



by Telkom Indonesia 



CONNECTING your DIGITAL life

PT Telekomunikasi Selular
2015 Annual Report

CONNECTING your DIGITAL life

We understand how important it is to build a better access to our services. Therefore, we continue to put effort on building a stronger network and infrastructure so we are assured that we can serve wider market segments through great network quality and clear connection. We also improve access to our products and services through GraPARI and touch points, where you can also experience our amusing digital world in comfort and style. We advance your modern lifestyle with digital apps so you can do business transactions online, maintain communication with friends, families and business partners or just have fun with them. Service advancement is in our commitment and these steps ensure that we will always stay connected, now and in future.







Preface

The Contents

Highlights of the Year

Key Performances	04
Financial Highlights	06
Operational Highlights	07
2015 Event Highlights	08
Awards and Accolades	15
ISO Certification	19

Remarks from the Management

Remarks from the President Commissioner	22
Remarks from the President Director	26
Profile of the Board of Commissioners	30
Profile of the Board of Directors	36

Company at a Glance

Telkomsel in Brief	44
Share Ownership History	44
Key Products and Services	45
Organizational Structure	45
Milestones	46

Business Review

Vision and Mission	50
Corporate Strategy in Brief	50
Transformation Program	51
Telkomsel Masterpiece 2015	52
Marketing	54
Sales	66
Information Technology	71
Network	72
Human Capital Management	74
Synergy	76

Good Corporate Governance

Good Corporate Governance	80
Code of Conduct	81
General Meeting of Shareholders	81
Independence of Board of Commissioners and Board of Directors	81
The Board of Commissioners	82
Committees under the Board of Commissioners	83
The Board of Directors	84
Internal Audit	85
External Audit	85
Whistleblowing	86
Corporate Secretary	86
Investor Relations	86
Enterprise Risk Management	87
Regulation and Compliance	88
Litigation Cases	89

Corporate Social Responsibility

Corporate Social Responsibility	92
Education	92
Community Development	93
Environment	95
Ecosystem Program	95

Management Discussion and Analysis

Global and Indonesia Macroeconomic Review	98
Business Review and Industry Outlook	98
Overview of 2015 Performance	99
Operational Results	100
Financial Results	101

Responsibility for the 2015 Annual Report

Additional Information

Abbreviations	
List of GraPARI	
Corporate Data	

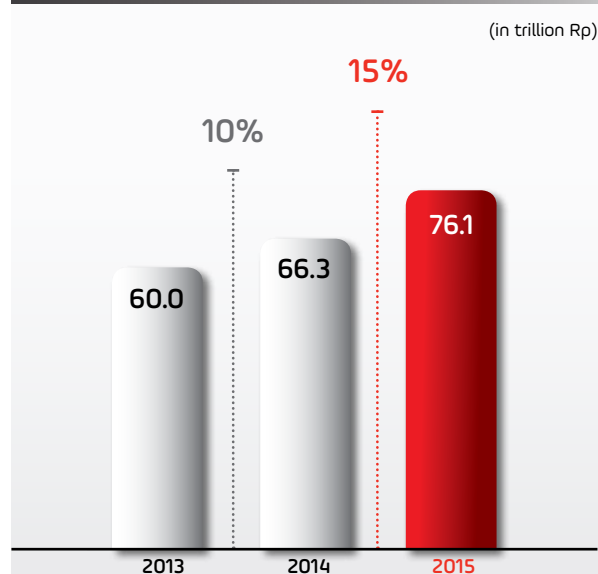


We're BUILDING
a COMPREHENSIVE NETWORK

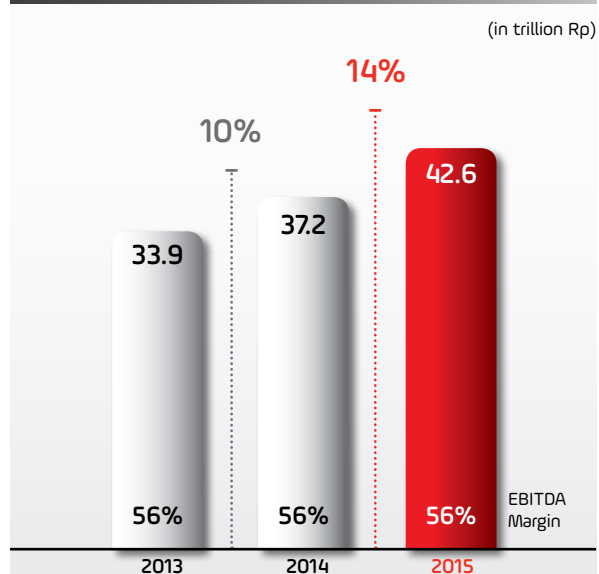
Highlights of the Year

Key Performances

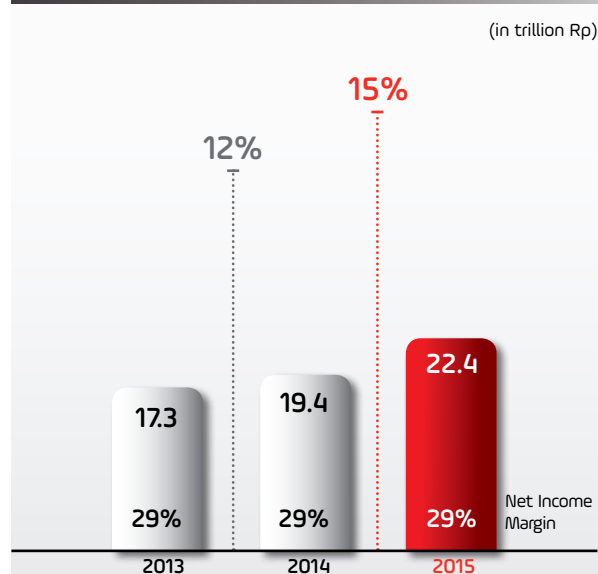
Double Digit Growth in Revenue



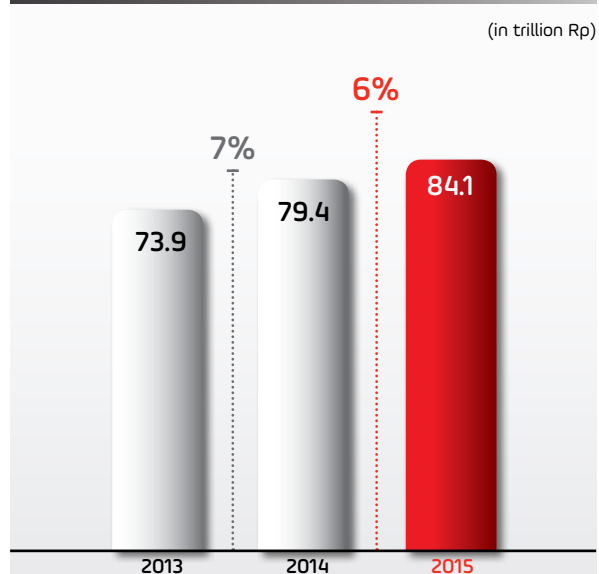
Double Digit Growth in EBITDA & Stable EBITDA Margin



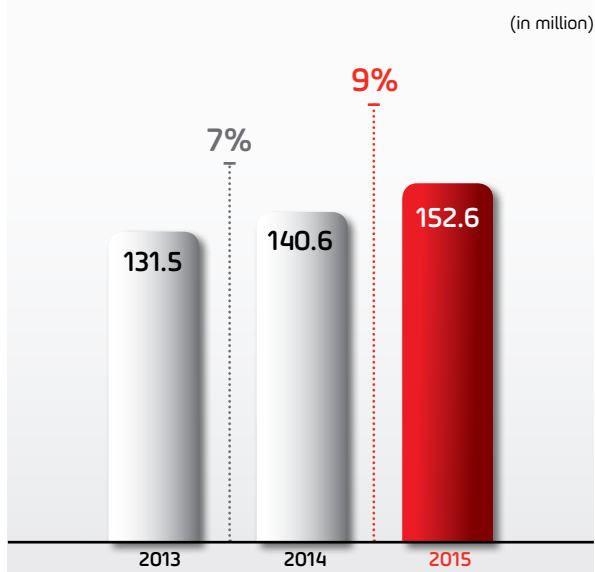
Double Digit Growth in Net Income & Stable Net Income Margin



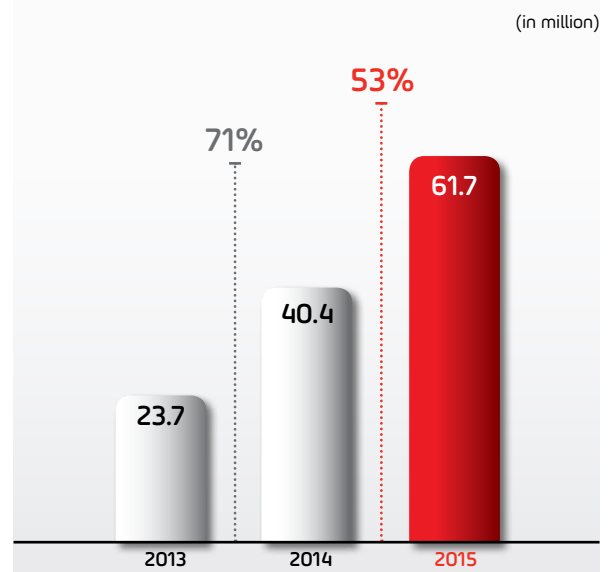
Total Assets



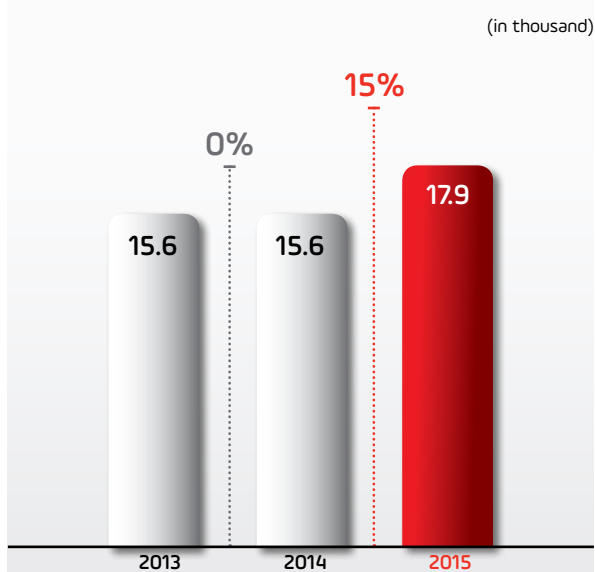
Total Customer Base



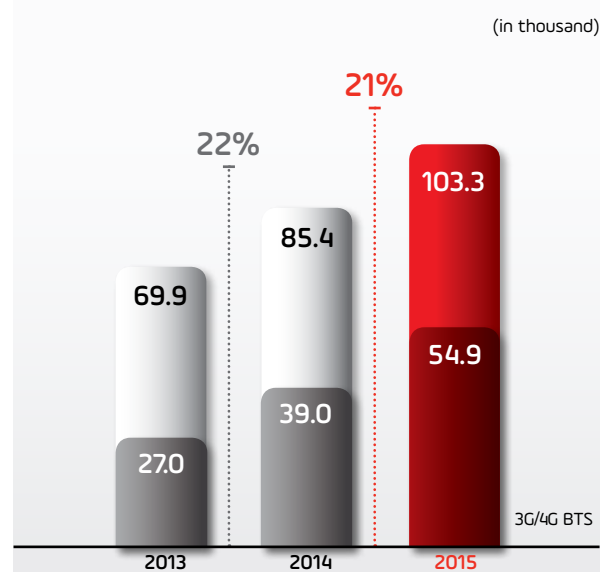
3G/4G Capable Device



Total BTS Roll-Out



Total BTS On-Air & Total 3G/4G BTS



Financial Highlights

Description (in billion Rp)	2011	2012	2013	2014	2015
Financial Position					
Current Assets	9,855	13,582	17,208	20,465	25,660
Fixed Assets	46,208	46,480	53,182	55,021	54,112
Other Non - Current Assets	2,660	2,855	3,550	3,866	4,314
Total Assets	58,723	62,917	73,940	79,352	84,086
Current Liabilities	13,975	13,039	17,010	19,270	20,020
Non-Current Liabilities	6,372	6,046	9,067	8,604	12,565
Equity	38,376	43,832	47,864	51,477	51,502
Total Liabilities and Equity	58,723	62,917	73,940	79,352	84,086
Profit and Loss					
Revenues	48,733	54,531	60,031	66,252	76,055
Expenses (Include Depreciation)	31,065	33,538	36,761	40,579	46,377
EBITDA	27,549	30,788	33,869	37,241	42,602
Net Income	12,824	15,715	17,347	19,391	22,368
Cash Flows					
Cash Flows from Operating Activities	22,824	26,229	29,602	30,911	36,359
Cash Flows for Investing Activities	(7,665)	(13,528)	(14,445)	(11,052)	(12,951)
Cash Flows from (for) Financing Activities	(3,812)	(2,291)	(1,899)	(497)	2,077
Cash Dividend	(8,351)	(9,900)	(12,890)	(15,066)	(21,533)
Cash and Cash Equivalents at End of Year	4,223	4,787	5,555	9,851	13,802
Financial Ratios					
EBITDA Margin ¹	57%	56%	56%	56%	56%
Net Income Margin ²	26%	29%	29%	29%	29%
Return on Assets ³	22%	26%	25%	26%	27%
Return on Equity ⁴	35%	38%	38%	39%	43%

Notes:

¹ EBITDA divided by Revenues

² Net Income divided by Revenues

³ Net Income divided by Average Total Assets

⁴ Net Income divided by Average Total Equity

Operational Highlights

Description	2011	2012	2013	2014	2015
Customers - in thousand					
Postpaid	2,188	2,149	2,489	2,851	3,509
Prepaid	104,829	122,997	129,023	137,734	149,131
Total	107,017	125,146	131,513	140,586	152,641
Legacy Business Driver - in billion					
MoU total	166	185	191	197	225
MoU Chargeable	159	141	140	161	191
SMS Total	224	253	260	256	219
SMS Chargeable	106	116	146	133	123
Core Business Driver					
Data-enabled Users - in thousand	39,822	54,611	60,531	67,860	73,887
Data Payload - in TByte	28,275	51,938	96,683	234,862	492,245
ARPU - in thousand Rp					
Postpaid	193	189	184	172	162
Prepaid	35	34	35	36	40
Blended	39	37	37	39	43
Network Data					
Total BTS-2G	33,114	38,864	42,830	46,398	48,394
Total BTS-3G/4G	9,508	15,433	27,034	39,022	54,895
Total BTS	42,622	54,297	69,864	85,420	103,289
Employee Data					
Total Employees (excl. BOD)	4,417	4,557	4,711	4,880	4,930
Efficiency Ratio (subs/employee)	24,228	27,462	27,916	28,809	30,962

2015 Event Highlights

January



Christmas and New Year 2014/2015

To ensure the delivery of quality service to our customers during high traffic on Christmas and New Year's Eve Celebration, Telkomsel upgraded the capacity and quality of network across Indonesia. The activity was reported to Minister of Communications and Information Technology Rudiantara while he did an inspection to Network Operation Centre (NOC) at Telkomsel's Head Office on New Year's Eve.

February

Synergy between Telkomsel and Finnet

As part of the synergy program with the Telkom Group, Telkomsel and PT Finnet Indonesia entered into an agreement to provide a postpaid bill payment aggregator solution. Telkomsel Director of Sales, Mas'ud Khamid, and President Director of Finnet Indonesia, Otong Iip, signed the agreement at Bidakara Hotel Jakarta on Friday, February 13, 2015.



March



Commercial Launch of Telkomsel 4G LTE in Bandung and Surabaya

Telkomsel commercially launched its 4G LTE service in Bandung and Surabaya on March 15 and 22, 2015, respectively to meet high demand for high speed broadband access. The launching ceremony was attended by each City Mayor as part of the efforts to accelerate the Smart City development of Bandung and Surabaya.



Telkomsel Digilife Festival

Telkomsel held the "Telkomsel Digilife Festival" at Gandaria City Mall, Jakarta on March 19-22, 2015, to introduce a range of Telkomsel's digital lifestyle products to the customers, such as Moovigo, LangitMusik, My NSP, and Google Play Direct Carrier Billing. Games competition were held during the festival, including LINE Let's Get Rich and Counter Strike.



The Inauguration of GraPARI Mecca's Operation

Telkomsel inaugurated its GraPARI outlet at P3 floor of Abraj Al-Bait Building or Zamzam Tower in the Holy Land of Mecca, in Saudi Arabia. The inaugural ceremony was attended by Telkomsel's BOD and Director General of Resources and Equipment of Posts and Information Technology Muhammad Budi Setiawan.

April



MoU Signing with 5 Banks

On April 8, 2015, Telkomsel signed a Memorandum of Understanding (MoU) with five local and international banks, i.e. Bank Mandiri, BNI, ANZ, BTMU and Deutsche Bank, for Loan Facility (Club Deal Facility) and Overdraft to finance both Capital Expenditure (Capex) and Operational Expenditure (Opex).



The Graduation and Welcoming Ceremony for GTP Graduates

On April 15, 2015, Telkomsel held a graduation ceremony for Batch II graduates of Great People Trainee Program (GTP) at Indigo Theatre Telkom Room at Geger Kalong Bandung. At the same time, Telkomsel welcomed the participants of Batch III of GTP, whose age ranged from 21 to 26 years old.



Telkomsel's Support for the 60th Asia-Africa Conference

Telkomsel joined with Telkom Group to provide the best communication solution for everyone involved in the 60th Asia-Africa Conference which was held on April 19-24, 2015 in Jakarta and Bandung. Telkomsel provided the network, products and services, including allocating 13 COMBAT units and establishing 511 Wi-Fi spots at many strategic locations where the event took place.

May



The Kick-Off of The NextDev Program

On May 4, 2015, Telkomsel officially launched The NextDev Program at Conclave Resto, Jakarta. The mobile application competition program, as part of Telkomsel's Corporate Social Responsibility, brought a theme "The Local Masterpiece to give Solution to Indonesia" and was expected to contribute to the Smart City development in Indonesia.



May



The Socially Devoted Award from Socialbakers

Telkomsel won "The Socially Devoted Award" from Socialbakers at Engage Award 2015 in Prague, Czech Republic on May 21, 2015. The award was given in appreciation of Telkomsel's Facebook and Twitter for being the most responsive accounts in the world in 2014.



Telkomsel's 20th Anniversary Celebration

Celebrating the 20th anniversary, Telkomsel encouraged participation from the public to make real contributions for the better and more colorful future of the nation. The improved network infrastructure enables Telkomsel to address the communication problems, including in rural areas. Various innovations in technologies by Telkomsel have brought everyone closer. These efforts proved Telkomsel's commitment to help stimulate the business ecosystem and drive the people's economy.

June



Telkomsel's Corporate Image Award 2015

For the third year in a row, Telkomsel won the best predicate at Corporate Image Award 2015 which was held at Mulia Hotel Jakarta. The award was given to Telkomsel as a measure of its corporate image in the public.



Ramadhan and Idul Fitri's Drive Test

Welcoming the Ramadhan and Idul Fitri, Telkomsel launched a drive test, through land and sea transportations, from Banyuwangi to Denpasar. To anticipate the traffic jump during the holiday season, Telkomsel prepared 62 out of total 733 COMBAT units, launched True Broadband Experience (TruBEx) program, T-Drive application using Machine-to-Machine technology, and established service centers at some strategic locations.

June


Mobile Service Provider of the Year Award from Frost and Sullivan

Telkomsel won the predicate of Mobile Service Provider of the Year Award at Frost and Sullivan Asia Pacific ICT Awards 2015 which was held on June 17, 2015 in Singapore. The international-scale award was to recognize Telkomsel's hard work, commitment and dedication to deliver the best customer experience.

The Inauguration of GraPARI Singapore

Telkomsel opened a GraPARI outlet on the first floor of Lucky Plaza in Singapore that represents a strategic collaboration between Telkomsel and Singtel to ensure the delivery of WOW Great experience for the customers and maintain leadership in both Singapore and Indonesia. Both providers secured partnership in product service, remittance, partnership retail management and customer care management.



July


Telkomsel's 4G LTE Launch in Makassar

Telkomsel launched its 4G LTE service in Makassar on July 6, 2015, marking the first commercial launch of Telkomsel 4G LTE service using 1800 MHz Frequency. This service was also dedicated to support the online health service, Home Care, launched in April 2015 through mobile health service, supporting "Makassar Sombere and Smart City" program.

Joint Launch of 4G LTE in 1800 MHz Frequency

On July 6, 2015, Telkomsel with other Telco companies held a commercial launch of 4G LTE service in 5 cities all at once. Makassar was the first city chosen by Telkomsel to launch its first 4G LTE service using 1800 MHz frequency.



August


The Asia Best Employer Brand Awards 2015 by Employer Branding Institute

Telkomsel won an international scale award in Human Resource Development at Asia Best Employer Brand Awards 2015 which was held by Employer Branding Institute in cooperation with World HRD Congress & Stars of the Industry Group, and CHRO Asia. Attending the award presentation at Pan Pacific Hotel Singapore on August 12, 2015, was Telkomsel Director of Human Capital Management Priyantono Rudito.

August



The Participation in Asia Internet of Things (IoT) Business Platform

Telkomsel's President Director Ririek Adriansyah was appointed as the keynote speaker in "Asia Internet of Things (IoT) Business Platform" conference at Fairmont, Jakarta. During the event, Telkomsel introduced its latest innovation in Machine-to-Machine technology, T-Drive application.

September



Telkomsel's Presence at Bandung ICT Expo 2015

Telkomsel participated in Bandung ICT Expo 2015 which was held on September 10-12, 2015 at Convention Hall, Bandung Technoplex, in celebration of Telkom University (Tel-U) 2nd anniversary. Attending the opening ceremony was Secretary General of Ministry of Communications and Information Technology Dr. Suprpto, Secretary General of Ministry of Research and Technology Ainun Naim, CEO of Telkom Group Alex J. Sinaga, Telkomsel Director of Network Sukardi Silalahi and Rector of Telkom University Prof. Muhammad Ashari.

October



Three Awards for Indonesia to Go Global

Telkomsel won three prominent awards at Frost & Sullivan Indonesia Excellence Award 2015 which was held on October 1, 2015, confirming its leadership in Information and Communication Technologies. The first award was dedicated for TCASH as m-Money Service Provider of the Year. The other two awards went to Telkomsel as Mobile Data Service Provider of the Year and Mobile Service Provider of the Year.



The Commercial Launch of TCASH TAP

Telkomsel officially relaunched TCASH TAP. Using the Near Field Communication (NFC) technology, Telkomsel brought a new experience in the mobile payment service as part of support for Government's National Cashless Movement.



Project Loon

Telkomsel sealed an agreement with Google to launch a technical trial on Google's internet balloon project which is called Project Loon. The trial will take place in 2016 over 12 months. Telkomsel will serve as a partner for providing the network using Telkomsel's 900 MHz frequency and will be deployed in the remote areas of Sumatera, Kalimantan and East Papua.

October

**TrueBEx Awards to Regional Network Team**

In recognition of successful implementation of TrueBEx masterpiece initiative, On October 12, 2015 Telkomsel given out TrueBEx awards to its regional Network team that have successfully completed TrueBEx implementation initiative and passed customer experience test (CET) in accordance with TrueBEx criteria.

November

**Telkomsel 4G LTE for Batam, Yogyakarta and Balikpapan Customers**

Telkomsel launched 4G LTE in Batam, Yogyakarta and Balikpapan in November 2015 to cover majority and inner parts of the cities particularly some strategic places with fast broadband internet service for its data users.

Telkomsel's ICT Education for Junior High School Students

On November 30, 2015, Telkomsel's Corporate Social Responsibility (CSR) team and Telkomsel Labor Union (Sepakat) jointly held a program titled 'Telkomsel Mengajar untuk Indonesia (Telkomsel Educates Indonesians)' at 12 junior high schools of Jakarta. The program was to educate junior high school students about the development of communication technology and how they could benefit from it.



December

**The Launch of 4G LTE Digital Revolution**

On December 12, 2015, Telkomsel with 3 other operators supported the launch ceremony of '4G LTE Digital Revolution' at National Museum of Jakarta. The event was attended by Indonesian President Joko Widodo and Minister of Communications and Information Technology. The launch marked the beginning of Indonesian Digital Revolution. Telkomsel 4G LTE service itself is already present in 12 major cities in Indonesia.

December



Telkomsel to Cover Malang, Pekanbaru and Banjarmasin with 4G LTE Service

Telkomsel presented the best and fast mobile broadband service and the comprehensive digital lifestyle with its 4G LTE service in Malang, Pekanbaru and Banjarmasin in December 2015. The Telkomsel 4G LTE service has covered several strategic places of the cities not only to serve customers with best experience in mobile broadband services but also to support government's plan in establishing Digital Society in Indonesia.



Unveiling The New Face of MyTelkomsel

On December 13, 2015, Telkomsel unveiled the new face of MyTelkomsel during the launch of 4G LTE service in Malang. With the new design, the customers can directly check their bills, total Telkomsel POIN, and the status of their internet package. A new feature called TelkomselCHAT is also added to facilitate online interaction between customers and the Telkomsel customer service for 24 hours and 7 days a week.



New Year Celebration

Telkomsel successfully served a smooth communication service during New Year's Eve celebration of 2015/2016. The highest jump took place in data and SMS traffics, representing 18% and 20% growth nationwide, respectively, compared to those on normal days in 2015. During the occasion, Telkomsel launched 93 Compact Mobile BTS (COMBAT) units at tourist spots, 73 GraPARI Siaga outlets and 392 Armada of Mobile GraPARI as well as ensured the availability of products through 2,668 modern channels and 3,658 outlets that were put on standby during the New Year's Eve.

Awards and Accolades

Throughout 2015, Telkomsel obtained a total of 69 awards in various categories from various institutions, at both national and international level. This was an improvement on the previous year's total of 66 awards. These awards are a reflection of Telkomsel's business excellence, which enables it to operate to a high standard to stay in the lead in the Telco industry.

