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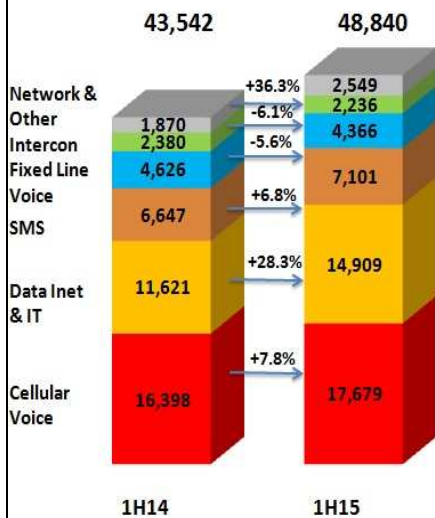
IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

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

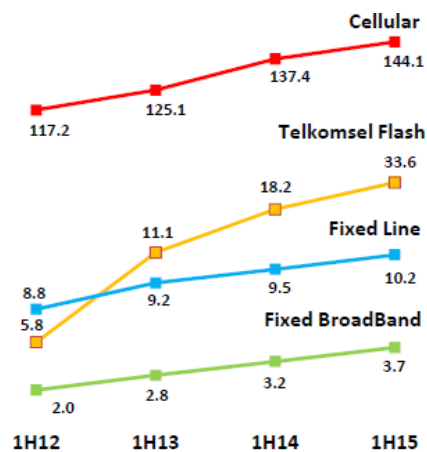
FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)



OPERATIONAL PERFORMANCE

Subscribers
(million)



Highlights

- TLKM's consolidated revenue grew by 12.2% YoY to Rp48.8 trillion with cellular subsidiary recorded a 13.0% Year on Year (YoY) revenue growth to Rp35.4 trillion.
- Mobile digital business continued its strong growth at 37.6% YoY, resulted in healthy Data, Internet, & IT Service (exclude SMS) revenue growth of 28.3% YoY. At the same time Telkomsel successfully exploited its legacy business with voice grew by 9.1% YoY and SMS grew by 5.2% YoY.
- Telkomsel continued aggressive network deployment with 11,495 new BTS installed in an effort to maintain leading network supply to strengthen mobile broadband experience. Around 90% of new BTSs were 3G/4G BTS.

Key Indicators (Rp. Bn)	YoY		
	1H15	1H14	Growth (%)
Revenues	48,840	43,542	12.2
Expenses	33,717	29,470	14.4
Operating Profit	15,123	14,072	7.5
EBITDA	23,540	22,138	6.3
EBITDA Margin (%)	48.2	50.8	(2.6)
Net Income	7,447	7,286	2.2

Subscribers (000)	YoY		
	1H15	1H14	Growth (%)
Broadband			
Fixed Broadband	3,729	3,216	15.9
Telkomsel Flash	33,627	18,195	84.8
Cellular			
Postpaid	3,049	2,616	16.6
Prepaid	141,016	134,757	4.6
Total	144,065	137,373	4.9
Fixed Line			
POTS	10,190	9,521	7.0

Investor Relations

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PT TELKOM INDONESIA (PERSERO) Tbk THE FIRST HALF 2015 (UNAUDITED)

The following analysis and discussion is based on our Indonesian GAAP financial statements for the full year ended June 30, 2014 and 2015. The reports have been submitted to Indonesia Financial Services Authority (OJK).

FINANCIAL RESULTS

Revenues

Key Indicators (Rp.Bn)	YoY		
	1H15	1H14	Growth (%)
Cellular Voice	17,679	16,398	7.8
SMS	7,101	6,647	6.8
Fixed Line Voice	4,366	4,626	(5.6)
Data, Internet & IT Service (Excl.SMS)	14,909	11,621	28.3
Interconnection	2,236	2,380	(6.1)
Network and Other Telco Services	2,549	1,870	36.3
Total	48,840	43,542	12.2

Telkom recorded total revenue for 1H15 of Rp48.8 trillion, an increase of 12.2% YoY with Data, Internet & IT Services recorded the highest growth with the details as follows:

- **Cellular voice revenues** increased by 7.8% YoY mainly driven by higher traffic and favorable pricing strategy as a results of relatively stable competition.
- **SMS revenues** increased by 6.8% as a result of successfull pricing strategy implementation despite the decline in SMS traffic.
- **Fixed line voice revenues**, which consist of Fixed Wireline and Fixed Wireless Voice revenues, decreased by 5.6% YoY.
 - **Fixed wireline revenue** increased by 0.7% YoY which was attributable to the increase in subscribers base.
 - **Fixed wireless revenue** declined by 74.0% YoY as the impact of fixed wireless retrenchment plan.
- **Data, Internet & IT Services (excl. SMS) revenues** increased by 28.3% YoY mainly contributed by mobile data business, in line with high growth in data usage as a result of fast growing smartphone (3G/4G capable device) adoption coupled with attractive data price plans.
- **Interconnection revenues** declined by 6.1% YoY mainly attributable to the decline in traffic for SMS from other local operators due to the popularity of instant messaging applications, as well as the decline in international roaming traffic.
- **Network revenues and other telecommunication services revenues** went up by 36.3% YoY mainly from our business solution service.

