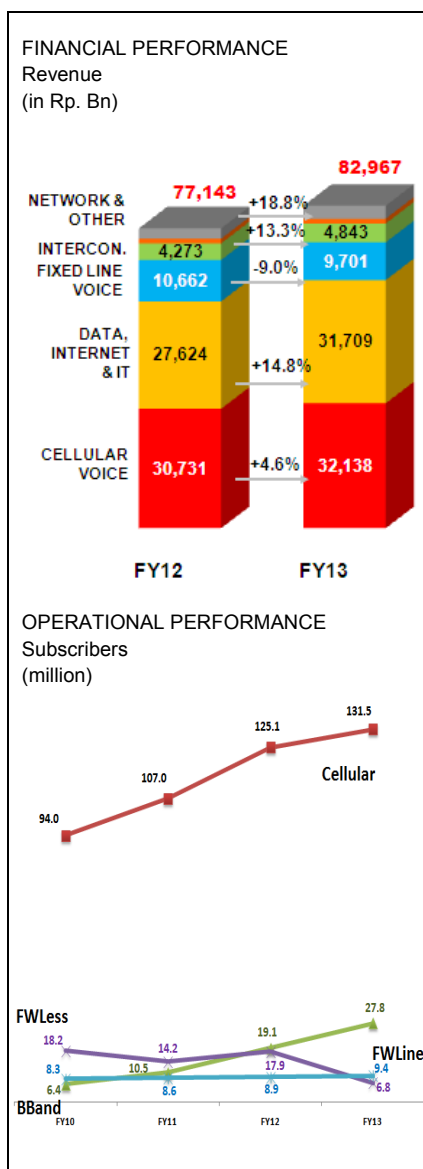


TICKERS: IDX : TLKM NYSE : TLK LSE : TKIA	ISSUED SHARES: 100,799,996,400 shares	SHAREHOLDER COMPOSITION: Govt. of Indonesia : 53.1% Public : 46.9% Excl. Treasury stock : 3,699,142,800 shares.	CONVERSION RATES (US\$ 1.00): Dec 31, 2013 = Rp12,170.0 Dec 31, 2012 = Rp9,637.5
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Highlight

- Consolidated revenue for FY13 grew by 7.5% YoY to Rp83.0 trillion and our cellular subsidiary recorded a 10.1% YoY revenue growth to Rp 60.0 trillion.
- Broadband users grew by 45.4% YoY, meanwhile cellular subscribers increased by 5.1% YoY to 131.5 million.
- Data, Internet & IT Services business maintained its positive revenue growth at the level of 14.8% YoY.
- Telkomsel kept enhancing its network with more than 1,000 new BTSs per month deployed during 2013 of which 74.5% were 3G Node B.



Financial Highlights

Key Indicators (Rp. Bn)	YoY			QoQ				
	FY12	FY13	Growth (%)	1Q13	2Q13	3Q13	4Q13	Growth (%)
Revenues	77,143	82,967	7.5	19,547	20,613	21,339	21,468	0.6
Expenses	51,445	55,121	7.1	12,797	13,517	13,883	14,924	7.5
Operating Profit	25,698	27,846	8.4	6,750	7,096	7,456	6,544	(12.2)
EBITDA	39,757	41,776	5.1	10,049	10,426	11,803	9,498	(19.5)
EBITDA Margin (%)	51.5	50.4	(1.2)	51.4	50.6	55.3	44.2	(11.1)
Net Income	12,850	14,205	10.5	3,477	3,648	3,932	3,148	(19.9)

Operational Highlights

Subscribers (000)	YoY			QoQ				
	FY12	FY13	Growth (%)	1Q13	2Q13	3Q13	4Q13	Growth (%)
Broadband								
Fixed Broadband/Speedy	2,341	3,013	28.7	2,652	2,781	2,894	3,013	4.1
Mobile Broadband/Flash	11,039	17,271	56.5	8,767	11,113	12,665	17,271	36.4
BlackBerry	5,764	7,556	31.1	5,557	6,332	7,021	7,556	7.6
Total	19,144	27,840	45.4	16,976	20,226	22,580	27,840	23.3
Cellular								
Postpaid	2,149	2,489	15.8	2,219	2,326	2,412	2,489	3.2
Prepaid	122,997	129,023	4.9	118,392	122,765	125,492	129,023	2.8
Total	125,146	131,513	5.1	120,611	125,091	127,904	131,513	2.8
Fixed Line								
LIS Wireline	8,946	9,351	4.5	9,044	9,151	9,245	9,351	1.1
LIS Wireless	17,870	6,766	(62.1)	18,384	15,550	11,551	6,766	(41.4)
Total	26,816	16,117	(39.9)	27,428	24,701	20,796	16,117	(22.5)

Investor Relations

PT Telekomunikasi Indonesia Tbk
Graha Merah Putih, 5th Floor
Jl. Gatot Subroto Kav. 52, Jakarta 12710
Phone : 62 21 5215109
Fax : 62 21 5220500
Email : investor@telkom.co.id
Website : www.telkom.co.id

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 2013 RESULTS (AUDITED)

The following analysis and discussion is based on our Indonesian GAAP financial statements for the full year ended December 31, 2012 and 2013. The reports have been submitted to Indonesia Financial Services Authority (OJK).

