

PT BAKRIE TELECOM Tbk.

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Ticker : BTEL

Major Shareholders:

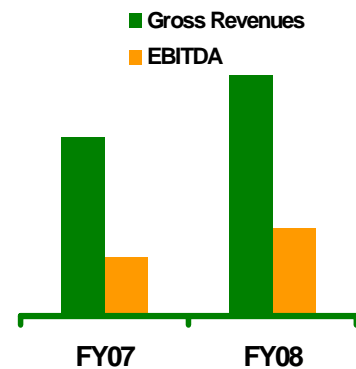
PT Bakrie Brothers Tbk.	46.3%
Public	53.7%

HIGHLIGHTS:

- Total subscribers increased from 3.8 million in FY07 to 7.3 million in FY08
- Gross revenues increased from Rp 1,672.0 billion in FY07 to Rp 2,805.3 billion in FY08
- EBITDA increased from Rp 545.4 billion in FY07 to Rp 822.8 billion in FY08
- EBIT increased from Rp 318.3 billion in FY07 to Rp 378.6 billion in FY08
- Forex loss was Rp 44.5 billion in FY08 compared to forex gain of Rp 8.0 billion in FY07
- Net income decreased from Rp 144.3 billion in FY07 to Rp 136.8 billion in FY08 due to the forex loss

FINANCIAL HIGHLIGHTS

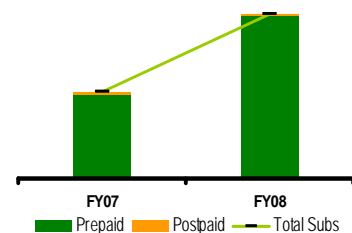
Statement of Income (in Rp bn)	FY07	FY08	Growth
Gross Revenues - Total	1,672.0	2,805.3	67.8%
Gross Revenues - Telco Service	1,503.4	2,503.9	66.5%
Gross Revenues - Interconnection Service	168.6	301.4	78.7%
Net Revenues	1,289.9	2,202.3	70.7%
Total OPEX	971.6	1,823.7	87.7%
EBITDA	545.4	822.8	50.9%
EBIT	318.3	378.6	19.0%
Net Income	144.3	136.8	-5.2%



Balance Sheet (in Rp bn)	FY07	FY08	Growth
Cash & Cash Equivalents	295.7	501.6	69.7%
Current Assets - Other	631.3	1,806.7	186.2%
Total Current Assets	927.0	2,308.3	149.0%
Non-Current Assets	3,737.2	6,237.7	66.9%
Total Assets	4,664.2	8,546.0	83.2%
Current Liabilities	514.4	1,067.5	107.5%
Non-Current Liabilities	2,274.6	2,396.4	5.4%
Total Liabilities	2,789.0	3,463.9	24.2%
Equity	1,875.2	5,082.1	171.0%

OPERATIONAL HIGHLIGHTS

Key Indicators	FY07	FY08	Growth
Total Subscribers	3,820,701	7,304,543	91.2%
Prepaid	3,695,817	7,196,518	94.7%
Postpaid	124,884	108,025	-13.5%



FINANCIAL & OPERATING RESULTS FY08

The following analysis and discussion is based on the Company's audited financial statements for the 12-month period ended 31 December 2008 and 31 December 2007 and other relevant company information.

FINANCIAL RESULTS

GROSS OPERATING REVENUES & NET OPERATING REVENUES

PT Bakrie Telecom Tbk (BTEL) reported gross operating revenues of Rp 2,805.3 billion in FY08, representing an 67.8% increase from Rp 1,672.0 billion in FY07. This was mainly attributed to the 66.5% higher telecommunication revenues of Rp 2,503.9 billion in FY08, compared to Rp 1,503.4 billion the year before, on the back of 91.2% jump in number of subscribers during the period from 3.8 million to 7.3 million. Interconnection service posted a 78.7% increase to Rp 301.4 billion from Rp 168.6 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 70.7% from Rp 1,289.9 billion to Rp 2,202.3 billion.

Interconnection Tariff

(in IDR per minute)	Before 2007	2007	After April 2008
Fixed to Mobile	438	361	261
Mobile to Fixed	94	152	203

Source: Ministry of Communication and Information Technology

OPERATING EXPENSES

Total FY08 operating expenses represent around 65.0% of gross operating revenues, higher than 58.1% the year before. The increase was mostly related to the Company's nationwide roll-out, while revenues from these new areas have not fully generated.