Expenses

Key Indicators (Rp.Bn)	YoY		
	1H15	1H14	Growth (%)
Operation, Maintenance & Telecommunication Services	14,028	10,769	30.3
Personnel	5,890	4,789	23.0
Interconnection	1,952	2,545	(23.3)
Marketing	1,414	1,455	(2.8)
General & Administrative	2,016	1,846	9.2
Depreciation & Amortization	8,793	8,163	7.7
(Gain)/Loss on Forex – net & Others – net	(376)	(97)	287.6
Total	33,717	29,470	14.4

Compared to last year results, total expenses increased by 14.4% with the following details:

- **Operation & Maintenance (“O&M”) expenses** increased by 30.3% YoY in line with our continuous network development to strengthen our mobile business performance.
- **Personnel expenses** significantly increased by 23.0% YoY which was mainly due to early retirement program (ERP) for Telkom Group employees amounting to Rp844 billion.
- **Interconnection expenses** decreased by 23.3% YoY due to lower outgoing SMS traffic from our cellular customers.
- **Marketing expenses** decreased by 2.8% YoY which was attributed to efficient marketing programs supported by relatively stable competition and effective sales channel.
- **General & Administrative expenses** increased by 9.2% YoY in line with increased administration & outsource expenses.
- **Depreciation & Amortization expenses** grew by 7.7% YoY partly due to impairment of Flexi assets.

EBITDA, EBITDA Margin, and Net Income

In 1H15, our EBITDA grew by 6.3% YoY to Rp23.5 trillion. EBITDA margin slightly declined to 48.2% from 50.8% as an impact of early retirement program (ERP) conducted in both Telkom and Telkomsel during first half of 2015. Normalized EBITDA growth without ERP would be 10.2%.

Our Net Income increased by 2.2% YoY to Rp7.4 trillion with healthy Net Income margin of 15.2%. Normalized Net Income growth without ERP would be 11.3%.

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		
	1H15	FY14	Growth (%)
Assets	154,050	141,822	8.6
Liabilities	71,785	55,683	28.9
Non-controlling Interests	15,718	18,323	(14.2)
Equity attributable to owners of the company	66,547	67,816	(1.9)

- Total assets as of June 2015 reached Rp154.1 trillion, increased by 8.6% YTD as compared to December 2014 mainly due to higher cash and cash equivalents as a result of cash from both of operation and bond issuance.
- Total liabilities at end of June 2015 increased by 28.9% to Rp71.8 trillion attributed to bond issuance and bank loan withdrawal in 1H15.
- Non-controlling interest decreased by 14.2% YTD due to declining equity in Telkomsel as a result of its dividend payment.
- Our equity slightly decreased by 1.9% mainly due to dividend distribution in 1H15 for 2014 fiscal year.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	1H15	1H14	Growth (%)
Cash Flow from Operating Activities	18,640	17,295	7.8
Cash Flow used in Investing Activities	(10,134)	(5,532)	83.2
Cash Flow used in Financing Activities	(2,249)	(9,505)	(76.3)
Net Increase in Cash & Cash Equivalents	6,257	2,258	177.1
Effect of Exchange Rate Changes on Cash & Cash Equivalents	357	(126)	(383.3)
Cash & Cash Equivalents at Beginning of Year	17,672	14,696	20.3
Cash & Cash Equivalents at End of Period	24,286	16,828	44.3

- Net cash provided by operating activities increased by 7.8% YoY as a result of strong cash inflow from operations.
- Net cash used in investing activities increased by 83.2% YoY as in 1H14 there was significant time deposit redemption.
- Net cash used in financing activities decreased by 76.3% YoY mainly due to cash inflow from successful bond issuance in 1H15.

Debts

Currencies (Rp.Bn)	YoY			Portion (%)	
	1H15	FY14	Growth (%)	1H15	FY14
IDR/Rupiah	27,900	15,246	83.0	87.6	81.7
USD/US Dollar	3,164	2,621	20.7	9.9	14.0
JPY/Japanese Yen	797	796	0.1	2.5	4.3
Total	31,861	18,663	70.7	100.0	100.0

At end of June 2015, total debts amounting to Rp31,861 billion, increased by 70.7% compared to the end of last year, as we successfully raised Rp7,000 billion Rupiah Bonds in 2Q15 to support the company's capital expenditure. Our debts consisted of Short and Long-Term Bank Loans, Two-Step Loans ("TSL"), and Bonds and Notes, with 87.6% of which was in the Rupiah currency, 9.9% was in US Dollar currency and the balance was in the form of Japanese Yen. Nevertheless, our debt to equity ratio ("DER") was still relatively manageable at 47.9%.

