

#### TICKERS:

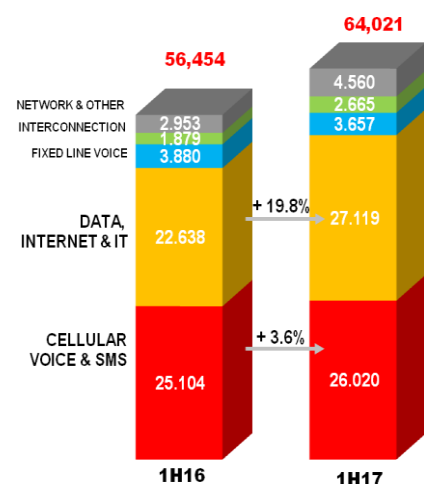
IDX : TLKM  
NYSE : TLK

#### 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 (July 26, 2017):

Rp4,700 (IDX) & USD34.93 (NYSE)

#### Market Capitalization (July 26, 2017):

Rp473.7 Tn (USD35.2 Bn)

#### Average Daily Trading Volume 2017:

83.2 Mn Shares (IDX) & 319,778 DR (NYSE)

#### Average Daily Trading Value 2017:

Rp350.9 Bn (IDX) & USD9.9 Mn (NYSE)

Source: Bloomberg

## Highlights

- Telkom Indonesia continued its strong momentum by delivering remarkable performance in 1H17, recorded triple-double-digit growth in Revenue, EBITDA, and Net Income of 13.4%, 15.4%, and 21.9% YoY, respectively.
- Data, Internet & IT Services segment remained the growth driver which increased by 19.8% YoY. The segment overtook Cellular Voice & SMS segment as the largest revenue contributor, representing 42.4% of total revenue.
- Telkomsel remained focus on growing digital business, installing 17,538 new BTSs during the first half of 2017, all of which were 3G/4G BTS.

#### Financial Highlights

Key Indicators (Rp. Bn)	YoY		
	1H17	1H16	Growth (%)
Revenues	64,021	56,454	13.4
Expenses	40,235	36,567	10.0
Operating Profit	23,786	19,887	19.6
EBITDA	33,235	28,795	15.4
EBITDA Margin (%)	51.9	51.0	0.9
Net Income	12,104	9,926	21.9
Net Income Margin (%)	18.9	17.6	1.3

#### Operational Highlights

Subscribers (000)	YoY		
	1H17	1H16	Growth (%)
<b>Broadband</b>			
Fixed Broadband	4,518	4,315	4.7
IndiHome	2,015	1,501	34.2
Telkomsel Flash	81,720	49,850	63.9
<b>Cellular</b>			
Postpaid	4,273	3,919	9.0
Prepaid	173,728	153,468	13.2
Total	178,001	157,388	13.1
<b>Fixed Line</b>			
POTS	10,733	10,628	1.0

#### Investor Relations

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## PT TELKOM INDONESIA (PERSERO) Tbk FIRST HALF OF 2017 (UNAUDITED)

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

### Revenues

Key Indicators (Rp.Bn)	YoY		
	1H17	1H16	Growth (%)
Data, Internet & IT Service	27,119	22,638	19.8
Cellular Voice and SMS	26,020	25,104	3.6
Fixed Line Voice	3,657	3,880	(5.7)
Interconnection	2,665	1,879	41.8
Network and Other Telco Services	4,560	2,953	54.4
<b>Total</b>	<b>64,021</b>	<b>56,454</b>	<b>13.4</b>

Telkom recorded total revenue of Rp64.0 trillion in the first half of 2017, an increase of 13.4% YoY with Data, Internet & IT Services as the growth driver. The details are as follows:

- **Data, Internet & IT Services revenues** increased significantly by 19.8% YoY primarily attributable to strong mobile and fixed broadband services. Mobile data traffic (payload) increased by 118.7%, while IndiHome continued to add new customers.
- **Cellular Voice and SMS revenues** increased by 3.6% YoY.

At Telkomsel level, voice still grew healthily by 8.7% 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 11.9% YoY. On the other hand, SMS declined by 14.0% YoY as SMS traffic declined by 23.0% YoY mainly due to cannibalization from instant messaging (OTT) applications.

