

**TICKERS:**

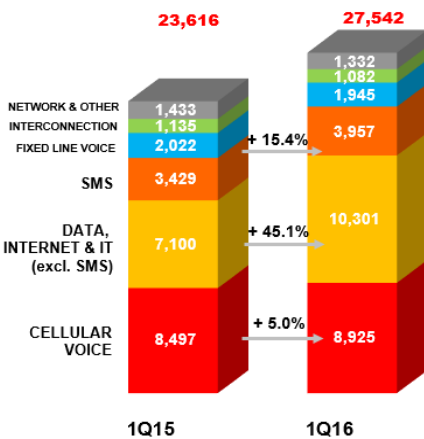
IDX : TLKM  
NYSE : TLK

**SHAREHOLDER COMPOSITION:**

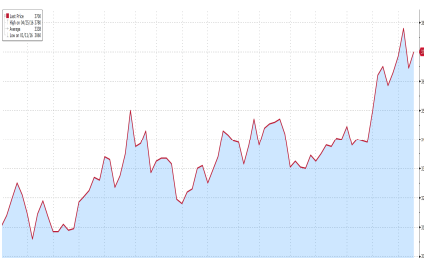
Government of Indonesia : 52.6%  
Public : 47.4%  
Excl. Treasury stock : 2,601,779,800 shares.

**FINANCIAL PERFORMANCE**

Revenue  
(in Rp. Bn)



**TLKM Share Performance YTD 2016**



**Share Price (Apr 26, 2016):**  
Rp3,645 (IDX) & USD 55.5 (NYSE)

**Market Capitalization (Apr 26, 2016):**  
Rp367Tn (USD27.8 Bn)

**Average Daily Trading Volume 2016:**  
93 Mn Shares (IDX) & 190,059 DR (NYSE)

**Average Daily Trading Value 2016:**  
Rp311 Bn (IDX) & USD 9.4 Mn (NYSE)

## Highlights

- TLKM recorded a remarkable results in 1Q16 by posting triple-double-digit growth in Revenue, EBITDA, and Net Income of 16.6%, 18.8%, and 20.3% YoY respectively.
- Data, Internet & IT Service (exclude SMS) remained the biggest contributor with 37.4% of revenue, and increased 45.1% YoY.
- Telkomsel continued to strengthen its network quality with over 7,000 new BTSs installed during 1Q16. Around 90% of new BTSs were 3G/4G BTS to enhance mobile broadband experience.

**Financial Highlights**

Key Indicators (Rp. Bn)	YoY		
	1Q16	1Q15	Growth (%)
Revenues	27,542	23,616	16.6
Expenses	17,970	16,168	11.1
Operating Profit	9,572	7,448	28.5
EBITDA	14,655	12,337	18.8
EBITDA Margin (%)	53.2	52.2	1.0
Net Income	4,587	3,814	20.3
Net Income Margin (%)	16.7	16.2	0.5

**Operational Highlights**

Subscribers (000)	YoY		
	1Q16	1Q15	Growth (%)
<b>Broadband</b>			
Fixed Broadband	4,197	3,477	20.7
Telkomsel Flash	43,843	30,827	42.2
<b>Cellular</b>			
Postpaid	3,684	2,935	25.5
Prepaid	149,929	138,528	8.2
Total	153,614	141,462	8.6
<b>Fixed Line</b>			
POTS	10,484	9,787	7.1

**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 THE FIRST QUARTER OF 2016 (UNAUDITED)

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

### Revenues

Key Indicators (Rp.Bn)	YoY		
	1Q16	1Q15	Growth (%)
Cellular Voice	8,925	8,497	5.0
SMS	3,957	3,429	15.4
Fixed Line Voice	1,945	2,022	(3.8)
Data, Internet & IT Service (Excl.SMS)	10,301	7,100	45.1
Interconnection	1,082	1,135	(4.7)
Network and Other Telco Services	1,332	1,433	(7.0)
<b>Total</b>	<b>27,542</b>	<b>23,616</b>	<b>16.6</b>

Telkom recorded total revenue of Rp27.5 trillion in 1Q16, an increase of 16.6% YoY with Data, Internet & IT Services experienced the highest growth with the details are as follows:

- **Cellular voice revenues** increased by 5.0% YoY, mainly driven by higher traffic as the result of higher customer base coupled with improved network quality.
- **SMS revenues** increased by 15.4% YoY as a result of higher pricing despite the decline in traffic. In addition, the revenue included SMS banking and SMS advertising which increased almost three times to Rp518 billion.
- **Fixed line voice revenues**, decreased by 3.8% YoY mainly due to termination of our fixed wireless Flexi as well as lower traffic in fixed wireline services.
- **Data, Internet & IT Services (excl. SMS) revenues** jumped 45.1% YoY; mainly contributed by strong mobile data business, in line with high growth in data traffic/payload as a result of fast growing smartphone (3G/4G capable device) adoption and continuously-improved network capacity and quality.
- **Interconnection revenues** declined by 4.7% YoY mainly attributable to lower incoming voice and SMS traffic due to popularity of instant messaging applications.
- **Network revenues and other telecommunication services revenues** decreased by 7.0% YoY.

