



Telkom Indonesia Success Story In Implementing Expansion and Global Corporate Action

February, 6 2015

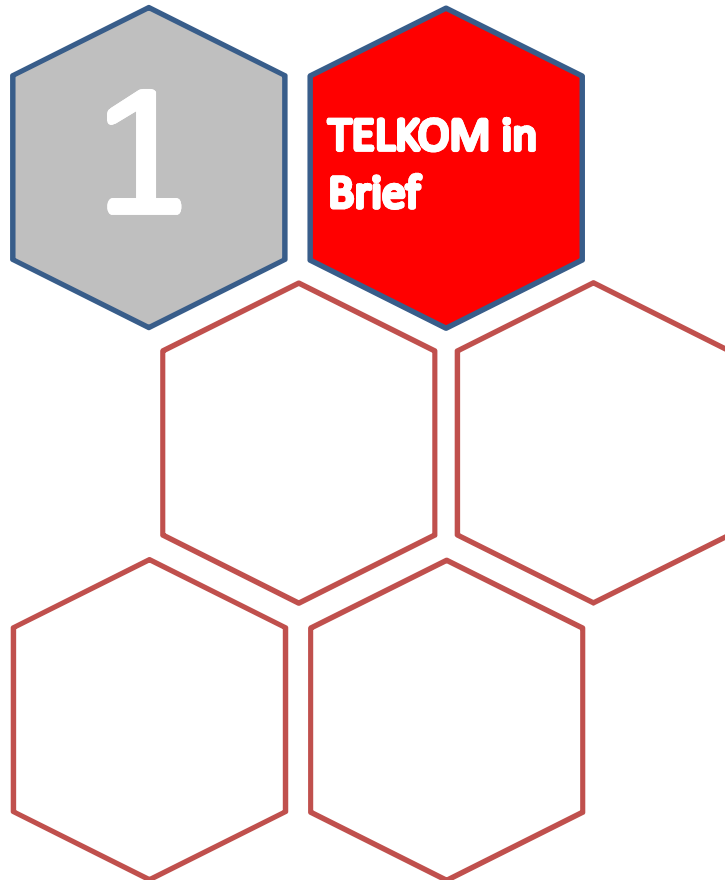
Honesti Basyir
CMO Wholesale & International Business
PT. TELKOM INDONESIA, Tbk



OUTLINE



OUTLINE



Telkom in Brief ...

