

Corporate Presentation

Nine Month 2010 Results

Investor Summit

November 10, 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.

Highlights of Nine Month 2010 Results

- **TELKOM consolidated operating revenue** for 9M10 increased to Rp52.1 trillion or 3.9%.
- **Cellular subscribers base grew strongly** by 17% year on year (YoY) to 93.1 million subscribers during 9M10 with a total net add of 11.5 million subscribers .
- **Broadband subscribers rose by 155% to 6,381K** with Data, Internet and IT services consolidated revenue increasing by 15%.
- **The decline in fixed line revenue slowed to 8.8%** in 9M10.



Telkom Indonesia in Brief

Telkom Board of Directors



Rinaldi Firmansyah
President Director
(CEO)



Sudiro Asno
Director of Finance
(CFO)



Faisal Syam
Director of Human
Capital & General
Affair



Ermadi Dahlan
Director of Network &
Solution (COO)



Arief Yahya
Director of Enterprise
& Wholesale



Prasetio
Director of
Compliance & Risk
Management



I Nyoman G
Wiryanata
Director of Consumer



Indra Utoyo
Director of Information
Technology & Supply
(CIO)

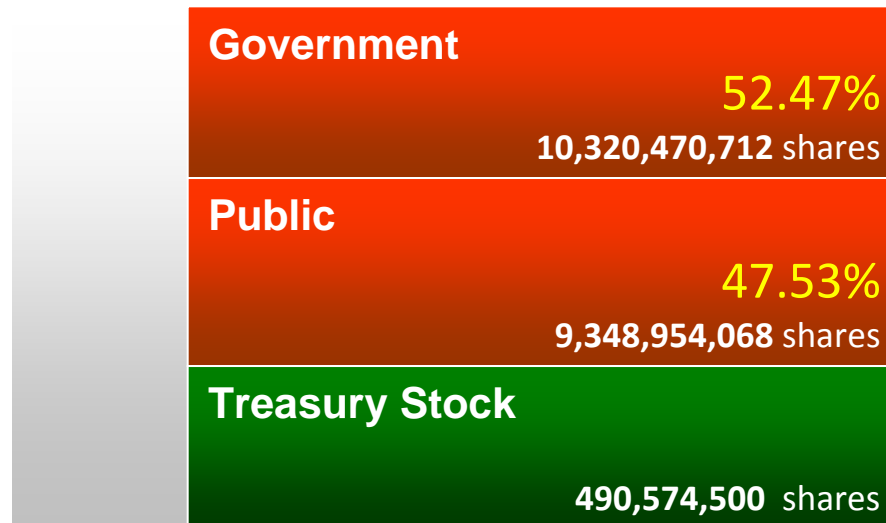
Telkom Ownership



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 September 30, 2010



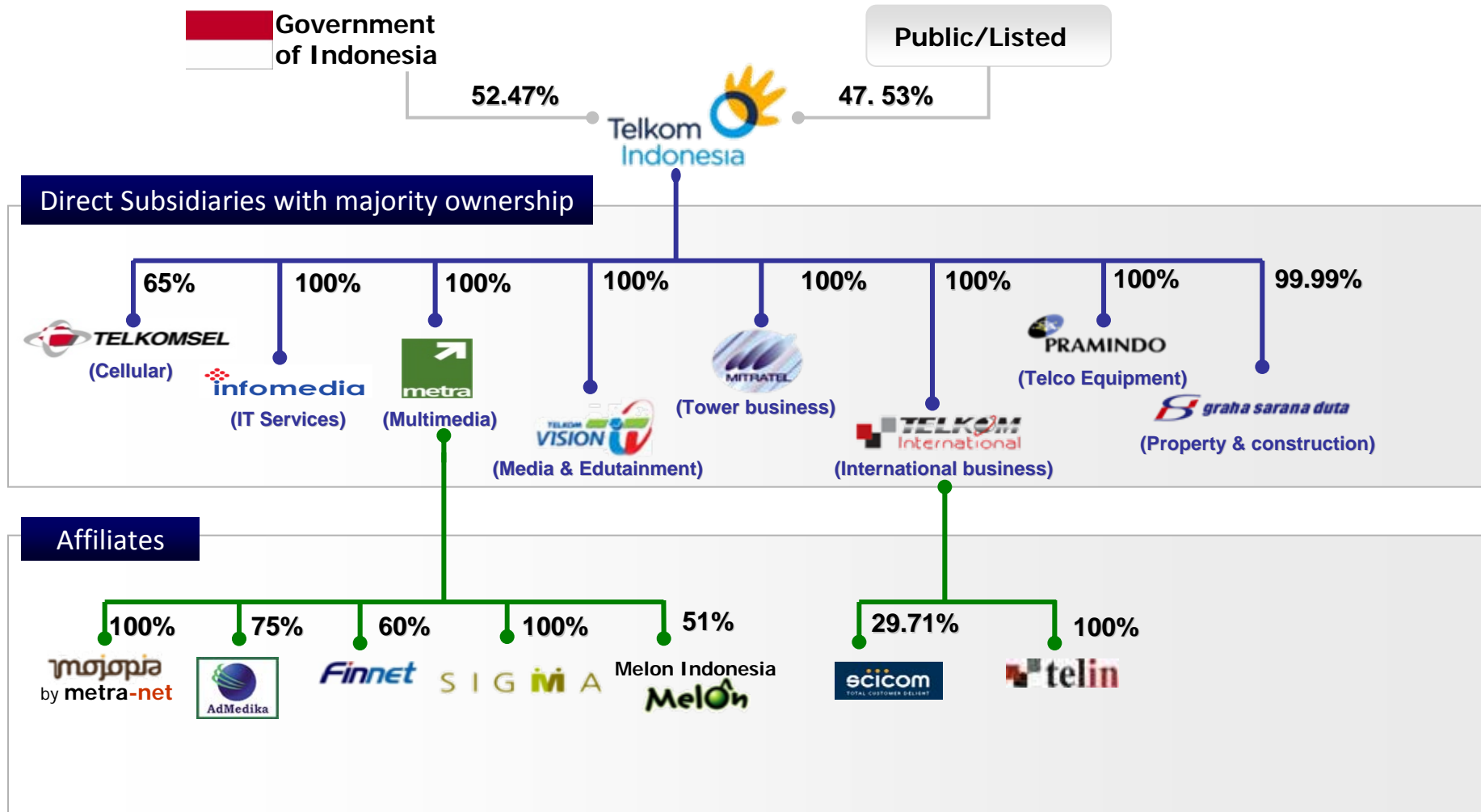
Market cap : **Rp185.5Tn**, or **6.35%** of total market cap.
at IDX Indonesia

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)



Telkom Subsidiaries and Affiliates

(ownership)



Source : internal data as of Sept 30, 2010

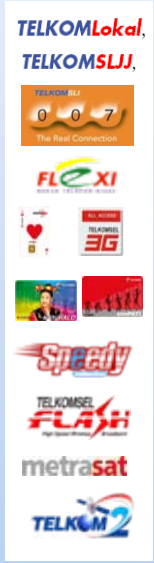
Telkom's Business Portfolio – T.I.M.E

(Telecommunication, Information, Media, Edutainment)



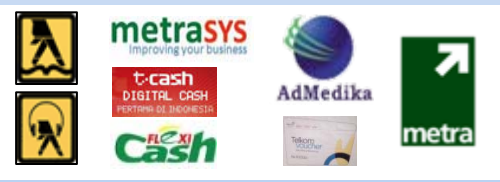
Telecommunication

- 1 POTS
- 2 FWA
- 3 Mobile/Cellular
- 4 International Services
- 5 Broadband
- 6 Network Services
- 7 Tower



Information

- 8 Premise Integration Services
- 9 VAS, Managed App & Performance (IT Outsourcing)
- 10 E-Payment
- 11 IT enabler Services (ITeS): Business Process Outsourcing (BPO)



Media & Edutainment

- 12 Media: PayTV & FTA
- 13 Content/Portal





Telco Industry in Indonesia

Telco Penetration

...and Indonesia's wireless penetration is now approaching a saturation stage ...



