

TICKERS:

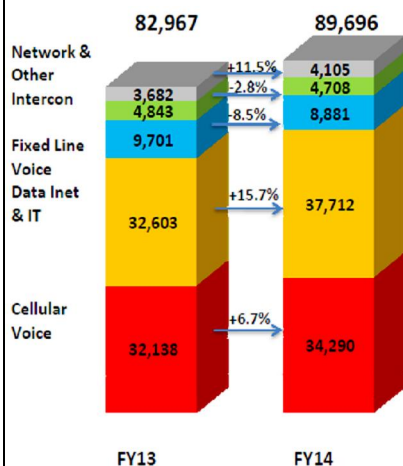
IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

Govt. of Indonesia : 52.6%
Public : 47.4%
Excl. Treasury stock : 2,624,142,800 shares.

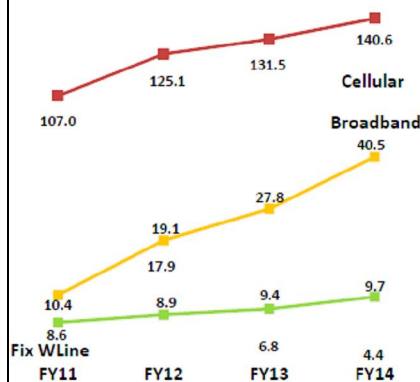
FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)



OPERATIONAL PERFORMANCE

Subscribers
(million)



Highlight

- Consolidated revenue grew by 8.1% YoY to Rp89.7 trillion with cellular subsidiary recorded a 10.4% Year on Year (YoY) revenue growth to Rp66.3 trillion.
- Data, Internet & IT Services (include SMS) grew by 15.7% as broadband users that consist of fixed broadband, Flash and Blackberry, grew by 45.3% YoY.
- In December 2014, Telkomsel launched 4G LTE as the first operator to commercially market 4G LTE services in Indonesia.

Financial Highlights

Key Indicators (Rp. Bn)	YoY		
	FY14	FY13	Growth (%)
Revenues	89,696	82,967	8.1
Expenses	60,319	55,121	9.4
Operating Profit	29,377	27,846	5.5
EBITDA	45,844	41,776	9.7
EBITDA Margin (%)	51.1	50.4	0.7
Net Income	14,638	14,205	3.0

Operational Highlights

Subscribers (000)	YoY		
	FY14	FY13	Growth (%)
Broadband			
Fixed Broadband	3,400	3,013	12.8
Mobile Broadband/Flash	31,216	17,271	80.7
BlackBerry	5,835	7,556	(22.8)
Total	40,451	27,840	45.3
Cellular			
Postpaid	2,851	2,489	14.6
Prepaid	137,734	129,023	6.8
Total	140,586	131,513	6.9
Fixed Line			
LIS Wireline	9,698	9,351	3.7
LIS Wireless	4,404	6,766	(34.9)
Total	14,102	16,117	(12.5)

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DISCLAIMER

This document contains financial conditions and result of operation, and may also contain certain projections, plans, strategies, and objectives of the Company, which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements, by their nature, involve risk and uncertainty that could cause actual results and development to differ materially from those expressed or implied in these statements. Telkom Indonesia does not guarantee that any action, which may have been taken in reliance on this document, will bring specific results as expected.

PT TELEKOMUNIKASI INDONESIA, Tbk. THE FULL YEAR 2014 RESULTS (AUDITED)

The following analysis and discussion are based on our Indonesian GAAP financial statements for the full year ended December 31, 2013 and 2014. The reports have been submitted to Indonesia Financial Services Authority (OJK).

FINANCIAL RESULTS

Revenues

Key Indicators (Rp.Bn)	YoY		
	FY14	FY13	Growth (%)
Cellular Voice	34,290	32,138	6.7
Fixed Line Voice	8,881	9,701	(8.5)
Data, Internet & IT Service (incl. SMS)	37,712	32,603	15.7
Interconnection	4,708	4,843	(2.8)
Network	1,280	1,253	2.2
Other Telco Services	2,825	2,429	16.3
Total	89,696	82,967	8.1

Telkom posted total revenue for FY14 of Rp89.7 trillion, an increase of 8.1% YoY. Data, Internet & IT Services recorded the highest growth; with the details as follows:

- **Cellular voice revenues** increased by 6.7% YoY mainly driven by higher tariffs as a results of relatively stable competition and favorable pricing strategy. The revenues were also attributable to higher customer base which grew by 6.9%.
- **Fixed line voice revenues** which consist of Fixed Wireline and Fixed Wireless Voice revenues, decreased by 8.5% YoY.
 - **Fixed wireline revenue** declined by 4.8% for YoY attributable to diminution of local usage.
 - **Fixed wireless revenue** significantly declined by 42.1% YoY as the impact of fixed wireless retrenchment plan.
- **Data, Internet & IT Services revenues** increased by 15.7% YoY mainly contributed by mobile data business in line with fast growing smartphone (3G capable device) adoption coupled with attractive data plan which resulted in high growth in data usage.
- **Interconnection revenues** slightly decreased by 2.8% YoY mainly attributable to the declining in voice and SMS traffic from other local operators in our cellular business.
- **Network revenues** increased by 2.2% YoY mainly due to higher revenue from our satellite business.
- **Other telecommunication services revenues** increased by 16.3% YoY mainly due to the increased revenue from our subsidiary in devices provisioning and integration.