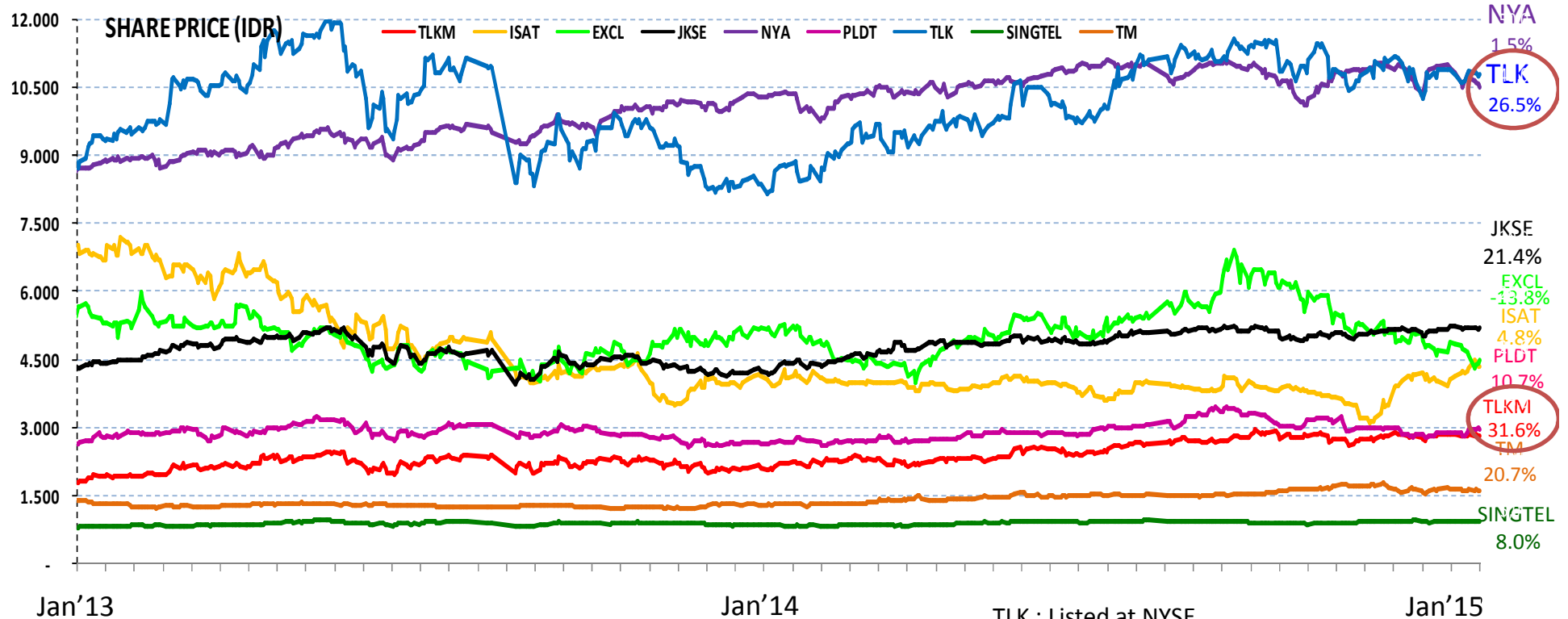


Government 53.1%

Public 46.9%

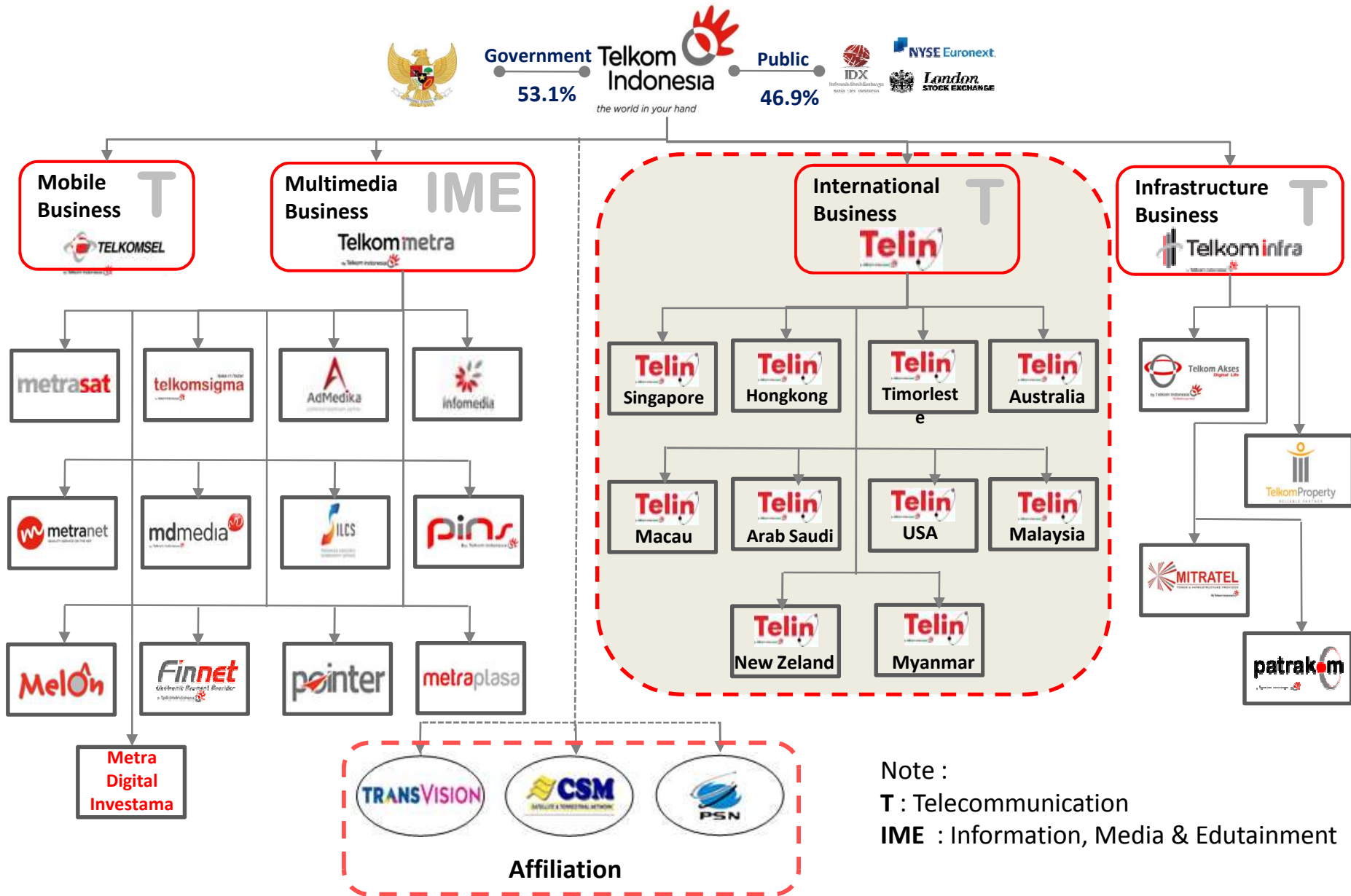
**Market Cap at IDX
EoY 2014 : Rp.287T**

Telkom is listed at Indonesia Stock Exchange (IDX), New York Stock Exchange (NYSE) and London Stock Exchange (LSE).



TLK : Listed at NYSE
TLKM : Listed at IDX

Telkom Group Organization Structure



Telkom Group Portfolio

15 Business Portfolio: 9 Product Portfolio & 6 Customer Portfolio



Telkom Subscribers Q3'14



> **154** Million

Fixed Wireline

9,6 mn

Fixed Wireless

4,9 mn

Cellular

139,3 mn

Fixed
Broadband

3,3 mn

Mobile
Broadband &
Blackberry

26,5 mn

YoY Q3'14
Growth

2,8%

-20,2%

11,3%

23,6%

69,8%

Telkom Main Programs



International Expansion, has been one of our main programs since 2012

1 **Telkomsel : Maintain Double Digit Growth**

2 **IDN : Drive Digital Business**

3 **InEx : Stretch & Expand International Business**

Note :

