

Bakrie Telecom

3Q08 (9-MONTHS) RESULTS

PT BAKRIE TELECOM Tbk.

Wisma Bakrie, 3rd Floor
 Jl. HR Rasuna Said Kav. B-1
 Jakarta 12920 - Indonesia

Phone : 62-21-91101112
 Fax : 62-21-91100080
 Website : www.bakrietelecom.com

Ticker :BTEL

Major Shareholders:

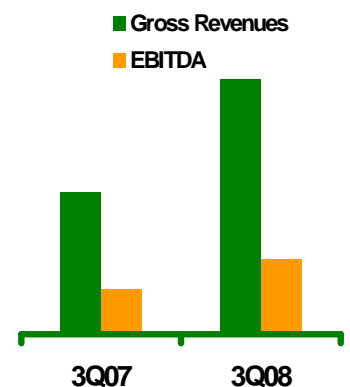
PT Bakrie Brothers Tbk.	49.13%
PT Bakrie Communication	2.09%
Richweb Investment Ltd.	1.37%
CMA Fund Management Ltd.	0.08%
Public	47.33%

HIGHLIGHTS:

- Subscribers increased from 2.9 million in 3Q07 to 6.6 million in 3Q08
- Gross revenues increased from Rp 1,106.6 billion in 3Q07 to Rp 1,997.2 billion in 3Q08
- EBITDA increased from Rp 354.1 billion in 3Q07 to Rp 578.9 billion in 3Q08
- Net income increased from Rp 113.5 billion in 3Q07 to Rp 121.3 billion in 3Q08

FINANCIAL HIGHLIGHTS

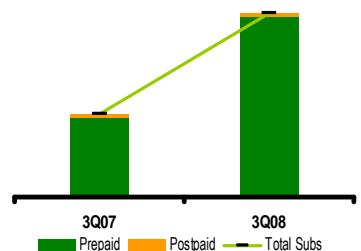
Statement of Income (in Rp bn)	3Q07	3Q08	Growth
Gross Revenues - Total	1,106.6	1,997.2	80.5%
Gross Revenues - Telco Service	989.2	1,784.0	80.3%
Gross Revenues - Interconnection Service	117.3	213.2	81.7%
Net Revenues	848.8	1,551.4	82.8%
Total OPEX	645.2	1,281.3	98.6%
EBITDA	354.1	582.0	64.3%
EBIT	203.6	270.1	32.7%
Net Income	113.5	121.3	6.9%



Balance Sheet (in Rp bn)	3Q07	3Q08	Growth
Cash & Cash Equivalents	559.5	1,850.4	230.7%
Current Assets - Other	493.7	1,260.3	155.3%
Total Current Assets	1,053.2	3,110.7	195.4%
Non-Current Assets	3,424.0	4,991.3	45.8%
Total Assets	4,477.2	8,101.9	81.0%
Current Liabilities	433.1	652.4	50.6%
Non-Current Liabilities	2,208.0	2,185.2	-1.0%
Total Liabilities	2,641.0	2,837.6	7.4%
Equity	1,836.2	5,264.4	186.7%

OPERATIONAL HIGHLIGHTS

Key Indicators	3Q07	3Q08	Growth
Total Subscribers	2,949,848	6,551,790	122.1%
Prepaid	2,819,144	6,440,126	128.4%
Postpaid	130,704	111,664	-14.6%



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FINANCIAL & OPERATING RESULTS 3H08

The following analysis and discussion is based on the company's unaudited financial statements for the 9-month period ended 30 September 2008 and 30 September 2007 and other relevant company information.

Certain accounts in the financial statements for the year ended 30 September 2007 have been reclassified to conform with the presentation of accounts in the financial statements for the year ended 30 September 2008. Interconnection expenses were presented in gross and reclassified into interconnection service revenues and interconnection expenses, while operating revenues was reclassified into telecommunication service revenues and interconnection service.

We have conducted the reclassification in relation with our rights issue based on a discussion with the Capital Markets Supervisory Agency (BAPEPAM).

