

TICKERS:

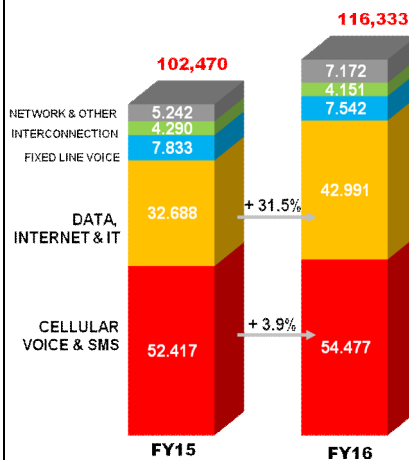
IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

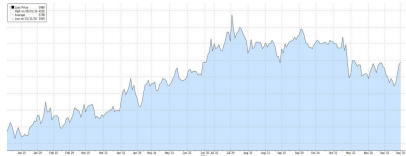
Government of Indonesia : 52.1%
Public : 47.9%
Excl. Treasury stock : 1,737,779,800 shares.

FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)



TLKM Share Performance YTD 2016



Share Price (Mar 3, 2016):

Rp3,850 (IDX) & USD28.25 (NYSE)

Market Capitalization (Mar 3, 2016):

Rp388.1 Tn (USD29.2 Bn)

Average Daily Trading Volume 2016:

93.6 Mn Shares (IDX) & 438,619 DR (NYSE)

Average Daily Trading Value 2016:

Rp354.6 Bn (IDX) & USD12.5 Mn (NYSE)

Source: Bloomberg

Highlights

- Telkom Indonesia delivered remarkable performance in FY16 by recording triple-double-digit growth in Revenue, EBITDA, and Net Income of 13.5%, 15.7%, and 24.9% YoY, respectively.
- Data, Internet & IT Services segment was the growth driver which increased by more than 31% YoY. The segment contributed 37.0% to total Revenue.
- Telkomsel remained focus on growing digital business, installing 25,744 new BTSs during the year, 92% of which were 3G/4G BTS.

Financial Highlights

| Key Indicators (Rp. Bn) | YoY | | |
|----------------------------|---------|---------|------------|
| | FY16 | FY15 | Growth (%) |
| Revenues | 116,333 | 102,470 | 13.5 |
| Expenses | 77,138 | 70,052 | 10.1 |
| Operating Profit | 39,195 | 32,418 | 20.9 |
| EBITDA | 59,498 | 51,415 | 15.7 |
| EBITDA Margin (%) | 51.1 | 50.2 | 0.9ppt |
| Net Income | 19,352 | 15,489 | 24.9 |
| Net Income Margin (%) | 16.6 | 15.1 | 1.5ppt |

Operational Highlights

| Subscribers (000) | YoY | | |
|-------------------|---------|---------|------------|
| | FY16 | FY15 | Growth (%) |
| Broadband | | | |
| Fixed Broadband | 4,329 | 3,983 | 8.7 |
| IndiHome | 1,624 | 1,068 | 52.1 |
| Telkomsel Flash | 60,030 | 43,786 | 37.1 |
| Cellular | | | |
| Postpaid | 4,180 | 3,509 | 19.1 |
| Prepaid | 169,740 | 149,131 | 13.8 |
| Total | 173,920 | 152,641 | 13.9 |
| Fixed Line | | | |
| POTS | 10,663 | 10,277 | 3.8 |

Investor Relations

PT Telkom Indonesia (Persero) 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 TELKOM INDONESIA (PERSERO) Tbk FULL YEAR OF 2016 (AUDITED)

The following analysis and discussion is based on our Indonesian GAAP financial statements for the full year ended December 31, 2015 and 2016. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

| Key Indicators (Rp.Bn) | YoY | | |
|----------------------------------|----------------|----------------|-------------|
| | FY16 | FY15 | Growth (%) |
| Cellular Voice and SMS | 54,477 | 52,417 | 3.9 |
| Data, Internet & IT Service | 42,991 | 32,688 | 31.5 |
| Fixed Line Voice | 7,542 | 7,833 | (3.7) |
| Interconnection | 4,151 | 4,290 | (3.2) |
| Network and Other Telco Services | 7,172 | 5,242 | 36.8 |
| Total | 116,333 | 102,470 | 13.5 |

Telkom recorded total revenue of Rp116.3 trillion in 2016, an increase of 13.5% YoY with Data, Internet & IT Services as the growth driver. The details are as follows:

- **Cellular Voice and SMS revenues** increased by 3.9% YoY supported by successful innovative product such as voice and combo packages that drove voice traffic as well as advanced pricing strategy.
- **Data, Internet & IT Services revenues** jumped 31.5% YoY mainly attributable to strong mobile and fixed (IndiHome) broadband services. Mobile data traffic (payload) increased by 94.8%, while IndiHome successfully strengthened its footprint.
- **Fixed Line Voice revenues** decreased by 3.7% YoY due to cannibalization from mobile services that resulted in decline in fixed line traffic.
- **Interconnection revenues** declined by 3.2% YoY in line with lower incoming voice and SMS services mainly due to the widespread use of OTT messaging services.
- **Network and Other Telecommunication Services revenues** grew by 36.8% YoY mainly due to increase in our managed service business.

Expenses

| Key Indicators (Rp. Bn) | YoY | | |
|---|---------------|---------------|-------------|
| | FY16 | FY15 | Growth (%) |
| Operation, Maintenance & Telecommunication Services | 31,263 | 28,116 | 11.2 |
| Personnel | 13,612 | 11,874 | 14.6 |
| Interconnection | 3,218 | 3,586 | (10.3) |
| Marketing | 4,132 | 3,275 | 26.2 |
| General & Administrative | 4,610 | 4,204 | 9.7 |
| Depreciation & Amortization | 18,532 | 18,534 | (0.0) |
| (Gain)/Loss on Forex . net | 52 | 46 | 13.0 |
| Others . net | 1,719 | 417 | 312.2 |
| Total | 77,138 | 70,052 | 10.1 |

Total Expenses increased by 10.1% YoY, lower than Revenue growth, with Operating Expenses rose by 11.3% YoY with the details are as follows:

- **Operation & Maintenance (“O&M”) expenses** increased by 11.2% YoY in line with our continuous infrastructure development including mobile network, backbone and IT, in an effort to grow digital business both in cellular and fixed-line services.
- **Personnel expenses** increased by 14.6% YoY in line with the company’s performance during the year.
- **Interconnection expenses** declined by 10.3% YoY mainly attributable to lower outgoing SMS and international traffic.
- **Marketing expenses** increased by 26.2% YoY primarily due to aggressive promotion of 4G LTE in mobile and IndiHome in fixed line.
- **General & Administrative expenses** increased by 9.7% YoY alleviated by improvement in provision for doubtful account in line with the improving accounts receivable quality.
- **Depreciation & Amortization expenses** was relatively flat compared to last year, as in 2015 there was significant amount of fixed wireless assets depreciation.
- **Net Forex Loss** was relatively small of Rp52 billion reflecting that Telkom is less exposed to foreign currency fluctuation.
- **Others–net** increased by 312.2% YoY mainly attributable to higher tax-related charges and decrease in other income.

