

Offer of 629,962,000
Ordinary Shares of Par Value Rp100 Each



PT Wismilak Inti Makmur Tbk.

PT Wismilak Inti Makmur Tbk., a company incorporated under the laws of the Republic of Indonesia (the “**Company**”), is offering 629,962,000 (six hundred and twenty nine million and nine hundred sixty two thousand) ordinary shares with a nominal value of Rp100 (one hundred Rupiah) per share (the “**Shares**”), representing 30% (thirty percent) of the Company’s total issued and paid up capital following completion of the Offer (as defined below). The Shares are being offered and distributed through PT Mandiri Sekuritas and PT OSK Nusadana Securities Indonesia (each a “**Joint Lead Underwriter**” and together the “**Joint Lead Underwriters**”). The Shares are being offered in a public offer (including an offering to Indonesian institutions and other investors) solely in Indonesia (the “**Indonesian Offer**”), and in a global offering to institutional investors (the “**Institutional Offer**”) being conducted outside the United States in reliance on Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”). The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Institutional Offer and the Indonesian Offer are collectively referred to as the “**Offer**”.

The Offering Memorandum (as defined below) for the Institutional Offer consists of (1) this international offering memorandum, (2) the Indonesian prospectus dated December 6, 2012 that has been prepared for the Indonesian Offer (the “**Indonesian Prospectus**”) and (3) the English translation of the Indonesian Prospectus (the “**English Prospectus**”), all of which should be read together prior to making an investment decision to acquire the Shares. This international offering memorandum, the Indonesian Prospectus and the English Prospectus are referred to collectively as “**this Offering Memorandum**”. This Offering Memorandum is being made available with respect to the Institutional Offer only. Prospective investors must accept that (i) in the event of inconsistency between the Indonesian Prospectus and the English Prospectus, the Indonesian Prospectus will prevail, and (ii) the Joint Lead Underwriters are not responsible for the accuracy of the translation of the Indonesian Prospectus to the English Prospectus (upon which certain parts of this international offering memorandum are based). All of the Company’s financial information contained in this Offering Memorandum is presented in Rupiah and according to accounting principles generally applied in Indonesia.

This Offering Memorandum may only be distributed outside Indonesia to persons who are neither citizens of Indonesia (wherever located) nor residents of Indonesia.

The Offer is our initial public offering, and prior to the Offer there has been no public market for the Shares. On October 8, 2012, we obtained the preliminary approval for our Shares to be listed on the Indonesia Stock Exchange (“**IDX**”). Our Shares are expected to begin trading on IDX on December 18, 2012.

For a discussion of certain risks you should consider in connection with an investment in the Shares, see “Additional Risk Factors” in this international offering memorandum and “Risk Factors” in Chapter VI of the English Prospectus and Chapter VI of the Indonesian Prospectus.

On December 5, 2012, the exchange rate between the Indonesian Rupiah and the United States Dollar as reported by Bank Indonesia on its website at www.bi.go.id was US\$1.00=Rp9,613.

Offer Price: Rp650 per Share

Each purchaser of the Shares will be deemed to have made certain acknowledgements, representations and agreements with respect to its purchase. For a description of these acknowledgements, representations and agreements and for certain restrictions on transfers, see “Transfer Restrictions” and “Selling Restrictions” in this international offering memorandum.

JOINT LEAD UNDERWRITERS



PT OSK Nusadana Securities Indonesia

The date of this Offering Memorandum is December 6, 2012.

TABLE OF CONTENTS

Enforcement of Civil Liabilities.....	4
Forward-Looking Statements	5
Summary of The Offer	6
Additional Risk Factors.....	7
Securities Underwriting and Plan of Distribution	13
Transfer Restrictions	15
Selling Restrictions.....	16
The Securities Market of Indonesia.....	19
Indonesian Foreign Exchange Regulations.....	21
Exchange Rate Information.....	23

This Offering Memorandum is being furnished to investors by the Company in connection with an offering exempt from registration under the U.S. Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the Shares as described in this Offering Memorandum. The information contained in this Offering Memorandum has been provided by the Company and other sources identified in this Offering Memorandum. No representation or warranty, express or implied, is made by the Joint Lead Underwriters or any adviser named in this Offering Memorandum or any of their respective affiliates, agents, employees, directors or other officers or representatives as to the accuracy or completeness of such information. Nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by the Joint Lead Underwriters or any such advisers, affiliates, agents, employees, directors or other officers or representatives. Each Joint Lead Underwriter expressly disclaims any and all liability that may be based on such information, errors or omissions in this Offering Memorandum. No person is authorized to give any information or to make any representation in connection with this Offer or sale of the Shares other than as contained in this Offering Memorandum and, if given or made, such information must not be relied on as having been authorized by the Company, the Joint Lead Underwriters or any of their affiliates or representatives. Neither the delivery of this Offering Memorandum nor the offer of the Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in the matters concerning the Company since the date of this Offering Memorandum or that any information contained in this Offering Memorandum is correct at any time subsequent to the date of this Offering Memorandum. By accepting delivery of this Offering Memorandum, each offeree of the Shares agrees to the foregoing.

In making an investment decision, investors must rely on their own examination of this Offering Memorandum, including the merits and risks involved. The contents of this Offering Memorandum are not to be construed as legal, business or tax advice. Each prospective investor should consult its own attorney, business adviser and tax adviser as to legal, business or tax advice. The Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, or the securities commission of any other jurisdiction or regulatory authority (including the Monetary Authority of Singapore or the Securities and Futures Commission of Hong Kong). None of these authorities have passed on or endorsed the merits of the Offer or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary may be a violation of the laws of the United States and/or any other jurisdiction.

This Offering Memorandum is personal to the offeree to whom it has been delivered and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Shares.

Receipt and acceptance of this Offering Memorandum shall constitute the agreement of the recipient (1) to maintain the confidentiality of the information contained in this Offering Memorandum and any other information that may be subsequently provided by the Company, any Joint Lead Underwriter or any of their respective representatives, either orally or in writing, (2) that any reproduction or distribution of this Offering Memorandum or of any other information that the Company, any Joint Lead Underwriter or any of their respective representatives may subsequently provide, in whole or in part, or any disclosure of any of the contents hereof or thereof to any other person other than authorized representatives, agents and advisors of the recipient hereof, or any use of such materials for any purpose other than to evaluate an investment decision in the Shares, is strictly prohibited, and (3) if such recipient determines not to proceed with the investigation of an investment in the Shares, or if the Offer is terminated, to return to the Joint Lead Underwriters this Offering Memorandum and any other information that the Company, any Joint Lead Underwriter or any of their representatives may subsequently provide to the recipient. This Offering Memorandum has been prepared for informational purposes relating to the Offer only and upon the express understanding that it will be used only for the purpose set forth above.

This Offering Memorandum does not constitute an offer of, or an invitation by, or on behalf of, the Company or the Joint Lead Underwriters to subscribe for, or purchase, any of the Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorized or is unlawful. Neither the delivery of this Offering Memorandum nor any sale made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the Company's affairs since the date hereof or that the information contained herein is correct as of any time subsequent to its date.

The distribution of this Offering Memorandum and the offer and sale of the Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Memorandum or any of the Shares comes must inform themselves about, and observe, any applicable restrictions. For more information, please see “Securities Underwriting and Plan of Distribution,” “Transfer Restrictions” and “Selling Restrictions” in this Offering Memorandum.

This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of the Shares to any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

No person shall purchase any Shares in this Offer unless such person is eligible to acquire the Shares in the Company in accordance with all applicable laws, rules, regulations, guidelines and approvals. Prospective investors will be required to confirm and will be deemed to have represented to the Company, the Joint Lead Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Shares in the Company and will not offer, sell, pledge or transfer the Shares of the Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Shares in the Company. The Company, the Joint Lead Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor whether such investor is eligible to acquire the Shares in the Company.

Information on the Company, the Joint Lead Underwriters or any other website is not part of this Offering Memorandum.

This Offering Memorandum has been prepared for informational purposes relating to the Institutional Offer outside of Indonesia only and upon the express understanding that it and the attached English Prospectus will be used for only the purpose set forth above.

Capitalized terms used in this Offering Memorandum that are not otherwise defined herein shall have the same meaning ascribed to such terms in the attached English Prospectus.

AVAILABLE INFORMATION

The Company will be required to comply with the regulations of IDX and the Capital Market and Financial Institution Supervisory Board ("**BAPEPAM and LK**"), the securities regulator in Indonesia.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is established and regulated under the laws of the Republic of Indonesia. All of the Company's commissioners, directors and executive officers reside in Indonesia. Substantially all the Company's assets are located within Indonesia. Any disputes arising in connection with the Company will be subject to Indonesian laws and the jurisdiction of Indonesian courts only. As a result, any action arising from disputes in connection with the Company should be taken by investors in Indonesian courts, subject to Indonesian laws. However, should investors disregard the aforementioned, investors are advised that they may not be able to:

- effect service of process upon the Company outside of Indonesia; or
- enforce any judgments in courts obtained outside of Indonesia, including judgments based upon the securities laws of other countries, against the Company, the Company and/or any other entity involved in the management of the Company.

Indonesian courts will not enforce any judgment or order obtained outside of Indonesia, but a judgment or order from a foreign court may, in the discretion of a court in Indonesia, be admitted as evidence of an obligation in a new proceeding instituted in an Indonesian court, which would consider the issue on the evidence before it. Thus, to the extent investors are entitled to bring legal action against the Company, investors may be limited in their remedies, and recoveries, if any, in any Indonesian proceedings may be limited at the relevant court's discretion.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum may constitute “forward-looking statements”. Such forward-looking statements are based on the beliefs of the Company’s management as well as assumptions based on information available to the Company. Investors are cautioned not to rely on these forward-looking statements. When used in this Offering Memorandum, the use of words such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or other similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such forward-looking statements reflect the Company’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors (which are discussed in Chapter VI of the English Prospectus) include, without limitation:

- risks relating to the Company and its subsidiaries’ business operations, including:
 - o risk related to availability of raw materials
 - o risk related to government policies
 - o risk related to competition
 - o risk related to changes in customer’s preference
 - o risk related to foreign exchange volatility of Rupiah against foreign currencies
 - o risk related to a decrease in cigarette consumption in relation to anti-smoking campaign in the public
 - o risk related to significant fluctuation in the prices of raw materials
 - o risk related to the breakdown of the main production facilities
 - o risk related to loss of key employees
 - o risk related to disputes with local residents which may adversely affect the Company’s operations
 - o risk related to workplace accidents
 - o risk related to decrease in product quality
 - o risk related to reliability of production facilities
 - o risk related to failure of marketing strategy
 - o risk related to disputes among shareholders
 - o risk related to disputes over labor issues
 - o risk related to geological disturbance as Indonesia is located in an area susceptible to earthquakes and has a geographical risk which may create social and economic loss
 - o risk related to the failure of the Company to obtain the necessary licenses to conduct its business activities

- business risks associated with the Shares, including:
 - o Indonesia’s equity market may affect the market price and illiquidity of the Shares
 - o significant fluctuations on the prices of the Shares
 - o disputes between the controlling shareholders and the other shareholders of the Shares
 - o dilution resulting from share offerings which may be conducted by the Company in the future
 - o sales of the Shares may adversely affect the market price of the Shares
 - o the Company may not be able to pay dividends in the future
 - o the net asset value per Share of the Shares may be significantly lower than the Offer Price, thus reflecting substantial decline over the investor’s investment value
 - o Indonesian regulations with respect to company takeovers

Forward-looking statements involve risks, uncertainties and assumptions. If one or more of these risks or uncertainties occur, or if the underlying assumptions prove incorrect, the Company’s actual results may vary materially from the forward-looking statements contained in this Offering Memorandum. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

SUMMARY OF THE OFFER

Issuer:	PT Wismilak Inti Makmur Tbk.
Shares offered:	629,962,000 Shares
Nominal Share value:	Rp100 (one hundred Rupiah)
Offer Price:	Rp650 per Share
Issue Size:	Rp409,475,300,000 (four hundred and nine billion four hundred and seventy five million and three hundred thousand Rupiah)
Dividend Policy:	Please see "Dividend Policy" in Chapter XII of the attached English Prospectus
Use of Proceeds:	Please see "Use of Proceeds" in Chapter II of the attached English Prospectus
Listing:	Prior to the Offer, there has been no market for the Shares. The Shares are to be registered with IDX in accordance with the Preliminary Listing Agreement entered into between the Company and IDX on October 8, 2012. The trading of the Shares is expected to commence on December 18, 2012.

ADDITIONAL RISK FACTORS

Prospective investors should carefully consider, in addition to the other information contained in this Offering Memorandum, including under "Risk Factors" in Chapter VI of the English Prospectus and Chapter VI of the Indonesian Prospectus, the following additional risk factors before purchasing any of the Shares. Certain risks not presently known to the Company may also affect the Company's business operations. In the following risk factors, information relating to the Government of Indonesia and Indonesian macroeconomic data has been extracted from official government publications or other third party sources and has not been independently verified by the Company.

Limitations of this Offering Memorandum

This Offering Memorandum does not purport to, nor does it, contain all the information that a prospective investor may require prior to making an investment decision in relation to the Shares.

This Offering Memorandum does not purport to, nor does it, contain all the information that a prospective investor may require in investigating the Company prior to making an investment decision in relation to the Shares. Accordingly, this Offering Memorandum is not intended to provide the basis of any investment decision and should not be considered a recommendation by the Joint Lead Underwriters or any dealer or underwriter that a prospective investor should purchase the Shares. Each person receiving this Offering Memorandum acknowledges that such person has not relied on the Joint Lead Underwriters, any dealer or underwriter or any person affiliated with any of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision. In making an investment decision with respect to the Shares, prospective investors must rely (and will be deemed to have relied) solely on their own independent examination of the Company and the terms of the Offer, including the merits and risks involved.

The English Prospectus contained herein has been prepared by the Company as a courtesy for prospective investors in the Institutional Offer. None of the Joint Lead Underwriters, any dealer or any underwriter makes any representation or warranty as to the accuracy or completeness of the English Prospectus. The English Prospectus is a translation of the Indonesian Prospectus prepared for the Indonesian Offer based on statutory requirements and disclosure practices in Indonesia. Each person receiving this Offering Memorandum acknowledges that disclosure requirements and practices in Indonesia, as in other emerging markets, differ significantly from disclosure requirements and practices in many European countries, the United States and other jurisdictions and accordingly acknowledges that this Offering Memorandum does not provide the level or type of disclosure that a prospective investor may require in connection with its investigation of the Company or when making an investment decision.

Risks Relating to Indonesia

We are subject to the political, economic, legal and regulatory environment in Indonesia. Substantially all of our operations and assets are located in Indonesia. Our results of operations and financial condition are affected by changes in Indonesian policies, laws and regulations. Investing in Indonesia and companies located in Indonesia involves many risks, including the following:

Terrorist activities in Indonesia could destabilize Indonesia, which could adversely affect our business, financial condition and results of operations and the market price of the Shares.

