

Corporate Presentation



9M15 Results

Conference Call

10 November 2015



Disclaimer



This document may contain forward-looking statements within the meaning of safe-harbor. Actual results could differ materially from projections, estimations or expectations. These may involve risks and uncertainty, and may cause actual results and development to differ substantially from those expressed or implied in the statements. The company does not guarantee that any action, which may have been taken in reliance of this document will bring specific results as expected.

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TELKOM in Brief

9M15 Financial & Operational Results

Company Guidance FY15

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Telkom and Subsidiaries



Affiliation

Note:

T : Telecommunication

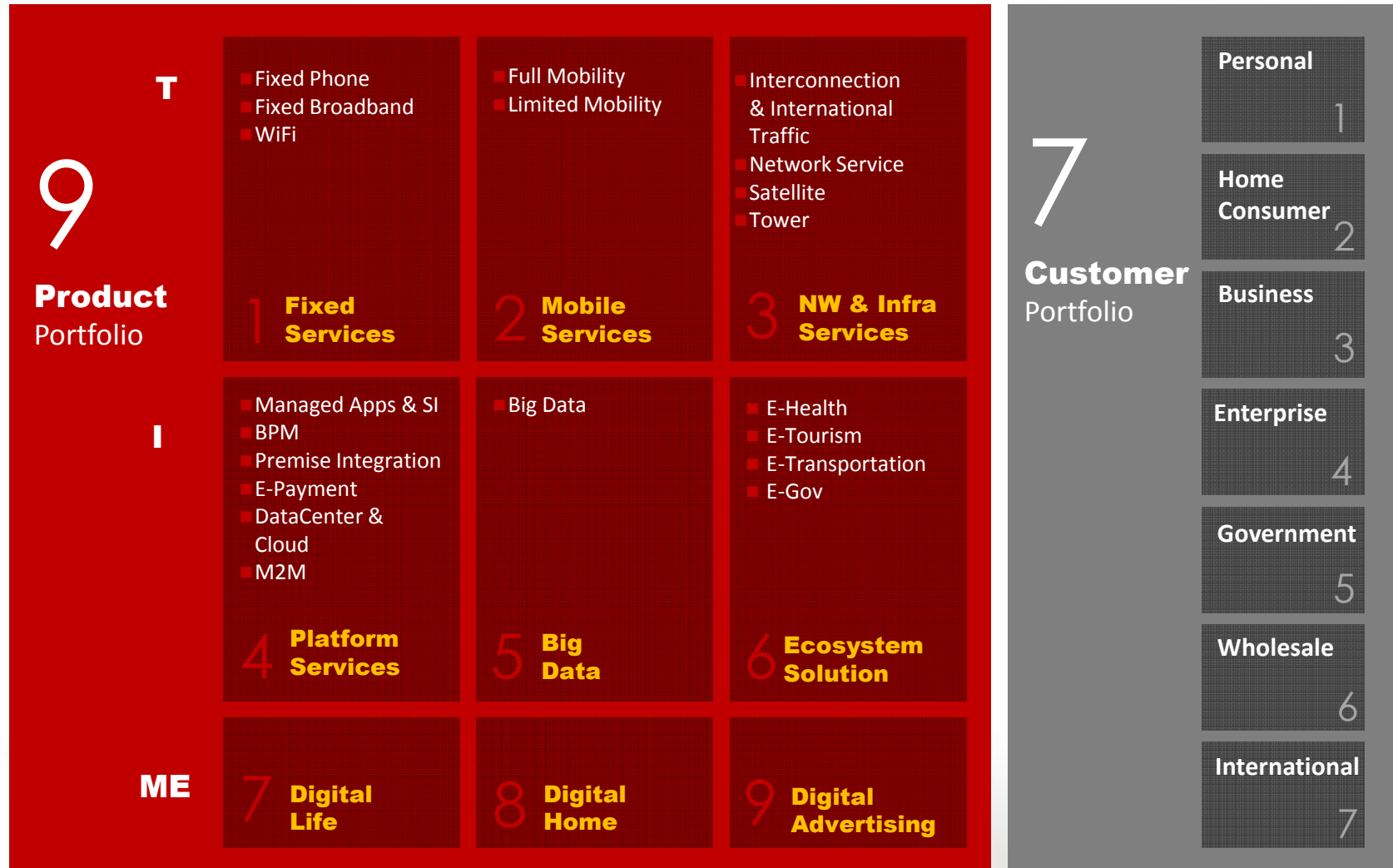
IME : Information, Media & Edutainment

Telkom Group Portfolios



Well diversified business portfolio:

9 Product Portfolios and **7 Customer** Portfolios



- Personal 1
- Home Consumer 2
- Business 3
