



ENGLISH
VERSION

1 ABOUT US

INTRODUCTION

The Digital Revolution

The digital revolution is a transformation of mechanical and electronic analog technology to digital technology that has been gradually occurring since the 1980s and continues to this day. The digital revolution has massively occurred when Internet technology started to be known in the 90s, where there was an explosion of information in great openness.

The digital revolution has changed the way a person lives a life that is very sophisticated as it is today. This revolution has impacted on the pattern of life to the stage of making shopping as simple as possible, in the form of on-line shopping for example. The presence of this digital revolution has encouraged changes in consumer behavior, and certainly digitalisation will provide better benefits for the society.

Considering to the consumer's behaviour today, Internet has become one of the most basic needs in the society. According to the latest data from We Are Social, the active internet users worldwide in 2015 reached 3.17 billion. Year by year, the number of internet users has grown up to 7.6% (Source: <https://id.techinasia.com>). In addition to Indonesia, based on data from the results of research conducted by the Association of Internet Service Provider Indonesia (APJII) in 2014 the internet users in Indonesia now has reached 88.1 million, which increased by 34.9% from 2013. The growth of internet user in 2014 supported by growth in mobile device users by consumers, particularly smartphones. APJII noted, that in 2014 the use of mobile internet access via smartphones reached 85%, through the laptop 32%, using a tablet 13% and PC 14% (Source: tekno.liputan6.com).

Thus, the explosion of digitalization in Indonesia are getting very close, and the need for swift access to information in the internet will be even greater. It will trigger the need for a suitable service to support the digital society of Indonesia.

The Needs for Innovative Services

Based on research from Accenture, digital consumption shows that Indonesian consumers want new and innovative products. They are also preparing for an all-digital lifestyle. Research shows that 41% of Indonesian internet users want to be the first to try a device or try out the latest products and services. Compared to other emerging markets in other countries, most Indonesian consumers are interested in gadget or electronic devices and

applications continue to be developed on an ongoing basis.

Other reports also showed that 55% of consumers in Indonesia said that they would set aside their spending to buy gadgets within twelve (12) months. For example, 81% of users planned to buy a smartphone and 61% wanted to switch to a phone that had a larger screen for the later year. These data provided an outlook for the Company, that consumers were thirst for the use of technology or innovative new applications, and it does not rule out the possibility that consumers also expected a faster internet and other innovative digital products at their home.

The Company's views were reinforced by the results of research that shows that the lack of reliable Internet connection could be a source of consumer's frustration. According to research, 86% of users reported interference and the issue of accessing TV programs and movies from broadband connections at home. As many as 60% of consumers said they were willing to pay more for a faster connection, and 62% were willing to pay more for "anytime, anywhere".

The Convergence Era

The phenomenon of convergence is a trend that emerged in the Information and Communication Technology ("ICT") service industry which is in line with the rapid advancement of electronics technology in the late 20th century. This change accelerated within the last 10 years and can be felt by the common people though. In simple word, convergence means the process to go to a point of interest, and the public can see easily examples of the convergence in everyday life in its most invisible, which is the convergence of technologies itself. The device is now likely to be a multi-function thing, such as the user's device (smartphone) which already can serve a multitude of services such as voice calls, text messaging, video streaming, online news, and e-commerce. Thus, in other side, for the people in general, convergence technology can provide additional convenience, comfort and cost savings. In short, the overall convergence is a progress that brings additional benefits.

With this convergence of technologies, the variety of innovative services can encourage the ICT industry practitioners to improve their quality of services, especially in the field of multimedia. Moreover, the presence of convergence technology encourage or enhance the digital revolution in Indonesia.

The Company as one of the business practitioners has co-developed ICT convergence technology that is called the convergence multimedia services by combining the Internet and

broadcasting technologies. By merging these two technologies to meet the needs of digital consumers, especially at the customer's or users' home.

The Company considers that Indonesia has entered the circle of the digital revolution is huge, where the Company is required to be able to complete to be the best and the first choice for consumers to enjoy innovative convergence services in their home.

In the 2015 Annual Report, the Company took the theme of "The Convergence Era" as the main theme at the same time with the core activity during 2015 in developing multimedia convergence services. These activities yielded positive results for the Company to launch innovative services under the tradename "Combo X1", where internet and broadcasting services are united in a single terminal (Set-Top-Box) with OTT (Over-the-Top) digital services under the tradename of "First Media GO".

Through quality of service development with the convergence of technologies, the Company has taken strategic moves to provide more benefits to the consumer to enjoy multimedia services.

KEY COMPANY HIGHLIGHTS IN 2015

FastNet

Super fast internet services for netizens who require seamless connection for accessing, downloading and uploading data and information, with speed up to 200 Mbps.

HomeCable

The subscription television service via cable airing various programs to up to 181 channels, of which 62 channels come in HD quality.

DataComm

Super fast data and communication services for corporations, with network present in 94 office buildings in Jakarta. DataComm is an ideal partner for corporations.

Fiber Optic

Fiber optic cable network which serves as the backbone for data and information connectivity and measures 10,118 kilometers in length.

Subscriber

The number of subscriber acquired by the Company reached 890.000 subscribers.

Homes Passed

The HFC network (Hybrid Fiber-Coaxial) connects the Company to any dwelling or home which now numbers 1.67 million homes passed.

FINANCIAL HIGHLIGHTS, SHARE PERFORMANCE HIGHLIGHTS AND SHAREHOLDER'S STRUCTURE

Table on page 12 - 15

COMPANY PROFILE

Background

The Company was established under the name PT Seruling Indah Permai in 1996 and later changed its name to PT Link Net in 2000. The Company was initially engaged in trading of goods and services. In 2000, the Company's line of business was changed to become information technology and the provision of internet and services in general.

In 2011, there were additional business activities, such that the scope of the Company's business until the present time encompasses providing cable based fixed network, multimedia services, internet and business management consulting services.

Currently, the Company is a provider of high speed broadband internet services in Indonesia, cooperating with PT First Media Television in providing subscription television and data communication services.

The Company operates a Hybrid Fiber Coaxial ("HFC") cable system with the latest technology and is able to provide two-way 870 MHz broadband services. As of 31 December 2014, the Company has a network of more than 1.67 million homes passed within Greater Jakarta, Bandung, and Surabaya.

In mid-2014, the Company undertook steps to register PT Link Net Tbk as a public company or Tbk (public company), carried out the Initial Public Offering ("IPO") of its shares and listed on the

Indonesian Stock Exchange on 2 June 2014.

The Company is part of the PT First Media Tbk or First Media Group. The Company operates the internet and multimedia business to support the convergence era and digital community in Indonesia.

Lines of Business

The Company vision and mission is to become the first choice for broadband and media services and to transform the lives of Indonesia consumers by providing innovative and exceptional broadband and media services and solutions. To realize this vision and mission, the Company operates a two way HFC cable system, a technology that uses fiber optic and coaxial cables that can be used as a media for broadcasting TV programs and as a media for large bandwidth that can be used not only for internet services, but also for delivery of digital data, such as High Definition TV, 3D High Definition TV, Video on Demand, Home Banking, Home Shopping and Interactive Games.

The Company splits its target market into two: the consumer market and the business market. For the consumer market, the Company offers services under the trade name FastNet, and subscription television via cable under the trade name HomeCable. For the business market, the Company offers data communication services under the trade name DataComm, as well as other corporate solutions such as Media Sales and Corporate TV for Hotels.

To Support the presence of the convergence era and become a leader in its field, the Company present as a driver and provider to multimedia and broadband services with the best technology and innovation.

COVERAGE AREA

Table on page 18 - 19

VISION, MISSION, CORPORATE VALUES AND BUSINESS STRATEGY

Vision

To be the first choice for broadband and media services

Mission

We transform lives by providing innovative and exceptional

broadband and media services and solutions

Corporate Values

- Innovation - We develop new ideas to continuously grow
- Excellence - We deliver high quality services
- Urgency - We serve with a sense of urgency and with precision
- Integrity - We always do the right thing
- Ownership - We are proud of our work and provide additional services where needed
- Cooperation - We work together to achieve success
- Customer as Priority - Our customers (internal and external) are our top priority
- Spirit - We love what we do

Business Strategy

Given the tremendous potential and prospect in the subscription television and broadband internet service industries, the Company has put in place strategies that can support its business activities in the future, among others:

- Reinforce the subscription television model to the general public
- Introduce the concept of entertainment and education through the internet
- Expand the cable network
- Increase market penetration through active marketing
- Increase the number of new product package offerings and improve Services

BRIEF HISTORY

- 1996 Company establishment
- 2000 Change in Company name to PT Link Net
The launch of broadband internet services MyNet and Digital1
- 2007 Launch of high speed broadband internet service FastNet
- 2011 Reorganization from PT First Media Tbk to

the Company
New Network Roll Out
Launch of Video On Demand services

- 2012 Launching of Personal Video Recorder (PVR) features and Over the Top (OTT) services in the form of First Media Live application
Investment in shares of PT Indonesia Media Televisi (BIG TV)
- 2013 Launch of FastNet service up to 100 Mbps
Launch of new service area in Bandung
Attainment of 1 Reach out million homes passed 50 High Definition TV Channel
- 2014 Initial Public Offering (IPO)
Rebranding of OTT service "First Media Live" into "FirstMedia GO"
Acquisition of PT Lynx Mitra Asia
Private Placement
- 2015 Acquisition of PT First Media Television
Launch of X1 service
Launch of FastNet Service up to 200 Mbps
62 High Definition TV Channel

AWARDS AND CERTIFICATION 2015

See page 24 - 25

THE COMPANY AT A GLANCE

The Company was established under the name of PT Seruling Indah Permai based on a Notarial Deed No. 93 dated 14 March 1996 of Dr. Misahardi Wilamarta, S.H., M.H., M.Kn, LL.M, Notary in Jakarta as amended by a Notarial Deed No. 304 dated 26 July 1996, which was drafted in front of Yuliandi Ermawanto, S.H., substitute notary of Misahardi Wilamarta, S.H., Notary in Jakarta. These Notarial Deeds have been approved by the Minister of Justice of Republic of based on a Decision Letter No. C2-8324 HT.01.01.Th.96 dated 7 August 1996 and has been registered in the Registry of Companies in accordance with the UUWDP with the Certificate of Company Registration No. 09851633872 in the Office Registration of the Company municipality of Central Jakarta under a letter No. 163/BH.09.05/XI/96 dated 4 November 1996, and has been published in the State Gazette of the Republic of Indonesia No. 96 dated 29 November 1996, Supplement No. 9456 (**"the Deed of Establishment"**).

Since the Company's establishment date, the Article of Association of the Company went through several changes, among important ones are:

- Based on decisions made in the Extraordinary General Meeting of Shareholders as published in the Deed of Statement of the Result of the Extraordinary General Meeting of Shareholders No. 35 dated 28 March 2000 drafted by Myra Yuwono, S.H., Notary in Jakarta, the Company's Articles of Association has been amended in relations to a change in the Company's name into PT Link Net. The Amendment of the Articles of Association has been reported to the Minister of Law through a Report of Changes of the Company's Articles of Association dated 13 April 2000 and was granted an approval by the Minister of Law through a Decree No. C-9118 HT.01.04. TH.2000 dated 20 April 2000 and has been registered in the Office Registration of the Company municipality of South Jakarta No. 793/RUB.09.03/VIII/2000 dated 14 August 2000 and has been published in the BNRI No. 84 dated 20 October 2000, Supplement No. 6296.
- Based on a Decision of the Extraordinary General Meeting of Shareholders as published in the Deed of Statement of Result of the Extraordinary General Meeting of Shareholders No. 29 dated 27 November 2008 drafted by Lindasari Bachroem, S.H., Notary in Jakarta, the Company's Articles of Association amended and adjusted to comply with Company Law No. 40/2007. This Deed was approved by the Minister of Law and Human Rights under his Decision Letter No. AHU-99920. AH.01.02 Tahun 2008, dated 24 December 2008 and has been registered on the Registry of Companies No. AHU-0125673. AH.01.09. Tahun 2008 dated 24 December 2008 and has been published in the BNRI No. 20 dated 9 March 2010, Supplement No. 2356.
- Based on the decision made by shareholders outside the mechanism of the General Meeting of Shareholders as published in the Deed of Statement of Shareholders' Decision No. 107 dated 10 May 2011 drafted in front of Dr. Irawan Soerodjo, S.H., Notary in Jakarta, the Company has obtained an approval for its plan to conduct re-organization in the implementation of network and subscription television business of PT First Media Tbk to the Company. The decision was restated in the Deed of Statement of Shareholders' decision No. 171 dated 16 June 2011, which was drafted in front of Dr. Irawan Soerodjo, S.H. a Notary in Jakarta, outlining the changes of the Company's Articles of Association in relations to the changes of the Company's status as a foreign

capital investment company. The Amendment of the Articles of Association was approved by the Minister of Law and Human Rights under his Decision Letter No. AHU-32017. AH.01.02. Tahun 2011 dated 27 June 2011 and has been registered on the Registry of Companies No. AHU-0051788. AH.01.09. Tahun 2011 dated 27 June 2011.

- Due to the Initial Public Offering (IPO), the Company's Articles of Association was changed based on the Deed of Statement of Shareholders' decision No. 7 dated 25 February 2014 drafted by Rini Yulianti, S.H., Notary in East Jakarta, where the entire of the Company's Articles of Association were adjusted to conform the regulations related to the Indonesian Capital Market, including a change to the company's name into PT Link Net Tbk and a change in the Company's status as a public company. The Amendment of the Articles of Association was approved by the Minister of Law and Human Rights under his Decision Letter No. AHU-08381. AH.01.02. Tahun 2014 dated 27 February 2014 and has been registered on the Registry of Companies No. AHU-0015443. AH.01.09. Tahun 2014 dated 27 February 2014.
- At the same year, the Company amend its Articles of Association regarding to the change of the Company's status, from a foreign investment company to a domestic investment company based on the Deed of Shareholder Resolution No. 7, dated 8 October 2014 of Rini Yulianti, S.H.. The Deed was approved by the Minister of Law and Human Rights under Decision Letter No. AHU-07759.40.21.2014 dated 24 October 2014.
- The latest amendment to the structure of the Board of Commissioners and to the Board of Directors was incorporated in Notarial Deed No. 16, dated 11 April 2014, of Rini Yulianti, S.H. This deed was received and registered in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights under Letter No. AHU-00408.40.21.2014 dated 14 April 2014.
- The latest amendment on the Company's Article of Association as published in the Deed of Statement of Shareholders' Decision No. 3 dated 3 June 2015, drafted in front of Rini Yulianti, S.H., Notary in East Jakarta, which contain the adjustment of the Company's Article of Association in relation to the OJK Regulations number 32/POJK.04/2014 and 33/POJK.04/2014. Such amendment was received and registered in the database of the legal Entity Administration System of the Ministry of Law and Human

Rights under letter No. AHU-AH.01.03.0938687 dated 9 June 2015, and has been registered on the Registry of Companies No. AHU-3515407.AH.01.11 Tahun 2015 dated 9 June 2015.

On 3 October 1996, the Company obtained a Principal License from the Minister of Tourism, Post and Telecommunication of the Republic of Indonesia for the Establishment of Internet Services under a permit No. PT.102/5/6/ MPPT-96. The Company obtained the Permit for the Establishment of Non-Basic Telecommunication Services on 15 April 1997 through a Decree of the Minister of Tourism, Post and Telecommunication No. KM.41/PT.102/MPPT-97. The services included are Basic Access (File Transfer, Electronic Mail, Remote Login), Data Retrieval Access (Gopher Service, World Wide Web, Database Service), and Interactive Access (Internet Relay Chat, Protokol Talk, Protokol Internet Phone).

The Company started to provide broadband internet services in 2000 through a product branded MyNet and Digital1. In September 2007, the Company provided the main product of a high speed broadband internet services named FastNet. FastNet is a retail product of a high speed broadband internet services network through cable for users in residential, such as residential and apartment with services speed of up to 200 Mbps.

On 27 July 2009, the Company obtained a license of the Establishment of Internet Service Provider from the Post and Telecommunication Director General as stated in a Decision Letter No. 176/DIRJEN/2009.

In 2011, PT First Media Tbk (FM) as a shareholder performed a re-organization to the Company through a Reorganization Agreement. Given the reorganization, FM performed a transfer and/or a selling of assets, rights and license from FM to the Company, including transfers of several important agreements in relations to the re-organization. Therefore, since 2011 to date, the Company is engaged in fixed-based operation of cable, multimedia services, internet and management consultation services. Thus, the Company can use the business brand of "First Media" with three main business units, namely HomeCable (the service of subscription television provided by PT First Media Television in cooperation with the Company), FastNet (the service of high speed broadband internet services), and DataComm (a high speed communication data for business).

In the reorganization, the Company obtained a Principal license of Foreign Capital Investment from the Investment Coordinating Board (BKPM) based on a license No. 258/1/IP/I/PMA/2011 dated 27 April 2011 to perform fixedbased operation of cable, multimedia

services, internet service provider and business management consulting services.

On 14 June 2011, the Company obtained a Letter for Proper Operation from the Directorate General of Post and Informatics from the Ministry of Communication and Informatics of the Republic of Indonesia No. 41/DJPPI/KOMINFO/6/2011, 42/DJPPI/KOMINFO/6/2011, 43/DJPPI/KOMINFO/6/2011, and 44/DJPPI/KOMINFO/6/2011 for Tangerang, West Jakarta, South Jakarta and Central Jakarta, as well as Cibubur area. The Letter for Proper Operation ruled that the development of infrastructure performed by the Company for the Local Fixed Services Based on Packet Switched has met requirements of a proper operation for telecommunication in accordance to the decision of the Director General for Post and Telecommunication No. 191/Dirjen/2009 regarding the Conduct of Proper Operation Test for Telecommunication Services.

On 27 June 2011, the Company obtained a permit for fixed-based services from the Minister of Communication and Informatics of the Republic of Indonesia No. 246/KEP/M.KOMINFO/06/2011 regarding the License of Local Fixed Services Based on Packet Switched. The permit was given to the Company for the local fixed services based on packet switched using the hybrid fiber optic and coaxial (HFC) cable based technology.

On 16 Agustus 2013, The Principal Licence for Foreign Capital Investment owned by the Company went through Amendment of Principal License, No. 722/1/IP-PB/PMA/2013. The changes are related to changes on the Company's data, including a change in the Company's address.

On 11 February 2014, the Company obtained a Letter for Proper Operation from the Directorate General of Post and Informatics of the Communication and Informatics from the Minister of the Republic of Indonesia No. 25/Kominfo/DJPPI/PI.02.05/02/2014, 26/Kominfo/DJPPI/PI.02.05/02/2014, 27/Kominfo/DJPPI/PI.02.05/02/2014, and 28/Kominfo/DJPPI/PI.02.05/02/2014 for Bekasi, Jakarta, Surabaya, and Singapore. The Letter for Proper Operation stated that the development of infrastructure by the Company for the Fixed-Closed Services has met requirements of a proper operation for telecommunication services in line with a Decision of the Director General of Post and Telecommunication No. 191/Dirjen/2009 regarding the Conduct of Proper Operation Test for Telecommunication Services.

On 24 March 2014, the Company obtained the Closed Fixed Network Provider License issued by the Minister Communication and Informatics No. 312 TAHUN 2014 regarding the Closed Fixed

Provider License. These license was given to the Company to conduct the fixed-closed services for a national coverage.

The Principal license for Foreign Capital Investment owned by the Company went through a change on 30 May 2014 through Amendment of Principal License No. 1497/1/IP-PB/PMA/2014. The changes are related to changes on the Company's production capacity, investment value, sources of financing and total of employee.