FINANCIAL RESULTS

Revenues

Key Indicators (Rp.Bn)	YoY			QoQ				
	FY12	FY13	Growth (%)	1Q13	2Q13	3Q13	4Q13	Growth (%)
Cellular Voice	30,731	32,138	4.6	7,578	7,820	8,267	8,473	2.5
Fixed Line Voice	10,662	9,701	(9.0)	2,494	2,519	2,382	2,306	(3.2)
Data, Internet & IT Service (Incl.SMS)	27,624	31,709	14.8	7,347	7,692	8,294	8,376	1.0
Interconnection	4,273	4,843	13.3	1,145	1,210	1,278	1,210	(5.3)
Network	1,208	1,253	3.7	332	323	256	342	33.6
Other Telco Services	2,645	3,323	25.6	651	1,049	862	761	(11.7)
Total	77,143	82,967	7.5	19,547	20,613	21,339	21,468	0.6

Total revenue for FY13 is Rp83.0 trillion, an increase of 7.5% YoY, with Cellular Voice still being the largest contributor followed by Data, Internet, and IT Services revenues as the second largest contributor. Total revenue increased by 0.6 % QoQ with the details as follows:

- **Cellular voice revenues** increased by 2.5% QoQ and 4.6% YoY both resulting from the increase of number of subscribers for both prepaid and postpaid and increase in traffic during year-end holiday. Prepaid and postpaid subscribers increased by 4.9% and 15.8% YoY respectively.
- **Fixed line voice revenues**, which consist of Fixed Wireline and Fixed Wireless Voice revenues, decreased by 3.2% QoQ and 9.0% YoY.
 - **Fixed wireline revenue** decreased by 3.8% QoQ as a result of the decrease of installation charges revenue. While for the YoY, revenue decreased by 8.3% resulting from decrease in usage.
 - **Fixed wireless revenue** increased by 1.6% QoQ as a results of increase in prepaid local usage as an impact of higher traffic during year-end holiday. However it was decreased by 14.2% YoY due to lower prepaid local usage as we reducing the intense of tariff promotion, due to our strategy to retrench the wireless business.
- **Data, Internet & IT Services revenues** increased by 1.0% QoQ and increased by 14.8% YoY, both are contributed by cellular data communication revenue as an impact of higher traffic of cellular data broadband as our users increased. Package and Blackberry subscribers increased by 56.4% and 31.1% YoY respectively. While for the QoQ, the increase was also contributed by IT service revenues.
- **Interconnection revenues** decreased by 5.3% QoQ which was mostly derived from international cellular, wholesale, and fixed line interconnection as an impact of decreasing incoming call to our subscribers from other operators users. While increased by 13.3% YoY impacted from cellular interconnection.

- **Network revenues** increased for both QoQ and YoY, 33.6% and 3.7% respectively. For the QoQ, resulted from the increase in transponder revenue. This is reflecting the increase in transponder capacity leased during the year 2013. Whereas for the YoY, it was from leased line revenue increase due to increase in the number of subscribers.
- **Other telecommunication services revenues** decreased by 11.7% QoQ which was caused by the decrease in our access network construction and Pay TV revenue. Decrease in pay TV revenue is as an impact of the divestation of Telkom Vision. However, other telecommunication revenue grew 25.6% YoY as an impact of tower lease revenues increase, as number of towers operated by our tower subsidiary went up by more than 35% in comparison to the same period last year; the YoY increase also contributed by USO compensation revenue.

Expenses

Key Indicators (Rp. Bn)	YoY			QoQ				
	FY12	FY13	Growth (%)	1Q13	2Q13	3Q13	4Q13	Growth (%)
Operation, Maintenance & Telecommunication Service	16,803	19,332	15.1	4,698	5,034	4,383	5,217	19.0
Personnel	9,786	9,733	(0.5)	2,331	2,274	2,362	2,766	17.1
Interconnection	4,667	4,927	5.6	1,175	1,196	1,265	1,291	2.1
Marketing	3,094	3,044	(1.6)	651	688	766	939	22.6
General Administrative	3,036	4,155	36.9	643	995	760	1,757	131.2
Depreciation & Amortization	14,456	15,780	9.2	3,462	3,478	4,132	4,708	13.9
Other (Income)/Expense – Net	(586)	(2,099)	258.2	(72)	(139)	(150)	(1,738)	1,058.7
(Gain)/Loss on Forex – Net	189	249	31.7	(91)	(9)	365	(16)	104.4
Total	51,445	55,121	7.1	12,797	13,517	13,883	14,924	7.5

Compared to last quarter and last year results, total expenses increased by 7.5% and 7.1% respectively, with the following details:

- **Operation & Maintenance (“O&M”) expenses** went up by 19.0% QoQ and 15.1% YoY mostly due to impact of Tekomsel BTS development acceleration. While for the YoY, the increase is also contributed by IT service expense which in line with the IT service revenue increase.
- **Personnel expenses** grew by 17.1% QoQ, mostly because of the increase in incentive expense and employee basic allowance expenses as we implemented a new remuneration scheme. While decrease of 0.5% YoY is caused by of early retirement program which was conducted in the previous year but not in 2013.
- **Interconnection expenses** grew by 2.1% QoQ and 5.6% YoY, due to the increase in cellular interconnection expense that is in line with our cellular subscribers higher usage on year-end holidays.
- **Marketing expenses** went up by 22.6% QoQ, mostly due to the increase in advertising, exhibition, and customer education program expenses in relation with promoting our cellular products. Whereas decrease of 1.6% YoY is mostly caused by decrease in spending for advertising compared to the same period last year.
- **General & Administrative expenses** went up by 131.2% QoQ and 36.9% YoY which was caused by the increase in provision from doubtful account, and also by training and education expenses as we are investing our human resources in line with international expansion program and business portfolio transformation.