FINANCIAL RESULTS

GROSS OPERATING REVENUES & NET OPERATING REVENUES

PT Bakrie Telecom Tbk (BTEL) reported gross operating revenues of Rp 1,997.2 billion in 3Q08, representing an 80.5% increase from Rp 1,106.6 billion in 3Q07. This was mainly attributed to the 80.3% higher telecommunication revenues of Rp 1,784.0 billion in 3Q08, compared to Rp 989.2 billion the year before, on the back of 122.1% jump in number of subscribers during the period from 2.9 million to 6.5 million. While interconnection service posted a 81.7% increase to Rp 213.2 billion from Rp 117.3 billion, as the result of more favorable interconnection regime, coupled with more balanced mix of incoming and outgoing traffic, following much larger subscriber base. Consequently, net revenues also increased by a robust 82.8% from Rp 848.8 billion to Rp 1,551.4 billion.

OPERATING EXPENSES

Total 3Q08 operating expenses represent around 64.3% of gross operating revenues, higher than 58.3% in the same period the year before. This increase was mostly related to the Company's nationwide roll-out.

- Depreciation expense increased by 108.9% to Rp 301.5 billion in 3Q08 from Rp 144.3 billion in 3Q07. As a percentage of gross revenue, this represent an increase from 13.0% to 15.1%. This was inline with BTEL's expansion to strengthen its existing network infrastructure in Greater Jakarta, West Java and Banten, as well as building new ones in other areas.
- Operating and maintenance expense represented 18.3% of total operating revenues in 3Q08 compared to 16.2% in the previous year. While in absolute term, it increased by 105.1% to Rp 364.7 billion from Rp 179.3 billion. The increase was also related to the nationwide roll-out and more tower co-location. The rental expense related to tower co-location during the period increased by more than 7 times from Rp 10.3 billion to Rp 85.2 billion. As a percentage of revenue, co-location expense also increased from 0.9% to 4.3%.
- General & administrative expense grew by 70.7% to Rp 131.4 billion in 3Q08 from Rp 77.0 billion in 3Q07, inline with rapid subscriber growth. As a percentage of revenues, this represent a decline from 7.0% to 6.6%.
- Personnel expense represented 9.1% of revenues in 3Q08, which is lower compared to 3Q07 of 9.8%. As a result new hires and employee salary adjustment, the nominal increased by 67.3% to Rp 181.5 billion in 3Q08 from Rp 108.5 billion in 3Q07.
- Marketing & sales expense increased by 124.7% to Rp 291.9 billion in 3Q08 from Rp 129.9 billion in 3Q07. This represented an increase from 11.7% to 14.6% of gross revenues. The higher expense was mostly attributed to the company's advertising & promotional programs, especially in the new areas.

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3Q08 (9-MONTHS) RESULTS

EBITDA & EBIT

EBITDA increased by 64.3% to Rp 582.0 billion in 3Q08 which represent 29.1% when compared to gross revenues. Without co-location rental expense, EBITDA increased even higher by 83.1% to Rp 667.1 billion or represent 33.4% of gross revenues. EBIT stood at Rp 270.1 billion in 3Q08, which is 32.7% higher than Rp 203.6 billion in 3Q07. On QoQ basis, EBITDA margin improved to 31.6% in Q3-08 from 30.1% in Q2-08.

OTHER INCOME/ CHARGES

BTEL posted a net other charges of Rp 105.7 billion in 3Q08, which is 164.3% higher compared to a net other charges of Rp 40.0 billion the year before. This was mostly due to higher financing cost, which rose from Rp 57.2 billion to Rp 94.3 billion, following 2007 debt issuance.

NET INCOME

Net income by the end of 3Q08 was at Rp 121.3 billion. This represented a 6.9% increase from Rp 113.5 billion during the same period in the previous year. As previously explained, the bottom line was mostly affected by the interest payment for US\$ 145 million loan from CSFB that the company did not have in 2007. Without extraordinary forex gain, net income during the period would have increased by 31.5% from Rp 84.9 billion to Rp 111.6 billion.

BALANCE SHEETS

Total assets increased by 81.0% to Rp 8,101.9 billion, total liabilities increased by 7.4% to Rp 2,837.6 billion, while total equity increased by 186.7% to Rp 5,264.4 billion, all on the back of our business expansion.

Current assets soared by 195.4% to Rp 3,110.7 billion, mostly from rights issue proceeds. Additional contribution came from higher short-term investments, trade receivables and prepaid expenses.