On 20 May 2014, the Company obtained an effective statement from the Financial Services Authority (Otoritas Jasa Keuangan) through a letter No. S-240/D.04/2014 to conduct an Initial Public Offering. On 2 June 2014, through the Indonesia Stock Exchange and the Company's stock code "LINK", the Company performed an Initial Public Offering by floating 304,265,000 shares priced at Rp 1,600 a share to the public. In relation to the Company's status as a public company, the Principal License of Foreign Capital Investment owned by the Company went through another change on 19 June 2014 through Amendment of Principal License No. 1729/1/IP-PB/PMA/2014.

On 8 October 2014, through the Company's Extraordinary General Meeting of Shareholders, the Company's status changed from a Foreign Capital Investment Company into a Local Capital Investment Company. Towards the Company's status changed, the Local Capital Investment License No. 232/1/IP/PMDN/2014 was issued dated 16 October 2014.

On November 2014, the Internet Service Provider License of the Company had five-annual evaluation by the Ministry of Communication and Informatics of the Republic Indonesia. The annual evaluation has been held on 18 November 2014 in Bekasi and 26 November 2014 in Jakarta which is entirely stated in the Minutes of Five-Annual Area Verification by the evaluation's team from Directorate General of Post and Informatics Ministry of Communication and Informatics of the Republic Indonesia.

On 14 January 2015, the Company has obtained a Letter for Proper Operation from the Directorate General of Post and Informatics of the Ministry Communication and Informatics of the Republic of Indonesia No. 10/KOMINFO/DJPPI/PI.02.05/01/2015 for Point of Presence location ("PoP") in BeritaSatu Plaza Building 4th floor Jl. Jend. Gatot Subroto Kav. 35-36 Jakarta 12950 and No. 11/KOMINFO/DJPPI/PI.02.05/01/2015 for PoP location in Lippo Cyber Park, Jl. Boulevard Gajah Mada No. 2170 Karawaci Tangerang, Banten. The Letter for Proper Operation establish that the result of facilities and infrastructure development implemented by the Company for the Network Access Point Provider has

qualified the properness operation for telecommunication operation corresponding to the Decision of Directorate General of Post and Telecommunication No. 191/Dirjen/2009 regarding the Proper Test Procedures of the Operation of Telecommunication Provider.

On 27 January 2015, the Company obtained the Network Access Point Provider License from Ministry of Communication and Informatics of the Republic Indonesia based on the Decision of Directorate General of Post and Informatics No. 50 TAHUN 2015 regarding to the Network Access Point Provider License. Such license was given to the Company for the operation of network access point with the implementation of the national territory.

Following the five-annual evaluation on 27 January 2015, the Company obtained the Internet Service Provider License by the Ministry of Communication and Informatics of the Republic Indonesia based on the Decision of Directorate General of Post and Informatics No. 51 TAHUN 2015 regarding to the Internet Service Provider License. Such license was given to the Company for the operation of internet service provider with the implementation of the national territory.

On the 13 May 2015, the Local Capital Investment License went through another change to the Amendment of Principal License No. 30/1/IP-PB/PMDN/2015 related to the changes of the data of Company, such as the change of Tax ID Number of Company, Project location, investment value, production capacity and total employee

INFORMATION ABOUT THE COMPANY AND SUBSIDIARY

PT Link Net Tbk

BeritaSatu Plaza 4th Floor

Jl. Jend. Gatot Subroto Kav. 35-36

Jakarta 12950 – Indonesia

Establishment and Lines of Business

The Company was established in 1996 engaged in cable-based fixed network, multimedia services, internet and business management consulting services.

Investment in Shares

The Company has 2 (two) subsidiaries namely PT First Media Television and PT Lynx Mitra Asia and 1 (one) investment in shares of PT Indonesia Media Televisi.

Public Accountant

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

RSM Indonesia

Plaza ASIA 10th Floor

Jl. Jend. Sudirman Kav.59,

Jakarta 12190, Indonesia

Telephone (62-21) 5140 1340

Faximile (62-21) 5140 1350

Stock Administration Bureau

PT Sharestar Indonesia

BeritaSatu Plaza 7th Floor

Jl. Jend. Gatot Subroto Kav.35-36

Jakarta 12950, Indonesia

Telephone (62-21) 527 7966

Faximile (62-21) 527 7967

Company's Stock Code on the Indonesia Stock Exchange

LINK

Share Ownership

PT First Media Tbk has 33.82% of shares, Asia Link Dewa Pte. Ltd. Has 33.45% shares and 32.73% of shares owned by public in Link Net.

Board of Commissioners and Board of Directors

President Commissioner : Ali Chendra

Independent Commissioner : Bintan Regen Saragih

Independent Commissioner : Jonathan Limbong Parapak

Commissioner : Edward Daniel Horowitz

Commissioner : Lorne Rupert Somerville

President Director : Roberto Fernandez Feliciano

Independent Director : Henry Jani Liando

Director : Dicky Setiadi Moechtar

Director : Sigit Prasetya

Director : Andy Nugroho Purwohardono

PT First Media Television

See page 33

PT Lynx Mitra Asia

See page 34

PT Indonesia Media Televisi

See page 35

SHAREHOLDINGS

On 25 February 2014, the Company's shareholders made a resolution in lieu of a general meeting of shareholder as stated in a Circular Resolution of the Shareholders published in the Company's Deed No. 7 dated 25 February 2014, which decided to approve the Company's plan to perform an Initial Public Offering. The Company's Deed has obtained an approval from Minister of Law and Human Rights under a Decree No. AHU-08381.AH.01.02. Tahun 2014 dated 27 February 2014 and has been registered in the Registry of Companies No. AHU-0015443.AH.01.09. Tahun 2014 dated 27 February 2014.

On 2 June 2014, the Company's shares were registered and listed on the Indonesia Stock Exchange with shareholdings structure as follows:

Details	Ordinary Shares		
	Nominal Value Rp 100 per share		
	Number of Shares	Nominal Value	%
Authorized Capital	8.040.000.000	804.000.000.000	
Issued and Paid-Up Capital	3.042.649.384	304.264.938.400	100,00
Shareholders with ownership of \geq 5%			
PT First Media Tbk	1.247.486.186	124.748.618.600	41,00
Asia Link Dewa Pte Ltd	1.490.898.198	149.089.819.800	49,00
Shareholders with ownership < 5%	304.265.000	30.426.500.000	10,00

On 3 November 2014, a Private Placement was occurred, causing the shareholding structure as follows:

Details	Ordinary Shares		
	Nominal Value Rp 100 per share		
	Number of Shares	Nominal Value	%
Authorized Capital	8.040.000.000	804.000.000.000	
Issued and Paid-Up Capital	3.042.649.384	304.264.938.400	100,00
Shareholders with ownership of \geq 5%			
PT First Media Tbk	1.020.809.186	102.080.918.600	33,55
Asia Link Dewa Pte Ltd	1.017.766.198	101.776.619.800	33,45
Shareholders with ownership < 5%	1.004.074.000	100.407.400.000	33,00

As of 31 December 2014, the Company's shareholding structure based on the Register of Shareholders issued by PT Sharestar Indonesia as the Company's stock Administration Bureau as follows:

Details	Ordinary Shares		
	Nominal Value Rp 100 per share		
	Number of Shares	Nominal Value	%
Authorized Capital	8.040.000.000	804.000.000.000	
Issued and Paid-Up Capital	3.042.649.384	304.264.938.400	100,00
Shareholders with ownership of \geq 5%			
PT First Media Tbk	1.029.079.186	102.907.918.600	33,82
Asia Link Dewa Pte Ltd	1.017.766.198	101.776.619.800	33,45
Shareholders with ownership < 5%	995.804.000	99.580.400.000	32,73

Dear Shareholders,

Praise be to God Almighty that by the end of 2015 we could fulfill any operational plan that had been planned from the previous year. A strategic step in 2014 taken by launching the initial public offering, or IPO was the starting point of the Company towards the renewal of Indonesia in aspects of ICT, namely the Internet.

Quoting from the Company's Annual Report of 2014, the Company has become a contributor in building the infrastructure of Indonesia, especially the Internet platform, then in 2015 we manifest it by expanding our fiber optic cable network to 1.67 million homes passed. Our investments in the cable network was very aggressive, considering we really desired that the people of Indonesia can get great access to information.

INNOVATIVE SERVICES FOR INDONESIA

Our serious moves in 2015 for the renewal of Indonesia could not be separated from reviewing the purpose and objective of corporate strategy namely the vision and mission. Through these measurement, we were able to define more detailed the strategic steps in formulating our business strategy to be more competitive as well as to be the value differentiator in the ICT industry.

In addition to our investment of the network expansion, the Company always referred to the strength of product differentiation in formulating business strategies to be competitive in the industry. Not only to be different, yet, by formulating the business strategies that are different can also give positive implication to the market needs.

The trend of technology convergence has become a form of innovation manifestation of the Company in 2015. Through the convergence technological innovation, the Company can unite the internet service and TV broadcasting into 1 (one) terminal, called as the Set-Top-Box. The Company believes that created form of this technology innovation can be the key attraction for the digital consumers to enjoy better broadband services and its contents.

The Company considers that the Indonesian digital market is always hungry for innovative products, it is proved by reference from Accenture research data in 2014 which noted that 41% of Indonesian digital consumers wanted to be exposed to the new devices or high end products and services for the first time. This kind of momentum with this consumer's behavior can be the right moment for the Company to launch innovative products. Not only that, the Accenture research also shows that the behavior

2

GREETINGS FROM THE BOARD OF COMMISSIONERS

of digital consumers in Indonesia dare to set aside money to purchase new innovative devices eagerly. No wonder, we can say that the digital market in Indonesia really wants to implement an all-digital lifestyle.

BUSINESS PROSPECT

The Company believe that the business prospects in ICT field will continue to grow in Indonesia. The company is confident to see the explosion of the digital revolution in Indonesia will get bigger significantly. The emergence of new technologies such as smartphones, notebooks, tablets along with interesting content will have an impact on the consumption of large use of bandwidth. Data research by Ericsson in 2013 showed that the total average consumption of data bandwidth per month is for laptop 3.3 GB, for PC tablets 1 GB, and for smartphones 600 MB. It is estimated that in 2019, the average data traffic will be bigger in terms of data consumption. Consumption data per month for a laptop will penetrate an average of 13 GB, for PCs tablets will be around 4.5 GB, and smartphones is growing to be 2.2 GB. This study also shows that online video got the largest contribution to the volume of data traffic, in which 25% for smartphone traffic and 40% for tablet traffic.

Moreover, in Indonesia, the need for fast internet bandwidth is sorely desired by the digital society (called as netizen). It comes from the behavioral change of the digital consumers through the aggressive growth of e-commerce business in the country. The rapid growth of e-commerce market share in Indonesia is indeed beyond the doubt. With the number of Internet users that reached 82 million people, or about 30% of the total population in Indonesia, the e-commerce market has become a gold mine that is very tempting for some ventures that can see the potential in the future. This growth was supported by data from Menkominfo (MCIT) that released facts about the value of e-commerce transactions in 2013 that reached IDR 130 trillion.

Thus the Company as a venture that engaged in the field of ICT can have the opportunity to support the business trend of e-commerce in Indonesia. The need for rapid bandwidth is needed by netizens in conducting e-commerce transactions.

DIRECTORS PERFORMANCE ASSESSMENT 2015

The Board of Commissioners has seen that the Board of Directors has managed to maintain the trend of positive performance achieved in previous years. It is reflected back into the growth and profitability performance in 2015.

The business development in the field of information and communication technology is visible from the launch of innovative products from the Company, named as "Combo X1" and "First Media GO". In addition to the company's selling program in the form of attractive product packages, that created a superior value proposition than its competitors.

With the launch of new products, the Company in 2015 was able to increase its net revenues, its number of subscribers, expansion the network of homepasses and its maintenance of ARPU (Average Revenue per User) per quarter.

All of the achievement which occurred in 2015 was made possible because of the hard work of the Board of Directors who managed to formulate a reliable business strategy, sound financial management, great human resources by instilling the value of synergy into all of the employees. We are proud and do feel worthy to entitle rewards and appreciations to the Board of Directors and all of its employees for their performance in 2015.

CORPORATE GOVERNANCE

On the other hand, the Company is able to improve its performance by developing the Good Corporate Governance (GCG) which is continuously adapted to the challenges and changes that occur in accordance with its time. However the implementation of Good Corporate Governance can encourage better corporate performance in achieving its business goals.

In performing its duties, the Board of Commissioners is assisted by the Audit Committee. The Audit Committee supports the function of the Board of Commissioners through their skills independently and professionally. The Board of Commissioners shall periodically request a progress report of the Company management. With the assistance of the Audit Committee, the Board of Commissioners is working to supervise the financial information and internal control of the Company.

The Board of Commissioners works to fully support all efforts to ensure the implementation of Good Corporate Governance in all

aspects of the Company's business activities. We are confident that the implementation of Corporate Governance is a process that must be implemented to ensure long term sustainability.

COMPOSITION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

On May 15, 2015, the shareholders of the Company through a decree from the General Meeting of Shareholders of the Company appointed a number of 5 (five) members of the Board of Commissioners, they are: Mr. Ali Chendra as President Commissioner, Mr. Jonathan Limbong Parapak as Independent Commissioner, Mr. Bintan Regen Saragih as Independent Commissioner, Mr. Edward Daniel Horowitz as Commissioner, and Mr. Lorne Rupert Somerville as Commissioner.

The Board of Directors also appointed a number of 5 (five) other members, they are: Mr. Roberto Fernandez Feliciano as the President Director, Mr. Henry Jani Liando as an Independent Director, Mr. Dicky Setiadi Moechtar as Director, Mr. Sigit Prasetya as Director, and Mr. Andy Nugroho Purwohardono as Director.

APPRECIATION

On this occasion, we would like also to convey our gratitude to the our shareholders. We are still looking forward to your support so that the company can become one of the powerful network service providers and broadband internet in Indonesia, and to keep moving forward and contribute to the economic development of Indonesia, as well as providing network services and broadband internet as a tool to encourage education, entertainment, and commerce for the betterment of Indonesia.

On behalf of the Board of Commissioners, I would like to extend our sincere appreciation to the Board of Directors and all management and employees of the on the achievement and accomplishment in 2015. At the same time, we also wish all the best for all the work and business plan in 2016.

For and on behalf of the Board of Commissioners

PT Link Net Tbk

Ali Chendra

President Commissioner

BOARD OF COMMISSIONERS' PROFILE

Ali Chendra

President Commissioner

An Indonesian citizen, born on May 6, 1960 at Medan, 55 years old.

Mr. Chendra holds a Diploma degree in Computer Technology from Control Data Institute, Toronto.

He was appointed as the Company's President Commissioner since 2013. Mr. Chendra started his career as a Technical Staff of PT Metrodata / Wang Komputer (1979-1983). He later seized a position as a Director of PT Total Data (1983-1993), a Director of PT Telplus Digitalindo and PT Telepoint Nusantara (1993-1999), hold a various positions in MNC Group (2001-2009), Group Managing Director at PT Infracom Telesarana (2009-2012) the President Commissioner of PT Skybee Tbk (2009-2012), President Director of PT Indonesia Media Televisi (2012-2014), and Commissioner of PT Matahari Putra Prima Tbk (2013-2015). He is Currently serving as a President Director of PT First Media Tbk (2013-present) Vice President Commissioner of PT Multipolar Technology Tbk (2014-present) and a President Commissioner of PT Indonesia Media Televisi (2015-present)

Bintan Regen Saragih

Independent Commissioner

An Indonesian citizen, born on August 14, 1940 at Sidamanik, 75 years old.

Mr. Saragih holds a Doctoral of Law from Padjajaran University and a Bachelor of Law from the University of Indonesia.

He was appointed as the Company's Independent Commissioner since 2013. Mr. Saragih started his career as a Lecturer at the University of Indonesia (1971-2006), an Advisor of Regional Autonomy for the Ministry of State Administration (1996-1997), an Advisor to the Management Team for the Evaluation and Assessment of Local Government Reform for the Ministry of Home Affairs (1999-2000), an Advisor to the Expert Team Formation and Draft Political Resolution for The Ministry of Home Affairs (2002-2003) and an Independent Expert to the Land Affairs Division

of the Ministry of Home Affairs (2005-2006), and a President Commissioner of PT Lippo General Insurance Tbk (2016-2015) He is currently a Dean for Law Faculty of Pelita Harapan University (2004-present) and a Independent Commissioner of PT Internux (2015-present).

Jonathan Limbong Parapak

Independent Commissioner

An Indonesian citizen, born on July 12, 1942 at Toraja, 73 years old.

Mr. Parapak holds a Wibawa Seroja Nugraha degree from the Indonesian National Resilience/Defence Institute, a Master of Engineering Science degree and a Bachelor of Electrical Engineering Communications degree from the University of Tasmania.

He was appointed as an Independent Commissioner since 2013. Mr. Parapak served several positions as the President Director (1980-1991) and then as the President Commissioners (1991-2000) at PT Indosat Tbk, as the Secretary General of the Ministry of Tourism, Post and Telecommunication (1991-1998), a Commissioner of PT Siloam Health Care Grup Tbk. (2000-2004), a Commissioner of PT Bukit Sentul Tbk (2000-2004), a Commissioner of PT Pacific Utama Tbk (2000-2004), the President Commissioner of PT AsiaNet (2000-2009), the President Commissioner of PT First Media Tbk (2000-2009), a Director for Postgraduate at Pelita Harapan University (2003-2006) and an Independent Commissioner of PT Lippo Karawaci Tbk (2006-2013). He is now serving as a Rector of Pelita Harapan University (2006 - present), an Independent Commissioner of PT Matahari Department Store Tbk (2009-present), an Independent Commissioner of PT Multipolar Tbk (2001-present) and an Independent Commissioner of PT Siloam International Hospitals Tbk (2014-present).

Edward Daniel Horowitz

Commissioner

An American citizen, born on November 16, 1947 at New York, 68 years old.

Mr. Horowitz holds a Master of Business Administration from the Columbia University and a Bachelor of Science degree in Physics from the City College of New York.

He was appointed as a Commissioner of the Company since 2011. Mr Horowitz started his career as the Technical Director, the Vice President for Sales and Marketing of Central Region, ultimately serving as the Senior Vice President for Network Operations and New Business Development at Home Box Office (1974-1989). He then held a position as the Chairman and CEO of Viacom New Media, Chairman and CEO Viacom Broadcast and Senior Vice President of Technology and Operations of Viacom Inc. (1989-1997). He served as the Executive Vice President of Citigroup as well as the Founder and Chairman of e-Citi Citigroup (1997-2000), the Founder and Chairman of EdsLink LLC (2000-2005), the President and CEO of SES Americom SES Luxembourg (2005-2008) and Co-CEO of Encompass Digital Media (2013-2014). He is currently the Founder and Chairman of EdsLink LLC (2008-present), the Founding Investor and Director of The Tennis Channel (2009-present), the Co-Founder and Director of US Space LCC (2009-present), a Director of Globecomm Systems (2014 -present) and the Chairman of Fairpoint Communications (2011-present).

Lorne Rupert Somerville

Commissioner

An English citizen, born on November 30, 1963 at London, 52 years old.

Mr. Somerville holds a Master of Business Administration from IMD in Swiss and a Master of Arts in Computer Science from the University of Cambridge.

