

## **PT Intiland Development Tbk and Its Subsidiaries**

Consolidated Financial Statements  
For The Three Month Periods Ended March 31, 2010  
and 2009 (Unaudited) (with Audited Figures For The Years  
Ended December 31, 2009, 2008 and 2007)

And Review Report of Independent Auditors

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DIRECTORS' STATEMENT  
ON  
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2010 AND 2009  
(WITH COMPARATIVE FIGURES FOR THE YEARS ENDED DECEMBER 31, 2009, 2008 DAN 2007)

PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES

We, the undersigned:

1. Name : Lennard Ho Kian Guan, MBA  
Office address : Intiland Tower, Penthouse Jl. Jenderal Sudirman Kav. 32  
Residential Address/in accordance with Personal Identity Card : Jl. KH M Syafi'i Hadjami No. 1 Kebayoran Baru Jakarta Selatan  
Telephone number : 5701912  
Title : President Director
2. Name : Ricky Holil, SE  
Office address : Intiland Tower, Penthouse Jl. Jenderal Sudirman Kav. 32  
Residential Address/in accordance with Personal Identity Card : Kav Polri F II / 1464, Jelambar, Jakarta Barat  
Telephone number : 5701912  
Title : Director

declare that:

1. We are responsible for the preparation and presentation of the Company's and Its Subsidiaries consolidated financial statements for the three month periods ended March 31, 2010 and 2009 (with comparative figures for the years ended December 31, 2009, 2008 and 2007).
2. The Company's and Its Subsidiaries consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles.
3. a. All information has been fully and correctly disclosed in the Company's and Its Subsidiaries consolidated financial statements, and  
b. The Company's and Its Subsidiaries consolidated financial statements do not contain materially misleading information or facts, and do not conceal any information or facts.
4. We are responsible for the Company and Its Subsidiaries' internal control system.

This statement has been made truthfully.

Jakarta, May 5, 2010

President Director

Lennard Ho Kian Guan, MBA



Director

Ricky Holil, SE

Registered Public Accountants  
Business License No. 676/KMK.01/2006  
Intiland Tower, 7th Floor  
Jl. Jenderal Sudirman, Kav 32  
Jakarta - 10220  
INDONESIA

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**Review Report of Independent Auditors**

**No. 1729410AK**

**The Stockholders, Boards of Commissioners and Directors  
PT Intiland Development Tbk**

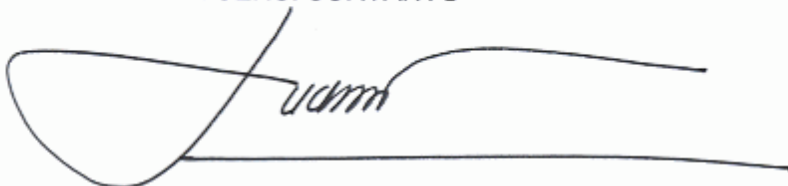
We have reviewed the consolidated balance sheets of PT Intiland Development Tbk and its subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, changes in equity, and cash flows for the three month periods then ended. These consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the Accounting and Review Engagement Standards established by the Indonesian Institute of Certified Public Accountants. A review of financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements are not presented fairly, in all material respects, in conformity with accounting principles generally accepted in Indonesia.

The consolidated financial statements for the years ended December 31, 2009, 2008 and 2007, were audited by us and we expressed an unqualified opinion on them in our report dated April 1, 2010, but we have not performed any auditing procedures since that date.

MULYAMIN SENSI SURYANTO



Ludovicus Sensi Wondabio  
Certified Public Accountant License No. 99.01.0705

May 5, 2010

*The accompanying consolidated financial statements are not intended to present the consolidated financial position, and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Indonesia. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in Indonesia.*

**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**March 31, 2010 and 2009 (Unaudited) (with Audited Figures as of December 31, 2009, 2008 and 2007)**

|  | Notes                   | March 31,<br>2010<br>Rp  | March 31,<br>2009<br>Rp  | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--|-------------------------|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
| <b>ASSETS</b>  |                         |                          |                          |                            |                            |                            |
| Cash and cash equivalents  | 2d,2g,2q,3,40,42        | 41,473,126,418           | 43,748,406,518           | 39,838,352,562             | 63,725,916,272             | 39,908,047,367             |
| Short-term investments   | 2l,4                    | 79,343,500               | 79,343,500               | 79,343,500                 | 79,343,500                 | 128,536,470                |
| Trade accounts receivable - third parties - net of allowance for doubtful accounts of Rp 1,937,362,272 as of March 31, 2010 and December 31, 2009  | 2h,2i,2q,5,17,40        | 213,088,035,101          | 89,704,175,763           | 83,608,852,600             | 61,509,339,717             | 106,741,206,297            |
| Other accounts receivable  | 2h,2i,2q,6,40           | 5,868,992,531            | 11,801,450,134           | 7,050,685,135              | 10,495,494,210             | 24,455,177,389             |
| Inventories  | 2j,2q,2v,7,17,40        | 593,171,516,500          | 649,953,712,911          | 662,456,096,793            | 597,466,796,221            | 417,811,225,048            |
| Advances   | 2q,8,40                 | 285,391,980,489          | 14,546,066,204           | 16,446,282,523             | 12,808,417,903             | 16,544,439,986             |
| Prepaid taxes  | 2q,9,40                 | 13,313,167,278           | 13,710,358,297           | 12,515,501,678             | 12,970,739,522             | 9,409,222,198              |
| Prepaid expenses   | 2m                      | 2,323,070,396            | 1,989,863,137            | 1,233,806,120              | 2,208,477,284              | 1,764,797,395              |
| Land for development   | 2k,2v,10,17             | 1,702,460,288,105        | 710,179,144,399          | 698,268,072,441            | 780,302,690,921            | 867,362,092,530            |
| Due from related parties   | 2e,11,17,18,38          | 4,230,797,359            | 6,356,504,995            | 6,525,426,445              | 6,356,504,995              | 6,406,504,995              |
| Long-term investments  | 2l,12,25                | 223,274,302,826          | 182,168,284,606          | 217,954,145,452            | 179,906,083,562            | 119,218,678,010            |
| Deferred tax assets  | 2x,36                   | 1,015,077,246            | 174,555,830              | 1,015,077,246              | 174,555,830                | 8,731,014,250              |
| Property and equipment - net of accumulated depreciation of Rp 152,770,572,222 and Rp 129,357,341,880 as of March 31, 2010 and 2009, and Rp 131,996,026,656, Rp 126,691,711,776 and Rp 118,168,377,704 as of December 31, 2009, 2008 and 2007                                  | 2n,2q,2s,13,17,32,34,40 | 683,257,450,537          | 121,694,272,127          | 142,580,200,001            | 124,403,284,521            | 108,391,458,297            |
| Property and equipment under build, operate and transfer agreement - net of accumulated depreciation of Rp 3,026,390,948 and Rp 2,851,882,501 as of March 31, 2010 and 2009, and Rp 2,977,913,056 Rp 2,784,065,820 and Rp 2,588,880,248 as of December 31, 2009, 2008 and 2007 | 2o,14                   | 824,132,039              | 995,040,486              | 872,609,931                | 1,062,857,167              | 1,255,342,739              |
| Investment properties - net of accumulated depreciation of Rp 195,656,621,752 and Rp 179,260,302,311 as of March 31, 2010 and 2009, and Rp 191,662,715,835, Rp 175,331,117,139 and Rp 160,589,829,670 as of December 31, 2009, 2008 and 2007                                   | 2p,2q,15,40             | 226,782,143,844          | 240,145,438,811          | 229,832,900,597            | 239,665,690,727            | 269,582,332,029            |
| Goodwill - net   | 2c,16                   | 8,503,695,273            | 11,595,948,100           | 9,276,758,480              | 12,369,011,307             | 15,461,264,134             |
| Pension plan assets  | 2w,37                   | 621,909,186              | 434,101,757              | 621,909,186                | 849,958,178                | 1,277,314,412              |
| Other assets   |                         | 15,098,380,814           | 16,238,207,923           | 9,950,654,231              | 4,797,279,867              | 1,248,733,668              |
| <b>TOTAL ASSETS</b>  |                         | <b>4,020,777,409,442</b> | <b>2,115,514,875,498</b> | <b>2,140,126,674,921</b>   | <b>2,111,152,441,704</b>   | <b>2,015,697,387,214</b>   |
| <b>LIABILITIES AND EQUITY</b>  |                         |                          |                          |                            |                            |                            |
| <b>Liabilities</b>   |                         |                          |                          |                            |                            |                            |
| Bank loans   | 2t,13,17,38             | 370,768,971,396          | 371,699,249,946          | 351,078,431,160            | 359,021,055,664            | 194,048,479,919            |
| Notes payable  | 18                      | 7,000,000,000            | 7,000,000,000            | 7,000,000,000              | 7,000,000,000              | 7,180,000,000              |
| Trade accounts payable - third parties   | 2q,19,40                | 47,199,316,713           | 46,606,089,797           | 43,518,993,064             | 49,154,723,394             | 45,136,819,454             |
| Others accounts payable  | 2q,20,40                | 1,876,458,920,925        | 160,062,501,189          | 164,704,905,116            | 167,278,922,243            | 144,516,266,685            |
| Taxes payable  | 2q,2x,21,40             | 28,334,868,162           | 15,482,544,343           | 20,736,954,649             | 14,003,017,867             | 15,785,625,102             |
| Accrued expenses   | 2q,22,40                | 29,854,019,423           | 15,798,009,321           | 18,323,818,939             | 23,705,490,170             | 20,335,000,414             |
| Unearned revenues  | 2q,2u,23,40             | 22,176,345,273           | 16,450,866,346           | 20,513,203,445             | 40,039,230,938             | 14,167,070,037             |
| Advances   | 2q,24,40                | 120,274,810,190          | 171,460,336,809          | 163,413,746,588            | 151,251,674,670            | 209,218,008,811            |
| Lease liabilities  | 2r,13,26                | 367,301,631              | 583,782,145              | 533,215,053                | 688,219,627                | 1,043,366,569              |
| Due to related parties   | 2e,11,38                | 99,220,000,000           | 99,220,000,000           | 99,220,000,000             | 99,220,000,000             | 181,373,460,786            |
| Deferred tax liabilities   | 2x,36                   | 3,758,991,213            | 3,773,587,209            | 3,758,991,213              | 3,773,587,209              | 5,256,076,458              |
| Rental deposits  | 2q,27,40                | 26,676,404,806           | 23,962,145,432           | 25,153,449,727             | 22,936,878,372             | 20,347,676,920             |
| Pension plan liabilities and post-employment benefits obligation   | 2q,2w,37                | 35,977,087,205           | 31,156,794,944           | 35,098,132,807             | 29,311,659,149             | 25,773,258,180             |
| Liabilities on guarantee of an associate   | 12,25                   | -                        | -                        | -                          | -                          | 5,955,049,681              |
| <b>Total Liabilities</b>   |                         | <b>2,668,067,036,937</b> | <b>963,255,907,481</b>   | <b>953,053,841,761</b>     | <b>967,384,459,303</b>     | <b>890,136,159,016</b>     |
| <b>Minority interests in Net Assets of the Subsidiaries</b>  | 2c,28                   | <b>113,582,123,980</b>   | <b>20,850,165,063</b>    | <b>33,034,454,607</b>      | <b>15,341,887,563</b>      | <b>11,251,262,541</b>      |
| <b>Equity</b>  |                         |                          |                          |                            |                            |                            |
| Capital stock - Rp 500 par value per share   |                         |                          |                          |                            |                            |                            |
| Authorized - 12,000,000,000 shares   |                         |                          |                          |                            |                            |                            |
| Subscribed and paid-up - 3,109,756,083 shares  | 29                      | 1,554,878,041,500        | 1,554,878,041,500        | 1,554,878,041,500          | 1,554,878,041,500          | 1,554,878,041,500          |
| Additional paid-in capital   | 30                      | 14,811,926,711           | 14,811,926,711           | 14,811,926,711             | 14,811,926,711             | 14,811,926,711             |
| Unrealized loss on decrease in fair value of securities  | 2l,4                    | (714,091,500)            | (714,091,500)            | (714,091,500)              | (714,091,500)              | (664,898,530)              |
| Retained earnings (deficit)  |                         |                          |                          |                            |                            |                            |
| Appropriated   |                         | 1,000,000,000            | 1,000,000,000            | 1,000,000,000              | 1,000,000,000              | 1,000,000,000              |
| Unappropriated   |                         | (330,847,628,186)        | (438,567,073,757)        | (415,937,498,158)          | (441,549,781,873)          | (455,715,104,024)          |
| <b>Total Equity</b>  |                         | <b>1,239,128,248,525</b> | <b>1,131,408,802,954</b> | <b>1,154,038,378,553</b>   | <b>1,128,426,094,838</b>   | <b>1,114,309,965,657</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |                         | <b>4,020,777,409,442</b> | <b>2,115,514,875,498</b> | <b>2,140,126,674,921</b>   | <b>2,111,152,441,704</b>   | <b>2,015,697,387,214</b>   |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**

**Consolidated Statements of Income**

**For the Three Month Periods Ended March 31, 2010 and 2009 (Unaudited) (with Audited Figures For the Years Ended December 31, 2009, 2008 and 2007)**

|  | Notes             | 2010<br>(Three months)<br>Rp | 2009<br>(Three months)<br>Rp | 2009<br>(One Year)<br>Rp | 2008<br>(One Year)<br>Rp | 2007<br>(One Year)<br>Rp |
|--|-------------------|------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>  |                   |                              |                              |                          |                          |                          |
| Net sales  | 2q,2u,31,40<br>38 | 246,948,433,616              | 68,159,909,349               | 269,125,395,433          | 215,309,048,557          | 217,183,072,634          |
| Rental income  | 15                | 11,705,073,439               | 9,777,380,207                | 45,483,875,275           | 46,688,972,712           | 47,287,180,463           |
| Maintenance and utilities  |                   | 6,491,227,366                | 6,125,115,933                | 26,062,719,869           | 26,924,802,920           | 27,185,978,876           |
| Sports centers   |                   | 8,837,940,599                | 8,237,574,488                | 35,461,623,713           | 33,853,307,857           | 28,508,037,209           |
| Other revenues   |                   | 3,897,516,715                | 3,521,419,580                | 10,685,045,450           | 9,442,206,620            | 6,069,093,371            |
| <b>Total Revenues</b>  |                   | <b>277,880,191,735</b>       | <b>95,821,399,557</b>        | <b>386,818,659,740</b>   | <b>332,218,338,666</b>   | <b>326,233,362,553</b>   |
| <b>COST OF SALES AND DIRECT EXPENSES</b>   |                   |                              |                              |                          |                          |                          |
| Cost of sales  | 2q,2u,32,40       | 112,901,637,324              | 34,964,661,875               | 142,436,053,190          | 122,349,632,499          | 129,573,399,098          |
| Building expenses  |                   | 4,538,266,203                | 4,810,612,511                | 23,979,521,377           | 30,214,389,129           | 29,093,155,237           |
| Personnel expenses   |                   | 3,356,410,271                | 2,855,646,055                | 11,667,294,497           | 15,410,205,630           | 15,447,979,425           |
| Other operational expenses   |                   | 10,533,995,004               | 10,730,790,445               | 46,607,838,517           | 34,429,822,650           | 37,684,670,329           |
| <b>Total Cost of Sales and Direct Expenses</b>                                       |                   | <b>131,330,308,802</b>       | <b>53,361,710,886</b>        | <b>224,690,707,581</b>   | <b>202,404,049,908</b>   | <b>211,799,204,089</b>   |
| <b>GROSS PROFIT</b>  |                   | <b>146,549,882,933</b>       | <b>42,459,688,671</b>        | <b>162,127,952,159</b>   | <b>129,814,288,758</b>   | <b>114,434,158,464</b>   |
| <b>OPERATING EXPENSES</b>  |                   |                              |                              |                          |                          |                          |
| Selling  | 2u<br>2q,33,40    | 3,740,619,374                | 3,017,118,300                | 10,426,049,453           | 12,729,683,375           | 12,483,141,971           |
| General and administrative   | 2q,34,40          | 25,684,606,571               | 16,744,335,663               | 90,390,424,822           | 76,169,831,278           | 68,296,809,187           |
| <b>Total Operating Expenses</b>  |                   | <b>29,425,225,945</b>        | <b>19,761,453,963</b>        | <b>100,816,474,275</b>   | <b>88,899,514,653</b>    | <b>80,779,951,158</b>    |
| <b>INCOME FROM OPERATIONS</b>  |                   | <b>117,124,656,988</b>       | <b>22,698,234,708</b>        | <b>61,311,477,884</b>    | <b>40,914,774,105</b>    | <b>33,654,207,306</b>    |
| <b>OTHER INCOME (EXPENSES)</b>   |                   |                              |                              |                          |                          |                          |
| Gain on sale of property and equipment   | 2n,13             | 104,600,000                  | 25,345,874                   | 19,449,033,283           | 104,681,716              | 414,557,424              |
| Interest income  | 2q,3,4,40         | 210,195,737                  | 389,366,647                  | 1,340,908,020            | 1,297,088,912            | 2,169,409,930            |
| Gain (loss) on foreign exchange - net  | 2d,2q,40          | (571,280,473)                | 364,446,831                  | (42,876,479)             | 4,742,488,493            | (4,244,356,332)          |
| Amortization of goodwill   | 2c,16             | (773,063,207)                | (773,063,207)                | (3,092,252,827)          | (3,092,252,827)          | (3,092,252,827)          |
| Interest expense   | 17,20,26,35       | (11,565,195,449)             | (14,020,241,210)             | (47,266,703,662)         | (31,169,024,098)         | (24,390,338,840)         |
| Gain on sale of long-term investment   | 12,25             | -                            | -                            | -                        | 21,740,329,681           | -                        |
| Gain on termination of joint venture   | 2q,40             | -                            | -                            | -                        | -                        | 30,842,403,585           |
| Others - net   | 2q,40             | 4,440,788,147                | 3,338,690,640                | 12,746,124,978           | 4,548,193,330            | 3,824,559,150            |
| <b>Other Income (Expenses) - Net</b>   |                   | <b>(8,153,955,245)</b>       | <b>(10,675,454,425)</b>      | <b>(16,865,766,687)</b>  | <b>(1,828,494,793)</b>   | <b>5,523,982,090</b>     |
| <b>EQUITY IN NET INCOME (LOSS) OF ASSOCIATED COMPANIES</b>                           | 12                | <b>320,157,374</b>           | <b>(60,382,956)</b>          | <b>14,165,477,890</b>    | <b>6,464,079,549</b>     | <b>3,357,124,484</b>     |
| <b>INCOME BEFORE TAX AND MINORITY INTEREST<br/>IN NET INCOME OF THE SUBSIDIARIES</b> |                   | <b>109,290,859,117</b>       | <b>11,962,397,328</b>        | <b>58,611,189,087</b>    | <b>45,550,358,861</b>    | <b>42,535,313,880</b>    |
| <b>TAX EXPENSE</b>   | 2q,2x,36,40       | <b>(8,676,219,344)</b>       | <b>(3,471,411,712)</b>       | <b>(19,810,453,091)</b>  | <b>(26,168,127,244)</b>  | <b>(16,788,941,086)</b>  |
| <b>INCOME BEFORE MINORITY INTEREST<br/>IN NET INCOME OF THE SUBSIDIARIES</b>         |                   | <b>100,614,639,773</b>       | <b>8,490,985,616</b>         | <b>38,800,735,996</b>    | <b>19,382,231,617</b>    | <b>25,746,372,794</b>    |
| <b>MINORITY INTERESTS IN NET INCOME<br/>OF THE SUBSIDIARIES</b>                      | 2c,28             | <b>(15,524,769,801)</b>      | <b>(5,508,277,500)</b>       | <b>(13,188,452,281)</b>  | <b>(5,216,909,466)</b>   | <b>(5,316,998,261)</b>   |
| <b>NET INCOME</b>  |                   | <b>85,089,869,972</b>        | <b>2,982,708,116</b>         | <b>25,612,283,715</b>    | <b>14,165,322,151</b>    | <b>20,429,374,533</b>    |
| <b>BASIC EARNINGS PER SHARE</b>  | 2y                | <b>28</b>                    | <b>1</b>                     | <b>8</b>                 | <b>5</b>                 | <b>10</b>                |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the Three Month Periods Ended March 31, 2010 and 2009 (Unaudited) (with Audited Figures For the Years Ended December 31, 2009, 2008 and 2007)**

|  | Notes | Subscribed<br>and Paid-up Capital<br>Rp | Additional<br>Paid-in Capital<br>Rp | Unrealized Loss on<br>Decrease in<br>Fair Value of Securities<br>Rp | Retained Earnings (Deficit) |                          | Total Equity<br>Rp       |
|--|-------|---|-------------------------------------|---|-----------------------------|--------------------------|--------------------------|
|  |       |   |                                     |   | Appropriated<br>Rp          | Unappropriated<br>Rp     |                          |
| Balance as of January 1, 2007  |       | 462,891,300,000                         | 14,811,926,711                      | (722,025,850)   | 1,000,000,000               | (476,144,478,557)        | 1,836,722,304            |
| Issuance of shares arising from conversion<br>of debts into equity through restructuring | 29    | 1,091,986,741,500                       | -                                   | -   | -                           | -                        | 1,091,986,741,500        |
| Unrealized gain on increase in<br>fair value of securities                               | 21,4  | -                                       | -                                   | 57,127,320  | -                           | -                        | 57,127,320               |
| Net income for the year  |       | -                                       | -                                   | -   | -                           | 20,429,374,533           | 20,429,374,533           |
| Balance as of December 31, 2007  |       | 1,554,878,041,500                       | 14,811,926,711                      | (664,898,530)   | 1,000,000,000               | (455,715,104,024)        | 1,114,309,965,657        |
| Unrealized loss on decrease in<br>fair value of securities                               | 21,4  | -                                       | -                                   | (49,192,970)  | -                           | -                        | (49,192,970)             |
| Net income for the year  |       | -                                       | -                                   | -   | -                           | 14,165,322,151           | 14,165,322,151           |
| Balance as of December 31, 2008  |       | 1,554,878,041,500                       | 14,811,926,711                      | (714,091,500)   | 1,000,000,000               | (441,549,781,873)        | 1,128,426,094,838        |
| Net income for the year  |       | -                                       | -                                   | -   | -                           | 25,612,283,715           | 25,612,283,715           |
| Balance as of December 31, 2009  |       | <u>1,554,878,041,500</u>                | <u>14,811,926,711</u>               | <u>(714,091,500)</u>  | <u>1,000,000,000</u>        | <u>(415,937,498,158)</u> | <u>1,154,038,378,553</u> |
| Balance as of January 1, 2010  |       | 1,554,878,041,500                       | 14,811,926,711                      | (714,091,500)   | 1,000,000,000               | (441,549,781,873)        | 1,128,426,094,838        |
| Net income for the period  |       | -                                       | -                                   | -   | -                           | 2,982,708,116            | 2,982,708,116            |
| Balance as of March 31, 2010   |       | <u>1,554,878,041,500</u>                | <u>14,811,926,711</u>               | <u>(714,091,500)</u>  | <u>1,000,000,000</u>        | <u>(438,567,073,757)</u> | <u>1,131,408,802,954</u> |
| Balance as of January 1, 2011  |       | 1,554,878,041,500                       | 14,811,926,711                      | (714,091,500)   | 1,000,000,000               | (415,937,498,158)        | 1,154,038,378,553        |
| Net income for the period  |       | -                                       | -                                   | -   | -                           | 85,089,869,972           | 85,089,869,972           |
| Balance as of March 31, 2011   |       | <u>1,554,878,041,500</u>                | <u>14,811,926,711</u>               | <u>(714,091,500)</u>  | <u>1,000,000,000</u>        | <u>(330,847,628,186)</u> | <u>1,239,128,248,525</u> |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements

**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**

**Consolidated Statement of Cash Flows**

**For the Three Month Periods Ended March 31, 2010 and 2009 (Unaudited) (with Audited Figures For the Years Ended December 31, 2009, 2008 and 2007**

|  | 2010<br>(Three Months)<br>Rp | 2009<br>(Three Months)<br>Rp | 2009<br>(One Year)<br>Rp     | 2008<br>(One Year)<br>Rp     | 2007<br>(One Year)<br>Rp     |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                              |                              |                              |                              |                              |
| Cash receipts from customers   | 107,867,870,969              | 63,966,172,195               | 359,571,762,637              | 347,994,780,629              | 395,424,871,565              |
| Cash paid to suppliers, employees and others   | <u>(94,374,079,224)</u>      | <u>(64,115,396,616)</u>      | <u>(258,653,796,105)</u>     | <u>(301,520,970,975)</u>     | <u>(386,027,288,785)</u>     |
| Net cash generated from (used in) operations   | 13,493,791,745               | (149,224,421)                | 100,917,966,532              | 46,473,809,654               | 9,397,582,780                |
| Interest paid  | (15,869,268,741)             | (15,547,479,629)             | (58,116,199,810)             | (49,025,412,178)             | (37,459,891,345)             |
| Income tax paid  | <u>(6,794,861,138)</u>       | <u>(3,069,760,688)</u>       | <u>(21,549,138,399)</u>      | <u>(16,663,334,489)</u>      | <u>(16,847,700,358)</u>      |
| Net Cash Provided by (Used in) Operating Activities                                      | <u>(9,170,338,134)</u>       | <u>(18,766,464,738)</u>      | <u>21,252,628,323</u>        | <u>(19,214,937,013)</u>      | <u>(44,910,008,923)</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                              |                              |                              |                              |                              |
| Proceeds from sale of property and equipment   | 520,919,151                  | 268,393,935                  | 27,620,762,191               | 781,823,857                  | 620,199,100                  |
| Interest received  | 210,195,737                  | 389,366,647                  | 1,340,908,020                | 1,297,088,912                | 2,169,409,930                |
| Acquisitions of investment properties  | (945,935,350)                | (4,417,429,696)              | (6,498,808,566)              | (890,013,986)                | (2,567,056,439)              |
| Increase in long-term investments  | (5,000,000,000)              | (2,322,584,000)              | (26,922,584,000)             | (42,000,000,000)             | -                            |
| Acquisitions of property and equipment   | <u>(13,402,357,841)</u>      | <u>(777,174,692)</u>         | <u>(31,551,639,839)</u>      | <u>(30,278,360,011)</u>      | <u>(4,608,740,326)</u>       |
| Proceeds from sale of long-term investment   | -                            | -                            | -                            | 6,000,000,000                | -                            |
| Dividends received from associated companies   | -                            | -                            | 3,040,000,000                | 5,854,089,997                | 2,399,999,997                |
| Acquisitions of property and equipment under build, operate and transfer agreements      | -                            | -                            | (3,600,000)                  | (2,700,000)                  | (35,270,000)                 |
| Withdrawal of temporary investments  | -                            | -                            | -                            | -                            | 363,070,551                  |
| Collections from joint ventures  | -                            | -                            | -                            | -                            | <u>8,282,281,632</u>         |
| Net Cash Provided by (Used in) Investing Activities                                      | <u>(18,617,178,303)</u>      | <u>(6,859,427,806)</u>       | <u>(32,974,962,194)</u>      | <u>(59,238,071,231)</u>      | <u>6,623,894,445</u>         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                              |                              |                              |                              |                              |
| Proceeds from (payments of) bank loans - net   | 19,690,540,236               | 12,678,194,282               | (7,942,624,504)              | 90,581,829,474               | 67,975,810,135               |
| Increase in (payments of) other payables   | 7,646,347,031                | (7,216,421,054)              | (2,574,015,124)              | 29,529,132,500               | (13,191,015,996)             |
| Amounts received from (paid to) related parties - net                                    | 2,294,629,086                | -                            | (168,921,450)                | (13,401,130,515)             | (4,291,307,888)              |
| Payment of lease liabilities   | (165,913,422)                | (104,437,482)                | (549,331,847)                | (355,146,942)                | (411,633,431)                |
| Dividends paid by a subsidiary to minority   | -                            | -                            | (570,000,000)                | (4,746,612,151)              | (8,653,333,333)              |
| Payment of notes payable   | -                            | -                            | -                            | (180,000,000)                | (840,000,000)                |
| Net Cash Provided by (Used in) Financing Activities                                      | <u>29,465,602,931</u>        | <u>5,357,335,746</u>         | <u>(11,804,892,925)</u>      | <u>101,428,072,366</u>       | <u>40,588,519,487</u>        |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                              | <u>1,678,086,494</u>         | <u>(20,268,556,798)</u>      | <u>(23,527,226,796)</u>      | <u>22,975,064,122</u>        | <u>2,302,405,009</u>         |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                                    |                              |                              |                              |                              |                              |
| Effect of foreign exchange rate changes  | 39,838,352,562               | 63,725,916,272               | 63,725,916,272               | 39,908,047,367               | 37,582,573,552               |
|  | <u>(43,312,638)</u>          | <u>291,047,044</u>           | <u>(360,336,914)</u>         | <u>842,804,783</u>           | <u>23,068,806</u>            |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  | <u><u>41,473,126,418</u></u> | <u><u>43,748,406,518</u></u> | <u><u>39,838,352,562</u></u> | <u><u>63,725,916,272</u></u> | <u><u>39,908,047,367</u></u> |
| <b>SUPPLEMENTAL DISCLOSURES</b>  |                              |                              |                              |                              |                              |
| Noncash investing and financing activities   |                              |                              |                              |                              |                              |
| Other payables arising from acquisition of land for development and increase in advances | 792,625,000,000              | -                            | -                            | -                            | -                            |
| Other payables arising from acquisition of subsidiaries                                  | 900,000,000,000              | -                            | -                            | -                            | -                            |
| Reclassification of land for development to property and equipment (Note 13)             | -                            | -                            | 9,589,500,000                | -                            | -                            |
| Interest capitalized to inventories (Note 7)   | 456,727,571                  | 406,369,122                  | 2,144,287,916                | -                            | -                            |
| Interest capitalized to land for development (Note 10)                                   | 2,982,038,309                | 1,469,643,025                | 9,778,708,298                | 5,538,656,065                | 4,003,364,342                |
| Lease liabilities arising from acquisition of property and equipment (Note 13)           | -                            | -                            | 394,327,273                  | -                            | 1,455,000,000                |
| Payment to related parties through proceeds from bank loans (Note 11)                    | -                            | -                            | -                            | 74,390,746,271               | -                            |
| Liability arising from acquisition of long-term investments (Note 12)                    | -                            | -                            | -                            | 8,000,000,000                | -                            |
| Transfer of property and equipment to inventories (Note 13)                              | -                            | -                            | -                            | 1,212,914,300                | -                            |
| Transfer of investment properties to inventories (Note 15)                               | -                            | -                            | -                            | 15,567,502,804               | -                            |
| Issuance of shares of stock through debt to equity conversion (Note 29)                  | -                            | -                            | -                            | -                            | 1,091,986,741,500            |
| Bank loans reclassified to due to related parties due to loan restructuring              | -                            | -                            | -                            | -                            | 103,609,000,000              |
| Accounts payable reclassified to due to related parties due to loan restructuring        | -                            | -                            | -                            | -                            | 35,949,545,544               |

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statement:



**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**March 31, 2010 and 2009 and For The Three Month Periods Then Ended (Unaudited)**  
**(with Audited Figures as of December 31, 2009, 2008 and 2007 and For the Years Then Ended)**

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**1. General**

**a. Establishment and General Information**

PT Intiland Development Tbk (the Company) was established within the framework of the Foreign Capital Investment Law No. 1 year 1967, as amended by Law No. 11 year 1970, based on Notarial Deed No. 118 dated June 10, 1983 of Kartini Muljadi, S.H., notary public in Jakarta, under the name of PT Wisma Dharmala Sakti. The Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-6668-HT.01.01Th.83 dated October 10, 1983. The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 7 dated July 7, 2008, of Saniwati Suganda, S.H., a notary public in Jakarta, concerning the revisions in the Company's Articles of Association to be in accordance with the provisions of Republic of Indonesia Law No. 40 Year 2007 regarding Limited Liability Company. These amendments were approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-59937.AH. 01.02. Year 2008 dated September 8, 2008 and was published in State Gazette of the Republic of Indonesia No. 24 dated March 24, 2009, Supplement No. 8318.

In accordance with article 3 of the Company's Articles of Association, the scope of its activities is to engage in the construction and rental of office buildings. The Company started its commercial operations on October 1, 1987 with main activities in real estate industry, while the subsidiaries have real estate projects as follows:

| The Subsidiaries            | Name of Projects          | Location   |
|-----------------------------|---------------------------|------------|
| PT Taman Harapan Indah      | Taman Semanan Indah       | Jakarta    |
| PT Mutiara Raga Indah       | Pantai Mutiara            | Jakarta    |
| PT Sinar Puspa Persada      | Talaga bestari            | Tangerang  |
| PT Gandaria Permai          | 1 park Residence          | Jakarta    |
| PT Dinamika Kencana Mandiri | Puri Permata Indah        | Pacitan    |
| PT Perkasa Lestari Utama    | Taman Semanan Indah       | Jakarta    |
| PT Alamdharna Jatimsentosa  | Whiz Hotel                | Jogjakarta |
| PT Abadinugraha Ciptajaya   | Whiz Hotel                | Semarang   |
| PT Estrella Satu Indonesia  | Whiz Hotel                | Jakarta    |
| PT Intiwhiz International   | Whiz Hotel                | Jakarta    |
| PT Intiland Grande          | Isen                      | Surabaya   |
| PT Grand Interwisata        | Graha Residence           | Surabaya   |
| PT Intiland Sejahtera       | Kawasan Industri Nogro II | Surabaya   |
| PT Grande Family View       | Graha Family              | Surabaya   |

The Company is domiciled in Jakarta and it's head office is located at Intiland Tower, Penthouse, Jl. Jenderal Sudirman Kav. 32, Jakarta.

The Company is one of the companies owned by Intiland group.

**b. Public Offering of Shares**

On October 21, 1989, the Company obtained Notice of Effectivity No. S1-064/SHM/MK.10/1989 from the Minister of Finance of the Republic of Indonesia for the offering of 6,000,000 shares to the public through the parallel stock exchange. These shares were listed in the parallel stock exchange on January 15, 1990. Based on such notification, the Company also listed in the parallel stock exchange additional 6,000,000 shares from founding stockholders resulting in listed shares totaling to 12,000,000.

**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**March 31, 2010 and 2009 and For The Three Month Periods Then Ended (Unaudited)**  
**(with Audited Figures as of December 31, 2009, 2008 and 2007 and For the Years Then Ended)**

**1. General (Continued)**

**b. Public Offering of Shares (Continued)**

On August 2, 1991, the Company obtained Notice of Effectivity No. S-1407/PM/1991 from the Chairman of the Capital Market Supervisory Agency (Bapepam) (currently the Capital Market and Financial Institutions Supervisory Agency or Bapepam – LK) for the offering of 12,000,000 shares to the public. These shares were listed in the Indonesia Stock Exchange on September 1, 1991.