With an unparalleled combination of network infrastructure, coverage area, strategy execution and strong management operation, Telkomsel is driving breakthroughs to provide a better customer experience. The awards included the following:

Business Excellence

Top Tech Choice

1. Telkomsel - The Best Mobile Services Provider of The Year

Excellent Service Experience Award (ESEA) 2015

2. Telkomsel - Excellent Performance in Delivering Positive Customer Experience

Customer Loyalty Award 2015

3. kartuHalo - The Net Promoter Score (NPS) Leader for Postpaid GSM SIM Card
4. Kartu As - The Net Promoter Score (NPS) Leader for Prepaid GSM SIM Card
5. Telkomsel - The Net Promoter Score (NPS) Excellence for Mobile Data

TechLife Innovative Award

6. Telkomsel - Best Broadband Services

Top Brand Award

7. kartuHalo - Postpaid SIM Card
8. *simpATI* - Prepaid SIM Card
9. Telkomsel Flash - Mobile Internet Service Provider

Business Review Online Awards

Indonesia WOW Brand 2015

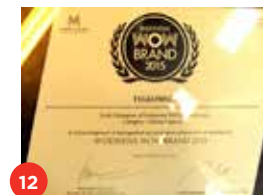
10. Telkomsel - Inspirator Media Online
11. Telkomsel - Gold Champion of Indonesia WOW Brand 2015 in Cellular Operator
12. Telkomsel Flash - Bronze Champion of Indonesia WOW Brand 2015 in Mobile Internet Service Provider

Indonesia Middle-Class Brand Champion Consumers' Choice 2015

13. kartuHalo - Postpaid GSM SIM Card Category
14. Flash - Internet Provider Category

Indonesia Cellular Award (ICA) 2015

15. Telkomsel - The Best Coverage by Operator



12th Selular Award 2015

- 16. Telkomsel - Operator of The Year
- 17. Telkomsel - Best GSM Operator
- 18. Telkomsel - Best Digital Service
- 19. Telkomsel - Best Mobile Payment Service
- 20. Telkomsel - Best Postpaid Card



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Indonesia Original Brand Award 2015

- 21. Telkomsel Flash - 1st Champion of Indonesia Original Brand 2015 in Mobile Internet Provider Category



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Indonesia Best Brand Award 2015

- 22. *simPATI* - Best Brand Platinum in GSM SIM Card Category

Word of Mouth Marketing (WOMM) Award 2015

- 23. kartuHalo - The First Winner in GSM Postpaid Category
- 24. *simPATI* - The First Winner in GSM Prepaid Category



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Frost & Sullivan Indonesia Excellence Awards 2015

- 25. Telkomsel - Indonesia M-Money Service Provider of The Year
- 26. Telkomsel - Indonesia Mobile Data Service Provider of The Year
- 27. Telkomsel - Indonesia Mobile Service Provider of The Year



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Mobile Marketing Association (MMA) SMARTIES Indonesia Awards 2015

- 28. SMARTIES Indonesia Awards 2015 for Promotion Category

Digital Marketing Award 2015

- 29. Telkomsel - Great Performing Website
- 30. *simPATI* - Great Performing Product
- 31. Telkomsel Flash - Great Performing Product



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Social Media Award 2015

- 32. Telkomsel - Great Performing Brand in Social Media for Cellular SIM Card Category
- 33. Telkomsel - Great Performing Brand in Social Media for Internet Service Provider Category



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Indonesian Customer Satisfaction Award (ICSA) 2015

- 34. kartuHalo - The Best in Achieving Total Customer Satisfaction
- 35. *simPATI* - The Best in Achieving Total Customer Satisfaction
- 36. Telkomsel Flash - The Best in Achieving Total Customer Satisfaction

Indonesia Golden Ring Award 2015

37. Telkomsel - Operator of The Year
38. *simPATI* - Best Operator Product

Brand Activation Award 2015

39. LOOP Kreatif Project - The Best Festival & Exhibition Activation 2015
40. Telkomsel Siaga 2015 - The Best Special Event Activation 2015

**Youth Community****Top Brand for Teens Award 2015**

41. *simPATI* - Outstanding Achievement in Building the Top Brand

Youth Woman Netizen Award 2015

42. Telkomsel - Indonesia Most Favorite Youth Brand 2015
43. Telkomsel - Indonesia Most Favorite Netizen Brand 2015

**Customer Service Excellence****Service Quality Award 2015**

44. GraPARI - Achieving Exceptional Total Service Quality Satisfaction

Engage Award 2015

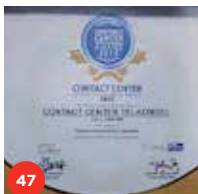
45. Telkomsel - The Socially Devoted company for recognizing and adapting to the changing nature of customer care

**Indonesia Golden Ring Award 2015**

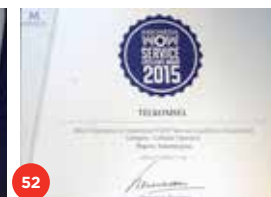
46. GraPARI - Best Customer Service

Contact Center Service Excellence Award 2015

47. "EXCELLENT" Service Performance for Contact Center Telkomsel
48. "GOOD" Service Performance for @Telkomsel Twitter Customer Service
49. "GOOD" Service Performance for Customer Service Email Centers (cs@telkomsel.co.id)
50. "GOOD" Service Performance for Telkomsel's Facebook Customer Service

**Indonesia WOW Service Excellence Awards 2015**

51. Telkomsel - The Best of Indonesia WOW Service Excellence Awards 2015
52. "SILVER" Champion for Regional Sulawesi Maluku Papua
53. "GOLD" Champion for Regional Jawa Bali
54. "GOLD" Champion for Regional Kalimantan
55. "GOLD" Champion for Regional Sumatera



Corporate Image

Frost & Sullivan Asia Pacific ICT Awards 2015

56. Telkomsel - Asia Pacific Mobile Service Provider of The Year

Corporate Image Award 2015

57. Telkomsel - The Best in Building and Managing Corporate Image

Warta Ekonomi-Indonesia Most Admired Companies (WIMACO) 2015

58. Telkomsel - Indonesia Most Admired Company in Telecommunication Category

6th Asia Best Employer Brand Awards 2015

59. Telkomsel - Asia Best Employer

BrandZ™ Top 50 Most Valuable Indonesian Brands 2015

60. Telkomsel - #3 Most Valuable Brand

Red Hat Asia Pacific Innovation Award 2015

61. Telkomsel - Best IT Innovation

The Best of Private Company Inhouse Magazine (InMA) 2015

62. Signal Magazine

PR of The Year 2015

63. Indonesia Public Relations Officer of the Year 2015

64. Indonesia Best Corporate Communications Team 2015

65. Indonesia Best of the Best Corporate Public Relations Program 2015

Indonesia Marketeer of the Year 2015

66. Ririek Adriansyah - Indonesia Marketeer Champion in Telecommunication Category

GCG & CSR

The 7th Annual Global CSR Summit & Awards 2015

67. Gold Product Excellence Award for Floating BTS

Appreciation from the National Search and Rescue Agency Republic of Indonesia (SAR)

68. Telkomsel's assistance and participation in the search and rescue operations of Air Asia flight QZ8501 in January 2015

Indonesia Good Corporate Governance Award (IGCGA) 2015

69. Best GCG in Telecommunication Industry



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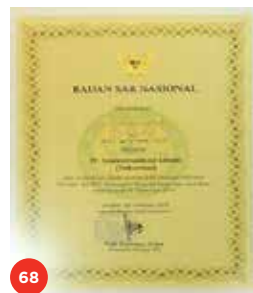
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ISO Certification

We are committed to providing the highest customer satisfaction in accordance with the International ISO 9001:2008 standard. This is the international standard for quality management, indicating that we have achieved consistency in delivering high quality services and guaranteed customer satisfaction. We achieved the Certification Audit in 2011, Surveillance Audit 1 in 2012 and Surveillance Audit 2 in 2013. ISO 9001:2008 certification is valid until 2015. In 2015, we maintained the areas that are recognized by ISO certification reflecting our quality maintenance.



ISO/IEC 27001:2013 from Bureau Veritas Certification



ISO/IEC 20000-1:2011 from BSI

Customer Service

Twenty of Telkomsel's GraPARI that were awarded ISO 9001:2008 certification:

- Telkomsel's GraPARI North Jakarta (Mangga Dua)
- Telkomsel's GraPARI Central Jakarta (Alia Gambir)
- Telkomsel's GraPARI West Jakarta (Central Park)
- Telkomsel's GraPARI East Jakarta (Rawamangun)
- Telkomsel's GraPARI South Jakarta 1 (Wisma Mulia)
- Telkomsel's GraPARI South Jakarta 2 (Gandaria City)
- Telkomsel's GraPARI BSD Tangerang
- Telkomsel's GraPARI Bekasi
- Telkomsel's GraPARI Bogor
- Telkomsel's GraPARI Medan
- Telkomsel's GraPARI Pekanbaru
- Telkomsel's GraPARI Palembang
- Telkomsel's GraPARI Bandung
- Telkomsel's GraPARI Semarang
- Telkomsel's GraPARI Surabaya 1
- Telkomsel's GraPARI Surabaya 2
- Telkomsel's GraPARI Surabaya 3
- Telkomsel's GraPARI Denpasar
- Telkomsel's GraPARI Balikpapan
- Telkomsel's GraPARI Makassar

Call Center

5 (five) Call Centers were awarded ISO 9001:2008 Surveillance certification with zero major finding:

- Call Center Medan
- Call Center Jakarta
- Call Center Bandung
- Call Center Surabaya
- Call Center Makassar

Network and IT

Telkomsel received ISO/IEC 27001:2013 from Bureau Veritas Certification for the operation of broadband services, recharging system, e-wallet system, service desk system, customer care, billing system for postpaid and prepaid provided by the IT Directorate, Network Directorate, and GraPARI at Wisma Mulia building. It was obtained on September 23, 2013 and is valid through September 22, 2016.

In addition Telkomsel also obtained ISO/IEC 20000-1:2011 certification, which covers the Service Management System of the IT Directorate that delivers product activation (non-roaming broadband) and top-up customer account services from IT Directorate office and data center in Jakarta.

We're IMPROVING our ACCESS



Remarks from *the Management*



Remarks from the President Commissioner

“ We are moving in the right direction, with the focus of our network roll out now shifting towards 3G and 4G in anticipation of continued strong growth in smartphone penetration and data traffic. ”

ALEX J. SINAGA
President Commissioner



Dear Shareholders,

I am glad to report to you that 2015 was again a remarkable year in terms of our achievements, from both a financial and an operational perspective. For the fourth consecutive year, we achieved triple double-digit growth in revenue, EBITDA and net income, despite the ongoing macroeconomic challenges in Indonesia. We deployed more than 100,000 BTS, more than 50% of which were 3G/4G, serving more than 150 million customers. We were the first operator to commercially launch 4th Generation Long Term Evolution (LTE) in Indonesia and by the end of 2015 we had 2.2 million users with coverage in 14 cities.

These excellent achievements were made possible through the successful execution of our transformation initiatives over the last three years, culminating in the achievement of our "Triple-3" targets with an enterprise value of more than Rp 300 trillion and cumulative revenue growth of more than 33%. We have been successful in the implementation of market segmentation and cluster-based pricing, which resulted in our legacy revenues growing much stronger than expected. While this was good news for our effort to sustain the legacy business, it also meant that we could only achieved the 33% Digital Business contribution in Q4-2015.

We are fortunate that the competitive landscape has remained intense but rational. Operators were focusing on price monetization and stabilizing the data yield. On the regulatory front, while many things could be further improved, I believe the industry in general is moving in the right direction and has benefited

from several key policy changes such as technology neutrality for both 900 and 1800 MHz, spectrum re-arrangement in 1800 MHz, SIM card registration, network sharing and so on. We are also looking forward to asymmetric interconnection regime, and more spectrum to be made available in 2016 for 2100 MHz and 2300 MHz.

Connecting Your Digital Life

Last year, I shared the news that Telkomsel was half way through its transformation journey to become a Digital Company through Telkomsel 2.0 with focus on business, people, organization and culture. This is an ongoing process and each year we focus on different programs around our DNA (Device-Network-Application) strategy. We are moving in the right direction, with the focus of our network roll out now shifting towards 3G and 4G in anticipation of continued strong growth in smartphone penetration, where YoY growth exceeded 50%, and data traffic recorded YoY growth of more than 100%.

Our leading network supply philosophy means that we now have covered almost 100% of the population in 2G and 65% in 3G, the widest network coverage across the country. With smartphones becoming more affordable alongside internet education initiatives, we added 21.3 million smartphone users during the year. We observed that when our customers migrate from 2G to 3G and from 3G to 4G, their usage increases significantly. Our aim ultimately is to provide a fast, high quality platform for our customers to enable them to perform their daily activities and stay connected online.

Corporate Governance

Our role as commissioners is to provide strategic guidance and oversight to the Board of Directors to ensure that they are on the right track towards achieving the strategic objectives that we have established. In performing this role, we are supported by a number of committees.

These are the Audit Committee, which oversees the financial reporting process and internal control system; the Remuneration Committee, which reviews the Company's overall remuneration policy and strategy; and the Capital Expenditure, Financing and Management Process (CFMP) Committee, which oversees the Company's capital expenditure planning and financing policies as well as capacity and operational management. We worked with management to resolve any control deficiencies to ensure that Telkomsel continues to receive an unqualified audit opinion. During the year we evaluated Rp9.1 trillion out of Rp12.1 trillion in capital expenditure.

We aspire to the highest standards of corporate governance and therefore the roles and functions of each committee are continuously strengthened to ensure that best corporate governance practices are implemented to the highest standards of transparency and disclosure.

Corporate Social Responsibility

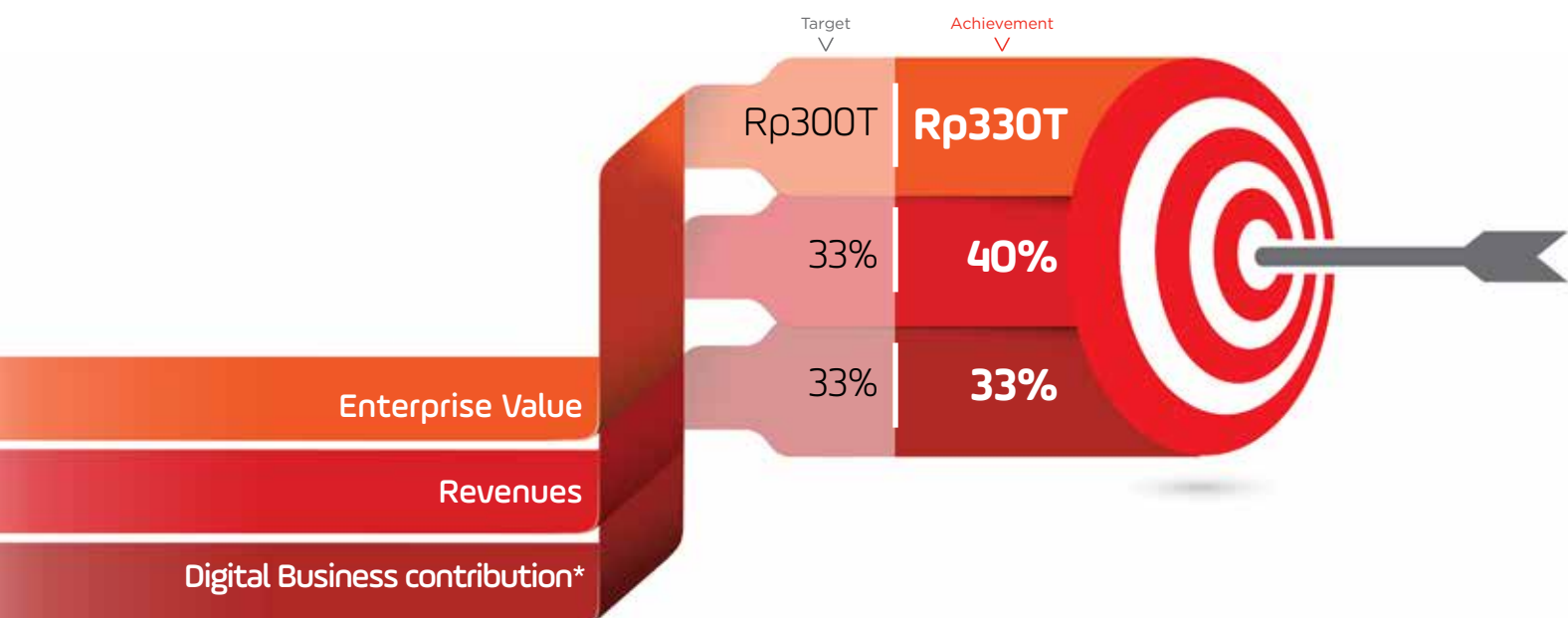
In our efforts to give back to the community and to continue our tradition as 'The Most Indonesia' operator, our Corporate Social Responsibility (CSR) efforts continued to focus on the four CSR pillars (Education, Community

“Successful execution of Telkomsel's transformation initiatives resulted in the achievement of "Triple-3" targets with Enterprise Value > Rp300 trillion, Revenue Growth > 33% and Digital Business Contribution 33%.”

Development, Ecosystem and Environment). With regard to Education, we gave out scholarships, established an Integrated Digital School and held a Digital Creative competition (NextDev) to stimulate digital innovation in Indonesia. As for Community Development and Ecosystems, we reached out to local communities during religious and festive periods. For Environment, to increase effectiveness and response time, our Emergency Response and Recovery Activities team (TERRA) developed the Mapper Tracker disaster management technology system and carried out IT-based training for personnel.

Changes in the Boards

In my remarks last year I explained the changes in the composition of the Board of Commissioners and the Board of Directors of Telkomsel, which took effect in January 2015. There were two further changes in 2015. Firstly, on April 7, 2015, Abdus Somad Arief was appointed as a Commissioner to replace our long-standing Commissioner, Muchlis Muchtar. Secondly, on October 7, 2015, Edwin Hidayat Abdullah was appointed as a Commissioner to replace Abdus Somad Arief. On behalf of the Board of Commissioners, Board of Directors and everyone at Telkomsel, I would like to express my sincere appreciation and gratitude to both Muchlis Muchtar and Abdus Somad Arief for their invaluable contribution, guidance and expertise during their respective terms as Commissioners.



*Notes: Achieved in Q4-2015

Acknowledgement

My sincere thanks and appreciation go out to the Board of Directors, management and employees of Telkomsel. It is no mean feat to achieve triple-double-digit growth in revenue, EBITDA and net income for the fourth consecutive year, and it would not have been possible without the contribution, hard work and dedication of everyone at Telkomsel. The support from shareholders and business partners has been tremendous and instrumental in helping Telkomsel to achieve great results. If we keep up the momentum and carry on the spirit of First, Fastest, Finest, I am confident that 2016 will again be a success.

Sincerely yours,

ALEX J. SINAGA
President Commissioner

Remarks from the President Director

“ The foundation we have laid in our transformation journey has enabled us to be resilient and better equipped to face tough competitive challenges. ”

RIRIEK ADRIANSYAH
President Director



Dear Shareholders,

The global economic uncertainty that we saw in 2014 persisted in 2015, with declining oil and commodity prices and weaker growth in China, while the Indonesian Rupiah weakened against major currencies and GDP slowed down. We are fortunate that despite those challenges, Telco industries remained resilient, and Telkomsel achieved revenue growth of 14.8% YoY. We also recorded double digit growth in EBITDA and net income with 14.4% and 15.4% YoY growth, respectively. In a saturated market like Indonesia, this revenue achievement was exceptional as the last time Telkomsel's revenue growth was higher than 14.8% was back in 2007.

We can attribute the successes we enjoyed in 2015 to the successful execution of our transformation initiatives. The foundation we have laid in our transformation journey has enabled us to be resilient and better equipped to face tough competitive challenges. This is an ongoing process and each year we are focusing on different programs around our DNA (Device-Network-Application) strategy. For 2015, the focus was on the execution of three masterpiece programs that formed part of "Telkomsel WOW! A Great Experience", which consist of Digital World, Great Payment Experience, and True Broadband Experience (TrueBEx).

We are in the early stage of LTE deployment in Indonesia and our 4G deployment strategy is on a demand basis, taking into account 4G handset penetration in the key broadband cities as well as data traffic concentration. Within 12

months of rolling out 4G we now have coverage in 14 major cities, with 2.2 million users and almost 1,800 BTS. At the moment we do not have data pricing differentiation between 3G and 4G as our focus is currently to educate, migrate and stimulate usage in 4G. On average, 3G data users consume 700MB/month and when they migrate to 4G the usage increase is up to 4x higher, providing us with significant ARPU uplift.

In his remarks, our President Commissioner identifies changes in regulatory policies and spectrum as key highlights in 2015. It is true that the industry as a whole, as well as Telkomsel, benefited from some of these changes. We completed the migration of 1.4 million Flexi customers from Telkom and in the midst of taking over 7.5 MHz spectrum in 850 MHz. In November 2015, we successfully completed the spectrum rearrangement exercise in 1800 MHz, which started in regions outside Java and finally concluded in the greater Jakarta region (Jabodetabek).

Post rearrangement, Telkomsel has contiguous 22.5 MHz in the 1800 MHz spectrum and with technology neutrality we now have flexibilities in our 4G expansion. We are looking forward to more developments in 2016, especially in terms of the full asymmetric interconnect regime, network sharing, new spectrums in both 2100 MHz and 2300 MHz as well as technical trial of Project Loon with Google. Our loyalty program, Telkomsel POIN, has helped to create stickiness and improved our churn rate, and with SIM card registration in place we are confident that churn rate will decrease even further.

Financial and Operational Results

For the fourth consecutive year, our revenue, EBITDA and net income registered double digit growth, at 14.8%, 14.4% and 15.4% YoY, respectively. Our revenue surpassed the 70 trillion mark to reach Rp76.1 trillion due to the successful execution of our transformation and key masterpiece initiatives. Our revenue mix is steadily moving towards the Digital Business (29.5% of revenue vs 23.6% a year ago) despite stronger than expected growth in legacy (Voice and SMS) revenues.

While we have started to see the impact of the cannibalization of the Digital Business on SMS traffic (-15% YoY), we are encouraged by the many positives in our key performance indicators. Bucking the global trend, our voice revenue growth of 10% YoY was driven by strong traffic growth rather than price increases. Despite aggressively migrating customers from Pay As You Use to data packages, our data yield has been stable since Q2-15 at Rp39/MB. Our smartphone users increased +53% YoY, while data traffic was up 110%, resulting in data revenue of +44% YoY. With SIM card penetration at >130%, we added 12.1 million new customers to bring the total to 152.6 million subscribers, while concurrently growing ARPU by 11% YoY. While all these positives bode well for our attempt to sustain our performance in 2016, many other factors will have a big influence, including the competition remaining rational, a stable and conducive regulatory environment, and an improvement in macroeconomic conditions.

In our efforts to maintain our competitive advantage, continue to lead in network supply, and aggressive deployment in costlier regions outside Java to achieve nationwide coverage while concurrently managing cost inflation and the depreciating Indonesian Rupiah, our expenses growth inevitably remained high and in line with our growth in revenue. Internally, we consistently strive for cost leadership initiatives, and in 2015 we successfully negotiated a lower equipment price for radio access as well as a significant reduction in the BlackBerry access fee. As a result, we were able to grow our EBITDA and net income by 14.4% to Rp42.6 trillion and 15.4% to Rp22.4 trillion, respectively. Our EBITDA and net income margins were relatively stable and within our guidance, at 56.0% and 29.4%, respectively.

We crossed the 150 million customer threshold and reached the milestone of 100,000 BTS in 2015, with more than 50% of our BTS now being 3G/4G. Going forward, our deployment will mostly focus on 3G/4G, not just from a population coverage perspective, but also to improve quality and capacity in existing coverage areas. It is increasingly hard to find daily tasks and activities that have not been catered for by applications on our mobile devices, from lifestyle apps for the consumption of music, video, games and news and staying in touch through chat applications and social media, to logistics, shopping and online payments. With a strong 3G/4G network, we are providing a stable platform for our subscribers to connect to their digital lives.

Transformation is an Ongoing Process

To ensure that Telkomsel is moving towards becoming a Digital Company, we have put in place our transformation strategies. This transformation journey is a continuous process that touches on all aspects of our business, people, organization and corporate culture to help us reach our medium-term goals.

In terms of the Business Transformation, the three masterpiece programs we focused on in 2015 were Digital World, Digital Payment and TrueBEX. In Digital world, we aimed to differentiate Telkomsel as a leading Digital Company and champion of the digital lifestyle in Indonesia, with an end-to-end ecosystem for local apps developers to showcase their digital innovations. In Digital Payment, we relaunched the TCASH Tap, which allows our subscribers to tap and pay using their mobile devices, based on NFC technology. In TrueBEX, we focused on improving our network quality and data service in 30 key Broadband Cities and 1,000 POIs all over Indonesia.

“For the fourth consecutive year, our revenue, EBITDA and net income registered double digit growth, at 14.8%, 14.4% and 15.4% YoY, respectively.”

With regard to the Organization, People and Corporate Culture transformation, we focused on three pillars in 2015: **Digital Ready Organization Transformation Jumpstart**, **People's Digital Built-in Capabilities Development**, and **Living The Telkomsel Way & Nurture Digital Ready Leadership**.

Digital Ready Organization Transformation Jumpstart is based on an awareness that for growth to be sustained, it has to be both organic and inorganic. It was therefore important for Telkomsel to establish a Strategic Investment unit to evaluate inorganic growth potential.

With People's Digital Built-in Capabilities Development, we recognize that as we are transforming into a Digital Company, it is imperative to build up our technical capabilities and mindset in the Digital Business, especially in the areas of Machine to Machine, Mobile Financial Services, Big Data Analytics, Application Programming Interface, Mobile Advertising, Digital Lifestyle and so on.

Living The Telkomsel Way & Nurture Digital Ready Leadership is rooted in the Telkomsel Way as a belief system and a reference on conduct and ethics for everyone in Telkomsel. Four key The Telkomsel Way programs we implemented in 2015 were Culture Entropy Survey, Change Agents and Culture Leaders, Kompor Budaya and the Telkomsel Culture Festival.

The successful implementation of our transformation initiatives will ensure that Telkomsel continues to lead and shape the telecommunications industry in Indonesia.

Acknowledgement

People are our greatest asset. On behalf of the Board of Directors, I would like to convey our sincere gratitude and appreciation to everyone at Telkomsel for our achievements in 2015. However, despite our success, there is no time to rest on our laurels as 2016 will be an even more challenging year. I hope, as we move into our new corporate office at TSO (Telkomsel Smart Office), that we can foster greater collaboration, openness and sharing in the spirit of First, Fastest, Finest.

We benefited immensely from the guidance and insights of our Board of Commissioners, and synergies with our shareholders. Last but not least, our thanks go to all our customers for their continued trust in the Telkomsel brand and network.

Sincerely yours,



RIRIEK ADRIANSYAH
President Director

Profile of the Board of Commissioners



from left to right:
YUEN KUAN MOON, Commissioner
EDWIN HIDAYAT ABDULLAH, Commissioner
DIAZ HENDROPRIYONO, Commissioner
HERI SUNARYADI, Commissioner
PAUL DOMINIC O' SULLIVAN, Commissioner
ALEX J. SINAGA, President Commissioner





Alex J. Sinaga
President Commissioner

Mr. Alex J. Sinaga has been President Commissioner since January 2015 and his appointment to the Board was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 31 December 2014. He is currently also the President Director of PT Telekomunikasi Indonesia Tbk (Telkom).

Prior to this, he held various strategic positions within Telkom Group including as President Director of Telkomsel, President Director of TelkomMetra (a subsidiary of Telkom that operates as a strategic investment company focusing on Information, Media, Edutainment and Services) and President Commissioner of PT Sigma CiptaCaraka (telkomsigma). Mr. Sinaga has built a 29-year career in Telkom and served in various positions, including as an Executive General Manager in the Wireless Division, where he successfully guided the CDMA business to its position as market leader, as well as the Executive General Manager of the Enterprise Service Division.

Outside of the Telkom Group, Alex J. Sinaga has also held several prestigious positions including as the Chairman of Indonesian Cellular Telecommunication Association (ATSI) from 2012 to 2014 and also as an executive member of the Indonesia Chamber of Commerce (KADIN) for England-Europe in the field of Information, Communication and Technology (ICT).

He holds a degree in Telecommunications Electronic Engineering from the Bandung Institute of Technology (ITB) and a Master's degree in Telematics from the University of Surrey, Guildford, United Kingdom.

He won the Best Achiever award on Telkom's Leadership Course (SUSPIM) and was also honored with Satyalancana Wira Karya and Satyalancana Pembangunan medal from the Government of Indonesia.



Mr. Heri Sunaryadi has been a member of the Board of Commissioners of Telkomsel since January 2015 and his appointment to the Board was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 31 December 2014. Mr. Heri Sunaryadi has also been the Director of Finance at PT Telekomunikasi Indonesia since December 2014.

Prior to this, he held various strategic positions, including President Director of PT Kustodian Sentral Efek Indonesia (2013-2014), President Director and CEO of PT Bahana Pembinaan Usaha Indonesia (2009-2013), and President Director of PT Bahana Securities (2007-2009). He has a great deal of experience as a Commissioner, having been President Commissioner of PT Bahana Securities (2009-2014), a Commissioner of PT Sarana Jatim Ventura, and a Commissioner of PT Mitra Tani Dua Tujuh.

He holds a Bachelor's degree from Bogor Agricultural University.



Mr. Yuen Kuan Moon has been serving on the Board of Commissioners since September 2009. His latest appointment was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. Mr. Yuen Kuan Moon was appointed as Singtel's Chief Executive Officer, Consumer Singapore on 1 April 2012. He is responsible for leading the Singapore consumer business to deliver a complete and integrated suite of services, including mobile, broadband, TV and fixed line solutions to consumers.

Mr. Yuen also took a long-term assignment at Telkomsel from 2003 to 2007, which included a term as Commerce Director from 2005 to 2007. He has established a strong track record in the telecommunications industry since starting his career at Singtel in 1993.

He is an Engineering graduate with a First Class Honors degree from the University of Western Australia and the holder of a Master of Science degree in Management from Stanford University in California, USA (Sloan Program).



Diaz Hendropriyono
Commissioner

Mr. Diaz Hendropriyono has been a member of the Board of Commissioners of Telkomsel since January 2015. His appointment to the Board was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 31 December 2014. He is currently a Special Advisor on Politics and Intelligence at the Coordinating Ministry for Political, Legal, and Security Affairs, Republic of Indonesia.

Prior to this, he served in other strategic positions, including as a member of the Strategic Analysis Council at Indonesia's State Intelligence Agency, Director of Operations at PT Andalusia Andrawina, and briefly as a research associate at RAND Corporation, the US-based global think tank. He has a keen interest in social and political activities, and is the founder of volunteer organization Kawan Jokowi.

He holds a Bachelor's degree in Management from Norwich Military University, a Master of Business Administration degree from Hawaii Pacific University and a Master's in Public Administration from Virginia Tech. He is also an alumni of Indonesia's National Resilience Institute (Lemhannas PPRA XLIX), and is currently a PhD candidate in Public Administration at Virginia Tech.



Paul Dominic O'Sullivan
Commissioner

Mr. Paul Dominic O'Sullivan has been a Commissioner of Telkomsel since January 2010 and his latest appointment was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. Since 7 October 2014, he has also been serving as Chairman of Optus. Paul is a Board Director of Healthscope, one of Australia's leading Private Healthcare operations; a Board Member of the St George and Sutherland Medical Research Foundation and a member of the Advisory Board of the UNSW Bright Alliance.

Paul was previously CEO of Singtel Group Consumer from 2012-2014, where he was responsible for the wholly owned operations in Singapore and Australia, as well as Singtel's investments in Thailand, India, Africa, the Philippines and Indonesia. Paul was CEO of Optus from September 2004 to March 2012, during which time Optus experienced strong growth including 18 quarters in a row of EBITDA growth and 7 consecutive half years of mobile revenue share gain. Paul previously held senior positions within Optus including Chief Operating Officer and Managing Director of Optus Mobile. He has also worked in various international management roles at the Colonial Group and the Royal Dutch Shell Group in Canada, the Middle East, Australia and the United Kingdom.