### Expenses

Key Indicators (Rp. Bn)	YoY		
	1Q16	1Q15	Growth (%)
Operation, Maintenance & Telecommunication Services	7,651	6,256	22.3
Personnel	2,999	2,316	29.5
Interconnection	784	1,061	(26.1)
Marketing	752	689	9.1
General & Administrative	701	957	(26.8)
Depreciation & Amortization	4,405	5,098	(13.6)
(Gain)/Loss on Forex – net & Others – net	678	(209)	424.4
<b>Total</b>	<b>17,970</b>	<b>16,168</b>	<b>11.1</b>

Total expenses increased by 11.1% YoY with the details are as follows:

- **Operation & Maintenance (“O&M”) expenses** increased by 22.3% YoY in line with our continuous network development in our cellular business as well as higher costs related to fixed business expansion (IndiHome) and IT system enhancement.
- **Personnel expenses** increased by 29.5% YoY as we simplified salary payment method, by disbursing quarterly incentive and other benefits into monthly salary proportionately.
- **Interconnection expenses** decreased by 26.1% YoY due to decline in outgoing SMS traffic and inter-operator tariff discount in international roaming.
- **Marketing expenses** increased by 9.1% YoY, lower than revenue growth, in line with promotion activities related to mobile and fixed broadband i.e. 4G LTE and IndiHome Triple Play.
- **General & Administrative expenses** decreased by 26.8% YoY mainly due to decrease in our provision for impairment of receivables as a result of improving collection performance.
- **Depreciation & Amortization expenses** decreased by 13.6% YoY as in 1Q15 there was significant amount of accelerated depreciation in fixed wireless assets Flexi.

## EBITDA, EBITDA Margin, and Net Income

In 1Q16, our EBITDA grew by 18.8% YoY to Rp14.7 trillion. EBITDA margin improved to 53.2% from 52.2% in 1Q15. While our Net Income increased by 20.3% YoY to Rp4.6 trillion with healthy Net Income margin of 16.7%, improved from 16.2% in 1Q15.

## Financial Position

Key Indicators (Rp.Bn)	YTD		
	1Q16	FY15	Growth (%)
Assets	176,992	166,173	6.5
Liabilities	76,698	72,745	5.4
Non-controlling Interests	20,639	18,292	12.8
Equity attributable to owners of the company	79,655	75,136	6.0

- Total assets as of March 2016 reached Rp177.0 trillion, increased by 6.5% YTD as compared to December 2015 mainly due to higher cash and cash equivalent as a result of strong operation.
- Total liabilities at end of March 2016 increased by 5.4% to Rp76.7 trillion attributed to higher accrued expenses.
- Non-controlling interest increased by 12.8% YTD due to increase in our subsidiaries' performance.
- Our equity increased by 6.0% mainly due to higher retained earnings as a result of strong performance during 1Q16.

## Cash Flows

Key Indicators (Rp. Bn)	YoY		
	1Q16	1Q15	Growth (%)
Cash Flow from Operating Activities	13,143	9,273	41.7
Cash Flow used in Investing Activities	(5,582)	(5,988)	(6.8)
Cash Flow used in Financing Activities	314	(949)	(133.1)
Net Increase in Cash & Cash Equivalents	7,875	2,336	237.1
Effect of Exchange Rate Changes on Cash & Cash Equivalents	(254)	274	(192.7)
Cash & Cash Equivalents at Beginning of Year	28,116	17,672	59.1
Cash & Cash Equivalents at End of Period	35,737	20,282	76.2

- Net cash provided by operating activities increased by 41.7% YoY as a result of strong cash inflow from operations.
- Net cash used in investing activities decreased by 6.8% YoY as decrease in advances for purchases of property and equipment.
- Net cash used in financing activities decreased by 133.1% YoY mainly attributable to payment of cash dividends to non-controlling interests of subsidiaries last year.

