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Presentation Material



Investor Presentation

PT Solusi Tunas Pratama Tbk

April 2014



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Section 1

Introduction to STP



Company overview

Third largest and fast growing independent Indonesian tower company
Unique combination of tower assets and fiber network



Founded in 2006
Listed on IDX in **Oct 2011**
Current market cap of **US\$593m^(a)**
Top 3 independent Indonesian tower company
All telecom operators and two LTE operators are current customers^(b)

 **2,073 km** of fiber network^(c)
Pioneer in rolling out micro cell for LTE services

Last 3 years **revenue CAGR** of **40.9%**
\$ 2013 revenue of **IDR840bn** (US\$73.9m)
2013 Q4 annualized revenue of **IDR959bn** (US\$84.8m)
EBITDA margin of **83%** in 2013

 Lean team of **294 employees^(c)**

 **3,348 telecom sites**
(2,798 towers, 550 shelter/indoor DAS)
5,285 tenancies
(4,708 tower tenancies, 1.7x tenancy ratio)

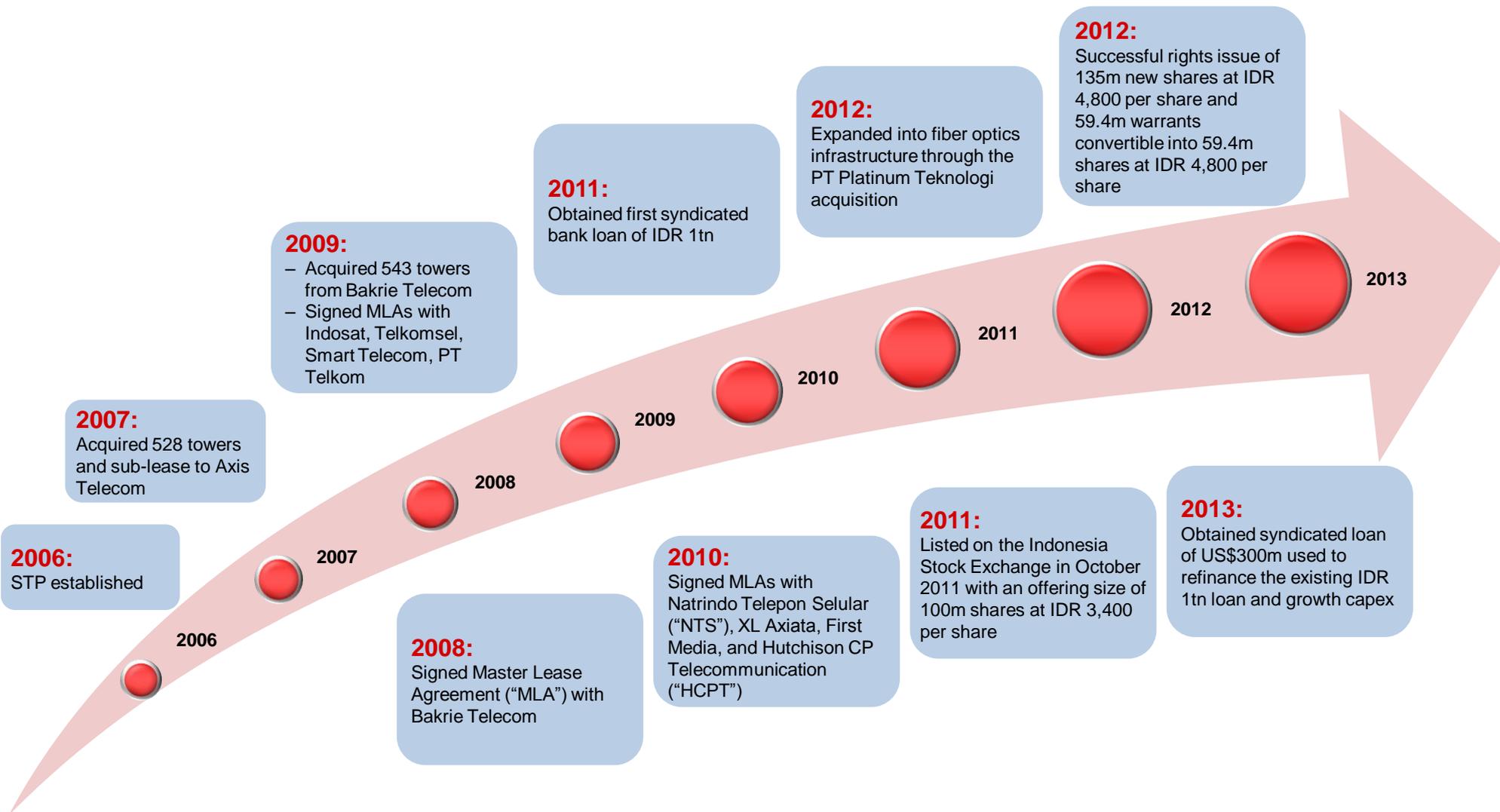


(a) Solusi Tunas Pratama stock price of IDR 8,475 per share as of 28 Mar 2014
(b) Current LTE customers are First Media and Internux
(c) As of 31 Dec 2013
Note: USD/IDR exchange rate of 11,361 as of 28 Mar 2014
Source: Company data, FactSet as of 28 Mar 2014



Key corporate milestones

Fast growth business transformation from pure-play tower company to an integrated telco services provider





Attractive business model

Stable, recurring and predictable revenues



Traditional service line

- Lease space on our towers sites to telcos for placing their antennas and other telecom equipment

93% of 2013 revenue
92% of Q4 2013 revenue

- Typical lease period: 10-12 years
- Current Tower Tenancy ratio: 1.74x



Highly predictable and recurring revenue stream based on advance rent collection

New service lines

- Lease space on our micro cell poles to traditional telcos and 4G deployments in high data traffic locations
 - Micro Cell poles, compared to the regular structure is faster to build, lower cost, higher rental fees
- Provide telecommunication operators with access to our **Indoor Building Solution networks** in shopping malls and residential buildings in major urban areas

7% of 2013 revenue
8% of Q4 2013 revenue

Micro Cell Poles

- Typical lease period: 10 years
- Current Tenancy ratio: 1.02x

Indoor Building Solution

- Typical lease period: 5 years
- Current Tenancy ratio: 2.93x



Build-to-suit business model, no speculative builds

- Offer efficient backhaul solutions for telecommunication operators using our **fiber network**

- Typical lease period: 10 years (for telcos customers included in Micro Cell poles)
- Typical lease period: 1-3 years (non telcos customers)