IDN : Indonesia Digital Network

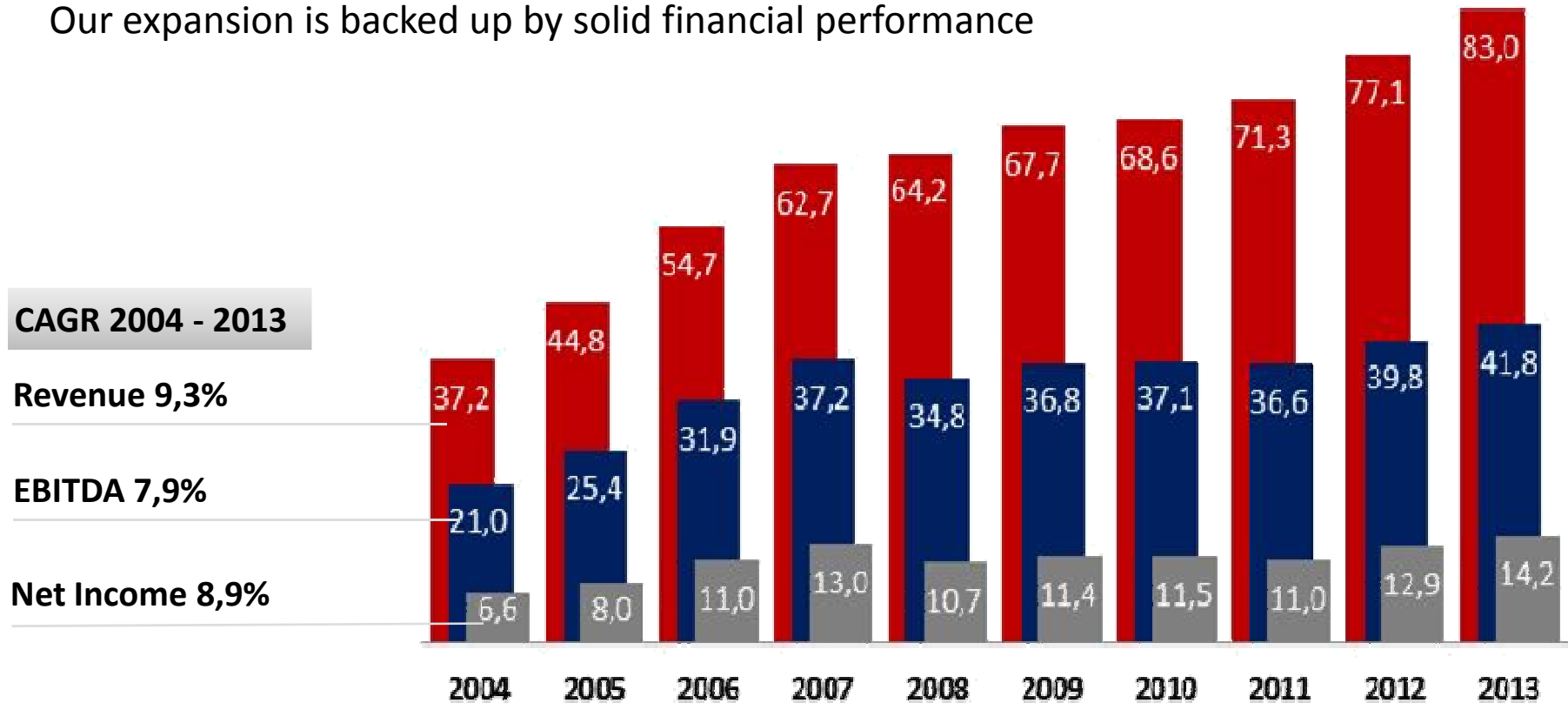
InEx : International Expansion

OUTLINE



Telkom Financial Performance

Our expansion is backed up by solid financial performance



(IDR Trillion)

CAGR 2004 - 2013

Revenue 9,3%

EBITDA 7,9%

Net Income 8,9%

Key Financial Indicator (as of 9M'14)