- Depreciation & Amortization expenses** increased by 13.9% QoQ and 9.2% YoY as a result of the addition in the numbers of BTS impacting to higher depreciation expense, and also caused by allowance of loss on impairment of fixed asset due to a change in portfolio strategy for our fixed wireless business. The other YoY contributor is the change of accounting treatment of tower, from operating lease to financial lease.
- Other (Income)/Expense – Net** For the QoQ, Others-Net grew by 1,058.7% as a result of the gains on the sale of 80% share in TelkomVision subsidiary. While for the YoY, Others -Net also increased by 258.2% in 2013, due to incident in 2012 when our Telkom-3 Satellite was failed to reach its orbit when it was launched.
- (Gain)/Loss on Forex – Net** For the QoQ, Gain on Forex-Net went up by 104.4% as our forex transaction decrease compare to last quarter. While for YoY, Loss on Forex-Net increased by 31.7% due to the lowering power of Rupiah to other foreign currency compared to previous year.

EBITDA, EBITDA Margin, and Net Income

Full year 2013 EBITDA increased by 5.1% YoY to Rp41.8 trillion and represents a decrease of 19.5% QoQ to Rp9.5 trillion. While EBITDA margin decreased both YoY and QoQ by 1.2% and 11.1% respectively.

Net Income for FY13 increased by 10.5% YoY to Rp14.2 trillion while for 4Q13 decreased by 19.9% QoQ to Rp3.1 trillion.

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			QoQ				
	FY12	FY13	Growth (%)	1Q13	2Q13	3Q13	4Q13	Growth (%)
Assets	111,369	127,951	14.9	116,104	111,472	120,795	127,951	5.9
Liabilities	44,391	50,527	13.8	44,137	46,723	48,055	50,527	5.1
Non-controlling Interests	15,437	16,882	9.4	16,935	13,783	15,385	16,882	9.7
Equity attributable to owners of the company	51,541	60,542	17.5	55,032	50,966	57,355	60,542	5.6

Our total assets increased by 5.9% QoQ and total liabilities increased by 5.1% QoQ with the following details:

- Increase in assets by 5.9% QoQ. 69% of the increase in assets was contributed by the increase in non-current assets. This was due to the increase in transmission equipment caused by the BTS development project, and in the other hand, compensated by the decrease in telephone central equipment, which is in line with our equipment modernization.
 While the rest, 31% of asset increase, was contributed by current assets increase, consist of the increase in Deposits and compensated by the decrease in account receivable.
- Increase in Liabilities by 5.1% QoQ due to the increase in Short Term-Liabilities from third party procurement.
- Increase in non-controlling interest of 9.7% QoQ was due to the increase in Telkomsel Net Income.
- Increase in Equity of 5.6% QoQ was due to the increase in Retained Earnings.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	FY12	FY13	Growth (%)
Cash Flow from Operating Activities	27,941	36,574	30.9
Cash Flow from / (used in) Investing Activities	(11,311)	(22,702)	100.7
Cash Flow from Financing Activities	(13,314)	(13,327)	0.1
Net Increase (Decrease) in Cash & Cash Equivalent	3,316	545	(83.6)
Effect of Foreign Rate Changes	168	1,039	518.5
Cash & Cash Equivalents at Beginning of Periods	9,634	13,118	36.2
Cash & Cash Equivalents at End of Periods	13,118	14,696	12.0

- Net cash generated from operations increased by 30.9% YoY due to higher cash in from our subscribers compared to the same period last year and also decreased of cash payments for expenses.
- Net cash used for investment increased by 100.7% YoY due to increasing in cash payment for fixed asset acquisitions by 138.9%.
- Net cash used for financing activities decreased slightly by 0.1% YoY, due to increase of cash generated from sale of Treasury Stock and decrease of cash out for Share Buyback program; which compensated by the increase of cash used for Dividends payment, Bank Loans payment, and Two-Step Loans, payment, also by the decrease of cash in from Bank Loans.

Debts

Currencies (Rp.Bn)	YoY			QoQ			Portion (%)		
	FY12	FY13	Growth (%)	3Q13	4Q13	Growth (%)	FY12	3Q13	4Q13
IDR/Rupiah	13,922	12,626	(9.3)	12,761	12,626	(1.1)	82.1	81.4	82.6
USD/US Dollar	1,998	1,682	(15.8)	1,871	1,682	(10.1)	11.8	11.9	11.0
JPY/Japanese Yen	1,031	979	(5.0)	1,046	979	(6.4)	6.1	6.7	6.4
Total	16,951	15,287	(9.8)	15,678	15,287	(2.5)	100.0	100.0	100.0

Our debts consisted of Short and Long-Term Bank Loans, Two-Step Loans (“TSL”), and Bonds and Notes. During fourth quarter 2013, we made repayment of Short-Term Bank Loans amounting to Rp305 billion, Long-Term Bank Loans amounting to Rp904 billion, TSL amounting to Rp77 billion, and Notes of Rp169 billion. We also made new debts for working capital purposes in the form of Short-Term Bank Loans amounting to Rp397 billion, Long-Term Bank Loans amounting to Rp534 billion, and Notes of Rp39 billion.