- Enterprise 4
- Government 5
- Wholesale 6
- International 7

Share Ownership



Government **52.6%**

Public **47.4%**

Treasury Shares **2.6%**

Total Shares

100,799,996,400 shares

Market Capitalization at IDX

Rp**275.1** Tn*

Telkom Indonesia is listed at Indonesia Stock Exchange (*Bloomberg: TLKM IJ*) and New York Stock Exchange (*Bloomberg: TLK US*)



IDX

Indonesia Stock Exchange
Bursa Efek Indonesia



NYSE

*as of 31 October 2015

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9M15 Performance Highlights



- **Consolidated Revenue** grew by **15.0%** Year on Year (YoY) to Rp**75.7** trillion
 - **Cellular business contributed 70%** to consolidated revenues.
-
- **EBITDA Margin** remained strong at **49.0%**
 - **Net Income Margin** remained healthy at **15.2%**

9M15 Operational Results



Telkomsel Operational

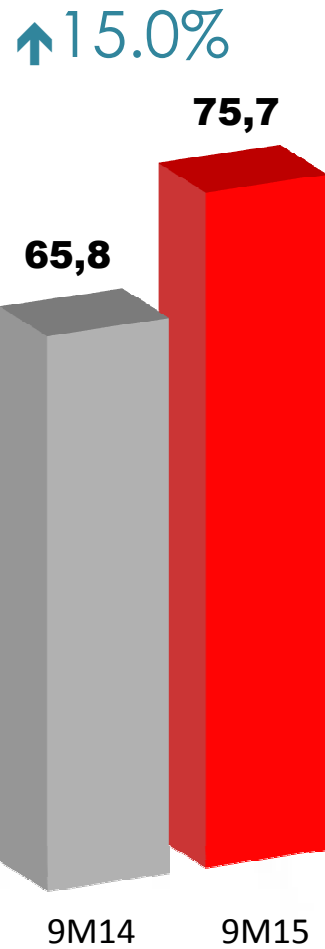
- Added 14,962 new BTSs in 9M15, 88% are 3G/4G BTS
- 8.0 mn net add in 9M15. Total customers: 148.6 mn
- Mobile data payload jumped 119.2%.
- 3G/4G capable device users grew 57.3% to 55.6 million.

