

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)
SEPTEMBER 30, 2007 AND 2008

(Figures in tables are presented in millions of Rupiah and thousands of United States Dollars)

		2007	2008	
	Notes	Rp.	Rp.	US\$ (Note 3)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	2c,2e,5,44	6,493,187	7,545,364	800,144
Temporary investments	2c,2f,44	177,879	270,650	28,701
Trade receivables	2c,2g,6,37,44			
Related parties - net of allowance for doubtful accounts of Rp.94,989 million in 2007 and Rp.181,774 million in 2008		567,612	393,465	41,725
Third parties - net of allowance for doubtful accounts of Rp.1,031,541 million in 2007 and Rp.1,056,359 million in 2008		2,919,563	2,780,263	294,832
Other receivables - net of allowance for doubtful accounts of Rp.9,668 million in 2007 and Rp.11,969 million in 2008	2c,2g,44	154,610	173,037	18,350
Inventories - net of allowance for obsolescence of Rp.52,840 million in 2007 and Rp.62,462 million in 2008	2h,7,37	202,465	399,916	42,409
Prepaid expenses	2c,2i,8,44	2,430,367	1,860,933	197,342
Claims for tax refund	38	337,855	420,550	44,597
Prepaid taxes	38	3,048	148,010	15,696
Restricted time deposits	2c,9,44	8,460	21,044	2,231
Total Current Assets		13,295,046	14,013,232	1,486,027
NON-CURRENT ASSETS				
Long-term investments - net	2f,10	101,924	141,559	15,012
Property, plant and equipment - net of accumulated depreciation of Rp.51,964,900 million in 2007 and Rp.60,527,740 million in 2008	2k,2l,4,11,19,20,23	58,390,386	66,405,452	7,041,936
Property, plant and equipment under Revenue-Sharing Arrangements - net of accumulated depreciation of Rp.556,057 million in 2007 and Rp.549,620 million in 2008	2m,12,34,47	753,756	570,878	60,538
Prepaid pension benefit cost	2i,2r,41	99	697	74
Advances and other non-current assets	2c,2o,13,29,44,49	592,748	1,957,756	207,609
Goodwill and other intangible assets - net of accumulated amortization of Rp.4,495,594 million in 2007 and Rp.5,571,131 million in 2008	2d,2j,4,14,37	3,649,601	2,889,971	306,466
Escrow accounts	2c,15,44	1,398	43,861	4,651
Total Non-current Assets		63,489,912	72,010,174	7,636,286
TOTAL ASSETS		76,784,958	86,023,406	9,122,313

See accompanying notes to consolidated financial statements, which form an integral part of the consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED) (continued)
SEPTEMBER 30, 2007 AND 2008

(Figures in tables are presented in millions of Rupiah and thousands of United States Dollars)

		2007	2008	
	Notes	Rp.	Rp.	US\$ (Note 3)
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Trade payables	2c,16,44			
Related parties		1,621,089	1,516,110	160,775
Third parties		4,303,484	7,445,795	789,586
Other payables		42,515	20,385	2,162
Taxes payable	2s,38	2,234,461	1,105,281	117,209
Dividends payable		1,443,053	2,855,632	302,824
Accrued expenses	2c,17,35,44	2,653,744	2,874,725	304,849
Unearned income	18	2,398,869	3,135,568	332,510
Advances from customers and suppliers		192,088	197,090	20,900
Short-term bank loans	2c,19,44	950,152	53,449	5,668
Current maturities of long-term liabilities	2c,20,44	4,108,241	6,450,582	684,049
Total Current Liabilities		19,947,696	25,654,617	2,720,532
NON-CURRENT LIABILITIES				
Deferred tax liabilities - net	2s,38	3,392,526	2,950,461	312,880
Unearned income on Revenue-Sharing Arrangements	2m,12,47	557,601	336,534	35,687
Accrued long service awards	2c,2r,42,44	66,743	83,630	8,869
Accrued post-retirement health care benefits	2c,2r,43,44	2,708,854	2,645,150	280,504
Accrued pension and other post-retirement benefits costs	2r,41	1,021,658	1,213,422	128,677
Long-term liabilities - net of current maturities				
Obligations under capital leases	2l,11,20	190,883	228,380	24,218
Two-step loans - related party	2c,20,21,44	3,726,622	3,468,125	367,776
Bank loans	2c,20,23,44	2,391,795	6,439,296	682,852
Deferred consideration for business combinations	20,24	2,700,015	1,609,746	170,705
Total Non-current Liabilities		16,756,697	18,974,744	2,012,168
MINORITY INTEREST	25	8,262,080	8,800,782	933,275

