

TICKERS:

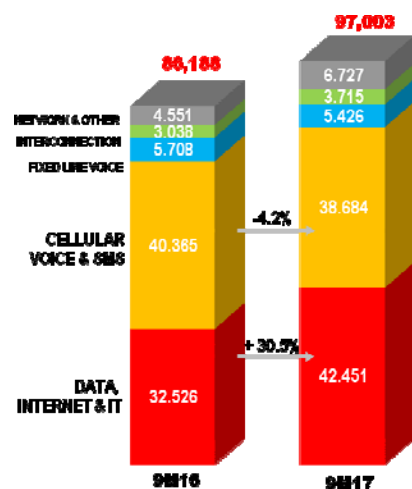
IDX : TLKM
NYSE : TLK

SHAREHOLDER COMPOSITION:

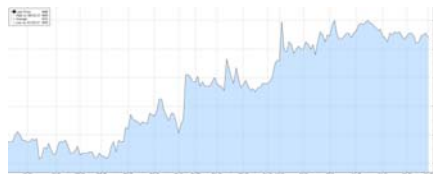
Government of Indonesia : 52.1%
Public : 47.9%
Excl. Treasury stock : 1,737,779,800 shares.

FINANCIAL PERFORMANCE

Revenue
(in Rp. Bn)



TLKM Share Performance YTD 2017



Share Price (Sep 30, 2017):

Rp4,680 (IDX) & USD34.3 (NYSE)

Market Capitalization (Sep 30, 2017):

Rp471.7 Tn (USD35.0 Bn)

Average Daily Trading Volume 2017:

78.6 Mn Shares (IDX) & 292,259 DR (NYSE)

Average Daily Trading Value 2017:

Rp340.3 Bn (IDX) & USD9.3 Mn (NYSE)

Source: Bloomberg

Highlights

- Telkom Indonesia continued to deliver strong performance in 9M17, recording triple-double-digit growth in Revenue, EBITDA, and Net Income of 12.5%, 12.8%, and 21.7% YoY, respectively.
- Data, Internet & IT Services segment remained the growth driver and largest revenue contributor, increasing by 30.5% YoY and representing 43.8% of total revenue.
- Amidst tightening competition in mobile, Telkomsel revenue grew healthily by 9.2% YoY with improved EBITDA margin to 58.8% from 58.3%.
- Telkomsel remained focus on growing digital business, installing 23,158 new BTSs during the nine months of 2017, 65% of which were 4G BTS. Our 4G services cover 489 cities across Indonesia to maintain our leadership.

Financial Highlights

Key Indicators (Rp. Bn)	YoY		
	9M17	9M16	Growth (%)
Revenues	97,003	86,188	12.5
Expenses	61,412	55,917	9.8
Operating Profit	35,591	30,271	17.6
EBITDA	50,049	44,378	12.8
EBITDA Margin (%)	51.6	51.5	0.1
Net Income	17,922	14,732	21.7
Net Income Margin (%)	18.5	17.1	1.4

Operational Highlights

Subscribers (000)	YoY		
	9M17	9M16	Growth (%)
Broadband			
Fixed Broadband	4,746	4,309	10.1
IndiHome	2,339	1,524	53.5
Telkomsel Flash	80,330	50,477	59.1
Cellular			
Postpaid	4,496	4,010	12.1
Prepaid	185,866	159,690	16.4
Total	190,362	163,700	16.3
Fixed Line			
POTS	10,840	10,641	1.9

Investor Relations

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DISCLAIMER

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PT TELKOM INDONESIA (PERSERO) Tbk NINE MONTHS OF 2017 (UNAUDITED)

The following analysis and discussion is based on our Indonesian GAAP financial statements for the nine months ended September 30, 2017 and 2016. The reports have been submitted to Indonesia Financial Services Authority (OJK).

Revenues

Key Indicators (Rp.Bn)	YoY		
	9M17	9M16	Growth (%)
Data, Internet & IT Service	42,451	32,526	30.5
Cellular Voice and SMS	38,684	40,365	(4.2)
Fixed Line Voice	5,426	5,708	(4.9)
Interconnection	3,715	3,038	22.3
Network and Other Telco Services	6,727	4,551	47.8
Total	97,003	86,188	12.5

Telkom recorded total revenue of Rp97.0 trillion in the nine months of 2017, an increase of 12.5% YoY with Data, Internet & IT Services as the growth driver. The details are as follows:

- **Data, Internet & IT Services revenues** increased significantly by 30.5% YoY primarily attributable to strong mobile and fixed broadband services. Mobile data traffic (payload) increased by 125.7%, while IndiHome continued to add new customers.
- **Cellular Voice and SMS revenues** decreased by 4.2% YoY.

