TELKOMSEL
by Telkom Indonesia

LEADING
THROUGH
DIGITAL DISRUPTION

2017

#ANNUALREPORT

CONTINUING OUR DIGITAL TRANSFORMATION TO DISRUPT THE MARKET AND TAKE THE LEAD

In 2017, we continued our ongoing transformation to become a Digital Company by expanding our digital ecosystem, our network, encouraging 4G adoption by users, and implementing a digital mindset internally. These initiatives successfully helped to grow our Digital Business, which will be the engine of growth going forward. In parallel, we maintained our Legacy business, to deliver positive net profit and customer base growth and maintained our leadership position in the market.

TOTAL CUSTOMER BASE
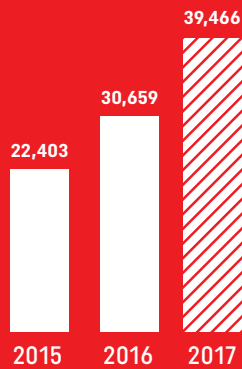
↑ **12.9%**

3G/4G CAPABLE DEVICES
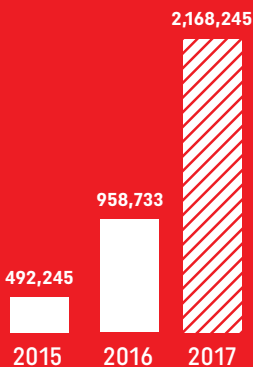
↑ **30.9%**

4G ACTIVE USERS

↑ **161.0%**

> **Deployed more than 31,000 new BTS during 2017, all of which consisted of 3G and 4G BTS."**

BTS (bar chart):
- 2015: 22,403
- 2016: 30,659
- 2017: 39,466

DIGITAL BUSINESS REVENUE

↑ **28.7%**

* in billion Rupiah

Data (bar chart):
- 2015: 492,245
- 2016: 958,733
- 2017: 2,168,245

DATA PAYLOAD

↑ **126.2%**

* in terabyte

> **2017 was a solid year..."**

Telkomsel made solid progress on its path to become a Digital Company and leading Mobile Digital Businesses.

- Ririek Adriansyah

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CHAPTER 01

HIGHLIGHTS
OF THE YEAR

DIGITAL LIFESTYLE

Telkomsel has launched various Premium Bundling with Video On Demand service providers such as Catchplay, SuperSoccer TV and Nickelodeon Play.
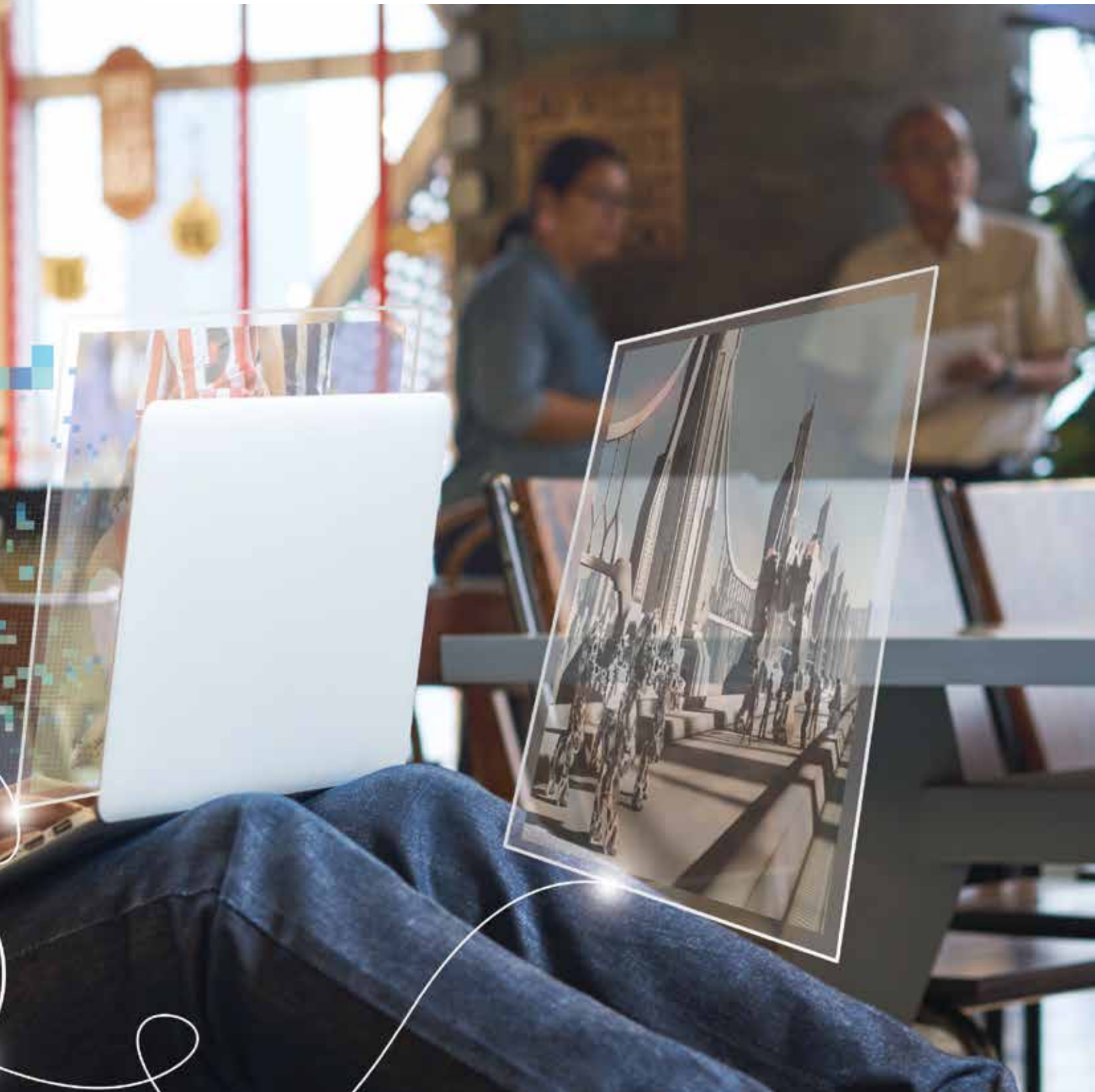
KEY PERFORMANCES

REVENUES

in trillion Rupiah

76.1 — 2015
86.7 — 2016
93.2 — 2017

+7%
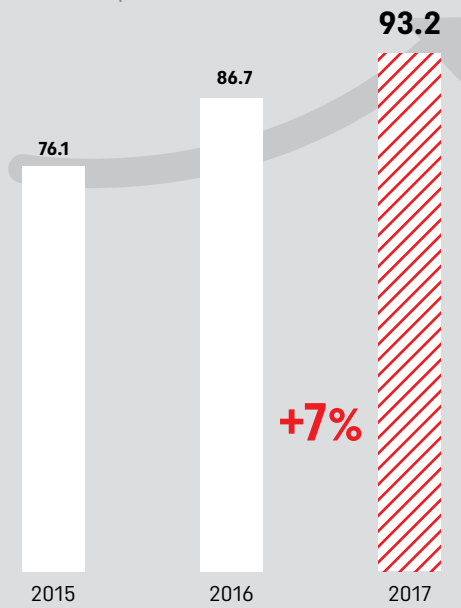
EBITDA & IMPROVING EBITDA MARGIN

in trillion Rupiah

42.6 — 2015
49.8 — 2016
53.6 — 2017

+8%

EBITDA Margin

56.0%
57.4%
57.5%
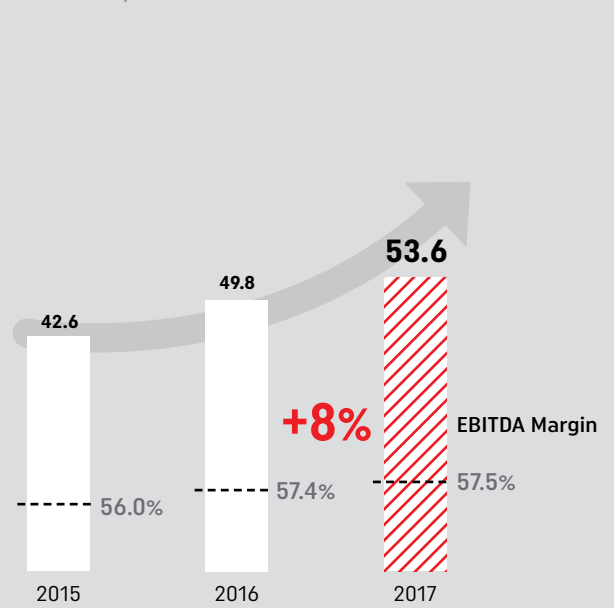
TOTAL CUSTOMER BASE

in million

152.6 — 2015
173.9 — 2016
196.3 — 2017

+13%
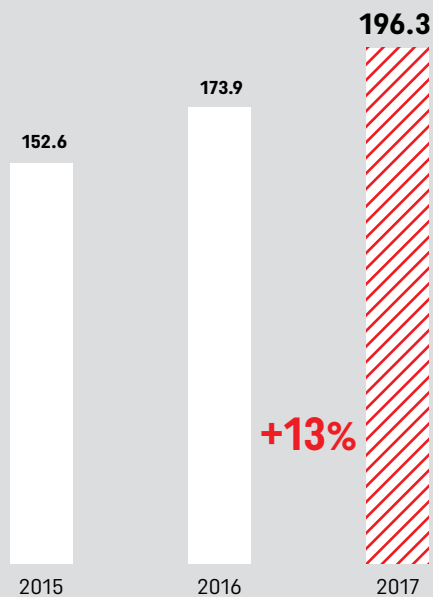
3G/4G CAPABLE DEVICE

in million

61.7 — 2015
82.6 — 2016
108.2 — 2017

+31%
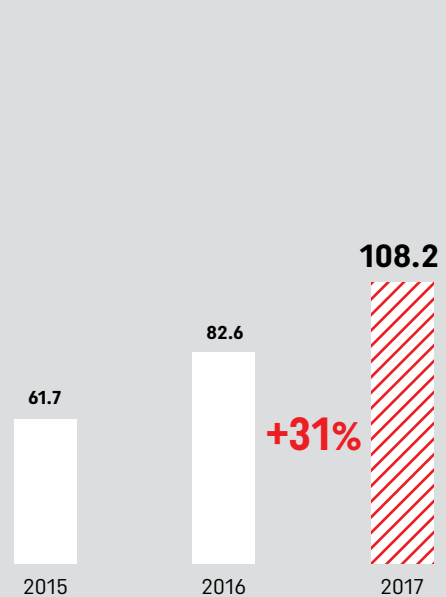
NET INCOME & IMPROVING NET INCOME MARGIN
in trillion Rupiah

2015: 22.4 (29.4%)
2016: 28.2 (32.5%)
2017: 30.4 (32.6%) +8%
Net Income Margin
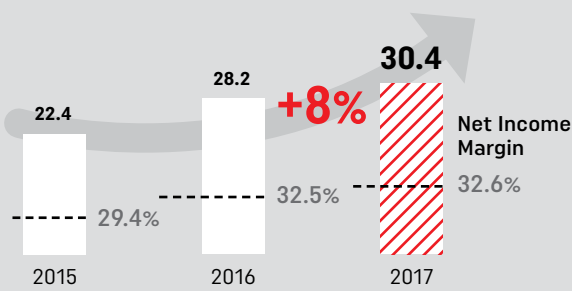
TOTAL ASSETS
in trillion Rupiah

2015: 84.1
2016: 89.8
2017: 85.7 -4%
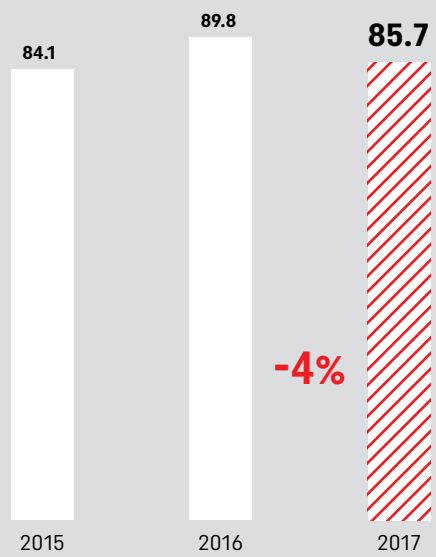
TOTAL BTS ROLL-OUT
in thousand

2015: 17.9
2016: 25.7
2017: 31.7 +23%
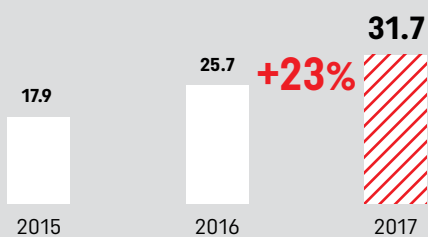
TOTAL BTS ON-AIR & TOTAL 3G/4G BTS
in thousand

2015: 103.3 (54.9)
2016: 129.0 (78.7)
2017: 160.7 (110.4 3G/4G BTS) +25%
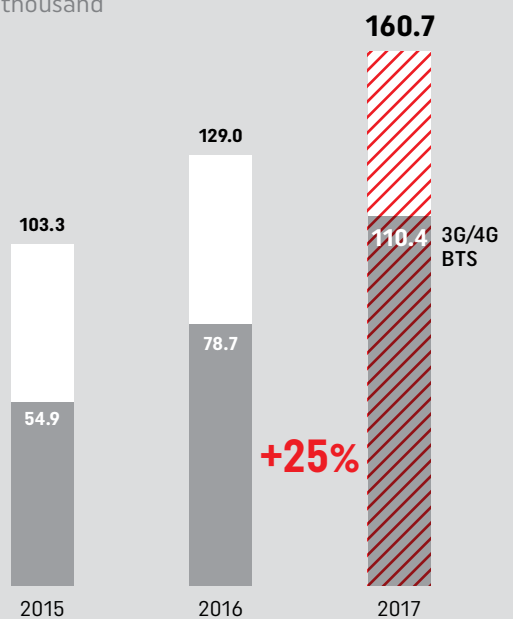
FINANCIAL HIGHLIGHTS

DESCRIPTION (in billion Rupiah)	**2017**	2016	2015	2014	2013
FINANCIAL POSITION					
Current Assets	**21,098**	28,818	25,660	20,465	17,208
Fixed Assets	**56,074**	54,259	54,112	55,021	53,182
Other non-current Assets	**8,576**	6,704	4,314	3,866	3,550
Total Assets	**85,748**	89,781	84,086	79,352	73,940
Current Liabilities	**23,031**	21,891	20,020	19,270	17,010
Non-current Liabilities	**8,587**	8,520	12,565	8,604	9,067
Equity	**54,130**	59,370	51,502	51,477	47,864
Total Liabilities and Equity	**85,748**	89,781	84,086	79,352	73,940
PROFIT AND LOSS					
Revenues	**93,217**	86,725	76,055	66,252	60,031
Expenses (include Depreciation)	**53,164**	49,502	46,377	40,579	36,761
EBITDA	**53,592**	49,781	42,602	37,241	33,869
Net Income	**30,395**	28,195	22,368	19,391	17,347
CASH FLOWS					
Cash Flows from Operating Activities	**39,571**	42,805	36,359	30,911	29,602
Cash Flows for Investing Activities	**(13,984)**	(12,794)	(12,951)	(11,052)	(14,445)
Cash Flows from (for) Financing Activities	**(710)**	(4,731)	2,077	(497)	(1,899)
Cash Dividend	**(34,010)**	(19,401)	(21,533)	(15,066)	(12,890)
Cash and Cash Equivalents at End of Year	**10,548**	19,681	13,802	9,851	5,555
FINANCIAL RATIOS					
EBITDA Margin[1]	**57%**	57%	56%	56%	56%
Net Income Margin[2]	**33%**	33%	29%	29%	29%
Return on Assets[3]	**35%**	32%	27%	26%	25%
Return on Equity[4]	**54%**	51%	43%	39%	38%

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

	2017	2016	2015	2014	2013
CUSTOMERS - in thousands					
Postpaid	**4,739**	4,180	3,509	2,851	2,489
Prepaid	**191,583**	169,740	149,131	137,734	129,023
Total	**196,322**	173,920	152,641	140,586	131,513
LEGACY BUSINESS DRIVER					
MoU Total - in billion minutes	**212**	232	225	197	191
SMS Total - in billion units	**135**	183	219	256	260
CORE BUSINESS DRIVER					
Data-enabled Users - in thousands	**105,808**	84,729	73,887	67,860	60,531
Data Payload - in TByte	**2,168,245**	958,733	492,245	234,862	96,683
ARPU - in thousand Rupiah					
Postpaid	**149**	151	162	172	184
Prepaid	**40**	42	40	36	35
Blended	**43**	45	43	39	37
NETWORK DATA - units					
Total BTS-2G	**50,324**	50,344	48,394	46,398	42,830
Total BTS-3G/4G	**110,381**	78,689	54,895	39,022	27,034
Total BTS	**160,705**	129,033	103,289	85,420	69,864
EMPLOYEE DATA					
Total Employees (excl. BOD)	**5,461**	5,191	4,902	4,880	4,711
Efficiency Ratio (subs/employee)	**35,950**	33,504	31,138	28,809	27,916

2017 EVENT HIGHLIGHTS

01 JANUARY

LAUNCH OF HaloKick!

Telkomsel launched a postpaid service package with premium benefits called HaloKick! Benefits included 50GB of 4G LTE service data quota and up to 20GB of regular data quota, entertainment content, a bigger Telkomsel POIN bonus and a higher TCASH balance.

This package also came with a special quota for video content in HOOQ and Viu apps via VideoMAX service, as well as music content through MusicMAX service with a quota of up to 70 GB, thus delivering greater convenience for customers enjoying these benefits.

02 FEBRUARY

INDONESIA GAMES CHAMPIONSHIP

Telkomsel held the Indonesia Games Championship (IGC), the biggest Games and Gamers Gathering competition in Indonesia, with more than 10,000 participants and visitors. At the peak of the IGC event in Jakarta, which was attended by leading game developers and publishers, Telkomsel held a seminar on the ins and outs of the games industry and trends in the Indonesian market and globally, as well as a coaching clinic for game developers as part of Telkomsel's efforts to build a digital lifestyle entertainment ecosystem for the people of Indonesia.

03 MARCH

4G LTE NOW IN ALL SUMATRAN KABUPATEN CAPITAL CITIES

Telkomsel 4G service can now be enjoyed in all kabupaten capital cities (ibu kota kabupaten, or IKK) in Sumatra, reaching a total of 154 kabupaten capital cities including Ranai in the Natuna Islands directly bordering neighboring countries. The inauguration of Telkomsel's 4G LTE network in all Sumatran IKK was conducted simultaneously in Kalianda, South Lampung District by President Director Ririek Adriansyah and Network Director Sukardi Silalahi, and in Jambi by then Sales Director Mas'ud Khamid.

GRAPARI IN MADINAH AND JEDDAH

Telkomsel inaugurated two GraPARI in Madinah and Jeddah, Saudi Arabia in an effort to expand service points in the Holy Land, primarily for Indonesian customers performing their Hajj and Umrah pilgrimages, but also for Indonesian workers domiciled in Madinah and Jeddah. The GraPARI in Madinah and Jeddah can provide customers with various communication solutions such as information, product and service activations, 4G card upgrades, and replacements for lost or damaged cards. The Madinah and Jeddah GraPARI can also deliver a variety of Digital Services, handle top ups, and give out free new *simPATI* cards.

APRIL 04

TELKOMSEL VIDEOMAX AND CATCHPLAY BUNDLED PACKAGE

Telkomsel subscribers can now obtain unlimited access to the latest blockbuster movie collections anytime, using any device, including 2GB of video Broadband service, by subscribing to a Telkomsel VideoMAX and CATCHPLAY bundling Package. Supported by fast and stable 4G LTE Telkomsel Broadband service, Telkomsel VideoMAX subscribers can stream movie-on-demand entertainment from CATCHPLAY seamlessly. CATCHPLAY is the latest movie-on-demand entertainment service in Asia, providing unlimited access to a wide variety of popular Hollywood movies as well as movie collections from independent studios .

TRIAL OF 3GPP MASSIVE IoT AND FDD MASSIVE MIMO TECHNOLOGY

Telkomsel, together with Huawei, conducted the first trial in Indonesia of 3T Generation Partnership Project (3GPP) Massive Internet of Things (IoT) technology and Frequency Division Duplexing (FDD) Massive Multiple-Input and Multiple-Output (MIMO) technology. Massive IOT technology is capable of generating massive connection capacity for various IOT mMTC-based solutions and applications such as Smart Water Meters, Smart Parking, Bike Sharing, Smart Electricity Meters, Smart Agriculture and Fleet Management. Meanwhile, FDD Massive MIMO will assist Telkomsel to increase its system capacity efficiency fivefold, towards the implementation of 5G technology.

05 MAY

BAKTIKU NEGERIKU CSR PROGRAM

Telkomsel launched its 'Baktiku Negeriku' CSR (Corporate Social Responsibility) program, which focuses on improving the quality of life in the remote areas of Sumatra, Java, Nusa Tenggara, Kalimantan, Sulawesi, Maluku and Papua. These sites possess unique natural resources and local wisdom but have relatively low living standards. This program, which involves the direct participation of Telkomsel employees, includes activities such as employee volunteering, a green movement, the development of a digital center facility, infrastructure development, and information technology mentoring programs for local youths. This training aims to enable youths to be Agents of Change who will lead local communities to a better life by utilizing the digital ecosystem.

TELKOMSEL UNIFIED COLLABORATION

Together with Cisco, Telkomsel launched Telkomsel Unified Collaboration as part of its Telkomsel MyBusiness service. Telkomsel Unified Collaboration service is an application-based business solution that can integrate the various communication media elements such as calls, video, chats and meetings. These are important elements of a smart digital office, delivering increasing productivity and cost efficiency. Telkomsel Unified Collaboration is applicable to large corporations as well as small and medium enterprises (SMEs) in various business segments.

In addition, Telkomsel Unified Collaboration also offers other advantages, a pay-as-you-grow system, and full cloud architecture so that the need for companies to invest in devices is minimized. This comprehensive service moreover runs on any data network (2G, 3G, 4G and WiFi).

08 AUGUST

VIDEOMAX SUPERSOCCER TV PACKAGES

Welcoming the 2017/2018 football season, Telkomsel presented the VideoMAX SuperSoccer TV package, a package providing access to the most complete football content from SuperSoccer TV for all Telkomsel subscribers. This special package is a service solution enabling football fans to enjoy a wide variety of football content including live streaming of the world's best league games live anytime and anywhere through the SuperSoccer TV app and the supersoccer.tv site.

JUNE 06

NETWORK DRIVE TEST 2017

Telkomsel held its annual Network Drive Test to ensure that its network was ready to serve customers during Ramadhan and Lebaran 1438 H. The network was strengthened in Jakarta, Balikpapan and Batam as the departure staging points, as well as in selected seven arrival cities, namely Medan, Padang, Lampung, Bandung, Semarang, Surabaya and Makassar. In total Telkomsel's network drive test covered a distance of approximately 11,000 km in order to ensure customer enjoys smooth and hassle-free network during the special period of Ramadhan and Lebaran.

LEBARAN TRAFFIC REPORT 2017

Telkomsel once again recorded an increase in data usage during Lebaran, Broadband service usage surged by more than 136% to over 6,000 TB (Terabytes) on Lebaran Day. Compared to normal days in 2017, data usage increased by more than 27%, and also exceeded data traffic for the same period in 2016. To anticipate the spike in traffic, Telkomsel conducted a series of network optimization activities, including network drive test along mudik routes, covering approximately 11,000 km of roads in various locations in Indonesia.

TELKOMSEL NEXTDEV ACADEMY

Telkomsel organized The NextDev Academy as an event where the startups who made the finals at The NextDev 2015 and 2016 can improve and hone the quality of their applications. By participating in the academy, which took place from July to October 2017, the finalists of The NextDev gained useful insights in apps development, while also helping to maintain a sustainable application developer community and application-based digital ecosystem.

JULY 07

GRAPARI VIRTUAL LAUNCH

To provide the best mobile digital lifestyle experience to its users, Telkomsel launched GraPARI Virtual, which are able to answer requests for information on Telkomsel's products and services from customers anytime and anywhere. Customers can access self-service features developed through various social chat platforms, namely LINE, Facebook Messenger, and Telegram. Telkomsel became the first mobile operator in Indonesia to implement this virtual service.

SEPTEMBER

ROLI APPLICATION FOR ANDROID

Telkomsel presented the ROLi app for Android users, as a platform that delivers added value and benefits for both customers and brands. By using ROLi, Telkomsel subscribers can receive promotions that match their interests as well as additional quotas for their data plan, SMS, Voice calls, and other benefits. As for brands, ROLi is a tool for reaching new markets and consumers more effectively and efficiently.

COMPREHENSIVE BUSINESS SOLUTIONS FOR SMES

In an effort to support the productivity and business development of Small and Medium Enterprises (SMEs), Telkomsel provides MyBusiness as the most complete business solution. Its solutions fall into two broad categories: the "Mulai Usaha Anda" (Start Your Business) solution category for new business initiatives, and the "Kembangkan Usaha Anda" (Grow Your Business) solution category for SMEs who want to grow their business using connectivity. Subscribers can enjoy Telkomsel Employee Management, Telkomsel Accounting Solution, Telkomsel E-Commerce Solution services and more with flexible payment schemes.

TELKOMSEL ACQUIRED ADDITIONAL SPECTRUM ON THE 2.3 GHZ FREQUENCY

Telkomsel successfully received 30 MHz bandwidth in 2.3GHz frequency through an auction held by the Ministry of Communication and Informatics. The investment made by Telkomsel to obtain this additional spectrum demonstrates Telkomsel's seriousness in providing the best Broadband services to its customers, as well as its commitment to support the 2014-2019 Indonesian Broadband Plan.

10 OCTOBER

11
NOVEMBER

GRAPARI MOBILE MOTORCYCLE ARMADA IS READY TO SERVICE CUSTOMERS

Telkomsel is expanding its Mobile GraPARI (MoGi) services to various locations in Indonesia using motorcycle fleets, enabling proper GraPARI service for customers in remote areas where telecommunication services is not yet available. This mobile GraPARI are equipped with special boxes containing Telkomsel products and services, ranging from recharge vouchers, starter packs, and so forth. With the existence of this fleet, it is expected that customers' convenience and communication needs of customers can be maintained anytime and anywhere.

TELKOMSEL LAUNCHES FLEET MANAGEMENT SOLUTION "TELKOMSEL FLEETSIGHT"

As part of the Telkomsel's agenda to deliver innovative Internet of Things (IoT) solutions in Indonesia, Telkomsel launched a Fleet Management solution for Enterprise called Telkomsel FleetSight. Under this fleet management service solution, satellite-based telematics devices (including sensors) are embedded in mobile assets/vehicles, and synergized with Telkomsel's connectivity services and Fleet Management platform. This solution is expected to assist the user's clients in overcoming the problems related to fleet operations, by minimizing the risks associated with vehicle investment by improving the safety, security, efficiency and productivity of fleets.

TCASH & JAKMIKRO: TRADITIONAL MARKETS GO DIGITAL

TCASH and JAKmikro launched a Traditional Market and MSME (Micro, Small and Medium Enterprise) Go Digital program, which supports faster market transactions using TCASH QR Code Snap features. This strategic collaboration between various parties is a manifestation of our vision to support the creation of a cashless society in Indonesia. The Traditional Market and MSME Go Digital program is an early step in building a digital financial ecosystem that encompasses all levels of society.

DECEMBER
12

SERVICE READINESS AT YEAR END

Telkomsel successfully serviced subscribers' communication needs during the Christmas 2017 and New Year 2018 period, with Broadband service traffic increased 42% compared to the average payload of 7.5 petabytes on a normal day. Key initiatives included deployment of 103 compact mobile base stations (COMBAT) or Mobile BTS, increased its capacity for internet services to 1,740 Gbps, and put 592 Mobile GraPARI (MoGi) and 359 Siaga outlets on alert.

TELKOMSEL WON A TOTAL OF 79 NATIONAL AND INTERNATIONAL AWARDS IN 2017 IN A VARIETY OF CATEGORIES

These prestigious achievements reflect Telkomsel's commitment to continuous excellence in business and customer service, maintaining a good corporate image, and delivering on its corporate social responsibility.

Indonesia Digital Services Provider of the Year
November 2017

Indonesia M-Money Service Provider of the Year
November 2017

The Best Industry Marketing Champion 2017 in Telecom
December 2017

Best of The Best Brand Image & Engagement - Ekspedisi Langit Nusantara
November 2017

Ririek Adriansyah - Marketeer of the Year 2017
December 2017
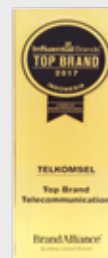
Top Influential Brand in the Category of Telecom in Indonesia
November 2017

Best Mobile Carrier
May 2017

Brand of the Year in Telecommunication Mobile Category
October 2017

The Most Powerful Telecommunication Brand in Indonesia
September 2017

Indonesia Champion for ASEAN 2017 - Cellular Operator Sector
September 2017

BUSINESS EXCELLENCE

2017 FROST & SULLIVAN INDONESIA EXCELLENCE AWARDS

01	Telkomsel - Indonesia Digital Services Provider of the Year
02	TCASH Telkomsel - Indonesia M-Money Service Provider of the Year

INDONESIA PRESTIGE BRAND AWARDS 2017

03	Telkomsel – Brand Used Most Often in Internet Service Provider – Mobile Phone Category
04	Telkomsel – The Highest Top of Mind Brand in Internet Service Provider – Mobile Phone Category
05	Telkomsel – Brand Used Most Often in Mobile Phone Operator Category
06	Telkomsel – The Highest Top of Mind Brand in Mobile Phone Operator Category

NET PROMOTER CUSTOMER LOYALTY AWARD 2017

07	kartuHalo - The Net Promoter Scope (NPS) leader for Postpaid GSM SIM Card Category
08	Telkomsel - The Net Promoter Scope (NPS) leader for Mobile Data Category

TOP BRAND AWARD 2017

09	kartuHalo - Outstanding Achievement in Building the Top Brand for Postpaid Cellular SIM Card Category
10	*simPATI* - Outstanding Achievement in Building the Top Brand for Prepaid Cellular SIM Card Category

INDONESIA WOW BRAND AWARD 2017

11	Telkomsel - Gold Champion of Cellular Operator Category
12	The NextDev - The Best Indonesia Branding Campaign of the Year

INDONESIA NETIZEN BRAND CHOICE 2017

13   TCASH - Indonesia Netizen Brand Choice in Online Habit Payment Gateway Category

THE 14th ANNUAL SELULAR AWARD 2017

14   TCASH - Best Mobile Financial Services

15   TELKOMSEL NEXTDEV - Best Startup Developing Program

16   LOOP.CO.ID - Best Digital Campaign

SUPERBRANDS INDONESIA'S CHOICE AWARD 2017

17   Telkomsel - Top Favorite Brand in Telecommunication Category

BRAND ASIA AWARD 2017

18   Telkomsel - The Most Powerful Telecommunication Brand in Indonesia

MARKETING AWARD 2017

19   Telkomsel - The Best in Experiential Marketing Category

INDONESIA BEST BRAND AWARD 2017

20   *simPATI* - Indonesian Best Brand Award for 7 consecutive years in GSM SIM Card category

WORLD BRANDING AWARDS 2017

21   Telkomsel - Brand of the Year in Telecommunication Mobile Category

INDONESIA 2017 MMA SMARTIES AWARD

22   Telkomsel - "Gold" for #HearUrMood Campaign in Brand Awareness Category

23   Telkomsel - "Gold" for #HearUrMood Campaign in Innovation Category

24   Telkomsel - "Bronze" for #PulangPulangGanteng Campaign in Mobile Video Category

25   Telkomsel - "Silver" Experience in Digital Banking BTPN Jenius

26   Telkomsel - "Bronze" Brand Awareness: Utilize IVR Technology Campaign

27   Telkomsel - "Silver" Ingenious Way to Measure Your OOH Effectiveness (BCA)

28   Telkomsel - Best in Industry #HearUrMood Campaign

TOP IT & TELCO AWARD 2017

29   kartuHalo - Top Postpaid GSM Card 2017

30   *simPATI* - Top Prepaid GSM Card 2017

INDONESIAN CUSTOMER SATISFACTION AWARD (ICSA) 2017

31   kartuHalo - The Best in Achieving Total Customer Satisfaction for Postpaid Cellular SIM Card Category

32   *simPATI* - The Best in Achieving Total Customer Satisfaction for Prepaid Cellular SIM Card Category

BUMN MARKETEERS AWARD 2017

33   Telkomsel - Best of The Best "Anak Perusahaan"

34   Telkomsel - "Gold" for The Most Promising Company in Strategic Marketing

35   Telkomsel - "Silver" for Promising Company in Tactical Marketing

36   Telkomsel - "Bronze" for The most Promising Company in Marketing 3.0

37   Telkomsel - "Gold" The Most Promising Company in Branding Campaign

THE 14th ANNUAL SELULAR AWARD 2017

38   Ririek Adriansyah - CEO of The Year

39   Telkomsel - Best Marketing Strategy

40   Telkomsel - Best Mobile Data Services

41   Telkomsel - Operator of The Year

TELKOM GROUP AWARD 2017

42   Telkomsel - Best Unit with Outstanding Achievement Category

BRANDZ TOP 50 MOST VALUABLE INDONESIAN BRANDS 2017

43   Telkomsel - 2nd Most Valuable Indonesian Brand

CUSTOMER SERVICE EXCELLENCE

CONTACT CENTER SERVICE EXCELLENCE AWARD

44   Telkomsel Twitter Customer Service - "GOOD" Service Performance in Telecommunication Category

EXCELLENCE SERVICE EXPERIENCE AWARD (ESEA)

45   Telkomsel - Good Performance in Delivering Positive Customer Experience in Telecommunication Industry Category

PERTAMA DI INDONESIA AWARD 2017

46   Telkomsel Veronika - 1st Operator in Indonesia with Artificial Intelligence for Customer Service

CORPORATE IMAGE

PUBLIC RELATIONS INDONESIA AWARD 2017

47   Telkomsel - The Best Media Relation for Private Company Non Tbk Category

TELECOM ASIA AWARDS 2017

48   Telkomsel - Best Mobile Carrier

INDONESIA MOST ADMIRED COMPANY AWARD

49   Telkomsel - Indonesia Most Admired Company

CORPORATE IMAGE AWARD 2017

50   Telkomsel - The Best in Building & Managing Corporate Image in Telecommunication Category

PR INDONESIA AWARD 2017

51   Ririek Adriansyah - PR Indonesia Best Communicators 2017 in Swasta Nasional Non Tbk Category

52   Adita Irawati - Insan PR Indonesia 2017-2018

INDONESIA CHAMPION FOR ASEAN 2017

53   Telkomsel – Significant & Invaluable Contributions in Building the Market in ASEAN Region

INDONESIA CORPORATE PR AWARD 2017

54   Ririek Adriansyah - The Most Popular CEO

55   Telkomsel - The Most Popular Company

INDONESIA PR OF THE YEAR 2017

56   Telkomsel Popcorn - Outstanding Owned Media 2017

57   Aldin Hasyim - PR Manager of the Year 2017

INDONESIA BEST EMPLOYER BRAND AWARDS 2017

58   Telkomsel - Indonesia Best Employer Brand Awards

ASIA'S BEST BRANDS AWARDS 2017

59   Telkomsel - Top Influential Brands in the Indonesia Telecommunication Category

WORLD COMMUNICATIONS AWARDS 2017

60   Telkomsel - Top 5 Best Operator in Emerging Market

INDONESIA MOST EXPERIENTIAL BRAND ACTIVATION AWARD 2017

61   Telkomsel - Ekspedisi Langit Nusantara Program - Best of the Best Brand Image & Engagement Activation 2017

INDUSTRY MARKETING CHAMPION AWARDS 2017

62   Ririek Adriansyah - The Best Industry Marketing Champion 2017 in Telecom

MARKETEER OF THE YEAR AWARD 2017

63   Ririek Adriansyah - Marketeer of the Year Indonesia 2017

INDONESIA MOST ADMIRED CEO 2017

64   Ririek Adriansyah - Top 5 Most Admired CEO in Telecommunication Sector

INDONESIA BEST CORPORATE REPUTATION AWARD 2017

65   Telkomsel - Top 5 Corporate Reputation in Telecommunication Sector

INDONESIA GOOD CORPORATE GOVERNANCE AWARD 2017

66   Telkomsel - Trusted Company Based on CGPI

KOMINFO APRESIASI MITRA SDPPI 2017

67   Telkomsel - Kontribusi PNBP BHP Frekuensi Radio di atas 500 Miliar

68   Telkomsel - Wajib Bayar Data Besar dengan Pengelolaan Terbaik

CITRA PARIWARA AWARD 2017

69   Telkomsel - "Bronze" Other Digital Channel

CORPORATE SOCIAL RESPONSIBILITY

SOCIAL BUSINESS INNOVATION AWARDS 2017

70   Telkomsel - Social Business Innovation in Telecommunication Category

GREEN CEO AWARD 2017

71   Ririek Adriansyah - The Best Green CEO 2017 in Telecommunication Category

MINISTRY OF SOCIAL AFFAIRS OF THE REPUBLIC OF INDONESIA

72   Telkomsel – The Biggest Social Contribution in Free Drawing

MURI – THE INDONESIA RECORD MUSEUM

73   Telkomsel - Simulation of First University Entrance Test (SBMPTN) Using a QR Code for Participant Registration

USO AWARDS 2017

74   Telkomsel - Best Waba KPU/USO 2016

INDONESIA'S BEST CORPORATE SOCIAL INITIATIVES AWARDS 2017

75   Internet Baik Program - Best of The Best in Social Campaign Category

76   NextDev Program - Best of The Best in Corporate Social Marketing Category

77   Smart City Program - The Best in Philanthropy Category

78   EVP Pulau Seribu Program - The Best in Employee Volunteering Category

PNBP AWARDS 2017

79   Telkomsel - Wajib Bayar dengan Kontribusi PNBP Terbesar pada PNBP K/L

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.

In 2017, we maintained the areas that are recognized by ISO certification reflecting our quality maintenance.

CUSTOMER SERVICE

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

Telkomsel's GraPARI :

Banda Aceh	Padang	Jakarta Pusat (Wisma Alia)	Gresik	Banjarmasin
Binjai	Pekanbaru	Gandaria City	Jember	Bontang
Graha Merah Putih	Tanjung Balai Karimun	Cibubur	Kediri	Palangkaraya
Kisaran	Tanjung Pinang	Karawang	Madiun	Pontianak
Kualanamu	Tembilahan	Sukabumi	Malang	Samarinda
Lhokseumawe	Belitung	Banda	Probolinggo	Tarakan
Medan Lippo Plaza	Bengkulu	Dago	Surabaya Bukit Darmo	Gorontalo
Medan Sun Plasa	Jambi	Cianjur	Surabaya Pemuda	Kendari
Meulaboh	Lampung	Tasikmalaya	TTC HR Muhammad	Makassar
Padang Sidempuan	Lubuk Linggau	Kudus	WTC	Manado
Pematang Siantar	Muara Bungo	Purwokerto	Denpasar	Palu
Sibolga	Palembang	Semarang Mall Ciputra	Kupang	Pare-Pare
Batam Center	Pangkal Pinang	Semarang Pahlawan	Kuta	Ambon
Batam Penuin	BSD	Solo	Mataram	Jayapura
Dumai	Cilegon	Tegal	Renon	Manokwari
Mall SKA	Central Park	Yogyakarta	Sudirman Balikpapan	Sorong
	Serang	Banyuwangi		Timika

CALL CENTER

4 (four) Call Centers were awarded ISO 9001:2008 Surveillance certification with zero major findings:

• Call Center Medan
• 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 enterprise resource planning system, supply chain system, 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 then recertified on September 17, 2016 and is valid through September 22, 2019. 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.