- **Fixed Line Voice revenues** decreased by 5.7% YoY due to cannibalization from mobile services that resulted in declining fixed line traffic.
- **Interconnection revenues** increased by 41.8% YoY mainly due to higher incoming voice call as a result of Ramadhan and Lebaran festivities.
- **Network and Other Telecommunication Services revenues** grew by 54.4% YoY mainly due to increase in managed service business.

## Expenses

Key Indicators (Rp.Bn)	YoY		
	1H17	1H16	Growth (%)
Operation, Maintenance & Telecommunication Services	18,408	16,174	13.8
Personnel	6,715	6,405	4.8
Interconnection	1,410	1,413	(0.2)
Marketing	2,050	1,729	18.6
General & Administrative	2,203	1,938	13.7
Depreciation & Amortization	9,630	8,739	10.2
(Gain)/Loss on Forex – net	9	170	(94.7)
Others – net	(190)	(1)	(18,900)
<b>Total</b>	<b>40,235</b>	<b>36,567</b>	<b>10.0</b>

Total Expenses increased by 10.0% YoY, with Operating Expenses rose by 11.3% YoY, lower than revenue growth which reflected our operational efficiency. Details of Expenses are as follows:

- **Operation & Maintenance (“O&M”) expenses** increased by 13.8% 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 4.8% YoY in line with the Company’s performance. In addition, there was one-off expense from early retirement program in 1H16.
- **Interconnection expenses** declined by 0.2% YoY mainly attributable to lower outgoing voice and SMS traffic.
- **Marketing expenses** increased by 18.6% YoY primarily due to aggressive promotion for 4G LTE in mobile and IndiHome in fixed line.
- **General & Administrative expenses** increased by 13.7% YoY mainly due to higher provision for accounts receivable impairment.
- **Depreciation & Amortization expenses** grew by 10.2% YoY in line with the network infrastructure development both in mobile and fixed businesses.
- **Net Forex Loss** was very small of Rp9 billion reflecting that Telkom is less exposed to foreign currency fluctuation.
- **Others – net** recorded an income of Rp190 billion mainly from non-operating activities.

## EBITDA, EBITDA Margin, and Net Income

As a result of manageable operating expenses, EBITDA increased by 15.4% YoY to Rp33.2 trillion with EBITDA margin improved to 51.9% from 51.0% last year. While our Net Income sharply increased by 21.9% YoY to Rp12.1 trillion with strong Net Income margin of 18.9%, improved from 17.6% in 1H16.

## Financial Position

Key Indicators (Rp.Bn)	YTD		
	1H17	FY16	Growth (%)
Assets	177,843	179,611	(1.0)
Liabilities	75,819	74,067	2.4
Non-controlling Interests	17,157	21,160	(18.9)
Equity attributable to owners of the company	84,867	84,384	0.6

- Total assets as of 30 June 2017 was Rp177.8 trillion, slightly decreased by 1.0% YTD mainly due to decrease in cash and cash equivalents as a result of dividend payment in May 2017.
- Total liabilities at end of June 2017, increased 2.4% YTD to Rp75.8 trillion mainly attributed to increase in long-term borrowings.
- Non-controlling interest decreased by 18.9% YTD as a result of subsidiary's dividend payment.
- Our equity increased by 0.6% YTD due to higher retained earnings as a result of strong performance during the first half of 2017.

## Cash Flows

Key Indicators (Rp. Bn)	YoY		
	1H17	1H16	Growth (%)
Cash Flow from Operating Activities	22,260	24,689	(9.8)
Cash Flow used in Investing Activities	(14,583)	(14,085)	3.5
Cash Flow used in Financing Activities	(18,354)	(17,046)	7.7
Net Decrease in Cash & Cash Equivalents	(10,677)	(6,442)	65.7
Effect of Exchange Rate Changes on Cash & Cash Equivalents	(22)	(244)	(91.0)
Cash & Cash Equivalents at Beginning of Period	29,767	28,117	5.9
Cash & Cash Equivalents at End of Period	19,068	21,431	(11.0)

- Net cash provided by operating activities decreased by 9.8% YoY due to higher cash payment for operating expenses during the period.
- Net cash used in investing activities increased by 3.5% YoY in line with acquisition of fixed assets in an effort to grow our digital business in cellular and fixed services.
- Net cash used in financing activities increased by 7.7% YoY mainly due to payment of dividend to shareholders and non-controlling interest as well as repayment of borrowings.