On June 18, 1992, the Company obtained Notice of Effectivity No. S-989/PM/1992 from the Chairman of Bapepam for its rights issue 1 of 121,418,000 shares to the stockholders. These shares were listed in the Indonesia Stock Exchange on September 8, 1992.

On June 6, 1994, the Company obtained Notice of Effectivity No. S-021/PM/1994 from the Chairman of Bapepam for its rights issue II of 81,209,000 shares. These shares were listed in the Indonesia Stock Exchange on June 20, 1994.

On July 23, 2007, the Company obtained the approval from the Director of the Indonesia Stock Exchange for the listing of the additional 2,183,973,483 shares with nominal value of Rp 500 per share in relation to the conversion of Company's certain debts into shares of stock.

As of March 31, 2010, all of the Company's outstanding shares totaling to 3,109,756,083 shares are listed in the Indonesia Stock Exchange.

**c. Consolidated Subsidiaries**

The Company has ownership interest of more than 50%, directly or indirectly, in the following subsidiaries:

| Subsidiaries                       | Location  | Nature of Business  | Percentage of Ownership |      | Start of Commercial Operations | Total Assets Before Elimination |         |
|------------------------------------|-----------|---------------------|-------------------------|------|--------------------------------|---------------------------------|---------|
|                                    |           |                     | March 31,               |      |                                | March 31,                       |         |
|                                    |           |                     | 2010                    | 2009 |                                | 2010                            | 2009    |
|                                    |           |                     | %                       | %    |                                |                                 |         |
|                                    |           |                     |                         |      | Rp '000'000                    |                                 |         |
| PT Taman Harapan Indah (THI)       | Jakarta   | Real estate         | 100                     | 100  | 1978                           | 1,575,828                       | 589,017 |
| - PT Mutiara Raga Indah            | Jakarta   | Fitness center      | 100                     | 100  | 1990                           | 8,337                           | 7,283   |
| - PT Sinar Puspas Persada (SPP)    | Tangerang | Real estate         | 100                     | 100  | 1997                           | 198,001                         | 183,779 |
| - PT Intisarana Ekaraya            | Jakarta   | Sub Holding         | 100                     | 100  | -                              | 59,362                          | 49,718  |
| - PT Gandaria Pemai                | Jakarta   | Real estate         | 100                     | 100  | -                              | 27,662                          | 17,949  |
| - PT Gandaria Sakti                | Jakarta   | Real estate         | 100                     | 100  | -                              | 4,929                           | 4,937   |
| - PT Gandaria Mulia                | Jakarta   | Real estate         | 100                     | 100  | -                              | 4,923                           | 4,931   |
| - PT Gunaprima Usahasejati         | Jakarta   | Real estate         | 100                     | 100  | -                              | 0,4                             | 10      |
| - PT Gandariaprima                 | Jakarta   | Real estate         | 100                     | 100  | -                              | 16,367                          | 16,382  |
| - PT Dinamika Kencana Mandiri      | Jakarta   | Real estate         | 100                     | 100  | 2008                           | 1,837                           | 2,690   |
| - PT Perkasa Lestari Utama         | Jakarta   | Real estate         | 100                     | 100  | 2008                           | 2,841                           | 8,587   |
| - PT Wrasejati Binapersada (WB)    | Jakarta   | Real estate         | 100                     | -    | -                              | 764,903                         | -       |
| - PT Putra Sinar Permeja (PSP)     | Jakarta   | Real estate         | 90                      | -    | 1991                           | 678,731                         | -       |
| PT Intiland Grande (IG)            | Surabaya  | Real estate         | 99                      | 99   | 1974                           | 743,351                         | 662,366 |
| - PT Grand Interwisata (GI)        | Surabaya  | Hotel and Apartment | 100                     | 100  | 1989                           | 77,072                          | 23,705  |
| - PT Intiland Sejahtera            | Surabaya  | Real estate         | 100                     | 100  | 1988                           | 28,825                          | 25,434  |
| - PT Prima Sentosa Ganda           | Surabaya  | Real estate         | 100                     | 100  | -                              | 10,000                          | 10,000  |
| - PT Alamdharmas Jatimsentosa (AJ) | Surabaya  | Hotel               | -                       | 100  | -                              | -                               | 5,232   |
| - PT Grande Family View (GFV)      | Surabaya  | Real estate         | 75                      | 75   | 1993                           | 329,092                         | 273,371 |
| - PT Grande Imperial (GIM)         | Surabaya  | Real estate         | 75                      | 75   | -                              | 15,000                          | 15,000  |
| - PT Damo Grande                   | Surabaya  | Real estate         | 100                     | 100  | 2008                           | 5,000                           | 5,000   |
| Dharmala Intiland N.V.             | Curacao   | Financial services  | 100                     | 100  | 1997                           | -                               | -       |
| PT Intiland Esperito               | Jakarta   | Real estate         | 100                     | 100  | 2008                           | 25,250                          | 25,000  |
| PT Intiland Infinita               | Jakarta   | Hotel               | 90                      | 100  | 2008                           | 57,805                          | 50,406  |
| - PT Inti Estrella (IE)            | Jakarta   | Hotel               | 100                     | 100  | 2008                           | 50,000                          | 50,000  |
| - PT Alamdharmas Jatimsentosa (AJ) | Jakarta   | Hotel               | 100                     | -    | -                              | 4,111                           | 5,732   |
| - PT Intiwhiz International (II)   | Jakarta   | Hotel               | 100                     | 100  | 2008                           | 1,253                           | 1,252   |

**PT INTILAND DEVELOPMENT Tbk AND ITS SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**March 31, 2010 and 2009 and For The Three Month Periods Then Ended (Unaudited)**  
**(with Audited Figures as of December 31, 2009, 2008 and 2007 and For the Years Then Ended)**

**1. General (Continued)**

**c. Consolidated Subsidiaries (Continued)**

| Subsidiaries                     | Location  | Nature of Business  | Percentage of Ownership |      |      | Start of Commercial Operations | Total Assets Before Elimination |             |         |
|----------------------------------|-----------|---------------------|-------------------------|------|------|--------------------------------|---------------------------------|-------------|---------|
|                                  |           |                     | December 31,            |      |      |                                | December 31,                    |             |         |
|                                  |           |                     | 2009                    | 2008 | 2007 |                                | 2009                            | 2008        | 2007    |
|                                  |           |                     | %                       | %    | %    | Rp '000'000                    | Rp '000'000                     | Rp '000'000 |         |
| PT Taman Harapan Indah (TH)      | Jakarta   | Real estate         | 100                     | 100  | 100  | 1978                           | 921,876                         | 843,153     | 530,229 |
| - PT Mutiara Raga Indah          | Jakarta   | Fitness center      | 100                     | 100  | 100  | 1990                           | 8,930                           | 7,632       | 6,652   |
| - PT Sinar Puspada Persada (SPP) | Tangerang | Real estate         | 100                     | 100  | 100  | 1997                           | 228,570                         | 208,069     | 202,167 |
| - PT Intisarana Ekaraya          | Jakarta   | Sub Hlding          | 100                     | 100  | 100  | -                              | 223,517                         | 210,076     | 201,620 |
| - PT Gandaria Permai             | Jakarta   | Real estate         | 100                     | 100  | 100  | -                              | 120,155                         | 112,829     | 107,822 |
| - PT Gandaria Sakti              | Jakarta   | Real estate         | 100                     | 100  | 100  | -                              | 4,929                           | 4,936       | 4,944   |
| - PT Gandaria Mulia              | Jakarta   | Real estate         | 100                     | 100  | 100  | -                              | 4,923                           | 4,931       | 4,940   |
| - PT Gunaprima Usahasejati       | Jakarta   | Real estate         | 100                     | 100  | 100  | -                              | 6                               | 10          | 10      |
| - PT Gandariaprima               | Jakarta   | Real estate         | 100                     | 100  | 100  | -                              | 93,050                          | 92,405      | 88,981  |
| - PT Dinamika Kencana Mandiri    | Jakarta   | Real estate         | 100                     | 100  | -    | 2008                           | 6,189                           | 3,969       | -       |
| - PT Perkasa Lestari Utama       | Jakarta   | Real estate         | 100                     | 100  | -    | 2008                           | 2,988                           | 4,501       | -       |
| PT Intiland Grande (IG)          | Surabaya  | Real estate         | 99                      | 99   | 99   | 1974                           | 746,821                         | 752,530     | 764,094 |
| - PT Grand Interwisata (GI)      | Surabaya  | Hotel and Apartment | 100                     | 100  | 100  | 1989                           | 69,262                          | 67,070      | 62,993  |
| - PT Intiland Sejahtera          | Surabaya  | Real estate         | 100                     | 100  | 100  | 1988                           | 28,959                          | 25,421      | 25,792  |
| - PT Prima Sentosa Canda         | Surabaya  | Real estate         | 100                     | 100  | 100  | -                              | 36,390                          | 27,306      | 17,624  |
| - PT Alamdhama Jatimsentosa (AJ) | Surabaya  | Hotel               | -                       | 100  | 99   | -                              | -                               | 5,765       | 4,230   |
| - PT Grande Family View (GFV)    | Surabaya  | Real estate         | 75                      | 75   | 75   | 1993                           | 314,596                         | 317,052     | 341,390 |
| - PT Grande Imperial (GIM)       | Surabaya  | Real estate         | 75                      | 75   | 75   | -                              | 15,000                          | 15,000      | 14,013  |
| - PT Damo Grande                 | Surabaya  | Real estate         | 100                     | 100  | -    | 2008                           | 8,247                           | 7,956       | -       |
| Dharmala Intiland N.V.           | Curacao   | Financial services  | 100                     | 100  | 100  | 1997                           | -                               | -           | 0.17    |
| PT Intiland Esperto              | Jakarta   | Real estate         | 100                     | 100  | -    | 2008                           | 25,250                          | 25,002      | -       |
| PT Intiland Infinita             | Jakarta   | Hotel               | 90                      | 100  | -    | 2008                           | 50,453                          | 50,567      | -       |
| - PT Inti Estrella (IE)          | Jakarta   | Hotel               | 100                     | 100  | -    | 2008                           | 50,000                          | -           | -       |
| - PT Alamdhama Jatimsentosa (AJ) | Jakarta   | Hotel               | 100                     | -    | -    | -                              | 11,614                          | -           | -       |
| - PT Intiwhiz International (II) | Jakarta   | Hotel               | 100                     | 100  | -    | 2008                           | 1,250                           | -           | -       |

**PT Wirasejati Binapersada (WB)**

On February 22, 2010, THI has signed Agreement on Terms of Share Purchase which has been altered with Agreement on Share Purchase dated March 19, 2010 in respect to purchase of shares of stock of PT Wirasejati Binapersada (WB) owned by PT Cempaka Andalan Kharisma and PT Cakrawala Persada Gemilang, third parties, totaling to 218,100 shares (equivalent to 100% of ownership interest). Based on PT Penilai's report, an independent appraiser, the fair value of WB's land is Rp 764,900,000,000 with purchase price of Rp 450 billion. This acquisition became effective on March 29, 2010.

**PT Putra Sinar Permaja (PSP)**

On February 22, 2010, THI has signed Agreement on Terms of Share Purchase which has been altered with Agreement on Share Purchase dated March 19, 2010 in respect to purchase of shares of stock of PT Putra Sinar Permaja (PSP) owned by Faith Mount Investments Ltd, Richely Pacific Ltd., PT Karya Swadaya Sempurna and PT Saranajaya Perkasa, third parties, totaling to 360,000 shares. Based on PT Penilai's report, an independent appraiser, the fair value of PSP's property and equipment is Rp 666,440,000,000 with purchase price of Rp 450 billion. This acquisition became effective on March 29, 2010.

Accordingly, the financial statements of WB and PSP were consolidated to financial statements of the Company beginning March 29, 2010.

**PT Intiland Infinita (Infinita)**

On February 11, 2008, the Company and THI, a subsidiary, have established Infinita based on Deed No. 05 from Saniwati Sugarda S.H., notary public in Jakarta. The Company owns 99,999,999 shares with nominal value of Rp 500 per share, representing 99.99% ownership interest, while THI owns one (1) share or Rp 500 representing 0.01% ownership interest in Infinita.

Based on Deed No. 158 dated August 31, 2009 from Roberth Purba, S.H., notary public in Jakarta, the Company and THI sold to PT Duta Insani Bangun Persada, a third party, 9,999,999 shares and one (1) share, respectively, or representing 10% ownership interest in Infinita, with nominal value of Rp 500 per share.

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**1. General (Continued)**

**c. Consolidated Subsidiaries (Continued)**

PT Intiland Esperto (Esperto)

On August 7, 2008, the Company and THI, a subsidiary, have established Esperto based on Deed No. 13 from Humberg Lie S.H., notary public in Tangerang. The Company owns 49,500,000 shares with nominal value of Rp 500 per share, representing 99% ownership interest, while THI owns one (1) share or Rp 500,000 representing 1% ownership interest in Esperto.

PT Dinamika Kencana Mandiri (DKM)

On January 16, 2008, THI and IG, the subsidiaries, acquired all of the shares of DKM from third parties, totaling to 250 shares representing 100% ownership interest in DKM with nominal value of Rp 100,000 per share of which THI's share is 249 shares while IG's share is one (1) share.

PT Perkasa Lestari Utama (PLU)

On December 26, 2008, THI and ISER, subsidiaries, acquired all of the shares of PLU from third parties totaling to 500 shares representing 100% ownership interest in PLU with nominal value of Rp 100,000 per share of which THI's share is 499 shares and ISER's share is one (1) share.

PT Grande Imperial (GIM)

On April 30, 2007, IG, a subsidiary, has established GIM based on Deed No. 77 from Irawati Njoto, S.H., a notary public in Surabaya. IG owns 375 shares of GIM which is equivalent to Rp 375,000,000 and represents 75% ownership interest in GIM. GIM engages in real estate. As of March 31, 2010, GIM has not operated yet.

PT Alamdharma Jatimsentosa (AJ)

On December 29, 2007, IG, a subsidiary, purchased AJ's shares totaling to 164 shares or equivalent to Rp 164,000,000 which represents 99% ownership interest in AJ. AJ engages in hotel operations.

Based on Deed No. 3 dated December 20, 2007 from Anita Lucita Kendarto, S.H., a notary public in Pasuruan, AJ increased its authorized capital stock to Rp 20 billion and subscribed and paid-up capital to Rp 5 billion which were paid for by IG and THI for Rp 4,999,900,000 and Rp 100,000, respectively.

On April 27, 2009, based on Deed No. 3 from the same notary, IG sold its shares of stock in AJ to PT Intiland Estrella and THI sold its shares of stock in AJ to ISER.

PT Intiland Estrella (IE)

On March 25, 2008, Infinita and THI established IE based on Deed No. 36 from Saniwati Suganda, S.H., notary public in Jakarta. Infinita owns 99,999,999 shares of stock with nominal value of Rp 500 per share while THI owns one (1) share of stock. As of March 31, 2010, IE has not operated yet.

PT Intiwhiz International (II)

On March 25, 2008, Infinita and THI established II based on Deed No. 37 from Saniwati Suganda, S.H., notary public in Jakarta. Infinita owns 2,499,999 shares of stock with nominal value of Rp 500 per share while THI owns one (1) share of stock. As of March 31, 2010, II has not operated yet.

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**1. General (Continued)**

**d. Employees, Directors and Commissioners**

The composition of management as of March 31, 2010 which was based on Minutes of Meeting of Extraordinary General Meeting of the Stockholders of the Company as stated in Deed No. 18 dated March 29, 2010 from Saniwati Suganda, S.H., notary public in Jakarta, are as follows:

**Board of Commissioners**

|                             |   |   |
|-----------------------------|---|---|
| President Commissioner      | : | Dr. Cosmas Batubara <sup>*)</sup>   |
| Vice President Commissioner | : | Hendro Santoso Gondokusumo  |
| Commissioners               | : | Drs. Jahja Asikin, MBA<br>Thio Gwan Po, MBA *)<br>Gunawan Angkawibawa *)<br>Dra. Ping Handayani Hanli |

**Board of Directors**

|                          |   |   |
|--------------------------|---|---|
| President Director       | : | Lennard Ho Kian Guan, MBA   |
| Vice President Directors | : | Walman Siahaan, SH,SE,MBA,MM<br>Ir. Sinarto Dharmawan, MBA<br>Ir. Suhendro Prabowo                          |
| Directors                | : | Irene Pusparini Rahardjo, MBA **)<br>Ricky Holil, SE<br>Archied Noto Pradono, BSc<br>Utama Gondokusumo, BSc |

The composition of management as of December 31, 2009, March 31, 2009 and December 31, 2008 which was based on a Decision Statement of the Company's Meeting No. 07 dated July 7, 2008 of Saniwati Suganda, S.H., a notary public in Jakarta, and the composition of management as of December 31, 2007 which was based on a resolution of the Annual Shareholders' Meeting held on June 29, 2007, as documented in Notarial Deed No. 17 from the same notary public, are as follows:

**Board of Commissioners**

|                             |   |  |
|-----------------------------|---|--|
| President Commissioner      | : | Dr. Cosmas Batubara <sup>*)</sup>  |
| Vice President Commissioner | : | Hendro Santoso Gondokusumo   |
| Commissioners               | : | Drs. Jahja Asikin, MBA<br>Dr. Tjan Soen Eng *)<br>Rudy Soraya, Bec *)<br>Dra. Ping Handayani Hanli |

**Board of Directors**

|                          |   |   |
|--------------------------|---|---|
| President Director       | : | Lennard Ho Kian Guan, MBA   |
| Vice President Directors | : | Walman Siahaan, SH,SE,MBA,MM<br>Ir. Sinarto Dharmawan, MBA<br>Ir. Suhendro Prabowo                          |
| Directors                | : | Irene Pusparini Rahardjo, MBA **)<br>Ricky Holil, SE<br>Archied Noto Pradono, BSc<br>Utama Gondokusumo, BSc |

<sup>\*)</sup> Independent Commissioner

<sup>\*\*)</sup> Nonaffiliated Director

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**1. General (Continued)**

**d. Employees, Directors and Commissioners (Continued)**

The Company's corporate secretary is Theresia Rustandi for the three month periods ended March 31, 2010 and 2009, and for the years ended December 31, 2009, 2008 and 2007.

As a public company, the Company has an Independent Commissioner(s) and an Audit Committee as required by Bapepam (currently Bapepam – LK). The Audit Committee consists of 3 members of Dr. Cosmas Batubara, Soesanto Lukman and Hanadi Rahardja, wherein Dr. Cosmas Batubara, who acts as an Independent Commissioner, is also the Chairman of the Audit Committee.

The Company had an average number of employees of 176 in 2010, 176 in 2009, 176 in 2008 and 249 in 2007 (unaudited).

Total remuneration paid to commissioners and directors of the Company are as the follows:

|                        | 2010<br>(Three months)<br>Rp | 2009<br>(Three months)<br>Rp | 2009<br>(One year)<br>Rp | 2008<br>(One year)<br>Rp | 2007<br>(One year)<br>Rp |
|------------------------|------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Board of Commissioners | 1.554.763.575                | 1.554.763.575                | 6.219.054.300            | 4.491.000.000            | 3.462.664.800            |
| Board of Directors     | 2.361.276.913                | 2.361.276.913                | 9.445.107.650            | 6.728.125.900            | 4.255.234.050            |
| <b>Total</b>           | <b>3.916.040.488</b>         | <b>3.916.040.488</b>         | <b>15.664.161.950</b>    | <b>11.219.125.900</b>    | <b>7.717.898.850</b>     |

The Board of Directors had completed the consolidated financial statements of PT Intiland Development Tbk and its subsidiaries on May 5, 2010 and was responsible for the consolidated financial statements.

**2. Summary of Significant Accounting and Financial Reporting Policies**

**a. Basis of Consolidated Financial Statements Preparation and Measurement**

The consolidated financial statements have been prepared using accounting principles and reporting practices generally accepted in Indonesia such as the Statements of Financial Accounting Standards (PSAKs) and the regulations of the Capital Market and Financial Institutions Supervisory Agency (Bapepam – LK) No. VIII.G.7 on the Financial Statement Presentation Standard and SE-02/PM/2002 regarding Guidelines on Presentation and Disclosures of Financial Statements of Issuers or Publicly Listed Real Estate Companies. Such consolidated financial statements are an English translation of the Company and its subsidiaries' statutory report in Indonesia, and are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

The measurement basis used is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies. The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is the Indonesian Rupiah (Rupiah).

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**b. Adoption of Revised Statement of Financial Accounting Standard (PSAK)**

The Company and its subsidiaries have adopted these revised PSAKs effective January 1, 2010:

1. PSAK 26 (Revised 2008), Borrowing Cost
2. PSAK 50 (Revised 2006), Financial Instruments: Presentation and Disclosures
3. PSAK 55 (Revised 2006), Financial Instruments: Recognition and Measurement

The adoption of these PSAKs has no material impact on the Company and its subsidiaries' consolidated financial statements.

**c. Principles of Consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries, wherein the Company has direct or indirect ownership interest of more than 50% of the voting rights of the subsidiary's capital stock, or less than 50% of the voting rights but the Company is able to control the subsidiary, and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. A subsidiary is excluded from consolidation when the control in such subsidiary is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or when the subsidiary operates under long-term restrictions which significantly impair its ability to transfer funds to the Company.

Intercompany balances and transactions, including unrealized gains or losses on intercompany transactions, are eliminated to reflect the financial position and the results of operations of the Company and its subsidiary as one business entity.

The consolidated financial statements are prepared using uniform accounting policy for like transactions and events in similar circumstances. If a subsidiary's financial statements are prepared using accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to its financial statements.

Minority interest represents the minority stockholders' proportionate share in the net income and equity of the subsidiaries which are not wholly owned, which is presented based on the percentage of ownership of the minority stockholders in the subsidiaries.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. When the cost of acquisition is less than the interest in the fair values of the identifiable assets and liabilities acquired as of at the date of acquisition (i.e. discount on acquisition), the fair values of the acquired non-monetary assets are reduced proportionately until all the excess are eliminated. The excess remaining after reducing the fair values of non-monetary assets acquired is recognized as negative goodwill, treated as deferred revenue and recognized as revenue systematically over twenty (20) years.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**d. Foreign Currency Transactions and Translation**

The books of accounts of the Company and its subsidiaries, except Dharmala Intiland N.V., Curacao, are maintained in Indonesian Rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to current operations.

The books of accounts of Dharmala Intiland N.V. Curacao, are maintained in U.S. Dollar. For consolidation purposes, assets and liabilities at balance sheet date are translated into Indonesian Rupiah using the exchange rate at balance sheet date, while revenues and expenses are translated at the average exchange rates for the year and the resulting translation adjustments are recognized in current operations.

**e. Transactions with Related Parties**

Related parties consist of the following:

- (1) Companies that, through one or more intermediaries, control, or are controlled by, or are under common control with, the Company (including holding companies, subsidiaries and fellow subsidiaries);
- (2) Associated companies;
- (3) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, and close family members of such individuals (close family members are those who can influence or can be influenced by such individuals in their transaction with the Company);
- (4) Key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including commissioners, directors and managers of the Company and close family members of such individuals; and
- (5) Companies in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (3) or (4), or over which such person is able to exercise significant influence. These include companies owned by commissioners, directors or major stockholders of the Company, and companies that have a common member of key management with that of the Company.

All transactions with related parties, whether or not done under similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

**f. Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in Indonesia requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**g. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and in banks and all unrestricted investments with maturities of three month or less from the dates of placement, and which are not used as collateral and are not restricted.

**h. Accounts Receivable**

Accounts receivable are stated at net realizable value, after providing an allowance for doubtful accounts. Accounts receivable deemed uncollectible are written off.

**i. Allowance for Doubtful Accounts**

Allowance for doubtful accounts is provided based on management review of the status of the individual receivable account at the end of the year.

**j. Inventories**

1) Real Estate Inventories

Inventories consist of land and buildings (houses and shophouses), apartments ready for sale, buildings (houses and shophouses) under construction, and land under development which are stated at the lower of cost and net realizable value.

The cost of land under development consists of the cost of land for development, direct and indirect costs related to the development of real estate assets and borrowing costs (interest expense and foreign exchange losses). Land under development is transferred to buildings under construction when the land development is completed or to land when it is ready for sale, based on the area of saleable lots.

The cost of land development, including the cost of land used for roads and amenities and other non-saleable areas, is allocated proportionally based on the total estimated cost of amenities of the area of land sold less accumulated cost of amenities at year end.

The cost of buildings under construction consists of the cost of land under development, construction costs and borrowing costs, and is transferred to land and buildings ready for sale when the development of land and construction of buildings are completed and when it is ready for sale. Cost is determined using the specific identification method.

The allocation of costs to the project development continues even if the realization of future revenues is less than the carrying value of the project. However, periodic provisions are made for these differences. The total provision reduces the carrying value of the project to its net realizable value and is charged to expense in the current year when recognized.

Cost estimates and allocation are reviewed at the end of every reporting period until the project is substantially completed. If there are any substantial changes from the estimates, the Company revises and reallocates costs.

Costs which are not related to real estate development are charged to expense when incurred.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**j. Inventories (Continued)**

2) Hotel Inventories

Hotel inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**k. Land for Development**

Land for development is stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of land for development consists of pre-acquisition and acquisition costs of the land, borrowing costs and other costs related to the acquisition of land which are transferred to land under development when the development of land has started.

**l. Investments**

(1) Investments in equity securities with readily determinable fair values and debt securities

Investments in available-for-sale equity securities are stated at fair value. Unrealized gains and losses arising from the changes in the fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognized in equity is included in the current operations.

Investments in debt securities which are held-to-maturity are stated at cost, adjusted for the unamortized premium or discount.

Cost of equity securities sold is determined using the weighted average method, while cost of debt securities is determined using the specific identification method.

(2) Investments in associated companies

An associated company is an entity over which the Company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results of operations and assets and liabilities of associated companies are incorporated in these consolidated financial statements using the equity method of accounting. Investments in associated companies are carried in the consolidated balance sheets at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associated companies, less any impairment in the value of the individual investment. Losses of the associated companies in excess of the Company interest in those associated companies are not recognized except if the Company has incurred obligations or made payments on behalf of the associated companies to satisfy obligations of the associated companies that the Company has guaranteed, in which case, additional losses are recognized to the extent of such obligations or payments.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**i. Investments (Continued)**

(3) Other investments

Investments in shares of stock with ownership interest of less than 20% that do not have readily determinable fair values and are intended for long-term investments are stated at cost. The carrying amount of the investments is written down to recognize a permanent decline in the value of the individual investments. Any such write-down is charged directly to current operations.

**m. Prepaid Expenses**

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

**n. Property and Equipment**

Property and equipment, except land, are carried at cost, excluding day-to-day servicing, less accumulated depreciation and amortization, and any impairment in value. Land is not depreciated and is stated at cost less any impairment in value, if any.

The initial cost of property and equipment consists of its purchase price, including import duties and taxes and any directly attributable costs in bringing the property and equipment to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year such costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of the property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. Depreciation and amortization are computed on a straight-line basis over the property and equipment's useful lives or term of the lease for lease-hold improvements, whichever is shorter, as follows:

|                                 | <u>Years</u> |
|---------------------------------|--------------|
| Buildings and land improvements | 20 - 40      |
| Leasehold improvements          | 10           |
| Building improvements           | 10           |
| Machinery and equipment         | 5 - 10       |
| Golf equipment                  | 20           |
| Fitness center equipment        | 10           |
| Vehicles                        | 5            |
| Office equipment                | 5            |
| Office furniture and fixtures   | 3 - 5        |
| Canteen equipment               | 5            |

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When each major inspection is performed, its cost is recognized in the carrying amount of the item of property and equipment as a replacement if the recognition criteria are satisfied. Such major inspection is capitalized and amortized over the next major inspection activity.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**n. Property and Equipment (Continued)**

When assets are sold or retired, the cost and related accumulated depreciation and any impairment loss are eliminated from the accounts and any resulting gain or loss is credited or charged to current operations.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or loss arising from derecognition of property and equipment (calculated as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in the consolidated statement of income in the year the item is derecognized.

The asset's residual values, useful lives and depreciation and amortization method are reviewed and adjusted if appropriate, at each financial year end.

The property and equipment of PT Taman Harapan Indah, a subsidiary, are depreciated using the double-declining-balance method, except for buildings which are depreciated using the straight-line method (Note 13). The details of depreciation rates are as follows:

|                         |                                   |
|-------------------------|-----------------------------------|
| Buildings               | 5% of cost per annum              |
| Office equipment        | 25% - 50% of book value per annum |
| Machinery and equipment | 25% of book value per annum       |
| Vehicles                | 50% of book value per annum       |

Constructions in progress represent property and equipment under construction which are stated at cost, and are not depreciated. The accumulated costs will be reclassified to the respective property and equipment account and will be depreciated when the construction is substantially complete and the asset is ready for its intended use.

**o. Property and Equipment Under Build, Operate and Transfer Agreement**

The building under build, operate and transfer (BOT) agreement, including machinery and equipment which are attached to the building, are stated at cost. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets to the extent of the term of the build, operate and transfer contract, as follows:

|                                 | <u>Years</u> |
|---------------------------------|--------------|
| Buildings and land improvements | 20           |
| Machinery and equipment         | 5 - 10       |

**p. Investment Properties**

Investment properties are measured at cost, including transaction costs, less accumulated depreciation and any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated using the straight-line method over twenty (20) years.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**p. Investment Properties (Continued)**

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view for a sale.

**q. Jointly Controlled Operations and Assets**

A joint venture is a contractual arrangement, whereby two parties (the venturers) undertake an economic activity which is subject to joint control, whether it is a jointly controlled operations or a jointly controlled asset.

With respect to its interest in jointly controlled operations, each venturer recognizes the assets that it controls and liabilities that it incurs, as well as its share of the income that it earns and the expenses that it incurs from the jointly controlled operations (proportionate consolidation method).

With respect to its interest in jointly controlled assets, each venturer recognizes the following in its accounting records and financial statements:

- a. its share of the jointly controlled assets, classified according to the nature of the assets rather than as an investment;
- b. any liabilities which it has incurred;
- c. its share of any liabilities incurred jointly with other venturers in relation to the joint venture;
- d. its share of the output of the joint venture, and its share of any expenses incurred by the joint venture;
- e. any expenses which it has incurred with respect to its interest in the joint venture.

**r. Leases**

Company or Subsidiaries as Lessor

Leases where the Company and its subsidiaries retains substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term in the same bases as rental income.

Company or Subsidiaries as Lessee

Leases which transfer to the Company and its subsidiaries substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**r. Leases (Continued)**

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset, except if there is no reasonable certainty that the Company and its subsidiaries will obtain ownership of the leased assets by the end of the lease term, in which case the capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

Leased assets are depreciated using the same method and estimated useful lives used for property and equipment.

Operating lease payments are recognized as an expense in the consolidated statements of income on a straight-line basis over the lease term.

**s. Impairment of Assets**

An assessment by management of the asset value is made at each balance sheet date to determine whether there is any indication of impairment of any asset and possible write-down to fair value whenever events or changes in circumstances indicate that the asset value may not be recoverable.

An asset's recoverable amount is computed as the higher of the asset's value in use or its net selling price.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. On the other hand, a reversal of an impairment loss is recognized whenever there is an indication that the asset is not impaired anymore.

The amount of impairment loss (reversal of impairment loss) is charged to (credited in) current year's operations.

**t. Troubled Debt Restructuring**

The excess of the carrying amount of the loan and related account (including related interest and penalty) over the total future cash payments specified by the new terms of the loan in a troubled debt restructuring is recognized immediately as restructuring gain. After the restructuring, all cash payments under the terms of the loan are deducted from the carrying amount of the loan and related accounts, and no interest expense is recognized on such loan until maturity.

If the carrying amount of the loan and related account is less than the total future cash payments specified by the new terms of the loan in a troubled debt restructuring involving only modification of terms, no gain or loss is recognized. The effect of such restructuring is accounted for prospectively from the time of restructuring. After the restructuring, interest expense is computed by applying a constant effective interest rate to the carrying amount of the loan and related accounts at the beginning of each period until maturity.

In settling a troubled debt through transfer of an asset or delivery of shares or grant of an equity interest, the difference between the fair value of the asset transferred or fair value of the shares to be issued and the carrying amount of the loan to be settled is recognized as a gain on restructuring of debts while the difference between the fair value and the carrying amount of assets to be transferred is recognized as a gain on transfer of asset.

Gain on debt restructuring net of the related restructuring costs and related income tax, is recognized in the period in which the restructuring is completed.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**u. Revenue and Expense Recognition**

(1) Revenue Recognition

*Revenues from sale of inventories*

Revenues from sale of houses, shophouses and other similar buildings, including land, are recognized based on the full accrual method when all of the following conditions are met:

- The sale is consummated, such as the sales contract or agreement has been signed and both parties have fulfilled the terms and conditions in the sales contract or agreement;
- The selling price is collectible, wherein the total payments made by the buyer is at least 20% of the total agreed selling price, and the amount paid cannot be refunded by the buyer;
- The seller's receivable is not subject to future subordination; and
- The seller has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and does not have a substantial continuing involvement with the property.

Revenues from retail sale of land, without building thereon, are recognized based on the full accrual method when all of the following conditions are met:

- The total payments made by the buyer is at least 20% of the agreed selling price and that amount is not refundable;
- The selling price is collectible;
- The seller's receivable is not subject to future subordination;
- The land development process is complete, so that the seller has no further obligations related to the land sold; such as requirement to improve the land, or to construct facilities as agreed or is the obligation of the seller based on the purchase and sale contract or the provisions of prevailing law and regulations; and
- Only the land is sold without any requirement of the seller's involvement in the construction of the building on the land.

Revenues from sale of condominiums, apartments, office buildings, shopping centers, other buildings of similar type and units of time-sharing ownership are recognized using the percentage-of-completion method if all of the following criteria are satisfied:

- The construction process has already commenced, that is, the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
- The total payments made by the buyer is at least 20% of the total agreed selling price, and that amount is not refundable;
- The amount of revenue and cost of the property can be reliably estimated.

Under the percentage-of-completion method, the amount of revenues and expenses recognized for each accounting period are determined in accordance with the level or percentage of completion of the property.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**u. Revenue and Expense Recognition (Continued)**

(1) Revenue Recognition (Continued)

The level or percentage of completion of a real estate development is determined in proportion to the costs incurred up to a certain date relative to the total estimated development costs of the real estate projects.

The revenues from sale of condominiums, apartments, office buildings, shopping centers, other buildings of similar type and units of time-sharing ownership, construction of which have been completed, are recognized using the full accrual method.

If any of the above conditions is not met, all payments received from the buyers are recorded as sales advances using the deposit method, until all of the conditions are met.

*Rental and service revenues*

Rental revenue is recognized on a straight line basis over the term of the lease contract, while service revenue is recognized when services are rendered to the lessees.

