

Corporate Presentation

The Result of
Full Year 2009



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 should have been taken in reliance on this document will bring specific results as expected.

Strong Financial Results & Growth in 2009



- TelkomGroup revenue **↗ 6.4%**, EBITDA **↗ 5.6%**, and Net Income **↗ 6.7%**
- Cellular and Internet performed very well
- Group synergy, focusing primarily on cost management, tower sharing, network infrastructure, and service focus across the group, showed tangible result
- **New brand identity** launched at parent and all subsidiaries follow, it already showed national awareness
- **Strategies of defending legacy and grow new wave** were executed and started to show results
- **Cost is manageable**, and ERP was enlarged to Rp1 trillion, executed well
- M&A with financial discipline exhibited
- Improvement on the timing and quality of Annual Report issuance from mid May to early April
- Results: *)
 - Data, Internet & IT growth 25.8%
 - Cellular growth 7.4%
 - (with the exception), fixed line decline 11.2%
- **Strong fundamental for sustainable competitive growth**

*)refer to table 2 Info memo year end 2009 result

Content



Telkom Indonesia in Brief

Telco Industry in Indonesia

Business Results (Operational & Financial)

Telkom Board of Directors



**Director of
Compliance &
Risk
Management**

Prasetio



**President
Director
(CEO)**

Rinaldi Firmansyah



**Director of
Network &
Solution
(COO)**

Ermady Dahlan



**Director of
Human Capital &
General Affair**

Faisal Syam



**Director of
Finance
(CFO)**

Sudiro Asno



**Director of
Consumers**

I Nyoman G Wiryanata



**Director of
Enterprise &
Wholesale**

Arief Yahya



**Director of
Information
Technology
& Supply (CIO)**

Indra Utoyo

Telkom's Map of Operations



Full National coverage: **33 provinces and 440 districts**



Telkom Ownership



Telkom is the largest telecommunication company and network provider in Indonesia, majority owned by the Government of Indonesia.

(Total shares = 20,159,999,280, including 1 Dwiwarna share series A)

as of December 31, 2009

| | |
|-----------------------|--|
| Government | 52.47% 10,320,470,712 shares |
| Public | 47.53% 9,348,954,068 shares |
| Treasury Stock | 490,574,500 shares |

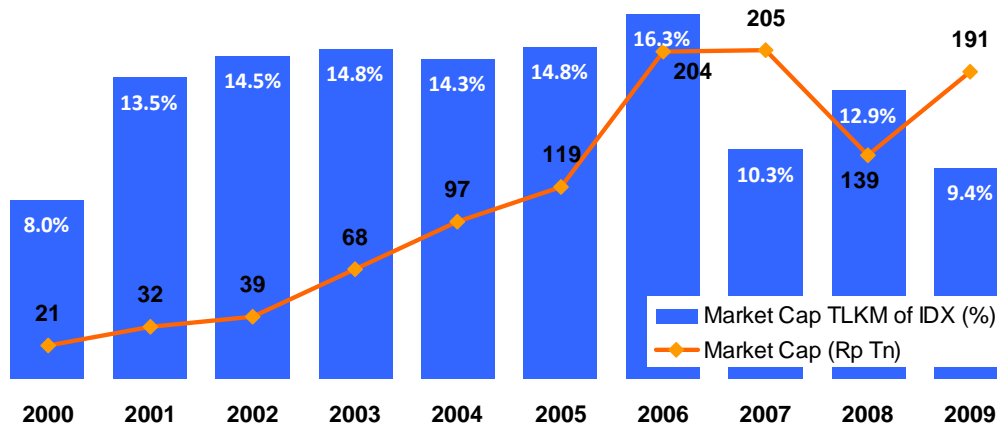
The biggest public listed company in Indonesia

(Market cap : Rp190Tn, or 9,43% of total market cap. at IDX)

TELKOM is listed at Indonesia Stock Exchange (IDX), New York Stock Exchange (NYSE), London Stock Exchange (LSE) and also Publicly Offering Without Listing (POWL) at Tokyo Stock Exchange (TSE)



