

#### TICKERS:

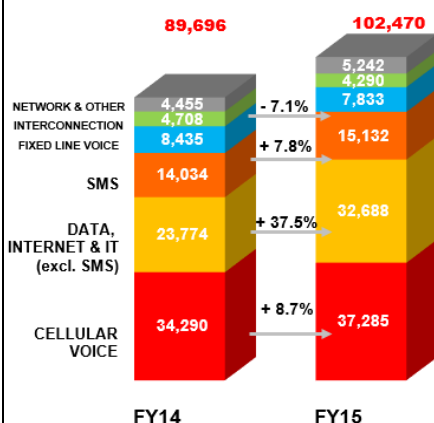
IDX : TLKM  
NYSE : TLK

#### SHAREHOLDER COMPOSITION:

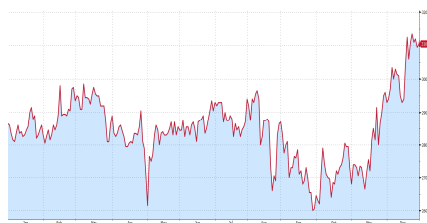
Government of Indonesia : 52.6%  
Public : 47.4%  
Excl. Treasury stock : 2,601,779,800 shares.

#### FINANCIAL PERFORMANCE

Revenue  
(in Rp. Bn)



#### TLKM Share Performance 2015



#### Share Price (Dec 31, 2015):

Rp3,105 (IDX) & USD 44.4 (NYSE)

#### Market Capitalization (Dec 31, 2015):

Rp313 Tn (USD22.7 Bn)

#### Average Daily Trading Volume 2015:

77 Mn Shares (IDX) & 173,000 DR (NYSE)

#### Average Daily Trading Value 2015:

Rp219 Bn (IDX) & USD 7.3 Mn (NYSE)

## Highlights

- TLKM recorded a milestone by registering revenue of over Rp100 trillion (+ 14.2% Year on Year/YoY). Cellular businesses remained dominant with revenue contribution of Rp76.1 trillion (+ 14.8% YoY).
- Data, Internet, & IT Service (exclude SMS) revenue increased by 36.8% YoY driven by mobile digital business which grew 43.5% YoY. Legacy business remained growing with voice revenue rose by 8.7% YoY and SMS revenue grew by 7.8% YoY.
- Telkomsel continued to strengthen its network quality with almost 18 thousands new BTSs installed during the year. Around 90% of new BTSs were 3G/4G BTS to enhance mobile broadband experience.

#### Financial Highlights

Key Indicators (Rp. Bn)	YoY		
	FY15	FY14	Growth (%)
Revenues	102,470	89,696	14.2
Expenses	70,052	60,490	15.8
Operating Profit	32,418	29,206	11.0
EBITDA	51,415	45,673	12.6
EBITDA Margin (%)	50.2	50.9	(0.7) ppt
Net Income	15,489	14,471	7.0
Net Income Margin (%)	15.1	16.1	(1.0) ppt

#### Operational Highlights

Subscribers (000)	YoY		
	FY15	FY14	Growth (%)
<b>Broadband</b>			
Fixed Broadband	3,983	3,400	17.2
Telkomsel Flash	43,786	31,216	40.3
<b>Cellular</b>			
Postpaid	3,509	2,851	23.1
Prepaid	149,131	137,734	8.3
Total	152,641	140,586	8.6
<b>Fixed Line</b>			
POTS	10,277	9,698	6.0

#### Investor Relations

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## PT TELKOM INDONESIA (PERSERO) Tbk FULL YEAR OF 2015 (AUDITED)

The following analysis and discussion is based on our Indonesian GAAP financial statements for the full year ended December 31, 2014 and 2015. The reports have been submitted to Indonesia Financial Services Authority (OJK).

### Revenues

Key Indicators (Rp.Bn)	YoY		
	FY15	FY14	Growth (%)
Cellular Voice	37,285	34,290	8.7
SMS	15,132	14,034	7.8
Fixed Line Voice	7,833	8,435	(7.1)
Data, Internet & IT Service (Excl.SMS)	32,688	23,774	37.5
Interconnection	4,290	4,708	(8.9)
Network and Other Telco Services	5,242	4,455	17.7
<b>Total</b>	<b>102,470</b>	<b>89,696</b>	<b>14.2</b>

Telkom recorded total revenue of Rp102.5 trillion in FY15, an increase of 14.2% YoY with Data, Internet & IT Services experienced the highest growth with the details are as follows:

- **Cellular voice revenues** increased by 8.7% YoY, mainly driven by higher traffic as the result of higher customer base coupled with better network quality.
- **SMS revenues** increased by 7.8% YoY as a result of advanced pricing strategy through cluster-based pricing and market segmentation despite the decline in traffic.
- **Fixed line voice revenues**, which consist of Fixed Wireline and Fixed Wireless Voice revenues, decreased by 7.1% YoY mainly due to termination of our fixed wireless Flexi as well as lower traffic of fixed wireline service.
- **Data, Internet & IT Services (excl. SMS) revenues** strongly increased by 37.5% YoY; mainly contributed by 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 8.9% YoY mainly attributable to lower incoming voice and SMS traffic due to popularity of instant messaging applications.
- **Network revenues and other telecommunication services revenues** increased by 17.7% YoY mainly contributed by managed mobility business to drive smartphone penetration.

