
- Operating & maintenance expenses were further decreased in 2Q13 by 19.7% to Rp 95.9 billion also in this quarter mainly led by the decline in number of active BTS.
- General & administrative expenses resulted higher in 2Q13 by 8.3%.
- Personnel costs resulted higher in 2nd quarter due to increased compensation expenses.
- Sales & Marketing expenses were significantly reduced to Rp 42.6 billion or -31.5% resulted from cost controlling measures.

Operating Expense (in Rp bn)	1Q13	2Q13	Change
Depreciation	226.5	203.4	-10.2%
Operating & maintenance	119.5	95.9	-19.7%
General & administrative	41.4	44.8	8.3%
Personnel	82.6	92.3	11.8%
Sales & marketing	62.2	42.6	-31.5%
Total Operating Expense	532.1	479.1	-10.0%
Total Operating Expense excl. Depr.	305.6	275.7	-9.8%

1H13 operating expenses resulted to Rp 1.01 trillion from Rp 1.41 trillion, decreased by 28.1% vs. 1H12 from improvements across all major categories:

- Depreciation charges decreased by 41.1% indicating effects from previous year impairment recognition in fixed assets. Consequently, ratio of depreciation expense to gross revenues also decreased from 53.1% to 32.9%.
- Operating & maintenance expenses decreased by 15.5% coming from improvements in the last two quarters contributed by the decrease in active BTS.
- Sales & Marketing expenses decreased by 33.1%.

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2Q & 1st Half 2013 Results

Operating Expense (in Rp bn)	1H12	1H13	Change
Depreciation	729.7	429.9	-41.1%
Operating & maintenance	255.0	215.4	-15.5%
General & administrative	90.5	86.2	-4.8%
Personnel	174.3	174.9	0.4%
Sales & marketing	156.6	104.7	-33.1%
Total Operating Expense	1,406.1	1,011.2	-28.1%
Total Operating Expense excl. Depr.	676.4	581.3	-14.1%
OPEX category / Gross Revenue %			
Depreciation	53.1%	32.9%	
Operating & maintenance	18.5%	16.5%	
General & administrative	6.6%	6.6%	
Personnel	12.7%	13.4%	
Sales & marketing	11.4%	8.0%	
Total Operating Expense	102.2%	77.5%	
Total Operating Expense excl. Depr.	49.2%	44.5%	

EBITDA & OPERATING PROFIT

BTEL delivered Rp 254.5 billion EBITDA in 2Q13 representing an 8.1% decline compared to previous quarter. The decrease in operating costs compensated for the decline in gross & net revenues enough to keep the EBITDA margin steady at 41.0%. As a result the operating profit continued also this quarter the positive momentum. In the short term, operations are able to cover OPEX including depreciation allowing BTEL to close with another quarter with operating profit.

EBITDA & EBIT (in Rp bn)	1Q13	2Q13	Change
Operating Profit (EBIT)	50,4	51,1	1,4%
EBIT to Gross Revenue	7,4%	8,2%	
EBITDA	276,9	254,5	-8,1%
EBITDA to Gross Revenue	40,5%	41,0%	

The comparison between 1H13 and 1H12 reveals a positive picture. Essentially, BTEL has improved its profitability in EBITDA and Operating Profit considerably in the last six months despite net revenues being mostly unchanged. BTEL earned Rp 531.4 billion EBITDA representing a 20.1% growth yoy. Its margin increased due to lower costs and declining gross revenues.

Additionally, shifting from operating losses to earnings show the positive effects by operating with a leaner cost structure.

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2Q & 1st Half 2013 Results

EBITDA & EBIT (in Rp bn)	1H12	1H13	Change
Operating Profit (EBIT)	(287,2)	101,5	n/a
EBIT to Gross Revenue	-20,9%	16,3%	
EBITDA	442,4	531,4	20,1%
EBITDA to Gross Revenue	32,2%	40,7%	

OTHER INCOME/CHARGES

Net other charges in 2Q13 increased by 50.0% amounted to Rp 256.4 billion. The financial quarter was mainly influenced by adverse effects of exchange rate movements.

