

ANNUAL REPORT 2007

FROM MASSIVE
DEPLOYMENT
TO SETTING UP
OUR NEW WAVE



Vision

The Indonesian wireless telecommunications solutions company.

Mission

First choice wireless telecommunications solutions provider in Indonesia working in partnership with shareholders and other alliances to create value for investors, employees and the nation.

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From Massive Deployment To Setting Up Our New Wave

In the past, mobile cellular service providers relied on broad coverage footprints to appeal to customers. Today, in addition to breadth of coverage, customers look for depth, capacity and diversity of solutions and services in the rapidly evolving “New Wave” market.

Up to the year 2007, Telkomsel’s main development was focused on the expansion of its mobile cellular network, reaching the major urban centers and rural areas throughout Indonesia.

In 2007, this focus continued with our network deployment at the district (kecamatan) level in Kalimantan and the Eastern Indonesian Islands, following the full deployment of our cellular network in subdistricts and villages throughout Java and Sumatera.

Our penetration strategy across the breadth and depth of Indonesia has enabled Telkomsel to serve more than 47 million customers as at year-end 2007.

Also in 2007, Telkomsel laid down the foundations to lead the way in the emergence of the so-called New Wave mobile telecommunications services in Indonesia.

With growing use of the Internet and packet based networks reshaping the landscape of the telecommunications and media services in Indonesia today, the New Wave services that rely on more intelligent Next Generation Network are already upon us.

New Wave mobile services include 3G based video-applications, broadband HSDPA and mobile commerce, among other exciting developments.

Beyond the deployment our GSM and 3G mobile networks nationwide, Telkomsel was the first to build the platform for New Wave services, demonstrating our strength, leadership and innovation that ensure sustainable development and long-term value growth for our shareholders.

FINANCIAL HIGHLIGHTS

(in billion Rupiah)	2007	2006	2005	2004	2003
BALANCE SHEETS					
Current Assets	5,059	3,971	3,048	3,859	2,676
Property, Plan And Equipment - Net	38,251	31,706	21,993	14,967	12,695
Other Assets	1,367	1,624	706	723	39
Total Assets	44,677	37,301	25,747	19,549	15,410
Current Liabilities	12,403	10,588	6,545	3,306	2,790
Other/long-term Liabilities	6,082	3,640	1,462	2,365	2,309
Stockholders' Equity	26,192	23,073	17,740	13,878	10,311
Total Liabilities & Stockholders' Equity	44,677	37,301	25,747	19,549	15,410
INCOME STATEMENTS					
Operating Revenues ¹⁾	36,670	29,145	21,133	14,765	11,146
Operating Expenses (Incl. Depreciation)	16,791	12,836	8,772	6,744	4,800
EBITDA	25,604	20,737	15,408	10,672	8,026
EBIT	19,879	16,309	12,361	8,021	6,346
Net Income	13,624	11,182	8,647	5,473	4,237
CASH FLOWS					
Cash Flow From Operations ^{**1)}	20,650	16,335	12,892	8,913	6,610
Cash Flow For Investing Activities	(13,170)	(13,144)	(8,438)	(5,470)	(5,311)
Cash Flow From Financing Activities ^{***1)}	3,349	2,678	(936)	(341)	475
Dividends	(10,137)	(5,645)	(4,616)	(1,840)	(1,057)
Net Cash In/Out Flows	692	224	(1,098)	1,262	717
FINANCIAL RATIOS					
EBITDA Margin ¹⁾	70%	71%	73%	72%	72%
Net Income Margin ²⁾	37%	38%	41%	37%	38%
Return On Assets ³⁾	33%	35%	38%	31%	32%
Return On Equity ⁴⁾	55%	55%	55%	45%	48%

*) Net of interconnection charges

**) Include effect on exchange rate changes on cash & cash equivalents

***) Exclude dividends

1) EBITDA: Operating Revenues

2) Net Income: Operating Revenues

3) Net Income: Average Total Assets

4) Net Income: Average Equity

OPERATIONAL HIGHLIGHTS

	2007	2006	2005	2004	2003
CUSTOMER BASE - in thousand					
Net Additions					
Postpaid <i>kartuHALO</i>	251	191	143	321	84
Prepaid <i>simPATI</i>	2,608	5,374	4,447	2,976	3,494
Prepaid Kartu As	9,434	5,763	3,389	3,405	-
Total	12,293	11,328	7,979	6,702	3,578
Customer Base					
Postpaid <i>kartuHALO</i>	1,913	1,662	1,471	1,328	1,007
Prepaid <i>simPATI</i>	23,986	21,378	16,004	11,558	8,582
Prepaid Kartu As	21,991	12,557	6,794	3,405	-
Total	47,890	35,597	24,269	16,291	9,589
ARPU - in thousand rupiah					
Total ARPU ¹⁾					
Postpaid <i>kartuHALO</i>	264	274	291	304	314
Prepaid <i>simPATI</i>	84	83	84	84	95
Prepaid Kartu As	57	54	45	48	-
Blended	80	84	87	102	123
Non-voice ARPU					
Postpaid <i>kartuHALO</i>	49	47	47	41	30
Prepaid <i>simPATI</i>	25	24	25	23	23
Prepaid Kartu As	23	18	15	17	-
Blended	25	23	24	24	24
Effective ARPU ²⁾	77	81	87	95	119
Network Data					
BTS/Capacity					
Base Station	20,858	16,057	9,895	6,205	4,820
Overall Network Capacity (in million subscribers)	50.5	38.8	26.2	17.9	10.8
Quality of Service					
Call success rate	94.24%	94.43%	94.32%	95.19%	94.62%
Call completion rate	99.20%	99.42%	99.30%	99.26%	99.19%
Employee Data					
Total Employees	4,080	3,797	3,566	3,331	2,869
Efficiency Ratio (subscribers / employee)	11,738	9,375	6,806	4,891	3,342

1) ARPU refers to average monthly ARPU (average revenue per user) of the year which is calculated by taking the sum of the ARPU for each month of the year and dividing by 12. ARPU is computed by dividing total cellular revenues for either postpaid or prepaid subscribers (excluding connection fees, interconnection revenues, international roaming revenues from visitors, dealer discounts and tax) for each month by the respective average number of postpaid or prepaid subscriber for that month.

2) Effective ARPU is calculated from booked net operating revenues (included discount) divided by the average number of subscribers (number of subscribers at the beginning of the year added with number of subscribers at the end of the year divided by 2) and then divided by 12.

SIGNIFICANT EVENTS 2007



JANUARY

Launching the Telkomsel Football World mobile content services of "My National Team" and "Liga Indonesia 2007" in cooperation with PSSI (the Indonesian National Football Association).

FEBRUARY

Launching of *simPATI* ekstra in Surabaya with the starter-package price of Rp 10,000 with numerous benefits.

Undertaking corporate social activities for flood victims in cooperation with the Indonesian Red Cross, MERC and other social organisations; and forwarding aids from TELKOM and Singtel to communities affected by the flood.

MARCH

Launching of m-ATM Bersama, a service enabling prepaid users (*simPATI*) to do banking transactions from their cellular handphones.

Launching of *HALO hybrid* (a new monthly plan of *kartuHALO*), offering customers the convenience of a post paid card with the flexibility of a prepaid card.

APRIL

Launching of the HSDPA (High Speed Downlink Packet Access) service, "Telkomsel FLASH".

MAY

Launching of "Telkomsel *Pelindung Dataku*" for all Telkomsel customers, providing back-up protection of customer's phone books and data bases.

Launching of the *simPATI* "Pake Banyak Gratis Pake Banyak" program, a customer retention program that provides free bonuses on every minimum three-minute calls or six text messages during peak time (07.00-20.00).

JUNE

Introducing the Telkomsel Business Solution "Unleashed the Power" to corporate users in Jakarta, through a seminar and exhibition program.

Launching of the innovative "Telkomsel You've Got Mail" as the first push-email service in Indonesia, capable of accessing up to five e-mail accounts (Yahoo, Gmail, Hotmail, etc).



JULY

Arranging a scholarship program 'Gen Asik' for the Kartu As Community that reaches 18 million users. The program supports the multiple intelligence concept for performing high school students, nationwide; and provides educational aids to schools.

Launching of a new 3G Video Call Conference feature, enabling customers to arrange video conferencing with up to nine individuals, all face-to-face in one screen.

AUGUST

Signing of cooperation agreements with the Indonesian Comic Community (Samali's academy, Splash, KomikIndonesia.com); and with inTouch as the application provider for Telkomsel's mobile comic (m-Komik) service development in Jakarta.

SEPTEMBER

Presenting the annual program of TELKOMSELSiaga 2007, in its 11th year, at Senayan City Jakarta, featuring Islamic religious themes and studies in line with the Ramadhan and Idul Fitri spirit. The program was extended for the homecoming trips ("mudik") related to the Idul Fitri holidays, including Mudik by Bus, Car Community Mudik, Motorcycle Mudik Rally, Family Mudik and Mudik by Airplane.

Donating funds to the community of Nanggalo district, Padang, which suffered an earthquake. A Ramadhan fasting break was also arranged for 1,000 orphans.

Launching of 'simPATI TalkMania' for simPATI customers to make unrestricted phone calls, between 07.00-22.00, to all Telkomsel subscribers with a rate of only Rp 25,000 per day.

OCTOBER

As part of its corporate social responsibility programs, Telkomsel reaches out to individuals and communities that make up the market for mobile cellular services in Indonesia, among other things by donating Rp 3.0 billion for 13,000 orphans in nine cities during the holy month of Ramadhan.

NOVEMBER

Launching of Telkomsel TUNAI or T-CASH service at the Ministry of SOE, allowing Telkomsel customers to carry out financial transactions on their mobile phone. Currently, T-CASH service is available in two pioneering merchants in Jakarta, Fuji Image Plaza and IndoMaret.

Launching of Telkomsel Mobile Blogging via both WAP and WEB, also known as My Pulau. All Telkomsel customers can join My Pulau by registering on the service website, www.mypulau.com.

DECEMBER

Launching of simPATI PeDe, that offers a simpler and more competitive tariff scheme of Rp 0.5 per second after 1st minute onwards, round-the-clock, for all Telkomsel users. simPATI subscribers can switch between the use of simPATI Ekstra and simPATI PeDe. Telkomsel is the first in the market to offer customers flexibility in the choice of tariff schemes within the the same prepaid card, and the ability to switch between tariff schemes as desired.

Inauguration of two Telkomsel Telecommunications Center facilities in Timika and Jayapura, with the capacities to serve more than one million subscribers in the province of Papua, as part of Telkomsel's High Performance Network reach to remote areas.

AWARDS 2007

“THE REWARDS OF INNOVATIVE PRODUCTS, RELIABLE NETWORK QUALITY AND EXCELLENT CUSTOMER SERVICE”



Awards	Issued by	Date
Top Brand Award for <i>kartuHALO</i> , postpaid simcard	Marketing & Frontier	February 2007
Top Brand Award for <i>simPATI</i> , prepaid simcard	Marketing & Frontier	February 2007
Service Quality Award for GraPARI Telkomsel	Marketing&CCSL	March 2007
Award from MURI for the first real time online multibanking transaction through cellular handphone	MURI (Indonesian Guinness Records)	March 2007
Selular Award 2006 Best GSM Operator	Selular Magazines	April 2007
Selular Award 2006 Multimedia Services	Selular Magazines	April 2007
Selular Award 2006 Best Postpaid GSM	Selular Magazines	April 2007
Selular Award 2006 Best Operator of the Year	Selular Magazines	April 2007
Call Center Award 2007 for Caroline Telkomsel	Marketing&CCSL	April 2007
ISO 9001:2000 for Call Center	TUV Nord Indonesia, based in Germany	May 2007
Mobile News Award 2007, Mobile Operator of The Year - Indonesia, Telkomsel	Charlton Media Group	June 2007
Indonesia Cellular Award 2007, Best GSM Operator	Sinyal Magazine	June 2007
IBBA Award 2007 for Telkomsel, Most Valuable Brand in Cellular Operator Category	SWA & MARS	July 2007
ICSA Award 2007 for <i>kartuHALO</i> , Postpaid Simcard Category	SWA & Frontier	September 2007
ICSA Award 2007 for <i>simPATI</i> , Prepaid Simcard Category	SWA & Frontier	September 2007
Awards from MURI for: (1) the 11th consecutive years of services, (2) the largest service points (580 service points) and (3) the largest free transportation service provided during the Ramadhan holidays	MURI (Indonesian Guinness Records)	October 2007
Awards on the participation and commitment in supporting community services during 2007 Ramadhan holidays	Ministry of Transportation, Republic of Indonesia	October 2007
Best Asia Pacific Call Center Award	Asia Pacific Call Center Award (APCS)	November 2007

T-CASH

“CHARGE IT TO MY CELLPHONE”

Convenient payment transactions with your mobile phone. T-CASH is easy to use, secured and turns your mobile cellphone into an electronic wallet. It stores monetary value on your cellular mobile chip for easy discharge and recharge. Currently available in selected participating merchants, but expect to see a growing number of the “T-CASH Accepted Here” signs on the doors of your favourite stores and restaurants.





“PLACING TELKOMSEL IN A NEW GROWTH CURVE, WITH NEW WAVE SERVICES”

Rinaldi Firmansyah
President Commissioner

On behalf of the Board of Commissioners, I am pleased to share with you some of the highlights of Telkomsel's achievements and results of operations for the year ending December 31, 2007. We began the year faced with tough challenges stemming from an increasingly competitive mobile cellular market, eroding tariff rates from intense market competition, and concern over the issue of non-competitive pricing placed upon Telkomsel by the Commission for the Supervision of Business Competition (Komisi Pengawas Persaingan Usaha/ KPPU).

Despite these challenges, Telkomsel remained focused on serving its customers that resulted in the growth of both our revenue and profitability. We posted significant growth in each of our business lines, whether in the personal use of our mobile cellular services, the commercial applications of our GSM cellular technology, or in our growing enterprise and wholesale business portfolio.

