

TICKERS:

IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

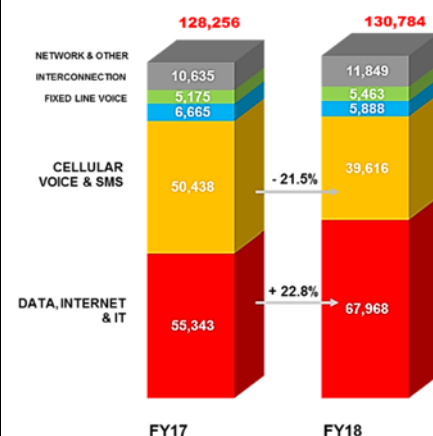
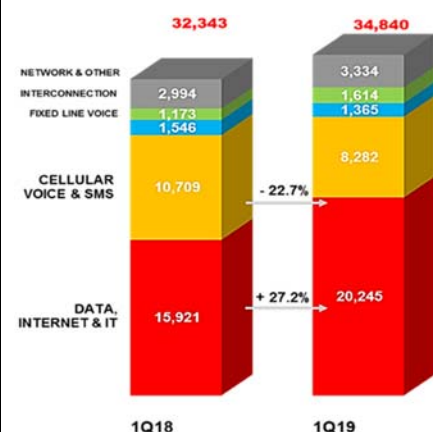
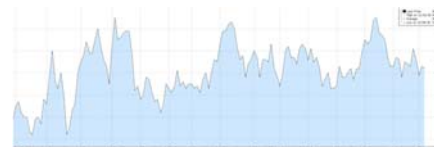
Government of Indonesia : 52.1%
Public : 47.9%

CONVERSION RATES (US\$ 1.00):

Mar 31, 2019 = Rp14,240,0
Dec 31, 2018 = Rp14,380,0
Dec 31, 2017 = Rp13,567.5

FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)


TLKM Share Performance YTD 2019

Share Price on 3 May 2019

Rp3,820 (IDX) and USD26.98 (NYSE)

Source: Bloomberg

Highlights

- In FY18, Telkom Indonesia recorded growth of 2.0% YoY in revenue, amidst fast decline of legacy services and tight competition in data services during SIM card registration which led to intense price war. In 1Q19, our revenue grew by 7.7% YoY, significantly better than last year.
- Data, Internet & IT Services segment remained the growth driver and largest revenue contributor. In FY18, the segment increased by 22.8% YoY, accounted for 52.0% of total revenue. The segment still performed strongly in 1Q19 and grew by 27.2% YoY, represented 58.1% of total revenue.
- We continued to enhance our digital infrastructures. Telkomsel installed 28,376 and 8,405 new 4G BTS in 2018 and 1Q19 respectively. We also completed fiber-based submarine cable namely Indonesia Global Gateway (IGG) in November 2018.

Financial Highlights

| Key Indicators (Rp. Bn) | YoY | | | YoY | | |
|----------------------------|--------|--------|------------|---------|---------|------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Revenues | 34,840 | 32,343 | 7.7 | 130,784 | 128,256 | 2.0 |
| Expenses | 22,811 | 21,465 | 6.3 | 91,939 | 84,323 | 9.0 |
| Operating Profit | 12,029 | 10,878 | 10.6 | 38,845 | 43,933 | (11.6) |
| EBITDA | 17,530 | 16,116 | 8.8 | 59,181 | 64,609 | (8.4) |
| EBITDA Margin (%) | 50.3 | 49.8 | 0.5 | 45.3 | 50.4 | (5.1) |
| Net Income | 6,224 | 5,734 | 8.5 | 18,032 | 20,889* | (13.7) |
| Net Income Margin (%) | 17.9 | 17.7 | 0.2 | 13.8 | 16.3** | (2.5) |

* Normalized Net Income by Rp1,256 billion in 2017 as we take off positive impact from asset revaluation

** Normalized Net Income Margin

Operational Highlights

| Subscribers (000) | YoY | | | YoY | | |
|----------------------|----------------|----------------|---------------|----------------|----------------|---------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Broadband | | | | | | |
| Fixed Broadband | 7,524 | 5,740 | 31.1 | 7,260 | 5,266 | 37.9 |
| IndiHome | 5,522 | 3,501 | 57.7 | 5,104 | 2,965 | 72.2 |
| Mobile Data User | 111,082 | 108,733 | 2.2 | 106,553 | 105,808 | 0.7 |
| Cellular | | | | | | |
| Postpaid | 5,703 | 5,074 | 12.4 | 5,400 | 4,739 | 14.0 |
| Prepaid | 162,939 | 187,678 | (13.2) | 157,587 | 191,583 | (17.7) |
| Total | 168,642 | 192,752 | (12.5) | 162,988 | 196,322 | (17.0) |

Investor Relations

PT Telkom Indonesia (Persero) Tbk
Telkom Landmark Tower, 39th Floor
Jl. Gatot Subroto Kav. 52, Jakarta 12710
Phone : 62 21 5215109
Fax : 62 21 5220500
Email : investor@telkom.co.id
Website : www.telkom.co.id

DISCLAIMER

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PT TELKOM INDONESIA (PERSERO) Tbk FULL YEAR OF 2018 (AUDITED) AND FIRST QUARTER OF 2019 (UNAUDITED)

The following analysis and discussion are based on our Indonesian GAAP financial statements for full year of 2018 and 2017 as well as the first quarter of 2019 and 2018. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

| Key Indicators (Rp. Bn) | YoY | | | YoY | | |
|----------------------------------|---------------|---------------|------------|----------------|----------------|------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Data, Internet & IT Service | 20,245 | 15,921 | 27.2 | 67,968 | 55,343 | 22.8 |
| Cellular Voice and SMS | 8,282 | 10,709 | (22.7) | 39,616 | 50,438 | (21.5) |
| Fixed Line Voice | 1,365 | 1,546 | (11.7) | 5,888 | 6,665 | (11.7) |
| Interconnection | 1,614 | 1,173 | 37.6 | 5,463 | 5,175 | 5.6 |
| Network and Other Telco Services | 3,334 | 2,994 | 11.4 | 11,849 | 10,635 | 11.4 |
| Total | 34,840 | 32,343 | 7.7 | 130,784 | 128,256 | 2.0 |

Telkom recorded total revenue of Rp130.8 trillion in 2018, an increase of 2.0% YoY. While in 1Q19, Telkom posted Rp34.8 trillion in Revenue, an increase of 7.7% YoY. Data, Internet & IT Services were the growth driver for both periods. The details of our Revenue lines are as follows:

- **Data, Internet & IT Services revenues** increased significantly by 22.8% YoY in FY18 and by 27.2% YoY in 1Q19, primarily attributable to the high increase of traffic in mobile coupled with significant addition of IndiHome subscribers. Mobile broadband traffic increased significantly by 101.7% YoY in FY18 and by 56.6% YoY in 1Q19. In fixed broadband, IndiHome customers reached 5.1 million subscribers in FY18 or jumped by 72.2% YoY from 2.9 million in FY17, while in 1Q19 our subscribers base was 5.5 million or grew by 57.7% from 3.5 million last year.
- **Cellular Voice and SMS revenues** decreased by 21.5% YoY in FY18 and 22.7% YoY in 1Q19 as a result of traffic decline in both voice and SMS services due to cannibalization from instant messaging (OTT) applications as smartphone adoption has been getting higher.
- **Fixed Line Voice revenues** declined by 11.7% YoY in FY18 as well as in 1Q19, due to cannibalization from mobile services that resulted in declining fixed line traffic.
- **Interconnection revenues** increased by 5.6% YoY in FY18 and 37.6% YoY in 1Q19 as we started to grab opportunity in overseas wholesale voice business.
- **Network and Other Telecommunication Services revenues** grew by 11.4% YoY both in FY18 and 1Q19, mainly from end-to-end ICT solutions provided to our enterprise clients.

In accordance with our strategic objective to be digital telco company, we classify our business into three categories i.e. Legacy, Connectivity and Digital Services. The focus is on growing Digital Business, the combination of Connectivity and Digital Services.

Legacy, which mainly comprises cellular voice, SMS, and fixed line voice, declined by 21.1% in FY18 and 19.5% in 1Q19 due to the presence of various OTT.