## Debts

Currencies (Rp.Bn)	YTD			Portion (%)	
	1H17	FY16	Growth (%)	1H17	FY16
IDR/Rupiah	29,037	26,091	11.3	94.3	93.9
USD/US Dollar	1,082	991	9.2	3.5	3.6
JPY/Japanese Yen	691	707	(2.3)	2.2	2.5
<b>Total</b>	<b>30,810</b>	<b>27,789</b>	<b>10.9</b>	<b>100.0</b>	<b>100.0</b>

At the end of June 2017, total debts amounting to Rp30.8 trillion, increased by 10.9% compared to the end of 2016. The incremental debts were mainly used for subsidiaries' business expansion. Around 94.3% of our debt was in Rupiah currency, 3.5% 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 36.3%.

## Financial Ratios

Ratios (%)	YoY		
	1H17	1H16	Growth (ppt)
EBIT Margin	37.1	35.2	1.9
EBITDA Margin	51.9	51.0	0.9
Net Income Margin	18.9	17.6	1.3
Current Ratio	106.8	118.9	(12.1)
Total Liabilities to Equity	89.3	97.1	(7.8)
Return on Assets	13.6	11.6	2.0
Return on Equity	28.5	25.2	3.3
Return on Invested Capital	20.9	18.3	2.6

## Gearing

Key Indicators	YTD		
	1H17	FY16	Growth (ppt)
Net Debt to Equity (%)	13.8	(2.3)	16.1
Debt to Equity (%)	36.3	32.9	3.4
Debt to EBITDA (%)	46.4	46.7	(0.3)
Debt Service Ratio (Times)	8.0	7.8	0.2

## Capital Expenditure

For the first half of 2017, Telkom Group spent Rp13.0 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

Telkomsel continued to maintain its strong performance for the first half of 2017 by delivering triple-double-digit growth in Revenues, EBITDA and Net Income at 11.9%, 14.0% and 15.6% YoY, respectively. This solid performance is contributed by our transformation initiatives in Digital Business as one of engine of growth and continuous effort in maintaining performance in the Legacy businesses. Revenues grew to Rp45,995 billion supported by Digital Business which posted 26.9% YoY growth, driven by Data which increased by 26.3% YoY and Digital Services which increased by 32.7% YoY. Digital Business accounted for 39.3% of total revenues, increased significantly from 34.6% a year ago. We were able to sustain our Legacy business growth despite Over the Top (OTT) cannibalization to SMS, which grew by 3.9% YoY (Voice +8.7% and SMS -14.0% YoY) due to successful migration of customers from PAYU to package, execution of cluster-based pricing, market segmentation and superior network. EBITDA and Net Income margins were higher by 1.1ppt and 1.1ppt to 59.1% and 33.7%, respectively.

Despite saturated market, Telkomsel was able to have a healthy growth in subscriber base of 13.1% YoY to 178 million attributable to effective sales and marketing programs. In line with our philosophy to always lead in network supply and grow our Digital Business, we deployed 17,538 new BTS during first half of 2017 with all of BTS were 3G and 4G BTS. Our data traffic increased by 118.7% to 827,800 TB mainly fueled by high growth in 3G/4G capable device that reached 89.9 million (+28.3% YoY), or 50.5% of our customer base. In terms of infrastructure, by end of June 2017 our BTS on-air totaled to 146,571 units (+23.5% YoY), 65.7% of which were 3G/4G BTS.

### Statements of Profit and Loss

Financial Performance (Rp. Bn)	YoY			QoQ		
	1H17	1H16	Growth (%)	2Q17	1Q17	Growth (%)
Revenues	45,995	41,106	11.9	23,693	22,302	6.2
Legacy	27,928	26,873	3.9	14,045	13,884	1.2
Digital Business	18,066	14,233	26.9	9,648	8,419	14.6
Expenses incl. Depreciation & others	25,578	23,404	9.3	13,286	12,292	8.1
EBITDA	27,185	23,840	14.0	13,991	13,194	6.0
EBITDA Margin (%)	59.1	58.0	1.1ppt	59.1	59.2	(0.1)ppt
Net Income	15,500	13,412	15.6	7,798	7,702	1.2
Net Income Margin (%)	33.7	32.6	1.1ppt	32.9	34.5	(1.6)ppt
Proportion of Digital Business (%)	39.3	34.6	4.7ppt	40.7	37.7	3.0ppt

Telkomsel recorded operating revenues of Rp45,995 billion for 1H17, an increase of 11.9% YoY.