Operating revenue grew by 26% to post record earnings of Rp 36.67 trillion. While net income rose 22% on a year-to-year basis to Rp 13.62 trillion.

Compliance with Sarbanes Oxley Act (SOA)

As an operating subsidiary of TELKOM, which holds 65% of Telkomsel shares, and therefore consolidates the financial statements of Telkomsel into those of TELKOM's, Telkomsel is bound by the same SOA compliance requirement that is expected of TELKOM as a NYSE listed company. A major feature of this SOA Compliance is the Internal Control over Financial Reporting (ICoFR) that has to be implemented under very rigorous regimen, and audited by independent auditors for its veracity.

I am pleased to note of that this process has been carried out with real commitments on the part of Telkomsel and that, furthermore, the Boards of Telkomsel have given their full support behind the ICoFR efforts.

Better Coordination with TELKOM

My position as President Commissioner of Telkomsel, which I am concurrently serving as the President Director of TELKOM, underlines the growing emphasis that we are placing in the competitive strength of the TELKOM Group. The Group benefits from the leadership of Telkomsel in the mobile cellular market, and vice versa, Telkomsel benefits from better management coordination with TELKOM for many of its marketing and, especially, network and enterprise wholesale business initiatives.

It is the intention of both Telkomsel and TELKOM to leverage on our leadership strengths to further solidify our number one position in the market.

Robust Customer Base

Telkomsel has the privilege of serving more than 47 million customers as at year-end 2007, making us by far the largest mobile cellular services provider in the country and throughout Southeast Asia by the sheer size of our customer base alone. Our size makes our responsibility as a service company an equally sizeable one. We have the responsibility of meeting if not exceeding the expectations of each and every one of our 47 odd million customers. That's a tall order. But one that we are managing quite well, apparently. Because our customer base continues to grow, and the increase in the additional amount of traffic -or Minutes-of-Use (MoU)- generated by our new customers continues to eclipse the decline in average revenue per user (ARPU).

Long-term Sustainability

The above phenomenon has sustained the growth of Telkomsel from one year to another, for the past decade; and is likely to continue well into the future if the trend persists. This brings us to the point that Telkomsel could never have been involved in alleged price-fixing or over-pricing.

How was it that in 2007, with tremendous downward price pressure in the mobile cellular market from aggressive competition, Telkomsel still managed to register growing customers, growing business revenues, and growing profitability?

The answer to that question is genuine long-term sustainability. Telkomsel has built a robust strategic edge through the breadth of our network coverage, the size of our customer base, and the depth of our business strategy. It is the combination of all three that has made Telkomsel strong and sustainable over the years.

As a market leader, Telkomsel continues to delight its customers with more rewarding experiences and value-added benefits from using our mobile cellular products and services.

Looking Ahead with Confidence

With the support of our stakeholders, to all of whom we owe a great debt of gratitude, Telkomsel is poised for continued success in the years to come.

Having established a truly broad and nationwide service network, we have the capacity to defend and grow the market share of our basic mobile cellular services. More importantly, however, we are also equipped to increase the capacity of our service - in response to growing opportunities in the unfolding New Wave market in Indonesia. This places Telkomsel solidly in a new growth curve, extending our long-term sustainability even further.



Rinaldi Firmansyah
President Commissioner



**“WITH FOOTPRINTS
ACROSS INDONESIA,
WE NOW MOVE
QUICKLY TO DEPLOY
NEXT GENERATION
NETWORK TO
SUPPORT
NEW WAVE
PENETRATION”**

Kiskenda Suriahardja
President Director

The mobile cellular telecommunications market is undergoing a rapid change. It is in the critical stage of entering a new lifecycle, a new growth curve.

For nearly one-and-a-half decade since the mobile cellular service was launched in Indonesia in 1994, the market was characterized by a broad network expansion and rapid penetration. It took less than 15 years for Telkomsel's mobile cellular network to cover approximately 95% of Indonesia's 230 million people. Because of the mobile cellular penetration, the per-capita telecommunications density in Indonesia has risen significantly in the last decade. Telkomsel alone had more than 47 million mobile cellular customers compared to the industry's 93 million as at year-end 2007.

Sustainable Size

Telkomsel has deployed its network further and broader than any other cellular operator. We were the first to extend our network reach throughout Indonesia, going into the population centers of Java, Sumatera, Bali and Nusa Tenggara down to the subdistrict level.

The breadth of our network has fuelled our phenomenal growth. In 2007, our customer grew by 35% to 47.89 million customers, while our operating revenues rose by 26% to Rp 36.67 billion.

Despite fierce competition that characterised the cellular telecommunications market in 2007, we managed to sustain our market leadership. With 47

million users of our network, a lowering of our tariff rate by even one basis point could add millions of minutes of newly generated traffic on our network.

This places tremendous pressures on our network, not to mention our operating centers: traffic routing, operations management, customer service, billings, disaster recovery, customer complaint and many more.

Because of our size, we do not base our strategy on reacting to every move that our competitors make in the market. Instead, we take a long-term approach, and plan our moves well in advance. The size of our business may seem large and cumbersome. But in reality, it gives us the advantage of being able to plan ahead to ensure our future growth and long-term sustainability.

New Wave Growth

With footprints that already cover the far reaches of Indonesia, we now set our sights on the emerging New Wave market. Telkomsel has introduced the first fully-fledged 3G technology in the country, providing New Wave services such as mobile video conferencing, video streaming, Telkomsel Flash (HSDPA) and T-Cash, the first payment transaction feature applied to a mobile cellular service in Indonesia.

Telkomsel is embarking on a challenging journey. A journey that will see us leverage our vast network resources, as well as those of the TELKOM Group, to take us into our next growth curve. To do that, we have secured both our financial resources and human capital. The former is derived from our strong cash flows in serving one of the largest and fastest growing cellular markets in the world. While the latter is obtained through managing our human

resources strategically, recruiting and training our people effectively, as well as attracting and retaining talents.

We continue to serve our customers, big or small, to the best of our abilities - striving always to leave behind a good impression and satisfying experience among our customers.

On the subject of service, we have the obligation to return some of the value that we create on a sustainable basis, to the communities and environment which support and sustain our growth. We are meeting this obligation through a well-planned and sustainable corporate social responsibility initiatives that seek to help communities gain economic empowerment, social progress and a safe environment.

On behalf of my fellow Directors, allow me to thank the people of Telkomsel for their tireless efforts and dedication. Our appreciation also goes to our shareholders, our customers and everyone else who have continued to trust and support our goals without reservation, not least of which are our valued business partners and vendors, as well as the authorities and regulators of our industry.

May God bless us all, in our future endeavors.

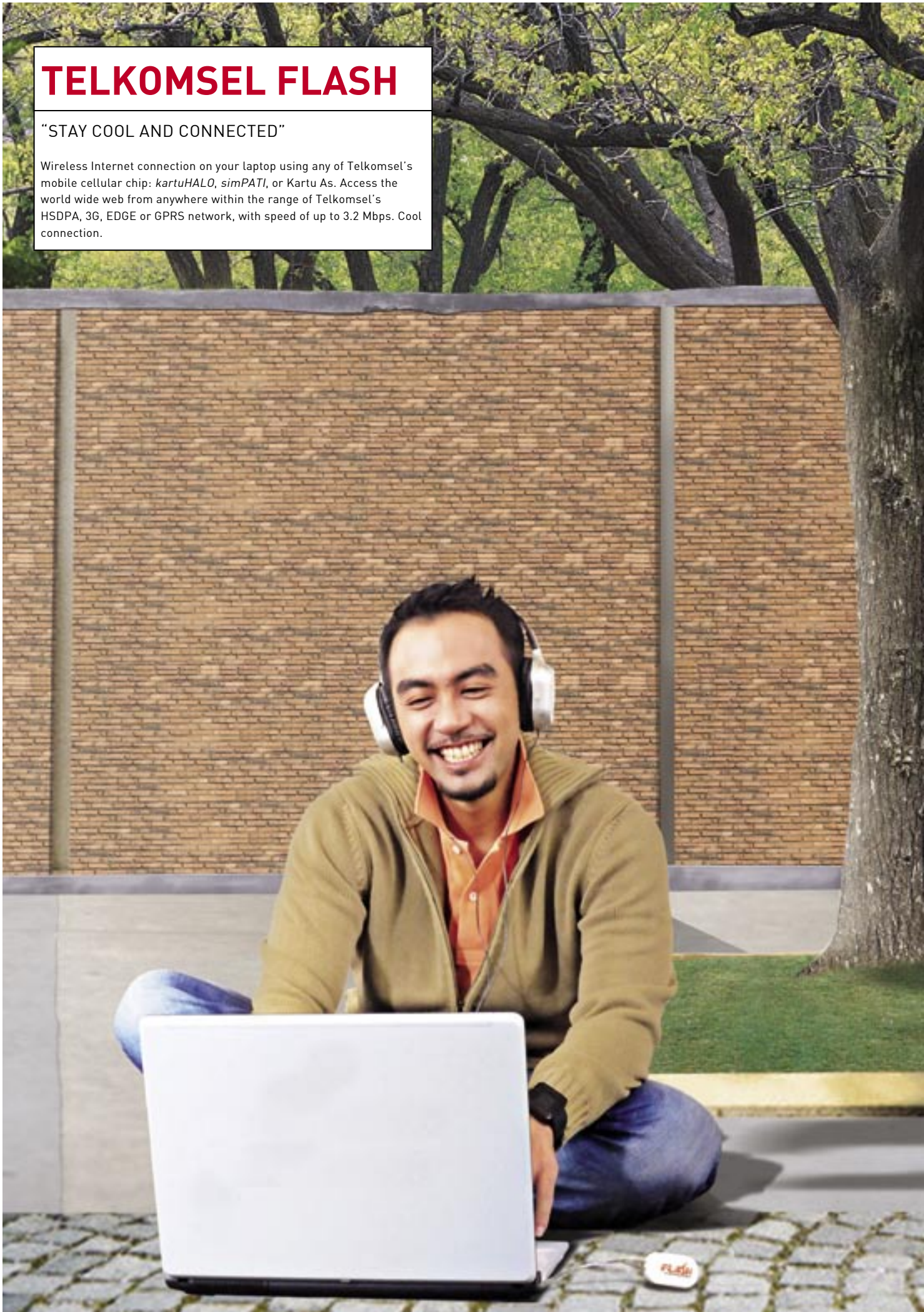


Kiskenda Suriahardja
President Director

TELKOMSEL FLASH

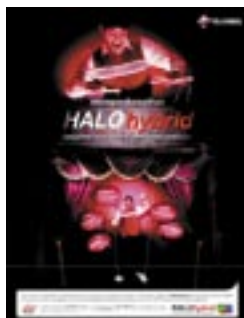
“STAY COOL AND CONNECTED”

Wireless Internet connection on your laptop using any of Telkomsel's mobile cellular chip: *kartuHALO*, *simPATI*, or *Kartu As*. Access the world wide web from anywhere within the range of Telkomsel's HSDPA, 3G, EDGE or GPRS network, with speed of up to 3.2 Mbps. Cool connection.



BUSINESS OVERVIEW

“TELKOMSEL’S CUSTOMERS ENJOY A BROAD RANGE OF INNOVATIVE, VALUE-ADDED SERVICES AT THEIR FINGER TIPS, FROM THE LEADING MOBILE CELLULAR OPERATOR”



Product Innovations

In line with increasing customer sophistication, Telkomsel has continued to lead the market in product innovations. Among several other innovations, Telkomsel Flash was launched in April 2007. This mobile broadband service enabled Telkomsel to position itself strategically as the leading wireless broadband internet service provider in the market by allowing subscribers to access the Internet through Telkomsel's HSDPA, 3G, EDGE, and GPRS networks. As of December 2007, our 3G service was available in more than 80 cities throughout Indonesia.

As at year-end 2007, Telkomsel had more than 35,000 Telkomsel Flash subscribers and an HSDPA network coverage of more than 20 cities across Indonesia. In addition to its broad coverage and high-speed availability, Telkomsel Flash proved easy to set-up through auto-installed drivers, and made available to all postpaid and prepaid subscribers. The flexible time-based or volume-based pricing packages made the service even more appealing for subscribers to access the Internet.

Telkomsel also introduced a number of enhanced 3G services in 2007. Telkomsel's Video Conference service, launched in July 2007, allowed users to initiate a video conference call with up to 15 other member subscribers. Telkomsel 3G users could also send recorded video messages to other users through our Video SMS service, which was launched in September 2007. Telkomsel added a new service dimension to the blogging community by introducing the Video Blogging service in September 2007, which allowed users to record their videos live, and share them with friends and other users of 3G services. In addition to the above video applications, we also enhanced our 3G Video Portal with more video channels.

A new Video Surveillance service has enabled users to survey video transmission of particular locations, streets and rooms on their handset monitors for the purpose of surveillance. Telkomsel offers special access to Video Surveillance via Video Call 3606 direct on caller's handset, for real-time traffic surveillance of certain streets and locations in Surabaya and Palembang.

Other innovative value-added services introduced during the year included Telkomsel *PelindungDataku* (Phonebook Backup), You've Got Mail and Collect

SMS services. Launched in May 2007, Telkomsel *PelindungDataku* enabled subscribers to back up the data and contact information contained in their cell phones, hence giving them the peace-of-mind and convenience to back-up and retrieve important data anytime, anywhere. Whilst mobile push e-mail had been predominantly an application for corporate customers, in 2007 Telkomsel extended the solution to the consumer segment, allowing anyone with a personal e-mail account to access their accounts with their cell phones using Telkomsel's You've Got Mail. Targeted at the mass market, this service became the most economical mobile e-mail service launched in Indonesia in June 2007. In order to offer subscribers with insufficient credit on their prepaid card to still be able to send SMS (and have it paid by the recipient), Telkomsel introduced SMS Me in September 2007, a collect-SMS service for all subscribers.