Voice still slightly grew by 0.9% YoY as a result of our smart pricing strategy and successful customer migration from Pay As You Use (PAYU) to voice packages despite declining voice traffic of 10.8% YoY. On the other hand, SMS declined by 16.2% YoY as SMS traffic declined by 24.2% YoY mainly due to cannibalization from instant messaging (OTT) applications.
- **Fixed Line Voice revenues** decreased by 4.9% YoY due to cannibalization from mobile services that resulted in declining fixed line traffic.
- **Interconnection revenues** increased by 22.3% YoY mainly due to higher incoming voice call from other operators.
- **Network and Other Telecommunication Services revenues** grew by 47.8% YoY mainly due to increase in managed service business.

Expenses

Key Indicators (Rp.Bn)	YoY		
	9M17	9M16	Growth (%)
Operation, Maintenance & Telecommunication Services	27,110	23,621	14.8
Personnel	10,595	10,054	5.4
Interconnection	2,145	2,014	6.5
Marketing	3,402	2,616	30.0
General & Administrative	3,702	3,505	5.6
Depreciation & Amortization	14,681	13,357	9.9
(Gain)/Loss on Forex – net	66	216	(69.4)
Others – net	(289)	534	(154.1)
Total	61,412	55,917	9.8

Total Expenses increased by 9.8% YoY, with Operating Expenses rose by 12.3% YoY, lower than revenue growth which reflected our operational efficiency. Details of Expenses are as follows:

- **Operation & Maintenance (“O&M”) expenses** increased by 14.8% YoY as we continuously developed broadband infrastructure in an effort to grow digital business both in cellular and fixed-line services.
- **Personnel expenses** increased by 5.4% YoY in-line with inflation rate. In addition, there was one-off expense from early retirement program in 9M16.
- **Interconnection expenses** increased by 6.5% YoY mainly attributable to higher outgoing voice traffic.
- **Marketing expenses** increased by 30.0% YoY primarily due to intensive promotion of 4G services and IndiHome.
- **General & Administrative expenses** increased by 5.6% YoY in line with increasing business volume.
- **Depreciation & Amortization expenses** grew by 9.9% YoY in line with the network infrastructure development both in mobile and fixed businesses.
- **Net Forex Loss** was very small of Rp66 billion reflecting that Telkom is less exposed to foreign currency fluctuation.
- **Others – net** recorded an income of Rp289 billion mainly from non-operating activities.

EBITDA, EBITDA Margin, and Net Income

As a result of good and discipline expense management, EBITDA increased by 12.8% YoY to Rp50.0 trillion with EBITDA margin improved to 51.6% from 51.5% last year. While our Net Income sharply increased by 21.7% YoY to Rp17.9 trillion with strong Net Income margin of 18.5%, improved from 17.1% in 9M16.

Financial Position

Key Indicators (Rp.Bn)	YTD		
	9M17	FY16	Growth (%)
Assets	190,508	179,611	6.1
Liabilities	79,937	74,067	7.9
Non-controlling Interests	19,857	21,160	(6.2)
Equity attributable to owners of the company	90,714	84,384	7.5

- Total assets as of 30 September 2017 was Rp190.5 trillion, increased by 6.1% YTD mainly due to increase in fixed assets and receivables.
- Total liabilities at end of September 2017, increased 7.9% YTD to Rp79.9 trillion mainly attributed to increase in accrued expenses and long-term borrowings.
- Non-controlling interest decreased by 6.2% YTD as a result of subsidiary's dividend payment.
- Our equity increased by 7.5% YTD due to higher retained earnings as a result of strong performance during the nine months of 2017.

Cash Flows

Key Indicators (Rp. Bn)	YoY		
	9M17	9M16	Growth (%)
Cash Flow from Operating Activities	36,789	39,029	(5.7)
Cash Flow used in Investing Activities	(20,790)	(22,690)	(8.4)
Cash Flow used in Financing Activities	(18,681)	(15,312)	22.0
Net (Decrease)/Increase in Cash & Cash Equivalents	(2,682)	1,027	(361.1)
Effect of Exchange Rate Changes on Cash & Cash Equivalents	8	(292)	(102.7)
Cash & Cash Equivalents at Beginning of Period	29,767	28,117	5.9
Cash & Cash Equivalents at End of Period	27,093	28,852	(6.1)

- Net cash provided by operating activities decreased by 5.7% YoY due to higher cash payment for expenses during the period.
- Net cash used in investing activities declined by 8.4% YoY due to decrease in cash payment for fixed assets acquisition during the period.
- Net cash used in financing activities grew by 22.0% YoY mainly due to increase in payment of dividend to shareholders and non-controlling interest.