Since 2002, several bombing incidents with fatalities and injuries have taken place in Indonesia, most significantly, in Bali in October 2002 and October 2005, at the JW Marriott Hotel in Jakarta in August 2003, at the Australian embassy in Jakarta in September 2004, in the town of Tentena on the island of Sulawesi in May 2005 and at the JW Marriott Hotel and Ritz Carlton Hotel in Jakarta in July 2009. Further terrorist acts may occur in the future. Terrorist acts could destabilize Indonesia and increase internal divisions within the Government of Indonesia as it evaluates responses to that instability and

unrest. Violent acts arising from, and leading to, instability and unrest have in the past had, and may continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, which could have a material adverse effect on our business, financial condition, results of operations, prospects and the market price of our Shares.

A slowdown in global or Indonesian economic growth or economic contraction could adversely affect us and our business, financial condition and results of operations.

Our performance is significantly dependent on the health of the overall global and Indonesian economy. The economic crisis that affected South East Asia, including Indonesia, from mid-1997 was characterized in Indonesia by, among other effects, currency depreciation, negative economic growth, high interest rates, social unrest and extraordinary political developments. These conditions had a material adverse effect on Indonesian businesses. The economic crisis resulted in the failure of many Indonesian companies to repay their debts when due.

Indonesian financial markets and the Indonesian economy are also influenced by economic and market conditions in other countries. The global financial crisis that began in 2008 had a significant impact on certain segments of the Indonesian economy as well as the stability of Indonesian financial markets, as evidenced by the decrease in Indonesia's real GDP growth rate from 6.3% in 2007 and 6.0% in 2008 to 4.5% in 2009, based on data from BPS. A loss of investor confidence in the financial systems of emerging or other markets may cause increased volatility in Indonesian financial markets which may, in turn, adversely affect the Indonesian economy in general. Any worldwide financial instability could also have a negative impact on the Indonesian economy, which could have an adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that the recent improvement in economic condition will continue or that adverse economic conditions will not recur. Such developments could have a material adverse effect on our Company and our business, financial condition, results of operations and prospects.

Political instability in Indonesia could adversely affect the economy, which in turn could affect our business, financial condition and results of operations.

Since the collapse of the late President Soeharto's regime in 1998, Indonesia has experienced political changes and, from time to time, instability, as well as general social and civil unrest on several occasions in recent years.

For example, since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former Presidents Wahid and Megawati and current President Yudhoyono, as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy, potential increases in electricity charges and the US-led military campaigns in Afghanistan and Iraq. Although these demonstrations were generally peaceful, some have turned violent. In particular, on several occasions since June 2001, the Government of Indonesia has mandated increases in the prices of certain basic goods, such as fuel, which in turn sparked nationwide demonstrations and strikes. In May 2008, the Government of Indonesia decreased fuel subsidies to the public, which led to public demonstrations. There can be no assurance that future sources of popular discontent will not lead to further political and social instability.

Separatist movements and clashes between religious and ethnic groups have resulted in social and civil unrest in certain parts of Indonesia. In the provinces of Aceh and Papua (formerly Irian Jaya), there have been clashes between supporters of separatist movements and the Indonesian military. In Papua, ongoing activity by separatist rebels has led to violent incidents. In the provinces of Maluku and Central Kalimantan, clashes between religious and ethnic groups have resulted in fatalities and refugees over the past several years. In recent years, the government's negotiations with these troubled regions has had only limited success, except in the province of Aceh, where an agreement between the Government of Indonesia and Aceh separatists was reached in 2005 and peaceful local elections were held with some former separatists as candidates.

In 2004, Indonesians directly elected the President, Vice-President and representatives to the Indonesian parliament for the first time. Indonesians have also started directly electing heads and representatives of local and regional governments. In April 2009, elections were held to elect representatives to the Indonesian parliament (including national, regional and local representatives). Indonesian presidential elections, held in July 2009, resulted in the re-election of President Yudhoyono. Although parliamentary and presidential elections proceeded smoothly in 2004 and 2009, political and related social developments in Indonesia have been unpredictable in the past and there can be no assurance that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects.

Labor activism and legislation could adversely affect our Company, our customers and Indonesian companies in general, which in turn could affect our business, financial condition and results of operations.

Laws and regulations that facilitate the formation of labor unions, combined with weak economic conditions, have in the past resulted, and may in the future result, in labor unrest and activism in Indonesia. A labor union law passed in 2000 permits employees to form unions without intervention from their employers. A new labor law, passed in 2003 (the “**Labor Law**”), increased the amount of mandatory severance, service and compensation payments payable to terminated employees. The Labor Law requires implementation of regulations that may substantially affect labor regulations in Indonesia. Under the Labor Law, employees who voluntarily resign are entitled to payments for unclaimed annual leave, relocation expenses (if any), severance pay and other expenses. The Labor Law requires bilateral forums consisting of both employers and employees, and the participation of more than half of a company’s employees in negotiating collective labor agreements. The law also sets up more permissive procedures for staging strikes. Although several labor unions challenged the Labor Law on constitutional grounds, the Indonesian Constitutional Court declared it valid, except for certain provisions, such as the procedures for terminating the employment of an employee who commits a serious mistake and criminal sanctions against an employee who instigates or participates in an illegal labor strike. As a result, the Company may not be able to rely on certain provisions of the Labor Law.

Labor unrest and activism in Indonesia could disrupt our operations, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on IDX and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, general inflationary pressures or changes in applicable laws and regulations could increase labor cost, which could have a material adverse effect on our consolidated operating results or financial condition.

An outbreak of a contagious disease could adversely affect the Indonesian economy and our Company.

The outbreak of an infectious disease in Asia, including Indonesia, or elsewhere, or fear of an outbreak, together with any resulting travel restrictions or quarantines could have a negative impact on the economy and business activity in Indonesia and thereby adversely impact our revenue.

In recent years, large parts of Asia experienced unprecedented outbreaks of avian flu. In addition, the WHO announced in June 2006 that human-to-human transmission of avian flu had been confirmed in Sumatra. As of June 8, 2010, the WHO had confirmed 136 fatalities out of total number of 165 cases in Indonesia reported to the WHO, which only counts laboratory-confirmed cases of avian flu. According to the Indonesian Ministry of Health, between 2005 and 2009, there were 134 fatalities and 1641 cases of avian flu in Indonesia.

In 2003, certain countries in Asia experienced an outbreak of Severe Acute Respiratory Syndrome (“SARS”), a highly contagious form of pneumonia, which seriously interrupted economic activity in the affected regions. More recently, in April 2009, there was a global outbreak of the Influenza A (H1N1) virus including confirmed reports in Hong Kong, Japan, Indonesia, Malaysia, Singapore and elsewhere in Asia. There were a number of deaths in Indonesia resulting from H1N1. The Influenza A (H1N1) virus is believed to be highly contagious and may not be easily contained.

An outbreak of avian flu, SARS, the Influenza A (H1N1) virus or another contagious disease or measures taken by the governments of affected countries, including Indonesia, against potential or actual outbreaks, could seriously interrupt our operations or those of our distributors, suppliers and customers, which could have a material adverse effect on our business, financial condition, results of operations and prospects. The perception that an outbreak of a contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia, and thereby adversely affect our business, financial condition, results of operations and prospects.

Indonesian corporate and other disclosure and accounting standards and ongoing corporate disclosure requirements differ from those in the United States, countries in the European Union and other jurisdictions.

Our financial statements are prepared in accordance with the accounting principles generally applied in Indonesia, which differ in certain material respects from international financial reporting standards (“IFRS”). As a result, our financial statements and reported earnings could be significantly different from those which would be reported under IFRS. This Offering Memorandum does not contain a reconciliation of our financial statements to IFRS, and there can be no assurance that such reconciliation, if performed, would not reveal material differences.

Downgrades of credit ratings of Indonesia could adversely affect the Indonesian financial market and our ability to finance operations and grow.

In 1997, certain international credit rating agencies, including Moody’s, S&P and Fitch, downgraded Indonesia’s sovereign rating and the credit ratings of various credit instruments of the Government of Indonesia, a large number of Indonesian banks and other companies. Currently, Indonesia’s sovereign foreign currency long-term debt is rated “Ba1” by Moody’s (upgraded from “Ba2” on January 17, 2011), “BB+” by S&P (upgraded from “BB” on April 8, 2011) and “BB+” by Fitch, and its sovereign foreign currency short-term debt is rated “B” by S&P and Fitch. Even though the recent trend in Indonesian sovereign ratings has been positive, we cannot assure you that Moody’s, S&P, Fitch or any other international credit rating agency will not downgrade the credit ratings of Indonesia. Any such downgrade could have an adverse impact on liquidity in Indonesian financial markets, the ability of the Government of Indonesia and Indonesian companies, including our Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available to us, any of which in turn may have a negative effect on our ability to finance operations and growth.

Risks Relating to the Shares

Indonesian law may not protect shareholders as extensively as that of other jurisdictions.

Our corporate affairs are governed by our articles of association, by the laws governing corporations incorporated in Indonesia, Indonesian capital market law and regulations and the rules of IDX. The rights of our shareholders and the responsibilities of our Board of Commissioners and Board of Directors under Indonesian law may be different from those applicable to a company incorporated in another jurisdiction. Principal shareholders of Indonesian companies do not owe fiduciary duties to minority shareholders, as compared, for example, to controlling shareholders in the United States. Our public shareholders may have more difficulty in protecting their interests in connection with actions taken by members of our Board of Directors or Board of Commissioners or by our principal shareholders than they would as shareholders of a company incorporated in another jurisdiction.

Indonesian law may operate differently from the laws of other jurisdictions with regard to the convening of, and the right of shareholders to attend and vote at, general meetings of shareholders of our Company.

We are subject to Indonesian law and the continuing listing requirements of IDX. In particular, the convening and conduct of general meetings of our shareholders will continue to be governed by Indonesian law. The procedure and notice periods in relation to the convening of general meetings of shareholders of our Company, as well as the ability of shareholders to attend and vote at such general meetings, may be different from those of jurisdictions outside Indonesia. For instance, the shareholders of our Company who would be entitled to attend and vote at general meetings of shareholders of our Company are, by operation of Indonesian law, those shareholders appearing in our register of shareholders on the market day immediately preceding the day (the “**Record Date**”) on which the notice of general meeting is issued, regardless of whether such shareholders may have disposed of their shares following the Record Date. In addition, investors who may have acquired their shares after the Record Date (and before the day of the general meeting) would not be entitled to attend and vote at the general meeting. Accordingly, potential investors should note that they may be subject to procedures and rights with regards to general meetings of shareholders of our Company that are different from those to which they may be accustomed in other jurisdictions.

We operate in a legal system in which the application of various laws and regulations may be uncertain, and through the purchase of the Shares, holders of our Shares may be exposed to such legal system and may find it difficult or impossible to pursue claims relating to the Shares.

As Indonesia is a developing market, its legal and regulatory regime may be less certain than in more developed markets and may be subject to unforeseen changes. At times, the interpretation or application of laws and regulations may be unclear and the content of applicable laws and regulations may not be immediately available to the public. Under such circumstances, consultation with the relevant authority in Indonesia may be necessary to obtain a better understanding or clarification of applicable laws and regulations. Indonesia’s legal system is a civil law system based on written statutes; judicial and administrative decisions do not constitute binding precedent and are not systematically published.

Indonesia’s commercial and civil laws as well as rules on judicial process were historically based on Dutch law as in effect prior to Indonesia’s independence in 1945, and some of these laws have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts are often unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of many Indonesian laws depends, in a large part, upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which, absent a binding precedent system, is difficult or impossible to predict.

Indonesian judges operate in an inquisitorial legal system and have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion, uncertainty and inconsistency. Furthermore, corruption in the court system in Indonesia has been widely reported in publicly available sources.

Indonesian legal principles relating to the rights of shareholders, or their practical implementation by Indonesian courts, differ from those that would apply within the United States or the European Union. Absent a binding precedent system, the rights of shareholders under Indonesian law might not be as clearly evident as in most United States and European Union jurisdictions. In addition, under Indonesian law, companies may have rights and defenses to actions filed by shareholders that these companies would not have in jurisdictions such as the United States and European Union member states.

The regulations governing Indonesian securities markets differ from those in other markets, which may cause the market price of our shares to be more volatile.

Indonesian securities markets are less liquid and relatively more volatile compared to securities markets in certain other countries. IDX, on which our Shares will be listed, has in the past experienced substantial fluctuations in the prices of listed securities. IDX has experienced some problems which, were they to continue or recur, could affect the market price and liquidity of the securities of Indonesian companies, including our Shares. These problems have included closures of exchanges, broker defaults and strikes, settlement delays, and the bombing of the IDX building. In addition, the governing bodies of Indonesian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. The levels of regulation and monitoring of the Indonesian securities markets and the activities of investors, brokers and other market participants are not the same as in certain other countries. In addition, the ability to sell and settle trades on IDX may be subject to delays. In light of the foregoing, there can be no assurance that a holder of our Shares will be able to dispose of its Shares at the prices or times that would be available to such holder in a more liquid or less volatile market. There may also be less information publicly available about Indonesian companies than is regularly made available by public companies listed on other markets. Any of these factors could adversely affect the trading price of our Shares.

SECURITIES UNDERWRITING AND PLAN OF DISTRIBUTION

The Company entered into a Deed of Underwriting Agreement No. 16 on October 9, 2012 drawn up before Yulia, SH, Notary in Jakarta (hereinafter is as referred to “**Underwriting Agreement**”), under which the Joint Lead Underwriters and other underwriters whose names are identified below shall on a several basis agree to offer and sell the Shares offered in the Offer based upon their respective underwriting portion (provided, however that in the event of any discrepancies between the table set forth below and that set out in the Underwriting Agreement, the latter shall prevail) with full commitment and bind themselves to purchase the offered Shares that remain unsold at the close of the Offering Period.

Entity	Underwriting Portion	
	Shares	Percentage (%)
Joint Lead Underwriters		
1. PT Mandiri Sekuritas	328,179,000	52.095
2. PT OSK Nusadana Securities Indonesia	295,983,000	46.984
Subtotal	624,162,000	99.079
Underwriters		
1. PT Lautandhana Securindo	200,000	0.032
2. PT Minna Padi Investama	200,000	0.032
3. PT Buana Capital	200,000	0.032
4. PT Dhanawibawa Arthacemerlang	200,000	0.032
5. PT Panca Global Securities	200,000	0.032
6. PT Bumiputera Capital Indonesia	200,000	0.032
7. PT Valbury Asia Securities	200,000	0.032
8. PT Overseas Securities	200,000	0.032
9. PT MNC Securities	200,000	0.032
10. PT Danareksa Sekuritas	200,000	0.032
11. PT Bahana Securities	200,000	0.032
12. PT Equator Securities	250,000	0.040
13. PT AM Capital	200,000	0.032
14. PT Waterfront Securities Indonesia	200,000	0.032
15. PT Mega Capital Indonesia	200,000	0.032
16. PT Danpac Sekuritas	500,000	0.079
17. PT Erdhika Elit Sekuritas	200,000	0.032
18. PT Reliance Securities	200,000	0.032
19. PT Yulie Securindo	400,000	0.064
20. PT Magenta Kapital Indonesia	200,000	0.032
21. PT Philip Securities Indonesia	200,000	0.032
22. PT Amantara Sekuritas	200,000	0.032
23. PT NISP Sekuritas	150,000	0.024
24. PT Victoria Securities Indonesia	200,000	0.032
25. PT Indo Premier Securities	500,000	0.079
Subtotal	5,800,000	0.926
TOTAL	629,962,000	100

Please see Chapter XIV “Underwriting” in the English Prospectus.