EBITDA, EBITDA Margin, and Net Income

As a result of manageable operating expenses, EBITDA increased by 15.7% YoY to Rp59.5 trillion with EBITDA margin improved to 51.1% from 50.2% last year. While our Net Income sharply increased by 24.9% YoY to Rp19.4 trillion with strong Net Income margin of 16.6%, improved from 15.1% in 2015.

Financial Position

| Key Indicators (Rp.Bn) | YTD | | |
|--|---------|---------|------------|
| | FY16 | FY15 | Growth (%) |
| Assets | 179,611 | 166,173 | 8.1 |
| Liabilities | 74,067 | 72,745 | 1.8 |
| Non-controlling Interests | 21,160 | 18,292 | 15.7 |
| Equity attributable to owners of the company | 84,384 | 75,136 | 12.3 |

- Total assets as of 31 December 2016 reached Rp179.6 trillion, increased by 8.1% mainly due to increase in fixed assets in line with capex absorption.
- Total liabilities at end of December 2016 increased 1.8% to Rp74.1 trillion mainly attributed to higher accrued expenses.
- Non-controlling interest increased by 15.7% due to improving subsidiaries performance.
- Our equity increased by 12.3% due to higher retained earnings as a result of strong performance during 2016.

Cash Flows

| Key Indicators (Rp. Bn) | YoY | | |
|--|----------|----------|------------|
| | FY16 | FY15 | Growth (%) |
| Cash Flow from Operating Activities | 47,231 | 43,669 | 8.2 |
| Cash Flow used in Investing Activities | (27,557) | (27,421) | 0.5 |
| Cash Flow used in Financing Activities | (17,905) | (6,407) | 179.5 |
| Net (Decrease)/Increase in Cash & Cash Equivalents | 1,769 | 9,841 | (82.0) |
| Effect of Exchange Rate Changes on Cash & Cash Equivalents | (119) | 604 | (119.7) |
| Cash & Cash Equivalents at Beginning of Year | 28,117 | 17,672 | 59.1 |
| Cash & Cash Equivalents at End of Period | 29,767 | 28,117 | 5.9 |

- Net cash provided by operating activities increased by 8.2% YoY as a result of strong cash inflow from operations.
- Net cash used in investing activities increased by 0.5% YoY in line with acquisition of fixed assets in an effort to grow our digital business in cellular and fixed services.
- Net cash used in financing activities increased by 179.5% YoY mainly due to significant cash inflow last year as we successfully issued our bonds in 2015. In addition, we paid interim dividend during 2016.

Debts

| Currencies (Rp.Bn) | YTD | | | Portion (%) | |
|-----------------------|---------------|---------------|--------------|--------------|--------------|
| | FY16 | FY15 | Growth (%) | FY16 | FY15 |
| IDR/Rupiah | 26,091 | 26,476 | (1.5) | 93.9 | 88.2 |
| USD/US Dollar | 991 | 2,764 | (64.1) | 3.6 | 9.2 |
| JPY/Japanese Yen | 707 | 792 | (10.7) | 2.5 | 2.6 |
| Total | 27,789 | 30,032 | (7.5) | 100.0 | 100.0 |

At the end of 2016, total debts amounting to Rp27.8 trillion, decreased by 7.5% compared to end of 2015. Around 93.9% of our debt was in Rupiah currency, 3.6% was in US Dollar currency and the balance was in Japanese Yen, consisting of short and long-term Bank Loans, Bonds and Two-Step Loans. Our debt to equity ratio (%DER+) was still relatively low at 32.9%.

Financial Ratios

| Ratios (%) | YoY | | |
|-----------------------------|-------|-------|--------------|
| | FY16 | FY15 | Growth (ppt) |
| EBIT Margin | 33.7 | 31.6 | 2.1 |
| EBITDA Margin | 51.1 | 50.2 | 0.9 |
| Net Income Margin | 16.6 | 15.1 | 1.5 |
| Current Ratio | 120.0 | 135.3 | (15.3) |
| Total Liabilities to Equity | 87.8 | 96.8 | (9.0) |
| Return on Assets | 10.8 | 9.3 | 1.5 |
| Return on Equity | 22.9 | 20.6 | 2.3 |
| Return on Invested Capital | 17.3 | 14.7 | 2.6 |

Gearing

| Key Indicators | YTD | | |
|----------------------------|-------|------|--------------|
| | FY16 | FY15 | Growth (ppt) |
| Net Debt to Equity (%) | (2.3) | 2.5 | (4.8) |
| Debt to Equity (%) | 32.9 | 40.0 | (7.1) |
| Debt to EBITDA (%) | 46.7 | 58.4 | (11.7) |
| Debt Service Ratio (Times) | 7.8 | 8.2 | N/A |

Capital Expenditure

For the full year 2016, Telkom Group spent Rp29.2 trillion in Capital Expenditure (Capex), an increase of 10.6% YoY. Telkom's Capex was mainly utilized to develop access and backbone infrastructure, including satellites and submarine cable systems (SMPCS, SEA - ME - WE5 and SEA-US) to support fixed as well as mobile broadband businesses, while Telkomsel's Capex was mainly utilized for radio access network (BTS) development. Some portions of Capex were also utilized for other projects including tower, satellite, data center, and property.

