

# PT. Telekomunikasi Indonesia, Tbk

Investor Summit 2011

Jakarta, October 5<sup>th</sup>, 2011



# 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.

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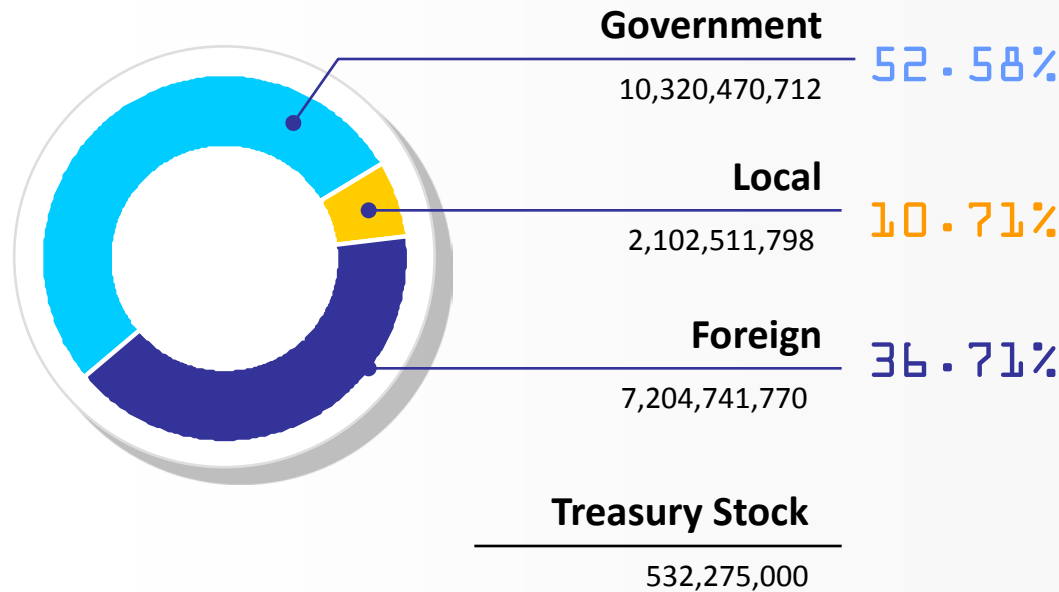
## **Telkom Indonesia in Brief**

# Telkom Indonesia Ownership

Telkom Indonesia 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 June 30, 2011



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



# Highlights of 1H11 Results

- **Cellular customer base grew strongly by 15.8% year on year** (“YoY”) to 102.3 million customers with net add for 2Q11 of 2.9 million new customers.
- **Our broadband service** recorded a 63.7% growth in the number of subscribers to 7.2 million in 1H11.
- **Data, internet and IT revenues performed well**, contributing 33.5% to total revenues in 1H11 and during this period the revenues increased by 11.8%. Our fixed broadband revenues is Rp1,964 billion and Rp2,197 billion for our mobile broadband revenues.



## **Business Results (Operational & Financial)**

# Cellular Business

As of June 30, 2011, we remained the largest national licensed provider of cellular services in Indonesia with **around 46% market share**.

|                           | 1H10             | 1H11           | Growth (%)   |
|---------------------------|------------------|----------------|--------------|
| <b>Cellular</b>           |                  |                |              |
| ■ Subscribers ('000)      | <b>88,316</b>    | <b>102,291</b> | <b>↗ 16%</b> |
| ■ BTS (unit)              | <b>34,005</b>    | <b>39,609</b>  | <b>↗ 17%</b> |
| ■ MoU (Bn minutes)        | <b>59</b>        | <b>83</b>      | <b>↗ 41%</b> |
| ■ ARPU – blended (Rp'000) | <b>43</b>        | <b>38</b>      | <b>↘ 12%</b> |
| ■ Revenue (Rp Bn)*        | <b>14,161 **</b> | <b>13,532</b>  | <b>↘ 4%</b>  |

