Indonesia’s Premier Tower Company
4Q 2015 Results Presentation
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Agenda

Financial Results
Operational Performance
2015 Guidance and Results
Achievements and Subsequent Events
Change in Accounting Policy
Full Year Financial Results

Revenue
(in IDR Billions)

Actual Revenue FY 2014: IDR 4,106.2
Gross Revenue FY 2015: IDR 759.1
Cancellation of Telkom Flexi sites: IDR 35.5 (0.9%)
Cancellation of Bakrie sites: IDR 133.1 (3.2%)
Removal of electricity from Tsel lease rate: IDR 75.6 (1.8%)
One Time Revenue Items: IDR 151.3 (3.7%)
Actual Revenue FY 2015: IDR 4,469.8

Reported Growth of 8.9%

Gross revenue grew over 18% and reported revenue grew nearly 9% due to one-off items.
### Full Year Financial Results

#### EBITDA
(in IDR Billions)

<table>
<thead>
<tr>
<th>Description</th>
<th>IDR</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual EBITDA FY 2014</td>
<td>3,418.4</td>
<td></td>
</tr>
<tr>
<td>Gross EBITDA FY 2015</td>
<td>641.5</td>
<td>18.8%</td>
</tr>
<tr>
<td>Cancellation of Telkom Flexi sites</td>
<td>-30.0</td>
<td>(0.9%)</td>
</tr>
<tr>
<td>Cancellation of Bakrie sites</td>
<td>-112.4</td>
<td>(3.3%)</td>
</tr>
<tr>
<td>Removal of electricity from Tsel lease rate</td>
<td>-14.1</td>
<td>(0.4%)</td>
</tr>
<tr>
<td>One Time Revenue Items</td>
<td>-127.7</td>
<td>(3.7%)</td>
</tr>
<tr>
<td>Actual EBITDA FY 2015</td>
<td>3,775.7</td>
<td></td>
</tr>
</tbody>
</table>

Reported Growth of 10.5%

Gross EBITDA grew 18.8% and reported EBITDA grew 10.5%.
Reported revenue growth has accelerated to 16.0% as one-off items roll-off from Year-on-Year comparison.
### EBITDA
(in IDR Billions)

<table>
<thead>
<tr>
<th>Description</th>
<th>4Q 2014</th>
<th>4Q 2015</th>
<th>Difference</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual EBITDA</td>
<td>IDR 878.3</td>
<td>IDR 878.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross EBITDA</td>
<td>IDR 1,031.1</td>
<td>IDR 209.1</td>
<td>IDR 822.1</td>
<td>23.8%</td>
</tr>
<tr>
<td>Cancellation of Telkom Flexi sites</td>
<td>IDR 822.1</td>
<td>IDR 209.1</td>
<td>(IDR 6.1)</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>One Time 4Q15 Revenue Items</td>
<td>IDR 50.2</td>
<td>IDR 209.1</td>
<td>(IDR 50.2)</td>
<td>(5.7%)</td>
</tr>
</tbody>
</table>

**Reported Growth of 17.4%**

Reported EBITDA growth has accelerated to 17.4% as one-off items roll-off from Year-on-Year comparison.
Tower and Tenant Growth

Towers

- Nearly 700 tower additions year-on-year.
- Surpassed the 12,000 tower milestone.

Reported Growth of 5.5%

Actual Towers FY 2014: 11,595
Actual Towers FY 2015: 12,237
Reported Growth: 5.5%
**Tenant additions grew over 5%.**

**Does not include 1,142 additional revenue generating leases for additional equipment.**
## 2015 Guidance and Results

<table>
<thead>
<tr>
<th></th>
<th>Guidance</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>**Revenue *</td>
<td>4,311 – 4,599</td>
<td>4,470</td>
</tr>
<tr>
<td>**EBITDA *</td>
<td>3,589 – 3,829</td>
<td>3,776</td>
</tr>
</tbody>
</table>