Other Income (Charges) (in Rp bn)	1Q13	2Q13	Change
Loss on foreign exchange - net	(23,0)	(91,3)	296,8%
Amortization of deferred gain	2,5	2,5	0,0%
Interest income	0,8	0,8	-3,5%
Financing charges	(155,3)	(166,8)	7,4%
Others - net	4,1	(1,6)	n.a.
Net other charges	(170,9)	(256,4)	50,0%

On a six-month basis, deviations arise mainly from exchange rate movement, lower interest fees and expenses as opposed to previous year.

Other Income (Charges) (in Rp bn)	1H12	1H13	Change
Loss on foreign exchange - net	(228,6)	(114,3)	-50,0%
Amortization of deferred gain	5,0	5,0	0,0%
Interest income	0,8	1,6	95,7%
Financing charges	(416,1)	(322,1)	-22,6%
Others - net	5,6	2,5	-55,4%
Net other charges	(633,3)	(427,3)	-32,5%

NET INCOME (LOSS)

Both 1Q13 and 2Q13 have similar EBIT results, however in 2Q13 BTEL experienced greater net loss of Rp 195.2 billion mainly driven from losses resulted by exchange rate effects.

(in Rp bn)	1Q13	2Q13	Change
Net loss	(97,5)	(195,2)	100,3%

On a six month basis the net losses are significantly lower due to a) positive operating earnings in 1H13, b) lower exchange rate losses, c) lower charges of interest and fees.

(in Rp bn)	1H12	1H13	Change
Net loss	(749,7)	(292,7)	-61,0%

BALANCE SHEETS

Total assets stood at Rp 8.89 trillion as of 30th of June 2013. Current assets are lower due to decreased positions in cash and interest reserve account. Non-current assets are lower due to lesser additions and impairment of fixed assets.

Total liabilities have not varied, except for the shift of loan US\$ 50 million to short term liabilities as it is becoming due in the next 12 months.

Balance Sheet (in Rp bn)	FY 2012	1H13	Change
Cash & cash equivalents	260,4	107,3	-58,8%
Short term investment	2,5	0,0	-98,1%
Other current assets	506,1	487,1	-3,8%
Total Current Assets	769,1	594,5	-22,7%
Fixed asset - net	7.423,3	7.191,5	-3,1%
Other non current assets	860,1	1.100,5	28,0%
Total Non Current Assets	8.283,4	8.292,0	0,1%
Total Assets	9.052,4	8.886,5	-1,8%
- Of which Additions to Fixed Assets	249,2	199,1	-20,1%
Current maturities of long term debt	557,6	880,1	57,8%
Other current liabilities	2.316,8	2.507,1	8,2%
Total Current Liabilities	2.874,4	3.387,3	17,8%
Long term debt	4.453,6	4.090,9	-8,1%
Other non current liabilities	86,4	63,0	-27,0%
Total Non Current Liabilities	4.540,0	4.153,9	-8,5%
Total Liabilities	7.414,4	7.541,2	1,7%
Total Equity	1.638,0	1.345,3	-17,9%

DESCRIPTION OF DEBTS

The Company's total outstanding debt as of 30th Jun. 2013 amounted to Rp 4.94 trillion derived from the obligations stated below:

- Senior Notes with principal amount of US\$ 380 million due in 2015
- Loan issued in September 2012 of the amount of US\$ 50 million
- Financial lease liabilities amounted to Rp 780.9 billion

Debts (in Rp bn)	FY12	2Q13	Change
Bank loans	468,5	440,8	-5,9%
Global Bonds	3.634,4	3.749,3	3,2%
Financial lease	908,3	780,9	-14,0%
Total	5.011,2	4.971,0	-0,8%

CASHFLOWS

- Company resulted into lower inflows from operating activities of Rp 222.4 billion for 1H13 resulted from lower gross revenues.
- Investing activities resulted into higher outflows of Rp 279.3 billion in 1H13, mainly as a result of payments for CAPEX in 1st quarter and advances made for fixed assets.
- Financing activities resulted into lower outflows Rp 96.2 billion in 1H13 mainly as a result of lower financial lease payments and amortization of loan.

