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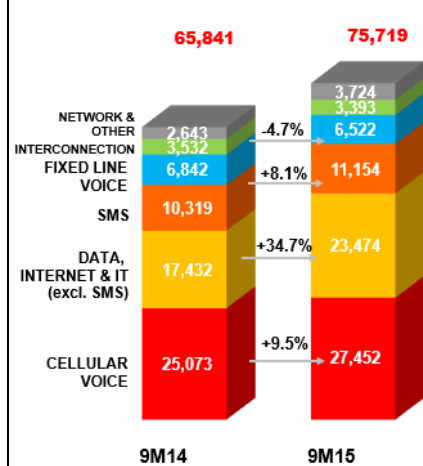
IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

Government of Indonesia : 52.6%
Public : 47.4%
Excl. Treasury stock : 2,624,142,800 shares.

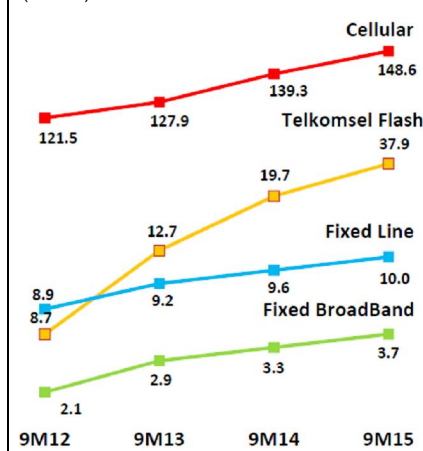
FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)



OPERATIONAL PERFORMANCE

Subscribers
(million)



Highlights

- TLKM recorded strong revenue growth of 15.0% Year on Year (YoY) to Rp75.7 trillion mainly supported by cellular businesses which posted 14.9% YoY revenue growth to Rp 55.6 trillion.
- Data, Internet, & IT Service (exclude SMS) revenue grew by 34.7% YoY on the back of strong growth in mobile digital business which jumped 41.6% YoY. At the same time we successfully exploited our mobile legacy business with voice grew by 9.5% YoY and SMS grew by 8.1% YoY.
- Telkomsel continued its leading network supply with 14,962 new BTS installed to strengthen mobile broadband experience. Around 88% of new BTSs were 3G/4G BTS.

Financial Highlights

Key Indicators (Rp. Bn)	YoY		
	9M15	9M14	Growth (%)
Revenues	75,719	65,841	15.0
Expenses	51,727	43,892	17.9
Operating Profit	23,992	21,949	9.3
EBITDA	37,074	33,295	11.4
EBITDA Margin (%)	49.0	50.6	(1.6)
Net Income	11,545	11,268	2.5
Net Income Margin (%)	15.2	17.1	(1.9)

Operational Highlights

Subscribers (000)	YoY		
	9M15	9M14	Growth (%)
Broadband			
Fixed Broadband	3,733	3,303	13.0
Telkomsel Flash	37,922	19,734	92.2
Cellular			
Postpaid	3,212	2,750	16.8
Prepaid	145,349	136,600	6.4
Total	148,561	139,349	6.6
Fixed Line			
POTS	10,033	9,604	4.5

Investor Relations

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PT TELKOM INDONESIA (PERSERO) Tbk NINE MONTHS OF 2015 (UNAUDITED)

The following analysis and discussion is based on our Indonesian GAAP financial statements for the full year ended September 30, 2014 and 2015. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

Key Indicators (Rp.Bn)	YoY		
	9M15	9M14	Growth (%)
Cellular Voice	27,452	25,073	9.5
SMS	11,154	10,319	8.1
Fixed Line Voice	6,522	6,842	(4.7)
Data, Internet & IT Service (Excl.SMS)	23,474	17,432	34.7
Interconnection	3,393	3,532	(3.9)
Network and Other Telco Services	3,724	2,643	40.9
Total	75,719	65,841	15.0

Telkom recorded total revenue of Rp75.7 trillion in 9M15, an increase of 15.0% YoY with Data, Internet & IT Services as the biggest growth contributor with the details as follows:

- **Cellular voice revenues** increased by 9.5% YoY mainly driven by higher traffic as the result of higher customer base, better network quality, and relatively high proportion of 2G handset users.
- **SMS revenues** increased by 8.1% YoY as a result of successful implementation of 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 4.7% YoY.
 - **Fixed wireline revenue** increased by 2.0% YoY.
 - **Fixed wireless revenue** sharply declined by 81.4% YoY as we closed down our fixed wireless services, Flexi.
- **Data, Internet & IT Services (excl. SMS) revenues** strongly increased by 34.7% 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 which fueled migration from Pay As You Use (PAYU) to Flash data packages.
- **Interconnection revenues** declined by 3.9% YoY mainly attributable to decline in incoming voice and SMS traffic.
- **Network revenues and other telecommunication services revenues** increased by 40.9% YoY mainly contributed by managed service businesses.