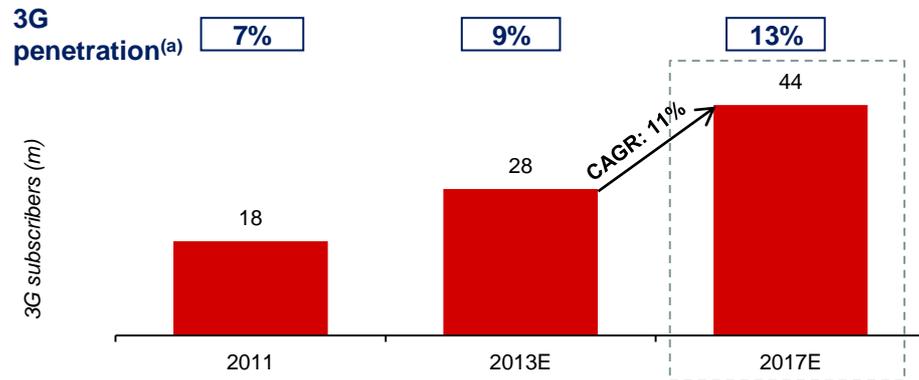
Section 2

Favorable industry backdrop

Robust growth in telecom industry in Indonesia

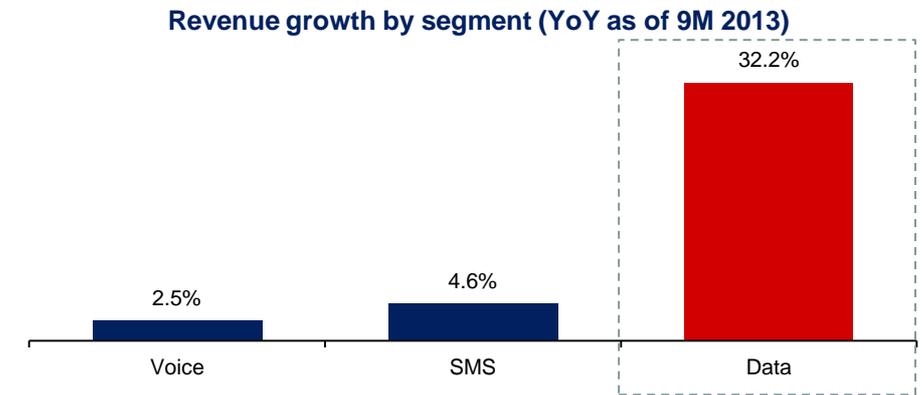


Strong growth in 3G subscribers



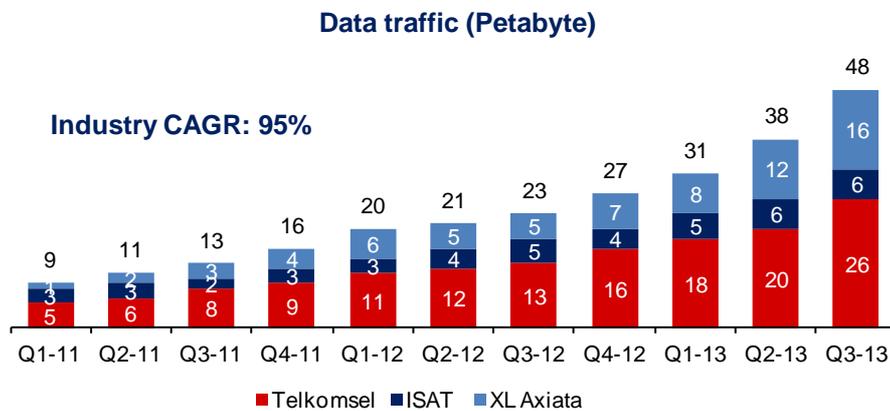
(a) Calculated as 3G subscribers over total wireless subscribers
Source: BMI (www.businessmonitor.com/bmo)

Data revenues are growing much faster than voice or text



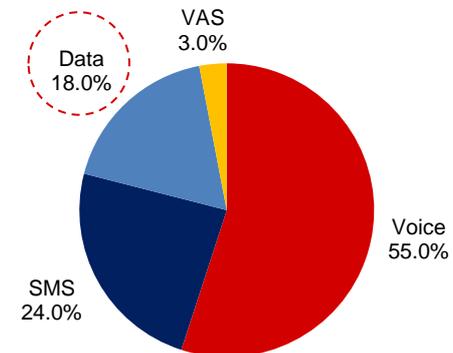
Source: Company data, broker research

Data traffic growing at 95% CAGR



Source: Company data, broker research

Data already accounts for ~18% of total industry revenues (2013E)



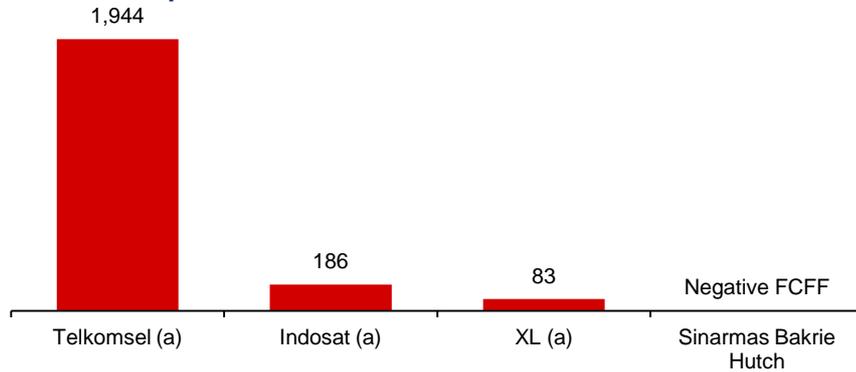
Source: Company data, broker research

Favourable tower industry dynamics in Indonesia



Except for Telkomsel, telcos are generating low FCFF

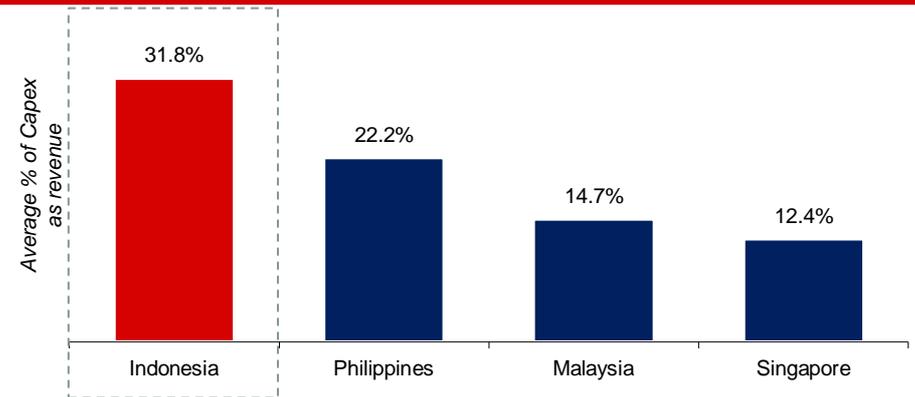
2013 EBITDA – capex



(a) Figures for Telkomsel are the mobile business; figures for Indosat and XL Axiata are for the entire telco business

Source: Company filing

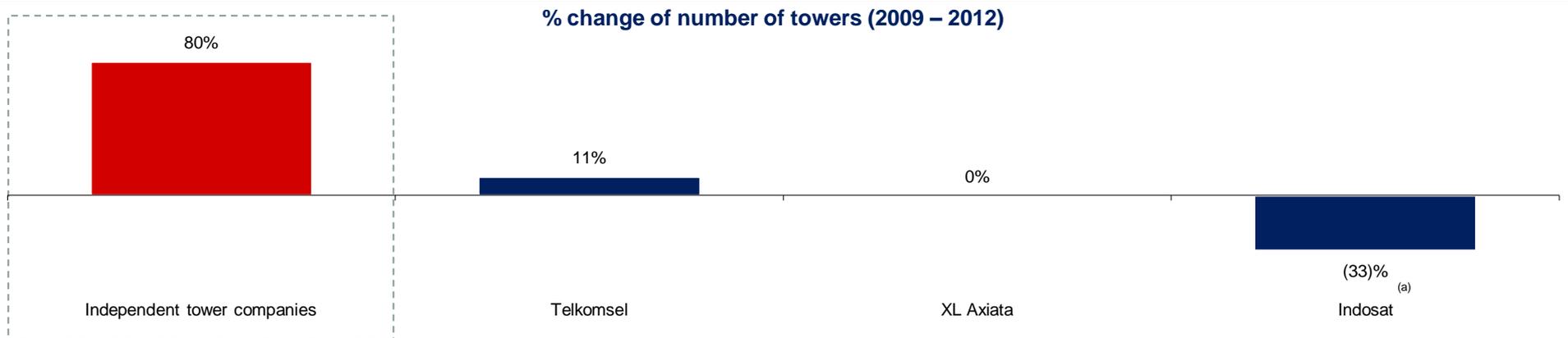
Highest capex ratio in the region (2013E)