Gearing

Key Indicators	YoY		
	FY12	FY13	Growth
Net Debt to Equity (%)	(1.0)	(10.4)	9.4
Debt to Equity (%)	32.9	25.3	(7.6)
Debt to EBITDA (%)	42.6	36.6	(6.0)
Debt Service Ratio (Times)	5.5	6.5	1.0

Financial Ratios

Ratios (%)	YoY			QoQ				
	FY12	FY13	Growth	1Q13	2Q13	3Q13	4Q13	Growth
Profit Margin	33.3	33.6	0.3	34.5	34.4	34.9	30.5	(4.5)
Profit for the year attributable to owners Margin	16.7	17.1	0.5	17.8	17.7	18.4	14.7	(3.8)
EBITDA Margin	51.5	50.4	(1.2)	51.4	50.6	55.3	44.2	(11.1)
Current Ratio	116.0	116.3	0.3	133.9	95.4	118.3	116.3	(2.0)
Return on Assets	11.5	11.1	(0.4)	3.0	3.3	3.3	2.5	(0.8)
Return on Equity	24.9	23.5	(1.5)	6.3	7.2	6.9	5.2	(1.7)
Total Liabilities to Equity	86.1	83.5	(2.7)	80.2	91.7	83.8	83.5	(0.3)

Telkomsel Financial Result

Telkomsel sustained **strong performance in FY13** with strong result year-on-year (YoY) for both financial and operational performance. Telkomsel recorded **double digit growth in revenue, EBITDA and net income**. Revenue grew by 10.1% YoY, driven by strong growth in data broadband (35.6% YoY), digital services (30.3% YoY) and continued growth in legacy business with Voice (4.5% YoY) and SMS (3.3% YoY). EBITDA and Net Income grew by 10.0% and 10.4% YoY respectively.

Income Statement

Statement of Income (Rp. Bn)	YoY			QoQ		
	FY12	FY13	Growth %	Q313	Q413	Growth %
Revenues	54,531	60,031	10.1	15,523	16,037	3.3
Expenses (incl. Depreciation)	33,538	36,761	9.6	9,308	10,361	11.3
EBITDA	30,788	33,869	10.0	9,324	8,474	(9.1)
EBITDA Margin (%)	56.5	56.4	-	60.1	52.8	(7.2)
Net Income	15,715	17,347	10.4	4,535	4,238	(6.6)

Operating revenues for FY13 was Rp60.0 trillion, an increase of 10.1% YoY (3.3% QoQ).

- *Prepaid revenue* increased by 9.4% YoY to Rp49,631 billion (2.3% QoQ) driven by 4.9% YoY growth of prepaid subscriber base coupled with an increased in ARPU and a contribution of prepaid customers on data broadband.
- *Postpaid revenue* increased by 9.3% YoY to Rp4,668 billion (4.9% QoQ) driven by 15.8% YoY growth of postpaid subscriber base and a contribution of postpaid customers on data broadband.
- *Interconnection and international roaming revenues* increased by 9.7% YoY to Rp4,779 billion (3.3% QoQ) mainly due to the introduction of SMS interconnection, which was implemented on June 2012, and an increasing traffic of interconnection and international roaming.

For FY13, we successfully managed **expenses** growth at 9.6%, lower than revenue growth of 10.1%.

- *Personnel expenses* increased by 5.3% YoY (1.9% QoQ) to Rp2,390 billion, due to additional employee during the year and additional incentive as an impact of excellent financial performance in FY13.
- *Operation & maintenance expenses* grew by 16.3% YoY (35.2% QoQ) to Rp12,992 billion, mainly due to the impact of accelerated network deployment, which resulted in higher repair & maintenance and tower rent costs. We reclassified amortization of intangible asset, from operation and maintenance expenses to depreciation and amortization, to conform with parent group's presentation amounting Rp253 billion in 2013 and Rp223 billion in 2012. In 2013, tower rental expenses recorded as finance leased amounting Rp933 billion.
- *General & administration expenses* increased by 30.8% YoY (8.5% QoQ) to Rp1,246 billion mainly due to higher rental building cost in order to support area empowerment. In 2013, the percentage of employee in the area/regional was 61% of total employees, compared to the previous year of 41%.
- Marketing expenses increased by 7.5% YoY (27.7% QoQ) to Rp2,322 billion due to the increase of marketing activities and promotion programs.
- *Interconnection charges* slightly decreased by 0.9% YoY to Rp3,213 billion, due to a better business-to-business scheme with roaming partners. On quarterly basis, it increased by 6.3% due to the increase in international call during Christmas and New Year Eve.
- *Cost of Services* on yearly basis was manageable with a slight increase of 1.5% to Rp3,998 billion due to the improvement of managing bad debt and cost of card. On quarterly basis, cost of services increased by 9.8% mainly due to higher Blackberry's license fee in line with number of blackberry's subscribers from 7 million in 3Q13 to 7.6 million in 4Q13.
- *Depreciation and amortization expenses* increased by 6.9% YoY (2.9% QoQ) to Rp10,318 billion in line with increasing assets as a result of accelerated network deployment.

For the year 2013 **EBITDA** grew by 10.0% YoY to Rp33,869 billion. On quarterly basis, EBITDA decreased by 9.1% QoQ to Rp 8,474 billion as operating expense increased significantly, partly because of the additional cost for accelerating network deployment along 2013 that occurred once in Q4-13. However we maintained stable EBITDA margin in FY13 compared to last year.

Net income for FY13, in line with EBITDA performance, grew by 10.4% YoY to Rp17,347 billion, and declined 6.6% QoQ to Rp 4,238 billion. Net income margin increased by 0.1 ppt YoY to 28.9% and declined 2.8 ppt QoQ to 26.4%.

Financial Position

Statements of Financial Position	FY12	FY13	Growth %
Current Assets (Rp Bn)	13,582	16,603	22.2
Non-Current Assets (Rp Bn)	49,336	56,733	15.0
Total Assets (Rp Bn)	62,917	73,336	16.6
Current Liabilities (Rp Bn)	13,039	16,405	25.8
Non-Current Liabilities (Rp Bn)	6,046	9,109	50.7
Equity (Rp Bn)	43,832	47,821	9.1
Total Liabilities & Stockholders Equity (Rp Bn)	62,917	73,336	16.6

Total Assets increased by 16.6% YoY to Rp73,336 billion. Total liabilities increased by 33.7% to Rp25,514 billion and total equity increased by 9.1% to Rp47,821 billion.