Financial Ratios

Ratios (%)	YoY	
	1H15	1H14
EBIT Margin	31.0	32.3
EBITDA Margin	48.2	50.8
Net Income Margin	15.2	16.7
Current Ratio	124.7	100.7
Total Liabilities to Equity	107.9	91.2
Return on Assets	9.7	11.2
Return on Equity	22.4	24.1

Gearing

Key Indicators	YoY		
	1H15	1H14	Growth
Net Debt to Equity (%)	6.9	2.3	4.6
Debt to Equity (%)	47.9	31.3	16.6
Debt to EBITDA (%)	67.7	42.8	24.9
Debt Service Ratio (Times)	5.7	5.4	0.3

Telkomsel Financial Result

Telkomsel continued its strong momentum into 1H-2015 with triple double-digit growth in Revenues, EBITDA and Net Income which grew by 13.0%, 10.7% and 14.7% Year on Year (YoY) respectively. Revenues grew to Rp35,399 billion with the growth engine coming from Digital Business that increased by 37.6% YoY driven by Data which increased by 37.7% YoY and Digital Services which increased by 37.4% YoY. Digital Business accounted for 27.4% of total revenues, from 22.5% in previous year. Telkomsel also recorded healthy growth in Legacy business, which grew by 5.8% YoY (Voice +9.1% and SMS +5.2%

YoY), attributable to the successful execution of cluster-based pricing and market segmentation. Despite high SIM card penetration, Telkomsel still recorded growth in subscriber base of 4.9% YoY to 144.1 million due to effective sales and marketing programs. EBITDA and Net Income margins were 54.4% and 28.5%, respectively.

During the first half of 2015, we deployed 11,495 new BTS, of which 89.4% were 3G/4G BTS in our effort to maintain leading network supply and growing our Digital Business. Data traffic increased by 121.4% to 207,175 TB mainly fueled by high growth in 3G/4G capable device that reached 48.1 million (+54.2% YoY), or 33.4% of our customer base. As of June 2015, BTS on-air totaled 96,915 units (+21.8% YoY), 50.9% of which were 3G/4G BTS. As the first operator to launch commercial 4G LTE in Indonesia, we continue to increase our footprint and the service is now available in 7 cities including Jakarta, Bali, Bandung, Surabaya, Medan as well as Makassar and Lombok that were launched in July 2015.

Statements of Profit and Loss and Other Comprehensive Income

Statements of Profit and Loss and Other Comprehensive Income (Rp. Bn)	YoY			QoQ		
	1H15	1H14	Growth (%)	2Q15	1Q15	Growth (%)
Revenues	35,399	31,331	13.0	18,257	17,142	6.5
Expenses (incl. Depreciation & others)	22,025	19,687	11.9	11,233	10,792	4.1
EBITDA	19,242	17,390	10.7	10,017	9,225	8.6
EBITDA Margin (%)	54.4	55.5	(1.1)ppt	54.9	53.8	1.0ppt
Net Income	10,106	8,810	14.7	5,224	4,882	7.0
Net Income Margin (%)	28.5	28.1	0.4ppt	28.6	28.5	0.1ppt

Telkomsel recorded operating revenues of Rp35,399 billion in 1H15, an increase of 13.0% YoY.

- Prepaid revenue increased by 14.9% YoY to Rp30,042 billion, mainly driven by prepaid subscriber base which increased by 4.6% YoY, high increase in data usage which resulted in increased ARPU and data revenue as well as continued growth in voice and SMS revenues with successful execution of cluster-based pricing and market segmentation strategy. Revenue from prepaid customers accounted for 84.9% of Telkomsel's total revenue.
- Postpaid revenue increased by 13.5% YoY to Rp2,783 billion mainly driven by the increase in the postpaid customer base which grew by 16.6% YoY to 3.0 million subscribers. Revenue from postpaid customers contributed 7.9% to total revenue.
- Interconnection and International Roaming revenues declined slightly by 1.9% to Rp2,290 billion, which was expected due to declining SMS traffic from other local operators as an impact of substitute services from instant messaging applications.

In 1H15, total expenses including depreciation and amortization increased by 11.9% YoY to Rp22,025 billion, lower than revenue growth of 13.0%, indicating Telkomsel operational efficiency.

- Operation & Maintenance expenses increased by 24.4% YoY to Rp9,111 billion in line with the Company's accelerated network deployment to maintain network quality, resulted in higher transmission and network space rental costs. In June 2015, Telkomsel made a provision to anticipate arbitration result pertaining to USO amounted to Rp102 billion. As of the date of this report, the arbitration settlement is still in process.

- Cost of Services decreased by 12.9% YoY to Rp1,712 billion with cost savings mainly from BlackBerry access fee.
- Interconnection charges decreased by 3.3% YoY to Rp1,548 billion, mainly attributable to declining SMS traffic due to the popularity of substitute product instant messaging applications and implementation of inter operator tariff discount in international roaming.
- Personnel expenses increased by 33.4% YoY to Rp1,708 billion, mainly due to impact of early retirement program amounted to Rp161 billion. Excluding the impact of early retirement program, Personnel expenses and total expenses including Depreciation and Amortization would have increased by 20.8% and 11.1% YoY, respectively.
- Marketing expenses increased by 6.2% YoY to Rp1,155 billion mainly due to promotion on 4G LTE and other existing activities. With the competition landscape remains rationale and stable, coupled with effective sales channel, our Marketing expenses grew lower than revenue growth.
- General & Administration expenses increased by 35.2% YoY to Rp922 billion driven by training and development program, insurance as well as higher building space rental expenses in line with area empowerment.
- Depreciation and Amortization expenses increased marginally by 1.9% YoY to Rp5,905 billion.