Note : \*) Voice cellular revenue

\*\*) As Restated. Please refer to our Consolidated Financial Statements Note 2p

# Broadband Business

|                                | 1H10  | 1H11  | Growth (%) |
|--------------------------------|-------|-------|------------|
| <b>Fixed broadband/Speedy:</b> |       |       |            |
| ■ Subscribers ('000)           | 1,416 | 2,000 | ↗ 41%      |
| ■ Revenue (Rp Bn)              | 1,728 | 1,964 | ↗ 14 %     |
| ■ ARPU (Rp'000)                | 228   | 181   | ↘ 21%      |
| <b>Mobile broadband/Flash:</b> |       |       |            |
| ■ User ('000)                  | 2,976 | 5,190 | ↗ 74%      |
| ■ Revenue (Rp Bn)*             | 1,417 | 2,197 | ↗ 55%      |
| ■ ARPU (Rp'000)                | 27    | 24    | ↘ 11%      |

Note: \*) Broadband covered: Access Data Package (Flash), Pay as you use (Rp.5/kB + Rp.1/kB) and Blackberry



# Fixed Line Business

|                                     | 1H10            | 1H11         | Growth (%)   |
|-------------------------------------|-----------------|--------------|--------------|
| <b>Fixed Wireline</b>               |                 |              |              |
| ■ Line in Service/LIS ('000)        | 8,397           | 8,420        | ↗ 0.3%       |
| ■ ARPU ('000)                       | 106             | 101          | ↘ 5%         |
| <b>Fixed Wireless / Flexi</b>       |                 |              |              |
| ■ Subscribers ('000)                | 15,896          | 18,736       | ↗ 18%        |
| ■ BTS (unit)                        | 5,552           | 5,705        | ↗ 3%         |
| ■ MoU (Mn minutes)                  | 6,153           | 4,528        | ↘ 26%        |
| ■ ARPU – blended (Rp'000)           | 17              | 9            | ↘ 47%        |
| <b>Fixed Line Revenues (Rp Bn)*</b> | <b>6,614 **</b> | <b>5,865</b> | <b>↘ 11%</b> |

Note : \*) Fixed Line revenues including monthly, usage and installation charges

\*\*) As Restated. Please refer to our Consolidated Financial Statements Note 2p

# Financial Highlights

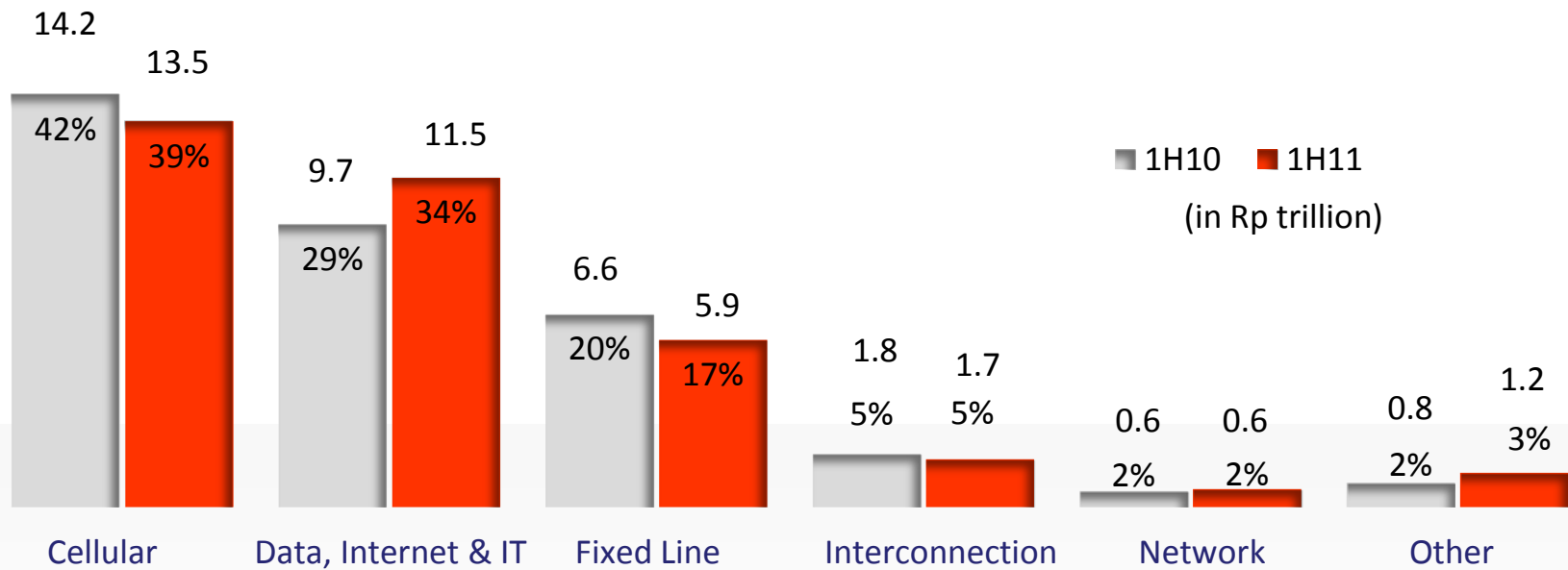
(in Rp Tn )