Non-current assets increased by 45.8% to Rp 4,991.3 billion. This was attributed to a 44.2% increase in net fixed assets to Rp 4,304.0 billion, inline with network expansion as well as 100.4% increase in derivative assets to Rp 447.7 billion, following a swap contract to hedge the Company's US\$ 145.0 million bank loan.

Current liabilities increased by 50.6% to Rp 652.4 billion due to much higher accrued expense related to interconnection expense, customer deposit and current maturities of long-term debt.

Non-current liabilities declined slightly by 1.0% to Rp 2,185.2 billion, which mainly attributable to 67.8% drop in trade payables to Rp 60.8 billion.

CASH FLOWS

In Rp bn	3Q07	3Q08	Growth
Net Cash from Operations	405.9	229.9	-43.4%
Net Cash from Investing	(1,645.0)	(1,732.3)	5.3%
Free Cash Flows	(1,239.1)	(1,502.4)	21.3%
Net Cash from Financing	1,513.5	3,057.2	102.0%
Net(Decrease)/ Increase in Cash & Equivalents	274.4	1,554.8	466.7%
Cash & Cash Equivalents at the Beginning of Period	239.4	295.7	23.5%
Cash & Cash Equivalents at the End of the Period	513.8	1,850.4	260.1%

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3Q08 (9-MONTHS) RESULTS

- Net cash flows from operating activities were Rp 229.9 billion, a decrease of 43.4% from the equivalent period last year. This was due to a higher operating activities.
- Net cash flows used in investing activities were Rp 1,732.3 billion, an increase of 5.3% from the previous year mostly driven by an increase in short-term investment.
- Net cash flows from financing activities were Rp 3,057.2 billion, a significant increase from the same period last year, on the back of Rp 2,938.4 billion rights issue proceeds.

DESCRIPTION OF DEBTS

In Rp bn	3Q07	3Q08
Banks	1,324.9	1,360.7
Bonds	643.6	644.3
Vendor Financing	188.6	188.4
TOTAL	2,157.1	2,193.5

As of 30 September 2008, total outstanding debt amounted to Rp 2,193.5 billion, which consist of:

- US\$ 145.0 million credit facility arranged by Credit Suisse due in 2012;
- Proceeds from Rp 650.0 billion Rupiah bond due in 2012;
- Vendor Financing Facility in the amount of US\$ 27.0 million from Huawei Tech. Investment Co. Ltd.

First installment for Credit Suisse facility will be paid in October 2009 with the amount of US\$ 2.5 million. The principal of this US\$145 million loan is fully hedged.

OPERATING RESULTS

SUBSCRIBERS

Total subscribers reached 6,551,790 by the end of 3Q08, a 122.1% increase from 2,949,848 during the same period a year before.

Prepaid subscriber base increased significantly by 128.4% to 6,440,126 in 3Q08 from 2,819,144 subs in 3Q07. This was mainly driven by Esia and Wifone products, which recorded an increase in subscribers of 129.1% to 6,311,836 subs and 104.6% to 123,484 subs, respectively. During the same period, Esiatel prepaid increased by 46.7% to 4,806 subs.

Our Postpaid subscriber base decreased by 14.6% to 111,664 subs in 3Q08 from 130,704 subs in 3Q07. This mostly represented by Ratelindo subscribers that converted to either Wifone or Esiatel in order 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', huge savings for international long distance calls through VOIP (Voice Over Internet Protocol) and handset bundling packages, for example with Huawei and LG.

SERVICE USAGE

Total Minutes of Usage in 3Q08 was 8.64 billion, up by 548.0% from 1.3 billion minutes in 3Q07. The increase in MoU was attributable to the increase in subscriber numbers.

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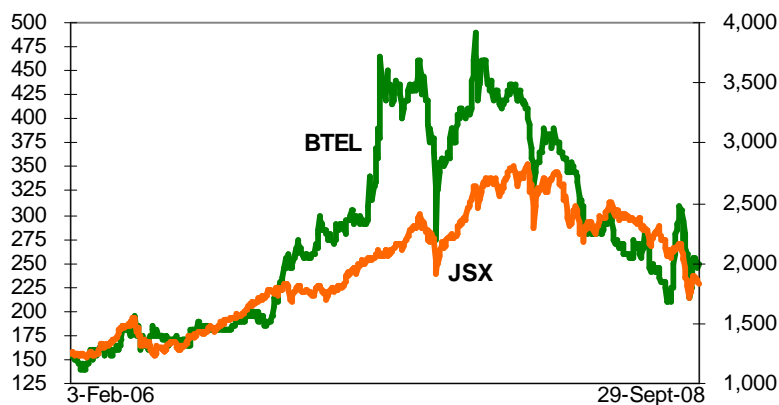
3Q08 (9-MONTHS) RESULTS