He holds a BA (Mod) Economics from Trinity College, University of Dublin and is a graduate of the Advanced Management Program of Harvard University, USA.



Edwin Hidayat Abdullah
Commissioner

Mr. Edwin Hidayat Abdullah has been a member of the Board of Commissioner of Telkomsel since October 2015, pursuant to the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 7 October 2015. He has served as Deputy for the Energy, Logistics, Regional and Tourism sectors at the Ministry of State Owned Enterprises since 2015.

Prior to this, Mr. Edwin Hidayat Abdullah has also been an Independent Commissioner at PT Bumi Serpong Damai Tbk (2004-2015), Business Development and Investment Director in PT Global Perkasa Investindo (2010-2015) and Commissioner at PT Gas Resources Industrindo (2011-2015). He continues to serve a number of public companies as an independent audit committee member, namely PT Bank Sinarmas Tbk (2006-2015), PT Bumi Serpong Damai Tbk (2013-2015), PT Duta Pertiwi Tbk (2013-2015) and PT Golden Energy Mines Tbk (2012-2015). Mr. Edwin Hidayat Abdullah also held various strategic positions as an advisor, president director and president commissioner at a number of local companies, and joined the Indonesian Banking Recovery Agency (IBRA) in 1999, where he eventually became Chairman of Office, Chief of Staff to the Senior Vice President (2003-2004). He also worked with the United Nations World Food Programme from 1998 to 1999 as a Food Aid Monitor, with responsibility for monitoring and evaluating the disaster relief program. He is also still an active member of two non-profit organizations, namely the Eka Tjipta Foundation and the Sahabat Silat Foundation.

He earned a degree in Economics Studies from the Faculty of Economics, University of Gadjah Mada (UGM), Yogyakarta, in 1995, and a Master of Public Management degree from the Lee Kuan Yew School of Public Policy, NUS, under the Lee Kuan Yew Fellowship Programme in Singapore and the USA in 2005. He has also participated in various competency development programs, including the IDEAS Fellow program at the Sloan School of Management, Massachusetts Institute of Technology, USA (2008-2009).

Profile of the Board of Directors



from left to right:
NG SOO KEE Director of IT
HERI SUPRIADI Director of Finance
RIRIEK ADRIANSYAH President Director
ALISTAIR D. JOHNSTON Director of Marketing
PRIYANTONO RUDITO Director of Human Capital Management
EDWARD YING SIEW HENG Director of Planning and Transformation
MAS'UD KHAMID Director of Sales
SUKARDI SILALAH Director of Network





Ririek Adriansyah
President Director

Mr. Ririek Adriansyah was appointed as Telkomsel's President Director since January 2015, pursuant to the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 31 December 2014.

He has held various positions in PT Telekomunikasi Indonesia (Telkom) and Telkom Group since 1990. Prior to joining Telkomsel, he was appointed as Director of Wholesale & International Service at Telkom in May 2012, and has also served as President Director at PT Telekomunikasi Indonesia International (Telin), a subsidiary of Telkom (2011-2012), Director of Marketing & Sales at Telin (2010-2011), Director of International Carrier Service at Telin (2008-2010) and Deputy Executive General Manager of the Infratel Division at Telkom (2004-2008).

He holds a degree in Electronic Engineering from the Bandung Institute of Technology (ITB).



Heri Supriadi
Director of Finance

Mr. Heri Supriadi has been serving as Director of Finance of Telkomsel since May 2012. His latest appointment to the Board was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. He is responsible for the overall finance and procurement functions.

Prior to joining Telkomsel, he was President Director of PT Telkom Property (2010-2012) and has held several important positions at PT Telekomunikasi Indonesia Tbk such as Vice President of Investor Relations and Corporate Secretary (2009-2010), Vice President of Subsidiary Performance (2007-2010), Assistant Vice President of Subsidiary Performance (2007) and Assistant Vice President of Funding and Debt Management (2006-2007).

He graduated with a Bachelor's degree in Industrial Engineering from Bandung Institute of Technology (1991) and has a Master's degree in Business Administration from Saint Mary's University, Halifax, Canada (1997) and a Doctoral degree in Business Management from Padjadjaran University, Bandung (2013). In 2015, he attended two executive education programs at Harvard Business School in Boston, i.e. "Making Corporate Boards More Effective" and "Audit Committees in a New Era of Governance".



Mr. Ng Soo Kee has been serving as Telkomsel's Director of IT since May 2012. His latest appointment to the Board was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. He has amassed 38 years of experience in the information technology (IT) industry, including 16 years as CIO in various telecommunication companies in Belgium, the Philippines, Australia, Singapore and Indonesia.

Prior to joining Telkomsel in March 2012, he served as Chief Information Technology Officer (CIO) at Singapore Telecommunications (Singtel) Singapore Operations (2007), CIO at Singtel Optus (2004), Head of Information Systems-Consumer at Singtel Mobile (2001), Project Director (Pegasus) at Singtel Singapore Operations (2000), CIO of Global Telecoms, the Philippines (1998), and Assistant CIO of Belgacom, Belgium (1996). While at Singtel, he also served as Division Manager (Mobile Computing Support) (1994), Division Manager (Network Services/IS Plan and Product Development) (1992), Manager (Customer Service Applications) (1989), and member of the IIPL-Telecoms Commercialization Task Force (1988), and have held various engineering positions since joining the company from 1975 until 1984.

He holds a Bachelor's degree in Electrical Engineering from Taiwan National University (1970) and a Master of Science degree in Computer Engineering from the University of Manchester, United Kingdom (1972).



Mr. Priyantono Rudito was appointed as Director of Human Capital Management since January 2015, with his appointment to the Board confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 31 December 2014.

Prior to this, he was Telkomsel's Commissioner since May 2012. Since joining PT Telekomunikasi Indonesia Tbk in 1991, he has served in various management and marketing positions, including Chairman of Telkom Australia (2013-2015), Director of Human Capital Management (May 2012), VP for Corporate Strategic Planning (2011-2012) and VP for Marketing & Consumer Care (2007-2011). He has also held several human capital development-related positions within Telkom such as lecturer at the Telkom University (Tel-U) and Representative on the HR Council for Singtel, Telkomsel and Telkom, and has served as both Chairman of the FHCI (Forum Human Capital Indonesia) and President of the ISCLO Scientific Committee (International Seminar & Conference on Learning Organization).

He holds a Bachelor's Degree in Industrial Engineering from Bandung Institute of Technology (1991), a Master's Degree in Business (Marketing) (1997) and a Doctoral Degree in Management (2011) from Australia.

He was awarded as The Winner of Asia Best Employer Brand Awards and The Contributor to HR Community on THE ASIA HRD AWARDS in 2015. He was a recipient of Government Special Award, Satyalancana Wira Karya from the President of Republic Indonesia in 2013. He was also named Best Achiever on the Telkom Orientation Program (1991) and Best Achiever on several Telkom Leadership Courses: SUSPIM IV (1991), SUSPIM III (2004) and SUSPIM (2006).



Edward Ying Siew Heng
Director of Planning and
Transformation

Mr. Edward Ying Siew Heng has held the position of Director of Planning and Transformation since May 2012. His latest appointment to the Board was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. He is now responsible for leading the Digital Services as well as developing Strategic Plans and Transformation.

Prior to this, he has served as Director of Commerce of the Company since November 2011. He has vast leadership experience in the telecommunication industry, particularly in the telephony, entertainment and content business, across many countries. From 2008 to 2011 he was Chief, Multimedia Group at Singtel, where he successfully led the company to a leading position in the local content, media landscape and Pay TV businesses. He also served as COO of Maxis Communications, Malaysia's largest mobile operator (2003-2008), with primary responsibility for developing the multimedia content business, particularly mobile-related content and was Chief Operating Advisor and a member of the Board of Globe Telecom in the Philippines from 1996 to 2003. He has also served as Chairman of Metraplasa, a joint venture company between PT Telekomunikasi Indonesia & eBay, from January 2013 until December 2015. From 1995 to 1996, he served as Managing Director at Cambridge Cable Group Pay TV Business in the UK.

He graduated with a degree in Marketing from the Institute of Marketing, United Kingdom (1987), holds a Diploma in Sales and Marketing from the Marketing Institute of Singapore (1985) and attended the General Management Program at the National University of Singapore in 1984 and the International Executive Program at INSEAD, Fontainebleau, France (1996). In 2015, he attended executive program "The Corporate Entrepreneur - Driving Innovation and New Ventures (TCE)" at Stanford Graduate School of Business in California.



Sukardi Silalahi
Director of Network

Mr. Sukardi Silalahi was appointed as Director of Network since January 2015 with his appointment to the Board confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 31 December 2014.

He has been with Telkom since 1991 and prior to his appointment to Telkom's Board of Directors, he served as Director of Consumer Service at Telkom (May 2012), Executive General Manager of Consumer Service, East Division (2011-2012), Deputy Executive General Manager of Consumer Service, West Division (2010-2011), Executive General Manager of Region VI, Kalimantan Division (2008-2010) and Deputy Executive General Manager of the Fixed Wireless Network Division (2007- 2008). In 2013, he was appointed as Community Director of BUMN (State-Owned Enterprise) Marketers' Club.

He holds a Bachelor's Degree in Civil Engineering from the Bandung Institute of Technology (ITB). He attended International Business Management Training in Sweden and High Performance Boards Training at IMD in Switzerland. He is currently taking his MBA at University of Gadjah Mada, Indonesia.

He was awarded as The Best BUMN on Marketing in 2013 and The Best Service Provider of The Year 2013. He was a recipient of Government Special Award, Satyalancana Pembangunan from the President of Republic Indonesia in 2013.



Mas'ud Khamid
Director of Sales

Mr. Mas'ud Khamid has served as Telkomsel's Director of Sales since May 2012, and his latest appointment was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. He is also the President Commissioner of PT Metra Digital Media (MD Media). Some of his biggest achievements in Telkomsel include acting as Chief of CRM Transformation, leading the successful implementation of the CRM System (2013-2014), leading the successful rollout of LTE/4G in Telkomsel while acting as Chief of LTE/4G.

Prior to this, he served in various strategic positions within Telkom Group in the Network and Corporate Customer divisions, and as Head of CDMA Cellular Business. He was also a member of the Board of Commissioners of TelkomMetra and Executive General Manager of Telkom Flexi Division.

The holder of Degree in Physical Engineering (Instrumentation & Control) from Sepuluh Nopember Institute of Technology (ITS), Surabaya (1989), he has participated in both local and international training programs, among which were the Kellogg Senior Executive Program in Bangkok (2006) and the Kellogg Advanced Global Senior Executive Program at Northwestern University (2009). In 2015, He attended two executive program at Harvard Business School in Boston, i.e. "Making Corporate Boards More Effective" and "Audit Committees in the New Era of Governance".

During his career, he has received a number of awards, such as Best Outperforming in Division V (2008) and Division II (2009-2010) from Telkom's President Director. With his vast leadership experience in operations and particularly in sales, network and business, he succeeded in making Telkomsel Number One in the world for Managing Customer Care through Social Media via Twitter, according to Socialbakers (Global Social Media Analytics) from Q4 2013 to Q4 2014. In May 2015, he led Telkomsel to win "The Socially Devoted Award" from Socialbakers in Prague for being the most responsive on social media in 2014.



Alistair D. Johnston
Director of Marketing

Mr. Alistair D. Johnston has served as Telkomsel's Director of Marketing since August 2012 and his latest appointment was confirmed by the Resolutions of the Shareholders of PT Telekomunikasi Selular dated 1 April 2014. He has been a Director at Singtel, International since June 2012. He joined Telkomsel in August 2012.

Prior to joining Singtel, Mr. Alistair D. Johnston served as Group Chief Marketing Officer at Augere, Dubai (2010 - 2012), Telefonica O2, UK (2007-2010), where he served as Head of Prepay, Head of Online and Marketing Director. He has vast experience in the telecommunication industry, including a stint in Orange UK (2004-2007), various senior positions at British Sky Broadcasting, UK (2003-2004), Virgin Group in the United Kingdom, Australia and Singapore from 1998 and Andersen Consulting where he began his career.

He holds a degree in Modern History from Oxford University, United Kingdom.



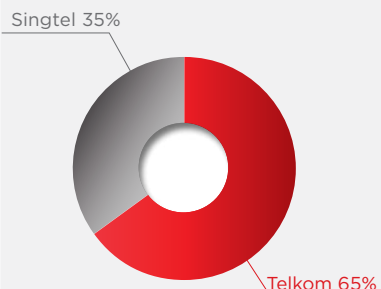
**We're TRANSFORMING
to a DIGITAL Company**

Company at a Glance



Telkomsel in Brief

Share in the Company



Telkomsel started operations in 1995, and within 20 years has established itself as the leading cellular operator in Indonesia, with more than 152 million customers, 103,000 BTS as well as more than 4,900 employees operating in 11 regions across Indonesia. Our go-to-market brand for postpaid customers is kartuHalo, while for prepaid customers, who account for almost 98% of our base, we have three different brands targeted at different customer segments: *simPATI*, Kartu As and LOOP.

Telkomsel is the subsidiary of PT Telekomunikasi Indonesia Tbk (65%) and Singapore Telecom Mobile Pte Ltd (35%). We have the country's widest network coverage, with an estimated 2G population coverage of around 99% and 3G population coverage of around 65%. In 2015, we deployed almost 18,000 new Base Transceiver Stations (BTSs), of which 89% were 3G/4G-based. Telkomsel was the first operator to commercially market the 4G LTE technology in Indonesia and by the end of 2015 we

had coverage in 14 key cities with 2.2 million LTE users.

The telecommunication industry in Indonesia is undergoing change, with many new initiatives introduced in 2015 or expected by 2016. These include the important 1800 MHz spectrum rearrangement that was completed successfully in November 2015; SIM card registration; the asymmetric interconnect regime; network sharing; and the addition of new spectrum in 2100 MHz and 2300 MHz.

To ensure that we maintain our competitive edge and to be able to continue to lead and shape the industry, we have to undergo our own transformation from traditional Telco to Digico. Telkomsel has been repositioning the company to transform the business, organization, culture and people so that we are ready to capture the opportunities in the Digital Business and to stay ahead in the industry. As part of this transformation, we execute three key masterpiece programs each year and for 2015 the focus was on Building a Digital World, Great Payment Experience and TrueBEx (True Broadband Experience).

For our organizational transformation, we started end-to-end Digital Business organization and area empowerment by relocating almost 60% of our key employees to Areas and Regions to be better able to capture business opportunities and adapt to changing market dynamics. In Culture and People, we have started to explore and exploit new

business enablers and opportunities that will subsequently form part of the new business foundation through improvement in our core competencies, widening our mindset and developing a digital culture within the organization. In this regard, everyone at Telkomsel is called upon to adopt a new way of thinking and working: 'Go Beyond Performance'. To achieve 'Go Beyond Performance', all Telkomsel people are expected to possess a self-renewable DNA mindset. In support of this, the Human Capital Management directorate is executing transformation enablers through three key development pillars: Digital Ready Organization Transformation Jumpstart, People's Digital Built in Capabilities Development and Living The Telkomsel Way & Nurture Digital Ready Leadership.

We are committed to making this transformation into a Digital Company a success, to connect our customers and bring their digital lives online. The key indicators in our Digital Business are strong, with revenue growth at +43.5%, supported by strong growth in payload at +109.6% YoY, 3G/4G capable devices +52.7% YoY and Digital Services at +39.2%, with data yield showing signs of stabilizing in 2H 2016. We believe there are still tremendous growth opportunities from the Digital Business as 60% of our base is still using 2G and feature phones, many of the existing data users are still on PAYU (Pay As You Use) and Indonesia still has among the lowest data prices in the region.

Share Ownership History

1995

Telkomsel was established by Telkom and PT Indosat.

1996

KPN Netherlands (KPN) and PT Setdco Megacell Asia (Setdco) acquired stakes in Telkomsel of 17.3% and 5%, respectively.

2001

Telkom increased its ownership to 77.7%, in an acquisition deal over Indosat's shares. KPN and Setdco sold their shares to Singapore-based Singtel Mobile.

2002

Singtel increased its ownership by 12.7%, bringing its total ownership in Telkomsel to 35% and leaving Telkom's ownership at 65%.

Key Products and Services

kartuHalo



Positioned as the postpaid brand of choice amongst the professionals and corporate customers segments. kartuHalo provides an unparalleled suite of full mobile services and exclusive privileges.

We expanded our kartuHalo brand to embrace the youth segment and positioned kartuHalo as the coolest and best value postpaid card for young professionals.

simPATI



Positioned as the prepaid brand for the savvy middle class segment, *simPATI* is Telkomsel's award winning lifestyle prepaid brand. *simPATI* continued to offer an exciting range of innovative packages and campaigns to drive demand for mobile data.

Kartu As



Positioned as an 'Affordable, Value Prepaid Brand', Kartu As is Telkomsel's most popular prepaid brand which offers the best value to our customers.

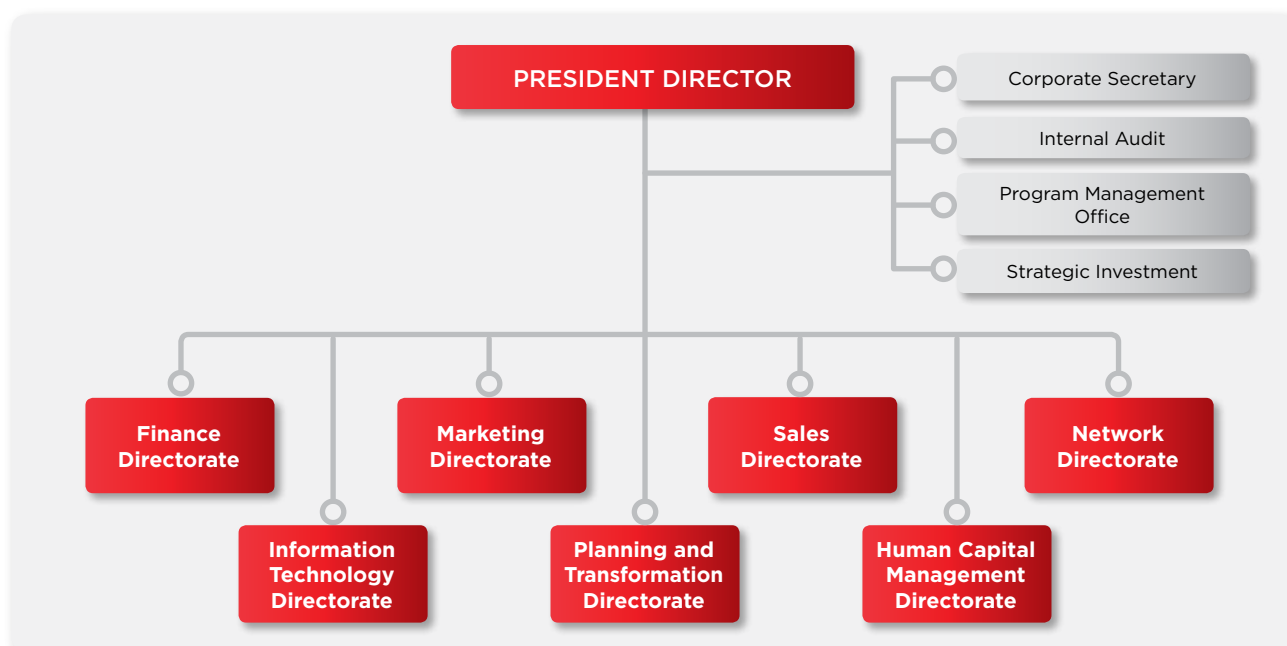
LOOP



Officially launched on 9 March 2014, LOOP is Telkomsel's new prepaid brand, targeted at the youth segment. With the tagline "Ini KITA" (This Is Us), LOOP gives a youthful impression with its brand proposition "being better together", and its focus on offering attractive Data and Digital Services.

Organizational Structure

BOARD OF COMMISSIONERS



Milestones


1995

- Telkom and PT Indosat established Telkomsel.
- Launched kartuHalo postpaid service.


1997

- Offered mobile telecommunication services to all 27 provinces.
- Launched *simPATI* Nusantara as the first prepaid service in Asia.


2005

- Our Call Center acquired ISO 9001:2000 certification.
- The launch of Mobile Banking ATM services.


2006

- The first commercial launch of 3G network services in Indonesia.


2007

- Introduced push email services.
- Rolled out of HSDPA (High Speed Downlink Packet Access) and Telkomsel Flash service
- Launched TCASH to facilitate mobile financial transactions.


2011

- Surpassed the target of 100 million subscribers which positioned Telkomsel as the world's seventh largest telecommunication operator by customer base.
- The inauguration of Indonesia's first Research & Development Facility for cellular technology.
- The introduction of Tap Izy, Indonesia's first mobile contactless payment system that turns mobile phone into an electronic wallet.


2012

- The introduction of the first Seamless Mobile Wi-Fi to Indonesian customers for transferring automatically from a 2G/3G network connection to a Wi-Fi network to access high-speed data.
- Surpassed 125 million customer base and reinforced Telkomsel's position as the nation's largest licensed cellular provider by customer base.

2002

- Kicked off mobile data services, including WAP over GPRS (General Packet Radio Services), MMS (Multimedia Messaging Services), and content services.

2003

- The first commercial launch of international roaming services to Indonesian prepaid customers.

2004

- The introduction of a secure mobile-to-mobile prepaid top up system.
- Joined regional mobile alliance (Bridge Alliance) for enhanced customer benefits.
- Launched Kartu As prepaid service.

2008

- Became the Pioneer in renewable energy powered BTS in Asia.
- The launch of Indonesia's first mobile voice and data services for PELNI ships on the open ocean.

2009

- The launch of HSUPA (High Speed Uplink Packet Access) broadband network based services.
- Kicked off Desa Dering Program to provide telecommunications access for over 25,000 villages.

2010

- The first to trial the implementation of Long Term Evolution (LTE) network broadband technology in Indonesia.
- The introduction of Indonesia's first Mobile Newspaper services.

2013

- The launch of Masterpiece, a program that included 268 units of mobile GraPARI, the establishment of 268 mobile Broadband Cities, 68 applications from local developers to support the development of digital creative industry.
- The launch of 450 units of Compact Mobile Base Station (COMBAT).
- Successful LTE trial during APEC 2013.
- Surpassed Rp60 trillion in revenue.

2014

- Telkomsel launched Masterpiece programs: CRM, M2M and Winning The Youth.
- Telkomsel & Telkom reached agreement on Conditional Business Transfer Agreement (CBTA) to utilize Flexi's spectrum.
- Telkomsel became the first to commercially launch 4G LTE in Indonesia.
- Telkomsel achieved triple double digit growth in Revenue, EBITDA and Net Income for 3 consecutive years.

2015

- Telkomsel launched 3 Masterpiece programs: Digital World, Great Payment Experience and TrueBEX (True Broadband Experience).
- Completed spectrum re-arrangement in 1800 MHz, and launched LTE in 14 cities with 2.2 million LTE users.
- 4th consecutive years of Triple Double-Digit growth in Revenue (+14.8% YoY), EBITDA (+14.4% YoY) and Net Income (+15.4% YoY). Highest YoY revenue growth since 2007.
- Exceeded 100 Thousand BTS and 150 million customer base.
- Achieved Triple 3 Strategy, with Enterprise Value > Rp300 Tn, 3 Year Cumulative Revenue 33%, and Digital Business Contribution 33% of Revenue which was achieved in Q4-15.

We're ADVANCING your modern LIFESTYLE with DIGITAL APPS



Business Review



Vision and Mission

Vision

Be a world-class, trusted provider of mobile digital lifestyle services and solutions.

Mission

Deliver mobile digital services and solutions that exceed customers' expectations, create value for our stakeholders, and support the economic development of the nation.

Corporate Strategy in Brief

2015 was the third and final year in the execution of our medium-term objectives, the ambitious Triple 3 goals over three years that we started in 2013. With the Triple 3 goals, we set out to grow cumulative revenue by 33% over three years, achieve an enterprise value of Rp300 trillion, and achieve a Digital Business contribution of 33%.

In terms of cumulative revenue of 33% over 3 years, we surpassed the target with a cumulative growth of 39.5% (+10.1% YoY in 2013, +10.4% YoY in 2014 and +14.8% YoY in 2015). In terms of Enterprise Value, we surpassed the target with Enterprise Value of Rp330 trillion by end of 2015. In terms of 33% contribution from Digital Business, we achieved 33% contribution in Q4 2015. Although the Digital Business exceeded the internal target we set, we could only achieve a 33% contribution in Q4 2015 due to the stronger than expected performance in Voice and SMS, which grew 10.1% and 4.6% YoY respectively and bucked the industry trend.

The achievement of our medium-term strategy (Triple 3) keeps us on the right track towards our transformation to Telkomsel 2.0, from Telco to Digico, as well as achieving our 5-Year Corporate Strategy Plan to ensure growth sustainability over the long term. Telkomsel has set five growth strategies: 1. Exploiting the legacy business; 2. Strengthening the core business (data); 3. Triggering the Digital Services ecosystem; 4. Driving investment in innovation; 5. Acquiring selectively as part of the parents' group strategy. These growth strategies are expanded into 10 different strategic initiatives that cover all aspects required for the realization of the 5-Year Corporate Strategy Plan. Telkomsel is on track on all of these with the exception of inorganic acquisition, which will be done selectively through synergy with our parents' group strategy.

Transformation Program

It has been three years since we launched our transformation program in 2012, which was designed to ensure the successful execution of our long-term growth strategy. This transformation program is known as Telkomsel 2.0, in which we are committed to transforming our business, organization, people and culture to meet our strategic objectives and anticipate dynamic shifts in the market.

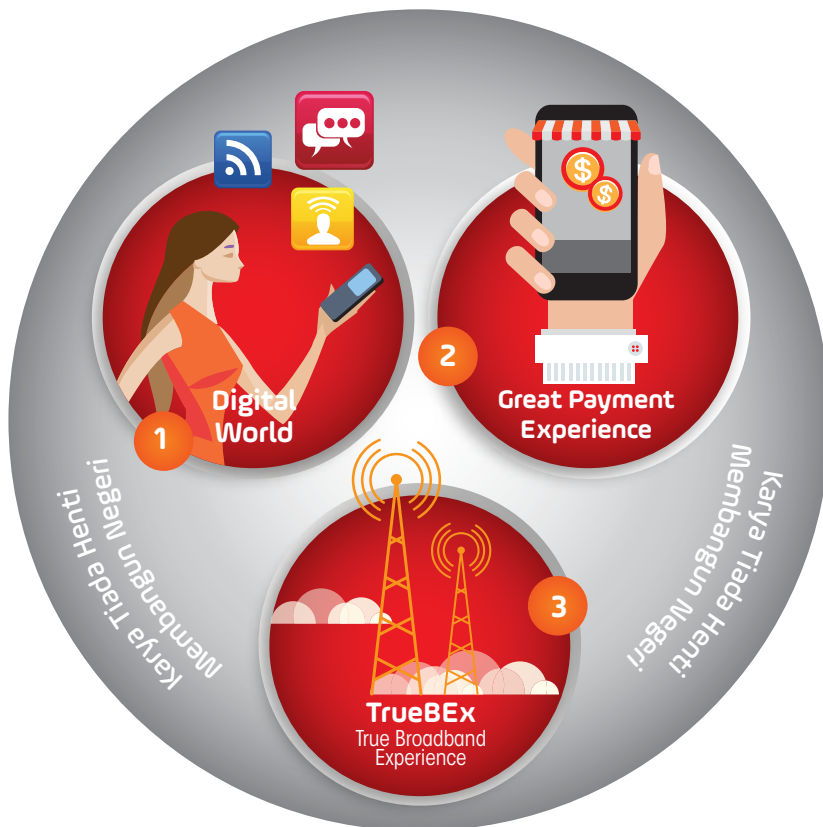
In terms of the business transformation, we are focusing on the DNA (Device-Network-Application) ecosystem. DNA is our core transformation in the Data and Digital businesses, enhancing innovation and quality in delivering services to customers. For Device, we established strategic partnerships with device manufacturers to drive smartphone penetration and lower handset costs through many exclusive bundling programs. We are driving internet education through our customer touchpoints, and worked with our distributors to set up 19 Smartphone Corners in 10 cities. For Network, we rolled out LTE in 14 cities and completed the spectrum re-arrangement in 1800 MHz while maintaining our lead in network supply with almost 18,000 new BTS in 2015. For Application, we continued our annual Digital Creative Indonesia competition, The NextDev 2015, on the theme of WOW Smart City, with the main objective to stimulate digital innovation in Indonesia.

In terms of the organizational transformation, we focused on building a Digital Ready Organization through three key programs: Transformation Jumpstart, People's Digital Built in Capabilities Development and Living The Telkomsel Way & Nurture Digital Ready Leadership. We also continued with our area empowerment initiatives and by end of 2015 almost 60% of our 4,900 employees are located in areas and regions across Indonesia.