TELKOM Operational

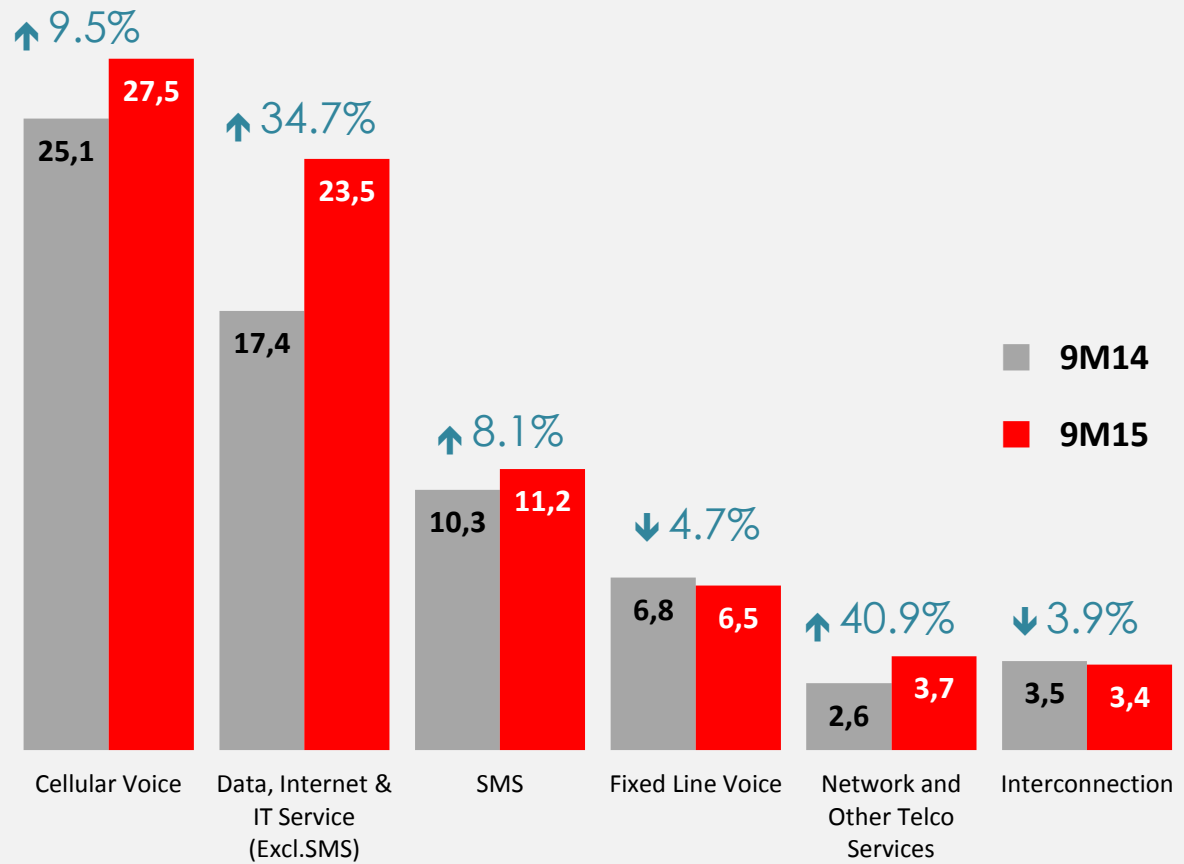
- IndiHome subs reach 678K in 9M15
- Fixed broadband users (incl. IndiHome) increased 13% YoY to 3.7 million
- Fixed line subs increase to 10.03 million