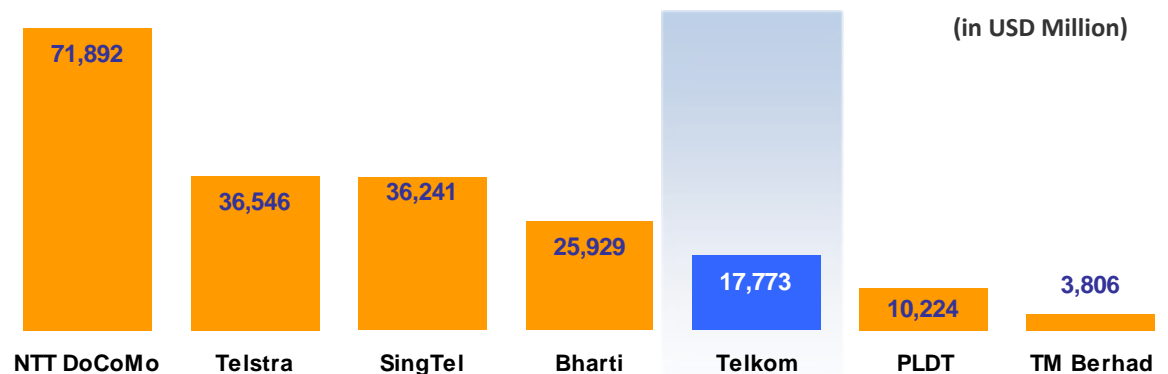
Telkom Market Capitalization



Telkom market cap history in IDX

Source : IDX Monthly Report

Telkom market cap among Telco Operators

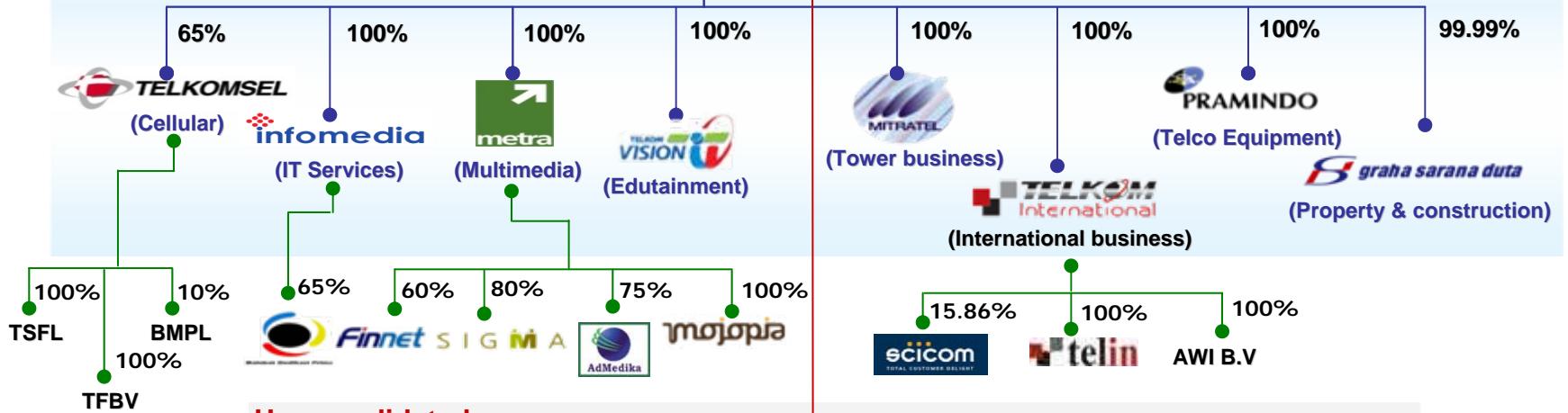


Source : Bloomberg, April 20, 2010

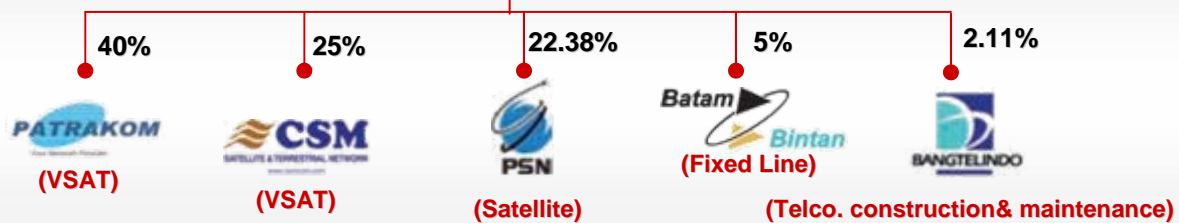
Telkom and Subsidiaries (ownership)



