

Disclaimer



These materials have been prepared by PT Solusi Tunas Pratama, Tbk ("STP" or the "Company") and have not been independently verified. No representation or warranty, expressed or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information presented or contained in these materials. Neither the Company nor any of its affiliates, financial and legal advisers or their respective directors, officers, employees and representatives accepts any liability whatsoever for any loss arising from any information presented or contained in these materials. The information presented or contained in these materials is as of the date hereof and is subject to change without notice and its accuracy is not guaranteed.

These materials contain statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as "expects," "plan," "will," "estimates," "projects," "intends," "outlook" or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

THESE MATERIALS ARE FOR INFORMATION PURPOSES ONLY AND DO NOT CONSTITUTE OR FORM PART OF AN OFFER, SOLICITATION OR INVITATION TO BUY OR SUBSCRIBE FOR ANY SECURITIES OF THE COMPANY IN ANY JURISDICTION, NOR SHOULD THESE MATERIALS OR ANY PART OF THEM FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH, ANY CONTRACT, COMMITMENT OR INVESTMENT DECISION WHATSOEVER.

These materials or any part of it may not be reproduced, distributed or published without the prior written consent of the Company, and may not be distributed in any jurisdiction where it is unlawful to do so.

We are Indonesia's premier wireless data network infrastructure provider STP



STP at a glance

Assets

Top-tier and **differentiated** asset portfolio:

- 6,349 macro towers and
 549 microcell poles with
 11,416 tenants
- 2,712 km fiber optic network
- 39 indoor DAS sites with81 tenants

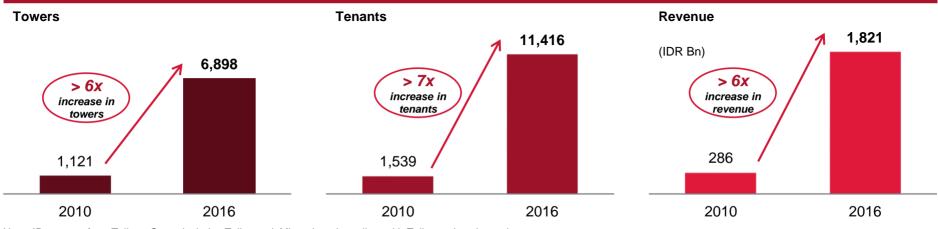
Profitability

Atractive
EBITDA margin of
85%

Customers



Our execution scorecard



Our key financial and operational highlights for 2016



- 1 8.8%¹ year-on-year increase in FY16 revenue to IDR 1,821 billion
 - Attractive EBITDA margin maintained at <u>85.3%</u> for the period, with FY16 EBITDA of <u>IDR 1,554 billion</u>
 - 3 Maintain tenancy ratio at 1.65x
 - **Net debt / LQA EBITDA ratio** as of December 31, 2016 decreased to **4.6x**² from 4.7x as of December 31, 2015
- Maintained **strong customer base with ~88% revenue contribution** from Indonesia's four largest and most creditworthy mobile telecommunication operators

Microcell poles and fiber are required to cater to network densification needs

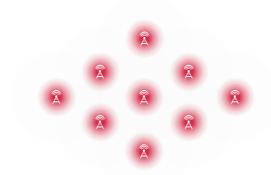


4

Initial 3G rollout

 In the initial stages of 3G rollout, mobile telecommunication operators focused on expansion of geographic coverage

Increase in data usage narrowing transmission radius of existing towers



- Increasing smartphone penetration and OTT services / app usage strain existing infrastructure
- Impact is greater in highly-populated urban areas where data usage is more concentrated
- More infrastructure is required

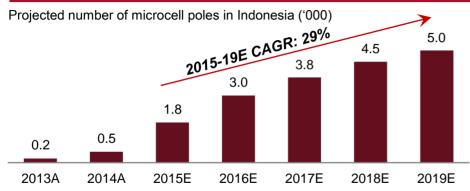
Densification of network

"MCP" = Microcell pole and supporting fiber backhaul



- Mobile telecommunication operators invest to densify network coverage to cater to demand and maintain quality of services
- Network densification will require specialized assets apart from macro towers: microcell poles and fiber