DIGITAL LIFESTYLE

Langit Musik, Music Streaming Application owned by Telkomsel which offers new way to download and stream unlimited music legally.

CHAPTER 02

REMARKS FROM THE MANAGEMENT

REMARKS FROM
THE PRESIDENT COMMISSIONER

Almost

100%

of the Indonesian population has access to Telkomsel network coverage

80-85% has access to Telkomsel 3G or 4G coverage

DEAR SHAREHOLDERS,

Amid the rapidly shifting dynamics of the Indonesian telecommunications industry, Telkomsel was able to maintain positive growth in 2017 despite the accelerating shift from legacy services to digital business, which put pressure on margins for all operators. Telkomsel responded to these dynamics by leading through digital disruption both externally and internally, to advance the Company further along the digital spectrum.

Building on the initiatives of the previous years, externally Telkomsel launched innovative new products and services and improved its network to grow market share and

customer satisfaction. Internally, the Company continued its organizational transformation to instill a digital mindset and work processes.

In parallel, Telkomsel complied with the SIM card government registration program. This program, which began in October 2017, will have positive long-term impact, for example by reducing the churn rate and supporting ever healthier competition in the industry. Excitingly, also in October, the Company was awarded additional spectrum on the 2300 MHz frequency by the government, which will be used to support the Indonesia Broadband Plan 2014-2019 through best network service quality and expanded digital access in rural areas.

These initiatives successfully delivered positive growth in terms of Revenue, EBITDA and Net Income of 7.5%, 7.7% and 7.8% YoY, respectively. Subscriber base growth was even higher at 12.9% YoY, reaching a record 196 million customers at the end of 2017, supported by over 160,000 BTS of which around 70% are 3G/4G BTS. These positive results reflect the progress made in the organization's ongoing transformation to become a leading digital company.

As anticipated, digital business continued to be the engine of growth, with digital business revenue growth

TELKOMSEL RESPONDED BY LEADING THROUGH DIGITAL DISRUPTION

increasing by 28.7%. Growth was supported by a number of investments and key initiatives which have been established to further accelerate the growth of digital services, with a variety of innovative new products and partnerships, in line with Telkomsel's mission to build a digital Indonesia. At the same time, the Voice legacy business was successfully maintained, with stable revenue recorded in 2017.

LEADING THROUGH DIGITAL DISRUPTION

Telkomsel's transformation process to become a Digital Company made considerable progress in 2017. The Device, Network and Applications (DNA) strategy was further developed to expand the Telkomsel ecosystem and deliver superior customer experience, with good results.

Telkomsel continued to increase 4G Device usage and data penetration, along with the roll out of 4G BTS to support higher data traffic and help improve customer experience in and ex Java. Almost 100% of the Indonesian population has access to Telkomsel network coverage, and around 80-85% has access to Telkomsel 3G or 4G coverage, making Telkomsel the only provider that truly offers nationwide coverage. The Company also won an addition 30 MHz of spectrum on the 2300 MHz frequency at auction in 2017, which will support higher speeds and deliver improved customer experience. Meanwhile, the Company continued to support the creation of applications both from Telkomsel and from local developers, in line with its commitment to expand the development of the Indonesian digital scene.

Specifically, the goals were to deliver superb End-to-End Customer Experience; Build an IoT Digital Ecosystem for Fleet Management; and focus on New Talent Management to Support Digital Mastery. These areas were selected based on the consideration that customer experience is paramount, followed by the need to develop enterprise as an engine of growth, and finally the need for a new digitally oriented talent management approach to ensure that the right talent is in place.

We feel confident that these initiatives, which were successfully carried out during the year using digital technologies and a digital mindset, created real value for the business, which will help to sustain growth going forward and deliver the best digital lifestyle experience to Telkomsel's customers.

CORPORATE GOVERNANCE

Good corporate governance is a key priority for the Company. The Board of Commissioners is responsible for supervising the implementation of good corporate governance, as well as advising and supervising the Board of Directors through regular meetings, reports and discussions.

To conduct these tasks, the Board of Commissioners was assisted by various committees. These committees, which report to the Board of Commissioners, consist of the Audit Committee, the Remuneration Committee, and the Capital Expenditure, Financing and Management Process (CFMP) Committee. Together, these committees helped to oversee important aspects related to corporate governance, to ensure that the business is run sustainably.

As a result of these efforts, I am pleased to report that Telkomsel's financial reporting once again received an unqualified audit opinion in 2017. Telkomsel was also recognized as a "Trusted Company Based on CGPI" by the Indonesia Good Corporate Governance Award 2017. This achievement was quite special given that it was for the first time Telkomsel participated in this award process and reflects the Company's commitment to implementing the highest standards of corporate governance.

CORPORATE SOCIAL RESPONSIBILITY

In line with its commitment to give back to the nation, Telkomsel continued to fulfill and broaden the scope of its Corporate Social Responsibility (CSR) programs during the year. In order to support the achievement of the Company's 2017 goals and targets, particularly with regard to the company's mission to become a digital company, strategic initiatives were established to build CSR program platforms that are efficiently based on ICT, and that have a long-term and sustainable perspective.

As always, all activities made reference to Telkomsel's four CSR pillars, namely Education, Digital Citizenship, Community Empowerment & Wellbeing, and Philanthropy. The programs that were established as CSR masterpieces for 2017 comprised creative digital programs targeting youth communities and cyber wellness programs for children, parents and teachers. Telkomsel also continued to hold various initiatives such as the NextDev Digital creative competition to stimulate digital

TELKOMSEL'S INITIATIVES, WHICH WERE SUCCESSFULLY CARRIED OUT DURING THE YEAR

USING DIGITAL TECHNOLOGIES AND A DIGITAL MINDSET, CREATED REAL VALUE FOR THE BUSINESS,

WHICH WILL HELP TO SUSTAIN GROWTH GOING FORWARD AND DELIVER THE BEST DIGITAL LIFESTYLE EXPERIENCE TO TELKOMSEL'S CUSTOMERS

innovation, and the Emergency Response and Recovery Activities (TERRA) IT-based disaster response efforts. In addition, donations continued to be made to local communities and the underprivileged such as orphan children, as a form of the Company's concern for the people of Indonesia.

CHANGES TO THE BOARD OF COMMISSIONERS

The composition of the Board of Commissioners at Telkomsel changed during 2017. In May 2017, Edwin H. Abdullah was honorably discharged from the Board of Commissioners, and Yose Rizal was appointed to succeed him. On behalf of the Board

of Commissioners, I would like to sincerely thank Edwin H. Abdullah for his service to the Company, and welcome Yose Rizal.

ACKNOWLEDGEMENT

My sincere appreciation goes out to the Board of Directors and all employees for their hard work, which enabled Telkomsel to achieve many improvements in 2017. I would also like to appreciate Telkom Group and Singtel as the parent companies for their input and support. In addition, on behalf of the Board of Commissioners, I thank Telkomsel's valued customers and all stakeholders for supporting the Company.

I look forward to working with all of you in 2018 to create more value and innovations for Telkomsel and for Indonesia.

Sincerely yours,

ALEX J. SINAGA
President Commissioner

REMARKS FROM
THE PRESIDENT DIRECTOR

2017 REVENUE
Rp93.2 T

'15 '16 '17

We were able to boost revenue to pass the Rp90 trillion mark to reach Rp93,217 billion. EBITDA increased by 7.7% to Rp53,592 billion and Net Income was recorded at Rp30,395 billion.

DEAR SHAREHOLDERS,

Following a turbulent year in 2016, the global economy began to recover in 2017 with improved growth in the majority of both developed and emerging countries. In Indonesia, GDP growth was below expectation although still stable at 5.07% compared with 5.02% in the previous year. Reflecting the macro economic climate, consumer spending and business investment growth remained low during most of the year, although there was acceleration in the fourth quarter.

By contrast, the telecommunications industry continued to experience dynamic change. The competitive landscape intensified, especially in the second half of the year. As anticipated, consumer demand for digital grew significantly while demand for traditional Legacy products declined. At the same time, telecommunications providers continued to experience considerable uncertainty and risk from a regulatory perspective. The telecommunications industry hopes that the regulatory

environment continue to evolve in a direction that is supportive of future growth.

FINANCIAL & OPERATIONAL RESULTS

Despite the adverse environment, Telkomsel nonetheless achieved positive results, delivering both top line and bottom line growth and strengthening its customer base. Performance was driven by good strategy and solid execution during the year, as Telkomsel successfully grew its Digital Business while maintained its Legacy business in Voice. Despite a saturated market, we were able to attract 22.4 million new customers for a total of 196.3 million, an increase of 12.9% YoY. As expected, the main driver of growth was Digital Business, whereas Voice traffic and SMS traffic declined. As

such, the current market dynamic has fully confirmed Telkomsel's belief in Broadband and Digital Services as the future of the telco industry.

As a result, we were able to boost revenue to pass the Rp90 trillion mark to reach Rp93,217 billion. EBITDA increased by 7.7% to Rp53,592 billion and Net Income was recorded at Rp30,395 billion. EBTIDA and Net Income Margins were maintained within guidance, at 57.5% and 32.6% respectively.

HEALTHY EBITDA MARGIN
57.5%

TELKOMSEL BELIEF IN DATA AND DIGITAL SERVICES AS THE FUTURE OF THE TELCO INDUSTRY

As expected, Digital Business is the main area of growth. Our data traffic surged by 126.2% YoY as we continued to aggressively migrate customers from Pay As You Use (PAYU) to data packages. As a result, at year end 55.1% of our subscribers were using 3G/4G capable devices, an increase of 30.9% YoY from 2016. These results helped to offset the 25.9% decline in SMS traffic, which continued to be cannibalized by Over the Top (OTT) instant messaging services, as well as the 8.6% decline in Voice traffic, although both SMS and Voice continued to deliver positive contributions and they remain important components of our overall strategy. Overall, in line with the trend of recent years and our own digital transformation, our revenue mix continued to move towards Digital Business.

In parallel with our aggressive expansion and digital development efforts, we continued to push cost efficiency, among other through synergies with our parent company Telkom and Singtel. We are highly aware that cost efficiency is extremely important to staying competitive and preserving shareholder value.

CONTINUING OUR DIGITAL TRANSFORMATION

I am pleased to report that Telkomsel made solid progress on its path to become a Digital Company and leading Mobile Digital Businesses. We continued to work towards our goal of transforming our entire business, including business, people, organization and corporate culture to maintain our leadership and expand our capability to create digital disruption. In parallel, we also pushed to further develop our digital ecosystem, which is an important foundation for Telkomsel to become a successful digital company and build a digital Indonesia, by expanding our Digital Services portfolio. A number of Digital investments and key initiatives were therefore established during the year in the areas of Digital Lifestyle, Mobile Financial Services, Digital Banking and Digital Advertising, which are further detailed in this report.

In order to maintain our leading position through digital disruption, we also established three priority goals to be achieved in 2017. These three goals were selected as being able to make critical contributions to Telkomsel's digital business and create sustainable value, enabling us to stay competitive in a landscape that has shifted to digital as the engine of growth.

The first goal, which consisted of achieving excellent end-to-end Customer Experience, encompassed all customer touchpoints, as well as supporting back end processes in order to deliver the right level of service to each customer segment, in a convenient and efficient manner. Overall, we have streamlined and digitized processes where possible for better customer experience, while also encouraging them to go digital and improving efficiency.

The second goal, to Build an IoT Digital Ecosystem for Fleet Management, was an ambitious undertaking to deliver the first fleet management solution in Indonesia using embedded

AS EXPECTED, DIGITAL BUSINESS IS THE MAIN AREA OF GROWTH

Internet-of-Things (IoT) technology to enable remote control and monitoring of fleet assets. This solution, which is usable anywhere in Indonesia wherever Telkomsel network coverage is available, is just the first step towards enabling Indonesian businesses to transform their operations using digital technology. We will continue to develop new solutions to support Indonesian enterprise and national growth.

Third goal of New Talent Management to Support Digital Mastery was applied to our internal human resources. We recognize that in order to build a sustainable and competitive digital business, we must also maintain and develop digital-savvy talent that is capable of leading the organization in this highly dynamic landscape. We therefore created a comprehensive program to train potential leaders in digital thinking and innovation, which culminated in a visit to Silicon Valley where they were immersed in the culture of world-class digital companies before returning to Indonesia, where it is hoped that they will be able to share their knowledge and act as catalysts for change.

Besides using digital technology to scale our business, we also harnessed the power of digital to give back to communities all over Indonesia through our various Corporate Social Responsibility (CSR) programs. Telkomsel's many CSR programs in 2017 included among others the NextDev digital competition for applications that deliver positive social impact, scholarships, the #internetbaik campaign for

responsible internet usage, and digital education efforts all over the country, which aimed to teach local communities how to access and use the internet productivity.

Our efforts were supported by further expansions in network coverage, with an emphasis on 3G and 4G BTS. In line with our philosophy to always lead and maintain our network superiority and grow our Digital Business, we deployed 31,672 new BTS during 2017 all of which were 3G and 4G BTS. In terms of infrastructure, by end of December 2017 our on-air BTS totaled 160,705 units (+24.5% YoY), around 70% of which were 3G/4G BTS. The government furthermore granted additional 30 MHz through the 2300 MHz spectrum auction in 4Q 2017, which will increase our capacity to strengthen 4G LTE services and maximize Broadband service quality to support the sustainability of digital business services and support us in building the digital ecosystem in Indonesia, including e-commerce, and encourage the development of SMEs. Our willingness to invest for this additional spectrum shows our intention to deliver the best Broadband services to our customers.

In summary, all of these efforts successfully strengthened Telkomsel's leading position through digital disruption, and will enable us to capitalize on growth opportunities ahead to deliver improved revenue and profit to all stakeholders.

CHANGES TO THE BOARD OF DIRECTORS

During the year, Mas'ud Khamid, Priyantono Rudito and Ng Soo Kee stepped down from the Board of Directors. We thank them for their many contributions and wish them well.

Succeeding them were Sukardi Silalahi, previously Director of Network, who was appointed Director of Sales, Bob Apriawan as the new Director of Network, Irfan A. Tachrir as the new Director of Human Capital Management and Montgomery Hong as the new Director of Information Technology. Their skills and experiences are valuable additions to the Board of Directors.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank our valued customers and subscribers for choosing Telkomsel. I would also like to express my appreciation to the Board of Commissioners, our employees and our partners, without whom our achievements in 2017 would not have been possible. Finally, my thanks goes out to our shareholders for their trust in us. We will strive to be worthy of your trust and confidence as we continue to implement digital disruption in all aspects of the Indonesian lifestyle, in order to take the nation to the next level.

Sincerely yours,

RIRIEK ADRIANSYAH
President Director

HARRY M. ZEN
Commissioner

THE BOARD OF
COMMISSIONERS

ALEX J. SINAGA
President Commissioner

PAUL DOMINIC O'SULLIVAN
Commissioner
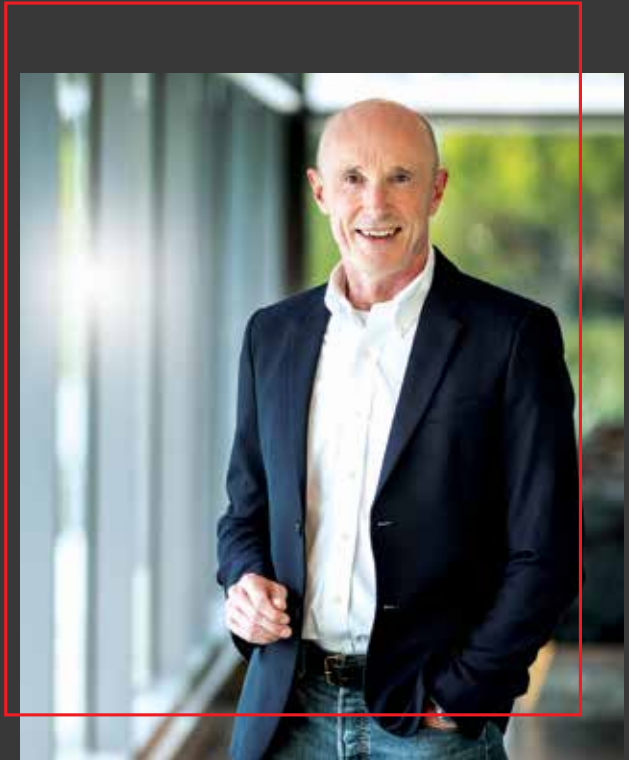
YOSE RIZAL
Commissioner

DIAZ HENDROPRIYONO
Commissioner

YUEN KUAN MOON
Commissioner

PROFILE OF THE BOARD OF COMMISSIONERS

ALEX J. SINAGA

PRESIDENT COMMISSIONER

Mr. Alex J. Sinaga has been President Commissioner of Telkomsel since January 2015. He is currently also the President Director of PT Telkom Indonesia (Persero) Tbk.

Prior to this, he held various strategic positions within Telkom Group, including as the President Director of Telkomsel, President Director of TelkomMetra (a subsidiary of Telkom as a strategic investment company focusing on information, Media, Edutainment and Services), President Commissioner of PT Sigma CiptaCaraka (Telkomsigma) and Executive General Manager of various divisions in Telkom Indonesia.

Aside from Telkom Group, Alex J. Sinaga has also held several prestigious positions, including as the Chairman of Indonesian Telecommunication Association (ATSI) from 2012 to 2014 and Chairman of Board of Trustees of ATSI from 2014 to 2015.

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

He was awarded Medal of Honor *Satyalancana Pembangunan* and *Satyalancana Wira Karya* in 2014 by the President of the Republic of Indonesia.

HARRY M. ZEN

COMMISSIONER

Mr. Harry M. Zen has been a member of the Board of Commissioner of Telkomsel since August 2016. He has also served as the Chief Financial Officer of PT Telkom Indonesia (Persero) Tbk since April 2016. He concurrently serves as President Commissioner of PT Graha Sarana Duta. Prior to this, he held various strategic positions including as President Director of PT Credit Suisse Securities Indonesia (2008-2015), Director of Barclays Capital (2007-2008), Co-Head Investment Banking of PT Bahana Securities (2001-2007) and Assistant Vice President of Citibank - Corporate Banking.

He holds a Bachelor degree in Metallurgical Engineering from the University of Indonesia and a Master of Business Administration in Corporate Finance and Financial Institutions & Market from the State University of New York at Buffalo, USA.

YUEN KUAN MOON

COMMISSIONER

Mr. Yuen Kuan Moon has been on the Board of Commissioners since September 2009. He is currently Singtel's Chief Executive Officer, Consumer Singapore, since June 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 Kuan Moon 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. In October 2016, he was appointed a Member of the SkillsFuture Singapore Board and in January 2018, he joined the Board of Advisors of the Institute of Service Excellence at Singapore Management University.

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 (Sloan Program) in California, USA.

DIAZ HENDROPRIYONO

COMMISSIONER

Mr. Diaz Hendropriyono has been a member of the Board of Commissioners of Telkomsel since January 2015. He currently serves as Special Staff to the President of the Republic of Indonesia.

Prior to this, he served in other strategic positions, including as a Special Advisor on Politics and Intelligence at the Coordinating Ministry for Political, Legal and Security Affairs, 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 a US-based global think tank, RAND Corporation. He has a keen interest in social and political activities, and is the founder of volunteer organization Kawan Jokowi.

He holds a Bachelor degree in Management from Norwich Military University, a Master of Business Administration and Master of Arts degrees from Hawaii Pacific University, a Master of Public Administration from Virginia Tech, and is currently a PhD in Public Administration candidate at Virginia Tech. He is also an alumni of Indonesia's National Resilience Institute (Lemhannas, PPRA 49).

PAUL DOMINIC O'SULLIVAN

COMMISSIONER

Mr. Paul Dominic O'sullivan has been a Commissioner of Telkomsel since January 2010. He has also served as Chairman of Optus since October 2014. He is currently a Board Director of the following; HOOQ Pte Ltd, a JV between Singtel, Warner Bros and Sony Pictures Entertainment; NDIA, the National Disability Insurance Agency, providing support for Australians with disability, their families and carers; Healthscope, a leading private healthcare operation in Australia; and Coca-Cola Amatil Limited, one of the largest bottlers of non-alcoholic ready-to-drink-beverages in the Asia-Pacific Region. He is chairman of the Western Sydney Airport Company, a significant national infrastructure project to build a new airport which the Australian Government will own and operate, and also a Board member of the St George and Sutherland Medical Research Foundation and a Board Member of the Advisory Board of the UNSW Bright Alliance.

Mr. Paul Dominic O'Sullivan 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. He 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.

He holds a Bachelor (MOD) degree in Economics from Trinity College, University of Dublin and is a graduate of the Advanced Management Program of Harvard University, USA.

YOSE RIZAL

COMMISSIONER

Mr. Yose Rizal has served as a Commissioner of Telkomsel since May 2017. He is currently the CEO of MediaWave Interactive, a digital agency company, the CEO of MediaWave Analytics, a social media measurement company, the Founder PoliticaWave.com, a political social media monitoring and analytics, and an extraordinary lecturer and business mentor for the Master of Business Administration at the School of Business and Management - the Bandung Institute of Technology (SBM ITB). He has also been the Head of Research and Measurement, Indonesia Digital Association since 2014.

Previously, he was the Business Director of Snoop Mobile Media (2008-2010), a Director of Azka Megah Dirgantara (2003-2008), and Director of Bandung Information Technology (2000-2004). He was also Chairman of Business Data Department at the West Java Trade Chamber (2009-2013), the Chairman of Creative Industry Compartment at BPP Himpunan Pengusaha Muda Indonesia (2009-2010) and the General Secretary of BPC HIPMI Bandung (2006-2009).

He earned a degree in Urban & Regional Planning from the Bandung Institute of Technology in 2003. He is often asked to act as a speaker at public forums, lead forums and national seminar.

HERI SUPRIADI
Director of Finance

MONTGOMERY HONG
Director of IT

THE BOARD OF
DIRECTORS

RIRIEK ADRIANSYAH
President Director

IRFAN TACHRIR
Director of Human Capital Management

EDWARD YING SIEW HENG
Director of Planning and Transformation

SUKARDI SILALAHI
Director of Sales

BOB APRIAWAN
Director of Network

ALISTAIR JOHNSTON
Director of Marketing

PROFILE OF THE BOARD OF DIRECTORS

RIRIEK ADRIANSYAH

PRESIDENT DIRECTOR

Mr. Ririek Adriansyah has served as President Director of Telkomsel since January 2015. He is responsible for the overall management of the Company.

He has held various strategic positions at PT Telekomunikasi Indonesia (Telkom) and Telkom Group since 1990. Prior to joining Telkomsel, he was appointed as Director of Wholesale & International Service at Telkom (2013-2014), Director of Compliance and Risk Management at Telkom (2012-2013) 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 & Services at Telin (2008-2010) and Deputy Executive General Manager of the Infratel Division at Telkom (2004-2008).

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

HERI SUPRIADI

DIRECTOR OF FINANCE

Mr. Heri Supriadi has served as Director of Finance since May 2012. 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 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).

Mr. Heri Supriadi graduated with a Bachelor degree in Industrial Engineering from Bandung Institute of Technology (1991) and has a Master degree in Business Administration from Saint Mary's University, Halifax, Canada (1997) as well as a Doctoral degree in Business Management from Padjadjaran University, Bandung (2013). He has attended various executive education programs at Harvard Business School, Kellogg School of Management, Euro Money, and The University of Auckland Business School among others. He is a visiting lecturer at various universities and the author of books on Strategic Management & Research Methodology.

MONTGOMERY HONG

DIRECTOR OF IT

Mr. Montgomery A. Hong has served as Director of Information Technology since January 2017. He has over 31 years of experience in the telecommunications industry, specializing in large-scale Business and IT Transformation programs.

Prior to joining Telkomsel, he served as Regional Chief Information Officer (CIO), International Group, Singtel and was responsible for leading the development of a Regional IT Roadmap and Vision, defining key capabilities required for the evolution to a Digital Service Provider, and driving IT best practices across the Singtel Group Associates. Prior to joining Singtel, he served as Zain Saudi Arabia's Chief Transformation Officer where he led an organization that was responsible for the governance of all transformation activities across the company, including the acceleration to a Digital Service Provider. In addition, he spent 27 years with Accenture where he rose to become a Managing Director in Accenture's Communications, Media, & Technology operating group. He has also served on the Board of Directors for the TM Forum.

He attended Willamette University in Salem, Oregon, USA, where he earned a Bachelor of Arts (1984) and Master of Management (1986) degree.

Mr. Edward Ying Siew Heng has served as Director of Planning and Transformation since May 2012. He is now responsible for leading the Digital Services as well as developing Corporate Strategy 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, in many countries. From 2008 to 2011 he was Chief, Multimedia Group at Singtel, where he successfully led the company to become a leader in local content, the 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, marketing, channel management, customer service and network operations. He was Chief Operating Advisor and a member of the Board of Globe Telecom in the Philippines from 1996 to 2003. He also served as Chairman of Metraplasa, a joint venture company between PT Telekomunikasi Indonesia and eBay (2013-2015). From 1995 to 1996, he served as Managing Director at Cambridge Cable Group Pay TV Business in the United Kingdom.

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 also 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 the "The Corporate Entrepreneur – Driving Innovation and New Ventures (TCE)" executive program at Stanford Graduate School of Business in California, USA and in 2016, the "Leading Business into the Future" Executive Leadership Program at London Business School, London, United Kingdom.

DIRECTOR OF PLANNING AND TRANSFORMATION

EDWARD YING SIEW HENG

SUKARDI SILALAHI

DIRECTOR OF SALES

Mr. Sukardi Silalahi has served as Director of Sales since his appointment in May 2017 which previously served as Director of Network since January 2015.

He is also the President Commissioner of PT Daya Mitra Telekomunikasi (Mitratel). Since joining Telkom in 1991, he has served in a number of senior positions prior to his appointment to the Board of Telkomsel including as Board of Commissioners of various Telkom subsidiaries, Director of Consumer Service at Telkom (2012-2014), Executive General manager of Consumer service, East Division (2011-2012) and Deputy Executive General Manager of Consumer service, West Division (2010-2011).

He holds a Bachelor degree in Civil Engineering from the Bandung Institute of Technology (ITB) and a Master's Degree in Business Administration (Cum Laude) from the University of Gadjah Mada (UGM). He has also attended the "Making Corporate Boards More Effective" executive program from Harvard Business school, International Business management Training in Sweden and High Performance Boards Training at ImD in Switzerland. Currently, he is a candidate for a Doctoral degree on Strategic Management at Padjadjaran University.

He was a recipient of the *Satyalancana Pembangunan* medal from the President of the Republic Indonesia in 2013. In the same year, he also was appointed as the Community Director of the BUMN (State Owned Enterprise) Marketers Club. He also won The Best BUMN on Marketing award in 2013 and The Best Service Provider of The Year award in recognition of his milestone achievement in positioning Telkomsel as the operator with best network quality in Indonesia, based on Open signal data for 2015 and 2016.

IRFAN TACHRIR

DIRECTOR OF HUMAN CAPITAL MANAGEMENT

Mr. Irfan A. Tachrir has served as Director of Human Capital Management since his appointment in May 2017. He is also currently a member of the Board of Commissioners at PT Graha Sarana Duta (GSD), subsidiary of PT Telekomunikasi Indonesia (Telkom).

Since joining Telkomsel, he has held various strategic positions including Senior Vice President Corporate Secretary (2014-2015), Vice President Corporate Counsel (2012-2014), Head of Wholesale Management Group (2012), Vice President International Roaming, Synergy & Partnership Management (2009-2012) and VP Synergy & Partnership (2008-2009).

He holds a degree in Economics and Development Law from the Padjadjaran University, and has attended various executive education programs, such as the Management Program at the Singapore Management University (SMU), and a Leadership Course at the University of California, Berkeley, USA. He was also awarded Indonesia's Best Corporate Secretary in 2015 by SWA Magazine.

DIRECTOR OF MARKETING

Mr. Alistair D. Johnston has served as Director of Marketing since August 2012. He has a wide portfolio of responsibilities including core and digital lifestyle product management and pricing, advertising and customer campaigns, brand portfolio management, interconnection and international roaming, customer analytics, digital sales and service channels and customer loyalty.

He has extensive experience in the telecommunications industry in multiple countries. He joined Singtel in June 2012 as a Director at Singtel International. Prior to this he served as Group Chief Marketing Officer at Augere, Dubai (2010–2012), where he oversaw commercial activities in India, Pakistan, Bangladesh and Uganda for this start-up business offering Internet connectivity to under-served emerging markets.

From 1998 to 2010 he successfully held important roles in the UK telecommunications industry. This included Telefonica O2 UK (2007–2010) where he served as Head of Prepay, Head of Online and Marketing Director and helped to build the O2 business into a strong market leader; Orange UK (2004–2007), where he served as Head of Prepay Acquisition and Retention, and British Sky Broadcasting UK (2003–2004). From 1998 to 2003 he worked for Sir Richard Branson's Virgin Group of companies in a variety of business development roles in the UK, Australia and Singapore, and was a founder of the Virgin Mobile businesses in the UK and Australia.

He began his career as a Management Consultant at Andersen Consulting, based in London, UK.

He holds a degree in Modern History from Oxford University, UK and over the years has attended a number of management programmes, including at Harvard and Stanford Universities.

ALISTAIR JOHNSTON

Mr. Bob Apriawan has served as Director of Network since his appointment in May 2017. He is responsible for the overall management and control of network infrastructure.

He joined Telkomsel in 2002 and has 26 years of telecom experience including 11 years at Telkom, the largest telecommunications services company in Indonesia. Prior to his appointment to the Board of Telkomsel, he served in a number of senior positions including Senior Vice President Procurement (2013-2017), Vice President Asset Management (2012-2013), Vice President Organization and Workforce Management (2012), Vice President HR System (2010-2012), Vice President Radio Access Engineering Outside Java-Bali at Telkomsel (2008-2010). He also served as a Commissioner at Telkom Infra (2016-2017).

He holds a Bachelor Degree in Electrical Engineering from Diponegoro University, and Master of Science in Operational Telecommunication from the Coventry University, UK. He also attended a Strategic Business Leadership program from The University of Chicago Booth School of Business, USA.

DIRECTOR OF NETWORK

BOB APRIAWAN

TCASH SNAP!

TCASH piloted offline QR payment by the name of TCASH Snap! Through this innovation, TCASH enable its users to easily make payment directly from their app.

CHAPTER 03

COMPANY AT A GLANCE

TELKOMSEL IN BRIEF

TELKOMSEL FIRST STARTED OPERATIONS IN 1995. TWENTY-TWO YEARS LATER, TELKOMSEL HAS ESTABLISHED ITSELF AS THE LEADING CELLULAR OPERATOR IN INDONESIA, WITH

+196 MILLION
CUSTOMERS

+160,000 BTS

+ 5,400
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 distinctive brands targeted at different customer segments: *simPATI*, Kartu As and LOOP.

Telkomsel is a subsidiary of PT Telekomunikasi Indonesia Tbk (65%) and Singapore Telecom Mobile Pte

Ltd (35%). We have the country's widest network coverage, with estimated 2G population coverage of almost 100%, 3G population coverage of 85% and 4G population coverage of 80%. In 2017, we deployed almost 32,000 new Base Transceiver Stations (BTSs), with all of BTS were 3G/4G-based. Telkomsel was the first operator to commercially market 4G LTE technology in Indonesia and as of the end of 2017, we had coverage in 490 Kabupaten Cities with 49.6 million LTE users.

The telecommunications industry in Indonesia continued to experience dynamic change with intensified competitive landscape with consumer demand for digital grew significantly while demand for traditional Legacy

SHARE OWNERSHIP HISTORY

1995

Telkomsel was established by PT Telekomunikasi Indonesia Tbk (Telkom) and PT Indosat Tbk (Indosat).

1996

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

products declined. At the same time, telecommunications providers continued to experience considerable uncertainty and risk from a regulatory perspective which telecommunication industry hopes that the regulatory environment will continue to evolve in a direction that is supportive of future growth.

To ensure that we maintain our competitive edge and are able to continue to lead and shape the industry, we must ourselves undergo a transformation to become a Digital Company and leading Mobile Digital Business. We continued to work towards our goal of transforming all aspects of our business, people, organization and corporate culture to maintain our leadership and expand our capability to create digital disruption. As part of this, we established three priority goals to be achieved in 2017 with the focus on achieving excellent end-to-end Customer Experience, building an IoT Digital Ecosystem for Fleet Management and supporting Digital

Mastery with New Talent Management in our internal human resources.

In 2017, we continued to focus on the areas of corporate culture, people and organization transformation. In terms of corporate culture, we pushed to implement an agile mindset and approach. With regards to people, we continued to encourage them to achieve and demonstrate Digital Mastery. All this was supported by adjustments to the organization, with the focus of becoming more agile, innovative and customer-centric towards the achievement of Digital Mastery.

We are committed to making this transformation into a Digital Company a success, in order to better connect our customers and to add value to our customers' lives. The key indicators in our Digital Business are strongly positive, with revenue growth at +28.7%, supported by strong growth in payload at +126.2% YoY, 3G/4G capable devices at +30.9% YoY and Digital Services at +33.6%. We
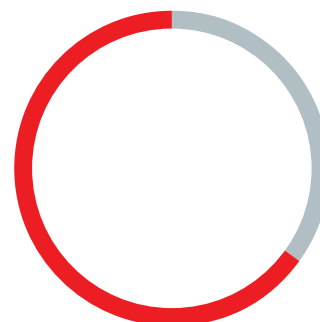
65% PT Telekomunikasi Indonesia Tbk

35% Singapore Telecom Mobile Pte Ltd

believe there are still tremendous growth opportunities from the Digital Business as a sizeable portion of our base still uses 2G and feature phones, many existing data users are still on PAYU (Pay As You Use), and Indonesia's data prices are among lowest in the region.

2001

Telkom acquired Indosat shares to increase its ownership to 77.7%. KPN and Setdco's shares were acquired by Singapore-based Singtel Mobile.

2002

Singtel Mobile increased its ownership by 12.7%, bringing its total ownership in Telkomsel to 35% with the remainder 65% owned by Telkom as the majority owner.

ORGANIZATION STRUCTURE

Board of Commissioners

President Director

- Corporate Secretary Group
- Program Management Office Group
- Internal Audit Group
- Customer Experience Group

- Planning & Transformation Directorate
- Sales Directorate
- Marketing Directorate
- Network Directorate
- Information Technology Directorate
- Human Capital Management Directorate
- Finance Directorate
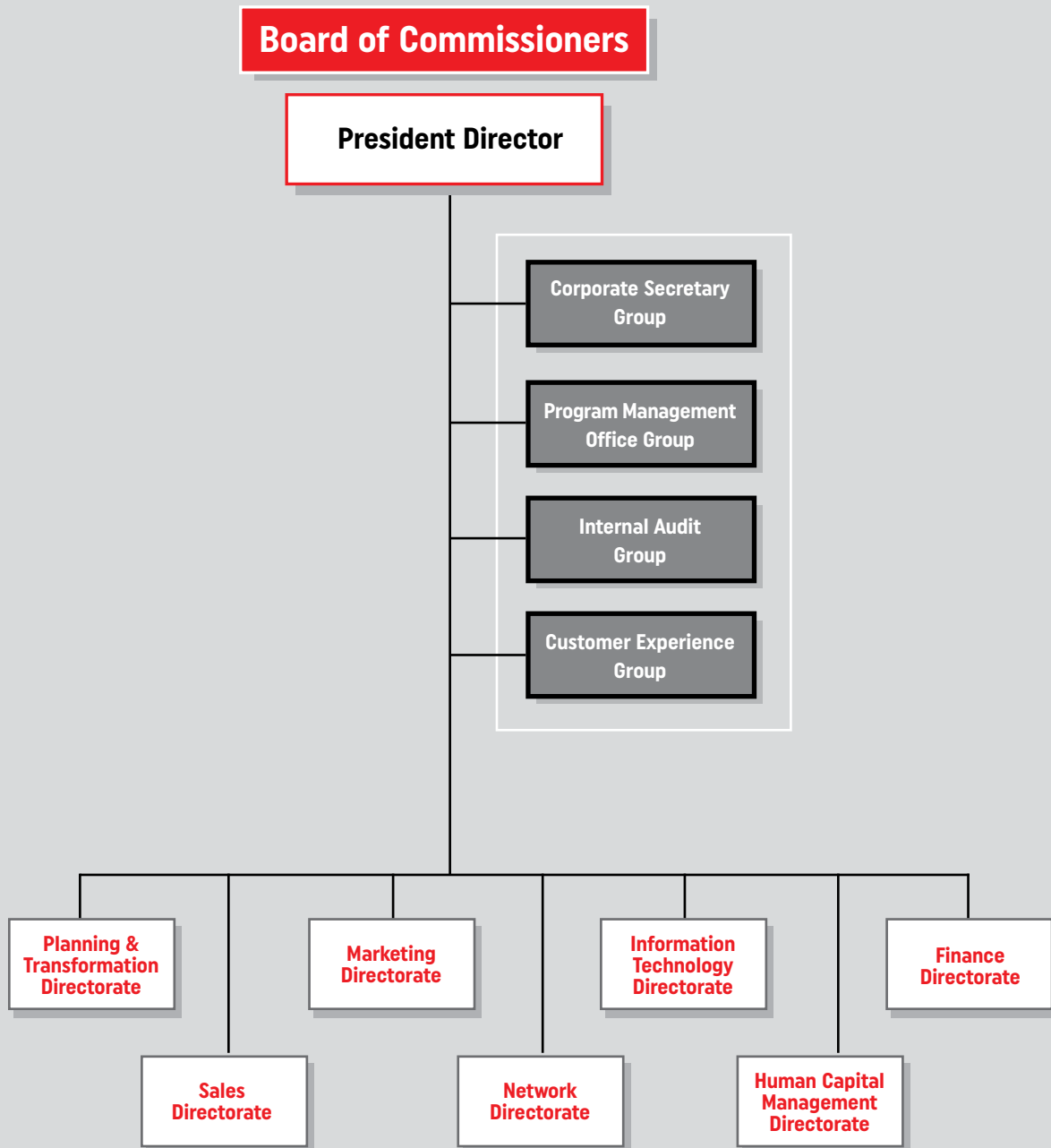
KEY PRODUCTS & SERVICES

kartuHalo

Positioned as the postpaid brand of choice for professionals and corporate customers, kartuHalo provides an unparalleled suite of full mobile services and exclusive privileges. We expanded our kartuHalo brand to embrace the young professionals, positioned kartuHalo as the coolest and best value postpaid card for middle and upper segments.

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 offering the best value to customers.

LOOP

Positioned as the prepaid brand which targeting the youth segment. With the tagline "*Ini KITA*" (This Is Us), LOOP has a youthful image supported by its brand proposition of "being better together" and a focus on offering attractive Broadband and Digital Services.

MILESTONES

1995   1997   2002   2003   2004   2005   2006   2007   2008   2009

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.

2002

- Kicked off mobile Broadband 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.

2005

- Our Call Center acquired ISO9001:2000 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.

2008

- Became the Pioneer in renewable energy powered BTS in Asia.
- The launch of Indonesia's first mobile Voice and Broadband 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.

2010 · 2011 · 2012 · 2013 · 2014 · 2015 · 2016 · 2017

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 highspeed data.

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.

2014

- Telkomsel launched Masterpiece programs: CRM, M2M and Winning The Youth.
- Telkomsel & Telkom reached agreement on a Conditional Business Transfer Agreement (CBTA) to utilize Flexi's spectrum.
- Telkomsel became the first to commercially launch 4G LTE in Indonesia.

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.
- Exceeded 100 Thousand BTS and 150 million customer base.
- Achieved Triple 3 Strategy, with Enterprise Value > Rp300 Tn, 3 Year Cumulative Revenue of 33%, and Digital Business Contribution of 33% of Revenue which was achieved in Q4-15.

2016

- Executed 3 Masterpiece programs: Big Data, Lead 4G, and Customer Experience.
- Expanded LTE coverage to more than 80 Broadband Cities across the country.
- Achieved five consecutive years of Triple Double Digit growth in Revenue (+14.0% YoY), EBITDA (+16.9% YoY) and Net Income (+26.1% YoY).