Consolidated



Unconsolidated



Telkom's Business Portfolio



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Product Portfolio

| | | |
|--------|----|---|
| T | 1 | FWL/POTS |
| | 2 | FWA |
| | 3 | Mobile/Cellular |
| | 4 | Broadband |
| | 5 | Satellite |
| | 6 | Tower |
| | 7 | Premise Integration |
| I | 8 | IT Services(Managed App & Perf, IT Outsourcing) & BPO/KPO |
| | 9 | E-Money |
| M E | 10 | Media: PayTV & FTA |
| | 11 | Content/Portal |

2

Customer Portfolio

| | |
|----|------------|
| 12 | Consumer |
| 13 | SME |
| 14 | Enterprise |
| 15 | Wholesale |

3

Geography

| | |
|------------------|------------------|
| T I M E | Domestic |
| | 16 International |

Geography coverage for international investment is basically all over the world, however for the initial investment, Asia and Middle-East will be the priority.

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Telkom Indonesia in Brief

Telco Industry in Indonesia

Business Results (Operational & Financial)

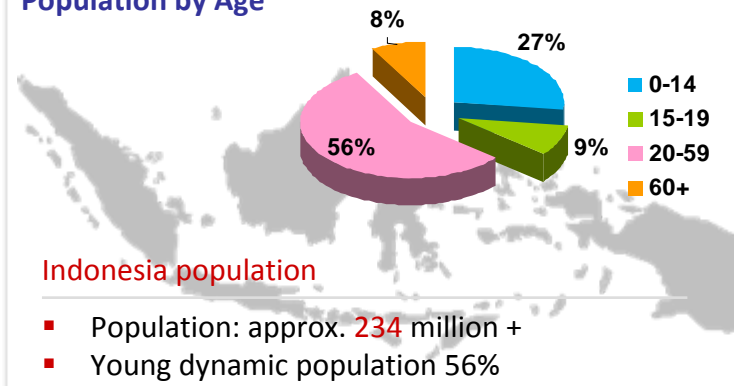
Indonesia's Telco Industry Landscape

There are 11 operators serving more than 234 Mn population, in which 56% of them are young dynamic population...