In line with our continuous effort to strengthen our digital capabilities, we saw encouraging results from our Digital Business with 23.1% YoY growth in FY18 and 26.2% in 1Q19, contributed to 63.0% and 69.7% of total revenue respectively. Connectivity significantly increased by 19.3% YoY, contributed to 51.1% of total revenue in FY18; and grew by 25.9% YoY, contributed to 53.9% of our 1Q19 total revenue. It was supported by the growth in Mobile Broadband, Fixed Broadband, and ICT Platform services. Whereas Digital Service went up by 42.9% YoY, contributed to 11.9% of total revenue in FY18; as well as 27.4% YoY growth in 1Q19 and contributed to 15.8% of total revenue. The increasing revenue of Digital Service were driven by mobile digital services as well as various digital services in fixed business areas such as application and smart enablers services. Our Digital Service in Mobile Segment include video, games, music. Whilst in Fixed Segment include data center and cloud, payment platform, as well as IPTV. The strong growth in the Digital Business successfully compensated the decline in Legacy business, and led to positive growth for the FY18.

Expenses

| Key Indicators (Rp. Bn) | YoY | | | YoY | | |
|---|---------------|---------------|------------|---------------|---------------|-------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Operating Expense | | | | | | |
| Operation, Maintenance & Telecommunication Services | 10,709 | 10,244 | 4.5 | 43,791 | 36,603 | 19.9 |
| Personnel | 3,132 | 3,035 | 3.2 | 13,178 | 13,529 | (2.6) |
| Interconnection | 1,268 | 828 | 53.1 | 4,283 | 2,987 | 43.4 |
| Marketing | 907 | 870 | 4.3 | 4,214 | 5,268 | (20.0) |
| General & Administrative | 1,294 | 1,250 | 3.5 | 6,137 | 5,260 | 16.7 |
| Total Operating Expenses | 17,310 | 16,227 | 6.7 | 71,603 | 63,647 | 12.5 |
| Depreciation & Amortization | 5,642 | 5,373 | 5.0 | 21,406 | 20,446 | 4.7 |
| Forex (Gain) / Loss | 45 | 5 | 800.0 | (68) | (51) | 33.3 |
| Others (Income) / Expense | (186) | (140) | 32.9 | (1,002) | 281 | (456.6) |
| Total Expenses | 22,811 | 21,465 | 6.3 | 91,939 | 84,323 | 9.0 |

Total Expenses increased by 9.0% YoY in FY18, with Operating Expenses rose by 12.5% YoY. While in 1Q19, Total Expense increased by 6.3% YoY, with Operating Expenses increased by 6.7% YoY. Details of expenses are as follows:

- **Operation & Maintenance (“O&M”) expenses** increased by 19.9% YoY in FY18 and 4.5% YoY in 1Q19 as we continued to develop aggressive broadband and IT infrastructure in an effort to grow Connectivity and Digital business both in cellular and fixed-line services.
- **Personnel expenses** decreased by 2.6% YoY in FY18 in line with lower performance incentive related to softening result as well as large number of natural retirement, while in 1Q19 these expenses increased modestly by 3.2% YoY.

- **Interconnection expenses** rose significantly in FY18 as well as in 1Q19, by 43.4% and 53.1% YoY respectively, mainly related to the growth in our international wholesale voice business.
- **Marketing expenses** declined by 20.0% YoY in FY18 primarily due to effective sales and marketing program in mobile business after SIM card registration. While in 1Q19, these expenses went up by 4.3% YoY primarily to support IndiHome marketing activities.
- **General & Administrative expenses** increased by 16.7% YoY in FY18 in line with increasing business volume. While in 1Q19, we successfully managed G&A expenses which grew by 3.5% YoY.
- **Depreciation & Amortization** grew by 4.7% YoY in FY18 and by 5.0% YoY in 1Q19 due to additional fixed asset in line with infrastructure development in mobile and fixed-line business, including fiber-based backbone and access, 4G BTS, as well as new satellite that was launched in 3Q18.
- We recorded **Net Forex Gain** of Rp68 billion in 2018 and small **Net Forex Loss** of Rp45 billion in 1Q19 amid stronger USD rate.
- **Others – net** recorded an income of Rp1,020 billion in FY18 and Rp186 billion in 1Q19, from higher non-operating income and lower non-operating expense during the period.

EBITDA and Net Income

In FY18, our EBITDA and Net Income declined by 8.4% and 18.6% YoY respectively, mainly attributable to legacy decline and the price war in data services during SIM card registration program. We also shifted our business from legacy to digital business that requires us deploying digital infrastructure continuously, resulting in significant growth in O&M charges. We posted Net Income of Rp18,032 billion, declined by 13.7% if we normalized FY17 Net Income with positive impact from asset revaluation.

In 1Q19 however, we booked better performance with EBITDA and Net Income grew by 8.8% YoY and 8.5% YoY respectively. We started to take the benefit of SIM card registration, as we were able to develop personalized product offerings and enjoy efficiencies in marketing expenses. In 1Q19 we improved our margins with EBITDA margin of 50.3%, compared to 49.8% in 1Q18. While Net Income margin was 17.9% in 1Q19, increased from 17.7% in 1Q18.

Financial Position

| Key Indicators (Rp. Bn) | End of | | | End of | | |
|----------------------------|---------|---------|------------|---------|---------|------------|
| | Mar-19 | Dec-18 | Growth (%) | Dec-18 | Dec-17 | Growth (%) |
| Total Assets | 219,111 | 206,196 | 6.3 | 206,196 | 198,484 | 3.9 |
| Total Liabilities | 93,193 | 88,893 | 4.8 | 88,893 | 86,354 | 2.9 |
| Non-controlling Interests | 20,810 | 18,393 | 13.1 | 18,393 | 19,417 | (5.3) |
| Total Equity | 125,918 | 117,303 | 7.3 | 117,303 | 112,130 | 4.6 |

- Total assets at end of 2018 was Rp206.2 trillion, increased by 3.9% YTD mainly due to increase in fixed assets in line with our continuous network development. While as of 31 March 2019 it was Rp219.1

trillion, went up by 6.3% YTD mainly from increase in cash & cash equivalents.

- Total liabilities at 31 December 2018 was Rp88.9 trillion, grew by 2.9% YTD particularly from the increase in loan to support our investments. Whereas as of 31 March 2019 was Rp93.2 trillion, increased by 4.8% YTD particularly from the increase of payables to third parties for equipment, materials and services purchase to support our development.
- Non-controlling interests decreased by 5.3% YTD as a result of challenging mobile industry during 2018. While it increased by 13.1% YTD related to our healthy subsidiary's performance in 2019.
- Our equity increased by 4.6% YTD in FY18 and by 7.3% YTD in 1Q19 due to higher retained earnings from the company's performance.

Cash Flows

| Key Indicators (Rp. Bn) | YoY | | | YoY | | |
|--|---------|---------|------------|----------|----------|------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Cash Flows from Operating Activities | 13,040 | 9,566 | 36.3 | 45,671 | 49,405 | (7.6) |
| Cash Flows from/(used in) Investing Activities | (6,208) | (6,406) | (3.1) | (35,090) | (33,007) | 6.3 |
| Cash Flow from/(used in) Financing Activities | (883) | 625 | (241.3) | (18,458) | (21,052) | (12.3) |
| Net Increase in Cash & Cash Equivalents | 5,949 | 3,785 | 57.2 | (7,877) | (4,654) | 69.3 |
| Effect of Exchange Rate Changes on Cash and Cash Equivalents | (8) | 38 | (121.1) | 171 | 32 | 434.4 |
| Cash and Cash Equivalents at Beginning of Year | 17,439 | 25,145 | (30.6) | 25,145 | 29,767 | (15.5) |
| Cash and Cash Equivalents at End of Period | 23,380 | 28,968 | (19.3) | 17,439 | 25,145 | (30.6) |

- Net cash provided by operating activities in 2018 decreased by 7.6% YoY particularly from higher cash payment for expenses and VAT. Whereas it increased by 36.3% YoY from higher cash receipts from customers and other operators.
- Net cash used in investing activities increased by 6.3% YoY mainly attributed to purchase of intangible assets (software). On the other hand it decreased by 3.1% YoY from lower cash payment for fixed and intangible assets acquisition compared to first quarter last year.
- Net cash used in financing activities declined by 12.3% YoY due to higher bank loan withdrawal, while 1Q19 it increased by 241.3% YoY particularly from higher repayments of loan and other borrowings.

Debts

| Currencies (Rp. Bn) | End of | | | Portion (%) | | |
|------------------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | Mar-19 | Dec-18 | Dec-17 | Mar-19 | Dec-18 | Dec-17 |
| IDR/Rupiah | 41,362 | 41,722 | 33,621 | 95.0 | 94.6 | 94.8 |
| USD/US Dollar | 1,451 | 1,636 | 1,029 | 3.3 | 3.7 | 2.9 |
| JPY/Japanese Yen | 593 | 602 | 648 | 1.4 | 1.4 | 1.8 |
| MYR/Malaysian Ringgit | 112 | 127 | 174 | 0.3 | 0.3 | 0.5 |
| Total | 43,518 | 44,087 | 35,472 | 100.0 | 100.0 | 100.0 |

At the end of December 2018, total debts (including financial lease) amounting to Rp44.1 trillion, increased by 24.3% compared to the end of 2017. While at the end of March 2019, it's amounting to Rp43.5 trillion, decreased by 1.3% compared to the end of 2018 due to loan repayment. Around 95% of our debts were in Rupiah currency, around 3-4% were in US Dollar currency and the remaining balance were in Japanese Yen and Malaysian Ringgit, consisting of short and long-term bank loans, bonds, medium term notes, two-step loans, loans from non-bank financial institution, as well as financial leases.