2017

- Focused on creating a consistently excellent Customer Experience (CX), IoT Digital Ecosystem for Fleet Management and New Talent Management to support Digital Mastery.
- Awarded 30 MHz additional spectrum on the 2300 MHz frequency by the government, which will be used to provide the best Data services to customers and support the 2014-2019 Indonesian Broadband Plan [as part of Telkomsel's commitment to the nation].
- Telkomsel 4G LTE coverage reached 490 kabupaten cities across Indonesia.

TCASH RAILINK

TCASH has expanded its use cases to transportation in partnership with Railink, the main operator for airport transport. By using TCASH Tap, customers are now able to make faster, and more convenient purchase of airport train tickets.

DIGITAL LIFESTYLE

Langit Musik, Music Streaming Application owned by Telkomsel which offers new way to download and stream unlimited music legally.

CHAPTER 04

BUSINESS REVIEW
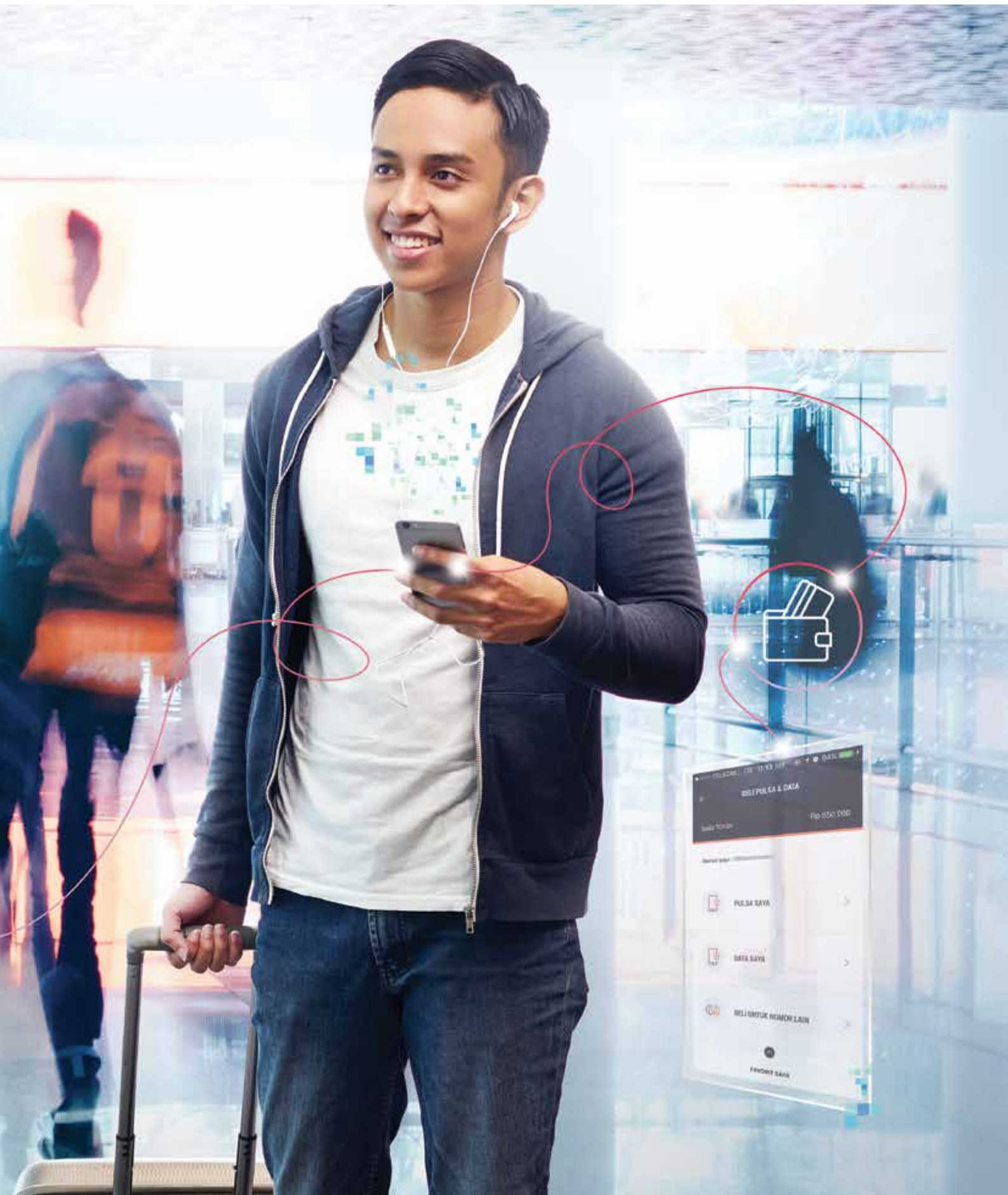
VISION

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

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CORPORATE STRATEGY
IN BRIEF

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2017 WAS A CHALLENGING YEAR FOR TELKOMSEL. PERFORMANCE WAS SIGNIFICANTLY IMPACTED BY THE DECLINE OF LEGACY (VOICE AND SMS) REVENUE, WHICH TELKOMSEL HAD SUCCESSFULLY MAINTAINED OVER THE PAST FEW YEARS

Compounding the challenge of 2017 was fierce competition in Broadband Service, which almost halved 2016 Data yields. Despite Broadband usage more than double, Data Service monetization became increasingly difficult.

Despite these challenges, Telkomsel nonetheless managed to grow above the industry average. Telkomsel Data Users increased to 105.8 mn, and Telkomsel also able to maintain high Digital Service growth at 33.6% in 2017. These achievements were made possible by the successful implementation of our 5-year Corporate Strategy Plan, which set forth the following Strategic Objectives: "Lead new broadband business growth", "Extend/sustain leadership position", "Accelerate Digital refocus and relaunch", and "Drive transformation for new growth". This Corporate Strategy was formulated to prepare Telkomsel for the inevitable decline in Legacy and the necessary development of Digital Business.

The current market dynamic has confirmed Telkomsel's belief in Broadband and Digital Service as the future of the telco industry. To capitalize on growth in Broadband and Digital, Telkomsel is focused on developing a digital ecosystem by establishing key Digital Services such as Mobile Financial Service, Digital Advertising, IoT, Enterprise Digital Solutions, and Digital Lifestyle to name a few ; and ensuring the availability of 4G service throughout Indonesia towards realizing Telkomsel's future as a Digital Telco Company.

TRANSFORMATION PROGRAM

Since the launch of Telkomsel's transformation program in 2012 to become a Digital Company and leading Mobile Digital process, Telkomsel has made major achievements. This process continued in 2017 towards achieving its goals as the company continued to transform its business, organization, people and culture.

In its fifth year, Telkomsel's ongoing transformation program continued to transform all aspects of the business including its ecosystem, products and services, people and corporate culture, in order to become a Digital Company and leading Mobile Digital Business.

In terms of ecosystem, Telkomsel continued to focus on further developing its DNA (Device-Network-Application) ecosystem. In Device, more strategic partnerships and bundled offers were created in order to encourage subscribers to switch to 4G capable devices and increase digital penetration. Whereas in Network, we continued on building the leading LTE network in 150 TrueBex cities, as well as modernizing and expanding our network in general with more than 31,000 new base stations deployed in 2017 for increased

capacity and power efficiency. With regards to Application, we continued our annual Digital Creative Indonesia competition, The NextDev 2017, this time with the theme 'Karya Anak Bangsa untuk Solusi Indonesia' (Locally Created Indonesian Solutions), and challenged young startups to create digital applications that provide positive social impact.

One of our main focuses in 2017 was to create a unified and consistently excellent Customer Experience (CX). Telkomsel identified CX Strategic Levers which consist of the CX Vision, promises, roadmap and policies for both B2C and B2B initiatives. The delivery pillars cover network performance, offers and pricing, pathways and touchpoints and finally, enablers, in order to comprehensively deliver an excellent end-to-end CX. Supporting these CX Strategic Levers, we also implemented CX Execution Levers which consist of Agile working culture and methods, and Quickwin programs through "agile squads" to resolve customer issues. These CX Execution Levers helped to execute the CX Strategic Levers to deliver excellent End-to-End Customer Experience for our valued customers nationwide.

We also focused on building our digital business with various new products and services that aim to help enterprise customers improve their productivity and better manage their assets and people. Enterprise is expected to be a driver of growth going forward and these innovative enterprise-focused products and services, which offer enterprises a way to participate in digital disruption, will help Telkomsel to stay in the lead. In particular, we capitalized on our scale and network to offer exciting Big Data products and analytics, as well an IoT Fleet Management solution that improves fleet productivity, management, and improve operational efficiency for fleet owners and fleet operators.

Besides expanding our 4G network and developing digital products and services, we are well aware of the need to develop our people in order to become a Digital Telco. We therefore pushed to implement a digital mindset and work processes in our internal organization in order to create a customer-centric and agile organization. A number of Human Capital Management (HCM) programs were established in areas such as Digital Mastery, Digital Culture, Digital Work and Customer Centric

TELKOMSEL CONTINUED TO TRANSFORM
ALL ASPECTS OF THE BUSINESS

TO BECOME A DIGITAL COMPANY AND LEADING MOBILE DIGITAL BUSINESS

Organization which encouraged employees to adapt for work in the digital age as this digital age poses new challenges for the company unlike those previously experienced in the telecommunication industry thus far. Internally, we also pushed to make departments such as Finance and the Human Capital Management Directorate more customer-centric in serving internal users.

At the same time, we continued to monitor operations through functions such as Enterprise Risk Management and the audit mechanism to ensure that the transformation was taking place in line with corporate objectives, and in compliance with regulations as part of good corporate governance. All of these initiatives were also supported by synergies with Telkom Group and Singtel as the parent companies, which enabled Telkomsel to further accelerate its digital transformation.

NEW TALENT MANAGEMENT TO SUPPORT DIGITAL MASTERY

This program, which underpins Telkomsel's organization transformation strategy for the digital age, aims to train employees to manifest digital behavior in executing their tasks, namely by applying team-based, agile and customer-centric behavior.

In 2017, we therefore focused on the areas of Culture, People, and Organization. In terms of culture, we pushed to implement an agile mindset and approach. With regards to people, we continued to encourage them to achieve and demonstrate Digital Mastery. All this was supported by adjustments to the Organization, with the focus of becoming more agile, innovative and customer-centric towards the achievement of Digital Mastery.

We moreover created a development program to help our leaders achieve Digital Mastery that consisted of internal assessment (assessing the readiness of leaders to participate), boot camp (an intensive session where leaders learn to lead diverse teams to create ideas and prototype customer-centric solutions), sprint (lead the team create a solution to a problem within time limits), digital expedition (visits to the field and experts in Singapore), and digital activation & pitch (learning to effectively activate and pitch a solution). In addition, leaders were sent to Silicon Valley to be immersed in different parts of the Silicon Valley ecosystems such as universities, big players, startups, angel investors and more.

IN 2017, kartuHalo's CUSTOMER BASE RECORDED DOUBLE DIGIT GROWTH OF 13% TO OVER 4.7 MILLION SUBSCRIBERS

MARKETING PROGRAM AND STRATEGIES

kartuHalo

kartuHalo was positioned as the 'Top Postpaid Brand' in 2017 with the best mobile telecommunication solution providing excellent customer experience and exclusive privileges. In 2017, kartuHalo's customer base recorded double digit growth of 13% to over 4.7 million subscribers. In alignment with the strategy 'Advancing Digital Indonesia', kartuHalo launched combo packages which offered multiple benefits such as entertainment video content (HOOQ, Viu), music content (JOOX, Langit Musik) and TCASH bonuses. kartuHalo furthermore enhanced loyalty rewards for kartuHalo customers in the form of triple Telkomsel POIN rewards, and invited kartuHalo customers to exclusive events such as concerts and meet-and-greet sessions with celebrities.

kartuHalo HaloKick!

In early 2017, kartuHalo launched its new flagship "HaloKick!", an all-in-one package offering "More Rewards and Benefits". This card fulfilled multiple customer needs in a single package by offering the best internet browsing experience with 4G quota + All Network quota, best entertainment experience for movies (HOOQ, Viu) and music (Langit Musik), and more TCASH and Telkomsel POIN bonus rewards and benefits.

kartuHalo HaloKick! Dobel Kuota Internet

During the year, kartuHalo launched HaloKick! Double Quota Internet, an add-on package which doubled the Internet quota of HaloKick! packages for only Rp 20K per month.

kartuHalo Channel Expansion to E-Commerce

kartuHalo continued to establish strategic partnerships with major e-commerce partners to expand digital channels for new kartuHalo subscriptions.

ENTERPRISE MOBILITY SOLUTION

Given the enormous market potential for enterprise, Telkomsel has identified the enterprise business as a key growth diver for the company, targeting the enterprise segments of Corporate Government, Large Enterprise and Small Medium Enterprise. In 2017 Telkomsel focused on achieving the goal of 'Supercharge enterprise' through 3 key programs focused on Leading Enterprise Mobility Business Solutions, Win-win Partnership & Synergy and Best Customer Experience.

REWARDS & RECOGNITION

TOP BRAND AWARD 2017
Outstanding Achievement In Building The Top Brand For Postpaid SIM card For kartuHalo (Jakarta, 23 February 2017)

NET PROMOTER CUSTOMER LOYALTY AWARD 2017
Leader in Postpaid Category (Jakarta, 9 February 2017)

TOP IT & TELCO AWARD 2017
TOP POST-PAID GSM CARD 2017 - kartuHalo (Jakarta, 31 October 2017)

INDONESIA CUSTOMER SATISFACTION AWARD (ICSA) 2017
The Best SIM card Pascabayar (FWA & Seluler) - kartuHalo
(Jakarta, 22 November 2017)

To assist enterprise customers in improving their business, Telkomsel myBusiness launched new connectivity package for the Large Enterprise and Small Medium Enterprise (SME) Segment, as well as five new solutions to simplify day-to-day business activities as part of our commitment to support enterprise customers in transforming into digital companies.

To increase interaction with our enterprise customers, we also revamped our website at https://www.telkomsel.com/bisnis to make it easier for customers to find information on our enterprise products.

2017 ENTERPRISE PRODUCT AND SOLUTION LAUNCHES
Large Enterprise Segment including Corporate Governance Solutions

Several new enterprise solutions were launched throughout the year. Mobile Device Management (MDM) is a secure solution for managing mobile devices such as smartphones and tablets that employees use to access enterprise networks and applications, thus maintaining the security of corporate data (applications, databases, devices). Whereas Call Tracker is a service that captures the location of callers who are making incoming calls to enterprise call centers.

Unified Collaboration is an application-based solution that allows employees to use integrated messaging service, video call, video conference, file and desktop sharing

all through 1 app, with guaranteed security. For example during the video conferencing users can also perform content sharing and desktop sharing that can support meetings when presenting. By contrast, Mobile Workforce Solution is a cloud-based solution to help enterprise companies manage their workers and support sales activities in the field regardless of location, ensuring that the workforce is productive.

Finally, Mobile Security Solutions enables organizations or corporate to safely secure the applications, documents, and content by ensuring access on any device by only authorized right users/employees, at the right time and right locations as part of enabling digital workplaces.

In addition, a new connectivity package was launched for Large Enterprise called TeamPLAN in March 2017. The main benefits are Voice and SMS CUG, phone and SMS bonuses to all operators, and data package, with additional benefits available. TeamPLAN is available in several package options to suit customer needs

Small Medium Enterprise (SME) Segment
Similar to our Large Enterprise offerings, we launched a Connectivity package and various SME Solutions during the year. The connectivity package consisted of Paket Mitra for SMEs, which offers Special

Tariff for Voice and SMS within one group to help facilitate employee communications.

Whereas the SME Solutions consisted of Telkomsel Mobile Point of Sale, a solution that can assist business activities in making payments, either debit or credit card transactions via smartphone or tablet; Telkomsel Employee Management, which provides centralized data storage for employee information such as career information and benefits (salary and other compensation); Telkomsel Office 365, offering access to office applications and additional internet or cloud-based features to help boost business performances; and Telkomsel E-Commerce Solution, an e-commerce platform that enables customers to open and manage their own online store without the need for high level IT expertise or investment to create a website.

ENTERPRISE SALES AND MARKETING ACTIVITIES

In 2017, we changed our logo from Corporate Business Solution to Telkomsel myBusiness, to show our intention of focusing on enterprise products and becoming the best Enterprise Mobility Solution Provider in Indonesia.

Old Logo   **New Logo**

In order to create awareness and trust of Telkomsel myBusiness as a solution provider for the Enterprise customers including Corporate Government, Large Enterprise and Small Medium Enterprise, during the year Telkomsel sponsored exhibitions in 8 big cities namely Jakarta, Medan, Makassar, Surabaya, Bandung, Samarinda, Pekanbaru and Solo. Other events were also created to support Telkomsel myBusiness such as Account Manager Award, Smart Industrial Park Internal Launching and Account Management Summit with Telkom Indonesia.

- **Telkomsel myBusiness Exhibition**
  During the year, Telkomsel held exhibitions to promote Telkomsel myBusiness to Corporate Government and Large Enterprise customers, Telkomsel held an event in Jakarta, Medan, Makassar and Surabaya, with the objective of creating awareness and trust of Telkomsel myBusiness as a solution provider for Corporate Government and Large Enterprise with the theme **"Mobility Solution for Your Digital Transformation"**.

  Telkomsel also held an event targeting SME customers in four large cities, namely Bandung, Samarinda, Pekanbaru and Solo. The theme for the exhibition was "Solusi Lengkap untuk Memajukan Usaha Anda" or "Complete Solutions to Grow Your Business".

- **Media Update**
  Media updates were held to promote Telkomsel as an Enterprise solution provider and SME solution provider, which was released online media, print media, and TV media.

- **FGD and Business Expert Assistance**
  A Focus Group Discussion (FGD) was held in Sumatra, Jabotabek West Java, Java - Bali, Papua, Maluku, Sulawesi and Kalimantan, for potential enterprise customers which ultimately introducing Telkomsel myBusiness as the solution provider for their business needs.

  A Coaching Clinic was also held to showcase Telkomsel myBusiness SME solutions, with experts to help improve visitors' skills.

- **Event Sponsorship**
  Telkomsel also sponsored various events during the year such as INACRAFT 2017, which helped create brand awareness of Telkomsel myBusiness for handicraft crafters and entrepreneurs. Telkomsel also sponsored the Franchise & License Expo Indonesia 2017, which targets emerging franchise industry and business, as a good venue for Telkomsel myBusiness exposure.

WE CHANGED OUR LOGO FROM CORPORATE BUSINESS SOLUTION TO TELKOMSEL MYBUSINESS, TO SHOW OUR INTENTION OF FOCUSING ON ENTERPRISE PRODUCTS AND BECOMING THE BEST ENTERPRISE MOBILITY SOLUTION PROVIDER IN INDONESIA

PREPAID CAMPAIGN JOURNEY 2017

simPATI

Our *simPATI* brand is designed to serve the middle market segment. To date it remains our most popular brand, with total subscribers reaching more than 100 million as of December 2017. The following are the key campaigns and activities for *simPATI* in 2017.

A. ATL Program
simPATI Combo #SIAPHEBOH

Telkomsel launched the *simPATI* Combo Package in September 2017 to cater customers' needs for an all-in-one package. This package offers bigger internet quota with additional chat, video, SMS, and phone call quota. The *simPATI* Combo Package is available in various sizes: *simPATI* Combo 6GB, *simPATI* Combo 9GB, and *simPATI* Combo 14GB.

simPATI Talkmania

simPATI launched a new Talkmania package, featuring several improvements over the previous Talkmania package.

B. Activities

Telkomsel held several activities during the year to support *simPATI*. One of these was a sponsorship program offering *simPATI* customers benefits related to certain popular local movies, namely Surga yang Tak Dirindukan 2, Surat Kecil untuk Tuhan, and Ayat-Ayat Cinta 2. These benefits included special ticket prices, meet and greet events, and more.
In March, *simPATI* collaborated with Kreative Independent Clothing Community (KICK) to hold the *simPATI* Kickfest, a one stop entertainment event that showcased fashion products, local communities, a food bazaar, and band performances, along with TCASH discounts and promotions. The *simPATI* Kickfest was held in 4 big cities: Surabaya, Malang, Jogjakarta, and Bandung.

Telkomsel also held the *simPATI* Motorbaik Adventure 2017, a touring event with 14 celebrities from Yogjakarta to Bali. Along the route, the bikers tried to find cool and unique items in every city. This event also enriched the digital content of Telkomsel by creating 13 web series for Telkomsel video and social media channels, as part of Telkomsel's strategy to create engagement with its customers.

KARTU AS

Kartu As is designed for the mid-low segment and had a subscriber base of around 64 million as of December 2017.

In 2017, Kartu As held a series of free promotional entertainment events for loyal customers of Kartu As called Panggung Asik Kartu As, that was held in many cities. This event showcased exciting activities including music performances, a cheap handphone bazaar, TCASH and prizes, which attracted thousands of participants.

In collaboration with Vidio Telkomsel also held the Bintang Panggung Asik contest to promote KartuAs during the year. Contestants submitted videos of themselves singing Indonesian songs to the Vidio.com website in hopes of winning prizes.

LOOP

LOOP is positioned as prepaid brand for the youth segment, with a focus on increasing the youth/millennial market share and revenue share. Since its launch in March 2014, the LOOP brand has already reached around 27 million subscribers. To win the youth/millennial segment, during 2017 LOOP committed to deliver digital product innovation and relevant engagement programs.

A. Products

Two exciting LOOP products were launched in 2017, namely LOOP CASH and LOOP Combo. LOOP CASH is the first data package bundling to include Mobile Financial Services, enabling customers to enjoy TCASH cashback rewards after purchasing data packages. Launched in August 2017, LOOP Combo has already generated significant transactions and created a new revenue stream. This package is offered at a low price with attractive data quota and free access to apps/content that is relevant to the youth segment (Instagram, Line, Music and Games).

B. Digital Channel

The Loop.co.id portal was revamped to improve its ability to deliver relevant content and features towards creating awareness and engagement. Among others, Loop.co.id launched a flash program called "LOOP Shocking Day" with special offers. The portal also introduced a gamification feature where customers could earn LOOPiah coins by doing certain activities, which could then be exchanged for rewards.

Under the "LOOP Code" program, LOOP also introduced QR Codes on the LOOP Kita application as a new way of purchasing special packages that can are only available in areas around schools, youth hangout places and LOOP Arenas.

C. Youth Engagement Program

Several Youth Engagement programs were held in 2017. This included the I LOOP RUN, a 5K run held in 17 cities which attracted more than 40,000 participants and more than 25,000 Instagram posts during the event. The objective was to increase LOOP awareness, boost acquisition, create community engagement, leverage Digital Services (TCASH, Digital Lifestyle products) and support 4G/USIM migration.

In collaboration with Gramedia, LOOP held a SBMPTN (test to enter university) Tryout Simulation for high school students in 44 cities on April 22nd. This event attracted around 15,000 participants and was recognized by MURI as the "1ST SBMPTN simulation with QR Code". Telkomsel also created LOOP Arena, a community basecamp to meet with others. LOOP Arena design for Skateboard, BMX , Break dance and Doodle community. Already equipped with adequate facilities, it is expected that the LOOP Arena can be a vehicle that can connects LOOP with Youth Local Communities. LOOP Arena applied in 11 cities in Indonesia and actually launching paralel on all cities at December 9th, and enlivened by 4 popular KOL, Han Yoora, Ronald Soeriapradja, Bisma Kharisma, and David J Schaap.

Meanwhile, the LOOP KEPO (Kreatif Project) is annual event held since 2014 that aims to spark Indonesian youth creativity by using technology positively and productively. In 2017, LOOP KePo's theme was "Videoin Serunya Ekskul dan Hobi Lo" (Video Your Exciting Extracurricular Activities and Hobbies). Held in 50 cities, the LOOP KePo 2017 video competition significantly exceeded its targets with tens of thousands of video submissions and achieved more than a hundred thousand impressions on social media.

D. Community Management

LOOP Squad is a LOOP program that aimed to create internal buzzers aged 12-19 years old, who would promote LOOP products and activities to the youth market through their social media accounts. LOOP Squad participants received special benefits such as special LOOP Squad data packages and certain rewards.

The LOOP Squad recruited internal buzzers in 13 cities in Indonesia, and the #Loopsquad2017 hashtag accumulated tens of millions of social media impressions.

THE LOOP KEPO (KREATIF PROJECT) IS ANNUAL EVENT HELD SINCE 2014 THAT AIMS TO SPARK INDONESIAN YOUTH CREATIVITY BY USING TECHNOLOGY POSITIVELY AND PRODUCTIVELY

MYTELKOMSEL

In line with its commitment to continue delivering better user experience, Telkomsel released a new version of the new app during 2017 with new features including GraPARI Book Appointment, which allows customers to book GraPARI appointments hassle-free, TCASH payment functionality, Pointastic Deals to get limited special offers by redeeming Telkomsel POIN. Customers can also receive notifications and promos in their Inbox, while 4G recommenders can give USIM and Device upgrade recommendations, including upgraded security features in the form of login notification.

MyTelkomsel successfully achieved a new milestone in December 2017 with over 30 million downloads, showing the high enthusiasm of our customers for the MyTelkomsel app.

Telkomsel.com

In September, Telkomsel released the new Telkomsel.com website with better User Interface and User Experience, providing more attractive,

fresh, and accurate content on Telkomsel's products, services and brand. The new website is now fully dual-language to serve Indonesian and global audience, with mobile optimized design for best mobile device viewing experience.

LOYALTY PROGRAMS & MERCHANT PARTNERSHIP

The Telkomsel POIN Loyalty Program aims to further enhance customer experience, engagement and loyalty by providing exclusive benefits and attractive offers to all Telkomsel's customers (kartuHalo, *simPATI*, Kartu As, LOOP) who meet the criteria to receive POIN. Telkomsel POIN also played a key role in providing differentiated and relevant rewards for High Value Customers, based on customers' lifestyle preferences.

2017
TELKOMSEL KEY STRATEGY
TO DELIVER BEST LOYALTY PROGRAM:

IMPROVE CUSTOMER SATISFACTION

1. Build collaboration with Strategic Partners in the major categories (such as dining, shopping, travel) to increase the attractiveness of the loyalty offerings.
2. Intimate knowledge of customers' interests and preferences - Enrich customer profiling to define more relevant and targeted segments and delivering relevant benefits and value.

ENHANCE CUSTOMER EXPERIENCE

1. Differentiated privileges based on Customer Tiering (Priority/Gold/Red) to deliver improved value in line with customers' profiles:
   - Special POIN programs (Pointastic Deal, premium music concert ticket, shop & dine voucher event, travelling package, Program Ramadhan & Idul Fitri - RAFI, Program Akhir Tahun, etc.)
   - Access to Airport Lounges and special Birthday Gifts for Priority customers.
   - Exclusive new device handset offering with POIN redemption for cash back.
   - "Money can't buy experience" programs (International music concerts and Meet & Greet experiences).

2. Strategic partnerships with major e-Commerce partners to provide unique and attractive online shopping experience, featuring POIN redemption for shopping vouchers.

3. POINTASTIC DEAL - Enrich Digital POIN experience through an attractive gamification program and a large variety of various prizes.

CORPORATE PROGRAM

Telkomsel held a number of corporate programs during the year such as the Traktir Nasional lucky draw program to celebrate Telkomsel's 22nd anniversary, featuring various telco product and merchant offers. Subsequently in September, Customer Day was held, which allowed Telkomsel customers to redeem Telkomsel POIN for special offers. Telkomsel also held the Pesta BLANJA POIN program featuring great prizes and Telkomsel POIN. All of these programs helped to appreciate Telkomsel customers and strengthen customer loyalty.

BROADBAND

Broadband Initiatives 2017
Besides going beyond true broadband experience, Telkomsel advanced its Broadband service by delivering customized experiences to customers. Several initiatives were implemented to improve customer satisfaction.

Product Service Rejuvenation
During the year, Telkomsel carried out product service rejuvenation comprised of Broadband Portfolio Rejuvenation, Internet Vaganza, and Big Quota Short Validity. In terms of Broadband, Telkomsel focused on delivering pricing and channel alignment through the latest Data package portfolio, with bundled data and Voice combo packages, to improve its competition. Internet Vaganza was launched in response to tight competition in several cities, with the aim of increasing Telkomsel's market share through attractively priced packages that ranged from low to high denomination packages. Big Quota Short Validity aimed to revitalize daily-weekly packages and accommodate subscribers who need bigger quota over a relatively short period. The program was attractive to the market and had a positive impact.

Advance Broadband Experience
This year Telkomsel focused on broadening 4G coverage throughout Indonesia through aggressive deployment of LTE coverage nationwide. This strategy resulted in a huge increase in LTE cities to 490 by end of 2017. Also supporting best broadband user experience across the nation, Telkom and Telkomsel planned to install lampsites equipped with with 4G LTE, flashzone-seamless and wifi.id capabilities.

This was supported by the MKIOS Kuota Internet product launch in August 2017, which gives customers fixed internet quota with more attractive prices and quota than previous MKIOS Pulsa Internet products. This package, which comes in core and combo (with Voice and SMS bonus) variations with a choice of monthly, weekly and daily packages, is already available in outlets in all regions.

Telkomsel also pushed to acquire new data users through a strategic partnership with Facebook Flex. In order to convert customers who have smartphones but are not yet data users, Telkomsel collaborated with Facebook Flex to offers free Facebook services for 1 month, while existing data users will be offered free but limited Facebook service which they can pay to upgrade.
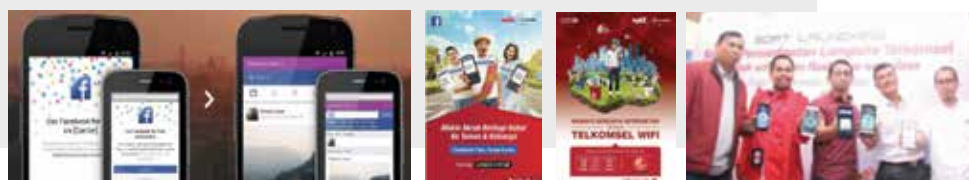
DEVICE BUNDLING PREPAID PROGRAMS

Telkomsel implemented various device bundling prepaid programs to drive migration from 2G and increase 4G adoption.

Device bundling programs
This included TAU 4G device partnerships, whereby Telkomsel partnered with 4G device principals and distributors including Samsung, Vivo, Xiaomi, Lenovo Motorola, LG, Asus, Blackberry, Advan, Evercoss and Huawei. These partnerships included exclusive device bundling offers supported by TAU data quota from Telkomsel, cross selling between partners' channels and

MyGraPARI, bundled apps such as MyTelkomsel and LOOP Kita on some devices. Telkomsel promoted these partnerships through roadshows in multiple cities, among others.

Telkomsel also launched a new bundling program campaign in 2017, combining TAU New Packages (Lite 10 GB, Medium 30 GB, Heavy 45 GB and Extreme 60 GB) with USIM Migration (5 GB) and 2G/3G to 4G Migration (6 GB). Promotions were run including info bars on TV programs, PAD, billboards, landing pages and mobile banners.

Telkomsel moreover held retail collaborations with device brand principals and device retail partners during the year, including sales and channel collaborations with major device retail partners such as Erajaya, Telesindo, Selular Shop and TOP Ponsel

which helped to expand Telkomsel's reach during the year through both their channels. Telkomsel also collaborated with Samsung and Telesindo to create the Samsung Experience Zone in GraPARI as a customer attraction.

Telkomsel further collaborated with e-commerce partners in 2017, given the rapid growth of online channel transactions. Telkomsel partnered with Blanja.com, Lazada, Erafone.com and Jd.id to boost smartphone penetration for 4G devices, offering 4G 14GB bundled promotions with TAU.

In February 2018, Telkomsel launched an affordable new Mifi bundling program with prices starting from Rp 749K. Customer also received 14GB data at no additional charge.

Samsung Experience Zone at GraPARI

Shop in Shop

Telkomsel promotors

Migration Programs
A 2G Migration program was held, as previous data shows that the highest 2G to 3G device migration takes place when customers themselves wish to do so. Therefore in 2017, the 2G migration program focused on BTL campaign and package offerings with the aim of stimulating 2G customers to upgrade to any type of 3G/4G device.

Related to this, Telkomsel created a USIM migration (4G) program that enabled customers to migrate their own SIM without having to visit

TELKOMSEL FURTHER COLLABORATED WITH E-COMMERCE PARTNERS IN 2017, GIVEN THE RAPID GROWTH OF ONLINE CHANNEL TRANSACTIONS

GraPARI. Customers were moreover rewarded with bonus 5GB 4G Quota for one month after the migration process succeed. Following the positive response from customers, Telkomsel expanding the USIM migration channels to include customer Point of Interest (POI). Instead of having to go to GraPARI and MyGraPARI, customers can now access the Telkomsel website to get USIM delivered to their home, the nearest device store, a temporary mall outlet, or a 4G-on-the-road (OTR) agent.

Telkomsel Vaganza Bundling Program Event
Telkomsel Vaganza is an annual year-end selling event by Telkomsel in 9 cities (Medan, Palembang, Tangerang, Jakarta, Bandung, Solo, Surabaya, Manado and Ambon) to boost product and service sales during the Christmas and New Year peak period. The Vaganza, which was held in collaboration with Erafone, Telesindo, and Apollo as retail partners, ran from the third week of December 2017 until first week of January 2018.

INTERCONNECTION

Telkomsel's interconnection portfolio consists of international Voice termination calls, domestic incoming calls and SMS, value added service calls and A2P SMS. In 2017, this portfolio was impacted by the growth of over the top (OTT) services which saw widespread adoption by all operators' customers. Interconnection plays an important role in supporting domestic off net calls and international calls promotions by providing competitive and flexible costs. These promos are very important in strengthen market share and winning losing clusters.

To help secure and grow revenue, initiatives taken to handle SIMBOX fraud and international A2P SMS leakage on off net and on net routes. These initiatives helped to minimize the decline of international voice termination traffic and boosted international A2P SMS traffic as a new revenue stream in interconnection. Another focus of interconnection in 2017 was supporting government in calculating the new Cost Based Interconnection (CBI) tariffs. The new CBI calculations have already been verified by BPKP (Badan Pengawas Keuangan & Pembangunan - Agency for Financial & Development Supervision) and are now being reviewed by the Ministry of Communication and Informatics.

INTERNATIONAL ROAMING

Despite tough competition in the international roaming business, Telkomsel managed to maintain the growth of its International roaming business in 2017. Various initiatives helped Telkomsel's International Roaming services to compete with alternatives services such as local SIM cards, Wi-Fi and OTT.

Telkomsel also maintained its membership in the Bridge Alliance, an alliance of Asia's leading telecommunications operators, which delivers many benefits for its international roaming business. This alliance supports Telkomsel in enhancing its international roaming

business together with leading roaming partner operators in Asia, with collaborations ranging from retail roaming, M2M and enterprise business. In line with Telkomsel's commitment in Indonesia to deliver the best LTE internet experience, Telkomsel collaborated with its roaming partners to expand customers' internet roaming experience. Telkomsel doubled the number of its LTE operator partners in 2017 to ensure that customers enjoyed the best experience wherever they go, especially in terms of internet usage. By offering affordable packages, including the option of bundled Voice and SMS packages, Telkomsel successfully increased its International Roaming package adoption.

In 2017, Telkomsel expanded its most successful International Roaming package, the Singapore and Malaysia 'Roam Like Home' package, to cover the top 11 country destinations. Telkomsel subscribers visiting Singapore, Malaysia, Japan, South Korea, Hongkong, Macau, China, Taiwan, Thailand, Timor Leste and Australia were able to enjoy attractive and affordable packages that ranged from a 1 day package to a 30 days package. Telkomsel also improved its roaming services in Saudi Arabia to ensure that Indonesian pilgrims performing their Umrah and Hajj obligations are optimally supported to focus on their pilgrimage. Subscribers traveling to Europe, America and Africa also enjoyed attractive packages for both business and leisure purposes.

TELKOMSEL EXPANDED ITS MOST SUCCESSFUL INTERNATIONAL ROAMING PACKAGE, THE SINGAPORE AND MALAYSIA 'ROAM LIKE HOME' PACKAGE, TO COVER THE TOP 11 COUNTRY DESTINATIONS

DIGITAL SERVICES

DIGITAL SERVICES DESCRIPTION

Digital Services has become the main driver of Telkomsel's transformation from a Telco Company to a Digital Company. A number of investments and key initiatives have been established to accelerate the growth of Digital Services, in line with our mission to build a digital Indonesia. Several investments and initiatives have already shown positive traction, with more in the pipeline.

Our Digital Services portfolio consists of Mobile Financial Services, Digital Advertising, Big Data, Mobile Banking, Digital Lifestyle, Internet of Things (IoT), and API Business.

In Mobile Financial Services, our flagship product TCASH made strides towards fulfilling its vision to realize financial inclusion and to create a cashless society in Indonesia. By the end of 2017, TCASH had expanded its user base to around 13 million registered users, of which around 25% are active users. This makes us one of the biggest mobile money providers in Indonesia. We have also built a strong foundation to support scalable growth by adding almost 100,000 TCASH servicing channels consisting of traditional outlets, modern retail outlets and agents, and by introducing new use cases for both the banked segment and the unbanked segment.

Through our Digital Advertising business, we aim to become a dominant media owner in Indonesia's Digital Advertising industry. Leveraging more than 190 million Telkomsel subscribers, our Digital Advertising business is able to access the majority of mobile phone users in Indonesia. We offer an extensive range of Digital Advertising services such as conventional text messaging, timely advertising for mobile coupons, display advertising in mobile applications, and many more. These products are powered by our Big Data Platform (MSIGHT), which is able to deliver higher ROI while simultaneously delivering better advertising value and relevancy to advertisers through its analytics and insights. By the end of 2017, our advertising business revenue achieved double digit YoY growth, driven by a significant increase in the number of direct clients and partnerships with media sellers.

MSIGHT, as the core of our advertising analytics, generates various data insight products which enable our clients to better understand the data, resulting in better business decisions. We have successfully carried out a number of projects with clients in the public sector and private sector to help them leverage such data insights. Reflecting our success, during 2017 our data insights business grew more than double.

In parallel, our Mobile Banking business continued to grow, enabling more financial institutions to provide mobile banking services via SMS, USSD and IVR. With the introduction of Mobile Banking, more and more banks have given Indonesian citizens broader access to financial transactions using mobile phones.

In the IoT business, we aim to go beyond connectivity to capture a substantial share of the potential IoT business opportunities.

In the IoT Control Center, we enable our customers to have visibility on their devices and to manage the operational devices to improve efficiency, productivity and security, thus improving their businesses. On November 27, we launched Telkomsel Fleetsight, a fleet management service solution that synergizes

LEVERAGING MORE THAN 190 MILLION TELKOMSEL SUBSCRIBERS, OUR DIGITAL ADVERTISING BUSINESS IS ABLE TO ACCESS THE MAJORITY OF MOBILE PHONE USERS IN INDONESIA

satellite-based telematics devices (including sensors) paired to mobile assets/vehicles. This service is powered by Telkomsel connectivity services and the Telkomsel Fleet Management platform supported by our strategic partners. This solution assists Enterprise in addressing the problems related to fleet operations by minimizing the risks associated with vehicle investment through improved safety, security, efficiency, and productivity.

In 2017, our IoT Control Center revenue showed good growth reflecting our success in IoT, while Fleet Sight has had a promising start with a number of clients signing up immediately after the November launch.

To leverage our telco assets and stimulate the growth of Indonesia's digital economy, this year we launched a new service called DigiHub. DigiHub is an API marketplace where apps developers, system Integrators, SMEs, and large enterprises, can access telco API such as SMS, USSD, and Voice, to enable/enhance their services. The service launched this year with four API products, namely A2P SMS, A2P USSD, A2P MMS and DCB (Direct Carrier Billing), and more new products will be launched in the following year. As of year-end, our DigiHub platform had successfully handled 6.5 million API calls from both system integrator and retail customers.