The year 2007 continued to be an exciting one in the content arena in Indonesia as well as for Telkomsel. With the success of our Ring-Back-Tone service, Telkomsel introduced a new platform for creative individuals to create their own Ring-Back-Tone. During the months from June to August, Telkomsel held iNSPirasi, the first Ring-Back-Tone competition in Indonesia, in which contestants submitted their own Ring-Back-Tone creation to be rated by a panel of judges and voted by the "audience" through the downloading of songs. With the success of the program, Telkomsel further enhanced the platform and introduced Kreasiku, allowing users to self-generate RBT for public download as well - another first in Indonesia!

Telkomsel scored many other "firsts" in 2007, and in November 2007, Telkomsel launched the first mobile wallet service in Indonesia, called T-Cash. In the first phase of launch, this service was made available to all Telkomsel mobile users through registration. Besides depositing money into the wallet account, the service also allows T-Cash customers to purchase goods or pay for services using the money in their wallet accounts, either through their mobile phones or via a T-Cash card. This is an extension of the banking features that Telkomesel had introduced to its mobile cellular services, allowing for money transfers, balance inquiries, bills payments through a banking menu - positioning Telkomsel as the leading innovator in the mobile financial transaction service.

Product Feature and Tariff

In 2007, we saw increased competition in the mobile industry as mobile operators, both GSM and CDMA services, launched aggressive marketing and promotional programs. Despite the stiff competition, however, we continued to lead the market with the introduction of numerous product features and aggressive pricing policies.

Telkomsel achieved a first-in-the-world with our introduction of hybrid capability on our postpaid cards. With the launch of *HALOhybrid* in March, Telkomsel's postpaid subscribers now have both postpaid and prepaid features on their mobile lines. Telkomsel *HALOhybrid* users can toggle easily between their postpaid or prepaid accounts, thus allowing better usage management, especially for corporations that need to manage the cost of mobile communications of their employees, and yet want to allow the employees the flexibility to make personal calls on the same line.

For the Corporate Customers, Telkomsel successfully launched the mobile Virtual Private Network (VPN) solution in March 2007. With VPN, companies can now form a closed user network amongst their employees, allowing them to call or send messages to one another's mobile phones or through short codes. On top of that, they also enjoy special tariffs for on-net calls, allowing these companies to benefit from even greater savings.

In the prepaid market, Telkomsel continued to lead the market with its two key brands - *simPATI* and Kartu AS. *simPATI* Ekstra was launched in February 2007, offering many extra values to its customers, such as a off-peak SMS rate of Rp 49, low tariff for international calls via 01017 to selected countries, new voucher denomination of Rp 10,000, capability to transfer mobile credit to another *simPATI* number, just to name a few. The leadership of *simPATI* was further enhanced by promotions, such as the free talk and free SMS program launched in May 2007. In this program, *simPATI* customers will get the equivalent number of voice minutes for free if they make calls for three minutes and its multiple. Similarly, they will get free SMS equivalent to the number of SMS sent within the day.

FEATURES	<i>kartuHALO</i>	<i>simPATI</i>	Kartu As
Call Hold	Y	Y	Y
Call Waiting	Y	Y	Y
Voice Mail	Y	Y	N/A
Call Forwarding	Y	Y	N/A
SMS	Y	Y	Y
Mobile Fax & Data	Y	N/A	N/A
CLI/CLIP	Y	Y	Y
Normal International Roaming	Y	Y	Y
SMS International Roaming	Y	Y	Y
International Roaming via UCB	N/A	Y	Y
International Roaming Via Camel	N/A	Y	Y
Pulse Checking - international	Y	Y	Y
Domestic Roaming	Y	Y	Y
Info On Demand	Y	Y	Y
WAP	Y	Y	Y
Multi Party Calling	Y	Y	Y
Pulse Checking/Voucher Inquiry	Y	Y	Y
CLIR	Y	N/A	N/A
SMS to email	Y	Y	Y
M-Banking Plain SMS	Y	Y	Y
M-Banking STK	Y	Y	N/A
Premium Call Access	Y	Y	Y
GPRS	Y	Y	Y
MMS	Y	Y	Y
EDGE	Y	Y	Y
CSD Data	Y	N/A	N/A
Video Streaming	Y	Y	Y
WiFi	Y	Y	Y
VoIP	Y	Y	Y
MMS Inter Operator	Y	Y	Y
Pulse Transfer	N/A	Y	Y
Ring Back Tone	Y	Y	Y
Telkomsel Call Me	N/A	Y	Y
USSD Menu Browser	Y	Y	Y
Recharge via IVR	N/A	Y	Y
Recharge via USSD	N/A	Y	Y
3G Services	Y	Y	Y
STK Menu Browser	Y	Y	Y
Voucher Top Up	Y	N/A	N/A
Collect SMS	Y	Y	Y
Telkomsel Tunai (T-Cash)	Y	Y	Y
My Pulau	Y	Y	Y

Telkomsel also launched an unlimited call plan through *simPATI* Talkmania in September. With Talkmania, *simPATI* customers only need to pay Rp 25,000 a day to make an unlimited number of on-net calls and talk for as long as they wish during the period between 7am and 10pm.

In December 2007, and to prepare the foundation for even greater leadership in the prepaid market for 2008, Telkomsel introduced *simPATI* PeDe, which offers customers a much simplified, flat tariff with no time-band and per-second charging. In addition, for all on-net calls, users only need to pay Rp 0.5 per second after the first minute of the call. Whilst this new promotional tariff scheme was made available to all new customers who bought the *simPATI* package, existing customers may also opt into the scheme through registration. With this new scheme, Telkomsel becomes the first in the market to offer customers flexibility in the choice of tariff schemes within the same prepaid card, and the ability to toggle between the tariff schemes as the users so wish.

A new service feature, the *simPATI* Kangen, is a prepaid co-branding service with SingTel of Singapore and Taiwan Mobile (TWM) of Taiwan, aimed at Indonesian migrant workers in these two countries who have a constant longing to be in touch with family members back home.

Kartu As was the best performing product in 2007, with its customer base growing strongly by 75% during the year, from 12 million to close to 21 million. Despite this huge growth, ARPU also increased in 2007, compared to 2006. This was largely attributed to the strength of the Kartu Asa brand, as well as to various promotional programs that were run during the year.

We introduced free 100 SMS program for Kartu As users in June 2007. In this program, customers who send 100 or more SMS in a month will receive 100 SMS credit for free. This was further complimented by the Kartu As School Community Program, which is a cooperation program run between Telkomsel and the various schools and tertiary institutions. For this program, registered members enjoy a special tariff of Rp 8 per second of voice or video call as well as Rp 50 for every SMS sent to another registered member. The program had been very successful, with more than 600 schools joining the program from the period of September to December, with more schools being planned for the year 2008.

Corporate Accounts

Telkomsel provides Corporate Business Solutions to its corporate customers, which at the same time serves as part of the business process of our corporate customers. This service constitutes the application of information and communications-based solutions that are aimed at increasing the business competitive edge of Telkomsel's corporate customers in terms of efficient and effective performance as well as business development.

The mission of Telkomsel's Corporate Account Management is "Serving Our Customers' future needs today wherever they are, seamlessly and consistently," by providing three value-added services, which are: Business Mobility, Wireless Connectivity and Business Leveraging.

Business Mobility offers efficient and effective business performance such as Push E-mail (BlackBerry®, Ventus, and Direct Push), Sales Force Automation (the coordination of sales team information through mobile cellular communications), Corporate Mobile Messenger (fast and cost-effective text messaging services), and Intranet Application Access (access to company Intranet via cellular handsets).

Wireless Connectivity provides high capacity mobility through ATM over GPRS (ATM links via GPRS network), EDC over GPRS (GPRS-linked Electronic Data Capture), Small & Remote Office Connectivity (applying GPRS for integrated networking of branch offices), Mobile Tracking (Monitoring of distribution fleet via GPS through GPRS/SMS network), and Telemetry Application (company solutions for retrieving and collecting data from various sources in a rapid and efficient manner).

Business Leveraging increases the competitive advantage of the company through Web 2 SMS (Web-based SMS Broadcast), NSP Corporate (personal ring tones that use a Company Jingle), Mobile VPN (a direct extension number on a cellular handset for convenience and affordability), Fixed Wireless Connectivity (an alternative solution for areas that are not served by fixed lines or has no more fixed line capacity), and Top-up *simPATI* (Convenient automatic top-up for *simPATI* users).

Mobile Commerce

Telkomsel recently formed a new business unit, Digital Business, with the aim of developing New Wave services that include mobile commerce.

Programs carried out by Digital Business in 2007 included:

The introduction of mATM Bersama in cooperation with the ATM Bersama network (Artajasa), linked into a network of 68 banks in the country. This service allowed Telkomsel customers to conduct banking transactions by mobile phone. It was first made available only to *simPATI* card users, and then extended to users of *kartuHALO* and *Kartu As* (nation-wide). Some of the features include balance inquiry and funds transfer (first phase), as well as payments and purchases (second phase).

A host of benefits could be derived from the use of the mATM Bersama Card, such as for:

Loyalty programs that capitalise on the use of a card specially designed for the Mobile Banking service, without having to change MSISDN number.

Telesales program to reach customers who have registered in their bank or ATM, but have yet to activate their card. Telkomsel will contact and offer customers new cards with certain activation dates.

Cross-selling or corporate programs that promote cooperation with the banking industry in the area of co-branding (such as joint exhibitions, seminars, etc).

Usage stimulation program that rewards users with the most banking transactions, to increase use of card. Conducted every three months, rewards are determined based on most frequent banking transactions.

M-Banking Existing enhancement program that seeks to enhance the mobile banking services to existing customers. It can be in the form of extra features or improved media access such as Media WAP Banking, USSD, etc.

Telkomsel Cash service that allows customers to use their handsets to pay for purchases at selected merchants who have been appointed as participating merchants of the T-Cash program. This mobile

electronic wallet service (Telkomsel Cash), was soft launched in November 2007, using the brand name of T-Cash.

Customer Quality Assurance

As the leading service provider, Telkomsel believes that its broad range of services will make the Company more competitive in this service-oriented industry, especially as the Company enters into more restrictive or demanding regulations in the interest of consumer protection and rights. Once these regulations are passed, mobile cellular services operators (STBS) have to fulfill services standards based on the service level agreement (SLA) in the areas of billings, activations, customer complaints, call center, restoration of disrupted services in networks (dropped calls and blocking calls) and short message services (SMS).

With respect to Billing Complaints Handling Performance, the number of complaints on the accuracy of monthly billings should not exceed 5% of the total billings. Settlements of those complaints should reach at least 90% of the total complaints and must be settled within 30 working days.

For activations, the verification process (address and other supporting documents) for postpaid card customers must be completed within five working days for 90% of total activation requests. For prepaid card customers, the process must be finalized within 24 hours for 98% of total activation requests.

At the Call Center Service Level, a minimum of 75% of callers have to be served no later than 30 seconds from the time they press the menu to speak with a customer service officer. A minimum of 85% of the complaints has to be settled within a 12-month period.

The number of Complaints of Disruption for every 1,000 customers should not exceed 50 for a period of 12 months. On Network Quality (End Service Availability), the number of dropped calls and blocked calls should not exceed 5% of total calls.

On SMS, a successful delivery within an interval of 30 seconds should reach at least 95% of delivered SMSs. And the number of SMS delivered later than 60 minutes should be lower than 5% of the total number of SMS sent.

“PREPARING TELKOMSEL’S HUMAN CAPITAL FOR THE NEW WAVE ERA”

Corporate Culture

Over the long term, Telkomsel’s sustainable growth will depend on the successful internalization of corporate values that guide each member of our organization in expected standards of behavior. In 2006 Telkomsel’s management revisited the Company’s corporate values and reformulated them as teamwork, professionalism, customer intimacy and integrity.

These values were disseminated throughout the organization by a cascading process that began with a meeting of the Integrated Management Forum, attended by all Telkomsel’s Vice Presidents and General Managers. A set of activities was devised, implemented and closely monitored at each stage of the process, using a culture survey to gauge the early effectiveness of the program and identify the strengths and weaknesses of our communication efforts.

Organization Structure, System and Policy Development

Telkomsel has carried out an organizational restructuring involving head office, area and regional offices, as well as its customer service outlets, Grapari. The restructuring policy also affected regulations on the function, role and authority of organizational units, the interrelation of roles and the work output assessment for officials with structural jobs.

Parallel to the restructuring program was a series of job analysis for all positions. The final reports of the job analysis are at the confirmation stage with the job holders.

With regards to the performance appraisal system, 2007 was a year where Telkomsel started Telkomsel Easy as an additional tool for assessing employee’s performance and competency.

An application system to assess performance and competency was formulated in June 2007. The system has since been implemented to determine the Unit Performance Target (SKU) and Individual Performance Target (SKI), both of which were used as references for 2007 performance and competency assessment.

In line with the Business Plan 2007-2011, the Human Resources Management (HRM) Sub-Directorate has set HR Strategy and HR Policy, including the principles for formulating ancillary policies in the field of human resources management.

On the HR Information System, a series of development programs were carried out to support HRM in order to minimize the administration process. The systems included:

- Telkomsel Easy, launched in August 2007 for filling in the Individual Performance Target (SKI) was followed up by the competency evaluation in February 2008.
- iExpense (covering medical, phone, per diem allowances) began to be used in February 2008.
- Enhancement Training Module & Code of Conduct (CoC), both of which were launched in 2007.
- Notification via SMS was launched in January 2008.
- Income tax article 21 Enhancement Module had been in use since September 2007.

On the training area, aside from conducting regular trainings program, the Training Development Division has made a breakthrough in organizing the Enlightenment Program in Makassar. This particular program will be continued in other cities as well.