Debts

Currencies (Rp.Bn)	YTD			Portion (%)	
	9M17	FY16	Growth (%)	9M17	FY16
IDR/Rupiah	28,961	26,091	11.0	94.4	93.9
USD/US Dollar	1,024	991	3.3	3.3	3.6
JPY/Japanese Yen	690	707	(2.4)	2.3	2.5
Total	30,675	27,789	10.4	100.0	100.0

At the end of September 2017, total debts amounting to Rp30.7 trillion, increased by 10.4% compared to the end of 2016. Around 94.4% of our debt was in Rupiah currency, 3.3% was in US Dollar currency and the remaining balance was in Japanese Yen, consisting of short and long-term Bank Loans, Bonds and Two-Step Loans. Our debt to equity ratio ("DER") was still relatively low at 33.8%.

Financial Ratios

Ratios (%)	YoY		Growth (ppt)
	9M17	9M16	
EBIT Margin	36.7	35.1	1.6
EBITDA Margin	51.6	51.5	0.1
Net Income Margin	18.5	17.1	1.4
Current Ratio	119.1	128.4	(9.3)
Total Liabilities to Equity	88.1	89.8	(1.7)
Return on Assets	12.5	11.1	1.4
Return on Equity	26.3	23.5	2.8
Return on Invested Capital	19.7	17.5	2.2

Gearing

Key Indicators	YTD		
	9M17	FY16	Growth (ppt)
Net Debt to Equity (%)	3.9	(2.3)	6.2
Debt to Equity (%)	33.8	32.9	0.9
Debt to EBITDA (%)	46.0	46.7	(0.7)
Debt Service Ratio (Times)	8.0	7.8	0.2

Capital Expenditure

For the nine months of 2017, Telkom Group spent Rp20.3 trillion in Capital Expenditure (Capex). In mobile services, Capex was mainly utilized for radio access network (BTS) development. While in fixed businesses, Capex was primarily utilized to develop access and backbone infrastructure, including satellite and submarine cable systems (IGG and SEA-US) to support fixed as well as mobile broadband businesses. Some portion of Capex were also utilized for other projects such as tower.

Mobile Services

Telkomsel Financial Result

Encountering continued market dynamics in mobile competition, Telkomsel delivered a strong set of results for the Nine Months of 2017 with Revenues, EBITDA and Net Income grew by 9.2%, 10.0% and 10.8% YoY, respectively. This healthy performance was contributed by our transformation initiatives in Digital Business as one of engine of growth and continuous effort in maintaining performance in Voice business. Revenues grew to Rp69,526 billion supported by Digital Business which posted 26.9% YoY growth, driven by Data which increased by 26.5% YoY and Digital Services which increased by 30.7% YoY. Digital Business accounted for 40.5% of total revenues, increased significantly from 34.8% a year ago. Although our Legacy business slightly declined by 0.2% YoY with Over the Top (OTT) Cannibalization in SMS, we were able to sustain our Voice business which grew by 3.4% YoY due to successful customer migration from PAYU to package, execution of cluster-based pricing, market segmentation and superior network. EBITDA and Net Income margins were higher by 0.4ppt and 0.5ppt to 58.8% and 33.5%, respectively.

Despite a saturated market, Telkomsel was able to have a healthy growth in subscriber base of 16.3% YoY to 190.4 million attributable to effective sales and marketing programs. In line with our philosophy to always lead in network supply and growing our Digital Business, we deployed 23,158 new BTS during nine months of 2017 with all of BTS were 3G and 4G BTS. Our data traffic increased by 125.7% to 1,425,027 TB mainly fueled by high growth in 3G/4G capable device that reached 97.5 million (+27.6% YoY), or 51.2% of our customer base. In terms of infrastructure, by end of September 2017 our BTS on-air totaled 152,191 units (+22.6% YoY), 66.9% of which were 3G/4G BTS.

Statements of Profit and Loss

Financial Performance (Rp. Bn)	YoY			QoQ		
	9M17	9M16	Growth (%)	3Q17	2Q17	Growth (%)
Revenues	69,526	63,649	9.2	23,531	23,693	(0.7)
Legacy	41,386	41,478	(0.2)	13,458	14,045	(4.2)
Digital Business	28,139	22,172	26.9	10,073	9,648	4.4
Expenses incl. Depreciation & others	38,795	35,808	8.3	13,216	13,286	(0.5)
EBITDA	40,851	37,132	10.0	13,666	13,991	(2.3)
EBITDA Margin (%)	58.8	58.3	0.4ppt	58.1	59.1	(1.0ppt)
Net Income	23,298	21,026	10.8	7,798	7,798	0.0
Net Income Margin (%)	33.5	33.0	0.5ppt	33.1	32.9	0.2ppt
Proportion of Digital Business (%)	40.5	34.8	5.6ppt	42.8	40.7	2.1ppt

Telkomsel recorded operating revenues of Rp69,526 billion for 9M17, an increase of 9.2% YoY.

- Prepaid revenue increased by 7.7% YoY to Rp59,228 billion, mainly driven by growth in Digital Business ARPU supported by the growth in Data and Legacy Voice as well as growth in prepaid subscriber base which grew by 16.4% YoY to 185.9 million subscribers. Revenue from prepaid customers accounted for 85.2% of Telkomsel's total revenue.
- Postpaid revenue increased by 11.4% YoY to Rp5,251 billion mainly driven by the increase in the

postpaid customer base which grew by 12.1% YoY to 4.5 million subscribers. Revenue from postpaid customers contributed 7.6% to total revenue.