Operators



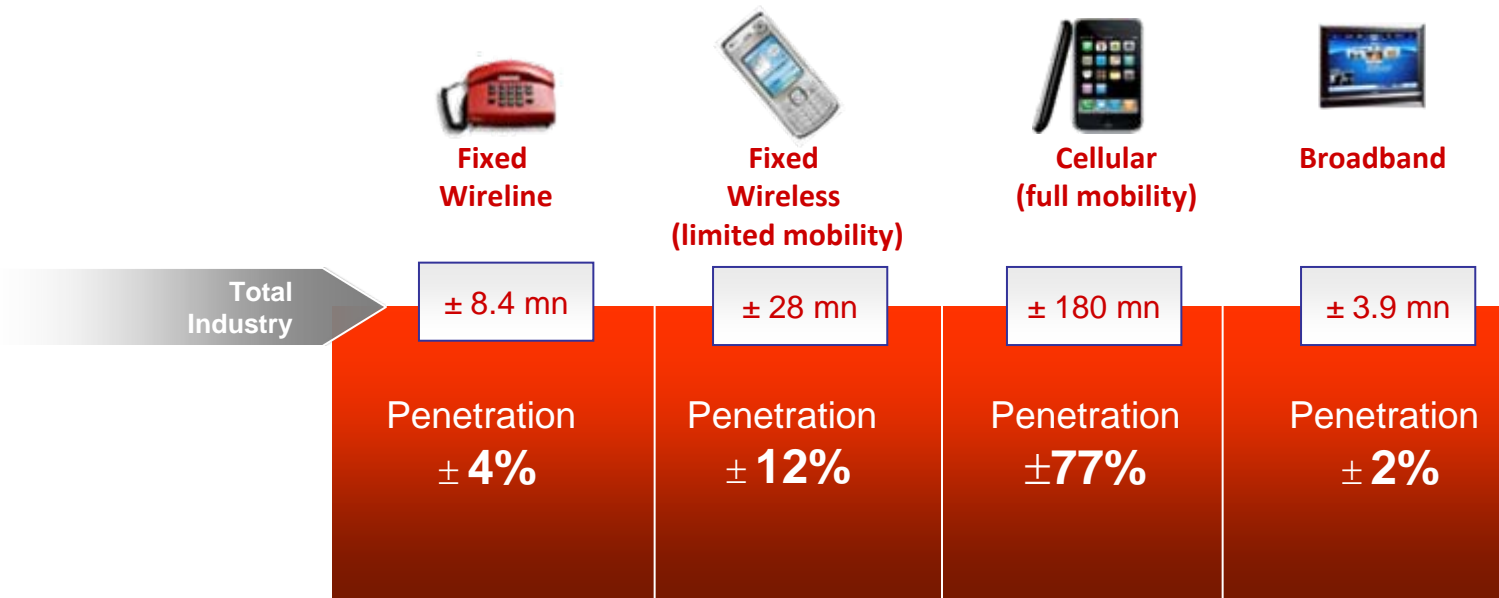
Population by Age



Telco Penetration



as of March 31, 2010



Source: internal market research

Content



Telkom Indonesia in Brief

Telco Industry in Indonesia

Business Results (Operational & Financial)

Cellular Business



| | FY08 | FY09 | Growth (%) |
|-------------------------|--------|--------|------------|
| Cellular | | | |
| Subscribers (mn) | 65.3 | 81.6 | ↗ 25% |
| BTS (unit) | 26,872 | 30,992 | ↗ 15% |
| MoU (Bn minutes) | 90.2 | 130.3 | ↗ 45% |
| MoU/Subs/Month (mnt) | 136 | 144 | ↗ 6% |
| ARPU – blended (Rp'000) | 59 | 48 | ↘ 18% |
| Revenue (Rp Bn) | 34,124 | 35,420 | ↗ 4% |

By end of 2009 Telkomsel serves 81.6 mn subscribers.

It's reflecting **49%** market share of full mobility cellular in Indonesia.

Broadband Services



| | FY08 | FY09 | Growth (%) |
|--------------------|-------|-------|------------|
| Speedy: | | | |
| Subscribers ('000) | 645 | 1,145 | ↗ 78% |
| ARPU (Rp'000) | 281 | 256 | ↘ 9% |
| Revenue (Rp Tn) | 1,439 | 2,600 | ↗ 81% |
| Flash: | | | |
| User ('000) | 206 | 1,665 | ↗ 708% |
| ARPU (Rp'000) | 92 | 58 | ↘ 37% |
| Revenue (Rp Bn) | 120 | 540 | ↗ 350% |

Broadband services **grew significantly** in 2009

Fixed Wireless Business



| | FY08 | FY09 | Growth (%) |
|-------------------------------|-------|-------|------------|
| Fixed Wireless / Flexi | | | |
| Subscribers (mn) | 12.7 | 15.1 | ↗ 19% |
| BTS (unit) | 4,054 | 5,543 | ↗ 37% |
| MoU (Bn minutes) | 13.6 | 16.7 | ↗ 23% |
| MoU/Subs/Month (mnt) | 141 | 97 | ↘ 32% |
| ARPU – blended (Rp'000) | 38 | 22 | ↘ 41% |
| Revenue (Rp Bn) | 3,151 | 3,048 | ↘ 3% |

Flexi maintained its leading position in CDMA limited mobility service with **56%** market share

Fixed Wireline Business



| | FY08 | FY09 | Growth (%) |
|--------------------------|--------|--------|------------|
| Fixed Wireline | | | |
| Line in Service/LIS (mn) | 8.6 | 8.4 | ↘ 3% |
| ARPU ('000) | 133.3 | 109.3 | ↘ 18% |
| Revenue (Rp Bn) | 13,939 | 11,660 | ↘ 16% |

- As a part of our strategy to mitigate the decrease of fixed wireline revenue, we launched a **fixed business improvement program / FBIP**.
- As of December 31, 2009, there were **1,393 subs**. enrolled in the FBIP (reflecting 17% of total wireline subs).
- The total incremental revenue in 2009 generated by FBIP was **Rp103 Bn**