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

ARPU	Q1-07	Q2-07	Q3-07	Q1-08	Q2-08	Q3-08
Blended	55,076	52,204	52,210	46,000	42,900	41,360
Prepaid	46,183	45,668	47,899	45,500	43,419	41,161
Postpaid	158,294	148,457	133,177	142,500	139,450	137,358

The industry generally experiences a declining ARPU trend in line with increased market penetration. For BTEL, in addition to being the operator of choice for the low to middle income segment of the market due to its cheapest and value for money service, the lower ARPU is also inline with the rapid new area launch, where the subscribers still have not recorded an optimum level of usage yet.

BTEL SHARES 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. As of the end of September 2008, BTEL shares were listed at Rp 250 per share.

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, E-Voucher and Inject dealers. By 3Q08, BTEL had 301 dealers and 1,623 outlets across our operating areas

RECENT DEVELOPMENTS

NEW AREA LAUNCH

As of September 2008, BTEL is commercially available in 55 cities nationwide. We have interconnection with all operators and are offering our entire available range of services in these new areas. From July to September 2008, we added coverage in eight new cities spread throughout Java, Sumatera & Kalimantan: Boyolali, Tegal, Purwokerto, Kediri, Binjai, Pariaman, Tenggaraong & Pontianak. So far, the feedback we received from both consumers and trade channels in those areas have been positive.

HANDSET BUNDLING PACKAGES

As part of the company's disruptive innovation strategy, BTEL introduced three limited edition handset bundling package during Q3-08, namely "Hape Esia Merdeka" & "Hape Esia Hidayah" with Huawei and "Hape Esia Ekspresi" with LG Electronics. Market acceptance for these 3 products has been extremely positive.

Merdeka was launched on 7 August. The red & white limited edition handset was inspired by the nation's Independence Day and features national songs as ringtones. The Islamic limited edition cellphone, Hidayah, features Azan call to prayers five times a day, the sound of traditional bedug, religious songs as ring tones as well as wallpaper that contain pictures of Jakarta's grand mosque, digital Koranic verses and the Kabaa. The phone also equipped with software that enables users to download additional Islamic content with ease. Both handsets were priced at sub-US\$ 30

Following the success of the previous packages, on 18 September BTEL introduced Ekspresi. Priced at sub-US\$ 60, it became the cheapest colored handset equipped with camera and FM radio.



BRAND AWARENESS

Even in the midst of today's very competitive environment, Esia's brand awareness remained high. According to a survey conducted by Taylor Nelson Sofres (TNS) up to August 2008, Esia was at the top-2 position for spontaneous brand awareness and at the top-3 position for the brand consider to use, both among existing and potential users.

Esia's image as the leading budget operator also remained strong, as the brand is still considered to be the one providing the cheapest tariffs and handset as well as being the most affordable. In addition, Esia's talk time was also perceived to be the longest when compared to other operators.

OPERATIONS

BTEL has continued to expand its telecommunication network to a national scale. Following expansion in 2007 to cover 34 cities nationwide, by the end of September 2008 the BTEL network covered 21 additional cities, namely Wonosari, Bangkalan, Banjarmasin, Banjarbaru, Martapura, Lamongan, Gianyar, Salatiga, Klaten, Balikpapan, Samarinda, Pasuruan, Jember, Binjai, Tenggaraong, Boyolali, Pariaman, Tegal, Purwokerto, Kediri, and Pontianak.

As of 3Q08, BTEL operates in 55 cities throughout the archipelago with 2,490 BTS, an addition of 1,702 BTS compared to 3Q07 and 1,290 more BTS compared to the end of 2007.

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 continually 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 acquired its first one million subscribers by 2Q06. By 3Q08, BTEL has surpassed the 6.5 million subscribers mark.

