

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

PT BAKRIE TELECOM Tbk.

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Ticker: **BTEL**

Major Shareholders:

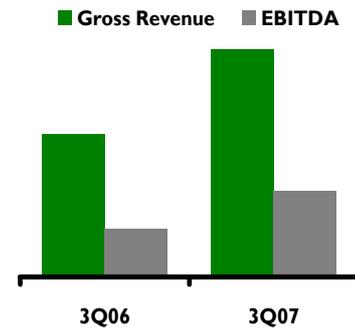
PT Bakrie Brothers Tbk.	50.25%
Richweb Investment Ltd.	2.08%
CMA Fund Management Ltd.	1.51%
PT Bakrie Communication	3.17%
Public	43.00%

Highlights:

- Total subscribers increased by 126.6% from 1,301,986 subscribers in 3Q06 to 2,949,848 subscribers in 3Q07;
- Gross revenue increased by 68.2% to 989.23 billion from Rp588.18 billion in the corresponding period last year;
- EBITDA surged by 78.6% to Rp354.10 billion in 3Q07 versus Rp198.31 billion in the corresponding period last year;
- EBITDA margin widened to 35.8% in 3Q07 from 33.7% in 3Q06; and
- Net income increased by 118.7% to Rp113.47 billion in 3Q07 compared to Rp51.88 billion in the corresponding period last year.

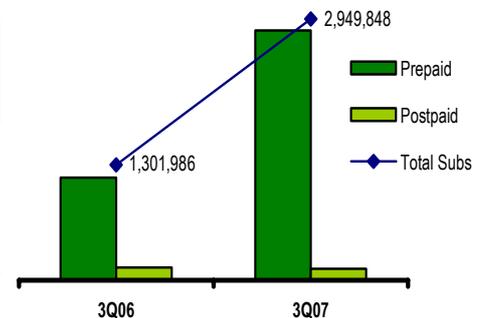
FINANCIAL HIGHLIGHTS

Key Indicators Rp (million)	3Q06 (Nine Months)	3Q07 (Nine Months)	Growth (%)
Gross Revenue	588,182	989,234	68.2%
Net Revenue	426,927	848,848	98.8%
Total OPEX	338,562	645,246	90.6%
EBITDA	198,306	354,104	78.6%
EBITDA Margin	33.7%	35.8%	
EBIT	88,365	203,603	130.4%
Net Income (Loss)	51,879	113,466	118.7%



OPERATIONAL HIGHLIGHTS

Key Indicators Rp (million)	3Q06 (Nine Months)	3Q07 (Nine Months)	Growth (%)
Total Subscribers	1,301,986	2,949,848	126.6%
Prepaid	1,159,007	2,819,144	143.2%
Postpaid	142,979	130,704	-8.6%



Bakrie Telecom

BAKRIE TELECOM
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**PT BAKRIE TELECOM Tbk. THIRD QUARTER (NINE MONTHS) 2007
OPERATING & FINANCIAL RESULTS**

The following analysis and discussion is based on the company's unaudited financial statements for the nine-month periods ending 30 September, 2007 and 30 September, 2006 and other relevant company information.

FINANCIAL RESULTS

Gross Revenue & Net Revenue

PT Bakrie Telecom Tbk. ('BTEL') reported gross revenue of Rp989.23 billion for 3Q07, a 68.2% increase from Rp588.18 billion in the comparable period in 2006. Nine-month net revenue of Rp848.85 billion was up 98.8% from 3Q06's Rp426.93 billion. The increase in gross revenue was mainly due to robust growth in BTEL's subscriber base from 1,301,986 subs in 3Q06 to 2,949,848 total subs as of the end of 3Q07. The increase in net revenue was attributable to declining interconnection expense to gross revenue, which fell from 15.8% in 3Q06 to 6.1% in 3Q07 as a result of the incoming and outgoing traffic balance and the new interconnection regime (cost-based interconnection) which was first implemented in early 2007.

Operating Expenses

Operating expenses represented 65.2% of revenues in 3Q07 compared to 57.6% in 3Q06. While net revenue increased by 98.8%, operating expenses rose by only 90.6% to Rp645.25 billion for 3Q07 compared to Rp338.56 billion in the same period last year. This increase was due to BTEL's efforts to develop its business nationally through network expansion, strengthening the *Esia* brand image through both above and below the line activities, and strategic hiring of professionals to provide improved products and services to meet customer demand. Main contributors to the increase are:

- Depreciation expense represented 14.6% of total operating revenues in 3Q07 compared to 17.4% in 3Q06. Depreciation expense grew by 41.0% to Rp144.28 billion in 3Q07 from Rp102.29 billion in 3Q06 because of the expansion to strengthen our CDMA network and infrastructure in Jakarta, West Java, and Banten as well as the rollout of our network and infrastructure nationwide;
- Operating and maintenance expense represented 18.1% of total operating revenues in 3Q07 compared to 7.7% in 3Q06. Operating and maintenance expense increased by 295.6% to Rp179.28 billion in 3Q07 from Rp45.32 billion in 3Q06, in line with our network expansion in Jakarta, West Java, Banten and nationally. An increase in operating and maintenance expenses in 3Q07 was also attributable to increasing rental expense and site acquisition in new areas;

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

- General and administrative expense represented 7.8% of revenues in 3Q07 compared to 9.0% in 3Q06. General and administrative expense grew 45.0% to Rp77.01 billion in 3Q07 from Rp53.11 billion in 3Q06, mainly from increased activities to accommodate our significant subscriber growth and from an increase in transportation expenses due to national expansion.;
- Personnel expense represented 11.0% of revenues in 3Q07 compared to 8.2% in 3Q06. Personnel expense increased by 123.7% to Rp108.52 billion in 3Q07 from Rp48.50 billion in 3Q06 as a result of new hires to support our nationwide rollout and a salary adjustment for employees; and
- Marketing and sales expense represented 13.1% of revenues in 3Q07 compared to 13.9% in 3Q06. Marketing and sales expense grew by 59.1% to Rp129.94 billion in 3Q07 from Rp81.69 billion in 3Q06. This was due to an increase in advertising and promotional programs resulting in high subscribers acquisition.

EBITDA & EBIT

EBITDA surged 78.6% to Rp354.10 billion in 3Q07 from Rp198.31 billion in 3Q06. EBITDA margin in 3Q07 widened to 35.8% compared to 33.7% in 3Q06. BTEL reported 3Q07 EBIT of Rp203.60 billion, significantly higher by 130.4% from Rp88.37 billion in 3Q06.

Net Income

BTEL recorded net income of Rp113.47 billion for 3Q07, compared to Rp51.88 billion in 3Q06.

OPERATING RESULTS

Subscribers

We served 2,949,848 total subscribers by the end of 3Q07, representing a 126.6% increase from 1,301,986 subs in 3Q06.

Our Prepaid subscriber base increased significantly by 143.2% to 2,819,144 subs in 3Q07 from 1,159,007 subs in 3Q06.

Our Postpaid subscriber base decreased by 8.6% to 130,704 subs in 3Q07 from 142,979 subs in 3Q06, mainly as a result of a further decline in the number of *Ratelindo* subscribers. *Ratelindo* subscribers have converted to either Wifone prepaid/postpaid or EsiaTel postpaid/prepaid to take advantage of their higher quality and better features.

The growth in our subscriber base was driven by improved network quality, strong brand image/awareness, new product launches, marketing campaigns and the introduction of several benefits, such as Esia Paket Untung, 'Bonus Talktime', savings of up to 90% for using Esia for international long distance calls through VOIP (Voice Over Internet

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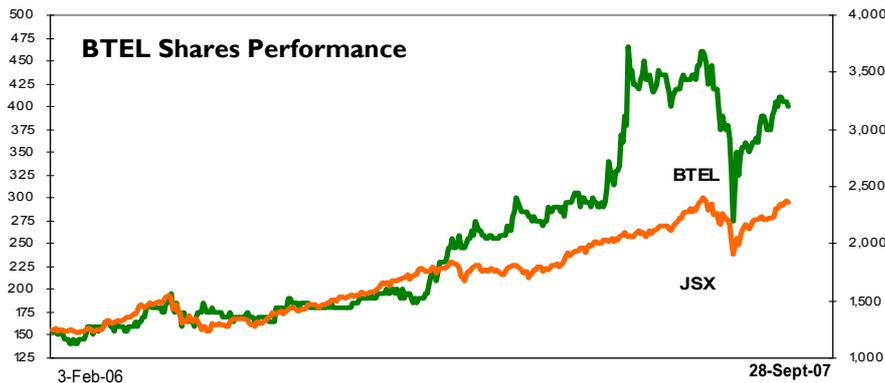
Protocol), a variety of bundling packages with Nexian, Motorola, Samsung, Nokia, ZTE, as well as the most recent “Dobel Untung” package with LG and Huawei. The “Dobel Untung” package that is bundled with a Huawei handset priced at Rp199,000 is a remarkable success due to its rave reception by the market.