Expenses

Key Indicators (Rp. Bn)	YoY		
	FY14	FY13	Growth (%)
Operation, Maintenance & Telecommunication Services	22,288	19,332	15.3
Personnel	9,616	9,733	(1.2)
Interconnection	4,893	4,927	(0.7)
Marketing	3,092	3,044	1.6
General & Administrative	3,963	4,155	(4.6)
Depreciation & Amortization	17,131	15,780	8.6
(Gain)/Loss on Forex . net & Others . net	(664)	(1,850)	64.1
Total	60,319	55,121	9.4

Total expenses increased by 9.4% YoY with the following details:

- **Operation & Maintenance (“O&M”) expenses** increased by 15.3% YoY in line with our continuous network development to strengthen our mobile business performance.
- **Personnel expenses** decreased by 1.2% YoY mainly attributable to the reduced pension allowance in accordance with actuarial calculation.
- **Interconnection expenses** slightly decreased by 0.7% YoY due to lower outgoing call traffic from fixed line.
- **Marketing expenses** only increased by 1.6% YoY as we have strong brand that enable us to spend marketing expense efficiently.
- **General & Administrative expenses** decreased by 4.6% YoY due to decrease in provision for doubtful account.
- **Depreciation & Amortization expenses** grew by 8.6% YoY in line with our continued network development.

EBITDA, EBITDA Margin, and Net Income

In 2014, our EBITDA increased by 9.7% YoY to Rp45.8 trillion. EBITDA margin remained superior at 51.1% or increased by 0.7ppt.

Our Net Income grew by 3.0% YoY to Rp14.6 trillion with healthy Net Income margin of 16.3%.

The basis to calculate the EBITDA is the expenses without Depreciation and Amortization expenses, Forex Exchange Gain or Loss, and Others-Net.

Financial Position

Key Indicators (Rp.Bn)	YoY		
	FY14	FY13	Growth (%)
Assets	140,895	127,951	10.1
Liabilities	54,770	50,527	8.4
Non-controlling Interests	18,318	16,882	8.5
Equity attributable to owners of the company	67,807	60,542	12.0

- An increase in assets by 10.1% YoY was mainly due to the increase in fixed assets, in line with our accelerated network development.
- An increase in liabilities by 8.4% YoY was attributable to higher bank loan facilities.
- An increase in non-controlling interest of 8.5% YoY was due to the increase in our subsidiaries' net income.
- An increase in equity of 12.0% YoY was a result of the increase in retained earnings.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	FY14	FY13	Growth (%)
Cash Flow provided by Operating Activities	37,736	36,574	3.2
Cash Flow from (used in) received from Investing Activities	(24,748)	(22,702)	9.0
Cash Flow from (used in) Financing Activities	(10,083)	(13,327)	(24.3)
Net Increase in Cash & Cash Equivalent	2,905	545	433.0
Effect of Foreign Rate Changes	71	1,039	(93.2)
Cash & Cash Equivalents at Beginning of Periods	14,696	13,118	12.0
Cash & Cash Equivalents at End of Periods	17,672	14,696	20.3

- Net cash provided by operating activities increased by 3.2% YoY as a result of increased cash receipt from customers.
- Net cash used in investing activities increased by 9.0% YoY to support our network development.
- Net cash used in financing activities decreased by 24.3% YoY due to lower repayment of bank loan.

Debts

Currencies (Rp.Bn)	YoY			Portion (%)	
	FY14	FY13	Growth (%)	FY14	FY13
IDR/Rupiah	15,246	12,626	20.8	81.7	82.6
USD/US Dollar	2,621	1,682	55.8	14.0	11.0
JPY/Japanese Yen	796	979	(18.7)	4.3	6.4
Total	18,663	15,287	22.1	100.0	100.0

Our debts consisted of Short and Long-Term Bank Loans, Two-Step Loans (%SL+), and Bonds and Notes totaling to Rp18.7 Trillion as of December 2014, where 81.7% of which was in the Rupiah currency, 14% was in US Dollar currency and the balance in the form of Japanese Yen. The company's debt to equity ratio (%DER+) was relatively low at 27.5%.