Listing and trading of the Shares on IDX

Potential investors must make all necessary arrangements to establish the requisite arrangements in order to be able to trade Shares on IDX (including opening securities trading accounts with licensed financial intermediaries in Indonesia). Please contact your broker or financial adviser in Indonesia.

Registration with Bapepam and LK

We submitted our application for a Registration Statement of Securities Issuance in relation to the Offer (the "**Registration Statement**") to Bapepam and LK in a letter No. 015/LGA/ROW/IX/2012 dated October 9, 2012 in accordance with the Law of the Republic of Indonesia No. 8 Year 1995 concerning Capital Market, which was published in the State Gazette of the Republic of Indonesia No. 64 Year 1995, Supplement to State Gazette No. 3608 and its implementing regulations. Bapepam and LK issued a letter No. S-13851/BL/2012 on December 4, 2012, declaring the Registration Statement effective.

Offering Period

The Offering Period is expected to begin on December 6, 2012 and end on December 12, 2012. Listing of the Shares on IDX is expected to commence on December 18, 2012.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult with legal counsel prior to making any resale, pledge or transfer of the Shares.

The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

Each purchaser of the Shares, by accepting delivery of this Offering Memorandum and subscribing for Shares, represents, agrees and acknowledges that:

- It is authorized to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Shares have not been and will not be registered under the U.S. Securities Act and that, therefore, such Shares cannot be offered, sold or resold except in transactions exempt from registration under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Shares are purchased will be, the beneficial owner of the Shares and it is purchasing the Shares in an offshore transaction (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Shares are purchased will be, the beneficial owner of the Shares, and (ii) such customer is purchasing the Shares in an offshore transaction (within the meaning of Regulation S).
- It is eligible under all applicable laws, rules, regulations, guidelines and approvals, to acquire the Shares of the Company, and will comply with such laws, rules, regulations, guidelines and approvals in any sale, pledge or transfer of the Shares of the Company.
- It acknowledges that the Company, the Joint Lead Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements are no longer accurate, it will promptly notify the Company and the Joint Lead Underwriters, and if it is acquiring any Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions will not be recognized by the Company.

SELLING RESTRICTIONS

This Offering Memorandum does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The Shares are being offered and sold outside the United States in an offshore transaction (as defined in Regulation S) in compliance with Regulation S. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of, the United States or any other jurisdictions, except that in Indonesia in order to permit the Indonesian Offer and that in Malaysia in order to permit the Institutional Offer in Malaysia. The distribution of this Offering Memorandum and the offering of the Shares in jurisdictions other than Indonesia may be prohibited or restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offering Memorandum are required by the Company and the Joint Lead Underwriters to inform themselves about, and to observe and comply with, any such prohibitions or restrictions at their own expense and without liability to the Company and the Joint Lead Underwriters.

Persons to whom a copy of this Offering Memorandum has been issued shall not circulate to any other person, reproduce or otherwise distribute this Offering Memorandum or any information herein for any purpose whatsoever nor permit or cause the same to occur.

Malaysia

This Offering Memorandum has not been and will not be registered as a prospectus with the Securities Commission of Malaysia under the Capital Market and Services Act 2007 (“**CMSA**”). Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or the invitation for subscription or purchase of the Shares may not be circulated or distributed, nor will any invitation or offer, directly or indirectly, be made in Malaysia with respect to offer or sale of the Shares, other than to certain persons specified in Schedules 6 and 7 of the CMSA.

Any invitation or offer in respect of the Shares in Malaysia shall only be binding only after obtaining approval from the Securities Commission of Malaysia and that this Offering Memorandum is deposited with the Securities Commission of Malaysia in accordance with the CMSA. Such approval shall not, however, be taken to indicate that the Securities Commission of Malaysia recommends the Shares. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of us and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Memorandum. Investors should rely on their own evaluation to assess the merits and risks of the investment proposed herein.

Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (“**MAS**”) under the Securities and Futures Act (Chapter 289) of Singapore (“**SFA**”). Accordingly, the Shares may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may the Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Shares be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than to an “institutional investor” within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274.

Any transfer or on-selling of the Shares is subject to applicable on-selling restrictions and must meet the requirements set out in the SFA.

United States of America

The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

The Shares are being offered and sold only outside the United States in “offshore transactions” in accordance with Regulation S. Each person who purchases Shares outside the United States in compliance with Regulation S, by its acceptance of this Offering Memorandum and the Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Joint Lead Underwriters as follows:

- (1) Such purchaser of the Shares is, or at the time of its acquisition of the Shares will be, the beneficial owner of the Shares purchased by it.
- (2) At the time of its acquisition of the Shares, such purchaser is not resident in the United States.
- (3) With respect to sales of the Shares, either:
 - (a) at the time the buy order for the Shares was originated, the purchaser was outside the United States or the purchaser of the Shares and any person acting on its behalf reasonably believed that the purchaser was outside the United States; or
 - (b) the transaction in the Shares was executed in, on or through the facilities of a designated offshore securities market as defined in Regulation S (including, for the avoidance of doubt, a bona fide sale on IDX).
- (4) Such purchaser of the Shares is not an affiliate of the Company or acting on our behalf or on behalf of any such affiliate.
- (5) Neither the purchaser of the Shares, any of its affiliates nor any person acting on its or their behalf, has made, and the purchase of the Shares is not the result of, any “directed selling efforts” (as defined in Regulation S) in the United States with respect to the Shares.
- (6) The proposed transfer of the Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act.
- (7) The purchaser is aware that the Shares may not be offered, sold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S.
- (9) Each purchaser of the Shares agrees that the Company and the Joint Lead Underwriters, their respective affiliates and their respective agents may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.
- (10) In addition, each prospective purchaser of the Shares, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Company and the Joint Lead Underwriters as follows:
 - (a) that none of the Company and the Joint Lead Underwriters or any person representing the Company and the Joint Lead Underwriters has made any representation or provided any information to it with respect to the Company or the offering or sale of the Shares, other than the information contained or incorporated by reference in the Offering Memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Shares; and it has had access to such financial and other information concerning the Company and the Shares as it has deemed necessary in connection with its decision to purchase the Shares.

- (b) that the Company and the Joint Lead Underwriters and others will rely upon the truth and accuracy of the acknowledgments, representations and agreements made by each perspective purchaser, and such prospective purchaser agrees that, if any of the acknowledgments, representations or agreements deemed to have been made by it through its purchase of the Shares are no longer accurate, it shall promptly notify the Company and the Joint Lead Underwriters; and if it is acquiring any Shares as fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

Each Joint Lead Underwriter has represented that it has not entered and agreed that it will not enter into any contractual arrangement with any distributor with respect to the distribution of the Shares, except its affiliates or with the prior written consent of the Company.

Terms used in this section have the meanings given to them by Regulation S.

THE SECURITIES MARKET OF INDONESIA

The following information has been derived from publicly available information and has not been independently verified by the Company or the Joint Lead Underwriters. More information is available at www.bi.go.id, www.bapepam.go.id and www.idx.co.id.

History and Current Developments

The securities market in Indonesia officially began on December 14, 1912 with the establishment, by the Dutch administration, of an exchange in Jakarta. This was followed by the establishment of exchanges in Semarang on August 1, 1925 and in Surabaya on January 11, 1925. Trading on these exchanges was largely confined to the shares of Dutch companies, mostly involved in plantations, as well as bonds of certain Dutch East Indies government agencies. These exchanges were closed during the Second World War. In 1952, the Government of Indonesia enacted laws that facilitated the re-opening of the Jakarta Stock Exchange (“**JSX**”) in order to allow trading in government bonds and stocks of companies listed before the Second World War. Trading was inactive, however, and this, combined with the nationalization and subsequent de-listing of Dutch companies, led to various shut-downs of the market from 1956 onwards.

In the mid-1970s, the Government of Indonesia announced reforms designed to revive the stock market in order to facilitate the mobilization of domestic equity funds. The stock market also provided a mechanism for foreign partners in joint ventures in Indonesia to divest part of their equity holdings to Indonesian nationals and legal entities in compliance with the Indonesian Foreign Investment Law. Tax incentives designed to encourage listings on the JSX were announced in 1976 and two government agencies were created to assist the development of the capital markets, (i) Badan Pelaksana Pasar Modal (**BAPEPAM**) or the Capital Markets Operations Board, created to regulate and promote the JSX, and (ii) a national investment trust company, PT (Persero) Danareksa, created to promote the equitable distribution of income by selling small denomination fund certificates to the general public. The first share offer listed on the JSX took place in August 1977. At the end of 1988 the shares of 24 companies were listed on the JSX and the volume of the Shares traded was relatively low.

During the 1980’s and 1990’s a number of reform measures affecting the Indonesian capital markets were announced. These included the privatization of the JSX and its establishment as a limited liability company in 1992, and the introduction in May 1995 of the Jakarta Automated Trading System, a computerized system to replace the manual trading system.

The Indonesian Capital Market Master Plan 2005 -2009 further reflected the need to improve the efficiency and productivity of the Indonesian capital markets. In December 2005, pursuant to the Decree of the Minister of Finance No. KMK 606/KMK.01./2005, the Minister of Finance merged (i) BAPEPAM which now operates under its new name, the Capital Markets Supervisory Board, or Badan Pengawas Pasar Modal) and (ii) the Directorate General of Financial Institutions, both under the authority of the Minister of Finance, into one organization to become BAPEPAM and Lembaga Keuangan (“**BAPEPAM and LK**”). (See www.bapepam.go.id)

On November 30, 2007, the Surabaya Stock Exchange was merged into the JSX, and subsequently the JSX changed its name to the “Indonesia Stock Exchange” or IDX.

On November 22, 2011, Indonesia’s parliament approved Law No. 21 of 2011 on the Financial Services Authority, which created a new institution, the Financial Services Authority (Otoritas Jasa Keuangan, or “**OJK**”). Effective from December 31, 2012, OJK will take over the supervision and regulation of capital markets, insurance, pension funds and multi-finance companies from Bapepam and LK, and effective from December 31, 2013, OJK will take over the supervision and regulation of banks from Bank Indonesia. (See www.ojk.go.id)

Indonesia Stock Exchange

Based on data published on the website of IDX, as of August 31, 2012 there were 452 exchange members listed as IDX shareholders. Only shareholders of IDX may become members of IDX. Members of IDX are underwriters, brokers, dealers and fund management companies. Before trading on IDX, investors must be customers of a security company or brokerage firm.

As a self regulatory organization, IDX has authority to issue regulations and requirements for listing of securities on IDX. Currently IDX's listing requirements are set out in Rule Number I-A: Concerning the Listing of Shares (Stock) and Equity-type Securities other than Stock issued by the Listed Company.

More information is available from www.idx.co.id.

Listing of the Shares

On October 8, 2012, the Company obtained the preliminary approval for its Shares to be listed on IDX. On December 4, 2012, Bapepam and LK issued a letter No. S-13851/BL/2012 declaring the Registration Statement effective. Listing of the Shares on IDX is expected to commence on December 18, 2012. Buyers and sellers may be matched in off-exchange transactions after the Shares have been listed on IDX. Shares sold in the Offer that are purchased by non-Indonesian persons will be eligible for trading on IDX.

Settlement

All clearance and settlement of transactions effected on IDX must be settled three trading days following completion of the transaction.

INDONESIAN FOREIGN EXCHANGE REGULATIONS

Foreign Exchange

The Government of Indonesia does not currently maintain exchange controls and the Rupiah is freely convertible. Pursuant to Law Number 24 of 1999 on Foreign Exchange Flow and Exchange Rate System (“**Law 24**”) any Indonesian resident (a person, legal entity or other entity domiciled or planning to domicile in Indonesia for at least 1 (one) year, including representatives and diplomatic staff of the Republic of Indonesia) is free to own and use foreign exchange.

Indonesia’s central bank, Bank Indonesia, is the monetary authority charged with responsibility for maintaining the stability of the Rupiah and overseeing the foreign exchange system and exchange rate systems. Bank Indonesia is authorized to control the flow of foreign exchange activities of Indonesian residents. In this respect, Bank Indonesia is empowered to request any information and data concerning the foreign exchange activities of Indonesian residents. Through its implementing regulations (namely Regulation of Bank Indonesia No. 1/9/PBI/1999, Regulation of Bank Indonesia No. 13/15/PBI/2011, in conjunction with the Circular Letter of Bank Indonesia No. 13/21/DSM dated August 15, 2011 and Regulation of Bank Indonesia No. 13/21/PBI/2011), Bank Indonesia required Banks and Non-Financial Institutions to submit a report to Bank Indonesia with respect to their foreign exchange flow activities. Non-Financial Institutions that are obliged to submit this kind of report include:

1. State-owned enterprises;
2. State-owned enterprises with foreign loans;
3. Non-bank financial institutions;
4. Public companies;
5. Companies who are engaged in the business of oil and gas mining;
6. Companies who are engaged in export and/or import of goods;
7. Companies who provide services;
8. Foreign investment companies;
9. Private companies with foreign loans;
10. Other entities with foreign loans; or
11. Non-bank financial institutions that do not fall within categories (1) to (10), with:
 - a. total assets of at least Rp100,000,000,000.- (one hundred billion Rupiah), or
 - b. revenue during a 1 year period of at least Rp100,000,000,000.- (one hundred billion Rupiah);

whichever is fulfilled earlier.

Exchange Rate System

Bank Indonesia implements the exchange rate system determined by the Government of Indonesia, based on proposals submitted by Bank Indonesia. Pursuant to Law 24 and Law No. 2 of 2008, as amended by Law No. 6 of 2009 ("**Law 2**"), the exchange rate system to be applied in Indonesia may be in the form of a fixed exchange rate, floating exchange rate or controlled floating exchange rate system. Law 2 assigns Bank Indonesia with a principal duty to reach and maintain the stability of the Rupiah. In this respect, Bank Indonesia is authorised to intervene in the foreign exchange market in order to maintain the stability of the Rupiah. Prior to August 1997 Bank Indonesia maintained the value of the Rupiah based on a basket of foreign currencies, the composition of which was based on Indonesia's main trading partner countries. In July 1997 the exchange rate band was widened and on August 14, 1997 Bank Indonesia adopted a floating exchange rate system without indicating at what level Bank Indonesia would intervene in the currency markets.

More information is available from www.bi.go.id.

EXCHANGE RATE INFORMATION

Fluctuation in the exchange rates between the Rupiah and other currencies will affect the foreign currency equivalent of the Rupiah of the shares on IDX. Such fluctuation will also affect the amount in foreign currency received upon conversion of cash dividends or other distributions paid in Rupiah by the Company on, and the Rupiah proceeds received from any sales of, the Shares, as well as the book value of foreign currency assets and liabilities, and income and expenses and cash-flows in the Company's financial statement.

