

# Corporate Presentation

The Result of  
Q1 2010



# 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.

# Double Digit Growth on Net Income in Q1 / 2010



- TelkomGroup revenue **↗ 6.2%**, EBITDA **↗ 5.5%**, and Net Income **↗ 13% YoY**
- Cellular and Internet businesses well performed
  - Data, Internet & IT revenue grows **24.7% YoY**
  - Cellular revenue grows **3.0% YoY**
  - Fixed line voice revenue decline rate was stemmed at **minus 14.2%** (compared to minus 16% in 2009)
- The growth in Data, Internet & IT revenue **reflects the gradual increasing result of company's strategy in growing new wave businesses**
- Cost management showed tangible result in Q1/2010

	Growth QoQ (Q4/09 – Q1/10)
Op. Expenses (Rp.Tn)	<b>↘ 16.3%</b>
Personnel	<b>↘ 32.9%</b>
O&M	<b>↘ 13.3%</b>
Interconnection	<b>↘ 10.8%</b>
G & A	<b>↘ 17.0%</b>
Marketing	<b>↘ 45.5%</b>
Depreciation	<b>↘ 0.2%</b>

# 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 March 31, 2010

<b>Government</b>	<b>52.47%</b> 10,320,470,712 shares
<b>Public</b>	<b>47.53%</b> 9,348,954,068 shares
<b>Treasury Stock</b>	490,574,500 shares

Market cap : **Rp162Tn**, or **7.2%** of total market cap. at IDX Indonesia

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)