## Expenses

Key Indicators (Rp. Bn)	YoY		
	FY15	FY14*	Growth (%)
Operation, Maintenance & Telecommunication Services	28,116	22,288	26.1
Personnel	11,874	9,787	21.3
Interconnection	3,586	4,893	(26.7)
Marketing	3,275	3,092	5.9
General & Administrative	4,204	3,963	6.1
Depreciation & Amortization	18,534	17,131	8.2
(Gain)/Loss on Forex – net & Others – net	463	(664)	169.7
<b>Total</b>	<b>70,052</b>	<b>60,490</b>	<b>15.8</b>

Notes: \*) There was personnel expense restatement of (171).

Compared to last year, total expenses increased by 15.8% YoY with the following details:

- **Operation & Maintenance (“O&M”) expenses** increased by 26.1% YoY in line with our continuous network development in our cellular business as well as higher costs related to fixed business expansion (IndiHome), managed mobility to support smartphone adoption, and IT system enhancement.
- **Personnel expenses** increased by 21.3% YoY which was mainly due to early retirement program (ERP) and employees incentives in line with the company’s strong performance. Normalised personnel expenses (without ERP) would be 14.3%.
- **Interconnection expenses** decreased by 26.7% YoY due to decline in outgoing SMS traffic and inter-operator tariff discount in international roaming.
- **Marketing expenses** only increased by 5.9% YoY, as we have effective sales channels and supported by healthy competition environment. A lot of marketing activities are related to promotion on mobile and fixed broadband i.e. 4G LTE and IndiHome Triple Play.
- **General & Administrative expenses** increased by 6.1% YoY mainly due to provision for impairment of receivables in an effort to improve our account receivables quality.
- **Depreciation & Amortization expenses** increased by 8.2% YoY as we continued to deploy network infrastructure both in cellular and fixed businesses.

## EBITDA, EBITDA Margin, and Net Income

In FY15, our EBITDA grew by 12.6% YoY to Rp51.4 trillion. EBITDA Margin remained superior at 50.2%, although slightly declined from 50.9% in FY14 partly impacted by early retirement program (ERP). Normalized EBITDA growth (without ERP) would be 14.1% with EBITDA Margin of 50.8%.

Our Net Income increased by 7.0% YoY to Rp15.5 trillion with healthy Net Income margin of 15.1%. The figures was impacted by ERP of Rp683 billion. Should we exclude this factor, Normalized Net Income growth would be 10.8% with Net Income Margin of 15.6%.

For EBITDA calculation, expenses are deducted by Depreciation & Amortization, Forex Exchange Gain or Loss, and Others-Net; while Net Income represented by Profit for the Period Attributable to the Owners of the Parent Company.

## Financial Position

Key Indicators (Rp.Bn)	YTD		
	FY15	FY14	Growth (%)
Assets	166,173	141,822	17.2
Liabilities	72,745	55,830	30.3
Non-controlling Interests	18,292	18,272	0.1
Equity attributable to owners of the company	75,136	67,721	10.9

- Total assets as of December 2015 reached Rp166.2 trillion, increased by 17.2% YTD as compared to December 2014 mainly due to higher cash and cash equivalents as a result of strong cash flow from operation and successful bond issuance, as well as higher fixed assets in line with continued infrastructure development.
- Total liabilities at end of December 2015 increased by 30.3% to Rp72.7 trillion attributed to bond issuance and higher long-term bank loan.
- Non-controlling interest slightly increased by 0.1% YTD due to increase in our subsidiaries' performance.
- Our equity increased by 10.9% mainly due to higher retained earnings as a result of strong earnings performance during FY15.

## Cash Flows

Key Indicators (Rp. Bn)	YoY		
	FY15	FY14	Growth (%)
Cash Flow from Operating Activities	43,669	37,736	15.7
Cash Flow used in Investing Activities	(27,421)	(24,748)	10.8
Cash Flow used in Financing Activities	(6,407)	(10,083)	(36.5)
Net Increase in Cash & Cash Equivalents	9,841	2,905	238.8
Effect of Exchange Rate Changes on Cash & Cash Equivalents	604	71	750.7
Cash & Cash Equivalents at Beginning of Year	17,672	14,696	20.3
Cash & Cash Equivalents at End of Period	28,117	17,672	59.1

- Net cash provided by operating activities increased by 15.7% YoY as a result of strong cash inflow from operations.
- Net cash used in investing activities increased by 10.8% YoY as there was significant time deposit redemption in 9M14.
- Net cash used in financing activities decreased by 36.5% YoY mainly due to cash inflow from successful bond issuance in 2015 and bank loan withdrawals.