Strong Revenue Growth, Driven by Data Business

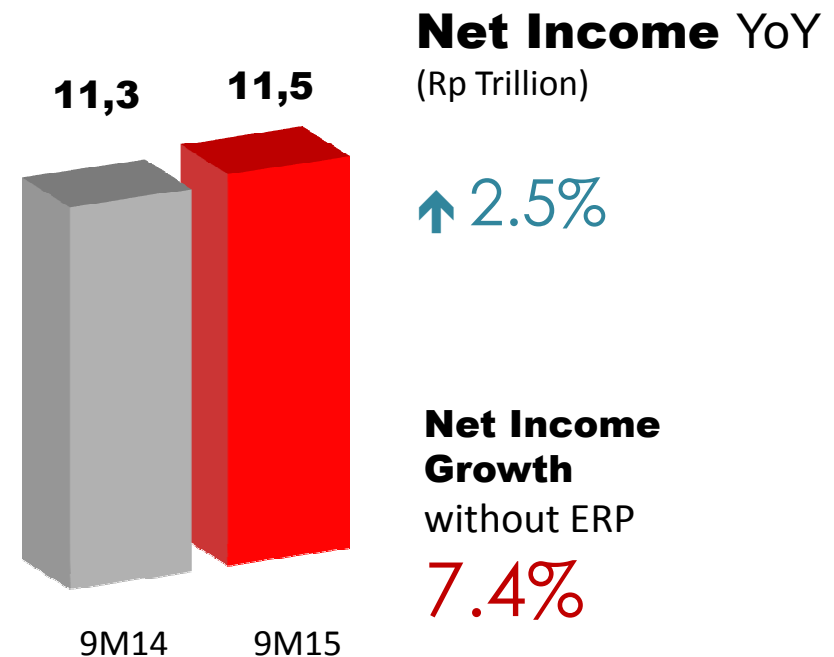
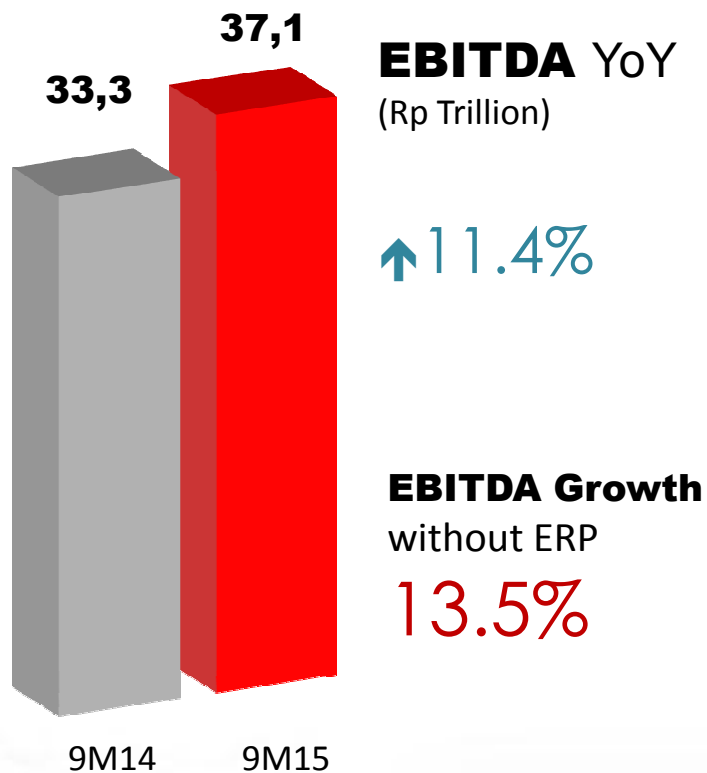


Revenue YoY (Rp Trillion)