IDX  
Indonesia Stock Exchange  
Bursa Efek Indonesia

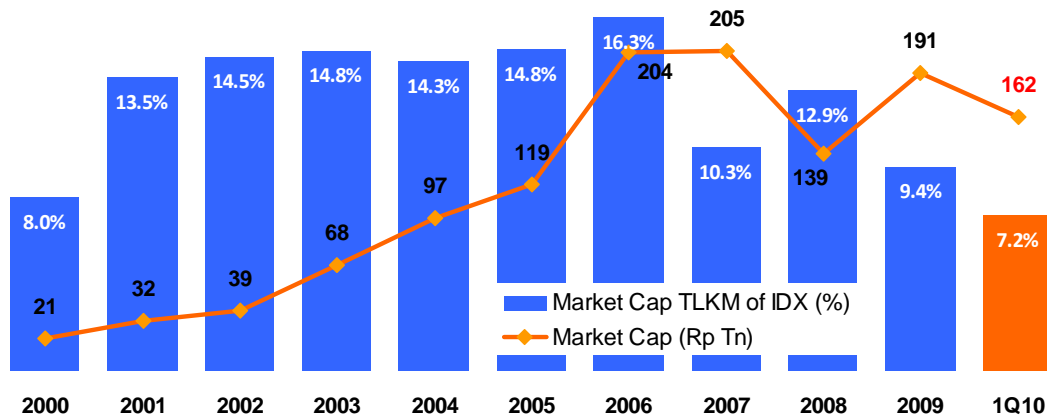


NYSE Euronext



London  
STOCK EXCHANGE

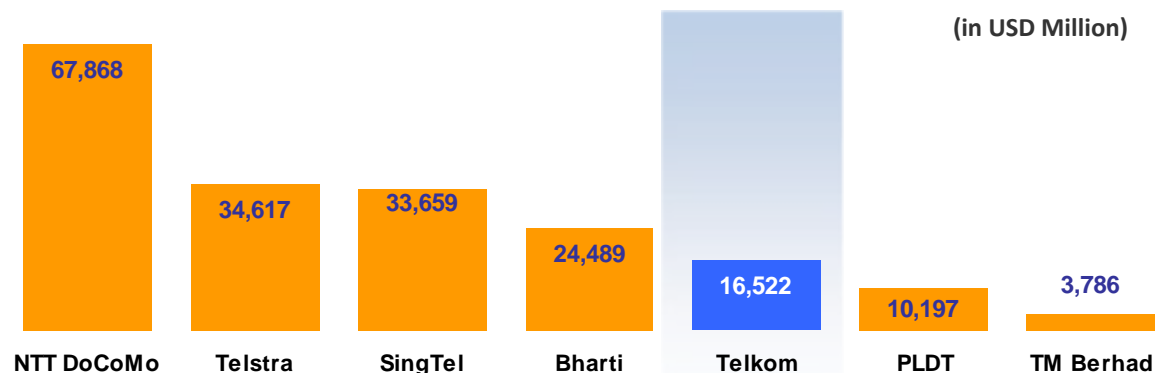
# Telkom Market Capitalization



Telkom market cap history in IDX

Source : IDX Monthly Report

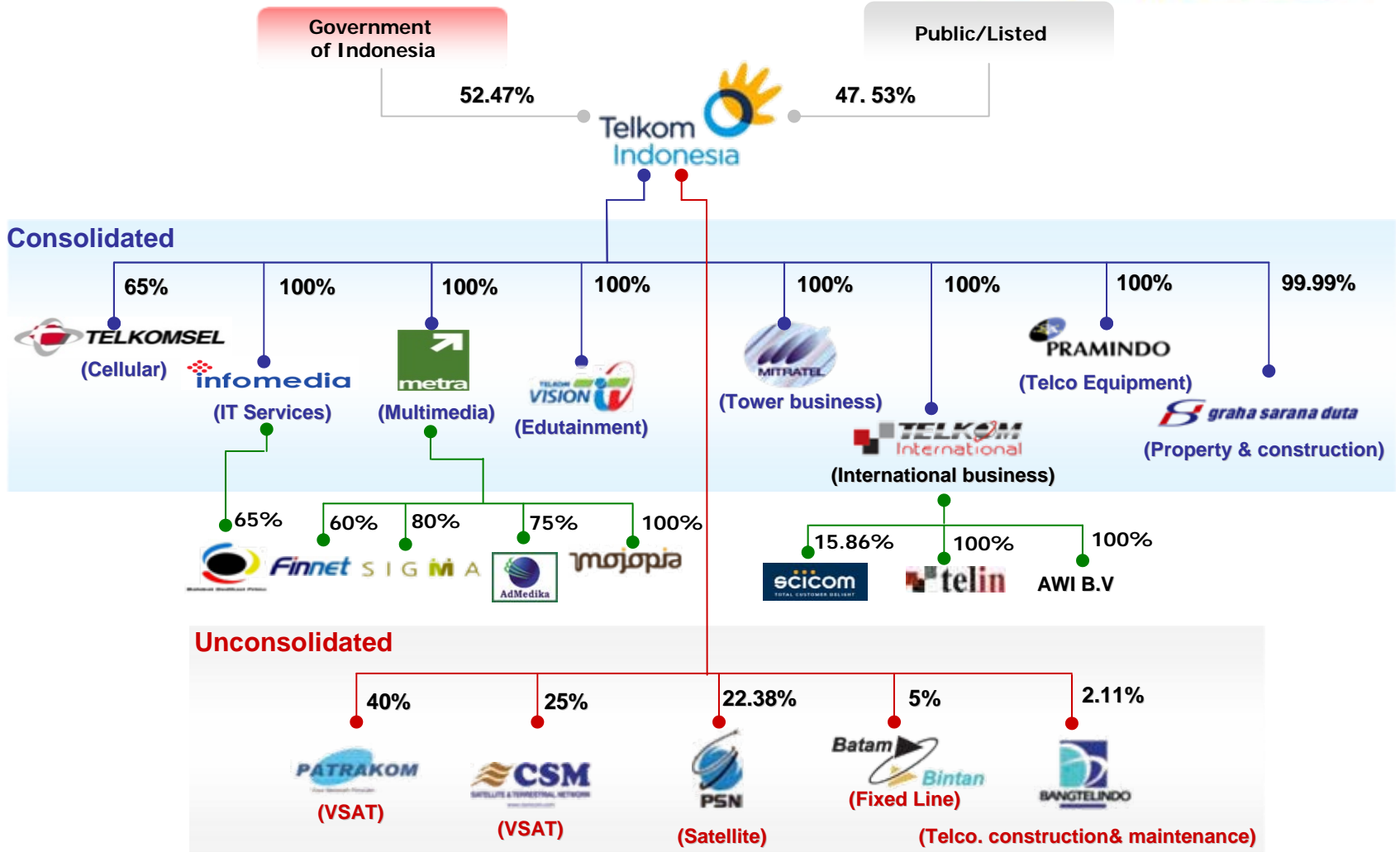
Telkom market cap among Telco Operators



Source : Bloomberg, May 6, 2010



# Telkom and Subsidiaries (ownership)



# Telkom's Business Portfolio



1

## 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.*

# Content



Telkom Indonesia in Brief

**Telco Industry in Indonesia**

Business Results (Operational & Financial)

