

BAKRIE TELECOM

THIRD QUARTER (NINE MONTHS) RESULTS 2006

PT BAKRIE TELECOM Tbk.

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Ticker: BTEL

Major Shareholders:

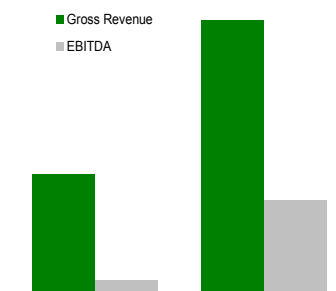
PT Bakrie Brothers Tbk.	50.25%
Richweb Investment Ltd.	2.08%
CMA Fund Management Ltd.	15.08%
PT Bakrie Communication	3.17%
Public	29.43%

Highlights:

- Total subscribers quadrupled from 307,640 subscribers at the end of Q305 to 1,301,986 subscribers by the end of Q306. an increase of 323.2%;
- Gross revenue more than doubled to Rp588.182 billion from Rp254.414 billion in the same period last year, a 131.2% improvement;
- EBITDA surged by 720.9% to Rp198.306 billion in 3Q06, versus Rp24.158 billion in 3Q05;
- EBITDA margin widened to 33.7% in Q306 from 9.5% in Q305; and
- Net income of Rp51.879 billion for 3Q06 is a significant turnaround from a net loss of Rp111.958 billion for 3Q05.

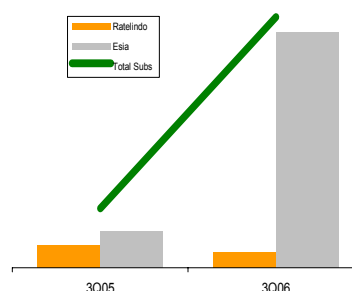
FINANCIAL HIGHLIGHTS

Key Indicators	3Q05	3Q06	Growth
Rp (million)	(Nine Months)	(Nine Months)	(%)
Gross Revenue	254,414	588,182	131.2%
Net Revenue	164,300	426,927	159.8%
Total OPEX	231,812	338,562	46.1%
EBITDA	24,158	198,306	720.9%
EBITDA Margin (%)	9.5%	33.7%	n/a
EBIT	(67,512)	88,365	n/a
Net Income (Loss)	(111,958)	51,879	n/a



OPERATIONAL HIGHLIGHTS

Key Indicators	3Q05	3Q06	Growth
	(Nine Months)	(Nine Months)	(%)
Total Subscribers	307,640	1,301,986	323.2%
Ratelindo	116,679	77,942	-33.2%
Esia	190,961	1,224,044	541.0%
Postpaid	14,508	65,037	348.3%
Prepaid	176,453	1,159,007	556.8%



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PT BAKRIE TELECOM Tbk. THIRD QUARTER, 2006 OPERATING & FINANCIAL RESULTS

The following analysis and discussion is based on the company's unaudited financial statements for the nine-month periods ended 30 September, 2006 and 30 September, 2005 and other relevant company information.

FINANCIAL RESULTS

Gross Revenue & Net Revenue

PT Bakrie Telecom Tbk. ('BTEL') reported gross revenue of Rp588.182 billion for 3Q06, a 131.2% increase from Rp254.414 billion in the equivalent period in 2005. Nine-month net revenue reached Rp426.927 billion, up 159.8% from Rp164.300 billion in 3Q05. This revenue increase was mainly due to robust growth in BTEL's subscriber base from 307,640 subs a year ago to 1,301,986 as of the end of Q306.

Operating Expenses

While net revenue increased by 159.8%, operating expenses rose by only 46.1% to Rp338.562 billion for 3Q06 compared to Rp231.812 billion in the same period last year. This increase was due to BTEL's efforts to develop its business through network expansion, strengthening the *Esia* brand image through both above and below the line activities, and strategic hiring of world class professionals to provide improved products and services to meet customer demand. Main contributors to the increase are:

- Depreciation expense grew by 14.6% to Rp102.293 billion in 3Q06 from Rp89.276 billion in 3Q05. This was mainly because of an expansion of our CDMA network & infrastructure;
- Operating & maintenance expense increased by 46.5% to Rp45.320 billion in 3Q06 from Rp30.930 billion in 3Q05, in line with network expansion in our operating area;
- General & administrative expense grew 71.1% to Rp53.109 billion in 3Q06 from Rp31.044 billion in 3Q05, mainly from increased activities to accommodate our significant subscriber growth;
- Personnel expense increased by 42.0% to Rp48.504 billion in 3Q06 from Rp34.154 billion in 3Q05 as a result of a higher payroll, especially from strategic hires and a larger sales force; and
- Marketing & sales expense grew by 108.6% to Rp81.688 billion in 3Q06 from Rp39.161 billion in 3Q05, because of increased marketing and sales activities resulting in higher subscriber acquisitions compared to the same period last year.