Microcell poles and fiber have the first derivative exposure to mobile data demand growth in Indonesia



- Key challenges of macro network in an urban setting include:
 - Dense locations limiting the transmission radius of macro towers
 - Difficulty in securing real estate to deploy macro towers
- Microcell poles represent a space-efficient, easily-deployable and low cost solution to cover high-demand areas where macro tower coverage is insufficient
- Fiber provides needed backhaul for microcell poles

Source: Analysys Mason

Well positioned at the crossroads of a rapidly evolving Indonesian telecommunications industry

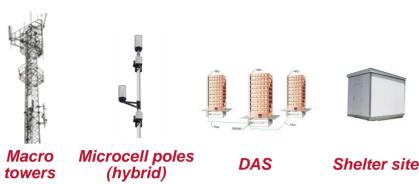


Our product and service offerings

Business model

"Space-based"

"Capacity-based and services"







Shelter sites

Microcell poles (hybrid)

Fiber optic backhaul

BTS hotel

network services

Data

- Conventional real-estate-like business
 - Most representative of tower operators today, requires scale
- Long-term leasing of space at a fixed rent regardless of technology. coverage or minutes of use (save for escalators) - provides long-term revenue visibility
- Limited by physical constraints of space; e.g. size and number of equipment that can be accommodated per site

- "Pay-as-you-go" business based on capacity utilized
 - Nascent model with strong upside potential
 - Demand for capacity driven by substantial increases in mobile data usage and increasing low latency requirements
- Highly-scalable and not limited by physical space

Are we approaching a "capacity-based" model tipping point?



• Indosat and XL Axiata have established a joint venture to explore future partnership initiatives

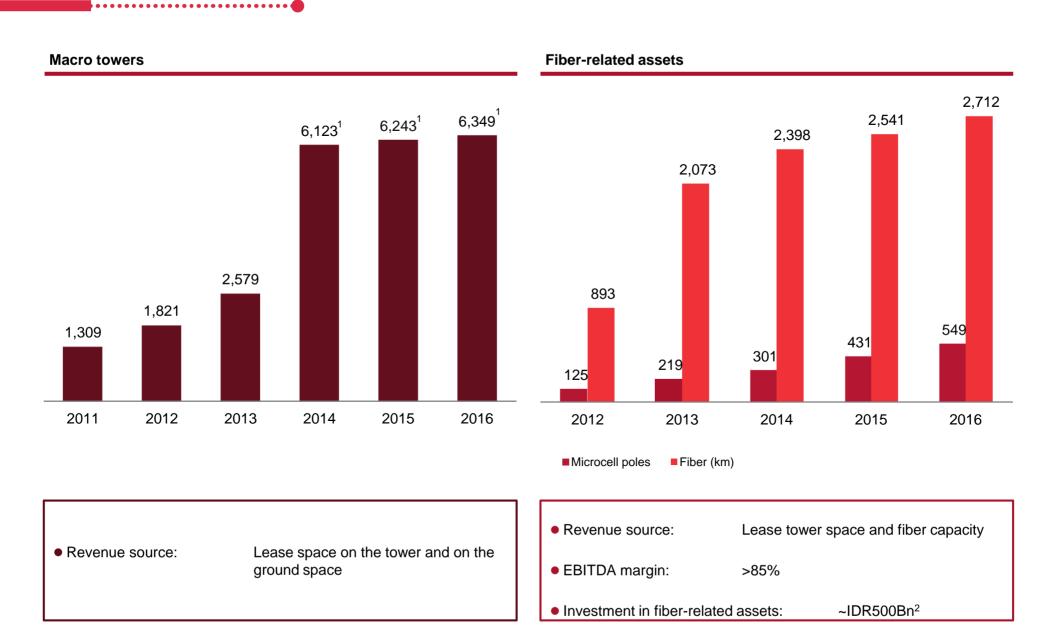


- Both telcos are considering sharing 4G network infrastructure using a multi operator radio access network
- Push towards allowing active infrastructure sharing