Expenses

Key Indicators (Rp. Bn)	YoY		
	9M15	9M14	Growth (%)
Operation, Maintenance & Telecommunication Services	21,295	16,764*	27.0
Personnel	9,207	7,398*	24.5
Interconnection	2,700	3,680	(26.6)
Marketing	2,170	2,314	(6.2)
General & Administrative	3,273	2,390	36.9
Depreciation & Amortization	13,504	12,036	12.2
(Gain)/Loss on Forex . net & Others . net	(422)	(690)	38.8
Total	51,727	43,892	17.9

Notes: *) There were expenses reclassification from other expense to O&M expense of Rp158 billion to maintain consistency with FY14 audited figures and restatement in personnel expense of Rp183 billion in line with implementation of PSAK 24 Employee Benefit (Revised 2013).

Compared to last year, total expenses increased by 17.9% with the following details:

- **Operation & Maintenance (“O&M”) expenses** increased by 27.0% 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 24.5% YoY which was mainly due to early retirement program (ERP) and employees incentives in line with the company’s strong performance.
- **Interconnection expenses** decreased by 26.6% YoY due to decline in outgoing SMS traffic and inter-operator tariff discount in international roaming.
- **Marketing expenses** decreased by 6.2% YoY which was attributed to efficient marketing programs supported by relatively stable competition and effective sales channel.
- **General & Administrative expenses** increased by 36.9% YoY mainly due to provision for impairment of receivables and more popular modern sales channels resulted in higher collection fee.
- **Depreciation & Amortization expenses** increased by 12.2% YoY as we continued to deploy network infrastructure both in cellular and fixed businesses.

EBITDA, EBITDA Margin, and Net Income

In 9M15, our EBITDA grew by 11.4% YoY to Rp37.1 trillion. EBITDA margin slightly declined to 49.0% in 9M15 from 50.6% in 9M14 partly impacted by early retirement program (ERP) conducted in first half of 2015. Normalized EBITDA growth without ERP would be 13.5%.

Our Net Income increased by 2.5% YoY to Rp11.5 trillion with healthy Net Income margin of 15.2%. Normalized Net Income growth without ERP would be 7.4%.

For EBITDA calculation, expenses are deducted by Depreciation & Amortization, Forex Exchange Gain or Loss, and Others-Net.

Financial Position

Key Indicators (Rp.Bn)	YTD		
	9M15	FY14	Growth (%)
Assets	158,394	141,822	11.7
Liabilities	71,309	55,683	28.1
Non-controlling Interests	16,294	18,323	(11.1)
Equity attributable to owners of the company	70,791	67,816	4.4

- Total assets as of September 2015 reached Rp158.4 trillion, increased by 11.7% 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 September 2015 increased by 28.1% to Rp71.3 trillion attributed to bond issuance and higher long-term bank loan.
- Non-controlling interest decreased by 11.1% YTD due to declining equity in Telkomsel as a result of dividend payment.
- Our equity increased by 4.4% mainly due to higher retained earnings as a result of strong earnings performance during 9M15.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	9M15	9M14	Growth (%)
Cash Flow from Operating Activities	31,310	27,364	14.4
Cash Flow used in Investing Activities	(19,218)	(15,726)	22.2
Cash Flow used in Financing Activities	(4,527)	(8,499)	(46.7)
Net Increase in Cash & Cash Equivalents	7,565	3,139	141.0
Effect of Exchange Rate Changes on Cash & Cash Equivalents	1,027	(1)	n.a.
Cash & Cash Equivalents at Beginning of Year	17,672	14,696	20.3
Cash & Cash Equivalents at End of Period	26,264	17,834	47.3

- Net cash provided by operating activities increased by 14.4% YoY as a result of strong cash inflow from operations.
- Net cash used in investing activities increased by 22.2% YoY as in 9M14 there was significant time deposit redemption.
- Net cash used in financing activities decreased by 46.7% YoY mainly due to cash inflow from successful bond issuance in 2015.