In line with the Collective Labour Agreement 2006-2008, new policies were introduced under the HRM sub directorate. The policies included: Implementation Policy for Bipartite Co-operative Institution, Job Valuation (Run 1-2), Employees Competence Assessment Policy (Run-3) and Employees Business Trip. The employee transfer and mourning support policy is still in the process of discussion as of year-end of 2007.

Several projects currently in progress includes the follow up to Job Valuation method currently being used. Throughout 2007, an evaluation was carried out on the Job Valuation method, which was first introduced in 2005 and subjected to a series of revisions in line with growing complexities and contextual demands. The evaluation also compares the method to other job valuation method commonly in use currently.

As the new organization structure came to effect, there is a need for evaluating the effectiveness of the new structure, requiring Telkomsel to develop the appropriate assessment tools for it. Parallel with this, an evaluation on the entire business process must also be performed in the hope of further improving the Company's business processes.

Other Fields

In addition to the routine tasks described in this report, there are several other activities that involve resources from outside of the Company. These activities included:

A selection process for employees (13 Muslim workers and their spouses) to take part in the holy pilgrimage to Mecca, courtesy of the Company. The program is held annually. Telkomsel also provides similar programs for other religions based on a quota of the workforce demographics.

Several activities that Telkomsel undertook with parent companies in 2007, included:

- Employee Exchange 2007, in which TELKOM placed two of its employees at the HR Operation Division and HR Development Division as staffs for two years.
- Joint formulation of Customer Service material by the two companies.
- Telkomsel also sent two employees to work in its other parent company, Singtel, to upgrade their knowledge and skills for three months.

HR Management supported the unification of ISO-9000 certification for Call Centers and Grapari, by following up on the audit findings that are related to HR and preparing the necessary policies, systems and procedures in fulfilment of ISO-9000 standards.

Telkomsel aims to be the employer of choice. The Company takes care of its employees, provides extensive training for personal development, and supports the spiritual needs of every individual. Telkomsel objectively evaluates individual performances, and considers employees as assets of the Company, and thereby protects and improves their welfare.

NETWORK

As a service leader, Telkomsel is supported by advanced cellular network technology and superior IT platforms, relying on highly reliable systems to run our conventional voice and SMS services, as well as the New Wave services that are continuously developed by our Product Development team. Our priorities remain focused on providing coverage to more than 90% of Indonesia's populated areas, growing network capacity to accommodate additional subscribers, delivering a level of quality that is equal to that of the world's leading operators and becoming the service leader by offering highly reliable products and services.

In advanced information technology, strategic investments help ensure that Telkomsel's IT platforms can deliver comprehensive and flexible support across the Company's operational systems. This strategy has enabled Telkomsel to consistently create value for all segments of the market and retain its market leadership.

Reliable 3G and 3.5G Network

To meet market demands for new telecommunications applications that run on 3G and 3.5G technology platforms, Telkomsel has successfully implemented 1,940 Node B in the last two years. All Node B is 3.5G (HSDPA) capable of serving mobile broadband services of up to 3.2 Mbps in speed. This broadband product, branded Telkomsel FLASH has strengthened the technology dominance of Telkomsel, and together with other 3G based services including video calls, mobile video and mobile TV, constitute the New Wave products that will boost our growth further in the future.

As of end of year 2007, Telkomsel's coverage of the 3G service had been extended to 18 provinces and 81 cities, while Flash Broadband was made available in 31 cities.

Boosting Network Performance

Telkomsel is recognized for its consistently high quality performance. Our success in this area is made possible by constantly maintaining and developing our network infrastructure. One indicator of this is that despite our aggressive development of new sites deep in rural areas where maintenance is more complex, national base station subsystem (BSS) availability in December 2007 reached 99.27%. A Successful Call Rate (SCR) and Call Completion Rate (CCR) of 94.24% and 99.20% respectively during daytime, as well as a blocking rate of below 5%, are further measures of Telkomsel's strong performance over the year.

Reaching Further than Ever Before

Although Telkomsel is still the dominant player in the Indonesian market with a current cellular network capacity of over 50 million, the company is continually pursuing further expansion. In 2007, we added 3,803 base transceiver stations (BTS) in addition to 998 Node B (3G BTS) to bring the total deployed to 4,801 BTS/Node B. With this addition, approximately 95% of the populated area is now covered.

Telkomsel network capacity is able to engage traffic surging especially during peak time at Idul Fitri 2007, the voice traffic during peak increased 68% compared to normal hours; SMS traffic increased 78%, MMS traffic increased 109%, and Ring Back Tones increased 77%.

In 2007, Telkomsel enhanced its coverage in every district of Java, Bali, West and East Nusa Tenggara and Sumatera; Kalimantan with 95% coverage and the Eastern Indonesia Region with approximately 65%. We are also extending our coverage to subdistricts and villages across the most populated areas of the Archipelago.

Investment Ahead of Growth

From first quarter of 2007, Telkomsel has revisited its deployment strategy to rural areas by selecting profitable rural areas to build the coverage. This is to ensure optimum business profitability is always achieved.

Telkomsel always aims to build network infrastructure at least three months ahead of traffic growth to ensure that sufficient capacity is available to support any sudden marketing initiatives. The Company's Capex Plan is therefore based on close monitoring of traffic patterns, revenue and monthly subscribers growth.

Telkomsel Telecommunications Center (TTC)

TTC is a telecommunications center that provides a full range of central network services such as: Mobile Switching Centre (MSC), Value Added Service (VAS), Base Station Center (BSC), Intelligent Network (IN), Information Technology (IT), and Data Center Building. The inauguration of TTC Jayapura complements 20 other operating TTC throughout Indonesia, including: Manado, Makassar, Denpasar, Surabaya, Semarang, Solo, Bandung, Jakarta, Lampung, Medan, Batam, Banjarmasin, Balikpapan, Pontianak, Palembang, and Timika.

Network & Service Quality Strategy

As the market leader in Indonesia, Telkomsel is recognized for its consistently high quality network performance which continues to evolve to the next higher level, often referred to as Service Performance or Quality of Service (QoS). The key factor in realizing this high Service Performance is the ability of the organization to translate end user requirements into the Network Quality index.

Network Efficiencies

The operations of Telkomsel's networks are constantly improved in terms of cost efficiencies and environmental conservation.

Power system is one of the areas that Telkomsel has made major improvements, especially in reducing the use of air conditioning systems. For the new BTS sites, Telkomsel no longer uses shelter, hence do not require air conditioning. For existing sites, Telkomsel has changed the cooling system from air conditioning to normal air flow within the shelter. Hundreds of sites have been optimized in order to reduce power consumption, thereby reducing greenhouse gas emission (go green) as well as electricity costs.

Engaging New Wave

Telkomsel's network is built for the New Wave services with the deployment of soft switch and 3.5G nodes in its network. It has also been prepared for the NGN (Next Generation Network), ready for the massive roll outs of data backbone and broadband services such as Telkomsel Flash. Another New Wave service is already in the market, the cash transaction using cellular mobile terminal, T-Cash, offering a glimpse of the exciting future that awaits Telkomsel's customers.

INFORMATION TECHNOLOGY

During year 2007, aligned with Business Strategy to increase revenue, IT has supported the roll out of new product and service development such as Telkomsel Flash Mobile Broadband, *HALO* hybrid, *simPATI* 3 Get 3 Minutes and 6 Get 6 SMS Promo, Kartu As 100 Get 100 SMS Promo, *simPATI* Talk Mania, and *simPATI* PeDe. The support was done by preparing the billing and charging configuration for implementing those programs. In addition to that, IT has also developed additional feature for enabling the program registration/notification, i.e. *simPATI* PeDe registration module [*880#]

IRB Billing Migration

As part of the Convergent Online Charging (COC) initiative (phase 2), IRB Billing Migration is an upgrade of billing platform (from Geneva to IRB 2..2) that enables the integration of IN (online customers) and Billing (offline customers) into a single charging platform. The new platform will enable Telkomsel to have a single customer information file, thus reducing efforts to maintain customer data (i.e. business process integration for postpaid and prepaid customers in the area of customer service and financial reporting). Furthermore, IRB Billing Migration is a major prerequisite for COC phase 2 benefits that will allow Telkomsel to offer enhanced products and promotions to group customers such as shared SMS bundle for families or corporations, and billing statements for high-end prepaid customers.

IT Service Availability Improvement

To meet business needs, IT has implemented the distribution architecture on MKios. This allows for the distribution of existing load and fault tolerance to increase MKios availability and performance.

IT implemented Storage Replication to enable redundancy/fault tolerance on storage infrastructure. This would ensure the availability of data that would eventually increase the availability of IT service.

Enabling Infrastructure Deployment and Operations

As part of preventive measures in the face of the flood disaster in February 2007, IT has successfully migrated critical applications and data such as Indira (an application to monitor our prepaid cards' activities) from Atrium Data Center to TB Simatupang Data Center.

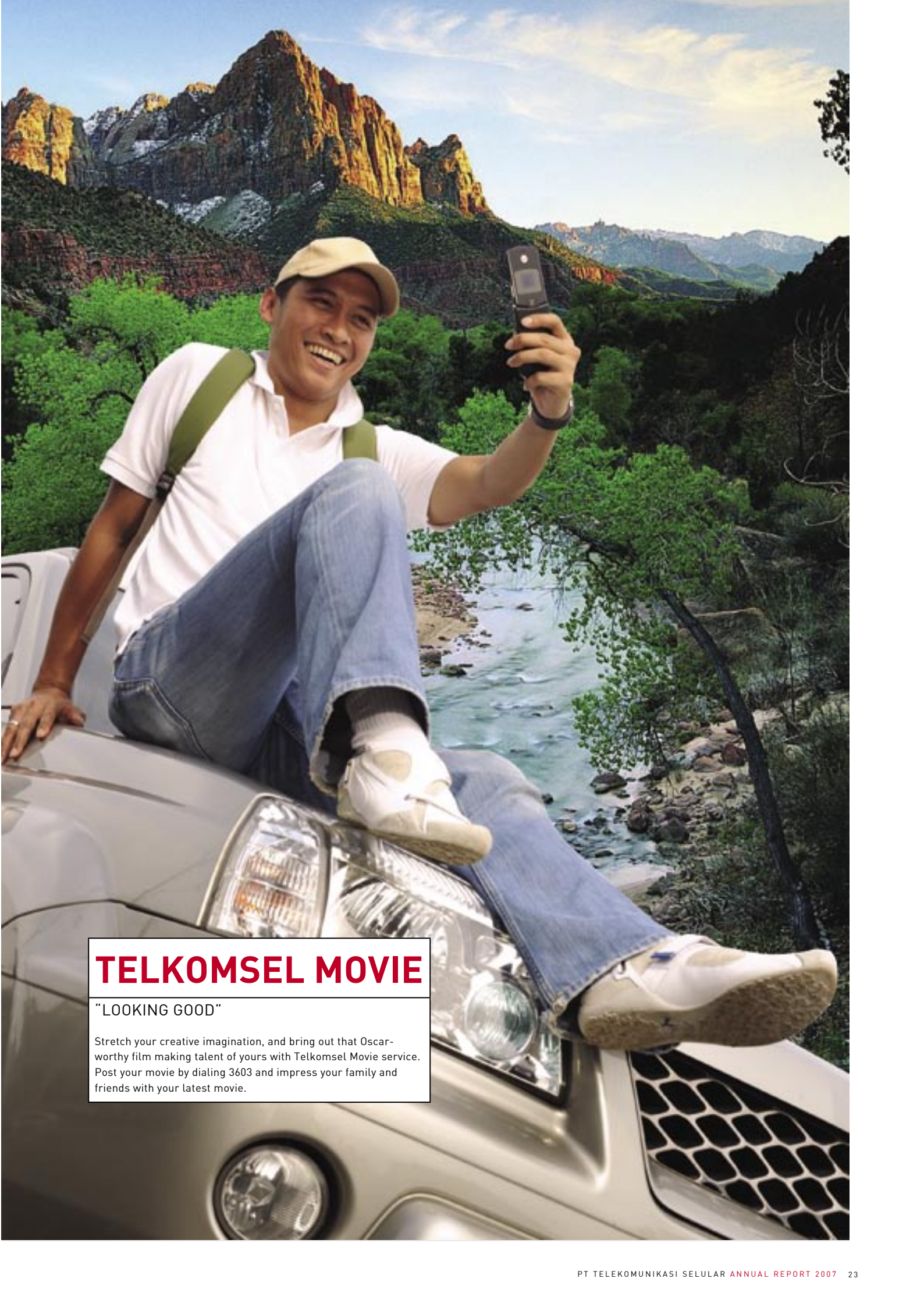
We established Buaran Data Center to accommodate the growth of IT Infrastructures that are used to deliver IT Services. This growth was triggered by the increase of Telkomsel subscribers. The Buaran Data Center began operations in October 2007. By the end of 2007, Telkomsel had two production data centers: TB Simatupang Data Center and Buaran Data Center, both in Jakarta. In the near future, Telkomsel will cooperate with Sigma Caraka (a newly-acquired TELKOM subsidiary company) to establish a Disaster Recovery Center (DRC) facility as part of a Group synergy initiative.

IT Governance

As mandated by Telkomsel Board of Commissioners (BOC), Telkomsel finally released the IT Master Plan (ITMP) 2007 – 2011. The ITMP will be used as a single reference for executing IT related investments by Telkomsel.

Telkomsel has also improved its IT Governance by establishing the Telkomsel IT Governance framework, improving IT Organization (which include IT Organization Structure and Career Development Program), defining IT Investment process, enabling IT Performance Management and implementing IT Risk Management. These initiatives will be continued in 2008 to include establishing IT Continuity process, IT Communication process and IT Program Oversight (PMO).

Telkomsel also continued the implementation of its IT Infrastructure Library (ITIL) framework. The implementation includes the automation of ITIL process such as SDLC (application management) automation.