- Prepaid revenue increased by 10.5% YoY to Rp39,095 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 13.2% YoY to 173.7 million subscribers. Revenue from prepaid customers accounted for 85% of Telkomsel's total revenue.
- Postpaid revenue increased by 12.8% YoY to Rp3,444 billion mainly driven by the increase in the

postpaid customer base which grew by 9.0% YoY to 4.3 million subscribers. Revenue from postpaid customers contributed 7.5% to total revenue.

- Interconnection and International Roaming revenues increased by 20.9% YoY to Rp2,788 billion, due to seasonal increase in traffic from other local operators.

In 1H17, total expenses including depreciation and amortization increased by 9.3% YoY to Rp25,578 billion, lower than revenue growth, indicating Telkomsel operational efficiency. The growth was mainly driven by Operational & Maintenance expenses as the Company's accelerated network deployment to maintain network quality, resulted in higher transmission and network space rental costs. In addition, marketing expenses increased 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 14.0% YoY to Rp27,185 billion and 15.6% YoY to Rp15,500 billion, respectively, while EBITDA and Net Income margins were slightly growing to 59.1% and 33.7%, respectively.

### Statements of Financial Position

Statements of Financial Position (Rp Bn)	Jun-17	Dec-16	Growth (%)
Current Assets	19,080	28,818	(33.8)
Non-Current Assets	61,851	60,963	1.5
<b>Total Assets</b>	<b>80,931</b>	<b>89,781</b>	<b>(9.9)</b>
Current Liabilities	23,470	21,891	7.2
Non-Current Liabilities	9,376	8,520	10.1
Equity	48,085	59,370	(19.0)
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>80,931</b>	<b>89,781</b>	<b>(9.9)</b>

As of 30 June 2017, Total Assets decreased 9.9% to Rp80,931 billion, total liabilities increased 8.0% to Rp32,846 billion and total equity decreased 19.0% to Rp48,085 billion.

- Current Assets decreased 33.8% to Rp19,080 billion, mainly due to lower cash from distribution of dividend of Rp25,848 billion (net of tax) in the current quarter.
- Non-current Assets increased 1.5% at Rp61,851 billion, mainly due to the increase in fixed assets.
- Current Liabilities increased 7.2% to Rp23,470 billion mainly due to the increase in accrued liabilities.
- Non-current Liabilities increased 10.1% to Rp9,376 billion, mainly due to the increase outstanding medium-term loans.
- Total Equity decreased by 19.0% to Rp48,085 billion as the company distributed dividend in the current quarter.

### Cash Flow

Net cash generated from operations in 1H17 decreased 1.8% YoY to Rp22,372 billion. Cash flow used in

investment activities was Rp6,392 billion mainly for the payment of infrastructure spending. Net cash used in financing activities (exclude Dividend) increased by 137.4% YoY to Rp653 billion.

## Statements of Cash Flows

### For Six Months Ended June 30, 2017 and 2016

Statements of Cash Flows (Rp Bn)	1H17	1H16	Growth (%)
Cash Flow from Operating Activities	22,372	22,793	(1.8)
Cash Flow for Investing Activities	(6,392)	(5,943)	7.6
Cash Flow from (for) Financing Activities	653	(1,747)	137.4
Dividend Payment	(25,848)	(19,401)	33.2
Net Decrease in Cash & Cash Equivalents	(9,215)	(4,299)	114.4
Cash and Cash Equivalents at Beginning of Periods	19,681	13,802	42.6
Cash and Cash Equivalents at End of Periods	10,466	9,504	10.1

## Debt Profile

As of 30 June 2017, Telkomsel's total outstanding loans amounted to Rp2,000 billion, of which 50% or Rp1,000 billion will mature in 2018 while the remaining 50% or Rp1,000 billion will mature in 2019. As of 30 June 2017, Telkomsel Debt to Equity Ratio (DER), including finance lease, was 14.5%.

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

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	$\geq 1.25$	14.82
Debt to Tangible Net Worth	$\leq 2.00$	0.05

## RESULTS BY SERVICE

### Celular Services

#### Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 8.7% YoY to Rp20,237 billion, despite the decline of Voice traffic (-11.9% YoY to 104.80 billion minutes). The healthy growth in voice revenue was mainly attributed to our initiative in dynamic cluster based pricing and successful customer migration from Pay As You Use (PAYU) to package.