Cash Flow Statement (in Rp bn)	1H12	1H13	Change
Net cash provided by operating activities	356,9	222,4	-37,7%
Net cash used in investing activities	(97,3)	(279,3)	187,2%
Free cash flow	259,7	(57,0)	n/a
Net cash provided by (used in) financing activities	(171,7)	(96,2)	-44,0%
Net increase in cash and cash equivalent	88,0	(153,2)	n/a
Cash & cash equivalent at beginning of year	162,3	260,4	60,4%
Cash & cash equivalent at end of year	245,4	107,3	-56,3%

SUBSCRIBERS

As of end of 2nd quarter '13, BTEL maintained 11,523,889 subscribers comprising of ESIA, CDMA 1x, dongle, blackberry and smartphone devices users.

Esia prepaid subscribers are the majority of users and define the trend.

The prepaid and postpaid dongle subscribers (USB BWA data access) continue the positive trend in 2nd quarter 2013 albeit at lower rates.

Subscribers	1Q13	2Q13	Change
Prepaid	11.607.325	11.482.289	-1,1%
Esia	10.893.846	10.756.235	-1,3%
Non Dongle	164.972	172.778	4,7%
Dongle	548.507	553.276	0,9%
Postpaid	43.895	41.600	-5,2%
Esia	41.889	39.423	-5,9%
Dongle	2.006	2.177	8,5%
Total Subscribers	11.651.220	11.523.889	-1,1%

The subscriber base is maintained at fairly the same levels with last year.

The dongle subscribers have increased considerably for prepaid and postpaid subscribers and overall customers subscribed to the broadband service have increased by 77.6% yoy following the relaunch of the BWA brand 'Esia Max-D' on 1st of June 2012.

Bakrie Telecom

2Q & 1st Half 2013 Results

Subscribers	1H12	1H13	Change
Prepaid	11.413.400	11.482.289	0,6%
Esia	10.892.515	10.756.235	-1,3%
Non Dongle	190.911	172.778	-9,5%
Dongle	329.974	553.276	67,7%
Postpaid	50.589	41.600	-17,8%
Esia	49.243	39.423	-19,9%
Dongle	1.346	2.177	61,7%
Total Subscribers	11.463.989	11.523.889	0,5%

SERVICE USAGE

Minutes of usage (MoU) in 2Q13 totaled at mins. 3,694 million or decreased by 3.0%.

2Q13 blended ARPU decreased to Rp 18k qoq predominantly led by the decrease in non-data ARPU following the revenue trends.

Service Usage	1Q13	2Q13	Change
Minutes of Usage (in mn)	3,808	3,694	-3.0%
ARPU			
Non Data	18k	16k	-11.3%
Data	51k	51k	0.0%
Blended	20k	18k	-10.0%

1H13 blended ARPU stood at Rp 19k lower than in 1H12 period.

ARPU from broadband data subscribers was maintained at the same level with previous year, while managing to increase the subscriber base.

Service Usage	1H12	1H13	Change
Minutes of Usage (in mn)	7.573	7.502	-0,9%
ARPU			
Non Data	18k	17k	-5,5%
Data	51k	51k	1,0%
Blended	20k	19k	-2,6%

NETWORK INFRASTRUCTURE

Streamlining the network in our existing coverage, BTEL has 3.100 BTS installed at the end of 2Q13, where 68% were located in Greater Jakarta, Banten and West Java (JBJB) areas. Following the launch of broadband wireless data business, BTEL has 1,989 BTS equipped with EVDO equipment.