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED) (continued)
SEPTEMBER 30, 2007 AND 2008

(Figures in tables are presented in millions of Rupiah and thousands of United States Dollars)

		2007	2008	
	Notes	Rp.	Rp.	US\$ (Note 3)
STOCKHOLDERS' EQUITY				
Capital stock - Rp.250 par value per Series A Dwiwarna share and Series B share				
Authorized - 1 Series A Dwiwarna share and 79,999,999,999 Series B shares				
Issued and fully paid - 1 Series A Dwiwarna share and 20,159,999,279 Series B shares	1c,26	5,040,000	5,040,000	534,464
Additional paid-in capital	27	1,073,333	1,073,333	113,821
Treasury stock - 222,340,500 shares in 2007 and 480,163,000 shares in 2008	2u,28	(1,945,901)	(4,202,255)	(445,626)
Difference in value arising from restructuring transactions and other transactions between entities under common control	2d,29	180,000	270,000	28,632
Difference due to change of equity in associated companies	2f	385,595	385,595	40,890
Unrealized holding gain from available-for-sale securities	2f	14,992	(2,596)	(275)
Translation adjustment	2f	228,024	228,805	24,264
Retained earnings				
Appropriated		6,700,879	10,557,985	1,119,617
Unappropriated		20,141,563	19,242,396	2,040,551
Total Stockholders' Equity		31,818,485	32,593,263	3,456,338
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		76,784,958	86,023,406	9,122,313

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2007 AND 2008

(Figures in tables are presented in millions of Rupiah and thousands of United States Dollars,
except per share and per ADS data)

	Notes	2007	2008	
		Rp.	Rp.	US\$ (Note 3)
OPERATING REVENUES				
Telephone	2q,30			
Fixed lines		8,465,629	7,452,847	790,334
Cellular		16,716,458	18,280,741	1,938,573
Interconnection	2q,31,44			
Revenues		9,378,332	9,022,406	956,777
Expenses		(2,257,468)	(2,383,169)	(252,722)
Net		7,120,864	6,639,237	704,055
Data and internet	2q,32	10,164,051	10,761,163	1,141,163
Network	2q,33,44	601,139	796,160	84,428
Revenue-Sharing Arrangements	2m,12,34,47	320,353	267,518	28,369
Other telecommunications services		258,785	402,548	42,688
Total Operating Revenues		43,647,279	44,600,214	4,729,610
OPERATING EXPENSES				
Depreciation	2k,2l,2m, 11,12,13	7,022,770	7,988,460	847,133
Personnel	2r,17,35, 41,42,43	6,188,397	6,490,783	688,312
Operations, maintenance and telecommunication services	2q,36,44	6,840,662	8,738,220	926,641
General and administrative	2g,2h,2q,6, 7,14,37	2,539,008	2,626,768	278,554
Marketing	2q	1,159,873	1,577,315	167,266
Total Operating Expenses		23,750,710	27,421,546	2,907,906
OPERATING INCOME		19,896,569	17,178,668	1,821,704
OTHER (EXPENSES) INCOME				
Interest income	44	378,215	495,233	52,517
Equity in net income of associated companies	2f,10	6,919	2,476	263
Interest expense	44	(1,070,206)	(1,001,438)	(106,197)
Loss on foreign exchange - net	2p	(113,642)	(63,806)	(6,766)
Others - net		61,195	326,769	34,652
Other income (expenses) - net		(737,519)	(240,766)	(25,531)
INCOME BEFORE TAX		19,159,050	16,937,902	1,796,173
TAX (EXPENSE) BENEFIT	2s,38			
Current		(5,194,590)	(4,987,058)	(528,850)
Deferred		(727,129)	165,138	17,512
		(5,921,719)	(4,821,920)	(511,338)
INCOME BEFORE MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARIES		13,237,331	12,115,982	1,284,835
MINORITY INTEREST IN NET INCOME OF CONSOLIDATED SUBSIDIARIES - Net	25	(3,418,276)	(3,196,094)	(338,928)
NET INCOME		9,819,055	8,919,888	945,907
BASIC EARNINGS PER SHARE	2w,39			
Net income per share		491.64	451.08	0.05
Net income per ADS (40 Series B shares per ADS)		19,665.60	18,043.20	2.00