Going forward, we will continue to scale up the business and develop our digital ecosystem in order to expand our reach and to support an increasing variety of Digital Services. Establishment of this digital ecosystem is a key foundation for us to become a successful digital company and to build a digital Indonesia.

TCASH - LEADING MOBILE MONEY PROVIDER IN INDONESIA

TCASH aims to be the largest mobile money provider in Indonesia by delivering a good quality, speedy and easy-to-use product that is secure and reliable within a comprehensive digital ecosystem. Through TCASH, Telkomsel also supports the government's aim of broadening financial inclusion and achieving cashless society.

TCASH users comprise two main types of user segments, namely the Lifestyle and Micro segments. The Lifestyle segment refers to bankable individuals who mostly live in tier-1 and tier-2 cities, while the Micro segment refers to the unbanked/under-banked segment who generally live in tier-3 and tier-4 cities as well as rural areas.

By the end of 2017, TCASH achieved several important milestones with the excellent collaboration and support of key stakeholders including the government, regulators, industry associations, industry players, media, and our loyal customers. First, TCASH had acquired around 13 million registered users in 34 provinces in Indonesia. Second, TCASH tried out a SNAP QR Code feature inside its TCASH Wallet app in October 2017, and by the end of 2017 3,500 local merchant outlets across the country had adopted the feature. Third, by the end of 2017, TCASH had established more than 80,000 Bang TCASH agents across Indonesia to whom users can go to top-up, withdraw and activate their TCASH accounts. Fourth, TCASH added several new use cases such as supporting payment for the Trans Semarang and Railink transit services, game voucher purchases, airtime data package purchase, petrol purchase at Total SPBUs, and international remittances between Singapore and Indonesia.

In terms of merchant footprint, TCASH has built a network of more than 40,000 national merchant outlets across the country including strong international brand names such as Starbucks, KFC, McDonalds and Chatime, as well as more than 3,500 local merchant outlets such as Halal Guys, Gaya Gelato, Anomali and Hejo Hejo. TCASH also owns a very strong cash-in and cash-out network in the

country with around 1,000 GraPARI outlets and mobile GraPARI; 30,000 modern retail outlets through Indomaret and Alfamart; around 70,000 ATMs (including the main BCA, BNI, Mandiri and ATM Bersama networks); and over 80,000 TCASH Agents called "Bang TCASH".

Leveraging Telkomsel's nationwide network, TCASH has emerged as the leading supporter of the Indonesian government's Gerakan Nasional Non-Tunai (Non-Cash National Movement) program to actualize a cashless society in Indonesia. Through innovative partnerships with major banks, for example through the TCASH BTPN WOW! Program, TCASH has enabled over a million previously unbanked people to easily access bank accounts, further accelerating financial inclusion in the country.

In summary, here are some of our main initiatives that strengthened TCASH's position as a leading mobile money provider in Indonesia during 2017.

IN MOBILE FINANCIAL SERVICES, OUR FLAGSHIP PRODUCT TCASH MADE STRIDES TOWARDS FULFILLING ITS VISION TO REALIZE FINANCIAL INCLUSION AND TO CREATE A CASHLESS SOCIETY IN INDONESIA

1. "Buy Telkomsel Airtime with TCASH" Program

The program aimed to increase TCASH Wallet's airtime sales transactions. We implemented this program from 1 July–31 December 2017, offering extra airtime and/or data quota for every airtime and data made through TCASH Wallet. This program positioned TCASH Wallet as a new electronic channel offering the best value for customer purchases of airtime and/or data packages.

In mid-November 2017, we also launched the Massive Airtime program. This program aimed to further increase TCASH adoption rate among more than 190 million Telkomsel users and to drive adoption of our mobile app, TCASH wallet. The program offered Telkomsel users 20% cashback for every airtime recharge and quota purchase across all channels, payable to their TCASH account inside TCASH wallet app. This program was carried out from 17 November to 31 December 2017 in the DKI Jakarta, Banten, and West Java areas, and will be rolled out to other regions. By the end of 2017, in just one-and-a-half months, this program had successfully converted around one million Telkomsel users into new TCASH active users.

2. SNAP QR Code Tryout

In October 2017, TCASH tried out a Snap QR Code feature that offline merchants can use as a medium for payment. This innovation is particularly helpful for small local merchants as it offers an alternative to owning EDC machines, which are costly and operationally more complex to use. During the tryout, more than 3,500 small local merchant outlets across the country have adopted the feature as a means of accepting digital payment in their outlets.

3. International Remittance Service

In 2017, TCASH introduced its first international inbound remittance service for Indonesian migrant workers in Singapore. This service, offered in partnership with Singtel's mobile money unit called Singtel DASH, enables DASH users to quickly and easily transfer money from their DASH balance to any TCASH account in Indonesia. Funds can be transferred directly using TCASH Wallet, with recipients able to cash out their TCASH balance at more than 30,000 outlets including GraPARI, Indomaret, Alfamart, and other cash-out merchants with the TCASH logo. Alternately, DASH users can send the money from their DASH balances through PT Pos Indonesia, with TCASH users able to directly cash out the transferred money at over 4,500 Post Offices across Indonesia. As of today, this service has been used by thousands of users with an average amount of IDR 3 million remittance per transaction.

4. TCASH Linked Bank Account

Building on the success of its 2016 linked-account program with BTPN Wow!, TCASH expanded the program further in 2017 by collaborating with BTPN Wow! Syariah and Bank Tabungan Negara (BTN). Targeting the unbanked segment, the partnership allows the unbanked segment to access both a TCASH and bank account through just a single phone number. This arrangement makes it easy and convenient to deposit funds, check balances, transfer money, purchase airtime and pay multiple bills. At the end of 2017, these partnerships with our bank partners had acquired around 2 million registered customers supported by over 100,000 branchless banking agents nationwide.

5. Bang TCASH Agent Network

The Bang TCASH agent network pilot project began in June 2017, with the aim of building a grass-roots network to aid TCASH penetration. Under this project, Telkomsel airtime outlets and resellers have been recruited to become TCASH agents called 'Bang TCASH'. The Bang TCASH offer various products to their customers, who largely consist of the unbanked segment, including cash in, cash out, TCASH activation, multiple bill payment, game voucher purchase, and linked account registration. By the end of 2017, TCASH had acquired over 80,000 Bang TCASH agents throughout the country, and was in the process of converting more than 300,000 Telkomsel agents across the country. This program is in line with our consistent efforts to accelerate financial inclusion for all Indonesians.

6. TCASH as Mass Transportation Payment

In line with our target to provide comprehensive and diverse use cases for TCASH, in 2017 we launched our first project providing payment service for the transportation sector. In mid-August, TCASH partnered with the Semarang government to allow the usage of the TCASH Pass as a payment method on Bus Rapid Transit (BRT) Semarang. This TCASH Pass feature allows users to pay more quickly and conveniently at the BRT terminal or inside the bus, without using a PIN. Subsequently, in December TCASH partnered with Railink, enabling TCASH users to purchase tickets without cash for the Railink train, which runs from Jakarta's Soekarno Hatta airport to the city of Jakarta; and from Medan's Kualanamu airport to the city of Medan.

7. TCASH as Traditional Market Empowerment

In 2017, TCASH launched a program to assist the acceleration of financial inclusion in Indonesia by empowering more than 150 wet market sellers in two traditional markets in Jakarta: Bintaro Modern Market and Mayestik Market. We enabled sellers in both locations to carry out transactions and we educated the sellers on the benefits of digital transactions i.e.,

safer and more hygienic, with the opportunity to eventually access credit from financial institutions on better terms than what they can access now from the informal sector, such as loan sharks.

Users have widely acknowledged the convenience and security of TCASH transactions. A customer survey in 2017 concluded that over 90% of our users were satisfied with TCASH and intended to keep using it. Telkomsel is fully committed to the mobile money sector and will further expand its service and user base in 2018, in line with the Indonesian government's objective of achieving financial inclusion and building a cashless society in Indonesia.

DIGITAL ADVERTISING & ANALYTICS

The Telkomsel Digital Advertising and Analytics digital business directorate consists of several service categories, which are Digital Advertising, Mobile Consumer Insight (MSIGHT), Mobile Coupon (M-Coupon), and Mobile Banking (M-Banking). Our efforts to continuously improve our products and services and adding more and more avenues have attracted huge growth in the number of advertisers.

We offer various types of advertising services including SMS, display ads, contextual ads, Location Based Advertising (LBA) ads, and more, for both feature phones and smart phones. We work together with our clients to figure out the right service for their needs.

With more than 190 million Telkomsel subscribers, Telkomsel Digital Advertising solution plays a vital role for advertisers in reaching out to their target customer base. These advertising services are powered by MSIGHT, Telkomsel's big data analytics that understands the profiles of the customers based on their mobile phone/telco behavior. MSIGHT has produced various customer profiles that are valuable for advertisers to connect with their target audience. The combination of precise audience profiling and effective reach using

telco digital inventories will enable advertisers to better target their customers, thus providing a better return.

MSIGHT analyzed and utilized telco big data as a range of consumer insight services that enable organization to better understand their customer and their competition. With 55% market share, Telkomsel MSIGHT offers a good representation of the market condition. The data insights product categorized under three pillars which are Mobility Insight, Risk Insight, and Lifestyle Insight products. This year, we are proud to have supported the government of Indonesia in attracting more tourists. MSIGHT supplies insights to various verticals and supports them to make informed business decisions.

Mobile Coupon (M-Coupon) service is a promotional solution for retail merchants that allows them to issue digital coupons to customers for its products and services. These coupons can be structured using a number of different scenarios such as location-based, push based and pull-based, and delivered over a variety of channels, namely SMS, MMS, USSD and Apps. The M-Coupon business unit had successfully attracted more than a thousand merchant partners by the end of 2017.

Our Mobile Banking (M-Banking) service enables bank customers to enjoy many banking services through

Awards
During 2017, Telkomsel was proud to receive a number of digital marketing awards which further encouraged the spirit of innovation in the company. Here is the list of the digital marketing awards received this year:
MMA Smarties Indonesia recognizes brands and stakeholders for the innovative use of mobile marketing tools and campaigns. In 2017,

Telkomsel received awards in the following categories:
a. Bronze Winner – Brand Awareness Category
   • Campaign Description: Utilizing IVR technology in a singing competition with pop idols
   • Client: Rexona
b. Silver Winner – Messaging Category
   • Campaign Description: Digital banking experience
   • Client: BTPN Jenius

c. Silver Winner – Innovation Category
   • Campaign Description: Ingenious way to measure your OOH effectiveness
   • Client: BCA

their mobile devices using SMS, IVR and USSD channels. At the end of 2017, M-Banking had established partnerships with 77 banks.

New Products

In line with our commitment to deliver ever more innovative services for our partners, in 2017 we launched several new services including:

1. My Ads

My Ads is a DIY (do-it-yourself) platform that allows advertisers to create and blast message-based ads to Telkomsel's subscribers and subsequently monitor campaign performance. Ads may be blasted via SMS, MMS or USSD media. In order to optimize their campaigns, advertisers can set the target customer profile according to various specifications. Advertisers can also target certain locations through the Location Based Advertising (LBA) feature, which enables ads to be blasted to specific locations so that only subscribers with specific profiles who are currently in the target area will receive the ads. This platform can be conveniently accessed through https://myads. telkomsel.com/.

2. ROLi

ROLi is a new mobile-based promotional medium in the form of a lock-screen mobile app for Telkomsel subscribers who want to get free data usage. Subscribers who enable the ROLi lockscreen feature on their mobile phone can enjoy monthly data package rewards, and can have the option of collecting Koin and exchanging Koin for interesting rewards.

Advertisers, on the other hand, can place their business promotional materials on the customer's mobile phone's lockscreen, either in the form of images or in the form of videos. Advertisers can also use ROLi to conduct customer surveys. Thus, both Telkomsel subscribers and advertisers derive benefits from the ROLi app.

The ROLi app can easily be downloaded from https://tsel.me/roli1. At present, this app is available for Android users only.

3. Contextual Ads

Contextual Ads allow advertisers to send SMS promos to subscribers who have just visited certain websites/ apps using Telkomsel's Internet network, and whose profiles match the advertiser's specifications. The quick timing of the delivery and the higher relevancy of the advertisement support better returns for advertisers.

4. LOOP Ads

LOOP Ads is an advertising space on the LOOP website where advertisers can promote their products or services to LOOP subscribers, using ads that are tailored to the profile of LOOP subscribers who are typically between 12 to 24 years old. LOOP Ads appear on the http://www.loop.co.id/ articles page.

5. Klik to Call

Our Klik to Call service connects Telkomsel customers to advertisers in real time. This peer-to-peer communication service utilizes IP (internet protocol) to CS (circuit switch), IP to IP, and IVR (Interactive Voice Response) connections.

6. Credit Insight

Telkomsel, using its position as the biggest telco and largest source of consumer data, has created Telco Credit Insight. Telco Credit Insight generates user risk profiles based on users' telco behavior. Unbanked individuals now have a better chance to obtain financial credit based on their risk profile, which would otherwise be impossible with no banking record. Working in partnership with numerous financial institutions, Telkomsel continues to accelerate financial inclusion through Credit Insight, while digitizing the lending process and aggressively securing its market position as the only Telco Credit Insight provider.

7. Competitive Insight Dashboard

Telkomsel's Competitive Insight Dashboard was formulated in response to the customer need for accurate market insight. The Competitive Insight Dashboard provides timely insights using easy-to-understand visuals, which can help business organizations to understand their customers and their competitive positions. Business organizations may be assured that Telkomsel's enormous customer base of more than 190 million subscribers represents a sufficiently large sample size, enabling companies to quickly get insights and make good decisions that will help them stay competitive in the market.

TELKOMSEL IOT

Telkomsel IoT (Internet of Things) is a service for Enterprise Customers that connects devices, machines and objects containing embedded technology to the Internet, turning them into 'intelligent' assets that are able to interact with the external environment. Telkomsel's IoT aims to help enterprises grow their business by leveraging the latest IoT Technology.

In 2017, we focused on connectivity management through the Telkomsel IoT Control Center and focused on a solution for connected vehicles through IoT FleetSight. The Telkomsel IoT Control Center serves as a platform for connectivity management, usage monitoring, and automation. FleetSight is an end-to-end Fleet Management solution that integrates devices, platform, and connectivity services in order to help Enterprise Customers manage their fleets and improve business efficiency, safety and productivity.

Telkomsel IOT Control Center

The Telkomsel Control Center enables Enterprise customers to launch, manage and monetize their IoT products and services. It basically automates connectivity management for all devices, anytime and anywhere. Customers can access and manage this service through a self-care portal, which has been specifically designed to simplify the challenges and the complexity of managing connected devices. This platform is 4G (LTE) enabled to ensure high-speed throughput from devices, but also operates on 2G and 3G network to ensure service continuity. In 2017, the Telkomsel Control Center was further enhanced with the addition of Location info (LOCI) Enablement.

The Control Center has many benefits for clients such as:
- Quickly identifying issues supported by its 24/7 real-time device visibility monitoring and remotely diagnosing connectivity issues to reduce mean time to resolution;
- Streamlining operations and managing cost through the application of rules-based automation to reduce time and expense;
- Delivering exceptional experiences with reliable data delivery and an integrated API with customer back end;
- Protecting against breaches by monitoring behaviour and generating setup alerts to give early warning of problems;
- Device location visibility through Location Info (LOCI).

TELKOMSEL'S IoT AIMS TO HELP ENTERPRISES GROW THEIR BUSINESS BY LEVERAGING THE LATEST IoT TECHNOLOGY

Telkomsel FleetSight

The market potential for Fleet Management solutions in Indonesia is highly attractive due to the large and growing number of commercial vehicles in the country. As of 2016 alone, commercial vehicles comprised 40% of the 24 million automotive vehicles in Indonesia (excluding motorcycles). Meanwhile, Indonesia is among the countries with the highest costs for logistics and transportation in South East Asia, reaching 24% of total GDP.

In November 2017, we therefore launched Telkomsel IoT FleetSight, an innovative fleet management service solution that links satellite-based telematics devices (including sensors) to mobile assets/vehicles. Telkomsel IoT FleetSight utilizes world-class technology to ensure that enterprise clients who own vehicles can manage their fleet with improved safety, security, and efficiency, thus, lowering the risks associated with vehicle investment as well as increasing fleet productivity.

In order to ensure service continuity throughout Indonesia, this solution includes tracking devices that can operate on both Telkomsel's 2G and 3G reliable high quality, island-wide network, which reaches more than 95% of Indonesia's populated area. Telkomsel FleetSight features include:

- Location tracking with configurable Point of Interest and Geo-fencing
- Speed & Route Management with custom alerts
- Driver Behavior & Scorecard
- 2G-3G enabled device with options for OBD (plug & play) and wired installation.

API BUSINESS

With over 100 million internet users, Indonesia is one of the biggest online markets worldwide. As such, there is enormous opportunity for app developers, SME and large enterprise alike to engage in online business, anywhere in Indonesia.

Recognizing this opportunity, Telkomsel's DigiHub is positioned as an enabler for online business, serving both B2B customer and retail customers. Specifically, DigiHub is an API marketplace that allows apps developers, system integrators, SME, and large enterprise to access telco API such as SMS, USSD and Voice to enable/enhance their services. Besides using the API available on DigiHub, app developers can develop and sell their own API on this platform, thus enabling the creation of new digital products.

By the end of 2017, four API products were available for customers, namely A2P SMS, A2P USSD, A2P MMS, DCB (Direct Carrier Billing), and more will be launched in the coming year. In 2017 alone, 6.5 million API Calls were generated from the DigiHub platform from our system integrator and retail customers.

In order to increase awareness and interest among potential developers, in 2017 we held a roadshow across universities and developer communities in Jakarta and Bandung. In this roadshow, we promoted the DigiHub service and encouraged students and apps developers to create new Digital Services.

DIGITAL LIFESTYLE

Digital Lifestyle continued to focus on providing excellent 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 partnerships to accelerate our go-to market strategy, Telkomsel aims to create a digital system that supports access to Digital Services from anywhere in the country.

In Music, Telkomsel continued to focus on enhancing Langit Musik (music streaming service) and MusicMax (music data package) while maintaining existing revenue streams.

Meanwhile in Games, Telkomsel maintained its position as the leading operator in Indonesia with a full digital gaming ecosystem covering Media, Payment Solution (direct carrier billing) and Games eSport Activities.

In Media, through the www. duniagames.co.id game portal, Telkomsel positioned itself as the only operator in Indonesia that provides game articles, review, trends and everything games related including e-Sport events and payment channels. With more than 3 million monthly visitors, Dunia Games has become the leading game portal in Indonesia.

There were supported by Telkomsel Payment Solutions which started in the form of top-up vouchers for games, making Telkomsel the biggest games payment enabler in Indonesia. Following the successful implementation of our Payment solution, Telkomsel introduced solution to purchase digital goods on Google Play Store, encouraging new user on making their first purchase and increase spending on Google Play Store.

MUSIC

In 2017, Telkomsel focused on improving the Langit Musik application UI/UX and adding new features, while maintaining Ring Back Tone (Nada Sambung Pribadi) revenue.

Langit Musik

Langit Musik is a Music Streaming Application owned by Telkomsel which enables subscribers to enjoy unlimited music downloads and streaming with no quota data needed. Langit Musik has around 6 million Indonesian and International songs on its catalogue. It features Top Recommendations based on customer behavior, Tagstation, Trending Maps, Infographics, Curated Playlists and Social Sharing. This year, it became an OTT application with improvements were made to its UI/UX,

LANGIT MUSIK HAS AROUND
6 MILLION INDONESIAN AND INTERNATIONAL SONGS
ON ITS CATALOGUE

and various capabilities were added
consisting of:

- Langit Musik TV (Live Streaming
  and 24/7 linear music videos)
- Langit Musik Record (Live
  Streaming Archives)
- Langit Musik Corner (Langit
  Musik Video Programs (in house
  production; Charts, Playlist,
  Talkshows, Tips & Tricks etc.)
- Langit Musik Clip (On Demand
  Music Videos)

Ring Back Tones (RBT)

Ring Back Tone (RBT), otherwise
known as Nada Sambung Pribadi,
continued to deliver good
performance in 2017. Efforts in
2017 focused on NSP product
improvement and user acquisition
through a variety of programs. We
also worked together with Music
Labels to promote specific artists.
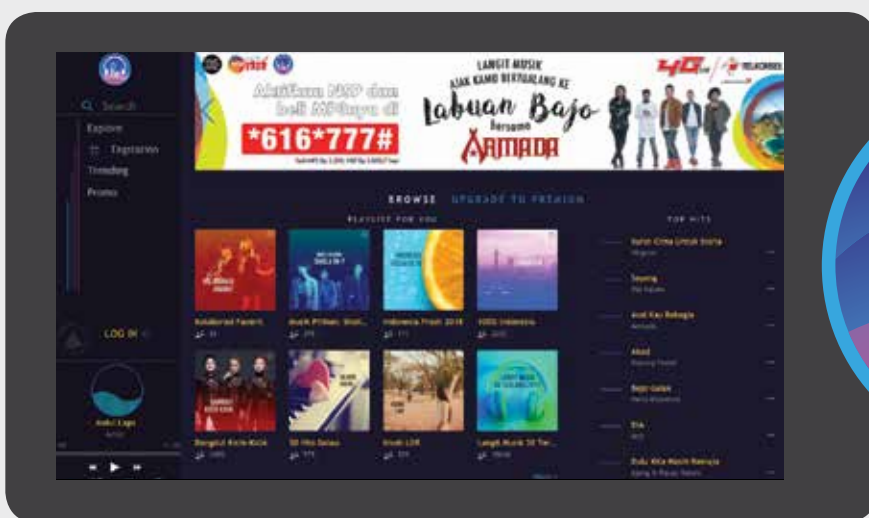
Continuing the mass market VideoMAX campaign which began in November 2016, in 2017 Telkomsel launched Premium Bundling offers featuring various Video On Demand service providers such as Catchplay, SuperSoccer TV, and Nickelodeon Play.

In 2017, Telkomsel improved awareness of VideoMAX, a program which provides customers with access to thousands of premium video experiences including Indonesian, Asian, Hollywood blockbusters and serial movie via the HOOQ and Viu apps as our strategic partners at no additional charge. Telkomsel also educated customers regarding premium Telkomsel Video Content Services by equipping Mobile GraPARI (MoGi) at the 52 branch offices nationwide with Video Experience capabilities.

Telkomsel also launched various Premium Bundling with Video On Demand service providers such as Catchplay, SuperSoccer TV, and Nickelodeon Play.Catchplay offers movie fans the chance to enjoy thousands of Hollywood and local movies using Bahasa subtitles on both the SVOD (subscription video on demand) and TVOD (transactional video on demand) models, while SuperSoccer TV allows soccer fans to enjoy live matches from various top Leagues such as English Premier League, La Liga, French Ligue 1, Liga Serie A, Champion league through SuperSoccerTV. Finally, Nickelodean Play offers parents and kids fare such as Spongebob, Teenage Mutant Ninja Turtles and Avatar as well as exciting app features.

GAMES AND MARKETPLACE

In April 2017, Telkomsel held the biggest games event in Indonesia, the Indonesia Games Championship 2017. Gamers were presented with a variety of gaming booths including both mobile games and PC games. This event will be held annually to strengthen Telkomsel position as major player in Indonesia Games Industry.

The 2017 competition was held in 6 big cities namely Medan, Makassar, Bandung, Malang, Surabaya and Jakarta. In parallel, Telkomsel engaged with local game communities in each area to socialize the GamesMax Data Package which provides game lovers with additional quota for selected games at affordable prices.

VAS

Family Protect

In October 2017, Telkomsel launched Family Protect, a service that enables parents to monitor and control kids' activity on their phones to ensure that they are using the internet/apps appropriately and are protected from cyber-bullying, inappropriate websites, sexting and other undesirable activities. This new service was socialized by the Good Internet (Internet Baik) CSR campaign. These features included Safe Content, a family protection features that allows the removal of adult content, blocks website, and applies safe search restrictions for Google, Bing and Youtube. Family Protect also allows users to manage apps including blocking apps downloads and disabling Apps purchase; screen time management and limitations; and includes a device feature manager, which can limit access to mobile device features such as the camera.

Collect Call Enhancement

In 2017, Telkomsel focused on monetizing failed traffic due to insufficience balance by enabling Telkomsel users to request the call recipient to pay for the call. Launched in December 2017, the Collect Call gives customers who have low balance/credit to continue the call, whereby the cost of the conversation will be charged to the number dialed so that the caller and recipients can continue the conversation. The recipient has the right to reject or accept paying for this service.

Call Collect can be initiated by users by dialing *809*Destination number#. The network will also detect users who fail to make a call or who dropped calls due to insufficient balance, and offer automatically to make a collect call.

IN 2017 TELKOMSEL LAUNCHED PREMIUM BUNDLING OFFERS FEATURING VARIOUS VIDEO ON DEMAND SERVICE PROVIDERS

SALES

Telkomsel's coverage currently reaches almost 100% of the Indonesian population, making us the only operator with truly nationwide coverage. In order to deliver optimal customer experience, our sales operations are divided into into four Areas and 11 Regions: Sumatra Area (North, Central and South Sumatra), Jabodetabek-Jabar Area (Greater Jakarta and West Java), Java Bali Area (Central Java, East Java, Bali and Nusa Tenggara) and Pamasuka Area (Kalimantan, Sulawesi and Papua-Maluku). The four Areas, which contain almost 60% of our workforce, are further subdivided into more than 200 clusters, supporting our cluster-based pricing strategy as well as better customer penetration and faster execution of our Sales and Marketing strategies and initiatives.

SALES BUSINESS STRATEGY

In 2017 our Sales strategy focused on a number of key objectives in line with Telkomsel's digital transformation and the creation of a digital society, namely Increase Broadband Share, Digital Touchpoint Experience and Building Selling Competencies in Enterprise. To achieve these three objectives, various initiatives were established, which were then translated into key sales programs, as follows:

1. Increase Broadband Share

We believe broadband is the future of telco industry and therefore pushed to increase our Broadband share by:
a. Protecting and growing existing customers
b. Winning the youth segment and battlefield
c. Acquiring competitors' customers
d. Improving utilization of outlets and aggressive outlet acquisition
e. Network improvement and realization of blue ocean opportunities

2. Winning Enterprise & Digital Lifestyle

The enterprise segment represents big growth opportunities. We try to capture the market by:
a. Creating competitive product solutions
b. Winning in Small & Medium Enterprise (SME)
c. Winning Corporate Customers
d. Winning Digital Lifestyle

3. Enhance Digital Touch Point Experience

We are transforming our touchpoints into digital touchpoints by:
a. Implementing and improving DigiPOS
b. Creating digital channel experiences
c. Establishing Digital GraPARI

CORPORATE ACCOUNT MANAGEMENT

Corporates are an important customer segment for Telkomsel. In 2017, Telkomsel continued to develop innovative products and solutions for the corporate segment including Unified Collaboration (UC), Mobile Device Management, Dashboard Industrial Park, TCASH and other mobile solutions.

To drive adoption of its digital products, Telkomsel also cooperated with PT Pertamina Retail, a subsidiary of Pertamina which engages in retail businesses such as gas stations, and PT Bank Rakyat Indonesia Tbk (BRI). The cooperation with PT Pertamina Retail included placing TCASH as payment media at gas stations; using Location Based Advertising (LBA) in PT Pertamina Retail media campaigns, and explore PT Pertamina Retail's channels as distribution channel for Telkomsel products. In addition Telkomsel also provided CUG services and connectivity for PT Pertamina Retail employees.

Whereas the BRI, Telkomsel provided a Team Plan Package to support BRI employee communication, Flash B2B2C to support the availability of data package, EDC cooperation, leased line back haul and Location Based Advertising media for BRI promotion media.

YOUTH AND COMMUNITY

Telkomsel's youth segment subscribers (students between 12-24 year olds) is one of its most important sources of revenue and is a main source of revenue, in particular of digital revenue. Telkomsel therefore continued its strategy to win market share with an emphasis on Broadband marketshare in this segment, among others by focusing its acquisition and engagement strategy on schools/campuses.

Engagement at schools/campuses was carried out through three masterpiece programs, namely Telkomsel Youth Ambassador, School Ecosystem/Campus, and Social Media Activities (Selfie and Idea Competition). The Telkomsel Youth Ambassador program is intended to create a new acquisition and engagement channel, namely that of high school students and students within the school/campus environment itself. Telkomsel Youth Ambassador also played a role in socializating Telkomsel digital products in Schools/Campuses. The school/campus ecosystem strategy aims to directly engage school/college communities (Teachers, Students, Parents, and Alumni) digitally through a medium that is used daily. To strengthen digital retention and engagement with young people, social media activities were also held, with a photo and idea competition as the main activities.

Several BTL activities were also carried out, namely sponsorship support for school and campus activities, as well as sponsorship for DBL, which has the most school basketball community activities in Indonesia.

Loyalty and retention of youth segment customers was further strengthened by providing various benefits for youths who are registered members of the Telkomsel Community, such as discount vouchers for certain e-commerce sites.

CHANNEL MANAGEMENT

Telkomsel distributes its products through both dealers and modern channels so that customers are able to easily access Telkomsel products through channels in their reach. In terms of dealers, Telkomsel distributes its products through 61 dealers to 137 clusters. We hold various programs to develop our distribution network such as extra incentives and dealer programs.

In terms of modern channels, we have 60 banking partners, 73 retail channel partners, 8 device partners, and 11 online partners. Banks largely handle their own channel development, for example by expanding branchless banking/PPOB expansion. The contribution of online channels is not yet very large but growth has been significant, supported by massive marketing activity from online

partners, in accordance with the rising trend of transactions leading to the digital ecosystem. We continue to develop our modern channels in line with technological developments and lifestyle changes, so as to make our products and services increasingly accessible to customers.

CUSTOMER CARE MANAGEMENT

Telkomsel currently maintains several assisted channels and self-service channels for customer care management, namely:
1. Assisted Channels
   - GraPARI
     - GraPARI (83 locations)
     - GraPARI Mitra (336 locations)
     - GraPARI International (11 locations)
   - Call Centers located in Medan, Bandung, Surabaya, and Makassar
     - Digital, comprising Facebook, Twitter, E-Mail and Live Chat
2. Self-service Channels:
   - MyGraPARI
   - Virtual Assistance (VA)
     - LINE
     - Telegram
     - Facebook Messenger
   - MyTelkomsel App
   - MyTelkomsel Web
   - IVR

In line with Telkomsel's digital transformation, Customer Touch Points (CTP) have been transformed into digital touch points as follows:

GraPARI Digital

GraPARI Digital is the digital evolution of GraPARI Legacy, using Telkomsel digital tools and "immediate' process in its service. This is done to provide new experiences to customers when interacting with Telkomsel service personnel. What distinguishes GraPARI Digital from GraPARI Legacy is:

• ABSENCE OF A SERVICE DESK

Telkomsel seeks to change the service process from one where the customers have to approach the service personnel on designated counter to one where the service personnel will proactively looking for and serve the customers in the GraPARI area, resulting in a more relaxed and better overall customer experience.

• DISCOVERY SCREEN

This device that allows customers to find out more about Telkomsel's services

• EXPERIENCE AREA

An area inside GraPARI where customers can try and experience digital products

• DIGITAL QUEUEING MACHINE

When retrieving their queue number, the machine will photograph the customer so the service clerk can identify the customers when serving them.

• MOBILE CUSTOMER SERVICE

Service personnel are able to serve customers on a mobile basis using web page-based DSC CRM tools, which designed for tablets.

Virtual Assistance (VA) - Telkomsel Virtual GraPARI

GraPARI Virtual Telkomsel is an Artificial Intelligence (AI) system developed by Telkomsel that is able to automate customer service, which can resolve massive amounts of general transactions, freeing up service officers to handle complex interactions including cross -selling and up-selling. This service was launched in August 2017 under the name "Veronika".

Veronika can be accessed through several channels, namely:
- LINE (@Telkomsel)
- Telegram (@telkomsel_official_bot)
- Facebook Messenger (Telkomsel)

Veronika can respond to customers in two languages, namely Indonesian and English, and is capable of responding to various customer needs, such as:

Customer Experience Score (CES) over the Web

Previously, customer experience level following a visit to a Telkomsel service center was assessed via text message. In line with its digital transformation, Telkomsel rolled out a web-based customer experience assessment which aims to:
- Digitize these customer experience evaluations.
- Obtain accurate and real time Customer Voice assessments after customers complete their interactions at any Telkomsel CTP Channel
- Act as a media for in depth interviews of customers who are not satisfied with the quality of Telkomsel's CTP service
- Scoring results can be followed up by the right programs so as to realize the shift to Digital and improve customer experience
- Continuous improvement - More effective quality improvement - on target to achieve Operational Excellence.

GRAPARI VIRTUAL TELKOMSEL IS AN ARTIFICIAL INTELLIGENCE (AI) SYSTEM DEVELOPED BY TELKOMSEL THAT IS ABLE TO AUTOMATE CUSTOMER SERVICE

Telkomsel also implemented cross channel collaboration through:

A Customer Timeline feature in the Digital Smart Care (DSC) tool
This feature contains a record of customer activity on all Telkomsel channels, including VAS activation and deactivation and the customer's service history at all Telkomsel service points (GraPARI/Call Center/Digital Channel). This enables service officers to easily pull up customers' history with Telkomsel, and ultimately makes it easier to provide the right solutions to customers.

GraPARIs Booking Appointment through MyTelkomsel App
In August, Telkomsel launched a new feature in the MyTelkomsel App, namely a Booking Appointment feature for GraPARI. This feature allows customers to make reservations/get queue tickets for GraPARI service. Customers are classified according to a scale of priority, whereby high priority customers will be served more quickly. This digital feature is expected to increase customer convenience and satisfaction.
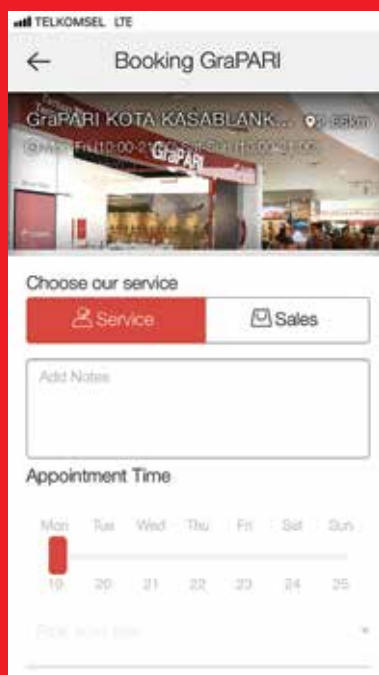
The strategies and activities undertaken during 2017 to achieve the company's Customer Care Management targets include among others:

a. GraPARI Telkom Group
   Telkomsel collaborated with Telkom to establish a shared service center with a Digital GraPARI concept, called GraPARI Telkom Group (GTG). This collaboration has the potential to create both financial and non-financial benefits for both parties as well as for customers.
b. ISO 9001: 2008 certification
   In 2017, 83 Telkomsel GraPARI and 4 Telkomsel Call Centers successfully passed the ISO 9001: 2008 surveillance audit by TUV-NORD, and were stated to still be in compliance with the clauses of ISO 9001: 2008.

To achieve service excellence and maintain customer loyalty, we implemented:
a. TCOPS
   Whereas retail consumers can view their profiles through MyTelkomsel, corporate customers are able to use TCops.

   TCops serves to facilitate corporate customer payments. It also manages and monitors the list of MSISDN between corporate Account Managers and PIC, records all forms of cooperation and sends electronic invoices, and records payments, thus making it easy to control each corporate account whether through Telkomsel or directly by the corporate itself.

b. MyGraPARI
   Telkomsel has established 81 My GraPARI units which are capable of handling bill payments, card replacements, profile updates, top ups, initial card purchases, redemption of Telkomsel POIN, and VAS Activation.

AREA SALES ACTIVITIES

Area I: Sumatra

In 2017, the Sumatra Area continued to be the market leader with more than 60% market share. To maintain dominance in Sumatra Area, several programs/initiatives were held during 2017, among others:

A. Acquisition of New MKIOS Resellers (RS) through a variety of programs such as acquisition of non telco outlets, collaboration with application partners, acquisition of cooperatives/outlets around industrial parks, Emotional Bonding and Retention Program of Outlets.

B. Increase Broadband Sales Share Active enhancement of broadband product sales (Mkios Data, Quota Internet, and other data plan) and increased productivity of broadband product sales at outlets (Regular Outlet, Outlet Around Campuses, Outlets in School Areas, and Device Outlet Area/HO Center).

C. Maintain HVC Customer
- Through BTL Campaign packages, HVC receive packages that are personalized according to their needs.
- Customers with higher ARPU receive offers of combination Broadband and Voice (Combo) packages.

D. Sustain Legacy Supremacy by offering Voice packages to maintain minutes of usage (MoU) Voice service usage.

E. Internet Improvement & Quota Internet Enhancement Program MKIOS outlets, namely outlets which are able to carry out electronic top ups from Telkomsel Over the Air (OTA), were incentivized through the mKios data Telkomsel outlet unggulan (PATEN) to increase sales of credits and internet quota.

F. Digital Lifestyle Program (DLS) To further increase the use of Digital Services (Digital Lifestyle) in Sumatra, several programs have been implemented. These included a branding program and incentive scheme for outlets to boost DLS service sales, a program to increase use of the Super Soccer package, and a reward program for bank customer service personnel/frontliners who offer Telkomsel SMS Banking products. A program was also held at cluster-level that focused on NSP sales. In terms of gaming, the Digi Champ BTL Campaign was held in every branch was held to increase revenue from videos and game market places, and to accelerate scale up. In addition, gaming competitions were held in several locations in Sumatra.

G. My Telkomsel User Improvement Program
- My Telkomsel to offer one stop customer service information on csustomer usage, credit top ups, activation, and Telkomsel POIN redemption
- Marketing Activation promo materials in the form of an animated cartoon containing local references

Telkomsel My Business Exhibition

MAXcited Medan Event

Appreciation for Network Support of the Ngunduh Mantu Bobby Nasution & Kahiyang Ayu Event

and others agreed to become reseller partners of Telkomsel's products and services such as prepaid card sales, credit reloads, and distributors of Broadband and Digital Services to members of the cooperatives.

Whereas for Micro Small Medium Enterprises (MSMEs) enterpreneurs in the city of Bandung, Telkomsel introduced its MyAds Digital Ad Service to as a convenient and affordable way to advertise.

Area II: Jabodetabek West Java
Competition has always been most intense in Jabodetabek-Jabar, as this area has the highest numbers of telcos operating. To ensure that Telkomsel stays ahead of the competition in the Jabodetabek-Jabar area, we executed the following strategic programs in 2017.

1. Focus on industrial parks, expand HVC & SME.
2. Accelerate digital.
3. Boosting Broadband.
4. Broadband penetration.
5. Aggressive Youth and Community acquisition.

Telkomsel increased market penetration and awareness of its digital products through various exciting events throughout 2017. Each event was carefully selected to ensure wide audience. General promotion of Telkomsel products and services took place at several large events such as the annual 2017 Jakarta Fair Kemayoran (JFK), the Gaikindo Indonesia International Auto Show 2017 (GIIAS), the Panggung Asik Kartu As Hibur Masyarakat Jabotabek dan Jabar event, and during Ramadhan Fair activities in the Jabotabek Jabar Area with up to hundreds of thousands of visitors each day.

More specifically, Telkomsel demonstrated the convenience of using TCASH SNAP at the *simPATI* Kickfest XI Bandung.

On the corporate side, strategic partnerships were established with large enterprise cooperatives such as PT Indofood Sukses Makmur, PT Syncrum Logistics and PT Parker Metal at the MM2100 Industrial Estate in Cibitung, Bekasi. These cooperatives

TCASH transactions at the *simPATI* Kickfest XI Bandung

Coaching Clinic DOTA 2 Gathering Seru Pecinta DOTA 2 @Loop Station Mahakam

For the youth segment, Telkomsel LOOP held the DOTA 2 Coaching Clinic and Main Bareng Event to raised awareness of Telkomsel products including digital games and TCASH. This event was the first of its kind of game lovers.