Total financial lease was Rp3.1 trillion as of 31 December 2018 and Rp2.9 trillion as of 31 March 2019. Around 91-92% of the figures were for tower lease and the remaining were for other financial leases, and the portion was stable for 1Q19, FY18, and FY17.

Our debt to equity ratio ("DER") was still relatively low at 37.6% in FY18 and 34.6% in 1Q19. The strong balance sheet profile was appreciated by credit rating agencies. Moody's and Fitch assigned Baa1 (one notch above the sovereign rating) and BBB respectively, both with stable outlook. Whilst the Indonesian rating agency Pefindo assigned idAAA with stable outlook.

Gearing Ratio

| Ratios (%) | End of | | | End of | | |
|----------------------------|--------|--------|--------------|--------|--------|--------------|
| | Mar-19 | Dec-18 | Growth (ppt) | Dec-18 | Dec-17 | Growth (ppt) |
| Net Debt to Equity | 14.9 | 21.6 | (6.7) | 21.6 | 7.3 | 14.3 |
| Debt to Equity | 34.6 | 37.6 | (3.0) | 37.6 | 31.6 | 6.0 |
| Debt to EBITDA (times) | 0.6 | 0.7 | (0.1) | 0.7 | 0.5 | 0.2 |
| Debt Service Ratio (times) | 4.7 | 4.3 | (0.4) | 4.3 | 6.3 | (2.0) |

Notes:

- Net Debt to Equity is calculated as Total Debt deducted by Cash & Cash Equivalent and Other Current Financial Assets, then divided by Total Equity
- Debt Equity is Total Debt to Total Equity
- Debt to EBITDA represented by Total Debt to Annualized EBITDA
- Debt Service Ratio is calculated as Annualized EBITDA divided by the sum of Annualized Finance Cost and Short-term Debt

Financial Ratios

| Ratios (%) | YoY | | | YoY | | |
|-----------------------------|-------|-------|--------------|------|-------|--------------|
| | 1Q19 | 1Q18 | Growth (ppt) | FY18 | FY17 | Growth (ppt) |
| EBIT Margin | 34.5 | 33.6 | 0.9 | 29.7 | 34.3 | (4.6) |
| EBITDA Margin | 50.3 | 49.8 | 0.5 | 45.3 | 50.4 | (5.1) |
| Net Income Margin | 17.9 | 17.7 | 0.1 | 13.8 | 16.3 | (2.5) |
| Current Ratio | 104.5 | 117.8 | (13.4) | 93.5 | 104.8 | (11.3) |
| Total Liabilities to Equity | 74.0 | 72.0 | 2.0 | 75.8 | 77.0 | (1.2) |
| Return on Assets | 15.5 | 15.4 | 0.1 | 13.1 | 16.5 | (3.4) |
| Return on Equity | 27.0 | 26.6 | 0.5 | 23.0 | 29.2 | (6.2) |
| Return on Invested Capital | 20.1 | 20.4 | 0.3 | 16.7 | 22.7 | (6.0) |

Notes:

- EBIT Margin is EBIT to Revenue
- EBITDA Margin is EBITDA to Revenue
- Net Income Margin is calculated as Profit Attributable to Owners of the Company divided by Revenue

- Current Ratio represented by Current Assets divided by Current Liabilities
- Total Liabilities to Equity is Total Liabilities to Total Equity
- Return on Assets represented by Total Profit divided by Total Assets
- Return on Equity represented by Total Profit divided by Total Equity
- Return on Invested Capital is calculated as Annualized Total Profit divided by sum of Total Debt and Total Equity

Capital Expenditure

In the full year of 2018, Telkom Group spent Rp33.6 trillion in capital expenditure (capex) or 25.7% of revenue, while in the first quarter of 2019 we spent Rp7.3 trillion for capex. We utilized our capex mainly to enhance our digital capabilities to capture growth opportunities in the digital space. In mobile services, capex was mainly utilized for radio access network (4G BTS) deployment and IT system enhancement. While in fixed businesses, capex was primarily utilized to develop fiber-based access and backbone infrastructure, including submarine cable systems and a satellite to support fixed as well as mobile broadband businesses. Some portion of capex were also utilized for other projects such as tower and data center.

RESULTS BY SEGMENT

Mobile Segment

Telkomsel Financial Result

The Indonesian mobile telecommunications industry experienced a highly dynamic year in 2018 with multiple challenges and started 2019 with a new shape of competition era. The dynamic included Legacy toward Data services transition coupled with customer behavior shifting. However, we believe overall Indonesian telecommunication industry is going towards a healthier and rational condition. With variety of strategic initiatives including take up strategy for Data monetization to maintain and improve profitability, Telkomsel recorded a positive performance in Q4-18 by delivering growth in Revenues, EBITDA and Net Income at 2.4%, 3.6% and 10.0% QoQ, respectively followed by another positive performance in Q1-19 with solid amount of Revenues, EBITDA and Net Income at Rp22.2 trillion (+1.4% YoY), Rp12.1 trillion (+1.3% YoY) and Rp6.5 trillion (+0.9% YoY), respectively supported by transformation initiatives in Digital Business as engine of growth along with Cost Leadership initiatives to effectively manage operational expenses. Digital Business posted a significant growth with increased portion to total revenues to 53.0% in 2018 and 61.4% in Q1-19. The current market dynamic has confirmed Telkomsel's belief as market leader to lead the shifting of the industry to healthier conduct thus provides better opportunities for growth of Data & Digital Services as the future of telecommunications industry.

A decrease number of Telkomsel subscribers in 2018 due to ongoing impact of prepaid SIM card registration policy with its limitation in number of SIM card per subscriber lead to natural cleansing effect for the whole industry. Telkomsel managed to have 163.0 million subscribers by the end of 2018 and increased to 168.6 million at the end of 1Q19 due to effective sales & marketing programs. Telkomsel will continue to lead and maintain the initiatives to comply with regulation applied. The prepaid SIM card registration has resulted in a better quality customer base with higher numbers of real and active subscribers as well as more efficient SIM card production costs. It will also have positive long-term impact and support the emergence of healthier competition in the industry.

In line with our philosophy to always lead in network supply nationwide to maintain and strengthen our network leadership and growing our Digital Business, we deployed 28,376 new BTS during 2018 and 8,405 new BTS in Q1-19 with all of BTS were 4G-based. Our data traffic increased by 101.7% YoY to 4,373,077

TB in 2018 and 56.6% YoY increased to 1,408,872 TB in Q1-19 mainly fueled by high growth in Data User that reached 111.1 million (+2.2% YoY) in Q1-19. In terms of infrastructure, by end of 2018 our BTS on-air totaled 189,081 units (+17.7% YoY), 73.4% of which were 3G/4G BTS and 197,486 units BTS on-air (+17.8% YoY) in Q1-19, 74.5% of which were 3G/4G BTS.

Legacy Business: Voice and SMS

Along with transition phase of Legacy toward Data and impact of OTT services cannibalization, Telkomsel's Legacy business in 2018 was slowing down with Voice revenue decreased by 18.1% YoY to Rp32,858 billion with declining Voice traffic by 2.2% YoY and SMS revenue declined by 39.1% YoY to Rp6,599 billion with declining SMS traffic by 42.9% YoY. This natural transition phase still remained in Q1-19 with Voice revenue decreased by 21.3% YoY to Rp6,824 billion with declining Voice traffic by 7.8% YoY and SMS revenue declined by 38.3% YoY to Rp1,196 billion with declining SMS traffic by 36.8% YoY. Initiatives in personalized marketing approach to offer better value package and attractive Voice and SMS package were introduced in order to manage the downtrend of Legacy business.

Digital Business: Data Connectivity and Digital Services

Digital Business remained the engine of growth with focus to continue in leading of network supply in 3G and 4G infrastructure. This segment recorded strong performance in 2018 with 19.8% YoY growth to Rp47,299 billion and increased its contribution to total revenue substantially to 53.0% from 42.3% last year. Continued in Q1-19, it grew by 29.5% YoY to Rp13,609 billion and increased its contribution to total revenue substantially to 61.4% from 48.0% last year.