## Debts

Currencies (Rp.Bn)	YoY			Portion (%)	
	FY15	FY14	Growth (%)	FY15	FY14
IDR/Rupiah	26,476	15,246	73.7	88.2	81.7
USD/US Dollar	2,764	2,621	5.5	9.2	14.0
JPY/Japanese Yen	792	796	(0.5)	2.6	4.3
<b>Total</b>	<b>30,032</b>	<b>18,663</b>	<b>60.9</b>	<b>100.0</b>	<b>100.0</b>

At the end of December 2015, total debts amounting to Rp30.0 billion, increased by 60.9% compared to the end of last year position, 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, 88.2% of which was in the Rupiah currency, 9.2% 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 40.0%.

## Financial Ratios

Ratios (%)	YoY	
	FY15	FY14
EBIT Margin	31.6	32.6
EBITDA Margin	50.2	50.9
Net Income Margin	15.1	16.1
Current Ratio	135.3	100.0
Total Liabilities to Equity	96.8	82.4
Return on Assets	9.3	10.2
Return on Equity	20.6	21.4

## Gearing

Key Indicators	YoY	
	FY15	FY14
Net Debt to Equity (%)	(1.2)	(2.7)
Debt to Equity (%)	40.0	27.5
Debt to EBITDA (%)	58.4	40.9
Debt Service Ratio (Times)	8.2	5.1

## Capital Expenditure

For the full year of 2015, Telkom Group spent Rp26.4 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 development. While other subsidiaries' projects among others are tower, property, data center, and submarine cable systems (SEA - ME - WE5 and SEA-US).

## Telkomsel Financial Result

Telkomsel delivered a set of remarkable results for 2015 in terms of its achievements from both financial and operational perspective. For the fourth consecutive year, Telkomsel achieved triple double-digit growth in revenue, EBITDA and net income, which grew by 14.8%, 14.4% and 15.4% YoY respectively. Revenues grew to Rp76,055 billion with the growth engine coming from Digital Business that increased by 43.5% YoY, driven by Data which increased by 43.9% YoY and Digital Services which increased by 39.2% YoY.

Digital Business accounted for 29.5% of total revenues, from 23.6% the previous year (in Q4-15 Digital Business already 33% of revenues). Bucking the industry trend, Telkomsel still recorded healthy growth in Legacy business, which grew by 6.0% YoY (Voice +10.1% and SMS +4.6% YoY), attributable to the successful execution of cluster-based pricing and market segmentation. Despite high SIM card penetration, Telkomsel also recorded healthy growth in subscriber base of 8.6% YoY to 152.6 million due to effective sales and marketing programs. EBITDA and Net Income margins were stable at 56.0% and 29.4%, respectively.

### Income Statement

Financial Performance (Rp. Bn)	YoY			QoQ		
	FY15	FY14*	Growth (%)	4Q15	3Q15	Growth (%)
Revenues	76,055	66,252	14.8	20,428	20,228	1.0
Legacy	53,652	50,639	6.0	13,772	14,180	(2.9)
Digital Business	22,403	15,614	43.5	6,656	6,047	10.1
Expenses incl. Depreciation & others	46,377	40,579	14.3	12,698	11,654	9.0
EBITDA	42,602	37,241	14.4	11,380	11,979	(5.0)
EBITDA Margin (%)	56.0	56.2	(0.2)ppt	55.7	59.2	(3.5)ppt
Net Income	22,368	19,391	15.4	5,849	6,413	(8.8)
Net Income Margin (%)	29.4	29.3	0.1ppt	28.6	31.7	(3.1)ppt
Proportion of Digital Business (%)	29.5	23.6	5.9ppt	32.6	29.9	2.7ppt

Notes: \*) The P&L for the year ended FY14 has been restated to take into account changes to PSAK 24 (Revised 2014) "Employee Benefit".

Telkomsel recorded operating revenues of Rp76,055 billion for FY15, an increase of 14.8% YoY.

- Prepaid revenue increased by 17.5% YoY to Rp65,434 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 8.3% YoY to 149.1 million subscribers. Revenue from prepaid customers accounted for 86.0% of Telkomsel's total revenue.
- Postpaid revenue increased by 10.3% YoY to Rp5,683 billion mainly driven by the increase in the postpaid customer base which grew by 23.1% YoY to 3.5 million subscribers. Revenue from postpaid customers contributed 7.5% to total revenue.
- Interconnection and International Roaming revenues decreased by 4.6% to Rp4,442 billion, which was expected due to the decline in Voice and SMS traffic from other local operators as we started to see cannibalization from Over The Top (OTT) services.

In FY15, total expenses including depreciation and amortization increased by 14.3% YoY to Rp46,377 billion, lower than revenue growth of 14.8%, indicating Telkomsel operational efficiency.