Debts

Currencies (Rp.Bn)	YoY			Portion (%)	
	9M15	FY14	Growth (%)	9M15	FY14
IDR/Rupiah	26,083	15,246	71.1	86.1	81.7
USD/US Dollar	3,331	2,621	27.1	11.0	14.0
JPY/Japanese Yen	889	796	11.7	2.9	4.3
Total	30,303	18,663	62.4	100.0	100.0

At the end of September 2015, total debts amounting to Rp30,303 billion, increased by 62.4% 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, 86.1% of which was in the Rupiah currency, 11.0% 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 42.8%.

Financial Ratios

Ratios (%)	YoY	
	9M15	9M14
EBIT Margin	31.7	33.3
EBITDA Margin	49.0	50.6
Net Income Margin	15.2	17.1
Current Ratio	134.4	100.0
Total Liabilities to Equity	100.7	88.9
Return on Assets	9.7	10.9
Return on Equity	21.7	23.3

Gearing

Key Indicators	YoY		
	9M15	9M14	Growth
Net Debt to Equity (%)	1.5	2.3	(0.8) ppt
Debt to Equity (%)	42.8	31.3	11.5 ppt
Debt to EBITDA (%)	61.3	42.6	18.7 ppt
Debt Service Ratio (Times)	7.5	5.4	39.5 %

Telkomsel Financial Result

Telkomsel continued its strong momentum into 9M-2015 with triple double-digit growth in Revenues, EBITDA and Net Income which grew by 14.9%, 16.5% and 19.5% Year on Year (YoY) respectively. Revenues grew to Rp55,627 billion with the growth engine coming from Digital Business that increased by 41.6% YoY driven by Data which increased by 41.9% YoY and Digital Services which increased by 39.0% YoY. Digital Business accounted for 28.3% of total revenues, from 23.0% the previous year.

Telkomsel also recorded healthy growth in Legacy business, which grew by 7.0% YoY (Voice +10.4% and SMS +5.2% YoY), attributable to the successful execution of cluster-based pricing and market segmentation. Despite high SIM card penetration, Telkomsel still recorded growth in subscriber base of 6.6% YoY to 148.6 million due to effective sales and marketing programs. EBITDA and Net Income margins were 56.1% and 29.7%, respectively.

During the nine months of 2015, we deployed 14,962 new BTS, of which 88.4% were 3G/4G BTS in our effort to maintain leading network supply and growing our Digital Business. Data traffic increased by 119.2% to 341,708 TB mainly fueled by high growth in 3G/4G capable device that reached 55.6 million (+57.3% YoY), or 37.4% of our customer base. As of September 2015, BTS on-air totaled 100,382 units (+20.4% YoY), 52.1% of which were 3G/4G BTS. As the first operator to launch commercial 4G LTE in Indonesia, we continued to increase our footprint and the service is now available in 8 cities consist of Jakarta, Bali, Bandung, Surabaya, Medan, Makassar, Lombok as well as Manado that was launched in October 2015.

Income Statement

Statements of Profit and Loss and Other Comprehensive Income (Rp. Bn)	YoY			QoQ		
	9M15	9M14*	Growth (%)	3Q15	2Q15	Growth (%)
Revenues	55,627	48,404	14.9	20,228	18,257	10.8
Expenses (incl. Depreciation & others)	33,680	30,095	11.9	11,654	11,233	3.7
EBITDA	31,222	26,804	16.5	11,979	10,017	19.6
EBITDA Margin (%)	56.1	55.4	0.8ppt	59.2	54.9	4.4ppt
Net Income	16,519	13,822	19.5	6,413	5,224	22.8
Net Income Margin (%)	29.7	28.6	1.1ppt	31.7	28.6	3.1ppt

Notes: *) The P&L for the period ended 9M14 has been restated to take into account changes to PSAK 24 (Revised 2014) "Employee Benefit".

Telkomsel recorded operating revenues of Rp55,627 billion for 9M15, an increase of 14.9% YoY.

- Prepaid revenue increased by 16.9% YoY to Rp47,469 billion, mainly driven by high increase in data usage which resulted in increased ARPU and data revenue as well as continued growth in voice and SMS revenues as well as prepaid subscriber base which grew by 6.4% YoY. Revenue from prepaid customers accounted for 85.3% of Telkomsel's total revenue.
- Postpaid revenue increased by 13.0% YoY to Rp4,224 billion mainly driven by the increase in the postpaid customer base which grew by 16.8% YoY to 3.2 million subscribers. Revenue from postpaid customers contributed 7.6% to total revenue.
- Interconnection and International Roaming revenues increased slightly by 2.5% to Rp3,545 billion, due to seasonal increase in traffic from other local operators.

In 9M15, total expenses including depreciation and amortization increased by 11.9% YoY to Rp33,680 billion, lower than revenue growth of 14.9%, indicating Telkomsel operational efficiency.