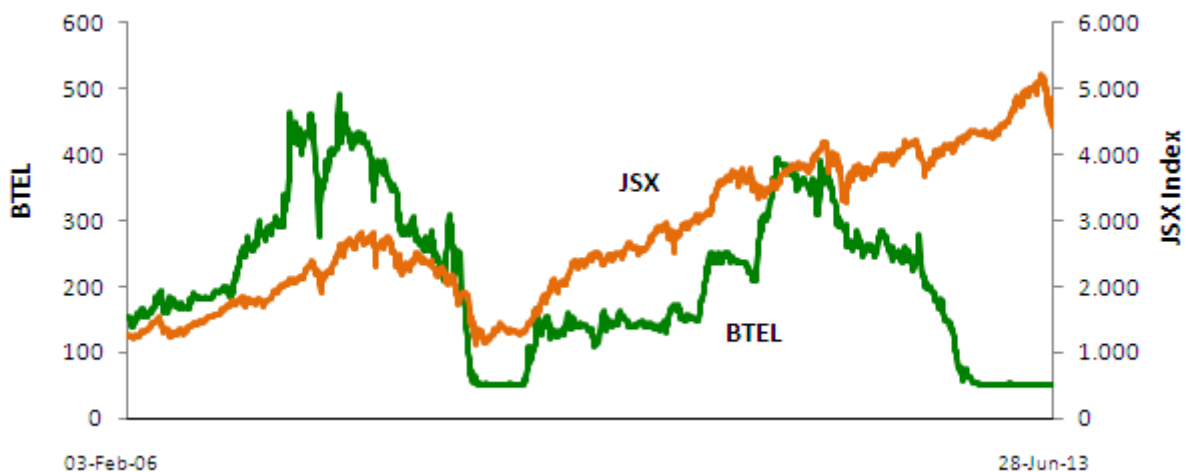
Number of BTS	1H12	1H13
Total BTS	4.011	3.100
BTS : Voice & SMS	4.011	3.100
EVDO	2.356	1.989

DISTRIBUTION CHANNEL

Maintaining customer access to Esia services, BTEL continues strengthening its sales and distribution network. By 2Q13, BTEL's product and services were available through 41 Gerai Esia, 35 dealers across all of our operating areas.

BTEL SHARE PRICE

BTEL shares began trading on the Jakarta Stock Exchange on 3 February 2006 with an Initial Public Offering price of Rp 110 per share. In 2Q13, the share traded on average at price Rp 50.



2Q13 IMPORTANT EVENTS

APRIL



Esia partnering with AirFlash to launch Tablet AirTab A10

Esia amid aggressive steps in promoting basic services, is also meeting the needs of internet services. By working together with AirFlash, Esia promotes the tablet device AirTab A10 allowing customers to have more diverse selection on the data service at still affordable prices.

JUNE



BTel's revitalization successfully brings the strength of Esia brand back.

Of the key messages in the Annual General Shareholders' Meeting is that Esia brand is very strong and unique attributed down to five main factors: quality, simplicity, affordability, customer experience and technology innovation.

In the Extraordinary Shareholders' Meeting the new board of Directors of BTEL was approved as follows: Mr. Jastiro Abi - President Director, Mr. Harya Mitra Hidayat - Director of Legal & Compliance, Mr. Imanuddin K. Putra – non affiliated Director of Human Resources, Mr. Eka Anwar – non affiliated Director of Marketing, Mr. Bachder Bachtarudin – Director of Finance.

PT Bakrie Telecom Tbk. Profile

PT Bakrie Telecom Tbk. (BTEL) provides wireless communication services under the brand Esia. The company utilizes CDMA 2000 1x technology within the 800MHz frequency band, which resulted in a very clear voice service and data transfer capability up to 153Kbps. In the middle of 2010, the company launched its broadband wireless access (BWA) services business that utilized CDMA EVDO technology.

BTEL began its first operation in 1996 through its original Ratelindo service. Following its relaunch in September 2004, BTEL has continually recorded positive operating as well as financial performance. In 2004, BTEL only had 192,000 subscribers. The Company acquired its first one million subscribers in 2Q06. By end of 2nd quarter 2013, BTEL has 11,52 million subscribers nationwide.

Bakrie Telecom is listed on the Jakarta Stock Exchange since February 2006 with the ticker symbol BTEL.