We are well-prepared for the future, regardless of where the industry converges to

We are the most LTE ready tower operator with a consistently growing and diverse asset portfolio



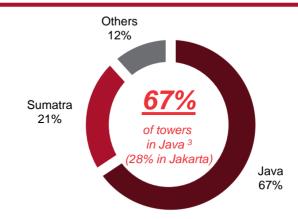


Our unique asset base and infrastructure concentration in densely populated areas provide us with a competitive edge

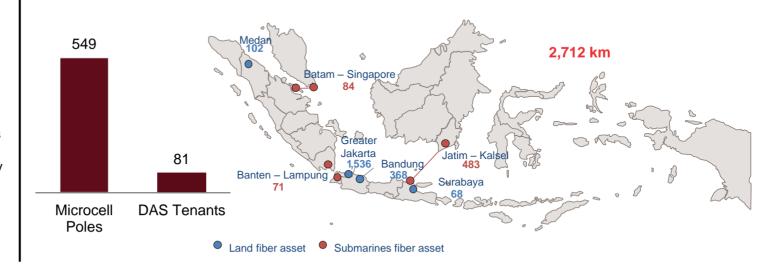


- First listed TowerCo in Indonesia to:
 - Obtain license to lease out space on microcell poles (20year contract)
 - Possess fiber optics backbone to connect microcell poles (>1,500km in Greater Jakarta area alone) to support aggressive urban 3G / LTE rollout by mobile telecommunication operators
- Highly concentrated fiber optics coverage that reaches across 6 million premises in Jakarta, able to support growing data traffic demand
- Ability to provide comprehensive solution which includes microcell poles, DAS, and fiber optic network, with magnitude and proportion expected to increase going forward
- Potential new business opportunities for providing wholesale fiber connection to broadband and pay TV operators to reach commercial and residential end-users

Geographic breakdown of towers



Our unique asset base: Microcell poles, DAS tenants and fiber optic network



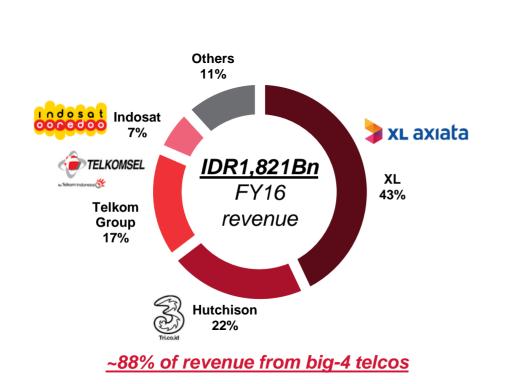
Note: 1 N/A denotes data not available; 2 Assumes all DAS are Repeaters with single tenant; 3 Java includes both Java and Bali Island as well as Greater Jakarta

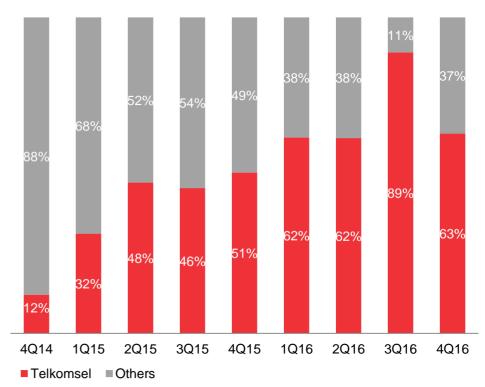
We have entrenched our relationships with the big-4 telecom operators