- *Operation & Maintenance expenses* increased by 27.2% YoY to Rp19,241 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 23.6% YoY to Rp3,193 billion with cost savings mainly from BlackBerry access fee.
- *Interconnection & International Roaming charges* decreased by 13.0% YoY to Rp2,747 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 40.2% YoY to Rp3,792 billion, mainly due to impact of early retirement program amounted to Rp161 billion and performance-based incentives. Excluding the impact of early retirement program, Personnel expenses would have increased by 34.3%.
- *Marketing expenses* increased by 9.4% YoY to Rp2,681 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 28.8% YoY to Rp1,798 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 11.2% YoY to Rp12,976 billion in line with our network deployment.

EBITDA and Net Income posted double digit growth for four consecutive years with an increase of 14.4% YoY to Rp42,602 billion and 15.4% YoY to Rp22,368 billion, respectively, while EBITDA and Net Income margins were stable YoY, at 56% and 29%, respectively.

## Statements of Financial Position

Statements of Financial Position (Rp Bn)	Dec-15	Dec-14 <sup>*)</sup>	Growth (%)
Current Assets	25,660	20,465	25.4
Non-Current Assets	58,426	58,887	(0.8)
<b>Total Assets</b>	<b>84,086</b>	<b>79,352</b>	<b>6.0</b>
Current Liabilities	20,020	19,270	3.9
Non-Current Liabilities	12,565	8,604	46.0
Equity	51,502	51,477	0.0
<b>Total Liabilities &amp; Stockholders Equity</b>	<b>84,086</b>	<b>79,352</b>	<b>6.0</b>

Notes:

\*) The Financial Position as of Dec-14 has been restated to take into account changes in PSAK 50 (Revised 2014) "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".



As of 31 December 2015, Total Assets increased 6.0% to Rp84,086 billion and total liabilities increased 16.9% to Rp32,584 billion while total equity stable at Rp51,502 billion.

- *Current Assets* increased 25.4% to Rp25,660 billion, mainly due to increase in cash and cash equivalent, and offset by reduction in claims for tax refund.
- *Non-current Assets* remain relatively stable at Rp58,426 billion
- *Current Liabilities* increased 3.9% to Rp20,020 billion mainly due to the increase in Taxes Payable.
- *Non-current Liabilities* increased 46.0% to Rp12,565 billion, mainly due to draw down of medium-term loans in the current quarter amounting to Rp5,061 billion.
- *Total Equity* remain stable at Rp51,502 billion.

## Cash Flow

Net cash generated from operations in FY-15 increased 17.6% YoY to Rp36,359 billion. Cash flow used in investment activities was Rp12,951 billion mainly for the payment of infrastructure spending of Rp13,056 billion (-9.7% YoY). Net cash in financing activities (exclude Dividend) increased by 517.6% YoY to Rp2,077 billion mainly due to proceeds from loans.

### STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Billions of Rupiah)

	FY15	FY14	Growth (%)
Cash Flow from Operating Activities	36,359	30,911	17.6
Cash Flow for Investing Activities	(12,951)	(11,052)	17.2
Cash Flow from (for) Financing Activities	2,077	(497)	N/A
Dividend Payment	(21,533)	(15,066)	42.9
Net Increase in Cash & Cash Equivalents	3,723	4,248	(12.4)
Cash and Cash Equivalents at Beginning of Years	9,851	5,555	77.3
Cash and Cash Equivalents at End of Years	13,802	9,851	40.1

## Debt Profile

As of 31 December 2015, Telkomsel's total outstanding loans amounted to Rp5,180 billion, of which approximately 2% or Rp111 billion will mature in 2016 while the remaining 98% or Rp5,069 billion 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 December 2015, Telkomsel Debt to Equity Ratio (DER) was 20.7%.



Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 December 2015 the covenants were as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	$\geq 1.25$	10.41
Debt to Tangible Net Worth	$\leq 2.00$	0.10

## RESULTS BY SERVICE

### Celullar Services

At end of 31 December 2015, Telkomsel served 152.6 million subscribers nationwide, an increase of 8.6% YoY. Out of the total base, 40.4% or 61.7 million were using 3G/4G capable device which has been growing strongly by 52.7% YoY.

#### Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 10.1% YoY to Rp36,373 billion. The healthy growth in voice revenue mainly attributable to higher voice traffic (MoU) which increased by 14.4% YoY to 224.8 billion minutes. The higher traffic is mainly due to improvement in network quality as well as high proportion of our base still using 2G handset devices as well as growth in our customer base.

Revenue from SMS also grew by 4.6% YoY to Rp13,666 billion despite the decline in SMS traffic (-14.7% YoY to 218.7 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.

#### 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 43.5% YoY growth to Rp22,403 billion and increased its contribution to total revenue substantially to 29.5% from 23.6% last year.