FINANCIAL & OPERATING SUMMARY

	FY11	1Q12	2Q12	1H12	FY12	1Q13	2Q13	1H13
Total Subscribers	14,635,422	11,167,834	11,463,989	11,463,989	11,662,662	11,651,220	11,523,889	11,523,889
Prepaid	14,580,708	11,115,439	11,413,400	11,413,400	11,618,166	11,607,325	11,482,289	11,482,289
Postpaid	54,714	52,395	50,589	50,589	44,496	43,895	41,600	41,600
ARPU Blended (Rp)	20k	18k	21k	20k	21k	20k	18k	19k
Prepaid	19k	18k	21k	20k	20k	20k	18k	19k
Postpaid	114k	114k	120k	117k	117k	113k	123k	118k
Minutes Of Usage (in mn)	17,846	3,966	3,607	7,573	15,605	3,808	3,694	7,502
BTS	4,016	4,011	4,011	4,011	3,899	3,897	3,100	3,100
<i>(In Rp billion)</i>								
Gross Revenue	3,195.5	673.3	702.0	1,375.4	2,973.6	683.9	620.9	1,304.9
Net Revenue	2,591.0	526.6	592.3	1,118.9	2,361.0	582.5	530.2	1,112.7
Total Operating Expenses	2,765.0	697.0	709.1	1,406.1	2,861.3	532.1	479.1	1,011.2
Depreciation	1,322.3	361.8	367.9	729.7	1,461.7	226.5	203.4	429.9
Operating & Maintenance	393.6	130.5	124.5	255.0	548.2	119.5	95.9	215.4
General & Administrative	207.9	42.2	48.3	90.5	179.5	41.4	44.8	86.2
Personnel	373.4	85.3	89.0	174.3	370.2	82.6	92.3	174.9
Marketing & Sales Expense	467.9	77.1	79.5	156.6	301.8	62.2	42.6	104.7
EBITDA	1,148.3	191.4	251.0	442.4	961.3	276.9	254.5	531.4
<i>EBITDA / Gross Revenue (%)</i>	<i>35.9%</i>	<i>28.4%</i>	<i>35.8%</i>	<i>32.2%</i>	<i>32.3%</i>	<i>40.5%</i>	<i>41.0%</i>	<i>40.7%</i>
<i>EBITDA / Net Revenue (%)</i>	<i>44.3%</i>	<i>36.4%</i>	<i>42.4%</i>	<i>39.5%</i>	<i>40.7%</i>	<i>47.5%</i>	<i>48.0%</i>	<i>47.8%</i>
EBIT	(174.0)	(170.4)	(116.9)	(287.2)	(500.4)	50.4	51.1	101.5
<i>EBIT / Gross Revenue (%)</i>	<i>-5.4%</i>	<i>-25.3%</i>	<i>-16.6%</i>	<i>-20.9%</i>	<i>-16.8%</i>	<i>7.4%</i>	<i>8.2%</i>	<i>7.8%</i>
Other Income/ (Charges)	(813.9)	(266.4)	(366.9)	(633.3)	(3,033.2)	(170.9)	(256.4)	(427.3)
Financing charges - net	(759.3)	(210.2)	(205.9)	(416.1)	(784.9)	(155.3)	(166.8)	(322.1)
Impairment of fixed assets	-	-	-	-	(1,614.5)	-	-	-
Hedge termination cost	-	-	-	-	(167.4)	-	-	-
Others	(54.6)	(56.2)	(161.1)	(217.2)	(466.5)	(15.6)	(89.6)	(105.2)
Loss Before Tax	(987.9)	(436.7)	(483.8)	(920.5)	(3,533.5)	(120.5)	(205.3)	(325.8)
Tax Benefit	205.2	81.1	89.8	170.9	394.6	23.1	10.1	33.2
Net Loss	(782.7)	(355.6)	(394.0)	(749.7)	(3,138.9)	(97.5)	(195.2)	(292.7)
Current Assets	948.4	946.3	901.9	901.9	769.1	650.3	594.5	594.5
Non Current Assets	11,264.8	11,082.1	10,770.5	10,770.5	8,283.4	8,243.4	8,292.0	8,292.0
Total Assets	12,213.1	12,028.5	11,672.4	11,672.4	9,052.4	8,893.7	8,886.5	8,886.5
Current Liabilities	2,955.8	3,272.7	3,207.3	3,207.3	2,874.4	3,156.1	3,387.3	3,387.3
Non Current Liabilities	4,888.6	4,723.8	4,671.8	4,671.8	4,540.0	4,197.1	4,153.9	4,153.9
Total Liabilities	7,844.4	7,996.5	7,879.1	7,879.1	7,414.4	7,353.2	7,541.2	7,541.2
Total Equity	4,368.8	4,031.9	3,793.3	3,793.3	1,638.0	1,540.5	1,345.3	1,345.3