- *Current assets* increased by 22.2% to Rp16,603 billion, mainly due to the increase in short term investment.
- *Fixed assets* increased by 14.4% to Rp53,182 billion, which came from infrastructure and leased asset growth.
- Current liabilities increased by 25.8% to Rp16,405 billion mainly due to the increase in accrued liabilities to Rp2,830 billion and obligation under finance lease to Rp473 billion.
- Non-current liabilities increased by 50.7% to Rp9,109 billion due to the increase in the balance of obligation under finance lease to Rp4,971 billion.

As of December 31, 2013 Telkomsel had Rp 2,147 billion loans outstanding, of which Rp1,109 billion was presented as part of current liabilities and Rp1,038 billion as part of non-current liabilities.

Cash Flow

Telkomsel recorded a 12.9% YoY increase in net cash generated from operations in FY13 to Rp29,602 billion. Cash flow from investment activities increased by 6.8% YoY to Rp14,445 billion. In 2013 the payment for infrastructure investment of Telkomsel amounting to Rp12,397 billion, grew 29.4% compared to last year of Rp9,578 billion. Net cash used in financing activities fell by 17.1% YoY to Rp1,899 billion due to lower outstanding loan in FY13.

STATEMENT OF CASH FLOWS
FOR FULL YEAR ENDED DEC 31, 2012 AND 2013
 (In Billions of Rupiah)

	FY12	FY13
Cash Flow from Operating Activities	26,229	29,602
Cash Flow from Investing Activities	(13,528)	(14,445)
Cash Flow from Financing Activities	(2,291)	(1,899)
Dividend	(9,900)	(12,890)
Net Increase in Cash & Cash Equivalents	510	368
Effect of Foreign Exchange Rate Changes	54	400
Cash and Cash Equivalents at Beginning of Periods	4,223	4,787
Cash and Cash Equivalents at End of Periods	4,787	5,555
Addition to Fixed Assets (incl. CIP)	10,656	17,173

Loan/ Debt

Telkomsel has to observe certain agreed financial covenants related to its loans/debts. As of December 31, 2013 these covenants were as follows:

	Covenant t/b maintained	Required	Actual
Bank Loans	EBITDA to Debt Service	≥ 1.25	15.75
	Debt to Tangible Net Worth	≤ 2.00	0.05

OPERATIONAL RESULTS

Broadband Services

Customer Base

- **Fixed Broadband**

Consist of 3.0 million users, grew 28.7% YoY and 4.1% QoQ.

- **Mobile Data & Broadband**

17.3 million Flash users, grew 56.4% YoY. Telkomsel's BlackBerry customers reached 7.6 million, a 31.1% YoY growth. Total number of data users including of pay-as-you-use reached 60.5 million, grew 10.8% from the same period last year.

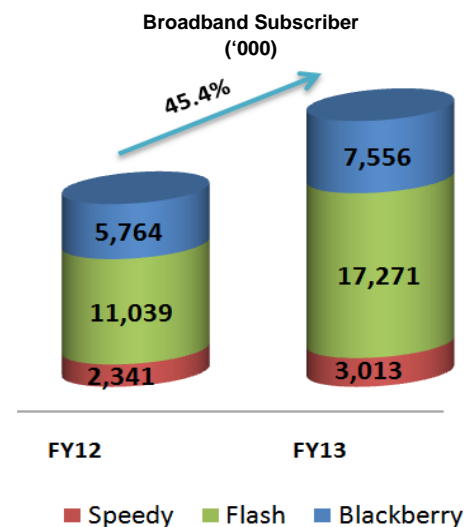
ARPU, Traffic Production & Revenue

- **Fixed Broadband**

ARPU on 4Q13 was Rp132 thousand, decreased by 3.8% QoQ while ARPU on FY13 was Rp138 thousand, decreased by 22.0% YoY as an impact of decreasing Speedy Instant users. Speedy revenue grew by 7.4% YoY to Rp4,562 billion.

- **Mobile Data & Broadband**

Data traffic/payload continued to show a significant growth in FY13 and reached 96,683 terabytes, or grew by 86.1% YoY. Mobile broadband revenue grew by 35.6% YoY (5.5% QoQ) to Rp10,498 billion and digital service revenue contributed by VAS & Content, M-Advertising, Digital Payment and Application grew by 30.3% YoY (4.6% QoQ) to Rp1,162 billion.



Cellular Services

Customer Base

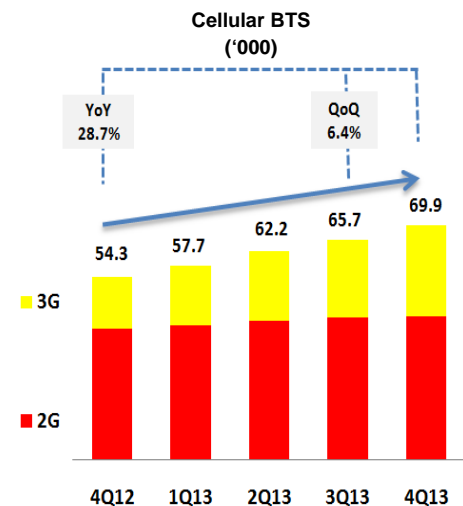
Customer Base indicated positive trend during fourth quarter 2013 with 3.6 million new subscribers, lead to 131.5 million customers in total by the end of December 2013

Traffic Production & ARPU

Total MOU production for FY13 reached 191 billion minutes, an increase of 3.6% YoY. Voice services revenue grew by 4.5% YoY (2.1% QoQ) to Rp30,642 billion.