Revenue from Data in 2018 grew by 16.4% YoY to Rp41,339 billion, driven by healthy growth in Data User (+0.7% YoY to 106.6 million users), successful migration of PAYU to Flash packages, as well as continued strong growth in Data payload, which increased by 101.7% YoY to 4,373,077 TB. Align with previous quarter, in Q1-19 it is growing by 29.7% YoY to Rp11,879 billion, Data User (+2.2% YoY to 111.1 million users) and Data payload increased by 56.6% YoY to 1,408,872 TB.

Digital Services also grew strongly in 2018 by 51.2% YoY to Rp5,960 billion and grew by 28.6% YoY to Rp1,730 billion in Q1-19 and has become the main driver of Telkomsel's transformation from a telco company to a digital telco company.

The following table summarizes Telkomsel's financial results for the year ended 31 December 2018 and for the period ended 31 March 2019:

Statements of Profit and Loss

| Financial Performance (Rp. Bn) | YoY | | | YoY | | |
|--|--------|--------|------------|--------|--------|------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Revenues | 22,180 | 21,874 | 1.4 | 89,246 | 93,217 | (4.3) |
| Legacy | 8,571 | 11,368 | (24.6) | 41,947 | 53,750 | (22.0) |
| Digital Business | 13,609 | 10,506 | 29.5 | 47,299 | 39,466 | 19.8 |
| Expenses incl. Depreciation and Others | 13,538 | 13,446 | 0.7 | 54,707 | 53,164 | 2.9 |
| EBITDA | 12,136 | 11,986 | 1.3 | 47,439 | 53,592 | (11.5) |
| EBITDA Margin (%) | 54.7 | 54.8 | (0.1ppt) | 53.2 | 57.5 | (4.3ppt) |
| Net Income | 6,473 | 6,416 | 0.9 | 25,536 | 30,395 | (16.0) |
| Net Income Margin (%) | 29.2 | 29.3 | (0.1ppt) | 28.6 | 32.6 | (4.0ppt) |
| Proportion of Digital Business (%) | 61.4 | 48.0 | 13.3ppt | 53.0 | 42.3 | 10.7ppt |

Telkomsel recorded operating revenues of Rp89,246 billion for FY18, a decrease of 4.3% YoY and Rp22,180 billion for 1Q19, an increase of 1.4% YoY.

- Postpaid revenue decreased by 3.7% YoY to Rp2.0 trillion in Q1-19 and prepaid grew by 2.7% YoY to Rp18,928 billion in Q1-19 due to seasonal effect along with an ongoing process of SIM card registration natural cleansing, reflecting active customer being more productive supported by behavior shifting from starter pack toward renewal consumption.
- Interconnection and International Roaming revenues decreased by 16.5% YoY to Rp945 billion in Q1-19 mainly due to declining Voice and SMS traffic from other local operators as an impact of substitute services from OTT applications.

In 2018, total expenses including depreciation and amortization increased by 2.9% YoY to Rp54,707 billion. The growth was mainly driven by Operational & Maintenance expenses as company's initiative to acquire new frequency of 2.3GHz to increase our capacity, strengthen 4G LTE services and maximize Broadband service quality also to align with the consistent development of infrastructure in this consecutive quarter, which increased by 17.7% YoY in terms of BTS numbers. On the other hand, other expenses components have been effectively managed reflected from declining Marketing Expenses and Depreciation & Amortization in the YoY basis.

As of March 2019, total expenses including depreciation and amortization increased by 0.7% YoY to Rp13,538 billion. Aside all the recurring components in 2018, this quarter expenses have been effectively managed reflected from flattish growth of General Administrative and Depreciation & Amortization as well as significant decrease in Marketing Expenses, Cost of Services, Interconnection & International Roaming as well as manageable Operating & Maintenance.

Statements of Financial Position

| Statements of Financial Position (Rp Bn) | Mar-19 | Dec-18 | Growth (%) |
|---|---------------|---------------|------------|
| Current Assets | 24,349 | 16,834 | 44.6 |
| Non-Current Assets | 65,388 | 65,816 | (0.6) |
| Total Assets | 89,738 | 82,650 | 8.6 |
| Current Liabilities | 22,428 | 20,737 | 8.2 |
| Non-Current Liabilities | 9,690 | 10,767 | (10.0) |
| Equity | 57,620 | 51,147 | 12.7 |
| Total Liabilities and Stockholders' Equity | 89,738 | 82,650 | 8.6 |

As of 31 March 2019, Total Assets increased 8.6% to Rp89,738 billion, Total Liabilities increased by 2.0% to Rp32,118 billion and Total Equity increased 12.7% to Rp57,620 billion.

- Current Assets increased 44.6% to Rp24,349 billion, mainly due to increase in cash and cash equivalents.
- Non-current Assets decreased 0.6% to Rp65,388 billion, mainly due to decrease in fixed assets.
- Current Liabilities increased 8.2% to Rp22,428 billion, mainly due to increase in taxes payable.
- Non-current Liabilities decreased 10.0% to Rp9,690 billion, mainly due to decrease in medium-term loans net of current maturities.
- Total Equity increased by 12.7% to Rp57,620 billion, mainly due to increase in retained earnings as a result of substantial net income in this period.

Cash Flow

Net cash generated from operations in FY18 decreased 6.7% YoY to Rp36,910 billion. Cash flow used in investment activities was Rp16,095 billion mainly for the payment of infrastructure spending. Net cash generated from financing activities (exclude Dividend) increased to Rp2,998 billion as the company has drawn the facility of medium-term loans.

Net cash generated from operations in March 2019 increased 10.1% YoY to Rp11,399 billion. Cash flow used in investment activities was Rp2,637 billion mainly for the payment of infrastructure spending. Net cash used in financing activities (exclude Dividend) increased to Rp1,946 billion as the company has made repayment for outstanding medium-term loans.

Statements of Cash Flows

| In Rp. Billion | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
|---|--------------|--------------|------------|----------------|----------------|---------------|
| Cash Flow from Operating Activities | 11,399 | 10,352 | 10.1 | 36,910 | 39,571 | (6.7) |
| Cash Flow for Investing Activities | (2,637) | (3,564) | (26.0) | (16,095) | (13,984) | 15.1 |
| Cash Flow (for) from Financing Activities | (1,946) | (187) | N/A | 2,998 | (710) | N/A |
| Dividend Payment | - | - | N/A | (27,865) | (34,010) | (18.1) |
| Net Increase (Decrease) in Cash & Cash Equivalents | 6,816 | 6,601 | 3.3 | (4,051) | (9,133) | (55.6) |
| Cash and Cash Equivalents at Beginning of Periods (Years) | 6,497 | 10,548 | (38.4) | 10,548 | 19,681 | (46.4) |
| Cash and Cash Equivalents at End of Periods (Years) | 13,312 | 17,149 | (22.4) | 6,497 | 10,548 | (38.4) |

Debt Profile

As of 31 March 2019, Telkomsel's total outstanding loans amounted to Rp3,000 billion, all of which will mature in 2023. Telkomsel **Debt to Equity Ratio (DER)** was **11.7%** decreased significantly from 16.9% in previous quarter.

| Key Indicators | 1Q19 | FY18 | Growth | FY18 | FY17 | Growth |
|------------------------|------|------|----------|------|------|--------|
| Debt to Equity (%) | 11.7 | 16.9 | (5.3ppt) | 16.9 | 10.5 | 6.4ppt |
| Debt to EBITDA (times) | 0.14 | 0.17 | (2.6ppt) | 0.17 | 0.11 | 6.1ppt |

Mobile Digital Services

A number of investments and key initiatives have been established to accelerate the growth of Digital Services, in line with Telkomsel mission to build a digital Indonesia with key products and services within this segment included Digital Lifestyle, Mobile Financial Services, Digital Advertising, Mobile Banking and Internet of Things (IoT):

- Telkomsel aims to become the leading mobile lifestyle provider in the country and pushing digital ecosystem through several platforms such as video, games, music and various mobile VAS services. Telkomsel expand its positioning on video ecosystem by providing content and platform for mass market video. MAXstream has been launched to serve as the platform and becomes one stop video portal by aggregating OTT video apps, linear channel and VOD content with 13 million downloads. MAXstream collaborated with HOOQ released its first original TV series called "Brata" in 2018 and also two new original TV series called "Nawangsih" and "Unscripted Man" in Q1-19. Telkomsel also maintains its position as the leading operator in Indonesia that provide almost all value chain of gaming ecosystem including media and distribution, payment, e-sport, and step into Game Publishing by releasing its first game "Shellfire" in 2018 under Dunia Games brand. This e-sport game with various features including in-app purchase by players has reached 3.2 million downloads. Moreover, Telkomsel focused on improving user experience of Langit Musik, partnering with OTT music apps and maximizing revenue from RBT which has reached 8 million users.
- In Mobile Financial Services, Telkomsel's flagship product TCASH expanded its reach by going

agnostic to serve beyond Telkomsel subscribers in 2018 and changed to LinkAja in Q1-19 as a joint e-money service from the State-owned Enterprise (SOE) based on TCASH platform. The collaboration with a unified e-money service platform is expected to realize financial inclusion and to create a cashless society in Indonesia. As of March 2019, LinkAja has acquired more than 30 million registered users with 130,000 merchant outlets, 275,000 Cash-in Cash-out points, 220,000 Mitra LinkAja (MiLa) outlets, and partnerships with major players in transportation and financial use cases.