Service Usage

Below are the Average Revenue per User (ARPU) figures for BTEL’s products for the periods under discussion:

ARPU	Q3'06	Q3'07
Postpaid	145,589	133,177
Prepaid	54,814	47,899
Blended	66,214	52,210

SHARE PRICE PERFORMANCE



BTEL shares began trading on the Jakarta Stock Exchange on 3 February, 2006 at an initial price of Rp110 per share. As of the end of September 2007, BTEL shares were listed at Rp400 per share, an absolute appreciation of 264% since the Initial Public Offering. In comparison, the Jakarta Stock Exchange Composite Index had risen from 1,244.12 to 2,359.21 during the same period, a gain of 90%.

SALES & DISTRIBUTION

To enable improved customer access to our *Esia* services, BTEL has continued aggressively to broaden our sales and distribution network by adding more distributors, authorized outlets, and E-Voucher and Inject dealers. By 3Q07, BTEL had 6 national distributors, 441 dealers, and 1,669 outlet dealers across our operating area.

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

RECENT DEVELOPMENTS

After spending most of the first half of 2007 consolidating our position in the Jakarta, Banten and Jawa Barat (JBB) area, closing our debt and vendor financing, resolving spectrum allocation issues and building capability in the Company for future growth, BTEL is now poised for its next phase of acceleration.

New Product

We have introduced Indonesia's cheapest (compared to both CDMA and GSM) entry level handset, the Huawei black and white handset, priced at just Rp199,000 (approximately \$22). This offer is available in all our markets. With this move, we have further raised the bar for our competitors in the value for money segment. BTEL is now the undisputed leader in value, both for tariffs and handsets.

The initial feedback from consumers and the channel has been very satisfying. We will continue to partner our major infrastructure provider Huawei in reducing capex for both network and cost of handsets in the future.



New handset crowds at Esia retail outlet

Esia customers queued out the door

New Area Launch

Our new area rollout is well ahead of schedule, as we are now commercially available in Surabaya and Malang in East Java, Semarang, Solo and Yogyakarta in Central Java, and in Medan and Padang in Sumatra. We have interconnection with all operators and are offering our entire available range of services in these new areas. Our 2007 plan to provide coverage in 17 cities in the New License Area is well within our committed timetable. Initial reaction from both consumers and trade channels has been encouraging.

BTEL now covers 69 million people and 40% of Indonesia's wireless market.

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007



Surabaya Retail outlet grand opening



Malang Retail outlet grand opening



Semarang Retail outlet grand opening



Yogyakarta Retail outlet grand opening



Medan Retail outlet grand opening



Padang Retail outlet grand opening

The New License

“International Long Distance”:

BTEL has been granted the third International Long Distance License in Indonesia. The other two operators with International Long Distance Licenses are Telkom and Indosat.

In 2007, the Indonesian International Long Distance (ILD) market is estimated to be 2.6 billion minutes (Outgoing + Incoming). The 5-year CAGR for the segment has been 25% in terms of minutes, with growth accelerating since 2005. Industry consensus has been that ILD will grow faster in the medium term, fuelled by both voice and data.

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

In the next five years, we expect ILD voice minutes to grow to 6 billion minutes. BTEL will be looking to achieve a 20% market share of the ILD market by 2012.

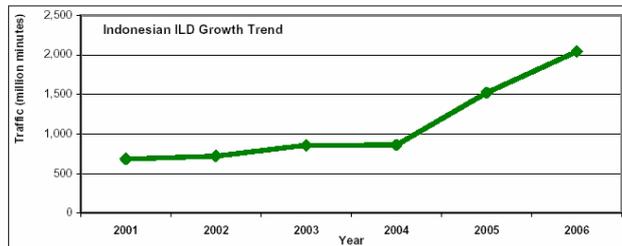
BTEL believes there is a substantial opportunity to offer lower ILD tariffs. This approach will grow the ILD segment for both voice and data faster than has been projected to date.

Facts:

1. License fee is ZERO.
2. The Company has a commitment to invest \$25 million in backbone capex between 2008 and 2012. This capex is a small part of our overall capex and may be done on a consortial basis.
3. Indonesia ILD tariffs continue to be very high versus other markets:

Call to	Per minute tariff (USD), call from		
	Indonesia	India	Philippines
USA	0.88	0.05	0.40
Saudi Arabia	1.00	0.40	0.40

4. Growth of ILD has been healthy, especially with the increase in mobile penetration.



Brand Awareness

BTEL's brand/advertising impact consistently ranks in the top three for the industry (GSM and CDMA). Research conducted by Taylor Nelson Sofres (TNS) indicates that *Esia* ads score very highly on unaided recall compared to other brands.