Breakdown of FY16 revenue contribution by operator

We continue to grow our Telkomsel tenancies quickly



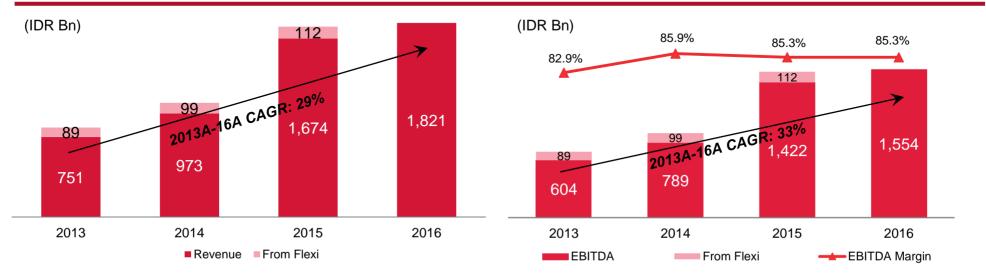


- Principal customers consist of Indonesia's four largest and most creditworthy mobile telecommunication operators which accounted for ~88% of FY16 revenue
- Our lease rates are fully reflective of current market conditions and approx. 100% of our leases are IDR-denominated1
- 89% of total tenancies are due for renewal from 2020 and beyond

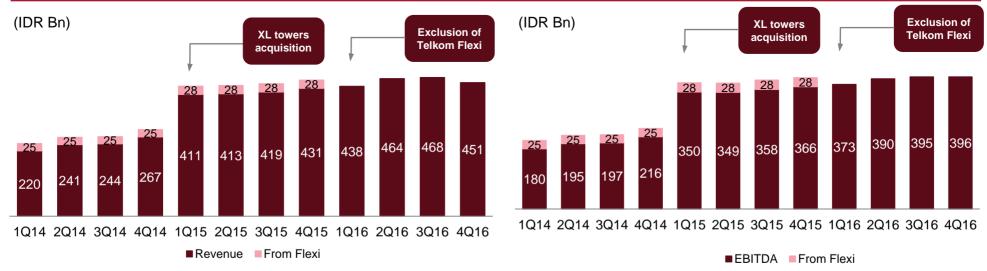
We have delivered consistent growth with industry-leading profitability metrics



Strong growth trajectory with industry-leading profitability metrics despite exclusion of Telkom Flexi in 2016



Consistently delivering increasing EBITDA each quarter over the last three years

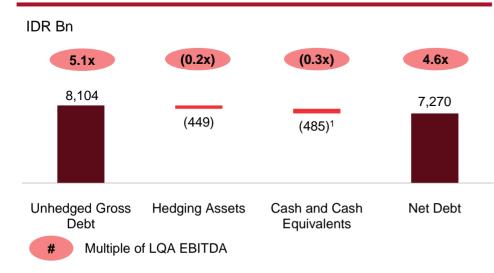


Note: ¹Pro forma 2015 revenue of Rp 1,674 billion giving effect to the early termination by Telkom Flexi

Commitment to deleveraging with no near term debt maturities



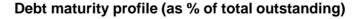


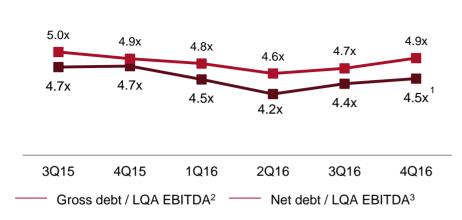


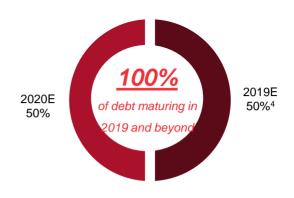
We have disciplined risk management policy

- Hedging policy in place to safeguard against FX and interest rate risk
- 89% of all outstanding debt hedged against the interest rate fluctuation risk
- 87% of all outstanding debt is USD denominated, of which:
 - 100% is hedged against FX risk for principal
 - 57% is hedged against FX risk for interest