Revenue from Data grew by 43.9% YoY to Rp20,277 billion, driven by healthy growth in 3G/4G capable device adoption (+52.7% YoY to 61.7 million users), successful migration of Pay As You Use (PAYU) to Flash packages, as well as continued strong growth in data payload, which increased 109.6% YoY to 492,245 TB. As of 31 December 2015, 2.2 million customers that have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 39.2% YoY to Rp2,126 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 109.6% YoY. During FY15, Telkomsel built 17,869 new BTS, increased 14.9% 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 1,761 BTS to date. The network roll out brought total BTS on air to 103,289 units at end of December 2015, or increased by 20.9% YoY, of which 54,895 units were 3G/4G BTS (+40.7% YoY).

Blended ARPU increased 10.9% 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 voice and data ARPU are still growing strongly, we started to see the decline in SMS ARPU due to cannibalization of OTT services.

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

Key Indicators	Unit	YoY		
		FY15	FY14	Growth (%)
<b>Customer Base</b>				
Postpaid (kartuHalo)	Subs (000)	3,509	2,851	23.1
Prepaid (simPATI + Kartu As)	Subs (000)	149,131	137,734	8.3
Total	Subs (000)	152,641	140,586	8.6
<b>Net Add</b>				
Postpaid (kartuHalo)	Subs (000)	658	362	81.9
Prepaid (simPATI + Kartu As)	Subs (000)	11,397	8,711	30.8
Total	Subs (000)	12,055	9,073	32.9
<b>TRAFFIC</b>				
MoU (Total)	Bn Minutes	224.8	196.5	14.4
MoU (Chargable)	Bn Minutes	191.2	161.4	18.5
SMS (Total)	Bn Units	218.7	256.4	(14.7)
SMS (Chargable)	Bn Units	123.1	132.8	(7.3)
<b>ARPU</b>				
Postpaid (kartuHalo)	Rp.'000/month	162	172	(5.5)
Prepaid (simPATI + Kartu As)	Rp.'000/month	40	36	11.7
Blended	Rp.'000/month	43	39	10.9
<b>NETWORK DATA</b>				
BTS	Unit	103,289	85,420	20.9
<b>DATA/BROADBAND</b>				
3G/4G Capable Device	Unit (000)	61,712	40,420	52.7
Data Payload	TB	492,245	234,862	109.6
<b>EMPLOYEE DATA</b>				
Total employees	Person	4,930	4,880	1.0
Efficiency ratio	subs/employee	30,962	28,809	7.5

## Fixed Line Services

### IndiHome Triple Play

In 2015, we revive our fixed line services by aggressively developing fiber to the home (FTTH) infrastructure, with focus on monetization of our fiber homes-passed. As of FY15 we have around 10 million fiber homes-passed.

In the beginning of the year, we launched IndiHome Triple Play, a bundling package consists of fixed phone, high speed internet, and IPTV. We are building up our human resources both in terms of capabilities and numbers so that in December 2015 we already have 4,800 fiber technicians for IndiHome installation. As of December 2015, total IndiHome subscribers reached 1.1 million with ARPU of Rp310 thousand.

Current IndiHome Triple Play price lists are:

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

\*) excluded Rp 50K monthly rental fee of modem and set-top box

## Recent Development

- **Telkom Metra acquired TelkoMedika** – On November 30, 2015, Metra (PT Multimedia Nusantara), one of Telkom Subsidiary acquired 13,850 shares of TelkoMedika (equal to 75% ownership) from Yakes Telkom (Telkom health foundation) with total value of Rp69.5 billion. TelkoMedika is a company that engaged in health care services, procurement and drug services, including the establishment of pharmacies, hospitals, clinics or other health care support.
- **Mitratel Deal** – Regarding the Conditional Shares Exchange Agreement (“CSEA”) with PT Tower Bersama Infrastructure Tbk. (“TBI”), the transaction was terminated by the Company due to nonfulfillment of the terms stated in the CSEA.

## Product and Marketing Activities

- **IndiHome 1000 Minutes Free Call** was launched to encourage the usage of our legacy fixed line voice. This free call dedicated to IndiHome customer to dial to fixed line number (local/interlocal), to Telkomsel number with special tariff start from Rp68K / month and to 10 selected countries (international call) start from Rp50K / month.
- **IndiHome – Melon** was synergy program within Telkom Group. Melon is a digital music portal that provide various music genre local and international. IndiHome customer will get Melon Silver unlimited free streaming for 12 months and Melon Gold unlimited download for only Rp10K / months.
- **IndiHome – wifi.id Seamless** was services that provided to IndiHome customer to keep automatically connected to internet by using @wifi.id seamless access up to 100 Mbps throughout Indonesia.
- **Halo Fit – New My Plan** was launched as new program to deliver more privilege to postpaid subscribers with new bundle: Voice, SMS & Data Bundling, Device Protection, Content Bundling and Lifestyle Pack. New 4 quota variants without time band were also available at Rp100K (2 GB), Rp200K (5 GB) and Rp350K (10 GB).
- **Kartu As Kenyang Internetan** was launched as new package to provide various weekly packages starting from Rp5K valid for all Kartu As subscribers. The package includes Voice, SMS, internet access and other contents such as Video, Music, Games, Hello Doctor and Combo Artist that available through \*100# access.
- Strong partnership with several e-commerce merchants was made in order to improve digital/online POIN experience and to provide unique & attractive online shopping redemption experience based on

lifestyle (**HARBOLNAS** - exclusive telco provider partner for National Online Shopping Day, **JGOS** - Jakarta Great Online Shop and **Pesta Diskon Online program**).