He was appointed as a Commissioner of the Company since 2011. Mr. Somerville started his career at Swisscom AG as the Head of Swisscom International (1996-2001). He later held a position as the Joint Global Head of Telecoms Media and Head of the European Communications Group at UBS AG (2001-2008), and as a Director of Hong Kong Broadband Network Limited (2012-2014). He is currently serving as a Partner and Head of Telecoms Media and Technology of CVC Capital Partners Limited (2008-present), a Director of Sunrise Communications AG (2010-present), and as a Director Avast Holding B.V. (2014-present)

3

REPORTS FROM THE BOARD OF DIRECTORS

Dear Shareholders of the Company,

We proud to announce that during the fiscal year of 2015, the revenue, profit and operational strength of the Company continued to experience a significant increase.

The highly competitive industry environment in 2015 has prompted the Company to continue to maintain its leadership position in the market as well as to further develop its financial strength.

A review of the Company's performance in 2015 is evidence of the Company's commitment to continue to provide each customer the best possible service, by continuously extending and upgrading its network, diversifying its product offering, and finding new and novel ways to strengthen its customer service.

We are committed to continue to identify and implement new improvements in order to provide the best service and to meet the growing demands of our digital consumers in Indonesia.

THE CONVERGENCE ERA

In this 2015 Annual Report, the Company takes the theme of "**The Convergence Era**". The word "convergence" refers to the current trend to find new and creative ways to merge and interface the many new technologies into a useful and interactive interface that every end-user can benefit from. The Company is committed to identify and deliver "converged" technologies that will best satisfy customers. The Company introduced such an innovative opportunity with "X1", our newest TV set top box. An innovative android-driven device, the X1 allows our subscribers multi-function features including internet surfing, voice-activated commands, games, and many others on their home TV sets.

Based on a recent industry survey, Indonesian digital consumer behavior is always looking for the newest and most innovative products. The research showed that 41% of Indonesians would like to be the first to experience new devices or to be the first who could try out the latest products and services. Compared to other emerging markets, most consumers are generally interested only in new devices and applications that already have a track record and following.

Another report also showed that 55 percent of consumers in Indonesia said they would spend to buy a new gadget within 12 months. This includes 81% who plan to buy new smartphones, and 61% of whom prefer to switch to smartphones with larger screens.

The surveys have also shown that Indonesian consumers

demand very reliable internet connection service and are easily dissatisfied when it fails. According to the research, 86% of those surveyed have reported interference when accessing (non-LinkNet) cable TV programs while using broadband connections at home. As a result, as many as 60% of these unhappy consumers are willing to pay more for a faster connection, and 62% are willing to pay more for "anytime, anywhere" reliable cable TV and internet access. Survey information such as this and others, provide very invaluable inputs for the Company and has guides us in identifying new & more innovative technology & applications, and to develop faster and more reliable Internet services.

As a result, the Company has adopted a novel convergence of internet and broadcasting technology as a strategic step to leave the competition behind in the multimedia industry. This new service is called "X1" and introduces a new and innovative product designed to provide consumers an accessible convergence of multimedia services from the comfort of their homes.

THE BUSINESS PERFORMANCE IN 2015

The Company reported the full year 2015 consolidated financial statement that has been audited with total revenues of Rp 2,564 trillion, 20% increase from Rp 2,14 trillion in 2014.

Internet broadband and pay TV services RGUs at the end of 2015 climbed to 890 thousand, 18% higher than last year's 755 thousand, while ARPU was sustained at Rp 415 thousand. The Company added 240 thousand new homes passed across its 3 key areas, Jakarta, Surabaya and Bandung, and is now connected to a total of 1.67 million homes passed by the end of 2015. The Company also continued to expand its enterprise client base, on the back of its proven track record in delivering enterprise solutions with a high degree of reliability, for businesses of any size.

Despite its strong growth trajectory, the Company maintained its healthy margins, with 2015 operating profit clocking in at Rp 935 billion, representing 36% of revenues, and net profit at Rp 640 billion, or 25% of revenues. Furthermore, on 19 November 2015, the Company acquired 6,124 shares or 48.992% additional share ownership in FMTV from PT First Media Tbk, so that the total share ownership of the Company in FMTV amounts to 99,992%.

The Company's ability to focus on the premium market and compete in offering innovative products and services of high quality is advantage of the Company.

HUMAN RESOURCES MANAGEMENT

The Company is committed to constantly invest in the development of its human resources. In addition to building the professional capabilities of every employee, the Company also strives to develop a working environment where every employee is able to actively contribute to their work place.

The Company is engaged in a highly competitive industry. To maintain market leadership, the Company seeks to develop a work culture that produces high productivity and professionalism among its employees. The Company implements training programs that include professional development as well as technical skill training courses and others.

Every employee is evaluated annually and their career path are monitored to encourage each individual to seek personal and professional advancement. The human resources policies of the Company are also designed to ensure equal opportunities for promotion based on the professional achievements and contributions of each individual.

GOOD CORPORATE GOVERNANCE

The Company believes that strict adherence to high standards of corporate governance is an integral part of creating shareholder value and employees' satisfaction over the long term.

Committed to become one of the most respected companies in the country, the Company ensures that the shareholders interests are always maintained as the management of the company runs well and every task pursued is above aboard and fully transparent for public scrutiny.

The implementation of corporate governance is embodied in the Company's Articles of Association and is closely adhered to. The Company is committed to always uphold integrity and transparency in every undertaking, in addition to a maintaining a professional and qualified Board of Management.

The Company's Corporate Legal Division also works to ensure strict compliance with all applicable regulations.

In conclusion, I would like to thank the Board of Directors, Management and Employees for their invaluable contributions throughout the year. I also thank all of our business partners and suppliers for their continuous support, our customers for their loyalty, and our shareholders for their trust and confidence in the Company and its management. We are committed to always deserve your trust and are determined to keep the company moving forward.

For and On Behalf of The Board of Directors

PT Link Net Tbk

Roberto Fernandez Feliciano

President Director

**BOARD OF DIRECTOR'S
PROFILE**

Roberto Fernandez Feliciano

President Director

A Filipino citizen, born on June 8, 1954 at Manila, 61 years old.

Mr. Feliciano holds a Master of Business Administration from the Babson College and a Bachelor of Science in Business Administration from Ateneo De Manila University.

He was appointed as the Company's President Director since 2011. Mr. Feliciano started his career as a trainee at the OESCO International in Manila (1976-1977). He later served as a Project Assistant (1977-1978) at M Kruger Ltd. He served as the Country Head Representatives in Bangkok, Thailand for the Hanover Trust Bank (1980-1991). He served as the Associate Director of Corporate Finance of PT Lippo Securities Tbk (1992-1995), a Director of PT Lippo Pacific Finance (1995-1999), a Director of Lippo Life (Non Board) (1999-2000), a Commissioner of PT Lippo General Insurance Tbk (2000-2005), a Director of PT Lippo E-Net Tbk (2000-2005), a Director of PT Bank Lippo Tbk (Non Board) (2005), CEO and President Director of PT First Media Tbk (2006-2008), the Group Director of Siloam Hospitals (2008-2009) and a director of PT Lippo Karawaci Tbk (2010-2014). He is currently serving as the President Commissioner of PT First Media Television (2011-present).

Dicky Setiadi Moechtar

Director

An Indonesian citizen, born on July 8, 1959 at Tasikmalaya, 56 years old.

Mr. Moechtar holds a Bachelor degree in Computer Science from the Universitaet Des Saarlandes.

He was appointed as the Company's Director since 2011. Mr. Moechtar started his career by serving for several positions, including as a Programmer (1984-1986) as well as a Manager Assistant and System Analyst (1986-1991) of PT Bank Pertiagaan Indonesia. He also held several positions in several departments (1993-1999) and then as the Managing Director for IT, Operation, General, Asset Administration and Financial Service Distribution

(1999-2002) of PT Bank Lippo Tbk. He also served as a Director of PT Multipolar Corporation Tbk (2002-2008) and a Commissioner of PT Link Net (2009-2011). He is currently serving as a Director of PT First Media Tbk (2006-present), the President Director of PT First Media Television (2012-present), a Commissioner of PT Delta Nusantara Networks (2012-present), a Director of PT Bintang Merah Perkasa Abadi (2013-present), a Commissioner of PT First Media News (2008-present), a Commissioner of PT Margayu Vatri Chantika (2008-present), and as a President Director of PT Internux (2015-present)

Henry Jani Liando

Independent Director

An Indonesian citizen, born on July 1, 1963 at Jakarta, 52 years old.

Mr. Liando holds a Master of Business Administration in Finance from Oregon State University and a Bachelor in Chemical Engineering from the Bandung Institute of Technology.

He was appointed the Company's Independent Director since 2013. Mr. Liando started his career as the Head of Planning of Bank Sumitomo Niaga (1990-1993) and later served as the Head of Finance American Express TRS (1993-1996), Financial Controller (1996-2004) as well as the CFO and Treasurer of Citibank (2004-2008) and a Director of PT Matahari Putra Prima Tbk (2008-2010). Currently, he is serving as a Commissioner of PT Matahari Department Store Tbk (2010-present) and a Commissioner of PT First Media Television (2011-present).

Sigit Prasetya

Director

An Indonesian citizen, born on July 9, 1968 at Bandung, 47 years old.

Mr. Prasetya holds a Master of Business Administration from University of New South Wales and a Bachelor degree in Math from the Bandung Institute of Technology.

He was appointed as the Company's Director since 2011. Mr. Prasetya started his career as the Assistant Manager of the Credit Card Division at Citibank (1991-1992). He served as a Sales Manager at Peregrine Sewu Securities (1995 - 1996), the Engagement Manager at Booz Allen Hamilton (1996 - 1999), an

Executive Director and the Head of Investment Banking of Morgan Stanley in Indonesia (1999 - 2006), the Senior Principal and Head of Southeast Asia at Henderson Private Capital (2006 - 2007), a Director (2010 - 2014) and a Commissioner (2014 - present) of PT Matahari Department Store Tbk. He is currently active as a Managing Partner CVC Asia Pacific (Singapore) Pte. Ltd (2007 - present), a Director of Amtek Engineering Ltd (2007 - present), a Director of Magnum Berhad (2011 - present) and a Director of QSR Brands (M) Holdings Sdn Bhd (2012 - present).

Andy Nugroho Purwohardono

Director

An Indonesian citizen, born on December 22, 1968 at Jakarta, 47 years old.

Mr. Purwohardono holds a Master of Business Administration from the University of Texas and a Bachelor of Science in Industrial Engineering from Oregon State University.

He was appointed as the Company's Director since 2013. Mr. Purwohardono started his career as an Industrial Engineer at the Intel Corp in Oregon, United States (1991-1992). He later held a position as a Corporate Finance Officer of PT OCBC Sikap Securities (1994-1995), the Assistant Manager of PT Peregrine Securities (1995), the Director of Sales of PT SG Securities (1995-2002), the Senior Vice President of ABN Amro Bank (2002-2003), the President Director and the Head of Capital Market of PT Danareksa Sekuritas (2003-2009), and the President Director of PT Morgan Stanley Asia Indonesia (2009-2013) Managing Director of CVC Asia Pacific (Singapore) Pte. Ltd. (2013-2014), He is currently serving as the Managing Director of CVC Asia Pacific Limited's Indonesia Representative (2014-present), Director of Matahari Department Store Tbk (2014-present), and Director of MAP Aktif Adiperkasa (2015-present).

FASTNET

"Healthy Internet with Unlimited Data"

FastNet is the Company's business unit that provides fast and secure internet service through Hybrid Fiber Coaxial (HFC), which main network uses fiber optic and later be converted into coaxial cables located in residential areas. Additionally, the Company has positioned FastNet as an internet service that is not only fast, but also secure.

The term secure is used by the Company to describe its commitment to continually provide internet service that can be safely used by today's young generation. Company is imposing a strict configuration by blocking negative sites that may be harmful to today's young generation particularly those comprising of violent acts and pornography which reduces parents' and teachers' concerns regarding access to sites that can put young generation at risks.

Up to 2015, broadband internet services that can be offered by the Company has a speed of up to 200 Mbps. The service is an fast internet access without limits solution to meet all the needs of information via the internet for all customers with unlimited data capacity and access 24 hours nonstop. FastNet aspires to enhance the consumers' digital lifestyle by enabling them to utilize various services that includes downloading and uploading photos, playing game online, viewing live streaming videos and access to favorite sites which more graphic without hussel and data.

Nowadays, Fastnet can be enjoyed not only in the capital Jakarta, but also the Fastnet already be enjoyed in Bandung and Surabaya. The increasingly digital lifestyles and demand for fast internet and healthy, is expected Fastnet can expand its network and creating a smooth communication space for customers to access data and information.

HEMOCABLE

"Interactive Subscription TV"

HomeCable is the Company's business unit in Pay-TV service (Cable TV). This business unit utilizes the cable network as the basis of its infrastructure to broadcast numerous channels in High Definition. In operating the HomeCable service, the cable network is not the only superior advantage of the service being promoted by the Company. The Company is also promoting other advantages of its services such as its High Definition picture quality and Interactive Application.

4

OPERATIONAL OVERVIEW

HomeCable is shifting its position from previously being known for only as a Pay-TV with cable infrastructure. HomeCable currently positioning its service as interactive Pay-TV. The word "interactive" has become a point or attributes of the Company in the competitive excellence in the broadcasting industry, as a form of manifestations is a service that include Smart Box X1. With this service, subscribers can enjoy the best viewing experience powered by Android based Smart Box HD is equipped with innovative features, among others high speed internet access such as social media, web browsing, video streaming directly from Smart Box, Record TV which subscribers can record the whole show in a data storage media / external hard drive that can be played back with the features pause, rewind, stop and fast forward, Video on Demand and Catch Up TV which subscribers can watch a collection of impressions such as movies and TV series that can be watched repeatedly anytime within a certain period, and others facilities which is enjoyed by subscriber.

HomeCable provide a total of 181 channels with 62 High Definition channels to its subscriber. With the number of High Definition channels owned by the Company, the Company believes will be a leader in quality High Definition display. HomeCable provide vary widely, such as educational programs, entertainment, news, music, lifestyle, box office to sports. HomeCable also provide programs for kids. HomeCable also provide channel in house such as J'Go, Dangdutz, Hi TV, MIX, Reformed 21, Foodie TV, Kairos TV, Karaoke TV, BeritaSatu, Comedy Network, TV Parlemen, SPH and Balaikota.

The Company has high expectation that through the HomeCable business unit to give more knowledge for youth generation, open communication, and building closeness with family members.

DATA COMM

"The Best Partner for Your Business"

DataComm is the Company's business unit in corporate solution providing high speed data communication service. This business unit utilizes the Fiber Optic cable network as the basis of its infrastructure to support the data and information exchange process. DataComm has made its presence in Indonesia since 2001 as an internet service under the name Metro-Ethernet catering to the corporate customers requiring high speed internet access and Ethernet Leased-line for point-to-point connection. By using the Fiber Optic infrastructure network, DataComm is providing data services to corporate customers operating in various fields of industry and business.

DataComm services are at its most optimum in current industrial

situation of a "perfect competition". The business world is currently on the peak of competition pressures, where players compete each other to be the best in respective industry. To support their business, a number of corporations implement a concept called the information system. In current digital era, every company has utilized information system to structure information needed in running their business. Almost all companies have implemented the integrated business application for every department, ranging from financial, purchasing, marketing to human resources department. Those are aimed to accelerate their business process so that the companies can balance the pressures of competition.

At the current condition, the business sector requires a reliable and hassle-free access to information such as that offered by the integrated business application concept to support its business operation. Moreover, the recent growth of the creative industry in Indonesia presents a great opportunity for the Company to promote its DataComm brand to serve as a "Partner in Business Acceleration". The use of the term "Partner" by the Company alludes to the service working as the true partner in optimizing businesses operating in various fields of industry and business. As a first class partner, DataComm offers reliable services such as high speed data transfer, disaster recovery, storage area network, peering services, inter-branch connection and video streaming. For after sales services, DataComm is supported by 24 (twenty four) hours Corporate Help-desk and Network Operation Center to help customers experiencing problems.

The Company through the DataComm business unit aims to become a strategic partner for many corporations operating in various fields of industry and business, and ultimately helping businesses in Indonesia to develop and become more competitive.

Around 94 (ninety four) offices building with DataComm's communication network or Spider Building have been installed. The availability of the Spider network will ease and accelerate DataComm's services to corporate clients who wanted to increase the access to information and data exchanges as well as acceleration on the business. Up to 2015, total of corporate customer reached 1556 corporate which area covers is Jakarta, Surabaya, Bandung and Bali with total link connection are 2608 connection.

MARKETING STRATEGY

COMBO PACKAGE

To improve its services, the Company is aggressively perfecting its product services partly by re-structure more appealing products to be offered to customers. The Combo Package is the Company's main attention. The package, which combines two services that are internet broadband and subscription television, become the Company's main ammunition to compete with competitions. The Combo Package is seen effective to be marketed particularly to urban and sub-urban area. This is also the Company's superb services to the society. The following are the packages offered by the Company to group customers which category are classified as light usage, medium usage and heavy usage in consuming digital entertainment services.

D'Lite Combo HD

This packages comes with internet services up to 6 Mbps in internet speed and as many as 110 channels of HomeCable consisting of 76 channels in standard definition and 34 in high definition.

Elite X1 Combo HD and Super Elite X1 Combo

This package comes with internet services of up to 12 Mbps in speed and as many as 133 channels of HomeCable consisting of 86 channels in standard definition and 47 in high definition. The internet speed of this package is different depend on promotion which chosen by subscriber.

Supreme X1 Combo

This package comes with internet services of up to 25 Mbps in speed and as many as 161 channels of HomeCable consisting of 100 channels in standard definition and 61 in high definition.

Maxima X1Combo

The package comes with internet services of up to 50 Mbps in speed and as many as 161 channels of HomeCable consisting of 100 channels in standard definition and 61 in high definition.

Ultimate X1Combo

The package comes with internet services of up to 100 Mbps in speed and as many as 161 channels of HomeCable consisting of 100 channels in standard definition and 61 in high definition.

Infinite X1Combo

The package comes with internet services of up to 200 Mbps in speed and as many as 161 channels of HomeCable consisting of 100 channels in standard definition and 61 in high definition.

DATA & COMMUNICATION SERVICES

The Company is not only focusing on B2C (business-to-consumer) marketing through FastNet and HomeCable. The B2B (business-to-business) services to corporate clients is also a potential market due to the growth of industries particularly in the small and medium enterprises sector.

DataComm gives various high-speed data transfer services, such as disaster recovery, storage area network, peering services, inter-branch connection and video streaming. Meanwhile, routing system, it adopts the method of BGP (Best-Path Route) in Global Internet network through the Shortest Path Technique. The technology is prepared to be able to receive 40 Gbps in bandwidth capacity.

DataComm provides 3 (three) services to support business process of its corporate clients. The offered packages are Internet Services (Dedicated), Business Broadband (Non-Dedicated) dan Point-to-Point (Lease Line Services).

Internet Services (Dedicated)

This package is provided for corporate clients in need of fast data exchange and communication in doing business. The connection speed in the international bandwidth and local bandwidth (IIX) is a dedicated access with 1:1 in ratio of symmetrical downstream and upstream. Customers also get other features such as bandwidth utilization report, bandwidth on-demand, free 8 static IP address and fiber conversion equipment to ethernet connector RJ-45.

Business Broadband (Non-Dedicated)

This package is provided for corporate clients who are in need of data speed that are in accordance in their needs. It is also an economical package. The specification is different from the Dedicated Service as the speed is not dedicated but a sharing bandwidth, which is also called up-to. The service is suitable for medium corporate that are in limited budget.