| Financial Position  | FY10 | 1H11 | Growth (%) |
|---|------|------|------------|
| ■ Total Assets  | 99.8 | 99.8 | -          |
| ■ Total Liabilities   | 43.3 | 44.5 | ↗ 3%       |
| ■ Total Equity (including non-controlling interest)         | 56.4 | 55.3 | ↘ 2%       |
| Income Statement  | 1H10 | 1H11 | Growth (%) |
| ■ Operating Revenues  | 33.7 | 34.5 | ↗ 2%       |
| ■ Operating Expenses  | 22.4 | 23.5 | ↗ 5%       |
| ■ EBITDA  | 18.8 | 18.1 | ↘ 4%       |
| ■ EBITDA Margin (%)   | 55.7 | 52.4 | ↘ 3%       |
| ■ Income for the period attributable to owner of the parent | 6.0  | 5.9  | ↘ 2%       |
| ■ Income per Share (Rp)                                     | 307  | 302  | ↘ 2%       |

## Income Statement (1/2)

Revenue contribution to total revenues

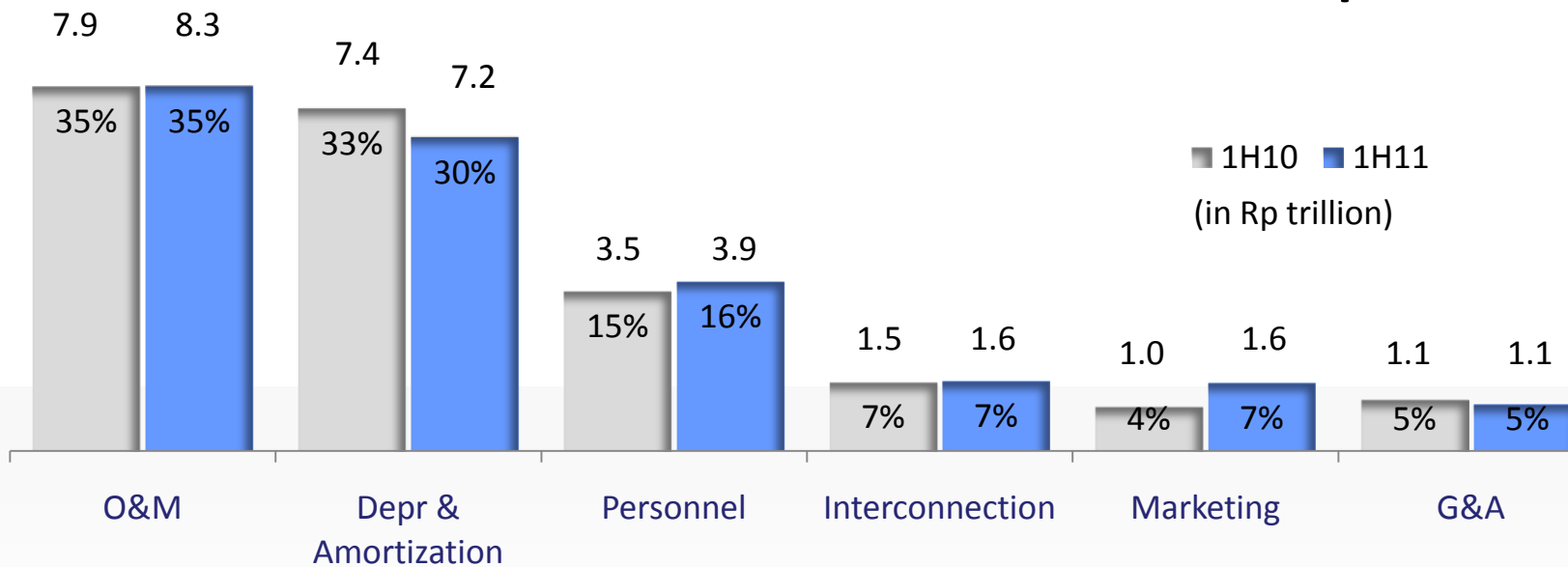
Total revenues  
**Rp34.4 Tn**



## Income Statement (2/2)

### Expense contribution to total expenses

Total expenses  
**Rp23.5 Tn**



# Capital Expenditure (Capex)

(in Bn USD)

Other  
Subsidiaries

1.52

0.27

Telkomsel

0.73

Telkom

0.52

2011E

0.78

0.18

0.41

0.19

1H11A

Allocation

Telkomsel

26%

71%

- Others
- Coverage & Quality
- Capacity

Telkom

9%

40%

51%

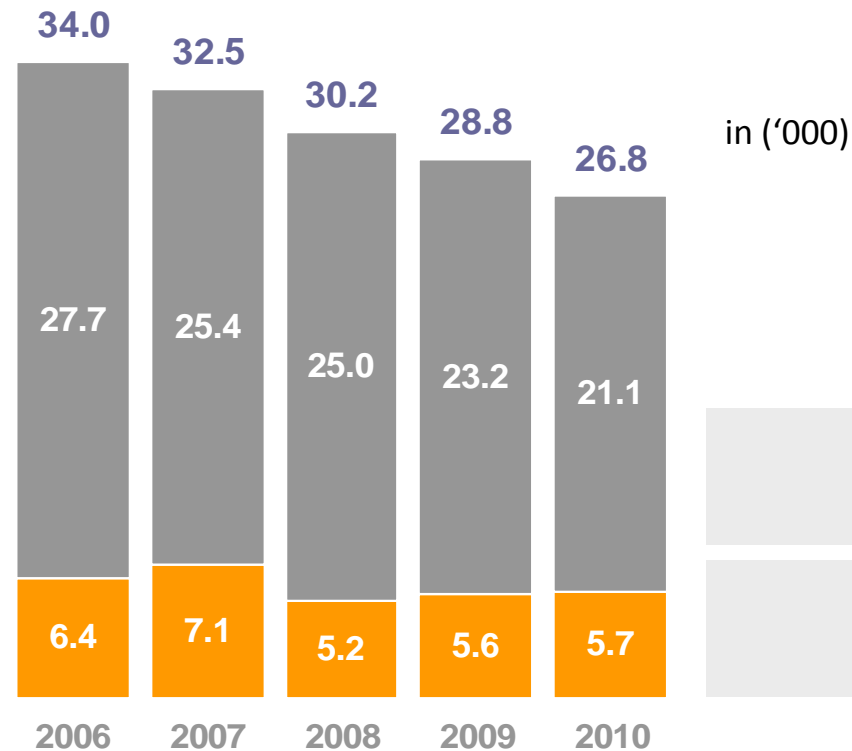
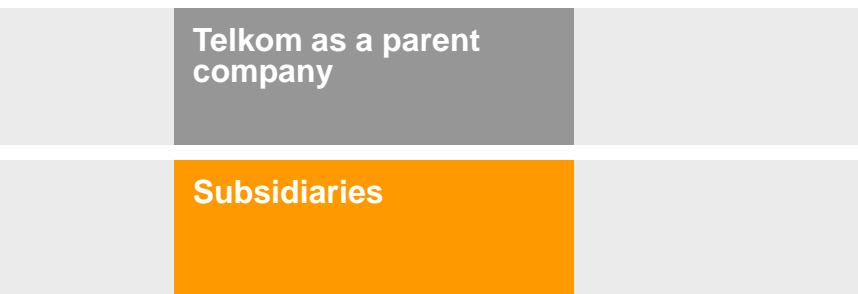
- Others
- New Wave
- Infrastructure