Financial Highlights

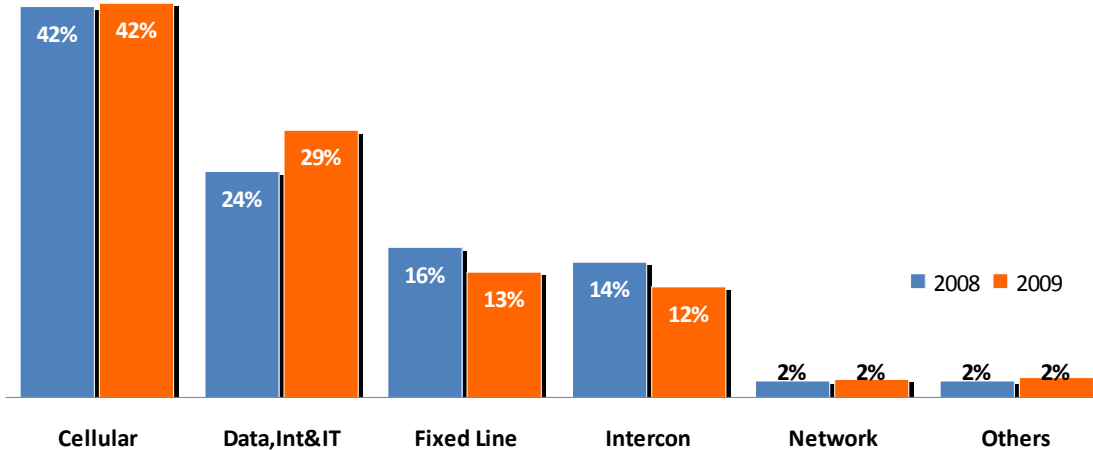


In tight competition, **operating revenues increased by 6.4% in 2009**

| | FY/08 | FY/09 | Growth YoY |
|---------------------------------------|-------------|-------------|----------------|
| Op. Revenues (Rp.Tn) | 60.7 | 64.6 | ↗ 6.4% |
| EBITDA (Rp Tn) | 34.6 | 36.6 | ↗ 5.6% |
| Net Income (Rp Tn) *) | 10.6 | 11.3 | ↗ 6.7% |
| Net Income excl. ERP (Rp Tn) | 11.4 | 12.4 | ↗ 8.5% |
| CAPEX (Rp Tn) | 22.2 | 19.2 | ↘ 13.9% |
| CAPEX to Revenue (%) | 36.7 | 29.7 | ↘ 7.0% |
| Debt to Equity/DER (%) | 57.6 | 56.1 | ↘ 1.5% |
| Net Debt to Equity/Gearing (%) | 36.6 | 35.1 | ↘ 1.5% |

*) include ERP expense

Revenues and Expenses Contributions

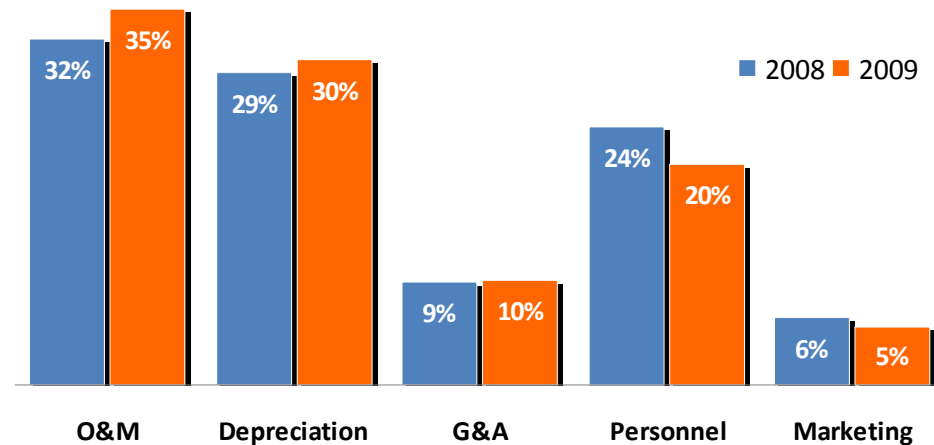


Revenues contribution to total revenues

In 2009, **Data, Internet & IT services revenues contributed 29%** to total revenues