- Through Digital Advertising business, Telkomsel aims to become a dominant media owner in Indonesia's digital Advertising industry. Enhanced by Big Data Analytics engine, Telkomsel Digital Advertising provides a more accurate customer targeting to 169 million subscribers, resulting a higher ROI while simultaneously delivering better advertising value and relevancy to advertisers. Telkomsel offers an extensive range of Digital Advertising services including conventional text messaging, timely advertising for mobile coupons, and display advertising in mobile applications.
- Mobile Banking business also continued to grow in a solid figure, enabling financial institutions to provide mobile banking services and the recently launched Mobile App. Through Mobile Banking business, we provide Indonesian citizens to enjoy broader access to financial transactions through their mobile phones.
- Telkomsel extended the footprint in Internet of Things business to go beyond connectivity to capture a substantial share of IoT business opportunities with services consist of Smart Connectivity, Fleet Sight and InTank. In addition, Telkomsel rolls out Narrow-Band IOT (NB-IoT) technology, which currently covers Greater Jakarta region and enhanced with IoT Lab and Telkomsel Incubation (TINC) to explore both business and technology opportunities for massive NB-IoT implementation in Indonesia.

Going forward, Telkomsel will continue to scale-up Digital Services business more rapidly through innovations and partnership along with developing the digital ecosystem - a key foundation for Telkomsel to become a digital telco company and building a digital Indonesia.

Customer Base

As of March 2019, Telkomsel served 168.6 million subscribers nationwide, decreased by 12.5% YoY where mainly due to an ongoing process of natural cleansing. However, number of Data users was growing to become 111.1 million increase by 2.2% YoY align with Telkomsel strategy to increase Data penetration and average Data consumption have reached 4.5GB/user/month (+53.9% YoY).

ARPU

As we are shifting from Legacy business to Digital Business, our Digital ARPU grew double digit due to increase in Data user productivity resulting strong growth in Data traffic.

Network Deployment

Our focus on Digital Business was reflected from our network deployment and continue to accelerate our network development with aggressive 4G BTS deployment to support Digital Business. Our 4G LTE deployment is on-demand basis, take into account 4G handset penetration and level of demand in Broadband cities. We have deployed 56,653 4G BTS in 2018 and 65,064 4G BTS in Q1-19. The network

roll-out brought total BTS on air in Q1-19 to 197,486 units which increased by 17.8% YoY, of which 147,181 units were 3G/4G BTS (+25.4% YoY)

Telkom's sustainable financial performance was supported by solid operational performance. The following table shows key operational performance as of 31 December 2018 and 31 March 2019:

| Operational Indicators | YoY | | | YoY | | |
|--------------------------|-----------|---------|------------|-----------|-----------|------------|
| | 1Q19 | 1Q18 | Growth (%) | FY18 | FY17 | Growth (%) |
| Customer Base (000) | 168,642 | 192,752 | (12.5) | 162,988 | 196,322 | (17.0) |
| Net Adds (000) | 5,655 | (3,570) | 258.4 | (47,274) | 22,402 | (311.0) |
| Data User (000) | 111,082 | 108,733 | 2.2 | 106,553 | 105,808 | 0.7 |
| ARPU (000) | 45 | 35 | 29.7 | 41 | 43 | (5.2) |
| BTS on Air (units) | 197,486 | 167,649 | 17.8 | 189,081 | 160,705 | 17.7 |
| Total Employees | 5,527 | 5,453 | 1.4 | 5,535 | 5,461 | 1.4 |
| MoU (In billion minutes) | 47.7 | 51.7 | (7.8) | 207.0 | 211.8 | (2.2) |
| SMS (In billion units) | 14.6 | 23.2 | (36.8) | 77.4 | 135.4 | (42.9) |
| Data Payload (TB) | 1,408,872 | 899,600 | 56.6 | 4,373,077 | 2,168,245 | 101.7 |

Fixed Line Services

Fixed Broadband IndiHome

IndiHome continued its strong results both in operational and financial. During 4Q18 we added 397 thousand new subscribers, that made total IndiHome subscribers to reach 5.1 million by end of 2018, grew by 72.2% YoY. The strong momentum continued in 1Q19, as we gained 418 thousand net additional subscribers, which made total subscribers to reach 5.5 million by end of March 2019. Residential customers represents around 88% of IndiHome customer base in 1Q19 and FY18.

IndiHome Triple Play represented 51.0% of total subscribers in 1Q19, improved from 50.2% at end of 2018. This was in line with our marketing efforts to encourage to push new Triple Play customers and encourage existing customers to upgrade to Triple Play.

In FY18 IndiHome recorded Rp13.0 trillion of revenue, grew significantly by 58.8% YoY. The strong growth continued in 1Q19, as IndiHome recorded Rp4.3 trillion of revenue during the quarter, jumped by 72.2% YoY. ARPU of IndiHome in 4Q18 was Rp265 thousand, increased from Rp258 thousand in the previous quarter partly due to price increase initiative in August 2018. The ARPU figure was relatively stable in 1Q19. In an effort to increase ARPU, we encourage customers to purchase various add-ons and mini pack, upgrade to higher speed or to Triple Play services.

Enterprise Business

In FY18, Telkom Enterprise business recorded Rp21.1 trillion in revenue, grew by 10.1% YoY. While in 1Q19, Telkom Enterprise business recorded Rp6.3 trillion of revenue, grew by 6.3% YoY. IT Services and Enterprise Connectivity solutions remained the biggest contributor to Telkom's Enterprise business revenue.

We serve three customers segments under our Enterprise business:

- **Corporate.** We serve around 1,900 corporate clients from various industries such as consumer goods, insurance, pharmaceutical, and banking, which contributed around 60% to Enterprise segment revenue. In 1Q19, it was contributed to around 57% of Enterprise segment revenue.
- **Government.** We provide connectivity and ICT solutions for more than 979 Government institutions including Central Government, Local Government, and Government Agencies. Government segment contributed to around 26% of Enterprise segment revenue in FY18, in 1Q19 itself the contribution was getting higher to 30%.
- **Small and Medium-sized Business (SMB).** We serve more than 300 thousand SMB clients for which we provide various services from connectivity to various solutions. In FY18 and 1Q19, SMB segment contributed around 14% and 13% respectively to Enterprise segment revenue.

Wholesale and International Business

In full year of 2018, our Wholesale and International Business revenue was Rp10.1 trillion, grew by 35.6% compared to the previous year. The strong growth continued in 1Q19, as the segment recorded revenue of Rp2.9 trillion, increased by 30.3% YoY. The growth was attributable to strong volume growth in international wholesale voice business

Our wholesale services portfolio includes domestic and international traffic carrier, wholesale connectivity, towers, satellite, as well as telecommunication and infrastructure managed services.

Recent Activities

■ Acquisition of PT Collega Inti Pratama

On December 28, 2018, a Sales and Purchase Agreement involving PT Upperco Usaha Maxima and PT Abdi Anugrah Persada and PT Sigma Cipta Caraka regarding the shares of PT Collega Inti Pratama has been signed. Telkom Sigma acquired shares of PT Collega Inti Pratama, so that Telkom Sigma ownership reached 70%. This acquisition will enhance Telkom Group in providing ICT solution for banking, integrated with other ICT services such as data center and system integration.

■ Establishment of PT Fintek Karya Nusantara (“Finarya”)

On January 21, 2019, Ministry of Law and Human Right has approved the Establishment Act of Finarya by Telkomsel. Telkomsel owns 99.9% of Finarya’s shares. The purpose of Finarya’s establishment is to support fintech ecosystem that is currently available in Telkomsel.

■ Non-Cash Share Subscription of Finarya and Change of TCASH to LinkAja

Telkomsel has done non-cash share subscription into Finarya on February 22, 2019. The subscription is in the form of TCASH e-money service business, which later was rebranded to LinkAja.