For our people transformation, we are focusing on improving our capabilities in the Digital Business and with a digital mindset. Employee development programs were focused on improving technical and business competencies for the Digital Business, especially in the area of machine to machine, mobile financial services, big data analytics, application programming interface, mobile advertising, digital lifestyle and so on. Core competencies have been refined to be more customer-oriented, people-nurturing and execution-focused with the aim of ensuring that everyone at Telkomsel continuously strives to be more customer-oriented and precise in executing the Company's goals and objectives, and is capable of becoming a change leader. In this way we are ensuring that quality talent is available and ready to be deployed in our future Digital Services.

Through our culture transformation, we aim to entrench the Telkomsel Way deeply in our everyday lives and nurture digital-ready leaders. The four key programs in 2015 were Culture Entropy Survey, Culture Leaders and Change Agents, Telkomsel Culture Festival and Kompiler Budaya.

Telkomsel Masterpiece 2015



Digital World

To strengthen Telkomsel's leadership as the leading Digital Company in Indonesia, Telkomsel initiated the Telkomsel Digital World Program in 2015. The program was one of Telkomsel's masterpieces in 2015 that highlighted enhancement of Telkomsel's existing mobile self-care app, i.e. MyTelkomsel, and the corporate website www.telkomsel.com.

Telkomsel Digital World is designed to facilitate more personalized, timely and relevant Telkomsel promotions, Digital Lifestyle offers and Customer Service across mobile and web. To access the Telkomsel Digital World,

the Android & iOS smartphone users only need to sign up or login to the new My Telkomsel app using their mobile number or Facebook, Twitter or email accounts. Subscribers will receive information about their Prepaid balance or Postpaid usage via their personal 'My Account' dashboard, reach to the Customer Care support, recharge using multiple payment options including TCASH and credit cards (VISA & Mastercard), redeem Telkomsel POIN loyalty privileges, purchase digital content, enjoy contextual offers from Telco and non-Telco merchants and search for the nearest GraPARI stores using location based technology.

Through these digital touch points, Telkomsel will be able to collect data on customers' behaviors and use it to create a full segmentation profiling of Telkomsel subscribers.

Great Payment Experience

For Great Payment Experience, Telkomsel has been focusing on creating a digital financial ecosystem by offering various digital payment solutions to ease transactions in the online marketplace.

In 2015, some innovations were introduced to enhance our digital payment services such as the launch of New TCASH and TCASH Tap with NFC technology. The new TCASH enables customers and merchants to experience a new payment method for any mobile transactions. TCASH Tap itself is already widely accepted in more than 2,500 merchants within the Jabodetabek area and an expansion plan is underway to cater to more cities in Indonesia. TCASH Tap features TCASH mobile money services, i.e. quick payment using tap, online shopping, buy and pay through mobile phone, and money transfer.

Meanwhile, Telkomsel also sealed partnership with communities and organizations, such as schools and Islamic boarding schools (Pesantren), to introduce e-money transactions to rural communities, representing Telkomsel's commitment to support Government's National Cashless Movement. Therefore our effort to continue developing Telkomsel's Digital Payment services is expected to accelerate the financial inclusion program by promoting partnership with related organizations and government bodies.

True Broadband Experience (TrueBEx)

To stay ahead in the industry, it is important that we continue to improve our Digital Business through our core transformation strategy of DNA (Device-Network-Application). Customer experience is the key to win in Digital Business and in 2015 our focus was in the implementation of True Broadband Experience (TrueBEx).

There were several initiatives that were implemented to ensure our customers were able to enjoy True Broadband Experience. The initiatives were:

- Network Quality improvement to provide great Coverage, Capacity and Quality through network optimization, installation of COMBAT (Compact Mobile Base Station), Customer Experience Test (CET), DC-HSDPA and HSPA+ on 30 Broadband Cities to ensure speed throughput reach 42Mbps, additional BTS and network capacity, performance monitoring & complaint handling etc.
- Improvement in customer interface to improve customer experience through improved pricing info at Telkomsel.com

Broadband Menu, PAYU bill shock prevention, UMB *363# simplification to include dynamic pricing info, clear service classification & product offering and shortening activation lead time.

- Seamless experience across 2G-3G-4G and WiFi network, work with Telkom to provide WiFi solution for customers in congested network areas by offloading data usage to WiFi network. Telkomsel WiFi App available through Google Play and App Store.
- Better pricing strategy through zone-based pricing to maintain our competitiveness.



- Establish a broader 4G network to bring the best and fastest LTE experience across 14 cities in Indonesia and to maintain access speed of up to 75 Mbps on 1800 MHz spectrum.

Telkomsel's focus on promoting TrueBEx programs has led to our Telkomsel Flash product being awarded winners in the category of Internet Service Provider Wireless/Mobile at 17th Indonesian Customer Satisfaction Award (ICSA) in November 2015.



Marketing

In 2015, we focused on winning customers' hearts by delivering the best customer experience in order to increase ARPU.

Key marketing programs in 2015 consisted of:

- **True Broadband Experience** (empowered by a superior user experience that combines both network quality and ease of use).
- **Enrich Smartphone Experience** (delights our smartphone users with exclusive handset offers with bundled content and tutorials).
- **PRIVILEGE Postpaid Experience** (pampering with unparalleled privileges and priority service quality both home and abroad).
- **ENGAGED Youth Experience** (exciting our youth through community events, multimedia and digital interactions).
- **TRUSTED Service Experience** (enjoy service assurance through reliable and consistent delivery).
- **WOW Customer Experience** (understanding our customers better through their feedback-Voice of Customer).

Marketing Programs and Strategies

kartuHalo



Brand positioning: the 'Most Preferred Postpaid Brand'. Positioned as the postpaid brand of choice amongst the status-conscious professional and corporate customer segments, in 2015 kartuHalo provided more exclusive privileges, ease and flexibility for mobile telecommunication solutions.

Reaching 3.5 million subscribers and dominating the postpaid market share and brand, kartuHalo recorded subscriber growth of over 23% in 2015, making it the best year ever in terms of performance for kartuHalo.

In 2015 kartuHalo enhanced the customer experience by upgrading the customer touch point system, expanding new sales channels, and giving more privileges by delivering 'beyond expectation' products and services. kartuHalo customers also enjoy greater loyalty rewards, receiving double the Telkomsel Poin rewards awarded to prepaid customers.

kartuHalo Reason to Believe

In 2015, kartuHalo upgraded the privileges received by its customers with unique value differentiation and benefits:

- Network Priority (voice call priority and data priority).
- Highest Internet Speed (internet speeds of up to 42 Mbps).
- Best Data Package (no 2G/3G limitation and competitive prices, with the greatest value of up to 12GB/month).
- Biggest loyalty rewards (double Telkomsel Poin, free access to airport lounges, and exclusive rewards for kartuHalo customers).

Halo Fit Run 2015

kartuHalo once again organized its annual Halo Fit Run, which was open to the general public and professional runners, with a new tagline, "Dare to Challenge". This event was held on April 2015 at The Breeze BSD in Jakarta, and attracted more than 3,000 participants.



Enhancement of kartuHalo Web Subscriptions

kartuHalo improved and enhanced kartuHalo Subscription on telkomsel.com to simplify the customer experience. The objective is to increase sales and capture customers interested in subscribing to kartuHalo.



kartuHalo co-brand with Bank

kartuHalo collaborated with one of the leading foreign banks to deliver a co-brand credit card product to capture high value banking subscribers for kartuHalo.



kartuHalo Fit – New My Plan

Halo Fit – New My Plan was launched in early October 2015. This is the newest postpaid product and delivers more privileges to postpaid subscribers with new services such as:

- Voice, SMS and Data Bundle
- Device Protection
- Content Bundle
- Lifestyle Pack : Free Access to certain OTT Apps



Prepaid to Postpaid Migration

Telkomsel also actively migrated customers from prepaid (*simPATI* and *Kartu As*) to postpaid (kartuHalo) with special offer promotions. This placement strategy focused on BTL (activation from October 15th to November 15th) and POS materials.



kartuHalo Rewards and Recognition

Telkomsel's postpaid products are well perceived and in 2015 obtained several awards. Among those were:

ICSA Award 2015

kartuHalo – The Best Postpaid Cellular Card

Top Brand Award 2015

kartuHalo – Best Postpaid Card

Word of Mouth Marketing Award 2015

kartuHalo – Best GSM Postpaid Card

Indonesia Middle-Class Brand

Champion Customer's Choice 2015

kartuHalo – Best Postpaid GSM SIM Card

Corporate Business Solutions

In 2015, Telkomsel's Corporate Business Solution Management offered complete solutions to our corporate customers in both the corporate enterprise segment and the small and medium enterprise (SME) segment by fulfilling their business needs and keeping up with the technology of corporate customers. We provided voice solutions, SMS solutions, data solutions, VAS solutions and cloud services. Telkomsel currently serves more than 20,000 companies nationwide.

Solutions for the SME Segment

At the beginning of the year, we conducted a survey for the SME Association to understand SME customers' telecommunication needs, and particularly their need for Telkomsel Business Solutions. From that survey, we identified partnership opportunities between Telkomsel and the SME Association that will ultimately enable us to provide the right solutions for SME customers.

As a result, we offered a comprehensive and affordable bundling package named PAKAR (Paket Komunikasi Andalan Wirausaha). PAKAR is divided into four main packages: PAKAR Komunikasi (Communication Solution: MyGroup), PAKAR Bisnis (Business Solution: Business Connect), PAKAR Marketing (Marketing Solution: Jarvis Store), and PAKAR Finansial (Finance Solution: mPOS for SME and e-Accounting).

We also simplified the subscription terms to attract more SME customers; increased customers' awareness about kartuHalo SME by creating SME Corners in some GraPARIs; hired some SME sales agents; participated in SME roadshow events; collaborated with the Ministry of Industry, SME communities and government; and collaborated with the biggest SME events in Indonesia, INACRAFT 2015 and CRAFTINA 2015.

Solutions for the Enterprise Segment

During 2015 we developed integrated solutions such as Unified Communication to fulfill the needs of the strategic and enterprise segments. We also launched mPOS for Enterprise, Voice Bulk Package, MyGroup New Segment, Flexible Device Bundling, and Leased Line (an integration with Telkom's Metro E solution).

We also initiated enhanced CTP Services for corporate customers, so the CTP (Walk In, Call In, and e-Care) can also serve corporate customers from 2016 onwards.

Telkomsel's Corporate Business Solutions are focused on the following needs:

1. Enterprise Mobility

Enterprise Mobility offers solutions that help corporate customers to improve their employees' productivity anywhere and anytime. It connects all communication devices so that employees can stay connected and

access to information via public or private internet channels.

2. Cloud Services

Cloud Services support management and business development, and are internet-based, allowing users to easily access their data anywhere and anytime via the internet. Cloud Services include Software as a Service, Platform as a Service, and Infrastructure as a Service, which Telkomsel has developed for e-Commerce, e-Accounting, Business Connect, mPOS, and Sales Force Automation.

3. Value Added Services

Enterprise Value Added Services support the customer's needs and increase the customer's added value with a wide range of services that complement Enterprise Mobility solutions. This solution consists of Top Up Corporate and NSP Corporate.

Mobile Broadband Services for Postpaid

To deliver the best broadband experience for kartuHalo, we implemented the following key initiatives:

- Continued our go-to-market acquisition strategy of kartuHalo to penetrate data users with bundled offer of data, legacy and digital services (Halo FIT plan) and deployed all new sales with USIM cards.
- Delivered the best broadband experience across LTE cities with the best digital bundle package, large quota Flash package with network access priority.
- Improved usage experience for broadband services with more reliable notification through an active landing page and no hassles in using quota across all time bands.
- Simplified subscription flow over all "UMB *363#, My Tsel apps" channels with flexible Top Up for Flash Packages.

simPATI

Our *simPATI* brand is designed to serve the middle market segment, and to date remains our most popular brand with total subscribers reaching 76.2 million as of December 2015. The following are the key campaigns and activities for *simPATI* in 2015.

1. ATL Program

simPATI - #GoDiscover Campaign

simPATI's big theme for 2015 was #GoDiscover, which focused on encouraging people to make more discoveries. The first #GoDiscover campaign, launched in January 2015, was *simPATI* Waktu Jeda (Time Gap). Through this campaign, *simPATI* subscribers are being encouraged to utilize interludes in their daily activities to discover a wide range of news and positive information using their mobile devices.



2. Starter packs and packages

During the year, *simPATI* launched new starter packs and packages with the aim of acquiring more high value customers and increasing the quality of existing customers:

a) *simPATI* Discovery Basic

Launched in February 2015 as our new regular starter pack to increase the quality of sales, with a nominal price of Rp10,000.



b) *simPATI* Explore

Launched in June 2015 with a higher nominal price of Rp50,000, compared to Rp10,000 for *simPATI* Discovery Basic. This starter pack comes with special 11-digit numbers to cater to high-value customers.



c) *simPATI* New Discovery Package

Launched in June 2015, this data package is priced from Rp49,000 to Rp89,000. The package is only available to customers with *simPATI* Discovery Basic and *simPATI* Explore. The *simPATI* New Discovery Package gives a quota of 2GB (0.5 National, 1.5GB City) with 60 days validity.



d) *simPATI* Tourist Package

Designed for tourists and visitors to Indonesia, the *simPATI* Tourist package was offered in July 2015 at Rp50,000. This package provides 60 domestic SMS to all operators, 60 IDD SMS, 60 domestic minutes to all operators, 60 IDD minutes and 500MB of data, and is valid for 10 days.



Kartu As

Kartu As was designed for the mid-low segment and had a subscriber base of 58.5 million as of December 2015. The following are the key programs launched in 2015.

1. ATL Program

a) Kartu As Gampang Internetan

Launched in February 2015, Kartu As Gampang Internetan has become the new regular Kartu As starter pack with price of Rp5,000. With this new starter pack, customers get Rp5,000 as their main balance and are eligible to buy the special Kartu As Gampang Internetan package.



b) Kartu As Gampang Internetan Package

To entice customers to use more data, Kartu As launched the Gampang Internetan Package, which provides affordable (starting from Rp1,000) daily packages with several options such as a volume-based quota package, Facebook, Opera Mini, BBM, chatting (BBM, Whatsapp, LINE), MP3 music, and video.



c) Kartu As Kenyang Internetan Package

In December 2015, Kartu As launched a new package called Kartu As Kenyang Internetan, which provides various weekly packages with prices starting at Rp5,000 and is available to all Kartu As subscribers. Packages include Voice, SMS, Internet, and other content such as video, music, games, Hello Doctor and combo artist.



2. Starter pack and Package

a) Kartu As Telin 2 in 1 Malaysia

Kartu As 2 in 1 Telin Malaysia is a single prepaid SIM card that consists of two IMSI, two MSIDN (As Telkomsel Indonesia +62 and As Telin Malaysia +60) and two wallets. This starter pack was launched in August 2015, and caters to Indonesian workers residing in Malaysia.



b) Refreshment Regional Card



In September 2015, Kartu As launched a refreshed Regional Card starter pack with an end user price of Rp5,000. This card gives 50% more on-net traffic compared to the old card, and a bonus of 1,000 SMS. It is distributed to all WLC areas, including Madura, Pantura (North Coast), and Lombok.

LOOP

Positioned as the prepaid brand for the youth segment, LOOP focused on "Engaging Youth Experience" as a part of strategy to win youth market share. Launched in March 2014, LOOP now has 14.5 million subscribers. LOOP provides not only products and services to its LOOPers (LOOP subscribers), but also events and programs as part of its youth engagement program. LOOP products and events are created to fulfill young people's needs in line with their behavior and lifestyle.

Products

LOOP 1D Package

As part of the One Direction “On The Road Again Tour 2015” sponsorship program, LOOP created a special LOOP 1D (One Direction) package which offers 3GB of data with a validity of 6 months, as well as One Direction content and NSP. LOOPers had the chance to win One Direction concert tickets after activating the package and participating in the LOOP One Direction quiz on the loop.co.id portal.



LOOP 3x3 Package

To optimize the LOOP Development Basketball League (DBL) Indonesia event, LOOP offered a special LOOP 3x3 package with a 1GB internet quota as well as basketball content. LOOPers had the chance to win mobile phones after activating the package and playing games on the loop.co.id portal.



LOOP GigaChat

LOOP GigaChat, which offers a 6GB internet quota and access to chatting apps such as Line, WhatsApp and BBM for 30 days, is designed to match LOOPers behavior and lifestyle by enabling them to chat with their friends.



LOOP Circle

LOOP Circle was created as a youth acquisition strategy, offering aggressive packages in youth POIs. The packages were offered through Direct Sales and Information (DSI) tools. LOOP Circle offers various types of package, such as internet, BlackBerry, voice call, and SMS.



LOOP Ramadhan and Idul Fitri (RAFI) Package

Understanding LOOPers communication behavior and lifestyle during Ramadhan and Idul Fitri, LOOP offered special RAFI packages in collaboration with Zalora. The packages comprised of:

- KOLAK (KOLing Antar Kawan). KOLAK is a 10-minute voice call package to all operators for one day. LOOPers also get a 20% discount when shopping on Zalora.



- PUKIS (Puas Klirim SMS). PUKIS offers 40 SMS to all operators for one day. LOOPers also get 20% discount when shopping on Zalora.
- CENDOL (ChEtting aND OnLine). CENDOL offers a 100MB internet quota for one day and a special 20% discount on Zalora.

LOOP Sharing-an (Sharing Internet Ringan Bareng Teman)

LOOP Sharing-an is the newest LOOP package. The concept is all about sharing with friends. Before activating the package, LOOPers should create a LOOP Sharing-an group, containing three to five members. After creating the group, the group leader can purchase a LOOP Sharing-an internet package and share the quota with their friends.



Voice and SMS

While our key focus lies in the future that is our transformation from Telco to Digico, it is important to sustain our legacy services, Voice and SMS, for as long as possible until the revenue mix from the Digital Business overtakes legacy services.

In 2015, Telkomsel continued to refine our successful cluster-based pricing and market segmentation strategy. This resulted in healthy growth in our Voice and SMS, with revenue increasing 10.1% and 4.6% YoY, respectively. While we have started to see the cannibalization of OTT services into SMS traffic (declining 14.7% YoY to 218.7 billion SMS), the voice traffic was still growing healthily (an increase of 14.4% YoY to 224.8 billion minutes), mainly attributable to our efforts to improve network quality within the existing coverage areas.

Digital Business

Mobile Broadband Services

By the end of 2015, Telkomsel had 73.9 million data users, an increase of 9% from the previous year, or 48% of total customers. We implemented various initiatives to drive data users and smartphone penetration, and one of the key masterpiece programs in 2015 was to provide a WOW experience for customers when using Telkomsel's end-to-end services. Telkomsel delivered this through the TrueBEx program (True Broadband Experience). With TrueBEx, the customer experience is enhanced starting from when they register as our customers. The TrueBEx program is supported by other broadband initiatives, including Telkomsel WiFi and the introduction of a 4G package.

Strategic Device Bundling and Internet Education

The WOW Smartphone Experience was declared the key device bundling strategy during the WOW Year 2015. The focus was on smartphone growth in both major and secondary cities, customer conversion to smartphone 3G and a good customer experience in smartphones. In addition, the device bundling strategy involved collaborating with device principals and distributors of major international and local brands to create an impactful and strategic device program.

Device Bundling Prepaid Programs in 2015

A. Strategic Partnerships

1. 4G Device Partnerships

Partnerships between Telkomsel and 4G device principals and distributors to fulfill 4G networks:

- Telkomsel launched an exclusive bundling with Xiaomi that provides high specification smartphones at affordable prices through Mi4i and Redmi 2, bundled with Telkomsel Android United (TAU) package.



- Samsung Galaxy A8, with Free 24GB, 4,800 SMS and 1,200 minutes for 12 months.



- Collaboration with Erajaya and Trikomsel to provide iPhone 6 and 6 Plus bundled with an iPhone plan at a great discount.



- Lenovo phab plus exclusive in blibli.com, bundled with a TAU package.



2. 3G Device Partnerships

Partnerships between Telkomsel and 3G device principals to push smartphone growth:

- Collaboration with Google and three local device vendors (Evercross, Mito and Advan) to bundle android one with a TAU package.



- Ramadhan Fair with Xiaomi and Samsung in six cities. Bundling a TAU package (Xiaomi) and Galaxy Plan (Samsung) as well as cashback of up to Rp500,000.



- Collaboration with Advan for the Advan M6, equipped with octacore and priced below Rp2 million. Bundled with a TAU package plus langitmusik and moovigo.



- Bundling with the Evercross series (Winner T, A7R, Winner Y1, AT1A), bundled with a TAU package to target feature phone customers by providing devices in the Rp1 million and under price range.



B. Smartphone Experience and Education

1. Smartphone Corner

In line with the strong growth in Smartphone, it is important to focus also on the smartphone experience and to ease customers' transition from 2G and feature phones to smartphones. We deployed Smartphone Corners in device outlets in collaboration with our partners (Erafone, Telesindo Shop and Okeshop/Global Teleshop) with the aim of educating the users on mobile internet, using their smartphones effectively, experiencing fast internet with the Telkomsel network, and information and activation spots on TAU/Flash packages. We now have 19 Smartphone Corners in 10 cities.



2. CariTAU

Launched in March 2015, CariTAU is a suite of smartphone education and tutorial tools in the form of mobile site that can be accessed free of charge by new smartphone users. The objective is to create awareness, educate and support conversion for first time smartphone users through clear guidance, information, features, benefits and gimmicks from smartphones and the internet.

	Q1	Q2	Q3			Q4
Halo Promo						
Flagship Device		 Preorder Samsung S6	 Samsung Galaxy S6 Trade in	 Roadshow Samsung Galaxy A8	 Preorder LG G4	 Roadshow Microsoft Lumia 640 LTE
		 Preorder & Roadshow BB Classic	 Preorder Microsoft Lumia 540 Dual SIM	 Promo New kartuHalo Fit & LG G4	 Roadshow LG G4	 Roadshow Sony Z5
Sales/Carnival Event	 Megabazaar 2015	 ICS 2015	 PRJ 2015	 Telkomsel Siaga	 Gaikindo 2015	 Telkomsel NARU 2015
		 Java Jazz 2015	 Travel Fair 2015	 Indocomtech 2015	 4G LTE Gadget Fair	 kartuHalo Promo at SES Outlet

3. Smartphone Campaign (TAU)

In August 2015, TAU weekly was launched as a more affordable variant of the TAU monthly package. The TAU weekly package consists of:

- *simPATI*/LOOP: starting from Rp20,000 for 300MB.
- Kartu As: starting from Rp10,000 for 250MB/Free FB/Free chats.

The TAU weekly campaign helped Telkomsel to achieve 74 million data users by the end of 2015.

4. Other events and programs to promote smartphones and internet education

During 2015, Telkomsel engaged in many other smartphone and internet education programs, which included:

- Online channel collaboration with Blanja.com (the Telkom Group's e-commerce portal) on many key events such as ICS, Indocomtech and 4G launch.
- Working with device distributors, we conducted trade-in programs for 2G to 3G/4G.
- Telkomsel Fest events in Medan, Jakarta, Surabaya and Makassar to showcase our digital experience and lifestyle and the true broadband experience.
- Device Bundling Postpaid Programs aimed at delivering the best experience for kartuHalo users using smartphones through various bundling programs.

Digital Services

As part of Telkomsel's transformation from Telco to Digico, we continue to strengthen the four pillars of our Digital Services: Digital Lifestyle, Digital Advertising, Digital Payment & Banking and M2M Business. Although as a percentage of overall revenue it is not yet significant, the growth in Digital Services has been encouraging, with revenue growing 39.2% YoY, higher than 31.5% YoY the previous year. Digital Lifestyle provides a customer-centric mobile entertainment service and leverages on Telkomsel's trusted billing system to enable transactions. Digital Advertising delivers targeted mobile and online advertising solutions to specific segments. Our M2M business started to gain its footing this year, serving more of the vertical industry as well as reaching out to retail segments with our T-Drive car monitoring solution. Furthermore, we have successfully relaunched our mobile payment solution, TCASH, with the introduction of TCASH TAP.

Although the growth in Digital Services and Data has been strong, achieving a 29.5% (already 33% in Q4-15) revenue contribution from the Digital Business was more challenging than expected as our legacy business grew at a very healthy rate, due to the strong growth in legacy revenue. Legacy still accounts for 71.6% of our revenue. However, sooner or later the legacy services will start to decline, and by that time our Digital Business will have to be ready to create differentiation and contribute to drive Telkomsel's revenue growth. Developing the digital ecosystem as well as continuous innovation in products, services and process are the key to manage sustainability of our Digital Services.

Digital Lifestyle

Digital Lifestyle focuses on providing a mobile entertainment experience for customers. By targeting different segments through various services, Telkomsel aims to become the leading mobile entertainment provider in the country through music, video, and games services. With an emphasis on partnership to accelerate our go-to-market strategy, Telkomsel helps to promote and create a supportive environment that enables access to Digital Services from anywhere in the country.

After the successful implementation of our Payment Gateway solution, Telkomsel delivered a solution for purchasing digital goods on Play Store, the android marketplace, with customers' pulsa (airtime). This solution, Carrier Billing, has been in development since 2014 and was finally launched in Q1-15. Carrier billing on Google was very well received by our users and now has more than 500,000 users making more than 400,000 transactions in 2015, just months after launch.

In Games, Telkomsel is the leading operator and the only provider in Indonesia that is integrated with the top three game publishers Kreon, Lyto, and Garena, and this resulted in a doubling of the growth rate in 2015. The breakthrough innovation came through enabling a payment solution in the form of a top-up voucher for games, which made Telkomsel the biggest games payment enabler in Indonesia.

Digital Advertising

Telkomsel Digital Advertising is the largest mobile advertising service provider in Indonesia. In 2015, we focused on acquiring new B2B partners, providing consumer insight, product sampling services, Vending Machine, and a mobile voucher service, eKado, to deliver more value and new experiences for our advertisers and customers.

Our Digital Advertising product and service capabilities will continue to evolve to create more value by improving profiling quality through our data management platform, which enables advertisers to get potential customer data in real time. Telkomsel will also introduce a digital wholesale and retail platform. This is a single integrated platform for Digital Advertising campaigns, including both wholesale and retail campaigns. It aims to improve ease of accessibility through a web-based platform and allows advertisers in regional offices to manage their regional campaigns. Through LBA Geofence, advertisers have the flexibility to choose the locations where they wish to advertise across Indonesia using LBA channels such as SMS, MMS, USSD and IVR.

In October 2015, Telkomsel launched eKado to enrich its mobile couponing offering. eKado is the first mobile gifting platform with instant paperless redemption capability that allows retail brands to market their goods/ services via online commerce, and at the same time build good brand image through social engagement that occurs between users who send gift vouchers to each other. The services is developed through partnership with prominent service integrator in Indonesia. Telkomsel Mobile Coupon is available through multiple channels such as Push Location based SMS (LBA), UMB menu (*606#), connected screen, and T-Wallet. By the end of 2015 Telkomsel has surpassed Groupon and become no.1 mobile coupon player in Indonesia in term of active users and coupon redemption.

With the right ecosystem, platform and regulatory support from the Government, we believe that Digital Advertising can complement traditional methods of advertising in the future.

Digital Payment and Banking

Telkomsel's Digital Payment and Banking continues to focus on its objective to create a digital financial ecosystem by offering various Digital Payment and Banking solutions to the market.

In 2015, Telkomsel continue to innovate our Digital Payment services with the introduction of New TCASH and providing TCASH Tap with NFC technology. The new TCASH enables customers and merchants to experience a new way of payment through their mobile phones. Currently, TCASH Tap is accepted at more than 2,500 merchants within the Jabodetabek area, with plans for expansion to more cities in Indonesia soon. TCASH Tap has four features of the TCASH mobile money service: quick payment using tap, online shopping, buy and pay through mobile phone, and money transfer.

To reach un-banked communities in rural areas, Telkomsel is also contributing to the development of a cashless society through partnerships with communities and organizations such as schools and pesantrens to promote the usage of electronic money transactions. This is part of Telkomsel's commitment to push the adoption of electronic money, and supports the Government's National Cashless Movement, and we will continuously develop Digital Payment services to accelerate the financial inclusion program through partnership with related organizations and government bodies.

M2M Business

Telkomsel's M2M Business aims to help local companies in Indonesia monitor their operations efficiently through various M2M (Machine to Machine) solutions, while freeing valuable resources to focus on other strategic matters. Through M2M solutions, companies can receive information related to their assets and machinery in a real-time and controlled manner through a single platform (control center). With the widest network coverage across Indonesia, we are able to support companies with operations all over Indonesia to achieve operational efficiency.















Various M2M solutions that Telkomsel offers:

- T-Drive, a solution that allows companies to analyze driving performance; real-time engine data provide alerts and educates the drivers. By using a small box, which contains the OBD II (on board diagnostic) device connected to a port in the vehicle, T-Drive is easy to implement. For corporate cars, Telkomsel offers T-Drive Fleet, which allows companies to monitor operational cars through integrated dashboard control. Another variant of T-Drive is T-DRIVE MITS (Mobile Intelligent Transport Solution), which allows companies to track and monitor operational cars, thus ensuring efficiency and cost savings.