Point-to-Point (Lease Line Services)

This package is created for corporate customers which has more than one office. The service is aimed at corporate customers

that want to integrate a connection in data exchange and communication from the central office to the branch offices.

MARKETING COMMUNICATION

The formulation of product development strategy is an absolute for the Company to face business competition. A strategic product development won't be optimum if it has no strategy in communicating with the society. A strategic communication is not only related to intensified promotions in various mass media but also an optimum integrated marketing communication by choosing suitable communication move, which is executed under a synergy principle.

The Company utilized marketing communication mix such as electronic & non-electronic advertising, event & experiences, and micro marketing as part of its public communication activities.

Advertising

The Company performed communication activities by utilizing several communication media, such as social media, websites, radios, newspapers, magazines, billboards and several events. For printed media, the company chose several well-known outlets such as Kompas newspaper, Suara Pembaruan, Investor Daily, Jakarta Globe and several other magazines. The Company also used other printed methods such as brochure, fliers and POSM (Point of Sales Material).

Mall-to-Mall Event

This year, the Company performed several exhibitions in shopping centers or malls. The exhibitions are held in malls as methods for product communications and to look for upper-middle class people or the urban lifestyle society. Moreover, penetration through malls usually has bigger probability for a chance to the introduction of the concept of "Next Generation Broadband" to the public.

Micro Marketing

In other communication activities, the Company held a micro marketing in several areas in Jakarta and greater Jakarta (Jabodetabek – Jakarta Bogor Depok Tangerang Bekasi), which is in line with the Company's cable network expansion. Micro marketing is performed to draw near the Company's brand identity to the society. In the micro marketing event, the Company invited many children and youth generation to take part and take picture near the Company's booth. Taking picture together is a way to effectively introduce a brand to children and young generation.

Why children? Because they are potential market in the future. If the Company's brand has been introduced to the children, there is a likely that they will continue remembering the Company when they become adults.

CONTACT CENTER SERVICE

The Company is engaged in service sector and therefore its performance and marketing absolutely must be supported by customer services. The success of services to customers is a form of building good relationship marketing. This is very important to maintain customers' satisfaction to the Company's services.

The Company deployed a contact center team to ensure the service provided can cover all of customers' needs, including product information, registration for subscription, installation scheduling, and the handling of impairment, are accurately reaching all customers. Beside contact center, the Company established a customer handling division, which is divided into 2 (two) teams to manage problems complained by customers. The technical support team handles customers' complaints through phone calls to the contact center and solves customers' problems through the system. Meanwhile, the Field Care team is in charge to handle problems complained by customers in the field. The Field Care will come to customers' residence to solve the problems, such as cable damages, a replacement of set-top-box/modem and other services needed for products' instalation.

Customer services cannot run perfectly without supports from other operational functions, such as the network monitoring division, which is divided into two teams, namely Fiber Optic Network Maintenance and NOC (Network Operation Center). The division has a managerial function to handle network connectivity through supports from the software applications. The team has a function in maintaining consistency sustainability and repairing the connection of data exchange in the HFC network. Therefore, the Company prepares Fiber Optic Network team, which has more field duties to maintain the HFC network.

To ensure that customers receive consistent services, the Company implements following processes:

- Maintain high performance standard in receiving phone calls and correspondents via emails and social media from new and existing customers to ensure achieving quality standard starting from service offer until the completion of onsite installation and trouble shooting.
- Conducting courtesy calls in sampling based to ensure good

quality of installation/network has been installed, meeting customers' expectations, and every problems has been resolved.

- Performing periodic reviews on customers' contract and complaints/constructive feedbacks, which would help the company to implement further improvement initiatives.

BIG TV

"Satellite Pay TV Service for Indonesian families"

BIG TV is the company's business unit in subscription television service via satellite (direct-to-home). Satellite technology becomes its infrastructure, allows the company to broadcast the programs (channels) to all Indonesians. In contrast to the limitations of traditional wired network deployments, satellite transmissions can reach all parts of Indonesia. Therefore, the company has the capability and opportunity to deliver the best entertainment services to Indonesians.

BIG TV services utilize the capacity of 7 (seven) transponders from the satellite to deliver 124 (one hundred and twenty four) channels with the composition of 78 (seventy eight) Standard Definition channels and 46 (fourty six) High Definition channels. The satellites high power delivers a strong signal throughout Indonesia, allowing BIG TV to support sharper image quality of 576p for standard definition and 1080i for Full high definition. The ability to deliver this service is achieved using KU Band, operating at a specific frequency, which is free of terrestrial bandsharing such as 4G, Wimax, etc. in accordance with the world's international telecommunication rules as drafted by International Telecommunication Union (ITU).

BIG TV offers 3 (three) basic packages for postpaid subscribers and 3 (three) premium packages for prepaid subscribers. BIG TV has an extensive distribution and marketing network, in various locations within Indonesia. BIG TV also collaborates with a variety of department store, mini market, hotels, and agents that are spread throughout Indonesia to market its services.

BIG TV positions its brand as a subscription television brand that encourages Indonesians to promote their country. The focus on Indonesia will be the company's primary concern as the penetration of foreign content in Indonesia is high, which position the penetration of local content less than foreign content. Public will slowly forget the local contents that are actually as good as foreign contents.

On the other hand, local content can be a strategic marketing

tool from company's perspective due to the low penetration of subscription television services in Indonesia. The low penetration of these services is caused by lack of understanding in the markets about the subscription television services, and its benefits. This is a promotional gap that can be utilized by the Company. In addition to introducing what subscription television services are, the Company can better promote local contents. And the Company believes that local contents can be accepted by the new adopter market group, rather than foreign contents.

The company's greatest expectation for BIG TV is the public can be well entertained while increasing local knowledge and information. The company's future plan through BIG TV is to continue providing local content to Indonesians, typically covering culinary, culture, and tourist attractions throughout the country. BIG TV is absolutely a subscription television for Indonesian families.

5

HUMAN RESOURCE

A positive achievement in an organization is not only measured by the number of revenue, the cost efficiency and the effectiveness of marketing programs, but also by the management practice and the development of human resources that supports the organization to achieve its goal and improve its values. Realizing the matters, the Company in 2014 integrated the strategy of human resources management into the Company's strategy. An appropriate human resources strategy will increase the ability of a company or an organization to win and control the market through its manpower.

For conclusion, the Company believes that human resources having appropriate competence and good personal quality are a key for the Company's sustainable growth. To ensure the achievement, the Company has harmonized the focus of human resources with its moves. The Company has placed the function of human resources management as the Company's Strategic Business Partner.

THE ACTIVITIES OF HUMAN RESOURCES MANAGEMENT

The Company's practice of human resources management is always aimed to make the Company as the first Employer of Choice among talents in the manpower market. To meet the goal, the Company carried out activities such as:

1. Acquiring the best talents

Acquiring the best talents is started with an accurate analysis based on the Company's strategy and business goals while continuing to pay attention on competencies and quality. The next stage is performing determination of needed talents' sources. At this moment, the Company utilizes various sources such as getting reference from current employees, advertisement on job vacancy sites and doing recruitments from the best universities as well as other sources.

2. Talents recruitment

Recruitment is performed based on the specification on vacant positions stipulated in the documents of the position description, which is available and always be updated based on the current situations and conditions so that it will always be able to answer challenges in the business world. Acquiring appropriate talents is performed in stages, starting from the administration selection, various competencies tests and gradual interviews until the Company finds a suitability between the candidates and the Company. The next process is recruitment of new employees.

3. Employees Development

Every talents owned by the Company will be developed systematically and consistently so that they can give bigger contribution and give impacts to the growth of the Company. Development is also performed so that every talent can optimize all potentials they have so that they will have a high personal engagement to the Company.

In the development program, the Company also conducts the Performance Management process. The Performance Management Process is also carried out systematically starting from the performance planning, the performance assessment and the final performance appraisal.

Continuing the improvement on the Performance Management System from 2014, in 2015, the improvement focus of Performance Management was put on the Coaching / Guidance program implementation from superiors to their respective team members. A consistent and continuous coaching process ensures the performance and development target can be achieved to the final result which visions and missions of the company can be properly achieved as well. The Performance Management System developed by the Company has also connected the goals, visions, and missions of the organization to the employees so that every employee knows not only the directions and goals that the organization wants to achieve but also consciously takes part in the achievement of the goals through a personal performance.

This coaching process is done by one-on-one system. Any employee that has team members will do coaching to each of his respective team members. The result of the coaching will be input into the Performance Management System (PMS).

The appraisal by e-PMS is based on two matters, which are a target stipulated in the Key Business Objective (KBO) and Key Performance Indicator (KPI) as well as the employees' behavior stipulated in the Behavior Competencies (BC). The Appraisal for KBO has 70 percent in weight and BC has 30 percent in weight out of the maximum grade of 130 percent from the achievement. The score from KBO and BC are connected into certain range and then be formed into a rating.

To make the appraisal more equitable and objective, scores of employees in the same division will be compared to each other. The process is called normalization, which is performed in 3 levels, starting from the section level, the department level and the division level. In the normalization process, it is possible that changes occur, up and down. However, there is also a possibility

that no changes occur.

Every year, the e-PMS is always improved to be better. In 2015, Learning & Development team conducted analysis and assessment toward the BC effectiveness. From this, the team offered some improvements toward the competency models, competency dictionary and competency development model therefore the leadership and managerial competency can be improved maximum. The improvement results will be utilized into the Development and Performance Management Process in 2016.

4. Compensation and Benefits

Compensation is a reward for the employees' contributions that is carried out regularly by an organization or a company. An appropriate compensation is very important and must be adjusted with the situation of the manpower market so that the Company will be able to win a competition in acquiring the best talents. Beside compensation, the Company also gives other appreciations taking forms of financial or non financial awards that make talents are always motivated to give the best performance. Benefits or assistance are given in various forms, such as health benefit, transportation and et cetera, and are in a measurable scale and right on targets. To support the government's benefit programs, all of the Company's employees are registered in the BPJS Kesehatan and BPJS Ketenagakerjaan programs that effectively started in 2015.

The Human Resources Information System

The Human Resources Information System (HRIS) is developed with the support and cooperation of the information Technology Division since 2011. The implementation of Overtime Online System, e-Recruitment System and Exit Clearance Online System have been operating and are always be perfected. The system contributes to the biggest changes in the activities and working process in the Human Resources Division and in the organization. The easy operation of the system has eased users to obtain the latest information and to manage every stage of recruitment process. The management can obtain realtime and transparent information regarding data related to human resources. Time and costs spent can also be reduced compared to the manual human resources management.

EMPLOYEE DEVELOPMENT

Facilitator Club

Uncertainty and unpredictable are still the main theme in business nowadays, where adaptive organization will take the advantage. A

learning organization would be able to adapt to the unpredictable more quickly than competitors could. What else makes an organization becomes adaptive than the people/employees in it? The truth is, Learning & Development Department is not solely responsible on the employee development and regeneration, yet it was their superior who holds the key element on the employee's personal mastery. Considering that situation and to align with the previous spirit in 2014 —"Sharing Session", Learning & Development has initiate Facilitator Club, as leaders forum to distribute knowledge to other potential leaders. The club consist of dozens of facilitators from various division/directorate and divided into several categories, that is:

1. Leadership

- Stepping Up
- Leadership Challenge

2. Sales

- Tele Sales Introduction
- Direct Sales Introduction

3. Operation

- Contact Center Introduction

4. Technical

- FTTH

The facilitator are ranging from supervisor until director level.

WHY WE DO WHAT WE DO?

Learning organization is strongly influenced by the behavior of leaders. When leaders actively question and listen to employees—and thereby prompt dialogue and debate—people in the organization feel encouraged to learn. If leaders signal the importance of spending time on problem identification, knowledge transfer, and reflective post-training/project, these activities are likely to flourish. When people in power demonstrate through their own behavior a willingness to entertain alternative points of view and spare some of their times to facilitate, employees feel encourage to offer new ideas and options.

FURTHERMORE

For maximum impact, knowledge must be shared in systematic and clearly defined ways. Sharing can take place among individuals, groups, or whole organizations. Knowledge can move

laterally or vertically within an organization. Vertically & internally, the leaders will share their best practice of leadership (not just the theory) across department/ division/directorate. Alternatively, knowledge sharing can be externally oriented by a scheduled forums with subject-matter experts to gain their perspectives on the company's activities or challenges, which in these case we held a sharing session for facilitator with external speaker. For example, our first external speaker was Mr Benny Bernardus as Associate Director of PT Matahari Putra Prima that discuss and share about the art of facilitation. Both of these concrete processes ensure that essential information moves quickly and efficiently into the hands and heads of those who need it. Creating-acquiring-and transferring knowledge.

TECHNICAL TRAINING

Quality is a key driver of progress for us and is an integral part of every process we undertake, from sales to network maintenance. Our service quality are constantly upgrade to meet and exceed our customer's expectations. Learning Development train regularly for our new employee and our contractor (vendor) new employee in network installation. Likewise for our existing employee, we are regularly conduct technology update training or refreshment training. Even more, our Learning Development team also conduct periodic inspections for our field installer to ensure the technique and standart learned are implemented.

SALES TRAINING

To accomodate the target achivement of the Company that is continuously improving from year to year, the Sales force or sales people hold a very crucial part. At this moment, the Company has got 1,67 million homepass within its coverage network that covers Jabodetabek, Bandung, Surabaya as well as 890.000 customers that have subscribed for the Company services. Therefore, the success of Link Net sales in the past and now can be a further determining factor on the number of New Roll Out homes passed to be applied in the new areas.

Since 2008, the Company Has developed a department that has duties to provide comprehensive training to equip its frontliners to sell internet service & pay TV service with hard skill and soft skill needed to conduct good communication with people who are the customer prospects of the Company. The frontliners of the Company consist of officers from Direct Sales. Telesales, Contact Center, ABI (Apartment & Building Implementation) & Enterprise Sales.

The training given covers Product Knowledge, Selling Skill,

Technical Knowledge & Grooming that are necessary for interaction between the sales people with their prospects. This training is given in the form of in-class training where the methods have got several significant improvements where it was previously given just as a basic Product Knowledge training at least until 2 years before (2013). At this moment, this new method still cover a comprehensive basic Product Knowledge, but now the participants are given communication techniques that emphasizes a skill to convince the prospects of the added value from the features & benefits of every technology items that is owned by Fast Net and Home Cable, especially by the presence of the X1 Home Cable since the beginning of 2015 that utilizes 16 technology features from First Media which most of them have not been provided by the competitors.

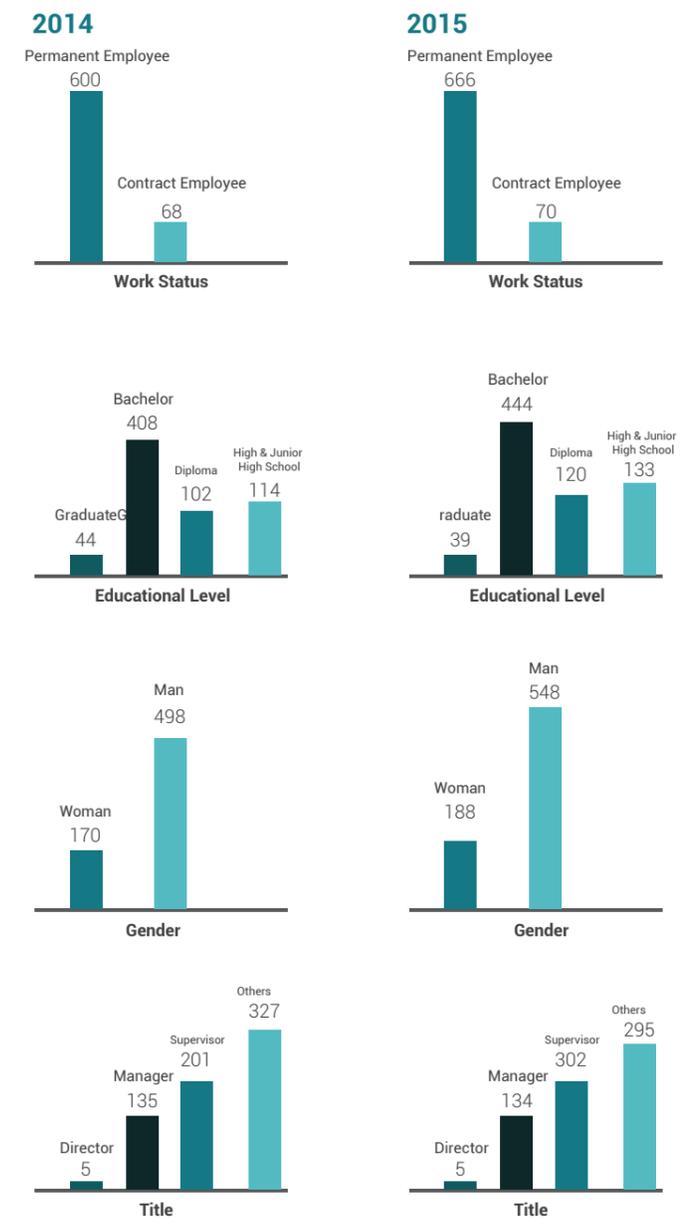
The training framework that is provided for the sales force is comprehensive in nature and covers the equipping the sales competencies for them since they joined with the company for the first time. Training is given in-class, with tandem and coaching in-field, therefore the efforts to strengthen the sales force, especially those who drop in performance to achieve their targets. Performance Monitoring from this Training Department is also a main feature where trainers work cooperatively with Supervisors on the field to watch the target achievement process from each team member to give the expected results. By utilizing this new method, Company has seen the good results within these recent 2 years where the retention of the Sales force is improving in a good level, especially those who work in Direct Sales field. Every Sales training program which is given, the trainer utilizes a technique that is called as "Catching Golden Time from your prospects" to attract and maintain the prospect's interest until they want to buy the products which is increasing the opportunity of each sales person to go to the Sales Active closing process. The frontliners Sales (in-door & in-field) are also comprehensively equipped with Homepass data, therefor they will help the Company to accelerate the penetration process of Company's service into the customers or society. It will truly help the Company to determine on the size of its New Roll Out that will be built.

The competency development program for the sales force is also done by using the approach of CBHR concept (Competency Based Human Resources). With this concept, the main thing is developing the most skill needed in doing one's sales duties. This sales development program is developed by the Sales Training Department as a focus of competency development for the whole retail sales force of the Company, as mentioned above. With the improvement of the performance and service target of Company's products consistently, therefore the main target of PT Link Net Tbk

is to become the service provider of internet communication and information and entertainment will keep accelerating for now and ever.

HUMAN RESOURCES COMPOSITION

At the end of 2014, the Company employed 668 employees. Out of the total 668 employees, as many as 600 people are permanent employees and 68 people are contracted employees. And at the end of 2015, the Company employ 736 employees. Out of the total 736 employees, as many as 666 people are permanent employees and 70 people are contracted employees.



INTRODUCTION

The concept of social sustainability emerges as the continuation of the concept of economic sustainability and environmental sustainability. The three concepts are pillars for the Corporate Social Responsibility (CSR) concept. Social Responsibility is a commitment in business to act based on ethics, operate legally and contribute to improve employees' quality of life, local community and wider community. The concept of social responsibility involves active and dynamic responsibilities among the government, the company and the society.

Activities for social responsibilities have become important activities for every company in doing business. Generally, the social responsibility activities are ways to establish business strength, which needs a balance in the wellbeing of the economy, the market and the community. Social Responsibility must be underlined as a way to establish economic prosperity. It means that the Company is not only continuously looking for a large economic scale but it has to particularly the society.