## Recent Development

## Human Resources - ERP

In September 2011, 762 Telkom's employees participated in Early Retirement program (ERP), the execution was done in early October 2011



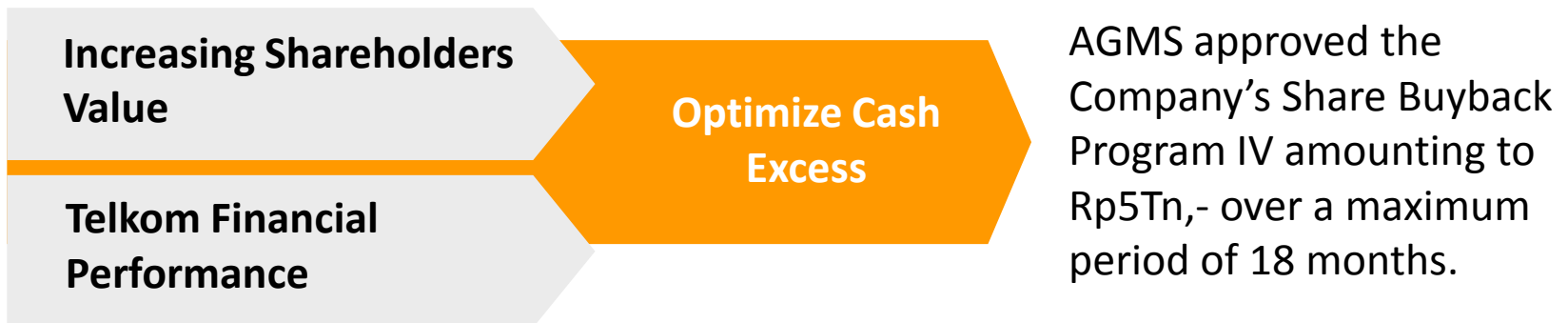
In five years, the parent company workforces decreasing by **4,362 employees** through early retirement program.

## Telkom Share Buy Back

### Share Buy Back I-III

- Carried out within 2005-2009
- Numbers of shares bought: 490,574,500
- Total amount of money spent Rp 4.263 Tn