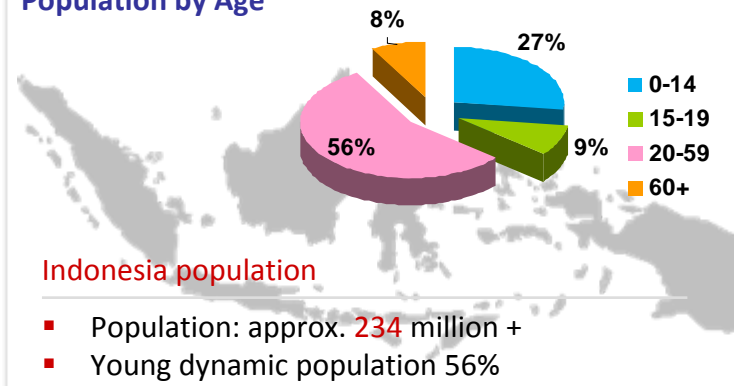
# Indonesia's Telco Industry Landscape

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

Operators



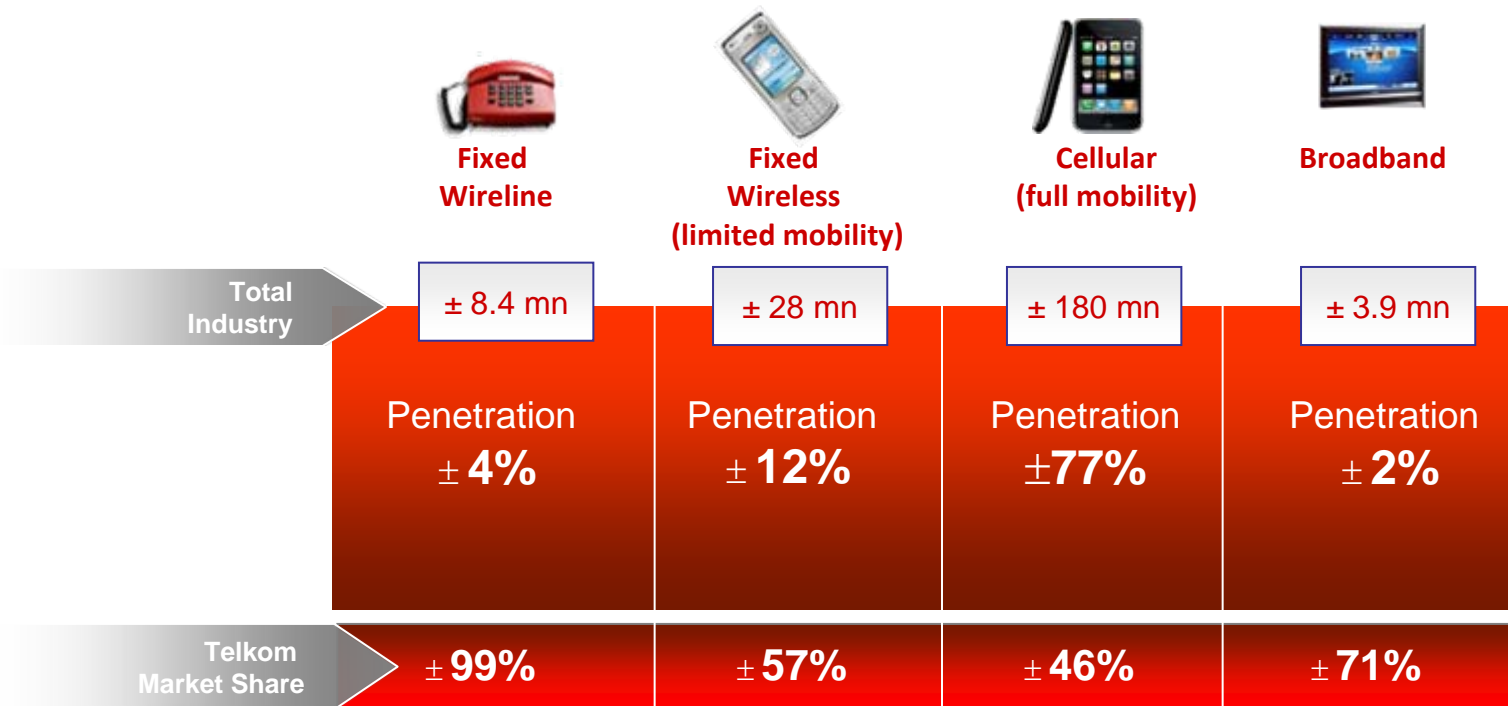
Population by Age



# 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



	1Q/09	1Q/10	Growth (%)
<b>Cellular</b>			
Subscribers (mn)	72.1	82.0	↗ 14%
BTS (unit)	27,800	32,243	↗ 16%
MoU (Bn minutes)	33.1	27.8	↘ 16%
MoU/Subs/Month (mnt)	161	114	↘ 30%
ARPU – blended (Rp'000)	47	43	↘ 9%
Revenue (Rp Bn)	8,585	9,101	↗ 6%

As of March 31, 2010, Telkomsel maintained its leading position in the cellular market with **82 mn** subscribers reflecting **46%** full mobility market share in Indonesia.

# Broadband Services



	1Q/09	1Q/10	Growth (%)
<b>Fixed wireline broadband / Speedy:</b>			
Subscribers ('000)	716	1,283	↗ 79%
ARPU (Rp'000)	278	233	↘ 16%
Revenue (Rp Bn)	573	830	↗ 45%
<b>Mobile broadband / Flash:</b>			
User ('000)	302	2,134	↗ 607%
ARPU (Rp'000)	-	37	-
Revenue (Rp Bn)	251	690	↗ 175%

Broadband services **grew significantly** in 1Q/2010