Area III: Java Bali

The Java Bali area features the highest population density in Indonesia with more than 35% of the entire national population. In 2017, to strengthen and maintain our position as a leader in the Java Bali, we took various strategic steps.

1. A Micro Cluster Leadership initiative that aimed to fire the competitive spirit of all Telkomsel teams in the Jawa Bali area, applying a Go retail and Go detail strategy to over the competition.
2. Network Productivities Masterpiece, where our 4G network gives best customer experience through excellent broadband network operation in all capital cities of regencies in the Java Bali region, with expansion of coverage in area which previously had no telecommunication service.
3. Fortify & Grow High Value Customer, by giving priority service and best offers for these customers.
4. Seize Youth & Millennial segment through aggressive Broadband penetration, digital lifestyle experience and youth engagement programs.
5. Leading in Large Enterprise & SME Segment, by providing the best business solutions and best offers for this segment.

To support these strategic efforts, we conducted several activities including 4G LTE Healthy Walk in 46 cities/regencies,, Device 4G Vaganza, and USIM and HP 2G-4G Migration to support 4G LTE socialization and penetration. For retail outlets we held a BFA (Broadband Fiesta Area 3) program and PONSEL (POiN outlet TelkomSEL) program.

In terms of products, we successfully differentiated our 4G, video and music products in line with customer desires. Whereas in terms of youth engagement, besides giving aggressive offers, we also held engagement activities such as LOOP Fun Run, LOOP KEPO, Telkomsel Apprentice Program, Indonesian Next, *simPATI* KICK FEST, MAXcited, and more.

For the Corporate and SME segments we held activities such as FGD Corporate Customer, Large Enterprise Exibitions, and SME Exibitions to fulfill this segment's needs for solutions and products.

These exciting events helped to strengthen Telkomsel brand and product awareness, and helped push new digital products to acquire new audiences as part of the company's push to grow its digital business.

4G Healthy Walk

MAXcited Jogja

Christmas 2017 & New Year 2018

LOOP Arena Launching

Area IV: Pamasuka

Telkomsel continued to strengthen its market dominance in the Pamasuka Area, leveraging its strong competitive advantage of wider coverage compared to other operators. Several programs were implemented which focused primarily on increasing Broadband share, enhancing the digital touch point experience, and winning enterprise business, in order to maintain our market share dominance.

The program to increase Broadband share focused on maintaining our lead in dominant areas, and winning back other areas. We also focused on HVC to decrease churn and elevate usage. Broadband penetration was aggressively pushed in new coverage areas through programs such as USIM migration and device bundling. Sales channels were transformed to increase sales productivity, and we pursued the youth segment to nurture potential future customers. Our programs included HVC combo campaigns supported by incentives for outlets and sales force, racing migration of USIM in 4G LTE cities, device upgrade from 2G to 4G capable, incentive programs for outlet that bundled new sales packages with 4G + USIM devices, and more.

The digital touch point experience program was enhanced with the aim of introducing and delivering good digital channel services and experiences to customers. As part of this program, where possible Telkomsel switched from using traditional customer service agents to digital service channels such as ATM GraPARI and Digipos as a one stop sales channel.

We also strengthened our digital business in terms of digital music, digital content, digital payments, and digital campaigns. This year, our digital business focused heavily on TCASH as a means of digital payment. We see a huge opportunity to grow TCASH by acquiring national and local brands as TCASH merchants, and by creating collaborative events that TCASH as main payment method as we have done for example with TAPtivity and MAXcited.

With regard to corporates, big companies in High Rise Buildings (HRB) and Industrial Park (IP) POI were our focus this year, supported by synergies with Telkom as our parent company. These companies have good potential for growth and need connectivity and digital solutions to boost their productivitiy.

Telkomsel Safari Ramadhan

Fun Run Makassar LOOP Event

Digital New Year 2018

INFORMATION TECHNOLOGY

In 2017, in line with the Telkomsel Corporate Strategy to Build a Digital Indonesia, IT focused on enabling Telkomsel's transformation into a digital company with products and services that deliver maximum value to Indonesian people. Specifically, several major initiatives were conducted in 2017 to improve the company's IT capabilities, security, and agility with a view to supporting Customer Experience, Digital Business, and Internal Enterprise Capability.

CHANNEL AND PROCESS DIGITIZATION TO ENHANCE CUSTOMER EXPERIENCE

Supporting Telkomsel's Masterpiece program to create a superb E2E customer experience, IT made improvements in the "order to purchase" and problem resolution process at various Customer Touch Point (CTP). IT also developed a digitized Virtual Assistant customer service system called Veronika that integrates artificial intelligence, customer analytics and human interaction. This

automated system functions as a digital self-service channel for First Call Resolution, digitally handling information and requests from customers and reducing reliance on assisted channels. This Virtual Assistant enhances the customer experience through more personalized and segmented engagement, addresses customer needs in real time, creates sales opportunities, and significantly reduces the amount of costly assisted service customer interactions necessary.
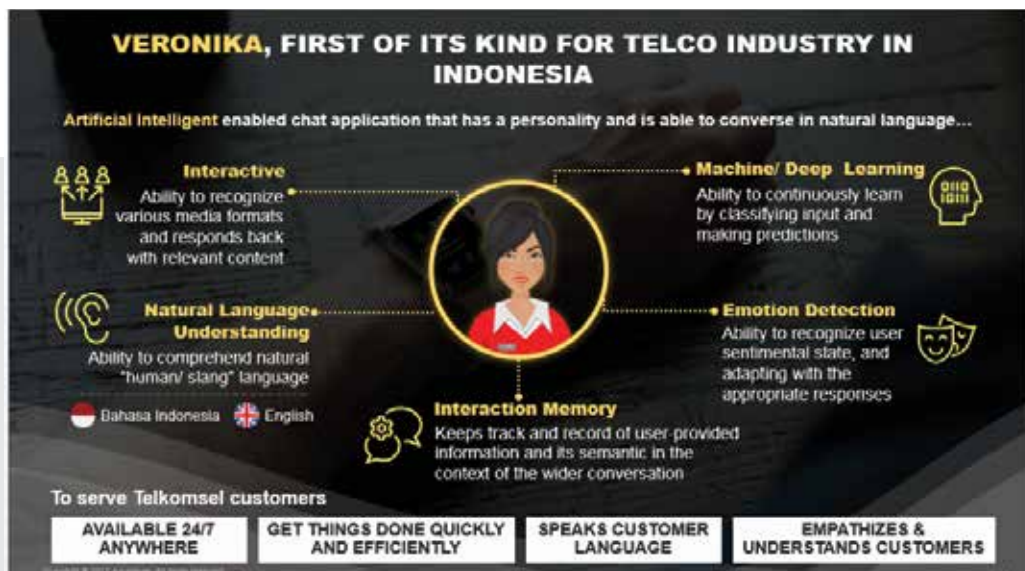
Veronika is equipped with machine learning capability, enabling it to improve its understanding and accuracy over time, as well as develop new capabilities. Going forward, Veronika needs to be trained to increase its understanding of language and confidence level so that it can handle more complex user inquiries. In order to encourage usage of the Veronika system, IT added additional channels through which customers can use Veronika to get information, inquiries, and carry out transactions, and re-routed human assisted channels to Veronika as the Virtual Assistant Channel.

In 2017, Telkomsel also digitized the distribution and sales proses at Outlets with the launch of the Digital Poin of Sales (DigiPOS) Sales application. DigiPOS supports a more efficient end-to-end sales distribution journey including sell-in, sell thru and sell-out aspects. It also helps the outlet owners to view and analyze sales activity, thus enabling them make better decisions related to sales activities. The DigiPOS Salesforce market survey dashboard was further improved to reflect current market conditions, including outlet categorization based on buy share and branding share, which helps Telkomsel and outlet owners to make good business decisions.

VERONIKA IS EQUIPPED WITH MACHINE LEARNING CAPABILITY, ENABLING IT TO IMPROVE ITS UNDERSTANDING AND ACCURACY OVER TIME, AS WELL AS DEVELOP NEW CAPABILITIES

ENABLING CUSTOMER DATA REGISTRATION AND REVENUE REPORTING FOR COMPLIANCE

IT supported Telkomsel to comply with new Government regulations (PM No 12 2016) requiring that operators verify both new and existing prepaid subscribers in the Population and Civil Registration Agency (Dukcapil) database, and limiting the number of MSISDN owned by subscribers for each operator. To do this, IT developed processes and engines to ensure the registration and proper verification of both new and existing and Telkomsel customers, the data of which is shared with Dukcapil. Besides ensuring compliance with government regulations, Telkomsel will be able to use this verified customer data to support better customer segmentation and personalized offers, for better customer experience overall.

BUILDING DIGITAL ECOSYSTEM FOR DISTINCTIVE DIGITAL EXPERIENCE THRU MOBILE FINANCIAL SERVICES

As the leading mobile operator in Indonesia, Telkomsel aims to have close engagement with its customer which steadily increased to over 190 million subscribers. Align with global market trend and technology, Telkomsel is also taking part by launching Mobile Financial Services (MFS) to build mobile money ecosystem. Supported by T-Wallet mobile application, MFS provides distinctive digital experience in financial transaction through several features such as safe convenient payment (electricity and water services bill, ecommerce payment, etc.), low cost instantaneous transfers (airtime top up, recharge, buy package and digital content), access to finances anytime anywhere, and loyalty program (for example apply discount in certain merchants).

To expand and diversify new business streamline, MFS integrate with various merchants and partners including Merchant, Biller, ATM Bersama and Banks, Remittance Partner, Interconnection Partner, Merchant/Biller Aggregator and EDC provider.

Considering the security aspect, MFS will be complied with Bank Indonesia Regulation (Peraturan Bank Indonesia (PBI) No. 11/12/PBI/2009, No. 16/8/PBI/2014, No. 16/11/DKSP, No. 11/11/DASP). MFS also able to detect, log and trigger alert for suspicious/fraud transaction based on balance, failed transaction attempt, card not present transaction, blacklist and block/reject transaction based on data customer profile supplied by regulatory and able to provide neural data management capability to manage fraud.

In addition, IT played a key role in helping Telkomsel to expand its reporting to comply with International Financial Reporting Standard (IFRS) 15, a mandatory new accounting standard that includes "Revenue from Contracts with Customers". IT actively worked to develop revenue reporting formats that complied with IFRS accounting standards, as well as pushing to automate the reporting process where possible, and improving the business processes and mechanisms related to revenue reporting, which will support better business decision-making. Because of the large scope of this project, the program was executed in two phases to produce an interim solution and later, a final solution.

ENHANCING EXCELLENCE AND IMPROVING EFFICIENCY

To support Telkomsel's transition as it transforms into a digital company, IT also improved its internal efficiency through implementation of following programs:

Application Performance Monitoring Enhancement

IT moved from monitoring customer applications individually to monitoring them in an integrated manner, with the goal of delivering end-to-end monitoring and oversight of Telkomsel's product and service applications from an IT standpoint. By enabling end to end monitoring, this should reduce incidents and disruption time as well as reducing "problem to resolve" times and customer complaints, towards better customer experience and revenue growth. As a pilot project in 2017, end to end monitoring was implemented for Broadband services.

Infrastructure Virtualization and Modernization

IT continued its 2016 efforts to virtualize and modernize the infrastructure for its servers, storage, and databases. This process will help to reduce complexity and streamline operations by eliminating duplicate processes, consolidating monitoring, and enhancing automated processes

E2E Automation

The transformation to automate and digitize internal processes was continued with E2E Automation, a continuation of the previous year's job automation initiative which aimed to further increase efficiency in the IT department in line with the drive towards operational Excellence. E2E Automation automates the daily deletion process for MSISDN churn in 8 applications. It also reduced the number of customer complaints

caused by outdated MSISDN profiles and reduced the number of incidents related to full HLR capacity, with minimal human intervention.

Continuous Integration and Continuous Deployment

In order to fulfill various business needs in timely manner, IT also start to adopt CICD (Continuous Integration and Continuous Deployment) in selected project area. It encourages IT development team to develop applications using collaboration tools which lead to reducing cost and time to launch products as well as ensure its functionalities to perform correctly. CICD implementation contributes significant benefit to IT organization as part of digital company enabler, not only reduce cost and time in delivering products, but also more agile, flexible, and adaptable towards any business changes.

IN ORDER TO FULFILL VARIOUS BUSINESS NEEDS IN TIMELY MANNER, IT ALSO START TO ADOPT CICD (CONTINUOUS INTEGRATION AND CONTINUOUS DEPLOYMENT) IN SELECTED PROJECT AREA

NETWORK

In 2017, the Network Directorate focused on four strategic programs which directly supported Telkomsel's transformation into a digital company, while maintaining its strength in Legacy. These programs were Establish LTE Leadership, Sustain Legacy against OTT, Accelerate B2B Digital and Strengthen Core via Content.

STRATEGIC NETWORK PROGRAMS IN 2017

In the Establish LTE Leadership program, we focused on building the leading LTE network in 150 TrueBEx (True Broadband Experience) cities and delivering the best LTE network customer experience overall. This was achieved through effective planning, acceleration of network rollout, modernization and spectrum strategies, which enabled us to reach a total of 21,000 eNodeB base stations from more than 160,000 base stations at the end of 2017.

In the Sustain Legacy against OTT program, we leveraged our Legacy network to create an innovative consumer value added service called "Call Addict + Estafet". This service unlocked a new revenue stream by optimizing insufficient balance call failure and ensuring that Telkomsel customers are able to make voice call connections.

In the Accelerate B2B Digital program, we continued to explore digital value for our business customers. An enterprise service called "Call Orchestrator" was developed which delivers interactive communication using masked phone numbers over a digital platform, in order to protect user security and privacy. In addition for B2B segment, we introduced an M2M Location Information Service to improve tracking service by enabling location discovery capability on non-GPS capable devices, specifically for the banking and logistic industry.

Lastly, the Strengthen Core via Content program focused on delivering best customer experience in mobile video and high value content. This year we performed service performance improvements to Video Streaming capability in 150 broadband cities, to deliver a superior Beyond TrueBex customer experience.

NETWORK DEVELOPMENT AND MODERNIZATION

In 2017, Telkomsel continued to expand and upgrade its network throughout Indonesia in terms of service coverage, capacity and quality. In line with Telkomsel's transformation into a digital company, the emphasis was on transforming and modernizing the remaining Legacy network for digital service delivery. This was achieved through the main

activities in 2017 of Lead 4G LTE, Building Digital Capability and focus on Digital Broadband Experience, supported by excellent collaboration with its stakeholders, including PT Telekomunikasi Indonesia as the parent company, the government, suppliers and all customers.

In line with the Lead 4G LTE , Digital Broadband Experience and Building Digital Capability directives, 70% of the network deployed was 4G enabled, expanding our coverage to reach over 95% of all cities and kabupaten in Indonesia. Around 31,000 new base stations were deployed in 2017, over 5,000 base stations more compared to the previous year. Over 7,000 network elements across Sumatera and Kalimantan were modernized for increased capacity and power

efficiency, which will benefit Telkomsel by reducing its footprint and minimizing existing operational expenditure. In terms of location, network development targeted clusters and Points of Interest (PoI) such as public spaces, schools, campuses and recreational spots were customer demand was high.

Further supporting the network expansion and improvements, more than 6,500 network infrastructure projects were completed in 2017 including B2S (Build to Suit), Collocation, Hotel BTS (Base Transceiver Station) and Mini CME (Civil Mechanical Electrical) projects. By the end of 2017, Telkomsel had established around 18,000 communication towers located across Indonesia in support of our base station networks. In addition to that, we leased towers from independent tower providers to support our network expansion.

Throughout the year, Telkomsel deployed multiple technologies to manage the surging Telkomsel LTE network payload caused by customers shifting from Voice and SMS (Short Message Service) to broadband Internet service. Technologies such as GUL (GSM UMTS LTE interoperability) in the 900 MHz band and LTE multisector base stations were applied to increase the capacity of our LTE network. In addition, in big cities with high broadband demand, we used our recently acquired 2300 MHz spectrum to provide additional TDD (Time Division Duplex) LTE capacity on top of our existing 4G network. Whereas in areas with high numbers of 4G capable handsets and low 3G 2100 MHz network utilization, we helped introduce 4G service to customers by using the excess spectrum was used to implement FDD (Frequency Division Duplex) LTE 2100.

With regard to our transport access network, we synergized with Telkom Indonesia to modernize the PDH (Plesiochronous Digital Hierarchy) terrestrial transmission, upgrading it to fiber optic access for better broadband experience. Together, all of these initiatives will help to achieve the Company's directives.

DELIVERING TELECOMMUNICATION SERVICES IN RURAL AND REMOTE AREAS

Telkomsel continued to strengthen its commitment to provide telecommunication coverage to remote areas in Indonesia, both independently and in partnership with the government. These initiatives are:

- Universal Service Obligation (USO) project, a program by the Indonesian government which aims to provide telecommunication services in rural areas. Following the successful completion of the USO Dering, USO Desa Pinter and USO Telinfo Tuntas programs, the government selected Telkomsel as its partner for the USO 3T (Terluar, Terdepan, Tertinggal) program in 2016. The USO 3T program focuses on building new infrastructure in border regions and the outermost islands of Indonesia, whereby the government is responsible for providing supporting facilities such

as tower masts, power, transmission and sites, and Telkomsel is responsible for building and operating mobile network services. During 2017, Telkomsel completed work at a total of 281 locations under this scheme, including equipping 47 USO locations with 4G base stations.

- Telkomsel Merah Putih (TMP) is a Telkomsel initiative to provide telecommunication services in remote areas using effective technological solutions. Telkomsel Merah Putih (TMP) services comprise Maritime, Rural Industry and Rural Non-industry services.
  A. Established in 2009, as of 2017 the Maritime service has cumulatively delivered cellular service on board 16 PT PELNI ships.
  B. The Rural Industry service consists of services to Rural Corporate, T-Zone and Offshore zones. In its Rural Corporate service, Telkomsel collaborated with rural 23 enterprises to provide cellular service around their operational plants, while offering T-Zone Rural and Offshore services to offshore oil and gas companies in 44 remote spots, 23 offshore locations and 11 outermost islands in Indonesia during 2017.
  C. The Rural Non-Industry or BTS Rural Village program provides service for rural villages, with 181 remote villages served in 2017.

CERTIFICATION AND BUSINESS CONTINUITY

The Network Directorate acquired two ISO certifications in 2017, namely ISO 9001:2008 certification for quality management system in Broadband Network Management which was valid from 14 August 2017 until 14 September 2018, and ISO 9001:2015 certification for warehouse management in five warehouses across Indonesia which was acquired on 11 December 2017.

In addition, Telkomsel has implemented BCM (Business Continuity Management) and BCP (Business Continuity Planning) processes to ensure business continuity in the event of critical natural disasters and long-term emergency conditions. The BCM and BCP processes are designed to safeguard Telkomsel's assets, reputation, value and guaranteed service levels to customers. To maintain BCM readiness, Telkomsel once again tested 5 key scenarios in 2017 including a scenario in which an incident impacted the Telkomsel Head Office, an incident impacted the selected regional TTC (Telkomsel Telecommunication Center), an incident impacted the Network and/or IT (Information Technology) operation personnel, an incident impacted third party service, and an incident impacted the main Telkomsel system.

AROUND 31,000 NEW BASE STATIONS WERE DEPLOYED IN 2017, OVER 5,000 BASE STATIONS MORE COMPARED TO THE PREVIOUS YEAR

HUMAN CAPITAL MANAGEMENT

In line with Telkomsel's objective to Build a Digital Indonesia, in 2017 the Human Capital Management (HCM) Directorate established a theme of People Service Excellence to support Telkomsel's transformation into a Digital company and the achievement of a Digital Indonesia. This theme was selected as the company's digital transformation requires a new work approach, one that is customer-centric, fast and agile.

This theme was cascaded by HCM during 2017 into a number of programs such as Digital Mastery, Digital Culture, Digital Work and Customer Centric Organization. These programs encouraged employees to adapt for work in the digital age, which poses new challenges for the company unlike those previously experienced in the telecommunication industry thus far.

DIGITAL MASTERY

This program aimed to train employees to manifest digital behavior in executing their tasks, namely by applying team-based, agile and customer-centric behavior. The framework for Digital Mastery, termed 'Digital GPS,' will guide the HCM team in terms of employee development over the next 3 years.

This program uses the experiential method of training, whereby employees directly plunge into projects accompanied by coaches who are experienced at assisting corporate executives in running a digital business. HCM labeled this training program'Digital X', whereby X stands for eXperiment, eXcitement, eXtraodinary and more. This Digital X program is envisioned as a space where Telkomsel employees can experiment with different project implementation approaches.

HCM also sent Senior Leaders to participate in internship and Directorship programs that are meant to take these Senior Leaders' team leadership abilities to the next level. A Senior Leader Internship Program was conducted over 5 days in Silicon Valley together with local startups, featuring live discussions with executives at Google and Tesla which aimed to broaden participants' horizons and explore new ideas that could be implemented in Telkomsel. Whereas the Directorship Program grooms internal talent for top positions at Telkomsel.

DIGITAL CULTURE

In line with the challenges of the business going forward and Telkomsel's strategy to become a Digital Telco, Telkomsel's present culture must shift to become a digital culture more suited to the needs of the present. According to Telkomsel's 2017 Culture Entropy survey, which showed improvement, its digital culture development should focus on innovation and benefits to the surrounding environment.
One of the mainstay programs in 2017 was Innovation Week, which encourages employees to bring forth their ideas. We also established the Creation Hub as a space for employee innovation, complete with knowledge and experts to assist in realizing ideas; The Creation Hub is envisioned to be an incubator for Telkomsel's evolving business needs.

Meanwhile, recognizing employees' desire to tangibly contribute to their surrounding environment, Telkomsel conducted an Employee Voluntary Program (EVP) program where employees could teach communities and school children about good internet usage, in line with Telkomsel's main business focus and theme of Building Digital Indonesia. In 2017, the EVP was widely implemented in 8 places throughout Indonesia with the involvement of 120 employees.

DIGITAL WORK

The digital work program emphasized the application of technology to assist the HCM function in providing better service to Telkomsel employees. In 2017, HCM utilized technology to conduct HC Analytics, automate multiple HCM services and shift the competencies needed in relation to a team-based work approach.

The HCM function requires HC Analytics to help serve employees related to various activities including talent management, recruitment, performance and reward management. With regard to creating a digital workplace for Telkomsel employees, HCM automated many processes through the Mobile Office Application and Automation (MOANA) program. The MOANA program utilizes smartphones for faster and more agile employee work processes.

The adoption of digital work processes in HCM's functions and work processes also served as a role model for Telkomsel employees in executing their tasks, by demonstrating the advantages and breakthroughs made possible by applying a team- based work approach as the new way to work. It is expected that this team based work approach will realize Telkomsel's goal of creating a fast and agile work culture. Working with various partners, Telkomsel began to establish the competencies needed to implement this team based digital work approach.

CUSTOMER CENTRIC ORGANIZATION

In line with the People Service Excellence theme chosen by the HCM Directorate, in 2017 several changes were made to Telkomsel's customer service organization and strategy. These changes aim to create a customer-centric organization where service is better aligned with customer needs and segments, as well as reducing service delivery time to customers. These changes, which are supported by the adoption of new digital technologies, affected not only customer-facing functions but also the supporting functions of Finance and HCM.

In addition, the HCM function also improved its capability to act as an empowered Business Partner and better respond to employees' needs. The transformation of HCM and Finance to become more customer centric will serve as a role model for the transformation of other functions.

HUMAN CAPITAL MANAGEMENT AWARDS AND ACKNOWLEDGEMENTS

In 2017, Telkomsel was recognized by the Employer Branding Institute with the Indonesia Best Employer Brand Awards 2017. The criteria used in the assessment included:

- Success in translating vision into action and HR Strategy
- Linking HR Strategy with the business
- Preparing the organization and competencies to face challenges.

SYNERGY

In 2017, Telkomsel continued to leverage the programs that it has developed in synergy with Telkom Group and Singtel Group as its parent companies, towards winning the intensifying market competition. These joint programs have helped Telkomsel to expand its digital connectivity and boost growth of both ICT and digital solutions and services as the new driver of growth, while helping to maintain its Legacy services.

Specifically, these programs have allowed Telkomsel to leverage on the extensive expertise and capabilities of its parent companies towards growing market share in all segments, supported by the provision of superior

Broadband service and robust intermediation platforms for cloud, big-data, IoT, payment, cybersecurity and more.

Over 21 synergy initiatives took place 2017, which can be broadly categorized as follows:
1. Synergies Related to Customer Experience
2. Synergies Related to Network Infrastructure and IT
3. Synergies Related to Digital Business
4. Synergies Related to Business Support

SYNERGIES RELATED TO CUSTOMER EXPERIENCE

The synergies related to Telkomsel's customer experience programs in 2017 focused on product development, sales and after sales

activities to enhance customer experience, with the ultimate aim of generating incremental revenue. A number of exciting product developments were made possible place through this synergy such as the creation of Telkomsel BUMN Poin for State Owned Enterprises, and creation of a new product called kartu As2in1 for Indonesians in Malaysia.

In Sales, a number of Digital Telkom Group GraPARI (GTG) were established to showcase Telkomel Group's capabilities with an emphasis on digital products and services. At these GTG, which in 2017 were established in Putri Hijau - Medan, BSD, Dinoyo - Surabaya and Lembong - Bandung, customers can enjoy a seamless digital journey and experience. Other Sales synergy programs included

TELKOMSEL CONTINUED TO LEVERAGE THE PROGRAMS THAT IT HAS DEVELOPED IN SYNERGY WITH TELKOM GROUP AND SINGTEL GROUP AS ITS PARENT COMPANIES

optimizing Plasa Telkom as sales channel for Telkomsel's products, and co-selling alongside Telkom Group's government and enterprise segment. After Sales also saw benefits from synergies with the Halo Siaga Telkom Group Program. Finally, Telkomsel utilized WebRTC Infomedia to handle Telkomsel's GraPARI and customer service.

SYNERGIES RELATED TO NETWORK INFRASTRUCTURE & IT

In 2017, Telkomsel leveraged on Telkom infrastructure and IT resources to help improve its cost efficiencies and economies of scale, enhance revenue generation, and accelerate its infrastructure preparation in readiness for digital business. Specifically, these synergies helped to improve selected planning and deployment processes, carry out quality improvements, and improve its operational efficiency as related to network infrastructure and IT.

In addition, with regard to Planning and Deployment, the Collaborative Network Optimization Project (CNOP) continued in collaboration with Telkom, and a number of nodes were upgraded. In parallel, the High Packet Loss High Latency program was accelerated to achieve tangible quality improvement. With regard to operations, these synergies helped

reduce power consumption, reduce redundancy and improve resilience in Central Java, North Sumatera and Central Sumatera. Finally, Telkomsel's IT service operations continued to be managed by Sigma, a Telkom Group company

SYNERGIES RELATED TO DIGITAL BUSINESS

Synergies also took place related to Telkomsel's mobile digital ecosystem in 2017, which uses a DNA (Device-Network-Application) framework approach whereby all components are integrated within a single digital ecosystem.

Furthermore, several joint programs with Telkomsel and Singtel resulted in positive developments for Telkomsel's digital life platform, mobile advertising platform, mobile payment platform, and API and BIG Data projects. In Telkomsel's digital life platform, the Langit Musik digital music program was expanded together with Melon, resulting in an expanded customer base more active user numbers, and Langit Musik revenue growth. Telkomsel's mobile advertising platform took advantage of synergies with Telkom Group through a cross-selling reseller program whereby Telkom Group helped to sell Telkomsel's digital advertising inventory.

Telkomsel's mobile payment platform, an important initiative in Telkomsel's digital transformation, benefitted from collaboration with Himbara Bank to scale up active TCASH usage for widely used transportation channels such as KCJ, and for major toll roads in Makassar and public transport in Bandung and Semarang. Finally, Telkomsel collaborated with Telkom Group to develop Big Data projects using the Telkomsel API Directory, such as the Hackathon Project.

SYNERGIES RELATED TO BUSINESS SUPPORT

Telkomsel's human capital development also benefitted from strategic programs held in synergy with Telkom Group and Singtel Group. Programs in 2017 focused on strengthening employees' leadership capabilities and international business experience. Under the Global Talent Program (GTP) synergy program, Telkomsel sent selected talents to Hong Kong, Malaysia and Timor Leste for a three-month period to work under Telkom Group. A Talent Exchange and Employee Exchange Program with Singtel was also conducted to develop leadership capability.

GOOD CORPORATE GOVERNANCE

IoT CONTROL CENTER

Telkomsel IoT Control Center enables enterprise customers to have more control and visibility on their devices to improve the performance and the productivity.
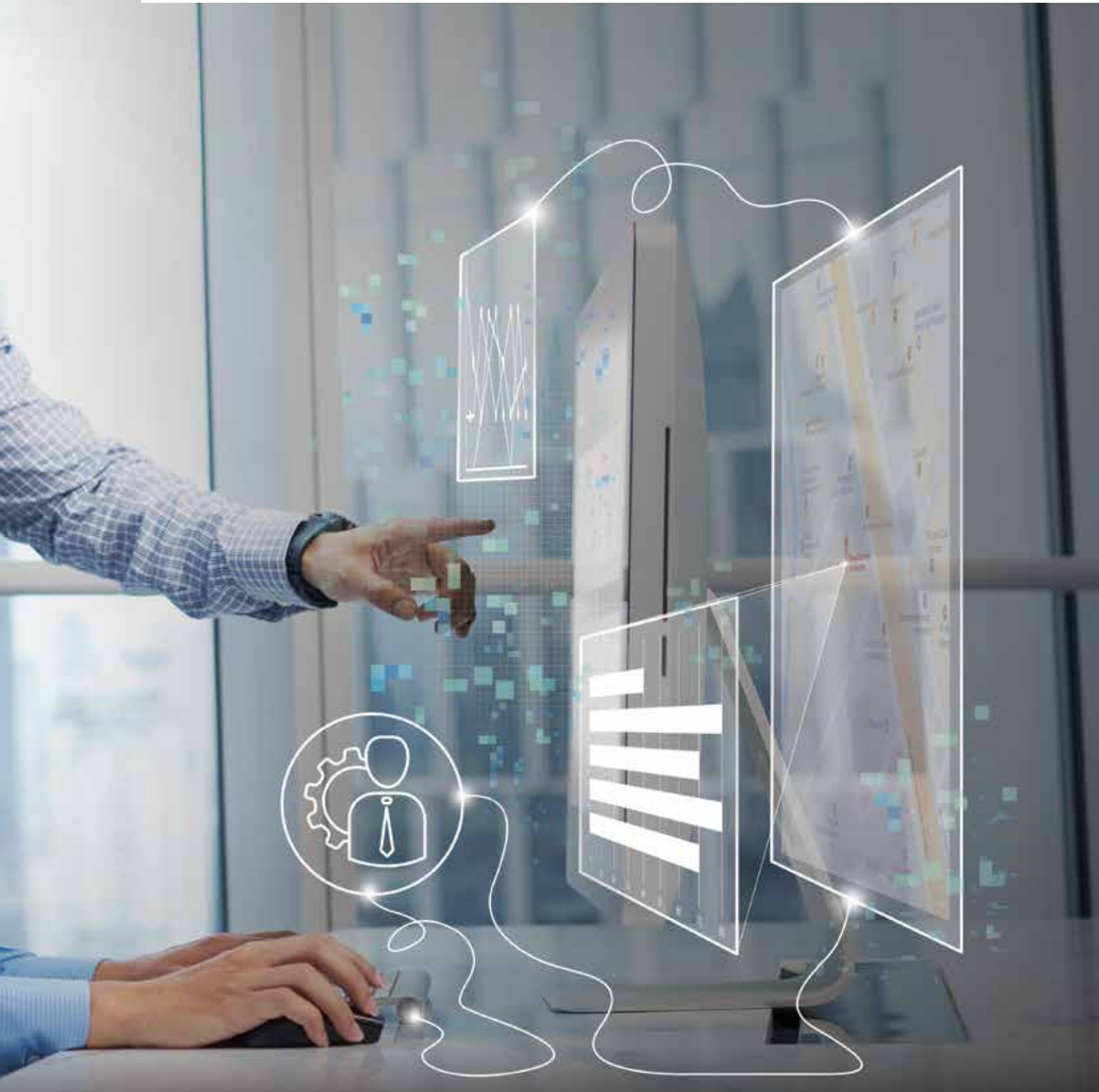
GOOD CORPORATE GOVERNANCE

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 certain 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 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 bound by five principles which serve as the pillars of our GCG implementation. The five principles are:

A. Transparency
This principle shall be carried out in the effort to present fair access to all information about the Company's financial and operational performance.

B. Accountability
Management and staff at all levels are required to develop high accountability in every action taken and in maintaining a fruitful relationship with the shareholders and stakeholders as well as with regard to regulatory compliance.

C. Responsibility
This principle requires the commitment of all elements in the organization to show their integrity and responsibility in the 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 out this principle to ensure that all shareholders and stakeholders receive equal treatment, including fair opportunities for the employees to earn career promotions, 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 duties. Everyone associated with the Telkomsel code of conduct should comply with prevailing laws and regulations and act in the best interest of the Company.

The code influences how employees think about actions 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 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 authority other than that granted to either the Board of Directors or the Board of Commissioners, including taking the decisions regarding vital and strategic corporate actions and approving 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, determines the allocation of the Company Net Profit and appoints 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 that may potentially result in a conflict of interest or violate existing laws and regulations. In a situation where one of our Directors is exposed to a conflict of interest, he or she, in accordance with the Articles of Association, shall be represented by another Board member.

The Articles of Association further states that the Board of Commissioners may take over responsibility from the Board of Directors in the case that all members of the Board of Directors have a conflict of interest. To further ensure independence, our policy regulates that all members of the Board of Directors and Board of Commissioners must not possess familial relationships with any other Board member.

THE BOARD OF COMMISSIONERS

Board of Commissioners comprises of six members of whom one performs as the President Commissioner. Telkom as the majority shareholder is entitled to nominate four Commissioners and Singapore Telecom Mobile Pte Ltd reserves the right to nominate two Commissioners. Based on the shareholders resolution dated August 12, 2016, the composition of Telkomsel's Board of Commissioners effective as from August 12, 2016, was as follows:

TELKOM REPRESENTATIVES	
President Commissioner	Alex Janangkih Sinaga
Commissioner	Harry Mozarta Zein
Commissioner	Diaz FM Hendropriyono
Commissioner	Edwin Hidayat Abdullah

SINGTEL REPRESENTATIVES	
Commissioner	Paul Dominic O'Sullivan
Commissioner	Yuen Kuan Moon

The above composition is valid until the Annual General Meeting of Shareholders held in year 2017.

In the Annual General Meeting of Shareholders of the Company held on 5 May 2017, the shareholders has resolved the new composition of Telkomsel's Board of Commissioners effective as from May 5, 2017, was as follows:

TELKOM REPRESENTATIVES	
President Commissioner	Alex Janangkih Sinaga
Commissioner	Harry Mozarta Zen
Commissioner	Diaz FM Hendropriyono
Commissioner	Yose Rizal

SINGTEL REPRESENTATIVES	
Commissioner	Paul Dominic O'Sullivan
Commissioner	Yuen Kuan Moon

The Board of Commissioners is responsible for:
- Supervising the Board of Directors' management of the Company;
- Supervising the implementation of the Company's long-term business strategy;
- Overseeing the effectiveness of the good corporate governance practices in the Company, including risk management and internal controls;
- Monitoring the performance of the business;
- Providing 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 months, 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 Commisioner	3 of 3
Harry Mozarta Zen	Commissioner	3 of 3
Diaz FM Hendropriyono	Commissioner	3 of 3
Yose Rizal	Commissioner	2 of 2
Paul Dominic O'sullivan	Commissioner	3 of 3
Yuen Kuan Moon	Commissioner	3 of 3
Edwin Hidayat Abdullah	Commissioner	1 of 1
BOARD OF DIRECTORS		
Ririek Adriansyah	President Director	3 of 3
Mas'ud Khamid	Director of Sales	1 of 1
Sukardi Silalahi	Director of Sales	2 of 2
Heri Supriadi	Director of Finance	3 of 3
Sukardi Silalahi	Director of Network	1 of 1
Bob Apriawan	Director of Network	2 of 2
Priyantono Rudito	Director of Human Capital Management	1 of 1
Irfan Ahadi Tachrir	Director of Human Capital Management	2 of 2
Edward Ying Siew Heng	Director of Planning and Transformation	3 of 3
Ng Soo Kee	Director of IT	0 of 0
Montgomery Hong	Director of IT	3 of 3 (1 via PoA)
Alistair David Johnston	Director of Marketing	3 of 3

COMMITTEES UNDER THE BOARD OF COMMISSIONERS

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

In performing its supervisory function, the Board of Commissioners is assisted by three Committees. The Committees are:
- Audit Committee
- Remuneration Committee
- CAPEX, Financing and Management Process (CFMP) Committee.

The Audit Committee

The Audit Committee assists the Board of Commissioners in fulfilling its oversight responsibilities for the financial reporting process, internal control process, internal and external audit process and risk management process. In performing its duties, the Audit Committee shall ensure an 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, and meetings must be attended by at least two members of the Audit Committee, including one member nominated by Telkom and one member nominated by Singapore Telecom Mobile Pte Ltd. The Audit

Committee members shall comprise 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.

Based on Circular Resolutions of The Board of Commissioners of PT Telekomunikasi Selular (Company) on Appointment of Committee Members of the Board of Commissioners, the members of the Audit Committee during 2017 financial year are:

- Harry Mozarta Zen as Chairman
- Paul Dominic O'Sullivan as Member
- Diaz FM 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 2017, there were a total of 6 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 fairly rewards the Board of Directors and employees, attracts talent and has competitive value, in order to ensure that the Company has

competent human resources. The Remuneration Committee shall comprise at least 3 members and the members are appointed by the Board of Commissioners. Pursuant to its Charter, the Remuneration Committee shall meet at least 1 (once) a year and the meeting shall be attended by at least 2 (two) members.

Based on Circular Resolutions of The Board of Commissioners of PT Telekomunikasi Selular (Company) on Appointment of Committee Members of the Board of Commissioners, the members of the Remuneration Committee during 2017 financial year are:

a. From January 1, 2017 till May, 4 2017:
   - Edwin Hidayat as chairman
   - Harry Mozarta Zen as member
   - Yuen Kuan Moon as member
   - Priyantono Rudito as member
   - Ahmad Setiawan Nuraya as member

b. From May 5, 2017 till end of December 2017:
   - Yuen Kuan Moon as Chairman
   - Harry Mozarta Zen as member
   - Yose Rizal as member
   - Irfan Ahadi Tachrir as member

In 2017, there were a total of 3 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 regarding 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, but are not limited to, the following:
a. The Capex planning and management process.
b. The financing policies and plans of the Company.
c. The capacity management, supply chain and operational targets.

The CFMP Committee reports periodically to the Board of Commissioners. Its report contain a summary of the CFMP Committee's activities, findings and recommendations. The CFMP Committee shall comprise 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 shall be a 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.

Based on Circular Resolutions of The Board of Commissioners of PT Telekomunikasi Selular (Company) on Appointment of Committee Members of the Board of Commissioners, the members of the Capex, Financing & Management Process (CFMP) Committee during 2017 financial year are:

- Harry Mozarta Zen as Chairman
- Yuen Kuan Moon as member
- Heri Supriadi as member
- Pramasaleh Hario Utomo as member

In 2017, there were a total of 5 CFMP Committee meetings with a total of Rp12.56 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. PT 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 August 12, 2016, the composition of Telkomsel's Board of Directors effective as from August 12, 2016 was as follows:

TELKOM 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 REPRESENTATIVES

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

Based on the shareholders resolution dated January 3, 2017, the composition of Telkomsel's Board of Directors effective as from January 16, 2017, was as follows:

TELKOM REPRESENTATIVES

President Director	Ririek Adriansyah
Director of Sales	Sukardi Silalahi
Director of Finance	Heri Supriadi
Director of Human Capital Management	Priyantono Rudito
Director of Network	Sukardi Silalahi

SINGTEL REPRESENTATIVES

Director of Planning and Transformation	Edward Ying Siew Heng
Director of Information and Technology	Montgomery Andrew Hong
Director of Marketing	Alistair David Johnston

The above composition was valid until the Annual General Meeting of Shareholders held in year 2017.