- Telkomsel launched **Pesta Akhir Tahun program** with a chance to win new Honda Mobilio and HP Lenovo A6000 by using their Telkomsel POIN or activating data package and digital products.

## ADDITIONAL INFORMATION

### Awards & Recognition

During 4Q-15, we have been awarded by several institutions for our achievements, among others:

- Seven awards for Telkom in the event *Human Capital Studi Award 2015 (IHCS Award 2015)*, from Dunamis and Business News Magazine. Telkom awarded as the Best of Human Capital Index on Telecommunication & Information Sector, Best of Employee Net Promoter Score on Telecommunication & Information Sector, Best of Human Capital Initiative on Culture Management, Best of Human Capital Initiative on Learning Management dan Best of Human Capital Initiative on Reward Management. CEO of Telkom, Alex J Sinaga also awarded as the Best CEO for Commitment on Human Capital Development.
- *Marketing 3.0 Awardee of the Year* for Telkom in ASEAN Marketing Summit (AMS).
- *Best of The Best Awards 2015* for Telkom from Forbes Indonesia.
- *Top Infrastructure in ICT 2015* and *Top ASEAN Infrastructure 2015* for Telkom in Indonesia Infrastructure Week 2015.
- *Indonesia's Top 100 Most Valuable Brand 2015* for Telkom from Brand Finance & SWA Magazine
- Telkom was awarded *Sustainability Report Award (SRA) 2015* in Best Infrastructure category from National Center for Sustainability Reporting.
- *Marketeer of the Year 2015* for CEO Ririek Adriansyah as Indonesia Marketing Champion 2015 in Telecommunication Category from MarkPlus. Inc.
- *PR Program & People of The Year 2015* for Indonesia Public Relations Officer of the Year 2015, Indonesia Best Corporate Communications Team 2015 and Indonesia Best of the Best Corporate Public Relations Program 2015 from Mix-Marcomm Magazine.
- *Frost & Sullivan Indonesia Excellence Awards 2015* for Telkomsel in 3 categories: Indonesia M-Money Service Provider of the Year, Indonesia Mobile Data Service Provider of the Year and Indonesia Mobile Service Provider of the Year from Frost and Sullivan.
- *Indonesia WOW Service Excellence Award 2015* for Sulawesi Maluku Papua Region (Silver Champion), for Jawa Bali Region (Gold Champion), for Kalimantan Region (Gold Champion), for Sumatera Region (Gold Champion) and for Telkomsel as The Best of Indonesia WOW Service Excellence Award 2015 from Markplus. Inc.
- *Mobile Marketing Association (MMA) SMARTIES Indonesia Awards 2015* for Telkomsel in Promotion Category from Mobile Marketing Association (MMA).

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- *Digital Marketing Award 2015* for Telkomsel Flash & *simPATI* as Great Performing Product and Telkomsel as Great Performing Website from Surveyone and Marketing Magazine.
  - Social Media Award 2015 for Telkomsel as Great Performing Brand in Social Media for Cellular SIM Card Category and for Internet Service Provider Category from Frontier Consulting Group and Marketing Magazine.
  - *Indonesian Customer Service Satisfaction Award 2015* for kartuHalo, *simPATI* and Telkomsel Flash as The Best in Achieving Total Customer Satisfaction from Frontier Consulting Group and SWA Magazine.
  - Indonesia Golden Ring Awards 2015 for GraPARI as Best Customer Service, *simPATI* as Best Operator Product, and Telkomsel as Best Operator from ATSI (Asosiasi Penyelenggara Telekomunikasi Seluruh Indonesia - Telecommunication Operator Association in Indonesia).
  - *Brand Activation Award 2015* for LOOP Kreatif Project as The Best Festival & Exhibition Activation 2015 and for Telkomsel Siaga 2015 as The Best Special Event Activation 2015 from Mix-Marcomm Magazine.