## Debts

Currencies (Rp.Bn)	YoY			Portion (%)	
	1Q16	1Q15	Growth (%)	1Q16	1Q15
IDR/Rupiah	26,971	15,290	76.4	88.8	81.6
USD/US Dollar	2,579	2,617	(1.5)	8.5	14.0
JPY/Japanese Yen	816	836	(2.4)	2.7	4.5
<b>Total</b>	<b>30,366</b>	<b>18,743</b>	<b>62.0</b>	<b>100.0</b>	<b>100.0</b>

At the end of March 2016, total debts amounting to Rp30.4 trillion, increased by 62.0% YoY, as we successfully raised Rp7 trillion 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, 88.8% of which was in the Rupiah currency, 8.5% 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 low at 38.1%.

## Financial Ratios

Ratios (%)	YoY		
	1Q16	1Q15	Growth (ppt)
EBIT Margin	34.8	31.5	3.2
EBITDA Margin	53.2	52.2	1.0
Net Income Margin	16.7	16.2	0.5
Current Ratio	148.2	135.3	12.9
Total Liabilities to Equity	96.3	96.8	(0.5)
Return on Assets	10.4	9.2	1.2
Return on Equity	23.0	20.3	2.7

## Gearing

Key Indicators	YoY	
	1Q16	1Q15
Net Debt to Equity (%)	(10.2)	(6.4)
Debt to Equity (%)	38.1	26.2
Debt to EBITDA (%)	51.8	38.0
Debt Service Ratio (Times)	8.7	5.5

## Capital Expenditure

For the first quarter 2016, Telkom Group spent Rp5.7 trillion in Capital Expenditure (Capex). Telkom's Capex was mainly utilized to develop access and backbone infrastructure to support fixed as well as mobile broadband businesses, while Telkomsel's Capex was mainly utilized for radio access network (BTS) development. While other subsidiaries' projects among others are submarine cable systems (SEA - ME - WE5 and SEA-US), tower, data center, and property.

## Telkomsel Financial Result

Telkomsel sustained its strong performance momentum into 2016 by delivering another triple double-digit growth in Revenues, EBITDA and Net Income, which grew by 17.8%, 26.5% and 33.9% YoY respectively. Revenues grew to Rp20,196 billion with Digital Business continues to be the growth engine and posted 48.7% YoY growth, driven by Data which increased by 48.4% YoY and Digital Services which increased by 51.3% YoY. Digital Business accounted for 34.0% of total revenues, increased significantly from 27.0% in the previous year. Telkomsel still recorded a healthy growth in Legacy business, which grew by 6.4% YoY (Voice +8.9% and SMS +4.8% YoY), attributable to the successful execution of cluster-based pricing, market segmentation and superior network. EBITDA and Net Income margins were higher by 4.0ppt and 3.9ppt to 57.8% and 32.4%, respectively.

From operational perspective, Telkomsel recorded healthy growth in subscriber base of 8.6% YoY to 153.6 million due to effective sales and marketing programs. With our effort to maintain leading network supply, growing our Digital Business and shifting focus of network roll out towards 3G and 4G, we deployed 7,223 new BTS during first quarter of 2016 of which 90.3% were 3G/4G BTS. Data traffic increased by 89.6% to 169,845 TB mainly fueled by high growth in 3G/4G capable device that reached 64.5 million (+47.5% YoY), or 42.0% of our customer base. By end of March 2016, BTS on-air totaled 110,512 units (+22.0% YoY), 55.6% of which were 3G/4G BTS.

**Income Statement**

Financial Performance (Rp. Bn)	YoY			QoQ		
	1Q16	1Q15	Growth (%)	1Q16	4Q15	Growth (%)
Revenues	20,196	17,142	17.8	20,196	20,428	(1.1)
Legacy	13,325	12,520	6.4	13,325	13,772	(3.2)
Digital Business	6,871	4,622	48.7	6,871	6,656	3.2
Expenses incl. Depreciation & others	11,677	10,792	8.2	11,677	12,698	(8.0)
EBITDA	11,673	9,225	26.5	11,673	11,380	2.6
EBITDA Margin (%)	57.8	53.8	4.0ppt	57.8	55.7	2.1ppt
Net Income	6,539	4,882	33.9	6,539	5,849	11.8
Net Income Margin (%)	32.4	28.5	3.9ppt	32.4	28.6	3.7ppt
Proportion of Digital Business (%)	34.0	27.0	7.1ppt	34.0	32.6	1.4ppt

Telkomsel recorded operating revenues of Rp20,196 billion for 1Q16, an increase of 17.8% YoY.