* In IDR Billions
Debt Profile: Long Tenors, Low Margins

<table>
<thead>
<tr>
<th>Structure</th>
<th>Maturity Date</th>
<th>Currency (¹)</th>
<th>Amount Outstanding (in Original Currency)</th>
<th>Amount Outstanding (in USD Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-Yr Amortizing</td>
<td>Dec 2018</td>
<td>IDR</td>
<td>720.2</td>
<td>52.2</td>
</tr>
<tr>
<td>7-Yr Amortizing</td>
<td>Dec 2019</td>
<td>IDR</td>
<td>918.5</td>
<td>66.6</td>
</tr>
<tr>
<td>3-Yr Bonds</td>
<td>Feb 2017</td>
<td>IDR</td>
<td>1000.0</td>
<td>72.5</td>
</tr>
<tr>
<td>1-Yr Bullet</td>
<td>Aug 2016</td>
<td>IDR</td>
<td>181.0</td>
<td>13.1</td>
</tr>
<tr>
<td>10-Yr Bonds</td>
<td>Nov 2024</td>
<td>USD</td>
<td>138.4</td>
<td>138.4</td>
</tr>
<tr>
<td>5-Yr Bullet</td>
<td>Nov 2019</td>
<td>USD</td>
<td>340.0</td>
<td>340.0</td>
</tr>
<tr>
<td>5-Yr Bullet</td>
<td>Nov 2019</td>
<td>EUR</td>
<td>40.0</td>
<td>43.7</td>
</tr>
<tr>
<td>10-Yr Bullet</td>
<td>Nov 2022</td>
<td>EUR</td>
<td>14.7</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>742.5</strong></td>
<td></td>
</tr>
</tbody>
</table>

Average interest rate climbed to 5.15% at the end of FY 2015 from 5.00% at the end of FY 2014 due to increases in Jibor and Libor.

(¹) IDR in billions; EUR/USD in millions
Achievements and Subsequent Events

Acquisition:

- **iForte**: Acquired over 500 micro-cell towers, 7 BTS hotels and 750 kilometers of fiber optic network

- **XL Axiata Towers**
  - Signed Purchase Agreement to acquire 2,500 Towers with 3,750 Tenants
  - Top 3 Tenants: XL, Hutch and Telkomsel
  - Projected Total Towers at Close: Protelindo will own over 14,700 towers
  - Projected Total Tenants at Close: Protelindo will have over 24,700 tenants
  - Purchase Price: IDR 3,568 Billion
  - Financed primarily with debt (IDR 3,000 Billion) and cash (IDR 568 Billion)
  - Projected Net Debt to RR EBITDA at Close: ~2.0x
Achievements and Subsequent Events

Change in Credit Ratings:

- S&P Rating upgraded twice from BB to BB+ to BBB-
  - One of only three companies rated Investment Grade in Indonesia (Protelindo, Telkomsel, Astra)
  - Currently rated higher than Crown Castle and SBA

- Moody's Rating upgraded from Ba2 to Ba1
  - Same rating as Crown Castle; one notch higher than SBA

- Fitch Rating International upgraded from BB to BB+

- Fitch Rating Indonesia upgraded from AA- to AA+
Regulator-Driven Change in Accounting Policy

• Until 2015, Protelindo/SMN used the Fixed Asset Accounting Policy (PSAK 16) whereby companies:
  1. Depreciated tower assets and
  2. Performed required revaluations every 2 years through a specific equity account separate from Retained Earnings.

• All other publicly traded tower companies in Indonesia use the Investment Property Accounting Policy (PSAK 13) whereby companies:
  1. Do not depreciate tower assets and
  2. Perform annual revaluations of towers through the Profit and Loss Statement.
Regulator Driven Change in Accounting Policy

- OJK (Indonesia’s Financial Services Authority) ruled in September 2015 that all publicly traded tower companies should use PSAK 13.

- In line with the new regulation SMN has used PSAK 13 for 2015 accounts, and restated 2014 results and 2013 ending balances.

- The main impact is to increase net Income and retained earnings.

- This accounting policy applies only to SMN’s commercial books, not its tax books. While deferred taxes will increase, there will be no impact on cash taxes paid.
Net Profit After Tax 2015 increased 166.1% reflecting tower revaluation and no depreciation.
Retained Earnings 2015 increased 285.4% reflecting tower revaluation and no depreciation.