At the Annual General Meeting of Shareholders of the Company held on 5 May 2017, the shareholders has resolved the new composition of Telkomsel's Board of Directors effective as from May 5, 2017, as follows:

TELKOM REPRESENTATIVES

President Director	Ririek Adriansyah
Director of Sales	Sukardi Silalahi
Director of Finance	Heri Supriadi
Director of Human Capital Management	Irfan Ahadi Tachrir
Director of Network	Bob Apriawan

SINGTEL REPRESENTATIVES

Director of Planning and Transformation	Edward Ying Siew Heng
Director of Information and Technology	Montgomery Andrew Hong
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 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	39
Mas'ud Khamid	Director of Sales	10
Sukardi Silalahi	Director of Sales	26
Heri Supriadi	Director of Finance	34
Sukardi Silalahi	Director of Network	11
Bob Apriawan	Director of Network	26
Priyantono Rudito	Director of Human Capital Management	10
Irfan Ahadi Tachrir	Director of Human Capital Management	23
Edward Ying Siew Heng	Director of Planning and Transformation	35
Ng Soo Kee	Director of IT	0
Montgomery Hong	Director of IT	37
Alistair David Johnston	Director of Marketing	33

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, namely fixed compensation, variable compensation, benefits and facilities.

1. Fixed Compensation
Fixed Compensation comprises the base salary with reference to the AGMS dated May 5, 2017.

2. Variable Compensation
Variable Compensation shall be paid in form of a yearly bonus. The amount of yearly bonus will be determined in the AGMS.

3. Benefits & Facilities
Telkomsel provides benefits such as medical, allowance, housing, membership, communication and insurance.

For the year ended December 31, 2016 and 2017, the Company paid aggregate compensation of Rp219.6 billion and Rp239.1 billion to all Commissioners and Directors, an increase of 8.8%.

EXTERNAL AUDIT

During the AGMS, Telkomsel's shareholders empower the Board of Commissioners to appoint external auditors. The external auditors serve 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 the 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 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 whistleblowing policy. This policy regulates the ways in which an employee or other parties report fraud, unethical behavior, corruption, dishonest practices or breaches 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 operations, particularly in terms of the alignment of interests 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 effective communication between the Company, the regulators and mass media and develop the Company's capability to fulfill its obligations to the Government.
- To manage working facilities and infrastructure in order to facilitate the efficient and effective operation of the Company.

To develop 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 a 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 team is responsible for:

- The distribution of accurate and complete information on the Company's business activities, strategies and performance in a timely manner.
- The issuance of Info Memos on a quarterly basis, which will be inserted into Telkom's quarterly Info Memo, and the Annual Report.
- Participation in a series of corporate events, such as road shows and conferences, investor meetings and site visits with the holding companies.

In 2017, we held 347 meetings with investors/analysts and held a total of 14 non-deal road shows/conferences in Singapore, Jakarta, Bali, Hong Kong, Taiwan, Kuala Lumpur, London, San Francisco, Boston, New York, Switzerland, Paris, Frankfurt and Amsterdam. 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.

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INTERNAL AUDIT

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THE FUNCTION AND ROLE OF INTERNAL AUDIT

The Internal Audit is an independent and objective unit which is focused on assurance and consulting activities designed to improve an organization's operations added value. 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 which refers to Internal Audit Charter that's sets out vision, objectives, and scope of works of the audit organization. Referring to its charter, the Internal Audit has dual accountability to the Audit Committee for functional matters and the President Director for administrative matters.

INTERNAL AUDIT PROGRAMS AND ACTIVITIES IN 2017

Our Internal Audit programs for 2017 were focused on a number of goals in support of Telkomsel's transformation into a Digital Company focused on Digital Services. These goals were as follows:

1. To be a Smart Partner and support achievement of the corporate vision to be "Be a World Class, Trusted Provider of Mobile Digital Lifestyle Services and Solutions"
2. To ensure the reliability and integrity of financial and operational information

3. To ensure the efficiency and effectiveness of business operations
4. To safeguard both tangible and intangible assets
5. To ensure compliance with internal and external regulations.

In order to achieve these goals, we carried out a number of assurance and consulting activities during 2017 as follows:

1. Assurance
   a. Audit of Intercompany Transactions
   b. Audit of ISO 20000 Service Management System – SMS Certification
   c. Audit of ISO 27001 Surveillance
   d. Audit of User Access – Vendor Governance
   e. Audit of TCASH Operation
   f. Audit of ISO 9001 Quality Management System (QMS Certification)
   g. Audit of Interconnect and International Roaming
2. Consulting
   a. Review of non-productive assets in ICT Area
   b. Review of implementation of new procurement policy 2016
   c. Consulting on implementation and assurance tools for the Collaborative Network Optimization Project (CNOP)
   d. Consulting to Digital Lifestyle revenue assurance

We also support integrated audits in 2017 including financial review and analysis for both Quarterly Limited Reviews and Manual Adjustment Reviews, and for SOA Audit (Transactional, Entity Level and IT General Controls). We also provided additional consulting services and followed up on whistleblowing reports as part of the Whistle Blower System.

In addition, in line with Telkomsel's transformation to become more customer centric, we have also developed a satisfaction survey index to measure the satisfaction levels of Internal Auditee/Client as well as customers, in response to the support activities given by Internal Audit.

IMPROVEMENTS IN 2017

We have reviewed and enhanced our audit and consulting processes with several improvements as follows:

1. Introducing Generalized Audit Software for Continuous Auditing
2. Implementing Audit Management System
3. Updating Manual Audit, Policy and Internal Audit Business Process

ENTERPRISE RISK MANAGEMENT

As a provider of cellular telecommunications services, Telkomsel continuously transforms from year to year in order to become a digital company and the best operator leading the Indonesian telecommunication industry. To achieve these aims, the Company establishes annual strategic objectives/initiative, which in the course of realization may encounter obstacles. The Company, through the Enterprise Risk Management Unit has identified, assessed, monitored the risks and attempted to implement mitigation plans.

A. RISK POTENTIAL

Among others, the following risks may potentially hamper the Company's performance and mitigation response to such risks:

Loss of competitive advantage due to changes in regulations

Regulations are one of the most crucial factors in the telecommunications industry, as they can change the business direction of a company. The following 2 (two) regulations will have a significant effect on the Company's business:
a. Interconnection Tariffs
b. Network/Spectrum Sharing

Interconnection Tariffs

The determination of long-term interconnection tariff reductions has the potential to create unhealthy competition and reduce the quality of services as tariffs are not calculated on a cost base, whereas different costs are incurred by each operator, and different numbers of devices are used. The stipulation of the interconnection tariff as mentioned above gave rise to a prolonged polemic which ultimately prompted the Ministry of Communication and Informatics to postpone its implementation until an independent study could be carried out.

The Company has been conducting intensive discussions regarding the negative impacts of interconnection tariffs with interested parties such as regulators, practitioners/telecommunication experts and the general public.

Network/Spectrum Sharing

The Government through the Ministry of Communication and Informatics has conducted a public hearing of the Draft Government Regulation on the Amendment to Government Regulation Number 52 of Year 2000 on Telecommunication Implementation and the Amendment to Government Regulation Number 53 of 2000 on Radio Frequency Spectrum Usage and Satellite Orbit. The regulation appears to lead to backbone sharing obligations and B2B (Business to Business) obligations for network/spectrum sharing that could potentially have a negative impact on the Company's business.

Therefore, the Company has submitted a preliminary recommendation to the Government that network/spectrum sharing should only be applied to the new telecommunication infrastructure in rural, outlying, remote, and/or non-commercial areas that have not been covered by telecommunication network providers due to the high development cost.

Inability to monetize digital services and offset declining growth in legacy revenue

Legacy revenue from Voice and SMS has continued to exhibit a declining trend, as customers chose to use OTT (Over The Top) to communicate rather than using text messages or Voice. Cellular operators can not necessarily follow the business models of these OTT. Cellular operators earn revenue from minutes of usage and customer data quota. The more customers who use Voice and Broadband services, the greater the revenue earned. Whereas OTT are characterized by business sharing, free transactions and bonus systems, and prioritizes enterprise value, with revenue from advertising. Cellular operators face a challenge in that their network is only used as a tool by OTTs for transportation (dumb pipe) with a revenue share below that of the OTTs' business model which even tends to erode the Legacy telecommunications operators' market. On the other hand, this has helped drive the significant of Broadband growth as well as accelerating customer for fast internet speed.

To anticipate these developments, the Company has entered into the digital business with a serious focus on transforming the business into a fully digital company through its customer products and services. Currently, there are 3 Digital Services continues to development, such as M2M, TCASH and Big Data. The Company has also expanded the range and user friendliness of its digital service products, establish cooperation with a variety of public services. The Company has also approached regulators in related to fintech (financial technology) utilization policies in support of TCASH development and big data utilization.

Insufficient infrastructure to lead 4G market

As related to the development of Broadband, following regulatory approval of the use of multiple frequency bands in 4G/LTE implementation, operators are vying to increase the capacity and quality of 4G/LTE networks. Various development strategies have been carried out, ranging from rolling out 4G/LTE in big cities to establishing broadband cities and development at the district city

level. One of the keys to winning the competition in the Broadband era is the deployment of a comprehensive 4G/LTE network, apart from making 4G handsets available and holding marketing programs.

Customer usage of 4G/LTE poses enormous opportunities for the Company, but on the other hand competitors have very aggressively developed their 4G/LTE service. Previously, the Company had fewer 4G/LTE (eNode B) BTS than other operators. Another condition faced by the Company is the limited frequency allocation that can be used to deploy 4G/LTE services, as the 900 MHz and 1800 MHz frequencies are still allocated to handle significant 2G traffic.

Through massive deployment over time, as of the end of December 2017, the Company had more 4G/LTE BTS than other operators. Meanwhile, to overcome the limitations of its current frequency allocation, the Company actively participated in obtaining

frequency allocations offered by the Government for additional frequency to anticipate growth in its customer base, especially 4G/LTE growth, and in October 2017 the Company was officially declared the winner of additional 30 MHz bandwidth at the 2300 MHz auction.

Gaps in customer experience may impair the Company's image

In this digital era, it is easy for customers to express their opinions over various media, including social media. Thus in a short of time, customers' positive/negative opinions can quickly go viral. This can affect the image of the Company either positively or negatively.

These changes in customer behavior require an intelligent response from the Company. To that end, the Company has launched Customer Experience (CX) as one of the long-term programs executed by the Company. Showing the Company's commitment, the initial establishment of the CX Group taskforce was continued by the establishment of the CX Group organization, one of whose tasks it is to conduct continuous evaluation and improvements

towards creating the best customer experience. CX Management brings a customer-centric approach to product/service development.

Vulnerability of IT/Network security

As a company whose business relies on information technology and networking, security is a factor of concern for the Company. The Company makes systematic efforts to improve its IT/Network security over time, whether through policies, programs, or the use of technology to reduce incidents or attacks. However, this does not mean the elimination of IT/Network security risks. The more complex or sophisticated a system, the higher the need for security.

According to ISO / IEC 17799:2005 regarding information security management systems, information security refers to protective actions against various threats to ensure business sustainability, minimize business risk, and increase investment and business opportunities.

As a company in the midst of a transformation into a digital company, the Company understands that information and technology are the backbone and driving force of its business. In line with the growth of its business, the Company's information technology and telecommunication technology has undergone rapid development and become increasingly complex.

The increasing complexity and speed of information technology and telecommunications systems have also brought an increase in incidents and threats to IT/Network security, caused by among others by:

- Increasing numbers of internet users with higher capabilities
- Relatively fast and increasingly complex technological developments
- Applications/equipment with multiple entry points (VPN, BYOD)
- Connectivity of applications/system with external parties caused by the nature of a product/service, remote connection by partners, or managed service.

The Company has implemented several steps and continuously conducts these activities in anticipation of IT/Network security threats, towards reducing incidents:

- Communication and training related to security awareness
- Increased effectiveness of cyber security systems/SOC) (Security Operation Center)
- UAM (User Access Management) improvements
- Improved firewall system with Next Generation Firewalls
- All revenue-related systems are safeguarded in a DMZ (Demilitarized Zone)
- Implementation of office segregation at the TTC (Telkomsel Telecommunication Center)

B. RISK MANAGEMENT & INTERNAL CONTROL IMPROVEMENT PROGRAM

Maturity Assessment

In 2017, the Enterprise Risk Management Unit conducted an assessment to measure the maturity level of Risk Management and Internal Control implementation in the Company based on global best practices. This is done as a continues effort to improve the implementation of Risk Management and Internal Control in the Company.

Based on the assessment results, the implementation of risk management and internal control has been executed, but needs to be improved by among others:

- Increasing the role of risk management in executing the Company's strategy
- Establish risk values and a risk culture within the organization as the basis for effective risk management, so that all elements in the Company participate in this risk culture.
- Increase use of technology to ensure more integrated implementation of internal controls.

Internal Control Improvement

In addition to maturity assessment, improvements were also made to the business processes and Risk Control Matrix (RCM) related to financial reporting process (ICoFR). These improvement were undertaken to ensure the alignment of business processes and controls with the condition of the Company, among others due to organizational change and automatization to simplify processes.

C. ROLL OUT AND COMMUNICATION OF BUSINESS CONTINUITY MANAGEMENT (BCM) AT REGIONAL LEVEL

The Company is committed to providing quality services as a provider of telecommunication services. On the other hand, the Company is potentially unable to deliver the promised services due to business interruptions such as natural disasters or crisis situations that result in stoppage of the Company's operation.

To anticipate these potential threats, the Company applies BCM, which is formulated and implemented at the regional level. BCM takes into account disasters/crisis scenarios that affect business sustainability in the provision of services to customers and minimizes potential loss impacts. The Business Continuity Plan also follows Best Practices methodology and is periodically evaluated.

The Company continuously carries out communication/training and simulates disaster/crisis scenario handling, adjusting the natural disaster/crisis type in line with each area.

REGULATORY MANAGEMENT

REGULATORY REPORTING & LICENSE MANAGEMENT

1. Network and Service Operation Licenses (Change of Company Address)

In connection with the change in address of Telkomsel's head office, the Government (Ministry of Communications and Informatics) has issued renewed licenses for Telkomsel's Network and Services consisting of an Internet Service Provider license, Content Provision license, Provision of Internet Telephony Service for Public Utilization license, and License to Operate a Mobile Cellular Network.

2. Acquisition of 5G Trial License

In May 2017, the Directorate General of Resources and Equipment for Post and Information Technology has issued a letter of approval allowing Telkomsel to conduct a trial of 5G technology, which states that in principle the Directorate General of Resources and Equipment for Post and Information Technology supports Telkomsel's plan to trial 5G technology on the 71.5 GHz – 73.5 GHz frequencies. Telkomsel has also obtained approval to use these frequencies for 5G trial activities with the issuance of a Radio Station License.

3. Approval to Commercialize 4G LTE Technology Service On 2100 MHz Band

In relation to the establishment of neutrality in the use of technology on the 2100 MHz frequency band, the Government has issued a Ministerial Decree of the Ministry of Communication and Informatics which stipulates the neutral use of technology on the 2100 MHz radio frequency spectrum band by Telkomsel, and in August 2017 Telkomsel received a *Surat Keterangan Laik Operasi* (Certificate of Operational Feasibility) for 4G Long Term Evolution (LTE) service and technology. On this basis, Telkomsel may conduct or commercialize 4G LTE service nationally on its 2100 MHz radio frequency spectrum band.

4. Acquisition of 2300 MHz Radio Frequency Band

In October 2017, the Government issued a Ministerial Decree Stipulating PT. Telekomunikasi Selular as the Winner of the 2017 2.3 GHz Radio Band Frequency Selection for Mobile Cellular Network Implementation, whereas in November 2017 the Government has also issued a Radio Frequency Band License (IPFR) to Telkomsel for the acquisition of the 2300 MHz frequency band, which stipulates that this Usage License applies from November 2017 to November 2027 for the 2300 MHz – 2330 MHz TDD (Time Division Duplexing) Mode frequency range and may be used nationally for the operation of Mobile Cell Networks using neutral technology.

5. Approval of Commercialization of 4G LTE Technology Service On 2300 MHz Band

In connection with Telkomsel's stipulation as the winner of 2300 MHz frequency band user selection and the issuance of the 2300 MHz IPFR , in November 2017 the Government stipulated a Ministerial Decree of the

Ministry of Communication and Informatics which included the use of the 2300 MHz frequency band for the operation of mobile cellular networks using neutral technology, and in November 2017 Telkomsel obtained a Certificate of Operational Feasibility (SKLO) for the implementation of 4G Long Term Evolution (LTE) service and technology, and thus based on these developments Telkomsel may already conduct or commercialize national 4G LTE service on its 2300 MHz radio frequency spectrum band.

6. **Rearrangement of 2100 MHz Frequency Band**
Related to the fact that the entire 2100 MHz frequency band block is full, in November 2017 the Government established a Ministerial Decree whereby the frequency restructuring activities will commence in November 2017 and end in April 2018. In the process of this frequency rearrangement ,Telkomsel must move 1 (one) block of 5 MHz from 1930 - 1935 MHz paired with 2120 - 2125 MHz to 1945 - 1950 MHz paired with 2135

- 2140 MHz, ultimately resulting in Telkomsel possessing a 2100 MHz frequency band with a working frequency of 1935 - 1950 MHz paired with 2125 - 2140 MHz.

7. **Compliance with Telkomsel's obligations to the Government**
During 2017, Telkomsel was declared to have complied all obligations issued by the government, including:
- In relations to compliance with 3G technology domestic component levels (TKDN) for both Capital Expenditure (CAPEX) and Operational Expenditure (OPEX) components, based on the verification results issued by the Ministry of Communication and Informatics, Telkomsel's TKDN CAPEX and OPEX levels exceeded their respective 30% and 50% Government targets.
- In relation to the level of fulfillment of mobile cellular network quality services, both in terms of quality of service and network quality, Telkomsel has been deemed to meet the minimum standards issued by the government in 2017 for network quality based on Government measurement results. Whereas

the conclusion of service quality fulfillment is based on audit results/verification by the Ministry of Communication and Informatics on all data parameters submitted by Telkomsel.
- Telkomsel has complied with all Radio Frequency Band License BHP payment obligations before the deadline stipulated by the Government for the 2100 MHz frequency band (first, second and third carrier), the 900 MHz frequency band, 800 MHz frequency band and 1800 MHz frequency band.
- Telkomsel has fulfilled all payment obligations to the Government related to Right of Telecom Operation Fees (BHP Jastel) and its Universal Service Contribution (KPU/USO), whose liability is calculated on a self-assessed basis in line with prevailing laws and regulations.

LITIGATION CASES

USO TELINFO-TUNTAS

In December 2011, the Telkomsel Consortium (consisting of The Company and PT. Dayamitra Telekomunikasi) was appointed by the Institution for the Provision and Controlling Financing of Telecommunication and Informatics Technology ("BP3TI") to implement Universal Service Obligation ("USO") Project Telinfo-Tuntas in which the Consortium was to build telecommunication infrastructures and provide telecommunication services for border regions and remote islands as determined by the Government. The project consisted of 13 work packages with 286 sites across Indonesia.

In October 2013, the Telkomsel Consortium has finished building the necessary infrastructure to provide the telecommunication services, marked by the signing of the handover document between the Telkomsel Consortium and BP3TI. However, BP3TI has not yet issued the Approval Letter to begin the operational stage of the project. Even though the Approval

Letter has not yet been issued, the Consortium continued to operate and maintain telecommunication services at USO Telinfo-Tuntas sites.

In March 2015, BP3TI unilaterally terminated the project before the end of its duration. Management believes that BP3TI's unilateral termination is a breach of contract and accordingly filed a lawsuit with the Indonesia National Board of Arbitration ("INBA") on January 27, 2016. INBA, in a June 2017 decision, decided that BP3TI committed a breach of contract and charged it to pay compensation to the Company in the amount of Rp217.7 billion.

As of November 2017, the company has received Rp91.4 billion of compensation from BP3TI while the remaining compensation of Rp126.3 billion is currently still in process.

USO DESA PINTER

In December 2011, the Company was also appointed by BP3TI to implement the Desa Pinter USO Project for which the Company was to provide internet services for rural areas. In implementing the

project, the Company entered into agreement with Teleglobal Aprotech Consortium as a partner with the acknowledgement of BP3TI in February 2012. The agreement with Teleglobal Aprotech Consortium was novated to PT. Indo Pratama Teleglobal ("PT.IPT") in March 2013. The project consisted of 3 work packages with 880 sites across Indonesia.

In April 2013, the Company and PT IPT finished building the necessary infrastructure to provide internet services and BP3TI issued an Approval Letter on the same date for the operational stage of the project.

In March 2015, BP3TI unilaterally terminated the project before the end of its duration and even though the internet services have been operational since April 2013, the Company has not yet received any payment from BP3TI and therefore could not pay any share of revenue to PT IPT as the Company's partner.

In February 2016, PT IPT filed a lawsuit in INBA naming the Company and BP3TI as defendants. INBA, in its February 2017 decision, decided that BP3TI committed a breach of contract

and charged it to pay compensation amounting to Rp34.5 billion to the Company. The Company was also charged to pay a share of revenue to PT IPT in the amount of Rp28.9 billion.

As of November 2017, the company has received full compensation from BP3TI. In December 2017, the Company has paid the revenue share to PT IPT.

VAT DISCOUNT USAGE FOR 2010

In March 2012, Directorate General of Taxation ("DJP") issued a Tax Underpayment Assessment Letter ("SKPKB") which stated that the company had paid insufficient VAT related to discount usage for 2010 in the amount of Rp292.1 billion.

In this case, management believes that there is no tax breach related to discount usage by the company. Accordingly, the Company filed an objection, but this was rejected by the DJP. In July 2013, the company filed

an appeal in the Tax Court. In March 2015, the Tax Court issued a decision to grant the company's appeal and revoke DJP's SKPKB.

In June 2015, the DJP filed a judicial review in the Supreme Court (SC) to contest tax court's decision. In March 2017, SC decided to revoke the tax court's decision, and the company must therefore pay up the insufficient VAT payment for 2010 as mentioned in the SKPKB.

In July 2017, the company filed a Judicial Review over the previous Supreme Courts Judicial Review Decision (JR over JR) on the basis of a contradiction between multiple SC decisions. Currently the JR over JR process is still ongoing.

CORPORATE INCOME TAX FOR 2011

In November 2014, Directorate General of Taxation (DJP) issued a Tax Underpayment Assessment Letter regarding the Corporate Income for

the 2011 Tax Year of Telkomsel. It stated that Telkomsel underpaid its Corporate Income Tax for 2011 in the amount of Rp257.8 billion.

In Desember 2014, the company filed an objection, but DJP, in its November 2015 decision, decided that the company must pay its Corporate Income Tax Underpayment for 2011 in full.

In February 2016, the company filed an appeal in the tax court. In February 2017, the tax Court issued a decision granting the company's appeal and required the company only to pay Corporate Income Tax Underpayment amounting to Rp10.2 billion instead of Rp257.8 billion.

In July 2017, Telkomsel received a notice from the Tax court that the DJP has filed a judicial review ("JR") contesting the Tax court's decision. Currently, the JR process is still ongoing.

NEXTDEV

A Start-up competition to explore the potential of young developers in developing mobile apps.

CHAPTER 06

CORPORATE SOCIAL RESPONSIBILITY

CSR SUPPORTS THE VISION AND MISSION OF THE COMPANY

Telkomsel's vision is to be a world class, trusted provider of mobile Digital Lifestyle services and solutions, with a mission to deliver mobile Digital services and solutions that exceed customers' expectations, create value for our stakeholders and support the economic development of the nation. Telkomsel's numerous CSR programs and initiatives have therefore been designed to support the achievement of the Company's vision and mission.

Through its various CSR programs, Telkomsel wishes to strengthen its position as a company that innovates through technology, delivering products and services to help overcome various social economic problems, while providing added value for Indonesia.

Telkomsel's CSR Objectives

In conducting its CSR program, Telkomsel has several key objectives as follows:
- Maximizing the positive impact of the company on society through technology.
- Introducing the latest innovations from Telkomsel in the field of technology, in the form of excellent products or services to solve various social problems, and at the same time increasing public adoption of technology.

CSR and Sustainability

As a company operating in various locations throughout Indonesia which is in direct contact with society at large, Telkomsel always strives to impact its environment positively, in order to support the company's future sustainability. Various CSR programs have been designed for that purpose, with the clear aim to provide broad benefits for the community.

CSR Strategy

In order to support the achievement of the company's 2017 goals and targets, particularly with regard to the company's mission to become a digital company, Telkomsel has established strategic initiatives to build CSR program platforms that efficiently based on ICT, and that have a long-term and sustainable perspective. The programs that were established as masterpieces for 2017 (and which will be continued in the coming year) comprised creative digital programs targeting youth communities and cyber wellness programs for children, parents and teachers.

These strategic CSR initiatives were elaborated and realized through CSR programs in four (4) pillar categories, namely Education, Digital Citizenship, Community Empowerment & Wellbeing, and Philanthropy.

EDUCATION

1. IndonesiaNEXT

Implementation of this program began in 2016, in light of the fact that technological advances, especially in the fast-growing digital field, has resulted in competition and global business competition intensifying from year to year. The intensifying rate of competition requires the youth generation to improve their capacity and quality, as well as to enhance their skills and competencies to compete at national and international level.

The IndonesiaNEXT 2017 Roadshow featured a series of seminars to inspire students, competency training (hard and soft skills), and ended with international certification examination programs. In 2017, no less than 3,800 participants from 344 public and private campuses throughout Indonesia attended certification programs supported by national and international certification bodies.

Featuring the theme of "Get Ready To Be The Next", IndonesiaNEXT roadshow program was held in 6 (six) locations, covering Medan, Jakarta, Yogyakarta, Surabaya, Makassar, and Bandung. At those events, student participants

from various university departments participated in inspirational seminars which presented successful business practitioners from various fields as speakers. This seminars were expected to broaden the participants understanding of the importance of human resources quality improvement and competence, in order to compete on a global scale with a world-class workforce.

In the certification training session, the participants of Indonesia NEXT 2017 received training that honed their communication skills. The three-day training session introduced students to the latest skills and knowledge.

2. Scholarships for Students

Under this program, which began in 2015, Telkomsel provides scholarships for Indonesian children from outside Java. The program was created to provide access to and learning opportunities in universities for students with academic potential who economically disadvantaged. On this basis, children from these regions are entitled to receive scholarships from Telkomsel to continue their education to college level at Telkom University Bandung.

The scholarships provided for these students do not just cover educational funding assistance, but also provides assistance for monthly needs such as shelter, pocket money and communication expenses. Telkomsel even provides students with yearly airplane tickets to their hometown. The students receive assistant for all of these costs until they graduate. There is also a motivational program to enhance and encourage learning for scholarship recipients. Subsequently, these scholarship recipients will receive priority as candidates in the Telkomsel employee hiring process in the future, after they graduate.

This program is expected to fulfill the need for staffers in the Papua Maluku (PUMA) region and helps children in the PUMA region to realize their potential, so that the cadres in this region can contribute positively towards developing their territory while working at Telkomsel and Telkom Group. This scholarship program is a breakthrough initiative and a model program to identify the most talented youngsters in the regions early on, who will become candidates for employment by Telkomsel down the road.

DIGITAL CITIZENSHIP

1. THE NEXTDEV 2017

The NextDev Competition
Telkomsel supports positive digital ecosystem development by young Indonesians to create opportunities that will ultimately drive change in society. One such initiative is The NextDev program, which has been held since 2015. The NextDev 2017 was themed 'Karya Anak Bangsa untuk Solusi Indonesia' (Local Wisdom for National Solutions), and challenged young startups to create digital applications that provide positive social impact. This is also done in order to support the development of the digital ecosystem in Indonesia.

Through The NextDev 2017, Telkomsel supports Indonesia's digital development in both urban and rural areas through technology. In the NextDev 2017 competition, the categories that participants could choose to develop solutions for reflected various aspects that directly affect public life, which are Health, Education, Agriculture, and Transportation.

Each time The NextDev has been held, the Indonesian youths have shown high levels of enthusiasm to contribute to change. Submissions from participants came from various locations ranging from the district of West Aceh to the city of Jakarta and the districts of Luwu, South Sulawesi and Jayapura. As a provider of Broadband services to remote areas, Telkomsel naturally sees this development as a positive sign that the digital ecosystem is growing in various locations in Indonesia.

This year, Telkomsel managed to attract 1,797 submissions from all over Indonesia. In determining the 20 best participants in The NextDev 2017, the judges assessed five components, consisting of the problem, solution, business model, readiness level and visualization. With regard to the problem component, participants are assessed based on the context of the social problem they want to solve, while the solution component assesses the application/web product's social impact as a solution for the community. The business model component assesses the design

of the business to evaluate the startup contestant's potential for future, the readiness level component assesses the readiness of the startup application, and the visualization component assesses the appearance of the application/web prototype display and the participants' pitch decks.

Here are 20 finalists of The NextDev 2017:

SUB THEME	APPLICATION/PLATFORM	CITY
Health	Lactashare	Malang
	CekMata	Surabaya
	I Care Indonesia	Jakarta
	Medicaboo	Pekanbaru
	Comrades	Bandung
	Siab Siaga	Surakarta
Agriculture	Karapan	Surabaya
	Kopitani.ID	Makassar
	Pak Tani	Medan
	LindungiHutan	Semarang
	Bantu Ternak	Yogyakarta
	Growpal	Surabaya
Education	Qeedee	Depok
	Squiline	Jakarta
	Kapiler	Depok
	EduBraille	Surabaya
Transportation	Marlin Booking	Batam
	Share Trans	Denpasar
	Go Bandung Disiplin	Bandung
	Botika	Yogyakarta

3. Karapan (e-Agriculture)

Karapan is a modern livestock e-commerce platform application that provides meat products from quality local farmers and that are guaranteed to be halal. This application can also assist farmers in managing their livestock, and connects farmers with prospective beef buyers as well as investors who want to invest in the cattle breeding business.

4. Marlin Booking (e-Transportation)

Marlin Booking is an application that enables for people to book ferry tickets more easily. Marlin Booking currently handles ferry reservations for the Batam-Singapore-Johor route.

The NextDev Academy

The NextDev Academy 2017 is a 4-month mentoring program for the 32 finalists of the 2015 and 2016 NextDev. Through NextDev Academy, the finalists get insights that are useful and targeted so as to develop their applications more effectively, while also ensuring the continuity of the application developer community and an application-based digital ecosystem.

The finalists who qualified for the Top 20 were invited to participate in mini bootcamp activities, where they receive material on public speaking, investment, organizational, and leadership. The finalists subsequently go through a final selection stage in front of the jury.

From this final selection phase, the four best teams will be chosen as the winners of the The NextDev 2017. They will receive prizes in the form of Market Access, Marketing Publicity, Mentoring, a Management study trip to digital businesses overseas, Money in the form of cash prizes, the opportunity for Monetizing in collaboration with stakeholders, and Match Expert (professional recruitment in line with the needs of a growing startup).

Profiles for the Best of The Best NextDev 2017:

1. Cekmata (e-Health)

Cekmata is a machine learning based application that can detect early or acute eye cataracts. This application is able to estimate cataract disease in users with an accuracy rate of 75% to 85%.

2. Squline (e-Education)

Squline is a website-based education app that offers the services of professional foreign teachers for reliable learning and quality education. In addition, Squline provides learning methods that can accelerate the language learning process and interaction with teachers.

The NextDev Academy aims to help social technopreneurs scale through self-development and improving their abilities in product development, marketing, startup finance & budgeting, team & talent management, investment, and business transformation.

In The NextDev Academy program, participants will gain comprehensive knowledge and information to improve the quality of the applications they create so that they can build a business in the near future. In addition, participants will also learn various skills in depth in order to produce a mature product planning strategy that is ready for the market.

The participants of The NextDev Academy are guided by mentors who have expertise in developing startups. In addition, the skills and knowledge of the participants of NextDev Academy will be further enriched by the presence of industry experts and special experts from various categories such as investment, UI/UX, fashion, transportation, agriculture, education, small and medium enterprise (SME), tourism and waste management .

The 32 teams participating in the The NextDev Academy participants go through several stages, which consist of the Assessment, Engagement, Enhancement, Establishment and Inauguration stages. After passing these stages, two evangelists will be selected to receive rewards in the form of Seed Money, Representative Office space, Networking, and Publicity. This year, the two selected startup evangelists were Habibi Garden and Vestifarm.

2. INTERNET BAIK

#internetBAIK is a digital citizenship program, formed due to recognitions that the most important foundation supporting this digital ecosystem is the human character of its users. #internetBAIK is a Telkomsel CSR program that is designed to provide internet users with navigation and guides that enable them to derive optimal benefits while suppressing any negative impacts The program's materials and campaigns encourage responsible and ethical usage by Internet users, involving an understanding of the risks of harmful online behavior so as to be conscious of protecting themselves and others' safely, while using and leveraging the Internet to drive improvements and positive contributions to society at large in order to improve the quality of the digital lifestyle in Indonesia.

Starting in 2016, Telkomsel and its three partners, Yayasan Kita and Buah Hati, Kakatu and ICT Watch, decided to put together and expand a GOOD (Responsible, Safe, Inspirational and Creative) Internet education

campaign through a program and movement that was better integrated and planned with more partcipants, so that comprehension of #InternetBAIK can become a necessity for all parties. This #internetBAIK material is expected to serve as a role model and reference for digital literacy in Indonesia, with a Digital Citizenship Education (DCE) or #internetBAIK educational concept that teachers can implement in educational institutions together with parents and digital ecosystem communities. This concept covers 4 aspects:

a. Digital Awareness and Behavior
b. Right to Digital Information (Digital Rights and Netizenship)
c. Digital Safety
d. Digital Content and Creativity

In 2017 the #InternetBAIK program was socialized in 15 cities, covering: Sukabumi, Purwokerto, Semarang, Denpasar, Selong, Serang, Ambon, Palu, Pinrang, Jayapura, Balikpapan, Pontianak, Banda Aceh, Bengkulu and Dumai for 2 days. The activities consisted of a seminar and workshops for parents, teachers, the municipal government, social community and bloggers.

3. PETANI (Peduli Tani Anak Negeri, or 'Caring for the Nation's Farmers')

In the midst of low agricultural productivity issues as related to national food security, farmers' low quality of life from an economic standpoint, and amount of agricultural land in Indonesia, we see a significant opportunity for Telkomsel to leverage its capabilities to enter the agriculture industry. Telkomsel realizes that villages are the future of Indonesia. The strength and growth of the Indonesian economy will depend on private sector development that is driven by rural homes and families.

The PETANI (Peduli Tani Anak Negeri) Program is a manifestation of the spirit of "Building Digital Indonesia", in accordance with the direction of Management and the Memorandum of Understanding between Telkomsel with Habibi Garden and Eragano (both NextDev alumni) through our CSR program. Our CSR program functions as an incubator to effectively accelerate start up results from NextDev Telkomsel that are focused on agriculture, in order to contribute to creating a good digital ecosystem and collaborate in bringing tangible solutions for the nation.

The PETANI program is an agricultural pilot project that offers a complete solution towards improve farmers' welfare and livelihoods by touching on 3 aspects of the value chain, which are market inbound supply on supply (upstream/supply), market of consumption, and buyers market (downstream/distribution).

This program is expected to benefit farmers by giving them hope of a better life, one where they can be proud of using technology in their noble profession towards maintaining the food security of the nation. A joint movement has also sprung up to revitalize villages as communities of the future by achieving a high quality of life that is balances physical, social and spiritual aspects. The farming community is furthermore expected to increase and accelerate its mastery of information and utilization of technology, including mastery of the Internet, digital ecosystems and other sensor and automation technology that is appropriate for village usage in particular farmers. Thus, farmers can become more prosperous with improved productivity and effective usage of existing resource.

COMMUNITY EMPOWERMENT AND WELL-BEING

1. Disaster Handling System (TERRA)

Telkomsel Emergency Response and Recovery Activity (TERRA) is Telkomsel's front end disaster handling program, as Telkomsel is the largest cellular operator in Indonesia and has responsibility to the public to ensure good, reliable communication networks in disaster areas which can facilitate actions ranging from humanitarian and disaster response efforts to post-disaster rehabilitation and disaster mitigation processes.

This program, which has run since 2010, has many volunteers consisting of both internal Telkomsel employees and external parties. These volunteer employees have previously participated in basic rescue training including Water Rescue, Vertical Rescue, and Posko management. Since its launch in 2010, at least 500 employees have been trained and

prepared to volunteer in the event of a disaster. External Volunteers are volunteers who nature lover groups, who are integrated into a partnership so as to help provide solutions for Telkomsel when conducting disaster mitigation. Currently TERRA volunteers are scattered throughout all of Telkomsel's working areas.

In 2017, TERRA carried out the following activities:

a. TERRA – Technology-based TERRA Training

Disaster response and mitigation in Indonesia should be directed at disaster prevention and disaster risk reduction (DRR). This drove the management to conduct IT-based TERRA application development training programs in its CSR programs so as to produce effective disaster management programs.

This is also expected to support the continuity of Telkomsel's operations during disasters, where telecommunication services are essential for the acceleration

of disaster recovery. Early and appropriate handling of disaster situations plays a very important role in ensuring that any affected production tools belonging to Telkomsel can function.

TERRA application is map-based geographic information system that functions as an information center which can visually show disaster conditions and disaster response efforts, becoming a center for the latest updates and monitoring of member movements.

The general purpose of implementing IT-based emergency response training based is as follows:
i. To provide basic knowledge of disaster management and concepts.
ii. Socialization and application of IT-based disaster mitigation facilities.
iii. To establish a disaster response community and standardize disaster management SOP.

The specific objectives of implementing IT-based emergency response training are as follows:

i. Trainees are able to identify the potential for disasters in their surrounding environment.
ii. Trainees are able to apply the principles of disaster management to their surroundings.
iii. Train participants to use technology for effective disaster management.
iv. Improve communication through practical digital-based solutions.

b. SOCIAL ASSISTANCE - To Communities Affected by Disasters

In 2017, Telkomsel continued to actively participate in various humanitarian activities, providing social assistance for victims of disasters such as the Pidie Jaya Aceh earthquake, floods in Belitung and the eruption of Mount Agung in Bali. The assistance for disaster victims included logistical support for the daily needs of the communities, as well as the establishment of free telecommunications posts where the affected communities could fulfill their communication needs. On the other hand, where large scale disasters took place, Telkomsel also participated in the recovery process, for example by supporting the construction of public facilities that are frequently used by local communities.

2. Baktiku Negeriku

The CSR (Corporate Social Responsibility) Program 'Baktiku Negeriku' is a community assistance program that focuses on improving the quality of life of people in various regions in Indonesia through technology, community empowerment and education. This program, which Telkomsel employees directly participate in, includes activities such as infrastructure development, green movement, employee volunteering, and the construction of digital center facilities.

The program's goals cover 4 aspects: stakeholder relationships, community development, employee involvement and industrial relations. As such, this program also provides room for

THE BAKTIKU NEGERIKU PROGRAM INCLUDES

MENTORING PROGRAMS FOR LOCAL YOUTH ON USING INFORMATION TECHNOLOGY, WHICH INVOLVE KARANG TARUNA VILLAGE YOUTH GROUPS

employees to perform community service activities as a form of actualization and self-development that has a positive impact for the company and country.

