

**Summary of Questions and Answers in the Public Expose of 2017:**

**Question 1:**

What is the total dividend to be distributed this year and what date it is distributed. For 2017, what is the target of revenue and profit up to the end of the year and what factors drive that target. How much the allocation of capital expenditure this year, what is it used for and where is the funding source from?

*Answer:*

Our total net profit in 2016 reached 819 billion, of which 35% of the net profit will be distributed in the form of dividend pay-out ratio so that every shareholder earns Rp96.8 and in total the dividend is worth Rp286,4 billion. For the distribution, there are several stages starting cum-cash dividend in the regular market and negotiations will be announced on May 2<sup>nd</sup>, 2017, ex-cash dividend in the regular market and negotiations on May 3<sup>rd</sup>, 2017, cum-cash dividend on the cash market on May 5<sup>th</sup>, 2017, and ex-cash dividend on the cash market on May 8<sup>th</sup>, 2017. The payment of this dividend to the shareholders will be executed no later than May 26<sup>th</sup>, 2017.

In terms of revenue and profit targets, management is confident enough with the 2016 development, where we achieve 15% growth. We are consistently building our new networks continuously every year. Seeing the development and potential market, in the future management is confident enough to gain 13%-15% growth. Regarding profitability, of course we hope to maintain or even better than last year in terms of profit margin.

Related to capex, we allocate for maintenance, development of new areas (expansion) where we have done in 4 (four) main city and new city like Medan and Batam, and purchasing set top box and cable modem which will be supplied to customers. Total expected capex is certainly not far from before, probably around 1 trillion. Several capex funding sources will be taken from the company's internal cash flow, as we see a fairly small debt position where there is no long-term debt and only the debt from financing vendor. In addition, management always explores the best options available whether in the form of financing from financial institutions or other forms we obtain from the capital market.

**Question 2:**

Last year it was reported that shareholders canceled selling shares in Link Net, is it possible to do this again this year (the sale of shares by shareholders). Will there be some kind of cooperation with other companies. Regarding BigTV's canceled IPO plan, will this year be done again seeing conditions that may improve?

*Answer:*

Related to the sale of shares, from shareholders of course they have their own strategies, when they do the action and when to realize the return, in this case the management only performs the operational functions of the company. So, it may be asked directly to shareholders.

Regarding the cooperation with other companies, of course we realize in this business, a surviving company is a company that can offer integrated solutions and synergize for its customers either in the house, on the street, or in the places where they go, so this into what we need. We see PT Link Net Tbk not only as a technology company, but also a company that prioritizes customers, where we try to fill the interests and willingness of customers so that we can provide the best quality. In order to provide the best quality, the company will see what things or products that can be offered to customers, and if we can do it ourselves we will find the relevant partner.

Regarding BigTV, PT Link Net Tbk has a 15% ownership of PT Indonesia Media Televisi. Certainly related to the IPO plan or other corporate actions from BigTV, we adjust to how the market conditions. If market conditions allow, we will dialogue with management of BigTV how the best solution for them to enter the capital market. Currently, we as a shareholder focus on customer growth and revenue from BigTV.

### **Question 3:**

Please explain in more detail for the expansion in the corporate segment, and how will the sustainable expansion be in 2017, and how to allocate its capex?

*Answer:*

Our focus is on residential, which is the biggest contribution, but the management also sees the corporate segment (enterprise) can be a significant potential market. There are several factors that we see. The first factor is that we see our enterprise industry is growing rapidly including the Small Medium Enterprises (SME) that are being promoted by the government that can become a big potential market. The second factor is the infrastructure when we do a network withdrawal in an area where when we do it we pass through the business area that the cost and capex is already happened or used. And the third factor is that we see residential and enterprise segments interconnected whereby we can create products that we can offer to customers from home to office or the place of business.

We see the current industry condition is very promising. Many companies are starting to get financing from several investors both domestically and abroad. Around a month ago, PT Link Net Tbk as an Internet provider provides internet connectivity for businesses under the auspices of Bank Mandiri. Moreover, this year the government proclaimed the growth of financing for the SME sector with the aim to increase economic growth, so this can be a very large and vast market. In addition, in terms of capex we do network intensification, where every network we support for the residential market we do also mapping for the enterprise market and SMEs, so we can use the network to distribute our services to enterprise and SMEs.

### **Question 4:**

What is the target of homes passed in this year. In addition to Batam and Medan which city will be the destination. What percentage of market shares, what percentage for commercial and residential revenues, and whether the first quarter can be announced?

*Answer:*

For 2017, our homes passed target is still the same as in previous years ranged from 120 thousand to 150 thousand.

Currently we have built network intensively in 4 (four) big cities namely Jakarta and surrounding areas, Surabaya and surrounding areas, Bali, and Bandung. In the last year we have announced to enter and add the network in 2 (two) more cities, Medan and Batam, hopefully in the second semester we can see the contribution of revenue from the two new cities. For other cities to this day is still under consideration and we can not yet announce.

For market share may be quite difficult to give, because we do not have data for total market share as a whole. If we see broadband market growth in Asia-Pacific is around 36%-38%, while in Indonesia is still around 9%. Of the 9% is only about 2% broadband market 1 Mbps and above, so we are rather difficult to determine the current market share. The current contribution of revenue from enterprise is 16%, but in the future with product innovations that we do, we are able to target approximately 16%-20% in the next 2-3 years.

For the first quarter we have not been able to provide, possibly at the end of the month are able to publish.