**Fixed
Wireline**



**Fixed Wireless
(limited mobility)**



**Cellular
(full mobility)**



Broadband

**Total
Industry**

± 8.3 mn

± 29 mn

± 196 mn

± 8.2 mn

Penetration
± 4%

Penetration
± 12%

Penetration
± 82%

Penetration
± 4%

**Telkom
Market Share**

± 99%

± 57%

± 47%

± 70%

Source : internal market research as of Sept 30, 2010

Note : Indonesia population 2010: approx. 237.6 million



Business Results (Operational & Financial)

Cellular Business

We are the leader in the cellular/full mobility market. As of September 30, 2010, our market share was **around 47%**.

	9M09	9M10	Growth (%)
Cellular			
Subscribers (mn)	79.8	93.1	↗ 17%
BTS (unit)	29,781	35,316	↗ 19%
MoU (Bn minutes)	101	93	↘ 8%
ARPU – blended (Rp'000)	48	43	↘ 10%
Revenue (Rp Bn) *)	21,504	22,057	↗ 3%

Note: *) Cellular revenue including monthly charge, voice and features revenues.

Broadband Services

Our broadband service **showed strong growth**, with total 1.5 Mn sub. in fixed broadband and 4.3 Mn sub. in mobile broadband.

	9M09	9M10	Growth (%)
Fixed broadband/Speedy:			
Subscribers ('000)	979	1,530	↗ 56%
Revenue (Rp Bn)	1,850	2,662	↗ 44%
Mobile broadband/Flash:			
User ('000)	1,375	4,278	↗ 211%
Revenue (Rp Bn)	341	684	↗ 101%

Speedy and Flash remained the market leader in broadband businesses with total market share of approximately **80%** and **64%**

Fixed Line Business

	9M09	9M10	Growth (%)
Fixed Wireline			
Line in Service/LIS (mn)	8.7	8.3	↘ 4%
ARPU ('000)	112	105	↘ 6%
Fixed Wireless / Flexi			
Subscribers (mn)	14.9	16.8	↗ 13%
BTS (unit)	5,296	5,580	↗ 5%
MoU (Bn minutes)	12	9	↘ 26%
ARPU – blended (Rp'000)	23	17	↘ 26%
Fixed Line Revenues (Rp Bn) *)	10,806	9,854	↘ 9%

We continue defending the decline in fixed wireline voice revenue through flat tariff program (Fixed Business Improvement Program – FBIP)

Note: *) Fixed Line revenue including monthly charge, voice and features revenues.