On the other hand, revenue from SMS declined by -14.0% YoY to Rp5,691 billion due to the decline in SMS traffic (-23.0% YoY to 74.3 billion units) as we have seen trend of OTT services cannibalization such as instant messaging applications.

#### Digital Business

Digital business remained the Company's key engine of growth with our focus to be leading network supply in 3G and 4G infrastructure. This segment recorded strong performance with 26.9% YoY growth to Rp18,066 billion and increased its contribution to total revenue to 39.3% from 34.6% last year.



Revenue from Data grew by 26.3% YoY to Rp16,304 billion, driven by healthy growth in 3G/4G capable device adoption, successful migration of PAYU to Flash packages, as well as continued strong growth in data payload. As of 30 June 2017, 29.7 million of our customers that have LTE devices have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 32.7% YoY to Rp1,762 billion. Key products and services within this segment included Digital Lifestyle (scale up 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 June 2017, Telkomsel served 178.0 million subscribers nationwide, an increase of 13.1% YoY. Out of the total base, 50.5% or 89.9 million were using 3G/4G capable device which has been growing strongly by 28.3% YoY.

### ARPU

As we are shifting from legacy business to digital business, we are still able to manage blended ARPU in the stable level. Moreover, 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 118.7% YoY. Our 4G LTE deployment is on-demand basis, by taking into account 4G handset penetration and level of demand in Broadband cities. We have deployed 17,837 4G BTS to date. The network roll out brought total BTS on air to 146,571 units at end of June 2017, or increased by 23.5% YoY, of which 96,245 units were 3G/4G BTS (+39.8% YoY).

The following table presents performance of our cellular business:

Operational Indicators	YoY			QoQ		
	1H17	1H16	Growth (%)	2Q17	1Q17	Growth (%)
Customer Base (000)	178,001	157,388	13.1	178,001	169,368	5.1
Net Adds (000)	4,081	4,747	(14.0)	8,633	(4,552)	289.7
3G/4G Capable Device (000)	89,936	70,117	28.3	89,936	83,793	7.3
ARPU (000)	44	44	0.5	45	43	5.8
BTS on Air (units)	146,571	118,673	23.5	146,571	136,093	7.7
Total Employees	5,329	5,024	6.1	5,329	5,149	3.5
MoU (In billion minutes)	104.8	119.0	(11.9)	52.4	52.4	0.0
SMS (In billion units)	74.3	96.6	(23.0)	36.2	38.2	(5.3)
Data Payload (TB)	827,800	378,583	118.7	461,841	365,959	26.2

## 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 June 2017, total IndiHome subscribers exceeded 2.0 million which represents a 34.2% YoY growth. In order to further increase customer growth, we introduce IndiHome Netizen (Dual Play) in late last year which revealed strong traction. In only seven months after it was launched, we recorded 389 thousand customers that represent almost 20% of total subscribers. We will accelerate IndiHome customers growth in 2H17 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 2Q17 was Rp344 thousand, slightly declined from Rp350 thousand in the previous quarter as a result of higher contribution from Dual Play customers. In order to improve IndiHome ARPU level, we encouraged customers to purchase various add-ons or to upgrade to higher speed services.

In Enterprise market, Telkom remains focused on provision of digital and managed solution through ICT and various smart enabler platforms. In the past few years, the government has urged State Owned Enterprises (SOE) to build synergy among SOEs and encouraged local government and municipalities to build smart cities through digitalization. Telkom sees this as an opportunity to expand our Enterprise business.

## Product and Marketing Activities

### Fixed Line & Enterprise

IndiHome released IndiHome Triple Play Ramadhan Package with 100 minutes free call, UseeTV Entry package, and contents from HOOQ, iflix and MelOn with price starting from Rp330 thousand for 10Mbps internet speed. This promotion applies until July 31, 2017.

### Mobile

#### ■ Data penetration program

In order to increase awareness of MyTelkomsel application, Rp10,000 discount program was launched. The Rp10,000 discount is available for several monthly data packages that purchased through MyTelkomsel (Mobile App or Website) which valid for prepaid customers.