Asset Rp.138T

Equity Rp.80,9T

ROA 8,3 %

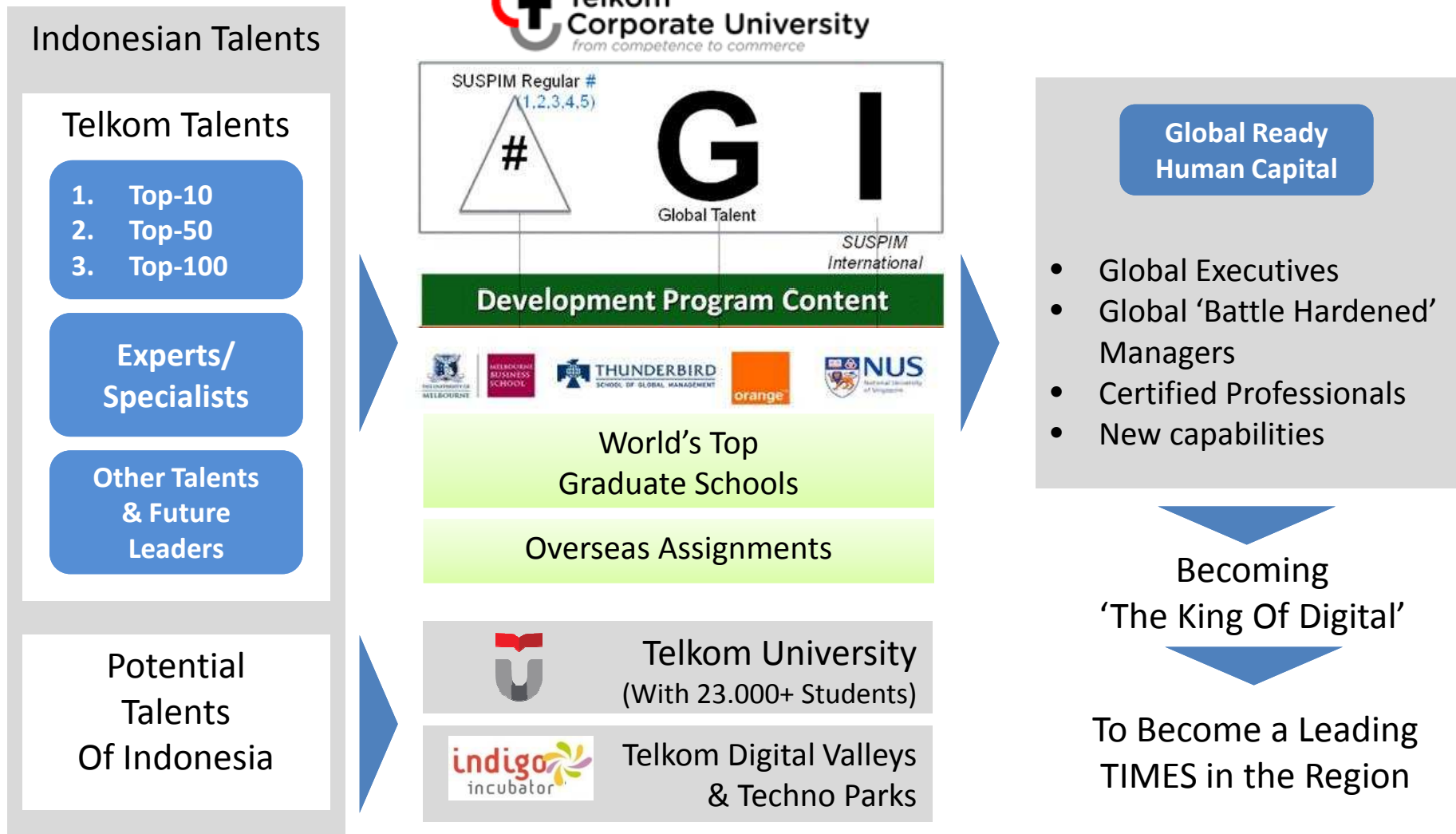
ROE 17,7 %

DER 31,1 %

Telkom's Human Capital Readiness

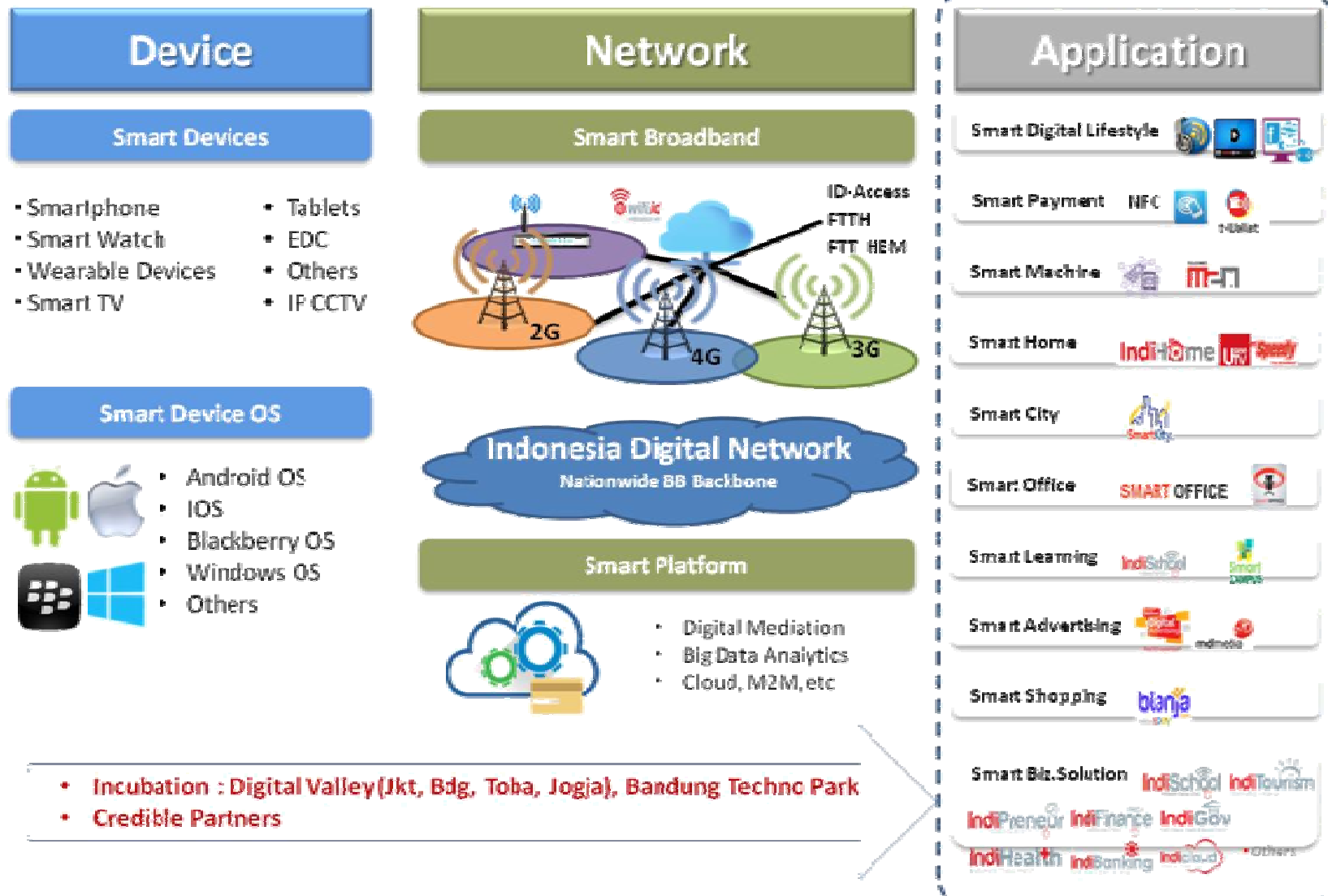


Telkom has an integrated and continuous programs to transform Telkom Talents to become Global Ready. Telkom also provides an institution to develop talented youth