- Interconnection and International Roaming revenues increased by 21.8% YoY to Rp4,115 billion, due to seasonal increase in traffic from other local operators.

In 9M17, total expenses including depreciation and amortization increased by 8.3% YoY to Rp38,795 billion, lower than revenue growth, indicating Telkomsel operational efficiency. The growth was mainly driven by few activities, firstly from Operational & Maintenance expenses as company's accelerated network deployment to maintain network quality, resulted in higher transmission and network space rental costs. In addition, marketing expenses increase due to promotion & events related to 4G penetration program, youth engagement events across the country and many other marketing and sales activities which based on competition requirements.

EBITDA and Net Income posted double digit growth with an increase of 10.0% YoY to Rp40,851 billion and 10.8% YoY to Rp23,298 billion, respectively, while EBITDA and Net Income margins were growing to 58.8% and 33.5%, respectively.

Statements of Financial Position

Statements of Financial Position (Rp Bn)	Sep-17	Dec-16	Growth (%)
Current Assets	25,326	28,818	(12.1)
Non-Current Assets	61,467	60,963	0.8
Total Assets	86,792	89,781	(3.3)
Current Liabilities	22,627	21,891	3.4
Non-Current Liabilities	8,282	8,520	(2.8)
Equity	55,884	59,370	(5.9)
Total Liabilities & Stockholders' Equity	86,792	89,781	(3.3)

As of 30 September 2017, Total Assets decreased 3.3% to Rp86,792 billion, total liabilities increased 1.6% to Rp30,909 billion and total equity decreased 5.9% to Rp55,883 billion.

- Current Assets decreased 12.1% to Rp25,326 billion, mainly due to decrease in cash and cash equivalents.
- Non-current Assets increased 0.8% at Rp61,467 billion, mainly due to the increase in fixed assets.
- Current Liabilities increased 3.4% to Rp22,627 billion mainly due to the increase in accrued liabilities.
- Non-current Liabilities decreased 2.8% to Rp8,282 billion, mainly due to the decrease in obligations under finance lease.
- Total Equity decreased by 5.9% to Rp55,884 billion mainly due to decrease in retained earnings as the company distributed dividend in the current period.

Cash Flow

Net cash generated from operations in 9M17 decreased 1.2% YoY to Rp34,797 billion. Cash flow used in investment activities was Rp10,137 billion mainly for the payment of infrastructure spending. Net cash used in financing activities (exclude Dividend) decreased by 82.1% YoY to Rp519 billion.

Statements of Cash Flows For Nine Months Ended September 30, 2017 and 2016

Statements of Cash Flows (Rp Bn)	9M17	9M16	Growth (%)
Cash Flow from Operating Activities	34,797	35,215	(1.2)
Cash Flow for Investing Activities	(10,137)	(9,604)	5.6
Cash Flow for Financing Activities	(519)	(2,908)	(82.1)
Dividend Payment	(25,848)	(19,401)	33.2
Net Increase (Decrease) in Cash & Cash Equivalents	(1,707)	3,303	(151.7)
Cash and Cash Equivalents at Beginning of Periods	19,681	13,802	42.6
Cash and Cash Equivalents at End of Periods	17,975	17,105	5.1

Debt Profile

As of 30 September 2017, Telkomsel's total outstanding loans amounted to Rp1,000 billion, of which 100% or Rp1,000 billion will mature in 2019. As of 30 September 2017, Telkomsel Debt to Equity Ratio (DER) was 10.4%.

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 30 September 2017 the covenants were as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	15.00
Debt to Tangible Net Worth	≤ 2.00	0.02

RESULTS BY SERVICE

Celullar Services

Voice and SMS

We were able to sustain healthy revenue growth from Voice, which increased by 3.4% YoY to Rp30,308 billion, despite the decline of Voice traffic (-10.8% YoY to 157.2 billion minutes). The healthy growth in Voice revenue mainly attributed by our initiative in dynamic cluster based pricing and successfully migrating customer from Pay As You Use (PAYU) to package.

On the other hand, revenue from SMS declined by -15.9% YoY to Rp8,395 billion due to the decline in SMS traffic (-24.2% YoY to 107.0 billion units) as we have seen trend of OTT services cannibalization such as instant messaging applications.

Digital Business

Digital business remained one of the engine of growth with our focus to continue in leading of network supply in 3G and 4G infrastructure. This segment recorded strong performance with 26.9% YoY growth to Rp28,139 billion and increased its contribution to total revenue substantially to 40.5% from 34.8% last year.