EBITDA increased by 10.7% to Rp19,242 billion, while Net Income grew by 14.7% to Rp10,106 billion. EBITDA and Net Income margins were at 54% and 29%, respectively.

Statements of Financial Position

Statements of Financial Position (Rp Bn)	Jun-15	Dec-14*)	Growth (%)
Current Assets	19,457	20,715	(6.1)
Non-Current Assets	59,392	58,637	1.3
Total Assets	78,849	79,352	(0.6)
Current Liabilities	21,351	19,270	10.8
Non-Current Liabilities	13,230	8,320	59.0
Equity	44,267	51,761	(14.5)
Total Liabilities & Stockholders Equity	78,849	79,352	(0.6)

Notes:

*) The Balance Sheet as of Dec-14 has been restated to take into account changes in PSAK 50 (Revised 2013) "Financial Instruments: Presentation" and PSAK 24 (Revised 2014) "Employee Benefit" with effect from Jan 1, 2015. For PSAK 50, Telkomsel previously off-set financial assets and liabilities for the same debtors/creditors but after assessing its contract in accordance with the revised standard, the set-off criterion is not met and as such should be presented at gross. For PSAK 24, Telkomsel is no longer allowed to defer the recognition of actuarial gains and losses over the future vesting period. The interest cost and expected return on plan assets uses the same rate which is known as "net interest".

Total Assets decreased by 0.6% as of June-15 to Rp78,849 billion while total liabilities increased by 25.3% to Rp34,582 billion and total equity decreased by 14.5% to Rp44,267 billion compared to Dec-14.

- Current Assets decreased by 6.1% to Rp19,457 billion, mainly due to decreased in Prepaid Expenses.
- Non-current Assets increased by 1.3% to Rp59,392 billion mainly attributable to the increase in Fixed Assets (+0.4% to Rp55,254 billion) in line with the additional network equipment deployed during the period.

- Current Liabilities increased by 10.8% to Rp21,351 billion mainly due to increase in Accounts Payable.
- Non-current Liabilities increased by 59.0% to Rp13,230 billion, mainly due to draw down of medium-term loans in the current quarter amounting to Rp4,990 billion.
- Total Equity decreased by 14.5% to Rp44,267 billion as the Company distributed dividend of Rp16,852 billion (net of tax) in the current quarter.

Cash Flow

Net cash generated from operations in 1H-15 increased by 27.4% YoY to Rp18,403 billion. Cash flow used in investment activities was Rp5,752 billion compared to cash inflow of Rp259 billion last year (proceed from maturity of short-term investment of Rp6,200 billion) due to payment for infrastructure spending of Rp5,820 billion (-3.5% YoY). Net cash in financing activities (exclude Dividend) grew 260.8% YoY to Rp4,010 billion mainly due to higher draw down of loan facility amounting to Rp4,990 billion.

STATEMENT OF CASH FLOWS FOR SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(In Billions of Rupiah)

	1H15	1H14	Growth (%)
Cash Flow from Operating Activities	18,403	14,443	27.4
Cash Flow (for) from Investing Activities	(5,752)	259	N/A
Cash Flow from Financing Activities	4,010	1,111	N/A
Dividend	(16,852)	(15,066)	11.9
Net increase (decrease) in Cash & Cash Equivalents	(191)	748	-125.5
Effect of Foreign Exchange Rate Changes	181	(43)	N/A
Cash and Cash Equivalents at Beginning of Periods	9,851	5,555	77.3
Cash and Cash Equivalents at End of Periods	9,841	6,260	57.2

Debt Profile

As of June 2015, Telkomsel's total outstanding loans amounted to Rp6,747 billion, of which approximately 20% or Rp1,348 billion will mature in 2015 while the remaining 80% or Rp5,398 billion will mature in 2016, 2017 and 2018. Around 35.6% (USD180.0 million) of the total loans were denominated in US Dollar mostly to cover our capex payment requirement. As of June 2015, Telkomsel Debt to Equity Ratio (DER) was 15.2%.

Telkomsel has to maintain several financial covenants related to its loans/debts. As of June 30, 2015 the covenants were as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	10.66
Debt to Tangible Net Worth	≤ 2.00	0.16

RESULTS BY SERVICE

Celular Services

Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 9.1% YoY to Rp17,166 billion. Voice traffic (MoU) increased by 7.6% YoY to 103.8 billion minutes, in line with the increased customer base.