Mobile Services

Telkomsel Financial Result

Telkomsel once again delivered a set of remarkable results for 2016 in terms of both financial and operational perspective. For the fifth consecutive year, we achieved triple-double-digit growth in Revenues, EBITDA and Net Income at 14.0%, 16.9% and 26.1% YoY, respectively, driven by the successful execution of our transformation with Digital Business as engine of growth and healthy performance in the Legacy business. Revenues grew to Rp86,725 billion with Digital Business continued to be the growth engine and posted 36.9% YoY growth, driven by Data which increased by 36.6% YoY and Digital Services which increased by 38.8% YoY. Digital Business accounted for 35.4% of total revenues, increased significantly from 29.5% a year ago. We were able to sustain our Legacy business despite Over The Top (OTT) cannibalization in SMS, which grew by 4.5% YoY (Voice +10.1% and SMS -3.3% YoY) due to successful execution of cluster-based pricing, market segmentation and superior network. EBITDA and Net Income margins were higher by 1.4ppt and 3.1ppt to 57.4% and 32.5%, respectively.

Despite a saturated market, Telkomsel was able to have a healthy growth in subscriber base of 13.9% YoY to 173.9 million attributable to effective sales and marketing programs. In line with our philosophy to always lead in network supply and grow our Digital Business, we deployed 25,744 new BTS during 2016 of which 92.4% were 3G/4G BTS. Our data traffic increased by 94.8% to 958,733 TB mainly fueled by high growth in 3G/4G capable device that reached 82.6 million (+33.9% YoY), or 47.5% of our customer base. In terms of infrastructure, by end of December 2016 our BTS on-air totaled 129,033 units (+24.9% YoY), 61.0% of which were 3G/4G BTS.

Statements of Profit and Loss

| Financial Performance (Rp. Bn) | YoY | | | QoQ | | |
|--------------------------------------|--------|--------|------------|--------|--------|------------|
| | FY16 | FY15 | Growth (%) | 4Q16 | 3Q16 | Growth (%) |
| Revenues | 86,725 | 76,055 | 14.0 | 23,076 | 22,544 | 2.4 |
| Legacy | 56,066 | 53,652 | 4.5 | 14,589 | 14,605 | (0.1) |
| Digital Business | 30,659 | 22,403 | 36.9 | 8,488 | 7,939 | 6.9 |
| Expenses incl. Depreciation & others | 49,502 | 46,374 | 6.7 | 13,694 | 12,404 | 10.4 |
| EBITDA | 49,781 | 42,602 | 16.9 | 12,649 | 13,292 | (4.8) |
| EBITDA Margin (%) | 57.4% | 56.0% | 1.4ppt | 54.8% | 59.0% | (4.1ppt) |
| Net Income | 28,195 | 22,368 | 26.1 | 7,169 | 7,614 | (5.8) |
| Net Income Margin (%) | 32.5% | 29.4% | 3.1ppt | 31.1% | 33.8% | (2.7ppt) |
| Proportion of Digital Business (%) | 35.4% | 29.5% | 5.9ppt | 36.8% | 35.2% | 1.6ppt |

Telkomsel recorded operating revenues of Rp86,725 billion for FY16, an increase of 14.0% YoY.

- Prepaid revenue increased by 14.5% YoY to Rp74,904 billion, mainly driven by ARPU growth supported by the growth in data and legacy voice as well as growth in prepaid subscriber base which grew by 13.8% YoY to 169.7 million subscribers. Revenue from prepaid customers accounted for 86.4% of Telkomsel's total revenue.
- Postpaid revenue increased by 20.2% YoY to Rp6,833 billion mainly driven by the increase in the postpaid customer base which grew by 19.1% YoY to 4.2 million subscribers. Revenue from postpaid

customers contributed 7.9% to total revenue.

- Interconnection and International Roaming revenues increased slightly by 2.7% YoY to Rp4,560 billion, due to seasonal increase in traffic from other local operators.

In FY16, total expenses including depreciation and amortization increased by 6.7% YoY to Rp49,502 billion, lower than revenue growth of 14.0%, indicating Telkomsel operational efficiency.

- Operation & Maintenance expenses increased by 11.4% YoY to Rp21,096 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 decreased by 0.9% YoY to Rp3,488 billion with cost savings mainly from BlackBerry access fee.
- Interconnection & International Roaming charges increased by 1.2% YoY to Rp2,780 billion, in line with higher traffic from interconnection.
- Personnel expenses increased by 13.1% YoY to Rp4,265 billion, in line with increase in the number of employees and increase in salaries and benefits.
- Marketing expenses increased by 27.7% YoY to Rp3,455 billion primarily due to promotion of our 4G LTE program across the country and other aggressive marketing and sales activities in line with the company's strategy to support festive season.
- General & Administration expenses increased by 5.5% YoY to Rp1,860 billion mainly attributable to higher training and development program as well as professional fees.
- Depreciation and Amortization expenses decreased by 1.3% YoY to Rp12,807 billion.

EBITDA and Net Income posted double digit growth with an increase of 16.9% YoY and 26.1% YoY respectively, with healthy EBITDA and Net Income margins at 57% and 33% respectively.

Statements of Financial Position

| Statements of Financial Position (Rp Bn) | Dec-16 | Dec-15 | Growth (%) |
|---|---------------|---------------|------------|
| Current Assets | 28,818 | 25,660 | 12.3 |
| Non-Current Assets | 60,963 | 58,426 | 4.3 |
| Total Assets | 89,781 | 84,086 | 6.8 |
| Current Liabilities | 21,891 | 20,020 | 9.3 |
| Non-Current Liabilities | 8,520 | 12,565 | (32.2) |
| Equity | 59,370 | 51,502 | 15.3 |
| Total Liabilities & Stockholders' Equity | 89,781 | 84,086 | 6.8 |

As of 31 December 2016, total Assets increased 6.8% to Rp89,781 billion, total Liabilities decreased 6.7% to Rp30,411 billion and total Equity increased 15.3% to Rp59,370 billion.

- Current Assets increased 12.3% to Rp28,818 billion, mainly due to increase in cash and cash

equivalents.

- Non-current Assets increased 4.3% at Rp60,963 billion, mainly attributable to the increase in intangible assets.
- Current Liabilities increased 9.3% to Rp21,891 billion mainly due to the increase in account payable and unearned revenue.
- Non-current Liabilities decreased 32.2% to Rp8,520 billion, mainly due to lower outstanding medium-term loans.
- Total Equity increased by 15.3% to Rp59,370 billion due to additional retained earnings as a result of the higher net income in this period.