Note: Average for Indonesia comprises the average of XL Axiata, Telkom and Indosat. Average for Philippines include PDLT and Globe Telecom. Average for Singapore comprises the average of Singtel, M1 and Starhub. Average for Malaysia comprises the average of Maxis, Digi.com and Axiata

Source: Broker reports

Growth in towers is coming via independent tower companies



(a) Includes sale of 2,500 towers

Source: Company data, broker reports

High entry barriers into our industry

Indonesian market very conducive to tower and fiber company business model

Government regulations mandate tower sharing

- On 30 March 2009, four Ministries issued a Joint Decree regarding Construction and Utilization of Shared Telecommunication Towers. The Joint Decree strongly promotes the tower sharing model and has clear guidelines for the issuance of building permits that benefit independent tower providers

Regulatory barriers

- Ownership of tower companies must comply with the Negative List
 - The Negative List was last amended to include tower companies (**prohibiting foreign investment in private tower companies**) and prohibiting foreign **control** of public tower companies
- Extensive permits / licensing site approval processes

Operational and capital hurdles

- Qualified track record required by telecom operators
- Significant upfront capex
- Telcos want to work with financially strong partners
 - Extremely low customer churn due to switching costs and potential network impact

Special permit in Jakarta

- One of only three companies in Jakarta with a 20 year permit to deploy street level micro cell network using existing local government assets
 - Acquired through the acquisition of PT Platinum in 2012 which was consumer focused
 - We are most LTE ready amongst our peers



Section 3

Key investment highlights

Key investment highlights



- 1** Proven growth track record in a fast emerging sector with high entry barriers
- 2** National presence with asset concentration in the lucrative Greater Jakarta region
- 3** Rapidly diversifying client base towards leading telcos in Indonesia
- 4** Unique fiber network, providing ability to deploy LTE solutions with superior economics
- 5** Experienced management team and reputable Board
- 6** Strong financials performance, funding headroom