Revenue from Data grew by 26.5% YoY to Rp25,400 billion, driven by healthy growth in 3G/4G capable device adoption (+27.6% YoY to 97.5 million users), successful migration of PAYU to Flash packages, as well as continued strong growth in data payload, which increased by 125.7% YoY to 1,425,027 TB. As of

30 September 2017, 40.5 million of our customers that have LTE devices have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 30.7% YoY to Rp2,739 billion. Key products and services within this segment included Digital Lifestyle (VAS, Video, Games & Market Place, Music, etc.), Digital Banking and Advertising, Mobile Financial Services (T-Cash and T-Wallet) and Enterprise Digital Services (T-Drive, T-Bike, etc.).

Customer Base

As of 30 September 2017, Telkomsel served 190.4 million subscribers nationwide, an increase of 16.3% YoY. Out of the total base, 51.2% or 97.5 million were using 3G/4G capable device which has been growing strongly by 27.6% YoY.

ARPU

As we are shifting from legacy business to digital business, we are experiencing a decline in blended ARPU. However, our Data ARPU still grew double digit due to increase in 3G/4G capable device penetration as well as strong growth in data payload.

Network Deployment

Our focus on Digital Business was reflected from our network deployment. We continued to accelerate our network development with aggressive 3G/4G BTS deployment to support Digital Business as data traffic jumped 125.7% YoY. Our 4G LTE deployment is on-demand basis, take into account 4G handset penetration and level of demand in Broadband cities. We have deployed 21,447 4G BTS to date. The network roll out brought total BTS on air to 152,191 units at end of September 2017, or increased by 22.6% YoY, of which 101,865 units were 3G/4G BTS (+38.3% YoY).

The following table presents performance of our cellular business:

Operational Indicators	YoY			QoQ		
	9M17	9M16	Growth (%)	3Q17	2Q17	Growth (%)
Customer Base (000)	190,362	163,700	16.3	190,362	178,001	6.9
Net Adds (000)	16,442	11,059	48.7	12,361	8,633	43.2
3G/4G Capable Device (000)	97,467	76,374	27.6	97,467	89,936	8.4
ARPU (000)	43	45	(3.2)	42	45	(6.3)
BTS on Air (units)	152,191	124,097	22.6	152,191	146,571	3.8
Total Employees	5,409	4,990	8.4	5,409	5,329	1.5
MoU (In billion minutes)	157.2	176.3	(10.8)	52.4	52.4	0.0
SMS (In billion units)	107.0	141.2	(24.2)	32.7	36.2	(9.6)
Data Payload (TB)	1,425,027	631,269	125.7	597,227	461,841	29.3

Fixed Line Services

Fixed Broadband IndiHome

Our strong effort in reviving fixed line businesses through fixed broadband IndiHome has shown positive result. As of 30 September 2017, total IndiHome subscribers exceeded 2.34 million which represents a 53.5% YoY growth. Revenue from IndiHome business reached Rp5.9 trillion, sharply increased by 49.7% YoY. In order to further increase customer growth, we introduce IndiHome Netizen (Dual Play) in late last year which revealed strong traction. In ten months after it was launched, we recorded 581 thousand customers that represent almost 25% of total subscribers. We will accelerate IndiHome customers growth supported by this Dual Play product. At the same time, we are encouraging Dual Play customers to upgrade to higher broadband speed or to Triple Play services.

ARPU of IndiHome in 3Q17 was Rp308 thousand, declined from Rp344 thousand in the previous quarter as a result of higher contribution from Dual Play customers and promotional package. In order to improve IndiHome ARPU level, we encouraged customers to purchase various add-ons and mini pack, and to upgrade to triple play and higher speed services.

Enterprise Business

In Enterprise market, Telkom remains focused on provision of digital and managed solution through ICT and various smart enabler platforms. Nowadays, Indonesian corporations have tendency to focus on their core business and outsource their ICT needs to reliable third party solution providers. Telkom has been winning several major projects from various industries. This business model represents huge opportunity for Telkom to expand its Enterprise business in the future. Until September 2017, Enterprise business recorded Rp15.8 trillion in revenue, significantly grew by 39.5% YoY.

Wholesale and International Business

We keep expanding our network infrastructure. After the completion of SEA-ME-WE5 submarine cable system last year, SEA-US, another fiber-based backbone that connects Manado, Indonesia to Los Angeles, USA, has commenced operation since August 8, 2017. In the meantime, Indonesia Global Gateway project or IGG that will connect SEA-ME-WE-5 and SEA-US has reached 50% progress and is expected to commence operation in 3Q18. The operation of SEA-ME-WE-5, SEA-US and IGG will strengthen our network and become a milestone for Telkom Indonesia to be a global digital hub player.