BAKRIE TELECOM

THIRD QUARTER (NINE MONTHS) RESULTS 2006

EBITDA & EBIT

EBITDA surged 720.9% to Rp198.306 billion in 3Q06 from Rp24.158 billion in 3Q05. EBITDA margin widened to 33.7% in the third quarter of 2006 compared to 9.5% in Q305. BTEL reported 3Q06 EBIT of Rp88.365 billion, while EBIT remained negative in 2005.

Net Income

BTEL recorded net income of Rp51.879 billion for 3Q06, compared to a net loss of Rp111.958 billion in 3Q05.

OPERATING RESULTS

Subscribers

BTEL registered 1,301,986 total subscribers by the end of Q306, representing a 323.2% increase from Q305's 307,640 subs. Our CDMA *Esia* Prepaid subscriber base increased by 556.8% to 1,159,007 subs in Q306 from 176,453 subs in Q305. Our CDMA *Esia* Postpaid subscriber base increased by 348.3% to 65,037 subs in Q306 from 14,508 subs in Q305. Meanwhile, our *Ratelindo* subscriber base decreased by 33.2% to 77,942 subs in Q306 from 116,679 subs in Q305, mostly as a result of subscribers converting to *Esia*'s better quality and features. The growth in the *Esia* subscriber base was driven by improved network quality, strong brand image/awareness, a successful *Talktime* marketing campaign, and the introduction of several benefits during the period, such as 24/7 SMS, 'bonus Talktime', savings of up to 90.0% by using *Esia* for long distance calls, a bundled package with Nexian (Rp300,000 handset) and continued bundled packages with Motorola, Samsung, Nokia and ZTE.

Service Usage

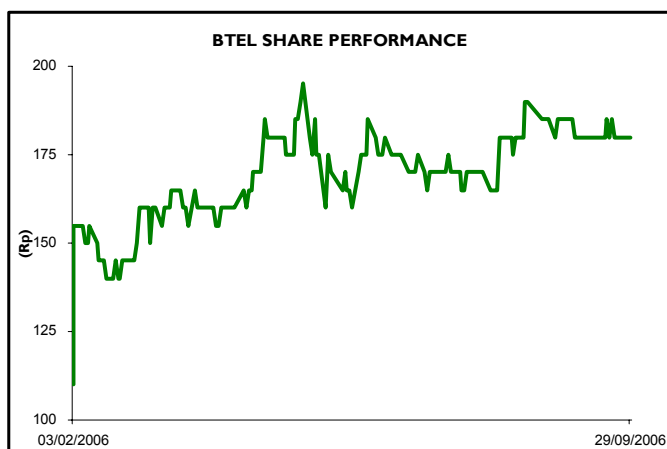
Average Revenue per User (ARPU) figures for BTEL's products are:

ARPU	3Q05	3Q06
<i>Ratelindo</i>	Rp156,142	Rp128,761
<i>Esia Blended</i>	Rp85,030	Rp67,108
<i>Esia Postpaid</i>	Rp205,902	Rp195,697
<i>Esia Prepaid</i>	Rp71,197	Rp60,044
<i>Blended</i>	Rp122,384	Rp75,189

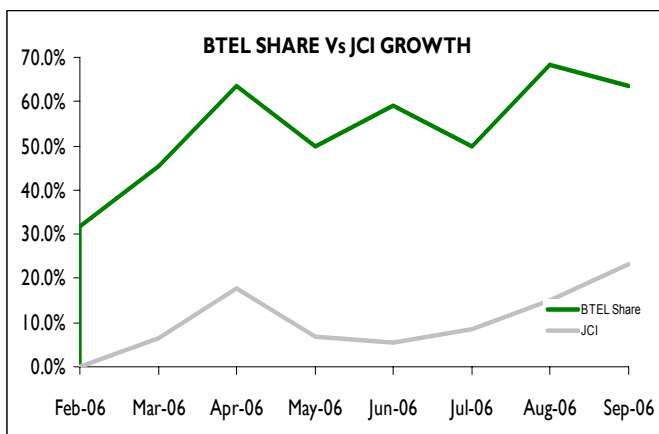
Generally, the industry experiences a declining ARPU trend in line with increased market penetration. This is especially pronounced for BTEL, as the company's target markets are the middle to low income segments. The growth in the *Esia* subscriber base drove an additional decline in ARPU because of the increase in on-net traffic.