(2) Expense Recognition

Cost of sales are recognized when incurred (accrual method). Cost of sales includes estimated costs for future development of amenities on land that is already sold.

Expenses are recognized when incurred (accrual basis).

**v. Borrowing Costs**

Borrowing costs are interest and exchange difference on foreign currency denominated borrowings and other costs (amortization of discounts/premiums on borrowings, etc.) incurred in connection with the borrowing of funds.

Borrowing costs are recognized as an expense in the period in which they are incurred, except for those borrowing costs which are directly attributable to the acquisition, construction, or production of qualifying assets which are capitalized as part of the acquisition cost of the qualifying assets. If the borrowing is specifically used for the purpose of acquiring a qualifying asset, the total borrowing costs eligible for capitalization are all borrowing costs incurred on that borrowing during the period, less any interest earned from temporary investment on the unused borrowings.

**w. Post-Employment Benefits**

*Short-term employee benefits*

Short-term employee benefits are in the form of wages, salaries, and bonuses. Short-term employee benefits are recognized at its undiscounted amount as a liability after deducting any amount already paid in the consolidated balance sheets and as an expense in the consolidated statements of income.



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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**w. Post-Employment Benefits (Continued)**

***Post-employment benefits***

The Company and its subsidiaries, established a defined benefit pension plan covering all of its permanent employees. The Company and its subsidiaries provide post-employment benefits to their qualified employees in accordance with Labor Law No. 13/2003.

The Company and its subsidiaries compute the difference between benefits obtained by the employees in accordance with law and benefits obtained from pension plan for normal pension.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains and losses that exceed 10% of the greater of the present value of the Company's defined benefit obligations and the fair value of plan assets are recognized on straight-line basis over the expected average remaining working lives of the participating employees. Past service cost is recognized immediately to the extent that the benefits are already vested, otherwise this is amortized on a straight-line basis over the average remaining years of service of employees period, until the benefits become vested.

The benefit obligation recognized in the consolidated balance sheet represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

**x. Income Tax**

Final Income Tax

In accordance with the tax laws and regulations, income subject to final income tax is not to be reported as taxable income and all expenses related to income subject to final income tax are not deductible. However, such income and expenses are included in the profit and loss calculation for accounting purposes. Accordingly, no temporary difference, deferred tax asset and liability is recognized.

If the recorded value of an asset or liability related to final income tax differs from its taxable base, the difference is not recognized as deferred tax assets or deferred tax liability.

The current tax expense on income subject to final income is recognized in proportion to the total income recognized during the year for accounting purposes.

The difference between the amount of the final income tax payable and the amount charged as current tax in the consolidated statements of income is recognized as either prepaid taxes or taxes payable, accordingly.

Non Final Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

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**2. Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**x. Income Tax (Continued)**

Non Final Income Tax (Continued)

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged to or credited in the consolidated statement of income, except when it relates to items charged to or credited directly in equity, in which case the deferred tax is also charged to or credited directly in equity.

Deferred tax assets and liabilities are offset in the balance sheet, except if these are for different legal entities, in the same manner the current tax assets and liabilities are presented.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company and its subsidiaries, when the result of the appeal is determined.

**y. Earnings Per Share**

Basic earnings per share are computed by dividing the net income by the weighted average number of shares outstanding during the year.

Total weighted average number of shares used to calculate basic earnings per share was 3,109,756,083 shares for the three month periods ended March 31, 2010 and 2009, and for the years ended December 31, 2009 and 2008, respectively, and 2,017,767,388 shares for the year ended December 31, 2007.

**z. Segment Information**

Segment information is prepared using the accounting policies adopted for preparing and presenting the consolidated financial statements. The primary segment information is based on business segments, while secondary segment information is based on geographical segments.

A business segment is a distinguishable component of an enterprise that is engaged in providing individual product or service or a group of related products or services and that is subjected to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

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**3. Cash and Cash Equivalents**

|   | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|---|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Cash on hand  | 323,909,536             | 379,313,827             | 372,031,206                | 428,956,200                | 657,834,740                |
| Cash in banks   |                         |                         |                            |                            |                            |
| Rupiah  |                         |                         |                            |                            |                            |
| PT Bank Central Asia Tbk  | 13,985,151,707          | 13,802,248,987          | 14,648,627,680             | 16,603,819,548             | 18,413,266,417             |
| PT Bank Mandiri (Persero) Tbk                                       | 9,200,259,971           | 4,320,505,995           | 9,643,346,290              | 13,540,500,154             | 4,577,374,874              |
| PT Bank Pan Indonesia Tbk   | 4,162,728,142           | 2,000,335,632           | 3,228,389,227              | 2,046,777,662              | 1,102,885,333              |
| PT Bank Mayapada International Tbk                                  | 1,117,165,285           | 1,063,315,333           | -                          | -                          | -                          |
| PT Bank Danamon Tbk   | 984,593,560             | 1,668,579,055           | 455,891,328                | 3,160,526,377              | -                          |
| PT Bank Bukopin Tbk   | 897,608,355             | 3,065,928,513           | 566,632,362                | 1,268,762,731              | 1,392,041,590              |
| PT Bank Capital Indonesia Tbk                                       | 721,728,815             | -                       | -                          | -                          | -                          |
| PT Bank Permata Tbk   | 693,886,774             | 574,775,732             | 681,098,832                | -                          | 534,248,106                |
| PT Bank Tabungan Negara (Persero)                                   | 426,402,774             | 298,725,664             | 1,233,045,325              | 3,350,693,155              | 1,748,864,903              |
| PT CIMB Niaga Tbk   | -                       | 314,618,606             | -                          | 4,367,083,595              | 675,102,598                |
| Others (each below Rp 500,000,000)                                  | 2,003,448,317           | 1,090,733,645           | 1,855,318,147              | 2,586,884,271              | 2,112,383,085              |
| U.S. Dollar (Note 42)   |                         |                         |                            |                            |                            |
| PT Bank Central Asia Tbk  | 504,466,397             | 692,916,482             | 1,210,370,262              | -                          | -                          |
| PT Bank Chinatrust Indonesia  | 156,381,106             | 1,831,130,590           | 39,784,560                 | 2,277,650,848              | 1,149,455,577              |
| Others (each below Rp 500,000,000)                                  | 829,217,495             | 2,841,997,312           | 842,240,842                | 179,005,940                | 139,537,023                |
| Singapore Dollar (Note 42)  |                         |                         |                            |                            |                            |
| Credit Suisse, Singapore  | 110,260,022             | 1,003,281,145           | 112,858,340                | 1,003,281,145              | 857,553,121                |
| Time Deposits   |                         |                         |                            |                            |                            |
| Rupiah  |                         |                         |                            |                            |                            |
| PT Bank Jasa Jakarta  | 3,500,000,000           | -                       | -                          | -                          | -                          |
| PT Bank Central Asia Tbk  | 923,100,001             | -                       | 923,100,000                | -                          | 200,000,000                |
| PT Bank Pan Indonesia Tbk   | 500,000,000             | 1,000,000,000           | 500,000,000                | -                          | -                          |
| PT Bank NISP OCBC Tbk   | 233,322,202             | -                       | 307,072,202                | 5,566,390,807              | 147,500,000                |
| PT Bank Rabobank International<br>Indonesia (formerly PT Bank Huga) | 100,000,000             | 1,000,000,000           | 100,000,000                | 100,000,000                | -                          |
| PT Bank International Indonesia Tbk                                 | 99,495,959              | -                       | 118,545,959                | 245,583,839                | -                          |
| PT Bank Tabungan Negara (Persero)                                   | -                       | 6,800,000,000           | -                          | 7,000,000,000              | 200,000,000                |
| PT CIMB Niaga Tbk   | -                       | -                       | 2,000,000,000              | -                          | -                          |
| PT Bank Rakyat Indonesia (Persero) Tbk                              | -                       | -                       | 1,000,000,000              | -                          | -                          |
| PT Bank Sinarmas  | -                       | -                       | -                          | -                          | 5,000,000,000              |
| PT Bank Danamon Tbk   | -                       | -                       | -                          | -                          | 500,000,000                |
| PT Bank Mega Tbk  | -                       | -                       | -                          | -                          | 500,000,000                |
| <b>Total</b>  | <b>41,473,126,418</b>   | <b>43,748,406,518</b>   | <b>39,838,352,562</b>      | <b>63,725,916,272</b>      | <b>39,908,047,367</b>      |
| Interest rates per annum on Rupiah time deposits                    | 6.75% - 9.50%           | 7.50% - 13.5%           | 6.75% - 9.50%              | 7.50% - 13.5%              | 3.5% - 8.0%                |

Cash and cash equivalents amounting to Rp 4,987,017,284, Rp 2,685,822,675, Rp 2,516,556,065, Rp 1,546,446,389 and Rp 1,416,235,550 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and its subsidiary's interest in BKGP and BKMB (Note 40).

**4. Short-term Investments**

|   | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|---|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Available-for-sale securities                   |                         |                         |                            |                            |                            |
| Shares of PT New Century Development Tbk        |                         |                         |                            |                            |                            |
| 1,586,870 shares                                | 793,435,000             | 793,435,000             | 793,435,000                | 793,435,000                | 793,435,000                |
| Unrealized loss                                 | (714,091,500)           | (714,091,500)           | (714,091,500)              | (714,091,500)              | (664,898,530)              |
| Fair value                                      | <u>79,343,500</u>       | <u>79,343,500</u>       | <u>79,343,500</u>          | <u>79,343,500</u>          | <u>128,536,470</u>         |
| Changes in the unrealized loss on securities    |                         |                         |                            |                            |                            |
| Beginning balance                               | 714,091,500             | 714,091,500             | 714,091,500                | 664,898,530                | 722,025,850                |
| Decrease (increase) in fair value of securities | -                       | -                       | -                          | 49,192,970                 | (57,127,320)               |
| Ending balance                                  | <u>714,091,500</u>      | <u>714,091,500</u>      | <u>714,091,500</u>         | <u>714,091,500</u>         | <u>664,898,530</u>         |

The market value as of March 31, 2010 and 2009 and December 31, 2009 and 2008 amounted to Rp 50 per share, and Rp 81 per share as of December 31, 2007.

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**5. Trade Accounts Receivable - Third Parties**

|  | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| <b>a. By Business Segmnets</b>             |                         |                         |                            |                            |                            |
| Houses, land and apartments                | 209,696,701,648         | 85,256,400,311          | 82,078,268,354             | 59,242,233,921             | 103,138,991,917            |
| Rental, maintenance and utilities          | 5,146,515,211           | 4,213,797,471           | 2,480,706,172              | 2,083,940,116              | 2,841,093,751              |
| Sport centers                              | 182,180,514             | 233,977,981             | 987,240,346                | 183,165,680                | 761,120,629                |
| <b>Total</b>                               | <b>215,025,397,373</b>  | <b>89,704,175,763</b>   | <b>85,546,214,872</b>      | <b>61,509,339,717</b>      | <b>106,741,206,297</b>     |
| Allowance for doubtful accounts            | (1,937,362,272)         | -                       | (1,937,362,272)            | -                          | -                          |
| <b>Total</b>                               | <b>213,088,035,101</b>  | <b>89,704,175,763</b>   | <b>83,608,852,600</b>      | <b>61,509,339,717</b>      | <b>106,741,206,297</b>     |
| <b>b. By Age</b>                           |                         |                         |                            |                            |                            |
| Current                                    | 188,889,923,907         | 62,979,329,177          | 75,510,926,528             | 41,013,734,348             | 83,364,472,936             |
| Past due:                                  |                         |                         |                            |                            |                            |
| 1 - 30 days                                | 4,536,232,855           | 2,472,011,036           | 2,702,009,024              | 2,601,757,458              | 15,264,664,529             |
| 31 - 60 days                               | 1,711,171,449           | 14,840,491,121          | 1,533,534,996              | 3,102,693,389              | 899,833,672                |
| 61 - 90 days                               | 1,227,875,345           | 1,567,262,209           | 1,049,136,585              | 4,414,424,532              | 4,258,791,639              |
| 91 - 120 days                              | 1,913,291,744           | 904,216,947             | 1,007,359,621              | 2,204,921,711              | 940,571,495                |
| More than 120 days                         | 16,746,902,073          | 6,940,865,273           | 3,743,248,118              | 8,171,808,279              | 2,012,872,026              |
| <b>Total</b>                               | <b>215,025,397,373</b>  | <b>89,704,175,763</b>   | <b>85,546,214,872</b>      | <b>61,509,339,717</b>      | <b>106,741,206,297</b>     |
| Allowance for doubtful accounts            | (1,937,362,272)         | -                       | (1,937,362,272)            | -                          | -                          |
| <b>Total</b>                               | <b>213,088,035,101</b>  | <b>89,704,175,763</b>   | <b>83,608,852,600</b>      | <b>61,509,339,717</b>      | <b>106,741,206,297</b>     |
| Changes in allowance for doubtful accounts |                         |                         |                            |                            |                            |
| Beginning balance                          | 1,937,362,272           | -                       | -                          | -                          | -                          |
| Additions (Note 34)                        | -                       | -                       | 1,937,362,272              | -                          | -                          |
| Ending balance                             | 1,937,362,272           | -                       | 1,937,362,272              | -                          | -                          |

All trade accounts receivable are denominated in Rupiah currency.

Trade accounts receivable amounting to Rp 3,027,841,174, Rp 2,039,668,066, Rp 2,223,110,751, Rp 1,575,998,305 and Rp 515,716,204 from Wisma Manulife, Intiland Tower Jakarta and Intiland Tower Surabaya rental income for the three month periods ended March 31, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007, respectively, are used as collateral on bank loans from PT Bank Pan Indonesia Tbk obtained by the Company and GFV, a subsidiary (Note 17).

Trade accounts receivable from third parties are used as collateral for certain bank loans and payables to Truss Investments Partners Pte. Ltd. which are included in "Due to related parties – Shareholders" (Notes 11 and 17).

Management believes that the allowance for doubtful accounts as of March 31, 2010 and December 31, 2009 is adequate to cover the possible losses on uncollectible receivables and that there is no allowance need to be provided as of March 31, 2009, December 31, 2008 and 2007 since all of the receivables are collectible.

Management also believes that there is no significant concentration of credit risks in trade accounts receivable from third parties.

Trade accounts receivable – third parties amounting to Rp 34,922,097,055, Rp 13,584,538,680, Rp 33,883,899,968, Rp 10,038,465,993 and Rp 18,649,111,003 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and its subsidiary's interest in BKGP and BKMB (Note 40).

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**6. Other Accounts Receivable**

|                            | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|----------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Service charges            | 1,443,503,499           | 1,518,577,661           | 2,209,250,931              | 4,561,209,215              | 5,424,750,633              |
| Additional projects        | 1,970,953,600           | 845,996,210             | 2,147,350,609              | 1,807,560,275              | 13,762,304,567             |
| Receivables from employees | 232,113,131             | 2,574,130,962           | 1,110,913,671              | 3,852,419,605              | 4,280,466,228              |
| Others                     | 2,222,422,301           | 6,862,745,301           | 1,583,169,924              | 274,305,115                | 987,655,961                |
| <b>Total</b>               | <b>5,868,992,531</b>    | <b>11,801,450,134</b>   | <b>7,050,685,135</b>       | <b>10,495,494,210</b>      | <b>24,455,177,389</b>      |

Other accounts receivable amounting to Rp 2,043,993,868 as of December 31, 2007 represent the subsidiary's interest in BKMB (Note 40).

Management believes that the other accounts receivable are collectible, thus, no allowance for doubtful accounts was provided.

**7. Inventories**

|                                    | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|------------------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Land under development             |                         |                         |                            |                            |                            |
| Jakarta                            | 242,203,664,672         | 235,158,399,154         | 283,798,212,845            | 142,846,454,743            | 9,707,399,999              |
| Surabaya                           | 49,389,532,615          | 77,168,424,926          | 64,886,459,742             | 112,131,708,698            | 111,150,725,791            |
| Buildings under construction       |                         |                         |                            |                            |                            |
| Jakarta                            | 18,182,328,210          | 30,415,617,504          | 14,854,633,025             | 34,118,686,695             | 3,025,089,386              |
| Surabaya                           | 126,260,535,233         | 122,595,797,379         | 135,684,127,881            | 119,130,078,758            | 131,512,028,027            |
| Ready-for-sale buildings           |                         |                         |                            |                            |                            |
| Jakarta                            | 1,116,757,041           | 2,459,404,405           | 1,080,010,991              | 2,531,705,587              | 11,288,607,018             |
| Surabaya                           | 20,570,522,450          | 17,464,931,189          | 20,570,522,450             | 17,197,418,136             | 17,309,839,016             |
| Ready-for-sale apartments          |                         |                         |                            |                            |                            |
| Jakarta                            | 132,763,171,626         | 160,946,810,932         | 138,962,107,378            | 165,726,085,647            | 130,297,137,700            |
| Surabaya                           | 1,638,881,402           | 2,749,532,967           | 1,638,881,402              | 2,749,532,967              | 2,749,532,967              |
| <b>Sub-total</b>                   | <b>592,125,393,249</b>  | <b>648,958,918,456</b>  | <b>661,474,955,714</b>     | <b>596,431,671,231</b>     | <b>417,040,359,904</b>     |
| Hotel supplies                     | 426,628,629             | 430,402,043             | 436,955,598                | 445,750,342                | 368,397,919                |
| Golf supplies                      | 580,116,586             | 406,788,864             | 509,995,141                | 458,622,404                | 365,294,745                |
| Recreation and restaurant supplies | 39,378,036              | 157,603,548             | 34,190,340                 | 130,752,244                | 37,172,480                 |
| <b>Sub-total</b>                   | <b>1,046,123,251</b>    | <b>994,794,455</b>      | <b>981,141,079</b>         | <b>1,035,124,990</b>       | <b>770,865,144</b>         |
| <b>Total</b>                       | <b>593,171,516,500</b>  | <b>649,953,712,911</b>  | <b>662,456,096,793</b>     | <b>597,466,796,221</b>     | <b>417,811,225,048</b>     |

Movements in ready-for-sale buildings and apartments are as follows:

|                       | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-----------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Beginning balance     | 162,251,522,221         | 188,204,742,337         | 188,204,742,337            | 161,645,116,701            | 12,316,067,212             |
| Additions             | 3,002,767,510           | 267,513,053             | 79,791,123,076             | 29,449,535,918             | 180,208,714,161            |
| Deductions            | (9,164,957,212)         | (4,851,575,897)         | (105,744,343,192)          | (2,889,910,282)            | (30,879,664,672)           |
| <b>Ending balance</b> | <b>156,089,332,519</b>  | <b>183,620,679,493</b>  | <b>162,251,522,221</b>     | <b>188,204,742,337</b>     | <b>161,645,116,701</b>     |

Buildings under construction represent housing projects in Taman Semanan Indah, Jakarta, Talaga Bestari, Banten and Graha Famili, Surabaya.

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**7. Inventories (Continued)**

Movements in building under construction are as follows:

|                   | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Beginning balance | 150,538,760,906         | 153,248,765,453         | 153,248,765,453            | 134,537,117,413            | 133,527,611,407            |
| Additions         | 35,487,592,016          | 17,187,449,909          | 29,118,826,997             | 54,892,143,129             | 2,741,998,713              |
| Deductions        | <u>(41,583,489,479)</u> | <u>(17,424,800,479)</u> | <u>(31,828,831,544)</u>    | <u>(36,180,495,089)</u>    | <u>(1,732,492,707)</u>     |
| Ending balance    | <u>144,442,863,443</u>  | <u>153,011,414,883</u>  | <u>150,538,760,906</u>     | <u>153,248,765,453</u>     | <u>134,537,117,413</u>     |

Percentage of cost of buildings under construction to the total contract value are 78.96%, 70.60%, 51.66%, 63.33% and 48.33% as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively.

Estimated completion of buildings under construction as of March 31, 2010 and 2009 is between 2010 until 2011 and between 2010 and 2009, respectively. While, estimated completion of buildings under construction as of December 31, 2009, 2008 and 2007 is between 2010 until 2011, 2009 and 2008, respectively. Management believes that there will be no difficulties in completing the projects on expected dates of completion.

Inventories that already have sales and purchase agreement effective but had not been recognized as sales as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007 amounted to Rp 50,614,330,059 or 8.54%, Rp 77,275,840,873 or 11.89%, Rp 108,213,192,700 or 16.34%, Rp 71,557,270,707 or 11.98% and Rp 97,748,304,126 or 23.39% of the total inventories. These have not been recognized as sales since as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, the revenue recognition criteria have not yet been met.

Land under development are used as collateral for certain short-term and long-term bank loans of the Company and its subsidiaries (Note 17).

Interest expense capitalized to land under development for the three month periods ended March 31, 2010 and 2009 amounted to Rp 456,727,571 and Rp 406,369,122, respectively, and for the year ended December 31, 2009 amounted to Rp 2,144,287,916.

As of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, portion of inventories owned by IG and GFV amounting to Rp 80,458,500,000, Rp 25,144,340,650, Rp 80,458,500,000, Rp 25,144,340,650 and Rp 12,622,601,148, respectively, are insured with PT Asuransi Bina Dana Artha Tbk, a third party, against fire for Rp 81,983,500,000, Rp 52,162,000,000, Rp 81,983,500,000, Rp 52,162,000,000 and Rp 18,654,600,000, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Management believes that the inventories are not stated at amounts in excess of the replacement cost or recoverable amount.

Inventories amounting to Rp 116,210,964,957, Rp 139,939,805,063, Rp 122,107,125,097, Rp 159,767,229,390 and Rp 125,316,834,971 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the subsidiary's interest in BKMB (Note 40).

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**8. Advances**

This account represents advances to contractors for construction of shop houses and other facility projects and advances for purchase of land.

Advances amounting to Rp 88,401,450, Rp 106,601,110, Rp 221,480,635, Rp 39,318,600 and Rp 42,178,909 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and its subsidiary's interest in BKGP and BKMB (Note 40).

**9. Prepaid Taxes**

|                  | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Income tax       |                         |                         |                            |                            |                            |
| Article 23       | 351,980,216             | 102,625,662             | 18,654                     | -                          | 37,968,383                 |
| Article 25       | 1,167,828,412           | 1,176,561,567           | 1,586,127,299              | 1,156,333,588              | -                          |
| Final income tax | 384,566,249             | 355,598,888             | 377,639,415                | 378,795,574                | 314,330,093                |
| Value Added Tax  | 11,408,792,401          | 12,075,572,180          | 10,551,716,310             | 11,435,610,360             | 9,056,923,722              |
| <b>Total</b>     | <b>13,313,167,278</b>   | <b>13,710,358,297</b>   | <b>12,515,501,678</b>      | <b>12,970,739,522</b>      | <b>9,409,222,198</b>       |

Prepaid taxes amounting to Rp 8,047,492,757, Rp 10,128,155,739, Rp 8,914,261,075, Rp 10,197,476,485 and Rp 8,090,233,141 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the subsidiary's interest in BKMB (Note 40).

**10. Land for Development**

| Location               | March 31, 2010    |                          | March 31, 2009   |                        |
|------------------------|-------------------|--------------------------|------------------|------------------------|
|                        | Land Area         | Total                    | Land Area        | Total                  |
|                        | m2                | Rp                       | m2               | Rp                     |
| Cengkareng, Jakarta    | 2,324,467         | 526,408,768,783          | -                | -                      |
| Banten, Jawa Barat     | 10,928,079        | 450,021,042,499          | -                | -                      |
| Gandaria, Jakarta      | 85,388            | 162,189,767,951          | 84,128           | 157,714,638,388        |
| Talaga Bestari, Cikupa | 868,973           | 146,827,853,616          | 907,946          | 159,955,689,930        |
| Lontar                 | 569,810           | 89,837,884,947           | 567,154          | 74,438,093,620         |
| Ngoro II               | 2,246,780         | 88,870,573,687           | 2,238,980        | 87,003,033,187         |
| Pantai Timur, Surabaya | 1,600,584         | 59,715,380,790           | 1,600,584        | 59,715,380,790         |
| Kebon Melati, Jakarta  | 13,579            | 41,537,079,197           | 13,579           | 41,537,079,197         |
| Sonokembang            | 9,874             | 38,490,160,124           | 10,996           | 30,076,943,953         |
| Jajar Tunggal          | 48,704            | 22,881,202,103           | 48,704           | 22,881,202,103         |
| Graha Famili, Surabaya | 83,355            | 21,655,721,978           | 91,355           | 22,723,758,523         |
| Bandung                | 2,959             | 14,022,952,297           | 2,959            | 14,022,952,297         |
| Bukit Sampe            | 317,745           | 7,870,482,399            | 317,745          | 7,870,482,399          |
| Karet                  | 3,813             | 5,485,284,440            | 3,813            | 5,485,284,440          |
| Kuningan               | 6,426             | 3,959,205,595            | 6,426            | 3,959,205,595          |
| Embong Gayam           | 741               | 2,902,889,334            | 741              | 2,902,889,334          |
| Bukit Pencu, Surabaya  | 329,628           | 2,540,190,770            | 329,628          | 2,540,190,770          |
| Tambang Sirtu Porong   | 93,835            | 917,379,044              | 93,835           | 917,379,044            |
| Others                 | 1,187,756         | 16,326,468,551           | 1,193,136        | 16,434,940,829         |
| <b>Total</b>           | <b>20,722,496</b> | <b>1,702,460,288,105</b> | <b>7,511,709</b> | <b>710,179,144,399</b> |

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**10. Land for Development (Continued)**

| Location               | December 31, 2009 |                        | December 31, 2008 |                        | December 31, 2007 |                        |
|------------------------|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|
|                        | Land Area<br>m2   | Total<br>Rp            | Land Area<br>m2   | Total<br>Rp            | Land Area<br>m2   | Total<br>Rp            |
| Talaga Bestari, Cikupa | 907,946           | 144,783,526,798        | 745,706           | 199,989,720,019        | 671,306           | 192,144,042,668        |
| Gandaria, Jakarta      | 84,415            | 158,052,817,951        | 84,128            | 157,822,738,388        | 96,810            | 224,936,737,369        |
| Ngoro II               | 2,246,780         | 87,553,033,187         | 2,238,980         | 86,902,033,187         | 2,238,980         | 86,726,283,187         |
| Lontar                 | 515,710           | 71,712,573,397         | 567,154           | 74,438,093,620         | 567,154           | 73,412,901,905         |
| Pantai Timur, Surabaya | 1,600,584         | 59,715,380,790         | 1,600,584         | 59,715,380,790         | 1,600,584         | 59,521,058,710         |
| Kebon Melati, Jakarta  | 13,579            | 41,537,079,197         | 13,579            | 41,537,079,197         | 13,579            | 41,185,375,882         |
| Sonokembang            | 9,874             | 36,377,359,627         | 10,996            | 30,338,673,945         | 4,847             | 20,622,354,807         |
| Jajar Tunggal          | 48,704            | 22,881,202,103         | 48,704            | 22,881,202,103         | 48,704            | 22,881,202,103         |
| Graha Famili, Surabaya | 83,355            | 21,655,721,978         | 91,355            | 22,723,758,523         | 91,355            | 22,254,905,523         |
| Bandung                | 2,959             | 14,022,952,297         | 2,959             | 14,022,952,297         | 2,959             | 13,862,298,297         |
| Bukit Sampe            | 317,745           | 7,870,482,399          | 317,745           | 7,870,482,399          | 317,745           | 7,870,482,399          |
| Karet                  | 3,813             | 5,485,284,440          | 3,813             | 5,485,284,440          | 3,813             | 5,205,284,440          |
| Bukit Pencu, Surabaya  | 329,628           | 2,540,190,770          | 329,628           | 2,540,190,770          | 329,628           | 2,540,190,770          |
| Embong Gayam           | 741               | 2,902,889,334          | 741               | 2,902,889,334          | 741               | 2,894,041,334          |
| Kuningan               | 6,426             | 3,959,205,595          | 6,426             | 3,959,205,595          | 6,426             | 3,959,205,595          |
| Tambang Sirtu Porong   | 93,835            | 917,379,044            | 93,835            | 917,379,044            | 93,835            | 917,379,044            |
| Pondok, Pinang         | -                 | -                      | 11,903            | 9,864,270,996          | 9,598             | 6,939,920,996          |
| Malang                 | -                 | -                      | 1,261             | 7,859,704,189          | -                 | -                      |
| Semarang               | -                 | -                      | 938               | 6,514,139,043          | -                 | -                      |
| Yogyakarta             | -                 | -                      | 855               | 5,130,840,550          | 855               | 4,211,948,024          |
| Taman Semanan Indah    | -                 | -                      | -                 | -                      | 28,324            | 56,123,181,654         |
| Others                 | 1,187,756         | 16,300,993,534         | 1,193,136         | 16,886,672,492         | 1,193,136         | 19,153,297,823         |
| <b>Total</b>           | <b>7,453,850</b>  | <b>698,268,072,441</b> | <b>7,364,426</b>  | <b>780,302,690,921</b> | <b>7,320,379</b>  | <b>867,362,092,530</b> |

Movements in land for development are as follows:

|                   | March 31,<br>2010<br>Rp  | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-------------------|--------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Beginning balance | 698,268,072,441          | 780,302,690,921         | 780,302,690,921            | 867,362,092,530            | 848,830,354,641            |
| Additions         | 1,005,129,927,155        | 1,803,537,290           | 34,915,825,563             | 42,144,763,855             | 48,531,737,889             |
| Deductions        | (937,711,491)            | (71,927,083,812)        | (116,950,444,043)          | (129,204,165,464)          | -                          |
| Ending balance    | <u>1,702,460,288,105</u> | <u>710,179,144,399</u>  | <u>698,268,072,441</u>     | <u>780,302,690,921</u>     | <u>897,362,092,530</u>     |

Additions in land for development in 2010 include land amounting to Rp 450,021,042,499 from acquisition of PT Wirasejati Binapersada, a subsidiary acquired in 2010.

Land for development measuring 862,241 square meters, 668,758 square meters, 859,226 square meters, 622,298 square meters and 298,616 square meters as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, are used as collateral for certain short-term and long-term bank loans (Note 17).

As of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, the land titles of these land for development representing 84%, 61%, 62%, 61% and 61%, respectively, are under the Company and its subsidiaries' names, while, 16%, 39%, 38%, 39% and 39%, respectively, are under the third parties' names. The management believes that there is no problem with land ownership on these land for development.

Management believes that there is no impairment in value of the aforementioned assets.

Interest expense capitalized to land for development for the three month periods ended March 31, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007 amounted to Rp 2,982,038,309, Rp 1,469,643,025, Rp 9,778,708,298, Rp 5,538,656,065 and Rp 4,003,364,342, respectively.



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**11. Due from and to Related Parties**

|  | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Due from related parties   |                         |                         |                            |                            |                            |
| PT Kuripan Raya  | 4,230,797,359           | 5,061,875,909           | 5,230,797,359              | 5,061,875,909              | 5,061,875,909              |
| PT Hotel Taman Harapan Indah   | -                       | 1,250,700,000           | 1,250,700,000              | 1,250,700,000              | 1,250,700,000              |
| PT Dharmala RSEA Industrial Estate Surabaya  | -                       | 43,929,086              | 43,929,086                 | 43,929,086                 | 43,929,086                 |
| PT Dinamika Kencana Mandiri  | -                       | -                       | -                          | -                          | 50,000,000                 |
| <b>Total</b>   | <b>4,230,797,359</b>    | <b>6,356,504,995</b>    | <b>6,525,426,445</b>       | <b>6,356,504,995</b>       | <b>6,406,504,995</b>       |
| Due to related parties   |                         |                         |                            |                            |                            |
| Shareholders   |                         |                         |                            |                            |                            |
| Truss Investment Partners Pte. Ltd.<br>Rp 99,220,000,000 in 2010, 2009, 2008 and<br>2008 and US\$ 10,000,000 in 2007 | 99,220,000,000          | 99,220,000,000          | 99,220,000,000             | 99,220,000,000             | 94,190,000,000             |
| Strands Investments Ltd. US\$ 1,000,000 in 2007  | -                       | -                       | -                          | -                          | 9,419,000,000              |
| Related parties  |                         |                         |                            |                            |                            |
| Bizpoint Inc.  | -                       | -                       | -                          | -                          | 38,441,200,727             |
| Dayspring Investments Ltd.   | -                       | -                       | -                          | -                          | 35,949,545,544             |
| PT Sinergy Sentra Gemilang   | -                       | -                       | -                          | -                          | 3,373,714,515              |
| <b>Total</b>   | <b>99,220,000,000</b>   | <b>99,220,000,000</b>   | <b>99,220,000,000</b>      | <b>99,220,000,000</b>      | <b>181,373,460,786</b>     |

A summary of the respective loan agreements are as follows:

**Truss Investment Partners Pte. Ltd. (Truss)**

Loan payable to Truss amounting to US\$ 10,000,000 represents the remaining balance of the syndicated loan which has been coordinated by Sumitomo and transferred to Truss by the Syndicated Lenders in 2007, after the conversion of US\$ 39,431,640 (equivalent to Rp 355,673,397,130) into Company's shares stock in 2007, based on Debt to Equity Conversion Agreement dated June 28, 2007 which had been legalized by Saniwati Suganda, S.H., a notary public in Jakarta, in her letter No. 58/Leg/VI/2007.

The loan of US\$ 10,000,000 will be paid in twenty installments of US\$ 500,000, payable semi-annually, noninterest-bearing and the first installment payment was due on December 30, 2008. However, on December 12, 2008, this first installment payment has been rescheduled to April 30, 2009, based on the agreement letter between the Company and Truss dated December 12, 2008. Based on addendum letter on September 29, 2009, the Company and Truss agreed to reschedule the loan payment to a lump-sum payment on December 30, 2018.

In 2008, the Company signed an agreement with Truss for the conversion of US\$ 10,000,000 loan and the Company's loan to Strands amounting to US\$ 1,000,000 which was transferred to Truss, into Rupiah denominated loan using the fixed exchange rate of Rp 9,020 to US\$ 1.

Further, the following other accounts payable were transferred to Truss in 2007:

|                               | Other Accounts<br>Payable as of<br>December 31, 2006<br>Rp | Amounts<br>Transferred to Truss<br>Rp | Remaining<br>Payables<br>Rp |
|-------------------------------|--|---------------------------------------|-----------------------------|
| Dayspring Investments Ltd.    | 150,665,902,026  | 125,860,902,026                       | 24,805,000,000              |
| Capital Term Ltd.             | 70,490,500,000   | 70,490,500,000                        | -                           |
| PT Mitra Cemerlang Suksesindo | 21,403,653,203   | 21,403,653,203                        | -                           |
| Notes payable (Note 19)       | 11,060,888,889   | 3,040,888,889                         | 8,020,000,000               |
| <b>Total</b>                  | <b>253,620,944,118</b>                                     | <b>220,795,944,118</b>                | <b>32,825,000,000</b>       |

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**11. Due from and to Related Parties (Continued)**

**Truss Investment Partners Pte. Ltd. (Truss) (Continued)**

Based on Debt to Equity Conversion Agreement, loans totaling to Rp 220,795,944,118 were converted into Company's shares. The remaining loan amounting to Rp 24,805,000,000 to Dayspring has been fully paid through a refinancing loan from PT Pan Indonesia Tbk in 2007 (Note 17). The Company's note payable amounting to Rp 8,020,000,000 has no definite repayment term (Note 18).