Implementation of the Baktiku Negeriku program began in October 2017 at eight points in remote areas of the island of Sumatra, Java, to the islands of Nusa Tenggara, Sulawesi and Maluku. Selected locations are areas that have unique natural resources and local wisdom but have not been optimally developed and have global competitiveness.

The Baktiku Negeriku program includes mentoring programs for local youth on using information technology, which involve Karang Taruna village youth groups. This

training aims to enable them to act as agents of change who will lead local communities to a better life by utilizing the digital ecosystem. In addition, Telkomsel employees also provide training on Digital Citizenship and other practical skills. Through this program, Telkomsel also initiated a green movement together with local residents in the form of a movement and actions to conserve nation and ecosystems, as a response to environmental issues such as climate change towards achieving sustainable growth.

This program, which targets sustainable growth, will also undertake the construction and renovation of public facilities such as health centers, media centers and citizens' education, sanitation and clean water facilities, and small and medium

enterprise (SME) centers. This is done through collaboration with various related stakeholders such as the local government, the TNI military, and others.

On the other hand, to improve people's understanding of technology, Baktiku Negeriku will also build a digital center equipped with Wi-Fi access and an application that connects villagers to other villages. Here, residents can learn to use the Internet by using computer equipment and smart phones, accompanied by mentors and agents of change in the form of local youths who previously received training from Telkomsel. This is expected to inspire these youths to rebuild their village with all its potential and local wisdom.

PHILANTHROPY

1. 22 Tons of Takjil Break-fasting Dates

As part of Telkomsel Siaga 2017 activities, and to welcome the holy month of Ramadan, Telkomsel donated 22 tons of dates as fast-breaking takjil to 12 grand mosques distributed throughout the country. The 22 tons of takjil date assistance was provided as a form of Telkomsel's concern for those fasting, as well as manifestation of the company's continuous sharing and service. The amount of takjil dates, at 22 tons, represented Telkomsel's 22nd birthday in 2017.

The Takjil Date Assistance was distributed to the public at the following mosques: Masjid Baiturrahman (Aceh), Masjid Al-Mashun (Medan), Masjid Istiqlal (Jakarta), Masjid At-Taqwa (Cirebon), mosques in Jabotabek, Masjid Agung Jawa Tengah (Semarang), Masjid Nasional Al-Akbar (Surabaya), Masjid Agung (Madura), Masjid At-Taqwa (Mataram), Masjid Al Markas Al-Islami

(Makassar), Masjid Agung Nurul Yaqin Waisai (Raja Ampat) and Masjid Al-Munawar (Ternate). An estimated 660,000 beneficiaries benefited from this activity.

2. Assistance for Orphans and Orphanages - Ramadhan & Idul Fitri 2017

In its regular annual program during the month of Ramadan, besides focusing on delivering quality service to customers, Telkomsel also carried out various charity activities to share joy with its stakeholders.

During the momentum of Ramadan 1438H, Telkomsel once again gave assistance and Eid packages to 10,000 orphans/needy children in the regions of Palembang, Serang, Yogyakarta, Kendari and the Head Office. In addition to these activities, which were held with the theme "It is time to share with togetherness", Telkomsel also provided assistance in the form of religious equipment and renovated the facilities and infrastructure for 45 foundations/ orphanages.

In terms of the network, to ensure network readiness in anticipation of a surge in communication traffic during Ramadan and Idul Fitri, Telkomsel conducted a Network Drive Test along 11,000 km spanning the Surabaya – Malang route, as well as North-South Trans-Java railway, the main Java highway from Merak Harbor – Banten to Ketapang Harbor in Banyuwangi which passes through the Northern Route, Southern Route, and Toll Roads. In addition, a drive test was also held along the Trans-Sumatran Highway (main road) from Bakauheni to Banda Aceh through Jalur Lintas Barat (west segment), Jalur Lintas Tengah (central segment) and Jalur Lintas Timur (east segment).

In terms of service, Telkomsel established *mudik* (homecoming) posts and points of service in locations identified as high traffic locations, to ensure that customers' communication needs continue to be served, in addition to existing points of service comprising 84 Telkomsel Siaga GraPARI, 364 Mitra Siaga GraPARI, 487 Mobile GraPARI, 81 digital self-service myGraPARI and 359 Branch Office

Partner Distributors (TDC). At the same time, Telkomsel's distribution partners also stood ready to ensure the availability of starter packs and top up vouchers (mKios) at 3,779 Siaga Outlets.

3. Distribution of Sacrificial Animal Parcels – Idul Adha 2017

During Idul al Adha 1438 Hijriyah, Telkomsel provided assistance in the form of 130 cows and 675 goats to needy and eligible recipients at hundreds of locations all over Indonesia, with an emphasis on the areas where Telkomsel operates. These animal sacrifice donations demonstrates Telkomsel's commitment and concern for the community and the surrounding environment, as proves that Telkomsel always implements good corporate citizenship in all of its operational business activities.

During Idul Adha this year, more than 41,000 sacrificial packages of meat were distributed by Telkomsel to eligible, needy community segments throughout various areas. Overall, the number of sacrificial meat packages distributed by Telkomsel this year increased compared to last year, in line with the expansion of Telkomsel's operational areas and the company's commitment to manifest its concern for the people of Indonesia.

4. Assistance for Orphans and Orphanages - Christmas and New Year 2017

The company's commitment to continuously sharing and caring for stakeholders, especially those in need of a helping hand, was realized through the provision of CSR program assistance during a series of various Christmas and New Year activities that are regularly held every year.

With the theme "It's Time to Share and Serve", Christmas and New Year activities were held in four cities, namely Madiun (East Java), Tomohon (North Sulawesi), Jakarta and Pematang Siantar (North Sumatra). In these activities, Telkomsel donated assistance for 5,000 orphans/ underprivileged children and delivered assistance in the form of amenities and facilities for religious services to 40 foundations located in the vicinity of Telkomsel's operations.

At these charity events, assistance was delivered in person by the Directors and management of Telkomsel to the Bethel Madiun Foundation, the Nazaret Tomohon orphanage, the Desa Putra Jakarta orphanage and the Elim Pematang Siantar orphanage. Besides delivering social assistance, Telkomsel employees also volunteered to educate the community on good, safe, inspiring and creative use of the internet (#internetBAIK) in four locations and volunteered to clean orphanages alongside the community in 10 locations throughout Indonesia. In addition, free health checks were carried out for communities in four locations.

This moment of social awareness was also used by the Directors and management of Telkomsel to ensure the readiness of Telkomsel's network and service. These activities aim to ensure that subscribers can communicate with ease during the Christmas and New Year period, which usually sees high traffic compared with regular days.

MANAGEMENT DISCUSSION & ANALYSIS

DIGIHUB

DigiHub, an Open API marketplace that allows apps developers, system integrators, SME, and large enterprises to access telco API to enable/ enhance their services.

MY ADS

My Ads is a DIY (do-it-yourself) platform that allows advertisers to create and blast message-based advertising to Telkomsel's subscribers and subsequently monitor campaign performance.
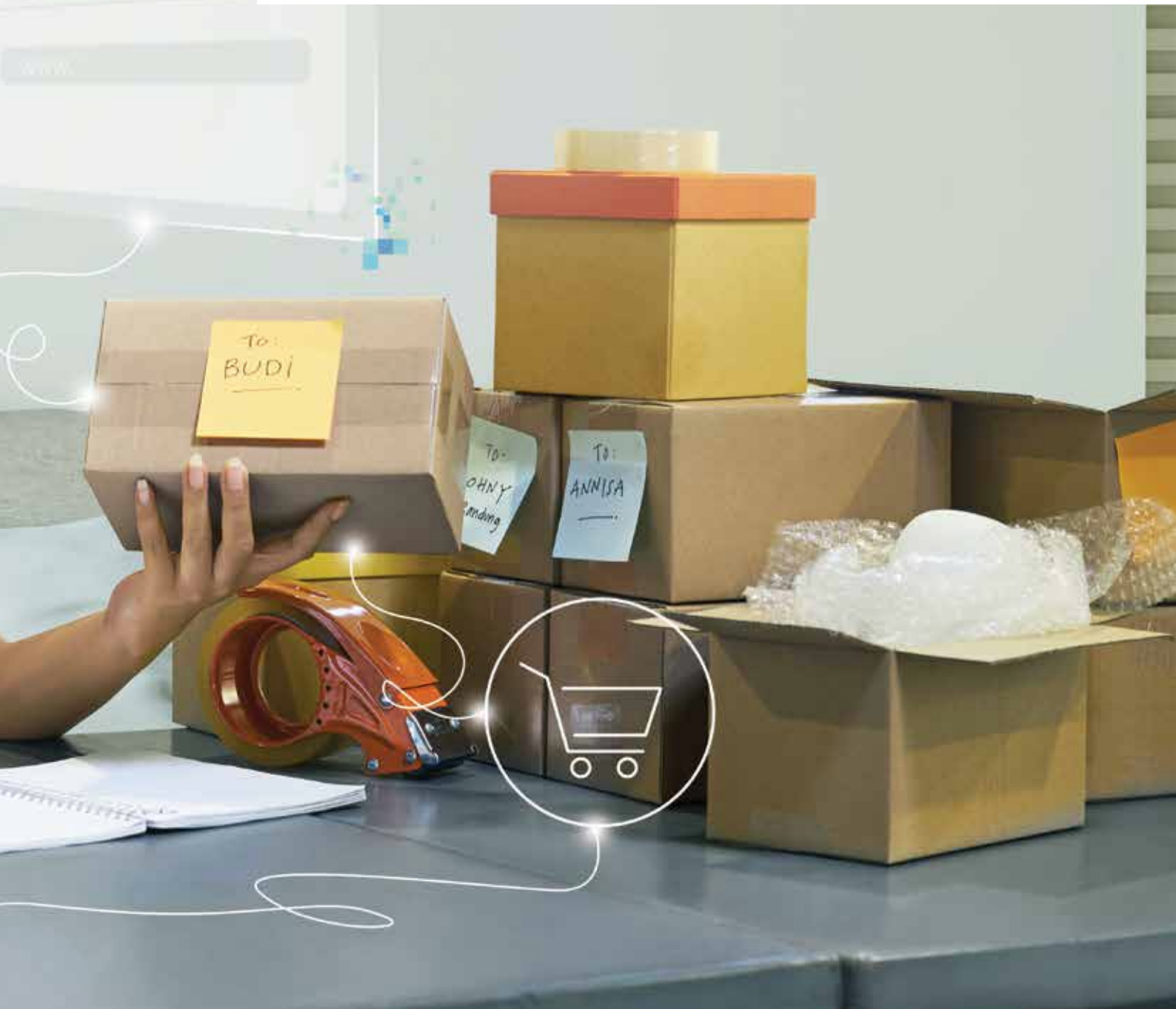
MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL AND INDONESIA MACROECONOMIC REVIEW

The global economy is experiencing a broad-based cyclical recovery, reflecting a continued rebound in investment, manufacturing activity, and trade. This improvement comes against the backdrop of benign global financing conditions, generally accommodative monetary policies, rising confidence, and firming commodity prices. However, the global economic outlook remains clouded by a number of risks which include the possibility of financial market disruptions, rising protectionist sentiment, and heightened geopolitical tensions, with subdued productivity and slowing potential growth of particular concern (World Bank - Global Economic Prospects, January 2018).

In line with the recovery of global economy, Indonesia as a country with an increasingly strong focus on infrastructure development successfully achieved economic growth of 5.1% in 2017, implying that the trend of accelerating economic growth in Southeast Asia's largest economy will continue. Improvement in private investment and trade are expected to be the main sources driving the growth of Indonesia's gross domestic product (GDP) in the years ahead (Asian Development Bank, 2017).

We believe that Indonesian economy in 2018 will continue to experience robust, stable and accelerating growth supported by growth momentum across all sectors as well as the government's economic stimulus packages (*Minister of Finance of The Republic of Indonesia, Mandiri Investor Forum, 7 February 2018*), including a regulatory framework that is hoped 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

In 2017, the telecommunications industry continued to experience dynamic change, with landscape seeing intensifying competition. At the same time there continued to be uncertainty and risk from a regulatory perspective, and it is hoped that the regulatory environment will continue to evolve in a direction that is supportive of future growth. Despite this dynamic and challenging situation, Telkomsel continued to aggressively accelerate 4G deployment in Indonesia to boost Indonesia's economic growth by providing best quality mobile internet access throughout Indonesia.

In 2017, the telecommunication industry grew at around 6-7% YoY. Challenges included the accelerated shift from Legacy services to Digital

IN 2017, THE TELECOMMUNICATION INDUSTRY GREW AT AROUND 6-7% YOY

Business as consumer demand for digital grew significantly, while demand for traditional Legacy products declined. Competition for Broadband market share as the new engine of growth also intensified, with sustainable margin. Digital Business is the new engine of growth for most of the operators, with increased 3G/4G capable device adoption and application usage driving data traffic which in turn supports the Digital Business. We believe that the Digital Business has a lot of room to grow, particularly given Indonesia's growing youth segment, which is expected to boost 3G/4G capable device adoption and data consumption. Opportunities will also come from Digital Services such as Digital Lifestyle, Mobile Financial Services, Digital Banking and Digital Advertising in line with customers' changing habits to a more Digital Lifestyle.

Overview of 2017 Performance

Telkomsel successfully delivered strong results for 2017 with Revenue, EBITDA and Net Income growth of 7.5%, 7.7% and 7.8% YoY, respectively. Revenues grew to Rp93,217 billion supported by Digital Business, which posted 28.7% YoY growth driven by 28.2% YoY Broadband growth and 33.6% YoY Digital Services growth. Digital Business accounted for 42.3% of total revenues, a significant increase from 35.4% a year ago. The

majority of the revenue was still contributed by our Legacy business in Voice and SMS, Telkomsel has successfully maintained over the past few years with healthy revenue growth that was mainly supported by dynamic cluster based pricing and the successful migration of customers from Pay As You Use (PAYU) to packages. Reflecting the transition of Legacy to digital, our Legacy business slowed in 2017, with Voice revenue growing 0.2% YoY. Overall, EBITDA and Net Income margins rose by 0.1ppt to 57.5% and 32.6%, respectively.

Despite already high SIM card penetration, Telkomsel was able to achieve healthy subscriber base growth due to effective sales and marketing programs. We served 196.3 million subscribers nationwide, 12.9% higher than last year with net add of 22.4 million new customers. In line with our philosophy to always lead in network supply including outside Java in order to maintain our network superiority and grow our Digital Business, we deployed 31,672 new BTS during 2017, all of which were 3G and 4G BTS. Our data traffic increased by 126.2% to 2,168,245 TB, which was mainly fueled by high growth in 3G/4G capable devices to 108.2 million (+30.9% YoY) devices, with 55.1% of our

customer base using 3G/4G capable devices. In terms of infrastructure, by the end of December 2017 our on-air BTS totaled 160,705 units (+24.5% YoY), around 70% of which were 3G/4G BTS.

Our achievements in 2017 were made possible by the successful execution of our transformation initiatives over the years. The foundation we have laid during our transformation journey has enabled us to be resilient and better equipped us 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 2017 reached 196.3 million, an increase of 12.9% from last year. Postpaid recorded high growth in customers, increasing 13.4% YoY to 4.7 million, which accounted for around 2.4% of all customers, while prepaid recorded increasing growth, at 12.9% YoY, to 191.6 million customers or 97.6% of total customer base.

ARPU

Blended ARPU decreased 4.9% YoY to Rp42.7 thousand from Rp44.9 thousand last year as we are shifting from Legacy business to digital business. However, our Data ARPU grew double digit due to increasing in 3G/4G capable device penetration along with strong growth in data traffic.

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 126.2% YoY to 2,168,245 TB. During 2017, Telkomsel built 31,672 new BTS, which all of them were 3G/4G BTS. This represented an increase of 23.0% from the 25,744 new BTS deployed in 2016. In support of our 4G LTE strategy, we have deployed 28,153 BTS to date. The network roll out brought our total BTS on air to 160,705 units at end of December 2017, or an increase of 24.5% YoY, of which 110,381 units or 68.7% were 3G/4G BTS (+40.3% YoY).

3G/4G Capable Device Users

At the end of December 2017, Telkomsel had 108.2 million 3G/4G capable device users, representing around 55.1% of the Company's total subscribers. This figure was 30.9% higher than last year, when we had 82.6 million 3G/4G capable device users or around 47.5% 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

Revenue

In 2017, Telkomsel recorded a 7.5% growth in revenue to Rp93.2 trillion supported by Digital Business which increased 28.7% over the last year. The healthy growth of Digital Business are driven by Broadband which increased by 28.2% YoY and Digital Services which increased by 33.6% YoY.

in billion (Rp)	2016	2017	GROWTH
REVENUE BY PRODUCT			
Postpaid	6,406	7,118	11.1%
Prepaid	74,904	79,484	6.1%
Interconnection & International Roaming	4,577	5,398	17.9%
Others	838	1,217	45.1%
Total	86,725	93,217	7.5%

Prepaid revenue increased by 6.1% YoY to Rp79,484 billion, mainly driven by growth in Digital Business ARPU supported by the growth in Broadband as well as growth in prepaid subscriber base which grew by 12.9% YoY to 191.6 million subscribers. Revenue from prepaid customers accounted for 85.3% of Telkomsel's total revenue.

Postpaid revenue increased by 11.1% YoY to Rp7,118 billion mainly driven by the increase in the postpaid customer base which grew by 13.4% YoY to 4.7 million subscribers. Revenue from postpaid customers contributed 7.6% to total revenue.

Interconnection and International Roaming revenues increased by 17.9% YoY to Rp5,398 billion, due to seasonal increase in traffic from other local operators.

in billion (Rp)	2016	2017	GROWTH
REVENUE BY SERVICE			
Voice	40,030	40,113	0.2%
SMS	13,193	10,841	-17.8%
Sales disc & Others Revenue	(2,161)	(3,239)	49.8%
IC & IR	4,577	5,398	17.9%
Other (USO compensation & network leased)	427	637	49.0%
Broadband	27,708	35,524	28.2%
Digital Service	2,951	3,942	33.6%
Total	86,725	93,217	7.5%

Voice and SMS

We had successful maintain healthy revenue growth from Voice over the past few years that mainly attributed by ours initiative in dynamic cluster based pricing and successfully migrating customer from Pay As You Use (PAYU) to package. And along transition phase of Legacy toward digital, Legacy business was slowing down with Voice revenue 0.2% YoY growth to Rp40,113 billion and declining Voice traffic -8.6% YoY.

This trend also applied to SMS whereas the revenue declined by -17.8% YoY to Rp10,841 billion as the impact of OTT services cannibalization resulting traffic decline by -25.9% YoY.

Digital Business

Digital business remained the engine of growth with focus to continue in leading of network supply in 3G and 4G infrastructure. This segment recorded strong performance with 28.7% YoY growth to Rp39,466 billion and increased its contribution to total revenue substantially to 42.3% from 35.4% last year.

TELKOMSEL RECORDED A 7.5% GROWTH IN REVENUE TO Rp93.2 TRILLION

Revenue from Broadband grew by 28.2% YoY to Rp35,524 billion, driven by healthy growth in 3G/4G capable device adoption (+30.9% YoY to 108.2 million users), successful migration of PAYU to Flash packages, as well as continued strong growth in data payload, which increased by 126.2% YoY to 2,168,245 TB. As of 31 December 2017, 49.6 million of our customers that have LTE devices have swapped to USIM to utilize 4G services.

Digital Services also grew strongly by 33.6% YoY to Rp3,942 billion and has become the main driver of Telkomsel's transformation from a Telco Company to a Digital Company. A number of investments and key initiatives have been established to accelerate the growth of Digital Services, in line with Telkomsel mission to build a digital Indonesia with key products and services within this segment included Digital Lifestyle, Mobile Financial Services, Digital Banking and Digital Advertising.

Expenses

in billion (Rp)	2016	2017	GROWTH
EXPENSES			
Operation & Maintenance	21,096	23,239	10.2%
Depreciation & Amortization	12,807	13,558	5.9%
Cost of Services	3,488	3,510	0.6%
Interconnection & International Roaming	2,780	2,785	0.2%
Personnel	4,265	3,950	-7.4%
General & Administration	1,860	1,821	-2.1%
Marketing	3,455	4,320	25.0%
Others – net	(249)	(19)	-92.2%
Total	49,502	53,164	7.4%

In FY17, total expenses including Depreciation and Amortization increased by 7.4% YoY to Rp53,164 billion, mainly driven by few activities, firstly from Operational & Maintenance expenses as company's accelerated network deployment to maintain network quality, resulted in higher Transmission and Network Space Rental costs. In addition, Marketing expenses increased due to promotion & events related to 4G penetration program, youth engagement events across the country and many other marketing and sales activities in line with competition requirements and company's strategy to support festive season.

EBITDA and Net Income
EBITDA and Net Income deliver a strong set with an increase of 7.7% YoY to Rp53,592 billion and 7.8% YoY to Rp30,395 billion, respectively, while EBITDA and Net Income margins were higher by 0.1ppt to 57.5% and 32.6%, respectively.

REVENUE FROM BROADBAND GREW BY 28.2% YOY TO Rp35,524 BILLION

Balance Sheet

in billion (Rp)	2016	2017	GROWTH
STATEMENTS OF FINANCIAL POSITION			
Current Assets	28,818	21,098	-26.8%
Non-Current Assets	60,963	64,650	6.0%
Total Assets	**89,781**	**85,748**	**-4.5%**
Current Liabilities	21,891	23,031	5.2%
Non-Current Liabilities	8,520	8,587	0.8%
Equity	59,370	54,130	-8.8%
Total Liabilities & Stockholders Equity	89,781	85,748	-4.5%

As of 31 December 2017, Total Assets decreased 4.5% to Rp85,748 billion, total liabilities increased 4.0% to Rp31,618 billion and total equity decreased 8.8% to Rp54,130 billion.

- Current Assets decreased 26.8% to Rp21,098 billion, mainly due to decrease in cash and cash equivalents.
- Non-current Assets increased 6.0% to Rp64,650 billion, mainly due to the increase in fixed assets.
- Current Liabilities increased 5.2% to Rp23,031 billion, mainly due to the increase in accrued liabilities.
- Non-current Liabilities increased 0.8% to Rp8,587 billion, mainly due to the increase in provision for long-term employee benefits.
- Total Equity decreased by 8.8% to Rp54,130 billion, mainly due to decrease in retained earnings as the company distributed dividend in the current period.

Cash Flow

in billion (Rp)	2016	2017	GROWTH
CASH FLOW			
Cash Flow from Operating Activities	42,805	39,571	-7.6%
Cash Flow for Investing Activites	(12,794)	(13,984)	9.3%
Cash Flow for Financing Activites	(4,731)	(710)	-85.0%
Dividend Payment	(19,401)	(34,010)	75.3%
Net Decrease/Increase in Cash & Cash Equivalents	5,879	(9,133)	-255.4%
Cash & Cash Equivalents at Beginning of Years	13,802	19,681	42.6%
Cash & Cash Equivalents at End of Years	19,681	10,548	-46.4%

Net cash generated from operations in FY17 decreased 7.6% YoY to Rp39,571 billion. Cash flow used in investment activities was Rp13,984 billion mainly for the payment of infrastructure spending. Net cash used in financing activities (exclude Dividend) decreased by 85.0% YoY to Rp710 billion.

Debt Profile

As of 31 December 2017, Telkomsel's total outstanding loans amounted to Rp1,000 billion, of which 100% will mature in 2019. As of 31 December 2017, Telkomsel's Debt to Equity Ratio (DER) was 10.5%.

DESCRIPTION	LOCAL CURRENCY (Rp bn)	FOREIGN CURRENCY (USD mn)	TOTAL EQUIVALENT (Rp bn)
% From Total Loan	100%	0%	100%
Loan per Maturity 2019	1,000.0	-	1,000.0
Total	1,000.0	-	1,000.0

The year-end exchange rates of the Rupiah against the USD were Rp13,548 (31 December 2017) and Rp13,436 (31 December 2016).

Telkomsel has to maintain several financial covenants related to its loans/debts. As of 31 December 2017 the covenants were as follows:

COVENANTS TO BE MAINTAINED	REQUIRED	ACTUAL
EBITDA to Debt Service	≥ 1.25	28.80
Debt to Tangible Net Worth	≤ 2.00	0.02

Forex Loss Impact

The Company recorded forex losses amounting to Rp13 billion in 2017 due to the weakening of the Indonesian Rupiah against major currencies.

AS OF 31 DECEMBER 2017, TELKOMSEL'S DEBT TO EQUITY RATIO (DER) WAS 10.5%

EXCELLENT CREDIT QUALITY AND IS ONE OF THE HIGHEST RATED COMPANIES IN INDONESIA

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)	Stable	December 14, 2017
	BBB+ (Local Currency)		
Fitch Ratings Indonesia	AAA (National Long-Term)	Stable	April 19, 2017

Financial Ratios

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

	2016	2017	YoY
SOLVABILITY			
Debt* to Equity	10.6%	10.5%	-0.2ppt
Debt* to EBITDA	12.7%	10.6%	-2.1ppt
Total Liabilities to Equity	51.2%	58.4%	7.2ppt

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

	2016	2017	YoY
PROFITABILITY			
Return on Assets	32.4%	34.6%	2.2ppt
Return on Equity	50.9%	53.6%	2.7ppt

RESPONSIBILITY

FOR THE 2017 ANNUAL REPORT

This Annual Report including the accompanying consolidated financial statements and related financial information for the year ended December 31, 2017 was authoritatively signed by members of the Board of Commissioners and the Board of Directors of PT Telekomunikasi Selular.

Jakarta, February 26, 2018

BOARD OF COMMISSIONERS

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ABBREVIATIONS

3G	3rd Generation of wireless mobile telecommunications technology
4G	4th Generation of broadband cellular network technology
APEC	Asia Pacific Economic Cooperation
API	Application Programming Interface
ARPU	Average Revenue Per User
ATM	Automated Teller Machine
BTS	Base Transceiver Station
CAPEX	Capital Expenditure
CBTA	Conditional Business Transfer Agreement
CFMP	Capital Expenditure, Financing, and Management Process
COMBAT	Compact Mobile Base Station
CSR	Corporate Social Responsibility
CTP	Customer Touch Points
DNA	Device, Network, Applications
E2E automation	End to End automation
EBITDA	Earning Before Interest, Tax, Depreciation, and Amortization
EDC	Electronic Data Capture
GB	Gigabyte
GCG	Good Corporate Governance
GHz	Gigahertz
GPRS	General Packet Radio Service
GSM	Global System for Mobile communication
HCM	Human Capital Management
HSDPA	High Speed Downlink Packet Access
ICT	Information and Communication Technology

IoT	Internet of Things
IT	Information Technology
LBA	Location Based Advertising
LTE	Long Term Evolution
M2M	Machine to Machine
MHz	Megahertz
MFS	Mobile Financial Services
MMS	Multimedia Messaging Service
MoU	Minute of Usage
MSISDN	Mobile Station International Subscriber Directory Number
NSP	Nada Sambung Pribadi
OTT	Over The Top
PAYU	Pay As You Use
QR Code	Quick Response Code
SIM	Subscriber Identity Module
SME	Small Medium Enterprise
SMS	Short Messaging Service
SOA	Sarbanes–Oxley Act
TAU	Telkomsel Android United
TERRA	Telkomsel Emergency Response and Recovery Activity
TMP	Telkomsel Merah Putih
UI/UX	User Interface/User Experience
USO	Universal Service Obligation
USSD	Unstructured Supplementary Service Data
VAS	Value Added Service
WAP	Wireless Application Protocol
WiFi	Wireless Fidelity

LIST OF GRAPARI

REGION	NAME	ADDRESS
NORTH SUMATERA	Banda Aceh	Jl.T.Daud Beureueh no.23 Kp.Laksana Kec.Kuta Alam -Banda Aceh 23123
	Binjai	Jl. Soekarno Hatta No. 121 Binjai
	Gmp Putri Hijau	Graha Merah Putih Lt. 1 Jl. Putri Hijau No.1 Medan, 20111
	Kisaran	Jl. HOS. Cokroaminoto No 30-32 Kisaran 21215
	Kualanamu	Bandar Udara Internasional Kualanamu, Medan, Sumatera Utara
	Lhokseumawe	Jl. Merdeka No. 147-148 Simpang Empat Lhokseumawe 24312
	Medan Lippo Plaza	Jl. Imam Bonjol No. 6 Lt. UG No. 17A-17B, 18A-18B, Medan
	Medan Sun Plasa	Sun Plasa Lt. 1 Blok A1 No. 5 Jl. KH. Zainul Arifin No. 7 Medan
	Meulaboh	Jl. Nasional Ujung Baroh, Kec.Johan Pahlawan, Meulaboh, Aceh Barat
	Padang Sidempuan	Jl. Sisingamangaraja No 212 ABC, Kel. Sitamiang, Kec. Padangsidimpuan Selatan, Kota Padang Sidimpuan, Kode Pos 22721
	Pematang Siantar	Kompleks Megaland Jl. Asahan Blok A No. 53 Pematang Siantar 21136
	Sibolga	Jl. M. H. Thamrin No. 58 Sibolga 22521
	Balige	Jl. SM. Raja No. 204, Balige
	Bireun	Jln. Sultan Iskandar Muda no 17 Desa Bireuen Meunasah Blang,Kec Kota Juang Kab Bireuen 24211
	Gunung Sitoli	Jl. Muhamad Hatta No.2 Kel Pasar Gunungsitoli, Kec. Gunung Sitoli, Kab Nias-22813
	Kabanjahe	Jl. Veteran No. 23 b-c (depan kantor DPRD Kari), Kabanjahe
	Kampung Lalang	Jl. Gatot Subroto Km. 7.8 Blok A No. 9 Comp. Makro Medan Sunggal
	Kota Pinang	Jl. Bukit Kotapinang Kel. Kotapinang Kec. Kotapinang Kab. Labuhanbatu Selatan
	Krakatau	Jl. Gunung Krakatau No.191 A Medan
	Langsa	Jl. Ahmad Yani No.108. Kota Langsa
	Lubuk Pakam	Jl. Dr. Sutomo No. 7 Lubuk Pakam, Deli Serdang
	Medan Fair Plaza	Jl. Gatot Subroto Plaza Medan Fair Lt 1 No 52-53 Medan
	Medan Karyajasa	Jl.Tritura , Ruko Titi Kuning Mas B-3, Medan
	Medan Sutomo	Jl. Sutomo Ujung No. 7/9, Kel. Gaharu, Kec. Medan Timur - Medan 20235
	Panyabungan	Jl.Willem Iskandar No. 117 , Panyabungan Kota, Kab. Mandailing Natal, Sumatera Utara 22913
	Plaza Millenium	Jl. Kapten Muslim NO 111 Plaza Millenium Lt Dasar No 4-5 Medan
	Rantau Prapat	Jl. SM. Raja Simpang Mangga Atas, Kel. Bakaran Batu, Kec. Rantau Selatanm Kab Labuhan Batu.
	Sabang	Jl . Oentoeng Suropati Kel. Kota Atas Kec. Sukakarya Sabang 23512
	Setui	Jl.Teuku Umar N0.232, Kelurahan Setui, Kec. Baiturahman, Banda Aceh 23243
	Sigli	Jl. Iskandar Muda No.32 Blok Bengkel Kec Kota Sigli Kab Pidie-Sigli Aceh. Telp / Fax : 0653 201010
	Stabat	Jl. Jend. Sudirman No. 14 A, Kelurahan Perdamaian, Stabat
	Takengon	Jl. Lebee Kadir No.243, Takengon, Blang Kolak, Bebesan, Aceh Tengah
	Tanjung Balai Asahan	Jl.Teuku Umar No.120 Tanjung Balai 21312
	Tanjung Morawa	Jl. Medan Km.17.5, Komp. Suzuya Plaza Blok A6, Tanjung Morawa, Deli Serdang.
	Tarutung	Jl. Mayjend DI Panjaitan No. 143, Kec. Tarutung Kab. Tapanuli utara-22412
	Tebing Tinggi	Jl. Jend. Sudirman No. 405F Tebing Tinggi

REGION	NAME	ADDRESS
NORTH SUMATERA	Wahidin	Jl. Dr. Wahidin No. 46 / 4-AA Medan 20211
	Lubuk Pakam	Jl. Hasanuddin No 1 Kel Lubuk Pakam I,II Kec Lubuk Pakam 20511
CENTRAL SUMATERA	Batam Center	Jl. Engku Putri Batam Centre Batam 29432
	Batam Penuin	Jln. Pembangunan Nusa Indah Komplek Penuin Regency No 3-4 Batu Selicin Lubuk Baja Batam
	Dumai	Jl. Jendral Sudirman No.153 Riau 28812
	Mall Ska	Mall SKA lt. 2 Unit 23-26 , Jl. Soekarno Hatta, Pekanbaru
	Padang	Jl. Khatib Sulaiman No. 51 Padang 25135
	Pekanbaru	Gd Graha Merah Putih Jl. Jend Sudirman No 199 Pekanbaru
	Tanjung Balai Karimun	Komplek Karimun Centre Jl. A Yani no. 9-10 Kolong Tg Balai Karimun 29661
	Tanjung Pinang	Jl. Basuki Rachmat No. 9 Tanjung Pinang 29124
	Tembilahan	Jl M Boya RT 004 RW 001 Tembilahan
	Bagan Batu	Jl. Jendral Sudirman No.745, Bagan Batu, Kec.Bagan Sinembah, Kab. Rokan Hilir 28992
	Bagan Siapiapi	JL. Pahlawan no. 74 Bagansiapiapi Rokan Hilir Telp/fax 0767 23443
	Bangkinang	Jl. DI. Panjaitan No 88 c Depan plasa telkom bangkinang, Kab-Kampar-28411
	Batu Sangkar	Jln ahmad yani pincuran 7 kecamatan lima kaum batusangkar, 27211 kab tanah datar sumatera barat
	Bengkalis	Jl. A Yani Depan Kantor Bupati, Bengkalis 28712
	Botania	Komp. Pertokoan Botania Garden Blok B12 No. 2B Batam
	Bukit Tinggi	JL ahmad Karim No 8c, Kel. Benteng Pasar Atas, Kec. Guguk Panjang, Bukittinggi 26100
	Dabo Singkep	Jl.kartini no.17A, Kec.singkep kab.lingga, Dabo singkep 29871
	Duri	Jl. Hangtuah No. 10 RT 02 RW 10 kel. Duri Barat Kec. Mandau Duri Riau 28884. Tlp 0765-594168
	Lubuk Alung	JL.Raya Padang Bukittinggi Pasar Lubuk Alung Padang Pariaman Sumatera Barat 25581.
	Mall Panbill	Lt. Dasar KD 2.Panbil Mall muka kuning, batam 29433
	Nagoya Hill	Ruko Nagoya Hill Mall Blok O No. 12B-15, Kec. Lubuk Baja, Nagoya Batam, Kep. Riau 29432
	Natuna	Jl. datok kaya wan mohd. benteng no.116, kec. bunguran timur, kota ranai, kab natuna
	Simpang Aru	Jl.Imam Bonjol no 21F Kel. Pondok Kec Padang Selatan
	Pangkalan Kerinci	Jl. Lintas Timur no 11 samping BPJS kesehatan pasar baru pangkalan kerinci kab. Pelalawan Prov Riau 28300
	Pasaman	Jl. Jend. Soedirman Simpang Empat selatan Kec. Pasaman Kab. Pasaman Barat Sumatera Barat-26566
	Payakumbuh	Jl soekarno Hatta no 37-39 kelurahan padang tangah kecamatan payakumbuh barat Sumatera Barat
	Pekanbaru Panam	Jl. Hr Subrantas km 12,5 (samping riau pos) Panam
	Perawang	Jl. Raya Perawang No. 79 KM. 6 kel. Perawang kec. Tualang kab. Siak-Riau 28772

REGION	NAME	ADDRESS
CENTRAL SUMATERA	Rengat	Jl. Narasinga No. 04 Kambesko (Depan Kantor Pos), Rengat , Inhu-Riau-29300 Tlp. 0769-323380
	Selat Panjang	Jln. Diponegoro No. 107 C, Kab. Kepulauan Meranti, Selatpanjang - 28753, Riau
	Solok	Jl. M. Yamin No. 60 Kel. PPA Kec. Tj Harapan, Kota Solok-27322
	Sungai Rumbai	Jl. lintas sumatera depan lapangan sepak bola sungai rumbai, kec sungai rumbai, kab dharmasraya
	Tanjung Batu	Jl. Jend. Sudirman No. 216 RT 02/03 , Tanjung Batu Kota, Tanjung Batu Kundur 29662, Kepri-Indonesia
	Tanjung Uban	Jl. Permaisuri No 2 Tanjung Uban (depan wisma pesona) Kab. Bintan-29152
	Teluk Kuantan	Jl. Ahmad Yani No. 33 Koto Taluk, Kec. Kuantan Tengah, Kab. Kuantan Singingi.
SOUTH SUMATERA	BELITUNG	Jl Jend Sudirman No 28 D-E Pangkal Lalang, Belitung 33412
	BENGKULU	Jl. Kapten Tendean No.86 Km.6,5 Bengkulu 38225
	Jambi	Jl.HM Yusuf Singadekane No.09 Telanaipura, Jambi. 36122
	Lampung	Komp. Villa Citra Blok RE I-III Jl. P. Antasari, Bandar Lampung 35132
	Lubuk Linggau	Jl. Yos Sudarso No. 13 A, RT. 04, Kelurahan Taba Jemekeh, Kecamatan Lubuk Linggau Timur-1, 36125
	Muara Bungo	Jl. Jendral Sudirman No 76, Muara Bungo 37214
	Palembang	Jl. Veteran No.88 A Palembang 30114
	Pangkal Pinang	Kom Villa Bangka Asri No.8 Jl. Raya Koba Pangkalpinang, Bangka 33171
	Alang Alang Lebar	Jl. Raya Palembang-Betung KM 15 No. 10, Kel. Sukajadi, Kec. Talang Kelapa Banyuasin 30716 Alang-alang Lebar
	Bandar Jaya	Jl. Proklamator raya no. 71 c Bandar jaya terbanggi besar lampung tengah 34162
	Batu Raja	Jl. Ahmad Yani No. 84, kemalaraja Atas-Pasar Baru, Baturaja
	Belitang	Jl. Jendral Sudirman Komp. Ruko Belitang Mas Gumawang BK. 10 OKU Timur Sumsel 32382
	Betung	Jl. Palembang-Betung No.76ï¿½?? RT.003/001 LK.I Kel.Betung Kec.Betung Banyuasin 30758
	Curup	Jl. M.Hasan no.61 (samping pasar bang mego) Kel.Pasar Tengah. Curup-Bengkulu
	Hayam Wuruk	Jl. Hayam Wuruk No.109/19, RT.9 Jambi
	Indralaya	Jl. Lintas Timur Palembang-Kayuagung Km. 36 Komplek Ruko TPI Blok B1, Indralaya Ogan Ilir Sumsel
	Kalianda	Jl. Kusuma Bangsa no.88B Kalianda Lampung Selatan 35513
	Kayu Agung	Jl. Letnan Muchtar Saleh Blok A No. 2 Ogan Komering Ilir, Sumsel
	Kedaton	Jl. Teuku Umar no.43c Kedaton Bandar Lampung 35147
	Kotabumi	Jl. Jend. Sudirman No.414, Kotabumi, Kel. Tg Aman, Kec. Kotabumi Selatan, Kab. Lampung Utara
	Kuala Tungkal	Jl. Ki Hajar Dewantara no. 30B Kuala Tungkal
	Lahat	Jl. Kolonel Burlian No.182 Talang Kapuk Kelurahan Pasar Lama Lahat Sumsel 31413
	Manna	Jl. Letnan Tukiran No. 46 RT/RW : 002/000 Kel. Pasar Baru, Kec. Kota Manna Bengkulu Selatan 38513
	Mdp Palembang	Gedung MDP Lt.2, Jl. Jend. Sudirman KM 4(simpang POLDA), Palembang 30128
	Merangin	Jl. Jend. Sudirman Lintas Sumatera KM 3 Kec. Nalotantan Kel. Sungai Ulak, Merangin-Jambi 37300
	Metro Lampung	Jl. Jendral Sudirman No. 282 Metro Lampung
	Muara Enim	Jl. Jendral Sudirman Talang Jawa Atas Kel.Pasar III Kab.Muara Enim 31315 (Samping Bank BRI)
	Muntok	Jl. Jendral Sudirman Pal 2 Ruko Sin-Sin Desa Air Belo Bangka Barat, Kep. Bangka Belitung 33351