The following table shows the exchange rate of the Rupiah against the United States Dollar based on the middle exchange rates at the end of each month during the periods indicated. The Rupiah middle exchange rate is calculated based on Bank Indonesia buying and selling rates. No representations are made that the Rupiah or United States Dollar amount referred to herein could have been or could be converted in United States Dollar or Rupiah, as the case may be, at the rate indicated or any other rate or at all.

	At Period End	High ⁽¹⁾	Low ⁽¹⁾
2000	9,595	9,595	7,425
2001	10,400	11,675	9,450
2002	8,940	10,320	8,730
2003	8,465	8,908	8,285
2004	9,290	9,415	8,441
2005	9,830	10,310	9,165
2006	9,020	9,395	8,775
2007	9,419	9,419	8,828
2008	10,950	12,151	9,051
2009	9,400	12,065	9,293
2010	8,991	9,413	8,909
2011	8,709	9,068	8,708
2012			
January	9,000	9,210	8,955
February	9,085	9,158	8,892
March	9,180	9,193	9,098
April	9,190	9,194	9,145
May	9,565	9,570	9,180
June	9,480	9,480	9,333
July	9,485	9,493	9,365
August	9,560	9,573	9,461
September	9,588	9,573	9,450
October	9,615	9,615	9,583
November	9,605	9,643	9,603
December (through December 5)	9,605	9,605	9,598

Source: www.bi.go.id

(1) The high and low amounts are determined based on the Bank Indonesia middle exchange rate at the end of each month announced by Bank Indonesia during the period indicated.

This page is intentionally left blank

This document is an unofficial English translation of the Prospectus issued by the Company in Bahasa Indonesia on its initial public offering conducted in the Republic of Indonesia and is provided by the Company for information purposes only. The Prospectus has been prepared in accordance with the regulatory framework and disclosure practices in the Republic of Indonesia and neither the Company nor the Joint Lead Underwriter makes any representation or warranty as to the accuracy or the completeness of this translation of the Prospectus. Each person receiving this document acknowledges that disclosure requirements and practices in the Republic of Indonesia, as in other emerging markets, differ significantly from disclosure requirements and practices in other jurisdictions. Accordingly, each person receiving this document acknowledges that this document does not provide the level or type of disclosure that a prospective investor may require in connection with making an investment decision with regards to the Offering. In the event that a prospective investor would like to obtain more information about the Company and/or the Offering before making an investment in the Company, it would be advisable for such potential investor to read the Prospectus in Bahasa Indonesia.

TIMETABLE

Effective Date	:	6 December 2012	Distribution Date	:	17 December 2012
Offering Period	:	6 – 12 December 2012	Refund Date	:	17 December 2012
Allotment Date	:	14 December 2012	Listing Date	:	18 December 2012

BAPEPAM AND LK DOES NOT GIVE ITS APPROVAL OR DISAPPROVAL OF THE SHARES DESCRIBED HEREIN, NOR DOES IT CONFIRM THE CORRECTNESS OR COMPLETENESS OF THIS PROSPECTUS. ANY STATEMENT WHICH IS CONTRADICTORY TO THE SAME SHALL CONSTITUTE AN UNLAWFUL ACT.

PT WISMILAK INTI MAKMUR Tbk. (THE "COMPANY") AND THE JOINT LEAD UNDERWRITERS ARE FULLY RESPONSIBLE FOR THE CORRECTNESS OF ALL MATERIAL INFORMATION OR FACTS AND THE ACCURACY OF THE OPINIONS CONTAINED IN THIS PROSPECTUS.

ALL OF THE OFFERED SHARES WILL BE LISTED AT THE INDONESIA STOCK EXCHANGE (THE "IDX").



PT WISMILAK INTI MAKMUR Tbk

Line of Business:

Cigarette filter manufacturer and direct investment in its Subsidiaries engaged in the cigarette industry.

Domiciled in Surabaya, Indonesia

Head Office:

Jl. Buntaran No. 9A,
Kel. Manukan Wetan, Kec. Tandes,
Surabaya 60185

Correspondence:

Graha Wismilak
Jl. Dr. Sutomo 27
Surabaya 60264
Telephone : +62 31 2952899
Fax : +62 31 2952800
e-mail : information@wismilak.com
Website : www.wismilak.com

Factory:

3 factories located in Surabaya
(Jl. Buntaran No. 9, 9A and 18, Kel.
Manukan Wetan, Kec. Tandes)
and
1 factory located in Bojonegoro
(Jl. Raya Sratujejo No. 99, Kel.
Sratujejo, Kec. Baureno)

INITIAL PUBLIC OFFERING

629,962,000 (six hundred and twenty nine million and nine hundred sixty two thousand) Ordinary Shares with a nominal value of Rp100 (one hundred Rupiah) per share or a maximum of 30% (thirty percent) of the Company's issued and paid-up capital following the Initial Public Offering, which comprises all of the new shares issued. The Offer Price in the Initial Public Offering is Rp650 (six hundred and fifty Rupiah) per share, to be paid in full upon submission of the Shares Purchase Subscription Form ("SPSF"). The Offered Share Value in the Initial Public Offering is Rp409,475,300,000 (four hundred and nine billion and four hundred seventy five million and three hundred thousand Rupiah).

The Company will allocate at the maximum of 10% (ten percent) from the Offered Shares in the Initial Public Offering to the Employee Stock Allocation ("ESA") program, which is further detailed in Chapter I of this Prospectus.

All of the Company's Shareholders are equal in all aspects with the Shareholders holding the existing issued and authorised shares of the Company prior the Initial Public Offering pursuant to the Law No.40 Year 2007 on Limited Liability Company.

The Joint Lead Underwriters and Underwriters whose names are listed below shall guarantee with full commitment the Initial Public Offering of the Company's Shares.

JOINT LEAD UNDERWRITERS



UNDERWRITERS

PT Lautandhana Securindo, PT Minna Padi Investama, PT Buana Capital, PT Dhanawibawa Arthacemerlang,
PT Panca Global Securities, PT Bumiputera Capital Indonesia, PT Valbury Asia Securities,
PT Overseas Securities, PT MNC Securities, PT Danareksa Sekuritas, PT Bahana Securities, PT Equator Securities, PT AM Capital,
PT Waterfront Securities Indonesia, PT Mega Capital Indonesia, PT Danpac Securities, PT Erdhika Elit Sekuritas, PT Reliance Securities,
PT Yulie Securindo, PT Magenta Kapital Indonesia, PT Phillip Securities Indonesia, PT Amantara Sekuritas, PT NISP Sekuritas,
PT Victoria Securities Indonesia, PT Indo Premier Securities

THE MAIN RISK FACED BY THE COMPANY IS AVAILABILITY OF RAW MATERIAL. THE RISKS FACED BY THE COMPANY AND ITS SUBSIDIARIES ARE DETAILED IN CHAPTER VI OF THIS PROSPECTUS.

RISK OF THE ILLIQUIDITY OF THE COMPANY'S SHARES TRADED IN THE IDX MAY ARISE DUE TO THE LIMITED SIZE OF SHARES OFFERED TO THE PUBLIC IN THE INITIAL PUBLIC OFFERING. THUS, THE COMPANY COULD NOT GUARANTEE THE LIQUIDITY OF THE SHARES TRADED IN THE STOCK EXCHANGE.

THE COMPANY WILL NOT ISSUE COLLECTIVE SHARE CERTIFICATES IN THIS INITIAL PUBLIC OFFERING, AND THE SHARES WILL BE DISTRIBUTED ELECTRONICALLY TO BE ADMINISTERED IN A COLLECTIVE DEPOSITORY WITH PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI").

PT Wismilak Inti Makmur Tbk. (hereinafter referred to as the "Company"), has submitted a Share Issuance Registration Statement with respect to the Initial Public Offering to the Chairperson of the Capital Market and Financial Institution Supervisory Board (hereinafter referred to as "Bapepam and LK") pursuant to a letter No. 015/LGA/ROW/IX/2012 dated 9 October 2012 in accordance with the terms as stipulated under Law No. 8 of 1995 dated 10 November 1995 regarding Capital Market, State Gazette No. 64 of 1995, Supplemental State Gazette No. 3608 and its implementing regulations and amendments thereto (hereinafter referred to as the "Capital Market Law").

The offered shares are to be registered with the Indonesia Stock Exchange (the "IDX") in accordance with the Preliminary Securities Registration Agreement dated 8 October 2012 entered into between the Company and IDX subject to the satisfaction of the registration requirements as determined by the IDX, among others concerning the number of individual and institutional Shareholders at IDX and each Shareholder holding at least 1 (one) share unit. If the share registration requirements are not met, the Initial Public Offering will be terminated and the subscription money received will be returned to the subscribers in accordance with the relevant provisions of the Capital Market Law.

For the purpose of this Initial Public Offering, the Company, the Joint Lead Underwriters, Underwriters and the Capital Market Supporting Professions are fully responsible for the accuracy of data, accuracy of opinions, statements and reports presented in the Prospectus pursuant to their respective areas of duty in accordance with the prevailing regulations applicable in the territory of the Republic of Indonesia as well as their respective code of ethics, norms and standards of profession. Pursuant to the Letter from Chairman of Bapepam and LK No. S-13851/BL/2012 dated 4 December 2012, the Registration Statement submitted by the Company was declared effective.

In connection with the Initial Public Offering, every affiliated party shall not give any statement or remarks or explanation whatsoever with regard to matters that have not been disclosed in this Prospectus without the prior written approval from the Company and the Joint Lead Underwriters.

PT Mandiri Sekuritas and PT OSK Nusadana Securities Indonesia as Joint Lead Underwriters and the Underwriters, as well as the Capital Market Supporting Professions expressly state that they are not affiliated with the Company, directly or indirectly, as such term is defined in the Capital Market Law.

THIS INITIAL PUBLIC OFFERING IS NOT REGISTERED UNDER ANY LAW OR REGULATION OTHER THAN THOSE APPLICABLE IN THE REPUBLIC OF INDONESIA. WITH RESPECT TO ANY PERSON OUTSIDE OF THE REPUBLIC OF INDONESIA RECEIVING THIS PROSPECTUS, THIS DOCUMENT IS NOT MEANT AS AN OFFER DOCUMENT TO PURCHASE THE SHARES, EXCEPT WHERE SUCH OFFER AND PURCHASE OF SHARES DO NOT CONTRADICT, OR DO NOT CONSTITUTE A VIOLATION UNDER, THE LAWS AND REGULATIONS PREVAILING IN SUCH COUNTRY.

THE COMPANY HAS DISCLOSED ALL MATERIAL INFORMATION REQUIRED TO BE DISCLOSED TO THE PUBLIC, AND NO MATERIAL INFORMATION HAS BEEN OMITTED WHICH MAY CAUSE THE INFORMATION CONTAINED IN THIS PROSPECTUS TO BE INCORRECT OR MISLEADING.



TABLE OF CONTENT

DEFINITIONS AND ABBREVIATIONS.....	iii
SUMMARY	x
I. INITIAL PUBLIC OFFERING.....	1
II. USE OF PROCEEDS.....	6
III. INDEBTEDNESS	8
IV. KEY FINANCIAL HIGHLIGHTS.....	15
V. MANAGEMENT'S DISCUSSION AND ANALYSIS	18
VI. RISK FACTORS	32
VII. MATERIAL EVENTS AND TRANSACTIONS OCCURRING SUBSEQUENT TO THE INDEPENDENT AUDITOR'S REPORT	40
VIII. DESCRIPTION OF THE COMPANY.....	41
A. BRIEF HISTORY OF THE COMPANY.....	41
B. CAPITAL GROWTH AND SHAREHOLDING OF THE COMPANY	45
C. STRUCTURE OF THE COMPANY'S ORGANIZATION.....	51
D. MANAGEMENT AND SUPERVISION OF THE COMPANY.....	51
E. HUMAN RESOURCES	56
F. INFORMATION ON THE SUBSIDIARIES.....	61
G. INFORMATION ON THE INSTITUTIONAL SHAREHOLDERS OF THE COMPANY	70
H. ASSOCIATIONS BY WAY OF OWNERSHIP, MANAGEMENT AND SUPERVISION OF THE COMPANY	71
I. STRUCTURE OF THE COMPANY'S BUSINESS GROUP	72
J. TRANSACTIONS WITH AFFILIATED PARTIES.....	72
K. MATERIAL AGREEMENTS WITH THIRD PARTIES	74
L. FIXED ASSETS.....	89
M. INSURANCE	94
N. LEGAL PROCEEDINGS FACED BY THE COMPANY, DIRECTORS AND COMMISSIONERS	96
IX. COMPANY'S BUSINESS ACTIVITIES AND PROSPECTS	97
A. OVERVIEW	97
B. COMPETITIVE ADVANTAGES	103
C. BUSINESS STRATEGIES	105
D. OPERATIONS OF THE COMPANY	107
E. PRODUCTION FACILITIES	113
F. MANAGEMENT OF RAW MATERIALS	114
G. DISTRIBUTION AND MARKETING	116
H. CERTIFICATION AND QUALITY CONTROL.....	118



I.	INTELLECTUAL PROPERTY RIGHT	119
J.	AWARDS.....	123
K.	BUSINESS PROSPECTS.....	124
L.	BUSINESS COMPETITION	124
M.	CORPORATE SOCIAL RESPONSIBILITY	127
X.	INDONESIAN CIGARETTE INDUSTRY	129
XI.	EQUITY.....	144
XII.	DIVIDEND POLICY	146
XIII.	TAXATION.....	147
XIV.	UNDERWRITING	151
XV.	CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONS.....	153
XVI.	LEGAL OPINION.....	157
XVII.	FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	189
XVIII.	APPRAISAL REPORT.....	295
XIX.	ARTICLES OF ASSOCIATION.....	325
XX.	TERMS OF SHARE SUBSCRIPTION	345
X.	DISTRIBUTION OF THE PROSPECTUS AND THE SHARE SUBSCRIPTION FORMS	351



DEFINITIONS AND ABBREVIATIONS

In this Prospectus, the following terms shall have the following meaning:

- Abrided Prospectus : Means a written statement or information that include details and material facts regarding the Public Offering conducted by the Company which may affect investor's decision which known and worthy of being known by the Company and the Joint Lead Underwriters, presented clearly and communicative, announced at least on one daily newspaper in Bahasa Indonesia with national circulation, no later than two Business Days after receiving statement from Bapepam and LK in accordance with Form No.IX.A.2-9, appendix 9.
- Account Holder : Means the person whose name is registered as a securities account holder and/or securities sub-account holder with KSEI, who may be the Custodian Bank or the Securities Company.
- Affiliate : Means as follows, in accordance with the Capital Market Law Article 1 Point 1:
- A family relationship by either marriage or by blood up to the second degree either horizontally or vertically;
 - A relationship between the parties and employees, directors, or commissioners of such person;
 - A relationship between 2 (two) companies having one or more common directors or commissioners;
 - A direct or indirect relationship between the Company and the person controlling or being controlled by the Company;
 - A relationship between two companies under the common control of a person, whether directly or indirectly; or
 - A relationship between the company and the principal shareholder.
- Allotment Confirmation Form (ACF) : Means the Allotment Confirmation Form, which is the form issued by the Allotment Manager to confirm the final allotment result for the subscribers as evidence of ownership of the Offered Shares offered by the Company in the primary market.
- Allotment Date : Means at least 2 (two) Business Days after the end of Offering Period, as mentioned in Underwriting Agreement.
- Allotment Manager : Means PT OSK Nusadana Securities Indonesia, which is responsible for the allotment of Offered Shares in accordance with the terms as set out in Rule No. IX.A.7.
- AMDAL : Means *Analisa Mengenai Dampak Lingkungan*, or Environmental Business Impact Analysis, which consist of environmental study, environmental preservation plan and environmental management plan.
- Banking Day : Means a normal banking day when Bank Indonesia performs interbank clearing process.