- *Operation & Maintenance expenses* increased by 22.5% YoY to Rp13,934 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 20.0% YoY to Rp2,535 billion with cost savings mainly from BlackBerry access fee.
- *Interconnection & International Roaming charges* decreased by 3.3% YoY to Rp2,243 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 32.5% YoY to Rp2,605 billion, mainly due to impact of early retirement program amounted to Rp161 billion. Excluding the impact of early retirement program, Personnel expenses and total expenses including Depreciation and Amortization would have increased by 24.3% and 11.4% YoY, respectively.
- *Marketing expenses* only increased by 2.4% YoY to Rp1,802 billion despite the strong growth in revenue (+14.9% YoY). The marginal increase was the result of stable and rationale competition landscape coupled with effective sales channel.
- *General & Administration expenses* increased by 27.1% YoY to Rp1,286 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 8.8% YoY to Rp9,234 billion.

EBITDA increased 16.5% YoY to Rp31,222 billion, while Net Income grew by 19.5% YoY to Rp16,519 billion. EBITDA and Net Income margins improved by 0.8ppt and 1.1ppt to 56% and 30%, respectively.

Statements of Financial Position

Statements of Financial Position (Rp Bn)	Sep-15	Dec-14*	Growth (%)
Current Assets	23,789	20,465	16.2
Non-Current Assets	58,968	58,887	0.1
Total Assets	82,756	79,352	4.3
Current Liabilities	23,897	19,270	24.0
Non-Current Liabilities	13,030	8,320	56.6
Equity	45,829	51,761	(11.5)
Total Liabilities & Stockholders Equity	82,756	79,352	4.3

Notes:

*) The Balance Sheet as of Dec-14 has been restated to take into account changes in PSAK 50 (Revised 2013) "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".

Total Assets increased 4.3% as of September-15 to Rp82,756 billion and total liabilities increased 33.8% to Rp36,927 billion while total equity decreased by 11.5% to Rp45,829 billion compared to Dec-14.

- *Current Assets* increased 16.2% to Rp23,789 billion, mainly due to increase in cash and cash equivalent, and offset by reduction in prepaid expenses and claims for tax refund.
- *Non-current Assets* increased 0.1% to Rp58,968 billion mainly attributable to the increase in

Intangible Assets (+47.5% to Rp1,616 billion) from our CRM (Customer Relationship Management) system enhancement.

- *Current Liabilities* increased 24.0% to Rp23,897 billion mainly due to the increase in special dividend payable.
- *Non-current Liabilities* increased 56.6% to Rp13,030 billion, mainly due to draw down of medium-term loans in the current quarter amounting to Rp5,189 billion.
- *Total Equity* decreased 11.5% to Rp45,829 billion as the Company declared dividend of Rp22,314 billion in the current period.

Cash Flow

Net cash generated from operations in 9M-15 increased 19.8% YoY to Rp28,095 billion. Cash flow used in investment activities was Rp9,643 billion mainly for the payment of infrastructure spending of Rp9,731 billion (+2.2% YoY). Net cash in financing activities (exclude Dividend) grew 267.9% YoY to Rp2,572 billion mainly due to proceeds from loans.

STATEMENT OF CASH FLOWS FOR NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014

(In Billions of Rupiah)

	9M15	9M14	Growth (%)
Cash Flow from Operating Activities	28,095	23,442	19.8
Cash Flow for Investing Activities	(9,643)	(4,207)	129.2
Cash Flow from Financing Activities	2,572	699	N/A
Dividend Payment	(16,852)	(15,066)	11.9
Net Increase in Cash & Cash Equivalents	4,173	4,868	(14.3)
Effect of Foreign Exchange Rate Changes	452	4	N/A
Cash and Cash Equivalents at Beginning of Periods	9,851	5,555	77.3
Cash and Cash Equivalents at End of Periods	14,477	10,427	38.8

Debt Profile

As of September 2015, Telkomsel's total outstanding loans amounted to Rp5,692 billion, of which approximately 1% or Rp66 billion will mature in 2015 while the remaining 99% or Rp5,626 billion will mature in 2016, 2017 and 2018. Around 45.3% (USD176.1 million) of the total loans were denominated in US Dollar mostly to cover our capex payment requirement. As of September 2015, Telkomsel Debt to Equity Ratio (DER) was 24.6%.

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 30 September 2015 the covenants were as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	~ 1.25	8.55
Debt to Tangible Net Worth	m2.00	0.13

RESULTS BY SERVICE

Celular Services

At end of September 2015, Telkomsel served 148.6 million subscribers nationwide, an increase of 6.6% YoY. Out of the total base, 37.4% or 55.6 million were using 3G/4G capable device which has been growing strongly by 57.3% YoY.

Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 10.4% YoY to Rp26,701 billion. The healthy growth in voice revenue mainly attributable to higher voice traffic (MoU) which increased by 11.1% YoY to 161.6 billion minutes. The higher traffic is mainly due to increase in customer base, improvement in network quality as well as high proportion of our base still using 2G handset devices.

Our revenue from SMS also grew by 5.2% YoY to Rp10,148 billion despite the decline in SMS traffic (-14.1% YoY to 167.5 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 in leading network supply in 3G and 4G infrastructure. This segment recorded strong performance with 41.6% YoY growth to Rp15,746 billion and increased its contribution to total revenue substantially to 28.3% from 23.0% last year.

Revenue from Data grew by 41.9% YoY to Rp14,254 billion, driven by healthy growth in 3G/4G capable device adoption (+57.3% YoY to 55.6 million users), successful migration of Pay As You Use (PAYU) to Flash packages, as well as continued strong growth in data payload, which increased 119.2% YoY to 341,708 TB.

Digital Services also grew strongly by 39.0% YoY to Rp1,493 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 119.2% YoY. During 9M15, Telkomsel built 14,962 new BTS, increased 11.0% compared to the number of new BTS deployed in 9M14 of 13,482 new BTS. In support of our 4G LTE strategy, we have deployed 1,192 BTS to date. The network roll out brought total BTS on air to 100,382 units at end of September 2015, or increased by 20.4% YoY, of which 52,255 units were 3G/4G BTS (+40.9% YoY).

Blended ARPU increased 10.7% 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		
		9M15	9M14	Growth (%)
CUSTOMER BASE				
Total Customer				
Postpaid (kartuHalo)	Subs (000)	3,212	2,750	16.8
Prepaid (<i>simPATI</i> + Kartu As)	Subs (000)	145,349	136,600	6.4
Total	Subs (000)	148,561	139,349	6.6
Net Add				
Postpaid (kartuHalo)	Subs (000)	361	260	38.7
Prepaid (<i>simPATI</i> + Kartu As)	Subs (000)	7,614	7,576	0.5
Total	Subs (000)	7,975	7,837	1.8
TRAFFIC				
MoU (Total)	Bn Minutes	161.6	145.5	11.1
MoU (Chargable)	Bn Minutes	137.6	118.4	16.2
SMS (Total)	Bn Units	167.5	195.1	(14.1)
SMS (Chargable)	Bn Units	91.2	102.6	(11.1)
ARPU				
Postpaid (kartuHalo)	Rp.'000/month	165	171	(3.8)
Prepaid (<i>simPATI</i> + Kartu As)	Rp.'000/month	39	35	11.4
Blended	Rp.'000/month	42	38	10.7
NETWORK DATA				
BTS	Unit	100,382	83,346	20.4
DATA/BROADBAND				
3G/4G Capable Device	Unit (000)	55,614	35,363	57.3
Data Payload	TB	341,708	155,907	119.2
EMPLOYEE DATA				
Total employees	Person	4,850	4,795	1.1
Efficiency ratio	subs/employee	30,631	29,061	5.4

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 9M15 we have around 6.2 million fiber homes-passed as a result of fiberization to Telkomsel's Node B and our enterprise clients. In the beginning of the year, we launched IndiHome Triple Play, a bundling package consists of high speed internet, IPTV, and fixed phone. As of September 2015, total IndiHome subscribers reached 678 thousand.

Product and Marketing Activities

- In order to have ease of communication while on annual Hajj pilgrimage to Mecca, **Telkomsel Promo Haji 2015** with its *3 in 1 Hajj package* was launched and applicable to all operators in Saudi Arabia. The 3 in 1 Hajj package consist of *20 days package* (Rp550,000 with 40 minutes call to Indonesia, 40 minutes receive call from Indonesia, 40 SMS, 20 days internet access) and *40 days package* (Rp940,000 with 60 minutes call to Indonesia, 60 minutes receive call from Indonesia, 60 SMS, 40 days internet access). Other packages were also available consist of *20 Days Internet package* at Rp450,000, *40 Days Internet package* at Rp800,000 and *1 Day Talk Mania package* at Rp50,000 with 15 minutes call to Indonesia.
- Loop Sharing-an** was launched as youth segment and community program with quota sharing scheme that allows user to build a group up to 5 members and to share data usage among its members. The

program provides package priced at Rp50,000 for 3 members with 3 GB of data and Rp80,000 for 5 members with 5 GB of data.