- Prepaid revenue increased by 19.5% YoY to Rp17,351 billion, mainly driven by ARPU growth supported by the growth in data and legacy especially voice as well as growth in prepaid subscriber base which grew by 8.2% YoY to 149.9 million subscribers. Revenue from prepaid customers accounted for 85.9% of Telkomsel's total revenue.
- Postpaid revenue increased by 13.0% YoY to Rp1,536 billion mainly driven by the increase in the postpaid customer base which grew by 25.5% YoY to 3.7 million subscribers. Revenue from postpaid customers contributed 7.6% to total revenue.
- Interconnection and International Roaming revenues increased by 7.6% YoY to Rp1,204 billion, due to seasonal increase from higher traffic from other local operators.

In 1Q16, total expenses including depreciation and amortization increased by 8.2% YoY to Rp11,677 billion, lower than revenue growth of 17.8%, indicating Telkomsel operational efficiency.

- *Operation & Maintenance expenses* increased by 15.2% YoY to Rp5,164 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 16.8% YoY to Rp755 billion with cost savings mainly from BlackBerry access fee.
- *Interconnection & International Roaming charges* increased by 3.3% YoY to Rp799 billion, in line with higher traffic from interconnection.
- *Personnel expenses* decreased by 1.6% YoY to Rp816 billion, mainly due to Early Retirement Program (ERP) recorded in 1Q15.
- *Marketing expenses* increased by 7.5% YoY to Rp596 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 6.1% YoY to Rp393 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 by 9.6% YoY to Rp3,161 billion in line with our network deployment.

EBITDA and Net Income posted double digit growth with an increase of 26.5% YoY to Rp11,673 billion and 33.9% YoY to Rp6,539 billion, respectively, while EBITDA and Net Income margins were higher at 58% and 32%, respectively.

## Statements of Financial Position

Statements of Financial Position (Rp Bn)	Mar-16	Dec-15	Growth (%)
Current Assets	35,616	25,660	38.8
Non-Current Assets	58,309	58,426	(0.2)
<b>Total Assets</b>	<b>93,925</b>	<b>84,086</b>	<b>11.7</b>
Current Liabilities	23,332	20,020	16.5
Non-Current Liabilities	12,552	12,565	(0.1)
Equity	58,041	51,502	12.7
<b>Total Liabilities &amp; Stockholders Equity</b>	<b>93,925</b>	<b>84,086</b>	<b>11.7</b>

As of 31 March 2016, Total Assets increased 11.7% to Rp93,925 billion and total liabilities increased 10.1% to Rp35,884 billion while total equity increased 12.7% to Rp58,041 billion.

- *Current Assets* increased 38.8% to Rp35,616 billion, mainly due to increase in cash and cash equivalent.
- *Non-current Assets* remain relatively stable at Rp58,309 billion.
- *Current Liabilities* increased 16.5% to Rp23,332 billion mainly due to the increase in accrued liabilities.
- *Non-current Liabilities* decreased 0.1% to Rp12,552 billion, mainly due to lower outstanding medium-term loans.
- *Total Equity* increased by 12.7% to Rp58,041 billion due to additional retained earnings as a result of the higher net income in 1Q16.

## Cash Flow

Net cash generated from operations in 3M16 increased 49.4% YoY to Rp12,776 billion. Cash flow used in investment activities was Rp2,274 billion mainly for the payment of infrastructure spending of Rp2,285 billion (-18.6% YoY). Net cash used in financing activities (exclude Dividend) decreased by 35.9% YoY to Rp268 billion due to lower payment of loans.

**STATEMENTS OF CASH FLOWS**  
**FOR THREE MONTHS ENDED MARCH 31, 2016 AND 2015**  
 (In Billions of Rupiah)

	3M16	3M15	Growth (%)
Cash Flow from Operating Activities	12,776	8,551	49.4
Cash Flow for Investing Activities	(2,274)	(2,784)	(18.3)
Cash Flow for Financing Activities	(268)	(419)	(35.9)
Dividend Payment	-	(1,872)	N/A
Net Increase in Cash & Cash Equivalents	10,233	3,476	194.4
Cash and Cash Equivalents at Beginning of Years	13,802	9,851	40.1
Cash and Cash Equivalents at End of Years	24,036	13,328	80.3

## Debt Profile

As of 31 March 2016, Telkomsel's total outstanding loans amounted to Rp4,991 billion which will mature in 2018. Around 39.9% (USD150.0 million) of the total loans were denominated in US Dollar mostly to cover our capex payment requirement. As of 31 March 2016, Telkomsel Debt to Equity Ratio (DER) was 18.3%.

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

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	11.49
Debt to Tangible Net Worth	≤ 2.00	0.09

## RESULTS BY SERVICE

### Celular Services

As of 31 March 2016, Telkomsel served 153.6 million subscribers nationwide, an increase of 8.6% YoY. Out of the total base, 42.0% or 64.5 million were using 3G/4G capable device which has been growing strongly by 47.5% YoY.

### Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 8.9% YoY to Rp9,059 billion. The healthy growth in voice revenue mainly attributable to higher voice traffic (MoU) which increased by 24.8% YoY to 62.5 billion minutes. The higher traffic is mainly due to improvement in network quality, high proportion of base still using 2G handset devices as well as growth in our customer base.

Revenue from SMS also grew by 4.8% YoY to Rp3,353 billion despite the decline in SMS traffic (-16.6% YoY to 48.3 billion units) due to cannibalization 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.



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## Digital Business

Digital business remained our engine of growth with our focus continue to be in leading network supply in 3G and 4G infrastructure. This segment recorded strong performance with 48.7% YoY growth to Rp6,871 billion and increased its contribution to total revenue substantially to 34.0% from 27.0% last year.

Revenue from Data grew by 48.4% YoY to Rp6,252 billion, driven by healthy growth in 3G/4G capable device adoption (+47.5% YoY to 64.5 million users), successful migration of Pay As You Use (PAYU) to Flash packages, as well as continued strong growth in data payload, which increased by 89.6% YoY to 169,845 TB. As of 31 March 2016, we recorded 3.1 million customers that have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 51.3% YoY to Rp620 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).

Our focus on Digital Business was reflected from our network development. We continued to accelerate our network development with aggressive 3G/4G BTS deployment to support Digital Business as data traffic jumped 89.6% YoY. During 3M16, Telkomsel built 7,223 new BTS, an increase of 40.7% YoY. Our 4G LTE deployment is on-demand basis, take into account 4G handset penetration and level of demand in Broadband cities. We have deployed 4,210 BTS to date. The network roll out brought total BTS on air to 110,512 units at end of March 2016, or increased by 22.0% YoY, of which 61,415 units were 3G/4G BTS (+40.9% YoY).

Blended ARPU increased 10.1% 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 voice ARPU stabilizing, and SMS ARPU continue to decline due to cannibalization of OTT services.

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

Key Indicators	Unit	YoY		
		1Q16	1Q15	Growth (%)
<b>Customer Base</b>				
Postpaid (kartuHalo)	Subs (000)	3,684	2,935	25.5
Prepaid ( <i>simPATI</i> + Kartu As)	Subs (000)	149,929	138,528	8.2
Total	Subs (000)	153,614	141,462	8.6
<b>Net Add</b>				
Postpaid (kartuHalo)	Subs (000)	175	84	109.4
Prepaid ( <i>simPATI</i> + Kartu As)	Subs (000)	798	793	0.6
Total	Subs (000)	973	877	10.9
<b>TRAFFIC</b>				
MoU (Total)	Bn Minutes	62.5	50.1	24.8
MoU (Chargable)	Bn Minutes	53.1	42.4	25.4
SMS (Total)	Bn Units	48.3	58.0	(16.6)
SMS (Chargable)	Bn Units	30.2	29.0	3.8
<b>ARPU</b>				
Postpaid (kartuHalo)	Rp.'000/month	150	165	(8.9)
Prepaid ( <i>simPATI</i> + Kartu As)	Rp.'000/month	40	36	11.0
Blended	Rp.'000/month	43	39	10.1
<b>NETWORK DATA</b>				
BTS	Unit	110,512	90,552	22.0
<b>DATA/BROADBAND</b>				
3G/4G Capable Device	Unit (000)	64,506	43,731	47.5
Data Payload	TB	169,845	89,598	89.6
<b>EMPLOYEE DATA</b>				
Total employees	Person	4,878	4,861	0.3
Efficiency ratio	subs/employee	31,491	29,102	8.2

## Fixed Line Services

### IndiHome Triple Play

In 2016, we continued to aggressively develop fiber to the home (FTTH) business, with focus on monetization of our fiber homes-passed. As of March 2016 we have around 10 million fiber homes-passed.

IndiHome Triple Play, a bundling package consists of fixed phone, high speed internet, and IPTV is our flagship product, and as of March 2016, total IndiHome subscribers reached 1.35 million with ARPU of Rp326 thousand. We launched IndiHome in the beginning of 2015.