# Fixed Wireless Business



	1Q/09	1Q/10	Growth (%)
<b>Fixed Wireless / Flexi</b>			
Subscribers (mn)	13.4	15.9	↗ 19%
BTS (unit)	4,540	5,543	↗ 22%
MoU (Bn minutes)	4.2	3.1	↘ 27%
MoU/Subs/Month (mnt)	107	66	↘ 38%
ARPU – blended (Rp'000)	23	17	↘ 25%
Revenue (Rp Bn)	694	673	↘ 3%

Flexi maintained its leading position in CDMA limited mobility service with **57%** market share

# Fixed Wireline Business



	1Q/09	1Q/10	Growth (%)
<b>Fixed Wireline</b>			
Line in Service/LIS (mn)	8.7	8.4	↘ 3%
ARPU ('000)	114	106	↘ 7%
Revenue (Rp Bn)	2,981	2,799	↘ 6%

- As a part of our strategy to mitigate the decrease of fixed wireline revenue, we launched a **fixed business improvement program / FBIP**.
- As of March 31, 2009, there were **1.8 mn** subscribers enrolled in the FBIP (reflecting 22% of total wireline subs).
- The total incremental revenue in Q1/2010 generated by FBIP was **Rp85 Bn**

# Financial Highlights



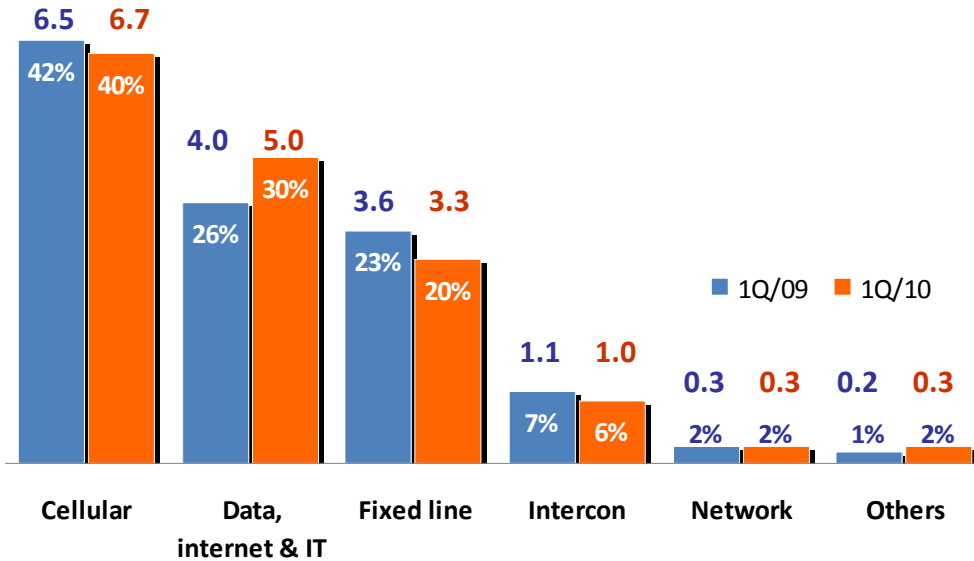
In tight competition, **operating revenues increased by 6.2%**