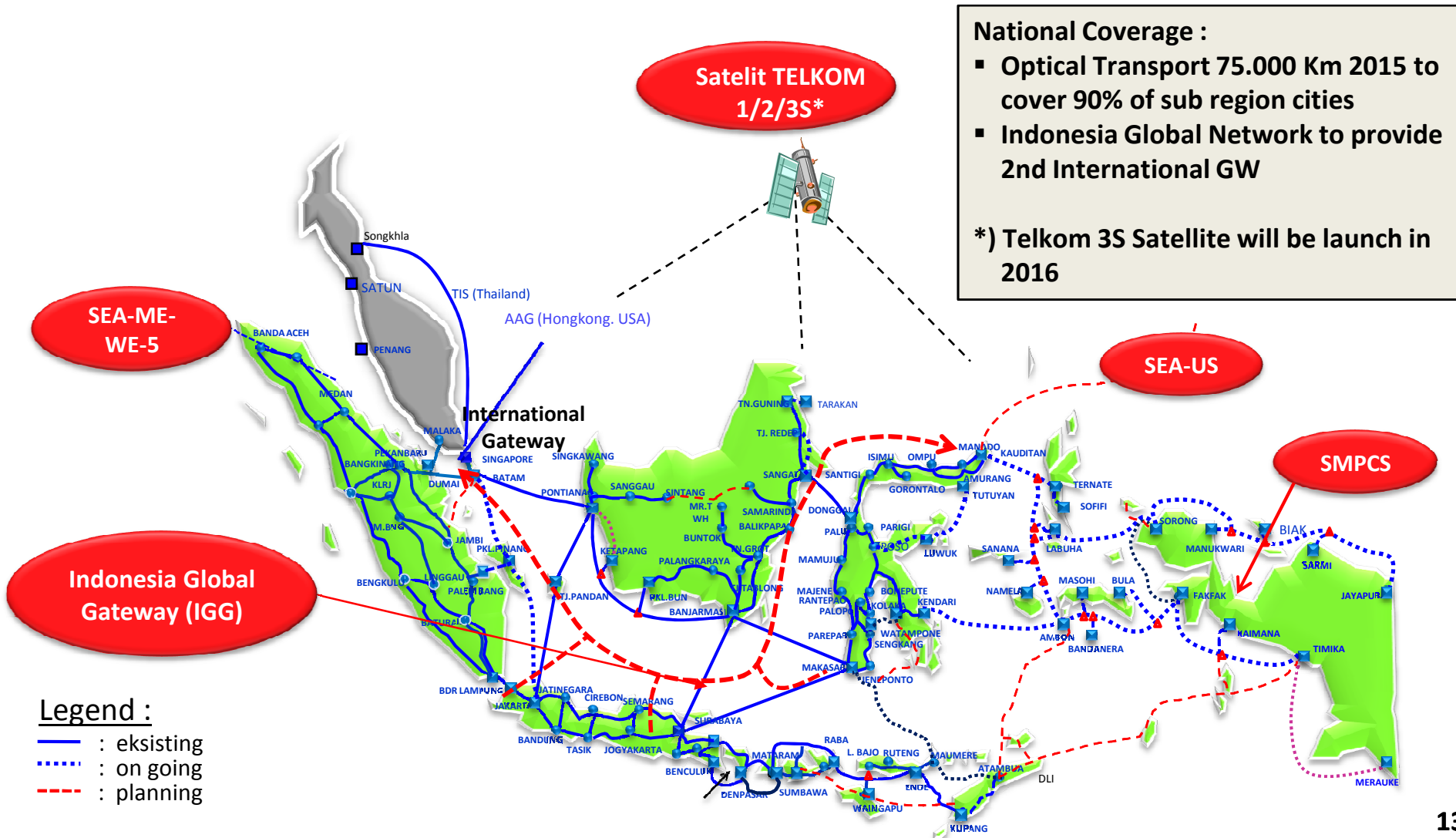
Digital Business Thru Leveraging DNA Ecosystem

Telkom has variety products & solution portfolio to provide various requirements from our customer



Telkom Indonesia Network Infrastructure

Telkom Indonesia Digital Network & Indonesia Global Gateway Connectivity has been deployed to connect cities throughout the nation & beyond