To accelerate IndiHome roll-out, we keep building up our human resources both in terms of capabilities and quantity so that in March 2016 we have 4,300 fiber technicians to support IndiHome installation. Among current IndiHome Triple Play price lists are:

Phone	Internet	UseeTV	Prices (IDR) <sup>1)</sup>
1000 minutes local and long distance calls	10 Mbps	Basic	405,000
	20 Mbps		660,000
	50 Mbps (78 Channels)		1,410,000
	100 Mbps		1,660,000

<sup>1)</sup> excluded monthly rental fee for modem and set-top box

## Recent Development

- **GTA Teleguam acquisition** - With regards to agreement and plan of GTA Teleguam acquisition, the plan is still being evaluated by the local authorities (United States)

## Product and Marketing Activities

- **SLI 007 Special Campaign – Flat Tariff Rp5,000** was launched in order to celebrate Chinese New Year in 2015. The promotion was available for postpaid and prepaid subscribers with special flat tariff for international call to 22 countries (US, Hong Kong, Laos, Thailand, Australia, India, Macau, Timor Leste, Bangladesh, Japan, Malaysia, UAE, Brunei Darussalam, Canada, Singapore, Vietnam, China, South Korea, Sri Lanka, Philippines, Saudi Arabia and Taiwan) at Rp5,000 for each call during 22:00-06:59 hours.
- **SLI 01017 New Package – 16 Countries Package** was also launched to celebrate Chinese New Year in 2015. The package was available for postpaid and prepaid subscribers with 30 minutes call to 16 countries (Australia, Brunei Darussalam, Canada, China, German, Hong Kong, India, South Korea, Macau, Malaysia, Singapore, Taiwan, Thailand, Timor Leste, US and United Kingdom) at Rp 3,500.
- **Halo Fit My Plan Special Package** was launched to increase kartuHalo subscribers. Credit card subscribers will receive special Halo Fit My Plan Package by activating kartuHalo in Dealer with priced at Rp80,000 for 2GB Data, Rp150,000 for 5GB Data, Rp300,000 for 10GB at the 1<sup>st</sup> month with free billing for 2 months. The program has been started in 3 cities & will expand to other cities & engage more dealers.
- **simPATI New Starterpack – simPATI Your Everyday Discoveries** was launched in March 2016 as LTE-ready SIM card priced at Rp50,000 with Rp50,000 main balance. This new starter pack allows user to buy special data package: Explore package from Rp49,000 for 2GB and 4G package from Rp49,000 for 10GB.
- To encourage mass adoption of smartphone device in efficient and effective way, **Telkomsel Android United (TAU)** program launched other device bundlings: (1) TAU 4G to gather all device principles with 4G device products bundled with 10 GB package starting from Rp49,000; (2) Android Lenovo Phab with TAU 2GB package starting from Rp49,000; (3) Collaborated with Telesindo Shop to offer pre-order promotion for Samsung Galaxy S7 with data package of 10GB/month starting from Rp49,000; (4) Collaborated with Home Credit Indonesia to launch bundling program of kartuHalo and *simPATI* starting from Rp500,000/month; (5) MIFI Telkomsel 4G LTE with affordable price starting from Rp190,000/month includes data package up to 144GB; (6) Exclusive J1 Mini bundling as the most affordable 4G device from Samsung priced at Rp1,199,000.

## ADDITIONAL INFORMATION

### Awards & Recognition

During 1Q16, we have been awarded by several institutions for our achievements, among others:

- *Anugerah BUMN Hadir untuk Negeri* award from Ministry of State Owned Enterprise for Telkom as an appreciation in supporting State Owned Enterprises Program for the Nation

- *12 years of achievement* award for Telkom as company with excellent financial performance for 12 years in a row for category State-Owned Enterprise by Obsession Media Group (OMG).
- *Indonesia Inhouse Magazine Awards (InMA) 2016* for Signal Magazine as The Best of Private Company Inhouse Magazine (Bronze Winner) from SPS (Serikat Perusahaan Pers – News Publisher’s Association).
- *Global HR Excellence Awards 2016* for Priyantono Rudito as Top 100 Most Influential Global HR Professionals from World HRD Congress 2016 and PMSM Indonesia (The Indonesia Society of Human Resources Management).
- *Indonesia Corporate Secretary & Communication Award 2016* for Telkomsel as The Best Website, The Best Brand & Reputation and The Best of The Best Corporate Communication of The Year from Economic Review Magazine.
- *Indonesia Media Relations Awards* for Telkomsel as 2<sup>nd</sup> Champion Media Relations Awards – Private Company Category from PR Indonesia Magazine.
- *Customer Loyalty Award 2016* for Telkomsel as The Net Promotor Scope (NPS) Leader for Postpaid GSM SIM Card Category (kartuHalo) & Prepaid GSM SIM Card Category (Kartu As) from SWA Magazine and Hachiko Net Promoter Score Solutions.
- *Indonesia WOW Brand Award 2016* for Telkomsel as Best Corporate Brand and Telkomsel Flash Best ISP Brand from MarkPlus Inc.