Financial Ratio

Ratios (%)	YoY	
	FY14	FY13
EBIT Margin	32.8	33.6
EBITDA Margin	51.1	50.4
Net Income Margin	16.3	17.1
Current Ratio	106.2	116.3
Total Liabilities to Equity	80.8	83.5
Return on Assets	10.4	11.1
Return on Equity	21.6	23.5
Return on Invested Capital (ROIC)	17.0	18.7

Gearing Ratios

Key Indicators	YoY	
	FY14	FY13
Net Debt to Equity (%)	(2.7)	(10.4)
Debt to Equity (%)	27.5	25.3
Debt to EBITDA (%)	40.7	36.6
Debt Service Ratio (Times)	5.1	6.5

Telkomsel Financial Result

Telkomsel continued its strong results in the full year of 2014 on the back of solid performance of digital business (Mobile Broadband and Digital Services) and supported by healthy growth in legacy business. Total revenues, EBITDA and Net Income grew by 10.4%, 10.0% and 11.9% Year on Year (YoY) respectively led to triple double digit growth for 3 consecutive years, driven by strong growth in digital business (33.9% YoY) with mobile broadband grew by 34.2% YoY and digital services grew by 31.5% YoY. As a result, digital business contribution to total revenue significantly increased to 23.6% from 19.4% last year. On the other hand, Telkomsel continued to protect its legacy businesses growth by 6.6% YoY, with voice grew by 7.8% YoY and SMS grew by 3.5% YoY, as a result of advantageous pricing strategy as well as benign competition environment. Despite high SIM card penetration, Telkomsel still recorded growth in subscriber base of 6.9% to 140.6 million, thanks to effective sales and marketing programs. As a result, EBITDA and Net Income margins were sustained at healthy level of 56.2% and 29.3%, respectively.

In 2014, we continued our focus on growing digital business. During the year, we deployed 15,556 new BTSs, of which around 76% were 3G BTSs in an effort to anticipate sharp increase in data traffic. Data

traffic jumped 142.9% to 234,862 TB mainly fueled by high growth in 3G capable device that reached 40.4 million (70.8% YoY) and data user that recorded at 67.9 million (12.1% YoY). By the end of 2014, BTS on-air totaled to 85,420 units (22.3% YoY), 45% of which were 3G BTS, revealing our network superiority. We also always adopt the latest technology to maintain our leadership in the industry. We are the first operator in Indonesia that commercially launched 4G LTE in December 2014.

Income Statement

Statement of Income (Rp. Bn)	YoY		
	FY14	FY13	Growth %
Revenues	66,252	60,031	10.4
Expenses (incl. Depreciation)	40,563	36,761	10.3
EBITDA	37,258	33,869	10.0
EBITDA Margin (%)	56.2%	56.4%	(0.2)ppt
Net Income	19,403	17,347	11.9
Net Income Margin (%)	29.3%	28.9%	0.4ppt

Telkomsel recorded operating revenues of Rp66,252 billion in FY14, an increase of 10.4% YoY.

- *Prepaid revenue* increased by 12.2% YoY to Rp55,690 billion, fueled by increased prices both for voice and SMS as a result of favorable pricing strategy coupled with high increase in data usage which resulted in strong growth in data revenue. Revenue from prepaid customers accounted for 84.1% of Telkomsel's total revenue.
- *Postpaid revenue increased* by 10.3% YoY to Rp5,151 billion mainly driven by the increase in the postpaid customer base which grew by 14.5% to 2.9 million subscribers. Revenue from postpaid customers contributed 7.8% of the total revenue.
- *Interconnection and international roaming revenues* were recorded at Rp4,656 billion (-2.6% YoY) mainly due to declining SMS traffic from other local operators as an impact of substitute services from instant messaging applications.

In FY14, total expenses including depreciation and amortization increased by 10.3% YoY to Rp40,563 billion, relatively in line with revenue growth of 10.4%, indicating Telkomsel operational efficiency.

- *Operation & maintenance expenses* increased by 16.4% YoY to Rp15,127 billion in line with the Company's accelerated network deployment to maintain network quality, resulted in higher transmission and network space rental costs.
- *Cost of Services* slightly increased by 4.5% YoY to Rp4,176 billion, in line with higher revenue resulted in increased BHP fee as well as higher usage of modern channel in recharging activities.
- *Interconnection charges* decreased slightly by 1.7% YoY to Rp3,157 billion, mainly attributable to declining SMS traffic to other local operators due to the popularity of substitute product instant messaging applications.
- *Personnel expenses* increased by 12.4% YoY to Rp2,687 billion, in line with the increase in the number of employees, increase in salaries and benefits as well as SMART Reward program for top performers.