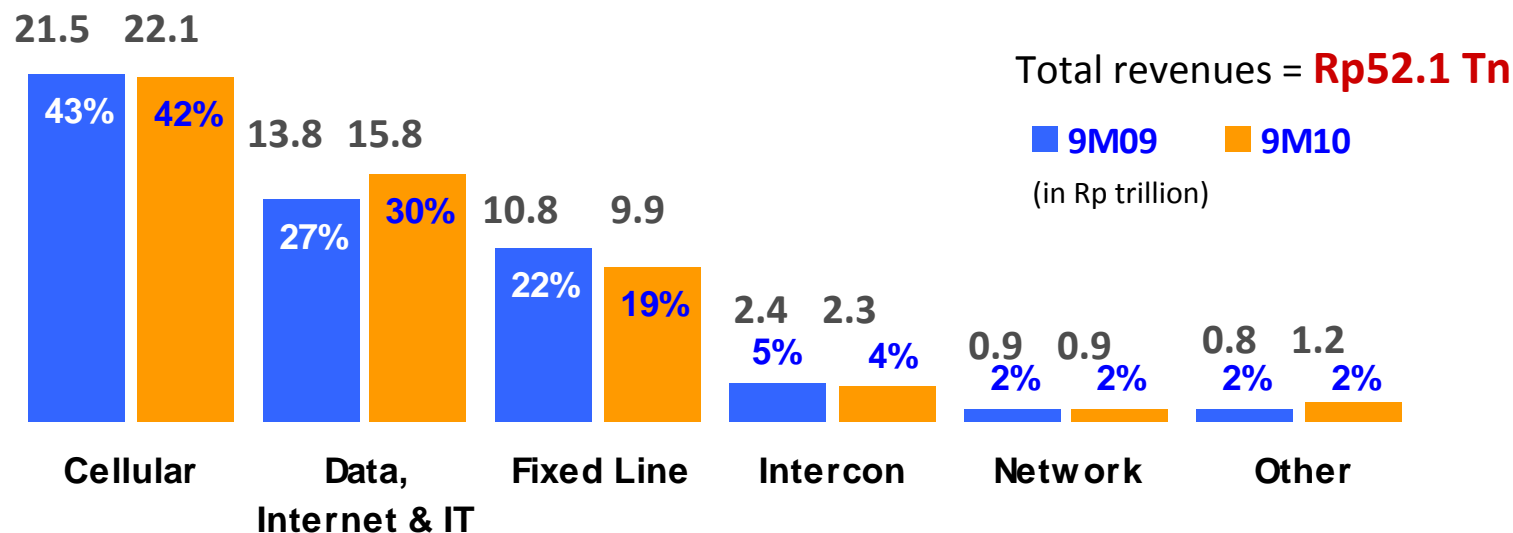
Financial Highlights

(in Tn Rp)	9M09	9M10	Growth YoY (%)
Balance Sheet			
Total Assets	95.3	100.1	↗ 5%
Total Liabilities	48.0	46.4	↘ 3%
Total Equity	37.5	42.7	↗ 14%
Profit & Loss Statement *)			
Operating Revenues	50.2	52.1	↗ 3.9%
Operating Expenses	32.2	34.9	↗ 8.4%
EBITDA	28.2	28.2	↗ 0.3%
EBITDA Margin (%)	56.1	54.2	↘ 1.9%
Net Income	9.3	8.9	↘ 3.9%
Net Income/Share (Rp)	473	454	↘ 3.9%

Note: *) The 2009 figures are reclassified to conform to the current presentation

Income Statement (1/2)