Our revenue from SMS also grew by 5.2% YoY to Rp6,519 billion despite the decline in SMS traffic (-13.6% YoY to 115.1 billion units) due to impact of instant messaging applications. However, successful implementation of cluster-based pricing still resulted in overall SMS revenue growth.

Cluster-based pricing strategy allowed us to set prices differently in different micro zones based on various factors including local demand characteristic, network coverage as well as level of competition.

Digital Business

With focus in growing our Digital Business and leading network supply in 3G and 4G infrastructure, the Digital Business is our new engine of growth. This segment recorded strong performance with 37.6% YoY growth to Rp9,699 billion and increased its contribution to total revenue substantially to 27.4% from 22.5% last year.

Revenue from Data grew by 37.7% YoY to Rp8,772 billion, driven by healthy growth in 3G/4G capable device adoption (+54.2% YoY to 48.1 million users) as well as continued strong growth in data payload, which increased by 121.4% YoY to 207,175 TB.

Digital Services also grew strongly by 37.4% YoY to Rp927 billion. Key products and services within this segment included Digital Lifestyle (music, games, video contents etc.), Digital Advertising, Digital Payment (mobile banking, T-Cash, T-Wallet) and M2M Business (T-Drive, T-Zone etc.).

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

Key Indicators	Unit	YoY		
		1H15	1H14	Growth (%)
CUSTOMER BASE				
Total Customer				
Postpaid (kartuHALO)	Subs (000)	3,049	2,616	16.6
Prepaid (<i>simPATI</i> + Kartu As)	Subs (000)	141,016	134,757	4.6
Total	Subs (000)	144,065	137,373	4.9
Net Add				
Postpaid (kartuHALO)	Subs (000)	198	126	56.4
Prepaid (<i>simPATI</i> + Kartu As)	Subs (000)	3,281	5,733	(42.8)
Total	Subs (000)	3,479	5,860	(40.6)
TRAFFIC				
MoU (Total)	Bn Minutes	103.8	96.4	7.6
MoU (Chargeable)	Bn Minutes	87.8	77.7	13.0
SMS (Total)	Bn Units	115.1	133.2	(13.6)
SMS (Chargeable)	Bn Units	59.8	71.5	(16.4)
ARPU				
Postpaid (kartuHALO)	Rp.'000/month	166	173	(4.2)
Prepaid (<i>simPATI</i> + Kartu As)	Rp.'000/month	37	34	9.1

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

Key Indicators	Unit	YoY		
		1H15	1H14	Growth (%)
NETWORK DATA				
BTS	Units	96,915	79,560	21.8
DATA/BROADBAND				
Data-enabled Users	Subs (000)	66,070	63,294	4.4
3G/4G Capable Device	Unit (000)	48,128	31,207	54.2
Data Payload	TB	207,175	93,591	121.4
EMPLOYEE DATA				
Total Employees	Person	4,865	4,795	1.5
Efficiency Ratio	subs/employee	29,613	28,649	3.4

Fixed Line Service

■ Fixed Broadband

Our fixed broadband users grew by 15.9% YoY to 3.7 million. Our subscribers in new fixed broadband product called IndiHome Triple Play, a bundling package consists of high speed internet, IPTV, and fixed phone reached 427 thousand subscribers at end of June 2015.

■ Fixed Wireline

Our fixed wireline subscribers reached 10.2 million, a 7.0% increase from last year.

Product and Marketing Activities

- **Telkomsel 20th Anniversary program** was launched with very attractive prizes which consist of 20 Cars (18 Honda Brio & 2 Mercedes Benz A Class), 20 Honda Beat motorcycles, Umroh package, variety of smartphones and Rp 1 million prepaid credit vouchers. This program serves to reward our loyal and high value customers as well as to stimulate package usage. Our customers will have a chance to win any of the prizes through Telkomsel POIN redemption or purchasing regular package/special prepaid voucher.
- **New simPATI Discovery** was launched as a new starter pack of *simPATI* to acquire new subscribers. The starter pack comes with 2 GB data package at affordable price starting from Rp49,000.
- As part of the holy month Ramadhan, the **LOOP Ramadhan packages** was introduced with variety of packages for voice, SMS and data at affordable price. The packages consist of Kolak (Koling Antar Kawan) for as low as Rp2,500 for 10 minutes/day to all operators, Pukis (Puas Kirim SMS) for as low as Rp1,000 for 40 SMS/day to all operators and Cendol (Chatting & Online) for as low as Rp4,000 for 100 MB/day. LOOP GigaChat package was also available with 6 GB quota and chatting services valid for 30 days.
- 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.

- **To drive smartphone adoption**, Telkomsel collaborated with TRIO (TriKomsel Oke) to launched a device bundling program at Indonesia Cellular Show (ICS) 2015 event that included Lenovo Vibe X2, Xiaomi Redmi 2 and Xiaomi Mi 4i with cash back and data package promotion. In addition, Telkomsel also launched device bundling program for BlackBerry Classic, Samsung Galaxy S6 edge and LG G4 to attract high value customers.
- With high number of Indonesian studying, working and visiting Singapore as well as being part of Telkomsel's commitment in WOW Great Experience initiatives, we opened GraPARI service centre in Singapore's shopping and business district of Orchard in June 2015. The GraPARI Singapore would serve as a service branch where customers can get various customer care services such as SIM card replacement, handset setting, feature activation especially in roaming, remittance service as well as blocking & unblocking for kartuHalo.