- Depreciation expense doubled to Rp 432.4 billion in FY08 from Rp 216.2 billion in FY07. As a percentage of gross revenue, this represent an increase from 12.9% to 15.4%. This was inline with BTEL's expansion to strengthen or build network infrastructure in existing as well as new areas.
- Operating and maintenance expense represented 19.1% of total operating revenues in FY08 compared to 16.0% in the previous year. While in absolute term, it increased by 100.3% to Rp 536.6 billion from Rp 267.9 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 5 times from Rp 24.8 billion to Rp 124.7 billion. As a percentage of revenue, co-location expense also increased from 1.4% to 4.4%.
- General & administrative expense grew by 58.1% to Rp 178.1 billion in FY08 from Rp 112.6 billion in FY07, inline with rapid subscriber growth. However, due to efficiency effort by the Company, these represent a decline from 6.7% to 6.3% of revenues.
- Personnel expense also showing sign of efficiency with 8.6% of revenues in FY08, compared to FY07 of 9.2%. Yet, as a result of new hires and employee salary adjustment, the nominal has increased by 56.7% to Rp 241.0 billion in FY08 from Rp 153.8 billion in FY07.
- Marketing & sales expense increased by 101.6% to Rp 423.9 billion in FY08 from Rp 210.2 billion in FY07. This represented an increase from 12.6% to 15.1% of gross revenues. The higher expense was mostly attributed to the Company's advertising & promotional programs, especially in the new areas.

EBITDA & EBIT

EBITDA increased by 50.9% to Rp 822.7 billion in FY08 which represent 29.3% when compared to gross revenues. Excluding co-location rental expense, EBITDA increased by 73.7% to Rp 947.4 billion or represent 33.8% of gross revenues. EBIT stood at Rp 378.6 billion in FY08, which is 19.1% higher than Rp 318.3 billion in FY07.

OTHER INCOME/ CHARGES

BTEL posted a net other charges of Rp 200.6 billion in FY08, a significant increase compared to Rp 98.6 billion the year before. The increase was mainly attributed to a Rp 44.5 billion forex loss coupled with rising financing costs from Rp 89.9 billion to Rp 131.8 billion. This was in line with an increase in interest bearing debts during the same period from 2,270.8 billion to 2,454.3 billion in order to fund capital expenditures.

NET INCOME

Net income by the end of FY08 was Rp 136.8 billion. As explained above, the Rupiah depreciation from 9,419 to 10,950 per US\$ has resulted in a forex loss for BTEL in 2008, as opposed to a gain Rp 8.0 billion the year before. Without this one-time extraordinary charges, the bottom line would have increased to Rp 181.3 billion. The financing cost was associated with the full effect of one year interest payments for US\$ 145 million loan. This was much higher compared to 2007, when the Company was only liable for three months payments.

BALANCE SHEETS

Total assets increased by 83.2% to Rp 8,546.0 billion, total liabilities increased by 24.2% to Rp 3,463.9 billion, while total equity increased by 171.0% to Rp 5,082.1 billion, all on the back of our business expansion.

Current assets soared by 149.0% to Rp 2,308.3 billion, mostly from rights issue proceeds. Additional contribution came from higher short-term investments, trade receivables and prepaid expenses.

Non-current assets increased by 66.9% to Rp 6,237.7 billion. This was attributed to a 60.4% increase in net fixed assets to Rp 5,303.3 billion, inline with network expansion as well as 110.1% increase in derivative assets to Rp 523.7 billion, following a swap contract to hedge the Company's US\$ 145.0 million bank loan.

Current liabilities increased by 107.5% to Rp 1,067.5 billion due to much higher trade payables, accrued expense related to interconnection expense and current maturities of long-term debt.

Non-current liabilities increased slightly by 5.4% to Rp 2,396.4 billion, which mainly attributable to higher deferred tax.

CASH FLOWS

In Rp bn	FY07	FY08	Growth
Net Cash from Operations	556.9	802.3	44.1%
Net Cash from Investing	(2,023.5)	(3,610.5)	78.4%
Free Cash Flows	(1,466.6)	(2,808.1)	91.5%
Net Cash from Financing	1,522.9	3,014.1	97.9%
Net(Decrease)/ Increase in Cash & Equivalents	56.2	206.0	266.3%
Cash & Cash Equivalents at the Beginning of Period	239.4	295.7	23.5%
Cash & Cash Equivalents at the End of the Period	295.7	501.6	69.7%

- Net cash flows from operating activities were Rp 802.3 billion, an increase of 44.1% from the equivalent period last year. This was inline with stronger operating activities.
- Net cash flows used in investing activities were Rp 3,610.5 billion, an increase of 78.4% from the previous year mostly driven by an increase in short-term investment.
- Net cash flows from financing activities were Rp 3,014.1 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	FY07	FY08
Banks	1,365.8	1,589.7
Bonds	643.3	644.7
Vendor Financing	261.8	220.0
TOTAL	2,270.8	2,454.3

As of 31 December 2008, total outstanding debt amounted to Rp 2,454.3 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\$ 20.1 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 7,304,543 by the end of FY08, almost double from 3,820,701 during the same period a year before.