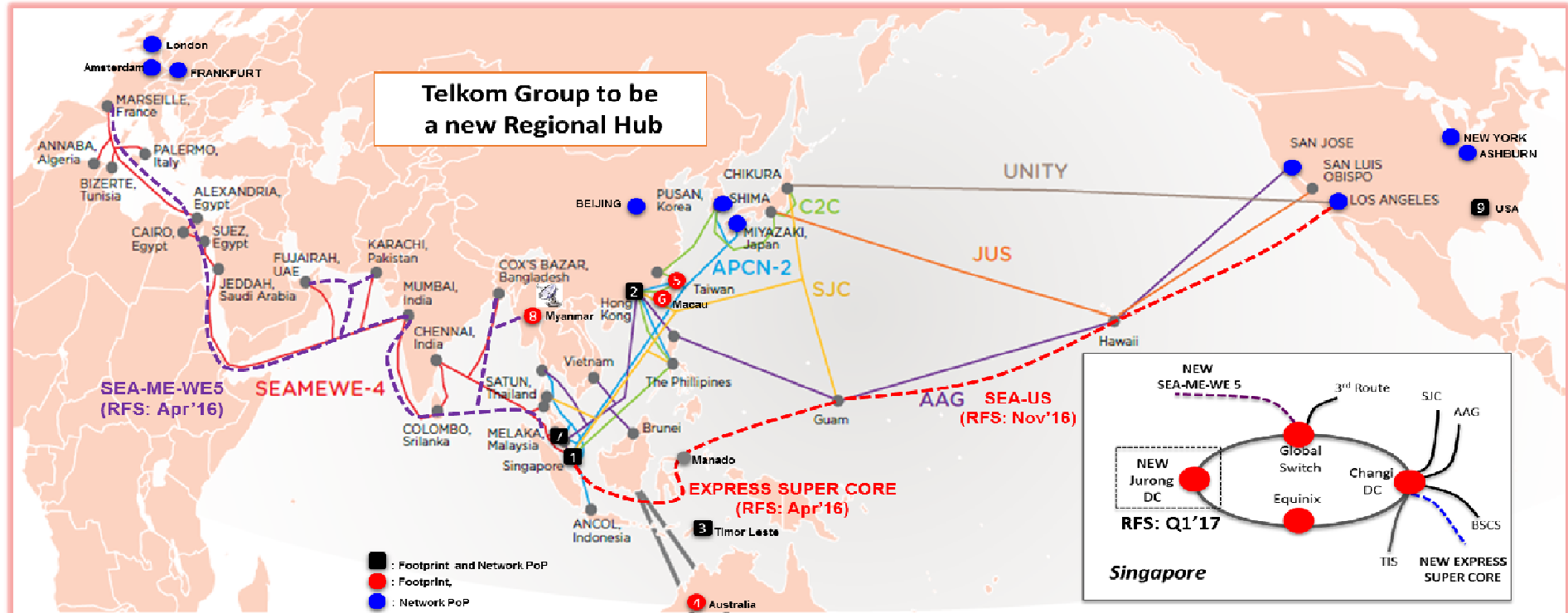


Indonesia Global Gateway (IGG)

Transforming Telin to become The Next Global Hub

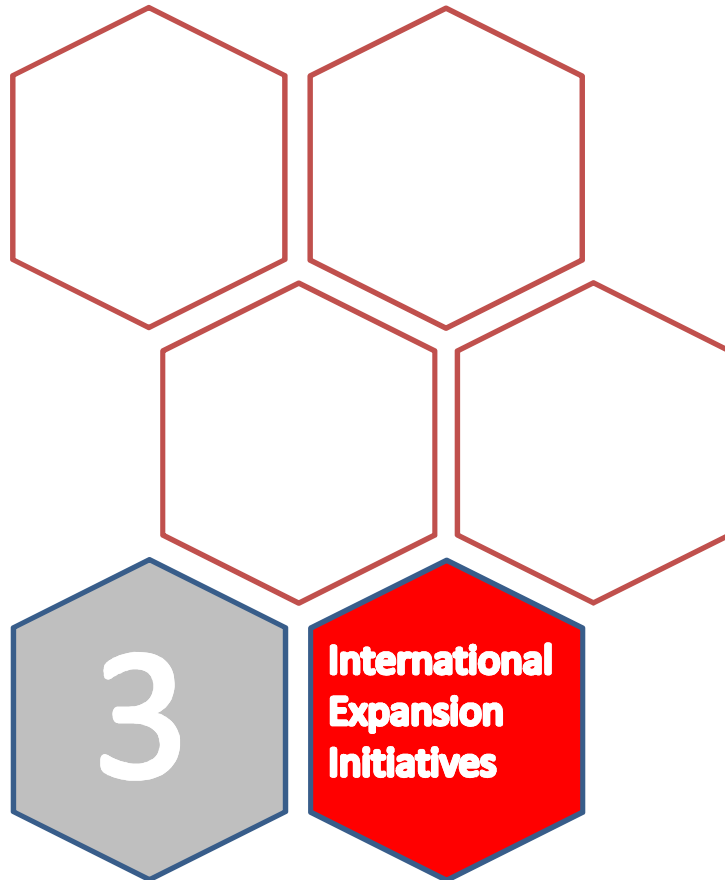


Our International Infrastructures & PoP have been deployed to connect all major cities around the world



Combining 35.000KM+ Current International Cable System ,
With 18+ PoPs, Domestic Cable System, 10.000m2 of Data Centers, And Constructing New
Cable Systems (SEA-ME-WE5, SEA-US, IGN), Leveraging Current Huge Customer Base,
Providing The Best ICT Ecosystem, To Become The Next Global Hub

OUTLINE



Expansion is the Best DEFENSE

For the Coming Competition



Our International Expansion is aimed to achieve business objective and to transform TELKOM's capability to become True Global Player

Technology: Convergence, Rapid Development

OTT, Broadband, Borderless,
Technology Turbulence...