The Company sees a social responsibility as a way to support the government in achieving prosperity. The Company observes that social responsibility is not an indirect-branding concept that only aims at promotions of goods and services but a responsibility that is performed sincerely for the development of the environment and the society.

As the Company's guidance in formulating social responsibility programs, the Company adopts the concept of Carrol Pyramid, which highlights 4 (four) layers of responsibilities in doing business. The foundation layer is related to the Company's responsibilities to maintain its businesses stability by improvement in the cash inflows. In the second layer, the Company has to perform its business obediently to the regulations and to the applied government regulations. In the third layer, the Company is responsible in maintaining ethics while doing business, the ethics refer to moral values, justice and human rights. The upper layer is the Company's responsibility in participating for the improvement of the society's welfare, through donations as well as supports on culture, education, health and et cetera.

6

CORPORATE SOCIAL RESPONSIBILITY

SOCIAL RESPONSIBILITY PROGRAMS

In 2015, the Company performed 6 (six) corporate social responsibility programs in Jakarta and Tangerang. Among the programs are blood donation programs in cooperation with the Indonesian Red Cross ("**PMI**"). According to PMI chairman Mr. Jusuf Kalla, Indonesia needs 5 million blood bags every year, which is equal to needs for two percent of the total population. The facts encourage the Company to actively hold blood donation programs as a part of efforts to help the government and PMI specifically. Moreover, the Company also encourage its employees to understand the necessity of donating blood.

Below is the Company's schedule of blood donation programs:

Date	Location	Participation
14 January 2015	BeritaSatu Plaza, Jl. Jend. Gatot Subroto Kav.35-36	155
17 March 2015	Lippo Cyber Park, Bulevar Gajah Mada, Lippo Karawaci, Tangerang	147
7 May 2015	BeritaSatu Plaza, Jl. Jend. Gatot Subroto Kav.35-36	93
10 June 2015	Lippo Cyber Park, Bulevar Gajah Mada, Lippo Karawaci, Tangerang	110
3 September 2015	BeritaSatu Plaza, Jl. Jend. Gatot Subroto Kav.35-36	81
30 September 2015	Lippo Cyber Park, Bulevar Gajah Mada, Lippo Karawaci, Tangerang	128

EMPLOYMENT SOCIAL RESPONSIBILITY PROGRAM

In 2015, the Company was conducting social responsibility programs for its internal environment. The Company and its human resources are mutual partners that support each other and provide contribution and harmonisation. Both parties determine the success and growth of the business.

As part of the attention from the Company to its employees, it provides hard skill and soft skill training to every employee to increase their competencies.

The Company is committed to build a strong, competence leader that also has strong character to support the Company's goal. Therefore we have a comprehensive development program that could build and enhance the employees leadership, competencies and skill for each staff.

In 2015 the Company successfully running 4.880 training hours for Leadership and Managerial programs and 1.238 Training Hours for Technical Skill programs (working with our partner as part of their contribution to us). Total 594 employees are attending the program (78% from total population) with minimum 1.4 mandays/year.

7

GOOD CORPORATE GOVERNANCE

The implementation of corporate governance in a company is very important as a process to maintain long term business sustainability, which prioritize the interests of the shareholders and stakeholders. Considering the importance of the corporate governance, the Company sees the need to implement the Good Corporate Governance (GCG).

To be able to gain benefits from the implementation of the GCG, the Company is continuously in efforts to apply the GCG and develop it consistently and persistently. Given the consistent and persistent GCG implementation supported by integrity and high commitment as well as active participations of all of the Company's organs, the Company is expecting that GCG will not only become an obligation must be performed by the Company but also a part of the Company's culture to achieve business sustainability and security in the longer term, improve performance, and in the end give an added value for the Company for the interests of its shareholders and stakeholders, as well as the Company's service users. A top-down approach in the implementation of GCG with a consideration on the regulations and the Company's culture, is also expected to ease the GCG implementation and help the Company to obtain supports from all parties.

In line with the Company's commitment to implement of the GCG consistently and persistently, the Company has several supporting tools as guidance for GCG implementation, which are the Company's vision and mission as well as its values, the Corporate Rules, the Guidance on Ethics and Professional Responsibilities, as well as various Standard Operating Procedures that have been implemented. The implementation of GCG is also consistently improving the existing supporting tools to adjust with the Company's business development and competitions in the market.

The GCG implementation is also actively supported by the Company's Board of Commissioners and the Board of Directors. Certainty on the Board of Commissioners and the Board of Directors' functions, the determination of the Company's strategic plan that is adjusted with the Company's Work Plan and Budget (RKAP), the implementation of compliance and risk management functions, the establishment of a committee and a working unit overseeing and controlling the Company's internal affairs are the realization of the Board of Commissioners and Board of Directors' commitment in GCG implementation. The Company has also appointed several independent parties to sit in the Board of Commissioners and the Board of Directors as part of attempts to ensure the GCG implementation, which is not only a move to meet requirements as stated in the regulations.

The Implementation of Good Corporate Governance (GCG)

Principle

In the implementation of GCG principle, the Company has followed the General Guidance of Good Corporate Governance stipulated by the National Committee for Governance Policies (KNKG) under the implementation of 5 fundamental pillars called TARIF, which are: transparency, accountability, responsibility, independency, and fairness.

The Company believes that the implementation of the 5 fundamental pillars is reliable instruments in regulating all business aspects conducted by the Company, the Board of Commissioners, the Board of Directors and all of employee can create a thorough balance in the Company's business operational. The balance in business operational covers all interests, both individual and collective interests and internal and external interests, so that the interests of the Company, the shareholders, and stakeholders will achieve an equilibrium point

TRANSPARENCY

As a public company, the Company continuously tries to maintain objectivity in performing its business by providing material and relevant information to shareholders and stakeholders and ensure that the information is delivered in time, proper, clear, accurate and accessible.

The Company continuously delivers routine reports obliged on public company, such as the interim financial reports, the mid-year financial reports, the annual audited financial reports, the annual reports and incidental reports, including reports related to corporate actions, affiliated transactions or material transactions, which all of them delivered both through the public exposes or through printed and electronic mass media. Besides, the Company also provides an official website (www.linknet.co.id) as an access for the public to obtain the Company's annual reports.

ACCOUNTABILITY

The implementation of accountability pillar by the Company as public company is a form of the Company's responsibility to shareholders and stakeholders so that the Company's management is conducted appropriately, measurable and in accordance with the Company's interests without ignoring the interests of shareholders and stakeholders.

Beside determining certainty on the functions, implementation and responsibilities of each organs, the Company also ensure

that all organs in the Company and employees have the proper competence in line with their respective duties, responsibilities and role in the Company's business activities so that the Company can maintain its accountability. The Company gives a chance for every employee to take part in training programs and seminars, both inside and outside the Company, for the development of their competence. Furthermore, they are also asked to implement knowledge they obtained and disburse it to other employees for improvement and perfection in all aspects in the Company. The Company also applies a system, which is related to appreciation to employees having accomplishments and sanctions to employees disobeying regulations.

Beside a stress on the competence of each employee, the system of giving appreciation to employees with certain achievements and sanctions to disobedient employees gives a chance to the Company to objectively test its accountability. The Company has also a committee and a working unit overseeing and controlling its internal affairs. The committee and working unit are directly responsible to the Board of Commissioners and the Board of Directors to ensure that all organs in the Company perform their own roles and functions properly.

RESPONSIBILITY

Every company performing business activities, has responsibilities to run their business activities in line with the regulations, including the Company. The benefits of obeying law and regulations will be experienced both by the Company's subscribers that will be able to enjoy the services comfortably and the Company itself for being able to perform its business activities easily and to reach long term sustainability. As part of attempts in the implementation of careful principle, the Company has a Corporate Secretary who is in cooperation with the Legal Corporate Division in ensuring the Company's compliance to the Articles of Association, The Corporate Regulations and other regulations in the capital market.

The Company completely understands that its business existence will not only benefit the Company's subscribers but also the overall society living near the location of the Company's business activities. The Company is continuously in efforts to make its business existence give benefit not only to its subscribers by also overall society living near the location of its business activities. The benefits of the Company's existence for the society living near its business activities include not only on the creation of employment but also on various Corporate Social Responsibility (CSR) programs. Thus, the Company is expecting to have an

acknowledgement as a good corporate citizen.

INDEPENDENCE

The Company continuously ensures that the Company's management is conducted independently, non-dominant to each other, not influenced by certain interest and free from the conflict of interest. Thus, the decision making process is always objective and is expected to be able to give optimal output for the interests of shareholders, stakeholders and employees. As an example, the Board of Directors and the Board of Commissioners can have independent opinions in the decision making process, without lessening possibilities to have options or suggestions from the legal consultant, human resources consultants or other independent consultants.

As the realization of its independence, the Company has appointed several independent parties who are reputable to sit in the Board of Commissioners and the Board of Directors as well as has given a maximum role for the Company's Audit Committee in conducting supervision on the Company's business activities.

FAIRNESS

The Company applies the fairness principle for every party having interests to the Company. The Company always gives a fair chance to every party to be able to access the Company's information in accordance to the transparency principle in respective positions as well as in line with the benefits and contributions given by the capital market authority, the capital market community and the stakeholders to the Company.

The Company also applies the fairness principle for each individual, who is competent, has a will and is highly dedicated, to work for the Company. The Company gives no distinction to career development of its employees based on their tribes, religions, races, groups, genders and physical conditions. The Company always maintains and pays attentions on the balance of employees' rights and obligations fairly.

The Guidance of Corporate Governance

CORPORATE REGULATIONS

The implementation of good corporate governance is not only reflected by the visions, missions and values of The Company, but also by the Companies' efforts to obey regulations in achieving the visions, missions and values. The Company, as part of the good corporate citizen, realizes that regulations are needed to regulate

not only the Company's external relations with the public but also the Company's internal relations with its organs and employees. Therefore, the Company arranges a series of rules applied as corporate regulations.

The Company's corporate regulations are arranged in accordance with the philosophy of Pancasila and the National Development Program, where improvement in the economy and in the nation's living standard is in need of supports from all the nations. Thus, the Company desires to role in Indonesia's economic development not only by developing its business but also by developing and improve the competence of the human resources.

The Company has determined that the management of human resources is part of its strategic development plan, in this way, the Company will be able to easily and persistently improve its ability to compete with other companies in Indonesia. The Company always believe that human resources are important assets for the Company's sustainable growth and development for a long term. The Company's existence is also important for its employee.

The Company has considered various aspects so that it will be able to create a harmonious, save, steady, peaceful and dynamic relation between the Company and its entire employee. Among the aspects are certainty of duties, rights and obligations of all employees, attentions on employees' needs during healthy and illness, and creation of working atmosphere supporting working environment. Those aspects are expected to be able to increase employee's productivity and help in the creation of peacefulness and complacency for employees so that any problems that emerge can be solved amicably.

The Corporate Regulations has been approved through a Decision Letter of Ministry of Manpower of the Republic of Indonesia, the Director General for Industrial Relations Development and Manpower Social Guarantee Number: KEP.1423/PHIJSK-PK/PP/XI/2015 dated 8 December 2015 that will be valid until 30 April 2017 Generally, the Corporate Regulations contain the rights and obligations of employees and the company as well as rules aiming at the maintenance of harmonious, consistent and balance relations as part of attempts to increase efficiency, productivity and optimal achievements. The Corporate Regulations are expected to be able to realize the creation of conducive industrial relations between employees and the Company by paying attentions on the government's regulations and laws, including their adjustment in the future.

Code of Ethics and Professional Responsibilities

The Company's commitment as a public company to obtain long term business sustainability is not only reflected on the Company's compliance to binding regulations. The Company always implements a standard ethics and professional responsibilities as one of benchmarks in its efforts to achieve balance in business. Besides obligation to comply with the regulations and laws, the Company also implements the standard ethics and professional responsibilities as part of its responsibilities to the public, customers, shareholders and stakeholders in doing its business.

Under the guidance of the international standard, commitment to always obey the regulations, the implementation of good corporate governance, it is fundamentally important for the Company to determine the Standard Ethics and Professional Responsibilities (Code of Ethics) that have been approved under a Resolution of the Board of Directors No.: SK-021/LN/HR/VII/15 dated 30 July 2015. All management and employees are obliged to understand the Code of Ethics as the basis of implementation and behavior that regulate the relations between employees and the Company, among employees, customers, suppliers, shareholders, stakeholders, the government and the society. All management and employees are obliged to sign the standard code of ethics every two year.

Treatment on misappropriation towards the Corporate Regulations as well as the Code of Ethics and Professional Responsibilities is performed in a thorough investigation, which is based on facts, while the decision is made and issued based on the impacts of the actions, the level of consciousness and motives of the actions. Through a meticulous and objective consideration, the Board of Directors will decide on sanctions in accordance with the level of irregularities and the organizational hierarchy (the employees' ranks or positions). Sanctions to employees include verbal reprimand, warning letters (I, II, III) as well as repudiation on wage increase, rank or bonuses, to the termination of employment. Specific on the termination of employment, an approval from the Directors need to be followed up by a request to the Manpower Department in line with regulations under the Law on Manpower of the Republic of Indonesia.

Policies on the Management of Irregularities Complaints

The Policies on the Management of Irregularities Complaints (KP3) is a system that can be a tool for witnesses to deliver information regarding irregularities. Complaints that are obtained from the whistleblowing mechanism needs further attention and follow

up, including on the proper punishment that can give a deterrent effect to the perpetrators and to those who are planning to.

KP3 is aimed to be the basis or guidance on the implementation of the management of Irregularities Complaints from the stakeholders to ensure the implementation of an effective settlement mechanism in an appropriate period. The final goal is an effort for the disclosure of various problems in the Company which are not in line with the Code of Ethics applied in the Company.

KP3 is applied to management and employees of the Company and its entire business units in the implementation of daily duties that are in line with the good corporate governance.

GENERAL PROVISIONS ON THE HANDLING OF IRREGULARITIES COMPLAINTS

The Company is obliged to accept irregularities complaints both from internal or external parties. The Company is obliged to accept and settle the irregularities complaints either when the informers' identities are revealed or when they are unspecified.

The Company provides two irregularities management process, which are through the Board of Directors if irregularities are allegedly performed by employees and through the Board of Commissioners if irregularities are allegedly conducted by the Board of Directors, the Board of Commissioners, supporting organs for the Board of Commissioners and the head of Business Units.

A. The Process of Complaints Management

1. The Management Team for Irregularities Complaints performs verifications over incoming reports. The team will decide the need for an investigation towards the complaints within 30 working days, which can be extended by another 30 working days.
2. If the verification results in incorrect complaints and no evidences to support the complaints, the process won't be continued.
3. If the verification results in indication of irregularities with sufficient evidences, the complaint will be processed to the investigation stage.
4. Regarding irregularities complaints involving employees that need investigation, the management Team for Irregularities

Complaints at the Board of Directors stage is obliged to follow up for investigations.

5. Regarding irregularities complaints involving the Board of Directors, the Board of Commissioners, the supporting organs for the Board of Commissioners and the Head of Business Units that need investigation, the Management Team for Irregularities Complaints at the Board of Commissioners stage is obliged to follow up for investigations.
6. The actor of irregularities, who are proven guilty based on the investigations, will be processed in accordance to the regulations.
7. If investigations result in indiscipline irregularities by employees, a disciplinary trial can be held in accordance with the regulations where the Board of Directors will serve as the judges, the Internal Audit Division will serve as the prosecutors, the Human Resources Division or the Corporate Legal Divisions will serve as the defense attorney and related supervisors will give opinions or suggestions.
8. If the investigations result in criminal irregularities by employees, a legal process will be conducted by law enforcement agencies and the Board of Directors or other authorized person as officials in charge of the case.
9. All process of irregularities complaints are administered properly by the Management Team for Irregularities Complaints.

B. Monitoring on Follow Up

1. The monitoring of the follow up of the irregularities complaints is performed by the Management Team for Irregularities Complaints.
2. The Management Team for Irregularities Complaints has to inform the incoming irregularities complaints, the investigated complaints and the complaints that are considered to have been solved to the Directors or the Board of Commissioners in any time needed.

PROTECTION AND APPRECIATION

A. Protections for the Informer and the Perpetrator

1. The Company is obliged to protect the informer. This is aimed to support courage to file reports on irregularities.

2. Protections for the informers cover:
 - a. Guarantee on the secrecy of the informers and the contents of the report.
 - b. Guarantee of security of the informers or their family.
 - c. Guarantee over any adverse treatments
3. The Company guarantees the secrecy of informers' identities until a change in the status of the people under investigation.

B. Appreciation to the Informers

1. The Company could give appreciation to informer for proven irregularities so that the Company's assets/finance can be secured.
2. Appreciation is given based on the Directors policies.

Quality Management System

The Company has obtained a standard certification of ISO 9001:2008 in 2015 from the United Registrar of System Ltd (URS) as an acknowledgement of its Quality Management System related to the subscribed television and internet data services. The ISO 9001:2008 is relate to a documented procedure and standard practice for a management system that ensure appropriateness of a process and a product either goods or services to the needs or certain requirements determined or specified by customers and organizations.

STANDARD OPERATING PROCEDURE

To ensure that all operational activities run in line with the provisions, the Company established a detailed Standard Operating Procedure. This standard is also functioning as a benchmark in the audit process of quality conducted towards the Company.

WORK SAFETY AND OCCUPATIONAL HEALTH

Work safety is an effort to exercise duties without accident, to give a safe working environment and to achieve advantageous results and free from accidents or occupational illness. Work safety is related to machineries/ tools/ working equipment/ materials/ working environment.

Meanwhile, occupational health is a physical, mental and social condition of the manpower, who are protected from diseases or health problems and are able to interact with its working environment. The protections are:

1. Employees' Health Examination
 - a. New employees (initial health condition)
 - b. Experienced employees (health monitoring every 6 months or 1 year)
 - c. Employees with accident in works (Special Examination)
2. Working Environment
 - a. Dust: disruptions to respiratory
 - b. Noise: disruptions on auditory function
 - c. Lighting: disruptions on eyesight
 - d. Vibration: disruptions on joint function
 - e. Toxic/dangerous gases which are deadly to human
3. Ergonomics:
 - a. Seats
 - b. Working tools
 - c. Working place dimension

Work safety and health (K3) is an effort or thought in the guarantee for the integrity and perfection of physical and spiritual conditions on specifically human and manpower in general.

K3 principles:

1. All occupational accidents and illness can be avoided
2. K3 is an integral part of the Company's culture, values and operations.
3. The management has to determine a policy, prepare

infrastructure and guarantee the implementation of K3

4. K3 is an integral part of behavior, responsibilities and roles of every workers
5. Every worker has to have a sense of belonging in the Company's operations
6. Every worker has to lead and organize themselves as well as correct each other.
7. Every potential of danger must be identified and controlled
8. All insufficiency must be corrected
9. K3 accountability must be determined, its performance is measured and identified

The goals of K3 are:

- Avoiding/performing preventing efforts so that employee are not injured/wounded/dead
- No loss/damage on equipment/materials/ productions
- Efforts on the supervision of 4 M, namely mankind, materials, machineries, methods of work, which can give a safe and comfort working environment so that no accidents occur

In the implementation of K3, the Company applies K3 Performance Standard, as follows:

- Recruitment of workers is conducted in accordance with the procedure. The workers will get trainings and briefings and will be assigned according to their abilities
- All dangerous actions and conditions are reported, recorded and followed up
- All employees get accurate working instructions
- All employees get K3 indoctrination and perform periodic communication and consultation
- All employees understand and practice K3
- All employees understand the benefits, the usage, maintenance and storage of APD (self protection equipment)
- Every accident is investigated, analyzed and reported
- Every manager's actions and behavior are reflections of attentions towards K3

- Disciplines in implementations lead to the development of K3 character and culture
- All equipment, appliances, dangerous materials, dangerous installations have permits and have completed periodic testing
- All equipment, appliances, dangerous materials, dangerous installations have completed identification/risks assessment and both administrative and technical control
- All equipment, appliances, dangerous materials, dangerous installations are served by qualified and competence operators
- All risky works must complete appraisals and have standard operations for work safety
- The conditions of working environment are measured and assessed to obtain certain parameters

The Company's activities in the K3 are reflected in various events, one of which was fire drills held on May 22, 2015. The event was conducted by the Company at the its operational premises in Lippo Cyber Park, Karawaci, Tangerang with 506 participants that consisted of employees, security guards and visitors.