- **simPATI Rewarding Discoveries** was launched as retention program with self-rewarded scheme. Customers can have various special offers simply by redeeming 20 Telkomsel POIN or activating Flash/BlackBerry monthly package. The special offers were available in a form of shopping voucher for several merchants.
- To enliven as well as celebrate Indonesia's Independence Day, **Telkomsel Promo 70TH RI** was available starting from 15-17 August 2015. Special offers consist of 70 minutes, 70 SMS, 70 MB and 70 Ring Back Tones were provided by redeeming 17 Telkomsel POIN.
- **To drive smartphone adoption**, Telkomsel collaborated with Telesindo Shop to launch device bundling program with cashback up to Rp1,800,000 and attractive prizes to be won worth up to Rp1,000,000 that included Samsung Galaxy S6 Edge & Galaxy Note 4, LG G4 & G2, Sony Xperia Z3 & Z1, Blaupunkt Sonido X1+ & Sonido J1, HTC E8 & 616. In addition, Telkomsel Android United (TAU) program launched another device bundling starting from Rp700,000 consist of Huawei Y3, Advan Star Fit and Evercoss Winner Y1 with weekly data package at Rp10,000.

Capital Expenditure

For the nine months of 2015, Telkom spent Rp17 trillion in Capital Expenditure (Capex), around 60% of which was used for Telkomsel's purposes, and the balance was for Telkom and other subsidiaries. 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).

Recent Development

- **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.
- **Telkomsel 4th generation Long Term Evolution (4G LTE) in eight cities** - Since December 2014, Telkomsel has successfully rolled-out 4G LTE services in its key Broadband cities in Jakarta, Bali, Bandung, Surabaya and Medan using the 900Mhz spectrum. Operators are in the midst of rearranging their 1800Mhz spectrum which is expected to be completed by the end of the year. To signify the completion of spectrum rearrangement in areas outside Jawa, Telkomsel launched 4G LTE services using 1800Mhz spectrum in Makassar & Lombok in July 2015 and Manado in October 2015. To date, we have more than 1,100 4G LTE BTS serving the 8 key cities.

ADDITIONAL INFORMATION

Awards & Recognition

During 9M15, we have been awarded by several institutions for our achievements, among others:

- Telkom listed in *Forbes Global 2000 Companies* from Forbes Indonesia as the company that has created global brand.
- Telkom was awarded for *Best Programmed Award 2015* from Sindo CSR Award 2015.
- Telkom was awarded as *1st winner in the event 2015 Indonesia MAKE Award*.
- Telkom was awarded as *Top 10 Business Innovation Companies 2015 and Social Business Innovation Company*.
- Telkom was awarded as *The Best Company in the event BUMN Marketeers Award 2015*.
- Telkom was awarded a *Zero accident and Health and Safety Management System (SMK3)* from Ministry of Labor.
- Telkom was awarded as *3rd winner for category non-finance State-Owned Enterprise* category in *Annual Report Award (ARA)*.
- Telkom was awarded as *Top 10 social Business Innovation Companies 2015 and Social Business Innovation Company 2015* in the Telecommunication category from Warta Ekonomi magazine.
- Telkom was awarded Marketing Excellence Award 2015 in the Marketing Company 3.0 2015 category from *Asia Marketing Federation (AMF) Asia*.
- *6th Asia Best Employer Brand Awards 2015* for Telkomsel as Asia Best Employer from Employer Branding Institute.
- *BrandZi Top 50 Most Valuable Indonesian Brands 2015* for Telkomsel as #3 Most Valuable Brand from Millward Brown Consultant.
- *Indonesia Good Corporate Governance Award (IGCGA) 2015* for Telkomsel as Best GCG in Telecommunication Industry with Good Score from IPMI International Business School and Economic Review Magazine.
- *Red Hat Asia Pacific Innovation Award 2015* for Telkomsel as Best IT Innovation from RedHat Consulting.
- *Word of Mouth Marketing (WOMM) Award 2015* for kartuHalo as the First Winner in GSM Postpaid Category and *simPATI* as the First Winner in GSM Prepaid Category from SWA Magazine and onbee Marketing Research.
- *Indonesia Original Brand Award 2015* for Telkomsel Flash as the 1st Champion of Indonesia Original Brand 2015 in Mobile Internet Provider Category from SWA Magazine.
- *Indonesia Best Brand Award 2015* for *simPATI* with Best Brand Platinum in GSM SIM Card Category from SWA Magazine and MARS Research Specialist.
- *Youth Woman Netizen Award 2015* for Telkomsel in Internet Service Provider Category from MarkPlus Insight Research Firm and Marketeers Magazine.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2015 (unaudited), 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 (%)
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	26,264	17,672	14,696	48.6
Other current financial assets	2,997	2,797	6,872	7.2
Trade receivables . net of provision for impairment of receivables				
Related parties	624	873	1,103	(28.5)
Third parties	8,790	6,124	5,520	43.5
Other receivables . net of provision for impairment of receivables	456	383	395	19.1
Inventories . net of provision for obsolescence	690	474	509	45.6
Advances and prepaid expenses	4,186	4,733	3,937	(11.6)
Claims for tax refund	66	291	10	(77.3)
Prepaid taxes	1,513	890	525	70.0
Asset held-for-sale	-	57	105	(100.0)
Total Current Assets	45,586	34,294	33,672	32.9
NON-CURRENT ASSETS				
Long-term investments	1,762	1,767	304	(0.3)
Property and equipment . net of accumulated depreciation	98,900	94,809	86,761	4.3
Prepaid pension benefit costs	1,058	1,170	949	(9.6)
Advances and other non-current assets	7,271	6,479	4,795	12.2
Claims for tax refund . net of current portion	852	745	499	14.4
Intangible assets . net of accumulated amortization	2,828	2,463	1,508	14.8
Deferred tax assets . net	137	95	67	44.2
Total Non-current Assets	112,808	107,528	94,883	4.9
TOTAL ASSETS	158,394	141,822	128,555	11.7