Telkomsel Obtained Spectrum in 2.3GHz Frequency

The government has announced Telkomsel as the winner of the auction process on the 30 MHz spectrum in 2.3GHz. Telkomsel placed its highest bid of Rp1.01 trillion. The 2.3GHz spectrum will initially be utilized to increase Telkomsel's service capacity especially in major cities where demand for mobile broadband is relatively higher. This is in line with our effort to enhance customer experience. We believe the additional spectrum will improve efficiency in both capital and operational expenditures as well as provide bigger business opportunities in the future which will strengthen our position in the industry.

Product and Marketing Activities

Fixed Line & Enterprise

IndiHome released IndiHome Merdeka Package discounted from normal price with 100 minutes free call to fixed and 100 minutes free call to Telkomsel numbers, UseeTV Entry package, and contents from HOOQ,

ifix and MeOn with price starting from Rp330 thousand for 10Mbps internet speed. This promotion applies until October 31, 2017.

Mobile

■ Legacy business and data penetration program

New Talkmania package was relaunched in August 2017 with several additional packages including weekly and monthly package for Voice and SMS quota valid in all networks starting from Rp25K (7 Days with 1,700 minutes) to Rp100K (30 Days with 600 minutes - on network, 300 minutes - all network & 1,000 SMS - on network).

New VideoMAX package was launched in collaboration with SuperSoccer TV & Bein Sport consist of 2GB content priced at Rp15K. The package is available for customers through MyTelkomsel app or UMB *363#.

simPATI Combo Package was launched in July 2017 consist of regular internet, 4G/midnight data, Chat (whatsapp, LINE & BBM), Videomax (HOOQ, VIU, Catchplay & SuperSoccer), Voice & SMS priced starting from Rp60K with total data quota up to 14GB.

■ Acceleration on 4G Penetration

In order to accelerate 4G penetration, Telkomsel launched New TAU (Telkomsel Android United) package for bundling program. 5GB bonus on data quota available for customer swapped to USIM and 6GB bonus on data for customer migrated to 4G device.

■ Acceleration on 3G/4G Device Adoption

To encourage mass adoption of smartphone device in efficient and effective way, Telkomsel Android United (TAU) and Halo Kick! Program were launched with variety of device bundling: (1) Samsung Galaxy Note 8 Pre-order program bundled with Halo Kick! package and prepaid package; (2) Advan i5C Plus bundled with TAU program.

ADDITIONAL INFORMATION

Awards & Recognition

During 3Q17, we have been awarded by several institutions for our achievements, among others:

- *Asia Pacific ICT Award 2017* for Telkom as Telecom Service Provider of the Year from Frost & Sullivan.
- *Wealth Added Creator Award 2017* for Telkom as Indonesia Best Public Companies in Telecommunication Service Category and ASEAN Best Public Companies in Telecommunication Service Category from SWA Magazine and Stern Stewart & Co.
- *Original Brands Award 2017* for Telkom IndiHome in Fixed Broadband Category and SLI 007 from SWA and Bdigest.
- *Forbes Global 2000 List 2017* for Telkom from Forbes.
- *Asia's Best Companies 2017* for Telkom as Best Managed Company and Most Committed to Corporate Governance from Finance Asia.

- *Social Business Innovation Award 2017* for Telkom in Telecommunication Category and for Alex J. Sinaga as Best Green CEO from Warta Ekonomi.
- *PR Indonesia Best Communicators 2017* for Alex J. Sinaga as Best Communicator in State-Owned Enterprise CEO Category from PR Indonesia Magazine.
- *Indonesia's Best Corporate Social Initiatives 2017* for Telkom Indonesia Digital Learning as Outstanding Social Campaign from SWA and MIX Magazine.
- *Nusantara CSR Award* for Telkom Indonesia Digital Learning in Education Quality Improvement Category from La Tofi School.
- *7th Annual Institutional Investor Awards for Corporates* for Telkom as Strongest Adherence to Corporate Governance, Most Consistent Dividend Policy, 2nd in Most Organized IR and 2nd in Best Strategic CSR from Alpha Southeast Asia.
- *Living Legend Companies* for Telkom as Indonesia Living Legend Companies above 50 Years from SWA and Bdigest.
- *Green CEO Award 2017* for Ririek Adriansyah as the Best Green CEO 2017 in Telecommunication Category from Warta Ekonomi Magazine.
- *Indonesia Corporate PR Award 2017* for Ririek Adriansyah as The Most Popular CEO & for Telkomsel as The Most Popular Company in Telecommunication Category from Warta Ekonomi Magazine.
- *BRANDZ TOP 50 Most Valuable Indonesian Brands 2017* for Telkomsel as 2nd Most Valuable Indonesian Brand from WPP & Kantar Millward Brown.
- *Social Business Innovation Award 2017* for Telkomsel as Best Social Business Innovation in Telecommunication Category from Warta Ekonomi Magazine.
- *Public Relations Indonesia Awards 2017* for Ririek Adriansyah as Best Communicators 2017 from PR Indonesia.
- *Indonesia's Best Corporate Social Initiatives 2017* for Telkomsel as Best of the Best Corporate Social Initiatives 2017 in Social Campaign Category – InternetBAIK Program, in Corporate Social Marketing Category – NextDev Program, in Corporate Philanthropy Category – Smart City Program & in Employee Volunteering Category – EVP Pulau Seribu Program from MIX Marketing & Communication – SWA Group.
- *Indonesia Champions for ASEAN 2017* for Telkomsel as Indonesia Champion for ASEAN 2017 in Cellular Operator Sector from MarkPlus, Inc. & Philip Kotler Center.
- *Brand Asia Award 2017* for Telkomsel as The Most Powerful Telecommunication Brand in Indonesia from MarkPlus, Inc. & Nikkei BP Consulting, Inc.
- *Marketing Award 2017* for Telkomsel as The Best in Experiential Marketing Category – Elang Nusa Program from Marketing Magazine.