Organizational Structure

See on Page 118

The Structure of Corporate Governance

The Structure of Corporate Governance consists of the General Meeting of Shareholders, the Board of Commissioners and the Board of Directors, which are supported by the Audit Committee that are responsible to the Board of Commissioners, the Corporate Secretary and the Internal Audit Unit that is directly responsible to the President Director.

THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (RUPS) is an implementation tool in the company that holds the highest power and authority. The General Meeting of Shareholders' authority includes appointing and the dismissing members of the Board of Commissioners and the Board of Directors, evaluating of the performance of the Board of Commissioners and the Board of Directors, approving changes in the Articles of Association, approving the annual report and determining the arrangement and

the amount of remuneration for the Board of Commissioners and the Board of Directors. In 2015, the shareholders of the Company implement Annual General Meeting of Shareholders (AGMS) and the Extraordinary General Meeting of Shareholders (EGMS) held simultaneously on May 15, 2015, to produce the following resolution:

Resolutions of AGMS

1. a. Approval of the Company's Annual Report including Supervisory Report of the Board of Commissioners for the book year ended on 31 December 2014, as well as work plans and the development of the Company.
 - b. Approval on the Annual Accounts consist of Balance Sheet and Profit and Loss Report of the Company for the book year ended on 31 December 2014, as well as the approval for full release and discharge (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for the action and monitoring measures that have been carried out for the book year ended on 31 December 2014, as long as the action are reflected in the annual report and financial statements of the Company.
2. Approval on the Company's policy not to distribute dividend to Shareholders for the financial year 2014, and the rest of the year total net profit earned during the fiscal year 2014 the Company recorder as retained earnings by the Company.
3. Delegate the authority to the Company's Board of Directors and/or the Board of Commissioners to appoint Registered Public Accountant Firm in the Financial Service Authority (Otoritas Jasa Keuangan/OJK) and that meet international standards to audit the Balance Sheet, Profit and Loss Report and any other part of the Company's Financial Report for the book year ended on 31 December 2015 and give authorization to the Board of Directors to set the fee or honorarium of the Public Accountant and other terms of appointment.
4. a. The appointment to not change the composition of the Board of Directors and the Board of Commissioners, so that the composition of the Board of Directors and the Board of Commissioners is fixed with the arrangement in the previous year and thus confirms the composition of the Board of Directors and the Board of Commissioners as follows:

Board of Directors

President Director : Mr. Roberto Fernandez Feliciano
 Director : Mr. Dicky Setiadi Moechtar

Director : Mr. Sigit Prasetya
 Director : Mr. Andy Nugroho Purwohardono
 Director Independen : Mr. Henry Jani Liando

Board of Commissioners

President Commissioner : Mr. Ali Chendra
 Commissioner : Mr. Edward Daniel Horowitz
 Commissioner : Mr. Lorne Rupert Somerville
 Independent Commissioner : Mr. Jonathan Limbong Parapak
 Independent Commissioner : Mr. Bintan Regen Saragih

For a term until the date of closing of the General Meeting of Shareholders of the Company for the financial year 2016 to be held in 2017.

- b. To authorize the Board of Directors with the rights of substitution to restate the resolution concerning the appointment the member of the Company's Board of Directors and Board of Commissioner before a notary deed if needed. For such purpose to make a formal appearance if necessary, give explanations, make, have made, signed notary deed as well as do all actions to resolve the matter above.
- c. To authorized to the President Commissioner of the Company to determine the honorarium, salary and other allowances for the Board of Directors and the Board of Commissioner.

Resolutions of EGMS

To approve the amendment of the Articles of Association of the Company in connection with the OJK Regulations No. 32/POJK.04/2014 and No. 33/POJK.04/2014. Approve the amendment of the Company's Articles of Association Article 11, Article 12, Article 13, Article 14, Article 15, Article 16, Article 17, Article 18, Article 19, Article 20.

THE BOARD OF COMMISSIONERS

In accordance to the regulations, the Board of Commissioners is a company's organ that represent Shareholders to perform the supervisory function on the implementation of the Company's policies and strategies conducted by the Directors and to give directions/suggestions to the Directors regarding the Company's management under a goodwill, carefulness and responsibility as well as to perform a function of strengthening the company's

image to the public and shareholders.

Requirements, Membership and Tenure

The formal and material requirements applied have been met by all members of the Company's Board of Commissioners. The formal requirements are general and in accordance to the regulations and laws while material requirements are specific and adjusted to the Company's need and business type.

The Company's Board of Commissioners consists of 5 (five) members, i.e.: 1 (one) serve as President Commissioner, 2 (two) Commissioners and 2 (two) Independent Commissioners. The members of the Board of Commissioners are appointed and dismissed in the General meeting of Shareholders for a certain period until the closing of the third Annual General Meeting of Shareholders. Positions in the Board of Commissioners will expire if members tender their resignations, no longer meet requirements, pass away or dismissed by a decision at the General Meeting of Shareholders.

The structure of the Board of Commissioners as of 31 December 2015:

The Board of Commissioners	Title	Since
Ali Chendra	President Commissioner	2013
Edward Daniel Horowitz	Commissioner	2011
Lorne Rupert Somerville	Commissioner	2011
Jonathan Limbong Parapak	Independent Commissioner	2013
Bintan Regen Saragih	Independent Commissioner	2013

Duties, Responsibilities and Obligations

The Board of Commissioners has an important role in the implementation of GCG principles in accordance to its supervisory function. Through the Board of Directors and Audit Committee reports, the Board of Commissioners monitors and evaluates the implementation of the Company's entire strategic policies, including the effectiveness of the implementation of risks management and internal control. Besides, the Board of Commissioners is also responsible in supervising the Company's operational management performed by the Board of Directors and giving advises to the Board of Directors if necessary and in accordance to provisions stipulated in the Articles of Association, in the decisions of the Company's General Meeting

of Shareholders, regulations and laws. Related to the General Meeting of Shareholders, the Board of Commissioners has duties and responsibilities, among others, of giving opinions and suggestions about the Company's Annual Working Plan and Budget, reporting immediately any occurrence of a declining trend of the Company's performance, reviewing and signing Annual Reports as well as making a responsibility reports on the implementation of its duties to the General meeting of Shareholders.

Throughout 2015, the Board of Commissioners found neither violations of the laws and regulations in the financial sector nor over other regulations related to the Company's business activities performed by the Company's management.

The Board of Commissioners Meeting

The Board of Commissioners meeting be held at least 1 time in 2 (two) months an at the other times as necessary. The Board of Commissioners Meeting held located at the Company's domicile or at the domicile of the stock exchange where the Company's shares are listed. A meeting is considered valid and binding if 2 (two) or more members of the Board of Commissioners are present and are represented in the meeting. The Directors always attend the Board of Commissioners' meetings to report the Company's business development and performance.

The following table contains information of the Board of Commissioners' attendance in the Board of Commissioners' meeting held during 2015:

The Board of Commissioners	% of Meeting Attendance
Ali Chendra	100
Edward Daniel Horowitz	100
Lorne Rupert Somerville	100
Jonathan Limbong Parapak	100
Bintan Regen Saragih	100

THE AUDIT COMMITTEE

In accordance to regulations issued by the Financial Service Authority (Otoritas Jasa Keuangan/OJK) No.55/POJK.04, dated 23 December 2015 regarding Establishment and Implementation Guidelines for the Audit Committee Works, the establishment of the Audit Committee aims to ensure the implementation of corporate governance. The main duty of the Audit Committee is to encourage the implementation of good corporate governance, the establishment of proper internal control structure, the improvement of the quality of transparency and financial reports as well as review the public accountant's scope, accuracy, independency and objectivity. The Audit Committee comprises of two members, who are independent parties having competence in accounting and finance, and is headed by the Independent Commissioner.

The Board of Commissioners has established the Audit Committee as a supporter in performing its duties and obligations. The determination of the establishment of the Audit Committee is performed through a Decision Letter by the Board of Commissioners and is headed by one of the Independent Commissioners who are appointed by the Board of Commissioners.

The Audit Committee is responsible to the Board of Commissioners and helps the Board of Commissioners to perform duties below:

1. Performing review on financial information that will be issued by the Company, such as the financial report, projections and other financial information.
2. Performing review on the Company's compliance on regulations and laws in the Capital Market and other regulations related to the Company's business activities.
3. Performing review on the examination of the Internal Auditor.
4. Reporting to the Board of Commissioners the various risks faced by the Company and the implementation of risks management by the Board of Directors.
5. Performing other duties given by the Board of Commissioners as long as the duties are in the scope of the Board of Commissioners' duties and responsibilities in accordance to the regulations and laws.

In exercising its authority, the Audit Committee is obliged to cooperate with other parties which are performing the Internal

Audit function. The Audit Committee has 3 (three) members, comprising of 1 (one) Chairman, who is also serving as the Independent Commissioner, and 2 (two) members who are independent. All members of the Audit Committee have met independence, skills, experiences and integrity criteria as required by the regulations.

The Structure of the Audit Committee as of April 11, 2014 based on a decision of the Board of Commissioners No. SK-002/LN/CSL/IV/14 is:

- Chairman : Jonathan Limbong Parapak
- Independent Member : Lim Kwang Tak
Herman Latief

Audit Committee Profile

Jonathan Limbong Parapak

An Indonesian citizen, born on July 12, 1942 at Toraja, 73 years old.

Mr. Jonathan Limbong Parapak holds a Wibawa Seroja Nugraha degree from the Indonesian National Resilience/Defence Institute, a Master of Engineering Science degree and a Bachelor of Electrical Engineering Communications degree from the University of Tasmania.

He was appointed as a Chairman of the Company's Audit Committee since 2014. Mr. Parapak served several positions as the President Director (1980-1991) and then as the President Commissioners (1991-2000) at PT Indosat Tbk, as the Secretary General of the Ministry of Tourism, Post and Telecommunication (1991-1998), a Commissioner of PT Siloam Health Care Grup Tbk. (2000-2004), a Commissioner of PT Bukit Sentul Tbk (2000-2004), a Commissioner of PT Pacific Utama Tbk (2000-2004), the President Commissioner of PT AsiaNet (2000-2009), the President Commissioner of PT First Media Tbk (2000-2009), a Director for Postgraduate at Pelita Harapan University (2003-2006) and an Independent Commissioner of PT Lippo Karawaci Tbk (2006-2013). He is now serving as a Rector of Pelita Harapan University (2006 - present), an Independent Commissioner of PT Matahari Department Store Tbk (2009-present), an Independent Commissioner of PT Multipolar Tbk (2001-present) and an Independent Commissioner of PT Siloam International Hospitals Tbk (2014-present).

Lim Kwang Tak

An Indonesian citizen, born on October 9, 1957 at Jakarta, 58 years old.

Mr. Lim Kwang Tak earned a Bachelor in Accounting from the Faculty of Economy of the University of Indonesia in 1980.

He served as a member of the Company's Audit Committee since 2014 to date. He started his career as a Management Consultant of Touche Ross Darmawan & Co (1981-1982) and a Management Consultant of Data Impact and Business Advisory (1983-1985). He previously held several positions at PT Trimex Sarana Trisula with the latest position of a Commissioner (1991-1999), at PT Southern Cross Textile Industry with the latest occupation as a Commissioner (1991-2012), as the President Commissioner of PT Chitose Indonesia Manufacturing (1992-2001), several positions at PT Trisenta Interior Manufacturing with the latest occupation as the President Commissioner (1992-2006), as a Commissioner of PT Nusantara Cemerlang (1997-2005), a Director of PT Trisula Corporation Pte Ltd (2000-2012), several positions at PT Trisula Textile Industries with the latest occupation as a Commissioner (since 2005), a Commissioner in PT Trisula Garment Manufacturing (since 2008), a Commissioner of PT Trisula Textile Industries (2011-2013), the President Commissioner of PT Trimas Sarana Garment Industry (2010-2011) and the President Director of PT Trisula Insan Tiara (2011-2013). He is currently serving as a Senior Consultant at PT Bina Analisis Semesta (since 1985), the President Director at PT Trimas Sarana Garment Industry (since 2011), a Commissioner at PT Mido Indonesia (since 2011), a Commissioner of PT Trisula International Tbk (since 2011), a member of the Audit Committee of PT Multipolar Tbk (since 2013), a Commissioner of PT Trisco Apparel Manufacturing (since 2015), a member of the Audit Committee of PT Siloam International Hospitals Tbk (since 2013) and a Senior Advisor of PT Paramount Enterprise (since 2013).

Herman Latief

An Indonesian citizen, born on July 19, 1947 at Bukit Tinggi, 68 years old.

Mr. Herman Latief earned a Diplom Ingenieur Architect (Dipl. Ing) from TFH, Hamburg, Jerman in 1976.

He has been serving as a member of the Company's Audit Committee since 2014 to date. He started his career as an architect at PT Widya Pertiwi Engineering (1976-1978), a Director at a company under the Kalbe Farma group (1979-1988), held several positions at PT Lippo Cikarang Tbk with the latest

occupation as the Vice President Commissioner (1989-2001), as a Commissioner at PT Lippo Land Development (2001-2004), a Commissioner at PT Bukit Sentul Tbk (2004-2005), a Director at PT East Jakarta Industrial Park (2004-2010), the Audit Committee at PT Pacific Utama Tbk (2005-2007), the Audit Committee at di PT Gowa Makassar (2005-2007), the Audit Committee at PT Multipolar Tbk (2007-2009), actively involved in the Board of Advisors of the Industrial Zone Association (HKI) (1995-2000) and the Vice Chairman of the Real Estate Indonesia (1999-2008). He is currently holding a position as a Vice Chairman of the Board of Advisors of HKI (since 2000), the Vice Chairman of the Committee for Industrial Zone Development of the Indonesia Chambers of Commerce (KADIN) (since 2008), the Audit Committee of PT Star Pacific Tbk (since 2010) and the Audit Committee of PT Lippo General Insurance Tbk (since 2012).

The Attendance of the Audit Committee

Audit Committee	% of Meeting Attendance
Jonathan Limbong Parapak	100
Lim Kwang Tak	100
Herman Latief	100

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee is a committee established by and responsible to the Board of Commissioners, based on Indonesian Financial Services Authority (Otoritas Jasa Keuangan/OJK) Regulation No. 34/POJK.04/2014 on Nominating and Remuneration Committee of Public Company dated on 8 December 2014 ("POJK No. 34"). The establishment of the Nomination and Remuneration Committee is an integral part of the Company's efforts to implement the principles of good corporate governance (GCG), which covers aspects of transparency, accountability, responsibility, independence and fairness, justice and equity.

By the increasing complexity of the tasks and functions of the Board of Commissioners in controlling the Company, then the Board of Commissioners has established a Nomination and Remuneration Committee based on the decision of the Board of Commissioners of PT Link Net Tbk No. SK-001 / LN / CSL / XI / 15 dated November 18, 2015. The composition of the Nomination and Remuneration Committee of the Company as follows:

- Chairman : Jonathan L. Parapak
- Members : Ali Chendra
Ishak Kurniawan

The appointment of Chairman and Member of the Nomination and Remuneration Committee of the Company as referred to the above dated 18 November 2015 until the closing date of the General Meeting of Shareholders of the Company for the financial year 2016, without prejudice to the right of the Board of Commissioners to dismiss them at any time in accordance with the legal provisions applicable, including POJK No. 34.

In conducting its role, the Nomination and Remuneration Committee shall act independently in performing their duties.

Nomination and Remuneration Committee has the duties and responsibilities are as follows :

1. In implementing the Nomination function, Nomination and Remuneration Committee has the duties and responsibilities are as follows :
 - a. Make recommendations to the Board Of Commissioners on :
 - 1) Composition of membership of the Board Of Directors or Board Of Commissioners;

- 2) Required policies and criteria for nomination procedure;
 - 3) Performance evaluation policies for Board Of Directors or Board Of Commissioners.
- b. Assist the Board Of Commissioners in evaluating the performance of the Board Of Directors or Board Of Commissioners based on the prepared benchmarks;
 - c. make recommendations to the Board Of Commissioners on programs for developing the capabilities of the Board Of Directors and/or Board Of Commissioners;
 - d. propose to the Board Of Commissioners any candidate who might qualify as a member of the Board Of Directors or Board Of Commissioners to be submitted to a General Meeting of Shareholders of the relevant company.
2. In implementing the Remuneration function, Nomination and Remuneration Committee has the duties and responsibilities are as follows:
- a. Make recommendations to the Board Of Commissioners on :
 - 1) Remuneration structure may be in form of salary, honorarium, incentives and/or allowances;
 - 2) Policy on Remuneration; and
 - 3) Amount of Remuneration
 - b. Assist the Board Of Commissioners in evaluating the performance of the Board Of Directors and/or Board Of Commissioners in accordance with their remunerations.

The Nomination and Remuneration Committee Profile

Jonathan Limbong Parapak

An Indonesian citizen, born on July 12, 1942 in Toraja, 73 years old.

Mr. Parapak holds a Wibawa Seroja Nugraha degree from the Indonesian National Resilience/Defence Institute, a Master of Engineering Science degree and a Bachelor of Electrical Engineering Communications degree from the University of Tasmania.

He was appointed as a Chairman of the Company's Nomination and Remuneration Committee since 2015. Mr. Parapak served several positions as the President Director (1980-1991) and then as the President Commissioners (1991-2000) at PT Indosat Tbk,

as the Secretary General of the Ministry of Tourism, Post and Telecommunication (1991-1998), a Commissioner of PT Siloam Health Care Grup Tbk. (2000-2004), a Commissioner of PT Bukit Sentul Tbk (2000-2004), a Commissioner of PT Pacific Utama Tbk (2000-2004), the President Commissioner of PT AsiaNet (2000-2009), the President Commissioner of PT First Media Tbk (2000-2009), a Director for Postgraduate at Pelita Harapan University (2003-2006) and an Independent Commissioner of PT Lippo Karawaci Tbk (2006-2013). He is now serving as a Rector of Pelita Harapan University (2006 -present), an Independent Commissioner of PT Matahari Department Store Tbk (2009-present), an Independent Commissioner of PT Multipolar Tbk (2001-present) and an Independent Commissioner of PT Siloam International Hospitals Tbk (2014-present).

Ali Chendra

An Indonesian citizen, born on May 6, 1960 in Medan, 55 years old.

Mr. Ali Chendra holds a Diploma degree in Computer Technology from Control Data Institute, Toronto.

He was appointed as a member of the Company's Nomination and Remuneration Committee since 2015. Mr. Chendra started his career as a Technical Staff of PT Metrodata / Wang Komputer (1979-1983). He later seized a position as a Director of PT Total Data (1983-1993), a Director of PT Telplus Digitalindo and PT Telepoint Nusantara (1993-1999), hold a various positions in MNC Group (2001-2009), Group Managing Director at PT Infracom Telesarana (2009-2012), the President Commissioner of PT SkybeeTbk (2009-2012), President Director of PT Indonesia Media Televisi (2012-2014), and Commissioner of PT Matahari Putra Prima Tbk (2013-2015). He is currently serving as a President Director of PT First Media Tbk (2013-present) and Vice President Commissioner of PT Multipolar Technology Tbk (2014-present) and a President Commissioner of PT Indonesia Media Televisi (2015-present).