#### ■ 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! Programs were launched with variety of device bundling including Samsung Galaxy S8 & S8+, LG K10 and LG G6, Xiaomi Redmi Note 4 and Xiaomi Redmi 4A.

## ADDITIONAL INFORMATION

### Awards & Recognition

During 2Q17, we have been awarded by several institutions for our achievements, among others:

- *Best Companies to Work for in Asia 2017* for Telkom from HR Asia Magazine.
- *Asia Pacific Stevie Award 2017* for Telkom as Organization of the Year from The Stevie Awards.

- *Indonesia Most Creative Companies 2017* for Telkom from SWA Magazine.
- *Bisnis Indonesia Award 2017* for Telkom as Best Issuer in the category of Infrastructure, Utilities, and Transportation from Bisnis Indonesia.
- *Investor Awards 2017* for Telkom as Top Performing Listed Companies 2017 from Investor Magazine.
- *Indonesia Most Admired Companies Award 2017* for Telkom in the category of Telecommunication, Top 15 Indonesia Most Admired Companies, and Top 10 Indonesia Most Admired Company Netizen Choice from Warta Ekonomi.
- *Brand Finance Top 100 Most Valuable Indonesia Brands 2017* for Telkom as Number One Most Valuable Indonesia Brand from Brand Finance.
- *Asia's Best Companies 2017* for Telkom as Number One Best Managed Company and Number One Most Committed to Corporate Governance from Finance Asia.
- *Asian Excellence Award 2017* for Telkom as Best Investor Relations Company, Best Corporate Communications, and for Alex J. Sinaga as Best CEO from Corporate Governance Asia.
- *Selular Award 2017* for Ririek Adriansyah as CEO of The Year from Selular Media Group.
- *Selular Award 2017* for Telkomsel as Best Marketing Strategy, Best Mobile Data Services and Operator of The Year; for Telkomsel T-CASH as Best Mobile Financial Services; for Telkomsel NextDev as Best Startup Developing Program and for Loop.co.id as Best Digital Campaign from Selular Media Group.
- *Indonesia Most Admired Companies Award 2017* for Telkomsel in Telecommunication Category from Warta Ekonomi Magazine.
- *Corporate Image Award 2017* for Telkomsel as The Best in Building and Managing Corporate Image in Telecommunication category from Frontier Consulting Group.
- *Contact Center Service Excellence Award (CCSEA) 2017* for @Telkomsel (Twitter Customer Service) for achieving "Good" Service Performance in the category of Telecommunication from Service Excellence Magazine and Carre - CCSL (Carre - Center for Customer Satisfaction & Loyalty).
- *20<sup>th</sup> Telecom Asia Awards 2017* for Telkomsel as the Best Mobile Carrier from Telecom Asia.
- *BUMN Marketeers Award 2017* for Telkomsel in the category of "Anak Perusahaan" as Best of The Best, The Most Promising Company in Strategic Marketing – Gold Winner, The Most Promising Company in Branding Campaign – Gold Winner, The Most Promising Company in Tactical Marketing – Silver Winner and The most Promising Company in Marketing 3.0 – Bronze Winner from The Ministry of State-Owned Enterprises of The Republic of Indonesia.
- *Superbrands Indonesia's Choice 2017* for Telkomsel as Superbrands Indonesia 2017 in the category of Provider Telco and for Telkomsel Flash as Top favorite Brand – Modem from Superbrands Indonesia.