Cash Flow

Net cash generated from operations in FY16 increased 17.7% YoY to Rp42,805 billion. Cash flow used in investment activities was Rp12,794 billion mainly for the payment of infrastructure spending. Net cash used in financing activities (exclude Dividend) were Rp4,731 billion, compared to Rp2,077 billion generated last year due to proceed from short & medium-term loans.

Statements of Cash Flows

For Full Year Ended December 31, 2016 and 2015

| Statements of Cash Flows (Rp Bn) | FY16 | FY15 | Growth (%) |
|---|----------|----------|------------|
| Cash Flow from Operating Activities | 42,805 | 36,359 | 17.7 |
| Cash Flow for Investing Activities | (12,794) | (12,951) | (1.2) |
| Cash Flow from (for) Financing Activities | (4,731) | 2,077 | (327.8) |
| Dividend Payment | (19,401) | (21,533) | (9.9) |
| Net Increase in Cash & Cash Equivalents | 5,879 | 3,951 | 48.8 |
| Cash and Cash Equivalents at Beginning of Years | 13,802 | 9,851 | 40.1 |
| Cash and Cash Equivalents at End of Years | 19,681 | 13,802 | 42.6 |

Debt Profile

As of 31 December 2016, Telkomsel's total outstanding loans amounted to Rp1,000 billion which will mature in 2018. Telkomsel Debt to Equity Ratio (DER), including finance lease, was 10.6%.

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 December 2016 the covenants were as follows:

| Covenants to be Maintained | Required | Actual |
|----------------------------|----------|--------|
| EBITDA to Debt Service | ~ 1.25 | 9.17 |
| Debt to Tangible Net Worth | ~ 2.00 | 0.02 |

RESULTS BY SERVICE

Celular Services

As of 31 December 2016, Telkomsel served 173.9 million subscribers nationwide, an increase of 13.9% YoY. Out of the total base, 47.5% or 82.6 million were using 3G/4G capable device which grew strongly by 33.9% YoY.

Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 10.1% YoY to Rp40,030 billion. The healthy growth in voice revenue mainly attributable to higher voice traffic (MoU) which increased by 3.1% YoY to 231.7 billion minutes. The higher traffic is mainly due to improvement in network quality, high proportion of base still using 2G handset devices, aggressive promotion to migrate from Pay As You Use (PAYU) to voice packages as well as growth in our customer base.

On the other hand, revenue from SMS declined by 3.3% YoY to Rp13,209 billion due to the decline in SMS traffic (-16.4% YoY to 182.8 billion units) as we have seen trend of OTT services cannibalization such as instant messaging applications.

Digital Business

Digital business remained our engine of growth with our focus to continue leading network supply in 3G and 4G infrastructure. This segment recorded strong performance with 36.9% YoY growth to Rp30,659 billion and increased its contribution to total revenue substantially to 35.4% from 29.5% last year.

Revenue from Data grew by 36.6% YoY to Rp27,708 billion, driven by healthy growth in 3G/4G capable device adoption (+33.9% YoY to 82.6 million users), successful migration of PAYU to Flash packages, as well as continued strong growth in data payload, which increased by 94.8% YoY to 958,733 TB. As of 31 December 2016, 19.0 million of our customers that have LTE devices have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 38.8% YoY to Rp2,951 billion. Key products and services within this segment included Digital Lifestyle (Music, Games, Video Contents, etc.), Digital Advertising, Mobile Financial Services (Mobile Banking, T-Cash, T-Wallet) and Enterprise Digital Services (T-Drive, T-Bike, etc.).

Network Deployment

Our focus on Digital Business was reflected from our network deployment. We continued to accelerate our network development with aggressive 3G/4G BTS deployment to support Digital Business as data traffic jumped 94.8% YoY. During FY16, Telkomsel built 25,744 new BTS, an increase of 44.1% YoY. Our 4G LTE deployment is on-demand basis, taking into account 4G handset penetration and level of demand in broadband cities. We have deployed 6,362 4G BTS to date. The network roll out brought total BTS on air to 129,033 units at end of December 2016, or increased by 24.9% YoY, of which 78,689 units were 3G/4G BTS (+43.3% YoY).

ARPU

Blended ARPU increased 5.2% YoY due to successful implementation of cluster-based pricing, market segmentation, higher quality customer base, increase in 3G/4G capable device penetration as well as strong growth in data payload resulted in overall higher ARPU contribution. We see the trend of higher ARPU contribution when customers migrate from 2G to 3G and also from 3G to 4G device. While data ARPU are still growing strongly, we started to see declining on voice ARPU and SMS ARPU due to cannibalization of OTT services.

The following table presents performance of our cellular business:

| Key Indicators | Unit | YoY | | | QoQ | | Growth (%) |
|--------------------------------------|---------------|---------|---------|------------|---------|---------|------------|
| | | FY16 | FY15 | Growth (%) | 4Q16 | 3Q16 | |
| Customer Base | | | | | | | |
| Postpaid (kartuHalo) | Subs (000) | 4,180 | 3,509 | 19.1 | 4,180 | 4,010 | 4.2 |
| Prepaid (<i>simPATI</i> + Kartu As) | Subs (000) | 169,740 | 149,131 | 13.8 | 169,740 | 159,690 | 6.3 |
| Total | Subs (000) | 173,920 | 152,641 | 13.9 | 173,920 | 163,700 | 6.2 |
| Net Add | | | | | | | |
| Postpaid (kartuHalo) | Subs (000) | 670 | 658 | 1.9 | 169 | 91 | 86.2 |
| Prepaid (<i>simPATI</i> + Kartu As) | Subs (000) | 20,608 | 11,397 | 80.8 | 10,050 | 6,221 | 61.6 |
| Total | Subs (000) | 21,279 | 12,055 | 76.5 | 10,220 | 6,312 | 61.9 |
| TRAFFIC | | | | | | | |
| MoU (Total) | Bn Minutes | 231.7 | 224.8 | 3.1 | 55.5 | 57.2 | (3.1) |
| MoU (Chargeable) | Bn Minutes | 204.8 | 191.2 | 7.1 | 49.8 | 52.0 | (4.1) |
| SMS (Total) | Bn Units | 182.8 | 218.7 | (16.4) | 41.6 | 44.6 | (6.7) |
| SMS (Chargeable) | Bn Units | 118.0 | 123.1 | (4.1) | 28.1 | 29.2 | (3.8) |
| ARPU | | | | | | | |
| Postpaid (kartuHalo) | Rp.'000/month | 151 | 162 | (7.0) | 150 | 152 | (1.1) |
| Prepaid (<i>simPATI</i> + Kartu As) | Rp.'000/month | 42 | 40 | 5.5 | 43 | 44 | (4.1) |
| Blended | Rp.'000/month | 45 | 43 | 5.2 | 45 | 47 | (4.1) |
| NETWORK DATA | | | | | | | |
| BTS | Unit | 129,033 | 103,289 | 24.9 | 129,033 | 124,097 | 4.0 |
| DATA/BROADBAND | | | | | | | |
| 3G/4G Capable Device | Unit (000) | 82,647 | 61,712 | 33.9 | 82,647 | 76,374 | 8.2 |
| Data Payload | TB | 958,733 | 492,245 | 94.8 | 327,463 | 252,686 | 29.6 |
| EMPLOYEE DATA | | | | | | | |
| Total employees | Person | 5,191 | 4,902 | 5.9 | 5,191 | 4,990 | 4.0 |
| Efficiency ratio | subs/employee | 33,504 | 31,138 | 7.6 | 33,504 | 32,806 | 2.1 |