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

IMPORTANT RECENT EVENTS

JULY 2008

- **8 July:** Signed an MoU for educational as well as commercial purposes with Gajah Mada University, Jogjakarta.
- **17 July:** Esia & Wifone began commercial operation simultaneously in Purwokerto, Central Java and Pontianak, West Kalimantan.
- **23 - 27 July:** BTEL participated in the Indonesian Cellular Show 2008 in Surabaya, during which the company also held Ngoceh Competition, where user can try talking on the phone non-stop using Esia's new handset.
- **29 July:** Launched Uber Esia, a program designed to provide telephone in rural areas with Grameen Foundation and Qualcomm Inc. The event took place in Bali during Asia-Pacific Regional Microcredit Summit.

AUGUST 2008

- **1 August:** Launched the Esia SMS Master Competition in eight cities: Jakarta, Bogor, Bandung, Malang, Surabaya, Jogja, Medan & Palembang. The competition was targeted for high school students purpose and the goal was to create the most concise, but still understandable SMS.
- **5 August:** Introduced Tekan Bintang feature, an easy way to set-up a personal ring back tone between Esia's subscribers by simply pressing the star sign.
- **7 August:** Esia & Wifone began commercial operation in Kediri, East Java
- **7 August:** Launched Hape Esia Merdeka bundling package.
- **13 August:** To commemorate The Holy Month of Ramadhan, BTEL and Republika Newspaper co-sponsored Islamic song and lyric writing contest 2008.
- **24 August:** Launched Hape Esia Hidayah bundling package.
- **27 August:** Esia & Wifone began commercial operation in Tegal, Central Java.
- **27 August:** BTEL received The Most Prospective Brand Award in a category of CDMA Cellular Providers during Indonesia Brand Award, sponsored by Mars and Swa Magazine
- **29 August:** Relaunched in three cities in West Java: Cianjur, Subang & Purwakarta

SEPTEMBER 2008

- **10 September:** Esia's North Sumatera regional office, which include Medan, Padang & Batam introduced a new subscriber retention program called Paspur Esia. Through this program, subscribers will gain points that can be exchange to top-up vouchers.
- **18 September:** Launched a new bundling package with LG Electronics: The cheapest colored CDMA phone, which features camera & FM radio
- **19 September:** BTEL received two awards for during Indonesian Customer Satisfaction Award (ICSA) 2008, sponsored by Frontier & Swa Magazine.
- **19 September:** BTEL held corporate breakfasting that was attended by most of employees and some orphan children. The event was also coincide with the company's 4th Anniversary.
- **21 September:** To commemorate Ramadhan, while at the same time also promoting the Hidayah phone, Esia launched six cities EksprEsia Roadshow to: Semarang, Surabaya, Padang, Palembang, Makassar & Bandung.
- **25 September – 6 October:** Launched campaign to socialize Esia Gogo feature, especially for Lebaran traveler. The campaign took place at train stations, bus terminals, airports even tool boths in eight cities: Jakarta, Bandung, Semarang, Yogyakarta, Solo, Surabaya, Bali & Medan.
- **27 September:** With Global TV, flown two pairs winners of SportEsia Quiz to Singapore to watch the F1 race.