**To Defend & To Complement
Domestic Business**

Not to replace, but the stagnancy & decline in home market is inevitable

Lifestyle: More-sophisticated, Mobile

Global Presence, Borderless Digital Life-style

**To Obtain Experience In Managing A
Sizeable International Portfolio**

More confidence, More credibility, calibrated... In A Borderless World

Regulatory: Open System, Free Trade

**ASEAN: AFTA &FTA, (2010-2015)
Worldwide: APT (ASEAN+3),
WTO (GATT)**

**Gain Access To New Capabilities,
Talent & Assets / Resources**

Transforming Toward A True Global 'TIMES' Player
Leading In The Region

InEx Strategic Implementation in Stages

Execution by TELKOM International (TELIN)



To build a New World's Hub for TIMES, Telin has prepared a roadmap with three development stages: Initiating Business Focus, Building Solid Foundation and Managing Acceleration for Taking Off.

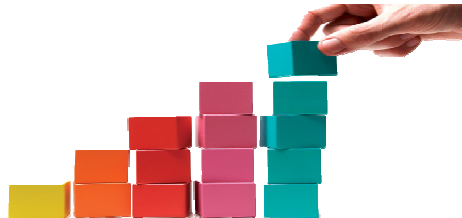
(a. 2007-2010)
Initiating Business Focus



Establishing TELIN as Telkom's international business entity

Establish Presence in 2 major hubs: Singapore & Hong Kong

(b. 2011-2016)
Building Solid Foundation



Developing business portfolio, worldwide infrastructure & presences, and building system capabilities