De-leveraging profile







Note: ¹ Include Cash balance as of 31 December 2016 includes receipt of penalty proceeds related to Telkom Flexi contract termination; ² Gross debt refers to total borrowings (non-current and current loans including bond payable and excluding shareholder loans) before deducting amortized transaction costs calculated at the hedged rate; ³ Net debt refers to gross debt less cash; ⁴ Fully refinanced 2015 syndicated loan which consists of USD 225 million term loan, IDR 1,050 billion term loan and IDR 580 billion revolving facilities

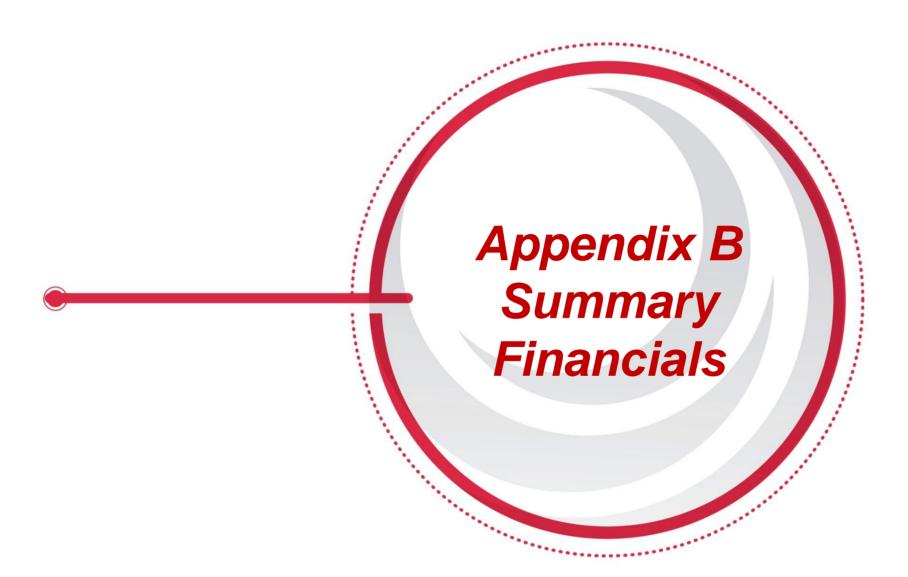












Income statement



Income statement (in IDR millions, unless otherwise specified)

| - Non-controlling Interest | 14 | - | 4 | - |
|--|-----------|-----------|-----------|-------------|
| - Owners of the Parent | 197,596 | (380,044) | 136,875 | 237,129 |
| Attributable to: | | | | |
| Profit (Loss) for the Period | 197,609 | (380,044) | 136,875 | 237,129 |
| Income Tax Benefits (Expenses) | (70,519) | 127,840 | (105,140) | (172,221) |
| Profit (Loss) Before Tax | 268,128 | (507,884) | 242,015 | 409,350 |
| Others – Net | (132,170) | (460,166) | (131,616) | 298,645 |
| Financial Charges | (285,456) | (440,086) | (992,016) | (1,005,066) |
| Interest Income | 12,401 | 15,784 | 31,342 | 15,697 |
| Increase (Decrease) in Fair Value of Investment Property | 91,665 | (383,566) | 3,610 | (202,872) |
| Operating Profit Margin (%) | 69.2% | 70.9% | 74.5% | 72.8% |
| Operating Profit | 581,689 | 760,150 | 1,330,695 | 1,302,946 |
| Total | (83,780) | (103,147) | (131,061) | (160,032) |
| Other Operating Expenses | (76,146) | (92,930) | (114,782) | (137,546) |
| Depreciation and Amortization | (7,634) | (10,217) | (16,279) | (22,486) |
| Operating Expenses | | | | |
| Gross Profit Margin (%) | 79.2% | 80.5% | 81.9% | 85.3% |
| Gross Profit | 665,469 | 863,297 | 1,461,756 | 1,462,978 |
| Total | (174,627) | (208,632) | (324,097) | (358,468) |
| Other Cost of Revenues | (70,809) | (90,841) | (137,331) | (130,218) |
| Depreciation and Amortization | (103,818) | (117,791) | (186,766) | (228,250) |
| Cost of Revenue | · | | | |
| Revenue | 840,097 | 1,071,929 | 1,785,853 | 1,821,446 |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| | 2013 | 2014 | 2015 | 2016 |