Bapepam	:	Means the Capital Market Supervisory Board as defined in Article 3 of the Capital Market Law.
Bapepam and LK	:	Means the Capital Market and Financial Institution Supervisory Board as defined in the Regulation of the Ministry of Finance of the Republic of Indonesia No. 184/PMK.01/2010 dated 11 October 2010 regarding the Organization and Work Procedure of the Ministry of Finance.
Business Day	:	Means Monday to Friday, excluding days determined by the Government as a national holiday and a Business Day which for any reason as may be determined by the Government as not a Business Day.
Calendar Day	:	Means any day within 1 (one) year based on the Gregorian calendar without exception, including Saturdays, Sundays and national holidays as may be determined as such at any time by the Government, and regular Business Days which for any reason as may be determined by the Government as not a Business Day.
Capital Market Law	:	Means the Capital Market Law of the Republic of Indonesia No. 8 Year 1995 dated 10 November 1995.
Collective Depository	:	Means the depository of securities collectively owned by more than one person, whose interests are represented by KSEI as defined by Article 1 paragraph 16 of the Capital Market Law.
Company	:	Means PT Wismilak Inti Makmur Tbk., a limited liability company established by virtue of the laws of the Republic of Indonesia, with its domicile in Surabaya, and its subsidiaries (as applicable).
Custodian Bank	:	Means the Custodian Bank which has received approval from Bapepam and LK to act as a custodian as defined in the Capital Market Law.
Distribution Date	:	Means the same date as the Payment Date , namely no later than 2 (two) Business Days from the Allotment Date, where the Offered Shares are distributed electronically to the Account Holder.
Effective Statement	:	Means the statement issued by Bapepam and LK to the effect that the Registration Statement has become effective either on: (i) the 45th (forty-fifth) day from the date on which the complete Registration Statement is received by Bapepam and LK or (ii) the 45th (forty-fifth) day from the date of the latest amendment to the Registration Statement is submitted by the Company to and as required by Bapepam and LK or (iii) any other date based upon the Effective Statement from Bapepam and LK that no further amendments and/ or additional information is required, in accordance with Rule No. IX.A.2, which allows the Company through the Underwriters to conduct the public offering of Company's Shares in accordance with prevailing capital market regulations.
Environmental Permit	:	Means the Environmental Permit in accordance with Regulation No. 32 Year 2009 (Environmental Law) regarding Preservation and Environmental Management and Government Regulation No. 27 Year 2012 regarding Environmental Permit ("PP 27/2012") and its implementing regulations.



ESA	:	Means Employee Stock Allocation.
GMS	:	Means the General Meeting of Shareholders held in accordance with the Articles of Association of the Company.
Government	:	Means the Government of the Republic of Indonesia.
Group	:	Means the Company and its Subsidiaries.
IAPI	:	Means <i>Institut Akuntan Publik Indonesia</i> or Indonesian Institute of Public Accountants.
Indonesia Stock Exchange or IDX	:	Means PT Bursa Efek Indonesia, a limited liability company established by virtue of the laws of the Republic of Indonesia, with its domicile in South Jakarta, which constitute the stock exchange as defined in Article 1 paragraph 4 of the Capital Market Law, and is the Stock Exchange on which the shares of the Company are to be listed.
Initial Public Offering or IPO	:	Means an offer of the Offered Shares made by the Company to the Public pursuant to the Capital Market Law, its implementing regulations and other requirements provided under the Underwriting Agreement.
IPO Account	:	Means the bank account opened by the Joint Lead Underwriters to receive IPO proceeds from the investors.
ISO	:	Means <i>International Organization for Standardization</i> , a global system of standardized quality assurance.
Joint Lead Underwriters	:	Means PT Mandiri Sekuritas and PT OSK Nusadana Securities Indonesia.
KAP	:	Means <i>Kantor Akuntan Publik</i> or Office of Public Accountants.
<i>Kretek</i>	:	Means kretek cigarettes whose ingredients consist of tobacco and cloves.
KSEI	:	Means PT Kustodian Sentral Efek Indonesia, domiciling in South Jakarta, which is a Settlement and Depository Institution responsible as the shares custodian administrator based on the listing agreement (<i>Perjanjian Pendaftaran Efek</i>).
Limited Liability Company Law	:	Means the Limited Liability Company Law of the Republic of Indonesia No. 40 Year 2007 dated 16 August 2007.
Listing Date	:	Means the date of the listing of the Offered Shares to be traded at the Stock Exchange, to be effected by no later than 1 (one) Business Day following the Distribution Date, which is to be determined in an Addendum to the Underwriting Agreement.
Member of Stock Exchange	:	Means the members of the IDX as defined in Article 1 paragraph 2 of the Capital Market Law.



- Ministry of Law and Human : Means the Ministry of Law and Human Rights of the Republic of Indonesia, previously referred to as the Ministry of Justice of the Republic of Indonesia, or the Ministry of Justice and Human Rights of the Republic of Indonesia or the Ministry of Law and Legislations of the Republic of Indonesia.
- New Shares : Means ordinary shares with a nominal value of Rp100 (hundred Rupiah) per share, which will be issued from the Company's portfolio in connection to the Initial Public Offering, with a maximum amount of 629,962,000 (six hundred and twenty nine million and nine hundred sixty two thousand) shares.
- Offer Price : Means the price of each Offered Share at the Initial Public Offering, amounted Rp650 (six hundred and fifty Rupiah)
- Offered Shares : Means the New Shares being offered and sold to the Public by the Underwriters which will be listed on the IDX at the Listing Date.
- Offering Period : Means the period during which the Public can submit their shares subscription.
- Payment Date : Means the date of payment of the proceeds from the sale of the Offered Shares in the Initial Public Offering, to be remitted by the Underwriters and the Selling Agent (if any) to the Company through the Joint Lead Underwriters, as stipulated under the Underwriting Agreement.
- Preliminary Offering : Means an offer made either directly or indirectly using the Preliminary Prospectus, immediately upon publication of the Abridged Prospectus in the newspaper, for the purpose of assessing the Public's interest in the Offered Shares, the indicator of which constitutes the number of shares to be purchased and/or estimation of the Offer Price, but such offer shall not be binding nor shall it constitute a subscription under Rule No. IX.A.8, Attachment of the Decree of the Chairman of Bapepam and LK No. Kep-41/PM/2000 dated 27 October 2000 on Preliminary Prospectus and Information Memorandum and also taking into account Rule No. IX.A.2.
- Public : Means an individual person and/or legal entity, including Indonesian or other foreign national, and/or Indonesian or foreign legal entity, whether located or legally domiciled in Indonesia or located or legally domiciled outside of Indonesia.
- Refund Date : Means the date of refund of the subscription money for the Offered Shares by the Joint Lead Underwriters through the Underwriters to the subscribers, for subscriptions that cannot be fulfilled as a result of over-allotment or due to the Initial Public Offering being cancelled or delayed, provided that in any case, the Refund Date shall not exceed 2 (two) Business Days following the Allotment Date or 2 (two) Business Days following the cancellation of the Initial Public Offering.



- Registration Statement : Means the document submitted by the Company to Bapepam and LK, along with the Joint Lead Underwriters, prior to the Company conducting the offer and sale of the Offered Shares as defined in Article 1 paragraph 19 of the Capital Market Law, in addition to Rule No. IX.C.1, and also taking into account Rule No. IX.A.2.
- Rupiah or Rp or IDR : Means the official currency of the Republic of Indonesia.
- Rule VIII.G.12 : Means Bapepam and LK Rule No. VIII.G.12, Annex to the Decree of the Chairman of Bapepam No. Kep-17/PM/2004 dated 13 April 2004, regarding Guidelines for Audit by Accountant of Subscription and Allotment of Shares or Distribution of Bonus Shares.
- Rule No. IX.A.2 : Means Bapepam and LK Rule No. IX.A.2, Annex to Decree of the Chairman of Bapepam and LK No. Kep-122/BL/2009 dated 29 May 2009 regarding Procedure for Registration Statement in relation to a Public Offering.
- Rule No. IX.A.6 : Means Bapepam and LK Rule No. IX.A.6, Annex Decree of the Chairman of Bapepam and LK No. Kep-06/PM/2001, dated 8 March 2001 regarding Limitation to Issuance of Shares Before an Initial Public Offering.
- Rule No. IX.A.7 : Means Bapepam and LK Rule No. IX.A.7, Annex to Decree of the Chairman of Bapepam and LK No. Kep-691/BL/2011 dated 30 December 2011, regarding Shares Subscription and Allotment upon an Initial Public Offering.
- Rule No. IX.C.1 : Means Bapepam and LK Rule No. IX.C.1, Annex to Decree of the Chairman of Bapepam and LK No. Kep-42/PM/2000, dated 27 October 2000 regarding Guideline on Format and Content of Registration Statement in connection to an Initial Public Offering.
- Rule No. IX.C.2 : Means Bapepam and LK Rule No. IX.C.2, Annex to Decree of the Chairman of Bapepam No. Kep 51/PM/1996 dated 17 January 1996 regarding Guidelines on the Form and Content of Prospectus and Abridged Prospectus for a Public Offering.
- Rule No. IX.E.1 : Means Bapepam and LK Rule No. IX.E.1, Annex to Decree of the Chairman of Bapepam and LK No. Kep-412/BL/2009, dated 25 November 2009 regarding Affiliated Transaction and Conflict of Interest Transaction.
- Rule No. IX.E.2 : Means Bapepam and LK Rule No. IX.E.2, Annex to Decree of Chairman of Bapepam and LK No. Kep-614/BL/2011, dated 28 November 2011 regarding Material Transaction and Changes in Core Business Activity.
- Rule No. IX.J.1 : Means Bapepam and LK Rule No. IX.J.1, Annex to Decree of Chairman of Bapepam and LK No. Kep-179/BL/2008, dated 14 May 2008 regarding Articles of Association of Company who is conducting an Equity Initial Public Offering and Public Company.
- Rule No. X.K.4 : Means Bapepam and LK Rule No. X.K.4, Annex to Decree of the Chairman of Bapepam No. Kep-27/PM/2003 dated 17 July 2003 regarding Report on the Use of Proceeds from an Initial Public Offering.



- Rule No. I-E by IDX : Means Rule No. I-E, Annex to the Decree of the Board of Directors of PT Bursa Efek Jakarta No. 306/BEJ/07-2004 dated 19 July 2004, regarding Obligation to Disclose Information.
- SAB : Means the Shares Administration Bureau, namely PT Raya Saham Registra, with its domicile in Jakarta, as the party appointed to undertake administration of the Offered Shares in the Initial Public Offering.
- Securities Account : Means the account containing records on the position of the shares and/or funds of the Shareholders being administered at KSEI or the Account Holder pursuant to the agreement on the opening of Securities account entered into by the Shareholders, the Securities account and the Custodian Bank.
- Securities : Means debentures, commercial papers, shares, bonds, proof of indebtedness, Collective Investment Contract Unit, Term Notes and any other Securities derivatives.
- Securities Company : Means a company carrying on a business as an Underwriter, Securities Broker, and/or Investment Manager as defined under Article 1 paragraph 21 of the Capital Market Law.
- Selling Agent : Means the party assisting the Underwriters in the selling of shares in the Initial Public Offering.
- Share Subscription Form (SSF) : Means the original of the subscription form to purchase the Offered Shares, to be made in 5 (five) copies and each to be filled out, signed by the subscriber and submitted to the Selling Agent and/or the Underwriter upon subscribing for the Offered Shares.
- Share Subscription List : Means the Share Subscription List that contains information on share subscribers and the number of shares subscribed. The list is populated from all Shares Subscription Forms (SSF) and made by each of the Underwriters.
- Shareholder : Means the owner of shares under custodian and shares administration with:
- Shareholder List;
 - Securities Account with KSEI; or
 - Securities Account with KSEI through Securities Company.
- Shareholder List : Means the shareholder list that contains information of ownership of shares in the Company.
- SKM : Means cigarettes that are produced through automatic factory production. This type of cigarette uses filter at the end of its rod-tip. Furthermore, SKM cigarettes has nowadays been modified by manufacturers as mild cigarette with lower tar and nicotine. Generally, SKM cigarettes are produced by high-tech manufacturing process by an integrated line of secondary processing, starting from the blending process and finished as ready-to-packed cigarette rods.



SKT	:	Means cigarettes that are hand-rolled manually by factory workers and which do not use filter at the end of its rod-tip. All production process are done manually, in accordance with requirements from the Industrial and Trade Ministry, as excise tax on SKT cigarettes is lower compared to SKM cigarettes.
SPM	:	Means <i>Sigaret Putih Mild</i> , or non-cloves cigarettes – frequently referred to as <i>Rokok Putih</i> .
State Gazette	:	Means the State Gazette of the Republic of Indonesia.
Subsidiary	:	Means a company in which the Company holds shares, whether directly or indirectly, equal to or more than 50% (fifty percent) of the the entire issued shares of such company.
UKL	:	Means <i>Upaya Pengelolaan Lingkungan Hidup</i> , or Environment Management Efforts.
Underwriters	:	Means PT Mandiri Sekuritas and PT OSK Nusadana Securities Indonesia, along with other Underwriters pursuant to the terms and conditions of the Addendum to the Underwriting Agreement, which provides for full commitment of the sale of the Offered Shares.
Underwriting Agreement	:	Means the agreement entered into between the Company and the Underwriters in accordance with the Deed of Underwriting Agreement No. 16 dated 9 October 2012 pursuant to first Amendment of Deed No. 1 dated 1 December 2012, drawn up before Yulia, S.H., Notary in Jakarta, including any amendments and/or supplements thereto which may be made thereafter.
UPL	:	Means <i>Upaya Pemantauan Lingkungan Hidup</i> , or Environment Monitoring Efforts.
VAT	:	Means Value Added Tax.