Fixed Line Services

Consumer Services - IndiHome

As of December 2016, total IndiHome subscribers reached 1.62 million. ARPU of IndiHome in 4Q16 was Rp341 thousand, improved from Rp313 thousand in the previous quarter. To improve IndiHome ARPU level, we encouraged customers to purchase various add-ons or to upgrade to higher speed services.

We enriched IndiHome with more content including video streaming platform and attractive features such as Moving an android-based app that allows subscribers to enjoy IPTV through their smartphone. Among the current packages are as follows:

| Packages | Home phone call | Internet | UseeTV | Movin | Total incl |
|--|-----------------|----------|-----------|-------|------------|
| | | | | | STB-ONT |
| INDIHOME Deluxe Triple Play (10Mbps) | 1000' Local-LD | 10 Mbps | Essential | Basic | 478,000 |
| INDIHOME Premium Triple Play (>10Mbps) | 1000' Local-LD | 20 Mbps | Essential | Basic | 748,000 |
| | 1000' Local-LD | 30 Mbps | Essential | Basic | 1,018,000 |
| | 1000' Local-LD | 40 Mbps | Essential | Basic | 1,298,000 |
| | 1000' Local-LD | 50 Mbps | Essential | Basic | 1,498,000 |
| | 1000' Local-LD | 100 Mbps | Essential | Basic | 1,748,000 |

We launched IndiHome Netizen in December 2016 which is a 2P product consists of high speed internet and home phone to cater wider market segment. Among the current packages of IndiHome Netizen services are as follows:

| Package | Home phone call | Internet | Movin | Total incl STB-ONT |
|----------------------------|-----------------|----------|-------|--------------------|
| INDIHOME Netizen Dual Play | 1000' Local-LD | 10 Mbps | Basic | 368,000 |
| | 1000' Local-LD | 20 Mbps | Basic | 618,000 |
| | 1000' Local-LD | 30 Mbps | Basic | 888,000 |
| | 1000' Local-LD | 40 Mbps | Basic | 1,168,000 |
| | 1000' Local-LD | 50 Mbps | Basic | 1,368,000 |
| | 1000' Local-LD | 100 Mbps | Basic | 1,618,000 |

Enterprise and Wholesale Services

Telkom also delivers fixed line services to enterprise and wholesale business segments. Enterprise division provides access and connectivity as well as managed solution for 1,339 corporate customers, 299,900 SME customers and 944 government institutions. In terms of enterprise broadband service, our internal research estimated that Telkom has around 65% of traffic market share in the enterprise market with 2,524Gbps total bandwidth in service, part of which is in the form of integrated IT solution.

While in the wholesale business segment, Telkom serves other licensed telco players in Indonesia. Services vary from leased channel, data communication, connectivity, traffic transit, satellite to managed services. Parallel to our domestic digital services, we also develop several cross-border wholesale digital services within Telkom's international business subsidiaries.

Backbone Networks

We continuously expand our terrestrial and submarine backbone to support both our mobile and fixed business. In the end of 4Q16 we completed Sulawesi-Maluku-Papua Cable System (SMPCS) Extension and other domestic fiber optic backbone which spans more than 4,000 km.

In an effort to become international data hub, we completed Southeast Asia-Middle East-West Europe-5 (SEA-ME-WE-5) submarine cable system which spans 20,000 km from Dumai, Indonesia to Marseilles, France constructed in consortium with a number of telco operators. Including this cable system, our total fiber-based backbone network reached 106,600 km as of December 2016.

In addition to SEA-ME-WE-5, we are currently developing another major submarine cable system SEA-US (Southeast Asia. United States). The cable system is developed by a consortium of several operators, stretching 15,000 km long connecting Manado, Indonesia to Los Angeles, USA across the Pacific Ocean, and is scheduled for operation around 3Q17. As of December 2016 SEA-US progress was around 80%.

To connect SEA-ME-WE-5 and SEA-US with our domestic network, we are in the progress of deploying IGG (Indonesia Global Gateway) which spans 5,800 km and is expected to be completed in 1Q18. As of December 2016 IGG progress was almost 30%. The completion of SEA-ME-WE-5, SEA-US, and IGG will make an unparalleled network infrastructure.

Through those and some other projects we hope to expand 28,800 km more backbone cable system during 2017-2018. This expansion will greatly increase our network capacity and quality and help enhance our presence among international operators.

Data Center

On November 22, 2016 our subsidiary Telin Singapore, officially opened a world class Data Center in Jurong Singapore. It has 20,000 sqm data center facility and adopts multi-tier design, targeting regional and global corporate.

Smart Government Initiative

Telkom Group supports smart government initiative especially local government cities, in an effort to modernize the city management by implementation of IT-based public services system. Telkom provides broadband infrastructure and cloud-based solution to help government improve their services to public. Telkom has already implemented smart city system in 219 cities.

Switching Network Modernization

In line with our transformation program, we keep modernizing our switching nodes from copper-based to IP-based since 2012. Until December 2016 we have been shutting down 190 copper-based switching nodes out of total 1,250 old switching nodes throughout Indonesia. We expect by 2020 all switching nodes will be IP-based. This modernization will improve efficiency in space, power supply and maintenance cost in the network operation and enhance our access quality and capacity.