Prepaid subscriber base increased significantly by 94.7% to 7,196,518 in FY08 from 3,695,817 subs in FY07. This was mainly driven by Esia and Wifone products, which recorded an increase in subscribers of 94.8% to 7,046,046 subs and 93.1% to 145,666 subs, respectively. During the same period, Esiatel prepaid increased by 15.1% to 4,806 subs.

Our Postpaid subscriber base decreased by 13.5% to 108,025 subs in FY08 from 124,884 subs in FY07. 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 as well as introduction of several marketing campaigns, such as Esia Paket Untung, 'Bonus Talktime', huge savings for international long distance calls through VOIP (Voice Over Internet Protocol) and handset bundling packages.

SERVICE USAGE

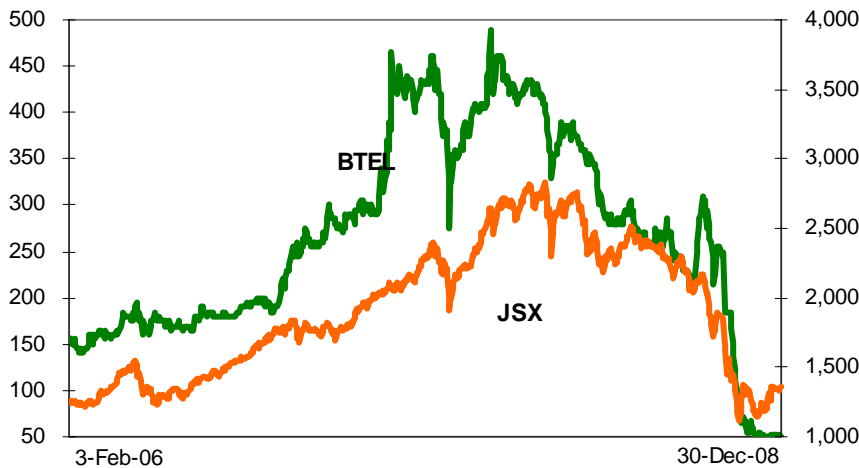
Total Minutes of Usage in FY08 was 12.6 billion, up by 138.0% from 5.3 billion minutes in FY07. The increase in MoU was attributable to the increase in subscriber numbers.

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

ARPU	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08
Blended	55k	52k	52k	51k	46k	43k	41k	39k
Prepaid	46k	46k	48k	47k	46k	43k	41k	39k
Postpaid	158k	148k	133k	137k	143k	139k	137k	130k

The industry generally experiences a declining ARPU trend inline 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 it 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 SHARE PRICES



BTEL shares began trading on the Jakarta Stock Exchange on 3 February 2006 with an Initial Public Offering price of Rp 110 per share. During the last trading day of 2008, BTEL shares closed at Rp 51 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 FY08, BTEL had 320 dealers and 1,470 outlets across our operating areas

RECENT DEVELOPMENTS

NEW AREA LAUNCH

By the end of 2008, BTEL has become commercially available in 64 cities nationwide. We have interconnection with all operators and are offering our entire available range of services in these new areas. From October to December 2008, we added coverage in 9 new cities spread throughout Java & Sulawesi. 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 five handset bundling package throughout 2008, namely "Hape Esia Merdeka", "Hape Esia Hidayah", "Hape Esia Kasih" & "Hape Esia Slank" with Huawei and "Hape Esia Ekspresi" with LG Electronics. Market acceptance for these 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, that was launched during the Holy Month of Ramadhan 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 religious thematic handset, the Company launched the Christian version called Kasih on December, just before Christmas. The phone features include quote from the Bible, list of prayers and Christmas carol ring tone. The Slank handset was inspired by famous Indonesian rock band with the same name that has been around for more than two decades and has lots of fanatic followers. These so-called Slankers can now easily download their favorite band's picture and songs.

In addition to Huawei, BTEL also introduced a sub-US\$ 60 LG Ekspresi on 18 September. The handset quickly became the cheapest colored handset equipped with camera and FM radio at that time.