- M2M Managed Serviced Connectivity. This solution is suitable for banks and other companies that want a secure line between HQ and branches. This solution offers monitoring and guaranteed SLA between several nodes.
- Other M2M solutions include: Sales Force Automation (SFA) for managing sales people and inventory management; T-Home for home automation, and other utility solutions such as smart metering for electricity.



Digital Services - DIGITAL LIFESTYLE

Dunia Games	Games Payment Gateway	Line Webstore	Google Play
			
Telkomsel Games Portal offers a variety of games for smartphones and features by accessing *900# and/or m.duniagames.co.id. Users can use their Telkomsel balance as payment.	A service that allows customers to purchase online games using their Telkomsel recharge balance instead of charging their credit card.	A service that allows customers to purchase games in Line Messenger using their Telkomsel balance instead of their credit/debit card.	With the service, Telkomsel bring more convenient & secure payment solution to Android users, by enabling transaction using Telkomsel balance.
Moovigo	Q Baca/Indobooks	*500# UMB Access	PopCall
			
Telkomsel Moovigo is a mobile application service which provides branded video on demand, live linear TV, and Internet Clips that can be played on your mobile phone.	A large library of digital books for Telkomsel customers.	One-stop access to explore and enjoy all Digital Lifestyle content and services.	A personalized status message to recipient numbers before incoming calls.
LangitMusik	My NSP	Appworld BlackBerry	Windows Market Place
			
One-stop music platform with more than 2 million songs in the library in various genres, available through streaming and downloading by buying a subscription package. Now user can sing along with hundreds of official music video using Langit Musik Karaoke and also download the music in mp3 format using Langit Musik Ala Carte.	A breakthrough enhancement from Telkomsel's existing NSP service which allow customers to create & have their own NSP.	A BlackBerry appstore which offers social media, chatting, games, video, music, editing, etc. for BlackBerry users which can be purchased with their Telkomsel balance.	A Windows phone market place which offers various applications for purchase using a Telkomsel balance.
OperaMini Webpass	Social Media Package (SNC)		
			
Allows existing Opera Mini users as well as potential users to purchase data plans directly from inside the browser without the need to use SMS or USSD.	A data package plan for social network and chat lovers which allows them to have unlimited access to their own community/user group.		

Digital Services - DIGITAL ADVERTISING

Telkomsel Vending Machine	e-Talase	eKado
		
A vending machine that builds interactive communication and attracts and engages customers in innovative ways.	This service displays various coupons that can be received by users using NFC technology. Users simply tap their phone with the NFC Sticker on their preferred coupon. The coupon message will then be received through SMS or MMS. To get the discount, users show the coupon message to the merchant or store concerned.	eKado is our mobile commerce service that allows users to buy gift vouchers and send gifts to friends, business partners and so on wirelessly via messaging services on mobile phones. It also allows trade through store merchants, with payment using a credit card, debit card, internet banking or bank transfer.

Digital Services - DIGITAL ADVERTISING

Telkomsel M-Sight



Telkomsel Big Data and Big Data Analytics, which provide customer insights for better decision making, faster decisions, and high business performance.

Digital Signage - Commuter Line



Telkomsel Digital Advertising offers the Commuter Line Package as 'A Way to Grab Mobile Customers'. This package provides valuable information in text, photos, video and broadcast TV as well as advertising through LCD/LED TV (Digital Signage), which allows advertisers to promote their products to Telkomsel subscribers riding the commuter train.

Digital Services - DIGITAL PAYMENT AND BANKING

TCASH



An electronic money service with rich feature such as bill payment, airtime top up, P2P Transfer, Digital Purchase, and online shopping. TCASH was relaunched in 2015 brought TCASH TAP as new feature, using NFC stickers to enable payment to thousands of physical merchants in Indonesia

T-Wallet



Consumer apps with various payment features and value added services that already release and available for iOS, Android and BB devices.

Mobile Banking



Provides customers with the best mobile banking services via SMS, USSD, IVR and Dynamic SIM Tool Kit (DSTK).

Digital Services - M2M BUSINESS

T-Drive Fleet



Track, monitor and control all mobile assets in real time and access via a desktop computer in the company.

T-Drive



Analyzes driving behavior by collecting data from your vehicle and analyzing it to provide insights into costs and driving style.

T-SFA



A special application that can collect various data from different locations and send it using data services/SMS technology to the company's database center.

T-Metering



Technology that can accurately measure and transmit electricity consumption data.

T-Home



Improves office/home living by the automation of lighting and appliances and security devices, and monitors energy consumption via mobile applications.

T-EDC



Reduced operational costs and higher mobility for existing EDCs.

T-MPOS



Deployment of the new wave of payment acceptance technology, combining smartphone/tablet, secured dongle and mobile data connectivity to replace the older big and space-hungry POS PC and EDCs.

T-ATM



Enables banks or ATM providers to quickly and easily connect ATM machines with the ATM host servers in the head office, using Telkomsel data technology as an alternative method of data communication.

T-Zone



A small indoor BTS providing network security and reliability as well as more affordable member-to-member communication services.

Interconnection

The main focus of Interconnect Management Division is to ensure achievement of revenue and profitability for Interconnect as well as ensure customer satisfaction. In order to achieve this, our strategy evolves around implementation of new business scheme called 'Wholesale Accelerate Retail' and upholding the 'least cost routing' principle while maintaining quality of service and good relations with our interconnection partners, securing international voice termination from illegal route, pursuing greater cost savings through minimizing out-payments by developing domestic and international business scheme.

With initiatives such as 'Wholesale Accelerate Retail', we aim to optimize interconnect cost while maximize interconnect revenue and support our retail to plan aggressive promo programs for domestic & international calls. As a result, Telkomsel has launched the following programs to increase its retail revenue, i.e. Nelpon Rumah Package, TM Malaysia, TM Arab Saudi, TM 7 Countries, and Flat Cal SLI 007 for International calls. We have also implemented synergy marketing initiatives with Telkom Group to optimize the achievement of Retail Promo programs, through media campaign (broadcast SMS, media, flyers, ratio, website, social media and email) and direct sales.

In April 2015, the government, through white paper, initiated a revision to the current interconnection regulation, retail regulation and new Cost-based Interconnection based on asymmetric model. The new interconnection regime is expected to be implemented in 2016.

By the end of 2015, through efforts to make our infrastructure more efficient, 98% of our gateway has been modernized as we move from a legacy-based (TDM) to Softswitch infrastructure and implemented SIP with Telkom.

International Roaming

Despite the threat of OTT (Over the Top) applications and other alternative solutions to roaming, Telkomsel was able to maintain its international roaming business performance in 2015. During the year, Telkomsel continuously expand its LTE roaming coverage with additional 34 operators in 28 countries to bring the total LTE roaming network to 36 operators in 30 countries.

Telkomsel continuously build roaming awareness amongst its customers by introducing promo package for Singapore and Malaysia, that resulted in an increase in the number of active roamers. We also entered into new revenue stream with the Application to Person (A2P) SMS business, which enjoyed high traffic growth in 2015.

By 2015, Telkomsel has agreement with 562 roaming operators in 190 countries and revenue growth was mainly attributable to the aggressive promo offer on internet roaming package and 3 in 1 package. To support the aggressive promo, we established preferential roaming partnerships with 174 operators in 87 countries, including in Saudi Arabia in support of Umroh and Hajj.

Our membership in the Bridge Alliance, an alliance of Asia's leading telecommunication operators, not only provides the ability to manage roaming traffic but also to combine the members' vast experience to improve roaming product preposition and customer experience.

To maintain excellent service and quality standard for inbound roamers, we regularly conduct extensive quality programs, rigorous testing and BTS parameter optimization at major entry points, particularly to support international events held in Indonesia.

Towers

Telkomsel currently has almost 18,000 towers located across Indonesia to support our BTS network deployment. In addition to the towers that Telkomsel own, we also lease towers from other independent tower providers. Telkomsel also rents out some of its towers and during the year revenue contribution from tower rental amounted to Rp496 billion. Telkomsel towers are currently managed by PT Dayamitra Telekomunikasi, a subsidiary of our parent company that specializes in tower operation.

As part of End to End Network Deployment Program, Tower Management has succeeded in providing Network Infrastructure in order to expand network capacity, coverage & quality. In 2015 Telkomsel has deployed in excess of 4,000 Network Infrastructures including B2S (Build to Suit), Collocation, Hotel BTS & Mini CME.

Sales

Telkomsel is the only operator in Indonesia with true nationwide coverage, and we currently cover almost 99% of Indonesia's population. Operationally, we divide Indonesia into four Sales Areas and 11 Sales Regions: Area Sumatera (North, Central and South Sumatra), Area Jabodetabek (Greater Jakarta and West Java), Area Java Bali (Central Java, East Java, Bali and Nusa Tenggara) and Area Pamasuka (Kalimantan, Sulawesi and Papua-Maluku). For the implementation of our cluster-based pricing strategy, we have sub-divided the four Areas into over 200 clusters. As part of our organization transformation, almost 60% of our workforce is now spread across these four Areas, which allows for faster execution of our Sales and Marketing strategies and initiatives while enable us to reach our customers better.

Sales Business Strategy

In 2015, our Sales strategy focused on two key areas: Enhancing Sales Effectiveness and Improving the Customer Experience.

Enhancing Sales Effectiveness

We focused on four key initiatives to enhance our sales effectiveness:

1. Serba 100 Point of Interest program

This sales program focused on points of interest (POI) and critical locations where high concentrations of our customers are located, such as schools, malls, business districts, train/bus/ferry terminals, airports/ seaports, hospitals etc. Telkomsel tracked and analyzed daily movements and activities in 9,000 POIs to ensure a top-notch customer experience. The sales team worked in tandem with the Network team to ensure network deployment priority in these locations.

2. Low End Smartphone Bundling

Currently around 60% of Telkomsel's customer base is still using 2G and feature phones. In our efforts to drive smartphone penetration, Telkomsel works with handset manufacturers and device distributors to bring low-end, affordable smartphones to our customers. Telkomsel offers great value bundles of Voice, SMS and Data in the handset and provides extra incentives to our partners and authorized dealers to push these bundles.

3. Preloaded Product Distribution

This program focused on preloading attractive data packages into the starter pack and has been effective in providing the first internet usage experience for first timers.

4. Sales enhancement on Digital Services & M2M

In our effort to push Digital Services across our regions, we conducted several push marketing programs to boost

take-up of Digital Services, such as outlet incentives and Sales Racing programs that involved all touchpoints, including authorized dealers and device channels.

Improving Customer Experience

To improve the customer experience, we focused on two key initiatives

1. Empowerment of Mobile GraPARI

Telkomsel added 123 new Mobile GraPARI in 2015, to bring the total fleet to almost 400 across the 206 clusters in Indonesia. The objectives of our Mobile GraPARI are to provide customer care, education, product and voucher distribution and merchandise promotion to customers. Our Mobile GraPARI is equipped with a Customer Relationship Management system to support sales execution, particularly for postpaid customers.

2. kartuHalo Retail Program

To boost our kartuHalo customer base, we rolled out the kartuHalo Retail program whereby new customers can sign up for our postpaid service through Direct Sales agents and selected outlets, in addition to the existing GraPARI. kartuHalo customers also get to enjoy many benefits and privileges, such as internet priority speed access, starter pack bonus value in Voice, SMS and Data, and many more. Through the successful implementation of our kartuHalo Retail program, our postpaid customer base increased 23.1% YoY to 3.5 million customers in 2015.

Corporate and SME Customers

Although the majority of our 152.6 million customers are retail customers, we value the contribution of our 29,000 account corporate customers. At Telkomsel, our corporate and SME customers are managed by Corporate and Community Account Management (CCAM).

Youth Engagement Journey 2015



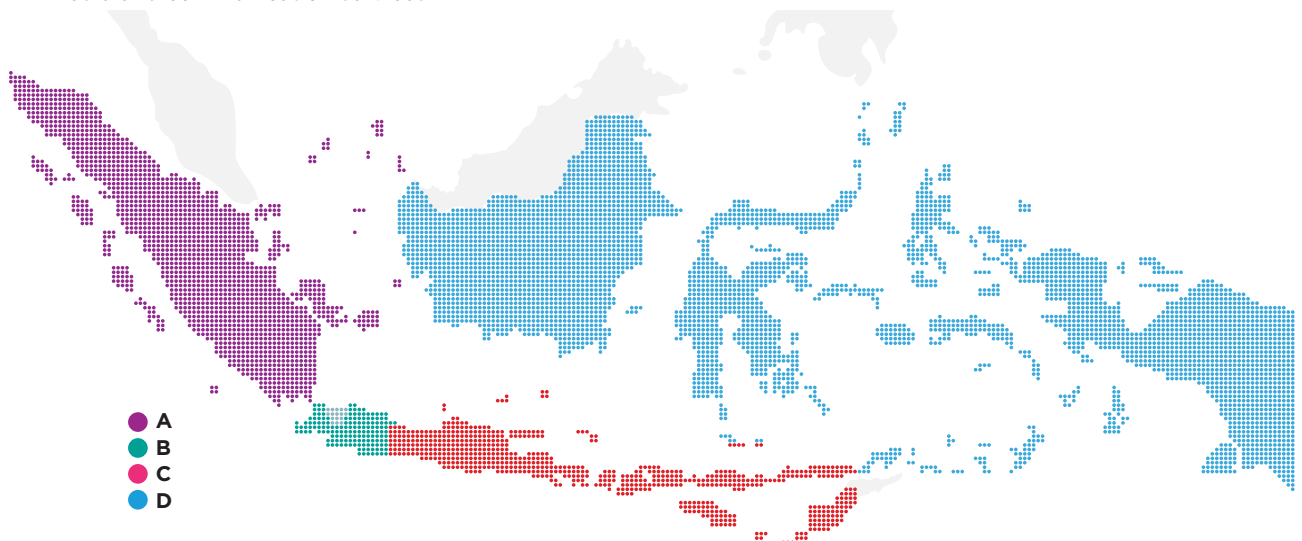
To continue to win corporate accounts, in 2015 CCAM focused on the following key strategic initiatives:

1. Segmentation of corporate customers into Top 1000 Account, Enterprise and SME customers. Each segment is handled by a different team within CCAM, with the priority to win Top 100 Corporate Account in Indonesia.
2. Focus on the Top 100 Points of Interest in Indonesia.
3. Product innovation such as Smart Solution Delivery with a focus on EDC and Online Payment, e-Government Sales Force Automation, Smart Metering, Telemetry, Smart Utilities, and so on.
4. Penetration into corporate customer lines of business (LoB), focusing on four key industries: banking and financial management services; government, military and police; utilities, energy and resource services; and media and communication services.

Community Segment

We continued to focus on building bonds and loyalty with the youth segment, and focused on growing our youth market share. We launched LOOP in 2014 to focus on this segment, and by the end of 2015 our LOOP product accounted for almost 10% of our customer base. In 2015, we developed a community management system that will enable us to measure the youth community penetration rate and help us to formulate the best strategy to grab the youth market share.

Key youth community programs conducted in 2015, through Telkomsel School Community (TSC), Telkomsel Mobile Campus (TMC) and New Way approach, as shown in the Youth Engagement Journey picture above.



Area Sales Activities

A. Area Sumatera

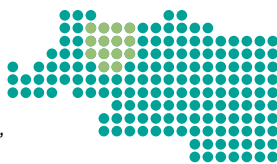
Area Sumatera has the largest customer base of all four Areas, accounting for almost 28% of our total base. Telkomsel maintains its market dominance in the market outside Java, including in Area Sumatera. In 2015, the key focus in Area Sumatera included collaborating with our partners and dealers to increase smartphone penetration in Sumatera, where we bundle attractive broadband packages with new smartphone. We also conducted Racing Sales Broadband program to incentivize best performers.



We also conducted programs to push kartuHalo in Area Sumatera through attractive broadband bundling to target the segment of customers not familiar with the internet, and the results have been positive. We also deployed our Account Management team to promote prepaid product to corporate customers. As in other areas, during the year we also focused on targeting key Points of Interest (POI) such as industrial parks, airports and seaports, and high-rise buildings, as well as the youth segment. Youth segment engagement in Area Sumatera was done through LOOP KEPO, an online competition on Digital Services over music, video and digital writing. We also conducted a roadshow to schools to push our products & services.

B. Area Jabodetabek-Jabar

Area Jabodetabek-Jabar remains the most competitive area. The highest numbers of Telcos are operating in this area, with SIM card penetration at more than 100%.



To ensure that Telkomsel stays ahead of the competition in Area Jabodetabek-Jabar, we executed the following key strategic programs in 2015.

1. Winning Micro Clusters with the objective of ensuring that Telkomsel wins in several strategic clusters within Jabodetabek-Jabar through key programs such as Outlet Racing in Sales, Recharge and Revenue; new channel acquisition; and a recharge bonus program; optimizing Mobile GraPARI for sales and customer care and micro campaigns for both legacy and Digital Services.
2. Boosting low revenue sites by regular sales events, as well as device and broadband education and migration from 2G to 3G at 3G BTS sites.
3. Building a digital ecosystem to promote TCASH and other Digital Services.

4. Ensure service excellence through broadband clinic, cross-selling, WoW experience mindset, reducing customers wait time and ISO certification.
5. Intensive sales programs at 100 key Points of Interest.
6. Other programs and activities related to winning in youth and community, boosting broadband revenue and strengthening our postpaid product.

C. Area Jawa Bali



Area Jawa Bali has the highest population in Indonesia but has relatively low SIM card penetration compared to other areas and therefore offers the greatest opportunity to grow our revenue. Key programs for Area Jawa Bali in 2015 included winning back clusters where we had lost out to our competitors, and we have made significant progress, particularly in key locations where YoY revenue growth was in excess of 100%. In those locations we ensure that we have superior network quality, as well as attractive pricing through our cluster-based pricing.

To sustain broadband revenue growth in Area Jawa Bali, we continued our broadband education programs through Mobile GraPARI, engagement with youth segment through LOOP programs and activities, device bundling with attractive broadband packages as well as empowering outlet to sell broadband products via M-KIOS. The results have been very positive as our revenue growth in Area Jawa Bali exceeded 20% YoY, making it one of the strongest areas. This is positive as Java and Bali are usually the areas where we have the most competition.

D. Area Pamasuka



Telkomsel continued to maintain its market dominance in Area Pamasuka as we retained the widest network coverage compared to other operators. We implemented several key programs in 2015 to maintain our market share dominance, mainly focusing on empowering Points of Interest (POI), boosting broadband revenue, winning the youth and community segment, as well as growing the digital ecosystem in the area.

We focused on POI as a source of generating higher revenue by executing programs to elevate the customer experience and put more sales efforts in those places. The programs include optimizing networks to POI, managing outlets surrounding the POI, executing sales programs on POI, as well as maintaining high value customer through loyalty program in POI.

As broadband increasingly contributes higher revenue, we captured opportunities to increase mobile data traffic by focusing on programs that boost data use and stimulate higher broadband revenue, such as smartphone bundling programs and a broadband incentive program which offers a high value proposition at attractive promotional prices for customers. We also sought to boost broadband revenue by implementing zone pricing for broadband as well as modernizing our network to improve the customer experience.

In the Youth and Community segments, we concentrated our efforts to increase the youth market share by innovative collaborations with TSC members and campuses, provided youth broadband corners, and engaged with young people at hangout places and through social media platforms. We also increased our direct sales efforts to the youth segment via Sales Community and Corporate representatives and youth events such as LOOP Kepo.

We strengthened our Digital Business by embracing the Digital Service ecosystem through promoting and socializing our digital products: digital music, digital content, digital payment, and digital campaign. Through a number of creative programs that promote the use of digital products, we built the community and ecosystem for sustainable digital revenue in the future.

The innovative programs we carried out in 2015 represent a good stepping stone towards continued double-digit growth in 2016 in Area Pamasuka.

Customer Care and Channel Management

Our brands revolve around providing the best possible experience for our customers through a wide range of products and services. For Telkomsel, service excellence means consistently delivering quality, reliability, value and ease. We set out to exceed customer expectations by anticipating and responding to the needs of all our customers in every segment, and in doing so generate long-term satisfaction and loyalty. Our network of customer touch points provides ready access to Telkomsel's products, services and assistance to customers anywhere, at any time.

Customer Touch Points (CTP)

Our walk-in customer touch points (CTP) include 414 GraPARI, 327 of which are managed in cooperation with partners and 87 directly by Telkomsel. We served more than 12 million transactions through our walk-in CTPs in 2015 and opened 10 new GraPARI sites: GraPARI Gunung Agung in Bali; Wamena in Papua; Balaraja, ITC Depok, BEC 2, Lembong and Leuwiliang in West Java; Kota Kasablanka in Jakarta; Ciputra World in East Java; and Kefamenanu in East Nusa Tenggara.

LOOP Stations were officially opened in Yogyakarta and Surabaya. These are hangout places where LOOPers (Telkomsel's youth customers) can gather, share and engage in their hobbies or try a variety of our latest Digital Services. At the same time, they also function as Telkomsel's Walk In contact centers.

Telkomsel has more than 2,500 Call Center Officers on call through our five Call Centers, more than 3,200 Customer Service are ready to serve at our GraPARI and more than 180 ECare Officers are ready to response customer via Email (cs@telkomsel.co.id), Social Media (Facebook and Twitter), MyTelkomsel (my.telkomsel.com) and TelkomselChat.

International GraPARI

Telkomsel inaugurated its first GraPARI in the Holy Land of Mecca, Saudi Arabia on March 1, 2015. The service center is designed to meet the communication needs of pilgrims from Indonesia who are performing the Hajj or Umrah. In addition to pilgrims from Indonesia, GraPARI Mecca also serves Indonesian citizens who are working in Saudi Arabia with a range of services such as sim card replacement, assistance on phone settings, activation of features such as international roaming, and blocking & unblocking kartuHalo.

In June 2015, Telkomsel opened GraPARI Singapore as a strategic collaboration between Telkomsel and Singtel. It is estimated there are more than 50,000 Indonesians residing in Singapore. Moreover, the city state is a place of work for thousands of Indonesian domestic workers, and of course it is also a favorite shopping destination for Indonesian tourists. A permanent service center will therefore greatly help Telkomsel customers in their communication needs while in Singapore.

MyGraPARI

MyGraPARI is our new digital media services and self-care machine that allows our customers to access sales and customer care services, including physical and non-physical information, requests and complaints; sales of Telkomsel products and services such as kartuHalo registration, purchase of prepaid starter packs, prepaid recharge, card replacement, kartuHalo bill payment using both credit and debit card, and product activation including Flash, BlackBerry and data roaming. It is also used to showcase Telkomsel's products and services, through advertisements and customer education.



MyGraPARI is currently available in selected GraPARIs and public areas in Medan, Pekanbaru, Jabodetabek, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar and Balikpapan.

Awards

Our commitment to improving the customer experience earned us many prestigious awards for customer care in 2015, such as:

1. Excellent predicate for GraPARI Telkomsel in Excellent Service Experience Award (ESEA) 2014 (Carre CCSL - February 2015).
2. Excellent Call Center Service Performance, Contact Center Service Excellence Awards (CCSEA) 2014 (Carre CCSL, April 2015).
3. Diamond award for GraPARI Telkomsel, Service Quality (SQ) Awards 2014 (Carre CCSL, June 2015).
4. 1st prize, Champion Twitter Customer Service in the Non-Banking Category, Contact Center Service Excellence Awards (CCSEA) 2014 (Carre CCSL, April 2015).
5. Best Facebook Customer Service in the Non-Banking Category, Contact Center Service Excellence Awards (CCSEA) 2014 (Carre CCSL, April 2015).
6. cs@telkomsel.co.id good performance Customer Service Email Centers for Non-Banking Category in Contact Center Service Excellence Awards (CCSEA) 2014 (Carre CCSL, April 2015).
7. The "Socially Devoted Award" for the most responsive social media, Engage Awards 2015 in Prague, Czech Republic (Socialbaker, May 2015).
8. Social Media Award, The Social Media and Digital Marketing Awards 2015 (Marketing Magazine, Frontier Consulting Group).

Information Technology

Summary

Telkomsel's Information Technology is focused on enabling its transformation from a Telco to a Digital Company in order to sustain growth via Digital Business revenues. The focus in 2015 was "WOW! Customer Experience", with an emphasis on the importance of providing a great experience to the customers using our products and services. We therefore embarked on a number of strategic IT initiatives in order to introduce the latest and most advanced technology, as well as to build our internal resource competency for higher reliability and efficiency.

Enabling the Digital Company

Telkomsel focuses on exploiting digital revenue sources, in line with its transformation to a Digital Company. In 2015, IT enabled Digital Payment platforms, which opened up new payment opportunities by leveraging TCASH TAP NFC solutions. Telkomsel relaunched TCASH TAP in an effort to improve the digital transaction experience, resulting in easier and faster mobile transactions using Near Field Communication (NFC) technology.

Telkomsel IT also implemented billing integration with OTT players such as Google Play Store and Microsoft Store to enable direct application purchases using Telkomsel's pulsa. This integration has been successful and has contributed towards achieving the Digital Business revenue target.

Revamping the Customer Experience through Data Analytics

In order to understand our customers better, Telkomsel recognizes the need for a strong data analytics capability that can provide insights into their profile, usage and consumption patterns. Telkomsel IT has therefore introduced Multi-dimensional Customer Profiling that will enable us to provide personalized offerings tailored to the needs of specific customer segments. Customer segmentation will play a pivotal role in increasing the effectiveness of our marketing campaigns.

The most advanced data analytics capabilities employed by Telkomsel IT were enabled by the launch of big data platforms, particularly the Operational and Strategic Decision Support System (OSDSS), coupled with investment in advanced analytics on top of the Secured Hadoop Cluster. This big data solution has significantly improved the response to our marketing campaigns, delivering a campaign take-up rate of up to seven times higher in broadband data.

Towards Reliable and Efficient IT

In addition to our efforts in enabling the business, Telkomsel IT also strives to consistently improve internal IT excellence from the perspectives of technology, process, and people. In 2015, we focused on empowering our internal resources to ensure the quality of work results. We revisited and updated our IT Operating Model in order to find a 'fit for purpose' internal operating strategy. We also strive to continuously increase the resilience of our internal Security Infrastructure, which is one of our most critical concerns.

The IT Directorate obtained ISO/IEC 20000-1:2011 certification, the internationally recognized standard for quality management of IT services. This achievement clearly demonstrates our intention to continually improve IT services management in Telkomsel.

In addition, the IT Directorate continued to drive cost competitiveness by maximizing the utilization of internal resources in the charging and billing domain (Handover of Charging Configuration activities), as well as optimizing IT infrastructure such as servers and storage, to manage the growth of operating expenditures.

Network

Connecting Your Digital Life through Best Network Quality

In order to sustain our market leadership, it is important for Telkomsel to maintain its network leadership, in terms of coverage, quality and customer experience, to stay ahead of the competition. The focus in 2015 was the implementation of three key strategic programs: Reliable Infrastructure Delivery, Operational Excellence Delivery and Good Quality Delivery.

Through Reliable Infrastructure Delivery, the focus continued to be on leading network supply, especially for our broadband infrastructure, through the deployment of 3G and 4G BTS, and we passed the milestone of 100,000 BTS by the end of 2015. Our deployment strategy is demand-based, taking into account high traffic and potential areas with specific focus into productivity of our new sites.

Through Operational Excellence Delivery, we implemented the One Network synergy program with our parent company, Telkom. This was a Collaborative Network Optimization Project (CNOP) with the objective of gaining cost efficiencies, particularly in transmission deployment and operations.

Through Good Quality Delivery, we focused on sustaining Telkomsel as the best broadband service provider in Indonesia with our network development, network modernization, CNOP and TrueBEx (True Broadband Experience) masterpiece program. The TrueBEx program focused on the delivery of a WoW (World of Wireless) broadband experience in our top 30 broadband cities throughout Indonesia as well as the deployment of our LTE infrastructure in 14 cities by the end of 2015.

Network Development

In 2015, Telkomsel also continued the development of broadband networks in line with the technology roadmap, through network capacity expansion, coverage and quality programs. By the end of 2015, we had achieved a 3G population coverage of more than 65% compared to smartphone penetration of only 40%. Throughout 2015, Telkomsel deployed almost 18,000 new BTS, of which almost 90% are 3G/4G BTS. Our BTS deployment strategy is on-demand and geographically based, divided into clusters and POI (Points of Interest)-based spots, such as public facilities, schools and campuses, tourist areas, and so on.

For LTE, we have coverage in 14 key broadband cities with 1,761 4G BTS. Although we expect the focus on 4G to intensify

in 2016 and beyond, we are still in the early days of 4G in Indonesia, as only 5% of our current customer base owns 4G handsets. However, as 4G handsets are expected to become more affordable with pricing heading into the mass-market range very soon, coupled with push initiatives from Sales & Marketing such as device bundling, broadband education and exclusive collaborations with handset manufacturers, we expect penetration to improve at faster rate.