Table 1
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of September 30, 2017 (unaudited) and December 31, 2016 (audited)
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

	2017	2016	Growth (%)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	27,093	29,767	(9.0)
Other current financial assets	1,125	1,471	(23.5)
Trade receivables – net of provision for impairment of receivables			
Related parties	2,052	894	129.5
Third parties	10,655	6,469	64.7
Other receivables – net of provision for impairment of receivables	484	537	(9.9)
Inventories – net of provision for obsolescence	856	584	46.6
Advances and prepaid expenses	5,710	5,246	8.8
Claim for tax refund	752	592	27.0
Prepaid taxes	2,711	2,138	26.8
Assets held for sale	12	3	300.0
Total current assets	51,450	47,701	7.9
NON-CURRENT ASSETS			
Long-term investments	1,993	1,847	7.9
Property and equipment – net of accumulated depreciation	123,914	114,498	8.2
Prepaid pension benefit cost	6	199	(97.0)
Advances and other non-current assets	9,327	11,508	(19.0)
Intangible assets – net of accumulated amortization	3,028	3,089	(2.0)
Deferred tax assets – net	790	769	2.7
Total non-current assets	139,058	131,910	5.4
TOTAL ASSETS	190,508	179,611	6.1
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade payables			
Related parties	1,051	1,547	(32.1)
Third parties	11,800	11,971	(1.4)
Other payables	294	172	70.9
Taxes payable	3,628	2,954	22.8
Accrued expenses	13,761	11,283	22.0
Unearned income	5,460	5,563	(1.9)
Advances from customers and suppliers	907	840	8.0
Short-term bank loans	1,653	911	81.4
Current maturities of long-term borrowings	4,639	4,521	2.6
Total current liabilities	43,193	39,762	8.6
NON-CURRENT LIABILITIES			
Deferred tax liabilities – net	921	745	23.6
Unearned income	288	425	(32.2)
Other liabilities	6	29	(79.3)
Long service award provisions	625	613	2.0
Pension benefits and other post-employment benefits obligations	6,664	6,126	8.8
Long-term borrowings – net of current maturities	28,240	26,367	7.1
Total non-current liabilities	36,744	34,305	7.1
TOTAL LIABILITIES	79,937	74,067	7.9
EQUITY			
Capital stock	5,040	5,040	-
Additional paid-in capital	4,931	4,931	-
Treasury stock	(2,541)	(2,541)	-
Other equity	375	339	10.6
Retained earnings			
Appropriated	15,337	15,337	-
Unappropriated	67,572	61,278	10.3
Net equity attributable to:			
Owners of the parent company	90,714	84,384	7.5
Non-controlling interests	19,857	21,160	(6.2)
TOTAL EQUITY	110,571	105,544	4.8
TOTAL LIABILITIES AND EQUITY	190,508	179,611	6.1

Table 2
PERUSAHAAN PERSEROAN (PERSERO)
PT TELEKOMUNIKASI INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Nine Months Period Ended September 30, 2017 and 2016 (unaudited)
(Figures in tables are expressed in billions of Rupiah, unless otherwise stated)