ABBREVIATIONS OF GROUP COMPANIES

GALAN	:	PT Galan Gelora Djaja
GAWIH	:	PT Gawih Jaya
GELORA	:	PT Gelora Djaja
PUTRI	:	PT Putri Gelora Jaya



SUMMARY

The following summary has been prepared based upon facts and considerations that are most material to the Company, which constitute an integral part of, and must be read in conjunction with the more detailed information and financial statements and notes provided in this Prospectus. All financial information of the Company are stated in the Rupiah currency and are presented in accordance with the accounting principles generally applied in Indonesia.

Except otherwise stated, the entire Management's Discussion over financial information in this Prospectus has been prepared on a consolidated basis. All financial information stated in this Prospectus, including the balances, totals and percentages are rounded to million of Rupiah, except otherwise stated, which may result in differences between the figures computation and the information stated in this Prospectus.

1. OVERVIEW

The Company was established in 1994 under the name of PT Wismilak Inti Makmur, and was established as a limited liability company domiciled in Surabaya, under the Deed of Incorporation No. 22, dated 14 December 1994, drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo, which received formalization from the Ministry of Law and Human Rights by virtue of Decree No. C2-18.481 HT.01.01.Th.94. dated 19 December 1994 and registered in the ledger of the Registrar's Office of the Surabaya District Court No. 2736/1994 on 21 December 1994 and announced in the State Gazette of the Republic of Indonesia No. 4 dated 13 January 1995, Supplemental State Gazette No. 339 (the "**Deed of Incorporation**").

The Company's business as described in its Articles of Association are as follows:

- a. the management and operation of industrial business activities, particularly the manufacturing of cigarettes and related paraphernalia, such as filters for regular/mild cigarettes;
- b. the marketing and sale of cigarette products and other ancillary products, among others, the production of regular/mild cigarette filters in accordance with applicable regulations; and
- c. participation through shareholding in other companies carrying on business activities relating to the Company's business operations.

At the time of its establishment, the Company's aim and objective is to establish and operate a business in the cigarette manufacturing and printing industries using materials available domestically and imported from overseas by the Company as an importing producer, market its products in the domestic and/or international markets and run a general trading business, including, local trading, inter-island trading, imports and exports, leveraging, wholesale trading, distribution and agency activities, whether for its own account or on behalf of third parties.

Deed of Shareholders Meeting Resolution No. 24 dated 10 September 2012 drawn up before Yulia, S.H., Notary in South Jakarta ("**Deed No. 24/2012**"), which has received the approval of the Ministry of Law and Human Rights by virtue of Decree No. AHU-48327.AH.01.02.Tahun 2012 dated 11 September 2012 and entered into the Company Registry under Number AHU-0081584.AH.01.09. Tahun 2012 dated 11 September 2012 in pursuant to Deed of Shareholders Meeting Resolution No. 7 dated 5 October 2012 drawn up before Yulia, S.H., Notary in South Jakarta ("**Deed No. 7/2012**"). Based on Deed No. 24/2012 and in pursuant to Deed No. 7/2012, the Company's shareholders approved, among others, the following:

- a. change in the nominal value of the Company's shares from Rp1,000 to become Rp100 per share;
- b. the Company's plan to conduct a Public Offering;
- c. the Company's plan to list all of its shares, both its New Shares and the existing shares held by its shareholders, on the IDX;
- d. change of the Company's status to become a public company; and
- e. Employee Stock Allocation approval
- f. the affirmation and restatement of the entire provisions of the Company's Articles of Association to conform with the requirements relating to the articles of association of public companies as set forth under Rule No. IX.J.1.



The Board of Commissioners and Board of Directors as of the date of this Prospectus issued, as mentioned in Deed No. 7/2012 are as follow:

Board of Commissioners

President Commissioner : Willy Walla
 Commissioner : Indahtati Widjajadi
 Independent Commissioner : Edy Sugito

Directors

President Director : Ronald Walla
 Director : Krisna Tanimhardja
 Director : Sugito Winarko
 Director : Lucas Firman Djajanto
 Director : Trisnawati Trisnajuana
 Unaffiliated Director : Hendrikus Johan Soegiarto

Information on the Subsidiaries

The Company has 3 (three) Subsidiaries as follows:

No.	Company's Name	Business Operations	Percentage of Ownership	Placement Date	Operational Status
1	PT Gelora Djaja	Industry and trade	99.86%	1994	Active
2	PT Gawih Jaya	Trade, printing and industry	99.88%	1994	Active
3	PT Galan Gelora Djaja	Industry, imports and exports, general trade, service, agro industry and agro business and land transportation	99.74% (through PT Gelora Djaja)	1994	Non-active

Further details of the Subsidiaries is disclosed on Chapter VIII on the Description of the Company.

2. CAPITAL STRUCTURE AND SHAREHOLDERS

Pursuant to Deed No. 24/2012, the Shareholders of the Company agrees to amend the nominal value of the shares from Rp1,000 per share to Rp100 per share and therefore the capital structure and shareholding composition of the Company was as follows:

Description	Number of Shares (unit) @ Rp100	Nominal Value (Rp)	%
Authorized Capital	4,050,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	152,738,830	15,273,883,000	10.39
2. Ronald Walla	203,651,770	20,365,177,000	13.85
3. Stephen Walla	203,651,770	20,365,177,000	13.85
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00
Total Shares in Portfolio	2,580,088,240	258,008,824,000	



3. INITIAL PUBLIC OFFERING

Number of Offered Shares	: Up to 629,962,000 (six hundred and twenty nine million and nine hundred sixty two thousand) Ordinary Shares.
Nominal Offer Price	: Rp100 (one hundred Rupiah) per share
	: Rp650 (nine hundred and fifty Rupiah) per share paid-upon submission of SSF
Total Amount of Initial Public Offering	: Rp409,475,300,000 (four hundred and nine billion and four hundred seventy five million and three hundred thousand Rupiah)
Offering Period	: 6 – 12 December 2012
Listing Date on the IDX	: 18 December 2012

All of the Offered Shares in this Initial Public Offering are New Shares issued from the Company's portfolio, which will give equal rights for the holders as with the existing Shareholders holding the Company's issued and paid-up shares, including rights to dividend distribution and voting rights. According to Article 52 paragraph 1 of the Limited Liability Company Law, the rights of the Shareholders includes the following:

- to attend and to vote on GMS;
- to receive dividend payment and net proceed upon liquidation; and
- other rights according to the Limited Liability Company Law.

In the event that all of the Offered Shares in this Initial Public Offering are fully subscribed, the Company's capital and shareholding structure will be as follows:

Description	Nominal Rp100 per Share					
	Before IPO			After IPO		
	Number of Shares	Nominal (Rp)	%	Number of Shares	Nominal (Rp)	%
Authorised Capital	4,050,000,000	405,000,000,000		4,050,000,000	405,000,000,000	
Issued and Paid-up Capital						
1. Sugito Winarko	152,738,830	15,273,883,000	10.39	152,738,830	15,273,883,000	7.26
2. Ronald Walla	203,651,770	20,365,177,000	13.85	203,651,770	20,365,177,000	9.70
3. Stephen Walla	203,651,770	20,365,177,000	13.85	203,651,770	20,365,177,000	9.70
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91	160,350,820	16,035,082,000	7.64
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34	196,039,780	19,603,978,000	9.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39	20,365,180	2,036,518,000	0.97
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39	20,365,180	2,036,518,000	0.97
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77	40,730,360	4,073,036,000	1.94
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11	472,018,070	47,201,807,000	22.48
10. Public	-	-	-	629,962,000	62,996,200,000	30.00
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00	2,099,873,760	209,987,376,000	100.00
Shares in Portfolio	2,580,088,240	258,008,824,000		1,950,126,240	195,012,624,000	

All of the issued and paid-up shares which are outstanding before the Initial Public Offering is subject to a lock-up arrangement according to Rule No.IX.A.6.

Pursuant to Rule No.IX.A.6, a party who acquired shares or equity securities of the Company, with exercise value or conversion value below the Offer Price within a six months period before the submission of the Registration Statement by the Company to Bapepam and LK in connection with the Initial Public Offering is prohibited to transfer the shares, partially or fully, to any other party(s) for a period of up to eight months after the Effective Statement is issued by Bapepam and LK.



Employee Stock Allocation

The ESA program is a fixed allotment program of the Company's Shares, which is a part of the Initial Public Offering for employees of the Company and its Subsidiaries who meet certain qualifications. The Board of Directors, Board of Commissioners and/or majority Shareholders of the Company are prohibited to participate in the ESA program.

The total shares to be allotted in the ESA program is a maximum of 62,996,200 (sixty two million and nine hundred ninety six and two hundred) Shares of Fixed Allotted Shares or at a maximum equal to Rp40,947,530,000 (forty billion and nine hundred forty seven million and five hundred thirty thousand Rupiah). A 18% discount from the Offer Price will be applied as ESA exercise price.

The main objective of the ESA program is to give the employees of the Company and its Subsidiaries a sense of belonging, which in return may increase productivity and the Company's performance, as well as creating a benefit for all of the Company's stakeholders

4. USE OF PROCEEDS

The Company intends to use the proceeds from the Initial Public Offering in the following manner, after deduction of issuance fees relating to the Initial Public Offering:

- a. 50% (fifty percent) to be utilized as capital expenditures;
- b. 30% (thirty percent) to be utilized as working capital; and
- c. 20% (twenty percent) to be utilized as repayment of bank loans.

5. THE COMPANY'S BUSINESS ACTIVITIES

Pursuant to its Articles of Association, the Company engages in the production of cigarettes and its ancillary products, as well as related marketing activities. As of the date of the issuance of this Prospectus, the Group has two office complexes, three factories, three raw material warehouse and one product warehouse. Meanwhile, the Group's marketing network is supported by 17 branch offices, 5 stock points and 29 agents located throughout several provinces on the main islands of Sumatera, Java, Kalimantan, Sulawesi, Bali, Nusa Tenggara, Maluku and Papua.

The Company's operations marked by the commencement of its commercial activities in 1963 by GELORA, a Subsidiary that, up until now, produces all of the Company's cigarette brands. GELORA was founded by, among others, Lie Koen Lie, Oei Bian Hok, Tjioe Ing Hien, Tjioe Eng (Ing) Hwa, Tjioe Eng Tik and Sie Po Nio in Petemon, Surabaya. During the early periods of its establishment, GELORA only produced SKT cigarettes, under the *Galan Kretek* and *Wismilak Kretek* brands.

To ensure a sustainable business growth, the Company and its Subsidiaries have initiated a number of business development efforts since the early 2000s, comprising of the launching of several new product lines, namely *slim* and *mild* types of cigarettes, as well as the launching of its first cigar brand that targets the upper segment of the market. Several of the products created since 2000 are *Wismilak Slim*, *Wismilak Premium Cigar* and *Galan Mild* (a more detailed description can be found in the table of the Company products' details).

As of the date of the issuance of this Prospectus, the Company has established itself as one of the most experienced player in the Indonesian cigarette industry, with numerous well-known brands, supported by a marketing network encompassing all of Indonesia. The Company continually strives to enhance its existence, both in term of production capacity and competitive superiority, as one of the most prominent cigarette producer.

As of for the six month period ended 30 June 2012, the Company recorded sales of Rp484,422 million, net comprehensive income of Rp38,976 million and EBITDA of Rp57,523 million.



6. COMPETITIVE ADVANTAGES

The Company's primary competitive advantages are as follows:

1. Superior product quality

The quality of its cigarettes is the Company's main asset in facing competition in the industry, which as of the date of the issuance of this Prospectus, is dominated by several large national and foreign cigarette companies. The Company's management places special attention on each production process that are carried out, in order to ensure the quality of the cigarettes produced and sold and that standardization between the products and the predetermined product specification is maintained.

2. Strong corporate image

Having been established for more than 50 years, the Company is one of the oldest Indonesian cigarette manufacturers. The Company's production and commercial activities have been operating for three generation, which proves its competitive advantage and characteristic as a preferred cigarette producer.

In order to retain its position, the Company aims to create the best corporate and brand image. Such strategy is focused in producing cigarettes with the best quality and currently, the Company is considered to have a high brand equity derived from this competitive advantage.

3. Product segmentation and focus on the intended target market

Before launching a new cigarette product, the Company first determines product segmentation and the intended target market. The Company always conduct a thorough analysis in determining a clear product positioning, which in turn will determine the most appropriate direction for its marketing strategy. The analysis also takes into account brand equity to be achieved for the cigarette product being launched.

4. Distribution network and spread

An even distribution of a product is also critical. A distribution strategy is implemented based on a clear target market in line with the determined segmentation. With the Company's 17 branch offices, 5 stock points and 29 agents, the Company's products are able to be distributed with an even spread, covering the various areas in Indonesia.

7. BUSINESS STRATEGIES

As one of the largest cigarette producers in Indonesia, the Company has potentials in various types of cigarettes available in the Indonesian market. As such, the Company continually endeavors to develop its business by applying a variety of strategies that can be broadly elaborated as follows:

1. Focusing its products on *kretek* (clove flavored) cigarettes, with priority on the growth of SKM mild cigarettes, as well as maintaining opportunity with respect to non-mild *kretek* cigarettes (regular SKM cigarettes and SKT cigarettes).
2. Enhancing quality, marketing and distribution of the Company's products;
3. Continually improving the quality of its human resources in order to anticipate and prepare for future business developments; and
4. Enhancing internal and external communication that are beneficial to the enhancement of the Company's performance.



8. RISK FACTORS

Several risk factors that may affect the Company's operations can be grouped as follows:

A. Risks related to the Company and its Subsidiaries' business

1. Risk related to the availability of raw materials
2. Risk related to Government's policies
3. Risk related to competition
4. Risk related to changes in customers' preferences
5. Risk related to foreign exchange volatility of the Rupiah against foreign currencies
6. Risk related to decrease in cigarette consumption in relation to anti-smoking campaign in the Public.
7. Risk related to significant fluctuation in the prices of raw materials
8. Risk related to the breakdown of main production facilities
9. Risk related to the loss of key employees
10. Risk related to disputes with local residents which may adversely affect the Company's operations
11. Risk related to workplace accidents
12. Risk related to decrease in product quality
13. Risk related to reliability of production facilities
14. Risk related to failure of marketing strategy
15. Risk related to disputes among Shareholders
16. Risk related to disputes over labor issues
17. Risk related to geological disturbance as Indonesia is located in an area susceptible to earthquakes and has a geographical risk which may create social and economic loss
18. Risk related to the Company's operation in the long run which may be adversely affected if the Company could not obtain necessary business licenses

B. Risks related to the Company's shares

1. The condition of Indonesia's equity market may affect the price and liquidity of the shares of the Company and the absence of a prior equity market for the Company's shares may also create illiquidity of the Company's shares
2. Significant fluctuation on price of the Offered Shares
3. Conflict of interests between the interests of the controlling Shareholders and the interests of the Shareholders of the Offered Shares
4. Investors may be subject to limitation of their rights relating to minority ownership
5. Limitation of the rights of the investors to participate in the limited public offerings which may be conducted by the Company in the future, which may cause dilution of shares ownership
6. Future sales of the Company's shares may adversely affect the market price of the Company's shares
7. Inability of the Company to declare and distribute dividends
8. The net asset value per share of the Offered Shares may be significantly lower than the Offer Price and the investors may be affected by immediate substantial decline of their investment
9. Regulations in Indonesia may contain requirements which may limit takeover of the Company

9. DIVIDEND POLICY

In accordance to the Limited Liability Company Law, dividend distribution is done based on the approval of the Annual GMS or the Extraordinary GMS. Before the end of a financial year, interim dividend may be distributed as long as it is allowed by the Articles of Association of the Company and the distribution does not cause the net asset of the Company to be less than its fully paid-up and issued capital and its mandatory reserves. Interim dividend is distributed by the Board of Directors after being authorised by the Board of Commissioners. In the event that the Company suffered from loss after the distribution of interim dividend at the end of a financial year, the interim dividend that is already distributed must be refunded to the Company. The Boards of Commissioners and Directors shall be jointly and severally responsible for the refund process by the Shareholders.