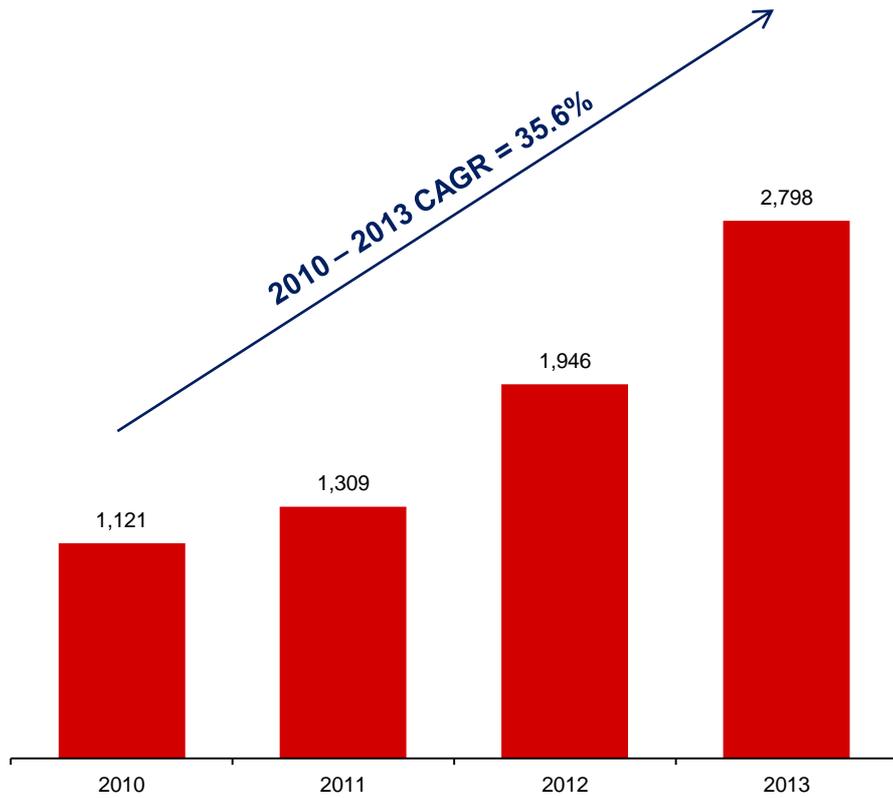


1

Proven growth track record in a fast emerging sector with high entry barriers

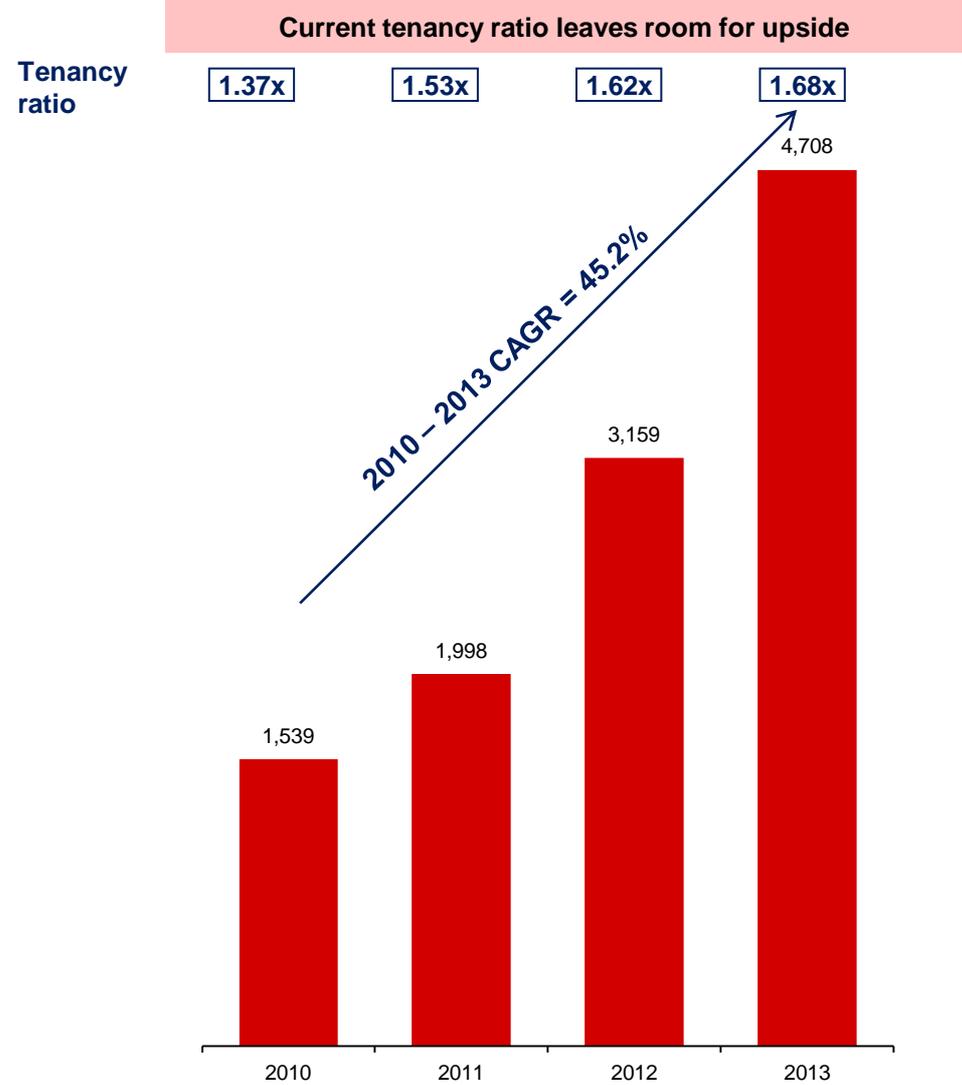


Towers have grown by 150% in last 3 years



Source: Company data

Tower tenancies have grown by 205%





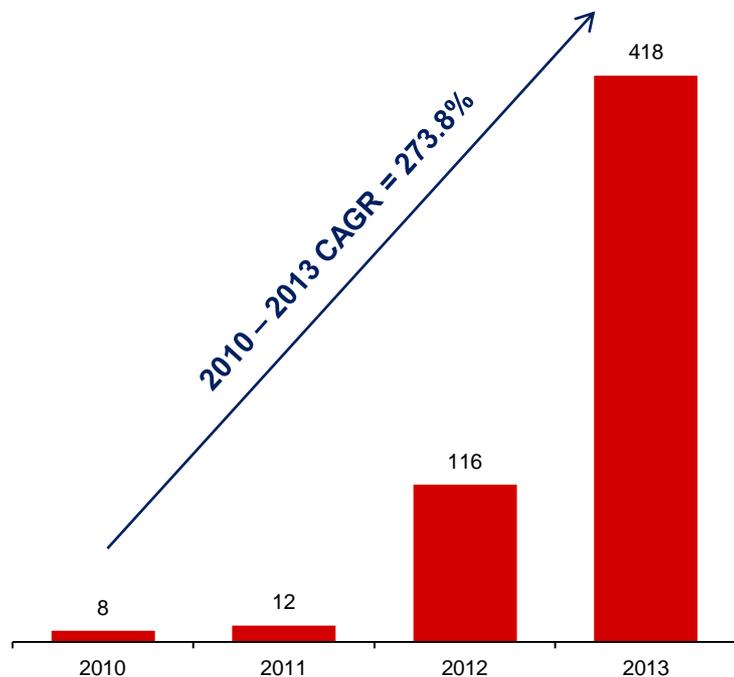
1

Robust organic growth momentum and an effective M&A strategy



Organic tower addition by STP – growth is accelerating

Annual tower addition



Cumulative number of towers

| 2010 | 2011 | 2012 | 2013 |
|------|------|------|------|
| 23 | 35 | 151 | 569 |

More efficient acquisitions and accelerated integration

| Year | Acquisition | Acquisition completion |
|------|--|------------------------|
| 2007 | NTS Tower Acquisition  <ul style="list-style-type: none"> 528 towers located in Jakarta and Greater Jakarta Contracted through Ericsson Indonesia under RTU (Right to Use) scheme | 2 years |
| 2009 | BTEL Tower Acquisition  <ul style="list-style-type: none"> 543 towers nationwide STP acquired the sites on as-is basis Transfer of title, land extension, IMB application & extension were done by STP | 1 year |
| 2012 | Nurama Tower Acquisition <ul style="list-style-type: none"> 176 towers in West, Central, and East Java, 182 Shelters, 100 km of Fiber Optic in Bandung STP acquired the sites as the company was insolvent Transfer of title, land extension, IMB application & extension were done by STP | 8 months |
| 2012 | HCPT Tower Acquisition <ul style="list-style-type: none"> 200 towers^(a) in Jabotabek, West, Central, and East Java Transfer of title, land extension, IMB application and extension were done by STP | 3 months |
| 2013 | ISP Group Tower Acquisition <ul style="list-style-type: none"> 493 towers in Botabek, West, Central, and East Java, Sulawesi, Sumatera, Bali Nusa Tenggara, 287 Shelters Transfer of title, land extension, IMB application & extension were done by STP | 2 months |

(a) Additional 100 towers to be transferred at STP's option
Source: Company data

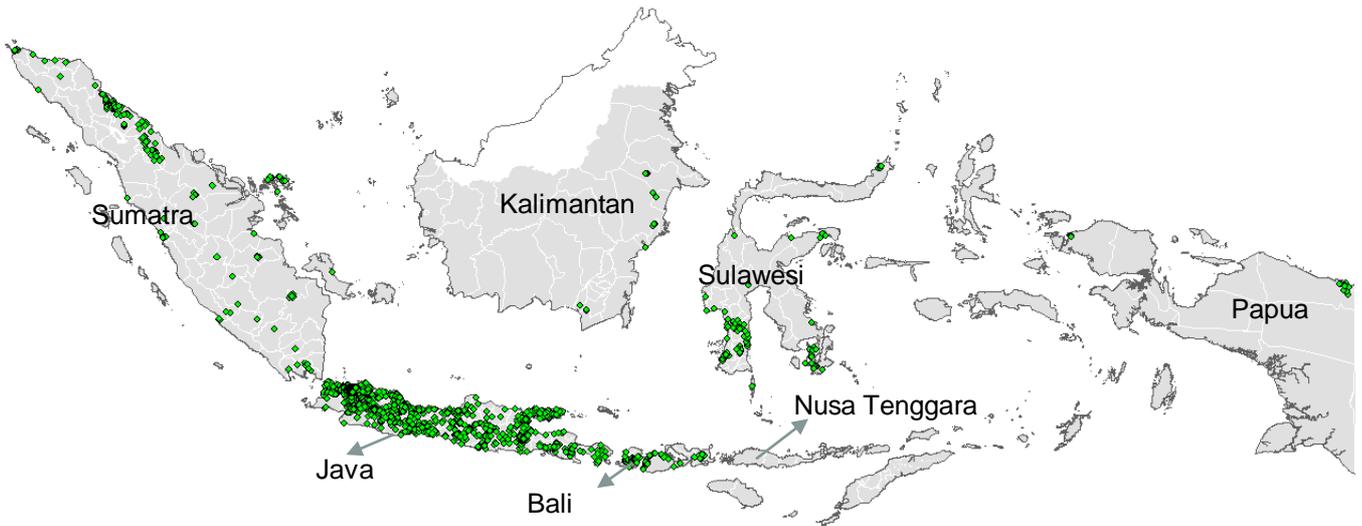


2

National presence with asset concentration in the lucrative Greater Jakarta region