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2007 AND 2008
(Figures in tables are presented in millions of Rupiah)

Descriptions	Notes	Capital stock	Additional paid-in capital	Treasury stock	Difference in value arising from restructuring transactions and other transactions between entities under common control	Difference due to change of equity in associated companies	Unrealized holding gain on available-for-sale securities	Translation adjustment	Retained earnings		Stockholders' equity
		Rp.	Rp.	Rp.	Rp.	Rp.	Rp.	Rp.	Appropriated	Unappropriated	Rp.
Balance, January 1, 2007		5,040,000	1,073,333	(952,211)	180,000	385,595	8,865	227,669	1,803,397	20,302,041	28,068,689
Unrealized holding gain on available-for-sale securities	2f	-	-	-	-	-	6,127	-	-	-	6,127
Foreign currency translation of associated company	2f,10	-	-	-	-	-	-	355	-	-	355
Cash dividends	2v,40	-	-	-	-	-	-	-	-	(5,082,051)	(5,082,051)
Appropriation for general reserve	40	-	-	-	-	-	-	-	4,897,482	(4,897,482)	-
Treasury stock acquired - at cost	2u,28	-	-	(993,690)	-	-	-	-	-	-	(993,690)
Net income for the year		-	-	-	-	-	-	-	-	9,819,055	9,819,055
Balance, September 30, 2007		5,040,000	1,073,333	(1,945,901)	180,000	385,595	14,992	228,024	6,700,879	20,141,563	31,818,485

See accompanying notes to consolidated financial statements, which form an integral part of the consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED) (continued)
NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2007 AND 2008
(Figures in tables are presented in millions of Rupiah)

Descriptions	Notes	Capital stock	Additional paid-in capital	Treasury stock	Difference in value arising from restructuring transactions and other transactions between entities under common control	Difference due to change of equity in associated companies	Unrealized holding gain (loss) on available-for-sale securities	Translation adjustment	Retained earnings		Stockholders' equity
		Rp.	Rp.	Rp.	Rp.	Rp.	Rp.	Rp.	Appropriated	Unappropriated	Rp.
Balance, January 1, 2008		5,040,000	1,073,333	(2,176,611)	270,000	385,595	11,237	230,017	6,700,879	22,214,129	33,748,579
Unrealized holding gain on available-for-sale securities	2f	-	-	-	-	-	(13,833)	-	-	-	(13,833)
Foreign currency translation of associated company	2f,10	-	-	-	-	-	-	(1,212)	-	-	(1,212)
Cash dividends	2v,40	-	-	-	-	-	-	-	-	(8,034,515)	(8,034,515)
Appropriation for general reserve	40	-	-	-	-	-	-	-	3,857,106	(3,857,106)	-
Treasury stock acquired - at cost	2u,28	-	-	(2,025,644)	-	-	-	-	-	-	(2,025,644)
Net income for the year		-	-	-	-	-	-	-	-	8,919,888	8,919,888
Balance, September 30, 2008		5,040,000	1,073,333	(4,202,255)	270,000	385,595	(2,596)	228,805	10,557,985	19,242,396	32,593,263

