

CORPORATE PRESENTATION

SINGTEL INVESTOR DAY - 9 June 2017

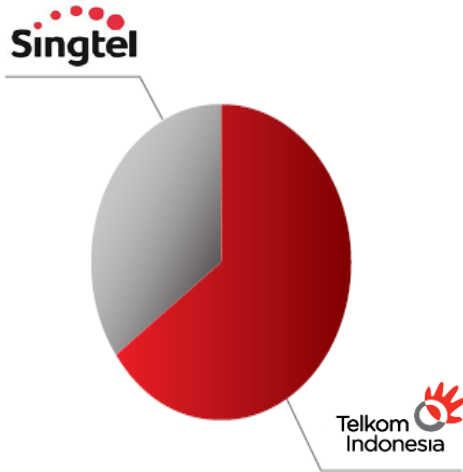
Heri Supriadi – Director of Finance

Edward Ying – Director of Planning & Transformation



**Building Digital
Indonesia**

Profile



- Operating since 1995, Telkomsel is the subsidiary of PT Telekomunikasi Indonesia Tbk (65%) and Singapore Telecom Mobile Pte Ltd (35%)
- Leading cellular operator in Indonesia serving more than 169 million customers and 5,100 employees
- Covering \pm 99% of population with more than 136,000 BTS

Brands

Top Brand Equities in Indonesia:



Network

Maintained network superiority:

- 63% of 3G/4G BTS
- \pm 239 4G Kabupaten Cities



Widest Coverage in Indonesia

Population Coverage: $\pm 99\%$
with 3G Coverage: $\pm 68\%$

Papua, Maluku,
Sulawesi, Kalimantan
CB portion: 22%

Sumatera
CB portion: 28%

Greater Jakarta &
West Java
CB portion: 22%

Java & Bali
CB portion: 28%

Indonesia Telco Industry Overview

5 relevant operators (4 GSM + 1 CDMA) in mature industry with estimated 135% SIM-card penetration ($\pm 75\%$ population-based). Relatively stable competition in legacy business

Growing Data Business with higher portion of 3G/4G BTS and increased 3G/4G capable device penetration

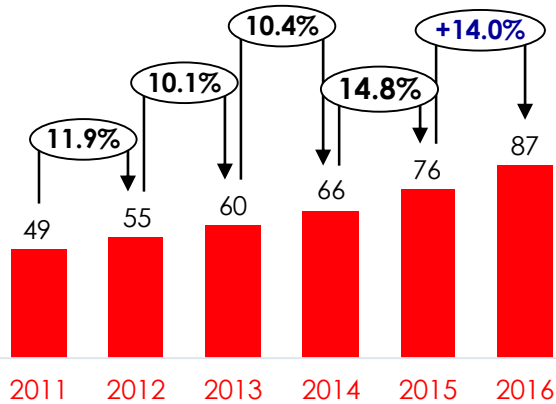
Digital Business is the new engine of growth and operators are preparing for a future as a Digital Telco company

5th Consecutive Year of Triple-Double-Digit Growth

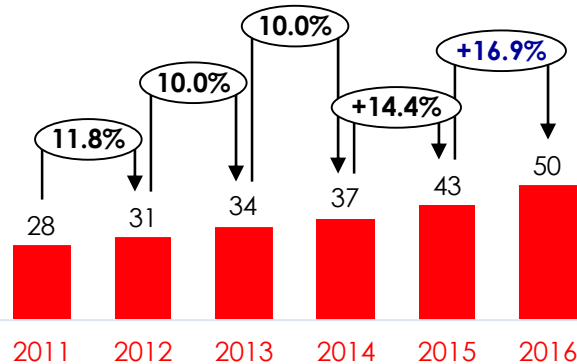
TSEL extended its market leadership with consecutive **TRIPLE-DOUBLE-DIGIT GROWTH** since 2012

...and continued to maintain strong performance momentum for the first quarter of 2017
Another Triple-Double-Digit growth in Revenues, EBITDA and Net Income