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

	2017	2016	Growth (%)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	19,068	29,767	(35.9)
Other current financial assets	1,308	1,471	(11.1)
Trade receivables – net of provision for impairment of receivables			
Related parties	1,936	894	116.5
Third parties	9,222	6,469	42.5
Other receivables – net of provision for impairment of receivables	444	537	(17.3)
Inventories – net of provision for obsolescence	1,139	584	95.0
Advances and prepaid expenses	5,370	5,246	2.4
Claim for tax refund	267	592	(54.9)
Prepaid taxes	3,248	2,138	51.9
Assets held for sale	10	3	233.3
<b>Total Current Assets</b>	<b>42,012</b>	<b>47,701</b>	<b>(11.9)</b>
<b>NON-CURRENT ASSETS</b>			
Long-term investments	1,924	1,847	4.2
Property and equipment – net of accumulated depreciation	121,374	114,498	6.0
Prepaid pension benefit cost	2	199	(99.0)
Advances and other non-current assets	9,131	11,508	(20.6)
Intangible assets – net of accumulated amortization	3,073	3,089	(0.5)
Deferred tax assets – net	327	769	(57.5)
<b>Total Non-current Assets</b>	<b>135,831</b>	<b>131,910</b>	<b>3.0</b>
<b>TOTAL ASSETS</b>	<b>177,843</b>	<b>179,611</b>	<b>(1.0)</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables			
Related parties	983	1,547	(36.5)
Third parties	10,831	11,971	(9.5)
Other payables	202	172	17.4
Taxes payable	3,317	2,954	12.3
Accrued expenses	11,668	11,283	3.4
Unearned income	4,994	5,563	(10.2)
Advances from customers and suppliers	1,026	840	22.1
Short-term bank loans	1,781	911	95.5
Current maturities of long-term borrowings	4,521	4,521	-
<b>Total Current Liabilities</b>	<b>39,323</b>	<b>39,762</b>	<b>(1.1)</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities – net	674	745	(9.5)
Unearned income	381	425	(10.3)
Other liabilities	8	29	(72.4)
Long service award provisions	627	613	2.3
Pension benefits and other post-employment benefits obligations	6,439	6,126	5.1
Long-term borrowings – net of current maturities	28,367	26,367	7.6
<b>Total Non-current Liabilities</b>	<b>36,496</b>	<b>34,305</b>	<b>6.4</b>
<b>TOTAL LIABILITIES</b>	<b>75,819</b>	<b>74,067</b>	<b>2.4</b>
<b>EQUITY</b>			
Capital stock	5,040	5,040	-
Additional paid-in capital	4,931	4,931	-
Treasury stock	(2,541)	(2,541)	-
Other equity	346	339	2.1
Retained earnings			
Appropriated	15,337	15,337	-
Unappropriated	61,754	61,278	0.8
Net equity attributable to:			
Owners of the parent company	84,867	84,384	0.6
Non-controlling interests	17,157	21,160	(18.9)
<b>TOTAL EQUITY</b>	<b>102,024</b>	<b>105,544</b>	<b>(3.3)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>177,843</b>	<b>179,611</b>	<b>(1.0)</b>

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

	2017	2016	Growth (%)
<b>REVENUES</b>	<b>64,021</b>	<b>56,454</b>	13.4
Operations, maintenance and telecommunication service expenses	(18,408)	(16,174)	13.8
Depreciation and amortization expenses	(9,630)	(8,739)	10.2
Personnel expenses	(6,715)	(6,405)	4.8
Interconnection expenses	(1,410)	(1,413)	(0.2)
General and administrative expenses	(2,203)	(1,938)	13.7
Marketing expenses	(2,050)	(1,729)	18.6
Loss on foreign exchange – net	(9)	(170)	(94.7)
Other income	602	590	2.0
Other expenses	(412)	(589)	(30.0)
<b>OPERATING PROFIT</b>	<b>23,786</b>	<b>19,887</b>	<b>19.6</b>
Finance income	784	886	(11.5)
Finance costs	(1,350)	(1,301)	3.8
Share of profit (loss) of associated companies	35	26	34.6
<b>PROFIT BEFORE INCOME TAX</b>	<b>23,255</b>	<b>19,498</b>	19.3
<b>INCOME TAX (EXPENSE) BENEFIT</b>			
Current	(5,531)	(4,872)	13.5
Deferred	(229)	37	718.9
	(5,760)	(4,835)	19.1
<b>PROFIT FOR THE YEAR</b>	<b>17,495</b>	<b>14,663</b>	19.3
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Foreign currency translation	(11)	(80)	(86.2)
Change in fair value of available-for-sale financial assets	18	4	350.0
Share of other comprehensive income of associated companies	(2)	(1)	100.0
<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 of associated companies	-	-	-
Other comprehensive income – net	5	(77)	106.5
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>17,500</b>	<b>14,586</b>	<b>20.0</b>
Profit for the year attributable to:			
Owners of the parent company	12,104	9,926	21.9
Non-controlling interests	5,391	4,737	13.8
	<b>17,495</b>	<b>14,663</b>	<b>19.3</b>
Total comprehensive income for the year attributable to:			
Owners of the parent company	12,109	9,849	22.9
Non-controlling interests	5,391	4,737	13.8
	<b>17,500</b>	<b>14,586</b>	<b>20.0</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE (in full amount)</b>			
Net Income per share	122.19	101.07	20.9
Net Income per ADS (100 Series B shares per ADS)	12,218.58	10,106.66	20.9