Revenue contribution to total revenues

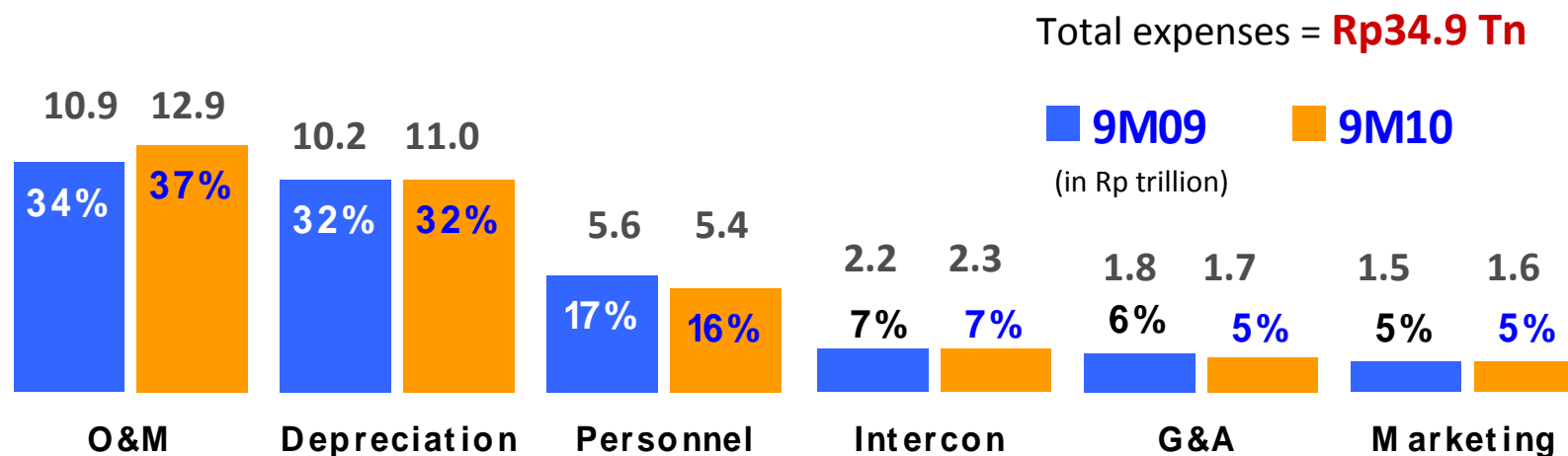


In 9M10, Data, Internet & IT services revenues contributed **30%** to total revenues (increased by 3%)

Note: In accordance with the change in accounting treatment from net to gross (PPSAKNo.1) in 2010, we present outgoing interconnection revenue on gross basis as part of operating revenues. The 2009 presentation is reclassified to conform with the current standard.

Income Statement (2/2)

Expense contribution to total expenses

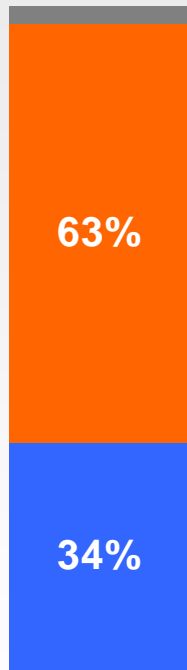


Expense was manageable, G&A and personnel expenses decreased by **1%** each.

Capital Expenditure (Capex)

Total (Rp Bn)

12,796



9M09

9M10

Programs
Allocation

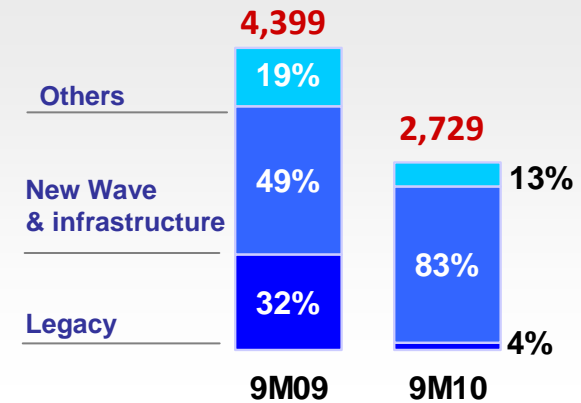
9,616

Other subsidiaries
Rp471 Bn (5%)

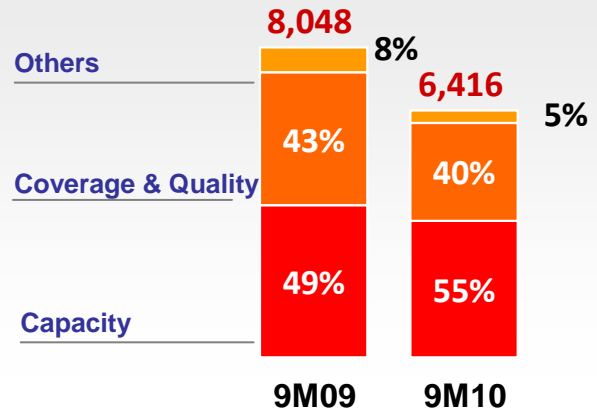
TELKOMSEL
Rp6,416 Bn

Telkom
Rp2,729 Bn

Telkom Capex (Rp Bn)



Telkomsel Capex (Rp Bn)





Any further questions?



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