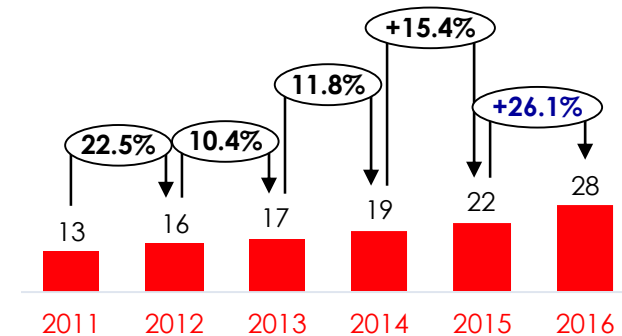
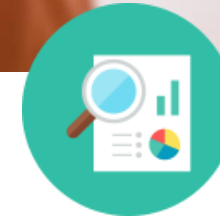
Revenue



EBITDA

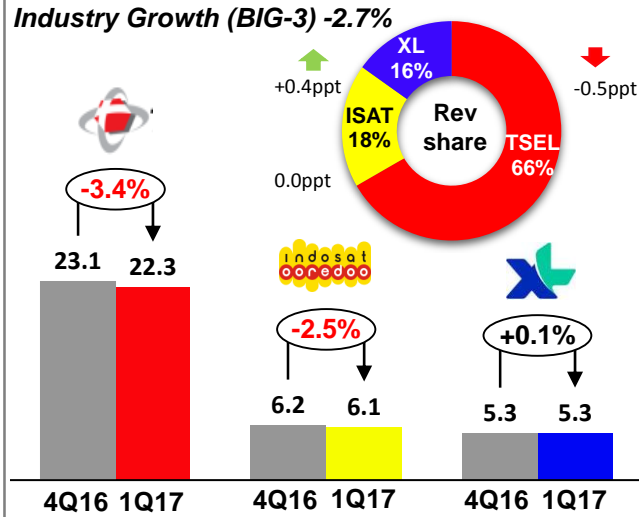


Net Income

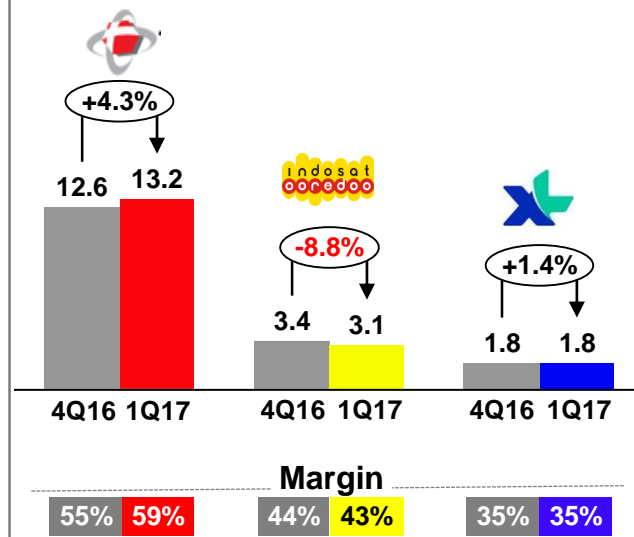


BIG-3's QoQ Performance in 1Q17

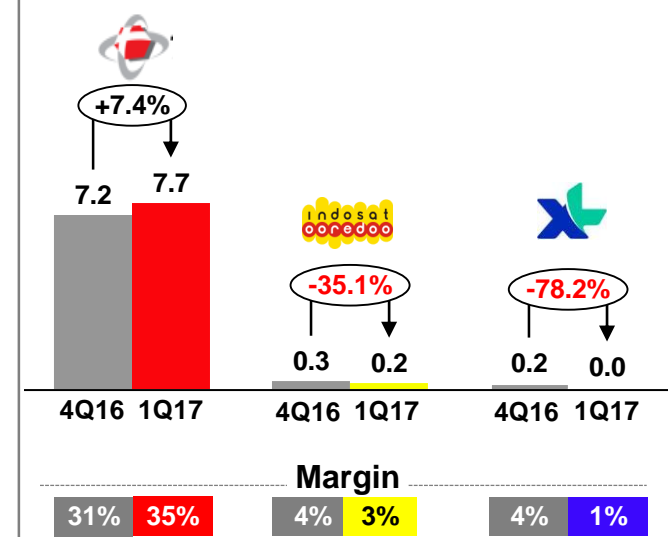
Cellular Revenue (Rp.Tn)