Statements of financial position (Assets)



Statements of financial position (Assets, in IDR millions, unless otherwise specified)

| | 2013 (Audited) | 2014 (Audited) | 2015 (Audited) | 2016 (Audited) |
|---|-------------------|-------------------|-------------------|-------------------|
| Current Assets | (riddica) | (Addited) | (rtadited) | (Manica) |
| Cash and Cash Equivalents | 525,226 | 1,318,888 | 229,325 | 184,996 |
| Trade Receivables – Third Parties | 193,888 | 100,415 | 279,237 | 958,050 |
| Other Current Financial Assets | 240,593 | 132,796 | 246,478 | 573,649 |
| Inventory | 51,095 | 70,458 | 54,644 | 47,852 |
| Prepaid Taxes | 224,302 | 742,199 | 730,279 | 566,362 |
| Advances and Prepaid Expenses | 134,366 | 144,938 | 277,609 | 235,921 |
| Total Current Assets | 1,369,470 | 2,509,694 | 1,817,572 | 2,566,830 |
| | | | | |
| Non-Current Assets | | | | |
| Prepaid Expenses – Net of Current Portion | 303,097 | 476,320 | 503,945 | 573,551 |
| Investment Property | 3,783,891 | 9,304,749 | 9,542,252 | 9,667,972 |
| Property and Equipment | 345,319 | 479,036 | 525,836 | 550,270 |
| Intangible Assets | 129,303 | 124,417 | 119,532 | 121,495 |
| Deferred Tax Assets | - | - | 4 | 125 |
| Other Non-Current Financial Assets | 379,793 | 484 | 1,229,610 | 539,051 |
| Total Non-Current Assets | 4,941,403 | 10,385,006 | 11,921,175 | 11,452,464 |
| | | | | |
| Total Assets | 6,310,873 | 12,894,700 | 13,738,747 | 14,019,294 |

Statements of financial position (Liabilities)

••••••••••



Statements of financial position (Liabilities, in IDR millions, unless otherwise specified)

| | 2013 | 2014 | 2015 | 2016 |
|--|-----------|------------|-----------|-----------|
| Current Liabilities | (Audited) | (Audited) | (Audited) | (Audited) |
| | | | | |
| Trade Payables | | | | |
| - Related Party | 18,007 | 3,562 | 293 | 17,227 |
| - Third Parties | 17,120 | 29,012 | 31,684 | 51,728 |
| Other Current Financial Liabilities | 209 | 8,450 | 523 | 454 |
| Taxes Payable | 5,306 | 11,343 | 32,857 | 19,489 |
| Accruals | 102,672 | 116,339 | 211,919 | 172,969 |
| Deferred Income | 110,215 | 565,129 | 250,459 | 732,401 |
| Short-Term Bank Loan | - | 1,741,600 | 4 | - |
| Short-Term Syndicated Loan | - | - | 4 | 100,000 |
| Current Portion of Long-Term Bank Loan | 308,485 | 3,732,000 | 304,180 | - |
| Total Current Liabilities | 562,014 | 6,207,435 | 831,915 | 1,094,268 |
| Non-Current Liabilities | | | | |
| Long-Term Loan | 2,656,440 | 4,153,169 | 3,754,404 | 3,846,124 |
| Long-Term Notes | - | - | 4,056,000 | 3,967,221 |
| Due to Related Party – Non-Trade | 471,243 | 471,243 | 4 | - |
| Deferred Tax Liabilities | 318,876 | 187,384 | 264,041 | 402,508 |
| Long-Term Employment Benefit Liabilities | 7,826 | 12,792 | 17,851 | 20,789 |
| Total Non-Current Liabilities | 3,454,385 | 4,824,588 | 8,092,296 | 8,236,642 |
| | | | | |
| Total Liabilities | 4,016,399 | 11,032,023 | 8,924,211 | 9,330,910 |