- *Marketing expenses* increased by 5.5% YoY to Rp2,451 billion. Marketing expense grew lower than revenue growth as we have strong brand products that allow us to spend marketing expense efficiently. The manageable marketing expense was also due to relatively stable competition.
- *General & administration expenses* increased by 12.0% YoY to Rp1,396 billion mainly driven by higher building space rental expenses in line with area empowerment and additional Customer Touch Point office.
- *Depreciation and amortization expenses* increased by 13.1% YoY to Rp11,672 billion, in line with the Company's aggressive network deployment and also due to reclassification in tower leases recognition from operating to financial lease.
- Other expenses declined by 137.1% to Rp104 billion, mainly due to reduced forex losses as a result of relatively stable IDR against USD currency during 2014 compared to 2013. In 2014 and 2013, IDR depreciations against USD were 2% and 26% respectively.

EBITDA increased 10.0% to Rp37,258 billion, while Net Income grew 11.9% to Rp19,403 billion. EBITDA and Net Income margins remained superior at 56% and 29%, respectively.

Financial Position

Statements of Financial Position (Rp Bn)	FY14	FY13	Growth %
Current Assets	19,300	16,603	16.2
Non-Current Assets	58,887	56,733	3.8
Total Assets	78,187	73,336	6.6
Current Liabilities	18,106	16,405	10.4
Non-Current Liabilities	8,469	9,109	(7.0)
Equity	51,612	47,821	7.9
Total Liabilities & Stockholders Equity	78,187	73,336	6.6

Total Assets increased by 6.6% Year To Date (YTD) to Rp78,187 billion. Total liabilities increased by 4.2% to Rp26,575 billion and total equity increased by 7.9% to Rp51,612 billion.

- Current assets increased by 16.2% to Rp19,300 billion, mainly due to significant increase in cash and cash equivalent, which grew 77.3% to Rp9,851 billion as a result of strong cash inflow from operational.
- Fixed assets increased by 3.5% to Rp55,021 billion, in line with the additional network equipment deployed during the year.
- Current liabilities increased by 10.4% to Rp18,106 billion mainly due to the increase in short-term loan of Rp1,244 billion.
- Non-current liabilities decreased by 7.0% to Rp8,469 billion, mainly due to lower outstanding medium and long-term loans.
- Total equity increased by 7.9% to Rp 51,612 billion due to additional retained earnings as a result of the higher net income in 2014.

Cash Flow

Net cash generated from operations in FY-14 slightly increased to Rp30,863 billion (4.3% YoY). Cash flow used in investment activities was Rp11,052 billion, decreased by 23.5% YoY as compared to Rp14,445 billion last year. Net cash used in financing activities fell by 73.8% YoY to Rp497 billion due to lower outstanding loan in 2014.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR TWELVE MONTHS ENDED DECEMBER 31, 2014 AND 2013

(In Billions of Rupiah)

	FY14	FY13	Growth (%)
Cash Flow from Operating Activities	30,863	29,602	4.3
Cash Flow for Investing Activities	(11,052)	(14,445)	(23.5)
Cash Flow for Financing Activities	(497)	(1,899)	(73.8)
Dividend	(15,066)	(12,890)	16.9
Net Increase in Cash & Cash Equivalents	4,248	368	1053.8
Effect of Foreign Exchange Rate Changes	48	400	(87.9)
Cash and Cash Equivalents at Beginning of Years	5,555	4,787	16.0
Cash and Cash Equivalents at End of Years	9,851	5,555	77.3

Debt Profile

At the end of December 2014, Telkomsel's total outstanding loans amounted to Rp2,305 billion, of which around Rp1,925 billion was short-term loans and current portion of medium-term & long-term loans, and the remaining Rp379 billion was long-term loans. Around 74.7% of the total loans were in the form of foreign currency to cover our capex requirement, amounting to US\$138.4 million. At end of 2014, Telkomsel Debt to Equity Ratio (DER) was relatively low at 4.4%.

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 December 2014 the covenants were as follows:

	Covenants t/b maintained	Required	Actual
Bank Loans	EBITDA to Debt Service	~ 1.25	13.41
	Debt to Tangible Net Worth	m2.00	0.05

RESULTS BY SERVICE

Cellular Services

At the end of December 2014, Telkomsel served 140.6 million subscribers, an increase of 6.9% YoY, with 67.9 million data enabled users, or around 48.3% of total subscribers. As many as 40.4 million used 3G capable device, representing around 28.8% of total subscribers, and grew sharply by 70.8% YoY.

We were able to maintain healthy revenue growth from voice, which increased by 7.8% YoY to Rp33,039 billion. Voice traffic (MoU) slightly increased by 2.7% YoY to 196.5 billion minutes, in line with the increased customer base.