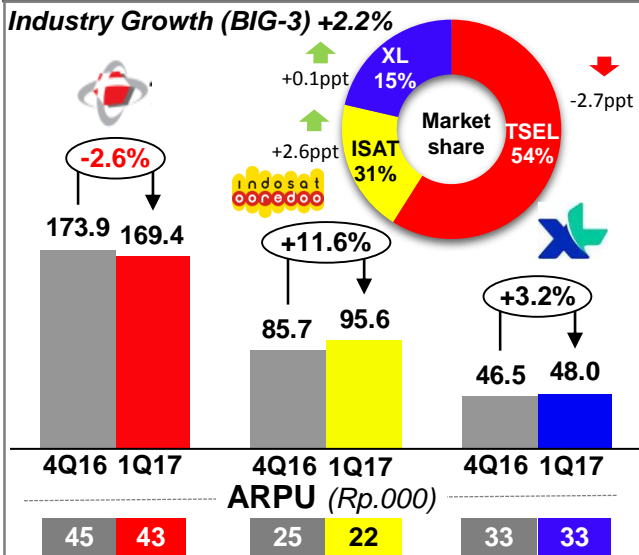
EBITDA (Rp.Tn)



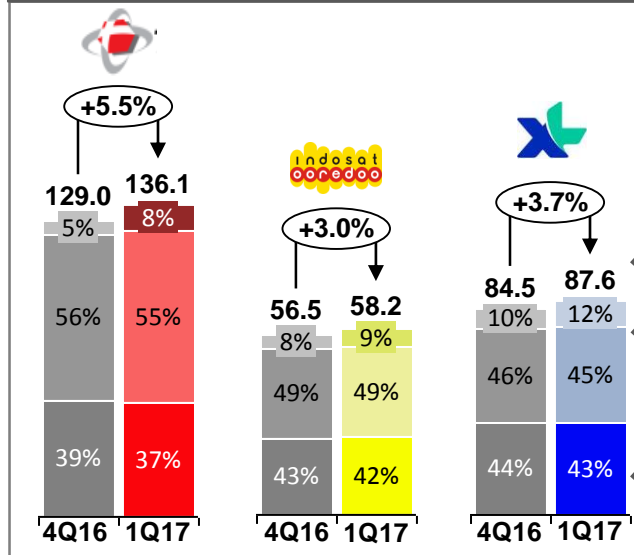
Net Income (Rp.Tn)



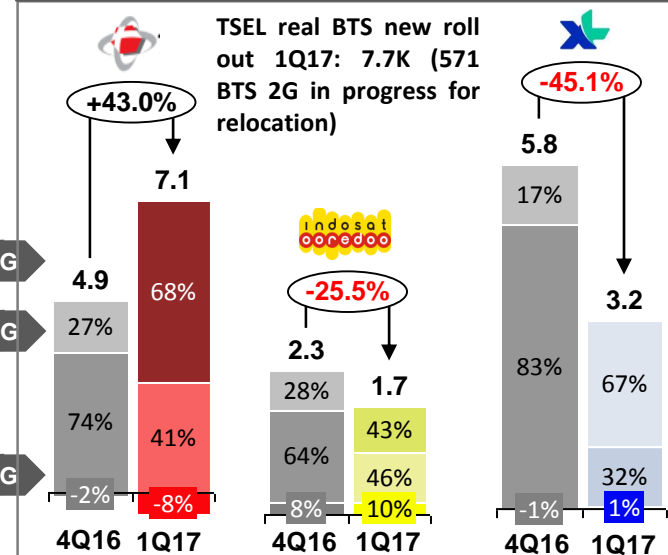
Customer Base (Mn)



BTS On Air (000)



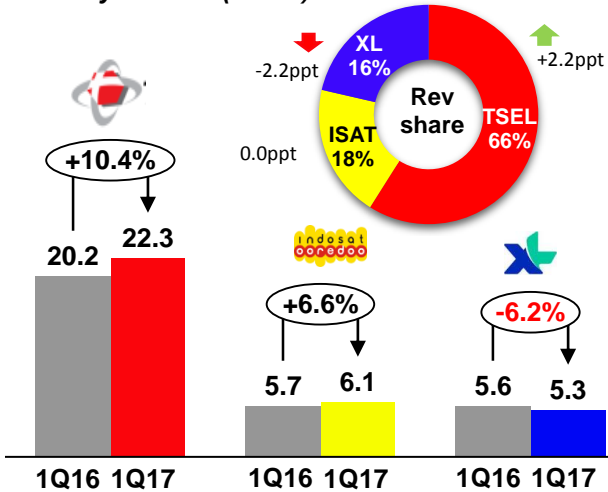
BTS Addition (000)