	Q1/09 *)	Q1/10	Growth YoY (%)
Op. Revenues (Rp.Tn)	15.6	16.6	↗ 6.2%
Op. Expenses (Rp.Tn)	10.3	11.3	↗ 9.1%
EBITDA (Rp Tn)	8.6	9.0	↗ 5.5%
Net Income (Rp Tn)	2.5	2.8	↗ 13.0%
CAPEX (Rp Tn)	3.04	3.06	↗ 0.8%
CAPEX to Revenue (%)	19.5	18.5	↘ 1.0%
ROA (%)	2.7	2.9	↗ 0.2%
Debt to Equity/DER (%)	49.6	46.9	↘ 2.7%
Net Debt to Equity/Gearing (%)	31.0	29.8	↘ 1.2%

**Note:**

- In 2010, we present operating revenues from interconnection on a gross basis with interconnection charges are presented as part of operating expenses
- \*) re-class to gross

# Revenues and Expenses Contributions

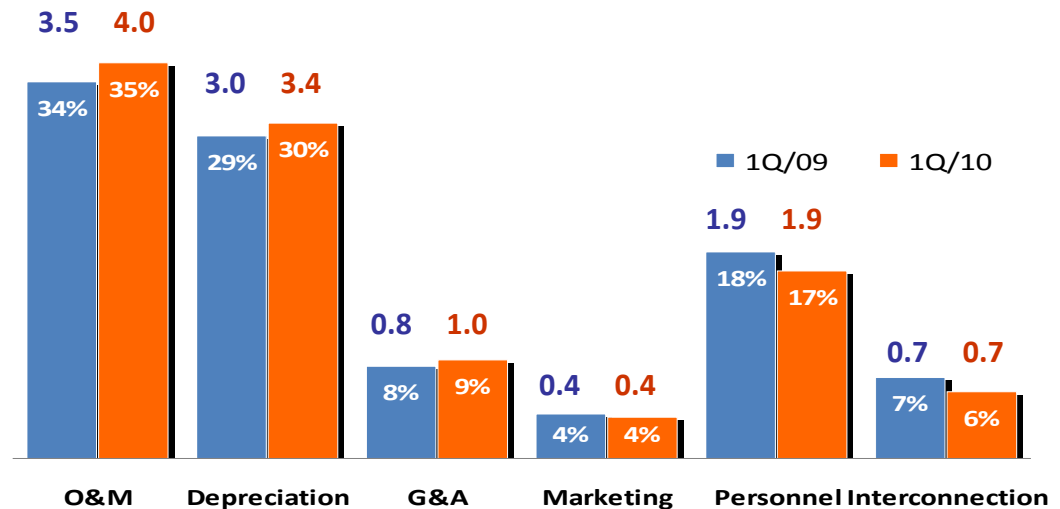


## Revenue contribution to total revenues **Rp16.6 Tn**

In Q1/2010, data, internet & IT services revenues contributed **30%** to total revenues (increased by 4%)