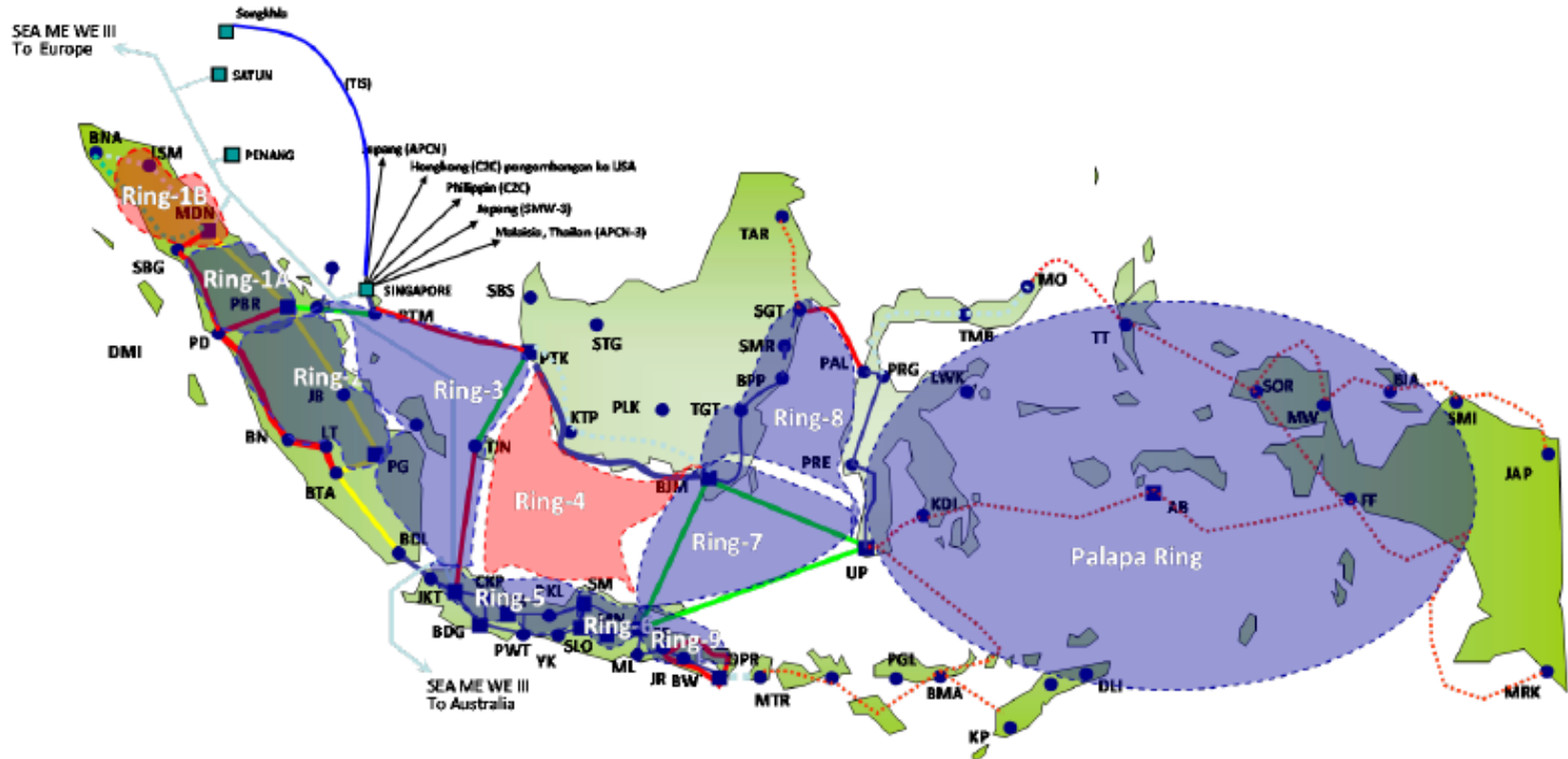
### Share Buy Back IV Program



Until September 29, 2011, Telkom has bought back 141.31Mn shares through the Indonesia Stock Exchange ("IDX") and New York Stock Exchange ("NYSE") amounting Rp1.03Tn or 21% of Rp5 trillion.