Ishak Kurniawan

An Indonesian citizen, born on January 26, 1956 at Samarinda, 59 years old.

Mr. Ishak holds Bachelor Science in Civil Engineering from Petra Christian University, Surabaya, Indonesia and Master of Business Administration from San Diego State University, San Diego, California, USA.

He was appointed as a member of the Company's Nomination and Remuneration Committee since 2015. Mr. Kurniawan started

his career as a Manager Construction Division PT Gemini Agro Karya (1983-1985), Senior Financial Analyst, Household Finance Corporation Pomons CA USA (1989-1990), Assistant to the Customer Service Director, Card Product Citibank NA Indonesia (1991), Head of Operation Support, Card Products Citibank NA Indonesia (1991-1993), Head of Credit Initiation, Card Products Citibank NA Indonesia (1995-1996), Head of Central Production, Card Products Citibank NA Indonesia (1996), Head of CitiService, Emerging Market Citibank NA Indonesia (1997-1999), Head of CitiPhone, Card Products Citibank NA Indonesia (1993-1995), Head of CitiService and Quality, Emerging Market Citibank NA Indonesia (1999-2001), Chief of Staff to Citigroup Country Officer Citibank NA Indonesia (2001-2002), head of Human Resources, Corporate and Investment Bank Citibank NA Indonesia (2002-2005), Country Human Resources Officer Citibank NA Indonesia (2005-2008).

THE BOARD OF DIRECTORS

The Board of Directors is the Company's organ fully responsible on the Company's management by always taking notice the interests of the shareholders and stakeholders. The Board of Directors represents the Company both in and outside the court in accordance to the Articles of Association, is a subject to the applied regulations towards a public company and adheres to the implementations of the Good Corporate Governance principles. Besides, the Board of Directors is responsible to perform internal supervision effectively and efficiently; monitor the risks and manage them, preserves a conducive working climate so that productivity and professionalism improve, manage the employees and report the Company's performance completely to the shareholders in the General Meeting of Shareholders.

Requirements, Membership and Tenure

The Board of Directors is under the supervision of the Board of Commissioners. All members of the Company's Board of Directors have met the applied formal and material requirements. The formal requirements are general and in accordance with the laws and regulations while the material requirements are specific and are adjusted to the Company's need and business type. The Company's Board of Directors comprises of 5 (five) people, i.e. 1 (one) serves as the President Director, 3 (three) as Directors, and 1 (one) as the Independent Director. Members of the Board of Directors are appointed and dismissed in the General Meeting of Shareholders for a certain period until the closing of the third General Meeting of Shareholders and can be re-appointed in accordance to decisions made in the General Meeting of

Shareholders. The Board of Directors positions expire when the directors resign, no longer be able to meet requirements as stipulated by the laws, passed away, are dismissed by a decision of the General meeting of Shareholders, are declared bankrupt or under clemency based on a court ruling.

The Structure of the Board of Directors as of 31 December 2015 is:

Name	Title	Since
Roberto Fernandez Feliciano	President Director	2011
Dicky Setiadi Moechtar	Director	2011
Sigit Prasetya	Director	2011
Andy Nugroho Purwohardono	Director	2013
Henry Jani Liando	Independent Director	2013

Duties, Responsibilities and Obligations

The Board of Directors is responsible on the management of the Company in a goodwill and responsibility. Every member of the Board of Directors are completely responsible either individually or collectively over the Company's losses if the respective members are found guilty or negligent. The Board of Directors is responsible over the Company's management through the risks management and the implementation of the good corporate governance in all level of the organization. The Board of Directors responsibilities also cover the implementation of internal control structure, the implementation of internal audit and the decision making of necessary acts based on findings from the Internal Audit in accordance with directions from the Board of Commissioners. The Board of Directors is obliged to establish business strategies, including work plan and budget as well as the application of accounting and bookkeeping practices in accordance with regulations regarding public companies. Moreover, the Board of Directors is also obliged to hold responsibility its duties to the shareholders in the General Meeting of Shareholders. In case that the General Meeting of Shareholders does not determine the division of duties among the Directors, the division of duties is determined based on the Directors' decision as follows:

1. Roberto Fernandez Feliciano (President Director) is generally responsible to all of the Company's activities;
2. Dicky Setiadi Moechtar (Director) is responsible to supervise and give strategic guidelines to the Company's management team, particularly the Operational and Technical Division;

3. Sigit Prasetya (Director) is responsible to supervise and give strategic guidelines to the Company's management team, particularly the New Network Development Division;
4. Andy Nugroho Purwohardono (Director) is responsible to supervise and give strategic guidelines to the Company's management team, particularly the Sales and Corporate Sales Division;
5. Henry Jani Liando (Independent Director) is responsible to supervise and give strategic guidelines to the Company's management team, particularly the Financial and Human Resources Division.

The Board of Directors can use professional advisories at the Company's costs if they are absolutely necessary by considering the efficiency and effectiveness as well as avoiding conflict of interests.

The Board of Directors Meeting

The Board of Directors Meeting is held at least 1 time in each month and other time as necessary. The Board of Directors obliged to hold the Board of Directors Meeting together with the Board of Commissioners Meeting at least 1 time in 4 months. The Board of Directors Meeting at the domicile of the Company or at the domicile of the stock exchange where the Company's shares are listed. The Board of Directors also present in the Meetings of the Board of Commissioners to discuss the Company's general development. The Meetings of the Board of Directors are considered valid and are allowed to take binding decisions if 2 (two) or more members of the Board of Directors are present and are represented in the meeting.

The Attendance of the Board of Directors Meeting

The Board of Directors	% of Meeting Attendance
Roberto Fernandez Feliciano	100
Dicky Setiadi Moechtar	100
Sigit Prasetya	100
Andy Nugroho Purwohardono	100
Henry Jani Liando	100

THE BOARD OF MANAGEMENT

The Company has the Board of Managements ("BOM"), acting for and on behalf of the Board of Directors in connection with the duties of managerial and certain authority. The Board of Management comprises ten members: Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Corporate Resources, Operations, Enterprise Sales, New Roll Out, and Investor Relation. The Board of Management is responsible for developing and implementing the Company's operational and strategic plans.

The following table contains information about the attendance of the BOM in meeting held throughout 2015

The Board of Managements	% of Meeting Attendance
Richard Kartawijaya	100
Irwan Djaja	100
Clarissa Joesoep	100
Poon Sui Meng	100
Iris Wee	100
Dewi Dharma Yanti	100
Agus Setiono	100
Liryawati	100
Joseph Lembayung	100
Edward Sanusi	100

The Board of Managements Profile

Richard Kartawijaya

Chief Executive Officer

An Indonesian citizen, born on March 4, 1960 at Jakarta, 55 years old.

Holds a Bachelor of Science degree in Electronic Engineering from Atma Jaya University and a Master of Business Administration degree from IEU University.

Joined the Company to take up the role of Chief Executive Officer in 2013. Currently also serves as Director of PT First Media Tbk. His career includes Chief Executive Officer at PT Ander Cakra Buana (2010-2013), Managing Director at PT Andalan Solusindo Pratama, a distributor of ThinkFree Office (2008-2013), President Director (Chief Executive Officer) at PT Informatika Solusi Bisnis (2005-2010), General Manager at PT Motorola Indonesia (2003-2005), President Director (Chief Executive Officer) at PT Integrasi Teknologi Tbk (2002-2003), Country Manager of Indonesia at PT Microsoft Indonesia (1998-2002), Customer Engineer and then Executive Director at PT Berca Hardaya Perkasa, a distributor of Hewlett-Packard (1983-1998), Customer Engineer at PT Citra Caraka (1982-1983).

Irwan Djaja

Deputy Chief Executive Officer

Indonesian citizen, Irwan (44) was born on December 15, 1971 in Banda Aceh, Sumatra.

Irwan received his Economic Degree of Accounting Faculty from the Universitas Trisakti, Indonesia, and then his Master of Applied Finance from The University of Melbourne, Australia, and lastly received his Doctoral Degree in Management from Binus University, Indonesia.

Irwan joined the Company as the Deputy Chief Executive Officer in July 2015. He is now serving as President Director of PT Indonesia Media Televisi and a President Commissioner of PT Graha Technology Nusantara and a Vice President Director of PT First Media Tbk. In First Media Group he was served as a CFO and a President Director of PT First Media Tbk from 2008-2013 and as a CFO of PT Link Net from 2011-2012. Mr. Irwan served several position as a Director/Deputy CEO of PT Clipan Finance Indonesia Tbk, multifinance company since 2006, was worked at KPMG (Klynved Peat Marwich and Goerdeler) since 1998-2005, in 1999 -2005 as a Director and Associate Corporate Finance in Financial Advisory Services Division of Siddharta Consulting

Office, a member of KPMG International, and as a Senior Manager in 1998, and as a Supervisor in Business Advisory Division of Akuntan Prasetya Utama & Co Office in 1994-1996. He was Started his career in 1993 as an Accountant of PT Citra Dimensi Artahali.

Maria Clarissa Fernandez Joesoep

Chief Financial Officer

A Filipino citizen, born on October 23, 1969 at Manila, 46 years old.

Qualified accountant and holds a CPA and MBA from the University of the Philippines.

Joined the Company to take up the role of Chief Financial Officer (CFO) in July 2015. She has held senior positions as CFO of PT Indonesia Media Televisi and Finance and Administration Director at BBDO/OMD Indonesia. She has over 10 year in audit and consulting services with Ernst & Young, Arthur Andersen and KPMG in Indonesia as well as several publicly listed companies in the Philippines.

Poon Sui Meng

Chief Technology Officer

A Singapore citizen, born on December 21, 1970 at Singapore, 45 years old.

Holds a Bachelor of Applied Science in Computer Engineering degree and a Master of Applied Science in Computer Engineering degree from Nanyang Technological University. He also holds a Master of Business Administration degree from the University of Surrey.

Joined the Company to take up the role of Chief Technology Officer in 2011. His career includes Director of PT Indonesia Media Televisi (2012-present), Manager and later Vice President of Home Solutions and Architecture at StarHub Ltd (1999-2011), Senior Research and Development Engineer (Team Leader) at the R&D Centre, JVC Asia Pte. Ltd (1996-1999), IT Management Executive at Neptune Orient Lines Ltd (1995-1996).

Wee Soo Lin Iris

Chief Marketing Officer

A Singapore citizen, born on April 18, 1967 at Singapore, 48 years old.

Holds a Bachelor of Arts degree from the National University of Singapore.

Joined the Company as its Chief Marketing Officer in 2013. Her career includes Vice President of Home Solutions and Content at StarHub (2010-2013), Head of Marketing at StarHub (2006-2010), Director of Marketing at StarHub (2002-2006), Senior Manager of Marketing at Singapore Cable Vision (1998-2002), Manager of Marketing Communications at MediaCorp TV12 (1996-1998), Manager of Programme Development and Scheduling at MediaCorp TV (1993-1996), Executive of Scheduling at the Singapore Broadcasting Corporation (1990-1993).

Dewi Dharma Yanti

BOM Corporate Resources

An Indonesian citizen, born on June 15, 1972 at Jakarta, 43 years old.

Holds a Bachelor of Business Administration degree and a Master of Professional Accounting degree, each from the University of Texas Austin.

Joined the Company and was appointed as the Company's BOM of Corporate Resources in 2012. She is now serving as a Commissioner of PT Lynx Mitra Asia (2013-present), Director of PT First Media Television (2012-present), Commissioner of PT Indonesia Media Televisi (2012- present). Her career includes Director of PT First Digital Broadcasting Televisi (now PT Graha Investama Andalan Terpadu) (2011-2012), Director at PT First Media Tbk (2010-2011), Management Associate and Later Vice President at Citibank (1996-2009).

Agus Setiono

BOM New Roll Out

An Indonesian citizen, born on July 17, 1963 at Balikpapan, 52 years old.

Holds a Bachelor of Science degree in Economics and Management from the University of Putra Bangsa.

Joined the Company and was appointed as the Company's BOM New Roll Out in 2011. He has over 28 years in various field, including Marketing and Business as a Vice President of Merchant Management of Cards Marketing, Regional Cards Business for West Indonesia, Vice President of Cards Installment Business (2004-2011), in operational including a Vice President of Funds Transfer, Payment and Collecion Head (2001-2004), in service including Manager for Citiphone, Authorization and Merchant Service Head (1998-2004). He is also as Sales of PT Asuransi Jiwasraya (1986-1987)

Liryawati

BOM Investor Relation

An Indonesian citizen, born on Februari 5, 1975 at Jakarta, 40 years old.

Holds a bachelor degree in Communication from University of Texas, at Austin.

Joined the Company as BOM Investor Relations Director in July 2015. Ms Liryawati first appointment in Lippo Group was beginning of 2013 as CMO in PT Internux BOLT! 4G LTE to launch first 4G LTE offering in Indonesia. She has focused her career in the areas of Marketing, Sales and Retail over the last 21 years holding positions in Philip Morris for 8 years both local and regional roles, Coca-Cola for 5 years responsible for Portfolio Management and JV Nestle business, 2 years in Samsung handling all their Portfolio products Marketing and Retail Management; as well as several other companies and brand names.

Joseph Lembayung

BOM Enterprise Sales

An Indonesian citizen, born on January 24, 1978 at Sukabumi, 38 years old.

Holds a Bachelor Degree, Major Electric Engineering from University of Tarumanagara.

Joined the Company as BOM Enterprise Sales in 2014. Mr. Lembayung has 15 years experience in Information & Communication Technology, responsible for Sales, Accounts, Project, Channel & Marketing in Carrier, Enterprise and Corporate, & Regional Role. Previously held position as Country Manager at Microsoft Indonesia in Media & Telecommunications (2012-2014). He held position of Client Director in IBM (2010-2012). He was Deputy Director at HUAWAI (2005-2010). Earlier back in 1999, started his career in engineering and programming.

Edward Sanusi

BOM Operations

An Indonesian citizen, born on October 5, 1973 at Bandung, 42 years old.

Holds Bachelor of Science's degree from Bandung Institute of Technology in Industrial Engineering.

Joined the Company in 2010 as BOM Operations. His experience lies in managing various technology-related business models

such as Software Development, System Integrator, ISP, Cable TV, Social Media. Mr Sanusi's career includes Managing Director at PT Plexis Erakarsa Pirantiniaga (Plasmedia – 1999-2009), Electronic Settlement Manager at Citibank, N.A., Jakarta (1996-1999), He has been a guest Lecturer at UPH Business School since 2013. He also held lecturer positions at Indonesia Banking School for IT (2008-2009), and at Universitas Parahyangan in Bandung for Statistics (1996-1998).

THE CORPORATE SECRETARY

Referring to the Regulation of Otoritas Jasa Keuangan No. 35/POJK.04/2014, the Company appoints a Corporate Secretary who has duties as a liaison officer between the Company and the Company's management and stakeholders. The Corporate Secretary is responsible to the Board of Directors and report its execution of duties to the Board of Commissioners.

Main duties of the Corporate Secretary are:

1. Monitoring the development in the Capital Market particularly regarding regulations applied in the Capital Market.
2. Providing services to the public for information needed by investors that are related to the Company's situations.
3. Assisting the Board of Directors and the Board of Commissioners in the implementation of Good Corporate Governance that includes:
 - a. Disclosure of information to the public, including the availability of information on the website of Public Company;
 - b. On time Submission of a report to the Financial Services Authority;
 - c. Conducting and documentation of the General Meeting of Shareholders;
 - d. Conducting and documentation of Directors Meeting and / or the Board of Commissioners; and
 - e. Implementation of the company's orientation program for Directors and / or the Board of Commissioners.
4. Act as liaison between the issuer or a Public Company with the shareholders of the issuer or the Public Company, the Financial Services Authority, and other stakeholders.

The Corporate Secretary's activities throughout 2015 were:

1. Guiding the Company to always comply with the regulations on the capital market and monitoring the development of new regulations to ensure that the Company has implemented the regulations. The Company issued 4 (four) Financial Reports.
2. Performing correspondences with the capital market regulator (the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX)) and other supporting institutions such as KSEI (the Indonesian Central Securities Depository) and BAE (the Securities Administration Bureau). The correspondences were performed 63 times, which are:
 - a. The submission of Monthly Report of Securities Holder Registration of 13 times;
 - b. The submission of correspondence related Financial Reports of 7 times;
 - c. The submission of Annual Report of 1 time;
 - d. The submission of Public Disclosure and response to the Stock Exchange questions of 16 times;
 - e. The submission of response to OJK questions of 4 times ;
 - f. The submission of correspondence related to the General meeting of Shareholders of 8 times;
 - g. The submission of correspondence related to the Public Expose of 3 times;
 - h. The submission of report of company's data debt/liability in foreign exchange of 11 times.
3. Delivering the disclosures related to the Company delivered through reports, either regulated or not regulated, such as those taking forms of press releases and reports on the website, and serving every request for information related to the Company's situation.
4. Coordinating the Extraordinary General Meeting of Shareholders (EGMS), and Annual General Meeting of Shareholders (AGMS).
5. Coordinating the implementation of public expose.

Correspondences with Otoritas Jasa Keuangan (OJK) and Bursa Efek Indonesia (BEI)

See on page 137-140

The Corporate Secretary Profile

Dicky Setiadi Moechtar

An Indonesian citizen, born on July 8, 1959 at Tasikmalaya, 56 years old.

Mr. Moechtar holds a Bachelor degree in Computer Science from the Universitas Des Saarlandes.

He was appointed as the Company's Corporate Secretary since 2014. Mr. Moechtar started his career by serving for several positions, including as a Programmer (1984-1986) as well as a Manager Assistant and System Analyst (1986-1991) of PT Bank Pertiama Indonesia. He also held several positions in several departments (1993-1999) and then as the Managing Director for IT, Operation, General, Asset Administration and Financial Service Distribution (1999-2002) of PT Bank Lippo Tbk. He also served as a Director of PT Multipolar Corporation Tbk (2002-2008) and a Commissioner of PT Link Net (2009-2011). He is currently serving as a Director of PT First Media Tbk (2006-present), the President Director PT First Media Television (2012-present), a Commissioner of PT Delta Nusantara Networks (2012-present), a Director of PT Bintang Merah Perkasa Abadi (2013-present), a Commissioner PT First Media News (2008-present) and a Commissioner PT Margayu Vatri Chantiqa (2008-present), and a President Director of PT Internux (2015-present).

The Access of Public Information

The public and investors can visit the Company's website at www.linknet.co.id to obtain information regarding the Company's business activities or are able to contact the Corporate Secretary through Email: corporate.secretary@linknet.co.id to obtain further information regarding the Company.

THE INTERNAL AUDIT UNIT

The establishment and guidelines for preparation of Charter of the Internal Audit Unit refers to a regulation of Financial Services Authority (Otoritas Jasa Keuangan) regulation No. 56/POJK.04/2015 dated 29 December 2015 regarding the establishment and guidelines on the arrangement of the certificates for the internal audit unit. The internal Audit Unit has tasks, among others, to test and evaluate the implementation of internal control and risks management system in accordance with the company's policies as well as performing examination and judgment over the efficiency and effectiveness in finance, accounting, operational, human resources, marketing, information technology and other activities. In performing the duties, the Internal Audit Unit will always in cooperation with the Audit Committee and is responsible to the President Director. The establishment of the Internal Audit Unit is a realization of the company's commitment to create the good and efficient corporate governance.