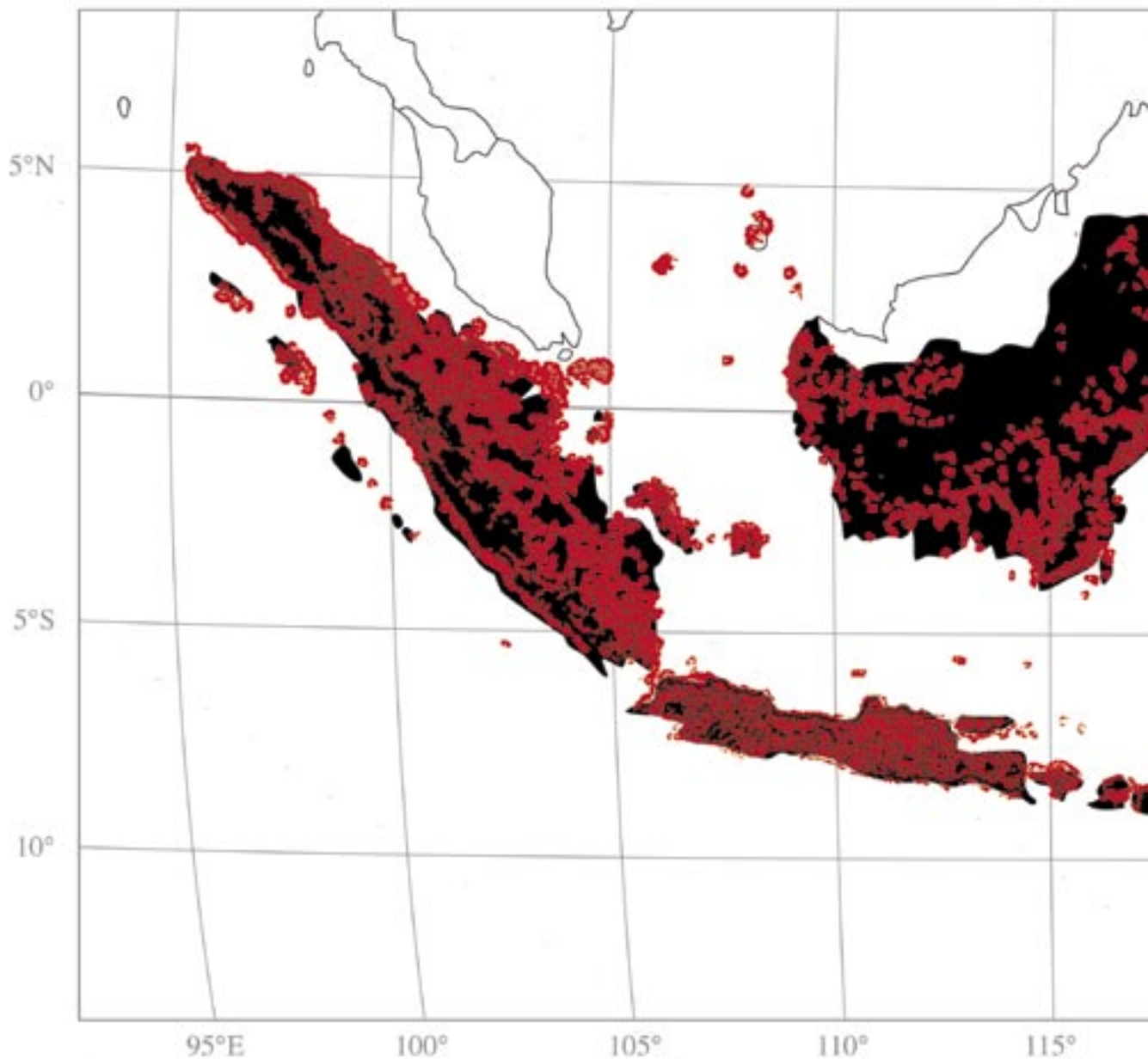


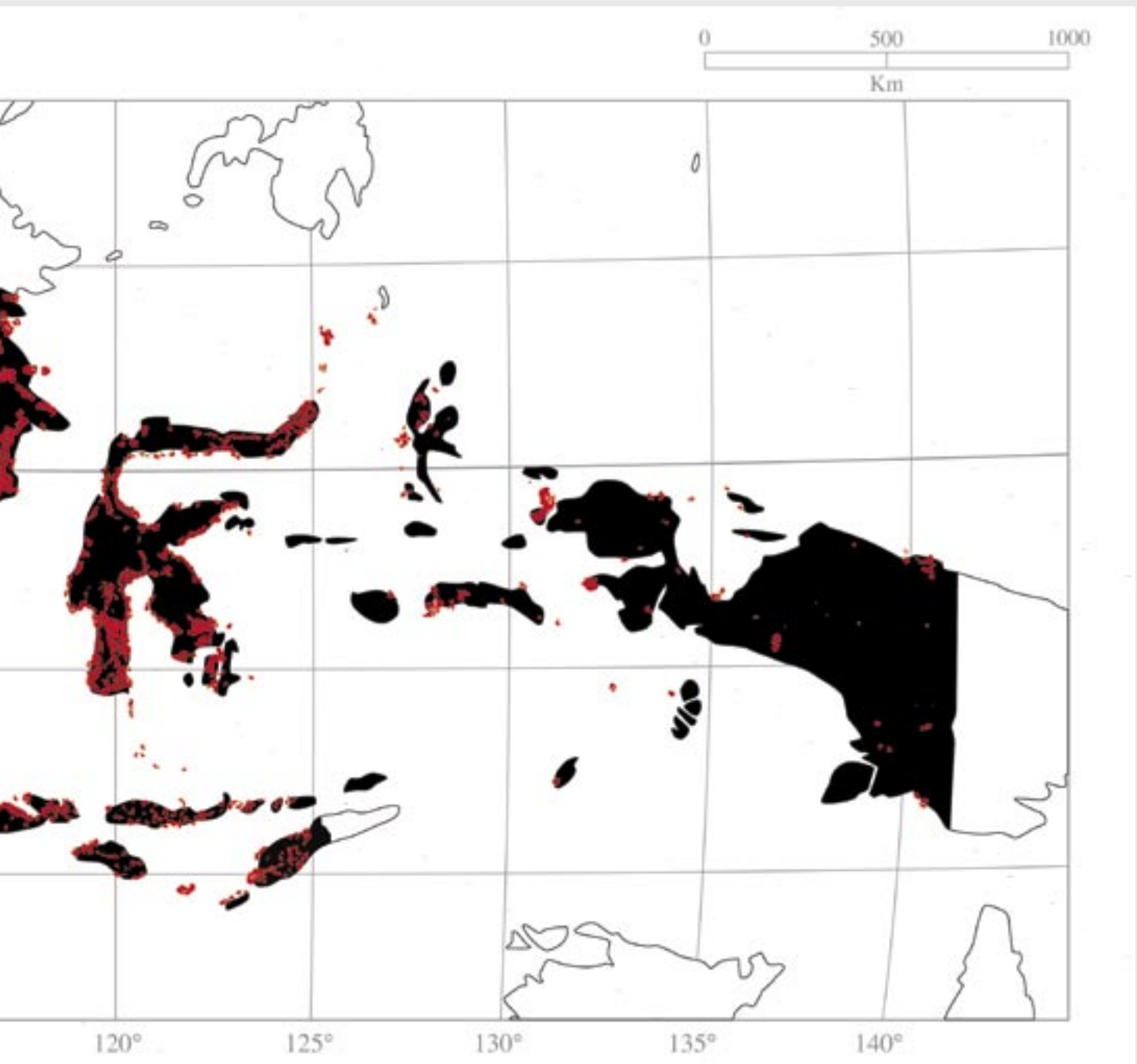
TELKOMSEL MOVIE

“LOOKING GOOD”

Stretch your creative imagination, and bring out that Oscar-worthy film making talent of yours with Telkomsel Movie service. Post your movie by dialing 3603 and impress your family and friends with your latest movie.

“TELKOMSEL’S NETWORK IS PRESENT IN EVERY REGENCY THROUGHOUT INDONESIA AND ALL DISTRICTS IN JAVA, BALI AND SUMATERA, EVEN REACHING VILLAGES AND THE FAR CORNERS OF THE ARCHIPELAGO”





M - KOMIK

“COMICS ON THE MOVE”

Relive the glory days of the comic books on your cellular mobile monitor. m-Komik is a collaboration between Telkomsel and the Samali Academy, Splash, KomikIndonesia.com and InTouch. To access the service, send sms to obtain free m-Komik application that is automatically installed in your phone menu. Get reacquainted with legendary comic artists from RA Kosasih to Teguh Santosa, Hans Jaladara, Djair Wrani, Mansjur Daman and Armin Tanjung, and compare their works with those of today's upstart comic artists. Free comic contents include classics such as Mahabarata, Monster Ijo and many more.



“GOOD CORPORATE GOVERNANCE AT TELKOMSEL ENSURES LONG-TERM BUSINESS CONTINUITY AND SUSTAINABLE GROWTH”

Board Of Commissioners

Telkomsel's Articles of Association (the "Articles") provides that the Board of Commissioners (BoC) shall consist of six members, including the President Commissioner. The Shareholders' Agreement further provides that the President Commissioner shall be from TELKOM.

The principal functions of the BoC are to supervise the management of Telkomsel by the Board of Directors (BoD), and the implementation of Telkomsel's Business Plan. The BoC is accountable to the General Meeting of Shareholders. Members of the BoC are elected by the shareholders of Telkomsel. The shareholders are entitled to nominate a number of candidates as Commissioners (and recommend the removal of such Commissioners) in proportion to the size of their respective ownership. TELKOM is currently entitled to nominate four Commissioners, and SingTel Mobile is entitled to nominate two Commissioners. However, since TELKOM only assigns three representatives on the BoC, one position on the BoC is currently vacant.

Meetings of the BoC must be held at least once every three months and at any other time at the request of any member of the BoC. The quorum for all BoC meetings is four members of the Board, one of whom must be a Commissioner nominated by SingTel Mobile.

Results of meetings of the BoC shall be by affirmative vote of a majority of the members of the Board. In the event of a tie, the matter shall be referred to a General Meeting of Shareholders for resolution.

BoC Activities in 2007

The BoC performed its duties in 2007 by overseeing the policies of the BoD in managing Telkomsel. Through monthly meetings, the BoC was able to monitor the performance of Telkomsel and provided

direction and guidance on company policies for the Directors in case of circumstances that may affect the performance of the Company.

In performing its supervision duties, the BoC is supported by Committees that are formed by the BoC, namely the Audit Committee, the Capital Expenditure Committee and the Remuneration Committee.

In addition to the above, the BoC also assisted the BoD in:

- Formulating the Company's Business Plan for 2008-2012.
- Formulating the Company's Budget of 2008.
- Compiling the Company's Annual Report
- Executing the Annual General Meeting of Shareholders.

Board of Directors

The principal functions of the BoD are to lead and manage Telkomsel as well as to control and manage the Company's assets. The BoD shall consist of five Directors, one of whom shall be the President Director.

The shareholders are entitled to nominate more than one candidate as a Director (and recommend the removal of such Director) in proportion to their respective shareholdings. TELKOM is currently entitled to nominate three Directors and SingTel Mobile is entitled to nominate two Directors. The President Director and Director of Finance shall be TELKOM's representatives.

Meetings of the BoD must be held at least once every two months or at any other time at the request of any of the Directors. The quorum for all Directors' meetings is four members of the Board present or represented in such meeting, one of whom must be a Director nominated by SingTel Mobile.

Resolutions of meetings of the BoD shall be adopted by affirmative vote of a majority of the members of the Board. In the event of a tie, the matter shall be referred to a meeting of the BoC.

Compensation

The Commissioners and Directors receive compensation determined at the General Meeting of Shareholders of Telkomsel. No fees are paid to the Commissioners or Directors for their attendance at their respective board meetings. For the year ended 31 December 2007 the aggregate compensation paid by Telkomsel to all Commissioners and Directors as a group was approximately Rp 22.4 billion.

Conflict of Interests

Members of the BoD are prohibited from assuming other positions outside Telkomsel which may directly or indirectly raise conflicts of interests with Telkomsel and/or which violate the provisions of existing laws and regulations. The Articles further state that any non-conflicting current position assumed by a member of the BoD would require the permission of the BoC and shall be reported to the General Meeting of Shareholders. Members of the BoC shall not assume any position outside Telkomsel that may directly or indirectly raise conflicts of interests unless determined otherwise by the General Meeting of Shareholders.

Family Relationships

None of the Directors are related to each other.

Committees

Either Board may, at any time, establish or authorize the formation of committees of its members to deal with matters relating to, or assist with the discharge of, the responsibilities and obligations of said Board. Each of these committees must include at least one person nominated by SingTel Mobile. The following committees currently exist in Telkomsel, all formed by the BoC:

Audit Committee

This committee is responsible for reviewing the Company's audited financial statements and discussing them with the external auditors. The Audit Committee consists of Arief Yahya (Head of Committee), Lim Chuan Poh and Agus Suryono (Committee Members), and is regulated by an Audit Committee Charter. The Audit Committee also regularly interacts with the head of Internal Audits to discuss internal control issues.

Remuneration Committee

This committee has responsibility for determining the remuneration of the BoD, subject to the unanimous approval of the BoC. The Remuneration Committee comprises Loso Judijanto (Head of Committee) and Lim Chuan Poh and Arief Yahya (Committee Member).

Capex, Investment and Finance Management Committee

The Capex, Investment and Finance Management Committee is responsible for reviewing the investment plans and the way in which such plans are implemented by the Company. The Committee consists of Rinaldi Firmansyah (Head of Committee), Leong Shin Loong and Herfini Haryono (Committee Members).

Business Planning and Budget Preparation

The BoD and no more than two representatives of each Shareholder shall meet prior to 30 September each year to prepare a new Budget for the following financial year and to refine and update the Business Plan.