After the Initial Public Offering, the Company intends to prepare a draft policy on distribution of cash dividend of a maximum of 30% (thirty percent) of the consolidated net profit of the Company starting in 2013, after deduction of the Company's mandatory reserves. The timing, amount and type of the dividend distribution will follow recommendation from the Board of Directors, however, there is no assurance that the Company is able to distribute dividend this year or in the future. The decision of the Board of Directors to give recommendation for dividend payment will depend on several factors, as follows:

- a. the net income and cash flows availability of the Company;
- b. the financial projection and working capital requirement of the Company;
- c. the business prospect of the Company;
- d. the capital expenditures and other investment plan of the Company;
- e. the investment plan and other growth catalysts; and
- f. the economic condition and general industry climate and other relevant factors for the Board of Directors, as well as existing negative covenants which prohibit dividend distribution.

Negative covenants which may prohibit dividend distribution to the Shareholders by the Company have been agreed to be waived by the parties to such agreements.

10. MATERIAL LITIGATION FACED BY THE COMPANY

Up to the date of the issuance of this Prospectus, there are no material litigation cases faced by the Company.

11. KEY FINANCIAL HIGHLIGHTS

The table below illustrates key financial highlights from the consolidated financial statements of the Company for the six months ended 30 June 2012 and for the years ended 31 December 2011, 2010, 2009, 2008 and 2007.

The consolidated financial statements as of and for the six months ended 30 June 2012, and as of and for the year ended 31 December 2011, were audited by Public Accountants Gani, Mulyadi & Handayani (a member of Grant Thornton International Ltd.), with unqualified opinion as stated in its report dated 17 September 2012, which was reissued on 2 November 2012.

The Company's consolidated financial statements as of and for the years ended 31 December 2010 and 2009 were audited by Public Accountants Drs. Haryo Tienmar, with unqualified opinion as stated in its report dated 28 August 2012.

The Company's consolidated financial statements as of and for the year ended 31 December 2008 were audited by Public Accountants Achmad, Rasyid, Hisbullah & Jerry, with unqualified opinion as stated in its report dated 7 August 2009.

The Company's consolidated financial statements as of and for the year ended 31 December 2007 were audited by Public Accountants Drs. Haryo Tienmar, with unqualified opinion as stated in its report dated 5 August 2008.



Key Financial Highlights of the Company's Consolidated Balance Sheet

(in million Rupiah)

Description	As of 30 June		As of 31 December			
	2012	2011	2010	2009	2008	2007
Total current assets	497,716	582,184	342,516	298,984	274,718	296,659
Total non-current assets	141,781	158,879	125,692	125,729	107,513	113,885
TOTAL ASSETS	639,497	741,063	468,208	424,713	382,231	410,544
Total current liabilities	342,501	406,361	197,633	180,829	164,111	191,152
Total non-current liabilities	45,793	50,353	20,536	18,981	9,909	5,919
TOTAL LIABILITIES	388,294	456,714	218,169	199,810	174,020	197,071
TOTAL EQUITY	251,203	284,349	250,039	224,903	208,211	213,473
TOTAL LIABILITIES AND EQUITY	639,497	741,063	468,208	424,713	382,231	410,544

Key Financial Highlights of the Company's Consolidated Statement of Comprehensive Income

(in million Rupiah)

Description	For the six months ended 30 June		For the years ended 31 December				
	2012	2011	2011	2010	2009	2008	2007
Net sales	484,422	447,817	925,237	592,183	464,865	345,921	305,102
Cost of sales	(348,908)	(331,760)	(664,394)	(408,930)	(309,811)	(232,972)	(212,244)
Gross profit	135,514	116,057	260,843	183,253	155,054	112,949	92,858
Operating profit	49,240	36,253	91,021	46,997	41,077	16,789	12,256
Profit before tax expense (benefit)	50,400	33,414	148,686	37,997	24,100	1,251	(9,016)
Total current period comprehensive income	38,976	24,638	129,537	27,397	17,827	-	-
Total comprehensive income for the period attributable to owners of the parent entity	38,930	24,615	129,383	27,371	17,811	-	-
Minority interest	46	23	154	26	16	-	-

This page is intentionally left blank



I. INITIAL PUBLIC OFFERING

The Joint Lead Underwriters and the Underwriters for and on behalf of the Company will conduct an Initial Public Offering of a maximum of 629,962,000 (six hundred and twenty nine million and nine hundred sixty two thousand) ordinary shares, which is entirely made up of New Shares, with a nominal value of Rp100 (one hundred Rupiah) per share (hereinafter referred to as "Offered Shares"), or representing a maximum of 30% (thirty percent) of the paid-up capital of the Company after the Initial Public Offering.

The total shares are offered to the Public with an offer price of Rp650 (six hundred and fifty Rupiah) per share and must be paid in full upon submission of the SSF. The value of the Offered Shares in the Initial Public Offering is Rp409,475,300,000 (four hundred and nine billion and four hundred seventy five million and three hundred thousand Rupiah). All shares of Company that has been issued or is to be issued in this Public Offering will be listed on the IDX.

The Offered Shares in this Initial Public Offering are New Shares issued from the Company's portfolio, and will provide their holders with equal and similar rights in all respect with the holders of the Company's existing issued and fully paid-up shares, including the rights to attend and cast votes in the GMS convened by the Company and the right to receive dividend distributions. Such rights are in accordance with Article 52 section 1 of the Limited Liability Company Law.



PT WISMILAK INTI MAKMUR Tbk

Main Business Activities:

Producer of cigarettes filter and participation in its Subsidiaries, which relate to the cigarette industry

Domiciled in Surabaya, Indonesia

Head Office:
Jl. Buntaran No. 9A,
Kel. Manukan Wetan
Kec. Tandes,
Surabaya 60185

Correspondence:
Grha Wismilak
Jl. Dr. Sutomo 27
Surabaya 60264
Telephone : +62 31 2952899
Fax: +62 31 2952800
e-mail : information@wismilak.com
Website : www.wismilak.com

Factories:
Three factories located in Surabaya
(Jl. Buntaran No. 9, 9A and 18, Kel.
Manukan Wetan, Kec. Tandes)
and
One factory located in Bojonegoro
(Jl. Raya Sratujejo No. 99, Kel.
Sratujejo, Kec. Baureno)

THE PRIMARY RISK FACED BY THE COMPANY IS THE RISK OF AVAILABILITY OF RAW MATERIAL FOR ITS PRODUCTS.

A COMPLETE DESCRIPTION OF THE RISKS FACED BY THE COMPANY ARE SET OUT IN CHAPTER VI OF THIS PROSPECTUS.

THE RISK RELATING TO THE OWNERSHIP OF THE COMPANY'S SHARES IS THE ILLIQUIDITY OF THE SHARES OFFERED IN THIS INITIAL PUBLIC OFFERING. SINCE THE NUMBER OF SHARES OFFERED IS RELATIVELY LIMITED, THERE IS A POSSIBILITY THAT THE MARKET OF THE COMPANY'S SHARES IN THE STOCK EXCHANGE MIGHT NOT BE LIQUID. THEREFORE, THE COMPANY IS UNABLE TO PREDICT WHETHER THERE WILL BE AN ACTIVE MARKET OF THE COMPANY'S SHARES IN THE STOCK EXCHANGE OR WHETHER THE LIQUIDITY OF THE SHARES WILL BE WELL MAINTAINED.



The Company is a limited liability company established and existing under the laws of the Republic of Indonesia, with its domicile in Surabaya.

Deed of Shareholders Meeting Resolution No. 24 dated 10 September 2012 drawn up before Yulia, S.H., Notary in South Jakarta ("**Deed No. 24/2012**"), which has received the approval of the Ministry of Law and Human Rights by virtue of Decree No. AHU-48327.AH.01.02.Tahun 2012 dated 11 September 2012 and entered into the Company Registry under Number AHU-0081584.AH.01.09. Tahun 2012 dated 11 September 2012 in pursuant to Deed of Shareholders Meeting Resolution No. 7 dated 5 October 2012 drawn up before Yulia, S.H., Notary in South Jakarta ("**Deed No. 7/2012**"). Based on Deed No. 24/2012 and in pursuant to Deed No. 7/2012, the Company's shareholders approved, among others, the following:

- a. change in the nominal value of the Company's shares from Rp1,000 to become Rp100 per share;
- b. the Company's plan to conduct a Public Offering;
- c. the Company's plan to list all of its shares, both its New Shares and the existing shares held by its shareholders, on the IDX;
- d. change of the Company's status to become a public company; and
- e. Employee Stock Allocation approval
- f. the affirmation and restatement of the entire provisions of the Company's Articles of Association to conform with the requirements relating to the articles of association of public companies as set forth under Rule No. IX.J.1.

The Board of Commissioners and Board of Directors as of the date of this Prospectus issued, as mentioned in Deed No. 7/2012 are as follow:

Board of Commissioners

President Commissioner : Willy Walla
Commissioner : Indahtati Widjajadi
Independent Commissioner : Edy Sugito

Directors

President Director : Ronald Walla
Director : Krisna Tanimhardja
Director : Sugito Winarko
Director : Lucas Firman Djajanto
Director : Trisnawati Trisnajuana
Unaffiliated Director : Hendrikus Johan Soegiarto

As per the aforementioned Deed No. 24/2012, all of the Shareholders agreed to change the nominal value of the shares from Rp1,000 per share to Rp100 per share, therefore, the current composition of the shareholders and share capital of the Company was as follows:



Information	Total Shares @ Rp100	Nominal Value (Rp)	%
Authorized Capital	4,050,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	152,738,830	15,273,883,000	10.39
2. Ronald Walla	203,651,770	20,365,177,000	13.85
3. Stephen Walla	203,651,770	20,365,177,000	13.85
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00
Shares in Portfolio	2,580,088,240	258,008,824,000	

The Shareholders whose names are listed in the Company's Register of Shareholders have the same and equal rights in every respect.

Pursuant to the Letter of Bapepam and LK No. S-13851/BL/2012 dated 4 December 2012, the Registration Statement submitted by the Company in relation to the Initial Public Offering of 629,962,000 (six hundred and twenty nine million and nine hundred sixty two thousand) ordinary shares with a nominal value of Rp100 (one hundred Rupiah) per share, the Company has received an Effective Statement from Bapepam and LK.

Upon the sale of all the Company's Offered Shares in this Initial Public Offering, the capital structure and composition of shareholders of the Company following the Initial Public Offering on a pro forma basis will be as follows:

Information	Nominal Value of Rp100 per Share					
	Prior to Initial Public Offering			Post Initial Public Offering		
	Number of Shares	Nominal Value (Rp)	%	Number of Shares	Nominal Value (Rp)	%
Authorized Capital	4,050,000,000	405,000,000,000		4,050,000,000	405,000,000,000	
Issued and Paid-up Capital						
1. Sugito Winarko	152,738,830	15,273,883,000	10.39	152,738,830	15,273,883,000	7.26
2. Ronald Walla	203,651,770	20,365,177,000	13.85	203,651,770	20,365,177,000	9.70
3. Stephen Walla	203,651,770	20,365,177,000	13.85	203,651,770	20,365,177,000	9.70
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91	160,350,820	16,035,082,000	7.64
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34	196,039,780	19,603,978,000	9.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39	20,365,180	2,036,518,000	0.97
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39	20,365,180	2,036,518,000	0.97
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77	40,730,360	4,073,036,000	1.94
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11	472,018,070	47,201,807,000	22.48
10. Public	-	-	-	629,962,000	62,996,200,000	30.00
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00	2,099,873,760	209,987,376,000	100.00
Shares in Portfolio	2,580,088,240	258,008,824,000		1,950,126,240	195,012,624,000	

Each share held by the Shareholders prior to the Initial Public Offering is subject to a lock-up provision in accordance with Rule No. IX.A.6.

In accordance with Rule No. IX.A.6, each party who obtain shares and/or equity securities of the Company, with price and/or conversion value and/or exercise price less than the Offering Price within six months prior to the submission of the Registration Statement to Bapepam and LK is prohibited to transfer part or all of his or her ownership on the shares and/or equity securities of the Company up to eight months after the issuance of the Effective Statement.



The following is information of the Shareholders who are subject to the lock-up provision in accordance with Rule No. IX.A.6 :

No.	Shareholders' Names	Total Shares	Paid-up Capital	Share Price	Transaction Effective Date
1.	Ronald Walla	203,651,770	20,365,177,000	100	1 June 2012
2.	Stephen Walla	203,651,770	20,365,177,000	100	1 June 2012
3.	Gaby Widjajadi	196,039,780	19,603,978,000	100	1 June 2012
4.	Indahtati Widjajadi	160,350,820	16,035,082,000	100	1 June 2012
5.	Sugito Winarko	152,738,830	15,273,883,000	100	1 June 2012
6.	Gitawati Winarko	40,730,360	4,073,036,000	100	1 June 2012
7.	Gunarwan Winarko	20,365,180	2,036,518,000	100	1 June 2012
8.	Dipoyono Winarko	20,365,180	2,036,518,000	100	1 June 2012
9.	Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	100	16 June 2012

Except for Central Tower Capital Pte. Ltd. ("**Central Tower**"), the other Shareholders referred to above obtained the Company's shares from sale purchase agreements among the shareholders and from the capitalization of the Company's earnings into the authorized capital of the Company at a price equal to Rp1,000 per share in May 2012. Central Tower acquired shares from the other Shareholders after the capitalization of the Company's earnings. These shares provide equal and similar rights in all aspects for all of the Shareholders.

Employee Stock Allocation

The ESA program is a fixed allotment program of the Company's Shares, which is a part of the Initial Public Offering, for the employees of the Company and its Subsidiaries who meet certain qualifications ("ESA Participants"). The Board of Directors, Board of Commissioners and/or majority Shareholders of the Company are prohibited to participate in the ESA program.

The total shares to be allotted in the ESA program is a maximum of 62,996,200 (sixty two million and nine hundred ninety six and two hundred) shares of fixed allotted shares or at a maximum equal to Rp40,947,530,000 (forty billion and nine hundred forty seven million and five hundred thirty thousand Rupiah). A 18% discount below the Offer Price will be applied as ESA exercise price.