Satellites

We have launched Telkom 3S in February 15, 2017 (February 14, 2017 in Kourou, France local time). The satellite investment totaled to US\$215 millions with expected lifespan of 17 years. It carries 42 transponders consist of 24 C-Band, 8 extended C-Band, 4 Ku-Band and 6 extended Ku-Band transponders. The Ku-Band technology was not available yet in both previous satellite Telkom 1 and Telkom 2. The satellite launch will reduce the dependency to foreign satellite operators.

Telkom is also going to launch another satellite, Telkom-4, in 2Q18. It has higher capacity as it will carry 48 C-Band and 12 extended C-Band transponders. As of December 2016, the progress of this project was around 41.8%.

Recent Development

- **Depository Receipt Ratio Change** . Telkom is listed at New York Stock Exchange where its shares are traded through Depository Receipt (DR) program with DR ratio of 1 (one) Depository Share representing 200 (two hundred) ordinary shares. Effective October 26, 2016, the DR ratio change to 1 (one) Depository Share representing 100 (one hundred) ordinary shares.
- **Inauguration of Telin-3 Data Center** . On November 22, 2016, Telin Singapore held the opening ceremony of its Telin-3 data center located in Singapore Data Center Park (DCP) in Jurong. With 20,000 sqm facility area, Telin-3 is a certified multi-tier data center aimed to fulfill the growing demand of digital business ecosystem in Singapore and around the region.
- **Interim Dividend Payment** . On December 8, 2016, Telkom announced the schedule of interim dividend for the fiscal year of 2016. The total amount of interim dividend distributed was Rp1,919,726,695,491.40 or Rp19.3790 per share. The interim dividend has been distributed on December 27, 2016.
- **Commencement of SEA-ME-WE 5 Cable System Operation** . In line with Telkom's objective in making Indonesia the world's telecommunication hub, on December 28, 2016 Telkom officially commenced the operation of SEA-ME-WE 5 cable system. The cable system stretches 20,000 km long from Dumai, Indonesia to Marseille, France.
- **Interbank Switching Company** . Telkom has established a wholly-owned subsidiary named PT Jalin Pembayaran Nusantara (JPN) in November 2016. Furthermore in 2017, the four Indonesian state-owned banks (HIMBARA) will join the company as shareholders, leaving Telkom as minority shareholder in 2017. This company will serve as the banks' ATM switching network with trade name LINK, which shall incorporate respective banks' switching platform and deliver services such as cash withdrawal, balance checking, fund transfer, and bill payments through various end nodes (ATM or EDC). JPN has obtained necessary license from Indonesian authorities, including central bank (BI). JPN is expected to create efficiency and leverage the state-owned banks' large captive market to help advance its growth.

Product and Marketing Activities

Fixed Line & Enterprise

- **IndiHome Netizen (Dual Play)** is a new IndiHome package offered to customers providing them with two-play services i.e. telephony and internet services. The package ranges in internet speed from 10Mbps to 100Mbps. During promotional period, customers can also enjoy some OTT features including CATCHPLAY and iflix.

Mobile

- **VideoMax** was launched as campaign program providing access to thousands of premium video experiences (Indonesian, Asian & Hollywood blockbuster movies and series). Telkomsel customers can access these contents through HOOQ & VIU applications as our strategic partner at no additional

charge. VideoMax has 3 data packages variant for movie lovers with affordable prices and quota up to 12GB.

- Telkomsel launched **Pesta Akhir Tahun** program to appreciate and increase customer loyalty with a chance to win various prizes including four BMW Series 3, six Toyota Sienta, 100 Honda Beat, 500 LG K4 Smartphone and 1,000 packages of credit worth Rp1 million each by purchasing selected products and redeemed POIN at *123# or MyTelkomsel App.

ADDITIONAL INFORMATION

Awards & Recognition

During 4Q16, we have been awarded by several institutions for our achievements, among others:

- *Good Corporate Governance Award 2016* for Telkom as The Most Trusted Company based on Corporate Governance Perception Index and Investors and Analysts Assessment Survey from the Institute for Corporate Governance (IICG).
- *Tokoh Finansial Indonesia Award 2016* for Telkom as The Best SOE 2016 for non-financial, telecommunication and broadcasting sector, and for Alex J. Sinaga as Top Executive of Listed Company 2016 from Investor Magazine.
- *Top Infrastructure Award 2016* for Telkom as Top Infrastructure on Telecommunication Sector 2016 from Business News Indonesia Magazine.
- *TOP IT & Telco 2016 Award* for Telkom as Best Company in IT and Telco Sector in Indonesia, Top IT Corporate Best Practice, Top IT Special Recognition, Top CSR based on IT, Top Internet Service Provider for IndiHome, and Top IT Leadership for Alex J. Sinaga from Ministry of ICT and I-Tech Magazine.
- *Economic Challenges Award 2016* for Telkom in Telecommunication Sector *from Metro TV*.
- *Indonesia Customer Satisfaction Award 2016* for IndiHome as No. 1 Brand in Internet Service Provider Wireline/Fixed category from Frontier Consulting Group and SWA Magazine.
- *Asia Corporate Excellence & Sustainability Awards 2016 (ACES)* for Telkom as Top Companies to Work For in Asia from MORS Group.
- *Corporate Governance Conference & Awards* for Telkom as The Best State-Owned Enterprise and Top 50 Public Listed Companies from Indonesian Institute for Corporate Directorship (IICD).
- *Golden World Awards 2016* for Telkom in Digital Media Relations and Social Media for PR categories from The International Public Relations Association (IPRA).
- *9th Annual Indonesia Excellence Awards* for Telkom as Indonesia Telecom Service Provider of the Year, for TelkomSigma as Indonesia Data Center Provider of the Year and Indonesia Telco Big Data Service Provider of the Year, for Telkomtelstra as Indonesia Managed Service Provider of the Year, and for Infomedia as Indonesia Contact Center Outsourcing Service Provider of the Year from Frost & Sullivan.
- *The 2016 International Business Award (IBA)* for Telkom receiving 7 Gold Stevie Winners, 6 Silver Stevie Winners, 6 Bronze Stevie Winners and the Grand Stevie Award from The International Business Awards.