ADDITIONAL INFORMATION

Capital Expenditure

For the first half of 2015, Telkom spent Rp11.9 trillion in Capital Expenditure (Capex), of which Rp5.8 trillion was for Telkomsel and the remaining Rp6.1 trillion was for Telkom and other subsidiaries. Telkom's Capex was mainly utilized for deploying access and backbone infrastructure to support the broadband services, while Telkomsel's Capex was mainly utilized for radio access network. Other subsidiaries' Capex was utilized among others for tower, property, data center, and project international cable systems (SEA - ME - WE5 and SEA-US).

Recent Development

- **Telkomsel 4th generation Long Term Evolution (4G LTE) in seven cities** – Since December 2014, Telkomsel has successfully rolled-out 4G LTE services in its key Broadband cities in Jakarta, Bali, Bandung, Surabaya and Medan using the 900Mhz spectrum. Operators are in the midst of rearranging their 1800Mhz spectrum which is expected to be completed by the end of the year. To signify the completion of spectrum rearrangement in areas outside Jawa, Telkomsel launched 4G LTE services using 1800Mhz spectrum in Makassar and Lombok in July 2015. To date, we have more than 1,000 4G LTE BTS serving the 7 key cities.
- **Telkom Bond Issuance** – Telkom issued Rp7 trillion IDR bonds in June 2015. The bonds were issued in various tenor: 7 years, 10 years, 15 years, and 30 years with coupon rates of 9.925%, 10.25%, 10.60%, and 11.00% respectively. The bond issuance was part of the company's Rp12 trillion shelf registration bonds offering, which would be carried out in a two-year period. The proceeds will be used to fund our infrastructure development and also to support merger and acquisition activities.
- **Telkom to Acquire GTA Guam (GTA)** – In June, Telkom through its subsidiary, Telekomunikasi Indonesia International USA Inc (Telkom USA), has entered an agreement to acquire AP TeleGuam Holding, parent company of GTA Teleguam, a telecommunication operator in Guam. The planned transaction is subject to approval from Guam and United States authorities. This acquisition is expected to elevate Telkom's exposure in international business.
- **Mitratel Deal** – Regarding with the Conditional Shares Exchange Agreement ("CSEA") with PT Tower Bersama Infrastructure Tbk. ("TBIG"), as of this Info Memo is issued, CSEA is in the process of termination due to Commisioners' request to terminate the transaction.

Awards & Recognition

During 1H15, we have been awarded by several institutions for our achievements, among others:

- Telkom awarded as Top Performing Listed Companies for infrastructure sector in the event Best Listed Companies 2015 Award Dinner & Presentation by Ministry of State Owned Enterprise.
- Telkom awarded for category The Best Telecommunication company and Internet Provider in the event Corporate Image Award (CIA).
- Best Financial Performance for Telkom by Warta Ekonomi magazine.
- Telkom awarded as The Best Listed Company in Infrastructure, Utility and Transportation sector from MNC Business Channel. This award for the company with best performance in 2014.
- Bisnis Indonesia Award 2015 for Telkom in Infrastructure, Utility and Transportation sector. CEO Telkom Group Alex J. Sinaga selected as one of 30 CEOs choose by Bisnis Indonesia readers.
- Frost & Sullivan Asia Pacific ICT Awards 2015 for Telkomsel as Asia Pacific Mobile Service Provider of The Year from Frost & Sullivan.
- Corporate Image Award 2015 for Telkomsel in Telecommunication Category as The Best in Building and Managing Corporate Image from Tempo Media Group and Frontier Consulting Group.
- Warta Ekonomi-Indonesia Most Admired Companies (WIMACO) 2015 for Telkomsel in Telecommunication Category from Warta Ekonomi Magazine.
- Engage Award 2015 for Telkomsel as The Socially Devoted company for recognizing and adapting to the changing nature of customer care from Socialbakers.
- Service Quality Award 2015 for Grapari Telkomsel for Achieving Exceptional Total Service Quality Satisfaction from Service Excellence Magazine and Carre-Center for Customer Satisfaction & Loyalty (CCSL).
- Indonesia Middle-Class Brand Champion Consumers' Choice 2015 for kartuHalo (Post-Paid GSM SIM Card Category) and Flash (Internet Provider Category) from SWA Magazine and Inventure.
- Indonesia Cellular Award (ICA) 2015 for Telkomsel as The Best Coverage by Operator from Sinyal Magazine.
- Telkomsel achieved The Best GSM Operator, Best Digital Service, Best Mobile Payment Service, Best Postpaid Card, and also Operator of The Year at 12th Selular Award 2015 held by Selular Media Group (The Publisher of Selular Magazine).
- Contact Center Service Excellence Award 2015 for Telkomsel's Contact Center in achieving Excellent Service Performance, for @Telkomsel Twitter Customer Service in achieving Good Service Performance, for Telkomsel's Facebook Customer Service in achieving Good Service Performance and for cs@telkomsel.co.id (Customer Service Email Centers) in achieving Good Service Performance from Service Excellence Magazine and Carre-Center for Customer Satisfaction & Loyalty (CCSL).
- Top Brand for Teens 2015 for simPATI (Prepaid Cellular SIM Card Category) in Recognition of Outstanding Achievement in Building the Top Brand from Frontier Consulting Group and Marketing Magazine.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2015 (UNAUDITED), DECEMBER 31, 2014 (RESTATED), AND JANUARY 1, 2014 (RESTATED)
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