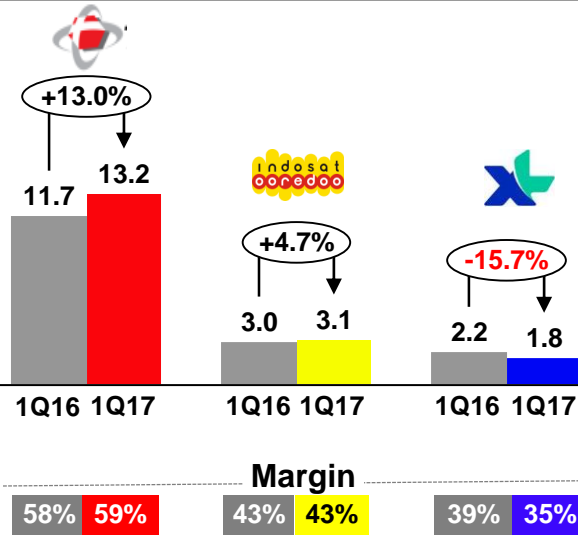
BIG-3's YoY Performance in 1Q17

Cellular Revenue (Rp. Tn)

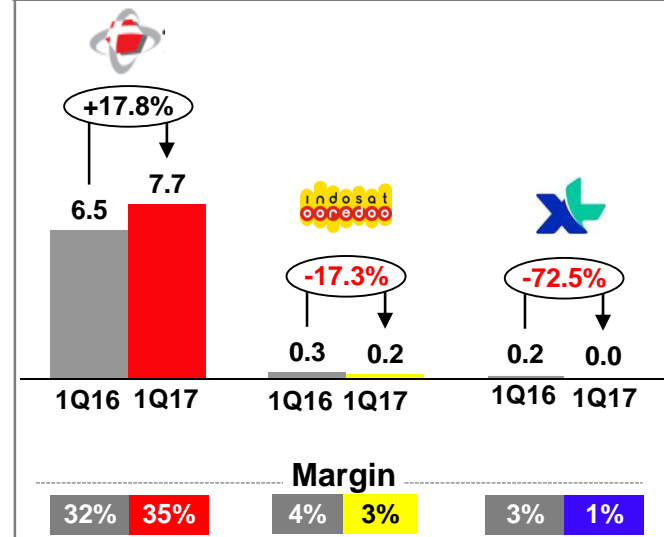
Industry Growth (BIG-3) +6.8%



EBITDA (Rp. Tn)

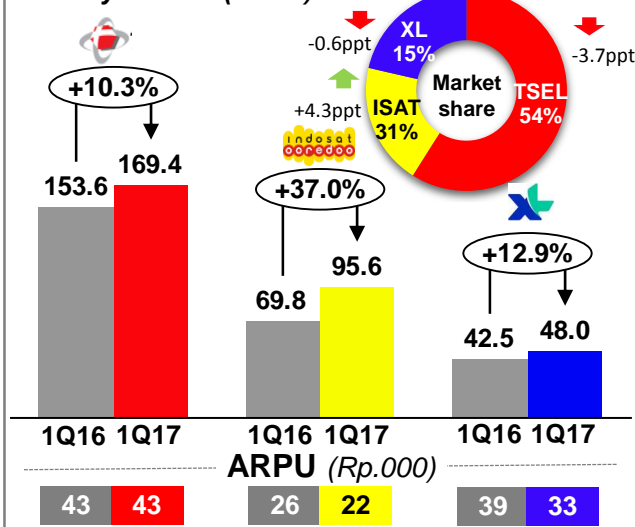


Net Income (Rp. Tn)

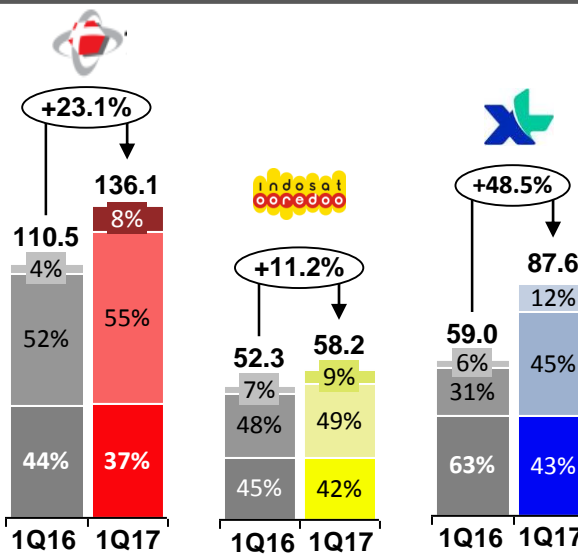


Customer Base (Mn)