■ Share Acquisition of PT Persada Sokka Tama by PT Dayamitra Telekomunikasi (“Mitratel”)

On March 6, 2019, a sales and purchase agreement between Mitratel and Shareholders of PT Persada Sokka Tama (“PST”) regarding PST’s shares has been signed. Mitratel currently owned 95% share ownership in PST. The acquisition is performed to strengthen Mitratel business in the telecommunication tower industry.

Product and Marketing Activities

Fixed Line and Enterprise

■ IndiHome Sensasi Extra Akhir Tahun

IndiHome provides Promo Paket Sensasi Extra Akhir Tahun in the form of Triple Play package, special prices along with extra bonus options as IndiKids Lite, Inditainment Lite and IndiSport2 from November 2018 until end of January 2019. We also held the Grand Prize "IndiHome Family Vaganza" drawing, which became the main event and as the closing of the 2018 promotional series.

■ IndiHome Fantastic Deal Package

For new customers starting February 15, 2019 can subscribe to package what so called IndiHome Fantastic Deal with competitive price. This package offered a bonus such as free to watch Dreamworks, Fox and Discovery channels.

■ IndiHome Gamer Package

As its name this service is for online game lovers. Get various benefits such as exclusive items, in-game currency, double experience / drop rate and much more provided by game publishers. Subscribers can also get attractive prizes from every game that has collaborated with IndiHome.

Mobile

■ Legacy Business and Data Penetration Program

In order to increase more Data usage, Telkomsel launched several programs and product to attract customer: (1) **BUMN Sunday Surprise** as Data seasonal package from Telkomsel as part of SOE (BUMN) company for its customers consist of 15GB Data quota for all networks priced at Rp110K; (2) **Kuota Keluarga** which offers attractive Data package that can be shared among family members with Data quota up to 80GB starting from Rp 150K; (3) **Telkomsel MiFi** a portable WiFi modem starting from Rp75K consist of 10GB Data quota and valid for 30 Days.

■ Acceleration on 3G/4G Adoption

To encourage mass adoption of smartphone device in effective and efficient way, Telkomsel held Pre-Order Samsung Galaxy S10 series cooperated with Banks and handset distribution to provide installment program. Customer who join this program and subscribe Halo Device Plan will get 13GB Data quota, 70 minutes voice, and 100 SMS.

■ Acceleration on Digital Service Penetration

In order to accelerate Digital Service penetration, Telkomsel launched 2 original series which only available at MAXstream called Nawangsih and Unscripted Man Series.

ADDITIONAL INFORMATION

Awards and Recognition

During 4Q18 and 1Q19, we have been awarded by several institutions for our achievements, among others:

- IndiHome won Top Brand Awards 2019 in the category of Internet Service Provider Fixed, held by Frontier Consulting Group and Majalah Marketing in 2019.
- UseeTV (IndiHome) awarded as a Brand for Good Club Member 2019. The award held by Markplus.Inc Marketing Consultant.
- UseeTV (IndiHome) won the Indonesia WOW Brand Award 2019 as Gold Champion of the Pay TV category. The award held by Markplus.Inc Marketing Consultant, given to companies who dedicate all of their efforts to further understand their consumers and attempt to provide the best solutions to answer consumer needs.
- Telkom was named as the Best State Owned Enterprise and the Top 50 Big Capitalization Public Listed Company by Indonesian Institute for Corporate Directorship (IICD) in the event of Corporate Governance Conference & Award
- Indonesia Most Admired CEO 2018 for Ririek Adriansyah – Indonesia Most Admired CEO 2018 from Warta Ekonomi
- Frost & Sullivan Awards 2018 for Telkomsel – Excellence in Customer Experience in Telecommunications Industry Indonesia for “Overall Customer Experience” and “Online Customer Experience” categories
- Mobile DNA Award for TCASH as the Gold Winner in Network Operator Category and Bronze Winner in Financial Technology (Cashless E-Money) category from Markplus Inc.
- Top IT & Telco Award 2018 for Telkomsel – TOP Data Package 2018 and TOP Wireless Internet Provider 2018 from IT Works Magazine
- Indonesia Best Brand Award 2018 for simPATI - Indonesia Best Brand Award for 8 consecutive years in GSM SIM card category from SWA Network
- KOMINFO Award 2018 for Telkomsel – Apresiasi Mitra Inovasi SDPPI 2018 in “5G Development Technology” and Pemanfaatan Spektrum Frekuensi Radio di Wilayah Indonesia Bagian Timur from Ministry of Communications and Information Technology.
- TOP Digital PR Award 2019 for Telkomsel as TOP Digital PR Award in Kartu Provider Category from Trash N CO Research.
- Indonesia PR of the year 2018 for TCASH – The Best Marketing Public Relations Program 2018 from MIX Marketing (SWA Group).
- Indonesia WOW Brand 2019 for Telkomsel as “Gold” Champion – Operator Seluler from Markplus Inc.
- PR Indonesia Awards 2019 for Telkomsel as Most Popular in Media, “Platinum” winner in Private Company category, “Gold” winner for Telkomsel’s Video Profile, “Gold” winner for MyTelkomsel, “Gold” winner for Telkomsel’s corporate program “Winning Today, Advancing The Nation”, “Gold” winner for Telkomsel’s CSR community based development “The Nextdev”, and “Silver” winner for Telkomsel’s PR Marketing program “Join The Movement #BhayPlastik” from PR Indonesia.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of March 31, 2019 (unaudited) and December 31, 2018 (audited)
(Figures in tables are expressed in billions of Indonesian Rupiah, unless otherwise stated)

| | March 31, 2019 | December 31, 2018 | Growth (%) |
|--|-------------------|----------------------|--------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 23,380 | 17,439 | 34.1 |
| Other current financial assets | 1,350 | 1,304 | 3.5 |
| Trade Receivables - net of provision for impairment of receivables | | | |
| Related parties | 2,664 | 2,126 | 25.3 |
| Third parties | 12,012 | 9,288 | 29.3 |
| Other receivables - net of provision for impairment of receivables | 454 | 727 | (37.6) |
| Inventories – net of provision for obsolescence | 632 | 717 | (11.9) |
| Assets held for sale | 314 | 340 | (7.6) |
| Prepaid taxes | 2,600 | 2,749 | (5.4) |
| Claim for tax refund | 389 | 596 | (34.7) |
| Other current assets | 10,076 | 7,982 | 26.2 |
| Total Current Assets | 53,871 | 43,268 | 24.5 |
| NON-CURRENT ASSETS | | | |
| Long-term investments | 2,504 | 2,472 | 1.3 |
| Property and equipment – net of accumulated depreciation | 145,922 | 143,248 | 1.9 |
| Intangible assets – net of accumulated amortization | 5,544 | 5,032 | 10.2 |
| Deferred tax assets – net | 2,558 | 2,504 | 2.2 |
| Other non-current assets | 8,712 | 9,762 | (9.9) |
| Total Non-current Assets | 165,240 | 46,261 | 11.5 |
| TOTAL ASSETS | 219,111 | 206,196 | 6.3 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Trade Payables | | | |
| Related parties | 1,100 | 993 | 10.8 |
| Third parties | 16,682 | 13,773 | 24.7 |
| Other payables | 310 | 448 | (30.8) |
| Taxes payable | 3,566 | 1,180 | 202.2 |
| Accrued expenses | 12,161 | 12,769 | (4.8) |
| Unearned income | 5,095 | 5,190 | (1.8) |
| Advances from customers | 1,593 | 1,569 | 1.5 |
| Short-term bank loans | 3,774 | 4,043 | (6.7) |
| Current maturities of long-term borrowings | 7,289 | 6,296 | 15.8 |
| Total Current Liabilities | 51,570 | 46,524 | 10.8 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities – net | 1,292 | 1,252 | 3.2 |
| Unearned Income | 735 | 652 | 12.7 |
| Long service award provisions | 873 | 852 | 2.5 |
| Pension benefits and other post-employment benefits obligations | 5,705 | 5,555 | 2.7 |
| Long-term borrowings - net of current maturities | 32,455 | 33,748 | (3.8) |
| Other liabilities | 563 | 573 | 1.7 |
| Total Non-current Liabilities | 41,623 | 42,632 | (2.4) |
| TOTAL LIABILITIES | 93,193 | 88,893 | 4.8 |
| EQUITY | | | |
| Capital stock | 4,953 | 4,953 | - |
| Additional paid-in capital | 2,455 | 2,455 | - |
| Other equity | 484 | 507 | (4.5) |
| Retained earnings | | | |
| Appropriated | 15,337 | 15,337 | 0.0 |
| Unappropriated | 81,879 | 75,658 | 8.2 |
| Net Equity Attributable to: | | | |
| Owners of the Parent Company | 105,108 | 98,910 | 6.3 |
| Non-Controlling Interests | 20,810 | 18,393 | 13.1 |
| TOTAL EQUITY | 125,918 | 117,303 | 7.3 |
| TOTAL LIABILITIES AND EQUITY | 219,111 | 206,196 | 6.3 |