Longest Talk-Time and Cheapest Tariff

BTEL remains No.1 in the industry (GSM and CDMA) in providing the longest talk time for its customers. TNS research indicates that *Esia* scores very highly on longest talk time position compared to other brands. A similar survey also suggests that customers most consider *Esia* as their usage brand of choice among all operators (GSM & CDMA).

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

OPERATIONS

BTEL's network coverage has spread from Greater Jakarta to Bandung and the other cities of West Java and Banten. Besides Jakarta and Bandung, BTEL is also in commercial operation in 15 other cities as follows: Bogor, Serang, Cilegon, Cirebon, Purwakarta, Tasikmalaya, Ciamis, Cianjur, Karawang, Sumedang, Sukabumi, and Subang.

During 3Q07, BTEL has continued to expand its telecommunication network. Starting in August 22, 2007, BTEL launched its products in Surabaya and Malang, and followed this with successful launches in 5 other cities, namely Semarang, Solo, Yogyakarta, Medan and Padang. BTEL aims to add a further ten cities before the end of the year.

As of September 2007, BTEL has 788 BTS.

PT BAKRIE TELECOM TBK. PROFILE

PT Bakrie Telecom Tbk. (BTEL) owns the *Esia* brand of wireless communication products and services, and has been serving the public since 1996 through its original *Ratelindo* service. Since the company's relaunch in September 2004, BTEL has recorded positive operating and financial performance.

BTEL provides wireless communication services using the CDMA 2000 1x technology. This technology uses the 800MHz frequency band, resulting in a very clear voice service and data transfer capability of up to 153Kbps.

In 2004, BTEL had only 192,000 customers. The company's subscriber base increased by 153% in 2005, when BTEL was successfully reaching 487,000 subscribers. By September 2007, BTEL had passed the 2.9 million subscriber level.

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

IMPORTANT RECENT EVENTS

September 2007

- On September 26, 2007, PT Bank Mandiri (persero) Tbk and BTEL launched SMS Banking Mandiri. SMS Banking Mandiri provides many services to BTEL's subscribers, namely, reload vouchers, *Esia/Wimode/Wifone* payments, balance information and foreign exchange rate information. BTEL's subscribers gain all these benefits and only pay Rp500/sms.

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

- On September 17, 2007, BTEL was granted the third International Long Distance License by the government. The other two operators with International Long Distance Licenses are Telkom and Indosat.
- On September 15, 2007, BTEL signed an agreement with Bakrie life for travel insurance services to be included in BTEL's Esia prepaid and postpaid service programs. The insurance plan includes a self insurance guarantee, accident insurance, and health insurance for 2.5 million subscribers in all Esia markets. This program maintains Esia's motto "Untung Pake Esia".
- BTEL officially launched services in Medan on September 6, 2007. The launch in Medan was the first phase of development for BTEL's national service plan outside Java.
- BTEL officially launched services in Yogyakarta on September 6, 2007.
- On September 5, 2007, BTEL listed its first bond worth Rp650 billion on the Surabaya Stock Exchange. The issue size was increased to Rp650 billion from an initial Rp500 billion due to high investor demand.
- BTEL has introduced Indonesia's cheapest (compared to both CDMA and GSM) entry level handset in the market. The Huawei handset is priced at Rp199,000 (approximately \$22) only. This offer is available in all our markets.

August 2007

- BTEL expanded its network to Semarang and Solo in Central Java in August 30, 2007.
- BTEL launched its services in Surabaya and Malang on August 22, 2007 initiating BTEL's national enlargement program.

July 2007

- On July 2, 2007, BTEL entered into a 5-year US\$145 million long-term loan facility with Credit Suisse. Loan proceeds were used to refinance debt with US\$ 50.55 million of outstanding debt with Bank Mandiri and the balance was used for capex. The facility carries an interest rate of LIBOR + 4%, representing a lower financing cost to BTEL.

OUTLOOK

▪ **New Area Launch**

BTEL continues to expand its network. After a successful expansion to seven cities outside Jakarta, West Java and Banten, the Company aims to add ten more cities before the end of the year. The network is already available in Surabaya, Malang, Semarang, Solo, Yogyakarta, Medan and Padang.

• **Capacity Build Out Is On Schedule**

We currently have 788 BTS on air. Deployment of the balance of 412 BTS to meet our year-end target of 1200 is on course.

• **Our Subscriber and Revenue Targets are on Track**

BTEL aims to achieve 3.6 million total subscribers by the end of 2007, a target comprised of 3.1 million subscribers from Jakarta, West Java and Banten (Old Turf) and 0.5 million from other major cities (New Turf).

As of September 2007, we have reached 2,949,848 subscribers. The target balance of 650,152 subscribers is easily met based on current acquisition trends and our roll out schedule.