If the Budget and/or the Business Plan is unanimously agreed by the Business Plan Team, it shall present the proposed Budget and Business Plan to the BoC for their review, consideration and approval prior to 30 November each year.

Transparency and Disclosure

Telkomsel reports its operational and financial performance to the BoC and its shareholders on a monthly basis.

On a quarterly basis, Telkomsel reports its operational and financial performance by issuing quarterly "highlights". These highlights are available on Telkomsel's website (www.telkomsel.com) and are mailed to anyone who has signed up for our mailing service. Telkomsel's database for this mailing service contains major investment houses and fund managers, financial institutions, analysts, and private individuals.

Each year, an annual report is produced, to fulfill the reporting requirement to the shareholders, and to provide a growing group of investors, analysts and others with an overview of the previous year's performance.

Although Telkomsel is a private, non-public company, we do have an investor relations team. The task of the investor relations team is to define, prepare and provide material information that the company proactively discloses to interested stakeholders.

Internal Control and Control Self Assessment (CSA)

Telkomsel continues to grow rapidly in order to meet the growing demands of customers, which induces the dynamics of changing business processes from time to time.

Internal control as an element of Risk Mitigation that is required in the face of these changing business processes whether in design or operational aspect continuously evaluates to minimize the possibility of fraudulent activities.

The enhancement of Internal Control is also reflected in the establishment of the Enterprise Risk Management Unit that comprises fraud management and has been in effect since 2007, enabling more focused efforts on the prevention and detection of fraud-related risks.

Effective internal control monitored on-line through CSA (Control Self Assessment) which constitutes another key indicator of the performances of individual business units such that quality assurance and compliance to business processes can be improved.

Telkomsel continuously undertakes Test of Control (TOC) to enhance the quality of ICoFR and CSA.

Whistleblower

As part of GCG implementation and compliance to Sarbanes-Oxley Act, the Company has initiated the so-called whistleblower program to gather information on activities that are contrary to GCG principles. The Company has appointed a General Manager of Special Audit as the whistleblower liaison officer. The Company started to facilitate a whistleblower in medium 2006 as part of a TELKOM Group requirement. As of 2007, the Company has implemented the whistleblower program independently pursuant to the Resolution of the BoC dated December 19, 2006 and the President Director's Official Memo No. 397/PD-00/XII/2006 dated December 21, 2006.

The program aims to galvanize active employees participation in the internal control over corporate business deeds such that assets are secured and frauds can be detected as early as possible. The scope of the whistle blower program is focused on the financial reporting (at any stage of the accounting process) and auditor independence. In April 2007, a company-wide socialization of the program was undertaken in all of the Company's offices nationwide.

SOA Compliance

Pursuant to requirements of complying with the Sarbanes Oxley Act (SOA) that is expected of TELKOM as the parent company, the Internal Control over Financial Reporting (ICoFR) of Telkomsel is also audited by external auditors. The SOA ICoFR Audit assessed both design and the operational effectiveness of the internal controls developed by the company.

Telkomsel has carried out a top-down risk based analysis such that the ICoFR audit can be undertaken in more efficient and effective manner.

Material Litigation

Cross-monopoly Ownership Case

Pursuant to KPPU's ruling on the allegation that Telkomsel had violated certain provisions of Law No. 5/1999 "Prohibition of Monopolistic Practice and Unfair Business Competition" (the Law), the District Court in its verdict on May 9, 2008, revoked KPPU's ruling that instructing Telkomsel to reduce tariff due to KPPU did not have authority to determine tariffs. The verdict also covered among other things:

- Telkomsel had violated article 17.1 of the Law
- Telkomsel had not been proven to violate article 25.1.b of the Law
- Temasek Holdings and certain affiliated companies were instructed to release their ownership in either Indosat or Telkomsel or to decrease its ownership by 50% in each of those companies within 12 months from the date of the decision become final and legally binding at the following conditions:
 - A maximum of 10% of total shares for each buyer
 - The buyer is not associated with Temasek Holdings
- Telkomsel was charged a penalty of Rp 15 billion

The decision of the court was in many ways more lenient than those of the KPPU ruling which among other things had charged Temasek with illegal cross-

monopoly ownership of Telkomsel and Indosat, a violation of the Indonesian anti-monopoly and unfair business practices regulation. Pursuant to the ruling, Temasek was also ordered to release all of its shares in Telkomsel or Indosat to unassociated buyers. The KPPU also ordered Telkomsel to reduce its tariffs by a minimum of 15% and imposed upon Telkomsel a penalty of Rp 25 billion.

Currently, the management is evaluating the result of the court's verdict to determine the next actions which need to be taken by Telkomsel.

SMS Cartel Case

Nine cellular operators in Indonesia, including Telkomsel, are under investigation by the KPPU, for an alleged violation of Indonesian anti-monopoly and unfair business practices regulation concerning fixed pricing of SMS. The management believes that there are no such cartel practices that led to breach of prevailing regulations.

Corporate Social Responsibility

Since its founding, Telkomsel has developed innovative products and services that contributed to increasing efficiency and effectiveness in public service and national development. This is reflected through Telkomsel's efforts in implementing open distribution channel that provides huge job opportunities, with more than 200,000 channels that are spread across Indonesia.

As a company that is committed to implement the principles of GCG and a high level of concern over social issues, Telkomsel undertakes its corporate social responsibility (CSR) not merely as a charity act, but as an undertaking that contributes to the development of communities in a sustainable manner by enhancing the quality of health and the quality of education that is often neglected by society at large.

Without the exclusion of other fields, Telkomsel views that health and education represent key factors to the quality of future generations, such that there is a need to undertake efforts that support the enhancement of both the intellectual capacity and moral value of a person, as well as for the development of a healthy physique for every child of the nation.

In health matters, Telkomsel consistently provides free healthcare clinic program in the form of harelip reconstructive surgery, and mass circumcision healthcare services through the Indonesia Healthy and Friendly program. Throughout 2007, Telkomsel supported the education of approximately 15,000 orphans in several cities in Indonesia, including educational aid in the form of computer and a Telkomsel storybook package that contains stories on Indonesian hospitality from 12 different regions.

Not content with that, in conjunction with several other parties with similar attention to social welfare as Telkomsel, also extend our helping hands to communities who suffered from natural disasters. Telkomsel demonstrates its care by providing complementary cellular phone services, emergency shelter and staple goods. During the most recent widespread floods in Jakarta, in which Telkomsel donated relief funds in partnership with shareholders and related parties that belong to the Telkomsel Cares Community. Similar concerns were manifested on the earthquake in Bengkulu and Padang, in which among other things Telkomsel arranged for breaking the Ramadhan fast with 1,000 orphans.

Through the SMS Infaq 4000, Telkomsel becomes the extension arm of the public, specifically customers who want to demonstrate their care during the Ramadhan season of 2007. All of the proceeds from this SMS Infaq program are distributed to several educational and dakwah (religious learning) programs, health, social and the empowerment of communities through 13 LAZIS (Zakat and Alms Institution) partners and dakwah institutes in Indonesia.

“OPTIMIZING VALUE BY BALANCING RETURNS AGAINST RISKS”

The task for a risk management team is that every company is established to generate value for stakeholders. Every entity faces uncertainty, and the challenge for the management is to determine to what extent such uncertainty remains acceptable. Uncertainty offers risks and opportunities, with the potential to either erode or increase the value. Risk Management gives the company the ability to effectively manage that uncertainty.

The value can be maximized when management determines strategy and goals to achieve an optimal balance between growth and resulting objectives as well as related risks. In addition, the management has to be able to effectively and efficiently utilize available resources to achieve the objectives.

The performance of ERM in 2007, which covered various activities, including:

- On President Director's Instruction, the ERM carried out the Remedial Deficiency Audit on ICoFR 2006, the result of which has been reported to the Internal Audit and Sub-Directorate Accounting. It focused mostly on the Entity Level Control whose implementation was yet to touch on operational activities, and Transactional Level Control.
- Risk Identification was performed using Committee of Sponsoring Organization (COSO) framework. Risk Identification are on Strategic, Operational, compliance and reporting risks as a base for risks assessment.
- Studied and examined the risks in areas of organization and human resources. The results showed that in the short term, there are six main risks that have to be addressed by the management: inefficient cost, a decline in productivity, career enhancement, job redundancy, activities that reduce the value of future business, and workload imbalance.
- Carried out Telkomsel's Integrated Risk and Fraud Risk Assessment 2007 through the workshops in Bandung and Jakarta. The results have been reported in monthly and quarterly reports as scheduled. The risk assessment was conducted based on a business cycle set out under the ICoFR. The fraud risk management report has been published and socialized to the top level organization.
- Developing Telkomsel organization structure based on the work load and requirement of growing business as input to current organization structure after taking consideration issues on future and strategic risk.

NSP 1212

"HAPPY TUNES"

NSP 1212 - the personal ring tones available to all Telkomsel users (*kartuHALO*, *simPATI*, and *Kartu As*). With active ring tones of your personal choice, a call to your cellphone will activate your favorite tune or song as the ring tones of your cellphone. Delight friends and callers with your personal choice of musical ring tones. Call or text "1212" to activate your personal ring tones.



“SUSTAINING STRONG CUSTOMER BASE AND REVENUE GROWTH”

Introduction

Amid the intensifying competition and pressure on tariff, Telkomsel sustained its strong customer base and revenue growth. Telkomsel added 12.29 million new customers in 2007, which was 9% higher than the 11.33 million net-adds in 2006. We ended the year with 47.89 million customers, representing 35% year-on-year (YoY) customer base growth. We again have been able to maintain our leadership in the mobile cellular industry with approximately 51% share of customers.

Despite the decline in tariffs, Telkomsel’s operating revenues grew strongly in 2007. Strong customer base growth combined with strong Minutes of Use (MoU) increase and manageable ARPU decline resulted in healthy operating revenues growth. Operating revenues grew 26% to Rp 36.67 trillion. After experiencing some pressures on operating expenses in 2006 due to the aggressive network deployment to rural areas, operating expenses growth in 2007 was fully under control and manageable. It grew 31% to Rp 16.79 trillion in 2007.

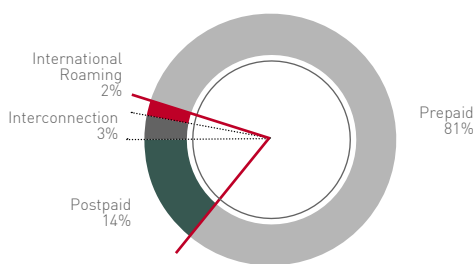
Financial Results

Operating Revenues

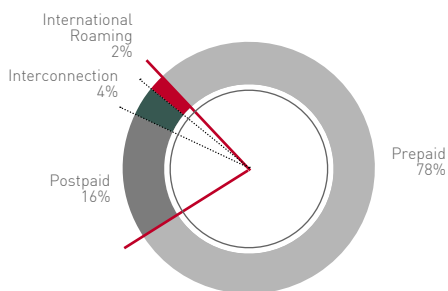
in billion Rupiah	2007	2006	Growth (%)
Postpaid	5,086	4,615	10
Prepaid	29,838	22,889	30
International roaming	579	479	21
Interconnection (net)	1,167	1,162	0
Operating Revenues	36,670	29,145	26

Telkomsel’s operating revenues increased 26% YoY to Rp 36.67 trillion. This strong revenue growth was the results of 35% customer base growth and 38% MoU growth combined with 5% ARPU decline.

Telkomsel’s prepaid products, which accounted for 96% of total customer base 2007, were the main revenue contributor. It contributed 81% to the operating revenues in 2007. The YoY growth of operating revenues in 2007 also mostly (92%) contributed by the prepaid products.



Operating Revenue 2007



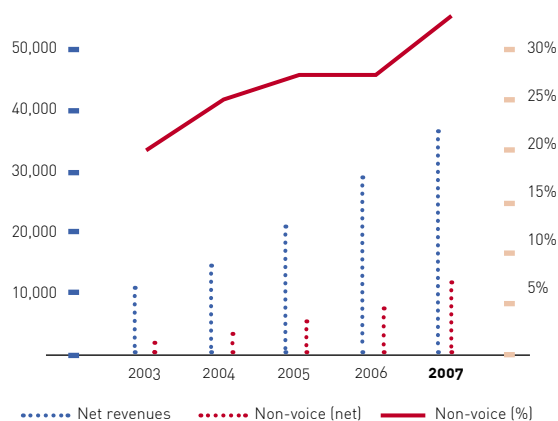
Operating Revenue 2006

- Despite the postpaid ARPU decline, *Postpaid revenues* increased 10% to Rp 5.09 trillion due to the 15% growth in the postpaid customer base.
- *Prepaid revenues* rose by 30% to Rp 29.84 trillion on the back of 35% prepaid customer base growth.
- *International roaming revenues* increased 21% to Rp 0.58 trillion, which was mainly contributed by increase in tap-in revenues.
- *Net Interconnection revenues* slightly increased to Rp 0.17 trillion. The new interconnection tariff caused decline in both interconnection revenue and charges with a net impact of a net revenue to Telkomsel.

Non-voice/data revenues (net) increased 55% to Rp 12.03 trillion. Non-voice/data revenues contribution to total operating revenues has increased constantly. In 2007, it contributed 33% to net operating revenues, compared to only 20% in 2003.

The non-voice/data revenues were still largely dominated by SMS revenues (approximately 85%). Revenues from mobile data services (non SMS revenues) indicated steady growth particularly on content download and ring-back tones.