BRAND AWARENESS

Even in the midst of today's very competitive environment, Esia's image as the country's leading budget operator remained strong. According to a survey conducted by Taylor Nelson Sofres (TNS) up to December 2008, Esia was still considered among the top brand that offers the cheapest tariff, value for money service as well as good quality and affordable handset.

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 2008, BTEL has covered 30 additional cities, namely Wonosari, Bangkalan, Banjarmasin, Banjarbaru, Martapura, Lamongan, Gianyar, Salatiga, Klaten, Balikpapan, Samarinda,

Pasuruan, Jember, Binjai, Tenggaraong, Boyolali, Pariaman, Tegal, Purwokerto, Kediri, Pontianak, Magelang, Pekalongan, Temanggung, Demak, Kudus, Manado, Tondano, Tomohon & Airmadidi.

To support these coverages, BTEL has installed an additional 1,572 BTS throughout the year, making a total of 2,772 BTS by the end of 2008. Inline with the Company's asset light strategy, 73% of the BTS were collocated.

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 FY08, BTEL has surpassed the seven million subscribers mark.

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

4Q08 IMPORTANT EVENTS

OCTOBER 2008

- Launched the new & improved Esia GoGo.
- Participated in Celebration of Cultural Unity to commemorate 252nd Yogyakarta anniversary, by offering special exclusive promo for the people of Yogya.
- Held a Public Expose together with all Bakrie & Brothers' subsidiaries in order to explain the impact of global economic crisis on the Company's performance.
- Issued a Press Release regarding shares buy back with the maximum amount of IDR 600 billion or equivalent to 7.5% of issued and fully paid shares.

NOVEMBER 2008

- Launched a special edition starterpack, exclusively for East Java subscribers.
- Provided 2 days disaster relief training with Indonesian Red Cross (PMI) for 10 elementary school in Padang, following the earthquake.
- Cooperate with other private institution to explore business opportunity in telecommunication sector, specifically for people who live outside of the city through village phone service.
- Prepared around 5,000 network for Pancoran Riverside rusunami project.
- Received Best Achievement award in fixed line category from the Minister of Communication & Information during the 2008 Telecommunication Award.
- Become the main sponsor during Bandung 198th Anniversary celebration.
- Launched a special edition starterpack, exclusively for Norththern Sumatra subscribers, particularly Medan, Padang & Batam.

DECEMBER 2008

- Received shareholders' approval through Extraordinary General Meeting of Shareholders for sale & leaseback transaction involving 543 towers. The transaction is expected to generate a minimum of Rp 380.2 billion proceeds.
- Made Rp 1.4 billion donation for education. The fund came from Rp 10,000 set aside by the Company from every sale of Hidayah phone.
- Launched an SMS campaign with Unicef in order to raise funds for the national immunization program.
- Launched Hape Esia Kasih, while at the same time began commercial operation in several big cities in North Sulawesi, including: Manado, Tondano, Tomohon & Airmadidi.
- Launched Hape Esia Slank. The event took place during the same day as Slank's 25th Anniversary celebration.