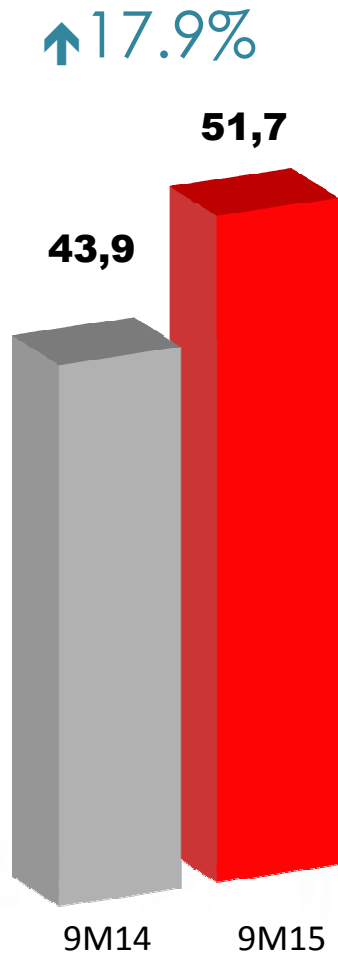


Strong Normalized EBITDA & Net Income Growth

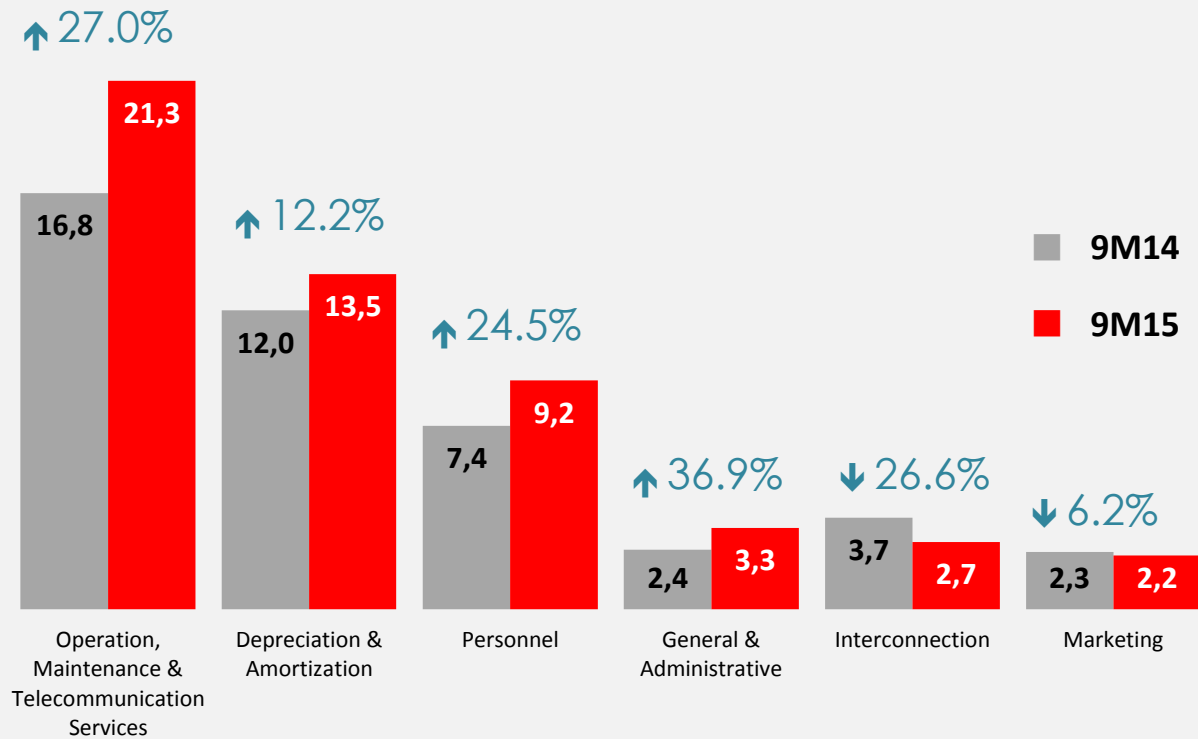
(Excluding Early Retirement Program)