BAKRIE TELECOM THIRD QUARTER (NINE MONTHS) RESULTS 2006

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, 2006 BTEL shares were listed at Rp180 per share, an absolute appreciation of 63.6% since the Initial Public Offering. During the same period, the Jakarta Stock Exchange Composite Index rose from 1,244.12 to 1,534.61, gaining 22.8%.



SALES & DISTRIBUTION

To enable improved customer access to its *Esia* services, BTEL has continued aggressively to broaden its sales and distribution network by adding more distributors, authorized outlets (*Bandar*), and *E-Voucher* and *Inject* dealers. By Q306, BTEL had 41 distributors, 38 authorized outlets, 12 *E-Voucher* and 208 *Inject* dealers, and 12,957 outlets spread across our operating area.

MARKETING

During the first three quarters of 2006, BTEL continued its aggressive brand promotion as well as maintaining customer loyalty through its various innovation programs:

- *Football Madness* – During the World Cup in June and July 2006 we launched the Football Madness quiz with major prizes of up to Rp50 million, a trip to Singapore and other prizes such as handsets bundled with *Esia* starter packs;
- *24/7*-- *Esia* customers register for only Rp1,500 per day or Rp7,000 per week and are entitled to free SMS;
- *Voice Portal DV 8.88* -- by calling 888 *Esia* customers can download/send their favorite music or ringtones;
- *Rejeki Ramadhan* -- type “rejeki” and send it to 888 for the opportunity to win weekly cash prizes (Rp2 million) and be entered for a grand prize of an Umroh travel package for two winners; and
- International calls using VOIP.

Besides offering these promotions, BTEL also ran advertising campaigns on TV and radio and in the print media.

New Brand

Wifone is BTEL's new brand for fixed wireless home phone with the tag line “features as rich as a handphone, but cheap as your home phone”. The product has 35 advantages, including internet connection with built-in modem, SMS, FM radio, caller ID, call history, phone book memory, polyphonic ring tone, and speed dial. The terminal is provided by Axxestel. There are two product types (L800F and P830) with prices starting from Rp649,000.

Brand Awareness

BTEL's brand/advertising impact ranks second in the industry (GSM and CDMA). Research conducted by Taylor Nelson Sofres (TNS) indicates that *Esia* ads score very high 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 *Esia* is most associated with a cheap pulse tariff among all operators (GSM & CDMA).

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The Brand for Smart-spending People

The same research by TNS also indicates that *Esia* is most perceived among all operators (GSM & CDMA) as a brand for smart-spending people .

OPERATION

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 Bogor, Serang, Cilegon, Cirebon, Purwakarta, Tasikmalaya, Ciamis and Cianjur. BTEL expects to become operational in the remaining seven cities in West Java which have been wired up by the end of this year.

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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 re-launch 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. BTEL's main product offerings are *Ratelindo*, *Wartel*, *Esia Prepaid*, *Esia Postpaid*, *Wifone Prepaid* and *Wifone Postpaid*.

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 2006, BTEL had passed the 1.3 million subscriber level.

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

IMPORTANT RECENT EVENTS

July 2006

- BTEL was named Best CDMA Operator at the Indonesia Cellular Show 2006. The award was based on BTEL's innovation, customer growth, tariff, performance, and customer service; and
- In cooperation with CIGNA insurance, one of the world's leading insurance companies, BTEL will provide insurance protection to *Esia* customers who register through telemarketing.

August 2006

- LG Electronics enters Indonesia's CDMA handset market by collaborating with BTEL to sell LG 2330 handsets and *Esia* service packages;
- BTEL launches the Distance Learning Program in cooperation with the Institut Teknologi Bandung (ITB) and the California Institute for Telecommunication and Information (Calit2) of San Diego, USA, using the CDMA EVDO telecommunication service. This program is part of BTEL's social responsibility for education in the country; and
- BTEL and ITB collaborated to develop CDMA 2001x (*Code Division Multiple Access Evolution Data Optimized* or *CDMA EVDO*) technology service, by establishing a center for mobile broadband technology at ITB.
- 24/7 SMS - For only Rp1,500 per day or Rp7,000 per week, subscribers can send unlimited SMS during the chosen time. BTEL promotes this service with the promotional theme, "SMS until your finger's sick".