Tower assets are strategically located across Indonesia

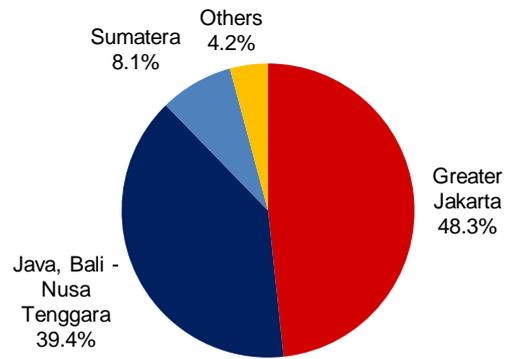


| Area | No. of towers | | Growth |
|-----------------------|---------------|--------------|------------|
| | 2012 | 2013 | |
| Greater Jakarta | 1,164 | 1,352 | 188 |
| Java | 566 | 984 | 418 |
| Sumatera | 142 | 227 | 85 |
| Kalimantan - Sulawesi | 32 | 100 | 68 |
| Bali - Nusa Tenggara | 25 | 118 | 93 |
| Papua | 17 | 17 | 0 |
| Total | 1,946 | 2,798 | 852 |

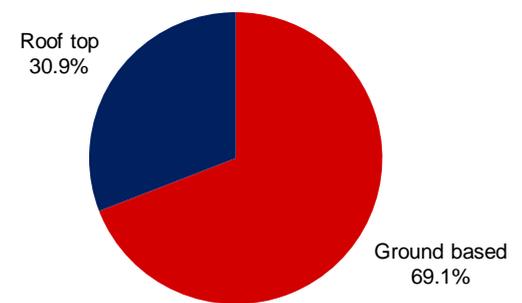
Most of our towers are in Greater Jakarta...

...and two-thirds of towers portfolio are Ground based towers, which support higher tenancies

Towers split by location (Dec 13)



Towers split by format (Dec 13)



Source: Company data



3

Rapidly diversifying client base towards leading telcos in Indonesia

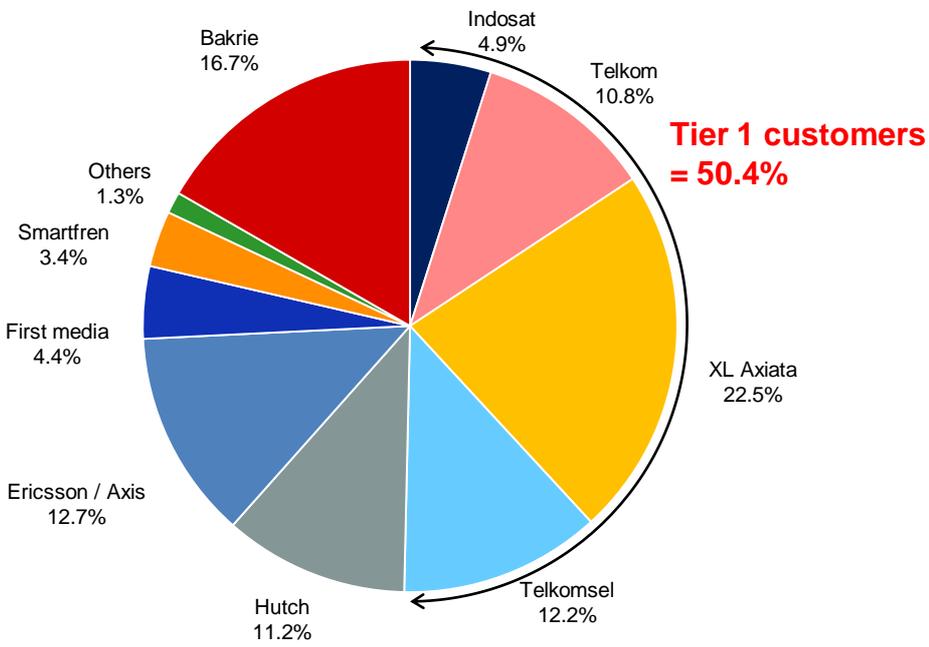
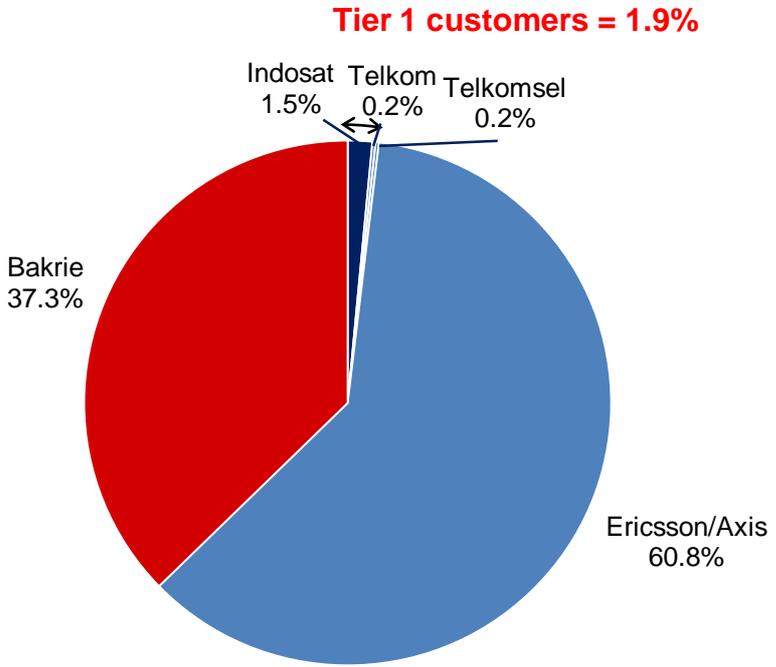


STP has successfully diversified its customer base towards high quality operators

2009

4Q 2013

Revenue breakdown by operators



Source: Company data



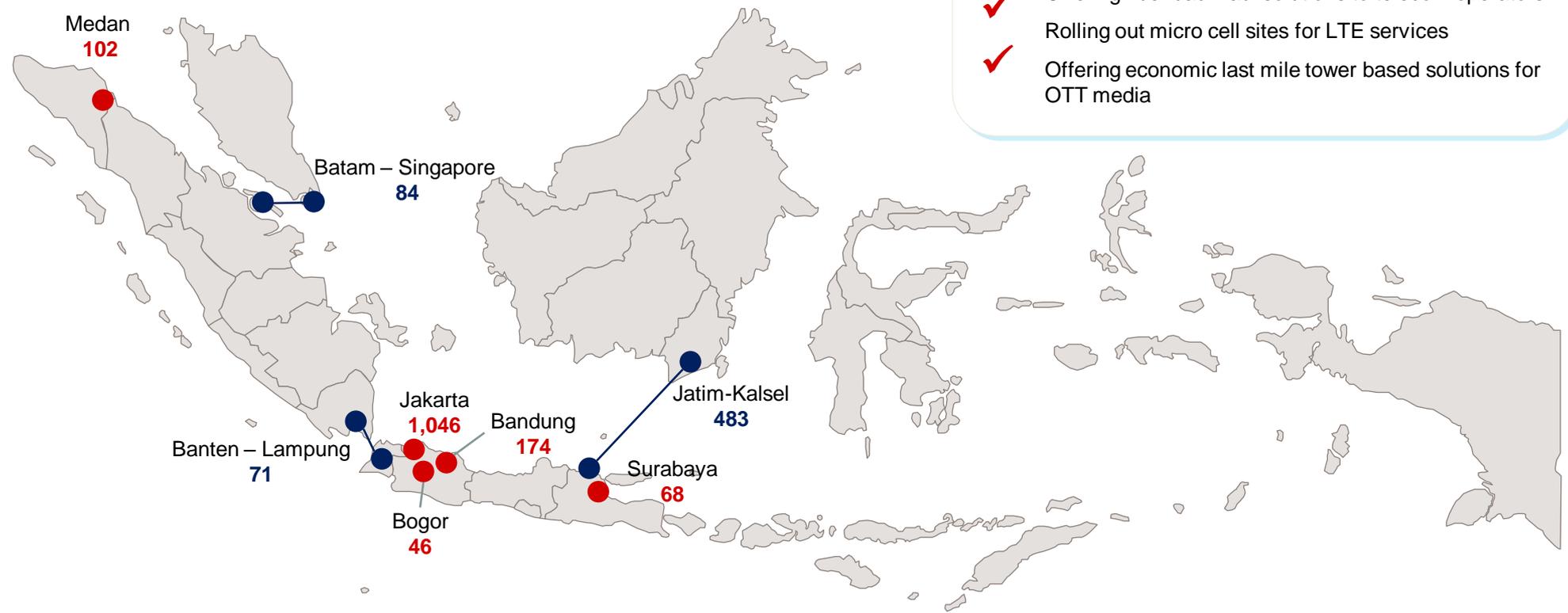
4

Unique fiber network, providing ability to deploy LTE solutions with superior economics