**Strands Investments Ltd. (Strands)**

Loan payable to Strands amounting to US\$ 1,000,000 represents the remaining balance of the syndicated loan which has been coordinated by Sumitomo and transferred to Strands by the Syndicated Lenders in 2007, after the conversion of US\$ 3,943,165 (equivalent to Rp 35,567,348,300) into Company's shares of stock in 2007, based on Debt to Equity Conversion Agreement dated June 28, 2007 which had been legalized by Saniwati Suganda, S.H., a notary public in Jakarta, in her letter No. 58/Leg/VI/2007.

The loan of US\$ 1,000,000 will be paid in twenty installments of US\$ 50,000 payable semi-annually, noninterest bearing and the first installment payment was due on December 30, 2008. In 2008, the outstanding loan of US\$ 1,000,000 has been transferred to Truss based on Notice to Borrower of Assignment dated December 1, 2008. On December 12, 2008, the payment date for the first installment payment has been extended to April 30, 2009 based on the agreement letter between the Company and Truss.

**Bizpoint Inc.**

This represents loans to PT Dharmindo Adhiduta Tbk and BKAPM amounting to Rp 5,000,000,000 and Rp 33,441,200,727, respectively, which have been transferred to Bizpoint Inc. These loans have no definite repayment terms. The Company has already fully paid this loan in 2008, through a refinancing loan from PT Bank Pan Indonesia Tbk (Note 17).

**Dayspring Investment Ltd (Dayspring)**

In 2007, GI has paid loan to Dayspring amounting to US\$ 414,462 as loan principal payments. The outstanding balance as of December 31, 2007 amounting to US\$ 3,985,537 or equivalent to Rp 35,949,545,544 with fixed exchange rate at Rp 9,020 for US\$ 1 has already been paid on February 8, 2008.

Due from and to other related parties above mainly represent advanced payments of expenses made by the Company and its subsidiaries for the related parties and/or vice versa, and are not subject to interest and have no definite repayment schedule.

Due from PT Kuripan Raya has been announced to the independent stockholders in the Extraordinary Meeting of Stockholders as stated in the notarial deed No. 108 dated June 29, 2001, of Paulus Widodo Sugeng Haryono, S.H., notary public in Jakarta.

On March 31, 2010, the Company has collected receivables from PT Kuripan Raya and PT Hotel Taman Harapan Indah amounting to Rp 1,000,000,000 and Rp 1,250,700,000, respectively.

Based on the review of financial condition of the related parties, management believes that the receivables from related parties are collectible, thus, no allowance for doubtful accounts was provided.

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**12. Long-term Investments**

|   | Domicile | Nature of business  | Percentage of Ownership |       | March 31,<br>2010 | March 31,<br>2009 |
|---|----------|---------------------|-------------------------|-------|-------------------|-------------------|
|   |          |                     | March 31,               |       |                   |                   |
|   |          |                     | 2010                    | 2009  |                   |                   |
|   |          |                     | %                       | %     |                   |                   |
| Investments in shares of stock              |          |                     |                         |       |                   |                   |
| Equity method                               |          |                     |                         |       |                   |                   |
| Cost  |          |                     |                         |       |                   |                   |
| PT Hotel Taman Harapan Indah                | Jakarta  | Hotel               | 50.00                   | 50.00 | 40,000,000,000    | 40,000,000,000    |
| PT Adhibaladika Agung                       | Jakarta  | Real estate         | 20.00                   | 20.00 | 22,748,954,047    | 22,748,954,047    |
| PT RSEA Dharmala Panggung Sentosa           | Jakarta  | Real estate         | 27.50                   | 27.50 | 24,662,674,898    | 24,662,674,898    |
| PT Mahkota Kemayoran Realty                 | Jakarta  | Real estate         | 40.00                   | 40.00 | 20,000,000,000    | 20,000,000,000    |
| PT Surabaya Jasa Medika                     | Surabaya | Real estate         | 50.00                   | 50.00 | 15,000,000,000    | 15,000,000,000    |
| PT Dharmala RSEA Industrial Estate Surabaya | Surabaya | Real estate         | 50.00                   | 50.00 | 8,595,000,000     | 8,595,000,000     |
| PT Puri Pariwara                            | Surabaya | Office space rental | 32.00                   | 32.00 | 4,800,000,000     | 4,800,000,000     |
| Total                                       |          |                     |                         |       | 135,806,628,945   | 135,806,628,945   |
| Accumulated equity in losses of associated  |          |                     |                         |       |                   |                   |
| Beginning balance                           |          |                     |                         |       | 10,250,707,748    | (874,770,142)     |
| Equity in net income for the year           |          |                     |                         |       | 320,157,374       | (60,382,956)      |
| Ending balance                              |          |                     |                         |       | 10,570,865,122    | (935,153,098)     |
| Net   |          |                     |                         |       | 146,377,494,067   | 134,871,475,847   |
| Cost method                                 |          |                     |                         |       |                   |                   |
| PT Putra Alvita Pratama                     | Jakarta  | Real estate         | 4.08                    | 4.08  | 16,855,442,000    | 16,855,442,000    |
| PT Kuripan Raya                             | Jakarta  | Real estate         | 11.26                   | 11.26 | 8,444,169,000     | 8,444,169,000     |
| PT Tahapanmaju Jaya Lestari                 | Jakarta  | Golf                | 17.92                   | 17.92 | 1,730,632,759     | 1,730,632,759     |
| PT Spinindo Mitradaya                       | Jakarta  | Real estate         | 2.50                    | 2.50  | 160,000,000       | 160,000,000       |
| Total Cost method                           |          |                     |                         |       | 27,190,243,759    | 27,190,243,759    |
| Investment in debt securities - bonds of    |          |                     |                         |       |                   |                   |
| PT New Century Development Tbk              |          |                     |                         |       | 706,565,000       | 706,565,000       |
| Advances for investment -                   |          |                     |                         |       |                   |                   |
| PT Mahkota Kemayoran Realty                 |          |                     |                         |       | 26,000,000,000    | 12,400,000,000    |
| PT Surabaya Jasa Medika                     |          |                     |                         |       | 23,000,000,000    | 7,000,000,000     |
| Total                                       |          |                     |                         |       | 223,274,302,826   | 182,168,284,606   |

|   | Domicile | Nature of business  | Percentage of Ownership |       |       | December 31,<br>2009 | December 31,<br>2008 | December 31,<br>2007 |
|---|----------|---------------------|-------------------------|-------|-------|----------------------|----------------------|----------------------|
|   |          |                     | December 31,            |       |       |                      |                      |                      |
|   |          |                     | 2009                    | 2008  | 2007  |                      |                      |                      |
|   |          |                     | %                       | %     | %     |                      |                      |                      |
| Investments in shares of stock                            |          |                     |                         |       |       |                      |                      |                      |
| Equity method   |          |                     |                         |       |       |                      |                      |                      |
| Cost  |          |                     |                         |       |       |                      |                      |                      |
| PT Hotel Taman Harapan Indah                              | Jakarta  | Hotel               | 50.00                   | 50.00 | 40.00 | 40,000,000,000       | 40,000,000,000       | 32,000,000,000       |
| PT Adhibaladika Agung                                     | Jakarta  | Real estate         | 20.00                   | 20.00 | 20.00 | 22,748,954,047       | 22,748,954,047       | 22,748,954,047       |
| PT RSEA Dharmala Panggung Sentosa                         | Jakarta  | Real estate         | 27.50                   | 27.50 | 27.50 | 24,662,674,898       | 24,662,674,898       | 24,662,674,898       |
| PT Mahkota Kemayoran Realty                               | Jakarta  | Real estate         | 40.00                   | 40.00 | -     | 20,000,000,000       | 20,000,000,000       | -                    |
| PT Surabaya Jasa Medika                                   | Surabaya | Real estate         | 50.00                   | 50.00 | -     | 15,000,000,000       | 15,000,000,000       | -                    |
| PT Dharmala RSEA Industrial Estate Surabaya               | Surabaya | Real estate         | 50.00                   | 50.00 | 50.00 | 8,595,000,000        | 8,595,000,000        | 8,595,000,000        |
| PT Puri Pariwara  | Surabaya | Office space rental | 32.00                   | 32.00 | 32.00 | 4,800,000,000        | 4,800,000,000        | 4,800,000,000        |
| PT Kemayoranland (KL)                                     | Jakarta  | Real estate         | -                       | -     | 27.77 | -                    | -                    | 14,673,000,000       |
| Total   |          |                     |                         |       |       | 135,806,628,945      | 135,806,628,945      | 107,479,628,945      |
| Accumulated equity in losses of associated                |          |                     |                         |       |       |                      |                      |                      |
| Beginning balance   |          |                     |                         |       |       | (874,770,142)        | (16,157,759,694)     | (17,212,832,519)     |
| Dividends received/profit sharing                         |          |                     |                         |       |       | (3,040,000,000)      | (5,854,089,997)      | (2,399,999,997)      |
| Accumulated equity in losses of sold associated companies |          |                     |                         |       |       | -                    | 14,673,000,000       | -                    |
| Equity in net income for the year                         |          |                     |                         |       |       | 14,165,477,890       | 6,464,079,549        | 3,455,072,822        |
| Ending balance  |          |                     |                         |       |       | 10,250,707,748       | (874,770,142)        | (16,157,759,694)     |
| Net   |          |                     |                         |       |       | 146,057,336,693      | 134,931,858,803      | 91,321,869,251       |
| Cost method   |          |                     |                         |       |       |                      |                      |                      |
| PT Putra Alvita Pratama                                   | Jakarta  | Real estate         | 4.08                    | 4.08  | 4.08  | 16,855,442,000       | 16,855,442,000       | 16,855,442,000       |
| PT Kuripan Raya   | Jakarta  | Real estate         | 11.26                   | 11.26 | 11.26 | 8,444,169,000        | 8,444,169,000        | 8,444,169,000        |
| PT Tahapanmaju Jaya Lestari                               | Jakarta  | Golf                | 17.92                   | 17.92 | 17.92 | 1,730,632,759        | 1,730,632,759        | 1,730,632,759        |
| PT Spinindo Mitradaya                                     | Jakarta  | Real estate         | 2.50                    | 2.50  | 2.50  | 160,000,000          | 160,000,000          | 160,000,000          |
| Total Cost method   |          |                     |                         |       |       | 27,190,243,759       | 27,190,243,759       | 27,190,243,759       |
| Investment in debt securities - bonds of                  |          |                     |                         |       |       |                      |                      |                      |
| PT New Century Development Tbk                            |          |                     |                         |       |       | 706,565,000          | 706,565,000          | 706,565,000          |
| Advances for investment -                                 |          |                     |                         |       |       |                      |                      |                      |
| PT Mahkota Kemayoran Realty                               |          |                     |                         |       |       | 24,000,000,000       | 10,077,416,000       | -                    |
| PT Surabaya Jasa Medika                                   |          |                     |                         |       |       | 20,000,000,000       | 7,000,000,000        | -                    |
| Total   |          |                     |                         |       |       | 217,954,145,452      | 179,906,083,562      | 119,218,678,010      |

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**12. Long-term Investments (Continued)**

On January 9, 2008, GFV, a subsidiary, established PT Surabaya Jasa Medika based on Deed No. 3 from Atika Ashblie, S.H., a notary public in Surabaya, in which GFV has ownership interest of 50% representing 15,000 shares or equivalent to Rp 15 billion.

On February 8, 2008, THI, a subsidiary, established PT Mahkota Kemayoran Realty based on Deed No. 14 from Kartono, S.H., a notary public in Jakarta, in which THI owns 20,000 shares representing ownership interest of 40% or equivalent to Rp 20 billion.

Based on agreement dated December 10, 2008 between the Company and PT Mitra Cemerlang Suksesindo (MCS), third party, the Company sold to MCS all of its shares in PT Kemayoranland (Note 25).

Management believes that there is no impairment in value of these assets.

**13. Property and Equipment**

|                                 | January 1, 2010<br>Rp  | Changes during 2010 (Three Months) |                      | March 31, 2010<br>Rp   |
|---------------------------------|------------------------|------------------------------------|----------------------|------------------------|
|                                 |                        | Additions<br>Rp                    | Deductions<br>Rp     |                        |
| Cost:                           |                        |                                    |                      |                        |
| Direct ownership:               |                        |                                    |                      |                        |
| Land                            | 41,666,796,421         | 514,384,608,980                    | -                    | 556,051,405,401        |
| Buildings and land improvements | 84,734,806,787         | 29,140,922,612                     | -                    | 113,875,729,399        |
| Leasehold improvements          | 6,516,766,960          | 47,140,935                         | -                    | 6,563,907,895          |
| Buildings improvements          | 13,411,263,785         | 1,258,315,373                      | -                    | 14,669,579,158         |
| Machinery and equipment         | 45,062,316,205         | 89,976,170                         | -                    | 45,152,292,375         |
| Golf equipment                  | 32,665,346,791         | 25,814,200                         | -                    | 32,691,160,991         |
| Sport centers equipment         | 571,821,343            | -                                  | -                    | 571,821,343            |
| Vehicles                        | 9,270,731,471          | 245,050,000                        | -                    | 9,515,781,471          |
| Office equipment                | 18,683,024,350         | 6,110,549,952                      | (154,692,728)        | 24,638,881,574         |
| Office furniture and fixtures   | 10,739,266,741         | -                                  | (270,489,223)        | 10,468,777,518         |
| Canteen equipment               | 198,754,018            | -                                  | -                    | 198,754,018            |
| Leased assets - vehicles        | 1,849,327,273          | -                                  | -                    | 1,849,327,273          |
| Building under construction     | 9,206,004,512          | 10,574,599,831                     | -                    | 19,780,604,343         |
| <b>Total</b>                    | <b>274,576,226,657</b> | <b>561,876,978,053</b>             | <b>(425,181,951)</b> | <b>836,028,022,759</b> |
| Accumulated depreciation:       |                        |                                    |                      |                        |
| Direct ownership:               |                        |                                    |                      |                        |
| Buildings and land improvements | 39,515,696,407         | 13,663,837,649                     | -                    | 53,179,534,056         |
| Leasehold improvements          | 5,105,931,362          | 181,112,371                        | -                    | 5,287,043,733          |
| Buildings improvements          | 5,321,568,475          | 113,585,227                        | -                    | 5,435,153,702          |
| Machinery and equipment         | 33,223,707,562         | 440,142,930                        | -                    | 33,663,850,492         |
| Golf equipment                  | 21,055,842,543         | 499,787,089                        | -                    | 21,555,629,632         |
| Sport centers equipment         | 521,838,918            | 10,123,772                         | -                    | 531,962,690            |
| Vehicles                        | 8,082,438,598          | 227,252,508                        | -                    | 8,309,691,106          |
| Office equipment                | 16,313,064,518         | 5,284,054,053                      | (8,862,800)          | 21,588,255,771         |
| Office furniture and fixtures   | 2,103,025,636          | 291,204,063                        | -                    | 2,394,229,699          |
| Canteen equipment               | 152,251,187            | 3,049,009                          | -                    | 155,300,196            |
| Leased assets - vehicles        | 600,661,450            | 69,259,696                         | -                    | 669,921,146            |
| <b>Total</b>                    | <b>131,996,026,656</b> | <b>20,783,408,366</b>              | <b>(8,862,800)</b>   | <b>152,770,572,222</b> |
| <b>Net Book Value</b>           | <b>142,580,200,001</b> |                                    |                      | <b>683,257,450,537</b> |

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**13. Property and Equipment (Continued)**

|                                 | January 1, 2009<br>Rp  | Changes during 2009 (Three Months) |                      | March 31, 2009<br>Rp   |
|---------------------------------|------------------------|------------------------------------|----------------------|------------------------|
|                                 |                        | Additions<br>Rp                    | Deductions<br>Rp     |                        |
| Cost:                           |                        |                                    |                      |                        |
| Direct ownership:               |                        |                                    |                      |                        |
| Land                            | 28,436,628,121         | -                                  | -                    | 28,436,628,121         |
| Buildings and land improvements | 92,003,257,103         | 295,999,898                        | (216,979,061)        | 92,082,277,940         |
| Leasehold improvements          | 6,948,263,760          | 20,900,500                         | (170,402,435)        | 6,798,761,825          |
| Buildings improvements          | 5,657,258,402          | 18,446,000                         | -                    | 5,675,704,402          |
| Machinery and equipment         | 44,803,021,942         | 131,626,724                        | (80,879,506)         | 44,853,769,160         |
| Golf equipment                  | 32,927,674,300         | 38,323,460                         | -                    | 32,965,997,760         |
| Sport centers equipment         | 526,821,343            | -                                  | -                    | 526,821,343            |
| Vehicles                        | 9,408,754,039          | 136,100,000                        | (170,000,000)        | 9,374,854,039          |
| Office equipment                | 19,065,947,466         | 113,238,110                        | (156,279,500)        | 19,022,906,076         |
| Office furniture and fixtures   | 9,670,883,259          | 22,540,000                         | (26,016,481)         | 9,667,406,778          |
| Canteen equipment               | 191,486,562            | -                                  | -                    | 191,486,562            |
| Leased assets - vehicles        | 1,455,000,000          | -                                  | -                    | 1,455,000,000          |
| <b>Total</b>                    | <b>251,094,996,297</b> | <b>777,174,692</b>                 | <b>(820,556,983)</b> | <b>251,051,614,006</b> |
| Accumulated depreciation:       |                        |                                    |                      |                        |
| Direct ownership:               |                        |                                    |                      |                        |
| Buildings and land improvements | 40,787,539,730         | 813,057,859                        | -                    | 41,600,597,589         |
| Leasehold improvements          | 5,426,839,663          | 85,972,712                         | (161,803,435)        | 5,351,008,940          |
| Buildings improvements          | 4,593,014,200          | 162,199,075                        | -                    | 4,755,213,275          |
| Machinery and equipment         | 31,866,957,620         | 650,988,384                        | (76,659,506)         | 32,441,286,498         |
| Golf equipment                  | 19,054,844,597         | 540,571,318                        | -                    | 19,595,415,915         |
| Sport centers equipment         | 487,974,564            | 7,153,588                          | -                    | 495,128,152            |
| Vehicles                        | 7,924,571,524          | 260,859,782                        | (313,029,500)        | 7,872,401,806          |
| Office equipment                | 15,881,880,052         | 220,459,577                        | (26,016,481)         | 16,076,323,148         |
| Office furniture and fixtures   | 136,081,631            | 426,441,095                        | -                    | 562,522,726            |
| Canteen equipment               | 140,699,472            | 2,685,636                          | -                    | 143,385,108            |
| Leased assets - vehicles        | 391,308,723            | 72,750,000                         | -                    | 464,058,723            |
| <b>Total</b>                    | <b>126,691,711,776</b> | <b>3,243,139,026</b>               | <b>(577,508,922)</b> | <b>129,357,341,880</b> |
| <b>Net Book Value</b>           | <b>124,403,284,521</b> |                                    |                      | <b>121,694,272,127</b> |

|                                 | January 1, 2009<br>Rp  | Changes during 2009 (One Year) |                         |                      | December 31, 2009<br>Rp |
|---------------------------------|------------------------|--------------------------------|-------------------------|----------------------|-------------------------|
|                                 |                        | Additions<br>Rp                | Deductions<br>Rp        | Transfer<br>Rp       |                         |
| Cost:                           |                        |                                |                         |                      |                         |
| Direct ownership:               |                        |                                |                         |                      |                         |
| Land                            | 28,436,628,121         | 9,083,528,000                  | (5,442,859,700)         | 9,589,500,000        | 41,666,796,421          |
| Buildings and land improvements | 92,003,257,103         | 217,896,374                    | (7,486,346,690)         | -                    | 84,734,806,787          |
| Leasehold improvements          | 6,948,263,760          | -                              | (431,496,800)           | -                    | 6,516,766,960           |
| Buildings improvements          | 5,657,258,402          | 7,935,015,106                  | (181,009,723)           | -                    | 13,411,263,785          |
| Machinery and equipment         | 44,803,021,942         | 2,462,724,383                  | (2,203,430,120)         | -                    | 45,062,316,205          |
| Golf equipment                  | 32,927,674,300         | 120,984,060                    | (383,311,569)           | -                    | 32,665,346,791          |
| Sport centers equipment         | 526,821,343            | 45,000,000                     | -                       | -                    | 571,821,343             |
| Vehicles                        | 9,408,754,039          | 779,818,772                    | (917,841,340)           | -                    | 9,270,731,471           |
| Office equipment                | 19,065,947,466         | 369,270,106                    | (752,193,222)           | -                    | 18,683,024,350          |
| Office furniture and fixtures   | 9,670,883,259          | 1,324,131,070                  | (255,747,588)           | -                    | 10,739,266,741          |
| Canteen equipment               | 191,486,562            | 7,267,456                      | -                       | -                    | 198,754,018             |
| Leased assets - vehicles        | 1,455,000,000          | 394,327,273                    | -                       | -                    | 1,849,327,273           |
| Building under construction     | -                      | 9,206,004,512                  | -                       | -                    | 9,206,004,512           |
| <b>Total</b>                    | <b>251,094,996,297</b> | <b>31,945,967,112</b>          | <b>(18,054,236,752)</b> | <b>9,589,500,000</b> | <b>274,576,226,657</b>  |

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**13. Property and Equipment (Continued)**

|                                 | January 1, 2009<br>Rp  | Changes during 2009 (One Year) |                        |                        | December 31, 2009<br>Rp |
|---------------------------------|------------------------|--------------------------------|------------------------|------------------------|-------------------------|
|                                 |                        | Additions<br>Rp                | Deductions<br>Rp       | Transfer<br>Rp         |                         |
| Accumulated depreciation:       |                        |                                |                        |                        |                         |
| Direct ownership:               |                        |                                |                        |                        |                         |
| Buildings and land improvements | 40,787,539,730         | 4,459,773,630                  | (5,731,616,953)        | -                      | 39,515,696,407          |
| Leasehold improvements          | 5,426,839,663          | 47,879,379                     | (368,787,680)          | -                      | 5,105,931,362           |
| Buildings improvements          | 4,593,014,200          | 909,563,998                    | (181,009,723)          | -                      | 5,321,568,475           |
| Machinery and equipment         | 31,866,957,620         | 3,123,569,731                  | (1,766,819,789)        | -                      | 33,223,707,562          |
| Golf equipment                  | 19,054,844,597         | 2,050,817,291                  | (49,819,345)           | -                      | 21,055,842,543          |
| Sport centers equipment         | 487,974,564            | 33,864,354                     | -                      | -                      | 521,838,918             |
| Vehicles                        | 7,924,571,524          | 1,075,709,414                  | (917,842,340)          | -                      | 8,082,438,598           |
| Office equipment                | 15,881,880,052         | 1,171,626,599                  | (740,442,133)          | -                      | 16,313,064,518          |
| Office furniture and fixtures   | 136,081,631            | 2,093,113,886                  | (126,169,881)          | -                      | 2,103,025,636           |
| Canteen equipment               | 140,699,472            | 11,551,715                     | -                      | -                      | 152,251,187             |
| Leased assets - vehicles        | 391,308,723            | 209,352,727                    | -                      | -                      | 600,661,450             |
| <b>Total</b>                    | <b>126,691,711,776</b> | <b>15,186,822,724</b>          | <b>(9,882,507,844)</b> | <b>-</b>               | <b>131,996,026,656</b>  |
| <b>Net Book Value</b>           | <b>124,403,284,521</b> |                                |                        |                        | <b>142,580,200,001</b>  |
|                                 |                        |                                |                        |                        |                         |
|                                 | January 1, 2008<br>Rp  | Changes during 2008 (One Year) |                        |                        | December 31, 2008<br>Rp |
|                                 |                        | Additions<br>Rp                | Deductions<br>Rp       | Transfer<br>Rp         |                         |
| Cost:                           |                        |                                |                        |                        |                         |
| Direct ownership:               |                        |                                |                        |                        |                         |
| Land                            | 29,649,542,421         | -                              | -                      | (1,212,914,300)        | 28,436,628,121          |
| Buildings and land improvements | 81,055,279,695         | 11,865,601,583                 | (917,624,175)          | -                      | 92,003,257,103          |
| Leasehold improvements          | 7,475,623,916          | 604,912,851                    | (1,132,273,007)        | -                      | 6,948,263,760           |
| Buildings improvements          | 5,454,156,201          | 203,102,201                    | -                      | -                      | 5,657,258,402           |
| Machinery and equipment         | 42,839,678,138         | 2,195,223,844                  | (231,880,040)          | -                      | 44,803,021,942          |
| Golf equipment                  | 28,213,982,625         | 4,713,691,675                  | -                      | -                      | 32,927,674,300          |
| Sport centers equipment         | 530,112,843            | -                              | (3,291,500)            | -                      | 526,821,343             |
| Vehicles                        | 8,113,361,661          | 1,538,612,463                  | (243,220,085)          | -                      | 9,408,754,039           |
| Office equipment                | 18,401,416,300         | 1,611,195,423                  | (946,664,257)          | -                      | 19,065,947,466          |
| Office furniture and fixtures   | 3,226,304,366          | 7,492,307,242                  | (1,047,728,349)        | -                      | 9,670,883,259           |
| Canteen equipment               | 145,377,835            | 53,712,727                     | (7,604,000)            | -                      | 191,486,562             |
| Leased assets - vehicles        | 1,455,000,000          | -                              | -                      | -                      | 1,455,000,000           |
| <b>Total</b>                    | <b>226,559,836,001</b> | <b>30,278,360,009</b>          | <b>(4,530,285,413)</b> | <b>(1,212,914,300)</b> | <b>251,094,996,297</b>  |
| Accumulated depreciation:       |                        |                                |                        |                        |                         |
| Direct ownership:               |                        |                                |                        |                        |                         |
| Buildings and land improvements | 36,907,273,558         | 4,377,312,600                  | (497,046,428)          | -                      | 40,787,539,730          |
| Leasehold improvements          | 5,679,293,128          | 706,282,944                    | (958,736,409)          | -                      | 5,426,839,663           |
| Buildings improvements          | 4,326,086,871          | 266,927,329                    | -                      | -                      | 4,593,014,200           |
| Machinery and equipment         | 29,449,506,933         | 2,649,330,727                  | (231,880,040)          | -                      | 31,866,957,620          |
| Golf equipment                  | 17,278,641,549         | 1,776,203,048                  | -                      | -                      | 19,054,844,597          |
| Sport centers equipment         | 460,747,543            | 30,518,521                     | (3,291,500)            | -                      | 487,974,564             |
| Vehicles                        | 7,256,459,559          | 911,308,766                    | (243,196,801)          | -                      | 7,924,571,524           |
| Office equipment                | 15,389,187,995         | 1,356,351,802                  | (863,659,745)          | -                      | 15,881,880,052          |
| Office furniture and fixtures   | 1,176,184,010          | 7,625,970                      | (1,047,728,349)        | -                      | 136,081,631             |
| Canteen equipment               | 144,687,835            | 3,615,637                      | (7,604,000)            | -                      | 140,699,472             |
| Leased assets - vehicles        | 100,308,723            | 291,000,000                    | -                      | -                      | 391,308,723             |
| <b>Total</b>                    | <b>118,168,377,704</b> | <b>12,376,477,344</b>          | <b>(3,853,143,272)</b> | <b>-</b>               | <b>126,691,711,776</b>  |
| <b>Net Book Value</b>           | <b>108,391,458,297</b> |                                |                        |                        | <b>124,403,284,521</b>  |

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**13. Property and Equipment (Continued)**

|                                 | January 1, 2007<br>Rp  | Changes during 2007 (One Year) |                        | December 31, 2007<br>Rp |
|---------------------------------|------------------------|--------------------------------|------------------------|-------------------------|
|                                 |                        | Additions<br>Rp                | Deductions<br>Rp       |                         |
| Cost:                           |                        |                                |                        |                         |
| Direct ownership:               |                        |                                |                        |                         |
| Land                            | 29,649,542,421         | -                              | -                      | 29,649,542,421          |
| Buildings and land improvements | 80,857,829,524         | 197,450,171                    | -                      | 81,055,279,695          |
| Leasehold improvements          | 6,950,975,406          | 524,648,510                    | -                      | 7,475,623,916           |
| Buildings improvements          | 5,454,156,201          | -                              | -                      | 5,454,156,201           |
| Machinery and equipment         | 40,492,095,019         | 2,424,673,093                  | (77,089,974)           | 42,839,678,138          |
| Golf equipment                  | 28,170,346,261         | 43,636,364                     | -                      | 28,213,982,625          |
| Sport centers equipment         | 327,125,073            | 202,987,770                    | -                      | 530,112,843             |
| Vehicles                        | 9,000,240,774          | -                              | (886,879,113)          | 8,113,361,661           |
| Office equipment                | 17,568,852,118         | 832,564,182                    | -                      | 18,401,416,300          |
| Office furniture and fixtures   | 3,268,774,130          | 382,780,236                    | (425,250,000)          | 3,226,304,366           |
| Canteen equipment               | 145,377,835            | -                              | -                      | 145,377,835             |
| Leased assets - vehicles        | -                      | 1,455,000,000                  | -                      | 1,455,000,000           |
| <b>Total</b>                    | <b>221,885,314,762</b> | <b>6,063,740,326</b>           | <b>(1,389,219,087)</b> | <b>226,559,836,001</b>  |
| Accumulated depreciation:       |                        |                                |                        |                         |
| Direct ownership:               |                        |                                |                        |                         |
| Buildings and land improvements | 31,577,498,303         | 5,329,775,255                  | -                      | 36,907,273,558          |
| Leasehold improvements          | 4,678,046,329          | 1,001,246,799                  | -                      | 5,679,293,128           |
| Buildings improvements          | 4,326,086,871          | -                              | -                      | 4,326,086,871           |
| Machinery and equipment         | 27,357,582,755         | 2,169,014,152                  | (77,089,974)           | 29,449,506,933          |
| Golf equipment                  | 16,005,972,193         | 1,272,669,356                  | -                      | 17,278,641,549          |
| Sport centers equipment         | 327,125,073            | 133,622,470                    | -                      | 460,747,543             |
| Vehicles                        | 7,033,376,733          | 905,101,684                    | (682,018,858)          | 7,256,459,559           |
| Office equipment                | 14,770,029,720         | 619,158,275                    | -                      | 15,389,187,995          |
| Office furniture and fixtures   | 1,240,079,731          | 360,572,858                    | (424,468,579)          | 1,176,184,010           |
| Canteen equipment               | 143,307,835            | 1,380,000                      | -                      | 144,687,835             |
| Leased assets - vehicles        | -                      | 100,308,723                    | -                      | 100,308,723             |
| <b>Total</b>                    | <b>107,459,105,543</b> | <b>11,892,849,572</b>          | <b>(1,183,577,411)</b> | <b>118,168,377,704</b>  |
| <b>Net Book Value</b>           | <b>114,426,209,219</b> |                                |                        | <b>108,391,458,297</b>  |

Property and equipment amounting to Rp 10,263,087,684, Rp 11,635,043,615, Rp 10,384,058,756, Rp 11,938,200,163 and Rp 13,082,710,039 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and subsidiary's interest in BKGP and BKMB (Note 40).

The property and equipment of THI, a subsidiary, are depreciated using the double-declining-balance method, with details as follows:

|                          | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Cost                     | 7,234,808,348           | 9,065,914,046           | 7,234,808,348              | 9,063,914,046              | 10,169,738,346             |
| Accumulated depreciation | (5,389,738,514)         | (7,268,877,685)         | (5,328,772,563)            | (7,203,169,418)            | (6,950,112,278)            |
| <b>Net book value</b>    | <b>1,845,069,834</b>    | <b>1,797,036,361</b>    | <b>1,906,035,785</b>       | <b>1,860,744,628</b>       | <b>3,219,626,068</b>       |

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**13. Property and Equipment (Continued)**

Depreciation expense was allocated as follows:

|   | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|---|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Cost of sales and direct expenses (Note 32)   | 1,380,970,137                          | 2,030,164,746                          | 7,968,992,011                         | 6,826,356,562                         | 7,089,703,371                         |
| General and administrative expenses (Note 34) | 2,061,721,872                          | 1,212,974,280                          | 7,217,830,713                         | 5,550,120,782                         | 4,803,146,201                         |
| <b>Total</b>                                  | <b>3,442,692,009</b>                   | <b>3,243,139,026</b>                   | <b>15,186,822,724</b>                 | <b>12,376,477,344</b>                 | <b>11,892,849,572</b>                 |

The additions of property and equipment in 2010 include the addition of cost and accumulated depreciation of property and equipment of PT Putra Sinar Permaja, a subsidiary acquired in 2010, amounting to Rp 548,474,620,212 and Rp 17,340,716,357, respectively.

Deductions pertain to the sale of certain property and equipment to third parties with details as follows:

|                     | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|---------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Selling price       | 520,919,151             | 268,393,935             | 27,620,762,191             | 781,823,857                | 620,199,100                |
| Net book value      | 416,319,151             | 243,048,061             | 8,171,728,908              | 677,142,141                | 205,641,676                |
| <b>Gain on sale</b> | <b>104,600,000</b>      | <b>25,345,874</b>       | <b>19,449,033,283</b>      | <b>104,681,716</b>         | <b>414,557,424</b>         |

Construction in progress pertains to hotel being constructed by a subsidiary with percentage of completion of 76.38% as of March 31, 2010 which is expected to be completed in 2010.

Parcels of land costing Rp 9,589,500,000 located in Yogyakarta and Semarang were transferred in 2009 from land for development (Note 10) to property and equipment since there are hotel constructions ongoing on such parcels of land. While, land transferred in 2008 represents land located in Pantai Mutiara which was transferred to Inventories due to change in intended usage of such parcels of land (Note 7).

The Company and its subsidiaries own several parcels of land located in Jakarta, Tangerang and Surabaya with Building Use Rights (Hak Guna Bangunan or HGB) ranging from 20 to 30 years and will expire between 2020 to 2025. Management believes that there will be no difficulty in the extension of the land rights since all the land were acquired legally and supported by sufficient evidence of ownership.

Property and equipment, except for land, are insured with PT Asuransi Bina Dana Artha Tbk, PT Asuransi QBE Pool Indonesia, PT Asuransi Chiyoda Indonesia, PT China Insurance Indonesia, PT Asuransi Sinar Mas, PT Zurich Insurance Indonesia and PT Asuransi Guardian Royal Exchange Indonesia, third parties, against fire, theft and other possible risks for Rp 398,072,333,811 as of March 31, 2010, Rp 208,044,780,080 March 31, 2009, Rp 398,072,333,811 as of December 31, 2009, Rp 208,044,780,080 as of December 31, 2008 and Rp 221,725,887,741 as of December 31, 2007. Management believes that the insurance coverages are adequate to cover possible losses on the assets insured.