Statements of financial position (Equity)



Statements of financial position (Equity, in IDR millions, unless otherwise specified)

| | 2013 | 2014 | 2015 | 2016 |
|----------------------------------|-----------|------------|------------|------------|
| | (Audited) | (Audited) | (Audited) | (Audited) |
| Equity | | | | |
| Issued and Paid-Up Capital | 79,429 | 79,436 | 113,758 | 113,758 |
| Additional Paid-in Capital – Net | 1,229,780 | 1,230,128 | 3,589,495 | 3,589,711 |
| Retained Earnings | 933,803 | 553,131 | 690,484 | 925,598 |
| Other Comprehensive Income | 51,462 | (18) | 420,799 | 59,257 |
| Total Equity Attributable To: | | | | |
| - Owners of the Parent | 2,294,474 | 1,862,677 | 4,814,536 | 4,688,384 |
| - Non-controlling Interest | - | - | | - |
| Total Equity | 2,294,474 | 1,862,677 | 4,814,536 | 4,688,384 |
| | | | | |
| Total Liabilities And Equity | 6,310,873 | 12,894,700 | 13,738,747 | 14,019,294 |

Statements of Cash Flows



Statements of Cash Flows (in IDR millions)

| | | | ! | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2013 (Audited) | 2014 (Audited) | 2015 (Audited) | 2016 (Audited) |
| Cash Flows from Operating activites | (Addited) | (Addited) | (Addited) | (Addited) |
| Cash Received from Customers | 603,107 | 1,432,225 | 1,201,587 | 1,622,474 |
| Payment to Suppliers and Opex | (371,175) | (740,265) | (215,098) | (219,457) |
| Interest Received | 12,401 | 15,784 | 31,342 | 15,697 |
| Tax Payment | (58,660) | (33,731) | (50,418) | (1,032) |
| Net Cash provided by operating | 185,673 | 674,013 | 967,413 | 1,417,682 |
| Cash Flows from Investing activities | | | | |
| Property and Equipment acquisition-net | (181,791) | (161,375) | (92,682) | (77,611) |
| Prepayment for Ground lease | (168,616) | (247,332) | (209,993) | (215,769) |
| Investment property – net | (1,402,830) | (5,884,799) | (292,856) | (308,910) |
| Advances for construction | | (8,681) | (48,388) | 74 |
| Others | (13) | | (20,000) | 20,000 |
| Net Cash used in investing | (1,753,250) | (6,302,187) | (663,919) | (577,315) |
| Cash Flows from Financing activites | | | | |
| Net Proceeds from exercise of Limited Public offering II | | | 1,931,016 | |
| Proceeds from Exercise of Warrant serie I | 284,590 | 355 | 172 | |
| Financing transactions | 1,836,130 | 6,906,903 | (6,107,864) | 85,982 |
| Proceeds from Bond issuance | | | 3,859,800 | |
| Payment of financial charges | (336,037) | (498,368) | (1,072,118) | (973,885) |
| 885 | 44,858 | 11,404 | | |
| Net cash flows from financing | 1,829,541 | 6,420,294 | (1,388,994) | (887,903) |
| Net (decrease) increase in cash | 261,964 | 792,120 | (1,085,500) | (47,536) |
| Effect of forex difference on cash | (64) | 1,542 | (4,063) | 3,207 |
| Cash and cash equivalent at beginning of year | 263,326 | 525,226 | 1,318,888 | 229,325 |
| Cash and cash equivalent at end of year | 525,226 | 1,318,888 | 229,325 | 184,996 |
| • | | | | • |