Expenses contribution to total expenses

Expense was manageable, although **Telkom executed Early Retirement Program (ERP) in 2009 with total cost more than Rp1 trillion**



Legacy and New Wave Revenues



as of December 31, 2009

Total (Rp. Bn)

60,690 64,597

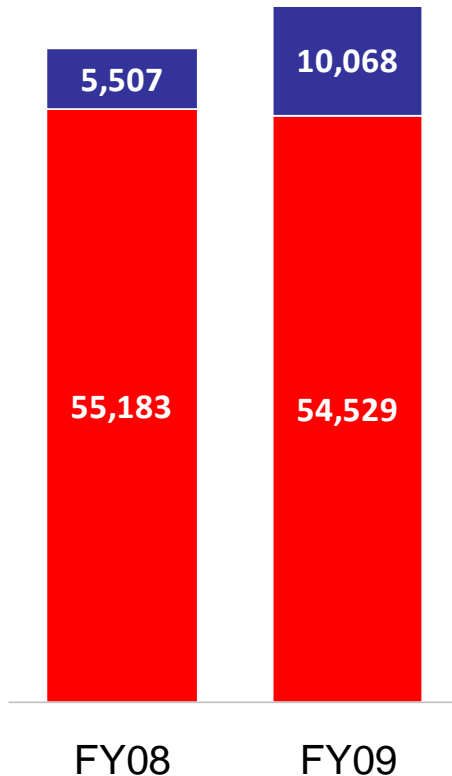
The increasing emphasis on the new wave business was **the foundation for the Company's transformation**

New Wave Business

↗ 83%

Legacy Business

↘ 1.2%

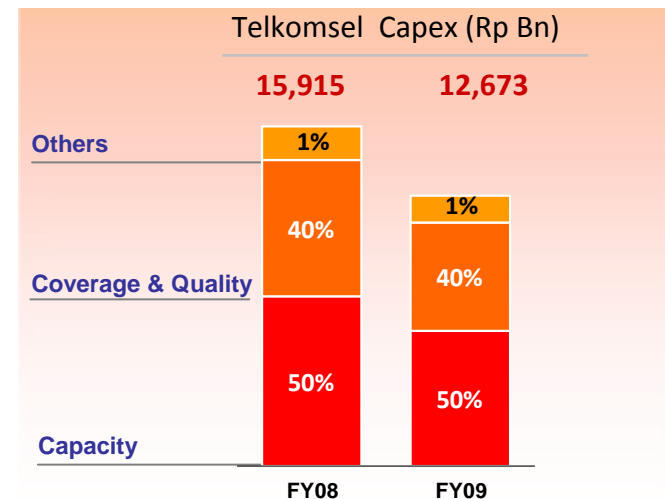
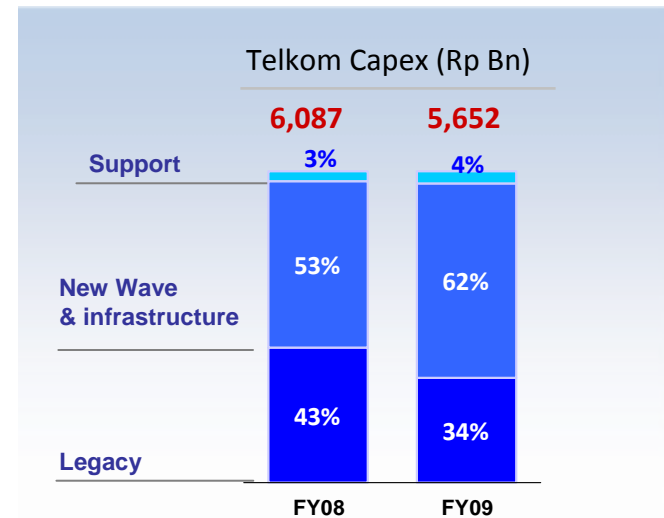
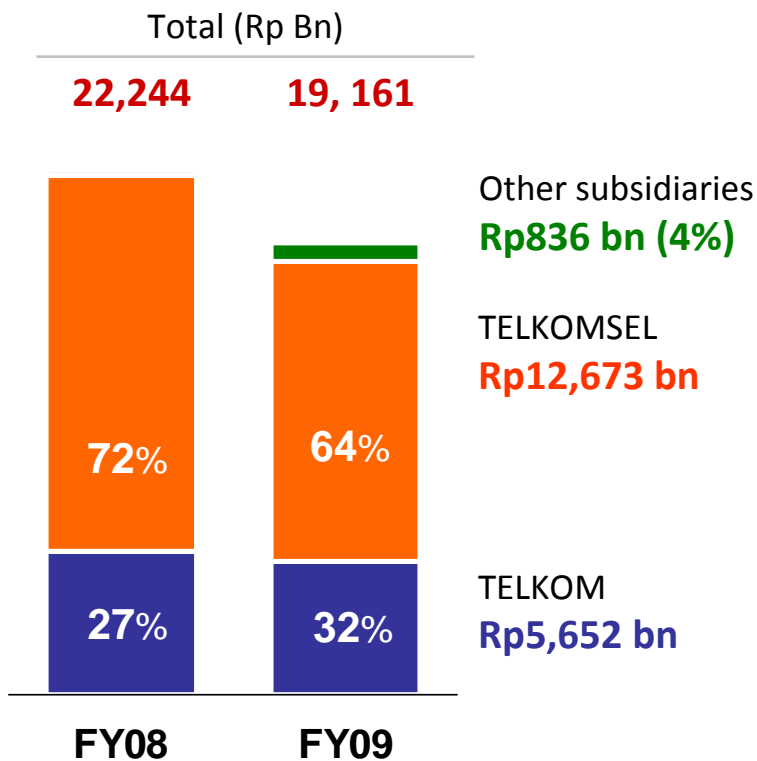