Total SMS production for FY13 was 260 billion units, a 2.7% increase compared to FY12. SMS services revenue grew 3.3% YoY (-0.3% QoQ) to Rp12,624 billion.

Blended ARPU for FY13 as of December 2013 increased by 1.3% YoY (0.2% QoQ) to Rp37k, attributed to growth from data broadband.



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

Key Indicators	Unit	YoY			QoQ				Growth (%)
		FY12	FY13	Growth (%)	1Q13	2Q13	3Q13	4Q13	
CUSTOMER BASE									
Total Customer									
Postpaid (kartuHALO)	Subs (000)	2,149	2,489	15.8	2,219	2,326	2,412	2,489	3.2
Prepaid (simPATI + Kartu As)	Subs (000)	122,997	129,023	4.9	118,392	122,765	125,492	129,023	2.8
Total	Subs (000)	125,146	131,513	5.1	120,611	125,091	127,904	131,513	2.8
Net Add									
Postpaid (kartuHALO)	Subs (000)	(39)	341	972.2	70	107	86	77	(10.4)
Prepaid (simPATI + Kartu As)	Subs (000)	18,169	6,026	(66.8)	(4,606)	4,374	2,727	3,531	29.5
Total	Subs (000)	18,130	6,366	(64.9)	(4,536)	4,481	2,813	3,609	28.3
TRAFFIC									
MoU (Total)	Bn Minutes	185	191	3.6	46	49	48	49	1.5
MoU (Chargable)	Bn Minutes	141	140	(0.4)	33	35	35	37	6.5
SMS (Total)	Bn Units	253	260	2.7	62	65	64	68	7.6
SMS (Chargable)	Bn Units	116	146	26.4	29	39	37	41	9.7
ARPU									
Postpaid (kartuHALO)	Rp.'000/month	189	184	(2.4)	187	185	183	182	(0.4)
Prepaid (simPATI + Kartu As)	Rp.'000/month	34	35	1.7	33	34	36	36	0.2
Blended	Rp.'000/month	37	37	1.3	36	37	39	39	0.2
NETWORK DATA									
BTS	Unit	54,297	69,864	28.7	57,664	62,225	65,653	69,864	6.4
EMPLOYEE DATA									
Total employees	Person	4,557	4,711	3.4	4,603	4,671	4,673	4,711	0.8
Efficiency ratio	'000 Subs/ employee	27	28	1.7	26	27	27	28	2.0

Network Development

Telkomsel continued to accelerate network deployment with 4,211 new BTSs during 4th quarter of 2013. A total of 15,567 BTSs were deployed during 2013, 33.3% higher than last year, of which 74.5% were 3G BTSs. It shows Telkomsel's commitment to reinforcing broadband infrastructure. By the end of December 2013, total number of BTS on-air reached 69,864 units (28.7% growth YoY), 38.7% of which were 3G BTS, compared to 28.4% last year.

Fixed Line Services

Customer Base

■ Fixed Wireline

There are 9.4 million subscribers, at the end of 2013, a 4.5% increase from last year and a 1.1% increase from last quarter.

■ Fixed Wireless

6.8 million subscribers recorded at the end of 2013, decrease both YoY and QoQ respectively by 62.1% and 41.4%

ARPU

■ Fixed Wireline

FY13 ARPU was at Rp77 thousand, a decrease of 11.5% YoY.

■ Fixed Wireless

FY13 ARPU was at Rp8 thousand, a 3.6% decrease YoY.

New Products & Programs

- Retention and data penetration program: Due to Christmas and New Year events, *special package for kartuHALO* was launched with weekly and daily package consist of bonuses on voice and SMS. *Pesta Akhir Tahun* program was also introduced for postpaid and prepaid customers with a chance to win prizes of 3 BMW cars and 400 Samsung Galaxy Note 3 by activating voice, SMS and data package or by purchasing internet voucher. *Kartu As Internet Murah* was also introduced with new tariff scheme for data, activation on BlackBerry Lifestyle package and bonuses on voice and SMS.
- Youth and community: *Preload starter pack of simPATI Loop* was launched in Area 1 (Sumatera) for 30 days of BlackBerry Sosialita package or 6GB data. *Rp1,000 get 1,000 SMS to all operators package* was also launched for selected cities in Area 2 (Greater Jakarta & West Java) and Area 3 (Central Java, East Java, Bali & Nusa Tenggara). In order to give more freedom on voice, SMS and data package, *SmauLoop* package from *simPATI Loop* was introduced. It comes with flexibility to choose package combination, quota, active period and name of the selected package that can be shared to social media (Facebook/Twitter).
- Acceleration on 3G-device adoption: *Smartphone bundling package of BlackBerry Z30* was also introduced for postpaid (*kartuHALO*) and prepaid (*simPATI*) with bonuses on voice, SMS and data.
- Telkomsel keeps focusing on zone marking activities, through enhancing regional pricing implementation in a smarter and more precise way in order to sustain growth of legacy revenue and to stimulate an extensive acquisition in losing cluster.

ADDITIONAL INFORMATION

Capital Expenditure

For the full year of 2013, Capex of Telkom, Telkomsel and other subsidiaries were amounting to Rp5.4 trillion, Rp11.6 trillion and Rp3.8 trillion respectively. Telkom's Capex was mainly utilized for deploying access and backbone infrastructure to support the broadband services, while Telkomsel's Capex was utilized for radio access network. Other Subsidiaries' Capex was utilized among others for erecting tower and developing infrastructure.