We have a high quality portfolio of fiber assets

(km)



- ✓ 2,073km of fiber optic assets as of Dec 2013
- ✓ - of which 1,000+km is in Jakarta
- ✓ Offering fiber backhaul solutions to telecom operators
- ✓ Rolling out micro cell sites for LTE services
- ✓ Offering economic last mile tower based solutions for OTT media

● Land fiber asset ● Submarines fiber asset

Board of Directors



Nobel Tanihaha

President Director

- 7 years on the BoD
- Previous work experience mainly in property and construction sectors in Indonesia, Singapore, Hong Kong and China



Juliawati Gunawan

Finance Director

- 3 years on the BoD
- Previously worked with Ernst & Young, with 16 years of experience in auditing and corporate finance field before joining STP



Yan Heryana

Marketing Director

- 2 years on the BoD
- Previously worked with PT Hariff Daya Tunggal Engineering and PT Starcom Solusindo, companies engaged in telecommunication sector



Eko Abdurrahman Saleh

Operations Director

- 3 years on the BoD
- Previously worked with PT Indosat Mega Media and PT XL Axiata



Tommy Gustavi Utomo

Property Management Director

- 1 year on the BoD
- Previously worked with PT Bakrie Telecom Tbk

Board of Commissioners



Jennivine Yuwono

President Commissioner

- 3 years on the BoC
- Previously worked with Morgan Stanley New York and Singapore
- Also serves as Director of PT Deltamas Abadi Makmur, and Commissioner of PT Kharisma Indah Ekaprima



Ludwig Indrawan

VP Commissioner

- 2 years on the BoC
- Previously worked in property and financial sectors in Indonesia and Australia
- Also serves as Managing Director of PT Smarts Home Anugrah



Thong Thong Sennelius

Commissioner

- 3 years on the BoC
- Previously worked with Morgan Stanley New York and Singapore
- Also serves as Director of PT Ciptadana Capital and PT Ciptadana Multifinance



M Senang Sembiring

Independent Commissioner

- 3 years on the BoC
- Previously worked with PT Bursa Efek Indonesia (now IDX) as Director
- Also serve as Executive Director of Yayasan Kehati, a foundation engaged in biodiversity



Erry Firmansyah

Independent Commissioner

- 1 year on the BoC
- Previous work experience includes serving as the President Director of IDX
- Currently serves as President Director of PT Indonesian Central Security Depository (KSEI) and also serves as Independent Commissioner in several public companies, including PT Unilever Indonesia Tbk and PT Astra International Tbk



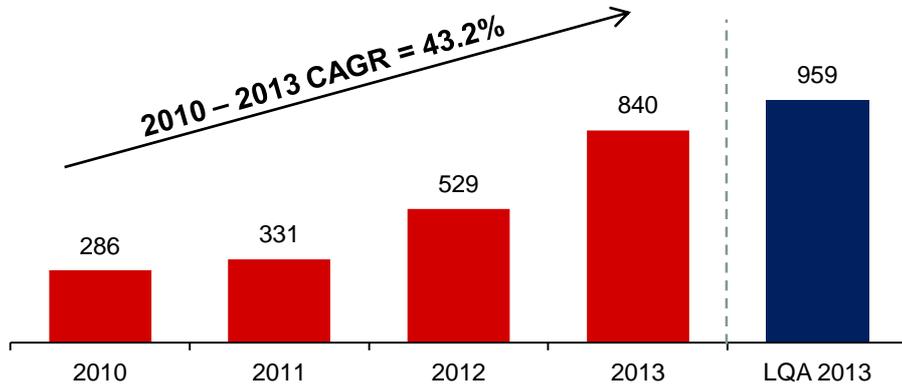
Section 4

Strong financials performance and funding headroom

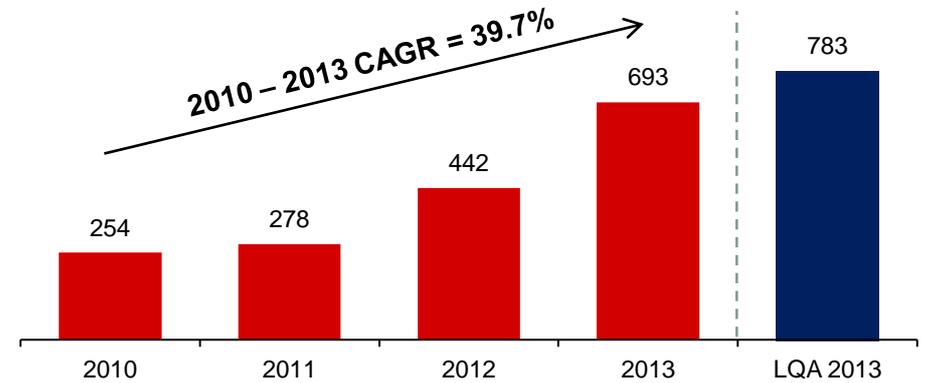
Robust revenue and EBITDA growth



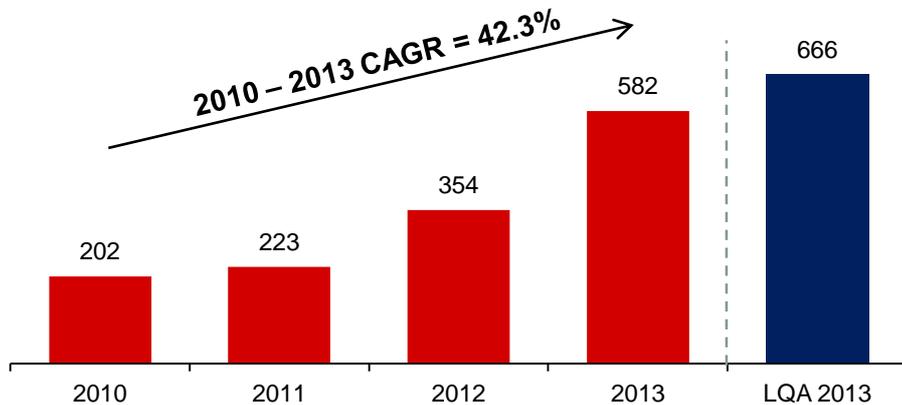
Revenue growth (IDRbn)