**Table 1**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As of December 31, 2015, 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 (%)
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	28,117	17,672	14,696	59.1
Other current financial assets	2,818	2,797	6,872	0.8
Trade receivables – net of provision for impairment of receivables				
Related parties	1,104	873	1,103	26.5
Third parties	6,413	6,124	5,520	4.7
Other receivables – net of provision for impairment of receivables	355	383	395	(7.3)
Inventories – net of provision for obsolescence	528	474	509	11.4
Advances and prepaid expenses	5,839	4,733	3,937	23.4
Claim for tax refund	66	291	10	(77.3)
Prepaid taxes	2,672	890	525	200.2
Asset held for sale	-	57	105	(100.0)
<b>Total Current Assets</b>	<b>47,912</b>	<b>34,294</b>	<b>33,672</b>	<b>39.7</b>
<b>NON-CURRENT ASSETS</b>				
Long-term investments	1,807	1,767	304	2.3
Property and equipment – net of accumulated depreciation	103,700	94,809	86,761	9.4
Prepaid pension benefit costs	1,331	1,170	949	13.8
Advances and other non-current assets	7,153	6,479	4,795	10.4
Claims for tax refund – net of current portion	1,013	745	499	36.0
Intangible assets – net of accumulated amortization	3,056	2,463	1,508	24.1
Deferred tax assets – net	201	95	67	111.6
<b>Total Non-current Assets</b>	<b>118,261</b>	<b>107,528</b>	<b>94,883</b>	<b>10.0</b>
<b>TOTAL ASSETS</b>	<b>166,173</b>	<b>141,822</b>	<b>128,555</b>	<b>17.2</b>

**Table 1 (Continued)**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As of December 31, 2015, 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 (%)
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade payables				
Related parties	2,075	897	1,029	131.3
Third parties	11,919	11,465	11,168	4.0
Other payables	290	114	388	154.4
Taxes payable	3,273	2,376	1,698	37.8
Accrued expenses	8,247	5,211	5,264	58.3
Unearned income	4,360	3,963	3,490	10.0
Advances from customers and suppliers	805	583	472	38.1
Short-term bank loans	602	1,810	432	(66.7)
Current maturities of long-term liabilities	3,842	5,899	5,093	(34.9)
<b>Total Current Liabilities</b>	<b>35,413</b>	<b>32,318</b>	<b>29,034</b>	<b>9.6</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities – net	2,110	2,654	2,876	(20.5)
Other liabilities	382	394	472	(3.0)
Long service award provisions	501	410	336	22.2
Post-retirement health care benefits costs provisions	118	441	993	(73.2)
Pension and other post-employment benefits	4,053	3,870	3,392	4.7
Long-term liabilities – net of current maturities				
Obligations under finance leases	3,939	4,218	4,321	(6.6)
Two-step loans	1,296	1,408	1,702	(8.0)
Bonds and Notes	9,499	2,239	3,073	324.3
Bank loans	15,434	7,878	5,635	95.9
<b>Total Non-current Liabilities</b>	<b>37,332</b>	<b>23,512</b>	<b>22,800</b>	<b>58.8</b>
<b>TOTAL LIABILITIES</b>	<b>72,745</b>	<b>55,830</b>	<b>51,834</b>	<b>30.3</b>
<b>EQUITY</b>				
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	2,935	2,899	2,323	1.2
Treasury stock	(3,804)	(3,836)	(5,805)	(0.9)
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	543	415	391	30.8
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	55,120	47,900	42,572	15.1
Net Equity Attributable to:				
Owners of the Parent Company	75,136	67,721	59,823	10.9
Non-Controlling Interests	18,292	18,271	16,898	0.1
<b>TOTAL EQUITY</b>	<b>93,428</b>	<b>85,992</b>	<b>76,721</b>	<b>8.6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>166,173</b>	<b>141,822</b>	<b>128,555</b>	<b>17.2</b>



**Table 2**  
**PERUSAHAAN PERSEROAN (PERSERO)**  
**PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the Years Ended December 31, 2015 and 2014 (restated)**  
**(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)**

	2015	2014	Growth (%)
<b>REVENUES</b>	<b>102,470</b>	<b>89,696</b>	<b>14.2</b>
Operations, maintenance and telecommunication service expenses	(28,116)	(22,288)	26.1
Depreciation and amortization	(18,534)	(17,131)	8.2
Personnel expenses	(11,874)	(9,787)	21.3
Interconnection expenses	(3,586)	(4,893)	(26.7)
General and Administrative expenses	(4,204)	(3,963)	6.1
Marketing expenses	(3,275)	(3,092)	5.9
Gain (loss) on foreign exchange – net	(46)	(14)	228.6
Other income	1,500	1,074	39.7
Other expenses	(1,917)	(396)	384.1
<b>OPERATING PROFIT</b>	<b>32,418</b>	<b>29,206</b>	<b>11.0</b>
Finance income	1,407	1,238	13.7
Finance costs	(2,481)	(1,814)	36.8
Share of profit (loss) of associated companies	(2)	(17)	(88.2)
<b>PROFIT BEFORE INCOME TAX</b>	<b>31,342</b>	<b>28,613</b>	<b>9.5</b>
<b>INCOME TAX (EXPENSE) BENEFIT</b>			
Current	(8,365)	(7,616)	9.8
Deferred	340	277	22.7
	(8,025)	(7,339)	9.3
<b>PROFIT FOR THE YEAR</b>	<b>23,317</b>	<b>21,274</b>	<b>9.6</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	128	24	433.3
Change in fair value of available-for-sale financial assets	(1)	1	(200.0)
Investment income from subsidiaries - other comprehensive income	(2)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit plan actuarial gain (loss), net of tax	506	742	(31.8)
Other Comprehensive Income – net	631	767	(17.7)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>23,948</b>	<b>22,041</b>	<b>8.7</b>
Profit for the year attributable to:			
Owners of the parent company	15,489	14,471	7.0
Non-controlling interests	7,828	6,803	15.1
	<b>23,317</b>	<b>21,274</b>	<b>9.6</b>
Total comprehensive income for the year attributable to:			
Owners of the parent company	16,130	15,296	5.5
Non-controlling interests	7,818	6,745	15.9
	<b>23,948</b>	<b>22,041</b>	<b>8.7</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b> (in full amount)			
Net Income per share	157.77	148.13	6.5
Net Income per ADS (200 Series B shares per ADS)	31,553.37	29,625.16	6.5