The land, buildings and vehicles amounting to Rp 16,360,573,878, Rp 2,220,280,866, Rp 3,781,095,096, Rp 3,902,973,694 and Rp 4,024,310,318 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, are used as collateral for the short-term and long-term loans from several banks (Note 17) and lease liabilities (Note 26). As of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, based on the Company and its subsidiaries' management, there is no impairment in values of the aforementioned property and equipment.



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**14. Property and Equipment under Build, Operate and Transfer Agreement**

|                                 | January 1, 2010<br>Rp | Additions<br>Rp   | Deductions<br>Rp | March 31, 2010<br>Rp |
|---------------------------------|-----------------------|-------------------|------------------|----------------------|
| Cost:                           |                       |                   |                  |                      |
| Buildings and land improvements | 3,638,032,923         | -                 | -                | 3,638,032,923        |
| Machinery and equipment         | 212,490,064           | -                 | -                | 212,490,064          |
| <b>Total</b>                    | <b>3,850,522,987</b>  | <b>-</b>          | <b>-</b>         | <b>3,850,522,987</b> |
| Accumulated depreciation:       |                       |                   |                  |                      |
| Buildings and land improvements | 2,775,965,194         | 42,153,834        | -                | 2,818,119,028        |
| Machinery and equipment         | 201,947,862           | 6,324,058         | -                | 208,271,920          |
| <b>Total</b>                    | <b>2,977,913,056</b>  | <b>48,477,892</b> | <b>-</b>         | <b>3,026,390,948</b> |
| <b>Net Book Value</b>           | <b>872,609,931</b>    |                   |                  | <b>824,132,039</b>   |

|                                 | January 1, 2009<br>Rp | Additions<br>Rp   | Deductions<br>Rp | March 31, 2009<br>Rp |
|---------------------------------|-----------------------|-------------------|------------------|----------------------|
| Cost:                           |                       |                   |                  |                      |
| Buildings and land improvements | 3,634,432,923         | -                 | -                | 3,634,432,923        |
| Machinery and equipment         | 212,490,064           | -                 | -                | 212,490,064          |
| <b>Total</b>                    | <b>3,846,922,987</b>  | <b>-</b>          | <b>-</b>         | <b>3,846,922,987</b> |
| Accumulated depreciation:       |                       |                   |                  |                      |
| Buildings and land improvements | 2,589,109,844         | 61,475,784        | -                | 2,650,585,628        |
| Machinery and equipment         | 194,955,976           | 6,340,897         | -                | 201,296,873          |
| <b>Total</b>                    | <b>2,784,065,820</b>  | <b>67,816,681</b> | <b>-</b>         | <b>2,851,882,501</b> |
| <b>Net Book Value</b>           | <b>1,062,857,167</b>  |                   |                  | <b>995,040,486</b>   |

|                                 | January 1, 2009<br>Rp | Additions<br>Rp    | Deductions<br>Rp | December 31, 2009<br>Rp |
|---------------------------------|-----------------------|--------------------|------------------|-------------------------|
| Cost:                           |                       |                    |                  |                         |
| Buildings and land improvements | 3,634,432,923         | 3,600,000          | -                | 3,638,032,923           |
| Machinery and equipment         | 212,490,064           | -                  | -                | 212,490,064             |
| <b>Total</b>                    | <b>3,846,922,987</b>  | <b>3,600,000</b>   | <b>-</b>         | <b>3,850,522,987</b>    |
| Accumulated depreciation:       |                       |                    |                  |                         |
| Buildings and land improvements | 2,589,109,844         | 186,855,350        | -                | 2,775,965,194           |
| Machinery and equipment         | 194,955,976           | 6,991,886          | -                | 201,947,862             |
| <b>Total</b>                    | <b>2,784,065,820</b>  | <b>193,847,236</b> | <b>-</b>         | <b>2,977,913,056</b>    |
| <b>Net Book Value</b>           | <b>1,062,857,167</b>  |                    |                  | <b>872,609,931</b>      |

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**14. Property and Equipment under Build, Operate and Transfer Agreement (Continued)**

|                                 | January 1, 2008<br>Rp | Additions<br>Rp    | Deductions<br>Rp | December 31, 2008<br>Rp |
|---------------------------------|-----------------------|--------------------|------------------|-------------------------|
| Cost:                           |                       |                    |                  |                         |
| Buildings and land improvements | 3,631,732,923         | 2,700,000          | -                | 3,634,432,923           |
| Machinery and equipment         | 212,490,064           | -                  | -                | 212,490,064             |
| Total                           | <u>3,844,222,987</u>  | <u>2,700,000</u>   | <u>-</u>         | <u>3,846,922,987</u>    |
| Accumulated depreciation:       |                       |                    |                  |                         |
| Buildings and land improvements | 2,402,544,492         | 186,565,352        | -                | 2,589,109,844           |
| Machinery and equipment         | 186,335,756           | 8,620,220          | -                | 194,955,976             |
| Total                           | <u>2,588,880,248</u>  | <u>195,185,572</u> | <u>-</u>         | <u>2,784,065,820</u>    |
| Net Book Value                  | <u>1,255,342,739</u>  |                    |                  | <u>1,062,857,167</u>    |
|                                 |                       |                    |                  |                         |
|                                 | January 1, 2007<br>Rp | Additions<br>Rp    | Deductions<br>Rp | December 31, 2007<br>Rp |
| Cost:                           |                       |                    |                  |                         |
| Buildings and land improvements | 3,611,112,923         | 20,620,000         | -                | 3,631,732,923           |
| Machinery and equipment         | 197,840,064           | 14,650,000         | -                | 212,490,064             |
| Total                           | <u>3,808,952,987</u>  | <u>35,270,000</u>  | <u>-</u>         | <u>3,844,222,987</u>    |
| Accumulated depreciation:       |                       |                    |                  |                         |
| Buildings and land improvements | 2,216,808,307         | 185,736,185        | -                | 2,402,544,492           |
| Machinery and equipment         | 179,176,786           | 7,158,970          | -                | 186,335,756             |
| Total                           | <u>2,395,985,093</u>  | <u>192,895,155</u> | <u>-</u>         | <u>2,588,880,248</u>    |
| Net Book Value                  | <u>1,412,967,894</u>  |                    |                  | <u>1,255,342,739</u>    |

The Company, through PT Dharmala Realindo, a former stockholder, entered into a build, operate and transfer agreement (B.O.T) over a three-storey building, with an area of 2,100 square meters, located in Jl. Majapahit, Central Jakarta owned by PT Sarinah. This agreement is valid for 20 years since September 26, 1992.

Depreciation expense amounted to Rp 48,477,892 and Rp 67,816,681 for the three month periods ended March 31, 2010 and 2009 and Rp 193,847,236, Rp 195,185,572 and Rp 192,895,155 for the years ended December 31, 2009, 2008 and 2007, respectively.

As of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, property and equipment under BOT agreements are insured against fire, theft and other possible risks for Rp 9,270,000,000, with PT Zurich Insurance Indonesia, PT Asuransi Bintang Tbk and PT Asuransi QBE Pool Indonesia, third parties. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

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**15. Investment Properties**

The Company's investment properties consist of land and buildings which are being leased to third parties. The movement in this account is as follows:

|                           | Area<br>in square meters<br>m2 | January 1, 2010<br>Rp  | Changes during 2010 (Three Months) |                         | March 31, 2010<br>Rp   |
|---------------------------|--------------------------------|------------------------|------------------------------------|-------------------------|------------------------|
|                           |                                |                        | Additions                          | Deductions/<br>Transfer |                        |
|                           |                                |                        | Rp                                 | Rp                      |                        |
| At cost:                  |                                |                        |                                    |                         |                        |
| Intiland Tower, Jakarta   | 30,119.08                      | 253,337,632,938        | 857,110,715                        | -                       | 254,194,743,653        |
| Intiland Tower, Surabaya  | 16,850.00                      | 67,614,177,943         | 85,719,635                         | -                       | 67,699,897,578         |
| Wisma Manulife, Jakarta   | 11,687.12                      | 68,052,228,988         | -                                  | (2,786,186)             | 68,049,442,802         |
| Graha Pratama, Jakarta    | 18,462.00                      | 32,491,576,563         | 3,105,000                          | -                       | 32,494,681,563         |
| <b>Total</b>              | <b>77,118.20</b>               | <b>421,495,616,432</b> | <b>945,935,350</b>                 | <b>(2,786,186)</b>      | <b>422,438,765,596</b> |
| Accumulated depreciation: |                                |                        |                                    |                         |                        |
| Intiland Tower, Jakarta   |                                | 105,062,440,032        | 2,055,057,705                      | -                       | 107,117,497,737        |
| Intiland Tower, Surabaya  |                                | 34,201,963,575         | 815,747,779                        | -                       | 35,017,711,354         |
| Wisma Manulife, Jakarta   |                                | 36,875,821,281         | 749,270,013                        | -                       | 37,625,091,294         |
| Graha Pratama, Jakarta    |                                | 15,522,490,947         | 373,830,420                        | -                       | 15,896,321,367         |
| <b>Total</b>              |                                | <b>191,662,715,835</b> | <b>3,993,905,917</b>               | <b>-</b>                | <b>195,656,621,752</b> |
| <b>Net Book Value</b>     |                                | <b>229,832,900,597</b> |                                    |                         | <b>226,782,143,844</b> |

|                           | Area<br>in square meters<br>m2 | January 1, 2009<br>Rp  | Changes during 2009 (Three Months) |                         | March 31, 2009<br>Rp   |
|---------------------------|--------------------------------|------------------------|------------------------------------|-------------------------|------------------------|
|                           |                                |                        | Additions                          | Deductions/<br>Transfer |                        |
|                           |                                |                        | Rp                                 | Rp                      |                        |
| At cost:                  |                                |                        |                                    |                         |                        |
| Intiland Tower, Jakarta   | 30,119.08                      | 251,671,794,639        | 436,675,079                        | -                       | 252,108,469,718        |
| Intiland Tower, Surabaya  | 16,850.00                      | 62,828,790,351         | 3,980,754,617                      | (8,496,440)             | 66,801,048,528         |
| Wisma Manulife, Jakarta   | 11,687.12                      | 68,037,614,738         | -                                  | -                       | 68,037,614,738         |
| Graha Pratama, Jakarta    | 18,462.00                      | 32,458,608,138         | -                                  | -                       | 32,458,608,138         |
| <b>Total</b>              | <b>77,118.20</b>               | <b>414,996,807,866</b> | <b>4,417,429,696</b>               | <b>(8,496,440)</b>      | <b>419,405,741,122</b> |
| Accumulated depreciation: |                                |                        |                                    |                         |                        |
| Intiland Tower, Jakarta   |                                | 96,880,441,500         | 2,007,874,572                      | -                       | 98,888,316,072         |
| Intiland Tower, Surabaya  |                                | 30,552,225,305         | 794,054,887                        | (8,456,440)             | 31,337,823,752         |
| Wisma Manulife, Jakarta   |                                | 33,877,532,065         | 748,922,216                        | -                       | 34,626,454,281         |
| Graha Pratama, Jakarta    |                                | 14,020,918,269         | 386,789,937                        | -                       | 14,407,708,206         |
| <b>Total</b>              |                                | <b>175,331,117,139</b> | <b>3,937,641,612</b>               | <b>(8,456,440)</b>      | <b>179,260,302,311</b> |
| <b>Net Book Value</b>     |                                | <b>239,665,690,727</b> |                                    |                         | <b>240,145,438,811</b> |

|                           | Area<br>in square meters<br>m2 | January 1, 2009<br>Rp  | Changes during 2009 (One Year) |                         | December 31, 2009<br>Rp |
|---------------------------|--------------------------------|------------------------|--------------------------------|-------------------------|-------------------------|
|                           |                                |                        | Additions                      | Deductions/<br>Transfer |                         |
|                           |                                |                        | Rp                             | Rp                      |                         |
| At cost:                  |                                |                        |                                |                         |                         |
| Intiland Tower, Jakarta   | 30,119.08                      | 251,671,794,639        | 1,665,838,299                  | -                       | 253,337,632,938         |
| Intiland Tower, Surabaya  | 16,850.00                      | 62,828,790,351         | 4,785,387,592                  | -                       | 67,614,177,943          |
| Wisma Manulife, Jakarta   | 11,687.12                      | 68,037,614,738         | 14,614,250                     | -                       | 68,052,228,988          |
| Graha Pratama, Jakarta    | 18,462.00                      | 32,458,608,138         | 32,968,425                     | -                       | 32,491,576,563          |
| <b>Total</b>              | <b>77,118.20</b>               | <b>414,996,807,866</b> | <b>6,498,808,566</b>           | <b>-</b>                | <b>421,495,616,432</b>  |
| Accumulated depreciation: |                                |                        |                                |                         |                         |
| Intiland Tower, Jakarta   |                                | 96,880,441,500         | 8,181,998,532                  | -                       | 105,062,440,032         |
| Intiland Tower, Surabaya  |                                | 30,552,225,305         | 3,649,738,270                  | -                       | 34,201,963,575          |
| Wisma Manulife            |                                | 33,877,532,065         | 2,998,289,216                  | -                       | 36,875,821,281          |
| Graha Pratama, Jakarta    |                                | 14,020,918,269         | 1,501,572,678                  | -                       | 15,522,490,947          |
| <b>Total</b>              |                                | <b>175,331,117,139</b> | <b>16,331,598,696</b>          | <b>-</b>                | <b>191,662,715,835</b>  |
| <b>Net Book Value</b>     |                                | <b>239,665,690,727</b> |                                |                         | <b>229,832,900,597</b>  |

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**15. Investment Properties (Continued)**

|                           | Area<br>in square meters<br>m2 | January 1, 2008<br>Rp  | Changes during 2008 (One Year) |                               | December 31, 2008<br>Rp |
|---------------------------|--------------------------------|------------------------|--------------------------------|-------------------------------|-------------------------|
|                           |                                |                        | Additions<br>Rp                | Deductions/<br>Transfer<br>Rp |                         |
| At cost:                  |                                |                        |                                |                               |                         |
| Land                      | 14,959.00                      | 15,567,502,804         | -                              | (15,567,502,804)              | -                       |
| Intiland Tower, Jakarta   | 30,119.08                      | 251,351,568,109        | 320,226,530                    | -                             | 251,671,794,639         |
| Intiland Tower, Surabaya  | 16,850.00                      | 62,757,467,910         | 549,187,456                    | (477,865,015)                 | 62,828,790,351          |
| Wisma Manulife, Jakarta   | 11,687.12                      | 68,037,614,738         | -                              | -                             | 68,037,614,738          |
| Graha Pratama, Jakarta    | 18,462.00                      | 32,458,008,138         | 600,000                        | -                             | 32,458,608,138          |
| <b>Total</b>              | <b>92,077.20</b>               | <b>430,172,161,699</b> | <b>870,013,986</b>             | <b>(16,045,367,819)</b>       | <b>414,996,807,866</b>  |
| Accumulated depreciation: |                                |                        |                                |                               |                         |
| Intiland Tower, Jakarta   |                                | 88,909,410,227         | 7,971,031,273                  | -                             | 96,880,441,500          |
| Intiland Tower, Surabaya  |                                | 28,278,167,104         | 2,751,923,216                  | (477,865,015)                 | 30,552,225,305          |
| Wisma Manulife            |                                | 30,881,517,925         | 2,996,014,140                  | -                             | 33,877,532,065          |
| Graha Pratama, Jakarta    |                                | 12,520,734,414         | 1,500,183,855                  | -                             | 14,020,918,269          |
| <b>Total</b>              |                                | <b>160,589,829,670</b> | <b>15,219,152,484</b>          | <b>(477,865,015)</b>          | <b>175,331,117,139</b>  |
| <b>Net Book Value</b>     |                                | <b>269,582,332,029</b> |                                |                               | <b>239,665,690,727</b>  |

|                           | Area<br>in square meters<br>m2 | January 1, 2007<br>Rp  | Changes during 2007 (One Year) |                               | December 31, 2007<br>Rp |
|---------------------------|--------------------------------|------------------------|--------------------------------|-------------------------------|-------------------------|
|                           |                                |                        | Additions<br>Rp                | Deductions/<br>Transfer<br>Rp |                         |
| At cost:                  |                                |                        |                                |                               |                         |
| Land                      | 14,959.00                      | 15,567,502,804         | -                              | -                             | 15,567,502,804          |
| Intiland Tower, Jakarta   | 30,119.08                      | 250,907,898,109        | 443,670,000                    | -                             | 251,351,568,109         |
| Intiland Tower, Surabaya  | 16,850.00                      | 60,821,456,546         | 1,936,011,364                  | -                             | 62,757,467,910          |
| Wisma Manulife, Jakarta   | 11,687.12                      | 68,026,129,738         | 11,485,000                     | -                             | 68,037,614,738          |
| Graha Pratama, Jakarta    | 18,462.00                      | 32,282,118,063         | 175,890,075                    | -                             | 32,458,008,138          |
| <b>Total</b>              | <b>92,077.20</b>               | <b>427,605,105,260</b> | <b>2,567,056,439</b>           | <b>-</b>                      | <b>430,172,161,699</b>  |
| Accumulated depreciation: |                                |                        |                                |                               |                         |
| Intiland Tower, Jakarta   |                                | 80,993,894,192         | 7,915,516,035                  | -                             | 88,909,410,227          |
| Intiland Tower, Surabaya  |                                | 24,923,228,025         | 3,354,939,079                  | -                             | 28,278,167,104          |
| Wisma Manulife, Jakarta   |                                | 27,870,581,315         | 3,010,936,610                  | -                             | 30,881,517,925          |
| Graha Pratama, Jakarta    |                                | 11,020,580,560         | 1,500,153,854                  | -                             | 12,520,734,414          |
| <b>Total</b>              |                                | <b>144,808,284,092</b> | <b>15,781,545,578</b>          | <b>-</b>                      | <b>160,589,829,670</b>  |
| <b>Net Book Value</b>     |                                | <b>282,796,821,168</b> |                                |                               | <b>269,582,332,029</b>  |

Investment properties amounting to Rp 16,590,962,514, Rp 18,051,099,932, Rp 16,969,085,616, Rp 18,437,689,869 and Rp 19,937,273,724 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company's interest in BKGP (Note 40).

Additions in investment properties pertain to costs of renovations and improvements of the respective investment properties.

Rental income from these investment properties for the three month periods ended March 31, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007 amounted to Rp 7,972,619,610, Rp 7,466,263,156, Rp 30,699,722,220, Rp 28,207,285,966 and Rp 36,507,263,032, respectively, and were recorded as part of "Rental Income" in the consolidated statements of income. The direct expense representing depreciation of these investment properties, excluding land, for the three month periods ended March 31, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007 amounted to Rp 3,993,905,917, Rp 3,937,641,612, Rp 16,331,598,696, Rp 15,219,152,484 and Rp 15,781,545,578, respectively, were recorded as part of "Direct Expenses" (Note 32).

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**15. Investment Properties (Continued)**

In 2008, as a result of change in management's intended usage of land, such investment property costing Rp 15,567,502,804 has been reclassified to inventories (Note 7).

The investment properties owned by the Company are in the form of Strata Title Unit Ownership Right, all of which is under the name of PT Intiland Development Tbk and will expire between 2009 to 2027. Management believes that there will be no difficulty in extending the Strata Title Unit Ownership Right since all the buildings were acquired legally and are supported by sufficient evidence of ownership.

Wisma Manulife is used as collateral for the loans obtained from PT Bank Pan Indonesia Tbk (Note 17).

The Company has insured its investment properties with PT IBS Zurich Insurance, a third party, against risks of fire, damages, theft and other possible risks with a total insurance coverage of (joint insurance coverage with inventories) US\$ 37,118,721, US\$ 35,324,201, US\$ 37,118,721, US\$ 35,324,201 and US\$ 21,600,000, as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Based on appraiser's report from PT Penilai, an independent appraiser, dated December 17, 2009, the aggregate market value of the investment properties amounted to Rp 836,420,000,000. Management believes that there is no significant change in market value of the investment properties from the last appraiser's report date until March 31, 2010 and that there is no impairment in value of the aforementioned assets.

**16. Goodwill - Net**

This account represents goodwill arising from acquisition of THI and IG, subsidiaries.

|                          | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Goodwill                 | 50,546,069,295          | 50,546,069,295          | 50,546,069,295             | 50,546,069,295             | 50,546,069,295             |
| Accumulated amortization | <u>(42,042,374,022)</u> | <u>(38,950,121,195)</u> | <u>(41,269,310,815)</u>    | <u>(38,177,057,988)</u>    | <u>(35,084,805,161)</u>    |
| Total                    | <u>8,503,695,273</u>    | <u>11,595,948,100</u>   | <u>9,276,758,480</u>       | <u>12,369,011,307</u>      | <u>15,461,264,134</u>      |

Amortization expense amounted to Rp 773,063,207, Rp 773,063,207, Rp 3,092,252,827, Rp 3,092,252,827 and Rp 3,092,252,827 for the three month periods ended March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, which were recorded as part of "Other income (expenses) in the consolidated statements of income.

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**17. Bank Loans**

|   | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|---|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| <b>Short-term bank loans</b>  |                         |                         |                            |                            |                            |
| PT Bank Mayapada International Tbk                                      | 158,654,543,250         | 159,455,491,195         | 160,488,442,134            | 126,582,198,615            | 30,904,360,281             |
| PT Bank Windu Kentjana International Tbk<br>(formerly PT Bank Multicor) | 46,954,655,421          | 24,425,807,067          | 48,994,143,121             | 24,506,735,639             | 19,485,000,000             |
| PT Bank Capital Indonesia Tbk   | 10,000,000,000          | -                       | -                          | -                          | -                          |
| PT Bank Central Asia Tbk  | 22,058,407,174          | 18,806,415,111          | 15,628,861,616             | 18,893,134,571             | -                          |
| PT Bank Pan Indonesia Tbk   | 18,199,824,112          | 39,630,605,175          | 17,808,832,900             | 36,669,961,324             | 40,573,129,184             |
| PT Bank Liman International   | 10,925,764,385          | 10,930,451,824          | 10,973,116,417             | 10,799,533,476             | 5,979,653,590              |
| PT Bank UCB Buana Tbk   | 8,000,000,000           | 8,000,000,000           | 8,000,000,000              | 8,000,000,000              | 8,000,000,000              |
| PT Bank Harda Internasional   | 3,929,034,133           | 7,911,918,054           | 7,923,659,021              | 7,912,067,003              | -                          |
| PT Bank CIMB Niaga Tbk (formerly<br>PT Bank Niaga Tbk)                  | 7,089,259,399           | 5,000,000,000           | 2,701,790,378              | 14,620,859,209             | 7,000,000,000              |
| PT Bank Tabungan Negara (Persero)                                       | 132,727,273             | -                       | 398,181,819                | 791,028,584                | -                          |
| PT Bank OCBC NISP Tbk<br>(formerly PT Bank NISP Tbk)                    | -                       | -                       | 56,883,401                 | -                          | 100,000,000                |
| PT Bank Harfa   | -                       | -                       | -                          | -                          | 1,742,759,245              |
| <b>Total Short-term Bank Loans</b>                                      | <b>285,944,215,147</b>  | <b>274,160,688,426</b>  | <b>272,973,910,807</b>     | <b>248,775,518,421</b>     | <b>113,784,902,300</b>     |
| <b>Long-term bank loans</b>   |                         |                         |                            |                            |                            |
| <b>Long-term portion</b>  |                         |                         |                            |                            |                            |
| PT Bank Pan Indonesia Tbk   | 57,889,375,505          | 67,987,433,815          | 37,583,800,018             | 67,999,825,199             | 49,054,795,667             |
| PT Bank Harda Internasional   | 4,614,086,054           | 2,680,187,553           | 1,623,829,003              | 3,768,357,214              | -                          |
| PT Bank OCBC NISP Tbk<br>(formerly PT Bank NISP Tbk)                    | -                       | 345,000,000             | 195,000,000                | 772,500,000                | 2,446,101,490              |
| PT Bank Tabungan Negara (Persero)                                       | -                       | -                       | -                          | 7,137,500,000              | 13,275,000,000             |
| PT Bank Rakyat Indonesia (Persero) Tbk                                  | 7,302,181,111           | -                       | -                          | 2,181,923,214              | 6,404,696,715              |
| <b>Subtotal</b>   | <b>69,805,642,670</b>   | <b>71,012,621,368</b>   | <b>39,402,629,021</b>      | <b>81,860,105,627</b>      | <b>71,180,593,872</b>      |
| <b>Current maturities</b>   |                         |                         |                            |                            |                            |
| PT Bank Pan Indonesia Tbk   | 11,013,607,522          | 9,702,092,073           | 35,052,718,873             | 17,327,558,933             | 9,064,008,000              |
| PT Bank Rakyat Indonesia (Persero) Tbk                                  | -                       | 4,234,043,599           | 390,000,000                | 2,181,923,215              | -                          |
| PT Bank Harda Internasional   | 4,005,506,057           | 1,854,804,480           | 3,259,172,459              | 942,089,304                | 18,975,747                 |
| PT Bank OCBC NISP Tbk<br>(formerly PT Bank NISP Tbk)                    | -                       | 960,000,000             | -                          | 796,360,164                | -                          |
| PT Bank Tabungan Negara (Persero)                                       | -                       | 9,775,000,000           | -                          | 7,137,500,000              | -                          |
| <b>Total Long-term Bank Loans</b>                                       | <b>84,824,756,249</b>   | <b>97,538,561,520</b>   | <b>78,104,520,353</b>      | <b>110,245,537,243</b>     | <b>80,263,577,619</b>      |
| <b>Total Bank Loans</b>   | <b>370,768,971,396</b>  | <b>371,699,249,946</b>  | <b>351,078,431,160</b>     | <b>359,021,055,664</b>     | <b>194,048,479,919</b>     |
| Interest rates per annum<br>Rupiah                                      | 12.5% - 19.00%          | 10.5% - 23.00%          | 12.5% - 19.00%             | 10.5% - 23.00%             | 11.5% - 17.00%             |

A summary of the respective loan agreements are as follows:

**PT Bank Mayapada International Tbk**

This represents loans obtained by the Company, GI, SPP and IG, subsidiaries, with details as follows:

|                    | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| <b>The Company</b> |                         |                         |                            |                            |                            |
| Fixed loan         | 50,000,000,000          | 50,000,000,000          | 50,000,000,000             | 50,000,000,000             | -                          |
| <b>GI</b>          |                         |                         |                            |                            |                            |
| Fixed loan         | 39,093,372,141          | 40,000,000,000          | 30,500,564,419             | 40,000,000,000             | -                          |
| <b>SPP</b>         |                         |                         |                            |                            |                            |
| Fixed loan         | 50,000,000,000          | 50,000,000,000          | 50,000,000,000             | 14,250,000,000             | 15,000,000,000             |
| Bank overdraft     | 12,613,780,275          | 697,395,296             | 18,045,043,966             | 4,580,125,318              | 4,396,213,418              |
| <b>IG</b>          |                         |                         |                            |                            |                            |
| Bank overdraft     | 1,947,390,834           | 13,758,095,899          | 6,942,833,749              | 12,752,073,297             | 11,508,146,863             |
| On demand          | 5,000,000,000           | 5,000,000,000           | 5,000,000,000              | 5,000,000,000              | -                          |
| <b>Total</b>       | <b>158,654,543,250</b>  | <b>159,455,491,195</b>  | <b>160,488,442,134</b>     | <b>126,582,198,615</b>     | <b>30,904,360,281</b>      |

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**17. Bank Loans (Continued)**

**PT Bank Mayapada International Tbk (Continued)**

The Company

This represents a fixed loan facility for a year with a maximum loanable amount of Rp 50 billion. The loan has matured on February 26, 2009 and was extended until February 26, 2011. This loan is secured by several parcels of land owned by PT Intiland Grande (IG) and PT Prima Sentosa Ganda (PSG), subsidiaries (Notes 7 and 10).

GI

This represents a fixed loan facility with a maximum loanable amount of Rp 40 billion. The loan will mature on January 30, 2011. This facility is secured by several parcels of land owned by IG, majority shareholder of PT Grand Interwisata (GI).

SPP

On July 11, 2003, SPP obtained working capital facilities from Mayapada which consist of fixed loan and bank overdraft with maximum amount of Rp 15 billion and Rp 5 billion, respectively. These loans matured on July 16, 2004, but have been extended up to July 16, 2009. On March 4, 2009, the facility maximum amounts were increased to Rp 50 billion for fixed loan and Rp 19.25 billion for bank overdraft which will mature on March 5, 2010 but was extended until March 5, 2011. These loans are secured by land owned by SPP with detail as follows:

- a. Several parcels of land with total measurement of 145,559 square meters located in Pasarkemis, Wanakerta Village, Tangerang, Banten.
- b. Several parcels of land with total measurement of 174,755 square meters located in Cikupa, Cibadak Village, Tangerang, Banten.
- c. Several parcels of land with total measurement of 4,220 square meters located in Cikupa, Talaga Village, Tangerang, Banten.

IG

These represent working capital credit facilities in the form of on demand facility and bank overdraft with a maximum amount of Rp 5 billion and Rp 15 billion, respectively. These loans will mature on July 16, 2010. These facilities are secured by several parcels of land owned by PT Chris Kencana, a related party (Note 38).

**PT Bank Windu Kentjana International Tbk (formerly PT Bank Multicor)**

These represent loans which were obtained by THI, SPP and IG, subsidiaries, with details as follows:

|                 | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-----------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| The Company     |                         |                         |                            |                            |                            |
| On demand       | 20,000,000,000          | -                       | 20,000,000,000             | -                          | -                          |
| Overdraft       | 2,944,022,211           | -                       | 4,848,192,734              | -                          | -                          |
| THI             |                         |                         |                            |                            |                            |
| On demand       | 5,000,000,000           | 5,000,000,000           | 5,000,000,000              | 5,000,000,000              | -                          |
| Overdraft       | 2,844,294,593           | 2,735,428,563           | 2,852,015,024              | 2,814,019,441              | -                          |
| Installment     | 1,481,431,188           | 2,000,000,000           | 1,608,132,772              | 2,000,000,000              | -                          |
| IG - Overdraft  | 9,684,907,429           | 9,690,378,504           | 9,685,802,591              | 9,692,716,198              | 14,485,000,000             |
| SPP - On demand | 5,000,000,000           | 5,000,000,000           | 5,000,000,000              | 5,000,000,000              | 5,000,000,000              |
| <b>Total</b>    | <b>46,954,655,421</b>   | <b>24,425,807,067</b>   | <b>48,994,143,121</b>      | <b>24,506,735,639</b>      | <b>19,485,000,000</b>      |

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**17. Bank Loans (Continued)**

**PT Bank Windu Kentjana International Tbk (formerly PT Bank Multicor) (Continued)**

The Company

On November 19, 2009, the Company obtained credit facilities in the form of on demand facility and overdraft facility with maximum amount of Rp 20 billion and Rp 5 billion, respectively, and will mature within one year. These loans are secured by SHGB No. 9685 owned by THI, a subsidiary (Note 38).

THI

In 2008, THI, a subsidiary, obtained on demand loan and overdraft loan facilities with maximum amounts of Rp 5 billion and Rp 3 billion, respectively, which already matured on September 1, 2009 but was extended until September 1, 2010, and installment loan facility with a maximum amount of Rp 2 billion which will mature on March 1, 2012. These facilities are secured by parcels of land located in Taman Semanan Indah (Note 13).

IG

This represents a demand loan facility with maximum amount of Rp 15 billion subject to adjustment any time upon discretion of the bank. This loan has matured on July 24, 2009 but was extended until on July 24, 2010.

On November 17, 2008, this facility has been changed to Rp 10 billion overdraft facility and secured by parcels of land and office building owned by IG.

SPP

This represents a demand loan facility with a maximum amount of Rp 5 billion which matured on May 16, 2009 but was extended until May 16, 2010. This facility is secured by parcels of land and building thereon owned by SPP (Notes 10 and 13).

**PT Bank Capital Indonesia Tbk**

On January 25, 2010, the Company obtained a loan facility from PT Bank Capital Indonesia Tbk with maximum amount of Rp 20 billion and bears interest rate of 16% per annum. This loan has a term of 12 months and secured by parcels of land owned by PT Gandaria Prima, a subsidiary, measuring 3,139 square meters and 3,015 square meters (Note 10).

**PT Bank Pan Indonesia Tbk (Bank Panin)**

These represent loans obtained by the Company, THI and GFV, subsidiaries, with details as follows:

|                | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|----------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| THI            |                         |                         |                            |                            |                            |
| Revolving loan | 13,542,958,369          | 35,816,905,279          | 14,936,646,880             | 32,864,155,279             | 35,590,310,851             |
| Long-term loan | -                       | -                       | -                          | 4,988,000,000              | 9,992,000,000              |
| Overdraft      | 4,656,865,743           | 3,813,699,896           | 4,107,186,019              | 3,805,806,045              | 3,890,591,573              |
| Fixed loan     | -                       | -                       | -                          | -                          | 1,092,226,760              |
| The Company    |                         |                         |                            |                            |                            |
| Refinancing    | 30,411,952,728          | 35,149,829,282          | 19,834,425,839             | 36,225,170,420             | -                          |
| Long-term loan | 19,221,653,801          | 21,518,972,609          | 31,670,517,907             | 22,040,028,474             | 24,069,055,513             |
| GFV            | 19,269,376,498          | 21,020,723,997          | 19,896,575,146             | 22,074,185,238             | 24,057,748,154             |
| Total          | 87,102,807,139          | 117,320,131,063         | 90,445,351,791             | 121,997,345,456            | 98,691,932,851             |



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**17. Bank Loans (Continued)**

**PT Bank Pan Indonesia Tbk (Bank Panin) (Continued)**

THI

THI, a subsidiary, obtained loan facilities as follows:

- Overdraft facility, with maximum amount of Rp 5 billion and revolving loan with maximum amount of Rp 25 billion and will mature in one year. The maturity of the loan facility was extended until December 3, 2010.
- A long-term loan facility with maximum amount of Rp 20 billion. This loan has already been fully paid on December 3, 2009.

All of these three facilities are secured with a parcel of land with a total land area of 4,745 square meters and the eleven-storey building situated thereon located at Jl. Panglima Sudirman No. 101 – 103 (Intiland Tower – Surabaya), owned by the Company (Note 15).

On November 15, 2006, THI obtained additional fixed loan and revolving loan facilities with maximum loanable amounts of Rp 5 billion and Rp 14 billion, respectively, and had matured on December 3, 2008 but were extended until December 3, 2010. These facilities are secured by two parcels of land with a total area of 2,245 square meters located in Pantai Mutiara, owned by THI (Note 13). Revolving loan facilities amounting to Rp 14 billion has been fully paid on December 23, 2009.