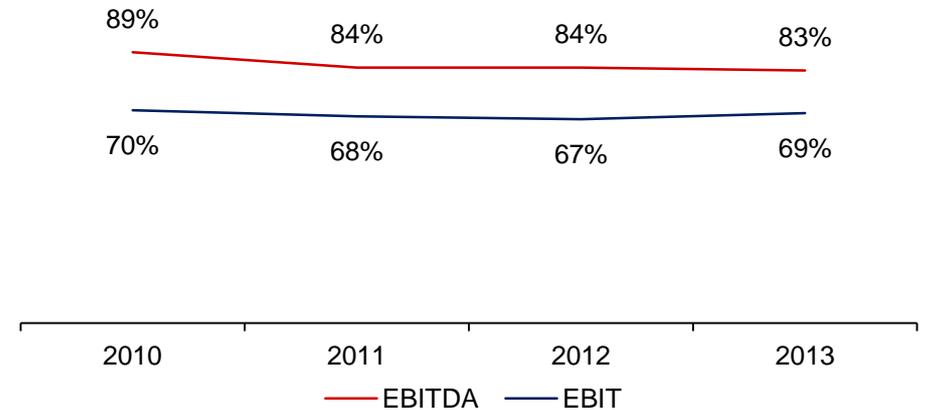
EBITDA growth (IDRbn)



EBIT growth (IDRbn)



EBITDA & EBIT margins (%)

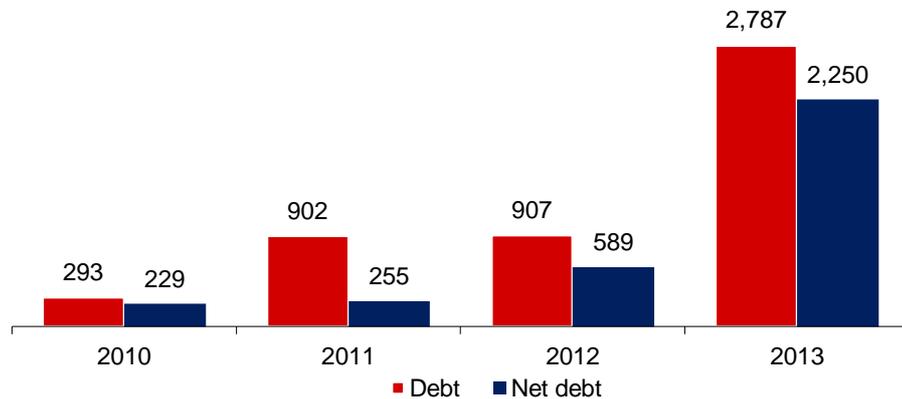


Note: LQA = Latest Quarterly x 4
Source: Company data

Diversified loan maturity, debt headroom for growth and prudent FX hedging

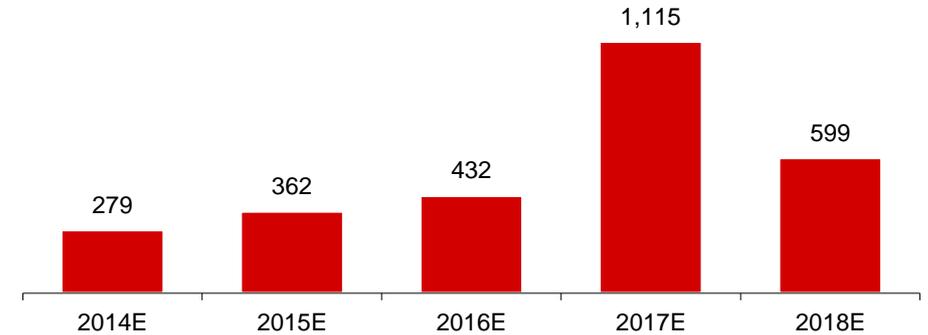


Total debt and net debt (IDRbn)

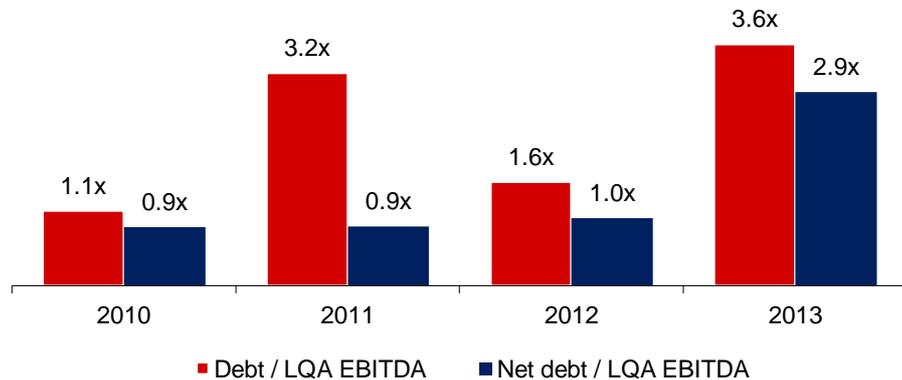


Debt repayments over 5 years (IDRbn)

Debt repayment schedule



Leverage ratios



Hedge contracts

- Principal and interest on USD loans are fully hedged for both currency and interest rate
- 50% of our IDR loans are interest rate-hedged

Source: LQA = Latest Quartely x 4

Debt in US\$ currency as of 31 Dec 2013 is translated into IDR using the hedge rate (as also agreed in our loan facility agreements)

Source: Company data

Key accounting policies



Revenue & expenses

- Rental income from operating lease is recognized as revenue when earned. The rental received in advance is presented as “deferred income” and recognized as income on a straight-line basis over the lease term
- Expenses are recognized as incurred (accrual basis)

Leases

- Leases that transfer to the lessee substantially all of the risks and rewards incidental to ownership of the leased item are classified as finance leases
- Leases which do not transfer substantially all of the risks and rewards incidental to ownership of the leased item are classified as operating leases

Depreciation

- Property and Equipment, after initial recognition, are stated by using cost model and is carried at cost less its accumulated depreciation (except land which is recorded at cost and not depreciated). The depreciation is calculated using the straight-line method based on the estimated useful lives of property and equipment

Investment properties

- Investment property is property held by the Company to earn rental fee, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business
- Investment property is measured at fair value based on valuation from an independent qualified appraiser

Hedge accounting

- The Company uses derivative financial instruments such as interest rate swaps and cross currency swap to hedge its exposure to variability in cash flows that is attributable to floating interest rates and fluctuations of exchange rates. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value



Section 5

Well positioned for growth



Our growth strategies



1

Grow tenancies on our existing tower portfolio to drive ROIC

2

Continue expansion pre-dominantly in high density locations with leading telcos

3

Selectively expand our fiber network and increase in-building solutions footprint in high traffic areas