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2018

(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

| | 2018 | 2017 | Growth (%) |
|--|----------------|----------------|--------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 17,439 | 25,145 | (30.6) |
| Other current financial assets | 1,304 | 2,173 | (40.0) |
| Trade Receivables - net of provision for impairment of receivables | | | |
| Related parties | 2,126 | 1,545 | 37.6 |
| Third parties | 9,288 | 7,677 | 21.0 |
| Other receivables - net of provision for impairment of receivables | 727 | 342 | 112.6 |
| Inventories – net of provision for obsolescence | 717 | 631 | 13.6 |
| Assets held for sale | 340 | 10 | 3,300.0 |
| Prepaid taxes | 2,749 | 1,947 | 41.2 |
| Claim for tax refund | 596 | 908 | (34.4) |
| Other current assets | 7,982 | 7,183 | 11.1 |
| Total Current Assets | 43,268 | 47,561 | (9.0) |
| NON-CURRENT ASSETS | | | |
| Long-term investments | 2,472 | 2,148 | 15.1 |
| Property and equipment – net of accumulated depreciation | 143,248 | 130,171 | 10.0 |
| Intangible assets – net of accumulated amortization | 5,032 | 3,530 | 42.5 |
| Deferred tax assets – net | 2,504 | 2,804 | (11.3) |
| Other non-current assets | 9,672 | 12,270 | (21.2) |
| Total Non-current Assets | 162,928 | 150,923 | 8.0 |
| TOTAL ASSETS | 206,196 | 198,484 | 3.9 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Trade Payables | | | |
| Related parties | 993 | 896 | 10.8 |
| Third parties | 13,773 | 14,678 | (6.2) |
| Other payables | 448 | 217 | 106.5 |
| Taxes payable | 1,180 | 2,790 | (57.7) |
| Accrued expenses | 12,769 | 12,630 | 1.1 |
| Unearned income | 5,190 | 5,427 | (4.4) |
| Advances from customers | 1,569 | 1,240 | 26.5 |
| Short-term bank loans | 4,043 | 2,289 | 76.6 |
| Current maturities of long-term borrowings | 6,296 | 5,209 | 20.9 |
| Total Current Liabilities | 46,261 | 45,376 | 2.0 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities – net | 1,252 | 933 | 34.2 |
| Unearned Income | 652 | 524 | 24.4 |
| Long service award provisions | 852 | 758 | 12.4 |
| Pension benefits and other post-employment benefits obligations | 5,555 | 10,195 | (45.5) |
| Long-term borrowings - net of current maturities | 33,748 | 27,974 | 20.6 |
| Other liabilities | 573 | 594 | (3.5) |
| Total Non-current Liabilities | 42,632 | 40,978 | 4.0 |
| TOTAL LIABILITIES | 88,893 | 86,354 | 2.9 |
| EQUITY | | | |
| Capital stock | 4,953 | 5,040 | (1.7) |
| Additional paid-in capital | 2,455 | 4,931 | (50.2) |
| Treasury stock | - | (2,541) | (100.0) |
| Other equity | 507 | 387 | 31.0 |
| Retained earnings | | | |
| Appropriated | 15,337 | 15,337 | - |
| Unappropriated | 75,658 | 69,559 | 8.8 |
| Net Equity Attributable to: | | | |
| Owners of the Parent Company | 98,910 | 92,713 | 6.7 |
| Non-Controlling Interests | 18,393 | 19,417 | (5.3) |
| TOTAL EQUITY | 117,303 | 112,130 | 4.6 |
| TOTAL LIABILITIES AND EQUITY | 206,196 | 198,484 | 3.9 |

Table 3
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Three Months Period Ended March 31, 2019 and 2018 (unaudited)
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

| | 2019 | 2018 | Growth (%) |
|---|---------------|---------------|-------------|
| REVENUES | 34,840 | 32,343 | 7.7 |
| Operation, maintenance and telecommunication service expenses | (10,709) | (10,244) | 4.5 |
| Depreciation and amortization expenses | (5,642) | (5,373) | 5.0 |
| Personnel expenses | (3,132) | (3,035) | 3.2 |
| Interconnection expenses | (1,268) | (828) | 53.1 |
| General and administrative expenses | (1,294) | (1,250) | 3.5 |
| Marketing expenses | (907) | (870) | 4.3 |
| Loss on foreign exchange – net | (45) | (5) | 800.0 |
| Other income | 363 | 303 | 19.8 |
| Other expenses | (177) | (163) | 8.6 |
| OPERATING PROFIT | 12,029 | 10,878 | 10.6 |
| Finance income | 276 | 318 | (13.2) |
| Finance cost | (996) | (678) | 46.9 |
| Share of profit of associated companies | 20 | 14 | 42.9 |
| PROFIT BEFORE INCOME TAX | 11,329 | 10,532 | 7.6 |
| INCOME TAX (EXPENSE) BENEFIT | | | |
| Current | (2,849) | (2,571) | 10.8 |
| Deferred | 24 | 17 | 41.2 |
| | (2,825) | (2,554) | 10.6 |
| PROFIT FOR THE YEAR | 8,504 | 7,978 | 6.6 |
| OTHER COMPREHENSIVE INCOME | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Foreign currency translation | (26) | 47 | (155.3) |
| Change in fair value of available-for-sale financial assets | 3 | (1) | (400.0) |
| Share of other comprehensive income of associated companies | (4) | 0 | 100.0 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Defined benefit actuarial gain (loss) – net | - | - | - |
| Other comprehensive income – net | (27) | 46 | (158.7) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 8,477 | 8,024 | 5.6 |
| Profit for the year attributable to: | | | |
| Owners of the parent company | 6,224 | 5,734 | 8.5 |
| Non-controlling interests | 2,280 | 2,244 | 1.6 |
| | 8,504 | 7,978 | 6.6 |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent company | 6,197 | 5,780 | 7.2 |
| Non-controlling interests | 2,280 | 2,244 | 1.6 |
| | 8,477 | 8,024 | 5.6 |
| BASIC EARNING PER SHARE (in full amount) | | | |
| Net Income per share | 62.83 | 57.88 | 8.5 |
| Net Income per ADS (100 Series B shares per ADS) | 6,282.92 | 5,788.28 | 8.5 |

Table 4
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2018
(Amounts in the tables expressed in billions of Indonesian Rupiah, unless otherwise stated)

| | 2018 | 2017 | Growth (%) |
|---|----------------|----------------|---------------|
| REVENUES | 130,784 | 128,256 | 2.0 |
| Operation, maintenance and telecommunication service expenses | (43,791) | (36,603) | 19.6 |
| Depreciation and amortization expenses | (21,406) | (20,446) | 4.7 |
| Personnel expenses | (13,178) | (13,529) | (2.6) |
| Interconnection expenses | (4,283) | (2,987) | 43.4 |
| General and administrative expenses | (6,137) | (5,260) | 16.7 |
| Marketing expenses | (4,214) | (5,268) | (20.0) |
| Gain on foreign exchange – net | 68 | 51 | 33.3 |
| Other income | 1,752 | 1,039 | 68.6 |
| Other expenses | (750) | (1,320) | (43.2) |
| OPERATING PROFIT | 38,845 | 43,933 | (11.6) |
| Finance income | 1,014 | 1,434 | (29.3) |
| Finance costs | (3,507) | (2,769) | 26.7 |
| Share of profit of associated companies | 53 | 61 | (13.1) |
| PROFIT BEFORE INCOME TAX | 36,405 | 42,659 | (14.7) |
| INCOME TAX (EXPENSE) BENEFIT | | | |
| Current | (9,432) | (11,357) | (16.9) |
| Deferred | 6 | 1,399 | (99.6) |
| | (9,426) | (9,958) | (5.3) |
| PROFIT FOR THE YEAR | 26,979 | 32,701 | (17.5) |
| OTHER COMPREHENSIVE INCOME | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Foreign currency translation | 146 | 24 | 508.3 |
| Change in fair value of available-for-sale financial assets | (10) | 20 | (150.0) |
| Share of other comprehensive income of associated companies | (14) | (1) | 1,300.0 |
| <i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i> | | | |
| Defined benefit actuarial gain (loss) – net | 4,820 | (2,375) | (302.9) |
| Other comprehensive income – net | 4,942 | (2,332) | (311.9) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 31,921 | 30,369 | 5.1 |
| Profit for the year attributable to: | | | |
| Owners of the parent company | 18,032 | 22,145 | (18.6) |
| Non-controlling interests | 8,947 | 10,556 | (15.2) |
| | 26,979 | 32,701 | (17.5) |
| Total comprehensive income for the year attributable to: | | | |
| Owners of the parent company | 22,844 | 19,952 | 14.5 |
| Non-controlling interests | 9,077 | 10,417 | (12.9) |
| | 31,921 | 30,369 | 5.1 |
| BASIC EARNING PER SHARE (in full amount) | | | |
| Net Income per share | 182.03 | 223.55 | (18.6) |
| Net Income per ADS (100 Series B shares per ADS) | 18,202.70 | 22,354.64 | (18.6) |