Our revenue from SMS grew moderately by 3.5% YoY to Rp13,061 billion. SMS traffic however decreased by 1.2% YoY to 256.4 billion units as an impact of the popularity of instant messaging applications.

The revenue growth in voice and SMS was driven by higher tariffs, as a result of micro-cluster based pricing strategy which allowed us to set prices differently in different micro zones based on various factors including local demand characteristic.

Digital Business segment which includes mobile broadband and digital services revealed strong performance with 33.9% YoY growth to Rp15,614 billion. Revenue from mobile broadband grew by 34.2% YoY to Rp 14,086 billion, while digital services revenue also grew strongly by 31.5% YoY to Rp1,528 billion. The strong growth in digital business was fueled by fast growing 3G capable device adoption which increased by 70.8% YoY to 40.4 million users. Total data traffic sharply increased to 234,862 TB in data payload, or grew by 142.9% YoY. We have 31.2 million Flash users, grew by 80.7% YoY; and 5.8 million Telkomsel@ BlackBerry customers, decreased by 22.8% YoY. The total number of data users, including of pay-as-you-use, reached 67.9 million or around 48.3% of total subscribers, grew by 12.1% YoY.

Blended ARPU slightly increased to Rp39K from Rp37K last year, or grew by 2.8% YoY. The higher ARPU was partly supported by high growth in data traffic as a result of fast growing 3G capable device which fueled data service revenue. The higher ARPU was also due to combination of advanced pricing strategy through micro-cluster based pricing and sharpened focus on area empowerment and market segmentation.

The following table presents a comparison of our cellular business performance:

Key Indicators	Unit	YoY		
		FY14	FY13	Growth (%)
CUSTOMER BASE				
Total Customer				
Postpaid (kartuHALO)	Subs (000)	2,851	2,489	14.5
Prepaid (simPATI + Kartu As)	Subs (000)	137,734	129,023	6.8
Total	Subs (000)	140,586	131,513	6.9
Net Add				
Postpaid (kartuHALO)	Subs (000)	362	341	6.3
Prepaid (simPATI + Kartu As)	Subs (000)	8,711	6,026	44.6
Total	Subs (000)	9,073	6,366	42.5
TRAFFIC				
MoU (Total)	Bn Minutes	196.5	191.4	2.7
MoU (Chargable)	Bn Minutes	161.4	140.3	15.0
SMS (Total)	Bn Units	256.4	259.6	(1.2)
SMS (Chargable)	Bn Units	132.8	146.3	(9.2)
ARPU				
Postpaid (kartuHALO)	Rp.'000/month	172	184	(6.8)
Prepaid (simPATI + Kartu As)	Rp.'000/month	36	35	3.4
Blended	Rp.'000/month	39	37	2.8
NETWORK DATA				
BTS	Unit	85,420	69,864	22.3
DATA/BROADBAND				
Data Enable Users	Subs (000)	67,860	60,531	12.1
3G Capable Device	Unit (000)	40,420	23,662	70.8
Data Payload	TB	234,862	96,683	142.9
EMPLOYEE DATA				
Total employees	Person	4,880	4,711	3.6
Efficiency ratio	'000 subs/employee	29	28	3.2

Fixed Line Services

■ Fixed Broadband

Our fixed broadband users grew by 12.8% YoY to 3.4 million with revenue increased by 7.8% YoY to Rp4,918 billion. We no longer used Speedy brand, and we introduced IndiHome as our new fixed broadband product. IndiHome is a triple-play bundling package consists of telephony, internet and IP TV.

■ Fixed Wireline

There are 9.7 million subscribers, a 3.7% increase from last year, with revenue of Rp10,112 billion as compared to Rp10,641 billion last year.

■ Fixed Wireless

Consist of 4.4 million subscribers recorded at the end of FY14, decreased by 34.9% YoY with revenue of Rp966 billion. The decline of subscribers was mainly due to management decision to discontinue Flexi service.

New Products & Programs

- **Kartu As Flexi** was launched as a product to compensate Flexi Trendy subscribers following the migration process of Telkom Flexi to Telkomsel. Kartu As Flexi has comparable tariff to that Flexi Trendy.
- **Digital Services** - Telkomsel launched **M2M (Machine-to-Machine) integrated services**, which provides end-to-end solutions with a flexible control system for solution providers as well as corporate customers. With Telkomsel M2M solutions, it is possible for customers to capitalize on the system by deploying the cloud-based Internet of Things (IoT), purpose-built to enable companies of all sizes to easily launch, manage and monetize their IoT/M2M businesses. Telkomsel set up the M2M Control Center which will offer customers the real time feasibility, mobile service management, support diagnostics, billing and automation necessary to deliver a wide range of innovative value-added services.
- **Youth and community** - To provide **another contact center with better service quality for LOOP** customers (LOOPers), LOOP Station in Jakarta was launched as the second LOOP Station. It still comes with Youth and Digital+ concept and fun, colorful, dynamic and attractive design with lot of facilities. LOOP station is not only a contact center but also a place that LOOPers can express their hobby and try variety of updated Telkomsel digital services.
- **3G-device adoption** - To **accelerate smartphone device penetration**, Telkomsel Android United (TAU) program was introduced. It collaborates with 17 device principals such as Samsung, LG, Sony, HTC, Lenovo, Acer, Huawei, Speedup, TiPhone Mobile, SPC, Cyrus, Advan, Mito, Evercoss, Alcatel, Nexian and Maxtron which hold almost 95% of Android smartphone market.