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

	<u>DEC 2015</u>	<u>DEC 2014</u>	<u>Growth (%)</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	13,802	9,851	40.1
Accounts receivables	2,706	2,340	15.7
Accrued income	461	416	10.9
Current portion of long-term prepayments	5,458	4,374	24.8
Asset held for sale	-	57	N/A
Others	3,233	3,427	(5.7)
<b>Total Current Assets</b>	<b><u>25,660</u></b>	<b><u>20,465</u></b>	<b>25.4</b>
<b>NON-CURRENT ASSETS</b>			
Long-term investment	7	7	0.0
Fixed assets-net	54,112	55,021	(1.7)
Advances for fixed assets	134	590	(77.2)
Intangible assets-net	1,877	1,096	71.3
Prepayments – Non Current Portion	2,096	1,728	21.3
Others	199	444	(55.2)
<b>Total Non-Current Assets</b>	<b><u>58,426</u></b>	<b><u>58,887</u></b>	<b>(0.8)</b>
<b>TOTAL ASSETS</b>	<b><u>84,086</u></b>	<b><u>79,352</u></b>	<b>6.0</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Short-term loan	-	1,244	N/A
Accounts payable & Accrued Liabilities	12,730	11,699	8.8
Taxes payable	2,487	1,607	54.8
Unearned revenue	4,092	3,504	16.8
Current maturities of medium-term & long-term loans	111	673	(83.5)
Current maturities of oblig. under finance leases	599	543	10.4
<b>Total Current Liabilities</b>	<b><u>20,020</u></b>	<b><u>19,270</u></b>	<b>3.9</b>
<b>NON-CURRENT LIABILITIES</b>			
Medium-term & long-term loans - net of current maturities	5,061	375	N/A
Obligations under finance lease - net of current maturities	4,899	5,057	(3.1)
Deferred tax liabilities	1,392	1,941	(28.3)
Others	1,213	1,232	(1.6)
<b>Total Non-current Liabilities</b>	<b><u>12,565</u></b>	<b><u>8,604</u></b>	<b>46.0</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	49,815	49,790	0.0
<b>Total Equity</b>	<b><u>51,502</u></b>	<b><u>51,477</u></b>	<b>0.0</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>84,086</u></b>	<b><u>79,352</u></b>	<b>6.0</b>

**Table 4**  
**PT TELEKOMUNIKASI SELULAR (TELKOMSEL)**  
**STATEMENTS OF PROFIT AND LOSS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
 (figures in tables are presented in billions of Rupiah)

	2015	2014	Growth (%)
<b>REVENUES</b>			
Postpaid	5,683	5,151	10.3
Prepaid	65,434	55,690	17.5
Interconnection & International roaming	4,442	4,656	(4.6)
Other	496	756	(34.4)
<b>Total Revenues</b>	<b>76,055</b>	<b>66,252</b>	<b>14.8</b>
<b>EXPENSES</b>			
Operation & Maintenance	19,241	15,127	27.2
Depreciation & Amortization	12,976	11,672	11.2
Cost of Services	3,193	4,176	(23.6)
Interconnection & International Roaming	2,747	3,157	(13.0)
Personnel	3,792	2,704	40.2
General & Administration	1,798	1,396	28.8
Marketing	2,681	2,451	9.4
Others - net	(51)	(104)	(50.4)
<b>Total Expenses</b>	<b>46,377</b>	<b>40,579</b>	<b>14.3</b>
Finance income (charges) - net	54	47	13.1
<b>INCOME BEFORE TAX</b>	<b>29,731</b>	<b>25,720</b>	<b>15.6</b>
INCOME TAX EXPENSE	(7,363)	(6,330)	16.3
<b>NET INCOME</b>	<b>22,368</b>	<b>19,391</b>	<b>15.4</b>
<b>EBITDA</b>	<b>42,602</b>	<b>37,241</b>	<b>14.4</b>
<b>EBITDA Margin- over revenues</b>	<b>56.0</b>	<b>56.2</b>	<b>(0.2)ppt</b>
<b>ROA</b>	<b>27.4</b>	<b>25.6</b>	<b>1.8ppt</b>
<b>ROE</b>	<b>43.4</b>	<b>39.0</b>	<b>4.4ppt</b>