The Company and GFV

In 2007, the Company and GFV, a subsidiary, obtained loan refinancing facility totaling to Rp 50 billion, which will be available within 8 years from the signing date of the loan agreement. These loans are secured with a parcel of land and Building of Wisma Manulife (WM) Menteng Jakarta and receivables of the Company from tenants of Wisma Manulife, Intiland Tower Jakarta and Intiland Tower Surabaya (Notes 5 and 15).

The Company

In 2008, the Company obtained a long term borrowing facility to pay off loan with Bizpoint (Note 11) with maximum loanable amount of Rp 38 billion and will mature on July 28, 2014. This facility is secured by Wisma Manulife, Jakarta (Note 15).

**PT Bank Central Asia Tbk**

GFV

On June 13, 2008, GFV, a subsidiary, obtained a revolving loan facility with a maximum amount of Rp 10 billion, which will mature within 12 months since the signing date of the loan agreement, and had matured on June 13, 2009 but was extended until June 13, 2010. These loans are secured with land certificate HGB No. 5015, where the land is owned by PT Aridaca Perwira, a related party of GFV (Note 38).

THI

THI obtained fixed loan and overdraft in the form of a 12-month credit term loan, and bank overdraft facilities with maximum amounts of Rp 10 billion and Rp 5 billion, respectively, and had matured on September 26, 2009 but was extended until September 26, 2010. This loan is secured with parcels of land owned by PT Gandaria Prima, a related party (Note 38).

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**17. Bank Loans (Continued)**

**PT Bank Central Asia Tbk (Continued)**

On December 29, 2009, THI obtained Declining Time Loan and Local Credit 2 facilities with maximum amount of Rp 8 billion and Rp 2 billion, respectively. These loans will mature in one year and bear interest rate of 12.25% and 12.5% per annum, respectively, and secured by 12 shop houses and land owned by THI. Availment of loan from these facilities were made in January 2010.

**PT Bank Liman International**

In 2007, THI, a subsidiary, obtained demand and working capital loans with maximum amounts of Rp 10 billion and Rp 1 billion, respectively, which had matured on May 11, 2009 but was extended until May 11, 2010. These loans are secured with a parcel of land a two (2) storey sportclub building on it which is located in Taman Semanan Indah, West Jakarta (Note 13).

**PT Bank UOB Buana Tbk**

THI, a subsidiary, obtained a working capital credit facility in the form of a promissory note, with a maximum amount of Rp 8 billion. It had matured on February 16, 2009 but was extended until February 16, 2011 and is secured with 6 parcels of land and building (Note 7).

**PT Bank Harda Internasional**

IG

In 2008, IG, a subsidiary, obtained credit term loan, installment loan and bank overdraft facilities with maximum amounts of Rp 6 billion, Rp 5 billion and Rp 2 billion, respectively. These loans had matured on June 16, 2009 but was extended until June 16, 2010, except for installment loan which is until June 16, 2013.

On June 1, 2009, the facility for credit term loan of IG, a subsidiary, was increased from Rp 6 billion to Rp 7 billion and has been extended until July 17, 2010. Further, a new installment loan amounting to Rp 1 billion has been obtained with a term of 60 months since the agreement date. These loans are secured with a parcel of land and building owned by PT Darmo Grande, a related party (Notes 13 and 38).

GI

GI, a subsidiary, obtained a vehicle loan amounting to Rp 100,000,000, with 17.9% interest per annum, and is secured with the car financed (Note 13). GI is required to pay monthly installment starting from May 12, 2006 up to April 12, 2008. This loan has already been fully paid in 2008.

**PT Bank CIMB Niaga Tbk (formerly PT Bank Niaga Tbk)**

GFV, a subsidiary, obtained a working capital facility in the form of fixed and overdraft loan with a maximum amount of Rp 15 billion and had matured on May 30, 2009 but was extended until May 30, 2010. This facility is secured with land and building owned by GFV, located in Babatan village, Wiyung, Surabaya, East Java (Note 10).

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**17. Bank Loans (Continued)**

**PT Bank Tabungan Negara (BTN) (Persero)**

|                 | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-----------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Working capital |                         |                         |                            |                            |                            |
| SPP             | 132,727,273             | -                       | 398,181,819                | 791,028,584                | -                          |
| GFV             | -                       | 9,775,000,000           | -                          | 14,275,000,000             | 13,275,000,000             |
| Total           | <u>132,727,273</u>      | <u>9,775,000,000</u>    | <u>398,181,819</u>         | <u>15,066,028,584</u>      | <u>13,275,000,000</u>      |

GFV

GFV, a subsidiary, obtained a construction working capital facility amounting to Rp 33.875 billion and will mature on April 3, 2010. This loan is secured with a parcel of land located in Wiyung, Surabaya, buildings and receivables. This loan has already been fully paid on May 22, 2009.

SPP

In 2008, SPP, a subsidiary, obtained a construction working capital facility amounting to Rp 1 billion which will be available within 8 months, and matured on March 1, 2009. This loan is secured by parcels of land located in Tangerang (Note 10). This loan has already been fully paid on March 2, 2009.

On April 14, 2009, SPP, a subsidiary, obtained financing loan facility to fund the constructions of 14 shop houses in Wanakera Serang. This facility is secured by a parcel of land measuring 15,219 square meters owned by SPP, Standing Instruction (SI) for sales realization and receivables. This loan has been paid in April 2010.

**PT Bank OCBC NISP Tbk (formerly PT Bank NISP Tbk)**

In 2007, IG, a subsidiary, obtained a working capital facility with a maximum amount of Rp 100 million with interest rate of 12.5% per annum which has been paid in 2008 prior to maturity on November 29, 2009.

In 2007, IG also obtained a term loan facility with a maximum amount of Rp 2.8 billion with interest rate of 15.75% per annum which will mature on May 29, 2010. These loans are secured with land with a total area of 3,095 square meters owned by IG which is located in Sonowijenam, Surabaya (Note 10). This loan has already been fully paid on March 22, 2010.

**PT Bank Rakyat Indonesia (Persero) Tbk**

In 2007, GFV, a subsidiary, obtained a construction and factoring working capital loan facility with a maximum amount of Rp 30 billion, which will mature on March 2, 2010. These loans are secured with land owned by GFV and PT Aridaca Perwira, a shareholder of GFV, which is located in Kecamatan Dukuh Pakis, Surabaya, East Java (Notes 7 and 38). This loan has already been fully paid on December 4, 2009.

In March 2010, PT Alamdharma Jatimsentosa (AJ), a subsidiary, obtained Credit Facility 1 and Credit Facility 2 with maximum amounts of Rp 17,352,764,000 and Rp 989,636,000, respectively. These loans have a 84 month term and 12 months grace period. Further, AJ also obtained working capital credit facility with a maximum amount of Rp 700,000,000 and has 24 month term. These loans bear interest rate at 12% per annum and are secured with land with a total area of 855 square meters and a six (6) storey hotel located in Yogyakarta owned by AJ (Note 13).

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**17. Bank Loans (Continued)**

**PT Bank Harfa**

This represents a working capital credit facility obtained by IG in the form of a 12-month credit term loan, installment credit and bank overdraft facilities with maximum amount of Rp 1.5 billion, Rp 1 billion and Rp 500 million, respectively, and will mature on September 26, 2009. This facility is secured with a parcel of land and building thereon and two (2) units of storehouse with all of the facilities, owned by IG, located in Darmo Harapan and Ruko Plaza Segi Delapan, Surabaya, East Java (Note 7). On July 10, 2008, these loans have been fully paid.

The Company and its subsidiary are required to fulfill certain loan covenants, among others, restrict them to conduct liquidation, merger or acquisition, sale or lease assets in the abnormal operations, significant changes in the Company's management structure and grant loan and other covenants. In respect to the Limited Public Offering III which was conducted by the Company, the Company and its subsidiaries have obtained waivers from certain creditor banks in relation to the fulfillment by the Company and its subsidiaries' obligations on certain negative covenants.

**18. Notes Payable**

|                         | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Rupiah                  | 7,000,000,000           | 7,000,000,000           | 7,000,000,000              | 7,000,000,000              | 7,180,000,000              |
| Less current maturities | <u>7,000,000,000</u>    | <u>7,000,000,000</u>    | <u>7,000,000,000</u>       | <u>7,000,000,000</u>       | <u>7,180,000,000</u>       |
| Long-term portion       | <u>-</u>                | <u>-</u>                | <u>-</u>                   | <u>-</u>                   | <u>-</u>                   |

The notes payable denominated in Rupiah amounting to Rp 7,000,000,000 in 2010, 2009, 2008 and 2007 represent notes payable, which at the time of issuance, was coordinated by PT Danpac Securities and Bank Indonesia Raya. The notes payable are already due in 1998.

In 2004, the payment date of notes payable to Apherchance Co. Ltd. amounting to Rp 180,000,000 has been rescheduled from July 30, 2004 to March 30, 2008. This note payable has been fully paid in 2008.

**19. Trade Accounts Payable to Third Parties**

The details of other accounts payable to third parties are as follows:

|             | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Suppliers   | 24,264,235,933          | 24,039,434,038          | 31,495,846,071             | 21,940,954,436             | 31,232,188,612             |
| Contractors | 21,389,428,412          | 22,513,745,365          | 11,600,882,817             | 26,096,229,126             | 13,058,273,499             |
| Others      | <u>1,545,652,368</u>    | <u>52,910,394</u>       | <u>422,264,176</u>         | <u>1,117,539,832</u>       | <u>846,357,343</u>         |
| Total       | <u>47,199,316,713</u>   | <u>46,606,089,797</u>   | <u>43,518,993,064</u>      | <u>49,154,723,394</u>      | <u>45,136,819,454</u>      |

All trade accounts payable to third parties are denominated in Rupiah currency.

Trade accounts payable to third parties amounting to Rp 35,795,464, Rp 338,397,306, Rp 137,192,704, Rp 1,941,453,352 and Rp 6,948,103,340 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the subsidiary's interest in BKMB (Note 40).

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**20. Other Accounts Payable to Third Parties**

The details of other accounts payable to third parties is as follows:

|                               | March 31,<br>2010<br>Rp  | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-------------------------------|--------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Promissory note               | 792,625,000,000          | -                       | -                          | -                          | -                          |
| Faith Mount Investment Ltd.   | 450,000,000,000          | -                       | -                          | -                          | -                          |
| PT Cempaka Andalan Kharisma   | 225,000,000,000          | -                       | -                          | -                          | -                          |
| PT Cakrawala Persada Gemilang | 225,000,000,000          | -                       | -                          | -                          | -                          |
| Portia Finance Ltd.           | 155,288,387,500          | 159,988,387,500         | 159,883,387,500            | 159,883,387,500            | 130,459,255,000            |
| Others                        | 28,545,533,425           | 74,113,689              | 4,821,517,616              | 7,395,534,743              | 14,057,011,685             |
| <b>Total</b>                  | <b>1,876,458,920,925</b> | <b>160,062,501,189</b>  | <b>164,704,905,116</b>     | <b>167,278,922,243</b>     | <b>144,516,266,685</b>     |

On March 19, 2010, the Company and THI have signed the following agreements:

- a. Loan Renewal Agreement in order to transfer THI's loan amounting to Rp 450 billion to the Company, which represent THI's loan to PT Cempaka Andalan Kharisma and PT Cakrawala Persada Gemilang in relation to purchase of shares of stock of PT Wirasejati Binapersada (WB) by THI based on Agreement on Terms of Purchase of Shares of Stock of WB dated February 22, 2010 which was changed with Agreement on Shares Purchase dated March 19, 2010. The Company has paid this loan in April and May 2010 (Note 43).
- b. Loan Renewal Agreement in order to transfer THI's loan amounting to Rp 450 billion to the Company, which represented THI's loan to Faith Mount Investments Ltd, Richely Pacific Ltd, PT Karya Swadaya Sempurna and PT Saranajaya Perkasa in relation to purchase of shares of stock of PT Putra Sinar Permaja (PSP) by THI based on Agreement on Terms of Purchase of Shares dated February 22, 2010 which was changed with Agreement on Shares Purchase dated March 19, 2010. Based on Receivables Transfer Agreement dated March 22, 2010, Richely Pacific Ltd., PT Karya Swadaya Sempurana and PT Sarana Perkasa have transferred all their receivables from the Company to Faith Mount Investments Ltd. The Company has paid this loan in April and May 2010 (Note 43).

On February 22, 2010, the Company issued a promissory note amounting to Rp 792.625 billion to PT Permata Ratnamulia, a third party, for payment of purchase of land by PT Perkasa Lestari Utama (PLU), a subsidiary, as stated in an agreement deed No. 22, dated February 19, 2010, from Humberg Lie, S.H., MKn, notary public in Jakarta. The Company has paid this loan in April 2010.

Payable to Portia Finance Ltd. represents BKMB's loan with a maximum amount of Rp 320 billion (in which THI's share, a subsidiary, is a maximum of Rp 160 billion) with interest rate at 3% per annum above average time deposit interest rates of Bank Mandiri and Bank Central Asia. This loan has a 6 year term from March 18, 2004 and secured by sales revenues and asset of the apartment. This loan was used as working capital. Based on amendment to the loan agreement, Portia Finance Ltd agreed to waive the loan interest from October 1, 2008. On January 4, 2010, the maturity of this payable was extended until December 31, 2013.

Other accounts payable amounting to Rp 155,290,124,605, Rp 159,988,527,750, Rp 159,883,387,500, Rp 159,883,387,500 and Rp 130,459,255,000 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and subsidiary's interest in BKGP and BKMB (Note 40).

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**21. Taxes Payable**

|                    | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Final income tax   | 7,146,553,887           | 2,796,990,511           | 5,258,168,847              | 1,466,514,396              | 1,619,588,918              |
| Other income taxes |                         |                         |                            |                            |                            |
| Article 21         | 495,838,981             | 182,627,479             | 671,207,457                | 1,603,612,894              | 1,826,039,233              |
| Article 23         | 259,166,217             | 354,904,526             | 198,005,948                | 328,715,726                | 476,454,794                |
| Article 25         | 580,154,848             | -                       | 3,831,608                  | 909,122,884                | 701,837,917                |
| Article 26         | 307,101,090             | 307,101,090             | 307,101,090                | 307,101,090                | 562,410,537                |
| Article 29         | 315,473,788             | 1,732,466,029           | 891,797,028                | 1,775,364,922              | 2,421,654,634              |
| Value added tax    | 17,051,766,748          | 8,402,845,963           | 11,378,548,848             | 5,973,543,522              | 6,858,832,757              |
| Development tax I  | 2,178,812,603           | 1,705,608,745           | 2,028,293,823              | 1,639,042,433              | 1,318,806,312              |
| <b>Total</b>       | <b>28,334,868,162</b>   | <b>15,482,544,343</b>   | <b>20,736,954,649</b>      | <b>14,003,017,867</b>      | <b>15,785,625,102</b>      |

Taxes payable amounting to Rp 1,013,757,055, Rp 888,377,754, Rp 1,134,265,313, Rp 795,898,303 and Rp 903,198,955 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and subsidiary's interest in BKGP and BKMB (Note 40).

The filing of tax returns is based on the Company and its subsidiaries' own computation of tax liabilities (self-assessment). Based on the third amendment of the general taxation provisions and procedures in 2007, the time limit for the tax authorities to assess or amend taxes was reduced from 10 to 5 years, subject to certain exceptions, since the tax became payable and for year 2007 and prior years, the time limit will end at the latest on fiscal year 2013.

**22. Accrued Expenses**

|                       | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-----------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| After-sales guarantee | 16,156,890,563          | 6,433,448,133           | 6,093,928,206              | 9,422,365,516              | 3,373,738,762              |
| Water and electricity | 5,378,917,138           | 3,067,142,542           | 4,183,812,879              | 2,442,411,427              | 1,393,728,542              |
| Interest              | 577,752,268             | 718,333,342             | 1,443,059,680              | 369,559,614                | 4,917,565,092              |
| Office                | 156,804,674             | 191,779,976             | 332,970,461                | 320,727,802                | 299,787,486                |
| Promotion             | 150,584,529             | -                       | 239,452,230                | 850,222,725                | 664,167,167                |
| Others                | 7,433,070,251           | 5,387,305,328           | 6,030,595,483              | 10,300,203,086             | 9,686,013,365              |
| <b>Total</b>          | <b>29,854,019,423</b>   | <b>15,798,009,321</b>   | <b>18,323,818,939</b>      | <b>23,705,490,170</b>      | <b>20,335,000,414</b>      |

Accrued expenses amounting to Rp 553,030,913, Rp 6,816,567,551, Rp 235,398,149, Rp 6,685,328,818 and Rp 2,401,080,830 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and subsidiary's interest in BKGP and BKMB (Note 40).

**23. Unearned Revenues**

This account mainly represents advances from customers on office rental and sales house and apartment in Jakarta and Surabaya.

Unearned revenues amounting to Rp 10,224,506,151, Rp 312,289,843, Rp 10,360,884,813, Rp 10,193,910,749 and Rp 244,548,750 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and subsidiary's interest in BKGP and BKMB (Note 40).

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**24. Advances**

|                             | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-----------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Housing, apartment and land | 62,457,908,171          | 144,619,747,993         | 163,413,746,588            | 141,236,809,400            | 190,011,573,428            |
| Others                      | 57,816,902,019          | 26,840,588,816          | -                          | 10,014,865,270             | 19,206,435,383             |
| <b>Total</b>                | <b>120,274,810,190</b>  | <b>171,460,336,809</b>  | <b>163,413,746,588</b>     | <b>151,251,674,670</b>     | <b>209,218,008,811</b>     |

Details of sales advances of housing, apartment and land based on the percentage of sales price is as follows:

|              | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|--------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| 100%         | 18,833,449,920          | 37,314,048,595          | 64,161,507,226             | 50,019,859,497             | 83,061,674,369             |
| 50% - 99%    | 11,217,181,277          | 56,145,855,583          | 39,808,005,558             | 23,269,465,052             | 50,017,763,772             |
| 20% - 49%    | 6,215,305,595           | 23,621,042,976          | 20,436,300,727             | 35,156,954,664             | 46,915,182,276             |
| <20%         | 26,191,971,379          | 27,538,800,839          | 39,007,933,077             | 32,790,530,187             | 10,016,953,011             |
| <b>Total</b> | <b>62,457,908,171</b>   | <b>144,619,747,993</b>  | <b>163,413,746,588</b>     | <b>141,236,809,400</b>     | <b>190,011,573,428</b>     |

Sales advances amounting to Rp 6,061,118,132, Rp 15,757,430,599, Rp 5,436,647,773, Rp 5,583,619,402 and Rp 16,266,349,225 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent subsidiary's interest in BKMB (Note 40).

**25. Liabilities on Guarantee of An Associate**

The Company has 27.77% ownership interest in PT Kemayoranland (Note 12). Under the equity method, the share in net losses of an associated company is recognized only to the extent of acquisition cost of the investment, however, since the Company and its subsidiaries is the guarantor of PT Kemayoranland's loan, the equity method is continuously applied and the Company's equity in the net losses of the associated company in excess of the cost of the investment is recorded and presented as a liability.

Based on agreement at December 10, 2008 between the Company and MCS, the Company sold its investments in PT Kemayoranland to MCS.

Accordingly, the Company recognized gain on such sale amounting to Rp 21,740,329,681 and shown in the 2008 consolidated statement of income.

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**26. Lease Liabilities**

The following are the future minimum lease payments based on the lease agreements between the Company and its subsidiaries with PT U Finance and PT BCA Finance.

|   | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|---|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| Payments due in:                        |                         |                         |                            |                            |                            |
| 2008                                    |                         |                         | -                          | -                          | 454,944,000                |
| 2009                                    |                         | 341,208,000             | -                          | 454,944,000                | 454,944,000                |
| 2010                                    | 302,287,000             | 303,280,000             | 478,808,000                | 303,296,000                | 303,296,000                |
| 2011                                    | 89,528,200              | -                       | 89,528,200                 | -                          | -                          |
| Total minimum lease payments            | 391,815,200             | 644,488,000             | 568,336,200                | 758,240,000                | 1,213,184,000              |
| Interest                                | (24,513,569)            | (60,705,855)            | (35,121,147)               | (70,020,373)               | (169,817,431)              |
| Present value of minimum lease payments | 367,301,631             | 583,782,145             | 533,215,053                | 688,219,627                | 1,043,366,569              |
| Current maturities                      | (329,985,618)           | (407,286,374)           | (443,547,512)              | (397,381,033)              | (355,138,690)              |
| Long-term lease liabilities             | 37,316,013              | 176,495,771             | 89,667,541                 | 290,838,594                | 688,227,879                |

The leases have a term of up to 3 years, with effective interest of 11.29% - 13.12% per annum. All lease liabilities are denominated in Rupiah currency, payable at fixed amounts on a monthly basis. The lease liabilities are secured by the related leased assets (Note 13).

**27. Rental Deposits**

This account represents office rental deposits and deposits for house construction.

Rental deposits amounting to Rp 1,830,367,380, Rp 1,871,973,030, Rp 1,886,106,930, Rp 1,855,171,380 and Rp 1,690,742,490 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company's interest in BKGP (Note 40).

**28. Minority Interests**

Minority interests in net assets and net income of subsidiaries are as follows:

|   | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|---|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| a. Minority interests in net assets of subsidiaries |                         |                         |                            |                            |                            |
| PT Putra Sinar Permeja                              | 65,022,899,572          | -                       | -                          | -                          | -                          |
| PT Grande Family View                               | 35,751,556,809          | 13,988,381,697          | 20,648,957,343             | 8,588,964,493              | 8,309,136,854              |
| PT Intiland Grande                                  | 4,057,667,599           | 3,111,783,366           | 3,635,497,264              | 3,002,923,070              | 2,812,453,394              |
| PT Intiland Infinita                                | 5,000,000,000           | -                       | 5,000,000,000              | -                          | -                          |
| PT Grande Imperial                                  | 3,750,000,000           | 3,750,000,000           | 3,750,000,000              | 3,750,000,000              | 129,672,293                |
| Total   | 113,582,123,980         | 20,850,165,063          | 33,034,454,607             | 15,341,887,563             | 11,251,262,541             |
| b. Minority interests in net income of subsidiaries |                         |                         |                            |                            |                            |
| PT Grande Family View                               | 15,102,599,466          | 5,399,417,204           | 12,629,992,779             | 5,026,439,790              | 5,085,537,758              |
| PT Intiland Grande                                  | 422,170,335             | 108,860,296             | 558,459,502                | 190,469,676                | 226,788,210                |
| PT Grande Imperial                                  | -                       | -                       | -                          | -                          | 4,672,293                  |
| Total   | 15,524,769,801          | 5,508,277,500           | 13,188,452,281             | 5,216,909,466              | 5,316,998,261              |

GFV distributed dividends of Rp 2,280,000,000 (share of minority interest amounted to Rp 570,000,000) in 2009, Rp 18,986,448,604 (share of minority interest amounted to Rp 4,746,612,151) in 2008 and Rp 34,613,333,337 (share of minority interest amounted to Rp 8,653,333,333) in 2007.



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**29. Capital Stock**

The following is the composition of the Company's stockholders based on PT Kustodian Sentral Efek Indonesia and Share Registration Bureau of the Company (Biro Administrasi Efek Perusahaan) as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007:

| Name of Stockholder                             | March 31, 2010       |                           |                          |
|---|----------------------|---------------------------|--------------------------|
|   | Number of Shares     | Percentage of Ownership % | Total Paid-up Capital Rp |
| UBS AG Singapore *)                             | 1,152,938,682        | 37.07                     | 576,469,341,000          |
| Credit Suisse Singapore **)                     | 1,031,034,801        | 33.15                     | 515,517,400,500          |
| DBS Bank Ltd                                    | 185,000,000          | 5.95                      | 92,500,000,000           |
| Mira Equities Inc                               | 163,582,536          | 5.26                      | 81,791,268,000           |
| Ir. Sinarto Dharmawan - Vice President Director | 1,140                | 0.000                     | 570,000                  |
| Public - others (below 5%)                      | 577,198,924          | 18.56                     | 288,599,462,000          |
| <b>Total</b>                                    | <b>3,109,756,083</b> | <b>100.00</b>             | <b>1,554,878,041,500</b> |

| Name of Stockholder                             | March 31, 2009, December 31, 2009 |                           |                          |
|---|-----------------------------------|---------------------------|--------------------------|
|   | Number of Shares                  | Percentage of Ownership % | Total Paid-up Capital Rp |
| UBS AG Singapore *)                             | 1,152,938,682                     | 37.07                     | 576,469,341,000          |
| Credit Suisse Singapore **)                     | 1,031,034,801                     | 33.15                     | 515,517,400,500          |
| DBS Bank Ltd                                    | 185,000,000                       | 5.95                      | 92,500,000,000           |
| Mira Equities Inc                               | 163,582,536                       | 5.26                      | 81,791,268,000           |
| Credit Suisse International, Singapore          | 156,883,636                       | 5.04                      | 78,441,818,000           |
| Archied Noto Pradono - Director                 | 50,000                            | 0.002                     | 25,000,000               |
| Drs Jahya Asikin - Commissioner                 | 38,000                            | 0.001                     | 19,000,000               |
| Ir. Sinarto Dharmawan - Vice President Director | 1,140                             | 0.000                     | 570,000                  |
| Public - others (below 5%)                      | 420,227,288                       | 13.51                     | 210,113,644,000          |
| <b>Total</b>                                    | <b>3,109,756,083</b>              | <b>100.00</b>             | <b>1,554,878,041,500</b> |

| Name of Stockholder                    | December 31, 2008 and 2007 |                           |                          |
|--|----------------------------|---------------------------|--------------------------|
|  | Number of Shares           | Percentage of Ownership % | Total Paid-up Capital Rp |
| UBS AG Singapore *)                    | 1,152,938,682              | 37.07                     | 576,469,341,000          |
| Credit Suisse Singapore **)            | 1,031,034,801              | 33.15                     | 515,517,400,500          |
| DBS Bank Ltd                           | 185,000,000                | 5.95                      | 92,500,000,000           |
| Mira Equities Inc                      | 163,582,536                | 5.26                      | 81,791,268,000           |
| Credit Suisse International, Singapore | 156,883,636                | 5.04                      | 78,441,818,000           |
| Archied Noto Pradono - Director        | 50,000                     | 0.002                     | 25,000,000               |
| Drs Jahya Asikin - Commissioner        | 38,000                     | 0.001                     | 19,000,000               |
| Public - others (below 5%)             | 420,228,428                | 13.51                     | 210,114,214,000          |
| <b>Total</b>                           | <b>3,109,756,083</b>       | <b>100.00</b>             | <b>1,554,878,041,500</b> |

\*) As a custodian of the Company's shares owned by Truss Investment Partners Pte. Ltd

\*\*\*) As a custodian of the Company's shares owned by Strands Investment Ltd

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**29. Capital Stock (Continued)**

Based on Extraordinary Meeting of Stockholders of the Company, as stated in Deed No. 14 dated June 29, 2007 from Saniwati Suganda, S.H., a notary public in Jakarta, the shareholders agreed to increase the authorized capital stock from Rp 1,800,000,000 to Rp 6,000,000,000 and increase the subscribed and paid-up shares from Rp 462,891,300,000 to Rp 1,554,787,041,500 by issuing new shares with a par value of Rp 500 per share. The increase in shares was followed by Addition of Shares Without Preemptive Rights in respect to debt conversion into the Company's shares. Based on the independent appraisers' report, the fair market value of the Company's shares is between Rp 404 – Rp 579 per share as of December 31, 2006. The debt to equity conversion was stated in Deed No. 16 dated June 29, 2007 from the same notary. This Deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. W7-10019 HT.01.04-TH.2007 dated September 11, 2007.

**30. Additional Paid-In Capital**

This account represents additional paid-in capital in connection with:

|   | <u>Rp</u>                    |
|---|------------------------------|
| Beginning balance of additional paid-in capital before initial public offering                        | 341,026,711                  |
| Additional paid-in capital for:   |                              |
| Sale of 6,000,000 shares through public offering in 1989  | 33,000,000,000               |
| Rights offering of 121,418,000 shares to stockholders in 1992   | 78,921,700,000               |
| Rights offering of 81,209,000 shares to stockholders in 1994  | 121,813,500,000              |
| Distribution in 1997 of 219,264,300 bonus shares  | <u>(219,264,300,000)</u>     |
| Balance of additional paid-in-capital as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007 | <u><u>14,811,926,711</u></u> |

**31. Revenues**

**Net Sales**

|                            | March 31, 2010<br><u>(Three months)</u><br>Rp | March 31, 2009<br><u>(Three months)</u><br>Rp | December 31, 2009<br><u>(One year)</u><br>Rp | December 31, 2008<br><u>(One year)</u><br>Rp | December 31, 2007<br><u>(One year)</u><br>Rp |
|----------------------------|---|---|--|--|--|
| Based on source of revenue |   |   |  |  |  |
| Related party (Note 38)    |   |   |  |  |  |
| Housing and land           | -   | -   | 43,636,363,636                               | -  | -  |
| Third Parties              |   |   |  |  |  |
| Housing and land           | 234,090,134,706                               | 55,749,983,375                                | 162,690,911,825                              | 187,285,377,869                              | 158,613,653,651                              |
| Apartment                  | <u>12,858,298,910</u>                         | <u>12,409,925,974</u>                         | <u>62,798,119,972</u>                        | <u>28,023,670,688</u>                        | <u>58,569,418,983</u>                        |
| Total                      | <u>246,948,433,616</u>                        | <u>68,159,909,349</u>                         | <u>269,125,395,433</u>                       | <u>215,309,048,557</u>                       | <u>217,183,072,634</u>                       |

The prices granted to and terms of transactions with a related party were the same as those transactions done with third parties.

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**31. Revenues (Continued)**

**Net Sales (Continued)**

Net sales for the year ended December 31, 2009 amounting to Rp 43,636,363,636 or representing 16.21% of total net sales was made to PT Surabaya Jasa Medika, a related party. While there were no revenues from any party that exceeded 10% of the total net sales for the three month periods ended March 31, 2010 and 2009, and the years ended December 31, 2008 and 2007.

Net sales amounting to Rp 10,004,452,756 and Rp 9,505,183,821 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 52,055,985,672, Rp 27,358,601,893 and Rp 56,038,460,579 for the years ended December 31, 2009, 2008 and 2007, respectively, represent subsidiary's interest in BKMB (Note 40).

**Rental, Maintenance and Utilities Revenues**

Rental agreements are generally entered into with terms of one to ten years, while rental rates are determined every two to three years. Rental, maintenance and utility agreements entered into by the Company and its subsidiaries are generally denominated in Rupiah with terms of agreement of one to ten years. The revenues from rental and maintenance are presented at amounts before the 10% final income tax.

There are also rental, maintenance and utility agreements entered into with related parties (Note 38).

Rental, maintenance and utilities revenues amounting to Rp 1,370,669,587 and Rp 1,437,140,877 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 6,633,492,898, Rp 6,248,573,463 and Rp 5,904,215,053 for the years ended December 31, 2009, 2008 and 2007, respectively, represent the Company's interest in BKGP (Note 40).

**Sports Centers**

These represent revenues from sport centers managed by the Company and its subsidiaries which are located in Jakarta and Surabaya.

**Other Revenues**

These represent revenues from parking, overtime charges and also revenues from additional services rendered.

**32. Cost of Sales and Direct Expenses**

**Cost of Sales**

|                            | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|----------------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Based on source of revenue |  |  |                                       |                                       |                                       |
| Related party (Note 38)    |  |  |                                       |                                       |                                       |
| Housing and land           | -                                      | -                                      | 12,063,838,285                        | -                                     | -                                     |
| Third Parties              |  |  |                                       |                                       |                                       |
| Housing and land           | 102,852,538,533                        | 25,561,357,282                         | 74,431,022,901                        | 91,283,309,895                        | 79,579,414,520                        |
| Apartment                  | 10,049,098,791                         | 9,403,304,593                          | 55,941,192,004                        | 31,066,322,604                        | 49,993,984,578                        |
| <b>Total</b>               | <b>112,901,637,324</b>                 | <b>34,964,661,875</b>                  | <b>142,436,053,190</b>                | <b>122,349,632,499</b>                | <b>129,573,399,098</b>                |

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**32. Cost of Sales and Direct Expenses (Continued)**

**Building Expenses (Continued)**

Cost of sales amounting to Rp 7,545,982,211 and Rp 7,870,935,983 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 38,949,056,659, Rp 24,861,794,892 and Rp 44,119,885,530 for the years ended December 31, 2009, 2008 and 2007, respectively, represent the subsidiary's interest in BKMB (Note 40).

**Building Expenses**

|                                | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Operational                    | 2,439,009,367                          | 1,359,337,833                          | 8,057,619,049                         | 5,709,940,016                         | 3,784,357,094                         |
| Electricity and water          | 1,490,472,600                          | 651,216,641                            | 8,129,554,101                         | 10,712,753,715                        | 8,520,360,087                         |
| Depreciation (Notes 13 and 15) | 280,598,108                            | 1,587,735,929                          | 3,020,059,852                         | 4,487,212,080                         | 5,087,299,314                         |
| Repairs and maintenance        | 208,629,760                            | 1,074,110,585                          | 1,242,631,022                         | 4,121,072,682                         | 4,895,858,532                         |
| Land and building taxes        | -                                      | -                                      | 1,522,161,684                         | 1,992,377,072                         | 1,221,031,578                         |
| Insurance                      | -                                      | 35,541,775                             | 510,934,527                           | 847,984,856                           | 749,799,283                           |
| Others                         | 119,556,368                            | 102,669,748                            | 1,496,561,142                         | 2,343,048,708                         | 4,834,449,349                         |
| <b>Total</b>                   | <b>4,538,266,203</b>                   | <b>4,810,612,511</b>                   | <b>23,979,521,377</b>                 | <b>30,214,389,129</b>                 | <b>29,093,155,237</b>                 |

Building expenses amounting to Rp 287,802,701 and Rp 207,208,109 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 1,429,773,805, Rp 1,370,465,780 and Rp 1,310,515,232, and for the years ended December 31, 2009, 2008 and 2007, respectively, represent the Company's interest in BKGP (Note 40).

**Personnel Expenses**

This account represents salaries, wages, overtime, holiday allowances, educational allowances and training costs, and others.

Personnel expenses amounting to Rp 241,678,668 and Rp 213,168,557 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 943,805,163, Rp 847,168,630 and Rp 769,650,076 for the years ended December 31, 2009, 2008 and 2007, respectively, represent the Company's interest in BKGP (Note 40).

