

The Depository Trust Company

IMPORTANT

B#: 2578

DATE: October 23, 2001

TO: All participants

CATEGORY: Dividends

FROM: Mario Zaccardi, Supervisor, Dividend Department

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: TaxRelief: Country - Indonesia
P.T. Indonesian Satellite Corporation CUSIP: 715680104
Record Date: 11/16/01 Payable Date: 12/13/01
EDS Cut-off: 11/23/01

DTC has been notified by the Bank of New York, as Depository Bank for **P.T. Indonesian Satellite Corporation**, in conjunction with their Indonesian custodian bank and the Indonesian tax authorities, that they will accept tax declarations which will enable DTC participants to receive the appropriate payment at source. Qualifying beneficial owners, who are residents of a country that has concluded a double taxation treaty with Indonesia where the applicable withholding tax rate is **15%**, are entitled to the reduced tax treaty rate of **15%** (favorable) rather the standard reduction of **20%** (unfavorable) for residents of non-tax treaty countries or those countries that have a double taxation treaty with Indonesia but the applicable withholding tax rate is **20%**. **(Please see the attached list of countries that have concluded Double Taxation Treaties with Indonesia and the applicable tax rate for each).**

NOTE: THE DEADLINE FOR CERTIFYING OVER EDS IS: NOVEMBER 23, 2001.

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The Bank of New York indicates that by certifying for the favorable rate, the participant is certifying that:

- The beneficial owner of the ADRs is a resident of a country that has concluded a double taxation treaty with Indonesia where the withholding tax rate for dividends is 15%.
- ADR shareholders not certifying through EDS for the favorable rate will automatically receive the 20% withheld.
- ADR shareholders who are resident of a non-treaty country, or who are resident of a country with a double taxation treaty with Indonesia but where the applicable withholding tax rate is 20%, will receive the dividend net of the 20% tax.

PLEASE NOTE THAT THERE IS NO TAX RECLAIM PROCEDURE AVAILABLE THROUGH THE BANK OF NEW YORK.

Eligibility rules and all other legal conditions with respect to the use of EDS are contained in DTC's **TAXINFO** (TAXI) function over the Participant Terminal System (PTS).

Questions regarding this Important Notice should be directed to Mr. Frederick Ceraso or myself of DTC's Dividend Department at (212) 855-4784 or 4540 respectively.

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Please refer to the following chart to determine withholding tax on Dividend payments on Indonesian issues:

COUNTRY	Tax Rate (%)
Australia, Austria, Belgium, Bulgaria, Canada, Finland, France, Germany, Hungary, India, Italy, Japan, Korea, Luxembourg, Malaysia, Netherlands, New Zealand, Norway, Pakistan, Poland, Singapore, South Korea, Sri Lanka, Sweden, Switzerland, Taiwan, Thailand, Tunisia, United Kingdom, USA	15
Denmark, Philippines, Other Countries	20

*** INDONESIAN RESIDENTS TAX RATE IS 15% ***