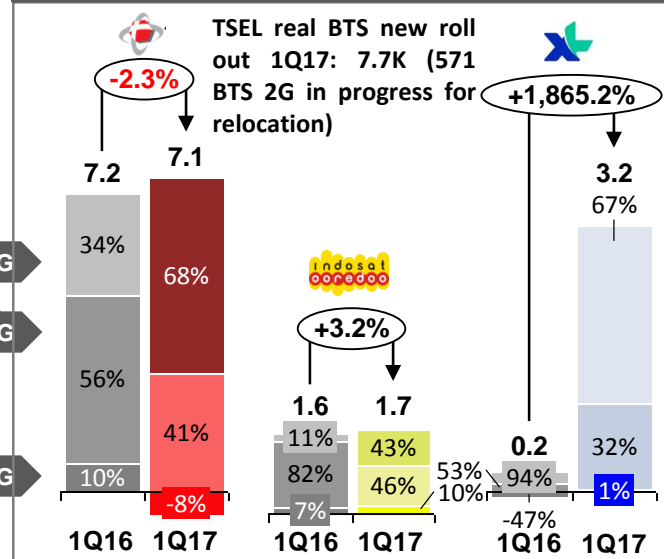
Industry Growth (BIG-3) +17.7%



BTS On Air (000)



BTS Addition (000)



Key to these results have been Telkomsel's Network & Brands superiority coupled with leadership in Digital & Customer Experience

Superior Network



#1 Mobile Network
in Indonesia

LEVERAGE

Network superiority
to drive monetization

Leading Brands

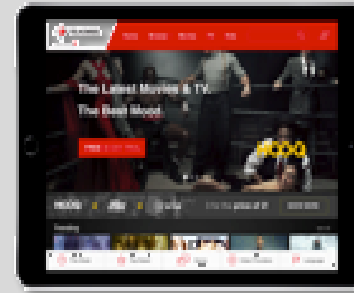


#1 Trusted Brand

EXPLOIT

the legacy,
strengthen the core

Digital First



#1 Digital Lifestyle

EMPOWER

Retail digitalization,
mobile self care,
TCASH & content

Unparalleled Customer Experience



#1 NPS & CSAT

DELIGHT

Customer centric
loyalty programs,
products & services

*NPS: Net Promotor Score
CSAT: Customer Satisfaction

Despite strong performance in 1Q-2017 still much uncertainties in the industry

OTT Cannibalisation

Cannibalization of Voice & SMS revenue growth by OTT services



Irrational 4G Competition

Under priced 4G data offers threatens to further destroy value and accelerate decline in data yield (RpMB)