**Other Operational Expenses**

|                                | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|--------------------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Depreciation (Notes 13 and 15) | 5,094,277,946                          | 4,380,070,429                          | 21,280,530,855                        | 17,558,296,966                        | 17,783,949,635                        |
| Golf                           | 3,289,998,284                          | 3,542,833,618                          | 11,813,314,853                        | 12,526,762,943                        | 9,045,007,790                         |
| Restaurant                     | 685,700,544                            | 713,587,929                            | 1,194,520,843                         | 1,794,461,223                         | 4,418,852,036                         |
| Sports club                    | 971,113,345                            | 858,742,825                            | 5,920,003,290                         | 26,026,451                            | 2,122,853,258                         |
| Marketing expenses             | 32,911,100                             | 563,553,101                            | 1,276,609,316                         | 1,020,871,546                         | 1,765,539,728                         |
| Telephone and facsimile        | 9,970,219                              | 16,354,350                             | -                                     | 103,729,957                           | 163,848,836                           |
| Office equipment               | 8,530,128                              | 24,309,079                             | -                                     | 285,058,706                           | 505,815,166                           |
| Others                         | 441,493,438                            | 631,339,114                            | 5,122,859,360                         | 1,114,614,858                         | 1,878,803,880                         |
| <b>Total</b>                   | <b>10,533,995,004</b>                  | <b>10,730,790,445</b>                  | <b>46,607,838,517</b>                 | <b>34,429,822,650</b>                 | <b>37,684,670,329</b>                 |

There are no expenses paid to a party which exceeded 10% of the total cost of sales and direct expenses for the three month periods ended March 31, 2010 and 2009 and for the years ended December 31, 2009, 2008 and 2007.

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**33. Selling Expenses**

|                           | March 31, 2010<br>(Three months) | March 31, 2009<br>(Three months) | December 31, 2009<br>(One year) | December 31, 2008<br>(One year) | December 31, 2007<br>(One year) |
|---------------------------|----------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                           | Rp                               | Rp                               | Rp                              | Rp                              | Rp                              |
| Promotion and advertising | 1,969,500,947                    | 1,164,778,320                    | 5,797,053,871                   | 6,803,649,356                   | 6,124,481,185                   |
| Sales commission          | 382,955,674                      | 1,197,879,632                    | 2,500,259,997                   | 4,060,817,994                   | 5,180,808,953                   |
| Salaries and wages        | 237,880,490                      | 144,134,074                      | 445,369,470                     | 519,416,105                     | 460,102,766                     |
| Others                    | 1,150,282,263                    | 510,326,274                      | 1,683,366,115                   | 1,345,799,920                   | 717,749,067                     |
| <b>Total</b>              | <b>3,740,619,374</b>             | <b>3,017,118,300</b>             | <b>10,426,049,453</b>           | <b>12,729,683,375</b>           | <b>12,483,141,971</b>           |

Selling expenses amounting to Rp 990,690,623 and Rp 494,026,618 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 2,178,015,486, Rp 2,283,216,694 and Rp 2,395,247,202 for the years ended December 31, 2009, 2008 and 2007, respectively, represent the subsidiary's interest in BKMB (Note 40).

**34. General and Administrative Expenses**

|  | March 31, 2010<br>(Three months) | March 31, 2009<br>(Three months) | December 31, 2009<br>(One year) | December 31, 2008<br>(One year) | December 31, 2007<br>(One year) |
|--|----------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
|  | Rp                               | Rp                               | Rp                              | Rp                              | Rp                              |
| Salaries and wages                       | 10,318,470,850                   | 8,263,594,130                    | 40,533,876,464                  | 42,237,306,223                  | 31,923,314,965                  |
| Professional fees                        | 8,724,774,002                    | 180,545,450                      | 10,234,799,507                  | 1,824,640,763                   | 1,746,645,776                   |
| Depreciation (Notes 13 and 14)           | 2,110,199,764                    | 1,280,790,961                    | 7,411,677,949                   | 5,745,306,354                   | 4,996,041,356                   |
| Electricity, water and telephone         | 713,288,227                      | 1,093,121,120                    | 2,932,132,019                   | 2,515,917,486                   | 2,869,945,918                   |
| Taxes and licenses                       | 519,524,064                      | 381,934,009                      | 4,074,096,750                   | 4,581,373,055                   | 4,629,189,982                   |
| Post-employment benefits (Note 37)       | 433,917,466                      | 1,013,587,462                    | 4,967,759,394                   | 4,009,563,200                   | 7,138,708,849                   |
| Donations and representation             | 431,174,307                      | 342,455,095                      | 2,868,196,943                   | 1,058,347,962                   | 2,649,895,161                   |
| Office supplies                          | 311,930,775                      | 315,538,716                      | 512,478,863                     | 1,917,110,609                   | 1,595,721,934                   |
| Repairs and maintenance                  | 272,883,152                      | 197,656,634                      | 1,452,483,776                   | 1,875,818,310                   | 3,272,335,266                   |
| Security                                 | 57,174,749                       | 49,763,491                       | 676,643,763                     | 812,815,906                     | 389,361,510                     |
| Insurance                                | 5,816,023                        | 6,504,117                        | 2,463,548,404                   | 504,361,029                     | 528,820,556                     |
| Bank charges                             | 2,604,166                        | -                                | 445,034,649                     | 79,298,984                      | 46,453,916                      |
| Provision for doubtful accounts (Note 5) | -                                | -                                | 1,937,362,272                   | -                               | -                               |
| Others                                   | 1,782,849,026                    | 3,618,844,478                    | 9,880,334,069                   | 9,007,971,397                   | 6,510,373,998                   |
| <b>Total</b>                             | <b>25,684,606,571</b>            | <b>16,744,335,663</b>            | <b>90,390,424,822</b>           | <b>76,169,831,278</b>           | <b>68,296,809,187</b>           |

General and administrative expenses amounting to Rp 760,869,431 and Rp 1,187,426,023 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 4,981,001,047, Rp 5,686,446,954 and Rp 5,863,805,443 for the years ended December 31, 2009, 2008 and 2007, respectively, represent the Company and its subsidiary's interest in BKGP, BKAPM and BKMB (Note 40).

**35. Interest Expense**

|                        | March 31, 2010<br>(Three months) | March 31, 2009<br>(Three months) | December 31, 2009<br>(One year) | December 31, 2008<br>(One year) | December 31, 2007<br>(One year) |
|------------------------|----------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                        | Rp                               | Rp                               | Rp                              | Rp                              | Rp                              |
| Bank loans             | 11,561,300,442                   | 14,010,942,693                   | 47,192,587,937                  | 31,114,431,357                  | 24,359,324,271                  |
| Lease liabilities      | 3,895,007                        | 9,298,517                        | 74,115,725                      | 50,063,575                      | 31,014,569                      |
| Other accounts payable | -                                | -                                | -                               | 4,529,166                       | -                               |
| <b>Total</b>           | <b>11,565,195,449</b>            | <b>14,020,241,210</b>            | <b>47,266,703,662</b>           | <b>31,169,024,098</b>           | <b>24,390,338,840</b>           |

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**36. Income Tax**

Tax expense (benefit) of the Company and its subsidiaries consists of the following:

|                                     | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|-------------------------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Current tax                         |  |  |                                       |                                       |                                       |
| Non final tax - Subsidiaries        | -                                      | -                                      | 990,379,040                           | 13,032,333,972                        | 9,941,058,088                         |
| Final tax                           |  |  |                                       |                                       |                                       |
| The Company                         | 1,420,826,612                          | 1,201,360,708                          | 6,169,277,161                         | 5,489,785,478                         | 6,539,487,856                         |
| The subsidiaries and joint ventures | 7,255,392,732                          | 2,270,051,004                          | 13,505,914,302                        | 572,038,623                           | 522,379,425                           |
| Deferred tax                        | -                                      | -                                      | (855,117,412)                         | 7,073,969,171                         | (213,984,283)                         |
| <b>Total</b>                        | <b>8,676,219,344</b>                   | <b>3,471,411,712</b>                   | <b>19,810,453,091</b>                 | <b>26,168,127,244</b>                 | <b>16,788,941,086</b>                 |

Income tax expense amounting to Rp 173,343,867 and Rp 168,113,598 for the three month periods ended March 31, 2010 and 2009, respectively, and Rp 631,144,001, Rp 572,038,623 and Rp 522,379,425 for the years ended December 31, 2009, 2008 and 2007, respectively, represent the Company's interest in BKGP (Note 40).

**Non Final Income Tax**

The details of current tax expense is as follows:

|   | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|---|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Current tax expense                         |  |  |                                       |                                       |                                       |
| PT PT Intiland Grande and its subsidiaries  | -                                      | -                                      | 607,808,320                           | 11,903,116,172                        | 9,554,964,588                         |
| PT Taman Harapan Indah and its subsidiaries | -                                      | -                                      | 382,570,720                           | 1,129,217,800                         | 386,093,500                           |
| <b>Total</b>                                | <b>-</b>                               | <b>-</b>                               | <b>990,379,040</b>                    | <b>13,032,333,972</b>                 | <b>9,941,058,088</b>                  |
| Current tax payable (Note 21)               |  |  |                                       |                                       |                                       |
| PT Intiland Grande and its subsidiaries     | -                                      | 866,967,493                            | 576,323,240                           | 906,343,241                           | 1,329,425,091                         |
| PT Taman Harapan Indah and its subsidiaries | 315,473,788                            | 865,498,536                            | 315,473,788                           | 869,021,681                           | 1,092,229,543                         |
| <b>Total</b>                                | <b>315,473,788</b>                     | <b>1,732,466,029</b>                   | <b>891,797,028</b>                    | <b>1,775,364,922</b>                  | <b>2,421,654,634</b>                  |

**Deferred Tax**

The details of the Company and its subsidiaries' deferred tax assets and liabilities are as follows:

|  | January 1, 2010<br>Rp  | Credited (charged)<br>to income for the year<br>Rp | March 31, 2010<br>Rp   |
|--|------------------------|--|------------------------|
| Deferred tax liabilities of the Company      |                        |  |                        |
| Post-employment benefits                     | -                      | -  | -                      |
| Pension expense                              | -                      | -  | -                      |
| Deferred tax liabilities of the subsidiaries | (2,743,913,967)        | -  | (2,743,913,967)        |
| <b>Total</b>                                 | <b>(2,743,913,967)</b> | <b>-</b>   | <b>(2,743,913,967)</b> |
| Deferred tax assets                          | 1,015,077,246          |  | 1,015,077,246          |
| Deferred tax liabilities                     | (3,758,991,213)        |  | (3,758,991,213)        |
| <b>Total</b>                                 | <b>(2,743,913,967)</b> |  | <b>(2,743,913,967)</b> |

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**36. Income Tax (Continued)**

**Deferred Tax (Continued)**

|  | January 1, 2009<br>Rp         | Credited (charged)<br>to income for the year<br>Rp | March 31, 2009<br>Rp          |
|--|-------------------------------|--|-------------------------------|
| Deferred tax liabilities of the Company      |                               |  |                               |
| Post-employment benefits                     | -                             | -  | -                             |
| Pension expense                              | -                             | -  | -                             |
| Deferred tax liabilities of the subsidiaries | <u>(3,599,031,379)</u>        | -  | <u>(3,599,031,379)</u>        |
| <b>Total</b>                                 | <u><b>(3,599,031,379)</b></u> | <u><b>-</b></u>                                    | <u><b>(3,599,031,379)</b></u> |
| Deferred tax assets                          | 174,555,830                   |  | 174,555,830                   |
| Deferred tax liabilities                     | <u>(3,773,587,209)</u>        |  | <u>(3,773,587,209)</u>        |
| <b>Total</b>                                 | <u><b>(3,599,031,379)</b></u> |  | <u><b>(3,599,031,379)</b></u> |

|  | January 1, 2009<br>Rp         | Credited (charged)<br>to income for the year<br>Rp | December 31, 2009<br>Rp       |
|--|-------------------------------|--|-------------------------------|
| Deferred tax liabilities of the Company      |                               |  |                               |
| Post-employment benefits                     | -                             | -  | -                             |
| Pension expense                              | -                             | -  | -                             |
| Deferred tax liabilities of the subsidiaries | <u>(3,599,031,379)</u>        | 855,117,412  | <u>(2,743,913,967)</u>        |
| <b>Total</b>                                 | <u><b>(3,599,031,379)</b></u> | <u><b>855,117,412</b></u>                          | <u><b>(2,743,913,967)</b></u> |
| Deferred tax assets                          | 174,555,830                   |  | 1,015,077,246                 |
| Deferred tax liabilities                     | <u>(3,773,587,209)</u>        |  | <u>(3,758,991,213)</u>        |
| <b>Total</b>                                 | <u><b>(3,599,031,379)</b></u> |  | <u><b>(2,743,913,967)</b></u> |

|  | January 1, 2007<br>Rp       | Credited (charged)<br>to income for the year<br>Rp | December 31, 2007<br>Rp     | Credited (charged)<br>to income for the year<br>Rp | December 31, 2008<br>Rp       |
|--|-----------------------------|--|-----------------------------|--|-------------------------------|
| Deferred tax assets (liabilities)<br>of the Company      |                             |  |                             |  |                               |
| Post-employment benefits                                 | 649,335,698                 | 1,637,690,290                                      | 2,287,025,988               | (2,287,025,988)                                    | -                             |
| Pension expense  | (229,096,201)               | (145,530,402)                                      | (374,626,603)               | 374,626,603  | -                             |
| Deferred tax assets (liabilities)<br>of the subsidiaries | <u>2,840,714,012</u>        | <u>(1,278,175,605)</u>                             | <u>1,562,538,407</u>        | <u>(5,161,569,786)</u>                             | <u>(3,599,031,379)</u>        |
| <b>Total</b>   | <u><b>3,260,953,509</b></u> | <u><b>213,984,283</b></u>                          | <u><b>3,474,937,792</b></u> | <u><b>(7,073,969,171)</b></u>                      | <u><b>(3,599,031,379)</b></u> |
| Deferred tax assets                                      | 8,565,192,850               |  | 8,731,014,250               |  | 174,555,830                   |
| Deferred tax liabilities                                 | <u>(5,395,239,341)</u>      |  | <u>(5,256,076,458)</u>      |  | <u>(3,773,587,209)</u>        |
| <b>Total</b>   | <u><b>3,260,953,509</b></u> |  | <u><b>3,474,937,792</b></u> |  | <u><b>(3,599,031,379)</b></u> |

In September 2008, Law No. 7 Year 1983 regarding "Income Tax" has been revised with the Law No.36 Year 2008. The revised Law stipulates changes in corporate income tax rate from progressive tax rates to a flat rate of 28% for fiscal year 2009 and 25% for fiscal year 2010 onwards. The subsidiaries have recorded the impact of the changes in tax rates in the calculation of the net deferred tax assets as part of tax expense in current year's operations.

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**36. Income Tax (Continued)**

**Deferred Tax (Continued)**

In November 2008, the Government has issued Government Regulation (PP) No. 71/2008 imposing final tax on income derived from transfer right for land and building, which income was previously imposed with tax at corporate income tax rates. This regulation is effective on January 1, 2009.

The Company and its subsidiaries have fulfilled all their tax obligations for land and building taxes.

**37. Pension Plan and Post-Employment Benefits**

**Pension Plan**

The Company and its subsidiaries, established a defined benefit pension plan covering all of its permanent employees. This plan provides pension benefits based on years of service and basic pension income.

The pension plan is managed by Benefit 2000, the Deed of Establishment of which was approved by the Minister of Finance of the Republic of Indonesia through decision letter No. KEP-072/KM.17/1995 dated March 10, 1995. Benefit 2000 was established by PT Asuransi Jiwa Manulife Indonesia as founder and the Company and its subsidiaries as co-founders.

Benefit 2000 is financed through contributions from employers and employees. Employee contributions represent 3% of salaries in 2010, 2009, 2008 and 2007.

Reconciliation of assets/liabilities recognized in the consolidated balance sheets:

|  | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|--|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Present value of past service liability  | 21,475,033,970                         | 19,414,899,251                         | 22,631,054,543                        | 17,447,875,098                        | 18,610,372,671                        |
| Fair value of pension plan assets  | <u>(25,872,786,830)</u>                | <u>(21,574,387,104)</u>                | <u>(24,531,787,733)</u>               | <u>(20,926,904,463)</u>               | <u>(21,986,118,191)</u>               |
| Excess of fair value of plan assets over present value of past-service liability | (4,397,752,860)                        | (2,159,487,853)                        | (1,900,733,190)                       | (3,479,029,365)                       | (3,375,745,520)                       |
| Unrecognized actuarial gains (loss)  | <u>(225,068,171)</u>                   | <u>152,665,945</u>                     | <u>(623,797,928)</u>                  | <u>293,332,164</u>                    | <u>(102,730,647)</u>                  |
| Plan assets  | (4,622,821,031)                        | (2,006,821,908)                        | (2,524,531,118)                       | (3,185,697,201)                       | (3,478,476,167)                       |
| Adjustments due to limitation of Revised PSAK 24 paragraphs 58 and 59            | <u>4,309,374,419</u>                   | <u>2,998,158,212</u>                   | <u>3,235,785,095</u>                  | <u>2,860,002,292</u>                  | <u>2,591,793,755</u>                  |
| Total net pension plan assets  | <u>(313,446,612)</u>                   | <u>991,336,304</u>                     | <u>711,253,977</u>                    | <u>(325,694,909)</u>                  | <u>(886,682,412)</u>                  |
| Details:   |  |  |                                       |                                       |                                       |
| Pension plan assets  | (621,909,186)                          | (434,101,757)                          | (621,909,186)                         | (849,958,178)                         | (1,277,314,412)                       |
| Pension plan liabilities   | <u>308,462,574</u>                     | <u>1,425,438,061</u>                   | <u>1,333,163,163</u>                  | <u>524,263,269</u>                    | <u>390,632,000</u>                    |
| Net  | <u>(313,446,612)</u>                   | <u>991,336,304</u>                     | <u>711,253,977</u>                    | <u>(325,694,909)</u>                  | <u>(886,682,412)</u>                  |



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**37. Pension Plan and Post-Employment Benefits (Continued)**

**Pension Plan (Continued)**

Details of pension plan expense (income) recognized in the consolidated statements of income:

|  | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|--|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Current service cost                       | 219,026,573                            | 216,057,186                            | 673,796,537                           | 948,841,712                           | 649,016,946                           |
| Interest cost                              | 468,754,130                            | 395,432,528                            | 1,640,803,676                         | 1,650,548,705                         | 1,519,046,760                         |
| Expected return on investments             | (557,652,811)                          | (434,279,292)                          | (1,903,754,048)                       | (1,741,440,761)                       | (1,554,781,812)                       |
| Effect of reduction in number of employees | (144,845,865)                          | -                                      | (251,028,263)                         | -                                     | (127,765,015)                         |
| Amortization of actuarial loss             | 14,228,830                             | 1,050,517,283                          | 714,597,027                           | 4,444,537                             | 1,948,714,173                         |
| Adjustment of assets                       | 163,538,174                            | 136,392,738                            | 374,019,621                           | 268,208,538                           | (2,443,801,823)                       |
| <b>Total</b>                               | <b>163,049,031</b>                     | <b>1,364,120,443</b>                   | <b>1,248,434,550</b>                  | <b>1,130,602,731</b>                  | <b>(9,570,771)</b>                    |

The pension plan assets include deposits, shares and obligations.

Reconciliation of movement of pension plan assets/liabilities recognized in the consolidated balance sheets:

|   | March 31, 2010<br>Rp | March 31, 2009<br>Rp | December 31, 2009<br>Rp | December 31, 2008<br>Rp | December 31, 2007<br>Rp |
|---|----------------------|----------------------|-------------------------|-------------------------|-------------------------|
| Assets at beginning of year                     | 711,253,977          | (325,694,909)        | (325,694,909)           | (886,682,412)           | (592,066,155)           |
| Company contributions                           | (1,187,749,620)      | (47,089,230)         | (211,485,664)           | (569,615,228)           | (285,045,486)           |
| Net expense (income) recognized during the year | 163,049,031          | 1,364,120,443        | 1,248,434,550           | 1,130,602,731           | (9,570,771)             |
| <b>Total</b>                                    | <b>(313,446,612)</b> | <b>991,336,304</b>   | <b>711,253,977</b>      | <b>(325,694,909)</b>    | <b>(886,682,412)</b>    |
| Details:  |                      |                      |                         |                         |                         |
| Pension plan assets                             | (621,909,186)        | (434,101,757)        | (621,909,186)           | (849,958,178)           | (1,277,314,412)         |
| Pension plan liabilities                        | 308,462,574          | 1,425,438,061        | 1,333,163,163           | 524,263,269             | 390,632,000             |
| <b>Net</b>                                      | <b>(313,446,612)</b> | <b>991,336,304</b>   | <b>711,253,977</b>      | <b>(325,694,909)</b>    | <b>(886,682,412)</b>    |

The latest actuarial valuation reports, dated May 3, 2010 on the pension plan was from PT Padma Radya Aktuaria, an independent actuary.

The key assumptions in computing the pension benefits are as follows:

|                                |   |  |
|--------------------------------|---|--|
| Discount rate                  | : | 10% per annum in 2010 and 2009, 12% per annum in 2008 and 10% per annum 2007 |
| Salary increment rate          | : | 10% per annum  |
| Mortality rate                 | : | 100% Mortality Table of Indonesia II   |
| Disability rate                | : | 5% from Mortality Table  |
| Resignation rate               | : | 1%per annum  |
| Proportion of early retirement | : | 1%per annum  |
| Normal pension age             | : | 55 years   |

**Post-Employment Benefits**

The Company and its subsidiaries provide post-employment benefits to their qualified employees in accordance with Labor Law No. 13/2003. The number of employees entitled to the benefits is 1,088 in 2010, 1,157 in 2009, 1,161 in 2008 and 1,099 in 2007.

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**37. Pension Plan and Post-Employment Benefits (Continued)**

**Post-Employment Benefits (Continued)**

Details of post-employment benefits recognized in the consolidated statements of income are as follows:

|                                  | March 31, 2010<br>(Three months)<br>Rp | March 31, 2009<br>(Three months)<br>Rp | December 31, 2009<br>(One year)<br>Rp | December 31, 2008<br>(One year)<br>Rp | December 31, 2007<br>(One year)<br>Rp |
|----------------------------------|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Current service cost             | 740,734,758                            | 516,232,023                            | 2,704,257,701                         | 2,561,433,218                         | 2,254,769,882                         |
| Interest costs                   | 645,866,829                            | 618,848,603                            | 2,709,324,887                         | 2,796,351,458                         | 2,174,761,105                         |
| Past service costs               | 67,616,810                             | 68,316,766                             | 223,767,119                           | 9,921,351                             | 248,423,172                           |
| Net actuarial loss (gain)        | (711,759,386)                          | (189,809,930)                          | (450,066,772)                         | 579,648,074                           | (75,291,922)                          |
| Actuarial calculation adjustment | -                                      | -                                      | (219,523,541)                         | -                                     | 18,419,900                            |
| Effect of changes                | (9,690,881)                            | -                                      | -                                     | -                                     | 4,451,055,354                         |
| Effect of resignations           | (298,850,664)                          | -                                      | -                                     | (1,937,790,901)                       | (1,933,428,642)                       |
| <b>Total</b>                     | <b>433,917,466</b>                     | <b>1,013,587,462</b>                   | <b>4,967,759,394</b>                  | <b>4,009,563,200</b>                  | <b>7,138,708,849</b>                  |

The amounts included in the consolidated balance sheets pertaining to the Company and its subsidiaries' obligations with respect to these post-employment benefits are as follows:

|                                       | 2010<br>(Three months)<br>Rp | 2009<br>(Three months)<br>Rp | 2009<br>(One year)<br>Rp | 2008<br>(One year)<br>Rp | 2007<br>(One year)<br>Rp |
|---------------------------------------|------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Present value of unfunded obligation  | 34,366,188,776               | 26,048,371,704               | 34,821,604,858           | 28,470,246,899           | 31,832,328,917           |
| Unrecognized actuarial gains (losses) | 2,133,409,441                | 4,865,759,386                | 532,325,440              | 1,901,101,942            | (4,993,787,156)          |
| Past service costs                    | (830,973,586)                | (1,182,774,207)              | (1,588,960,654)          | (1,583,952,961)          | (1,455,915,581)          |
| Post employment benefits obligation   | <b>35,668,624,631</b>        | <b>29,731,356,883</b>        | <b>33,764,969,644</b>    | <b>28,787,395,880</b>    | <b>25,382,626,180</b>    |

Movements in the post employment benefits obligation recognized in the consolidated balance sheets are as follows:

|                                  | 2010<br>(Three months)<br>Rp | 2009<br>(Three months)<br>Rp | 2009<br>(One year)<br>Rp | 2008<br>(One year)<br>Rp | 2007<br>(One year)<br>Rp |
|----------------------------------|------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Beginning of the year            | 33,764,969,644               | 28,787,395,880               | 28,787,395,880           | 25,382,626,180           | 21,018,513,805           |
| Payments during the year         | (311,915,357)                | (69,626,459)                 | (761,558,285)            | (40,113,792)             | (316,412,565)            |
| Provisions for the year          | 433,917,466                  | 1,013,587,462                | 4,967,759,394            | 4,009,563,200            | 7,138,708,849            |
| Effect of changes                | 1,781,652,878                | -                            | 147,745,882              | -                        | -                        |
| Actuarial calculation adjustment | -                            | -                            | 623,626,773              | (564,679,708)            | (2,458,183,909)          |
| End of the year                  | <b>35,668,624,631</b>        | <b>29,731,356,883</b>        | <b>33,764,969,644</b>    | <b>28,787,395,880</b>    | <b>25,382,626,180</b>    |

Post-employment benefits obligation amounting to Rp 703,428,840, Rp 538,062,811, Rp 667,028,189, Rp 511,634,329 and Rp 107,168,998 as of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, respectively, represent the Company and its subsidiary's interest in BKGP and BKMB (Note 40).

The cost of providing post-employment benefits was calculated by an independent actuary, PT Padma Radya Aktuaria in its reports dated May 3, 2010. The actuarial valuation reports were carried out using the following key assumptions:

|                           |   |
|---------------------------|---|
| Discount rate             | : 10% per annum in 2010 and 2009, 12% per annum in 2008 and 10% per annum in 2007 |
| Salary increment rate     | : 10% per annum   |
| Mortality rate            | : 100% TMI II   |
| Disability rate           | : 5% from Mortality Table   |
| Resignation rate          | : 4% on age 33, decreasing linearly   |
| Level of early retirement | : 100% per annum  |

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**38. Nature of Relationship and Transactions with Related Parties**

**Nature of Relationship**

- a. Truss Investment Partners Ltd. Pte (Truss) and Strands Investments Ltd. (Strands) are stockholders of the Company.
- b. Associated companies and subsidiaries:
- PT Prima Sentosa Ganda
  - PT Gandaria Prima
  - PT Darmo Grande
  - PT Kuripan Raya
  - PT Dharmala RSEA Industrial Estate Surabaya
  - PT Hotel Taman Harapan Indah
  - PT Dinamika Kencana Mandiri
- c. Companies which have partly the same members of management as the Company and its subsidiaries are as follows:
- PT Chris Kencana
  - Dayspring Investment Ltd
  - Bizpoint Inc.

**Transactions with Related Parties**

- a. The subsidiaries' bank loans are collateralized with certain land, property and equipment owned by PT Chris Kencana, PT Primasentosa Ganda, PT Gandaria Prima and PT Darmo Grande (Note 17).
- b. The Company and its subsidiaries have non-trade, non-interest bearing transactions with related parties as follows:

|   | March 31,            | March 31,            | Percentage to total |       |
|---|----------------------|----------------------|---------------------|-------|
|   | 2010                 | 2009                 | 2010                | 2009  |
|   | Rp                   | Rp                   | %                   | %     |
| Due from                                    |                      |                      |                     |       |
| PT Kuripan Raya                             | 4,230,797,359        | 5,061,875,909        | 0.11                | 0.24  |
| PT Hotel Taman Harapan Indah                | -                    | 1,250,700,000        | -                   | 0.06  |
| PT Dharmala RSEA Industrial Estate Surabaya | -                    | 43,929,086           | -                   | -     |
| <b>Total</b>                                | <b>4,230,797,359</b> | <b>6,356,504,995</b> |                     |       |
| Due to a stockholder                        |                      |                      |                     |       |
| Truss Investment Partners Pte.              | 99,220,000,000       | 99,220,000,000       | 3.72                | 10.30 |

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**38. Nature of Relationship and Transactions with Related Parties (Continued)**

**Transactions with Related Parties (Continued)**

|  | December 31,          | December 31,          | December 31,           | Percentage to total |       |       |
|--|-----------------------|-----------------------|------------------------|---------------------|-------|-------|
|  | 2009                  | 2008                  | 2007                   | assets/liabilities  |       |       |
|  | Rp                    | Rp                    | Rp                     | 2009                | 2008  | 2007  |
|  |                       |                       |                        | %                   | %     | %     |
| Due from                                       |                       |                       |                        |                     |       |       |
| PT Kuripan Raya                                | 5.230.797.359         | 5.061.875.909         | 5.061.875.909          | 0,25                | 0,24  | 0,25  |
| PT Hotel Taman Harapan Indah                   | 1.250.700.000         | 1.250.700.000         | 1.250.700.000          | 0,06                | 0,06  | 0,06  |
| PT Dharmala RSEA Industrial Estate<br>Surabaya | 43.929.086            | 43.929.086            | 43.929.086             | -                   | -     | -     |
| PT Dinamika Kencana Mandiri                    | -                     | -                     | 50.000.000             | -                   | -     | -     |
| <b>Total</b>                                   | <b>6.525.426.445</b>  | <b>6.356.504.995</b>  | <b>6.406.504.995</b>   |                     |       |       |
| Due to   |                       |                       |                        |                     |       |       |
| Stockholders                                   |                       |                       |                        |                     |       |       |
| Truss Investment Partners Pte.                 | 99.220.000.000        | 99.220.000.000        | 94.190.000.000         | 10,41               | 10,26 | 10,58 |
| Strands Investments Ltd.                       | -                     | -                     | 9.419.000.000          | -                   | -     | 1,06  |
| Related parties                                |                       |                       |                        |                     |       |       |
| Bizpoint Inc.                                  | -                     | -                     | 38.441.200.727         | -                   | -     | 4,32  |
| Dayspring Investments Ltd.                     | -                     | -                     | 35.949.545.544         | -                   | -     | 4,04  |
| PT Sinergy Sentra Gemilang                     | -                     | -                     | 3.373.714.515          | -                   | -     | 0,38  |
| <b>Total</b>                                   | <b>99.220.000.000</b> | <b>99.220.000.000</b> | <b>181.373.460.786</b> |                     |       |       |

- c. GFV, a subsidiary, sold certain land for development to its related party, PT Surabaya Jasa Medika at Graha Famili with land area of 8,000 square meters. This sale transaction was made under terms and conditions similar to those done with third party customers (Notes 31 and 32).

**39. Segment Information**

**Business segments**

For purposes of management reporting, the Company and its subsidiaries are currently divided into 3 (three) divisions – real estate, fitness center and rental of office building, apartments and hotels. These divisions are the bases of reporting on the primary segment information of the Company and its subsidiaries.