ADDITIONAL INFORMATION

Capital Expenditure

For the full year of 2014, Telkom spent Rp24.6 trillion in Capital Expenditure (Capex), of which Rp14.5 trillion was for Telkomsel and the remaining Rp10.1 trillion was for Telkom and other subsidiaries. Telkom's Capex was mainly utilized for deploying access and backbone infrastructure to support the broadband services, Telkomsel's Capex was mainly utilized for radio access network, while other subsidiaries' Capex was utilized among others for tower and infrastructure development.

Recent Development

- **Telkomsel 4th generation Long Term Evolution (4G LTE)** - We successfully launched 4th generation Long Term Evolution (4G LTE) on 8 December 2014, after a series of successful trial from 2010 to 2013 during the APEC Summit in Bali, to become the first operator in Indonesia which commercially market this new technology.
- **Telkom's Management Change** - Extraordinary General Meeting of Shareholders (EGMS) held on December 19, 2014 honorably dismissal Arief Yahya as President Director since his appointment as Ministry of Tourism Republic of Indonesia. The meeting also appointed Alex J Sinaga as President Director, Heri Sunaryadi as Director of Finance, Indra Utoyo as Director of Innovation & Strategic Portfolio, Muhammad Awaluddin as Director of Enterprise & Business Service, Honesti Basyir as Director of Wholesale & International Service, Dian Rachmawan as Director of Consumer Service, Herdy Rosadi Harman as Director of Human Capital Management, and Abdus Somad Arief as Director of Network IT & Solution.
- **Flexi Retrenchment** – Regarding with Flexi service closure, until December 31, 2014, around 550,000 subscribers were already migrated to Telkomsel under prepaid scheme of Kartu As Flexi.

Awards & Recognition

During 4Q14, we have been awarded by several institutions for our achievements, among others:

- In the event Indonesia Customer Satisfaction Award 2014, Telkom was awarded *The Best Brand Award for the category of The Best Brand Speedy* for the 4th times. This award was held by SWA Magazine and Frontier Consulting Group.
- In the event Asia Pacific Telecom Summit 2014 in Singapore, Telkom and Telstra were awarded the IDC Telecom Service Provider Innovation (TSPI) Award 2014 for Innovative Partnership thru Joint Venture category.
- In the event World Communication Awards (WCA) 2014 in London - United Kingdom, one of Telkom's program called Indonesia Digital Entrepreneur (IndiPreneur+) was awarded as *The Best Small Business Service*.
- Telkom was awarded *The Best State-Owned Enterprise 2014* for Non-Financial telecommunication sector and Media from Investor Magazine.

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- Telkom was awarded *The Best Sustainable Report 2013* for Infrastructure category in the event Sustainable Report Award that were held by National Center for Sustainability Reporting.
 - Marketeers Award 2014 for Telkomsel Flash as Indonesia Most Favorite Netizen Brand 2014 and Telkomsel as Indonesia Most Favorite Youth Brand 2014 from Marketeers Magazine and MarkPlus Insight Research Firm.
 - *Indonesia Golden Ring Award 2014* for Telkomsel as Operator of the Year & Best Broadband Service Provider, and Best Operator Product for *SimPATI* from Forum Wartawan Telekomunikasi Indonesia (Telcomedia Journalist).
 - *Indonesian Customer Satisfaction Award (ICSA) 2014* for kartuHalo, and The Best in Achieving Total Customer Satisfaction for *simPATI* from Frontier Consulting Group and SWA Magazine.
 - *Indonesia Most Experiential Brand Activation 2014* for Telkomsel with Bintang Asik program as Best of the Best Contest/Competition Activation from Mix-Marcomm Magazine.
 - *Indonesia CSR Award 2014* for Telkomsel Mengajar Untuk Indonesia (TMUI) and Integrated Digital School (IDS) program (Gold and Silver Champion) from Corporate Forum for Community Development (CFCD).