Spectrum

Lack of clarity in spectrum auction timeline & regulations



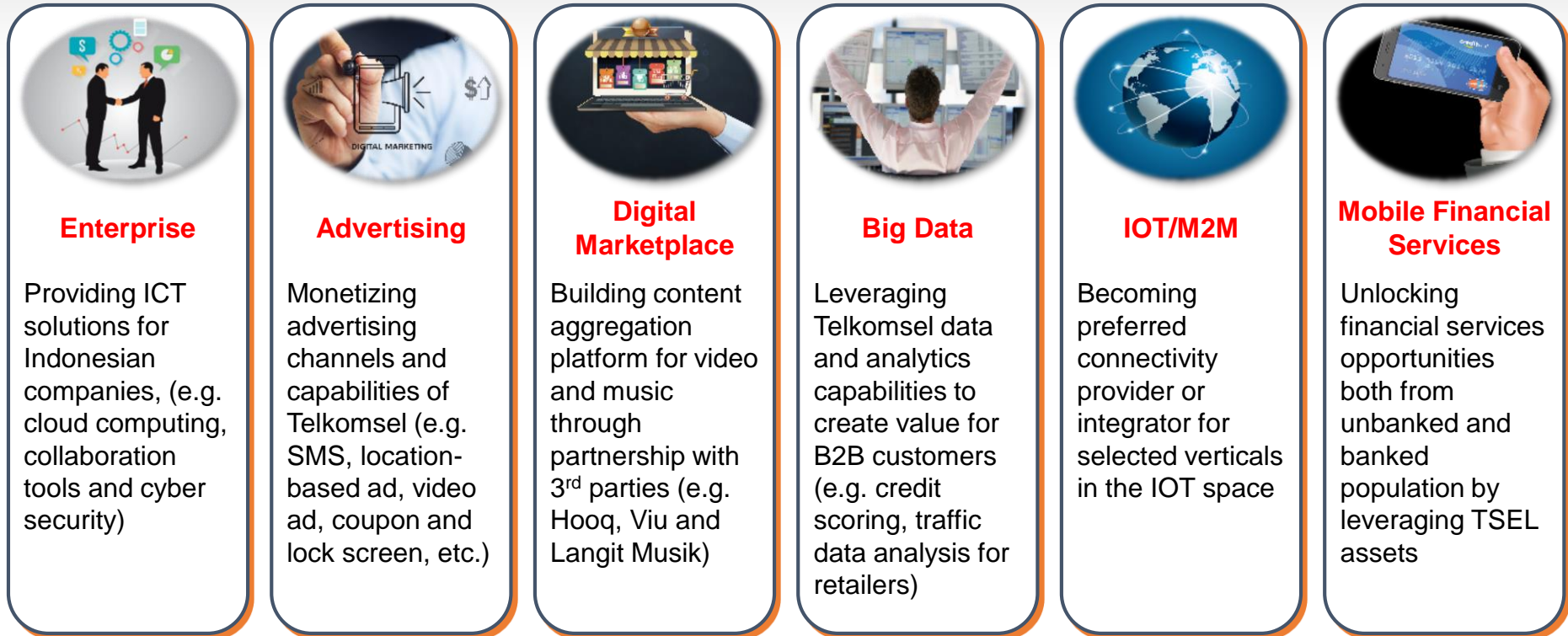
Unfavourable Regulations

Uncertainties around potential Network/Spectrum sharing which will lend competitors' unfair advantage

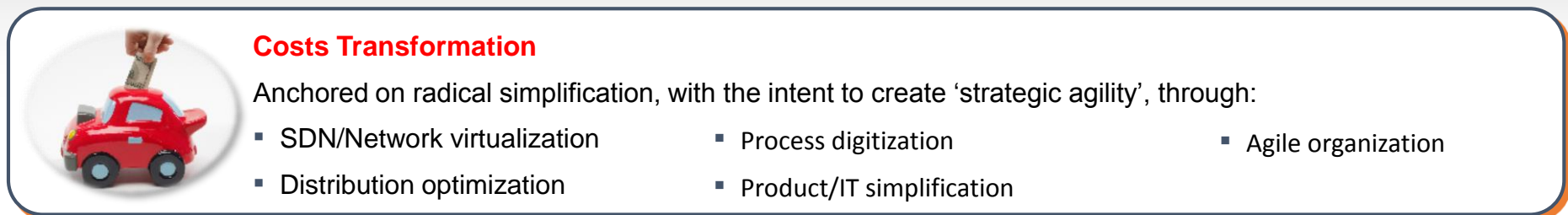


Telkomsel will execute several strategic programs to tap into next avenue of growth, while undergoing costs transformation to support growth

Engines of Growth



Bottom Line Improvement



3 Masterpiece



10 Main Programs

- Deliver online Digital sales channel & distribution tool
- Business Transformation for Digital Smart Care
- Factory of disruptive digital product innovation
- Enterprise Mobility Business Solution
- Scale Up TCASH through Transport/Hybrid use case
- SME and Industrial Park acquisition
- Drive Cost Leadership Initiatives for Infrastructure
- LTE Roll Out 10K eNodeB to support digital business
- Monetize API for third party developer
- Intensify Big Data & adv. analytics & API commercialization

2017 CORPORATE GUIDANCE

Revenue

Inline with or slightly above market growth rate

EBITDA Margin

Slightly decline as compared to last year

CAPEX

Approximately 15% over revenue

ARPU

Single digit increase as compared to last year

BTS Roll-out

Focus on 3G/4G roll out

“Telkomsel: Building Digital Indonesia. Telkomsel commit to execute digital initiative with new mindset for Telkomsel’s future growth.”

Year 2017’s theme shows Telkomsel’s perseverance to continue becoming the industry & market leader, via both **transformation on Digital execution and commitment to contribute to Indonesia Digital development.**



Thank You



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