International Business Contribution by 2015: 5% of Telkom Revenue

(c. 2017 Onwards)
Managing Acceleration for Taking Off

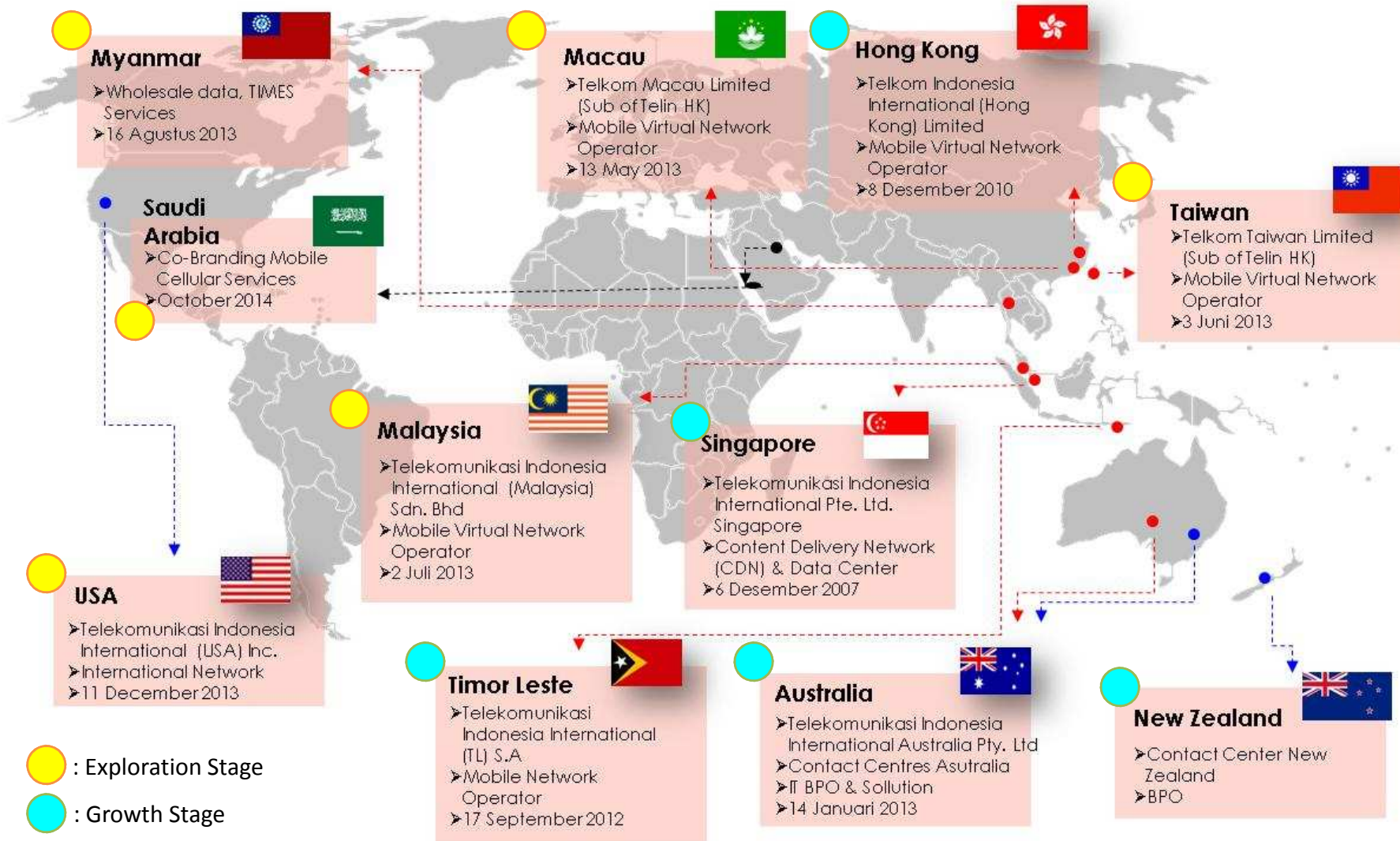


Accelerating business growth through organic and inorganic strategies

International Business Contribution by 2019: 10% of Telkom Revenue

Our International Expansion Footprints

As EoY 2014, TELKOM has 10+ International Footprints

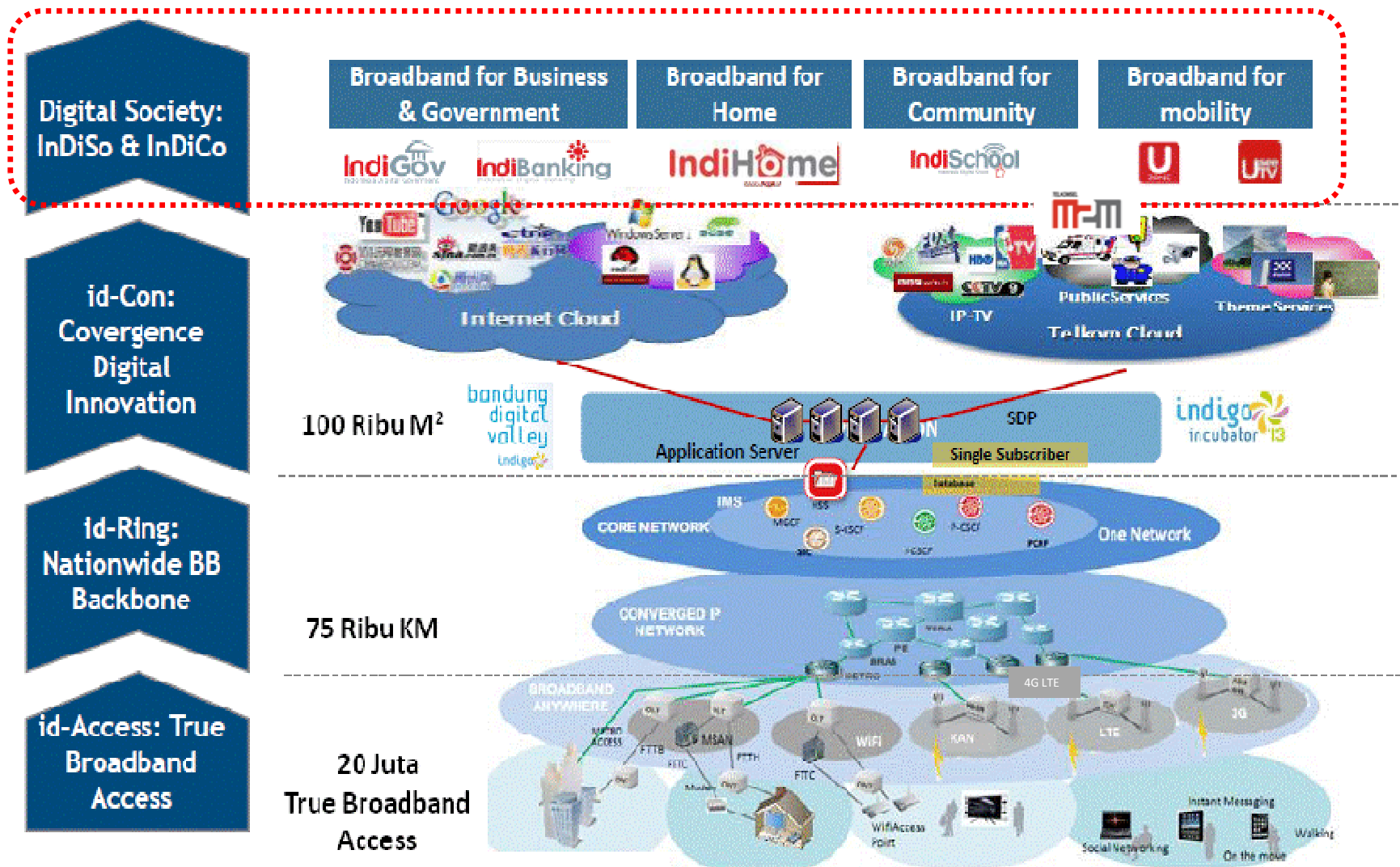




Thank You

Indonesia Digital Network (IDN) 2015

Through IDN program, PT. TELKOM committed to achieve 20 Mil True Broadband Access, 75.000 Km Broadband Backbone and 100.000 m2 Data Center in 2015.



Entry Strategy for INEX

INEX Entry Strategy: to follow Money, People, Traffic and Network (MPTN)

Follow The Money

Wherever there're advantages to be leverage to make money & to create value significantly

Follow The People

- Follow Indonesia's diaspora
- Follow Indonesia's MNC, & trading partners..
- Follow the people of all established footprints...

Follow The Traffic

- Follow Internet/data traffic from footprints
- Along the value chain of our current business (or complementary to it)

Follow The Network

- Along the cable system & Indonesia's borders
- Within the coverage of Telkom's satellites
- Extension of current network systems

- Business follow MPTN is the '**Entry Strategy**'.

- Focus in **10 Footprints+**

- It can be beyond the 10 Footprints if the nature of the business is **borderless**. (Follow the networks & traffic, DiCo...)

- All to be implemented as much as possible with **smart financing**.

- All breakthrough to be implemented with well-planned **exit strategy**.

- If the comparative & competitive advantage is low, the business strategy is **co-operative**.

- All business to become the platform for **learning & investment in people**.