The Company's Board of Directors appointed Giatrycks F. Sianipar as the head of Internal Audit Unit. The appointment has been approved by the Board of Commissioners under a Decision of the Appointment of the Head of the Internal Audit Unit and the Internal Audit Certificate dated 3 June 2013. The Internal Audit Unit has duties and responsibilities as follows:

1. Composing and implementing the Activities Plan and Budget of the Annual Internal Audit based on the risks priority in accordance with the Company's goals;
2. Performing examination and judgment over the efficiency and effectiveness of all of the Company's business activities;
3. Testing and evaluating the implementation of the internal control and risks management system in accordance with the Company's policies;
4. Giving advises for improvement and objective information regarding activities that are examined in all management level and formulating written report on the audit results every month and delivering the reports to the President Director and the Board of Commissioners copied to the Audit Committee;
5. Monitoring, analyzing and reporting the implementation of follow up of the the suggested improvement advises;
6. Cooperating and Communicating directly with the Audit Committee;

7. Composing programs to evaluate the quality of performed internal audit activities;

8. Performing special examination if necessary.

Internal Audit Activity

Throughout 2015, the Internal Audit conducted an audit consisting of regular auditing, monitoring, and special audit. Audit are conducted by using a Risk Based Audit Method.

Internal Audit also conducts audit monitoring to follow up the status of previous audit recommendations and ensure that the agreed action plan has been properly and timely conducted by the Business Process Owner and related Senior Management. Internal Audit staff on December 31, 2015 amounted to 8 people.

The Head of Internal Audit Unit Profile

Giatrycks F. Sianipar

An Indonesian citizen, born on September 2, 1975 at Jakarta, 40 years old.

He earned a Bachelor of Economics, majoring in Accounting from the Faculty of Economics Trisakti University in 1998, Master of Accounting from the University of Indonesia in 2002 and a Law Degree from the Faculty of Law of the University of Bung Karno in 2014.

He served as the Head of Internal Audit Unit of the Company since June 2013. He has more than 15 years of experience in the audit function, both external and internal. Started his career as an auditor at Deloitte KAP International / HTM. Career in several companies, e.g. Garudafood Group, PT Abbott Indonesia, PT Holcim Indonesia Tbk, PT ICI Paints Indonesia-Akzo Nobel Deco and Head of Internal Audit Unit of PT Elang Mahkota Teknologi Tbk (2011-2012). Become a member of The Institute of Internal Auditors Indonesia and following various auditing and internal control training e.g. Awareness Based QMS ISO 9001: 2008; Sarbanes Oxley (SOX) Internal Control System Workshop, Thailand; Internal Audit Risk Assessment Workshop, Thailand; Internal Audit Methodology, Switzerland.

INDEPENDENT AUDITOR

In order to meet the provisions under the Regulation of the Finance Ministry of the Republic of Indonesia Number 17/PMK.01/2008 regarding the Public Accountant Services and the regulation of Bapepam-LK No. VIII.A.2 regarding the Independence of the Accountant giving Audit Services in the Capital Market, the Company's consolidated financial reports are audited by Public Accountant Amir Abadi Jusuf, Aryanto, Mawar & Rekan.

OVERVIEW

2015 was another year of profitable growth for the Company. Despite difficult macroeconomic conditions, the Company delivered a solid set of operational key performance indicators.

The Company continued to expand its AB market footprint across its 3 existing areas with total new homes passed in 2015 of 240 thousand, bringing the total to 1.67 million homes passed.

Broadband revenue generating subscribers (RGUs) grew from 392 thousand to 457 thousand while Subscription TV RGUs grew from 363 thousand* to 433 thousand* from 2014 to 2015. Majority of the Company's customers continue to originate from the Greater Jakarta area where the Company further increased its penetration while an increasing number are coming out of Surabaya and Bandung following the continued expansion and roll-out of the Company's network in these cities in 2015.

In 2015, the Company achieved strong revenue growth at 20% over the previous year while maintaining and improving profitability through operational excellence and financial discipline. The Company's EBITDA margin in 2015 of 57% remains among the highest in the industry.

The Company's strong cash generation from its existing operations allowed the Company to continue to expand its network rapidly in 2015. The Company also continues to maintain a strong balance sheet.

In 2014, the Company acquired 178,750 shares of or 65% share ownership in PT Lynx Mitra Asia amounting to Rp1,787 million.

On 30 June 2015, the Company acquired 6,375 shares of or 51% share ownership in PT First Media Television from PT First Media Tbk (3,875 shares), Asia Link Dewa Pte. Ltd. (2,375 shares) and Asia Link Company Limited (125 shares).

On 19 November 2015, the Company acquired 6,124 shares of or 48.992% share ownership in PT First Media Television from PT First Media Tbk.

As of 31 December 2015, the total share ownership of the Company in PT First Media Television amounts to 12,499 shares or 99.992% and total transferred value for this acquisition amounted to Rp 19,215 million.

Total assets of the Company are managed centrally and are not allocated. The Company operates and manages the business as a single segment which provides for integrated services, among

8

MANAGEMENT DISCUSSION AND ANALYSIS

others, high speed internet and distribution of television programs.

A summary of the Company's financial statements for 2015 and 2014 can be found on page 12 The following discussion provides a description and analysis of certain line items in the Company's financial statements.

Note:

*Excluding commercial RGUs

REVENUE

Revenue comprises the fair value of the consideration received or receivable for the services provided by the Company in the ordinary course of its activities. The following table sets out the breakdown of the Company's revenue by category:

<i>(in millions of Rupiah)</i>	2015	%	2014	%
Subscription fees from:				
Broadband internet and network services	1.459.835	57%	1.196.793	56%
Cable television services	939.842	37%	794.836	37%
Total subscription fees	2.399.677	94%	1.991.629	93%
Others	164.638	2%	144.329	7%
Total revenues	2.564.315	100%	2.135.958	100%

Revenue Graffic

See on page 147

Revenue from monthly subscriptions fees and advertising is recognized when the services are rendered. Revenue from network lease is recognized on a straight-line basis over the lease term.

During 2015, the Company generated total revenue of Rp 2,564,315 million, an increase of Rp 428,357 million over the previous year. The increase is primarily attributable to additional residential RGUs as well as higher enterprise revenue.

Total subscription fees in 2015 amounted to Rp 2,399,677 million, an increase of 20% over the previous year. Subscription fees from broadband internet and network services accounted for 57% of total revenue, of which 2/3 are from residential customers and the remainder are from enterprise clients. Subscription fees from cable television contributed 37% of total revenue.

Cable television revenue grew 18% in 2015 to reach Rp 939,842 million in line with the increase in RGUs as explained in the

foregoing and average revenue per user (ARPU).

Other revenue mainly comprises advertising revenue. In 2015, the advertising revenue increased by 13% compared to 2014.

COST OF REVENUE**

Cost of revenue** consists primarily of the costs of cable television content, mainly, costs of programming distribution and technical services as well as costs of broadband internet services, mainly, internet bandwidth costs as well as other bandwidth-related costs such as equipment rental, tower lease costs and internet access costs.

The following table sets out the breakdown of the Company's cost of revenue** by category:

(in millions of Rupiah)	2015	2014
Cable television (programming distribution and technical services)	295.209	254.266
Broadband internet	148.307	123.988
Others	126.363	96.156
Total cost of revenue**	569.879	474.410
Cost of revenue** as a percentage of revenue	22%	22%

Cost of revenue** is expensed as incurred on an accrual basis.

During 2015, the Company booked total cost of revenue** of Rp 569,879 million, an increase of 20% over the previous year. Cost of revenue** grew more quickly than revenue due to increased content and broadband internet costs in line with the Company's expansion as well as due to foreign exchange effects on the Company's content and broadband costs which are denominated predominantly in US dollars. The Rupiah had weakened by about 13% in 2015 compared to the previous year based on average exchange rates throughout the year.

As a percentage of revenue, cost of revenue** was 22% in 2015 and 2014.

Note:

**Excluding depreciation of property, plant and equipment and amortization of intangible assets

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling expenses consist primarily of employee costs for sales staff, commissions and promotion expenses while general and administrative expenses consist primarily of employee costs for non-sales staff, trade receivable impairment charges, utilities and rental expenses.

Total selling, general and administrative expenses totaled Rp 543,931 million in 2015, increasing by Rp 113,524 million from the previous year. General and administrative expenses totaled Rp 374,382 million or Rp 88,309 million or 31% higher than last year. Selling expenses totaled Rp 169,549 million in 2015, climbing Rp 25,215 million or 17% over the previous year, mainly due to higher costs brought about by an expanded sales force to cover the Company's increased network penetration and coverage as well as minimum wage increases.

DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation expenses comprise depreciation of property, plant and equipment while amortization expenses comprise amortization of intangible assets, mainly computer software.

Depreciation and amortization expenses totaled Rp 491,720 million and Rp 23,371 million, respectively, in 2015, increasing over the previous year by Rp 114,480 million and Rp 7,199 million, respectively. These increases arose principally from the increased investment in property, plant and equipment, mainly, the network cables as well as set-top boxes and related customer premises equipment and investment in computer software needed to support the Company's expanded network and related information systems.

FINANCE COSTS AND INCOME

Finance costs consist primarily of foreign exchange losses and interest on borrowings, mainly vendor loans denominated in US dollars. Finance income consists primarily of interest income on bank deposits.

Finance costs totaled Rp 72,984 million in 2015, increasing by Rp 17,256 million or 31% over the previous year, due mainly to higher foreign exchange losses in 2015.

Finance income amounted to Rp 15,492 million in 2015,

representing a 12% drop from the previous year, due mainly to lower average balance of cash and cash equivalents in 2015 compared to 2014.

SHARE IN LOSS OF ASSOCIATE

Share in loss of associate represents the Company's share in the losses of IMTV, a company that is 15%-owned by the Company and that has just commenced commercial operations at the end of 2013. This investment is accounted for by the Company under the equity method.

The Company's share in the losses of IMTV amounted to Rp 20,867 million and Rp 43,228 million in 2015 and 2014, respectively.

OTHER COMPREHENSIVE INCOME

The Company's other comprehensive income arose from actuarial gain (loss) on employee benefit plan, net of the related income tax expenses. Other comprehensive income decreased from an income of Rp 1,104 million as of 31 December 2014 to other comprehensive loss of Rp 6,413 million as of 31 Desember 2015.

PROFIT FOR THE YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Profit for the 2015 amounted to Rp 639,672 million, representing a growth of Rp 81,777 million or 15% over the previous year. Whilst total comprehensive income for the year for 2015 is Rp 633,259 million or increased by 13% compared to previous year. This growth can be largely attributed to the surge in revenue partially offset by increases in costs and expenses related to the expansion of the Company's network and customer base as described in the foregoing as well as depreciation of Rupiah against foreign currencies in 2015. Profit margin decreased from 26% in 2014 to 25% in 2015.

LIQUIDITY AND FINANCIAL CONDITION

The Company's total assets amounted to Rp4,438,116 million as of 31 December 2015, up Rp 695,878 million or 19% from the previous year due mainly to increases in net property, plant and equipment. Total additions to net property, plant and equipment

amounted to Rp 799,214 million, of which Rp 575,582 million relate to network service control points.

Total current assets amounted to Rp 604,784 million as of 31 December 2015, up Rp 29,878 million or 5% over last year due in part to an increase in trade receivables.

Total liabilities amounted to Rp 770,793 million as of 31 December 2015, up Rp 62,619 million or 9% over last year.

The Company's liabilities as of 31 Desember 2015 increased by 96,463 million or 17% compared to previous year. The increases are mainly due to spikes in accruals and trade payables.

The Company's long term liabilities comprises long term loan and long term employee benefit liabilities. As of 31 December 2015, long term liabilities decreased by Rp 33,844 million or 22% compared to previous year, entirely attributable to a 66% or Rp 59,891 million decrease in long term loan, whilst long term employee benefit liabilities increased by Rp 26,047 million or 40% compared to previous year.

As of 31 December 2015, the Company had Rp 325,429 million in cash and equivalents and Rp 101,215 million of long-term debt or a net cash of Rp 224,214 million (defined as total cash and equivalents less long-term debt).

As of 31 December 2014, the Company had Rp 358,658 million of cash and equivalents and Rp 181,925 million of long-term debt or a net cash of Rp 176,733 million.

Net cash increased by Rp 47,481 million or 27% over the previous year due mainly to a reduction in long-term debt repayments.

The Company believes that cash generated by or available to the Company should be sufficient to fund its capital and liquidity needs for the foreseeable future. The Company's sources of cash include cash provided by operating activities, cash and cash equivalents on hand as well as vendor financing.

CASH FLOWS

Cash and cash equivalents decreased by Rp 33,229 million in 2015 compared to the previous year due mainly to increased investing cash flows, particularly capital expenditures, which grew by Rp 129,224 million over the previous year.

Despite total receipts from customers increased by Rp 373,929 million in 2015 compared to previous year, net cash flows from operating activities decreased from Rp 1,182,635 million in 2014 to Rp 1,181,691 million in 2015. The decrease is primarily

attributable to higher employee and supplier payments, which increased by Rp 214,260 million and Rp 31,565 million, respectively.

Net cash flows used in investing activities increased from Rp 1,039,708 million in 2014 to Rp 1,127,627 million in 2015. This increase is primarily due to increased capital expenditures and additional investment in subsidiary in 2015. Capital expenditures comprised mainly network-related CAPEX as well as purchases of customer premises equipment which totaled Rp 1,082,378 million in 2015.

Net cash flows used in financing activities decreased from Rp 155,936 million in 2014 to Rp 104,632 million in 2015. This decrease is mainly due to less repayments of loans, which amounted to Rp 178,778 million in 2014 to Rp 96,760 million in 2015. Payments of interest of Rp 7.872 million in 2015 are also lower than payments in 2014 by Rp 18,377 million.

The Company's equity as of 31 December 2015 amounts Rp 3,667,175 million, growing by Rp 633,112 million or 21% compared to equity as of 31 December 2014, which amounted to Rp 3,034,063 million. The increase in the Company's equity is attributable mainly to increased profitability of the Company.

CAPITAL EXPENDITURES

In 2015, total capital expenditure of the Company amounted to Rp 1,082 billion, which primarily comprises capital expenditure for expansion of the Company's network coverage and purchase of B2JS submarine cable running through Singapore-Bangka-Batam and Jakarta, as well as purchases of set-top boxes and cable modems for installing in new subscribers' premises and for replacing boxes in existing subscribers' premises.

All of the capital expenditure spent in 2015 is funded by the Company's operations.

The Company's capital expenditure is largely denominated in foreign currency. The Company manages the foreign currency risk by monitoring the fluctuation in currency rates continuously so they can undertake the appropriate action. In February 2015, the Company entered into a foreign exchange hedging facility agreement with PT Bank BNP Paribas Indonesia in connection with the Company's foreign exchange risk management strategy.

DIVIDEND POLICY

The recommendation, amount and payment of dividends by the Board of Directors and the approval of dividends by the Board of Commissioners is at their discretion and will depend on a number of factors at the relevant time, including the Company's net profits, availability of reserves, capital expenditure requirements, results of operations, cash flows, the payment of cash dividends by the Company's subsidiaries, contractual restrictions and the Company's overall financial position. These, in turn, depend on a variety of factors, including successful implementation of the Company's business strategy, financial, competitive and regulatory considerations, general economic conditions and other factors that may be specific to the Company or its industry. Many of these factors are beyond the Company's control. The Company may also enter into financing arrangements that could restrict its ability to pay dividends.

The Company did not make any dividend payments in 2011, 2012 and 2013. In 2014 and prior to listing on the IDX, the Company declared and paid a final dividend of Rp42,019 million in respect of the 2013 financial year (representing 11.6% of net profit for the year) in compliance with the Company Law requirements for the distribution of dividends.

FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

MARKET RISK - FOREIGN EXCHANGE RISK

The Company is exposed to foreign exchange risk arising from future commercial transactions and monetary assets and liabilities that are denominated in currencies other than the Rupiah, the Company's functional currency.

Monetary assets and liabilities that give rise to foreign exchange risk are cash and cash equivalents, trade receivables, trade payables, accruals and long-term debt in USD. Management has established a policy requiring the Company to manage foreign exchange risk against the Rupiah arising from future commercial transactions and recognized assets and liabilities. The Company

manages the foreign currency risk by monitoring the fluctuation in currency rates continuously so that it can undertake the appropriate action. In February 2015, the Company entered into a foreign exchange hedging facility agreement with PT Bank BNP Paribas Indonesia in connection with the Company's foreign exchange risk management strategy.

As of 31 December 2015, if Rupiah had weakened/strengthened by 5% against the US dollar with all other variables held constant, post-tax profit for the year would have been Rp 7,941 million lower/higher. The impact on equity would have been the same as the impact on post-tax profit for year 2015.

CREDIT RISK

Credit risk arises primarily from cash in banks, time deposits, trade receivables, other current assets and non-trade receivables from related parties. The carrying amount of financial assets in the Company's statement of financial position represents the maximum credit risk exposure.

The Company manages credit risk from cash in banks and time deposits by monitoring the reputation and credit rating of the banks and limiting the aggregate risk to any individual bank. Cash in banks and short-term bank deposits are placed with highly reputable domestic banks.

In respect of the credit risk from trade receivables, the Company establishes general terms and conditions of credit to customers. The Company also has a credit policy under which each new corporate customer is analyzed individually for their creditworthiness before the Company's standard payment conditions are offered.

LIQUIDITY RISK

Ultimate responsibility for liquidity risk management rests with the Directors, who have put in place an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company intends to settle all liabilities at or around their contractual maturities. In order to meet such cash commitments, the Company expects to generate sufficient cash inflows

The Company has ample cash and cash equivalents to meet liquidity needs.

The table below analyzes the Company's financial liabilities at the reporting date and into relevant maturity groupings based on the remaining period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows including estimated interest payments.

(in millions of Rupiah)	Within one year	Between one to two years	Between two to three years	Total undiscounted cash flows
Trade payables	177.204	-	-	177.204
Non-trade payables	1.269	-	-	1.269
Accruals	287.793	-	-	287.793
Long-term debt	74.549	32.732	-	107.281
Total	540.815	32.732	-	573.547

OUTLOOK

The Company's first mover advantage and operational performance will continue to drive its future growth. The broadband and pay TV penetration of Indonesian households remains extremely low and the Company views this as a significant growth opportunity. Residential growth will be driven by continued expansion of the Company's network, increased penetration in its existing coverage areas and further improvements in its product strategy. Enterprise growth will be driven mainly by an increase in the number of enterprise clients as well as steady contribution from media sales.

The Company's large and growing customer base will enable the Company to benefit from economies of scale. This focus on operational efficiency will allow the Company to maintain its high levels of profitability and generate strong cash flows that can be reinvested towards continued growth of its network.

MARKET POTENTIAL

The Indonesian government is very eager to develop the country's broadband network in an effort to enhance Indonesia's infrastructure. The government created the 'Indonesia Broadband Plan' through which it aims to provide broadband internet to 30 percent of the total Indonesian population by 2019. Other targets set in this plan include raising the ratio of Indonesian households connected to broadband (20 Mbps) to 71 percent by 2019, and fixed broadband (1 Gbps) penetration in buildings to 100 percent. Meanwhile, mobile broadband penetration is targeted to be raised to 100 percent as well.

As the government is eager to enhance Internet connectivity throughout the country, Indonesia's telecommunication providers like the Company will benefit from these efforts.

Halaman ini sengaja dikosongkan
This page is intentionally left blank