Recent Development

Telkomvision Sale to CT Group. Telkom has finally completed the sale of its subsidiary Indonusa Telemidia (Telkom Vision) to Trans Corporation, a subsidiary of CT Corporation. The sale of 80% Telkomvision's share, was completed on October 8, 2013 and was valued at Rp926 billion.

Awards & Recognition

During 4Q13, we have been awarded by several institution for our achievements, among others:

- Telkom was awarded *Forbes The Global 2000* as The World Biggest Public Companies in State-owned Companies Leadership Forum in Jakarta. With market capitalization US\$21.4Billion, Telkom ranked 685, and become the only Indonesia's company in Forbes 2000.
- Telkom was awarded *The Best Company in Indonesia Telecommunication Industry* in Economic Challenge Awards 2013 that held by Economic Challenges talkshow program of Metro TV, Jakarta.
- Telkom was awarded as *The Best Contact Center of The Year 2013* held by Asia Pacific Contact Center Association (APCCAL) at the APCCAL EXPO 2013 in Seoul, South Korea.
- Telkom was awarded The Best for All Criteria in 'State-Owned Award 2013' that held by Track Magazine Ministry of State-Owned Enterprise and PPM Management in category of Infrastructure, utilities and transportation industry, The Best for CEO Commitment, The Best for Human Capital Initiative Employee Self Service, The Best for Human Capital Initiative People Development and The Best for Human Capital Initiative Reward System.
- *Frost & Sullivan Indonesia Service Excellence Awards 2013* for Telkomsel as Mobile Service Provider of the Year and Mobile Broadband Service Provider of the Year from Frost & Sullivan International.
- *Social Media Award 2013* for Telkomsel as BlackBerry Service Provider, for kartuHalo as postpaid cellular SIM card, for *simPATI* and Kartu As as prepaid cellular SIM card from Marketing Magazine & Frontier Consulting Group.
- *Anugerah Peduli Pendidikan (APP) 2013* for corporate category with innovation in ICT (Information & Communication Technology) from Ministry of Education and Culture.
- *Indonesia Social Responsibility Award 2013* for Telkomsel with Integrated Digital School program from The La Tofi School of CSR.

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

	2012	2013	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13,118	14,696	12.0
Other current financial assets	4,338	6,872	58.4
Trade receivables – net of provision for impairment of receivables			
Related parties	701	900	28.4
Third parties	4,522	5,126	13.4
Other receivables – net of provision for impairment of receivables	186	395	112.4
Inventories – net of provision for impairment obsolescence	579	509	(12.1)
Advances and prepaid expenses	3,721	3,937	5.8
Claims for tax refund	436	10	(97.7)
Prepaid taxes	372	525	41.1
Asset held-for-sale	-	105	-
Total Current Assets	27,973	33,075	18.2
NON-CURRENT ASSETS			
Long-term investments	275	304	10.5
Property and equipment – net of accumulated depreciation	77,047	86,761	12.6
Prepaid pension benefit costs	1,032	927	(10.2)
Advances and other non-current assets	3,510	5,294	50.8
Intangible assets – net of accumulated amortization	1,443	1,508	4.5
Deferred tax assets - net	89	82	(7.9)
Total Non-current Assets	83,396	94,876	13.8
TOTAL ASSETS	111,369	127,951	14.9

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

	2012	2013	Growth (%)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables			
Related parties	432	826	91.2
Third parties	6,848	10,774	57.3
Other payables	176	388	120.5
Taxes payables	1,844	1,698	(7.9)
Accrued expenses	6,163	5,264	(14.6)
Unearned income	2,729	3,490	27.9
Advances from customers and suppliers	257	472	83.7
Short-term bank loans	37	432	1,067.6
Current maturities of long-term liabilities	5,621	5,093	(9.4)
Total Current Liabilities	24,107	28,437	18.0
NON-CURRENT LIABILITIES			
Deferred tax liabilities - net	3,059	3,004	(1.8)
Other liabilities	334	472	41.3
Long service award provisions	347	336	(3.2)
Post-retirement health care benefits provisions	679	752	10.8
Retirement benefits obligation and other post - retirement benefits	2,248	2,795	24.3
Long-term liabilities - net of current maturities			
Obligations under finance leases	1,814	4,321	138.2
Two-step loans	1,791	1,702	(5.0)
Bonds and Notes	3,229	3,073	(4.8)
Bank loans	6,783	5,635	(16.9)
Total Non-current Liabilities	20,284	22,090	8.9
TOTAL LIABILITIES	44,391	50,527	13.8
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	0.0
Additional paid-in capital	1,073	2,323	116.5
Treasury stock	(8,067)	(5,805)	(28.0)
Difference due to restructuring and other transaction of entities under common control	478	-	-
Effect of change in equity of associated companies	386	386	0.0
Unrealized holding gain from available-for-sale securities	42	38	(9.5)
Translation adjustment	271	391	44.3
Difference due to acquisition of non-controlling interest in subsidiaries	(508)	(508)	0.0
Other reserves	49	49	0.0
Retained earnings			
Appropriated	15,337	15,337	0.0
Unappropriated	37,440	43,291	15.6
Net Equity Attributable To Owners Of The Parent Company	51,541	60,542	17.5
Non-Controlling Interest	15,437	16,882	9.4
TOTAL EQUITY	66,978	77,424	15.6
TOTAL LIABILITIES AND EQUITY	111,369	127,951	14.9