Increased Operating Expenses in line with Infrastructure Development



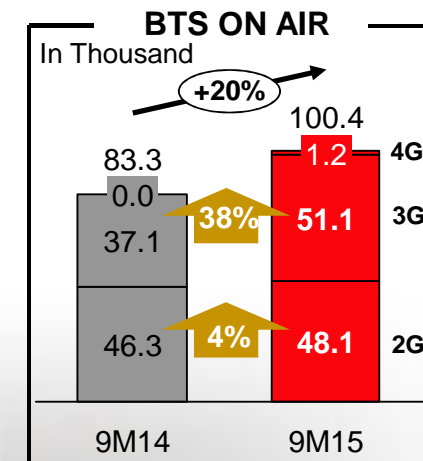
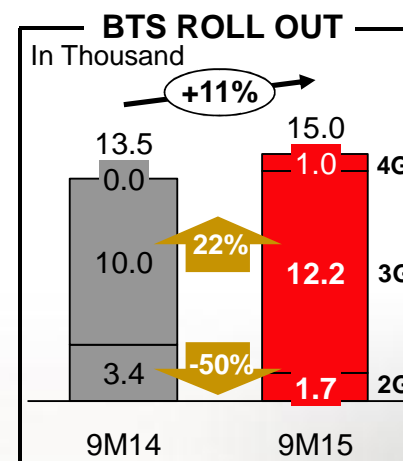
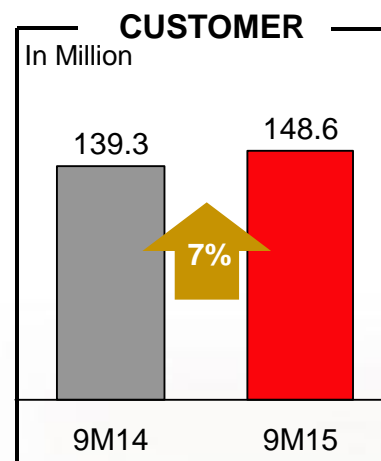
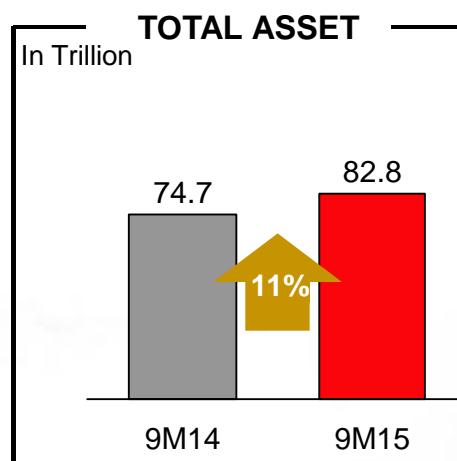
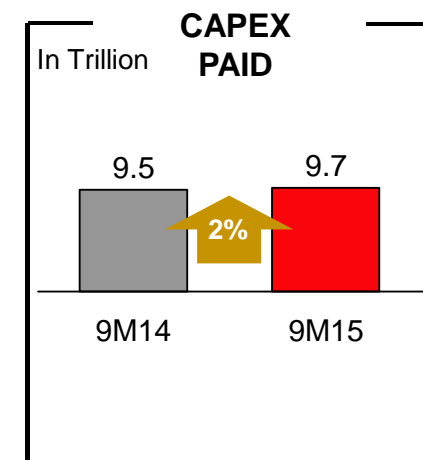
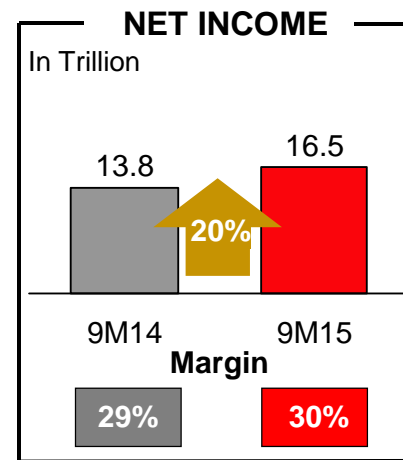
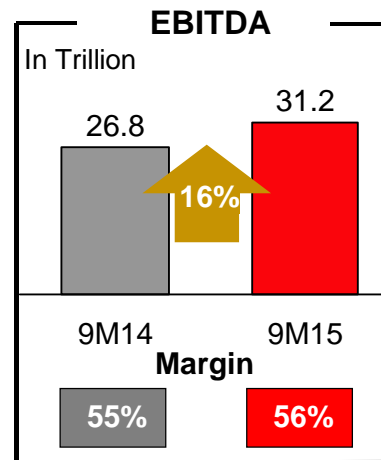
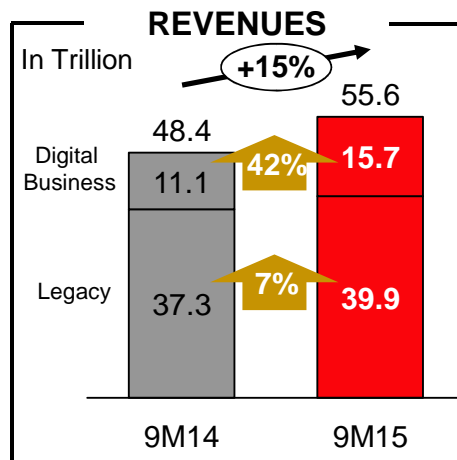
Operating Expenses YoY (Rp Trillion)