**Table 1**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT. TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of March 31, 2016 (unaudited) and December 31, 2015 (audited)**  
**(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)**

	2016	2015	Growth (%)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	35,737	28,117	27.1
Other current financial assets	2,786	2,818	(1.1)
Trade receivables and others receivables	9,711	7,872	23.4
Inventories – net of provision for obsolescence	557	528	5.5
Advances and prepaid expenses	6,202	5,839	6.2
Claim for tax refund	66	66	0.0
Prepaid taxes	2,785	2,672	4.2
Total Current Assets	<u>57,844</u>	<u>47,912</u>	20.7
<b>NON-CURRENT ASSETS</b>			
Long-term investments	1,822	1,807	0.8
Property and equipment – net of accumulated depreciation	105,120	103,700	1.4
Prepaid pension benefit costs	1,269	1,331	(4.7)
Advances and other non-current assets	6,802	7,153	(4.9)
Claims for tax refund – net of current portion	948	1,013	(6.4)
Intangible assets – net of accumulated amortization	2,963	3,056	(3.0)
Deferred tax assets – net	224	201	11.4
Total Non-current Assets	<u>119,148</u>	<u>118,261</u>	0.8
<b>TOTAL ASSETS</b>	<b><u>176,992</u></b>	<b><u>166,173</u></b>	<b>6.5</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables and other payables	14,191	14,284	(0.7)
Taxes payable	4,371	3,273	33.5
Accrued expenses	10,661	8,247	29.3
Unearned income	4,934	4,360	13.2
Advances from customers and suppliers	511	805	(36.5)
Short-term bank loans and current maturities of long-term liabilities	4,358	4,444	(1.9)
Total Current Liabilities	<u>39,026</u>	<u>35,413</u>	10.2
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities – net	1,948	2,110	(7.7)
Other liabilities	297	382	(22.3)
Long service award provisions	493	501	(1.6)
Post-retirement health care benefit costs provisions and other post-employment benefits	4,328	4,171	3.8
Long-term borrowings	30,606	30,168	1.5
Total Non-current Liabilities	<u>37,672</u>	<u>37,332</u>	0.9
<b>TOTAL LIABILITIES</b>	<b><u>76,698</u></b>	<b><u>72,745</u></b>	<b>5.4</b>
<b>EQUITY</b>			
Capital stock	5,040	5,040	
Additional paid-in capital	2,935	2,935	0.0
Treasury stock	(3,804)	(3,804)	0.0
Other equity	440	508	(13.4)
Retained earnings			
Appropriated	15,337	15,337	0.0
Unappropriated	59,707	55,120	8.3
Net Equity Attributable to:			
Owners of the Parent Company	79,655	75,136	6.0
Non-Controlling Interests	20,639	18,292	12.8
<b>TOTAL EQUITY</b>	<b><u>100,294</u></b>	<b><u>93,428</u></b>	<b>7.3</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>176,992</u></b>	<b><u>166,173</u></b>	<b>6.5</b>

**Table 2**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For Three Months Period Ended March 31, 2016 and 2015 (unaudited)**  
**(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)**

	2016	2015	Growth (%)
<b>REVENUES</b>	27,542	23,616	16.6
Operations, maintenance and telecommunication service expenses	(7,651)	(6,256)	22.3
Depreciation and amortization expenses	(4,405)	(5,098)	(13.6)
Personnel expenses	(2,999)	(2,316)	29.5
Interconnection expenses	(784)	(1,061)	(26.1)
General and Administrative expenses	(701)	(957)	(26.8)
Marketing expenses	(752)	(689)	9.1
Gain (loss) on foreign exchange – net	(114)	(12)	850.0
Other income	294	236	24.6
Other expenses	(858)	(15)	5,620.0
<b>OPERATING PROFIT</b>	<b>9,572</b>	<b>7,448</b>	<b>28.5</b>
Finance income	499	314	58.9
Finance costs	(770)	(443)	73.8
Share of profit (loss) of associated companies	15	(1)	(1,600.0)
<b>PROFIT BEFORE INCOME TAX</b>	<b>9,316</b>	<b>7,318</b>	<b>27.3</b>
<b>INCOME TAX (EXPENSE) BENEFIT</b>			
Current	(2,607)	(2,045)	27.5
Deferred	184	235	(21.7)
	(2,423)	(1,810)	33.9
<b>PROFIT FOR THE YEAR</b>	<b>6,893</b>	<b>5,508</b>	<b>25.1</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	(70)	(23)	204.3
Change in fair value of available-for-sale financial assets	2	1	100.0
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit plan actuarial gain – net	-	-	-
Other Comprehensive Income – net	(68)	(22)	209.1
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>6,825</b>	<b>5,486</b>	<b>24.4</b>
Profit for the year attributable to:			
Owners of the parent company	4,587	3,814	20.3
Non-controlling interests	2,306	1,694	36.1
	<b>6,893</b>	<b>5,508</b>	<b>25.1</b>
Total comprehensive income for the year attributable to:			
Owners of the parent company	4,518	3,792	19.1
Non-controlling interests	2,307	1,694	36.2
	<b>6,825</b>	<b>5,486</b>	<b>24.4</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b> (in full amount)			
Net Income per share	46.72	38.85	20.3
Net Income per ADS (200 Series B shares per ADS)	9,344.39	7,770.60	20.3