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September 2006

- BTEL launches *Wifone* (wireless intelligent phone service), a fixed wireless home phone equipped with features similar to a mobile phone. Subscribers purchasing *Wifone* can enjoy a tariff as low as the regular PSTN tariff, as BTEL offers a special rate for SMS, voice and internet. *Wifone* is positioned to fulfill market demand for fixed line connectivity and we believe will have a promising outlook due to Indonesia's low fixed line teledensity (4.0%); and
- BTEL is the first private company to sign an Integrity Pact to commit to comply to good corporate governance (GCG) standards. Sofyan Djalil, Minister for Communications and Informatics and coordinator of the Government's "Tiga Pilar Kemitraan" program witnessed BTEL's senior management sign the pact.

OUTLOOK 2006

- 2006 total subscriber target revised to 1.5 million subs by the end of the year;
- Continue efforts to expand BTEL's geographic coverage and gain market share in the current footprint through well-funded, innovative marketing programs; and
- *Wifone* has been well accepted in the market and is set to contribute more to overall growth.

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PT Bakrie Telecom Tbk. Operational & Financial Results

	Q1-05	Q2-05	Q3-05	3Q-05*	Q1-06	Q2-06	Q3-06	3Q-06
Total Subscribers	207,303	249,652	307,640	307,640	757,281	1,061,473	1,301,986	1,301,986
Ratelindo	120,032	119,006	116,679	116,679	110,904	106,646	77,942	77,942
Esia	87,271	130,646	190,961	190,961	646,377	954,827	1,224,044	1,224,044
Postpaid	10,205	11,888	14,508	14,508	34,836	44,618	65,037	65,037
Prepaid	77,066	118,758	176,453	176,453	611,541	910,209	1,159,007	1,159,007
ARPU Average (Rp)	127,213	124,900	115,041	122,384	86,217	73,136	66,214	75,189
Ratelindo	156,480	157,927	154,018	156,142	137,161	132,055	117,067	128,761
Esia	82,872	87,082	85,136	85,030	74,261	65,213	61,851	67,108
Postpaid	184,036	222,035	211,633	205,902	194,219	196,217	196,655	195,697
Prepaid	68,850	71,196	73,545	71,197	67,315	58,332	54,485	60,044
BTS	128	165	235	235	235	291	349	349
Minutes Of Usage ('000,000)	138	153	172	464	344	523	643	1,510
Bank Debt (Rp Mn)	515,817	515,817	482,225	482,225	500,313	491,269	482,225	482,225
Gross Revenue (Rp Mn)	76,322	83,940	94,152	254,414	155,301	199,823	233,058	588,182
Net Revenue (Rp Mn)	49,168	52,624	62,509	164,300	109,006	145,119	172,802	426,927
Total OPEX (Rp Mn)	71,952	79,010	80,850	231,812	100,964	121,256	116,342	338,562
Depreciation (Rp Mn)	26,289	32,351	30,636	89,276	31,959	32,411	37,923	102,293
Operating & Maintenance (Rp Mn)	9,656	10,992	10,283	30,930	15,443	13,157	16,721	45,320
General & Administrative (Rp Mn)	9,527	10,856	10,661	31,044	16,814	17,532	18,762	53,109
Personnel (Rp Mn)	9,189	12,132	12,833	34,154	15,084	15,664	17,757	48,504
Marketing & Sales Expense (Rp Mn)	14,919	10,214	14,028	39,161	19,402	40,304	21,982	81,688
Other Expenses (Rp Mn)	2,373	2,466	2,409	7,248	2,262	2,188	3,198	7,648
EBITDA (Rp Mn)	5,877	8,431	9,850	24,158	42,264	58,462	97,580	198,306
EBITDA / Gross Revenue (%)	8%	10%	10%	9%	27%	29%	42%	34%
EBIT (Rp Mn)	(22,784)	(26,386)	(18,341)	(67,512)	8,043	23,863	56,460	88,365
EBIT / Gross Revenue (%)	-30%	-31%	-19%	-27%	5%	12%	24%	15%
Financial Charges (Rp Mn)								
Interest - Net (Rp Mn)	(19,165)	(22,262)	(17,259)	(58,685)	(12,720)	(8,427)	(9,896)	(31,042)
Others (Rp Mn)	(1,333)	(1,243)	147	(2,429)	(1,023)	(3,297)	(6,385)	(10,706)
Income (Loss) Before Tax (Rp Mn)	(43,282)	(49,891)	(35,453)	(128,626)	(5,700)	12,139	40,179	46,618
Tax (Rp Mn)	5,662	107	10,899	16,668	5,823	2,129	(2,690)	5,262
Net Income (Loss) (RpMn)	(37,620)	(49,784)	(24,554)	(111,958)	123	14,268	37,489	51,879

* Audited