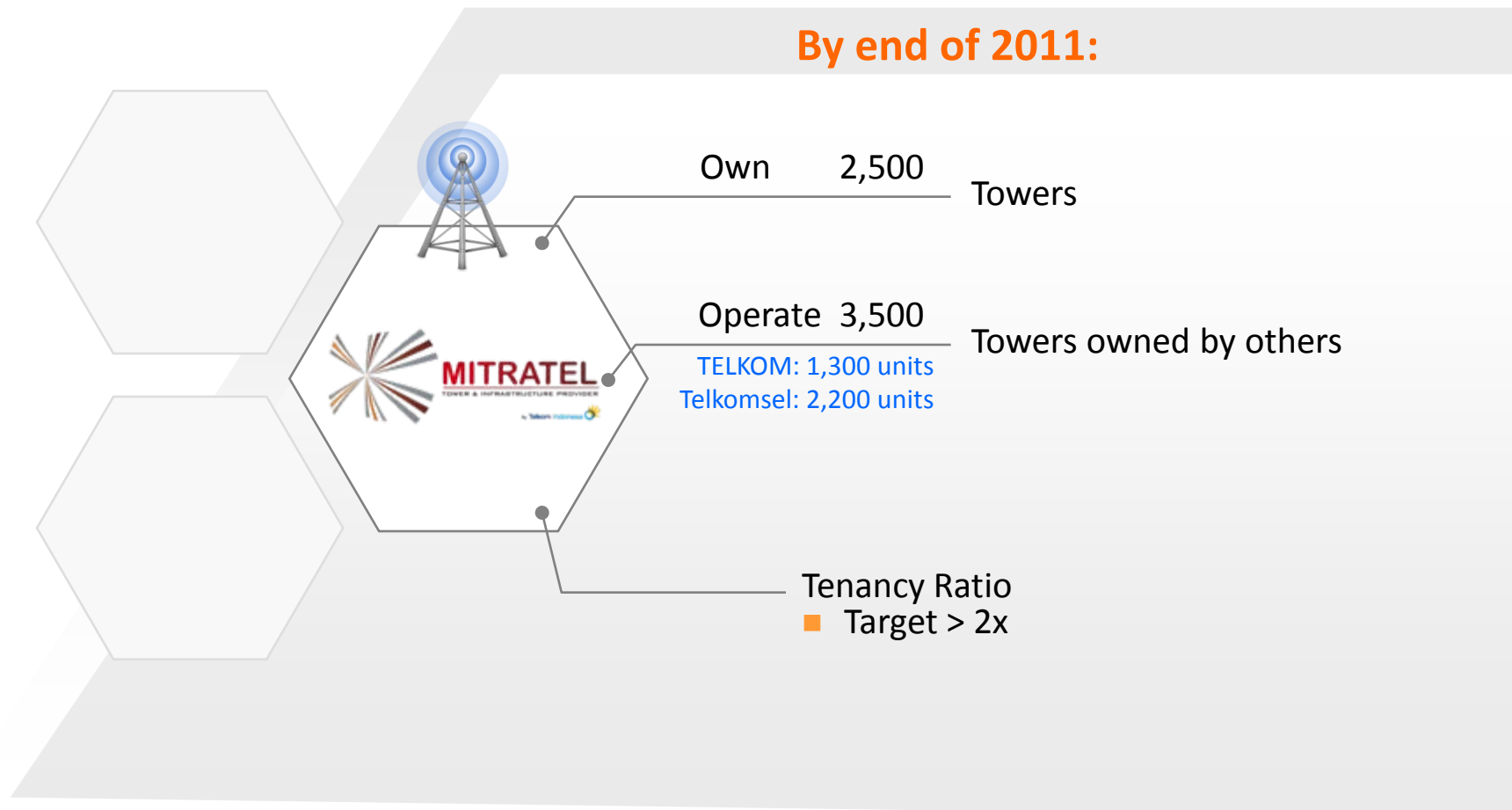
# Telkom Backbone Infrastructure



- Telkom continues to realize network infrastructure expansion of optical network platform-based known as Nusantara Super Highway
- Currently Telkom has around 21,000 km fiber optic backbone, consist of: 13,000 km terrestrial and 8,000 km submarine cable.

# Towers

Through Mitratel, our wholly-owned subsidiary, we leverage our tower asset...





Any further questions?



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