Table 5
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2018 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2018 (AUDITED)
 (figures are presented in billions of Rupiah)

| | MAR 2019 | DEC 2018 | Growth (%) |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & cash equivalents | 13,312 | 6,497 | 104.9 |
| Accounts receivables | 2,022 | 2,116 | (4.5) |
| Accrued income | 1,538 | 1,617 | (4.9) |
| Current portion of long-term prepayments | 6,492 | 5,249 | 23.7 |
| Others | 985 | 1,355 | (27.3) |
| Total Current Assets | 24,349 | 16,834 | 44.6 |
| NON-CURRENT ASSETS | | | |
| Long-term investment | 7 | 7 | 0.0 |
| Fixed assets-net | 56,599 | 56,899 | (0.5) |
| Advances for fixed assets | 1 | 20 | (93.9) |
| Intangible assets-net | 5,192 | 5,157 | 0.7 |
| Prepayments – Non-current portion | 3,377 | 3,521 | (4.1) |
| Others | 212 | 212 | (0.1) |
| Total Non-current Assets | 65,388 | 65,816 | (0.6) |
| TOTAL ASSETS | 89,738 | 82,650 | 8.6 |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Short term loan | - | 750 | N/A |
| Accounts payable & accrued liabilities | 15,125 | 13,913 | 8.7 |
| Taxes payable | 2,345 | 490 | 378.4 |
| Unearned revenue | 4,130 | 4,773 | (13.5) |
| Current maturities of obligation under finance leases | 828 | 811 | 2.1 |
| Total Current Liabilities | 22,428 | 20,737 | 8.2 |
| NON-CURRENT LIABILITIES | | | |
| Medium-term loans - net of current maturities | 3,000 | 4,000 | (25.0) |
| Obligations under finance lease - net of current maturities | 2,892 | 3,105 | (6.9) |
| Deferred tax liabilities | 1,333 | 1,324 | 0.6 |
| Others | 2,465 | 2,337 | 5.5 |
| Total Non-current Liabilities | 9,690 | 10,767 | (10.0) |
| 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 | 55,932 | 49,459 | 13.1 |
| Total Equity | 57,620 | 51,147 | 12.7 |
| TOTAL LIABILITIES AND EQUITY | 89,738 | 82,650 | 8.6 |

Table 6
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2018 and 2017 (Audited)
 (Figures are presented in billions of Rupiah)

| | DEC 2018 | DEC 2017 | Growth (%) |
|---|---------------|---------------|---------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & cash equivalents | 6,497 | 10,548 | (38.4) |
| Accounts receivables | 2,116 | 2,199 | (3.8) |
| Accrued income | 1,617 | 1,341 | 20.6 |
| Current portion of long-term prepayments | 5,249 | 6,368 | (17.6) |
| Others | 1,355 | 641 | 111.5 |
| Total Current Assets | 16,834 | 21,098 | (20.2) |
| NON-CURRENT ASSETS | | | |
| Long-term investment | 7 | 7 | 0.0 |
| Fixed assets-net | 56,899 | 56,074 | 1.5 |
| Advances for fixed assets | 20 | 24 | (14.9) |
| Intangible assets-net | 5,157 | 4,588 | 12.4 |
| Prepayments – Non-current portion | 3,521 | 3,855 | (8.7) |
| Others | 212 | 102 | 108.5 |
| Total Non-current Assets | 65,816 | 64,650 | 1.8 |
| TOTAL ASSETS | 82,650 | 85,748 | (3.6) |
| LIABILITIES AND EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Short-term loan | 750 | - | N/A |
| Accounts payable & accrued liabilities | 13,913 | 15,193 | (8.4) |
| Taxes payable | 490 | 1,932 | (74.6) |
| Unearned revenue | 4,773 | 5,146 | (7.3) |
| Current maturities of obligation under finance leases | 811 | 759 | 6.9 |
| Other current liabilities | - | 1 | N/A |
| Total Current Liabilities | 20,737 | 23,031 | (10.0) |
| NON-CURRENT LIABILITIES | | | |
| Medium-term loans - net of current maturities | 4,000 | 1,000 | N/A |
| Obligations under finance lease - net of current maturities | 3,105 | 3,916 | (20.7) |
| Deferred tax liabilities | 1,324 | 1,142 | 16.0 |
| Others | 2,337 | 2,529 | (7.6) |
| Total Non-current Liabilities | 10,767 | 8,587 | 25.4 |
| 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 | 49,459 | 52,443 | (5.7) |
| Total Equity | 51,147 | 54,130 | (5.5) |
| TOTAL LIABILITIES AND EQUITY | 82,650 | 85,748 | (3.6) |

Table 7
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS
FOR THREE MONTHS ENDED MARCH 31, 2019 AND 2018
 (figures in tables are presented in billions of Rupiah)

| | MAR 2019 | MAR 2018 | Growth (%) |
|---|---------------|---------------|-----------------|
| REVENUES | | | |
| Postpaid | 1,956 | 2,030 | (3.7) |
| Prepaid | 18,928 | 18,432 | 2.7 |
| Interconnection & international roaming | 945 | 1,132 | (16.5) |
| Others | 351 | 280 | 25.3 |
| Total Revenues | 22,180 | 21,874 | 1.4 |
| EXPENSES | | | |
| Operation & maintenance | 6,348 | 6,053 | 4.9 |
| Depreciation & amortization | 3,495 | 3,588 | (2.6) |
| Cost of services | 1,043 | 1,115 | (6.4) |
| Interconnection & international roaming | 671 | 736 | (8.9) |
| Personnel | 1,051 | 886 | 18.7 |
| General & administration | 348 | 346 | 0.3 |
| Marketing | 583 | 751 | (22.4) |
| Others – net | (1) | (30) | N/A |
| Total Expenses | 13,538 | 25,578 | 0.7 |
| Finance (charges) / income – net | (9) | 58 | N/A |
| INCOME BEFORE TAX | 8,634 | 8,487 | 1.7 |
| INCOME TAX EXPENSE | (2,161) | (2,071) | 4.4 |
| NET INCOME | 6,473 | 6,416 | 0.9 |
| EBITDA | 12,136 | 11,986 | 1.3 |
| EBITDA Margin- over revenues | 54.7 | 54.8% | (0.1ppt) |
| ROA | 28.2 | 31.5% | (3.3ppt) |
| ROE | 43.3 | 48.3% | (5.0ppt) |

Table 8
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF PROFIT AND LOSS
For the Years Ended December 31, 2018 and 2017 (Audited)
 (Figures in tables are presented in billions of Rupiah)

| | <u>DEC 2018</u> | <u>DEC 2017</u> | <u>Growth (%)</u> |
|---|-----------------|-----------------|-------------------|
| REVENUES | | | |
| Postpaid | 8,009 | 7,118 | 12.5 |
| Prepaid | 75,306 | 79,484 | (5.3) |
| Interconnection & international roaming | 4,740 | 5,398 | (12.2) |
| Others | 1,191 | 1,217 | (2.1) |
| Total Revenues | 89,246 | 93,217 | (4.3) |
| EXPENSES | | | |
| Operation & maintenance | 25,059 | 23,239 | 7.8 |
| Personnel | 4,074 | 3,950 | 3.1 |
| Marketing | 3,347 | 4,320 | (22.5) |
| General & Administration | 2,072 | 1,821 | 13.8 |
| Cost of services | 4,063 | 3,510 | 15.8 |
| Interconnection & international roaming | 3,191 | 2,785 | 14.6 |
| Depreciation & amortization | 13,480 | 13,558 | (0.6) |
| Others – net | (579) | (19) | N/A |
| Total Expenses | 54,707 | 53,164 | 2.9 |
| Finance (charges) income – net | (455) | 360 | N/A |
| INCOME BEFORE TAX | 34,084 | 40,413 | (15.7) |
| INCOME TAX EXPENSE | (8,548) | (10,018) | (14.7) |
| NET INCOME | 25,536 | 30,395 | (16.0) |
| EBITDA | 47,439 | 53,592 | (11.5) |
| EBITDA Margin- over revenues | 53.2% | 57.5% | (4.3ppt) |
| ROA | 30.3% | 34.6% | (4.6ppt) |
| ROE | 48.5% | 53.6% | (5.1ppt) |