	2017	2016	Growth (%)
REVENUES	97,003	86,188	12.5
Operations, maintenance and telecommunication service expenses	(27,110)	(23,621)	14.8
Depreciation and amortization expenses	(14,681)	(13,357)	9.9
Personnel expenses	(10,595)	(10,054)	5.4
Interconnection expenses	(2,145)	(2,014)	6.5
General and administrative expenses	(3,702)	(3,505)	5.6
Marketing expenses	(3,402)	(2,616)	30.0
Loss on foreign exchange – net	(66)	(216)	(69.4)
Other income	789	905	(12.8)
Other expenses	(500)	(1,439)	(65.3)
OPERATING PROFIT	35,591	30,271	17.6
Finance income	1,099	1,267	(13.3)
Finance costs	(2,108)	(1,971)	7.0
Share of profit of associated companies	59	50	18.0
PROFIT BEFORE INCOME TAX	34,641	29,617	17.0
INCOME TAX (EXPENSE) BENEFIT			
Current	(8,486)	(8,080)	5.0
Deferred	(142)	632	(122.5)
	(8,628)	(7,448)	15.8
PROFIT FOR THE PERIOD	26,013	22,169	17.3
OTHER COMPREHENSIVE INCOME			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	17	(96)	(117.7)
Change in fair value of available-for-sale financial assets	19	13	(46.2)
Share of other comprehensive income of associated companies	(2)	(3)	(33.3)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>			
Defined benefit plan actuarial (loss) gain – net of tax	-	-	-
Other comprehensive income – net	34	(86)	(139.5)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	26,047	22,083	18.0
Profit for the year attributable to:			
Owners of the parent company	17,922	14,732	21.7
Non-controlling interests	8,091	7,437	8.8
	26,013	22,169	17.3
Total comprehensive income for the year attributable to:			
Owners of the parent company	17,956	14,646	22.6
Non-controlling interests	8,091	7,437	8.8
	26,047	22,083	18.0
BASIC AND DILUTED EARNINGS PER SHARE (in full amount)			
Net income per share	180.92	149.57	21.0
Net income per ADS (100 Series B shares per ADS)	18,091.66	14,957.00	21.0

Table 3
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2017 (UNAUDITED) WITH COMPARATIVE FIGURES AS OF DECEMBER 31, 2016 (AUDITED)
 (figures are presented in billions of Rupiah)

	<u>SEP 2017</u>	<u>DEC 2016</u>	<u>Growth (%)</u>
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	17,975	19,681	(8.7)
Accounts receivables	2,268	2,297	(1.3)
Accrued income	1,217	894	36.1
Current portion of long-term prepayments	3,288	5,344	(38.5)
Others	579	602	(3.9)
Total Current Assets	<u>25,326</u>	<u>28,818</u>	(12.1)
NON-CURRENT ASSETS			
Long-term investment	7	7	0.0
Fixed assets-net	54,906	54,259	1.2
Advances for fixed assets	24	72	(66.7)
Intangible assets-net	4,457	4,609	(3.3)
Prepayments – Non-current portion	1,972	1,917	2.9
Others	101	98	2.4
Total Non-current Assets	<u>61,467</u>	<u>60,963</u>	0.8
TOTAL ASSETS	<u><u>86,792</u></u>	<u><u>89,781</u></u>	(3.3)
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable & accrued liabilities	14,149	13,973	1.3
Taxes payable	2,922	2,011	45.3
Unearned revenue	4,807	5,192	(7.4)
Current maturities of oblig. under finance leases	749	715	4.8
Other current liabilities	1	1	(6.9)
Total Current Liabilities	<u>22,627</u>	<u>21,891</u>	3.4
NON-CURRENT LIABILITIES			
Medium-term & long-term loans - net of current maturities	1,000	999	0.1
Obligations under finance lease - net of current maturities	4,079	4,603	(11.4)
Deferred tax liabilities	1,317	1,201	9.7
Others	1,885	1,717	9.8
Total Non-current Liabilities	<u>8,282</u>	<u>8,520</u>	(2.8)
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	54,196	57,683	(6.0)
Total Equity	<u>55,884</u>	<u>59,370</u>	(5.9)
TOTAL LIABILITIES AND EQUITY	<u><u>86,792</u></u>	<u><u>89,781</u></u>	(3.3)

Table 4
PT TELEKOMUNIKASI SELULAR (TELKOMSEL)
STATEMENTS OF PROFIT AND LOSS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016 (UNAUDITED)
 (figures in tables are presented in billions of Rupiah)

	<u>2017</u>	<u>2016</u>	<u>Growth (%)</u>
REVENUES			
Postpaid	5,251	4,714	11.4
Prepaid	59,228	54,976	7.7
Interconnection & international roaming	4,115	3,379	21.8
Others	932	581	60.5
Total Revenues	<u>69,526</u>	<u>63,649</u>	9.2
EXPENSES			
Operation & maintenance	17,346	15,777	9.9
Depreciation & amortization	10,055	9,470	6.2
Cost of services	2,464	2,356	4.6
Interconnection & international roaming	2,017	2,088	(3.4)
Personnel	2,753	2,798	(1.6)
General & administration	1,449	1,354	7.1
Marketing	2,645	2,144	23.3
Others - net	65	(179)	(136.3)
Total Expenses	<u>38,795</u>	<u>35,808</u>	8.3
Finance income - net	273	101	169.4
INCOME BEFORE TAX	31,003	27,942	11.0
INCOME TAX EXPENSE	(7,705)	(6,916)	11.4
NET INCOME	<u>23,298</u>	<u>21,026</u>	10.8
EBITDA	40,851	37,132	10.0
EBITDA Margin- over revenues	58.8%	58.3%	0.4ppt
ROA	35.2%	31.8%	3.4ppt
ROE	56.3%	54.7%	1.6ppt