FINANCIAL & OPERATING SUMMARY

	1Q07	2Q07	3Q07	4Q07	FY07	1Q08	2Q08	3Q08	4Q08	FY08
Total Subscribers	1,799,918	2,246,593	2,949,848	3,820,701	3,820,701	4,491,103	5,434,822	6,551,790	7,304,543	7,304,543
Prepaid	1,670,164	2,117,650	2,819,144	3,695,817	3,695,817	4,372,094	5,319,089	6,440,126	7,196,518	7,196,518
Esia	1,650,527	2,073,976	2,755,511	3,616,205	3,616,205	4,278,216	5,214,650	6,311,836	7,046,046	7,046,046
Wifone	18,450	42,028	60,356	75,435	75,435	89,072	99,633	123,484	145,666	145,666
Esiatel	1,187	1,646	3,277	4,177	4,177	4,806	4,806	4,806	4,806	4,806
Postpaid	129,754	128,943	130,704	124,884	124,884	119,009	115,733	111,664	108,025	108,025
Esia	41,932	45,221	51,684	53,341	53,341	50,854	51,627	52,431	53,613	53,613
Wifone & Ratelindo Regular	63,597	65,309	61,908	56,845	56,845	53,684	50,678	47,362	44,396	44,396
Esiatel & Ratelindo Wartel	24,225	18,413	17,112	14,698	14,698	14,471	13,428	11,871	10,016	10,016
ARPU Average (Rp)	55k	52k	52k	51k	53k	46k	43k	41k	39k	42k
Prepaid	46k	46k	48k	47k	47k	46k	43k	41k	39k	42k
Postpaid	158k	148k	133k	137k	144k	143k	139k	137k	130k	137k
BTS	448	521	788	1,200	1,200	1,411	1,770	2,490	2,772	2,772
Minutes Of Usage ('000,000)	800	1,069	1,334	2,106	5,308	2,278	2,766	3,600	3,992	12,636
Long-term Debt (Rp Mn)	460,261	470,064	2,207,954	2,346,958	2,346,958	2,324,448	2,330,010	2,312,250	2,571,707	2,571,707
Gross Revenue - Total (Rp Mn)	300,798	349,272	456,495	565,468	1,672,032	591,558	643,464	762,171	808,116	2,805,309
Gross Revenue - Telco Service (Rp Mn)	271,140	312,695	405,399	514,156	1,503,390	531,197	577,877	674,897	719,890	2,503,861
Net Revenue (Rp Mn)	223,909	269,279	355,661	441,041	1,289,889	441,842	496,175	613,394	650,881	2,202,292
Total OPEX (Rp Mn)	172,970	218,626	253,650	326,354	971,600	388,345	407,411	485,525	542,378	1,823,659
Depreciation (Rp Mn)	45,385	47,393	51,498	71,964	216,240	90,206	101,936	109,317	130,902	432,361
Operating & Maintenance (Rp Mn)	57,100	62,327	59,852	88,630	267,909	104,171	117,257	143,224	171,905	536,557
Colocation Expense	1,239	2,655	6,386	14,484	24,764	21,766	27,049	36,350	39,517	124,682
Other Operating & Maintenance (Rp Mn)	55,861	59,672	53,467	74,146	243,145	82,405	90,208	106,874	132,368	411,875
General & Administrative (Rp Mn)	21,893	26,403	28,715	35,575	112,586	41,247	42,790	47,390	46,594	178,021
Personnel (Rp Mn)	27,530	33,416	47,574	45,288	153,808	49,849	60,452	71,206	59,524	241,030
Marketing & Sales Expense (Rp Mn)	19,209	46,955	63,771	80,298	210,233	99,056	81,882	110,929	132,060	423,926
Other Expenses (Rp Mn)	1,853	2,132	2,240	4,599	10,824	3,816	3,094	3,459	1,394	11,763
EBITDA (Rp Mn)	98,177	100,178	155,749	191,250	545,354	147,519	193,794	240,647	240,798	822,757
EBITDA / Gross Revenue - Total (%)	33%	29%	34%	34%	33%	25%	30%	32%	30%	29%
EBITDA / Gross Revenue - Telco Service	36%	32%	38%	37%	36%	28%	34%	36%	33%	33%
EBITDA excl. colo / Gross Revenue -Total	33%	29%	36%	36%	34%	29%	34%	36%	35%	34%
EBIT (Rp Mn)	50,939	50,653	102,011	114,687	318,289	53,497	88,764	127,870	108,503	378,633
EBIT / Gross Revenue - Total (%)	17%	15%	22%	20%	19%	9%	14%	17%	13%	13%
EBIT / Gross Revenue - Telco Service (%)	19%	16%	25%	22%	21%	10%	15%	19%	15%	15%
Financial Charges (Rp Mn)	(21,062)	(19,420)	496	(58,611)	(98,596)	(14,440)	(44,254)	(46,998)	(94,884)	(200,576)
Interest - Net (Rp Mn)	(16,470)	(16,761)	(23,964)	(32,664)	(89,859)	(36,615)	(31,377)	(26,263)	(37,506)	(131,760)
Others (Rp Mn)	(4,592)	(2,659)	24,461	(25,947)	(8,737)	22,174	(12,877)	(20,735)	(57,378)	(68,816)
Income (Loss) Before Tax (Rp Mn)	29,878	31,233	102,506	56,076	219,693	39,057	44,509	80,872	13,619	178,056
Tax (Rp Mn)	(13,628)	(8,395)	(28,129)	(25,273)	(75,424)	(11,672)	(9,541)	(21,970)	1,940	(41,244)
Net Income (Loss) (Rp Mn)	16,250	22,838	74,378	30,803	144,269	27,384	34,968	58,901	15,558	136,813
Total Assets	2,275,037	2,353,516	4,477,208	4,664,164	4,664,164	8,001,477	7,979,791	8,101,938	8,545,973	8,545,973
Total Liabilities	763,407	819,326	2,641,032	2,788,955	2,788,955	2,915,700	2,909,264	2,837,577	3,463,921	3,463,921
Equity	1,511,630	1,534,190	1,836,176	1,875,209	1,875,209	5,085,777	5,070,527	5,264,361	5,082,052	5,082,052