4

Build on our first mover advantage in offering micro cell solutions

5

Acquire tower assets opportunistically



Appendix I

Additional materials

Key financial performance



| <i>(in IDR millions)</i> | 2009 (Audited) | 2010 (Audited) | 2011 (Audited) | 2012 (Audited) | 2013 (Audited) |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenues | 197,426 | 286,366 | 330,956 | 529,408 | 840,096 |
| <i>Growth</i> | 405% | 45% | 16% | 60% | 59% |
| Cost of revenue | 11,172 | 16,866 | 23,679 | 41,705 | 70,809 |
| Operating expenses | 13,310 | 15,613 | 28,963 | 45,656 | 76,146 |
| EBITDA | 172,944 | 253,888 | 278,313 | 442,047 | 693,141 |
| <i>Margin</i> | 88% | 89% | 84% | 83% | 83% |
| Depreciation and amortization | (17,890) | (52,056) | (55,151) | (88,144) | (111,452) |
| Operating income | 155,054 | 201,832 | 223,162 | 353,903 | 581,689 |
| <i>Margin</i> | 79% | 70% | 67% | 67% | 69% |
| Others – net | 99,334 | 105,924 | (47,134) | (112,948) | (313,561) |
| Income before tax | 254,388 | 307,756 | 176,028 | 240,955 | 268,128 |
| Income tax expenses | (88,614) | (77,345) | (41,708) | (65,251) | (70,519) |
| Profit for the year | 165,774 | 230,411 | 134,320 | 175,705 | 197,609 |
| Other comprehensive income | – | – | (37,994) | (355) | 89,811 |
| Total comprehensive income for the year | 165,774 | 230,411 | 96,326 | 173,350 | 287,420 |

Source: Company data

Balance sheet and capital structure

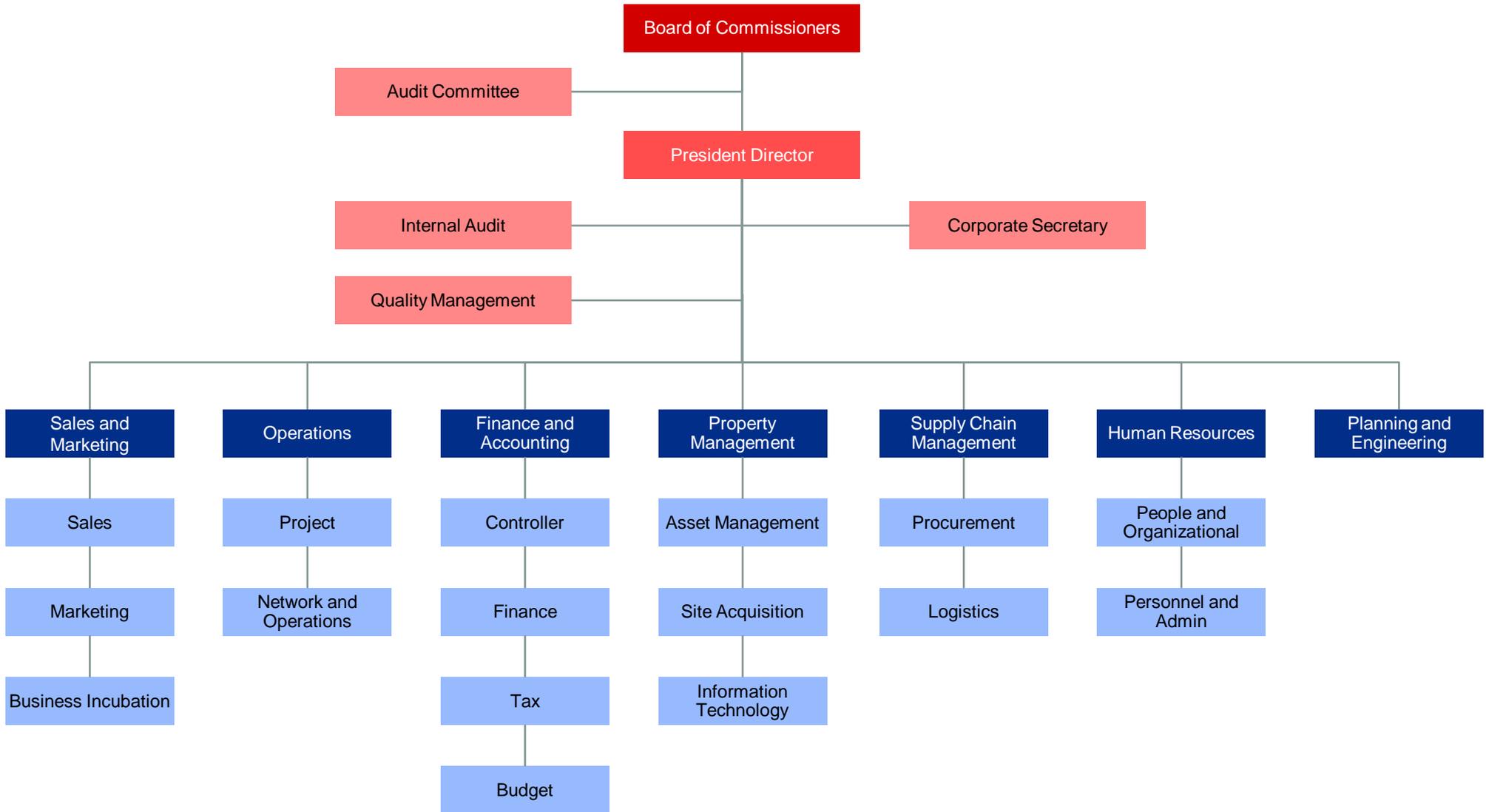


| <i>(in IDR billions)</i> | 2009 (Audited) | 2010 (Audited) | 2011 (Audited) | 2012 (Audited) | 2013 (Audited) |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Consolidated Balance Sheet | | | | | |
| Current assets | 213 | 340 | 965 | 917 | 1,370 |
| Non-current Assets | 1,137 | 1,458 | 1,880 | 2,965 | 4,941 |
| Total assets | 1,349 | 1,799 | 2,845 | 3,882 | 6,311 |
| Current liabilities | 239 | 249 | 397 | 744 | 562 |
| Non-current liabilities | 867 | 1,076 | 1,547 | 1,418 | 3,457 |
| Equity | 244 | 474 | 901 | 1,720 | 2,292 |
| Key Ratios | | | | | |
| Current ratio | 0.89x | 1.37x | 2.43x | 1.23x | 2.44x |
| Net debt/equity | 0.38x | 0.48x | 0.28x | 0.34x | 0.98x |
| Net debt/total assets | 0.07x | 0.13x | 0.09x | 0.15x | 0.36x |
| Net debt/ LQA EBITDA | 0.33x | 0.88x | 0.89x | 1.01x | 2.87x |
| Total liabilities/equity | 4.54x | 2.79x | 2.16x | 1.26x | 1.75x |
| Total liabilities/assets | 0.82x | 0.74x | 0.68x | 0.56x | 0.64x |

Note: Debt in US\$ currency as of 31 Dec 2013 is translated into IDR using the hedge rate (as also agreed in our loan facility agreements)

Source: Company data

Organisation structure





Key features of our Master Lease Agreements (“MLAs”)



| | | |
|----------------------------|---|---|
| Tenor | <ul style="list-style-type: none">• Long term contract• 10 – 12 years for Towers and 5 years for Indoor DAS Network | |
| Termination penalty | <ul style="list-style-type: none">• Customers shall pay the rental fee for the entire remaining term of the MLA | |
| Rentals | Base rental | <ul style="list-style-type: none">• Rental fee is fixed for the whole period of the MLA |
| | Power pass-through | <ul style="list-style-type: none">• Customers bear the power/electricity cost necessary to operate the equipment, except for Telkomsel |
| | Maintenance inflation | <ul style="list-style-type: none">• Adjustable on a yearly basis based on the inflation rate published by the Central Bureau of Statistic (“BPS”) |
| Service agreement | <ul style="list-style-type: none">• Standard maintenance and repair procedures (including agreed timeline for repair)• 7 X 24 hours customer service• 7 X 24 hours access to the site• 24 hours site security• Predetermined reporting time• Predetermined penalty calculation | |



Thank you