## Expense contribution to total expenses **Rp11.3 Tn**

Expense was manageable, and personnel expense has decreased by 1.6%



# Legacy and New Wave Revenues

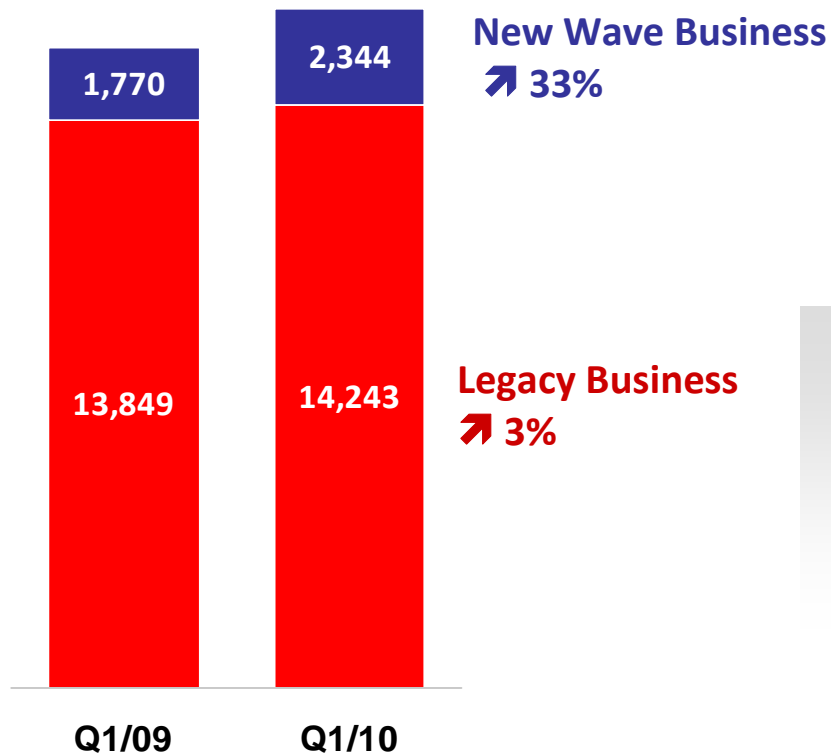


as of March 31, 2010

Total (Rp. Bn)

15,618    16,587

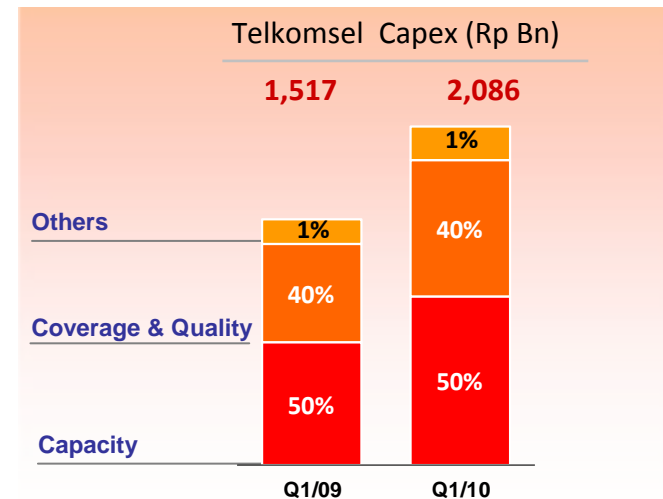
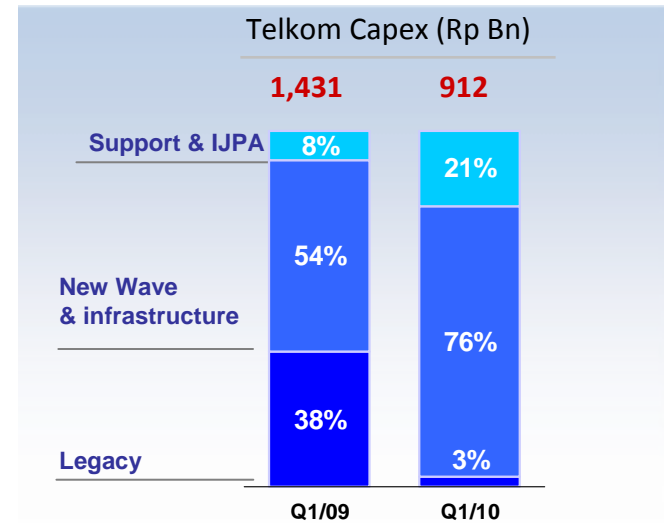
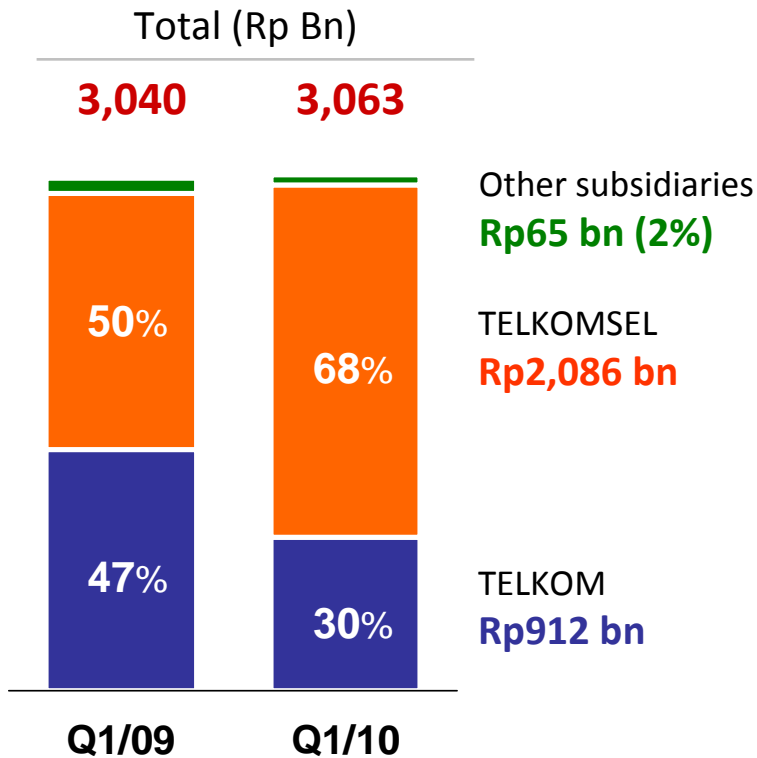
The increasing emphasis on the new wave business was **the foundation for the Company's transformation**