REGION	NAME	ADDRESS
SOUTH SUMATERA	Natar	Jl. Raya Natar No 78E, Desa Merak Batin, Kec. Natar, Kota Lampung Selatan, Provinsi Lampung, Kode Pos 35362
	Palembang Kenten	Jl. MP.Mangkunegara No.2 RT.40 RW.017 Perumnas Sako Kenten, Kel.8 Ilir Kec.Ilir Timur II Palembang 30163
	Palembang Square	Komp. Ruko Palembang Square Blok R 126 Jl. POM IX Palembang
	Prabumulih	Jl. Jend. Sudirman No.2 (samping Jati Jepara) Kel.Muara Dua Kec.Prabumulih Timur
	Pringsewu	Jl. Ahmad Yani No 188AB Pringsewu 35373
	Raden Intan	Jl. Raden Intan no.57A Kel.Enggal Kec.Enggal Bandar Lampung
	Rimbo Bujang	Jl. Pahlawan Unit 2 (depan Polsek) Kel.Wirotho Agung Kec.Rimbo Bujang Kab. Tebo. Jambi 37553
	Sarolangun	Jl. Lintas Sumatera KM.1, Kel. Augading, Simpang Raya RT.08 No. 2, Kab. Sarolangun, Jambi
	Sebrang Ulu	Jl. Ahmad Yani No.30 RT.20 RW.01 Kel.13 Ulu Kec.Seberang Ulu II. Palembang 30263
	Sekayu	Jl. Kol Wahid Udin No.559D Ruko Sejahtera Kec.Sekayu Kab.Musi Banyuasin 30711
	Sribawono	Jl. Jend Sudirman no.16A Kel.Srimenanti Kec.Bandar Sribawono Lampung Timur 34199
	Sungai Liat	Jl. Jend. Sudirman, Ruko Permata Indah Blok C No.1, kel. Sungai Liat, kec. Sungai Liat, Kab. Bangka 33211
	Sungai Penuh	Jl. Jendral Sudirman No.88A Amar Sakti Kel.Pondok Tinggi Kota Sungai Penuh 37114
	Teluk Betung	Jl. Laksamana Malahayati No.103 Kel.Kangkung Kec.Teluk Betung Selatan Bandar Lampung 35224
	Tulang Bawang	Jl. Lintas Timur Unit 2 Kp. DWT Jaya Kec.Banjar Agung Kab.Tulang Bawang Prov. Lampung 34595
WESTERN JABOTABEK	GTG BSD	Graha Telekomunikasi Lt.Dasar Jl Raya Serpong Sektor IV BSD Tangerang 15322
	Central Park	Mall Central Park lt.3, Lot-116-118 Jl. Letjend S.Parman kav 28 Jakarta 11470
	Cilegon	Graha Sucofindo Lt.1, Jl. Jendral A. Yani No.106 Cilegon 42426
	Serang	Jl. Raya Cilegon KM 2, Kepandean, Serang
	Balaraja	JL.RAYA SERANG KM.24 NO.88 BALARAJA (DEPAN PT.DHARMA POLIMENTAL) 100 DARI PINTU TOL BALARAJA BARAT
	Bintaro	Mall Bintaro Jaya Xchange,CBD Bintaro Jaya Sektor VII Lantai G No.121 Tangerang Selatan 15227
	Cengkareng	Ruko Mutiara Palem Blok A 2 No.11 Cengkareng
	Cikupa	Ruko Belgie Blok B. 05B No.1, Citra Raya Square II, Perumahan Citra Raya Cikupa, Jl. Raya Serang KM 14.7 Tangerang
	Ciputat	JL. Dewi Sartika No. 71 D, Cipayung, Ciputat, Tangerang Selatan 15411
	Kebon Jeruk	Jl. Kebon Jeruk no. 24 RT 002/009 Batusari, Kec. Kebon Jeruk, Kel Kebun Jeruk, Jakarta Barat 11530
	Labuan	Jl..Perintis Kemerdekaan No.24 C-D Labuan, Banten
	Mall Tanggerang City	Mall Tangerang City Lantai LG Blok C61
	Pandeglang	Jl.Lapangan Sukarela No.2E. Kadu Pandak Pandeglang 42213
	Rangkasbitung	Rangkas Bitung Plaza (RABINZA) JL. RT Hardiwinangun Ruko Rabinsa Blok A No.15 Kel Muara Ciujung Timur, Kec Rangkas Bitung Kab Lebak 42314
	Summarecon Mall Serpong	Mall Summarecon Serpong 2 lt. Unit 2 F-239 Tangerang Banten
	Supermall Karawaci	Supermall Karawaci e-Center, Lt. LG Blok A5/4-A5/7 Jl. Boulevard Diponegoro, Tangerang

REGION	NAME	ADDRESS
WESTERN JABOTABEK	T3 Bandara	Jl. Pajang Kecamatan Tangerang Kota Tangerang Bandara Soekarno-Hatta Kedatangan Gate 5 Lt. GF 19120
	Lounge Bandara	Bandara Soekarno Hatta Terminal 2
CENTRAL JAKARTA	Gandaria City	Mal Gandaria Lantai 1 unit 137-141 Jl KH. Syafii Hazami no 8 Jakarta Selatan
	Jakarta Pusat (Wisma Alia)	Wisma Alia Lt.1-2, Jl. M. Ridwan Rais 10-18 Jakarta Pusat 10110
	Bassura City Mall	Lantai 1, Jl Basuki Rahmat No.1A Rt.008 Rw.010 Jatinegara, Cipinang Besar Jakarta Timur, DKI Jakarta
	Cempaka Mas	Jl. Letjen. R. Suprapto, Sumur Batu, Kemayoran, Sumur Batu, Kemayoran, Kota Jakarta Pusat lantai LG, Daerah Khusus Ibukota Jakarta 14360
	Cijantung	Mall Cijantung Lantai 1 No.26-27, Cijantung, Jakarta Timur
	Emporium Pluit	Emporium Pluit Mall, Jl. Pluit Selatan Raya Lt. 2, Jakarta Utara
	Grand Indonesia	Mall Grand Indonesia Lt.5, Jl. M.H Thamrin No.1 Jakarta Pusat
	Kota Kasablanka	Jl. Casablanca Raya Kav.88, Lt. 2, Jakarta Selatan
	Mall Kelapa Gading 3	Mall Kelapa Gading 3, Lt. 2 Jl. Boulevard Kelapa Gading blok M RT 13/ RW 18, Kelapa Gading Timur, JKT 14240
	Mall Ambassador	Mall Ambassador Lt. 2 No.46, Jl. Prof.Dr. Satrio, Jakarta Selatan
	Metro Cipulir Mall	Mall Metro Cipulir, Lantai LG Blok A no. 1 Jl. Ciledug Raya No. 1 Jakarta Selatan
	PGC	PGC Lt. 3AJl. Mayjen Sutoyo No. 76 Cililitan Kramat Jati Jaktim
	Plaza Semanggi	Plaza Semanggi Lt.2 Kav 046-047, Jl. Jend. Sudirman Kav.50 Semanggi Jakarta Selatan 12930
	Pluit	Ruko Muara Karang Raya No.52 Pluit, Jakarta Utara
	Pondok Bambu	Jl. Pahlawan Revolusi no.41 Pondok Bambu Jaktim
	Pondok Indah Mall	Street Gallery Lantai 2 No.205, Pondok Indah Mall 3, Jalan Metro Pondok Indah Blok IIIB, Kebayoran Lama, Jakarta Selatan 12310
	Roxy Mas	Komp. Ruko ITC Roxy Mas Blok D1 No.1-7,Jl. KH. Hasyim Ashari, Jakarta Pusat
	Sawah Besar	Jl. Sukarjo Wiryopranoto No. 3 & 3A, Sawah Besar,Jakarta Barat
	Yos Sudarso	Jl.Yos Sudarsono Kav. 23 - 24 Jakarta Utara
	LOOP Station Mahakam	Jl Mahakam 1 No.3 Blok M
	Kalibata City	Jalan Raya Makam Pahlawan Apartement Kalibata City Blok C No.18, Jakarta Selatan
EASTERN JABODETABEK	Cibubur	Lt 2 Mall ciputra cibubur cileungsi km 4 cibubur, jati karya jati sampurna kota bekasi jawa barat 17435 jl.Alternatif Cibubur / jl raya arteri cibubur km 4
	Karawang	Jl Galuh mas Raya Ruko Broadway blok 2 no 1 Karawang 41361
	Sukabumi	Jl. RE Martadinata No. 71 Sukabumi
	Bekasi	Mall Bekasi Cyber Park, Jl KH Noer Ali No. 177, Bekasi Selatan 17144
	Bekasi Timur	Ruko Bekasi Town Square Blok I-2 Jl. Chairil Anwar, Bekasi Timur 17113
	Bogor	Jl. Raya Pajajaran No. 37 Bogor 16143
	Cibinong	Komplek.Ruko Permata Cibinong No.3A JL.Mayor Oking No.60 Cibinong - Bogor
	Cicurug	Jl. Siliwangi Blok 2 No.89, Cicurug, Sukabumi
	Cikampek	Jl. H. Juanda no.20, Cikampek 41374
	Cikarang	Komplek Ruko 21, Jalan Raya Cibarusah No.21H Kel Sukaresmi, Kec Cikarang Selatan, Kab Bekasi (17530)
	Cinere	Mall Cinere Lt.2 No.9 Cinere, Jaksel
	Itc Depok	Mall ITC Depok Jl. Margonda Raya Depok 16423 Lantai dasar Blok A No 5

REGION	NAME	ADDRESS
EASTERN JABODETABEK	Jampang Kulon	Kampung Simpang Bungur, Jampang Kulon
	Leuwiliang	Jl.Raya Leuwiliang Rt.02/Rw.05 Desa Cihideung Ilir,Kecamatan Ciampea,Kabupaten Bogor (sebelah DR.Chicken Cibanteng)
	Margo City	Lantai 1 Blok L112 Margo City Mall, Jl.Margonda Raya Depok
	Pelabuhan Ratu	Jl. Siliwangi No. 47 Pelabuhan Ratu-Sukabumi
	Plaza Indah Bogor	Plaza Indah Bogor Bl - 5 Lt. 1 Jl. Sholeh Iskandar, Cimanggu Bogor
	Purwakarta	Jln. Terusan ibrahim singadilaga. Ruko Pembaharuan No.12 Kel. Nagrikaler Kec. Purwakarta 41115
WEST JAVA	Telkomsel Digilife Dago	Jl. Ir.H. Juanda No.8 Citarum, Bandung Wetan, Kota Bandung, Jawa Barat 40116
	Cianjur	Jl. Abdullah bin Nuh No.64-66 Cianjur
	Dago	Jl. Ir. H. Juanda no. 252 Bandung 40134
	Tasikmalaya	Jl. Panglayungan II No. 3 - 5 Tasikmalaya 46134
	Banjar	Jl. Let.Jend Suwarto No. 03 Rt 01 Rw 01 Kel Hegarsari Kec.Pataruman Kota Banjar 46311
	Bantarkalong	Jl. Simpang No.11 Bentar Kalong, Tasik
	BEC	Istana BEC Lt. LG Jl. Purnawarman No. 13-15 Bandung
	BTC	BTC Mall Jl. DR Djundjunan No. 143-149 Lt. GF Blok A1 No. 2-3 Bandung
	Ciamis	Jl. KH. Ahmad Dahlan No. 13B Ciamis
	Cimahi	Plaza Sangkuriang Jl Sangkuriang No 19-23, Cimahi
	Cirebon Super Blok	Mall Cirebon Superblok (CSB) Lt.2 Jl. Dokter Cipto Mangunkusumo No.26 Cirebon, Jawa Barat
	Garut	Jl. Pramuka Ruko IBC D-19 Depan Ramayana Kel. Pakuwon Kec. Garut kota Kab. Garut
	Indramayu	Jalan D.I Panjaitan Rt/Rw 03/03 no.54 - Indramayu 45212
	Jatibarang	JL. Mayor Dasuki No. 58/82 Jatibarang Kab.Indramayu 45273
	Kabupaten Cirebon (Ciledug Cirebon)	Ruko Simpang Tiga Jl.Merdeka Utara No.1 Ciledug Cirebon 45188
	Kopo / Miko Mall (Mtc)	MIKO MALL Jl. KOPO No. 599 Lt. 1 BLOK B1 20-30 Kel. Cirangrang Kec. Babakan Ciparay Bandung 40255
	Kota Cirebon	Jl. Tuparev No. 57 Cirebon
	Kuningan	Jl. Siliwangi No. 196 Cigembang purwawinangun Kuningan 45512
	Lembang	JL. Raya Lembang No. 241 Lembang
	Majalaya	Ruko Permata Majalaya Blok B No.2 Jl.Tengah 3 Majalaya 60882
	Majalengka	Jl. KH. Abdul Halim No 158, Majalengka 45418
	MTC	Jl. Soekarno-Hatta no 590, Ruko MTC D-18 bandung 40286
	Padalarang	Jalan Rancabali No. 78a Padalarang Bandung Barat 40553
	Pamanukan	Jl. Ion Martasasmita No. 12F, Pamanukan-Subang 41254
	Pangandaran	Jl Merdeka KM 0,5 rt/rw 03/03 pananjung. Kec. Pangandaran-Ciamis 46395
	Rancaekek	Jl. Raya Rancaekek No. 151 Sumedang
	Singaparna	Jl. Raya Timur No. 212 Singaparna Kab. Tasikmalaya
	Soreang	Jalan Al-Fathu Ruko Bale Sakanca Blok A.03 Desa Pemekaran Kec Soreang 40912 Kab Bandung
	Subang	Jl.Kapt.Hanafiah ruko c-8 kel.karanganyar kec Subang kab.subang 41211
	Sumber	Jl P.Cakrabuana - Kemantren Ruko Grand Duta 14A Sumber 45611 - Cirebon
	Sumedang	Jl. Mayor Abdurrahman no 154 Komplek Pujasera Sawopolo Sumedang

REGION	NAME	ADDRESS
WEST JAVA	Sunda	Jl. Sunda No.16, Bandung 40112
	Ujung Berung	Jl. A.H. Nasution No. 228 Bandung 40614
	Lembong	Jl. Lembong 15 Bandung
	LOOP Station Diponegoro	Jl. Diponegoro No.24 - Bandung
	Trans Studio Mall Bandung	Trans Studio Mall Lantai 3 Jalan Gatot Subroto No.289 Cibangkong, Bandung, Jawa Barat 40273
	Festival Citylink	Jl. Peta No.241, Suka Asih, Bojongloa Kaler, Kota
CENTRAL JAVA	Kudus	Jl. Jend. Sudirman No.69 Kudus
	Purwokerto	Gedung Telkom, Jl. Merdeka no. 26 Purwokerto 53116
	Semarang Mall Ciputra	Mall Ciputra Lantai dasar, Jl. Simpang Lima No.1 Semarang 50241
	Semarang Pahlawan	Gedung Telkomsel Jl. Pahlawan No. 10 Semarang 50241
	Solo	Jl. Slamet Riyadi No. 310 Solo
	Tegal	Jl. Gajahmada No.77 Tegal Jawa Tengah (bersebelahan dengan Gedung Telkom)
	Yogyakarta	Jl. Jend. Sudirman No. 60 Yogyakarta 55224
	Banjarnegara	Ruko Atrium Blok B-5, JL HOS Cokroaminoto Banjarnegara No.39 53412 Jawa Tengah
	Banyumanik	Jl. Jati Raya Blok C-17 Banyumanik , Kabupaten Semarang, Jawa Tengah
	Batang	Jl. Raya Limpung (Jl. Jend Sudirman) Ruko no 6 Limpung (selatan SD N 1 Limpung), Batang
	Boyolali	Jl. Pandanaran No. 23, Boyolali.
	Cepu	Jl. Ronggolawe No. 67 Cepu-Blora
	Cilacap	Jl. S. Parman No 30 Cilacap
	Cilacap Kroya	Plaza Telkom Jl A Yani no 70 Kroya Cilacap 53282
	Demak	Ruko C Jl Sultan Fatah Demak
	Hartono Mall	Hartono Mall Lt. 1/B-11, Jl. Raya Ring Road Utara, Kel. Condong Catur, Kec. Depok, Kab.Sleman, DIY - 55283.
	Jepara	Jl. Pemuda No. 64 Jepara, Jawa Tengah
	Jogja City Mall	Jogja City Mall Lt.1,?'Jl Magelang Km.6 No.18 Sinduadi, Sleman, DIY
	Karanganyar	Jl. Lawu barat, pandes papahan. Karanganyar
	Kebumen	Jl. H.M Sarbini No.15A Kebumen 54311
	Kendal	Jl. Soekarno Hatta No.70 B Weleri - Kendal 51355
	Klaten	Jl. Veteran No. 22 Klaten
	Kulonprogo	Jl. Sutidjab 74, Kel. Wonosari Lor, Kec. Wates, Kulon Progo.
	Yogyakarta Inner,Gedong Kuning	Jl. Gedong Kuning No. 94B, Rejowinangun,Kota Gede,Yogyakarta-55171.
	Magelang	Jl. Jend. Sudirman No 375 Magelang
	Pati	Jl. Pemuda No 252 Pati, Jawa Tengah
	Pekalongan	Jl. Merdeka No.3 D Pekalongan
	Pemalang	Jl. Jend. Sudirman, Ruko Swalayan Pemalang Permai Blok F, Pemalang
	Purbalingga	Jl. MT Haryono No. 18 Purbalingga Jawa Tengah
	Purwodadi	Ruko Grand City No2B,Jl. R. Suprapto No 60,Purwodadi
	Purworejo	Jl. KHA Dahlan No. 141
	Rembang	Jl. Diponegoro No.28 Rembang
	Salatiga	Jl.Diponegoro, Ruko Wijaya Square Blok A No 5 , Salatiga
	Sragen	Jl. Raya Sukowati No.28E (Ruko depan samsat sragen) , Sragen, Jawa Tengah
	Hartono Mall Solo	: Hartono Mall GF-C09 Jl Ir Soekarno Madegondo Solo Baru Sukoharjo
	Temanggung	Jl. Jend. Sudirman No. 95, Ruko 1,Jampiroso, Temanggung.
	Ungaran	Jl. Diponegoro No 158 Ungaran

REGION	NAME	ADDRESS
CENTRAL JAVA	Wonogiri	JL Pemuda II No.1 Wonogiri
	Wonosari	Jl KH Agus Salim No 6 Kepek Wonosari
	Wonosobo	Jl. RSU Setjonegoro No. 10 B, Wonosobo
	LOOP Station Yogyakarta	Jl Trikora No.2 Yogyakarta 55122
EAST JAVA	Banyuwangi	Jl. DR. Sutomo No.63 Banyuwangi 68411
	Gresik	Jl. Usman Sadar No.81 Gresik 61122
	Jember	Jl. Gatot Subroto 43 Jember
	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 16 Probolinggo
	Surabaya Bukit Darmo	Jl. Bukit Darmo Boulevard No.6 C-D, Surabaya
	Surabaya Pemuda	Gedung Graha Timbul Jaya, Jl. Pemuda No. 181 Surabaya 60271
	Ttc Hr Muhammad	Jl. HR Muhammad no 46 Surabaya 60225
	Wtc	Gedung WTC lt.1 No. 164 - 171 . Jl. Pemuda 27-31. Surabaya 60271
	Atom Mall	JL. Bunguran45 Lt 1 Blok A-85 Surabaya
	Bangkalan	Jl. Trunojoyo 39C, Bangkalan
	Blitar	Ruko Melati 1E. Jln. Melati No. 1 Blitar
	Bojonegoro	Jl. Dr Wahidin No. 9B Bojonegoro
	Bondowoso	Jl. Diponegoro No 24B Bondowoso
	Caruban	Jl. Panglima Sudirman No.16 Caruban, Madiun 63153
	Ciputra World	Ciputra World Surabaya LG -55 Jl. Mayjend Sungkono 89 Surabaya
	Cyber Mall	JL. Raya Langsep no. 2 Malang
	Genteng	Jl. Hassanuddin No.11, Genteng Wetan Banyuwangi
	Jombang	Jl. KH Wachid Hasyim No. 136E Jombang
	Kepanjen	Jl. Panji 154 Kepanjen 65163
	Lamongan	Jalan Veteran No. 12 (depan SMAN 2 Lamongan)
	Lawang	Jl. Raya Cipto 57 Bedali Lawang Malang
	Lumajang	Jl. Raya PB Sudirman 73 Lumajang Jawa Timur
	Magetan	Jl. Monginsidi No. 30 Magetan
	Mojokerto	Royal Ruko regency Jl Pahlawan 7 Rk 5 Mojokerto
	Nganjuk	Ruko Mustika Square, Jl. Merdeka block 2A Nganjuk
	Ngawi	Jl. A Yani No 97, Ngawi
	Pacitan	Jl. P. Sudirman 180 Pacitan 63511
	Pamekasan	Gedung Telkom, Jl. Trunojoyo No. 67 Pamekasan
	Pandaan	Plaza Telkom Jl A. Yani No. 56A Kasri - Pandaan
	Pare	Jl. A. Yani no 6 Pare Kediri
	Pasuruan	Jl. Panglima Sudirman No. 122, Pasuruan
	Perak - Sby Utara	Jl. Perak Timur 40 B Surabaya
	Plaza Marina Surabaya	Mall Plaza Marina Lt.1 Block B12-B21, Jl Raya Margorejo Indah 97-99 Surabaya
	Ponorogo	Jl. Diponegoro No 42 Ponorogo
	Rogojampi	Jl. Brawijaya no. 27 Muncar Banyuwangi
	Rungkut	Ruko MERR Square City 2B Pandugo
	Sidoarjo	Komp. Jenggolo Plaza Blok B-1, Jl. Kh. Mukmin A-11 Sda
	Situbondo	Jl. Kenanga no 94 Situbondo
	Sumenep	Jl. KH Wachid Hasyim No. C-2 Sumenep 69417
	Taman (Wiyung)	Jl. Raya Taman no. 218 E Sidoarjo

REGION	NAME	ADDRESS
EAST JAVA	Trenggalek	Jl. Panglima Sudirman No.33, Trenggalek
	Tuban	Jl. Brawijaya No. 26 Tuban
	Tulungagung	JL. Panglima Sudirman 45 Ruko Kanjengan Tulungagung
	Tunjungan Plaza	Tunjungan Plaza I Lantai 4 no 7-10, Jl. Basuki Rahmad 8-12 Surabaya
	LOOP Station Surabaya	Jl. Raya Darmo No. 110 Surabaya
	Sampang	Jl Teja Timur RT 02 RW 06 Kel Tejatimur Kec Pamekasan
	Galaxy Mall	Jalan Dharmahusada Indah Timur No.35 - 37 Galaxy Mall 1 lt.2 unit 228 Surabaya
	Pondok Jati	
	Dinoyo	Jl. Raya Dinoyo No.48, Keputran, Tegalsari, Kota SBY, Jawa Timur 60265
BALI NUSA TENGGARA	Denpasar	Gedung Plasa Telkom, Jalan Teuku Umar Nomor 6, Denpasar 80114
	Kupang	Jl. W.J. Lalamentik 88 Oebufu Kupang 85119
	Kuta	Mall Bali Galeria lantai 2, Jl. By Pass I Gusti Ngurah Rai, Simpang Dewa Ruci Kuta Bali (Simpang Siur)
	Mataram	Jl. Pejanggik 47 F Mataram Lombok 83231
	Renon	Jl. Raya Puputan Renon No. 33, Renon, Denpasar
	Atambua	Jl. Adam Malik No. 5, Kelurahan Beirafu, Kec. Atambua Barat, Kabupaten Belu 85711
	Bima	Jl.Soekarno Hatta kelurahan Pane (depan Gedung Koni lapangan manggemaci) Kota Bima
	Gatsu	Jl. Gatot Subroto Timur no 36 C, Denpasar 80237
	Gianyar	Jl. By Pass Darmagiri Desa Buruan Kecamatan Blahbatuh Kabupaten Gianyar (Dewatacom)
	Gunung Agung	Jl. Gunung Agung 125B, Denpasar (80118)
	Karang Asem	Jl . Jendral Sudirman No.98 C Amlapura, karangasem, 80813
	Kefamenanu	Jl. Basuki Rahmat Kel. Benpasi, Kec. Kota Kefamenanu
	Lippo Mall Kupang	Jl. Veteran, Kel. Fatululi, Kec.Oebobo, Kupang-NusaTenggaraTimur.
	Lombok Epicentrum Mall Mataram	Jalan Sriwijaya No. 333, Mataram, NTB
	Lombok Utara	Jl. Raya Tanjung komplek Pertokoan (Depan Lap Umum Super Semar) Tanjung-Lombok Utara, 83352
	Maluk Newmont	Jl. Raya Maluk no. 141 Maluk-Sumbawa Barat 84357
	Maumere	Jl Ahmad Yani Kelurahan Nangameting Kecamatan Alok Timur Kabupaten Sikka 86111
	Negara	Jl. Ngurah Rai 86-Negara 82217
	Nusa Dua	Jl. Bypass Ngurah Rai No. 122, Mumbul, Nusa Dua 80363
	Ruteng	Jl. Kartini No. 2, Desa Lawir, Kec. Langke Rembong, Kab. Manggarai 86516
	Selong	Jl. Pejanggik No.53 Pancor (Komplek Pertokoan Yanmar baru) Kelurahan Majidi, Kecamatan Selong, Lombok Timur 83611
	Singaraja	Jl. A. Yani No. 72 Singaraja 81116
	Soe	Ruko Baru Soe JL.Hayam Wuruk No.16A Kelurahan Taubneno, Kota Soe Kabupaten TTS-NTT 85511
	Sumbawa Besar	Jl. Mangga No.09 Kel.Umasima Sumbawa Besar, NTB
	Sunset Road	Jl. Sunset Road No. 16C Badung Bali
	Tabanan	Jl. Ir. Soekarno No. 99D (Bypass Kediri), Kec. Kediri, Tabanan 52151
	Taliwang	Jl. Jendral Sudirman No 30 Taliwang, Sumbawa Barat 84355
	Waingapu	Kompleks Pertokoan Permata Sari Jl. Ahmad Yani No.4, Blok A2, Mentawai, Waingapu 87111

REGION	NAME	ADDRESS
KALIMANTAN	Banjarmasin	Jl. A. Yani Km.5,2 Banjarmasin 70249
	Bontang	Jl. Ahmad Yani No.20 Bontang - Kalimantan Timur 75311
	Palangkaraya	Jl. Ahmad Yani No.45 Komp. Telkom, Pahandut - Palangkaraya
	Pontianak	Jl. Gusti Sulung Lelanang No. 5 A Kode Pos 78117 Pontianak
	Samarinda	Komp.Mall Lembuswana Blok A 16-18 Jl. S. Parman Samarinda 75118ï¿½??
	Sudirman Balikpapan	Jl. Jend. Sudirman No. 1 Balikpapan 76114
	Tarakan	Jl.Mulawarman No.12 Tarakan 77111
	Amuntai	Jl. A.Yani KM 1 Kec. Amuntai Tengah Kab. Hulu Sungai Utara, Kalsel
	Banjarbaru	Jl. A. Yani KM 33.5 Loktabat Banjar Baru 70712
	Barabai	JL. IR. P. H. M. NOOR RT. 03 KEC. BARABAI KAB. HST (71311) KAL-SEL
	Batulicin	JL.Raya Batulicin RT.13 Tanah Bumbu Kal-Sel
	Buntok	Jl. Panglima Batur No. 25 Buntok, Kal-teng 73711
	Handil	Jl. M. Hatta (Handil 3), Kecamatan Muara Jawa Kal-Tim
	Hr Arahman Pontianak	Jl. H.R.Arahman No. 168 Pontianak, Kal-Bar 78113
	Kandangan	Jl. Panglima Batur No. 36 Simpang 4 BRI Kandangan, Kal-sel 71212
	Kasongan	Jl. Cilik Riwut KM 1 Kasongan, Kalteng
	Ketapang	Jl. S.Parman Rt/Rw. 038/002 Kel. Sukaharja 78851 Ketapang - Kalimantan Barat
	Kota Bangun	Jl. Sri Bangun No. 31 Rt. 19 Kec. Kotabangun Ulu , Kota Bangun
	Kotabaru	Jl. Veteran K.01 RT. 4 Kel. Dirgahayu (seberang hotel kartika) kec. P.L Utara Kota Baru 72115
	Kuala Kapuas	Jl. Jend. A. Yani No. 37 RT. 12 Kel. Selat Hilir Kuala Kapuas 73513, Kal-Teng
	Loajanan	Jl. Cipto Mangunkusumo No. 39 RT. 12 Kelurahan Harapan Baru, Kecamatan Loa Janan Ilir
	Malinau	Jl. Raya Pandita RT 06 No. 71B Malinau 77554
	Melak	Jl. K.H Dewantara No 55 AB RT 26 Melak Ulu 75765 Kutai Barat
	Mt Haryono Balikpapan	Jl. Soekarno Hatta KM. 3 RT. 42 Kel. Gunung Samarinda Balikpapan Utara
	Ngabang	Jl. Pemuda No. 8. RT/RW 01/08 Dusun Tungkul, Desa Hilir Kantor, Kec. Ngabang, Kab. Landak, Kode Pos 78357
	Nunukan	Jl. Tien Soeharto Rt.13 No.14 Kel. Nunukan Timur Kec. Nunukan Kab. Nunukan 77482 Kal-Tara
	Pangkalan Bun	Jl. Iskandar No. 99C Kel. MaduRejo, Pangkalan Bun - Kalteng
	Pelaihari	Jalan H.Boejasin No.09 RT.26 (samping Bank Mandiri Syariah) Pelaihari 70814 kalimantan selatan
	Penajam	Jl Provinsi km.18 Kelurahan Petung Kec. Penajam Kab Penajam Paseur Utara Kaltim 76143
	Pulau Irian Samarinda	Jl. Pulau Irian No. 67, Samarinda
	Putusibau	Jl. Komyos Sudarso No 28 Putussibau - Kalbar
	Rantau	Jl. Brigjend H. Hasan Basri No. 3 Rantau, Kalsel 71111
	S.parman Banjarmasin	Jl. S. Parman Ruko No. 4D Rt. 20/01 Pasar Lama. Banjarmasin Tengah
	Sambas	Jl. Terigas ds. Saing Rambu dsn Sunsung Rt/Rw 14/03 No.89 B Sambas, Kal-Bar 79462
	Sampit	Jl. MT Haryono No. 88 B Sampit, Kal-Teng
	Sangatta	Jl. APT Pranoto No 98D, Sangatta 15611, Kaltim
	Sanggau	Jl. Jend. Sudirman No. 13 Kel. Beringin Kec. Kapuas - Sanggau 78512
	Sei Danau	Jl. Propinsi KM 167, Sei Danau, Kec. Satui,ï¿½?? Kab. Tanah Bumbu, Kal-sel 72257
	Singkawang	Jl. Swadaya No. 02 Komp. Telkom, Kel. Pasiran, Kec. Singkawang Barat, Kalimantan Barat
	Sintang	Jl. MT Haryono KM 04. Samping SPBU Melawi Timur. Kel. Kapuas Kanan Hulu, Kode Pos 78614
	Tanah Grogot	Jl. RM Noto Sunardi RT 4 Tanah Grogot Kal-Tim

REGION	NAME	ADDRESS
KALIMANTAN	Tanjung	Jl IR PHM Noor RT. 08 desa Mabuun kec. Murung Pudak kab. Tabalong kalsel 71571 (400 meter dari tugu Obor arah ke- tanjung)
	Tanjung Redep	Jl. Niaga 1 RT 1 No. 19 Tj. Redep - Berau 77311
	Tanjung Selor	Jl. Duku Rt. 15 Komp. Ruko No. 2 (Samping Star Swalayan) Tanjung Selor 77212
	Tenggarong	Jl. Patin No.09 Rt.28 Kel. Timbau Kec. Tenggarong Kab. Kutai Kartanegara Kalimantan Timur 75511
SULAWESI	Gorontalo	Jl. Jaksa Agung Suprapto no 22 Gorontalo 96115
	Kendari	Jl. A. Yani No 8 Kendari 93117
	Makassar	Gedung Diva Jl. AP. Pettarani No. 2 Makassar 90222
	Manado	Jl. Pemuda No.2, Sario Manado
	Palu	Jl. Mohammad Yamin No.9 Palu
	Pare-Pare	Jl. Bau Maseppe 108 91111
	Amurang	Jl. Kantor Pos Lingk III, Uwuran 1, Kec. Amurang, Minahasa 95354
	Bau Bau	Jl. WR. Monginsidi (Pertigaan SPBU H. Karim) Kel. Bataraguru, Kec. Wolio, Bau Bau 93714
	Bitung	Jl. Sam Ratulangi, Kompleks Ruko Baru (Samping Kantor Pajak) Bitung
	Bone	Jl. Ahmad Yani (depan Alfamart) Kel. Jeppe E Kec. Tanete Riattang Barat, Kab Bone
	Bulukumba	Jl. Sam Ratulangi, Bulukumba
	Daya Makassar	Jl. Perintis Kemerdekaan Km. 15 Ruko Kimia Square B.A16, Makassar
	Gowa	JL. Poros Sultan Hasanuddin No.146 B, Gowa (Depan Patung Adipura Gowa)
	Kolaka	JL. Pramuka No. 30, Kolaka
	Kotamobagu	Jl. Adampe Dolot No. 168 Kel. Mogolaing (Depan Lapangan Mogolaing) Kotamobagu
	Luwuk	J. Kol. Sugiono Komplek Ruko Lalong, Luwuk Banggai Sulawesi Tengah 94715
	Makassar Trade Center	Jl. Ahmad Yani No. 49 MTC Lt.3 Blok P08-09, Makassar
	Mall Panakukkang	Jl. Adhyaksa No. 1, Panakukkang Square Lt. 2 Makassar
	Mamuju	Jl. Jendral Sudirman No. 20b. Kec. Simboro, Kab. Mamuju, Sulawesi Barat, Kode Pos 91511
	Manado Town Square	Mantos Handphone Center (MHC), Komplek Mall Manado Town Square (Mantos),Jl Piere Tendean Boulevard, Lantai Ground Floor (GF),Manado
	Marisa	Jl.Trans Sulawesi No. 133 Komplek Ruko Vanda Indah Kab. Pohuwato/Jl.Trans Sulawesi Kab. Pohuwato depan PT. Cargill
	Maros	Jl. Jendral Sudirman No. 133, Maros
	Matoangin Square	Jl. Cendrawasih No 218
	Osman Djafar Makassar	Jl. Usman Jafar No. 9, Makassar
	Palopo	Jl. Andi Djemma Kel. Tompotika Ruko 3-4 (Ruko Sinar Galesong) Palopo
	Pangkep	Jl. Kemakmuran No. 5B (Ruko Abadi), Pangkep
	Parigi	JL.Trans Sulawesi Kel. Masigi Kec. Parigi Kab. Parigi, 94471
	Pinrang	Jl. Jendral Sudirman No. 56 Kel. Jaya Kec. Watang Sawitto Kab. Pinrang
	Polman	Jl. Ahmad Yani No. 72B, Poliwali Mandar
	Poso	Jl. P. Irian Jaya No 8 (Samping Bank BNI), Kel. Kayamanya Sentral, Kec. Poso Kota, Kab. Poso, Sulawesi Tengah
	Raha	Jl. Lakilaponto kel. Mangga kuning kec. Katobu
	Selayar	Jl. KH. Hayyung No. 97, Selayar
	Sengkang	Jl. A. Magga Amirullah Kel. Teddaopu Kec. Tempe Kab. Wajo
	Sinjai	Jl. Persatuan Raya No. 13, Sinjai
	Soroako	Jl. Gamalama No. 1, Soroako
	Ternate	Jl. Kapitan Pattimura No. 124 Kel. Kalumpang Ternate

REGION	NAME	ADDRESS
SULAWESI	Tobelo	Jl. Bayangkara Ruko Amazi. Gamsungi Tobelo 97762
	Toli Toli	Jl. Usman Binol No. 25, Toli-Toli, kel.Baru, Kec.Baolan Sulawesi tengah 94514
	Tomohon	Jl. Raya Tomohon Kel. Kakaskasen, Lk. VI No. 238 Kec. Tomohon Utara, Tomohon
	Toraja	Jl. Pongtiku lemb. Rinding Batu Kec. Kesu (Samping Bank Pundi)
MALUKU PAPUA	Ambon	Gedung Telkom - Jl. Dr. J.B. Sitanala No. 9A Talake Ambon 97115
	Jayapura	Gedung Telkom, Jl. Koti no 1 Jayapura
	Manokwari	Jl.Merdeka No.66 Manokwari (Samping Plaza Telkom)
	Sorong	Jl. Ahmad Yani No. 25 A-B Klademak Sorong 98414
	Timika	Jl.Hasanuddin Timika 99910
	Abepura	Jl. Raya Abepura Plasa Telkom
	Biak	Jl. Jendral Sudirman Ruko Pemda No. 4, Biak 98112
	Fak Fak	Jl. Salasa Namudat No. 11 Kompleks Ruko Pelabuhan, Fak Fak
	Merauke	Jl. Raya Mandala, Merauke 99616
	Nabire	Jl. PEPERA Kantor Telkom Kelurahan Karang Mulia(depan dinas kehutanan) Nabire 98815
	Saumlaki	Jl. Ir. Soekarno Depan Kantor Agama Saumlaki
	Sentani	Jl. Raya Sentani Pojok (Kompleks Ruko BRI unit Hawai), Sentani 99352
	Tembagapura	Retail Center - Mile 68 , Tembagapura, Timika - Papua 99930
	Tual	Jl. Gajah Mada / Tanah Putih Tual, Maluku
	Wamena	Jln.Tamberin Plasa Telkom Wamena
	Masohi	Jl. Imam Bonjol (Belakang Bank Maluku Lama) Kec. Masohi Kab. Maluku Tengah

REGION	NAME	ADDRESS
INTERNATIONAL	GraPARI Kuala Lumpur	Chow Kit Lot 2044-2045 Jln. Tuanku Abdul Rahman seksyen 41 Kuala Lumpur 50480
	GraPARI Macau	26 R De Tome Pires Macau
	GraPARI Makkah	Lantai P3 / Food Court di Grand Zam Zam/Abraj Al Bait (Depan Masjidil Haram)
	GraPARI Singapore	LUCKY PLAZA Building, 304 Orchard Road, unit 01–026, Singapore 238863
	GraPARI Tainan	Tainan City, North District Fu Bei Road No 85
	GraPARI Taipei	Ruko No. 1A, Lantai B1, Taipei City Mall (Mall Bawah Tanah TMS pintu Y27, Beimen MRT Ext 3)
	GraPARI Tawau	Jalan Dunlop Tawau, MALAYSIA
	Plasa GraPARI Hong Kong	11 Keswick Street Causeway Bay (Depan KJRI Hong Kong)
	GraPARI Madinah	Hotel Al-Salihiya, Lantai M/RF, di depan pintu Masuk nomor 26 Masjid Nabawi, Madina Al Munawarah, Kode Pos 42311
	GraPARI Jeddah	Al Moallefeen Street, Al Rehab District 5, Jeddah 21411 (Depan KJRI Jeddah)
	GraPARI Chiayi	hiayi City, ZhongShan Road No 522, TAIWAN

AREA	GRAPARI TYPE	NUMBER OF GRAPARI OUTLET
1	GRA Mitra	86
2	GRA Mitra	72
3	GRA Mitra	95
4	GRA Mitra	80

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).

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