Network Modernization

Our network modernization roadmap aims to keep our equipment from obsolescence as well as upgrade the capacity of highly utilized networks.

In 2015, Telkomsel modernized close to 3,500 BTS, of which 67% were 2G BTS, mainly focusing in the Sumatera, Jabodetabek and SULMAPUA Areas.

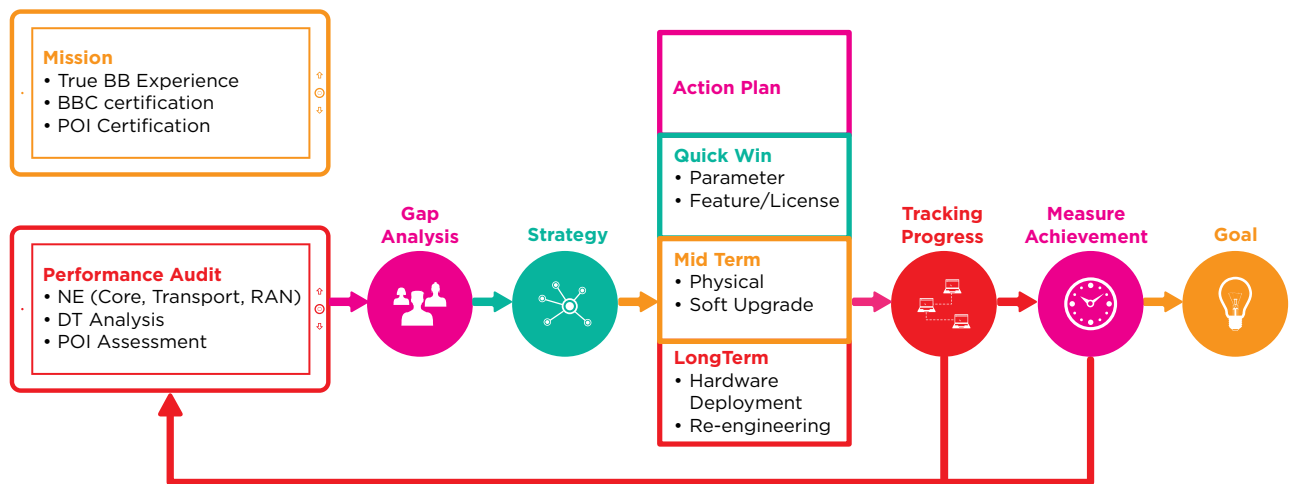
Telkomsel also continued with our Adaptive Network Deployment program, whereby we deployed SDR (Software Define Radio)-type BTS. These are compatible with all types of cellular technologies, and most importantly with 4G LTE, which will provide us the opportunity to carry out upgrades in future at much lower cost. The SDR program is ongoing and we expect it to continue over the coming years.

In addition to Radio Access Network, we also carried out transport modernization in 2015, with close to 7,500 items of equipment modernized from PDH (legacy) to IP technology using metro-E (fiber optic).

True Broadband Experiences



In 2015, Telkomsel successfully implemented the TrueBEx program in 30 broadband cities (BBC) with the aim of improving the quality of the broadband experience for our customers. This program was conducted through improvements to network assessment and certification, focusing on Coverage, Capacity, and Quality in 1,000 Points of Interest (POI) spread across the 30 BBCs. Through this program, Telkomsel aims to achieve a great customer experience with regard to broadband services through Telkomsel's World of Wireless. With good coverage, we will be able to minimize blank spots on a signal, while availability of capacity will ensure smooth access to data services for our customers. By keeping network utilization of 3G within the ideal level of below 70%, we will ensure good network quality, speed and stability in our data services to ensure a smooth experience for customers.



As a result, we have seen significant improvement in Telkomsel's network quality vis-a-vis that of our competitors, as evidenced in many published independent network reports.

For key POIs, the TrueBEx Program ensures stable network quality for customers when accessing data in those locations as well as when they are on the move along the clusters, especially on main roads. We ensure that customers get clear sound quality (HD-Voice) and a downlink speed of more than 1 Mbps at POIs. In the 30 Broadband cities, we targeted zero dropped calls and a broadband downlink speed of more than 512 kbps to ensure that internet browsing, social media usage and chat applications work reliably.

With the implementation of TrueBEx, we have seen a significant improvement in our network quality, which was marked by strong increases in both payload productivity and network performance.

Collaborative Network Optimization Project (CNOP)

As part of synergy with parents company, Telkomsel is in the midst of evaluating CNOP initiative with Telkom. The aim of this project is to define strategic collaborations and infrastructure convergence to ensure an efficient, effective and competitive network that will sustain Telkomsel's network leadership. In this project, Telkom will act as a Managed Service Provider (MSP) to consolidate Telkomsel's needs in transmission, access layer, aggregation and core layer, which were previously under multiple providers. The benefits to Telkomsel of CNOP implementation include a reduction in transport costs, avoidance of double investment and simplified network configuration.

USO and Telkomsel Merah Putih

In 2015 Telkomsel continued to strengthen its Universal Service Obligation (USO) and Telkomsel Merah Putih (TMP) initiatives as the realization of Telkomsel's commitment to providing network infrastructure and coverage to remote areas in Indonesia, with a particular focus on populated areas along the borders and in the furthest islands of Indonesia. Through the TMP initiative, Telkomsel built 35 new sites along Indonesia's land and sea borders with Australia, Malaysia, Papua New Guinea, the Philippines, Singapore and Timor Leste. Through the USO initiative, Telkomsel built another 109 BTS along border areas with Australia, Malaysia, Papua New Guinea, the Philippines, Singapore, Timor Leste and Vietnam.

LTE General Strategy

In 2015, Telkomsel's LTE deployment strategy focused on the top 14 Broadband Cities, targeting mainly high value customers (HVC) with 4G handsets and high usage.

Telkomsel's 4G deployment was mainly supported by the use of "Stain Analysis", which targeted HVC with 4G devices, high data ARPU and high payload consumption. The 4G network was laid based on their mobility, as well as POI (Points of Interest), 4G device population and 3G sites with high data usage. The aim of this smart deployment is to provide 80% of users with a mobile broadband experience captured on the 4G network while at the same time ensuring that we achieve the intended return on investment of our 4G network.

In order to improve the 4G user experience, Telkomsel has increased its LTE spectrum bandwidth from 5 MHz to 10 MHz, which was done by migrating all cities with 900 MHz to 1800 MHz (Jakarta, Bandung, Surabaya, Bali and Medan). New broadband cities have already been using 1800 MHz since the beginning of deployment. This has resulted in higher network capacity as well as a better 4G user experience.

Human Capital Management

In 2015, in line with Telkomsel's aspiration to continue to lead and shape the telecommunication industry and to transform into a Digital Company, the Human Capital Management Directorate played a pivotal role and remained committed to developing new business engines and strengthening transformation enablers, while maintaining the balance between achieving the corporate goals in 2015 and advancing our transformation.

Our corporate achievement of triple double digit growth in revenue, EBITDA and net income over the last four years was made possible by all the hard work and commitment of everyone at Telkomsel, a feat we are immensely proud of. However, with fast changing trends and needs in the telecommunication industry, it is imperative for everyone at Telkomsel to undergo a similar transformation to stay relevant and ahead of the industry. We have to start exploring and exploiting new business enablers and opportunities that will subsequently form part of the new business foundation through improving our core competencies, widening our mindset and developing a digital culture within the organization. In this regard, everyone at Telkomsel has to 'Go Beyond Performance'.

In order to continuously 'Go Beyond Performance', everyone at Telkomsel is expected to possess a self-renewable DNA mindset and adopt this in their everyday work. Human Capital Management plays a pivotal role as a business partner as well as a transformation enabler for everyone at Telkomsel, through three key development pillars: Human Capital 2015, Digital Ready Organization Transformation Jumpstart; People's Digital Built-in Capabilities Development; and Living The Telkomsel Way & Nurture Digital Ready Leadership.

Digital Ready Organization Transformation Jumpstart

The Digital Business is closely associated with creativity, innovation and the value of the products and services we provide to our customers. There tends to be a shorter product lifecycle in the Digital Business due to low barriers to entry from our competitors and partners, and as a result the lead time for a product to go from innovation to commodity is getting shorter. To keep up, the speed of innovation has to be even faster. The strong growth of the Digital Business requires different types of skillsets and competencies that will allow us to effectively support, grow and monetize our digital products and services. As a result, Telkomsel acknowledges the fact that continuous growth in our organization from a purely

organic perspective will not be enough, at the same time we will have to start to tap the potential inorganically, for example through mergers and acquisitions, joint ventures and so on. For this reason we set up the Strategic Investment Unit, directly under the CEO, to explore and exploit inorganic growth opportunities in order to ensure sustainable revenue growth.

With the Digital Business becoming more significant in the revenue mix (30% of total revenue), it is important to ensure that the profitability of our digital products and services continues to improve. This can be achieved through continuous efforts to drive more data traffic in order to improve our network utilization in the shortest time possible. With higher network utilization and greater economies of scale, profitability will improve. We are working with our parent companies to continue to explore cost leadership initiatives and establish a more efficient cost structure. To ensure that we achieve this, we set up the Network Strategic Alignment Unit, which is responsible for ensuring an efficient cost structure, and economies of scale through synergies with parents through win-win arrangements in order to sustain our EBITDA and net income margins going forward.

People's Digital Built-In Capabilities Development

In this new digital era, both the organization and the people are undergoing a transformation in order to ensure that we are flexible and our capabilities and competencies are well-developed. The Human Capital Management Directorate enhanced and refined our people development programs through refinement of our competencies model. As a result, employee development programs were focused on improving the technical and business competencies in the Digital Business, especially in the areas of machine to machine, mobile financial services, big data analytics, application programming interface, mobile advertising, and digital lifestyle. At the same time, the development of core competencies and behaviors focused on nurturing people and execution with the aim of ensuring that everyone at Telkomsel always strives to be more customer-oriented and precise in executing the Company's goals and objectives, and is capable of becoming a change leader, to ensure that quality talent is available and ready to be deployed in our future Digital Services. This refined competency model set the stage for The Telkomsel Way, effective self-leadership and emotional and spiritual quotient, a fundamental and important part in employee development and needs to be refreshed on regular basis.



All people development activities, be it training, e-learning, basic induction programs, on-the-job training, sharing and discussion, or project assignments, are now conducted based on the new, refined competency model. They are also based on DRRE (Development, Refreshment, Reinforcement, Evaluation) framework with the objective of improving competency levels over time.

Living The Telkomsel Way & Nurturing Digital-Ready Leaders

Through internal socialization and training, everyone at Telkomsel has an understanding of our corporate culture, The Telkomsel Way. However, the next challenge for us is to ensure that The Telkomsel Way is deeply entrenched into everyone's daily lives and activities. To make this a reality, the Human Capital Management Directorate implemented four key programs:

1. Culture Entropy Survey

This survey aims to assess the corporate culture health level at Telkomsel and identify the challenges and constraints faced by employees in maintaining a healthy and positive corporate culture. The survey results were encouraging: we continued to see an improvement in the overall score in 2015 compared to previous years (improved 2 points from 17% to 15%) and Telkomsel is considered as a company with a healthy corporate culture.

2. Culture Leaders and Change Agents

All senior leaders and several middle managers within Telkomsel have been tasked as Corporate Culture Leaders and Change Agents in their respective work units. All Culture Leaders and Change Agents carry with them the responsibility to plan and communicate corporate culture programs within their respective work units. They also collaborate closely to monitor the implementation of the culture programs to ensure consistency. Culture Leaders and Change Agents report directly to the CEO. As of December 2015, Telkomsel had 206 Change Agents and Culture Leaders.

3. Korpri Budaya

This is a corporate culture activity that is designed to push all Telkomsel's work units to conduct culture programs within their respective work units, with the objective of minimizing and eliminating constraints and issues in the workplace that may have potentially limiting values. The programs, which are designed to be creative, interesting and fun, are conducted on a regular basis and include games, sharing, sports, healthy lifestyle and outdoor activities. These activities were led by Culture Leaders and Change Agents to ensure that they achieved their intended positive impact.

4. Telkomsel Culture Festival Celebration

As pinnacle of the culture activities within Telkomsel, we organized the 2015 Telkomsel Culture Festival, which consisted of exhibitions, art performances and awards and recognition for cultural activities conducted throughout the year. Each directorate set up a booth to showcase the cultural activities conducted in their respective directorates over the year. There were many art festivities to mark the occasion, which included dance, vocal group performances and theatre, with the objective of creating solidarity and camaraderie amongst the employees through healthy competition. Recognition was given to work units and individuals that successfully participated in the cultural activities, including awards for the Best Korpri Budaya Directorate, Best Culture Leaders, Best Change Agent and so on. All these were designed to stimulate everyone at Telkomsel to continue to foster our corporate culture, The Telkomsel Way, in their everyday lives and activities by 'Living The Telkomsel Way'.

Establishing a healthy corporate culture goes hand in hand with the conduct of our leaders. Through human capital management, we strive to improve the quality of our leaders to enable them to become more transformational, in line with our company's transformation into a Digital Company. We send our Board of Directors and senior leaders to leadership development programs with prestigious universities abroad. This knowledge is then passed on through our Great People Trainee Program (GPTP), where we conduct induction programs for our management trainees.

Asia Best Employer Brand Award 2015



Local and global recognition for Telkomsel as a great company to work for came through winning at the 6th ASIA BEST EMPLOYER BRAND AWARDS 2015 organized by the Employer Branding Institute and the World Human Resources Development Congress Asia. We were ahead of many prestigious companies from all over Asia. This award was in recognition of the positive management of human capital within Telkomsel and our learning and development programs as well as our edge in employee recruitment and retention, and for being a company that continues to innovate. With this award, it is evident that human capital management continues to play pivotal role in the organization's transformation.

Synergy

Strategic Initiative Alignment

As part of our transformation initiatives (business, people, organization and culture) to move from Telco to Digico, we are leveraging the strengths and capabilities of our parent companies, the Telkom Group and Singtel, through various synergy activities.

In 2015, synergy programs with our parent companies focused on the following areas:

1. Customer Experience
2. Network Infrastructure
3. Digital Business
4. IT and Business Support

In total, 48 programs were executed during the year; the most important were as follows:

Synergy on Customer Experience

The primary aim of this program is for Telkomsel and its parent company to educate the market and customers in order to improve the customer experience and in particular to grow our Digital Business. Three key activities to improve the customer experience were:

1. **Engaging Youth Experience**, a synergy with the Telkom Group to deploy WiFi access points on campuses and in schools to ensure a seamless broadband experience. In 2015, we installed WiFi on 29 new campuses.



2. **True Broadband Experience**, a synergy with Telkom to develop WiFi and create applications based on the Android OS and iOS, as well as desktop versions. This activity targeted almost 2,000 new Points of Interest (POI).

3. **Privileged Postpaid Experience**, which utilizes plaza GraPARIs to drive Telkom's triple play products, Indihome and Telkomsel Mania.



Synergy on Network Infrastructure

Telkomsel relies on the Telkom Group's backbone infrastructure for many of its activities, including transmission, satellite, network space rental and the fiberization of Telkomsel's network, among others. This is made possible by several strategic collaborations with the Telkom Group. In 2015 we executed the following key programs:

1. **CNOP/One Network**, as part of synergy with parents company, Telkomsel is in the midst of evaluating CNOP initiative with Telkom Group.
2. **Access Fiberization**, to support the development of Digital 4G LTE, Telkomsel and the Telkom Group modernized and fiberized the transmission infrastructure. By the end of 2015, we had fiberized 9,000 sites across Indonesia.



3. **Radio Access Network Rollout**, to improve our network quality and capacity, Telkom accelerated the development of FO (fiber optic) backhaul for more than 5,500 new sites to ensure a True Broadband Experience (TrueBEx).

4. Telkom Flexi Migration, Telkomsel completed the migration of 1.4 million Flexi customers and is in the process of rearrangement of the 7.5 MHz spectrum vacated by Flexi. Once this is completed, Telkomsel will be able to utilize the spectrum for multi-technology TrueBEx GSM + UMTS + LTE.

Synergy on Digital Business

To enhance the growth of the Digital Business, Telkomsel carried out the following synergy programs with its parent companies.

1. Synergy on Digital Advertising, to improve the effectiveness and efficiency of Telkomsel brand, Telkomsel collaborated with MD Media to promote new products on-line with DOOH mechanism updated on real time basis with real time profiling at national and regional level.



2. Synergy on Digital Lifestyle

- Music sky between Telkomsel and Melon with target of 5 million users and 4 million tracks;
- Developing video portal content with Probis Telkom through the Moovigo application;
- Sales development via that NSP M-kios, with a target of 6 million users.

3. Synergy on Digital Payment with Finnet to:

- Increase TCASH subscribers;
- Increase the number of retail partners for TCASH NFC Tap; and
- Develop the e-Money platform.

4. Synergy on M2M Business, to serve enterprise customers:

- Develop LocoTrack & Smart Commuter applications;
- Truck Tracking & Trace with Pelindo;
- Provide simcard smart metering and control center capability for PLN customers;
- Provide smart connectivity for mobile ATM with M2M sim capability and control center with BCA.

Synergy on Business Support

1. Advance Leadership Program, a partnership program with Telkom University that offers a range of leadership programs for middle and senior management at Telkomsel, including the GDP program, the Seven Habits program and Dynamic Leadership Teams.

2. Synergy on IT, to Enhance Enterprise Management Capabilities: this is done in collaboration with Sigma and Infomedia to provide solutions for enterprise services such as Human Capital Information Systems and the Unified C.

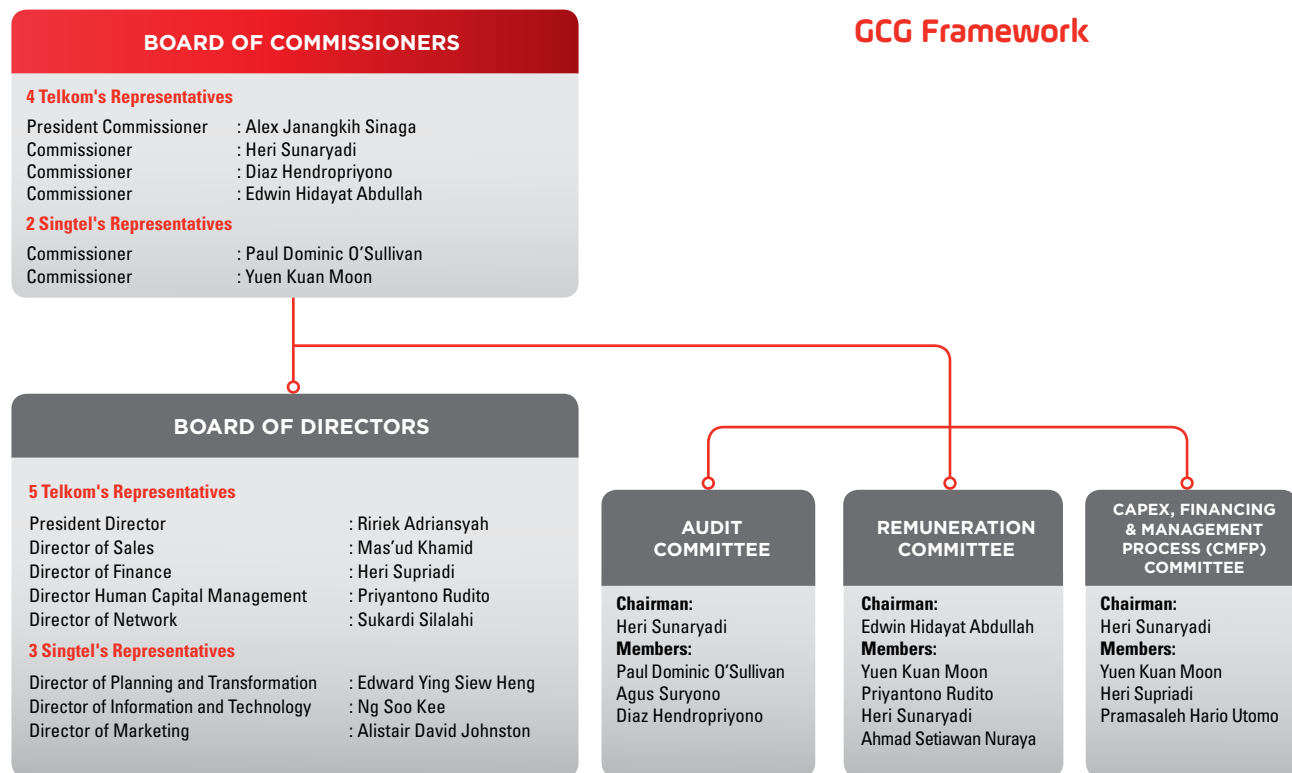


We're bringing
digital **PAYMENTS**
to your everyday life

Good Corporate Governance



Good Corporate Governance



Our commitment to the implementation of Good Corporate Governance (GCG) in every aspect of the business represents our compliance with the Company Law No. 40 of 2007 and some aspects of the United States Sarbanes-Oxley Act (SOA), with which all subsidiaries of PT Telekomunikasi Indonesia Tbk (TELKOM) are required to comply following its share listing on New York Stock Exchange (NYSE).

At the same time, the GCG implementation is also part of an important element that will ensure the Company's continuous competitiveness, enable us to stay ahead of the industry and maintain our market leadership position, and guide us in creating long-term value for both shareholders and stakeholders.

In order to build a strong GCG structure within the organization, we are firmly tied to five principles which serve as the pillars of our GCG implementation. The five principles are:

a. Transparency

This principle shall be carried in the effort of presenting a fair access to all information about the Company's financial and operational performances.

b. Accountability

Management and staffs of all levels are also required to develop high accountability in every action taken and in maintaining a fruitful relationship with the shareholders and stakeholders as well as on the part of its regulatory compliance.

c. Responsibility

This principle requires commitment of the entire elements of the organization to show their integrity and responsibility in decision making process, in defending the Company's and stakeholders' interests and assets and risk management to ensure business continuity.

d. Independence

We exercise our independence as an organization with high integrity by ensuring that all management is free from conflict of interest and/or the influence of other party.

e. Fairness

We carry the principle to ensure that all shareholders and stakeholders receive equal treatment, including fair opportunities for the employees to earn a career promotion, training and education, and access to information.

Code of Conduct

Telkomsel has adopted a code of conduct in accordance with highest standards of values and ethical conducts. The code applies to all employees representing the Company and it is envisioned to govern them in executing their sense of duty. Everyone associated with Telkomsel code of conducts should comply with law and regulations and act in the best interest of the Company.

The code influences how employees think about action and what they should or should not do in safeguarding the Company's assets, revenues and monetary adjustment beyond Company's Policy. It is the personal responsibility of each employee to adhere to the applicable standards.

General Meeting of Shareholders

As stated in the Articles of Association, the General Meeting of Shareholders (GMS) serves as the highest forum that is granted with the authorities other than those granted to either the Board of Directors or the Board of Commissioners, including taking the decisions against vital and strategic corporate actions and giving

approval to the reports of the Board of Commissioners and the Directors. In the GMS, the Board of Directors releases the Company Annual Report and the financial report, determine the allocation of the Company Net Profit and appoint the independent auditors.

Independence of Board of Commissioners and Board of Directors

The Company has a firm policy regarding the independence and potential conflict of interest of its Boards, which requires all members of Board of Commissioners and Board of Directors to report any positions they hold at other institutions potentially raising the conflict of interest or leading to the violation of the existing laws and regulations. In a situation where one of our Directors is exposed to a conflict of interest, he or she, as the Articles of Association says, shall be represented by another Board member.

It also says that the Board of Commissioners may take over part of responsibility of the Board of Directors in the case where all members of the Board of Directors are exposed to a conflict of interest. Also to ensure their independence, our policy regulates that all members of the Board of Directors and Board of Commissioners must not possess familial relationship with any other Board member.

The Board of Commissioners

Board of Commissioners comprises six members and one of them performs as the President Commissioner. Telkom as the majority shareholder is entitled to nominate four Commissioners and Singtel Mobile reserves the right to nominate two Commissioners. Based on the shareholders resolution dated January 14, 2015, the composition of Telkom's Board of Commissioners effective January 1, 2015, was as follows:

Telkom's Representatives

President Commissioner : Alex Janangkih Sinaga
 Commissioner : Heri Sunaryadi
 Commissioner : Diaz Hendropriyono
 Commissioner : Muchlis Muchtar

Singtel's Representatives

Commissioner : Paul Dominic O'Sullivan
 Commissioner : Yuen Kuan Moon

Based on the shareholders resolution dated April 7, 2015 the composition of Telkom's Board of Commissioners effective April 7, 2015, was as follows:

Telkom's Representatives

President Commissioner : Alex Janangkih Sinaga
 Commissioner : Heri Sunaryadi
 Commissioner : Diaz Hendropriyono
 Commissioner : Abdus Somad Arief

Singtel's Representatives

Commissioner : Paul Dominic O'Sullivan
 Commissioner : Yuen Kuan Moon

Based on the shareholders resolution dated October 7, 2015 the composition of Telkom's Board of Commissioners effective October 7, 2015, was as follows:

Telkom's Representatives

President Commissioner : Alex Janangkih Sinaga
 Commissioner : Heri Sunaryadi
 Commissioner : Diaz Hendropriyono
 Commissioner : Edwin Hidayat Abdullah

Singtel's Representatives

Commissioner : Paul Dominic O'Sullivan
 Commissioner : Yuen Kuan Moon

The Board of Commissioners is responsible for:

- Supervise the Board of Directors' management of the Company;
- Supervise the implementation of the Company's long-term business strategy;

- Oversee the effectiveness of the good corporate governance practices in the Company, including risk management and internal controls;
- Monitor the performance of the business;
- Provide direction, recommendations and guidance for the Board of Directors in managing the Company's business.

Meetings of the Board of Commissioners

The Articles of Association states that the Board of Commissioners holds a meeting at least once every three month, or whenever necessary as requested by any of the Board members or shareholder(s) who represent at least 1/10 of the total issued shares of the Company with valid voting rights. The Board of Commissioners also holds joint meetings with the Board of Directors as part of performing its supervisory function.

Name	Position	Meeting Attendance
Board of Commissioners		
Alex J. Sinaga	President Commissioner	4 of 4
Heri Sunaryadi	Commissioner	4 of 4
Diaz Hendropriyono	Commissioner	4 of 4
Muchlis Muchtar	Commissioner	1 of 1
Abdus Somad Arief	Commissioner	2 of 2
Edwin Hidayat Abdullah	Commissioner	1 of 1
Paul Dominic O'Sullivan	Commissioner	3 of 4
Yuen Kuan Moon	Commissioner	4 of 4
Board of Directors		
Ririe Adriansyah	President Director	4 of 4
Mas'ud Khamid	Director of Sales	4 of 4
Heri Supriadi	Director of Finance	4 of 4
Priyantono Rudito	Director of Human Capital Management	4 of 4
Sukardi Silalahi	Director of Network	4 of 4
Edward Ying Siew Heng	Director of Planning and Transformation	4 of 4
Alistair David Johnston	Director of Marketing	4 of 4
Ng Soo Kee	Director of Information and Technology	4 of 4

Committees Under the Board of Commissioners

The Board of Commissioners is charged with supervisory role in a general manner and/or in a specific manner in accordance with articles of association and to provide advice to Board of Directors.

In performing its supervisory function, the Board of Commissioners takes assistance from three Committees.

The Committees are:

1. Audit Committee
2. Remuneration Committee
3. CAPEX, Financing and Management Process (CFMP) Committee.

The Audit Committee

The Audit Committee assists the Board of Commissioners in fulfilling its oversight responsibilities for financial reporting process, internal control process, internal and external audit process and risk management process. In performing its duties, the Audit Committee shall ensure the effective working relationship with the Board of Directors, Managements, Internal Auditors and External Auditors. The Audit Committee shall meet at least four (4) times a year, the meeting must be attended by at least two members of Audit Committee, with one member nominated from Telkom and one member nominated from Singapore Telecom Mobile Pte Ltd. The Audit Committee members shall comprise of at least 3 (three) members. The Members are appointed by The Board of Commissioners, and at least one of the Members shall have competency in accounting and/or auditing.

The structure of the Audit Committees is:

- Heri Sunaryadi as chairman
- Paul Dominic O'Sullivan as member
- Diaz Hendropriyono as member
- Agus Suryono as member

The Audit Committee holds meetings on regular basis with the Internal Audit Group to discuss findings from the audit process.

In 2015, there was a total of 5 Audit Committee meetings.

The Remuneration Committee

The Remuneration Committee is established to assist the Board of Commissioners in ensuring that the remuneration policy and scheme that is being implemented or will be implemented in the Company reflects a fair reward to the Board of Directors or employees, attracts talent and has competitive value, in order to ensure that the Company has competent human resources. The Remuneration Committee shall comprise of at least 3 members and the members are appointed by the Board of Commissioners. Pursuant to The Charter, the Remuneration Committee shall meet at least 1 (one) a year and the meeting shall comprise of 2 (two) members.