Telkomsel : Solid Revenue Growth with Strong Profitability



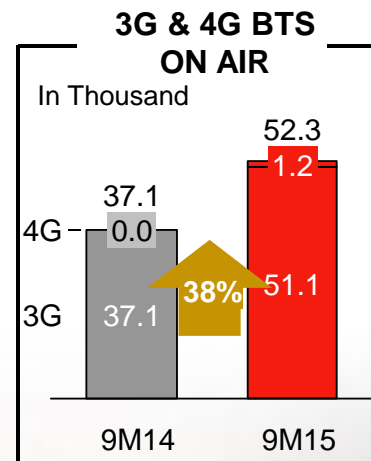
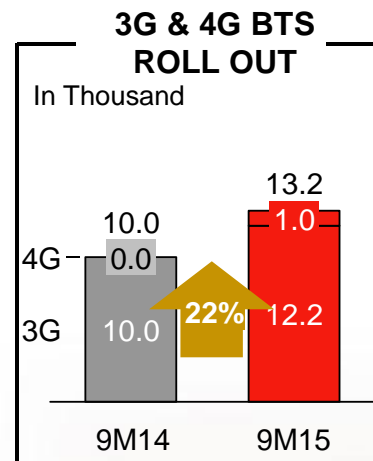
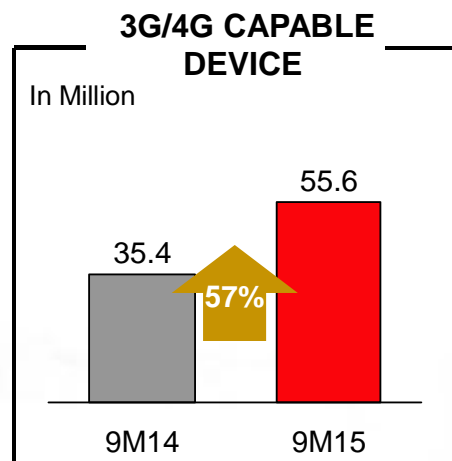
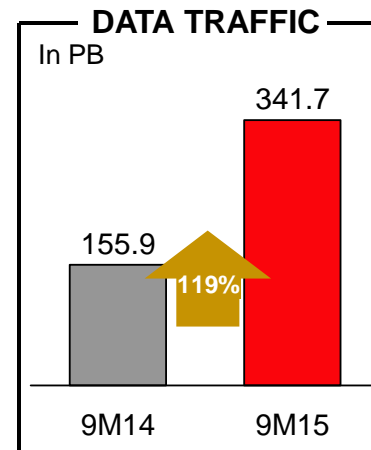
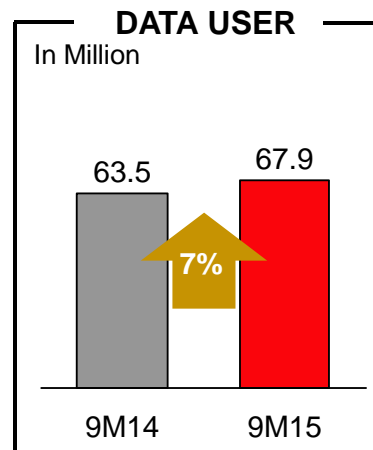
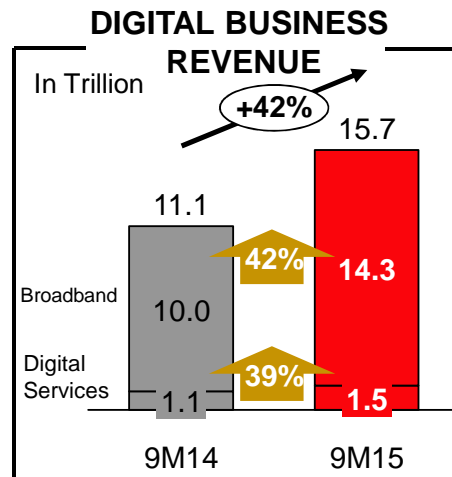
YEAR-ON-YEAR ACHIEVEMENT