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014
 (Figures in tables are presented in billions of Rupiah, unless otherwise stated)

	2014	2013	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	17,672	14,696	20.3
Other current financial assets	2,797	6,872	(59.3)
Trade receivables . net of provision for impairment of receivables			
Related parties	746	900	(17.1)
Third parties	5,719	5,126	11.6
Other receivables . net of provision for impairment of receivables	383	395	(3.0)
Inventories . net of provision for impairment obsolescence	474	509	(6.9)
Advances and prepaid expenses	4,733	3,937	20.2
Claims for tax refund	291	10	28.1
Prepaid taxes	890	525	69.5
Asset held-for-sale	57	105	(45.7)
Total Current Assets	33,762	33,075	2.1
NON-CURRENT ASSETS			
Long-term investments	1,767	304	481.3
Property and equipment . net of accumulated depreciation	94,809	86,761	9.3
Prepaid pension benefit costs	771	927	(16.8)
Advances and other non-current assets	6,479	4,795	35.1
Claim for tax refund . long term portion	745	499	49.1
Intangible assets . net of accumulated amortization	2,463	1,508	63.3
Deferred tax assets - net	99	82	20.7
Total Non-current Assets	107,133	94,876	12.9
TOTAL ASSETS	140,895	127,951	10.1

Table 1 (Continued)
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2013 (AUDITED)
 (Figures in tables are presented in billions of Rupiah, unless otherwise stated)

	2014	2013	Growth (%)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables			
Related parties	770	826	(6.8)
Third parties	11,060	10,774	2.7
Other payables	114	388	(70.6)
Taxes payables	2,376	1,698	39.9
Accrued expenses	5,211	5,264	(1.0)
Unearned income	3,963	3,490	13.6
Advances from customers and suppliers	583	472	23.5
Short-term bank loans	1,810	432	319.0
Current maturities of long-term liabilities	5,899	5,093	15.8
Total Current Liabilities	31,786	28,437	11.8
NON-CURRENT LIABILITIES			
Deferred tax liabilities - net	2,743	3,004	(8.7)
Other liabilities	394	472	(16.5)
Long service award provisions	410	336	22.0
Post-retirement health care benefits provisions	602	752	(19.9)
Retirement benefits obligation and other post - retirement benefits	3,092	2,795	10.6
Long-term liabilities - net of current maturities			
Obligations under finance leases	4,218	4,321	(2.4)
Two-step loans	1,408	1,702	(17.3)
Bonds and Notes	2,239	3,073	(27.1)
Bank loans	7,878	5,635	39.8
Total Non-current Liabilities	22,984	22,090	4.0
TOTAL LIABILITIES	54,770	50,527	8.4
EQUITY			
Capital stock - Rp50 par value per Series A Dwiwarna share and Series B share			
Authorized - 1 Series A Dwiwarna share and 399,999,999,999 Series B shares			
Issued and fully paid - 1 Series A Dwiwarna share and 100,799,996,399 Series B shares	5,040	5,040	-
Additional paid-in capital	2,899	2,323	24.8
Treasury stock	(3,836)	(5,805)	(33.9)
Effect of change in equity of associated companies	386	386	-
Unrealized holding gain from available-for-sale securities	39	38	2.6
Translation adjustment	415	391	6.1
Difference due to acquisition of non-controlling interest in subsidiaries	(508)	(508)	-
Other reserves	49	49	-
Retained earnings			
Appropriated	15,337	15,337	-
Unappropriated	47,986	43,291	10.8
Net Equity Attributable To Owners Of The Parent Company	67,807	60,542	12.0
Non-Controlling Interest	18,318	16,882	8.5
TOTAL EQUITY	86,125	77,424	11.2
TOTAL LIABILITIES AND EQUITY	140,895	127,951	10.1

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED) WITH COMPARATIVE FIGURES FOR 2013 (UNAUDITED)
 (Figures in tables are presented in billions of Rupiah, unless otherwise stated)

	2014	2013	Growth (%)
REVENUES	89,696	82,967	8.1
EXPENSES			
Operations, maintenance and telecommunication services	(22,288)	(19,332)	15.3
Depreciation and amortization	(17,131)	(15,780)	8.6
Personnel	(9,616)	(9,733)	(1.2)
Interconnection	(4,893)	(4,927)	(0.7)
General and Administrative	(3,963)	(4,155)	(4.6)
Marketing	(3,092)	(3,044)	1.6
Gain (loss) on foreign exchange . net	(14)	(249)	(94.4)
Other income	1,074	2,579	(58.4)
Other expenses	(396)	(480)	(17.5)
OPERATING PROFIT	29,377	27,846	5.5
Finance income	1,238	836	48.1
Finance costs	(1,814)	(1,504)	20.6
Share of loss of associated companies	(17)	(29)	(41.4)
PROFIT BEFORE INCOME TAX	28,784	27,149	6.0
INCOME TAX (EXPENSE) BENEFIT			
Current	(7,616)	(6,995)	8.9
Deferred	278	136	104.4
	(7,338)	(6,859)	7.0
PROFIT FOR THE YEAR	21,446	20,290	5.7
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign currency translation	24	120	(80.0)
Change in fair value of available-for-sale financial assets	1	(8)	(112.5)
Total Other Comprehensive Income – net	25	112	(77.7)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	21,471	20,402	5.2
Profit for the period attributable to:			
Owners of the parent company	14,638	14,205	3.0
Non-controlling interests	6,808	6,085	11.9
	21,446	20,290	5.7
Total comprehensive income for the period attributable to:			
Owners of the parent company	14,663	14,317	2.4
Non-controlling interests	6,808	6,085	11.9
	21,471	20,402	5.2
BASIC AND DILUTED EARNINGS PER SHARE			
Income per share	149.83	147.42	1.6
Income per ADS (200 Series B shares per ADS)	29,966.70	29,483.60	1.6