Table 1 (Continued)
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of September 30, 2015 (unaudited), 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 (%)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade payables				
Related parties	1,195	897	1,029	33.2
Third parties	10,648	11,465	11,168	(7.1)
Other payables	1,657	114	388	1,353.5
Taxes payables	3,202	2,376	1,698	34.8
Accrued expenses	8,128	5,211	5,264	56.0
Unearned income	3,485	3,963	3,490	(12.1)
Advances from customers and suppliers	586	583	472	0.5
Short-term bank loans	427	1,810	432	(76.4)
Current maturities of long-term liabilities	4,582	5,899	5,093	(22.3)
Total Current Liabilities	33,910	32,318	29,034	4.9
NON-CURRENT LIABILITIES				
Deferred tax liabilities . net	2,216	2,703	2,908	(18.0)
Other liabilities	306	394	472	(22.3)
Long service award provisions	432	410	336	5.4
Post-retirement health care benefits cost provisions	624	441	993	41.5
Pension and other post-employment benefits	3,833	3,674	3,265	4.3
Long-term liabilities . net of current maturities				
Obligations under finance leases	4,083	4,218	4,321	(3.2)
Two-step loans	1,442	1,408	1,702	2.4
Bonds and Notes	9,507	2,239	3,073	324.6
Bank loans	14,956	7,878	5,635	89.8
Total Non-current Liabilities	37,399	23,365	22,705	60.1
TOTAL LIABILITIES	71,309	55,683	51,739	28.1
EQUITY				
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	2,899	2,899	2,323	-
Treasury stock	(3,836)	(3,836)	(5,805)	-
Effect of change in equity of associated companies	386	386	386	-
Unrealized holding gain from available-for-sale securities	35	39	38	(10.3)
Translation adjustment	632	415	391	52.3
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	50,757	47,995	42,633	5.8
Net Equity Attributable To Owners Of The Parent Company	70,791	67,816	59,884	4.4
Non-Controlling Interest	16,294	18,323	16,932	(11.1)
TOTAL EQUITY	87,085	86,139	76,816	1.1
TOTAL LIABILITIES AND EQUITY	158,394	141,822	128,555	11.7

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2015 and 2014 (unaudited)
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