- *The IDX Best Blue 2016 for Telkom* from Indonesia Stock Exchange.
- *Global Carrier Awards (GCA) 2016* for Telin as the Best IP Transit (IPX) Service from Capacity Media.
- *Carriers World Awards 2016* for Telin as Best Regional Carrier Wholesale from Total Telecom.
- *World Communication Awards (WCA) 2016* for Ririek Adriansyah as CEO of The Year 2016 from Total Telecom.
- *Broadband Awards 2016* for Telkomsel as Top 5 Best Customer Experience Innovation (Bill Shock Prevention through PAYTU Landing Page & Usage Control through LoopKita Application and Top 5 Best Wireless Broadband Innovation (SMOLE . Small Cell Mobile Technology Enhanced) from Broadband World Forum 2016.
- *Brand Activation Award 2016* for Telkomsel DigiLife Festival as The Best Brand Engagement Activation 2016 from Mix-Marcomm Magazine.
- *Frost & Sullivan Indonesia Excellence Awards 2016* for Telkomsel in 2 categories: Indonesia M-Money Service Provider of the Year and Indonesia Mobile Service Provider of the Year from Frost and Sullivan.
- *Top Telecommunication Award (Top Telco) 2016* for *simPATI* with Appreciation for Internet Data 4G LTE 2016 from itech Magazine.
- *MarkPlus Asia Conference 2016* for Telkomsel as The Best Industry Marketing Champion from MarkPlus Inc.
- *Indonesia WOW Service Excellence Award 2016* for Jawa & Sumatera Region (Gold Champion), for Sulawesi & Papua (Silver Champion), for Bali & Kalimantan (Bronze Champion) and National Gold Champion Service Excellence from Markplus. Inc.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT. TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2016
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

| | 2016 | 2015 | Growth (%) |
|--|-----------------------|-----------------------|------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 29,767 | 28,117 | 5.9 |
| Other current financial assets | 1,471 | 2,818 | (47.8) |
| Trade receivables . net of provision for impairment of receivables | | | |
| Related parties | 894 | 1,104 | (19.0) |
| Third parties | 6,469 | 6,413 | 0.9 |
| Other receivables . net of provision for impairment of receivables | 537 | 355 | 51.3 |
| Inventories . net of provision for obsolescence | 584 | 528 | 10.6 |
| Advances and prepaid expenses | 5,246 | 5,839 | (10.2) |
| Claim for tax refund | 592 | 66 | 797.0 |
| Prepaid taxes | 2,138 | 2,672 | (20.0) |
| Assets held for sale | 3 | - | 100.0 |
| Total current assets | <u>47,701</u> | <u>47,912</u> | (0.4) |
| NON-CURRENT ASSETS | | | |
| Long-term investments | 1,847 | 1,807 | 2.2 |
| Property and equipment . net of accumulated depreciation | 114,498 | 103,700 | 10.4 |
| Prepaid pension benefit cost | 199 | 1,331 | (85.0) |
| Advances and other non-current assets | 11,508 | 8,166 | 40.9 |
| Intangible assets . net of accumulated amortization | 3,089 | 3,056 | 1.1 |
| Deferred tax assets . net | 769 | 201 | 282.6 |
| Total non-current assets | <u>131,910</u> | <u>118,261</u> | 11.5 |
| TOTAL ASSETS | <u>179,611</u> | <u>166,173</u> | 8.1 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Trade payables | | | |
| Related parties | 1,547 | 2,075 | (25.4) |
| Third parties | 11,971 | 11,919 | 0.4 |
| Other payables | 172 | 290 | (40.7) |
| Taxes payable | 2,954 | 3,273 | (9.7) |
| Accrued expenses | 11,283 | 8,247 | 36.8 |
| Unearned income | 5,563 | 4,360 | 27.6 |
| Advances from customers and suppliers | 840 | 805 | 4.3 |
| Short-term bank loans | 911 | 602 | 51.3 |
| Current maturities of long-term borrowings | 4,521 | 3,842 | 17.7 |
| Total current liabilities | <u>39,762</u> | <u>35,413</u> | 12.3 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities . net | 745 | 2,110 | (64.7) |
| Unearned income | 425 | 371 | 14.6 |
| Other liabilities | 29 | 11 | 163.6 |
| Long service award provisions | 613 | 501 | 22.4 |
| Pension benefits and other post-employment benefits | 6,126 | 4,171 | 46.9 |
| Long-term liabilities . net of current maturities | 26,367 | 30,168 | (12.6) |
| Total non-current liabilities | <u>34,305</u> | <u>37,332</u> | (8.1) |
| TOTAL LIABILITIES | <u>74,067</u> | <u>72,745</u> | 1.8 |
| EQUITY | | | |
| Capital stock | 5,040 | 5,040 | - |
| Additional paid-in capital | 4,931 | 2,935 | 68.0 |
| Treasury stock | (2,541) | (3,804) | (33.2) |
| Other equity | 339 | 508 | (33.3) |
| Retained earnings | | | |
| Appropriated | 15,337 | 15,337 | - |
| Unappropriated | 61,278 | 55,120 | 11.2 |
| Net equity attributable to: | | | |
| Owners of the parent company | 84,384 | 75,136 | 12.3 |
| Non-controlling interests | 21,160 | 18,292 | 15.7 |
| TOTAL EQUITY | <u>105,544</u> | <u>93,428</u> | 13.0 |
| TOTAL LIABILITIES AND EQUITY | <u>179,611</u> | <u>166,173</u> | 8.1 |

