



PT Mobile-8 Telecom Tbk.
Stock code: FREN.IJ (Bloomberg), FREN.JK (Reuters)

REPORT of 1Q2007 FINANCIAL RESULTS

- **Gross Revenue increased 78.9% Y-O-Y to Rp229.0bn**
- **EBITDA surged 279.1% Y-O-Y to Rp87.4bn**
- **Net profit increase 13.9% Y-O-Y to Rp16.9bn**
- **Net gearing ratio declined to 14.0%**
- **Subscriber base increased 101.1% Y-O-Y to 2.02mn**
- **Signed Nationwide network agreement with Samsung.**

HIGHLIGHTS

- Gross revenue increased 78.9% to Rp229.0bn in 1Q2007 from Rp128.0bn in 1Q2006. Net revenue increased 93.3% to Rp183.9bn in 1Q2007 from Rp95.1bn in 1Q2006.
- Recorded 101.1% increase in number of subscribers to 2.02 mn subscribers in 1Q2007 from 1.00mn in 1Q2006.
- EBITDA surged 279.1% to Rp87.4bn in 1Q2007 from Rp23.1bn in 1Q2006. EBITDA margin (over gross revenue) increased to 38.0% in 1Q2007 from 19.1% in 1Q2006.
- Recorded Net income of Rp16.9bn in 1Q2007, a 13.9% increase, compared to net profit of Rp14.8bn in 1Q2006.
- Net debt decreased to Rp224.26bn at the end of 1Q2007 compared to Rp481.38bn at the same period last year. Net debt to equity declined to 14.0% at the end of 1Q2007 compared to 65.2% at the same period last year.
- Introduced a new tariff which is simple and easy to understand (Rp5/30 second, Rp20/second and Rp25/second).
- Signed Nationwide network agreement for expansion outside Jawa with Samsung.
- Signed with another three international operators, DTAC (Thailand), Telstra (Australia), STC Aljawal (Arab Saudi), for international SMS.



Press Release

FOR IMMEDIATE RELEASE

Mobile-8 Subscribers grew 101.1% Y-O-Y

JAKARTA, April 30, 2007 – PT. Mobile-8 Telecom Tbk. (Mobile-8) announced an unaudited net income of Rp16.9bn in 1Q2007 compared to a net profit of Rp14.8bn in 1Q2006.

The company's gross revenue increased 78.9% to Rp229.0bn in 1Q2007 compared to Rp128.0bn in 1Q2006. The increase was primarily due to 101.1% increase in subscriber base to 2.02mn in 1Q2007 from 1.00mn subscribers in 1Q2006 which increased voice and SMS revenues. Blended ARPU (Average Revenue Per User) in 1Q2007 declined to Rp38,8K compared to Rp47.0K in the same period last year due to lower seasonal factor and flood in Greater Jakarta in the first quarter 2007. Prepaid customer contributed 91% of the revenue while the remaining was from postpaid customer. The voice revenue was the largest contribution which represented 66% of total gross revenue and sms revenue represented 15% while data revenue, interconnect revenue and others made up the remaining. The company's net revenue increased 93.3% from Rp95.1bn in 1Q2006 to Rp183.9bn in 1Q2007 due to the same reason above.

In the 1Q2007, the company recorded 279.1% increase in EBITDA to Rp87.4bn in 1Q2007 from Rp23.1bn in 1Q2006 while its EBITDA's margin (over gross revenue) surged to 38.2% in 1Q2007 compared to 18.1% in 1Q2006 due to significant increase number of subscribers and the ability to achieve the economies of scale in its operation. The company's operating profit in 1Q2007 was Rp32.8bn compared to operating loss of Rp27.2bn in 1Q2006 while its profit before tax was Rp19.2bn in 1Q2007 compared to Rp40.9bn in 1Q2006 mainly due to the loss on foreign exchange and higher interest expense in 2007.



Mobile-8 President Director Hidajat Tjandradjaja said, “The first quarter 2007 results was quite encouraging with 78.9% increase in gross revenue and 101.1% increase in our subscribers base to 2.02 mn. The strong increase in subscribers acquisition was offset by lower ARPU due to seasonality factor and result of flood surrounding Jakarta area during the month of February 2007”.

Furthermore Hidajat said, “We remain on track with our financial target in 2007 and our network coverage expansion plan to outside Jawa, starting in June, as well as our plan to launch fixed wireless product in 2H2007. Our next following quarters results should be stronger given we will have more marketing initiatives, new distribution system in place and wider network coverage areas, including Sumatra, Kalimantan and Sulawesi”.

Looking from the balance sheet prospective, the company’s net debts declined to Rp224.3bn at the end of 1Q2007 compared to Rp481.4bn at the same period last year. The company’s net debt to equity declined to 14.0% as of the end of 1Q2007 compared to 65.2% as of the end of 1Q2006 due to the new equity raised from IPO.

On the cash flow side, the company’s net operating cash flows at the end of 1Q2007 declined to Rp16.0bn compared to Rp30.3bn at the end of 1Q2006 due to higher interest expenses and financial charges. The company’s total capital expenditures was Rp39.9bn in 1Q2007 compared to Rp3.6bn in 1Q2006. Free cash flow was negative of Rp13.8bn at the end of 1Q2007 compared to positive cash flow of Rp33.2bn at the end of 1Q2006 due to higher capital expenditure.

The company launched a new marketing campaign on March 2, 2007 with a new simple tariff structure (Rp5/30 second for On Net Call, Rp20/second for Off Net Call to Other Licensed Operator (OLO), Rp25/second for call to PSTN). Furthermore, to boost its international SMS service, the company signed with another three international operators, DTAC of Thailand, Telstra of Australia and STC Aljawal of Arab Saudi. With this latest cooperation, the company has increased its cooperation with twelve international operators.



On March 5, 2007, the company signed a nationwide network rollout expansion agreement with Samsung Corp. with the total value of US\$375million and 24m capacity for five years period.

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About Mobile-8

PT Mobile-8 Telecom Tbk, a publicly held listed company in JSX (stock code: FREN), is the fourth largest and the CDMA-based nationwide cellular operator in Indonesia. Through its product **Fren**, Mobile-8 provides value added services, both data and multimedia facilities, covering Java, Madura, and Bali. Mobile-8 offers **CDMA2000 1x and CDMA2000 1xEV-DO** technologies through its own nationwide 800 MHz CDMA network. For further information, please visit www.mobile-8.com.

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