Our New Wave business has **grown significantly (33%)**  
...and the contribution to total revenues reached **14% (Q1/2010)** from **11% (Q1/2009)**

# Capital Expenditure

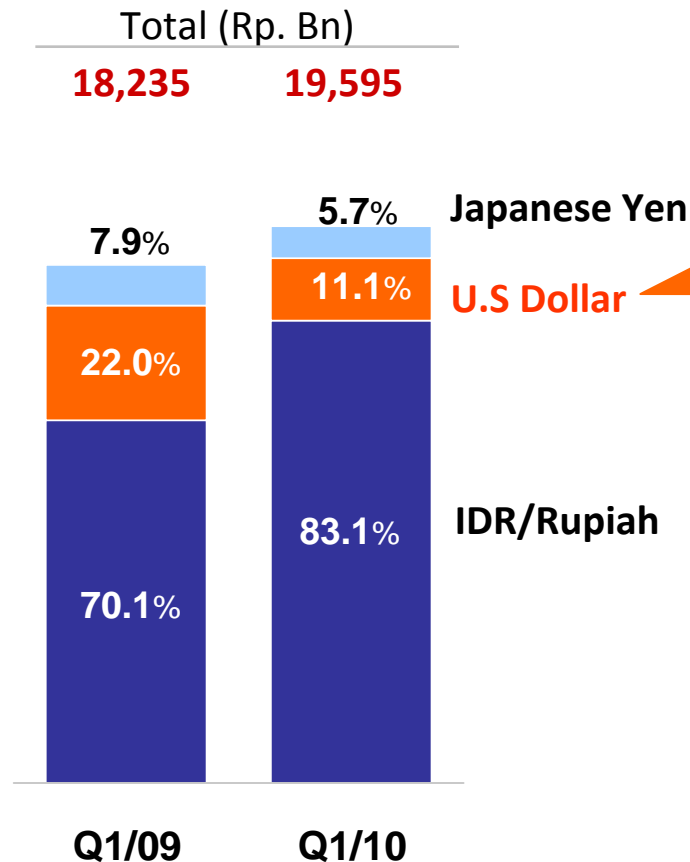
Our Capex to Operating Revenue decreased from **19.5% (Q1/2009)** to **18.5% (Q1/2010)**



# Consolidated Debt



To minimize impact on forex fluctuation, the company has reduced foreign debt portion **from 29.9% in Q1/2009 to 16.8% in Q1/2010**



Forex Debt in US\$ has **decreased by 10.9%** in Q1/2010

- The current maturity debt (due date in 2010) is amounted to 7.8 trillion.
- The Company will **issue Rupiah-denominated bonds** in H1/2010 with an amount around **Rp3 trillion**.



Any further questions?



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