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PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2007 AND 2008
(Figures in tables are presented in millions of Rupiah and thousands of United States Dollars)

	2007	2008	
	Rp.	Rp.	US\$ (Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating revenues			
Telephone			
Fixed lines	8,258,515	6,798,282	720,921
Cellular	16,898,903	19,156,910	2,031,486
Interconnection - net	7,688,569	7,005,844	742,931
Data and internet	9,710,438	10,964,969	1,162,775
Other services	1,019,699	1,054,964	111,873
Total cash receipts from operating revenues	43,576,124	44,980,969	4,769,986
Cash payments for operating expenses	(18,126,913)	(18,840,674)	(1,997,951)
Cash receipt from customers	30,134	55,640	5,900
Cash generated from operations	25,479,345	26,195,935	2,777,935
Interest received	385,972	486,231	51,562
Interest paid	(1,104,136)	(887,720)	(94,138)
Income tax paid	(5,449,458)	(6,769,770)	(717,897)
Net cash provided by operating activities	19,311,723	19,024,676	2,017,462
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of temporary investments and maturity of time deposits	11,468	18,256	1,936
Purchases of temporary investments and placements in time deposits	(98,770)	(98,374)	(10,432)
Proceeds from sale of property, plant and equipment	21,706	9,919	1,052
Proceeds from insurance claims	-	11,159	1,183
Acquisition of property, plant and equipment	(12,117,416)	(11,855,306)	(1,257,190)
(Increase) decrease in advances for purchases of property, plant and equipment	744,596	(554,005)	(58,749)
Decrease in advances and others	124,233	141,261	14,980
Business combinations, net of cash paid	-	(324,327)	(34,393)
Acquisition of intangible assets	-	(21,629)	(2,294)
Acquisition of long-term investments	(5,453)	(28,249)	(2,996)
Cash dividends received	510	1,020	108
Advance for acquisition of long term investments	-	(674)	(71)
Increase in escrow accounts	-	(42,458)	(4,502)
Net cash used in investing activities	(11,319,126)	(12,743,407)	(1,351,368)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	(5,083,431)	(6,105,963)	(647,504)
Cash dividends paid to minority stockholders of subsidiaries	(1,904,980)	(2,802,945)	(297,237)
Decrease in escrow accounts	675	-	-
Proceeds from short-term borrowings	1,489,526	29,235	3,100
Repayments of short-term borrowings	(950,659)	(549,746)	(58,298)
Redemption of bonds	(1,000,000)	-	-
Repayment of medium-term Notes	(465,000)	-	-
Proceeds from long-term borrowings	1,502,350	6,038,695	640,371
Repayment of long-term borrowings	(2,081,247)	(3,252,317)	(344,890)
Payment for purchases of treasury stock	(993,690)	(2,025,644)	(214,808)
Repayment of promissory notes	(199,365)	(200,813)	(21,295)
Repayment of obligations under capital leases	(20,735)	(32,188)	(3,413)
Net cash used in financing activities	(9,706,556)	(8,901,686)	(943,974)

See accompanying notes to consolidated financial statements, which form an integral part of the consolidated financial statements.

PERUSAHAAN PERSEROAN (PERSERO)
P.T. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (continued)
NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2007 AND 2008
(Figures in tables are presented in millions of Rupiah and thousands of United States Dollars)

	2007	2008	
	Rp.	Rp.	US\$ (Note 3)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,713,959)	(2,620,417)	(277,880)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(108,690)	24,990	2,650
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,315,836	10,140,791	1,075,376
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,493,187	7,545,364	800,146

SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash investing and financing activities:

Acquisition of property, plant and equipment through incurrence of payables	3,617,441	6,988,865	741,131
Acquisition of property, plant and equipment through capital leases	-	82,001	8,696

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