The structure of the Remuneration Committee is:

- Edwin Hidayat Abdullah as chairman
- Yuen Kuan Moon as member
- Priyantono Rudito as member
- Heri Sunaryadi as member
- Ahmad Setiawan Nuraya as member

In 2015, there was a total of 1 Remuneration Committee meetings.

The CAPEX, Financing and Management Process (CFMP) Committee

The Capex, Financing and Management Process (CFMP) Committee shall assist the Board of Commissioners in fulfilling its oversight responsibilities on the Capex, financing, and management processes of the Company. The CFMP Committee will provide the Board of Commissioners from time to time with its findings and recommendations. For an effective review and understanding of the Capex and operational processes, the CFMP Committee will need to have ongoing interaction with the management, which can be the members of the Board of Directors.

The CFMP Committee shall review e.g., but not limited to:

- a. The Capex planning and management process.
- b. The financing policies and plans of the Company.
- c. The capacity management, supply chain and operational target setting.

The CFMP Committee reports periodically to the Board of Commissioners. Its report will contain a summary of the CFMP Committee's activities, findings and recommendations. The CFMP Committee shall comprise of at least 3 (three) members. At least one member of the CFMP Committee is a member of the Board of Commissioners, nominated by Telkom and at least one member of the CFMP Committee is a member of the Board of Commissioners nominated by Singtel. One other member of the CFMP Committee is the representative of the Company in charge for Capex planning/monitoring and financing. The CFMP Committee holds regular meetings, structured via a timetable, agendas and minutes of meeting. The frequency of meetings will depend on the CFMP Committee's objectives and scope of activities.

The structure of CFMP Committee is:

- Heri Sunaryadi as Chairman
- Yuen Kuan Moon as member
- Heri Supriadi as member
- Pramasaleh Hario Utomo as member

In 2015, there was a total of 6 CFMP Committee meetings with a total of Rp9.1 trillion worth of Capital Expenditure approved by the Committee.

The Board of Directors

Board of Directors consists of eight members and is led by the President Director. Telkom as the majority shareholder is entitled to nominate five Directors and Singapore Telecom Mobile Pte Ltd reserves right to nominate three Directors. Based on the shareholders resolution dated January 14, 2015 the composition of Telkomsel's Board of Directors effective January 1, 2015, was as follows:

Telkom's Representatives

President Director	: Ririek Adriansyah
Director of Sales	: Mas'ud Khamid
Director of Finance	: Heri Supriadi
Director of Human Capital Management	: Priyantono Rudito
Director of Network	: Sukardi Silalahi

Singtel's Representatives

Director of Planning and Transformation	: Edward Ying Siew Heng
Director of Information and Technology	: Ng Soo Kee
Director of Marketing	: Alistair David Johnston

The Board of Directors is responsible for:

- Maintaining the daily business of the Company;
- Formulating Telkomsel's Business Plan and Strategy;
- Preparing the annual budget;
- Preparing the Annual Report to Shareholders;
- Ensuring that the business is run effectively to give value to the shareholders and stakeholders;
- Representing the Company in any legal cases.

Meetings of the Board of Directors

The Board of Directors holds meetings at least once in every two months or whenever requested by any of the Board members or by any of the Commissioners or by shareholder(s) who represent at least 1/10 of the total issued shares of the Company with valid voting rights. The Board of Directors also holds joint meetings with the Board of Commissioners to present the reports on the operational and financial performances of the Company as well as to discuss and seek the necessary approval for the corporate agenda. The quorum for the meetings of the Board of Directors is four members, including one Director nominated by each shareholder of the Company that possesses at least 10% of the total issued shares of the Company.

Name	Position	Meeting Attendance
Board of Directors		
Ririek Adriansyah	President Director	36 of 38
Mas'ud Khamid	Director of Sales	35 of 38
Heri Supriadi	Director of Finance	35 of 38
Priyantono Rudito	Director of Human Capital Management	37 of 38
Sukardi Silalahi	Director of Network	37 of 38
Edward Ying Siew Heng	Director of Planning and Transformation	33 of 38
Alistair David Johnston	Director of Marketing	33 of 38
Ng Soo Kee	Director of Information and Technology	35 of 38

Remuneration

The General Meeting of Shareholders is authorized to determine the amount of remuneration for members of the Board of Commissioners and Board of Directors based on the recommendations from the Remuneration Committee. The remuneration structure for Directors and Commissioners comprises three components – fixed compensation, variable compensation, benefits and facilities.

1. Fixed Compensation

The Fixed Compensation comprises base salary refer to AGMS dated April 2, 2015.

2. Variable Compensation

Variable Compensation shall be paid in form of yearly bonus. The decision of yearly bonus will be determined in AGMS.

3. Benefits & Facilities

Telkomsel provides benefits such as medical, allowance, housing, membership, communication and insurance.

For the year ended on December 31, 2014 and 2015, the Company paid an aggregate compensation of Rp117.5 billion and Rp173.1 billion to all Commissioners and Directors, an increase of 47.3%.

Internal Audit

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The Internal Audit performs its function with reference to Internal Audit Charter that sets out vision, objectives, and scope of works of the audit organization. Referring to the charter, the Internal Audit has dual accountability, to the Audit Committee on functionality and to the President Director on administration matters. On September 2015, the Internal Audit proposed a revised Internal Audit Charter to support the corporate transformation into a Digital Company.

The Internal Audit supports the Company in achieving its goals through a systematic approach to evaluate and enhance risk management process effectiveness, control and good corporate governance, with a focus on:

- Reliability and integrity of financial and operational information
- Efficiency and effectiveness of business operation
- Tangible and intangible asset protection
- Compliance with regulations and corporate contractual matters

In 2015, the Internal Audit performed internal audit activities which were aimed at supporting the accomplishment of the corporate transformation into a Digital Company. Among the audit objects were:

- ISO 27001 Information Security Management System
- IS Security Assessment
- ISO 20000 Service Management System
- ICT Network Deployment and Change Management

Moreover Internal Audit has already completed additional projects that covered operational engagement (Asset Management and Program Bonus), financial review and analysis (Quarterly Limited Review and Manual Adjustment Review) and SOA concern (Transactional, Entity Level and IT General Controls). Internal Audit has also provided consultancy and followed up on whistle blowing as part of Whistle Blower System. Additionally, the Internal Audit developed a satisfaction survey index to measure both internal and external customer satisfaction concerning Internal Audit support and activities.

External Audit

During AGM, Telkomsel's shareholders empower the Board of Commissioners to appoint external auditors. The external auditors hold office until their removal or resignation. The Audit Committee assesses the external auditors based on factors such as the performance and quality of their audit and the independence of the auditors, and recommends their appointment to the Board of Directors in the frame of synergy with majority shareholding.

In order to maintain the independence of the external auditors, Telkomsel has developed policies regarding the types of non-audit services that the external auditors can provide and the related approval processes.

The Audit Committee has also reviewed the non-audit services provided by the external auditors during the financial year and the fees paid for such services. The Audit Committee is satisfied that the independence of the external auditors has not been impaired by the provision of those services. The external auditors have also provided a confirmation of their independence to the Audit Committee.

Whistleblowing

Telkomsel applies a firm policy on whistleblowing. The policy regulates the ways in which an employee or other parties report fraud, unethical behavior, corruption, dishonest practices or breach of internal control and code of conduct to Telkomsel's Audit Committee. The Committee will then follow up with an investigation.

As long as the reporting of such matters is done in good faith, Telkomsel ensures that the employees making such reports are treated fairly and protected from reprisals. All whistleblower complaints are investigated by a special audit team and the results of the investigation are reported to the Audit Committee for follow up action.

Corporate Secretary

The scope of work of the Corporate Secretary is to ensure regulatory compliance and to manage relationships with the Company's stakeholders on the principles of good corporate governance, including the relationships with employees, shareholders, government institutions, the public and the media. The Corporate Secretary manages the interrelationship between the Board of Commissioners and the Board of Directors as well as the relationships among the Board members.

The detailed scope of duties and responsibilities of the Corporate Secretary includes:

- To ensure the governance of the Company's operation, particularly in terms of the alignment of interest among the stakeholders as well as the distribution of rights and responsibilities among the key elements of the Company.

- To ensure that all policies and business process of the Company are in compliance with the prevailing laws and regulations.
- To ensure an effective communication between the Company, the regulators and mass media and develop the Company's capability to fulfil its obligations to the Government.
- To manage working facilities and infrastructure in order to facilitate the efficient and effective operation of the Company.
- To build the Corporate Image and carry out the Corporate Social Responsibilities (CSR) activities.
- To hold the Corporate General Meetings, including Annual General Meeting of Shareholders.

Investor Relations

Our Investor Relations represents the commitment to promote transparency and fairness of the Company to the shareholders and stakeholders. Together with Telkom's Investor Relations team, we facilitate meetings and conferences with existing and potential institutional investors, investment and market analysts as well as financial communities.

The Investor Relations is responsible for:

- The distribution of accurate and complete information about the Company's business activities, strategies and performance on timely basis.
- The issuance of Info Memos on quarterly basis, which will be inserted into Telkom's quarterly Info Memo, and

the Annual Report.

- Participate in a series of corporate events, such as road shows and conferences, investor meetings and site visits with the holding companies.

In 2015, we held 154 meetings with the investors/analysts as well as managed a total of 17 non-deal road shows/ conferences in Singapore, Jakarta, Bali, Hongkong, London, Edinburgh, San Fransisco, Boston and New York. For any inquiries regarding Telkomsel's financial and operational information, please visit Telkomsel's website, www.telkomsel.com or Telkom's website, www.telkom.co.id.

Enterprise Risk Management

Over the last few years, telecommunication business is undergoing changes from Legacy services to Digital. Telkomsel aims to transform into a Digital Company and revenue from the Digital Business to overtake that off Legacy in the coming years. The growth in OTT services, coupled with the affordability of smartphones has resulted in tremendous growth in Data and Digital Services in recent years. To maintain market leadership and sustain competitive advantage, the Company has to be more innovative and strategic in its market approach. In achieving that we must be able to address the risks that are facing the Company. Through the Enterprise Risk Management (ERM) unit, the Company has identified potential risks and their mitigating factors.

Key risks identified during 2015 amongst others are:

1. Failure to monetize broadband services

The growth in smartphone penetration coupled with the abundance of mobile applications, OTT services and social media has resulted in significant growth in broadband data consumption in recent years. Ideally, the growth in payload has to be in line with the growth in revenue but in reality it was not the case and has resulted in significant decline in data yield.

The challenge facing Indonesian operators are relatively low smartphone penetration (about 40%) and non data-capable device still dominates the number of customer devices. The Company has undertaken the following activities to increase broadband usage:

- Established collaboration with device manufacturers to ensure smartphone pricing becoming even more affordable and appeal to the general masses.
- Continued Broadband education and penetrating the youth segment to sustain payload growth.
- Continued to migrate Pay As You Use (PAYU) customers to Flash data packages that will result in significant revenue and ARPU uplift.
- Ensured leading network supply and True Broadband Experience (TruBEx) to improve customer experience.
- Implemented competitive pricing and tariff through cluster-based and zone pricing.

2. Insufficient ecosystem to develop 'Great Payment Experience'

As part of our transformation to Digital Company, one of Telkomsel's Key Masterpiece programs in 2015 was to develop Great Payment Experience and lay foundation to Digital Payment ecosystem in Indonesia. While the opportunities are enormous as we have more than 60 million unbanked population in Indonesia, the challenge

facing operators are usage of e-money and Digital Payment has not increased significantly over the last 5 years as well as lack of cooperation between operators and banks in tapping into this market. There needs to be better cooperation between operators and banks as well as greater support from government in driving the e-money and Digital Payment initiatives.

3. OTT services threaten the Company's value, revenue & traffic, while the digital product growth below expectation

The widespread availability of OTT services on one hand has helped to drive the growth in data usage, but on the other hand has started to cannibalize our Legacy services especially SMS (YoY traffic declined 15%). As part of Telkomsel's aspiration to be a leading Digital Company in Indonesia, it is important that Telkomsel is able to convert risks into opportunities through the following:

- Built partnership with OTT players to ensure Telkomsel has share of the pie as well
- Developed quality local-based applications such as through the NextDev Digital Creative competition
- Improved employees competency in Digital Business (drive by HCM)
- Developed a clear road map for Digital Business including appropriate investment plan
- Formed organization that is more flexible and project-based towards Digital Business
- Hired experts in Digital Business

4. Uncertainty on Regulatory

As telecommunication industry in Indonesia continues to change, there may be potential changes in regulation that would cause adverse impact on Telkomsel's market leadership position. Although in general the regulatory changes introduced over the last one year have been positive and for the betterment of the industry, such as spectrum rearrangement in 1800 MHz, SIM Card registration, relatively rational market landscape, there are more changes on the pipeline that may significantly impact Telkomsel's performance such as:

- Spectrum allocation for 2100 and 2300 MHz
- Network sharing

It is imperative that any new regulations contribute to creating an even more rational market and a conducive business environment, and incentivize operators to deploy their network infrastructure, especially outside Java.

5. IT and Network Security Issues

Information is an asset and is precious to an organization, so we must ensure that it has sufficient protection. Information security includes confidentiality, integrity and availability where these three things have to work properly.

Telkomsel has to protect its information system from being damaged and misused by unauthorized parties. It also has to pay attention on how to run the business processes related to information laws and regulations.

In 2015, there were several incidents related to information security that can be classified into three categories: Security, Fraud, Phishing/Fake Website. The issues were very detrimental to Telkomsel, not only on materiality, but also to reputation of Telkomsel as information itself is priceless. Mitigations that have been performed were:

- a. Improved security system access, control mechanisms and policies
- b. Improved the access network segmentation
- c. Conducted regular penetration test

processes related to operational and compliance, covering HQ, Area, Regional and all the way to Branch offices.

Business Continuity Management (BCM) Implementation

It is important for Telkomsel to continue to function as an organization in the moment of crisis and disasters that have widespread implications. For that purposes, we implemented BCM to ensure minimal disruption to our services even when facing with big scale disaster and crisis.

BCM is a holistic management process that acts as a guidance to ensure business continuity before, during and after the crisis be it natural disaster or emergency crisis to ensure our stakeholders, assets, reputation and value are protected.

We have implemented the following BCM phases:

- a. Risk Assessment
- b. Business Impact Analysis
- c. Disaster Scenarios and Business Continuity Strategy
- d. SOP in disaster handling

Internal Control Improvement

In reference to the COSO framework and based on the assessment in 2014, Telkomsel has established and implemented the design of internal controls and business

Regulation and Compliance

Telkomsel strives to always maintain an open and positive relationship with regulators, related national institutions and cellular operator associations. As part of our licensing requirements, we fulfilled our license obligations such as providing regular, timely reports to the regulator, and the payment of frequency fees. We ensure that we always comply with the prevailing regulations while contributing positively to the development of the telecommunication industry as well as helping to shape the industry. We conduct studies and provide inputs to the drafts of regulations that can influence the telecommunication industry as a whole.

Telkomsel in 2015 fulfilled all of the aspects of compliance, relating to the provision of legacy, broadband as well as Digital Services. Telkomsel always conducts a thorough analysis on the regulatory aspects of the business plan before it commercially launches any new product or service. The results of the analysis serve as guidance for the Digital Business unit in developing Digital Services. Success is therefore considered to be zero notices from the regulator and minimum complaints from the customers.

During 2015, we worked closely with the regulators on the following matters:

- a. License Renewal: Telkomsel during 2015 has completed license renewal of current license permit for ITKP (VoIP) license and cellular mobile network license. Renewal license is approved after we completed a 5-year evaluation period on the previous license.
- b. Spectrum rearrangement in 1800 MHz: Spectrum rearrangement for 1800 MHz that started in May and completed by November 2015 on 42 clusters throughout Indonesia. After the rearrangement the frequency became contiguous and more efficient to use. Telkomsel has also received Surat Keterangan Laik Operasi (SKLO) that allows using 1800 MHz spectrum in rolling 4G LTE services.
- c. Technology Neutrality: License to commercially operate 3G on 900 MHz and 2G (GSM)/3G (WCDMA) on 800 MHz. Telkomsel has received SKLO from the government that allows the use of 800 MHz on 2G (GSM)/3G (WCDMA), and 900 MHz on 3G. This is done as part of government's initiatives to implement technology neutrality in 800/900 MHz.
- d. Transfer of Flexi spectrum and rearrangement: As part of the reallocation of 800 MHz spectrum from Flexi Telkom to Telkomsel, Telkom successfully completed the shutdown of the Flexi network in June 2015, and the rearrangement with Smartfren and Indosat is expected to be completed in 2016 to ensure optimize utilization of the 800/900 MHz spectrum.
- e. Interconnection: Revision to interconnection tariff in 2015 is expected to be completed and implemented in 2016. Under the existing interconnection tariff, it is based on symmetric method, but in order to have fair and equitable method for all operators, the government is currently relooking at the methodology to increase fairness for the industry.
- f. SIM Card registration: The government stresses the importance of SIM Card registration to ensure traceability of prepaid users to minimize fraud and criminal activities as well as improving national security. For the operators, SIM Card registration would be beneficial in reducing industry churn for prepaid that would result in cost savings. The SIM Card registration has been implemented in December 2015.

Litigation Cases

SMS Cartel

Based on an investigation into the allegation of SMS cartel practices by the Company and eight other local operators, the Commission for the Supervision of Business Competition ("CSBC") in its decision dated June 17, 2008, decided that the Company and five other local operators have violated article 5 of Law No. 5/1999 by entering into a cartel. The Company was charged a penalty of Rp25 billion.

Management believes that there are no such cartel practices that led to a breach of prevailing regulations. Accordingly, on July 11, 2008, the Company filed an objection with the court. On May 27, 2015, the Central Jakarta District Court ("CJDC") revoked CSBC's decision and declared that the Company and the other operators did not violate article 5 of Law No.5/1999. On June 9, 2015, CSBC filed an appeal to SC to contest CJDC's decision. CSBC also filed its memory of appeal to SC on June 22, 2015 to counter CJDC's decision. Subsequently, the Company filed contra appeal on September 17, 2015 and currently the appeal process is still ongoing.

Unauthorized Procurement conducted by the Company's ex-employee

In July 2015, the Company was sued by PT Sarana Cipta Intinusa ("PT SCI"), PT Prima Global Indotelkom ("PT PGI"), and Thomas Iskandar at South Jakarta District Court for Rp122.3 billion for direct losses and Rp3 trillion for indirect losses with respect to frauds committed by an ex-employee of the Company who conducted unauthorized procurement on behalf of the Company with the Parties. The Company assessed the potential for liabilities arising from these claims to be remote.



We're sharing
DIGITAL VALUES
in everyday life

Corporate Social Responsibility



Corporate Social Responsibility

CSR in Support of Telkomsel's Vision and Mission

Telkomsel's vision is to be a world class, trusted provider of mobile Digital Lifestyle services and solutions and the mission is to deliver Mobile Digital Services and solutions that exceed customers' expectations, create value for our stakeholders and support the economic development of the nation. Many of our CSR programs and initiatives are tailored to support the achievement of that vision and mission.

Our CSR programs are designed to strengthen Telkomsel's position as an innovative company, using technology and our products and services to help Indonesians and contribute to the development of Indonesia. As such, the objective of our CSR programs are:

1. To maximize the social impact that Telkomsel brings to society and community.
2. To introduce new and latest innovation in both products and services that can help to bridge social constraints and issues while at the same time serve to educate the society.

To achieve the above objectives, it is important to execute the following strategy in the implementation of our CSR programs:

1. Focus on 4 key pillars in Education, Community Development, Environment and Ecosystem.
2. ICT-based initiative with long term sustainability, with the aim on creative digital and youth community.

The 4 Pillars of CSR

Education

As a company that is on its transformation journey from Telco to Digico, Telkomsel supports the development of creative digital ecosystem in Indonesia through Device-Network-Applications (DNA) implementation approach. Digital applications is the key ingredients in forming digital ecosystem in Indonesia, whereby our customers can use these applications in their day to day digital life. In this regard Telkomsel rolled out The NextDev as one of the CSR masterpiece programs for 2015. The NextDev, which adopts the theme 'Karya Anak Bangsa untuk Solusi Indonesia' was a creative digital competition with the objective to develop local-based mobile apps that are useful in our daily lives, especially in the area of Smart City development. To promote the event, we held roadshows in 10 cities across Indonesia and attracted more than 3,000 participants, who had submitted their creative ideas in the development of Smart City for the greater good of Indonesia. The NextDev

program will support digital ecosystem in Indonesia through useful apps which were developed by our local-based talents to make a positive social impact for Indonesian. The competition took place from May to July 2015 with attractive prizes for the winners such as an opportunity to market their apps through Telkomsel, mentoring, marketing publicity for the apps, management trip and money.

During the competition, there were 6 sub-themes of Smart City Apps:

1. e-Government
2. e-Health
3. e-Education
4. e-UKM (Micro, small and medium enterprises)
5. e-Tourism
6. e-Transportation

We received more than 400 apps submissions across the 6 themes and shortlisted to the final top 20 to undergo boot camp and selection and the eventual top 3 winners were:

- e-Education: Rumah Sinau
- e-Government: GandengTangan
- e-Tourism: Jejakku

gandengtangan



A type of crowd-funding, whereby it brings collaboration between social entrepreneurs and the public willing to fund the project starting from as low as Rp50,000 with zero interest. Team Leader: Nur Roni Dinnurohman (Jakarta)

RumahSinau



Rumah Sinau is an app that brings together students, tutors and owners of space/locations. Through RumahSinau, several activities can be arranged, such as study together, homeworks etc. Team Leader: Abdul Basir (Jakarta)

Jejakku



Jejakkku is a trip organizer for tourists to search for all information related to tourist attractions, ticket prices, opening hours, transportation and how to get there as well as review from fellow travelers. Team Leader: Ahimsa Denhas Afrizal (Surabaya)



Telkomsel Integrated Digital School (IDS)

IDS is an integrated digital system application for schools that is developed as a tool to digitalise schools' information system in order to develop digital school ecosystems, such as attendance check through face recognition technology and RFID (Radio Frequency Identification), allow students to access school intra/extracurricular activities, electronic book library and so on. IDS program is one of Telkomsel's CSR activities that has been running since 2012, and implemented in 87 schools across Indonesia.

Tselia Learning Program

Tselia Smart Book program was developed with the objective of educating the students on telecommunication development and the role that Telkomsel plays in accelerating deployment of telecommunication technology for the greater good of Indonesia.

The program was implemented in primary and secondary schools in Indonesia, through multimedia interactive concept and attractive delivery, as well as the creation of special character 'Tselia' and Tselia comic.

Scholarship for PUMA students (Papua Maluku)

Into its second year, the scholarship programs for PUMA students were focusing on East Indonesia city of Jayapura, Sorong and Ambon. We selected 6 students to be the recipients of scholarship program from Telkomsel all the way to university at Telkom University in Bandung. Upon successful completion of their study, the candidates will receive priority in recruitment as staff trainee at Telkomsel in the future. The scholarship covers their living allowances, tuition and yearly air ticket back to their hometown. The recipients will also receive study counselling program to ensure they stay on the right track. This program was made possible through collaboration with Telkom Group and Yayasan Pendidikan Telkom (YPT).



Community Development

Smart City Collaboration with LAPI ITB

To show our commitment in technology advancement for Indonesia, Telkomsel collaborated with LAPI (Lembaga Afiliasi Penelitian & Industri) ITB (Institut Teknologi Bandung) to develop Smart City technology platform which will be adopted as the model for cities in Indonesia.

The objective of the programs are:

- Implement and develop "Smart System Platform" ecosystem that are both applicative and anticipative.
- Development of Telkomsel Digital Business.
- As a platform to implement Machine-To-Machine solution developed by Telkomsel.
- Supporting system for Big Data solution.
- Development of integrated and technology-based city services that is Smart and Fast in managing natural resources, people, ICT, etc.
- Accurate and fast dissemination of digital information to the public in term of transportation, education, healthcare, environment, etc.
- Targeted development of telecommunication infrastructure and ICT application.
- Trigger the development of digital creative in Indonesia.

Bogor was selected as the pilot project for the Smart City program.



Command Centre for TKI Nusantara (Indonesia Workers Overseas)

Telkomsel helped to develop command centre that will assist staff of Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia (BNP2TKI) to monitor Indonesian workers overseas. BNP2TKI is a government body set up for monitoring and protection of Indonesian workers overseas. Telkomsel provided software and hardware for the implementation of the command centre, as well as training and socialization of the system to BNP2TKI.

CSR Religious Programs

a. Telkomsel Siaga 2015 and 20 Tons of buah Kurma donation. As part of Telkomsel's annual CSR programs for religious festivities, Telkomsel conducted many CSR activities especially during the holy month of Ramadhan. As part of Telkomsel Siaga 2015 and 20th Anniversary Celebration, we donated 20 tons of Dates (Buah Kurma) to 8 of the largest mosques across Indonesia.

b. Telkomsel Break fasting with 8,000 Orphans

True to our tagline of 'Selalu Berbagi dan Melayani' (always giving and serving Indonesia), Telkomsel gave donation and break fasting with 8,000 orphans across 40 orphanage in Indonesia. On the occasion Telkomsel also renovated some of the orphanage as well as provided religious supplies.



c. Telkomsel Distributes Qurban Across Indonesia

An annual event during Idul Adha, Telkomsel distributed 655 Qurban cows and sheeps across its 4 areas of operation. The 655 Qurban cows and sheeps could be made into 33,000 Qurban packets and distributed to the local community near our BTS and GraPARI, as well as community in remote locations of Indonesia.

To show our appreciation and give something back to the community, we have increased our Qurban budget by 60% compared to the previous year.

d. Christmas and New Year Roadshow

As part of Christmas and New Year celebration, we provided school supplies to 3,000 underprivileged and orphans. Telkomsel also provided support to 30 churches across Indonesia. The NARU Roadshow (Christmas and New Year) was conducted by our Board of Directors and senior management provided social aids in Medan, Bandung, Kupang and Pontianak and at the same time ensure that our network quality readiness during NARU.

Environment

TERRA (Telkomsel Emergency Response and Recovery Activity)

TERRA was set up to assist community during natural disasters that occur frequently in many areas across Indonesia. The primary objective of TERRA is to save lives and help communities in time on disaster. In 2015, TERRA focused on the following key activities:

a. Technology-based training

For disaster handling and mitigation, we realise the use of IT technology can be helpful and critical and as such we conducted IT and technology-based training for TERRA personnel. During disasters, the use of technology and telecommunication is critical in recovery situation and therefore it is important to ensure Telkomsel's network remains operational during that period. Therefore we conducted IT-based training for TERRA to provide the personnel with the use of IT-based resources during disasters as well as SOP refinement and standardization during disasters.

b. Social aids to local communities affected by Disasters

Telkomsel is actively participating in disaster relief and aids to the affected communities.

We provided social aids, free telecommunication services, logistics, basic facilities as well as disaster recovery efforts.

Ecosystem Program

Bina Tangguh Sukses (BTS) Merah Mandiri

BTS Merah Mandiri program was established as part of Telkomsel's CSR program to empower the community living near to Telkomsel's BTSs. BTS Merah Mandiri is also designed as part of community development and engagement program as required under ISO 26000 Social Responsibility standards. We provided both infra and non-infrastructure support to the communities living near our BTSs, conducted internet education as part of social development program, ensure clean and healthy living, and build rapport and loyalty with the local community through empowerment and involvement.

The BTS Merah Mandiri program comprise of community development activities conducted in phases to identify potential community issues near our BTSs through survey and social mapping. We appointed university students as 'change agent' to implement BTS Merah Mandiri programs as part of their extracurricular activities. We created clean and green living environments for the local communities, tree planting, broadband internet education and its advantages, renovation of religious houses such as mosques, churches, religious supplies etc.

To ensure the effectiveness of BTS Merah Mandiri Program, we conducted monitoring and evaluation process by independent organization to ensure proper check and balances and to ensure the success of the program.



We're COMMITTED to True Broadband Experience



Management Discussion and Analysis



Global and Indonesia Macroeconomic Review

In general, 2015 was a challenging year with uncertainty in the global economy, which again fell short of expectations and is expected to recover at a slower pace than originally forecasted. This mainly reflected a continued growth deceleration in emerging and developing countries including Brazil, the Russian Federation, India, China and South Africa, with post-crisis lows in commodity prices, weaker capital flows and passive global trade (World Bank, 2016).

In Indonesia, 2015 saw pressure on economic stability from the weak global economic fundamentals coupled with pressure from passive global trade, as Indonesia still relies heavily on exports of commodities and energy resources. Foreign exchange was another uncertain factor as the Indonesian Rupiah weakened against major

currencies. However, the years' challenges were not significantly reflected in telecommunication industry, which remained resilient to record a healthy growth of 8-9% YoY compared with a national economic growth rate of 6% (BPS – Central Statistics Agency, 2016).

We believe that Indonesia's economy will recover in 2016, supported by the government's economic stimulus packages, as well as more pro-growth fiscal and monetary policies, including a regulatory framework which will be increasingly positive for telecom operators, reflecting the broad policy goal of creating a healthy industry. We also believe that if the Indonesian economy continues to grow, the telecommunication sector will grow at a similar or higher rate.