	2015	2014 Restated	Jan 1, 2014 Restated	Growth (%)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	24,286	17,672	14,696	37.4
Other current financial assets	2,970	2,797	6,872	6.2
Trade receivables – net of provision for impairment of receivables				
Related parties	945	873	1,103	8.2
Third parties	7,371	6,124	5,520	20.4
Other receivables – net of provision for impairment of receivables	402	383	395	5.0
Inventories – net of provision for impairment obsolescence	583	474	509	23.0
Advances and prepaid expenses	4,943	4,733	3,937	4.4
Claims for tax refund	2	291	10	(99.3)
Prepaid taxes	1,349	890	525	51.6
Asset held-for-sale	5	57	105	(91.2)
Total Current Assets	42,856	34,294	33,672	25.0
NON-CURRENT ASSETS				
Long-term investments	1,769	1,767	304	0.1
Property and equipment – net of accumulated depreciation	98,324	94,809	86,761	3.7
Prepaid pension benefit costs	1,096	1,170	949	(6.3)
Advances and other non-current assets	6,575	6,479	4,795	1.5
Claim for tax refund - net of current portion	773	745	499	3.8
Intangible assets – net of accumulated amortization	2,533	2,463	1,508	2.8
Deferred tax assets - net	124	95	67	30.5
Total Non-current Assets	111,194	107,528	94,883	3.4
TOTAL ASSETS	154,050	141,822	128,555	8.6

Table 1 (Continued)
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2015 (UNAUDITED), DECEMBER 31, 2014 (RESTATED), AND JANUARY 1, 2014 (RESTATED)
 (Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

	2015	2014 Restated	Jan 1, 2014 Restated	Growth (%)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables				
Related parties	876	898	1,031	(2.4)
Third parties	12,560	11,464	11,166	9.6
Other payables	156	114	388	36.8
Taxes payables	2,313	2,376	1,698	(2.7)
Accrued expenses	6,230	5,211	5,264	19.6
Unearned income	3,272	3,963	3,490	(17.4)
Advances from customers and suppliers	2,054	583	472	252.3
Short-term bank loans	1,541	1,810	432	(14.9)
Current maturities of long-term liabilities	5,378	5,899	5,093	(8.8)
Total Current Liabilities	34,380	32,318	29,034	6.4
NON-CURRENT LIABILITIES				
Deferred tax liabilities - net	2,579	2,703	2,908	(4.6)
Other liabilities	322	394	472	(18.3)
Long service award provisions	429	410	336	4.6
Post-retirement health care benefits cost provisions	563	441	993	27.7
Pension and other post-employment benefits	3,781	3,674	3,265	2.9
Long-term liabilities - net of current maturities				
Obligations under finance leases	4,191	4,218	4,321	(0.6)
Two-step loans	1,363	1,408	1,702	(3.2)
Bonds and Notes	9,343	2,239	3,073	317.3
Bank loans	14,834	7,878	5,635	88.3
Total Non-current Liabilities	37,405	23,365	22,705	60.1
TOTAL LIABILITIES	71,785	55,683	51,739	28.9
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	5,040	-
Additional paid-in capital	2,899	2,899	2,323	-
Treasury stock	(3,836)	(3,836)	(5,805)	-
Effect of change in equity of associated companies	386	386	386	-
Unrealized holding gain from available-for-sale securities	38	39	38	(2.6)
Translation adjustment	482	415	391	16.1
Difference due to acquisition of non-controlling interest in subsidiaries	(508)	(508)	(508)	-
Other reserves	49	49	49	-
Retained earnings				
Appropriated	15,337	15,337	15,337	-
Unappropriated	46,660	47,995	42,633	(2.8)
Net Equity Attributable To Owners Of The Parent Company	66,547	67,816	59,884	(1.9)
Non-Controlling Interest	15,718	18,323	16,932	(14.2)
TOTAL EQUITY	82,265	86,139	76,816	(4.5)
TOTAL LIABILITIES AND EQUITY	154,050	141,822	128,555	8.6

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2015 AND 2014 (UNAUDITED)
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