Each Division's main activities are as follows:

- |  |   |  |
|--|---|--|
| Real estate                                      | – | Sale of houses and land  |
| Rental of office building, apartments and hotels | – | Rental of "Intiland Tower Jakarta", "Wisma Sarinah", "Intiland Tower Surabaya", "Apartemen Grand Residence", "Grand Bromo Hotel" and "Grand Trawas Hotel". |
| Sports centers                                   | – | Management of fitness center, sports club and restaurant.  |

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**39. Segment Information (Continued)**

Following is the segment information based on business segments:

|  | March 31, 2010    |   |                        |                     | Consolidated<br>Rp    |
|--|-------------------|---|------------------------|---------------------|-----------------------|
|  | Real Estate<br>Rp | Rental of office building,<br>apartments and houses<br>Rp | Sport<br>centers<br>Rp | Eliminations<br>Rp  |                       |
| <b>REVENUES</b>  |                   |   |                        |                     |                       |
| Sales and revenues   | 246,948,433,616   | 20,674,654,102  | 10,257,104,017         | -                   | 277,880,191,735       |
| <b>RESULTS</b>   |                   |   |                        |                     |                       |
| Segment results  | 134,046,796,292   | 9,963,547,692   | 2,539,538,949          | -                   | 146,549,882,933       |
| Income from operations                                     | 114,086,817,820   | 887,617,739   | 2,150,221,429          | -                   | 117,124,656,988       |
| Other Income (Expenses)                                    |                   |   |                        |                     |                       |
| Gain (loss) on foreign exchange - net                      | 352,325           | (571,632,798)   | -                      | -                   | (571,280,473)         |
| Equity in net income of associates net                     | 91,290,041,882    | 599,341,974   | -                      | (91,569,226,482)    | 320,157,374           |
| Interest income  | 187,580,703       | 15,137,818  | 7,477,216              | -                   | 210,195,737           |
| Gain on sale of property and equipment                     | 104,600,000       | -   | -                      | -                   | 104,600,000           |
| Amortization of goodwill                                   | -                 | -   | -                      | (773,063,207)       | (773,063,207)         |
| Interest expense   | (4,288,735,392)   | (7,276,460,057)   | -                      | -                   | (11,565,195,449)      |
| Others - net   | 5,211,043,605     | (358,184,149)   | (412,071,309)          | -                   | 4,440,788,147         |
| Income (loss) before tax                                   | 206,591,700,943   | (6,704,179,473)   | 1,745,627,336          | (92,342,289,689)    | 109,290,859,117       |
| Tax expense  | (6,937,020,755)   | (1,739,198,589)   | -                      | -                   | (8,676,219,344)       |
| Income (loss) before minority interests                    | 199,654,680,188   | (8,443,378,062)   | 1,745,627,336          | (92,342,289,689)    | 100,614,639,773       |
| Minority interests   | (15,524,769,801)  | -   | -                      | -                   | (15,524,769,801)      |
| Net income (loss)  | 184,129,910,387   | (8,443,378,062)   | 1,745,627,336          | (92,342,289,689)    | 85,089,869,972        |
| <b>OTHER INFORMATION</b>                                   |                   |   |                        |                     |                       |
| <b>ASSETS</b>  |                   |   |                        |                     |                       |
| Segment assets   | 2,238,777,350,518 | 2,308,023,380,436   | 24,676,879,770         | (711,405,939,873)   | 3,860,071,670,851 *)  |
| Unallocated assets   |                   |   |                        |                     | 14,328,244,524        |
| Investment in associates under equity method               | 101,306,239,945   | 764,980,889,267   | -                      | (719,909,635,145)   | 146,377,494,067       |
| Consolidated total assets                                  | 2,340,083,590,463 | 3,073,004,269,703   | 24,676,879,770         | (1,431,315,575,018) | 4,020,777,409,442     |
| <b>LIABILITIES</b>   |                   |   |                        |                     |                       |
| Segment liabilities  | 2,655,980,686,535 | 987,227,429,435   | 187,256,666,387        | (1,230,468,691,000) | 2,599,996,091,357 **) |
| Unallocated liabilities                                    | -                 | -   | -                      | -                   | 68,070,946,580        |
| Consolidated total liabilities                             | 2,655,980,686,535 | 987,227,429,435   | 187,256,666,387        | (1,230,468,691,000) | 2,668,067,037,937     |
| Capital expenditures                                       | 11,161,194,520    | 1,811,837,598   | 1,375,261,073          |                     | 14,348,293,191        |
| Depreciation and amortization                              | 2,161,530,428     | 5,614,471,856   | 482,136,741            |                     | 8,258,139,025         |
| Non-cash expenses other than depreciation and amortization | 117,496,236       | 221,345,727   | 95,075,503             |                     | 433,917,466           |

\*) Exclude deferred tax assets and prepaid taxes

\*\*) Exclude deferred tax liabilities, taxes payable and pension plan liabilities and post-employment benefits obligation

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**39. Segment Information (Continued)**

|  | March 31, 2009    |   |                        |                     | Consolidated<br>Rp   |
|--|-------------------|---|------------------------|---------------------|----------------------|
|  | Real Estate<br>Rp | Rental of office building,<br>apartments and houses<br>Rp | Sport<br>centers<br>Rp | Eliminations<br>Rp  |                      |
| <b>REVENUES</b>  |                   |   |                        |                     |                      |
| Sales and revenues   | 68,159,909,349    | 18,556,187,623  | 9,105,302,585          | -                   | 95,821,399,557       |
| <b>RESULTS</b>   |                   |   |                        |                     |                      |
| Segment results  | 33,888,370,286    | 6,367,984,364   | 2,203,334,021          | -                   | 42,459,688,671       |
| Income (loss) from operations                              | 23,837,240,771    | 987,557,150   | (2,126,563,213)        | -                   | 22,698,234,708       |
| Other income and expenses                                  |                   |   |                        |                     |                      |
| Gain (loss) on foreign exchange - net                      | (86,878,380)      | 451,325,211   | -                      | -                   | 364,446,831          |
| Equity in net loss of associates net                       | 9,487,038,349     | 719,579,562   | -                      | (10,267,000,866)    | (60,382,955)         |
| Interest income  | 355,319,819       | 31,076,959  | 2,969,869              | -                   | 389,366,647          |
| Gain on sale of property and equipment                     | 25,345,874        | -   | -                      | -                   | 25,345,874           |
| Amortization of goodwill                                   | -                 | -   | -                      | (773,063,207)       | (773,063,207)        |
| Interest expense   | (11,833,164,898)  | (2,187,076,312)   | -                      | -                   | (14,020,241,210)     |
| Others - net   | (635,559,500)     | 3,974,250,140   | -                      | -                   | 3,338,690,640        |
| Income (loss) before tax                                   | 21,149,342,035    | 3,976,712,710   | (2,123,593,344)        | (11,040,064,073)    | 11,962,397,328       |
| Tax expense  | (2,270,051,004)   | (1,201,360,708)   | -                      | -                   | (3,471,411,712)      |
| Income (loss) before minority interests                    | 18,879,291,031    | 2,775,352,002   | (2,123,593,344)        | (11,040,064,073)    | 8,490,985,616        |
| Minority interests   | (5,508,277,500)   | -   | -                      | -                   | (5,508,277,500)      |
| Net income (loss)  | 13,371,013,531    | 2,775,352,002   | (2,123,593,344)        | (11,040,064,073)    | 2,982,708,116        |
| <b>OTHER INFORMATION</b>                                   |                   |   |                        |                     |                      |
| <b>ASSETS</b>  |                   |   |                        |                     |                      |
| Segment assets   | 1,887,650,719,001 | 1,153,226,227,571   | 18,211,349,887         | (1,092,329,810,935) | 1,966,758,485,524 *) |
| Unallocated assets   |                   |   |                        |                     | 13,884,914,127       |
| Investment in associates under equity method               | 102,183,890,156   | 637,676,110,778   | -                      | (604,988,525,087)   | 134,871,475,847      |
| Consolidated total assets                                  | 1,989,834,609,157 | 1,790,902,338,349   | 18,211,349,887         | (1,697,318,336,022) | 2,115,514,875,498    |
| <b>LIABILITIES</b>   |                   |   |                        |                     |                      |
| Segment liabilities  | 916,768,321,051   | 442,863,001,531   | 25,897,878,531         | (472,686,220,127)   | 912,842,980,986 **)  |
| Unallocated liabilities                                    | -                 | -   | -                      | -                   | 50,412,926,495       |
| Consolidated total liabilities                             | 916,768,321,051   | 442,863,001,531   | 25,897,878,531         | (472,686,220,127)   | 963,255,907,481      |
| Capital expenditures                                       | 3,111,178,017     | 1,336,641,984   | 746,784,387            |                     | 5,194,604,388        |
| Depreciation and amortization                              | 1,133,413,218     | 3,345,413,692   | 3,542,833,616          |                     | 8,021,660,526        |
| Non-cash expenses other than depreciation and amortization | 623,965,583       | 337,550,346   | 52,071,533             |                     | 1,013,587,462        |

\*) Exclude deferred tax assets and prepaid taxes

\*\*\*) Exclude deferred tax liabilities, taxes payable and pension plan liabilities and post-employment benefits obligation

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**39. Segment Information (Continued)**

|   | December 31, 2009 |  |                        |                     |                      |
|---|-------------------|--|------------------------|---------------------|----------------------|
|   | Real Estate<br>Rp | Rental Building<br>Apartment & Hotel<br>Rp | Sport<br>Centers<br>Rp | Elimination<br>Rp   | Consolidated<br>Rp   |
| <b>REVENUE</b>  |                   |  |                        |                     |                      |
| Sales and revenue   | 269,125,395,433   | 82,231,640,594                             | 35,461,623,713         | -                   | 386,818,659,740      |
| <b>RESULTS</b>  |                   |  |                        |                     |                      |
| Segment results   | 73,236,538,649    | 85,212,097,197                             | 3,679,316,313          | -                   | 162,127,952,159      |
| Income from operations  | 40,612,963,010    | 19,800,969,059                             | 897,545,815            | -                   | 61,311,477,884       |
| Other Income (Expenses)   |                   |  |                        |                     |                      |
| Loss on foreign exchange-net                                      | (34,330,980)      | (8,545,499)                                | -                      | -                   | (42,876,479)         |
| Equity in net income of associated companies                      | 61,810,292,756    | 8,322,481,799                              | -                      | (55,967,296,665)    | 14,165,477,890       |
| Interest Income   | 91,411,487        | 1,211,250,439                              | 38,246,094             | -                   | 1,340,908,020        |
| Gain on sale of property and equipment                            | 68,962,831        | 18,857,169,199                             | 522,901,253            | -                   | 19,449,033,283       |
| Amortization of goodwill  | -                 | -  | -                      | (3,092,252,827)     | (3,092,252,827)      |
| Interest expense  | (25,124,338,656)  | (22,142,365,006)                           | -                      | -                   | (47,266,703,662)     |
| Others - net  | 10,775,843,772    | 2,243,281,206                              | (273,000,000)          | -                   | 12,746,124,978       |
| Income before tax   | 88,200,804,220    | 28,284,241,197                             | 1,185,693,162          | (59,059,549,492)    | 58,611,189,087       |
| Tax expenses  | (10,034,602,003)  | (9,565,121,675)                            | (210,729,413)          | -                   | (19,810,453,091)     |
| Income before minority interest<br>net income of the subsidiaries | 78,166,202,217    | 18,719,119,522                             | 974,963,749            | (59,059,549,492)    | 38,800,735,996       |
| Minority interest   | (13,188,452,281)  | -  | -                      | -                   | (13,188,452,281)     |
| Net Income  | 64,977,749,936    | 18,719,119,522                             | 974,963,749            | (59,059,549,492)    | 25,612,283,715       |
| <b>OTHER INFORMATION</b>  |                   |  |                        |                     |                      |
| <b>ASSETS</b>   |                   |  |                        |                     |                      |
| Segment Assets  | 1,829,978,823,088 | 1,216,963,755,081                          | 25,981,026,311         | (1,092,329,810,935) | 1,980,593,793,545 *) |
| Investment in shares of stock of<br>associated companies          | 115,402,969,188   | 659,519,682,552                            | -                      | (628,920,349,288)   | 146,002,302,452      |
| Unallocated assets  | -                 | -  | -                      | -                   | 13,530,578,924       |
| Total Consolidated Assets   | 1,945,381,792,276 | 1,876,483,437,633                          | 25,981,026,311         | (1,721,250,160,223) | 2,140,126,674,921    |
| <b>LIABILITIES</b>  |                   |  |                        |                     |                      |
| Segment Liabilities   | 1,065,361,707,761 | 268,485,951,608                            | 32,298,325,850         | (472,686,220,127)   | 893,459,765,092 **)  |
| Unallocated Liabilities   | -                 | -  | -                      | -                   | 59,594,078,669       |
| Total Consolidated Liabilities                                    | 1,065,361,707,761 | 268,485,951,608                            | 32,298,325,850         | (472,686,220,127)   | 953,053,843,761      |
| Capital expenditures  | 10,742,457,425    | 27,076,879,105                             | 629,039,148            | -                   | 38,448,375,678       |
| Depreciation and amortization                                     | 10,252,482,012    | 22,650,375,184                             | 1,901,664,287          | -                   | 34,804,521,483       |
| Noncash expenses, excluding<br>depreciation and amortization      | 2,911,206,768     | 1,367,232,991                              | 689,319,635            | -                   | 4,967,759,394        |

\*) Exclude deferred tax assets and prepaid taxes

\*\*\*) Exclude deferred tax liabilities, taxes payable and pension plan liabilities and post-employment benefits obligation

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**39. Segment Information (Continued)**

|  | December 31, 2008 |   |                        |                     | Consolidated<br>Rp   |
|--|-------------------|---|------------------------|---------------------|----------------------|
|  | Real Estate<br>Rp | Rental of office building,<br>apartments and houses<br>Rp | Sport<br>centers<br>Rp | Eliminations<br>Rp  |                      |
| <b>REVENUES</b>  |                   |   |                        |                     |                      |
| Sales and revenues   | 215,309,048,557   | 83,055,982,252  | 33,853,307,857         | -                   | 332,218,338,666      |
| <b>RESULTS</b>   |                   |   |                        |                     |                      |
| Segment results  | 92,959,416,058    | 22,219,721,819  | 14,635,150,881         | -                   | 129,814,288,758      |
| Income (loss) from operations                              | 43,029,146,916    | (9,151,182,317)   | 7,036,809,506          | -                   | 40,914,774,105       |
| Other income and expenses                                  |                   |   |                        |                     |                      |
| Loss on foreign exchange - net                             | 288,400,034       | 4,454,088,459   | -                      | -                   | 4,742,488,493        |
| Equity in net income of associates net                     | 20,784,512,711    | 6,188,753,705   | -                      | (20,509,186,867)    | 6,464,079,549        |
| Interest income  | 1,039,110,233     | 247,136,775   | 10,841,904             | -                   | 1,297,088,912        |
| Gain on sale of property and equipment                     | 43,476,716        | 61,205,000  | -                      | -                   | 104,681,716          |
| Gain on sale of long-term investment                       | 21,740,329,681    | -   | -                      | -                   | 21,740,329,681       |
| Amortization of goodwill                                   | -                 | -   | -                      | (3,092,252,827)     | (3,092,252,827)      |
| Interest expense   | (20,616,678,760)  | (10,552,345,338)  | -                      | -                   | (31,169,024,098)     |
| Others - net   | 1,679,992,183     | 5,870,845,336   | (3,002,644,189)        | -                   | 4,548,193,330        |
| Income (loss) before tax                                   | 67,988,289,714    | (2,881,498,390)   | 4,045,007,221          | (23,601,439,694)    | 45,550,358,861       |
| Tax expense  | (16,761,112,240)  | (8,102,146,952)   | (1,304,868,052)        | -                   | (26,168,127,244)     |
| Income (loss) before minority interests                    | 51,227,177,474    | (10,983,645,332)  | 2,740,139,169          | (23,601,439,694)    | 19,382,231,617       |
| Minority interests   | (5,216,909,466)   | -   | -                      | -                   | (5,216,909,466)      |
| Net income (loss)  | 46,010,268,008    | (10,983,645,332)  | 2,740,139,169          | (23,601,439,694)    | 14,165,322,151       |
| <b>OTHER INFORMATION</b>                                   |                   |   |                        |                     |                      |
| <b>ASSETS</b>  |                   |   |                        |                     |                      |
| Segment assets   | 1,601,859,892,340 | 815,489,269,699   | 55,015,624,682         | (509,289,499,172)   | 1,963,075,287,549 *) |
| Investment in associates under equity method               | 260,476,797,830   | 600,963,906,821   | -                      | (726,508,845,848)   | 134,931,858,803      |
| Unallocated assets   | -                 | -   | -                      | -                   | 13,145,295,352       |
| Consolidated total assets                                  | 1,862,336,690,170 | 1,416,453,176,520   | 55,015,624,682         | (1,235,798,345,020) | 2,111,152,441,704    |
| <b>LIABILITIES</b>   |                   |   |                        |                     |                      |
| Segment liabilities  | 1,702,024,117,613 | 1,570,630,221,792   | 29,415,412,450         | (2,381,773,556,776) | 920,296,195,078 **)  |
| Unallocated liabilities                                    | -                 | -   | -                      | -                   | 47,088,264,225       |
| Consolidated total liabilities                             | 1,702,024,117,613 | 1,570,630,221,792   | 29,415,412,450         | (2,381,773,556,776) | 967,384,459,303      |
| Capital expenditures                                       | 15,748,641,595    | 3,518,846,416   | 11,883,585,984         | -                   | 31,151,073,995       |
| Depreciation and amortization                              | 8,168,563,267     | 17,380,544,114  | 3,925,063,411          | -                   | 29,474,170,792       |
| Non-cash expenses other than depreciation and amortization | 3,169,450,183     | 478,902,860   | 361,210,157            | -                   | 4,009,563,200        |

\*) Exclude deferred tax assets and prepaid taxes

\*\*) Exclude deferred tax liabilities, taxes payable and pension plan liabilities and post-employment benefits obligation



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**39. Segment Information (Continued)**

|   | December 31, 2007 |   |                         |                    |                      |
|---|-------------------|---|-------------------------|--------------------|----------------------|
|   | Real Estate<br>Rp | Rental of office building,<br>apartments and houses<br>Rp | Sports<br>centers<br>Rp | Eliminations<br>Rp | Consolidated<br>Rp   |
| <b>REVENUES</b>   |                   |   |                         |                    |                      |
| Sales and revenues  | 217,183,072,634   | 80,542,252,710  | 28,508,037,209          | -                  | 326,233,362,553      |
| <b>RESULTS</b>  |                   |   |                         |                    |                      |
| Segment results   | 87,609,673,535    | 17,889,757,404  | 8,934,727,525           | -                  | 114,434,158,464      |
| Income (loss) from operations                             | 52,050,885,308    | (3,026,823,524)   | (15,369,854,478)        | -                  | 33,654,207,306       |
| Other income and expenses                                 |                   |   |                         |                    |                      |
| Loss on foreign exchange - net                            | (18,190,069)      | (4,226,166,263)   | -                       | -                  | (4,244,356,332)      |
| Equity in net income (loss) of associates - net           | 3,398,687,551     | (41,563,067)  | -                       | -                  | 3,357,124,484        |
| Interest income   | 1,872,003,047     | 200,914,477   | 96,492,406              | -                  | 2,169,409,930        |
| Gain on sale of property and equipment                    | 289,240,449       | 125,316,975   | -                       | -                  | 414,557,424          |
| Amortization of goodwill                                  |                   |   |                         | (3,092,252,827)    | (3,092,252,827)      |
| Interest expense  | (11,733,924,277)  | (7,086,676,885)   | (5,569,737,678)         | -                  | (24,390,338,840)     |
| Gain on termination of joint venture                      | 30,842,403,585    | -   | -                       | -                  | 30,842,403,585       |
| Others - net  | 2,545,274,838     | 1,493,996,495   | (214,712,183)           | -                  | 3,824,559,150        |
| Income (loss) before tax                                  | 79,246,380,432    | (12,561,001,792)  | (21,057,811,933)        | (3,092,252,827)    | 42,535,313,880       |
| Tax expense   | (12,655,863,160)  | (4,017,637,345)   | (115,440,581)           | -                  | (16,788,941,086)     |
| Income (loss) before minority interests                   | 66,590,517,272    | (16,578,639,137)  | (21,173,252,514)        | (3,092,252,827)    | 25,746,372,794       |
| Minority interests  | (5,316,998,261)   | -   | -                       | -                  | (5,316,998,261)      |
| Net income (loss)   | 61,273,519,011    | (16,578,639,137)  | (21,173,252,514)        | (3,092,252,827)    | 20,429,374,533       |
| <b>OTHER INFORMATION</b>                                  |                   |   |                         |                    |                      |
| <b>ASSETS</b>   |                   |   |                         |                    |                      |
| Segment assets  | 1,373,402,087,734 | 1,395,374,691,061   | 6,652,957,829           | (869,194,455,109)  | 1,906,235,281,515 *) |
| Unallocated assets  | -                 | -   | -                       | -                  | 18,140,236,448       |
| Investment in associates under equity method              | 102,679,628,945   | 4,800,000,000   | -                       | (16,157,759,694)   | 91,321,869,251       |
| Consolidated total assets                                 | 1,476,081,716,679 | 1,400,174,691,061   | 6,652,957,829           | (885,352,214,803)  | 2,015,697,387,214    |
| <b>LIABILITIES</b>  |                   |   |                         |                    |                      |
| Segment liabilities                                       | 941,002,832,183   | 298,434,790,865   | 2,268,035,803           | (398,384,459,575)  | 843,321,199,276 **)  |
| Unallocated liabilities                                   | -                 | -   | -                       | -                  | 46,814,959,740       |
| Consolidated total liabilities                            | 941,002,832,183   | 298,434,790,865   | 2,268,035,803           | (398,384,459,575)  | 890,136,159,016      |
| Capital expenditures                                      | 2,698,378,484     | 4,416,906,606   | 1,550,781,675           | -                  | 8,666,066,765        |
| Depreciation and amortization                             | 10,121,995,704    | 17,185,502,126  | 2,309,487,169           | -                  | 29,616,984,999       |
| Non-cash expenses other than deprecation and amortization | 5,233,208,726     | 1,572,718,603   | 332,781,520             | -                  | 7,138,708,849        |

\*) Exclude deferred tax assets and prepaid taxes

\*\*) Exclude deferred tax liabilities, taxes payable and pension plan liabilities and post-employment benefits obligation

**Geographical Segment**

The operations of the Company and its subsidiaries are located in Indonesia, mainly in Java island and have similar risks and returns. All revenues of the Company and its subsidiaries represent domestic income.

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**40. Jointly Controlled Assets**

**a. Badan Kerjasama Graha Pratama**

The Company entered into a joint venture agreement with PT Famharindo for the joint management of the Graha Pratama Building which is located at Jl. M.T. Haryono, Jakarta including rental and other businesses related to the administration, based on proportionate ownership and payments. Pursuant to this agreement, PT Famharindo and the Company provided capital of Rp 74,900,000,000 and Rp 32,100,000,000, respectively; therefore, their share ownership is 70% and 30%, respectively. All of the gains and/or losses that will be derived in relation to this agreement will be shared as follows : 70% for PT Famharindo and 30% for the Company. This agreement is valid until July 8, 2009 and has been extended until July 8, 2014.

To manage the joint venture, an organization called Badan Kerjasama Graha Pratama (BKGP) was formed.

Based on the joint venture agreement between the Company and PT Famharindo, in the operation of Graha Pratama building, if one of the parties encountered problems on their receivable and payable from third parties, the maximum payment shall be equal to the capital contribution of 70% for PT Famharindo and 30% for the Company.

**b. Badan Kerjasama Apartemen Pantai Mutiara**

PT Taman Harapan Indah, a subsidiary, entered into a joint venture agreement with PT Famharindo to promote, sell, rent or use the apartment which will be built and located in Pantai Mutiara, North Jakarta on the land with an area of about 17,250 square meters. THI will provide the land and apartment development license, while PT Famharindo will provide the fund/capital for the development of the apartment. The compensation for the participation of both parties has been decided to be 75% for PT Famharindo and 25 % for THI. This agreement is valid until July 8, 2009 and can be extended upon approval of both parties.

To manage the joint venture, an organization called Badan Kerjasama Apartemen Pantai Mutiara (BKAPM) was formed.

Based on Deed No. 06 about the Termination of Joint Venture Agreement on Apartment Pantai Mutiara and Pantai Mutiara Suite from Saniwati Suganda, S.H., a notary public in Jakarta, THI and PT Famharindo agreed to terminate this joint venture since the development of Pantai Mutiara apartment and Pantai Mutiara Suite had been completed. The termination is effective beginning December 31, 2007. On this termination, THI recognized gain on termination of joint venture amounting to Rp 30,842,403,585 which was recorded as part of other income in the 2007 consolidated statement of income.

**c. Badan Kerjasama Mutiara Buana**

THI, a subsidiary, entered into an agreement with PT Swabhuna Adikarsa (SA) to market, sell or operate an apartment which will be built and located at Pantai Mutiara block V and W, North Jakarta on an area measuring about 109,882 square meters. THI will provide the land and license for the construction of the apartment while SA is responsible for the funding. Both parties agreed to 50% equal sharing. This agreement is valid for 6 years and can be extended upon approval of both parties.

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**40. Jointly Controlled Assets (Continued)**

**c. Badan Kerjasama Mutiara Buana (Continued)**

To manage the joint venture, an organization called Badan Kerjasama Apartemen Mutiara Buana (BKMB) was formed.

On October 3, 2005, THI and SA signed an agreement to change the total area of land, on which an apartment building will be built on, into 62,625 square meters.

On April 29, 2006, THI and SA signed an agreement to terminate the joint operations. Such agreement was terminated due to SA's intention to exit from the property development industry.

Based on the Deed No. 12 dated April 29, 2006 of Saniwati Suganda, S.H., notary public in Jakarta, concerning the changes in and reinstatement of the BKMB Agreement, THI and GE agreed on the following:

- To establish a joint venture organization called Badan Kerjasama Mutiara Buana, located in Jakarta.
- BKMB is established to carry out the development and construction of an apartment project at Pantai Mutiara Blok V and W, North Jakarta on 62,625 square meters area of land.
- THI and GE will contribute equally to BKMB's in the form of cash.
- All revenue from this joint venture including but not limited to the sales and rent of apartment units must be deposited in the bank account of BKMB.
- Based on the participation and contribution from THI and GE, the share in the rights and obligations in BKMB is 50% for each party.

**41. Litigation**

- a. The Company filed a lawsuit against Sia Joe Sing CS (SJS) involving a land dispute on a property located in Jl. Mas Mansyur No. 140-141, Tanah Abang, and Central Jakarta.

Based on the letter from the Company's legal counsel, the ruling on this case had been made on August 3, 2004, where SJS has lost the case. SJS then filed an appeal. On January 29, 2007, the Supreme Court of the RI issued the decision letter No. 1507 K/PDT/2006 which stated that the Company is the owner of the disputed land. On May 13, 2009, the Supreme Court issued the decision letter No. 141 PK/PDT/2008 which stated the cancellation of decision letter No. 1507 K/PDT/2006. In lieu of this decision, the Company has filed another appeal.

- b. PT Taman Harapan Indah (THI), a subsidiary, is one of the developers that are partners in the North Beach, Jakarta reclamation project with BP Pantura DKI Jakarta District Authority (BP Pantura). THI and its partners filed a lawsuit against the Minister of Environmental Affairs at the Court of Tata Usaha Negara (PTUN) due to the Decision Letter of Minister of Environmental Affairs No. 14/2003 regarding improper Reclamation Activities and Revitalization Activities on North Beach Jakarta of BP Pantura.

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**41. Litigation (Continued)**

Based on the letter from THI's legal counsel, which stated that a decision has been made on case No. 75/G.TUN/2003/PTUN-JKT jo case No. 202/B/2004/PT.TUN.JKT at High Court of Tata Usaha Negara (PTTUN) on February 3, 2005, where the Ministry of Environmental Affairs revoked Decision Letter No. 14/2003. Based on such decision, the Minister of Environmental Affairs filed an appeal to the Supreme Court and filed a motion to appeal on May 9, 2005 which was replied to by the plaintiffs by filing a counter appeal on May 27, 2005. As of date of completion of the consolidated financial statements, this case which is registered with case file No. 109K/TUN/2006 is still in process.

- c. Based on the letter from THI's legal counsel, case between THI against the Regent of Serang regarding the construction of high voltage electricity tower by the State Electricity Enterprise on THI's land located in Karang Kepuh Village, Bojonegara, Serang District. As of March 31, 2010, the case is registered at Pengadilan Tata Usaha Negara (PTUN) with case No. 92/G/2009/PTUN.BDG.
- d. Based on the letter from IG's legal counsel, case between IG against the Mayor of Surabaya regarding the extension of HGB certificate No. 70 and No. 355, Kelurahan Tanjung Sari, Surabaya. As of March 31, 2010, the appeal filed by Mayor of Surabaya was already rejected by the Supreme Court.

**42. Monetary Assets and Liabilities Denominated in Foreign Currencies**

As of March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, the Company and its subsidiaries have monetary assets and liabilities in foreign currencies as follows:

|                           |     | March 31, 2010     |                      | March 31, 2009     |                      |                    |                          |
|---------------------------|-----|--------------------|----------------------|--------------------|----------------------|--------------------|--------------------------|
|                           |     | Foreign Currencies | Equivalent to Rupiah | Foreign Currencies | Equivalent to Rupiah |                    |                          |
| <b>Assets</b>             |     |                    |                      |                    |                      |                    |                          |
| Cash and cash equivalents | USD | 163.474            | 1.490.064.998        | 463.589            | 5.366.044.384        |                    |                          |
|                           | SGD | 16.950             | 110.260.022          | 131.709            | 1.003.281.145        |                    |                          |
| Total Assets              |     |                    | <u>1.600.325.020</u> |                    | <u>6.369.325.529</u> |                    |                          |
| <br>                      |     |                    |                      |                    |                      |                    |                          |
|                           |     | December 31, 2009  |                      | December 31, 2008  |                      | December 31, 2007  |                          |
|                           |     | Foreign Currencies | Equivalent to Rupiah | Foreign Currencies | Equivalent to Rupiah | Foreign Currencies | Equivalent to Rupiah     |
| <b>Assets</b>             |     |                    |                      |                    |                      |                    |                          |
| Cash and cash equivalents | USD | 222,595            | 2,092,395,664        | 224,352            | 2,456,656,788        | 136,850            | 1,288,992,600            |
|                           | SGD | 16,848             | 112,858,340          | 131,880            | 1,003,281,145        | 131,883            | 857,553,121              |
| Total Assets              |     |                    | 2,205,254,004        |                    | 3,459,937,933        |                    | 2,146,545,721            |
| <b>Liabilities</b>        |     |                    |                      |                    |                      |                    |                          |
| Due to related parties    | USD | -                  | -                    | -                  | -                    | (11,000,000)       | (103,609,000,000)        |
| Net Assets (Liabilities)  |     |                    | <u>2,205,254,004</u> |                    | <u>3,459,937,933</u> |                    | <u>(101,462,454,279)</u> |

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**42. Monetary Assets and Liabilities Denominated in Foreign Currencies (Continued)**

The conversion rates used by the Company and its subsidiaries on March 31, 2010 and 2009, December 31, 2009, 2008 and 2007, are as follows:

|                         | March 31,<br>2010<br>Rp | March 31,<br>2009<br>Rp | December 31,<br>2009<br>Rp | December 31,<br>2008<br>Rp | December 31,<br>2007<br>Rp |
|-------------------------|-------------------------|-------------------------|----------------------------|----------------------------|----------------------------|
| <b>Foreign Currency</b> |                         |                         |                            |                            |                            |
| USD 1                   | 9,115.00                | 11,575.00               | 9,400.00                   | 10,950.00                  | 9,419.00                   |
| SGD 1                   | 6,505.16                | 7,617.41                | 6,698.52                   | 7,607.51                   | 6,502.38                   |

**43. Subsequent Events**

- On March 29, 2010, the Company has obtained Bapepam – LK’s Notice of Effectivity No. S-2807/BL/2010 on its Limited Public Offering III of Rights Issue (HMETD) totalling to 2,073,170,722 common shares with nominal value of Rp 500 per share and offering price of Rp 1,000 per share or equivalent to Rp 2,073,170,722,000, and Warrant Series 1 totalling to 1,036,585,361, which are issued as part of rights issue with nominal value of Rp 500 per share and offering price of Rp 1,050 per share or equivalent to Rp 1,088,414,629,050. Therefore, the Company’s subscribed and paid-up capital if all rights issued are paid-up, will be 5,182,926,805 shares or equivalent to Rp 2,591,463,402,500, and if all Warrant Series 1 are exercised, will be 6,219,512,166 shares or equivalent to Rp 3,109,756,083,000.

Further, in relation to this Limited Public Offering III of Rights Issue, the Company has entered into Agreement of Purchase Commitment on Remaining Shares No. 29 dated February 22, 2010 jo. Amendment to Agreement of Purchase Commitment on Remaining Shares No. 89 dated March 22, 2010 jo. Second Amendment to Agreement of Purchase Commitment on Remaining Shares No. 119 dated March 26, 2010 from Humbert Lie, S.H., S.E., Mkn, notary public in Jakarta, with Faith Mount Investments Ltd., PT Cempaka Andalan Kharisma, PT Cakrawala Persada Gemilang, PT Permata Ratnamulia and PT Minna Padi Investama, collectively referred to as Standby Buyers, which gives them the rights to purchase the shares allocated to those existing shareholders who did not exercise their rights.

The shares allocated to standby buyers are as follows:

| <u>Standby Buyer</u>          | <u>Maximum Number of Shares Allocated</u> |
|-------------------------------|---|
| Faith Mount Investments Ltd.  | 450,000,000                               |
| PT Cempaka Andalan Kharisma   | 225,000,000                               |
| PT Cakrawala Persada Gemilang | 225,000,000                               |
| PT Permata Ratnamulia         | 792,625,000                               |
| PT Minna Padi Investama       | 380,545,722                               |

As of April 30, 2010, all of the 2,073,170,722 common shares have been issued to both existing shareholders who exercised their rights as well as to the standby buyers.

The composition of the Company’s stockholders as of April 30, 2010 after the issuance of shares are as follows:

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**43. Subsequent Events (Continued)**

| Name of Stockholder  | April 30, 2010       |                           |                          |
|--|----------------------|---------------------------|--------------------------|
|  | Number of Shares     | Percentage of Ownership % | Total Paid-up Capital Rp |
| Credit Suisse AG Singapore, Trust Account Client<br>Truss Investment Partners Pte Ltd. | 1,152,938,682        | 22.24                     | 576,469,341,000          |
| PT Permata Ratnamulia  | 711,720,845          | 13.73                     | 355,860,422,500          |
| Credit Suisse AG Singapore, Trust Account Client<br>Strands Investments Ltd.           | 563,040,483          | 10.86                     | 281,520,241,500          |
| Credit Suisse AG Singapore   | 474,877,954          | 9.16                      | 237,438,977,000          |
| PT Bukit Makmur Widya  | 456,000,000          | 8.80                      | 228,000,000,000          |
| Faith Mount Investment Ltd   | 404,067,977          | 7.80                      | 202,033,988,500          |
| PT Cakrawala Persada Gemilang  | 202,033,988          | 3.90                      | 101,016,994,000          |
| PT Cempaka Andalan Kharisma  | 202,033,988          | 3.90                      | 101,016,994,000          |
| PT Minna Padi Investama  | 136,218,000          | 2.63                      | 68,109,000,000           |
| Ir. Sinarto Dharmawan - Vice President Director  | 1,140                | 0.00                      | 570,000                  |
| Public - others (below 5%)   | 879,993,748          | 16.98                     | 439,996,874,000          |
| <b>Total</b>   | <b>5,182,926,805</b> | <b>100.00</b>             | <b>2,591,463,402,500</b> |

2. The Company has paid the liabilities to PT Perkasa Ratnamulia, PT Cempaka Andalan Kharisma, PT Cakrawala Persada Gemilang and Faith Mount Investment Ltd (Note 20) with details as follows:
  - a. Liability to PT Perkasa Ratnamulia amounting to Rp 792,625,000,000 was paid by Company's shares totaling to 711,720,845 shares or equivalent to Rp 711,720,845,000 (Rp 1,000 per share) and Rp 80,904,155,000 was paid in cash on April 29, 2010.
  - b. Liability to PT Cempaka Andalan Kharisma amounting to Rp 225,000,000,000 was paid by Company's shares totaling to 202,033,988 shares or equivalent to Rp 202,033,988,000 (Rp 1,000 per share) and Rp 22,966,012,000 was paid in cash on May 3, 2010.
  - c. Liability to PT Cakrawala Persada Gemilang amounting to Rp 225,000,000,000 was paid by Company's shares totaling to 202,033,988 shares or equivalent or Rp 202,033,988,000 (Rp 1,000 per share) and Rp 22,966,012,000 was paid in cash on May 3, 2010.
  - d. Liability to Faith Mount Investment Ltd. amounting to Rp 450,000,000,000 was paid by Company's shares totaling to 404,067,976 shares or equivalent to Rp 404,067,976,000 (Rp 1,000 per share) and Rp 45,932,024,000 was paid in cash on May 3, 2010.

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**44. Prospective Accounting Pronouncements**

As of date of completion of the consolidated financial statements, the Indonesian Institute of Accountants has issued the following revised financial accounting standards (PSAK) and interpretations (ISAK) and has rescinded certain accounting standards (PPSAK). These standards will be applicable to financial statements as follows:

Periods beginning on or after January 1, 2011

**PSAK**

1. PSAK 1 (Revised 2009), Presentation of Financial Statements
2. PSAK 2 (Revised 2009), Statements of Cash Flows
3. PSAK 4 (Revised 2009), Consolidated and Separate Financial Statements
4. PSAK 5 (Revised 2009), Operating Segments
5. PSAK 7 (Revised 2010), Related Party Disclosures
6. PSAK 12 (Revised 2009), Investments in Joint Ventures
7. PSAK 15 (Revised 2009), Investments in Associates
8. PSAK 19 (Revised 2010), Intangible Assets
9. PSAK 23 (Revised 2010), Revenues
10. PSAK 25 (Revised 2009), Accounting Policies, Changes in Accounting Estimates and Errors
11. PSAK 48 (Revised 2009), Impairment of Assets
12. PSAK 57 (Revised 2009), Provisions, Contingent Liabilities and Contingent Assets
13. PSAK 58 (Revised 2009), Non-Current Assets Held for Sale and Discontinued Operations

**ISAK**

1. ISAK 7 (Revised 2009), Consolidation-Special Purpose Entities
2. ISAK 9, Changes in Existing Decommissioning, Restoration and Similiar Liabilities
3. ISAK 10, Customer Loyalty Program
4. ISAK 11, Distribution of Non-Cash Assets to Owners
5. ISAK 12, Jointly Controlled Entities-Nonmonetary Contributions by Venturers
6. ISAK 14 (2010), Website Cost

The Company and its subsidiaries are still evaluating the effects of these revised PSAKs and ISAK and have not yet determined the related effects on the consolidated financial statements.

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