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

	<u>MAR 2016</u>	<u>DEC 2015</u>	<u>Growth (%)</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	24,036	13,802	74.1
Accounts receivables	2,953	2,706	9.1
Accrued income	500	461	8.3
Current portion of long-term prepayments	4,894	5,458	(10.3)
Others	3,234	3,233	0.0
<b>Total Current Assets</b>	<b>35,616</b>	<b>25,660</b>	<b>38.8</b>
<b>NON-CURRENT ASSETS</b>			
Long-term investment	7	7	0.0
Fixed assets-net	54,115	54,112	0.0
Advances for fixed assets	110	134	(18.3)
Intangible assets-net	1,859	1,877	(1.0)
Prepayments – Non Current Portion	2,021	2,096	(3.6)
Others	197	199	(1.0)
<b>Total Non-Current Assets</b>	<b>58,309</b>	<b>58,426</b>	<b>(0.2)</b>
<b>TOTAL ASSETS</b>	<b>93,925</b>	<b>84,086</b>	<b>11.7</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable & Accrued Liabilities	14,783	12,730	16.1
Taxes payable	3,320	2,487	33.5
Unearned revenue	4,572	4,092	11.7
Current maturities of medium-term & long-term loans	-	111	N/A
Current maturities of oblig. under finance leases	657	599	9.7
<b>Total Current Liabilities</b>	<b>23,332</b>	<b>20,020</b>	<b>16.5</b>
<b>NON-CURRENT LIABILITIES</b>			
Medium-term & long-term loans - net of current maturities	4,984	5,061	(1.5)
Obligations under finance lease - net of current maturities	4,961	4,899	1.3
Deferred tax liabilities	1,317	1,392	(5.4)
Others	1,290	1,213	6.3
<b>Total Non-current Liabilities</b>	<b>12,552</b>	<b>12,565</b>	<b>(0.1)</b>
<b>EQUITY</b>			
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	56,354	49,815	13.1
<b>Total Equity</b>	<b>58,041</b>	<b>51,502</b>	<b>12.7</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>93,925</b>	<b>84,086</b>	<b>11.7</b>

**Table 4**  
**PT TELEKOMUNIKASI SELULAR (TELKOMSEL)**  
**STATEMENTS OF PROFIT AND LOSS**  
**FOR THREE MONTHS ENDED MARCH 31, 2016 AND 2015**  
 (figures in tables are presented in billions of Rupiah)

	2016	2015	Growth (%)
<b>REVENUES</b>			
Postpaid	1,536	1,358	13.0
Prepaid	17,351	14,516	19.5
Interconnection & International roaming	1,204	1,118	7.6
Others	106	149	(29.2)
<b>Total Revenues</b>	<b>20,196</b>	<b>17,142</b>	<b>17.8</b>
<b>EXPENSES</b>			
Operation & Maintenance	5,164	4,482	15.2
Depreciation & Amortization	3,161	2,884	9.6
Cost of Services	755	908	(16.8)
Interconnection & International Roaming	799	773	3.3
Personnel	816	829	(1.6)
General & Administration	393	370	6.1
Marketing	596	554	7.5
Others - net	(7)	(9)	(21.7)
<b>Total Expenses</b>	<b>11,677</b>	<b>10,792</b>	<b>8.2</b>
Finance income (charges) - net	127	97	31.3
<b>INCOME BEFORE TAX</b>	<b>8,647</b>	<b>6,447</b>	<b>34.1</b>
INCOME TAX EXPENSE	(2,108)	(1,565)	34.7
<b>NET INCOME</b>	<b>6,539</b>	<b>4,882</b>	<b>33.9</b>
<b>EBITDA</b>	<b>11,673</b>	<b>9,225</b>	<b>26.5</b>
<b>EBITDA Margin- over revenues</b>	<b>57.8%</b>	<b>53.8%</b>	<b>4.0ppt</b>
<b>ROA</b>	<b>27.2%</b>	<b>24.9%</b>	<b>2.3ppt</b>
<b>ROE</b>	<b>42.7%</b>	<b>37.3%</b>	<b>5.5ppt</b>