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 (AUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2013 (AUDITED)
 (figures are presented in billions of Rupiah)

	<u>DEC 31, 2014</u>	<u>DEC 31, 2013</u>	<u>Growth (%)</u>
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	9,851	5,555	77.3
Short-term Investments	-	6,200	-
Accounts receivables	1,175	1,175	0.0
Accrued Income	416	380	9.4
Current portion of long-term prepayments	4,374	2,850	53.5
Assets held for sale	57	105	(45.8)
Others	3,427	337	915.7
Total Current Assets	<u>19,300</u>	<u>16,603</u>	16.2
NON-CURRENT ASSETS			
Long-term investment	7	20	(63.5)
Fixed assets-net	55,021	53,182	3.5
Advances for fixed assets	590	652	(9.5)
Intangible assets-net	1,096	721	52.0
Prepayments . Non Current Portion	1,728	1,712	1.0
Others	444	446	(0.3)
Total Non-Current Assets	<u>58,887</u>	<u>56,733</u>	3.8
TOTAL ASSETS	<u>78,187</u>	<u>73,336</u>	6.6
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable & Accrued Liabilities	10,535	10,935	(3.7)
Taxes payable	1,607	762	110.9
Unearned revenue	3,504	3,127	12.0
Current maturities of medium-term & long-term loans	673	1,109	(39.3)
Current maturities of oblig. under finance leases	543	473	14.9
Short-term loan	1,244	-	-
Total Current Liabilities	<u>18,106</u>	<u>16,405</u>	10.4
NON-CURRENT LIABILITIES			
Medium-term & long-term loans - net of current maturities	375	1,038	(63.9)
Obligations under finance lease - net of current maturities	5,057	4,971	1.7
Deferred tax liabilities	1,986	2,075	(4.3)
Others	1,052	1,024	2.7
Total Non-current Liabilities	<u>8,469</u>	<u>9,109</u>	(7.0)
EQUITY			
Capital Stock - Rp1,000,000 par value			
Authorized - 650,000 shares			
Issued and fully paid - 182,570 shares	183	183	0.0
Additional paid-in capital	1,505	1,505	0.0
Retained earnings	49,925	46,134	8.2
Total Equity	<u>51,612</u>	<u>47,821</u>	7.9
TOTAL LIABILITIES AND EQUITY	<u>78,187</u>	<u>73,336</u>	6.6

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENT OF COMPREHENSIVE INCOME
TWELVE MONTHS ENDED DEC 31, 2014 AND 2013 (AUDITED)
 (figures in tables are presented in billions of Rupiah, otherwise stated)

	2014	2013	Growth (%)
REVENUES			
Postpaid	5,151	4,668	10.3
Prepaid	55,690	49,631	12.2
Interconnection & International roaming	4,656	4,779	(2.6)
Other	756	953	(20.7)
Total Revenues	66,252	60,031	10.4
EXPENSES			
Operations & maintenance	15,127	12,992	16.4
Depreciation & amortization	11,672	10,318	13.1
Cost of services	4,176	3,998	4.5
Interconnection	3,157	3,213	(1.7)
Personnel	2,687	2,390	12.4
General & administrative	1,396	1,246	12.0
Marketing	2,451	2,322	5.5
Others . net	(104)	280	(137.0)
Total Expenses	40,563	36,761	10.3
Interest income & financing charges - net	47	(180)	(126.3)
INCOME BEFORE TAX	25,737	23,090	11.5
INCOME TAX EXPENSE	(6,334)	(5,743)	10.3
NET INCOME	19,403	17,347	11.9
EBITDA	37,258	33,869	10.0
EBITDA Margin- over revenues	56.2%	56.4%	(0.2) ppt
ROA	25.6%	25.5%	0.1 ppt
ROE	39.0%	37.9%	1.2 ppt