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

	<u>JUN 2017</u>	<u>DEC 2016</u>	<u>Growth (%)</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	10,466	19,681	(46.8)
Accounts receivables	2,603	2,297	13.4
Accrued income	1,235	894	38.2
Current portion of long-term prepayments	3,991	5,344	(25.3)
Others	785	602	30.3
<b>Total Current Assets</b>	<u><b>19,080</b></u>	<u><b>28,818</b></u>	<b>(33.8)</b>
<b>NON-CURRENT ASSETS</b>			
Long-term investment	7	7	0.0
Fixed assets-net	55,173	54,259	1.7
Advances for fixed assets	24	72	(66.7)
Intangible assets-net	4,545	4,609	(1.4)
Prepayments – Non-current portion	2,002	1,917	4.4
Others	100	98	1.4
<b>Total Non-current Assets</b>	<u><b>61,851</b></u>	<u><b>60,963</b></u>	<b>1.5</b>
<b>TOTAL ASSETS</b>	<u><u><b>80,931</b></u></u>	<u><u><b>89,781</b></u></u>	<b>(9.9)</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable & accrued liabilities	15,695	13,973	12.3
Taxes payable	2,610	2,011	29.8
Unearned revenue	4,426	5,192	(14.8)
Current maturities of oblig. under finance leases	739	715	3.4
Other current liabilities	1	1	0.0
<b>Total Current Liabilities</b>	<u><b>23,470</b></u>	<u><b>21,891</b></u>	<b>7.2</b>
<b>NON-CURRENT LIABILITIES</b>			
Medium-term & long-term loans - net of current maturities	1,999	999	100.2
Obligations under finance lease - net of current maturities	4,253	4,603	(7.6)
Deferred tax liabilities	1,336	1,201	11.2
Others	1,788	1,717	4.1
<b>Total Non-current Liabilities</b>	<u><b>9,376</b></u>	<u><b>8,520</b></u>	<b>10.1</b>
<b>EQUITY</b>			
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	46,398	57,683	(19.6)
<b>Total Equity</b>	<u><b>48,085</b></u>	<u><b>59,370</b></u>	<b>(19.0)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u><b>80,931</b></u></u>	<u><u><b>89,781</b></u></u>	<b>(9.9)</b>

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

	<u>2017</u>	<u>2016</u>	<u>Growth (%)</u>
<b>REVENUES</b>			
Postpaid	3,444	3,052	12.8
Prepaid	39,095	35,392	10.5
Interconnection & international roaming	2,788	2,305	20.9
Others	668	356	87.6
<b>Total Revenues</b>	<b><u>45,995</u></b>	<b><u>41,106</u></b>	<b>11.9</b>
<b>EXPENSES</b>			
Operation & maintenance	11,412	10,346	10.3
Depreciation & amortization	6,642	6,212	6.9
Cost of services	1,560	1,521	2.6
Interconnection & international roaming	1,327	1,459	(9.0)
Personnel	1,839	1,698	8.3
General & administration	990	867	14.3
Marketing	1,681	1,375	22.3
Others - net	127	(73)	(273.4)
<b>Total Expenses</b>	<b><u>25,578</u></b>	<b><u>23,404</u></b>	<b>9.3</b>
Finance income (charges) - net	219	104	111.2
<b>INCOME BEFORE TAX</b>	<b>20,635</b>	<b>17,805</b>	<b>15.9</b>
<b>INCOME TAX EXPENSE</b>	<b>(5,135)</b>	<b>(4,393)</b>	<b>16.9</b>
<b>NET INCOME</b>	<b><u>15,500</u></b>	<b><u>13,412</u></b>	<b>15.6</b>
<b>EBITDA</b>	<b>27,185</b>	<b>23,840</b>	<b>14.0</b>
<b>EBITDA Margin- over revenues</b>	<b>59.1%</b>	<b>58.0%</b>	<b>1.1ppt</b>
<b>ROA</b>	<b>37.9%</b>	<b>32.6%</b>	<b>5.3ppt</b>
<b>ROE</b>	<b>65.2%</b>	<b>57.7%</b>	<b>7.5ppt</b>