	2015	2014	Growth (%)
REVENUES	75,719	65,841	15.0
Operations, maintenance and telecommunication service expenses	(21,295)	(16,764)	27.0
Depreciation and amortization	(13,504)	(12,036)	12.2
Personnel expenses	(9,207)	(7,398)	24.5
Interconnection expenses	(2,700)	(3,680)	(26.6)
General and Administrative expenses	(3,273)	(2,390)	36.9
Marketing expenses	(2,170)	(2,314)	(6.2)
Gain (loss) on foreign exchange . net	77	(203)	(137.9)
Other income	688	1,292	(46.7)
Other expenses	(343)	(399)	(14.0)
OPERATING PROFIT	23,992	21,949	9.3
Finance income	980	928	5.6
Finance costs	(1,658)	(1,333)	24.4
Share of profit (loss) of associated companies	6	(12)	(150.0)
PROFIT BEFORE INCOME TAX	23,320	21,532	8.3
INCOME TAX (EXPENSE) BENEFIT			
Current	(6,157)	(5,505)	11.8
Deferred	174	74	135.1
	(5,983)	(5,431)	10.2
PROFIT FOR THE PERIOD	17,337	16,101	7.7
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>			
Foreign currency translation	217	(13)	(1,769.2)
Change in fair value of available-for-sale financial assets	(4)	1	(500.0)
	213	(12)	(1,875.0)
Other Comprehensive Income . net	17,550	16,089	9.1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Profit for the period attributable to:	11,545	11,268	2.5
Owners of the parent company	5,792	4,833	19.8
Non-controlling interests	17,337	16,101	7.7
Total comprehensive income for the period attributable to:	11,758	11,256	4.5
Owners of the parent company	5,792	4,833	19.8
Non-controlling interests	17,550	16,089	9.1
BASIC AND DILUTED EARNINGS PER SHARE (in full amount)			
Net Income per share	117.60	115.53	1.8
Net Income per ADS (200 Series B shares per ADS)	23,518.21	23,105.79	1.8

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENT OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2015 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2014 (AUDITED)
 (figures are presented in billions of Rupiah)

	<u>SEP 30, 2015</u>	<u>DEC 31, 2014</u>	<u>Growth (%)</u>
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	14,477	9,851	47.0
Accounts receivables including Unbilled revenues	3,349	2,756	21.5
Current portion of long-term prepayments	2,734	4,374	(37.5)
Asset held for sale	-	57	N/A
Others	3,229	3,427	(5.8)
Total Current Assets	<u>23,789</u>	<u>20,465</u>	16.2
NON-CURRENT ASSETS			
Long-term investment	7	7	0.0
Fixed assets-net	54,695	55,021	(0.6)
Advances for fixed assets	299	590	(49.4)
Intangible assets-net	1,616	1,096	47.5
Prepayments . Non Current Portion	2,141	1,728	23.9
Others	209	444	(52.9)
Total Non-Current Assets	<u>58,968</u>	<u>58,887</u>	0.1
TOTAL ASSETS	<u>82,756</u>	<u>79,352</u>	4.3
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term loan	-	1,244	N/A
Accounts payable & Accrued Liabilities	12,950	11,699	10.7
Taxes payable	2,505	1,607	55.9
Unearned revenue	2,825	3,504	(19.4)
Dividend payable	4,681	-	N/A
Current maturities of medium-term & long-term loans	352	673	(47.7)
Current maturities of oblig. under finance leases	584	543	7.6
Total Current Liabilities	<u>23,897</u>	<u>19,270</u>	24.0
NON-CURRENT LIABILITIES			
Medium-term & long-term loans - net of current maturities	5,323	375	N/A
Obligations under finance lease - net of current maturities	5,013	5,057	(0.9)
Deferred tax liabilities	1,496	2,035	(26.5)
Others	1,198	853	40.4
Total Non-current Liabilities	<u>13,030</u>	<u>8,320</u>	56.6
EQUITY			
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	44,142	50,074	(11.8)
Total Equity	<u>45,829</u>	<u>51,761</u>	(11.5)
TOTAL LIABILITIES AND EQUITY	<u>82,756</u>	<u>79,352</u>	4.3

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
 (figures in tables are presented in billions of Rupiah, otherwise stated)

	2015	2014	Growth (%)
REVENUES			
Postpaid	4,224	3,737	13.0
Prepaid	47,469	40,617	16.9
Interconnection & International roaming	3,545	3,459	2.5
Other	389	592	(34.3)
Total Revenues	55,627	48,404	14.9
EXPENSES			
Operation & Maintenance	13,934	11,373	22.5
Depreciation & Amortization	9,234	8,484	8.8
Cost of Services	2,535	3,170	(20.0)
Interconnection & International Roaming	2,243	2,319	(3.3)
Personnel	2,605	1,967	32.5
General & Administration	1,286	1,012	27.1
Marketing	1,802	1,760	2.4
Others - net	41	10	N/A
Total Expenses	33,680	30,095	11.9
Finance income (charges) - net	20	31	(35.7)
INCOME BEFORE TAX	21,967	18,341	19.8
INCOME TAX EXPENSE	(5,447)	(4,519)	20.5
NET INCOME	16,519	13,822	19.5
EBITDA	31,222	26,804	16.5
EBITDA Margin- over revenues	56.1%	55.4%	0.8ppt
ROA	28.1%	25.7%	2.4ppt
ROE	48.0%	40.3%	7.7ppt