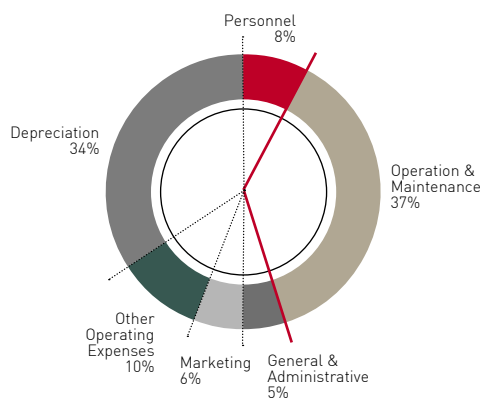
Non-voice/data revenue
in billion Rupiah



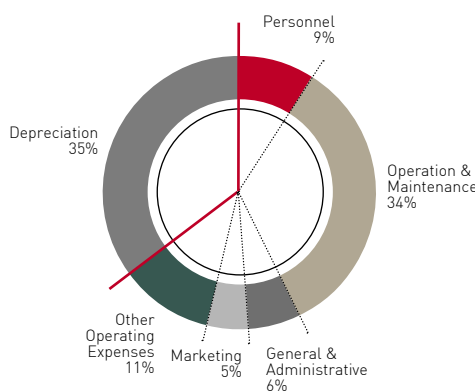
Operating Expenses

Operating Expenses increased 31% to Rp 16.79 trillion, which was mainly because of the increase in operation & maintenance costs and depreciation expense as a result of network infrastructure growth.

in billion Rupiah	2007	2006	Growth (%)
Personnel	1,396	1,174	19
Operation & maintenance	6,236	4,367	43
General & administrative	761	714	7
Marketing	923	705	31
Other operating expenses	1,750	1,448	21
Depreciation	5,725	4,428	29
Total Operating Expenses	16,791	12,836	31



Operating Expenses 2007



Operating Expenses 2006

- *Personnel expenses* grew 19% YoY to Rp 1.40 trillion, which was due to growth in number of employees (7%) and salary adjustment.
- *Operation & maintenance expenses* rose 43% to Rp 6.24 trillion, which was due mainly to network infrastructure growth (the number of BTS increased by 30% and overall network capacity increased by 30%) and expansion to rural areas, which affected transmission costs, frequency fees, power supply and repair & maintenance costs for the network equipment.

in billion Rupiah	2007	2006	Growth (%)
Transmission	2,432	1,918	27
Frequency	1,136	730	56
Repair & Maintenance	1,397	1,131	24
Others	1,271	588	116
Total Operation & Maintenance Expenses	6,236	4,367	43

- *General & administrative expenses* increased 7% YoY to Rp 0.76 trillion, which was mainly on rental expenses.
- *Marketing expenses* grew 31% YoY to Rp 0.92 trillion, which was mainly attributable to higher advertising and sales support costs in supporting larger customer base.
- *Other operating expenses* consist of cost of cards, concession fees & USO charges, account receivable collection costs and provision for bad debt, all of which increase in line with sales/customer base growth. In 2007, it increased 21% to Rp 1.75 trillion, which was largely the result of higher concession and USO fees (in line with revenue growth).

in billion Rupiah	2007	2006	Growth (%)
Concession & USO Fees	612	494	24
Cost of Cards	528	512	3
A/R Collection	307	212	45
Others	303	230	32
Other Cost of Services	1,750	1,448	21

- *Depreciation expenses* increased 29% to Rp 5.73 trillion due to network infrastructure growth (BTS grew by 30%, while overall network capacity expanded by 30%).

Other Income/(Expenses)

Other income/(expenses) increased from net expenses of Rp 143 billion to net expenses of Rp 479 billion, due largely to:

- higher interest expenses due to higher average outstanding loans balance in 2007
- foreign exchange loss recorded in 2007.

in billion Rupiah	2007	2006	Growth (%)
Interest Income	142	146	-3
Financing Charges	(472)	(231)	104
Forex Gain / (Losses)	(57)	121	-147
Others -net	(92)	(179)	-49
Other Income/(Expenses)	(479)	(143)	235

EBITDA and Net Income

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) reached Rp 25.60 trillion in 2007, a 23% increase over the 2006 figure. The EBITDA margin declined slightly from 71% in 2006 to 70% in 2007.

Net Income increased by 22% to Rp 13.62 trillion. The net income margin declined from 38% in 2006 to 37% in 2007.

Balance Sheet

As a result of the growth of investment and business activities, Telkomsel's total assets increased 20% to Rp 44.68 trillion. Total liabilities increased 30% to Rp 18.49 trillion. Total equity, meanwhile, increased 14% to Rp 26.19 trillion.

- Current assets increased 27% to Rp 5.06 trillion mainly due to increases in cash and prepayments balance.
- Property, plant and equipment rose 21% to Rp 38.25 trillion as a result of network infrastructure growth (BTS grew by 30% and overall network capacity grew 30%).
- Current liabilities grew 17% to Rp 12.40 trillion, largely because of increases in current maturities of medium term loans.
- Non-current liabilities increased 67% to Rp 6.08 trillion as a result of the new loan facilities secured in 2007.

Operational Result

Customer Base

Despite the more competitive market and pressure on tariff, Telkomsel added more new customers in 2007 than the net-additions in 2006. We added 12.29 million new customers in 2007, which was 9% higher than 2006 net-adds. With this strong net-adds, Telkomsel's customer base reached 47.89 million customers in 2007, a 35% increase compared to earlier year, consisting of 1.91 million (4%) *kartuHALO* customers, 23.99 million (50%) *simPATI* customers and 21.99 (46%) million *Kartu As* customers. Telkomsel still maintained its leadership in the industry with approximately 51% share of customers (full-mobility).

As Indonesian mobile cellular market is a prepaid market, 98% of Telkomsel's customer base growth in 2007 came from prepaid products. *Kartu As* was the main growth contributor in 2007 with 9.43 million customers (or 77% of total net-adds). Although it experienced some pressures during 2007, *simPATI* prepaid product still showed a healthy growth with 2.61 million new customers (or 21% of total net-adds). The *simPATI* product regained its growth at the end of 2007 with the launch of *simPATI* PeDe, a new *simPATI* package with a cheaper per second tariff (Rp 0.5 per second). The *kartuHALO* postpaid product contributed 251K new customers, 31% higher than 2006 *kartuHALO* net-adds.

In line with Telkomsel's strategy to expand to outside Java, by covering until sub-regency (district) level, Telkomsel's customer base growth contribution from outside Java has grown. In 2007, Java contributed 29% to total growth. Sumatera area was the main growth contributor with 35% contribution to total net-adds, while Kalimantan, Sulawesi and the rests of Indonesia contributed 36%.

ARPU

Despite the penetration to lower market segments, Telkomsel has been able to manage ARPU decline on the back of various innovative services and programs. Blended ARPU declined 5% YoY to Rp 80K in 2007, however, the ARPU of *simPATI* and *Kartu As* were still growing in 2007. For *simPATI*, ARPU increased slightly by 1% to Rp 84K, while for *Kartu As*, ARPU grew 6% YoY to Rp 57K. The key factor of the growth in *Kartu As* ARPU was the growth of SMS traffic as a result of attractive pricing.

Capital Expenditures and Cash Flows

Capital Expenditures were mostly financed by cash flow from operations as Telkomsel generated a strong cash flow from operating activities. Net cash generated from operations in 2007 was Rp 20.65 trillion, a 26% increase compared to 2006.

Cash flow for investing activities increased slightly to Rp 13.17 trillion (approximately USD 1.4 billion), which was mostly for acquisition of network infrastructures.

in billion Rupiah	2007	2006	Growth (%)
Cash Flow from Operating Activities*)	20,650	16,335	26
Cash Flow for Investing Activities	(13,170)	(13,144)	0
Cash Flow from Financing Activities	(6,788)	(2,967)	129
Net Increase in Cash & Cash Equivalents	692	224	209
Addition to Fixed-Assets (incl. CIP)	12,367	14,378	-14
New Contracts Issued during the Period	13,329	16,496	-19

*) includes effect of exchange rate changes

Telkomsel added Rp 12.37 trillion (USD 1.3 billion) to fixed-assets in 2007. There were 4,801 new BTS (including 998 3G-BTS) installed and 11.7 million subscriber capacity added in 2007.

Net cash used in financing activities increased 129% to Rp 6.79 trillion, which was mainly due to higher dividend payment in 2007. In 2007, Telkomsel declared dividends amounted to Rp 9.50 trillion (85% of 2006's net income), of which Rp 5.39 trillion was paid in July 2007 and the remaining was paid in October 2007. In December 2007, Telkomsel paid an interim dividend amounted to Rp 1 trillion.

Loan/Debt

In December 2002, Telkomsel signed two export credit facility (ECA) agreements. Both facilities were fully drawn down by the end of 2004 and the remaining installments are due semi-annually until 2008.

In 2006, Telkomsel obtained Rp 3.5 trillion loans from local banks, of which Rp 2.0 trillion has been repaid by the end of 2007.

During the year 2007, Telkomsel signed Rp 7.2 trillion new loan facilities from local banks, in short and medium terms. As of December 31, 2007 Rp 6.2 trillion of these new facilities has been drawn.

The Balances of All the Facilities (as at the end of December 2007)

	Outstanding	Interest	Repayment
ECA 1	Euro 7.3 million	appr. 4.994%*)	2008
ECA 2	USD 9.7 million	4.02%	2008
Local Banks	IDR 6.85 trillion	9.23-9.58%*)	2008-2011

*) floating rate

	Amount	In Use	Deferred Repayment
L/C Facility	USD 20 million	IDR 20 billion equivalent to USD 2.1 million	-

Financial Covenants Related to Its Loan/Debt (as at the end of December 2007)

	Covenant t/b Maintained	Required	Actual
ECA Facilities	Debt to Equity Ratio	≤ 2	0.27
	Debt Service Coverage Ratio	> 1.25	6.35
	Permitted Indebtedness	≤ Rp 51.15 trillion	Rp 7.05 trillion
Bank Loans	EBITDA to Debt Service	≥ 1.25	7.68
	Debt to Tangible Net Worth	≤ 2.00	0.27

Telkomsel's Latest Credit Ratings

	Local Currency	Foreign Currency	Outlook
Moody's	Baa2	-	Stable
S&P	BB+	BB+	Stable
Fitch	BBB-	BB	Stable
Fitch Indonesia	AAA	-	Stable

RESPONSIBILITY FOR THE ANNUAL REPORTING

The Management of PT Telekomunikasi Selular is responsible for this Annual Report including the accompanying financial statements and related financial information which have been approved by member of the Board of Commissioners and the Board of Directors whose signatures appear belows.

BOARD OF COMMISSIONERS



Rinaldi Firmansyah
PRESIDENT COMMISSIONER



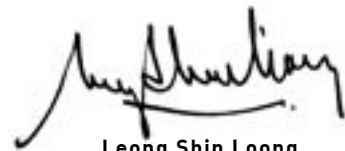
Arief Yahya
COMMISSIONER



Loso Judijanto
COMMISSIONER



Lim Chuan Poh
COMMISSIONER



Leong Shin Loong
COMMISSIONER

BOARD OF DIRECTORS



Kiskenda Suriahardja
PRESIDENT DIRECTOR



Triwahyusari
DIRECTOR OF FINANCE



Syarif Syarial Ahmad
DIRECTOR OF PLANNING
AND DEVELOPMENT



Richard Tan
DIRECTOR OF COMMERCE



David Ng
DIRECTOR OF OPERATIONS

CORPORATE DATA

THE MEMBERS OF THE BOARD OF COMMISSIONERS AND DIRECTORS



Rinaldi Firmansyah PRESIDENT COMMISSIONER

Mr. Rinaldi Firmansyah is the President Director and Chief Executive Officer of PT Telekomunikasi Indonesia, Tbk. (TELKOM). Prior to his appointment to this top position, he was the Chief Financial Officer of TELKOM (2004-2007). He was named as The Best CFO by Asia Money in 2004, by Finance Asia in the category of Best Managed Companies in 2006, was ranked third as Best CEO by Warta Ekonomi in 2007 and was awarded the Satya Lencana Pembangunan medal from the President of the Republic of Indonesia in 2007. Before joining TELKOM, Mr. Firmansyah had served as Director of Investment Banking, President Director, and Vice President Commissioner of PT Bahana Securities from 1997-2003. He was also the Head of the Audit Committee and Commissioner of PT Semen Padang in 2003. Mr. Rinaldi Firmansyah is a Chartered Financial Analyst (CFA), obtained from AIMR, Charlottesville, USA. He graduated with a degree in electrical engineering from the Bandung Institute of Technology (ITB) and a Master degree in business administration from the Indonesian Institute of Management Development (IPMI), Jakarta.

Lim Chuan Poh COMMISSIONER

Mr. Lim Chuan Poh joined SingTel in 1998. He was appointed CEO International in October 2006. Besides overseeing the performances of SingTel's current overseas assets, which include AIS (Thailand), Airtel (India), Globe (Philippines), Telkomsel (Indonesia), PBT (Bangladesh) and Warid (Pakistan), Mr. Lim is also responsible for driving the Group's regional mobile initiatives and supporting the growth objectives of SingTel's business groups through strategic investments. Previously, Mr. Lim held the positions of Executive Vice President for various key business groups in SingTel. He currently sits on the boards of several companies, including SingTel's regional mobile associates, Telkomsel (Indonesia) and Warid Telecom (Pakistan). Mr. Lim is also the Chairman of Bridge Alliance, Asia Pacific's largest mobile alliance group. Mr. Lim holds a Bachelor of Engineering Science (Honours) from Balliol College, University of Oxford, UK and a Master in Public Health Engineering from Imperial College of Science and Technology, University of London.

Leong Shin Loong COMMISSIONER

Mr. Leong Shin Loong is SingTel's Vice President of Project Quantz. He is responsible for the implementation of a high digital access network in Singapore to deliver breakthrough services to homes and offices. Before assuming this role, Shin Loong was the Vice President of Consumer Products where he oversaw the development of new services for mobile, internet, broadband and telephone businesses. He had also spent five years overseas – two years with Advanced Info Service in Thailand and three years with Telkomsel in Indonesia (2001-2004) as Director of Planning & Development (2001-2002) and Director of Commerce (2003-2004). Mr. Leong Shin Loong graduated with degrees in engineering from Northwestern University and Rensselaer Polytechnic Institute, USA and completed the Advanced Management Programme at Harvard Business School in 1999.