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2016

(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

| | 2016 | 2015 | Growth (%) |
|---|---------------|---------------|------------|
| REVENUES | 116,333 | 102,470 | 13.5 |
| Operations, maintenance and telecommunication service expenses | (31,263) | (28,116) | 11.2 |
| Depreciation and amortization expenses | (18,532) | (18,534) | (0.0) |
| Personnel expenses | (13,612) | (11,874) | 14.6 |
| Interconnection expenses | (3,218) | (3,586) | (10.3) |
| General and administrative expenses | (4,610) | (4,204) | 9.7 |
| Marketing expenses | (4,132) | (3,275) | 26.2 |
| Loss on foreign exchange . net | (52) | (46) | 13.0 |
| Other income | 750 | 1,500 | (50.0) |
| Other expenses | (2,469) | (1,917) | 28.8 |
| OPERATING PROFIT | 39,195 | 32,418 | 20.9 |
| Finance income | 1,716 | 1,407 | 22.0 |
| Finance costs | (2,810) | (2,481) | 13.3 |
| Share of profit (losses) of associated companies | 88 | (2) | (4,500.0) |
| PROFIT BEFORE INCOME TAX | 38,189 | 31,342 | 21.8 |
| INCOME TAX (EXPENSE) BENEFIT | | | |
| Current | (10,738) | (8,365) | 28.4 |
| Deferred | 1,721 | 340 | 406.2 |
| | (9,017) | (8,025) | 12.4 |
| PROFIT FOR THE YEAR | 29,172 | 23,317 | 25.1 |
| OTHER COMPREHENSIVE INCOME | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Foreign currency translation | (40) | 128 | (131.3) |
| Change in fair value of available-for-sale financial assets | 0 | (1) | 100.0 |
| Share of other comprehensive income of associated companies | (1) | (2) | 50.0 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | |
| (Loss)/gain actuarial - net | (2,058) | 506 | (506.7) |
| Other comprehensive income . net | (2,099) | 631 | (432.6) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 27,073 | 23,948 | 13.0 |
| Profit for the year attributable to: | | | |
| Owners of the parent company | 19,352 | 15,489 | 24.9 |
| Non-controlling interests | 9,820 | 7,828 | 25.4 |
| | 29,172 | 23,317 | 25.1 |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent company | 17,331 | 16,130 | 7.4 |
| Non-controlling interests | 9,742 | 7,818 | 24.6 |
| | 27,073 | 23,948 | 13.0 |
| BASIC AND DILUTED EARNINGS PER SHARE (in full amount) | | | |
| Net Income per share | 196.19 | 157.77 | 24.4 |
| Net Income per ADS (100 Series B shares per ADS) | 19,619.11 | 15,777.00 | 24.4 |

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016 (AUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2015 (AUDITED)
 (figures are presented in billions of Rupiah)

| | <u>DEC 2016</u> | <u>DEC 2015</u> | <u>Growth (%)</u> |
|---|-----------------------------|-----------------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & cash equivalents | 19,681 | 13,802 | 42.6 |
| Accounts receivables | 2,693 | 2,706 | (0.5) |
| Accrued income | 498 | 461 | 8.0 |
| Current portion of long-term prepayments | 5,344 | 5,458 | (2.1) |
| Others | 602 | 3,233 | (81.4) |
| Total Current Assets | <u>28,818</u> | <u>25,660</u> | 12.3 |
| NON-CURRENT ASSETS | | | |
| Long-term investment | 7 | 7 | 0.0 |
| Fixed assets-net | 54,259 | 54,112 | 0.3 |
| Advances for fixed assets | 72 | 134 | (46.7) |
| Intangible assets-net | 4,609 | 1,877 | 145.5 |
| Prepayments . Non-current portion | 1,917 | 2,096 | (8.5) |
| Others | 98 | 199 | (50.6) |
| Total Non-current Assets | <u>60,963</u> | <u>58,426</u> | 4.3 |
| TOTAL ASSETS | <u><u>89,781</u></u> | <u><u>84,086</u></u> | 6.8 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable & accrued liabilities | 13,973 | 12,730 | 9.8 |
| Taxes payable | 2,011 | 2,487 | (19.1) |
| Unearned revenue | 5,192 | 4,092 | 26.9 |
| Current maturities of medium-term & long-term loans | - | 111 | N/A |
| Current maturities of oblig. under finance leases | 715 | 599 | 19.2 |
| Other current liabilities | 0.7 | - | N/A |
| Total Current Liabilities | <u>21,891</u> | <u>20,020</u> | 9.3 |
| NON-CURRENT LIABILITIES | | | |
| Medium-term & long-term loans - net of current maturities | 999 | 5,061 | (80.3) |
| Obligations under finance lease - net of current maturities | 4,603 | 4,899 | (6.0) |
| Deferred tax liabilities | 1,201 | 1,392 | (13.7) |
| Others | 1,717 | 1,213 | 41.6 |
| Total Non-current Liabilities | <u>8,520</u> | <u>12,565</u> | (32.2) |
| 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 | 57,683 | 49,815 | 15.8 |
| Total Equity | <u>59,370</u> | <u>51,502</u> | 15.3 |
| TOTAL LIABILITIES AND EQUITY | <u><u>89,781</u></u> | <u><u>84,086</u></u> | 6.8 |

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF PROFIT AND LOSS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (AUDITED)
 (figures in tables are presented in billions of Rupiah)

| | <u>2016</u> | <u>2015</u> | <u>Growth (%)</u> |
|---|----------------------|----------------------|-------------------|
| REVENUES | | | |
| Postpaid | 6,833 | 5,683 | 20.2 |
| Prepaid | 74,904 | 65,434 | 14.5 |
| Interconnection & international roaming | 4,560 | 4,442 | 2.7 |
| Others | 427 | 496 | (13.8) |
| Total Revenues | <u>86,725</u> | <u>76,055</u> | 14.0 |
| EXPENSES | | | |
| Operation & maintenance | 21,096 | 18,944 | 11.4 |
| Depreciation & amortization | 12,807 | 12,976 | (1.3) |
| Cost of services | 3,488 | 3,522 | (0.9) |
| Interconnection & international roaming | 2,780 | 2,747 | 1.2 |
| Personnel | 4,265 | 3,770 | 13.1 |
| General & administration | 1,860 | 1,763 | 5.5 |
| Marketing | 3,455 | 2,707 | 27.7 |
| Others - net | (249) | (55) | 356.4 |
| Total Expenses | <u>49,502</u> | <u>46,374</u> | 6.7 |
| Finance income (charges) - net | 234 | 51 | 363.3 |
| INCOME BEFORE TAX | 37,458 | 29,731 | 26.0 |
| INCOME TAX EXPENSE | (9,263) | (7,363) | 25.8 |
| NET INCOME | <u>28,195</u> | <u>22,368</u> | 26.1 |
| EBITDA | 49,781 | 42,602 | 16.9 |
| EBITDA Margin- over revenues | 57.4% | 56.0% | 1.4ppt |
| ROA | 32.4% | 27.4% | 5.1ppt |
| ROE | 50.9% | 43.4% | 7.4ppt |