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

	2012	2013	Growth (%)
REVENUES	77,143	82,967	7.5
EXPENSES			
Operations, maintenance and telecommunication services	(16,803)	(19,332)	15.1
Depreciation and amortization	(14,456)	(15,780)	9.2
Personnel	(9,786)	(9,733)	(0.5)
Interconnection	(4,667)	(4,927)	5.6
General and Administrative	(3,036)	(4,155)	36.9
Marketing	(3,094)	(3,044)	(1.6)
Gain (loss) on foreign exchange – net	(189)	(249)	31.7
Other income	2,559	2,579	0.8
Other expenses	(1,973)	(480)	(75.7)
OPERATING PROFIT	25,698	27,846	8.4
Finance income	596	836	40.3
Finance costs	(2,055)	(1,504)	(26.8)
Share of loss of associated companies	(11)	(29)	163.6
PROFIT BEFORE INCOME TAX	24,228	27,149	12.1
INCOME TAX (EXPENSE) BENEFIT			
Current	(6,628)	(6,995)	5.5
Deferred	762	136	(82.2)
	(5,866)	(6,859)	16.9
PROFIT FOR THE YEAR	18,362	20,290	10.5
OTHER COMPREHENSIVE INCOME (LOSS)			
Foreign currency translation	31	120	287.1
Change in fair value of available-for-sale financial assets	(5)	(8)	60.0
Total Other Comprehensive Income – net	26	112	330.8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	18,388	20,402	11.0
Profit for the period attributable to:			
Owners of the parent company	12,850	14,205	10.5
Non-controlling interests	5,512	6,085	10.4
	18,362	20,290	10.5
Total comprehensive income for the period attributable to:			
Owners of the parent company	12,876	14,317	11.2
Non-controlling interests	5,512	6,085	10.4
	18,388	20,402	11.0
BASIC AND DILUTED EARNINGS PER SHARE			
Income per share	133.84	147.42	10.1
Income per ADS (200 Series B shares per ADS)	26,767.6	29,483.6	10.1

Table 3
PT. TELEKOMUNIKASI SELULAR (TELKOMSEL) AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 30, 2013 (AUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2012 (AUDITED)
 (figures are presented in billions of Rupiah)

	<u>2012</u>	<u>2013</u>	<u>Growth (%)</u>
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	4,787	5,555	16.0
Short-term Investments	4,000	6,200	55.0
Accounts receivables including Unbilled revenues	1,045	1,537	47.1
Current portion of long-term prepayments	3,081	2,850	(7.5)
Others	669	461	(31.0)
Total Current Assets	<u>13,582</u>	<u>16,603</u>	22.2
NON-CURRENT ASSETS			
Long-term investment	20	20	0.0
Fixed assets-net	46,480	53,182	14.4
Advances for fixed assets	558	652	16.9
Claim for tax refund - Non Current Portion	-	291	-
Intangible assets-net	680	721	6.0
Prepayments – Non Current Portion	1,327	1,712	29.0
Others	270	155	(42.7)
Total Non-Current Assets	<u>49,336</u>	<u>56,733</u>	15.0
TOTAL ASSETS	<u>62,917</u>	<u>73,336</u>	16.6
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable & Accrued Liabilities	8,071	10,935	35.5
Taxes payable	1,075	762	(29.1)
Unearned revenue	2,323	3,127	34.6
Current maturities of medium-term & long-term loans	1,472	1,109	(24.7)
Current portion of obligations under finance lease	98	473	383.2
Total Current Liabilities	<u>13,039</u>	<u>16,405</u>	25.8
NON-CURRENT LIABILITIES			
Medium-term & long-term loans - net of current maturities	2,013	1,038	(48.4)
Obligations under finance lease – net of current maturities	1,057	4,971	370.4
Deferred tax liabilities	2,099	2,075	(1.1)
Others	877	1,024	16.8
Total Non-current Liabilities	<u>6,046</u>	<u>9,109</u>	50.7
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	42,144	46,134	9.5
Total Equity	<u>43,832</u>	<u>47,821</u>	9.1
TOTAL LIABILITIES AND EQUITY	<u>62,917</u>	<u>73,336</u>	16.6

Table 4
PT. TELEKOMUNIKASI SELULAR (TELKOMSEL) AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2013 (AUDITED) WITH COMPARATIVE FIGURES FOR 2012 (AUDITED)
 (figures in tables are presented in billions of Rupiah, otherwise stated)

	2012	2013	Growth (%)
REVENUES			
Postpaid	4,272	4,668	9.3
Prepaid	45,363	49,631	9.4
Interconnection & International roaming	4,356	4,779	9.7
Other	540	953	76.5
Total Revenues	54,531	60,031	10.1
EXPENSES			
Operations & maintenance	11,176	12,992	16.3
Depreciation & amortization	9,656	10,318	6.9
Cost of services	3,941	3,998	1.5
Interconnection	3,244	3,213	(0.9)
Personnel	2,270	2,390	5.3
General & administrative	952	1,246	30.8
Marketing	2,161	2,322	7.5
Others - net	139	280	102.0
Total Expenses	33,538	36,761	9.6
Interest income & financing charges	(22)	(180)	705.7
INCOME BEFORE TAX	20,971	23,090	10.1
INCOME TAX EXPENSE	(5,256)	(5,743)	9.3
NET INCOME	15,715	17,347	10.4
EBITDA	30,788	33,869	10.0
EBITDA Margin- over revenues	56.5	56.4	0.0ppt
ROA	25.8%	25.5%	(0.4)ppt
ROE	38.2%	37.9%	(0.4)ppt