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3Q08 (9-MONTHS) RESULTS

FINANCIAL & OPERATING SUMMARY

	Q1-07	Q2-07	Q3-07	3Q-07	Q1-08	Q2-08	Q3-08	3Q-08
Total Subscribers	1,799,918	2,246,593	2,949,848	2,949,848	4,491,103	5,434,822	6,551,790	6,551,790
Prepaid	1,670,164	2,117,650	2,819,144	2,819,144	4,372,094	5,319,089	6,440,126	6,440,126
Esia	1,650,527	2,073,976	2,755,511	2,755,511	4,278,216	5,214,650	6,311,836	6,311,836
Wifone	18,450	42,028	60,356	60,356	89,072	99,633	123,484	123,484
Esiatel	1,187	1,646	3,277	3,277	4,806	4,806	4,806	4,806
Postpaid	129,754	128,943	130,704	130,704	119,009	115,733	111,664	111,664
Esia	41,932	45,221	51,684	51,684	50,854	51,627	52,431	52,431
Wifone & Ratelindo Regular	63,597	65,309	61,908	61,908	53,684	50,678	47,362	47,362
Esiatel & Ratelindo Wartel	24,225	18,413	17,112	17,112	14,471	13,428	11,871	11,871
ARPU Average (Rp)	55,076	52,204	52,210	53,163	46,000	42,900	41,360	43,420
Prepaid	46,183	45,668	47,899	46,583	45,500	43,419	41,161	43,360
Postpaid	158,294	148,457	133,177	146,642	142,500	139,450	137,358	139,770
BTS	448	521	788	788	1,411	1,770	2,490	2,490
Minutes Of Usage ('000,000)	800	1,069	1,334	3,203	2,278	2,766	3,600	8,644
Long-term Debt (Rp Mn)	460,261	470,064	2,207,954	2,207,954	2,324,448	2,330,010	2,312,250	2,312,250
Gross Revenue - Total (Rp Mn)	300,798	349,272	456,495	1,106,565	591,558	643,464	762,171	1,997,193
Gross Revenue - Telco Service (Rp Mn)	271,140	312,695	405,399	989,234	531,197	577,877	674,897	1,783,971
Net Revenue (Rp Mn)	223,909	269,279	355,661	848,848	441,842	496,175	613,394	1,551,411
Total OPEX (Rp Mn)	172,970	218,626	253,650	645,246	388,345	407,411	485,525	1,281,281
Depreciation Expense (Rp Mn)	45,385	47,393	51,498	144,276	90,206	101,936	109,317	301,459
Operating & Maintenance Expense (Rp Mn)	57,100	62,327	59,852	179,279	104,171	117,257	143,224	364,652
Co-location Expense (Rp Mn)	1,239	2,655	6,386	10,280	21,766	27,049	36,350	85,165
Other Operating & Maintenance Expense (Rp Mn)	55,861	59,672	53,466	168,999	82,405	90,208	106,874	279,487
General & Administrative Expense (Rp Mn)	21,893	26,403	28,715	77,011	41,247	42,790	47,390	131,427
Personnel Expense (Rp Mn)	27,530	33,416	47,574	108,520	49,849	60,452	71,206	181,507
Marketing & Sales Expense (Rp Mn)	19,209	46,955	63,771	129,935	99,056	81,882	110,929	291,867
Other Operating Expenses (Rp Mn)	1,853	2,132	2,240	6,225	3,816	3,094	3,459	10,369
EBITDA (Rp Mn)	98,177	100,178	155,749	354,104	147,519	193,794	240,646	581,959
EBITDA / Gross Revenue - Total (%)	33%	29%	34%	32%	25%	30%	32%	29%
EBITDA / Gross Revenue - Telco Service (%)	36%	32%	38%	36%	28%	34%	36%	33%
EBITDA excl. co-location exp./ Gross Revenue -Total (%)	33%	29%	36%	33%	29%	34%	36%	33%
EBIT (Rp Mn)	50,939	50,653	102,011	203,603	53,497	88,764	127,870	270,130
EBIT / Gross Revenue - Total (%)	17%	15%	22%	18%	9%	14%	17%	14%
EBIT / Gross Revenue - Telco Service (%)	19%	16%	25%	21%	10%	15%	19%	15%
Financial Charges (Rp Mn)								
Interest - Net (Rp Mn)	(16,470)	(16,761)	(23,964)	(57,195)	(36,615)	(31,377)	(26,263)	(94,254)
Others (Rp Mn)	(4,592)	(2,659)	24,461	17,210	22,174	(12,877)	(20,735)	(11,438)
Tax (Rp Mn)	(13,628)	(8,395)	(28,129)	(50,152)	(11,672)	(9,541)	(21,970)	(43,183)
Deferred (Rp Mn)	(13,628)	(8,395)	(28,129)	(50,152)	(11,672)	(9,541)	(21,970)	(43,183)
Net Income (Loss) (RpMn)	16,250	22,838	74,378	113,466	27,384	34,968	58,901	121,254
Total Assets	2,275,037	2,353,516	4,477,208	4,477,208	8,001,477	7,979,791	8,101,938	8,101,938
Total Liabilities	763,407	819,326	2,641,032	2,641,032	2,915,700	2,909,264	2,837,577	2,837,577
Equity	1,511,630	1,534,190	1,836,176	1,836,175	5,085,777	5,070,527	5,264,361	5,264,361