Loso Judijanto COMMISSIONER

Mr. Loso Judijanto is Special Adviser to the Minister of State-Owned Enterprises Republic of Indonesia. Previously, he served as Special Adviser to the Minister of Information and Communications Technology Republic of Indonesia (2005-2007), Corporate Governance Consultant (2000-2005), Staff at the Ministry of SOE Republic of Indonesia (1998-2000), and Public Policy Researcher at the Center for Policy and Implementation Studies (1995-1996). Mr. Judijanto holds a Master degree in Statistics from the University of New South Wales, Sydney, Australia and a Master degree in Management Accountancy from University of Indonesia.

Arief Yahya COMMISSIONER

Mr. Arief Yahya is the Director of Enterprise & Wholesale of TELKOM, since June 2005. He joined TELKOM in 1986 and has held several senior management positions in the company: Head of Regional Division V - East Java (2004-2005) and Head of Regional Division VI - Kalimantan (2003-2004) where he was awarded The Best Head of Regional Division. Mr. Yahya was awarded "Satya Lencana Pembangunan" medal from the President of Republic of Indonesia in 2006 and Business Future Leader from "SWA Magazine" in 2006. Mr. Yahya graduated with a Bachelor degree in Electrical Engineering from Bandung Institute of Technology (ITB) and a Master degree in Telecommunications Engineering from the University of Surrey, UK.



Kiskenda Suriahardja
PRESIDENT DIRECTOR

As President Director and Chief Executive Officer of PT Telekomunikasi Selular (Telkomsel), Mr. Suriahardja is responsible for Telkomsel's overall management. Prior to his appointment as Telkomsel's CEO in 2005, he had served as TELKOM's Head of Regional Division II - Greater Jakarta, Head of Regional Division V - East Java and Head of Regional Division VI - Kalimantan. He has over 20 years of experience in the telecommunications industry. Mr. Suriahardja has a degree in telecommunications engineering from Bandung Institute of Technology and obtained his MBA from the Prasetya Mulia Management Institute.

Triwahyusari
DIRECTOR OF FINANCE

Ms. Triwahyusari is Director of Finance and Chief Financial Officer of Telkomsel. She is responsible for the overall financial management of Telkomsel. Ms. Triwahyusari was previously a member of Telkomsel's Board of Commissioners (2003-2007) and Vice President of Accounting of TELKOM. She graduated from the University of Airlangga with an Accounting degree.

David Ng
DIRECTOR OF OPERATIONS

Mr. David Ng is Director of Operations of Telkomsel and in charge for Network Design and Operational Management. Before joining Telkomsel in 2007, he was a Director in Consumer Products Group of SingTel. He joined SingTel in 1984 and has been exposed to a variety of functions during his assignment with this company in mobile, fixed-line and broadband businesses. He graduated with Second Class Honours in Engineering from the National University of Singapore.

Yuen Kuan Moon
DIRECTOR OF COMMERCE

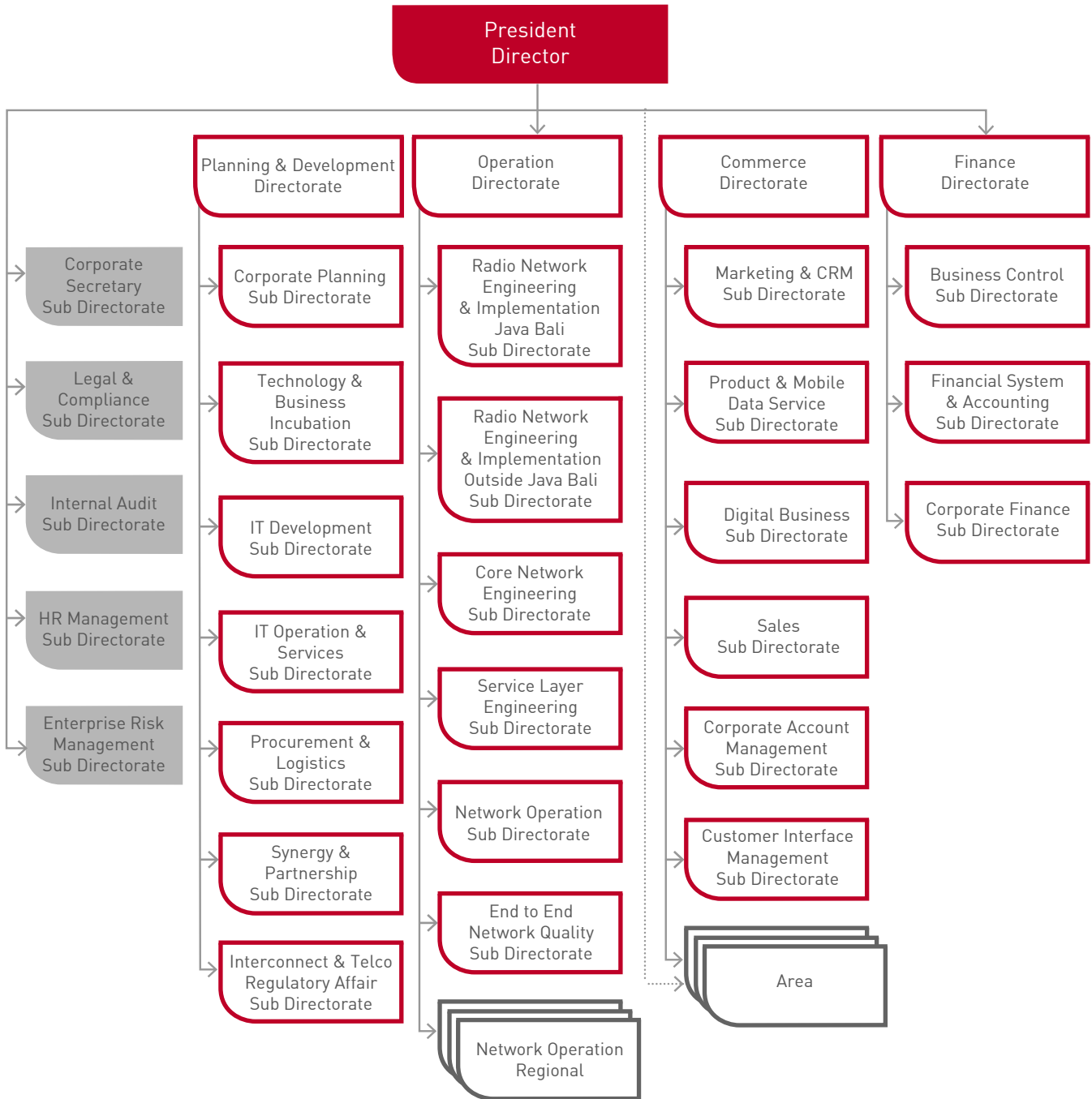
As Director of Commerce, Mr. Yuen is responsible for all Marketing, Sales, Products and Customer Service activities of Telkomsel. He has more than 15 years experience in Telecommunications. Graduated with first class honors degree in engineering from The University of Western Australia, he also holds a Master of Science degree in Management from Stanford University in California, USA (Sloan program).

Note: As of 1st Jan 2008, Mr Richard Tan has replaced Mr. Yuen as the Director of Commerce

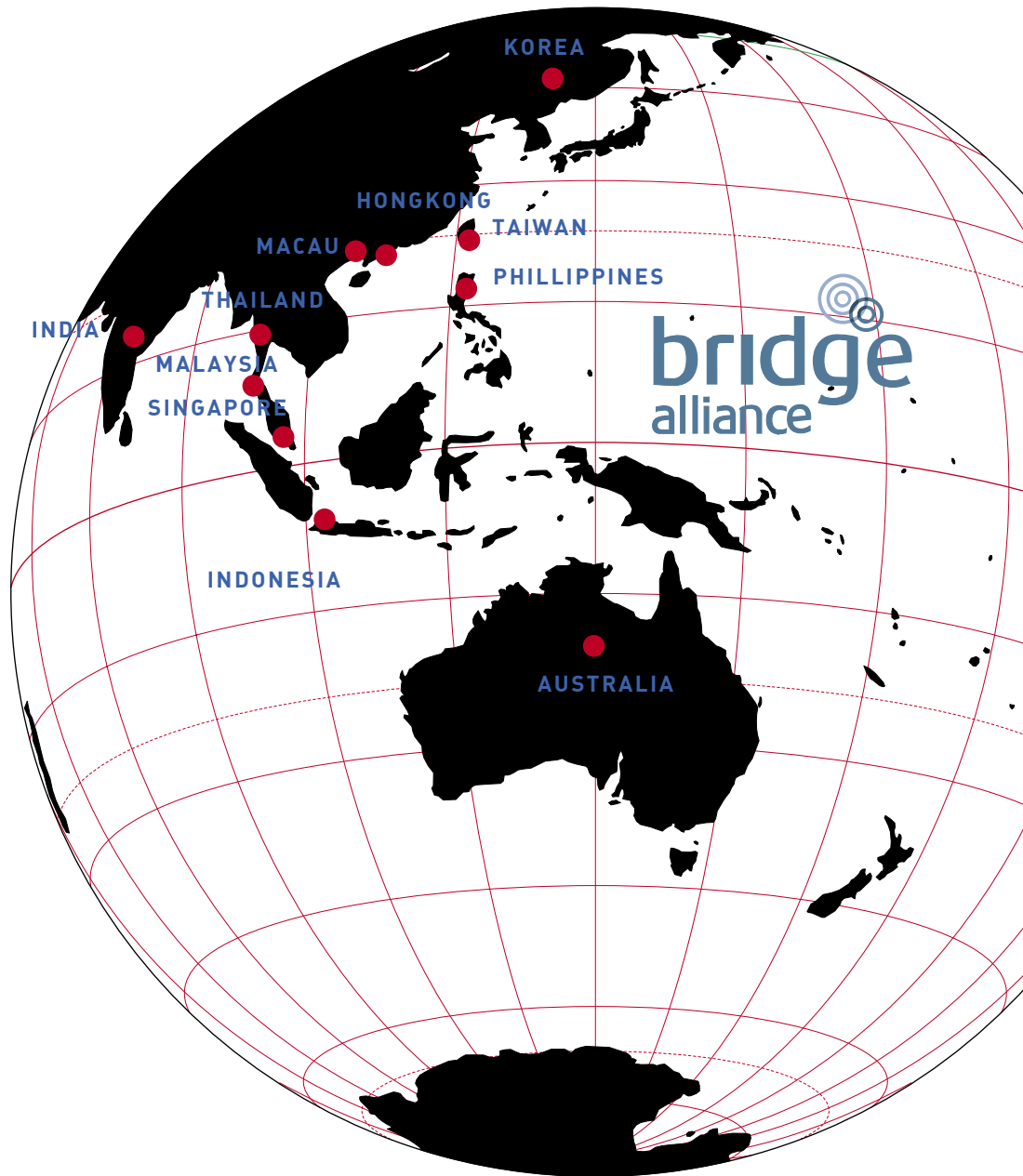
Syarif Syarial Ahmad
DIRECTOR OF PLANNING AND DEVELOPMENT

Mr. Syarif joined Telkomsel in October 2007. Previously, he was the Executive General Manager of Fixed Wireless Network of PT Telkom and has held various positions in that company. Mr. Syarif graduated and obtained his Magister of Technic degree from Institute of Technology Bandung.

ORGANIZATION STRUCTURE



BRIDGE ALLIANCE



Established in November 2004, Bridge Mobile Alliance represents the largest grouping of cellular operators in Asia Pacific, in which Telkomsel is the only member from Indonesia and one of the proponents of the alliance, together with Bharti India, Globe Telecom Philippines, Maxis Malaysia, Optus Australia, Singapore Telecom and Taiwan Mobile.

In November 2007, the alliance changed its name to Bridge Alliance (BA), having expanded its membership to 11 telco operators with the addition of AIS Thailand, CSL Hong Kong, CTM Macau and South Korea Telecom, serving more than 175 million subscribers region-wide. In addition to operators, the alliance includes also systems provider Ericsson, Nokia, Nokia Siemens and Qualcomm as Associate Members.

BA offers a host of commercial and economic benefits to its members. Through collaboration with one another, BA members enhance their capabilities as well as competitiveness, and undertake joint

development projects to deliver innovative cellular technologies and services in the Asia Pacific market.

BA has invested more than US\$40 million to develop common regional cellular infrastructures that would allow for consistent and seamless end-to-end cellular services across the region. Through this initiative, BA has benefitted customers of member operators when roaming in any of the 11 BA-represented Asia Pacific countries. Multinational corporate customers with offices throughout the region also benefit from the service integration among BA members. Furthermore, the alliance shares knowledge, technology and development strategy among and between its members.

In Indonesia, BA facilitates Telkomsel customers with, among other things, access to various mobile content services including football and other sports features from ESPN STAR Sports; Bridge Data Roam for international data services at affordable rates; and seamless roaming in four continents (Asia, Australia, Europe and America).

SHAREHOLDERS INFORMATION



Telkomsel's shareholders are PT Telekomunikasi Indonesia Tbk ("TELKOM") and Singapore Telecom Mobile Pte Ltd ("Singtel Mobile").

TELKOM, which owns 65% of Telkomsel's issued share capital, is the largest full-service telecommunications operator in Indonesia. TELKOM is listed on the Indonesia Stock Exchange ("IDX": TLKM), the New York Stock Exchange ("NYSE": TLK) and the London Stock Exchange ("LSE": TKIA) and is majority owned by the Government of Indonesia.

SingTel Mobile owns 35% of Telkomsel's issued share capital and is a wholly-owned subsidiary of Singapore Telecommunications Limited ["SingTel"]. SingTel is one of Asia's leading communications groups with operations and investments in more than 20 countries and territories around the world. SingTel is listed on the Singapore Exchange ["SGX":ST] and the Australian Stock Exchange ["ASX":SGT].

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