

**INFORMATION TO SHAREHOLDERS**  
Related to  
**EGMS Approval for Capital Reduction through Treasury Shares Cancellation**



**PT. TOWER BERSAMA INFRASTRUCTURE Tbk.**  
("Company")

**Business Activities:**

Integrated Telecommunications Infrastructure Services Provider through its Subsidiaries

**Located in South Jakarta, Indonesia.**

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**Proposed Number of Treasury Shares to be Cancelled**

265,126,310 shares (5.53% of issued and fully paid-in capital) which consist of 78,705,310 shares bought back based on GMS approval on 24 July 2013 and 186,421,000 shares bought back based on AGMS approval on 27 May 2015.

**Rationale for Capital Reduction**

The proposed Capital Reduction through the cancellation of treasury shares will increase shareholder value and produce a more efficient capital structure for TBIG.

**Impact on Company's Growth**

Since its inception in 2004, TBIG has experienced robust growth and as of 30 June 2016, the Company had 20,969 tenants and 13,067 telecommunication sites. With high EBITDA margins of 86.7%, the Company generates very sizeable free cash flows on a predictable, recurring basis. The Company has continued to grow, and in the first six months of 2016, TBIG has organically added 1,222 tenants.

The Company's future capital expenditure is always discretionary. We will continue to use debt financing to fund our ongoing capital expenditure – and per our long standing policy – only when supported by a new 10-year customer contract. In this way, additional debt is only incurred when it is accompanied by a long-term contract. This means increase in debt is

accompanied by a corresponding increase in EBITDA and hence leverage increase is under control.

Impact on Creditors

Any share cancellation will have no impact on TBIG's ability to pay its creditors as this is a cash-less transaction, where the Company's total assets and total liabilities remain unchanged. In addition, TBIG does not have any financial covenants in its debt which involve Shareholders Equity.

Impact on Shareholders

The treasury shares cancellation is a non-cash transaction which does not impact the Company's ability to continue to grow. The market uses various metrics, including EV / EBITDA multiple to value tower companies like TBIG. Assuming the market is efficient, the equity value of the Company will not change and hence given less number of shares outstanding, share price should be proportionately higher.

**Impact of Capital Reduction on the Company's Financial Condition**

Treasury share cancellation does not change the financial position of the Company as it is a non-cash transaction. The share cancellation has no impact on the income statement. On the Company's balance sheet, it merely moves components in the stockholders' equity. TBIG does not have any covenants which use Equity. Therefore, the share cancellation will have no impact on the financial covenants.

*Pro forma shareholders equity post cancellation:*

As of 30 June 2016	Pre-cancellation	Cancellation		Post-cancellation
		D	K	
<b>STOCKHOLDERS' EQUITY</b>				
Share capital	479,653	20,599		459,054
Treasury Stock	(1,262,942)		1,262,942	-
Additional paid-in capital - Net	115,519	331,412		(215,893)
Other Comprehensive Income	(984,746)			(984,746)
Retained earnings :				
Statutory reserves	55,100			55,100
Unappropriated	3,726,091	910,931		2,815,160
Total equity attributable to equity holder of the parent company	<b>2,128,675</b>			<b>2,128,675</b>
Non-controlling Interest	66,161			66,161
<b>Total Shareholder's equity</b>	<b>2,194,836</b>			<b>2,194,836</b>

As it is a non-cash transaction, the treasury shares cancellation does not impact the ability of the Company to pay its creditors.

*Proforma Impact on the Company's EPS:*

	<u>Pre-cancellation</u>	<u>Post-cancellation</u>
Earnings 1H2016 (in Rp mn)	841,993	841,993
Number of shares	4,796,526,199	4,531,399,889
EPS (in Rupiah)	175.54	185.81

**Proforma capital structure / capital share of the company pre and post capital reduction\***

Description	Pre Capital Reduction			Post Capital Reduction		
	Number of Shares	Total Nominal Value	%	Number of Shares	Total Nominal Value	%
Authorized Capital	14,420,120,000	1,442,012,000,000	-	14,420,120,000	1,442,012,000,000	-
Issued and Fully Paid-in Capital						
1 PT Wahana Anugerah Sejahtera	1,319,871,198	131,987,119,800	27.52	1,319,871,198	131,987,119,800	29.13
2 PT Provident Capital Indonesia	1,199,640,806	119,964,080,600	25.01	1,199,640,806	119,964,080,600	26.47
3 Direksi dan Dewan Komisaris						
- Edwin Soeryadjaya	14,296,366	1,429,636,600	0.30	14,296,366	1,429,636,600	0.32
- Winato Kartono	27,343,963	2,734,396,300	0.57	27,343,963	2,734,396,300	0.60
- Herman Setya Budi	725,000	72,500,000	0.02	725,000	72,500,000	0.02
- Hardi Wijaya Liong	13,671,981	1,367,198,100	0.29	13,671,981	1,367,198,100	0.30
- Budianto Purwahjo	1,005,000	100,500,000	0.02	1,005,000	100,500,000	0.02
- Helmy Yusman Santoso	625,000	62,500,000	0.01	625,000	62,500,000	0.01
- Gusandi Sjamsudin	390,000	39,000,000	0.01	390,000	39,000,000	0.01
4. Public						
- Shareholding more than 5% JPMCC-SPO PARTNERS II, LP	313,567,243	31,356,724,300	6.54	313,567,243	31,356,724,300	6.92
- Shareholding less than 5%	1,640,263,332	159,068,433,200	34.20	1,640,263,332	159,068,433,200	36.20
Total	4,717,820,889	471,782,088,900	94.47	4,531,399,889	453,139,988,900	100.00
Treasury Shares	265,126,310	31,470,531,000	5.53	-	-	-
Total Issued and Fully Paid-in Capital	4,796,526,199	479,652,619,900	100.00	4,531,399,889	453,139,988,900	100.00
Shares in Portfolio	9,623,593,801	962,359,380,100	-	9,938,299,111	993,829,911,100	-

\*) as of 30 September 2016

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