	2015	2014	Growth (%)
REVENUES	48,840	43,542	12.2
EXPENSES			
Operations, maintenance and telecommunication services	(14,028)	(10,769)	30.3
Depreciation and amortization	(8,793)	(8,163)	7.7
Personnel	(5,890)	(4,789)	23.0
Interconnection	(1,952)	(2,545)	(23.3)
General and Administrative	(2,016)	(1,846)	9.2
Marketing	(1,414)	(1,455)	(2.8)
Gain (loss) on foreign exchange – net	25	(146)	(117.1)
Other income	477	406	17.5
Other expenses	(126)	(163)	(22.7)
OPERATING PROFIT	15,123	14,072	7.5
Finance income	600	636	(5.7)
Finance costs	(1,004)	(863)	16.3
Share of loss of associated companies	1	(13)	(107.7)
PROFIT BEFORE INCOME TAX	14,720	13,832	6.4
INCOME TAX (EXPENSE) BENEFIT			
Current	(3,895)	(3,566)	9.2
Deferred	154	69	123.2
	(3,741)	(3,497)	7.0
PROFIT FOR THE PERIOD	10,979	10,335	6.2
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income to be reclassified to profit or loss subsequent period:			
Foreign currency translation	67	(46)	(245.7)
Change in fair value of available-for-sale financial assets	(1)	3	(133.3)
Other Comprehensive Income – net	66	(43)	(253.5)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	11,045	10,292	7.3
Profit for the period attributable to:			
Owners of the parent company	7,447	7,286	2.2
Non-controlling interests	3,532	3,049	15.8
	10,979	10,335	6.2
Total comprehensive income for the period attributable to:			
Owners of the parent company	7,513	7,243	3.7
Non-controlling interests	3,532	3,049	15.8
	11,045	10,292	7.3
BASIC AND DILUTED EARNINGS PER SHARE (in full amount)			
Income per share	75.85	74.95	1.2
Income per ADS (200 Series B shares per ADS)	15,170.87	14,990.57	1.2

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2015 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2014 (AUDITED)
 (figures are presented in billions of Rupiah)

	JUN 30, 2015	DEC 31, 2014	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	9,841	9,851	(0.1)
Accounts receivables including Unbilled revenues	2,700	2,756	(2.0)
Current portion of long-term prepayments	3,480	4,374	(20.4)
Asset held for sale	5	57	(91.6)
Others	3,431	3,677	(6.7)
Total Current Assets	19,457	20,715	(6.1)
NON-CURRENT ASSETS			
Long-term investment	7	7	0.0
Fixed assets-net	55,254	55,021	0.4
Advances for fixed assets	457	590	(22.5)
Intangible assets-net	1,265	1,096	15.4
Prepayments – Non Current Portion	2,206	1,728	27.7
Others	201	194	3.6
Total Non-Current Assets	59,392	58,637	1.3
TOTAL ASSETS	78,849	79,352	(0.6)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable & Accrued Liabilities	14,950	11,699	27.8
Taxes payable	1,609	1,607	0.1
Unearned revenue	2,667	3,504	(23.9)
Current maturities of medium-term & long-term loans	565	673	(16.0)
Current maturities of oblig. under finance leases	561	543	3.3
Short-term loan	1,000	1,244	(19.6)
Total Current Liabilities	21,351	19,270	10.8
NON-CURRENT LIABILITIES			
Medium-term & long-term loans - net of current maturities	5,163	375	N/A
Obligations under finance lease - net of current maturities	5,002	5,057	(1.1)
Deferred tax liabilities	1,921	2,035	(5.6)
Others	1,144	853	34.1
Total Non-current Liabilities	13,230	8,320	59.0
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	42,579	50,074	(15.0)
Total Equity	44,267	51,761	(14.5)
TOTAL LIABILITIES AND EQUITY	78,849	79,352	(0.6)

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR SIX MONTHS ENDED JUNE 30, 2015 AND 2014

(figures in tables are presented in billions of Rupiah, otherwise stated)

	2015	2014	Growth (%)
REVENUES			
Postpaid	2,783	2,452	13.5
Prepaid	30,042	26,145	14.9
Interconnection & International roaming	2,290	2,334	(1.9)
Other	284	399	(29.0)
Total Revenues	35,399	31,331	13.0
EXPENSES			
Operation & Maintenance	9,111	7,324	24.4
Depreciation & Amortization	5,905	5,793	1.9
Cost of Services	1,712	1,966	(12.9)
Interconnection	1,548	1,601	(3.3)
Personnel	1,708	1,280	33.4
General & Administration	922	682	35.2
Marketing	1,155	1,087	6.2
Others - net	(37)	(48)	(22.9)
Total Expenses	22,025	19,687	11.9
Finance income (charges) - net	39	35	9.2
INCOME BEFORE TAX	13,412	11,680	14.8
INCOME TAX EXPENSE	(3,306)	(2,870)	15.2
NET INCOME	10,106	8,810	14.7
EBITDA	19,242	17,390	10.7
EBITDA Margin- over revenues	54.4%	55.5%	(1.1)ppt
ROA	28.0%	27.3%	0.6ppt
ROE	48.5%	43.9%	4.5ppt