Our New Wave business has **grown significantly (83%)**

...and the contribution to total revenues reached **15.6% (2009) from 9.1% (2008)**

Capital Expenditure

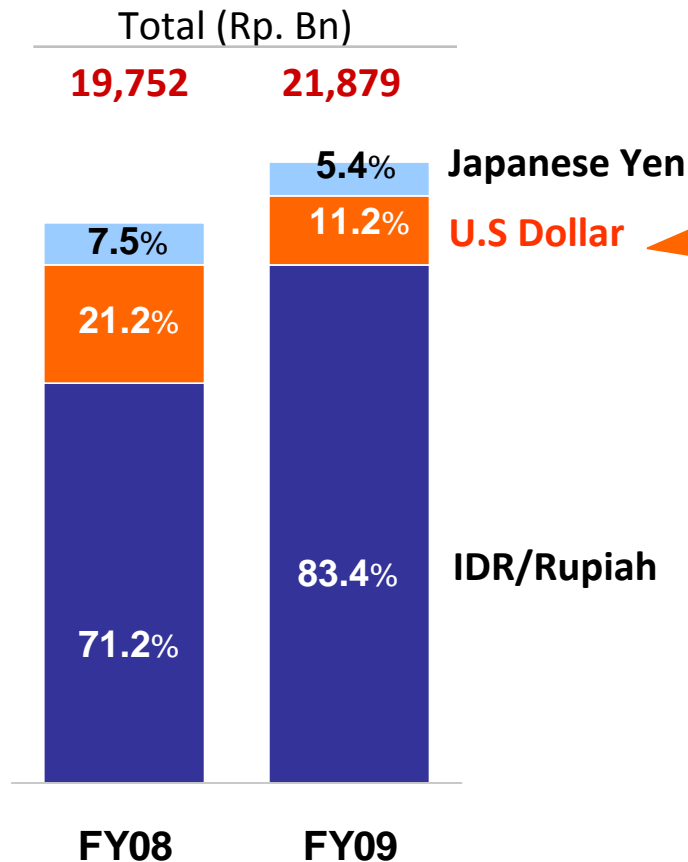
Our Capex to Operating Revenue decreased from **36.7% (2008) to 29.7% (2009)**



Consolidated Debt



To minimize impact on forex fluctuation, the company has reduced foreign debt portion **from 28.8% in 2008 to 16.6% in 2009**



Forex Debt in US\$ has **decreased** by **10%** in 2009

- As of December 2009, our total consolidated debt consists of **short term and long term debt amounted to Rp7.4 trillion and Rp14.5 trillion**, respectively.
- The Company will **issue Rupiah-denominated bonds** in 2010 with an amount around **Rp3 trillion**.



Any further questions?



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