Business Review and Industry Outlook

2015 was a year in which the industry in general was moving in the right direction, benefitting from several key regulatory policy changes such as SIM card registration, network sharing, technology neutrality for both 900 & 1800 MHz and spectrum rearrangement in 1800 MHz. Telkomsel completed the migration of 1.4 million Flexi customers from Telkom and in the midst of taking over its 800 MHz spectrum.

In 2015, the telecommunication industry grew at around 8-9% YoY, similar to the previous year, while the competitive landscape remained intense but rational, with operators focusing on price monetization across voice and SMS, stabilizing the data yield and 4G LTE deployment. The Digital Business is the new engine of growth for most of the operators, with increased 3G/4G capable device adoption and application usage to increase data traffic, which further supports the Digital

Business. We believe that the Digital Business has a lot of room to grow, particularly through Indonesia's growing youth segment, which will boost 3G/4G capable device adoption and data consumption. Opportunities will also come from Digital Services such as Digital Content, Digital Advertising, Digital Payment and M2M Business in line with the change of customers' habits to a more Digital Lifestyle.

Overview of 2015 Performance

In 2015, Telkomsel maintained its strong momentum, outperforming the industry and achieving “triple double-digit growth” in Revenue, EBITDA and Net Income (14.8%, 14.4% and 15.4%, respectively) for the fourth consecutive year. Revenues grew to Rp76,055 billion. Growth was driven by the Digital Business, which increased by 43.5% YoY, largely due to a 43.9% YoY increase in Data and a 39.2% YoY growth in Digital Services. The Digital Business accounted for 29.5% of total revenues, up from 23.6% in the previous year (in Q4-15 Digital Business already 33% of revenues). However, the majority of the revenue is still contributed by our legacy business in voice and SMS, which recorded healthy growth. Voice grew by 10.1% YoY and SMS by 4.6% YoY, attributable to the successful execution of cluster-based pricing and market segmentation. The EBITDA and Net Income margins were 56.0% and 29.4%, respectively.

Despite already high SIM card penetration, Telkomsel nevertheless recorded growth in its subscriber base due to effective sales and marketing programs. We served 152.6 million subscribers nationwide, increasing by 8.6% from last year by adding a net add of 12.1 million new customers. The number of data users reached 73.9 million, of which 61.7 million are 3G/4G capable device users, growing at 8.9% and 52.7% respectively. The fast growing 3G/4G capable device user base resulted in a significant increase in data traffic, which grew at 109.6% to 492,245 TB during the year.

The growth in data users was mainly accounted for by Flash customers, growing 40.3% to 43.8 million as we provided a better experience. This experience encouraged BlackBerry and PAYU users to migrate to this flagship data package. It has also resulted in a decline in BlackBerry users of 31.7% YoY to 4.0 million. During 2015, we deployed 17,869 new BTS, of which 88.8% were 3G/4G BTS, in our effort to maintain the leading network supply and growing our Digital Business.

Our achievements in 2015 were made possible by the successful execution of our transformation initiatives over the last three years. The foundation we have laid in our transformation journey has enabled us to be resilient and better equipped to face tough competitive challenges.

Operational Results

Customer Base

With effective sales and marketing programs, we successfully increased our customer base. Telkomsel's customer base at the end of 2015 reached 152.6 million, an increase of 8.6% from last year despite high SIM card penetration. kartuHalo recorded high growth in customers, increasing 23.1% YoY to 3.5 million, which accounted for around 2.3% of all customers, while *simPATI* recorded the highest growth, at 18.4% YoY, to 90.7 million customers or 59.4% of total customers. Kartu As, meanwhile, declined by 4.4% YoY to 58.5 million customers, accounting for 38.3% of the total customer base.

ARPU

Blended ARPU increased 10.9% YoY to Rp42.7 thousand from Rp38.5 thousand last year due to the successful implementation of cluster-based pricing, market segmentation, a higher quality customer base and an increase in 3G/4G capable device penetration as well as strong growth in data payload, resulting in overall higher ARPU contribution. We saw the trend of higher ARPU contribution when customers migrated from 2G to 3G and also from 3G to 4G devices. While voice and data ARPU are still growing strongly, we started to see the decline in SMS ARPU due to the cannibalization of OTT services.

Network Development

Our effort to maintain the leading network supply and focus on growing the Digital Business was reflected in our network development. We continued to accelerate network development with aggressive 3G/4G BTS deployment to support the Digital Business as data traffic jumped 109.6% YoY to 492,245 TB. During 2015, Telkomsel built 17,869 new BTS, of which 88.8% were 3G/4G BTS. This represented an increase of 14.9% from the 15,556 new BTS deployed in 2014. In support of our 4G LTE strategy, we have deployed 1,761 BTS to date. The network roll out brought our total BTS on air to 103,289 units at end of December 2015, or an increase of 20.9% YoY, of which 54,895 units or 53.1% were 3G/4G BTS (+40.7% YoY).

3G/4G Capable Device Users

At the end of December 2015, Telkomsel had 61.7 million 3G/4G capable device users, representing around 40.4% of the Company's total subscribers. This figure was 52.7% higher than last year, when we had 40.4 million 3G/4G capable device users or around 28.8% of the total subscribers. The higher penetration of 3G/4G capable device along with the availability of various applications is critical to increasing data traffic.

Financial Results

Revenues

In 2015, Telkomsel recorded a 14.8% growth in revenue to Rp76.1 trillion. The healthy growth was supported by the sustained legacy business, which grew 6.0%, coupled with strong growth in the Digital Business (Broadband and Digital Services), which increased 43.5% over the last year.

Revenue by Product

Revenues (in billion Rp)	2014	2015	Growth
Postpaid	5,151	5,683	10.3%
Prepaid	55,690	65,434	17.5%
Interconnection & International Roaming	4,656	4,442	-4.6%
Others	756	496	-34.4%
Total	66,252	76,055	14.8%

Prepaid revenue increased by 17.5% YoY to Rp65,434 billion, mainly driven by ARPU growth supported by the growth in Data and Legacy especially voice as well as growth in prepaid subscriber base which grew by 8.3% YoY to 149.1 million subscribers. Revenue from prepaid customers accounted for 86.0% of Telkomsel's total revenue.

Postpaid revenue increased by 10.3% YoY to Rp5,683 billion, mainly driven by the increase in the postpaid customer base, which grew by 23.1% YoY to 3.5 million subscribers. Revenue from postpaid customers contributed 7.5% to total revenue.

Interconnection and International Roaming revenues decreased by 4.6% to Rp4,442 billion, which was expected due to the decline in Voice and SMS traffic from other local operator as we started to see cannibalization from Over The Top (OTT) services.

Revenue by Service

Revenues (in billion Rp)	2014	2015	Growth
Voice	33,039	36,373	10.1%
Broadband & BlackBerry	14,086	20,277	43.9%
SMS	13,061	13,666	4.6%
IC & IR	4,656	4,442	-4.6%
Digital Service	1,528	2,126	39.2%
Other (USO compensation & network leased)	756	496	-34.4%
Sales disc & Others revenue	(873)	(1,325)	51.7%
Total	66,252	76,055	14.8%

Voice and SMS

We were able to sustain healthy revenue growth from voice, which increased by 10.1% YoY to Rp36,373 billion. The healthy growth in voice revenue was mainly attributable to higher voice traffic (MoU), which increased by 14.4% YoY to 224.8 billion minutes. The higher traffic is mainly due to improvements in network quality as well as the high proportion of our base that is still using 2G handset devices and the growth in our customer base.

Revenue from SMS also grew by 4.6% YoY to Rp13,666 billion despite the decline in SMS traffic (-14.7% YoY to 218.7 billion units) due to cannibalization of instant messaging applications. However, successful implementation of cluster-based pricing still resulted in overall SMS revenue growth.

Cluster-based pricing strategy allowed us to set prices differently in different micro zones based on various factors, including local demand characteristics, network coverage as well as level of competition.

Digital Business

The Digital Business remained our engine of growth with our focus continue to be in leading network supply in 3G and 4G infrastructure. This segment recorded strong performance with 43.5% YoY growth to Rp22,403 billion, and increased its contribution to total revenue substantially to 29.5% from 23.6% last year.

Revenue from Data grew by 43.9% YoY to Rp20,277 billion, driven by healthy growth in 3G/4G capable device adoption (+52.7% YoY to 61.7 million users), successful migration of Pay As You Use (PAYU) to Flash packages, as well as continued strong growth in data payload, which increased 109.6% YoY to 492,245 TB. As of 31 December 2015, 2.2 million customers that have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 39.2% YoY to Rp2,126 billion. Key products and services within this segment included Digital Lifestyle (music, games, video contents etc.), Digital Advertising, Digital Payment (mobile banking, TCASH, T-Wallet) and M2M Business (T-Drive, T-Zone, etc.).

Expenses

Expenses (in billion Rp)	2014	2015	Growth
Operation & Maintenance	15,127	19,241	27.2%
Depreciation & Amortization	11,672	12,976	11.2%
Cost of Services	4,176	3,193	-23.6%
Interconnection & International Roaming	3,157	2,747	-13.0%
Personnel	2,704	3,792	40.2%
General & Administration	1,396	1,798	28.8%
Marketing	2,451	2,681	9.4%
Others - net	(104)	(51)	-50.4%
Total	40,579	46,377	14.3%

In 2015, total expenses including depreciation and amortization increased by 14.3% to Rp46,377 billion, lower than revenue growth of 14.8%, indicating Telkomsel's operational efficiency.

- Operation & Maintenance expenses increased by 27.2% YoY to Rp19,241 billion in line with the Company's accelerated network deployment to maintain network quality, resulting in higher transmission and network space rental costs.
- Cost of Services decreased by 23.6% YoY to Rp3,193 billion with cost savings mainly from the BlackBerry access fee.
- Interconnection & International Roaming charges decreased by 13.0% YoY to Rp2,747 billion, mainly attributable to declining SMS traffic due to the popularity of substitute product, instant messaging applications and implementation of inter-operator tariff discounts in international roaming.
- Personnel expenses increased by 40.2% YoY to Rp3,792 billion, mainly due to the impact of early retirement program, amounted to Rp161 billion and performance-based incentives. Excluding the impact of early retirement program, Personnel expenses would have increased by 34.3%.
- Marketing expenses increased by 9.4% YoY to Rp2,681 billion mainly due to promotion on 4G LTE and other existing activities. With the competition landscape remains rationale and stable, coupled with effective sales channel, our Marketing expenses grew lower than revenue growth.
- General & Administration expenses increased by 28.8% YoY to Rp1,798 billion, driven by training and development program, insurance as well as higher building space rental expenses in line with area empowerment.
- Depreciation and Amortization expenses increased by 11.2% YoY to Rp12,976 billion in line with our network deployment.

EBITDA and Net Income

EBITDA and Net Income posted double digit growth for four consecutive years with an increase 14.4% YoY to Rp42,602 billion and 15.4% YoY to Rp22,368 billion, respectively, while EBITDA and Net Income margins were stable YoY, at 56% and 29%, respectively.

Balance Sheet

Statements of Financial Position (in billion Rp)	2014	2015	Growth
Current Assets	20,465	25,660	25.4%
Non-Current Assets	58,887	58,426	-0.8%
Total Assets	79,352	84,086	6.0%
Current Liabilities	19,270	20,020	3.9%
Non-Current Liabilities	8,604	12,565	46.0%
Equity	51,477	51,502	0.0%
Total Liabilities & Stockholders Equity	79,352	84,086	6.0%

As of 31 December 2015, Total Assets increased 6.0% to Rp84,086 billion and Total Liabilities increased 16.9% to Rp32,584 billion while Total Equity stable at Rp51,502 billion.

- Current Assets increased 25.4% to Rp25,660 billion, mainly due to increase in cash and cash equivalents, and offset by reduction in claims for tax refund.
- Non-current Assets remained relatively stable at Rp58,426 billion.
- Current Liabilities increased 3.9% to Rp20,020 billion, mainly due to the increase in Taxes Payable.
- Non-current Liabilities increased 46.0% to Rp12,565 billion, mainly due to draw down of medium-term loans in the current quarter amounting to Rp5,061 billion.
- Total Equity remained stable at Rp51,502 billion.

Cash Flows

(in billion Rp)	2014	2015	Growth
Cash Flow from Operating Activities	30,911	36,359	17.6%
Cash Flow for Investing Activities	(11,052)	(12,951)	17.2%
Cash Flow from (for) Financing Activities	(497)	2,077	N/A
Dividend Payment	(15,066)	(21,533)	42.9%
Net Increase in Cash & Cash Equivalents	4,248	3,723	-12.4%
Cash & Cash Equivalents at Beginning of Years	5,555	9,851	77.3%
Cash & Cash Equivalents at End of Years	9,851	13,802	40.1%

Net cash generated from operations in 2015 increased 17.6% YoY to Rp36,359 billion. Cash flow used in investment activities was Rp12,951 billion, mainly for the payment of infrastructure spending of Rp13,056 billion (-9.7% YoY). Net cash in financing activities (exclude Dividend) increase by 517.6% YoY to Rp2,077 billion mainly due to proceeds from loans.

Debt Profile

As of 31 December 2015, Telkomsel's total outstanding loans amounted to Rp5,180 billion, of which approximately 2% or Rp111 billion will mature in 2016, while the remaining 98% or Rp5,069 billion will mature in 2018. Around 39.9% (USD150.0 million) of the total loans were denominated in US Dollars, mostly to cover our capex payment requirement. As of 31 December 2015, Telkomsel's Debt to Equity Ratio (DER) was 20.7%.

Description	Local Currency Rp bn	Foreign Currency USD mn	Total Equivalent Rp bn
% from total loan	60.1%	39.9%	100%
Loan per maturity			
2016	111.1	-	111.1
2017	-	-	-
2018	3,000.0	150.0	5,069.3
Total	3,111.1	150.0	5,180.4

The year-end exchange rates of the Rupiah against the USD were Rp13,795 (31 December 2015) and Rp12,440 (31 December 2014).

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 December 2015 the covenants were as follows:

Covenants to be Maintained	Required	Actual
EBITDA to Debt Service	≥ 1.25	10.41
Debt to Tangible Net Worth	≤ 2.00	0.10

Forex Loss Impact

The Company recorded forex losses amounting to Rp46 billion in 2015 due to the weakening of the Indonesian Rupiah against major currencies. However, this was lower than the forex loss of Rp104 billion in 2014.

Credit Ratings

Telkomsel has excellent credit quality and is one of the highest rated companies in Indonesia. Telkomsel's latest ratings issued by Standard & Poor's (Global) and Fitch Rating Indonesia are as follows:

	Ratings	Outlook	Issued Date
Standard & Poor's	BBB- (Foreign Currency) BBB (Local Currency)	Positive	December 1, 2015
Fitch Ratings Indonesia	AAA (Local Currency)	Stable	June 9, 2015

Financial Ratios

Telkomsel's strong financial profile was reflected in several key financial ratios, as follows:

Solvability	2014	2015	YoY
Debt* to Equity	15.3%	20.7%	5.4ppt
Debt* to EBITDA	21.2%	25.0%	3.8ppt
Total Liabilities to Equity	54.1%	63.3%	9.2ppt

*) Debt includes Obligations under finance lease - net of current maturities

Profitability	2014	2015	YoY
Return on Assets	25.6%	27.4%	1.8ppt
Return on Equity	39.0%	43.4%	4.4ppt

Responsibility for the 2015 Annual Report

This Annual Report including the accompanying consolidated financial statements and related financial information for the year ended December 31, 2015 was authoritatively signed by members of the Board of Commissioners and the Board of Directors of PT Telekomunikasi Selular.

Jakarta, February 25, 2016

Board of Commissioners



Alex J. Sinaga
President Commissioner



Heri Sunaryadi
Commissioner



Diaz Hendropriyono
Commissioner



Edwin Hidayat Abdullah
Commissioner



Paul Dominic O'Sullivan
Commissioner



Yuen Kuan Moon
Commissioner

Board of Directors



Ririek Adriansyah
President Director



Mas'ud Khamid
Director of Sales



Heri Supriadi
Director of Finance



Sukardi Silalahi
Director of Network



Priyantono Rudito
Director of Human Capital
Management



Alistair D. Johnston
Director of Marketing



Ng Soo Kee
Director of IT



Edward Ying Siew Heng
Director of Planning and Transformation



We're ready for
a better INDONESIA
through DIGITAL APPS



Abbreviations

3G	3 rd Generation	IDS	Integrated Digital School
4G	4 th Generation	IoT	Internet of Things
APEC	Asia Pacific Economic Cooperation	IT	Information Technology
ARPU	Average Revenue Per User	IVR	Interactive Voice Response
ATM	Automated Teller Machine	LBA	Location Based Advertising
BBM	BlackBerry Messenger	LTE	Long Term Evolution
BTS	Base Transceiver Station	M2M	Machine to Machine
Capex	Capital Expenditure	Mbps	Megabyte per second
CBTA	Conditional Business Transfer Agreement	MMS	Multimedia Messaging Service
CCAM	Corporate and Community Account Management	MoU	Minute of Usage
CDMA	Code Division Multiple Access	NFC	Near Field Communication
CFMP	Capital Expenditure, Financing, and Management Process	NOC	Network Operation Centre
COMBAT	Compact Mobile Base Station	NSP	Nada Sambung Pribadi
CSR	Corporate Social Responsibility	OBD	On Board Diagnostic
CTP	Customer Touch Points	OTT	Over The Top
CUG	Closed User Group	PAYU	Pay As You Use
DNA	Device, Network, Applications	SIM	Subscriber Identity Module
EBITDA	Earning Before Interest, Tax, Depreciation, and Amortization	SME	Small Medium Enterprise
EDC	Electronic Data Capture	SMS	Short Messaging Service
EDGE	Enhanced Data rates for GSM Evolution	SOA	Sarbanes-Oxley Act
ERM	Enterprise Risk Management	TAU	Telkomsel Android United
GCG	Good Corporate Governance	TERRA	Telkomsel Emergency Response and Recovery Activity
GPRS	General Packet Radio Service	TMP	Telkomsel Merah Putih
GSM	Global System for Mobile communication	USO	Universal Service Obligation
HCM	Human Capital Management	USSD	Unstructured Supplementary Service Data
HSDPA	High Speed Downlink Packet Access	VAS	Value Added Service
HSPA	High Speed Packet Access	VPN	Virtual Private Network
ICT	Information and Communication Technology	WAP	Wireless Application Protocol
		WiFi	Wireless Fidelity

List of GraPARI

REGION	NAME	ADDRESS
North Sumatera	Banda Aceh	Jl. Tgk H.M. Daud Beureueh No. 161, Banda Aceh 23122
	Lhokseumawe	Jl. Merdeka No. 1 Simpang Empat Lhokseumawe 24312
	Meulaboh	Jl. Nasional Ujong Baru Johan Pahlawan, Meulaboh, West Aceh
	Kualanamu	Kualanamu International Airport, Medan, North Sumatera
	Binjai	Jl. Soekarno Hatta No. 121, Binjai
	Graha Merah Putih	Graha Merah Putih Lt. 1 Jl. Putri Hijau No. 1 Medan, 20111
	Medan Sun Plaza	Sun Plasa Lt. 1 Blok A1 No. 5 Jl. KH. Zainul Arifin No. 7 Medan 20152
	Medan Lippo Plaza	Jl. Imam Bonjol No. 6 Lt. UG No. 17A-17B, 18A-18B, Medan
	Padang Sidempuan	Jl. Jend. Sudirman Komp. Citi Walk Blok A no. 11, 12 , 15 Padang Sidempuan
	Pematang Siantar	Kompleks Megaland, Jl. Asahan Blok A No. 53, Pematang Siantar 21136
	Sibolga	Jl. MH. Thamrin No. 58, Sibolga 22521
	Kisaran	Jl. HOS. Cokroaminoto No 30-32 Kisaran 21215
Central Sumatera	Padang	Jl. Khatib Sulaiman No. 51, Padang 25135
	Pekanbaru	Gedung Surya Dumai Lt. 1-2, Jl. Jend. Sudirman No. 395, Pekanbaru 28116
	Dumai	Jl. Jendral Sudirman No. 153, Riau 28812
	Mall SKA Pekanbaru	Mall SKA Lt. 1 No. 5-8, Jl. Soekarno Hatta, Pekanbaru
	Tembilahan	Jl Telaga Biru Parit 12, Tembilahan 29212
	Batam Penuin	Jl. Pembangunan 3 - 4 Komp. Baloi Kusuma Indah Batam 29441
	Batam Center	Jl. Engku Putri Batam Centre, Batam 29432
	Tanjung Balai Karimun	Komplek Karimun Centre Jl. A Yani No. 9-10, Kolong, Tanjung Balai Karimun 29661
South Sumatera	Tanjung Pinang	Jl. Basuki Rachmat No. 9 Tanjung Pinang 29124
	Jambi	Jl. Sri Sedewi, Jambi
	Muara Bungo	Jl. Jend. Sudirman No. 76, Muara Bungo, Jambi
	Lubuk Linggau	Jl. Yos Sudarso No. 13 A, RT. 04, Kelu. Taba Jemekeh, Kec. Lubuk Linggau Timur-1 Lubuk Linggau 36125
	Palembang	Jl. Veteran No. 88 A, Palembang 30114
	Belitung	Jl. Jend. Sudirman No. 28 D-E, Pangkal Lalang, Belitung 33412
	Pangkal Pinang	Komp. Villa Bangka Asri No. 8, Jl. Raya Koba, Pangkal Pinang, Bangka 33171
	Bengkulu	Jl. Kapten Tendean No. 86 KM. 6.5, Bengkulu 38225
Western Jabotabek	Lampung	Komp. Villa Citra Blok RE I-III, Jl. P. Antasari, Bandar Lampung 35132
	Jakarta Barat	Mall Center Park Lt. 3, Lot-116-118, Jl. Letjen S. Parman, Jakarta 11480
	Tangerang, BSD	Graha Telekomunikasi Lt. Dasar, Jl. Raya Serpong Sektor IV BSD, Tangerang 15322
	Cilegon	Graha Sucofindo Lt.1, Jl. Jendral A. Yani No. 106, Cilegon 42426
Central Jabotabek	Serang	Jl. Raya Cilegon KM. 2 Kepandean, Serang
	Jakarta Pusat	Wisma Alia Lt. 1-2, Jl. M. Ridwan Rais 10-18, Jakarta Pusat 10110
	Jakarta Selatan Wisma Mulia	Gedung Wisma Mulia Lt. G, Jl. Gatot Subroto No. 42, Jakarta 12710
	Jakarta Selatan Gandaria	Gandaria Mall Lantai 1 Unit 137-141 Jl. KH. Syafi'i Hazami No. 8, Jakarta Selatan
Eastern Jabotabek	Jakarta Timur	Jl. Pemuda No. 66, Rawamangun, Jakarta 13220
	Cibubur	Mall Grand Cibubur Jl. Alternatif Cibubur, Cibubur
	Bogor	Jl. Raya Pajajaran No. 3, Bogor 16143
	Karawang	Komp Ruko GREEN VILLAGE Karawang Blok O No. 1 Teluk Jambe, Karawang
West Java	Sukabumi	Jl. RE Martadinata No. 71, Sukabumi
	Bandung	Gedung Wahana Bakti Pos Lt. 2, Jl. Banda No. 30, Bandung 40115
	Bandung Dago	Jl. Ir. H. Juanda No. 252, Bandung 40134
	Cianjur	Jl. KH. Abdullah Bin Nuh No. 64-66, Cianjur 43212
	Tasikmalaya	Jl. Panglayungan II No. 3-5, Tasikmalaya 46134

REGION	NAME	ADDRESS
Central Java	Cilacap	Jl. S. Parman No. 8 RT. 01 RW. 03, Sidanegara Cilacap Tengah, Cilacap
	Kudus	Jl. Letkol. Tit Sudono No. 1A, Kudus 59318
	Purwokerto	Jl. Dr. Angka (komp.Ruko Permata Hijau) Purwokerto 53115
	Semarang Mall Ciputra	Mall Ciputra Lantai dasar, Jl. Simpang Lima No. 1, Semarang 50241
	Semarang Pahlawan	Gedung Telkomsel, Jl. Pahlawan No. 10, Semarang
	Solo	Jl. Slamet Riyadi No. 433, Solo 57142
	Tegal	Jl. Gajahmada No.77 Tegal (beside Gedung Telkom)
	Yogyakarta	Jl. Jend. Sudirman No. 60, Yogyakarta 55223
East Java	Banyuwangi	Jl. Adi Sucipto No. 5, Banyuwangi
	Gresik	JL. Usman Sadari No. 81, Gresik 61122
	Jember	Jl. Gatot Soebroto No. 43, Jember 68137
	Kediri	PT Telkom Kediri Jl. Hayam Wuruk No. 45-47 Kediri 64122
	Madiun	Gedung Telkom, Jl. Pahlawan No. 59, Madiun 63161
	Malang	Jl. S. Parman No. 47, Malang
	Probolinggo	Jl. Suroyo No. 16, Probolinggo 67211
	Surabaya Bukit Darmo	Jl. Bukit Darmo Boulevard No. 6 C-D, Surabaya
	WTC	Gedung WTC, Jl. Pemuda 27-31, Lt.1/R.101-103, Surabaya
	Surabaya Pemuda	Gedung Graha Timbul Jaya, Jl. Pemuda No. 181, Surabaya 60271
	Surabaya HR Muhammad	Jl. HR Muhammad No. 46, Surabaya 60225
Bali Nusa Tenggara	Denpasar	Gedung Plasa Telkom, Jalan Teuku Umar No. 6, Denpasar, 80114
	Kuta	Mall Bali Galeria lantai 2, Jl. By Pass I Gusti Ngurah Rai, Simpang Dewa Ruci Kuta Bali (Simpang Siur)
	Gunung Agung	Jl. Gunung Agung No.30-32 Denpasar
	Mataram	Jl. Pejanggik no.47F Mataram Lombok 83231
	Kupang	Jl. W.J. Lamentik No. 88 Oebufu - Kupang 85119
Kalimantan	Pontianak	Jl. Gusti Sulung Lelanang No. 5 A Kode Pos 78117 Pontianak - West Kalimantan
	Palangkaraya	Jl. Cilik Riwt Km 1 No 1 Palangkaraya 73111 - Central Kalimantan
	Banjarmasin	Jl. A. Yani Km.5,2 Banjarmasin 70249 - South Kalimantan
	Bontang	Jl. Ahmad Yani No. 20 Bontang 75311 - East Kalimantan
	Balikpapan	Jl. Jend. Sudirman No. 1 Balikpapan 76114 - East Kalimantan
	Samarinda	Komp.Mall Lembuswana Blok A 16-18 Jl. S. Parman Samarinda 75118 - East Kalimantan
	Tarakan	Jl. Mulawarman No.12 Tarakan 77111 - North Kalimantan
Sulawesi	Manado	Ruko Mega Style Blok I B No. 21 - 25, Jl. Piere Tendean Boulevard, Manado
	Palu	Jl. Dewi Sartika No.96 Palu 94111
	Kendari	Jl. A. Yani No 8 Kendari 93117
	Makassar	Gedung Diva Jl. AP. Pettarani No. 2 Makassar 90222
	Pare-Pare	Jl. Bau Maseppe 108 Pare-Pare 91111
	Gorontalo	Jl. Jaksa Agung Suprpto no 22 Gorontalo 96115
Maluku Papua	Ambon	Gedung Telkom - Jl. DR. J.B Sitanala No. 9a, Ambon 97115
	Jayapura	Gedung Telkom, Jl. Koti No. 01, Jayapura
	Manokwari	Jl.Merdeka No.66 Manokwari (Samping Plaza Telkom)
	Sorong	Jl. Ahmad Yani No. 25 A-B Klademak, Sorong 98414
	Timika	Jl. Hasanudin Inauga, Timika Papua 99910

Telkomsel also has GraPARI outlets which are managed in cooperation with business partners:

No.	AREA	GraPARI Type	Number of GraPARI Outlet
1	Area 1	GRA Mitra	90 Units
2	Area 2	GRA Mitra	70 Units
3	Area 3	GRA Mitra	87 Units
4	Area 4	GRA Mitra	80 Units

Corporate Data



Telkomsel's shareholders are PT Telekomunikasi Indonesia Tbk (TELKOM) and Singapore Telecom Mobile Pte Ltd (Singtel Mobile). TELKOM, which owns 65% of Telkomsel's issued share capital, is the largest full-service telecommunications operator in Indonesia. TELKOM is listed on the Indonesia Stock Exchange (IDX:TLKM) and the New York Stock Exchange (NYSE:TLK) and is majority owned by the Government of Indonesia. Singtel Mobile owns 35% of Telkomsel's issued share capital and is a wholly-owned subsidiary of Singapore Telecommunications Limited (Singtel). Singtel is Asia's leading communications group with a network of offices in the US, Europe, Asia-Pacific and Middle East. Singtel is listed on the Singapore Exchange (SGX:ST).

Addresses of Shareholders

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