

PT TELKOM INDONESIA (PERSERO) TBK

INFORMATION TO INVESTOR

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**Telkom's Net Income Grew 14.4% in 2017
Revenue from Data, Internet & IT Service as Main Contributor**

Jakarta, March 15, 2018 – For the full year of 2017, Telkom successfully booked strong set of results. Revenue grew by 10.2% YoY to IDR128.3 trillion, while EBITDA grew 8.6% YoY to IDR64.6 trillion and net income increased by 14.4% YoY to IDR22.1 trillion. In terms of profitability, net income margin increased 0.6ppt to 17.3%, showing that our profitability level can be well maintained. This strong financial result demonstrates Telkom's ability to continue growing amidst tight competition in telecommunication industry.

The Company's revenue growth was mainly contributed by Data, Internet & IT service revenue which grew by 28.7% YoY. This segment contributed 43.2% to total consolidated revenue, increased from 37.0% in 2016. The growth in Data, Internet & IT service was in line with the rising smartphone adoption, significant growth in IndiHome subscribers and increasing ICT solution services for Enterprise segment.

Telkom CEO, Alex J. Sinaga, mentioned, "The growing contribution from Data, Internet & IT services shows that the Company has been heading towards the right direction to become a Digital Telecommunication Company." On the other hand, operating & maintenance expenses rose by 17.1% YoY, aligned with the aggressive broadband infrastructure development in backbone, mobile and fixedline segment.

Telkom's subsidiaries, Telkomsel, managed to record revenue of IDR93.2 trillion or grew by 7.5% YoY with EBITDA and net income growth of 7.7% YoY and 7.8% YoY respectively. Amidst the challenging slowdown in cellular legacy business i.e. voice and SMS, as well as tightening competition in data business, Telkomsel could maintain its healthy profitability where EBITDA and net income margins still increased to 57.5% and 32.6% respectively. This shows Telkomsel's success in managing its operating expenses.

The growth in Telkomsel was supported by digital business which grew by 28.7% YoY, in line with growing smartphone users and rising data consumption among Telkomsel's subscribers. Telkomsel's revenue was mainly contributed by data business which increased 28.2% YoY and digital business which grew by 33.6% YoY. The digital business contributed 42.3% of total Telkomsel's revenue, rose from 36.9% contribution in 2016.

Telkomsel strongly believes that Data and Digital service businesses are the future of telecommunication industry. Telkomsel is focusing on building digital ecosystem by establishing digital services portfolio which consists of Digital Lifestyle, Mobile Financial Services, Digital Banking and Digital Advertising services.

On the operational side, Telkomsel served 196.3 million customers at the end of 2017. To provide the best service experience for its customers, Telkomsel was committed to continue building its infrastructure, especially by installing 31,672 BTS during 2017, all were 3G/4G BTS. At the end of 2017, total Telkomsel's on-air BTS reached 160,705 units, 70% of which were 3G/4G. At the same time, Telkomsel's 4G service has already covered 490 cities across Indonesia.

In fixedline business, Telkom continued to expand IndiHome fixed broadband service which showed significant result. At the end of 2017, IndiHome has almost 3 million subscribers, growing by 82.6% from 2016. IndiHome recorded revenue of IDR8.2 trillion in 2017, increased by 48.1% YoY compared to 2016. The expansion in IndiHome business is expected to drive Telkom's growth in the future.

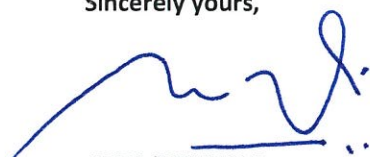
Telkom's performance this year was also supported by Enterprise segment which achieved IDR19.1 trillion in revenue, grew by 21.0% YoY. Enterprise business is expected to keep growing in line with the rising trend of digitalization among corporates, government agencies, and SMEs in Indonesia.

On infrastructure, to complement SEA-ME-WE5 submarine cable system that connects Indonesia, Middle East to West Europe and SEA-US submarine cable system that connects Indonesia to the United States, Telkom is currently developing Indonesia Global Gateway (IGG) submarine cable system. IGG, spanning from Dumai to Manado, will connect SEA-ME-WE5 and SEA-US, and is expected to commence operation in mid 2018. Telkom is also in the process of developing Telkom-4 Satellite which has reached 75% progress and is expected to launch in mid 2018.

"The development of IGG submarine cable from Dumai to Manado which connects SEA-ME-WE5 and SEA-US will strengthen Telkom's network in an effort to become global digital hub," stated Alex.

During 2017, Telkom spent IDR33.2 trillion in Capital Expenditure (Capex). Capex was mainly utilized to build BTS to strengthen cellular business, fiber optic access network to increase IndiHome penetration, and fiber optic backbone infrastructure including satellite to support broadband and digital service business.

Sincerely yours,



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About PT Telkom Indonesia (Persero) Tbk

PT Telkom Indonesia (Persero) Tbk ("Telkom") is the largest telecommunications and network provider in Indonesia. The company offers a wide range of network and telecommunication services, including fixed wireline connections, cellular services, network and interconnection services, as well as internet and data communication services. Beside telecommunication services, it also operates multimedia businesses such as content and applications, completing its business portfolio which includes Telecommunication, Information, Media, Edutainment and Services (TIMES). Its shares are traded on the Indonesia Stock Exchange ("IDX") and the New York Stock Exchange ("NYSE"), using the TLKM and TLK tickers, respectively.