• **Revenue**

On the revenue side, by 3Q07 we had achieved 62 % of our Rp1.6 trillion full-year 2007 revenue guidance. Since the bulk of the capacity expansion and subscriber acquisition has been in progress in 3Q07 and will continue in 4Q07, the balance of our revenue will be realized in 4Q07.

▪ **Capital Expenditure Allocation**

To achieve 3.6 million subscribers and expand to 17 cities outside Jakarta, West Java and Banten, BTEL has allocated capex of US\$220 million which has been fully funded through loans, vendor financing and Rupiah bond issuance

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2007

PT Bakrie Telecom Tbk. Operational & Financial Results

	Q1-06	Q2-06	Q3-06	3Q-06	Q1-07*	Q2-07	Q3-07	3Q-07
Total Subscribers	757,281	1,056,333	1,301,986	1,301,986	1,799,918	2,246,593	2,949,848	2,949,848
Prepaid	611,541	910,209	1,159,007	1,159,007	1,670,164	2,117,650	2,819,144	2,819,144
Postpaid	145,740	146,124	142,979	142,979	129,754	128,943	130,704	130,704
ARPU Average(Rp)	86,217	73,136	66,214	67,108	55,076	52,204	52,210	53,163
Prepaid	67,315	58,369	54,814	60,166	46,183	45,668	47,899	46,583
Postpaid	148,086	149,223	145,589	164,410	158,294	148,457	133,177	146,642
BTS	235	291	349	349	448	521	788	788
Minutes Of Usage ('000,000)	344	523	643	1,510	800	1,069	1,334	3,203
Long-term Debt (Rp Mn)	500,313	491,269	482,225	482,225	460,261	447,341	1,968,496	1,968,496
Gross Revenue (Rp Mn)	155,301	199,823	233,058	588,182	271,140	312,695	405,399	989,234
Net Revenue (Rp Mn)	109,006	145,119	172,802	426,927	223,909	269,279	355,660	848,848
Total OPEX (Rp Mn)	100,964	121,256	116,342	338,562	172,970	213,628	258,647	645,245
Depreciation (Rp Mn)	31,959	32,411	37,923	102,293	45,385	47,393	51,498	144,276
Operating & Maintenance (Rp Mn)	15,443	13,157	16,721	45,321	57,100	60,909	61,270	179,279
General & Administrative (Rp Mn)	16,814	17,532	18,762	53,108	21,893	25,610	29,508	77,011
Personnel (Rp Mn)	15,084	15,664	17,757	48,505	27,530	31,297	49,693	108,520
Marketing & Sales Expense (Rp Mn)	19,402	40,304	21,982	81,688	19,209	46,287	64,439	129,935
Other Expenses (Rp Mn)	2,262	2,188	3,198	7,648	1,853	2,132	2,240	6,225
EBITDA (Rp Mn)	42,264	58,462	97,580	198,306	98,177	105,176	150,750	354,103
EBITDA / Gross Revenue (%)	27.2%	29.3%	41.9%	33.7%	36.2%	33.6%	37.2%	35.8%
EBIT (Rp Mn)	8,043	23,863	56,460	88,366	50,940	55,651	97,013	203,604
EBIT / Gross Revenue (%)	5%	12%	24%	15%	19%	18%	24%	21%
Financial Charges (Rp Mn)								
Interest - Net (Rp Mn)	(12,720)	(8,427)	(9,896)	(31,043)	(16,470)	(16,761)	(23,964)	(57,195)
Others (Rp Mn)	(1,023)	(3,297)	(6,385)	(10,705)	(4,592)	(2,608)	24,410	17,210
Income (Loss) Before Tax (Rp Mn)	(5,700)	12,139	40,179	46,618	29,878	36,281	97,458	163,617
Tax (Rp Mn)	5,823	2,129	(2,690)	5,262	(13,628)	(9,910)	(26,613)	(50,151)
Current (Rp Mn)								
Deferred (Rp Mn)	5,823	2,129	(2,690)	5,262	(13,628)	(9,910)	(26,613)	(50,151)
Net Income (Loss) (RpMn)	123	14,268	37,489	51,880	16,250	26,371	70,845	113,466
Total Assets	2,188,590	2,145,284	2,161,117	2,161,117	2,275,037	2,356,445	4,477,208	4,477,208
Total Liabilities	769,408	713,176	686,514	686,514	763,407	818,721	2,641,032	2,641,032
Equity	1,419,182	1,432,108	1,474,603	1,474,603	1,511,630	1,537,724	1,836,176	1,836,176

* Audited