Telkomsel: Continued Focus on Digital Business



YEAR-ON-YEAR ACHIEVEMENT



Broadband:



Telkomsel BlackBerry
Flash

Digital Services:

- Digital Lifestyle
- Digital Advertising
- Digital Payment & Mobile Banking
- M2M



Rejuvenated Fixed Line Business



Monetising 6.3 mn fiber homes-passed

❑ Huge Potential Demand for IndiHome

- More than 60 mn households with growing middle class segments
- Very low fixed broadband penetration of around 5%

❑ Accelerating the deployment of fiber to the home

- Strengthening capacity & capability of technicians as well as business process
- Telkom expects to have 10K technicians with 10K of NAL/day going forward

❑ Encouraging progress of IndiHome

- 678K subscribers at September (only 9 month after IndiHome was launched)

The advertisement banner features a central illustration of a house with a white roof and red trim, held by two hands. Inside the house, a man is using a laptop labeled 'INTERNET' and a woman is on a phone labeled 'PHONE'. Below the house, a television screen shows a family, labeled 'IPTV'. The background is red with various service icons like 'U-Stream', 'U-Play', and 'U-Share'. On the right, the text reads 'IndiHome FIBER' and 'Saatnya Beralih ke Fiber, IndiHome 100% Fiber!'. Below this, it says 'GRATIS : 1000 Menit Nelpon Lokal atau Interlokal | Download & Streaming Music | Anti Virus'. At the bottom, there are logos for Telkom Indonesia, IndiHome FIBER, URV, IndiHome VIEW, MelOn, and TREND. The footer includes contact information: 'INFO 147', 'www.indihome.co.id', and social media handles for IndiHome and Telkom Indonesia.

Recent Development

Tower Assets



- Officially called off the plan to swap Mitratel's shares with TBIG due to unfulfilled terms and conditions
- Next step: To evaluate available options to unlock value of tower asset

Fiber Backbone



- Continued the development of fiber backbone nationwide
- Connected Merauke through SMPCS submarine broadband highway
- Total fiber based backbone nationwide around 80,000km

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FY15 Management Guidance



Revenue Growth

To grow better than market rate in FY15 by continued effort in growing digital business

EBITDA & Net Income Margins

To decline slightly in line with continued broadband infrastructure development both in mobile and fixed line businesses

Main Programs

Mobile Business	Indonesia Digital Network	International Expansion
<ul style="list-style-type: none"> ■ Exploit Legacy Business ■ Strengthen The Core ■ Trigger Digital Services 	<ul style="list-style-type: none"> ■ ID-Ring ■ ID-Access ■ ID-Convergence 	<ul style="list-style-type: none"> ■ Follow the People ■ Follow the Network ■ Follow the Traffic & Money
<ul style="list-style-type: none"> ✓ Maintain double digit growth ✓ Grow digital business 	<ul style="list-style-type: none"> ✓ Turn-around fixed line ✓ Drive digital business 	<ul style="list-style-type: none"> ✓ Stretch & Expand int'l business ✓ Strengthen footprint in regional