The main objective of the ESA program is to give the employees of the Company and its Subsidiaries a sense of belonging, which in return may increase productivity and the Company's performance, as well as creating a benefit for all of the Company's stakeholders.

The ESA program is implemented in accordance with Rule No. IX.A.7 regarding Subscription and Allotment of Securities upon a Public Offering.

Participants of the ESA Program

Permanent employees of the Company and its Subsidiaries who fulfill the following conditions as follows:

- at a minimum, employed as a staff;
- have met certain achievement level based on a Key Performance Indicator, as determined by the Company and its Subsidiaries;
- are recorded as permanent employees for at least 5 years and are registered as ESA Participants during the ESA program; and
- are currently not subject to any administrative sanction.

The exercise cost of the ESA program shall be borne by the Company and its Subsidiaries using internal cash and the Company shall not charge that cost as issuance cost related to the Initial Public Offering.



The rights of Participation in the ESA program may be terminated if:

1. the employees resign from the Company within the lock-up period, except if such employees are retired.
2. the participants are involved in criminal acts during the lock-up period.
3. The participants return the right to participate in the ESA program to the Company on voluntary basis.

In the event that there are shares under ESA program that are not fully allocated due to elimination of employee entitlement, the Company retains the right to determine other ESA participants.

There are no additional costs to be borne by the employees who are entitled for the ESA program.

In event that all of the Offered Shares have been fully subscribed in this Initial Public Offering and the ESA program as referred to above has been implemented, the proforma capital structure of the Company and the Shareholders' ownerships prior to and after the Initial Public Offering will be as follows:

Information	Nominal Value Rp100 per Share					
	Prior to Initial Public Offering and ESA			Post Initial Public Offering and ESA		
	Number of Shares	Nominal Value (Rp)	%	Number of Shares	Nominal Value (Rp)	%
Authorized Capital	4,050,000,000	405,000,000,000		4,050,000,000	405,000,000,000	
Issued and Paid-up Capital						
1. Sugito Winarko	152,738,830	15,273,883,000	10.39	152,738,830	15,273,883,000	7.26
2. Ronald Walla	203,651,770	20,365,177,000	13.85	203,651,770	20,365,177,000	9.70
3. Stephen Walla	203,651,770	20,365,177,000	13.85	203,651,770	20,365,177,000	9.70
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91	160,350,820	16,035,082,000	7.64
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34	196,039,780	19,603,978,000	9.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39	20,365,180	2,036,518,000	0.97
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39	20,365,180	2,036,518,000	0.97
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77	40,730,360	4,073,036,000	1.94
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11	472,018,070	47,201,807,000	22.48
10. Public	-	-	-	566,965,800	56,696,580,000	27.00
11. ESA	-	-	-	62,996,200	6,299,620,000	3.00
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00	2,099,873,760	209,987,376,000	100.00
Shares in Portfolio	2,580,088,240	258,008,824,000		1,950,126,240	195,012,624,000	

Simultaneously with the listing of the shares from this Initial Public Offering of up to 629,962,240 (six hundred twenty nine million and nine hundred sixty two thousand and two hundred forty) Ordinary Shares or 30% (thirty percent) of the subscribed and fully paid-up capital of the Company after the Initial Public Offering, the Company will also list all of the ordinary shares that have been issued prior to the Initial Public Offering, amounting to 1,469,911,760 (one billion and four hundred and sixty nine million and nine hundred eleven thousand and seven hundred sixty) shares or 70% (seventy percent) of the Company's issued and fully paid-up capital after the Initial Public Offering. Hence, the total number of shares listed on the IDX shall be up to 2,099,874,000 (two billion and ninety nine million and eight hundred seventy four thousand) shares, or 100% (one hundred percent) of total issued and fully-paid-up capital of the Company after the Initial Public Offering.

The Company does not plan to list any other shares and/or other equity-based securities within 12 months from the effective date of this Initial Public Offering.

The risk related to the ownership of the Company's shares is the illiquidity of the shares offered in this Initial Public Offering. Since the number of Offered Shares is relatively limited, there is a possibility that a market for the Company's shares in the IDX may not be not liquid. Therefore, the Company is unable to predict whether a market of the Company's shares in the IDX will be active or whether the liquidity of the shares will be maintained.



II. USE OF PROCEEDS

The Company intends to use the proceeds from the Initial Public Offering of the Offered Shares as follows:

- a. 50% (fifty percent) will be used by the Company as capital expenditures;
- b. 30% (thirty percent) will be used by the Company as working capital; and
- c. 20% (twenty percent) will be used by the Company for the repayment of bank loans.

IPO proceeds to be used as capital expenditures will be allocated to purchase new production machines, factory expansion, purchase of office and factory furniture and fixtures and operational vehicles. The budgeted capital expenditures as of the end of 2012 amounted to Rp42,430 million and total budget for capital expenditure for the next five years (until 2017) will be Rp466,356 million. This capital expenditure will support the business expansion strategy of the Company through an increase in both production volumes and distribution network. This capital expenditure transaction will be entered into directly with non-affiliated third parties.

IPO proceeds to be used for working capital will be utilised to increase operational funding on purchase of raw materials, cover factory overheads, as well as sales and administrative expenses.

IPO proceeds to be used for repayment of bank loans will be allocated to settle short-term borrowings from Bank Danamon Indonesia, Bank CIMB Niaga, Bank Ganesha and Bank Central Asia. The Company is not affiliated with any of the lender banks. The repayment composition of the short-term borrowings will be determined depending on the outstanding balances of the bank loans.

As of 30 June 2012, the total outstanding of short-term bank borrowings was Rp189,817 million and the total outstanding long-term bank borrowings was Rp31,359 million, with the following details:

Short-term bank borrowings (all provided to GELORA):

- PT Bank Danamon Indonesia Tbk, amounting to Rp113,417 million, with an interest rate of 10.25% per annum and maturing on 14 October 2012.
- PT Bank CIMB Niaga Tbk, amounting to Rp68,900 million, with an interest rate of 10.25% per annum and maturing on 19 November 2012.
- PT Bank Ganesha, amounting to Rp7,500 million, with an interest rate of 12% per annum and maturing on 15 December 2012.

Long-term bank borrowings:

- PT Bank CIMB Niaga Tbk, amounting to Rp417 million and Rp2,678 million, provided to the Company, with an interest rate of 10.25% per annum and each facility maturing on 9 November 2012 and 25 March 2014, respectively.
- PT Bank Central Asia Tbk, amounting to Rp4,410 million, provided to the Company, with an interest rate of 10.50% per annum and maturing on 1 March 2016.
- PT Bank CIMB Niaga Tbk, amounting to Rp23.854 million, provided to GELORA, with an interest rate of 10.25% per annum and maturing on 8 November 2016.

There is no limitation or covenant that requires the Company to obtain prior approval from the banks for early repayment of the short-term borrowings.

The Company's management represents that all of the use of proceeds from the Initial Public Offering shall conform with applicable laws and regulations. The Company shall submit an accountability report on the realization of a Public Offering on a regular basis to its Shareholders in a GMS and will also submit a report to Bapepam and LK every three months in accordance with Rule X.K.4. The Company is also required to report the realization of the use of proceeds from this Public Offering on a regular basis to the IDX in accordance with Rule No. I-E.



The proceeds from the Initial Public Offering will be used in accordance with the prevailing Capital Market Law.

In the event that the use of proceeds by the Company is an Affiliated Transaction, Conflict of Interest Transaction and/or Material Transaction, the Company shall comply with Rule No. IX.E.1 regarding Affiliated Transaction and Conflict of Interest Transaction and/or Rule No. IX.E.2 regarding Material Transaction and Changes in Core Business Activity.

If, at any time hereafter the Company intends to change its planned utilization of the use of proceeds, then the Company shall first report to Bapepam and LK, stating the reason and its consideration for such change and must also obtain prior approval from the GMS.

Pursuant to a Circular issued by Bapepam and LK No. SE-05/BL/2006 dated 29 September 2006 on Disclosure of Information on Costs Incurred in an Initial Public Offering, the total cost (including tax) to be incurred by the Company will be approximately 9.56% (nine point fifty six percent) of the total amount of the Initial Public Offering, with the following percentage breakdowns:

- Underwriting fee	: 0.25%
- Management fee	: 1.84%
- Selling fee	: 0.25%
- Capital market supporting entities and professionals, consisting of :	
• Public Accountant fee	: 0.08%
• Legal Consultants fee	: 0.33%
• Notary fee	: 0.06%
• Securities Administration Bureau fee	: 0.01%
• Appraiser fee	: 0.11%
- Financial Advisory fee	: 3.29%
- Other costs (consisting of listing in the IDX, registration of KSEI, cost of conducting public expose and due diligence meeting, roadshow, consultant, printing Prospectus, certificates and forms, advertisement and any others)	: 3.34%



III. INDEBTEDNESS

As of 30 June 2012, the Company had total consolidated liabilities of Rp388,294 million, which consisted of current liabilities of Rp342,501 million and non-current liabilities of Rp45,793 million, based on the consolidated balance sheet of the Company as of 30 June 2012, as audited by Public Accountants Gani Mulyadi & Handayani (member of Grant Thornton International Ltd.), with unqualified opinion by its reports dated 17 September 2012, which was then reissued on 2 November 2012.

The liabilities of the Company as of 30 June 2012 was as follows:

<i>(in million Rupiah)</i>	
Description	Balance
Current liabilities	
Short-term bank loans	189,817
Trade payables	86,982
Other payables	5,818
Advances from customers	1
Taxes payables	33,028
Accrued liabilities	14,087
Current maturities of long-term loans:	
Bank loans	8,679
Consumer financing payables	4,089
Total Current Liabilities	342,501
Non-current liabilities	
Long-term loans, net of current maturities:	
Bank loans	22,679
Consumer financing payables	807
Employee benefits liabilities	22,307
Total Non-current Liabilities	45,793
TOTAL LIABILITIES	388,294

The explanation of each liability of the Company is as follows:

1. TRADE PAYABLES

As of 30 June 2012, the trade payables of the Company amounted to Rp86,982 million, which primarily consisted of trade payables to third parties and comprised of:

<i>(in million Rupiah)</i>	
Description	Balance
Third Parties	
Kantor Kas Negara – Internal Revenue Service	70,377
PT Mitsui Indonesia	4,046
PT Japan Tobacco International Indonesia	2,062
New Co Leaf Asia Pte Ltd	1,919
PT Indesso Niagatama	1,549
PT Semarang Packaging	1,392
Celanese Acetate LLC	1,112
PT Tunas Alfin	912
PT Bukit Muria Jaya	848
PT Karya Bumi Subur	478
PT Pura Barutama	393
PT Surya Momentum Sejati	212
PT Behn Meyer Kimia	202
Others (less than Rp400 million each)	1,480
Total Trade Payables	86,982



The breakdown of the trade payables based on currency was as follows:

(in million Rupiah)

Description	Balance
Rupiah	79,832
US Dollar	7,150
Total	86,982

The balance of the trade payables as of 30 June 2012 was primarily due to unpaid balance to suppliers for the purchase of raw materials by the Company.

2. OTHER PAYABLES

As of 30 June 2012, the other payables of the Company to third parties amounted to Rp5,818 million and comprised of:

(in million Rupiah)

Description	Balance
Third Parties	
Matari Advertising	1,316
PT Jatim Mustika Sarana Steel	462
PT Inpar Saka Teknik	399
PT Kencana Digital Printing	367
PT Multigrafindo Mandiri	132
PT Tecma Mitratama Advertindo	104
Others (less than Rp200 million each)	3,038
Total	5,818

The breakdown of other payables of the Company based on currency was as follows:

(in million Rupiah)

Description	Balance
Rupiah	5,642
US Dollar	16
Euro	146
GBP	14
Total	5,818

3. ADVANCES FROM CUSTOMERS

As of June 30, 2012, advances from customers, which consisted of upfront payments made by customers to purchase the Company's products amounted to Rp1 million.



4. TAXES PAYABLE

As of 30 June 2012, the taxes payable of the Company amounted to Rp33,028 million, which consisted of income tax payables of Rp16,726 million and value-added tax of Rp16,302 million and comprised of:

<i>(in million Rupiah)</i>	
Description	Balance
Income tax:	
Art 4(2) Final	4,933
Art 21	555
Art 22	31
Art 23	82
Art 25	1,471
Art 26	4,626
Art 29	5,028
Value-added tax	16,302
Total	33,028

5. ACCRUED LIABILITIES

As of 30 June 2012, the accrued liabilities of the Company amounted to Rp14,087 million, and was comprised of:

<i>(in million Rupiah)</i>	
Description	Balance
Salary and wages	7,213
Expedition	4,130
Insurance	883
Electricity, telephone, water and oil	572
Interest	469
Professional fees	360
Others (less than Rp100 million each)	460
Total	14,087

6. EMPLOYEE BENEFITS LIABILITY

As of 30 June 2012, the employee benefits liability of the Company amounted to Rp22,307 million, and was comprised of:

<i>(in million Rupiah)</i>	
Description	Balance
Present value of employee benefits liability	30,160
Unrecognized actuarial losses	(7,645)
Unrecognized past service costs	(208)
Total	22,307

The employee benefits liability as of 30 June 2012 was calculated by an independent actuary, PT Sentra Jasa Aktuarial, as provided in its report dated 16 August 2012.



7. CONSUMER FINANCING PAYABLES

The Group received consumer financing facilities for the purchase of vehicles from PT Bank Panin Tbk, PT Bank Ganesha, PT Dipo Star Finance, PT ITC Auto Multi Finance and PT BCA Finance, and was comprised of:

<i>(in million Rupiah)</i>	
Maturity year of consumer financing facilities	Balance
Year 2012	2,693
Year 2013	2,291
Year 2014	371
Total minimum payment	5,355
Less unrecognized interest expense	459
Total consumer financing payables	4,896
Current maturities of long-term consumer financing payables	4,089
Consumer financing payables, net of current maturities	807

8. BANK LOANS

<i>(in million Rupiah)</i>	
Description	Balance
Short-term bank loans	
Subsidiary	
GELORA	
PT Bank Danamon Indonesia Tbk	113,417
PT Bank CIMB Niaga Tbk	68,900
PT Bank Ganesha	7,500
Sub-total	189,817
Long-term Bank Loans	
Company	
PT Bank CIMB Niaga Tbk	3,094
PT Bank Central Asia Tbk	4,410
Subsidiary	
GELORA	
PT Bank CIMB Niaga Tbk	23,854
Sub-total	31,358
Less current maturities of long-term bank loans	
Company	
PT Bank CIMB Niaga Tbk	1,947
PT Bank Central Asia Tbk	1,176
Subsidiary	
GELORA	
PT Bank CIMB Niaga Tbk	5,556
Sub-total	8,679
Long-term bank loans, net of current maturities	
Company	
PT Bank CIMB Niaga Tbk	1,148
PT Bank Central Asia Tbk	3,234
Subsidiary	
GELORA	
PT Bank CIMB Niaga Tbk	18,298
Sub-total	22,679
Total	221,175



Short-Term Bank Loans

GELORA

PT Bank Danamon Indonesia Tbk

Based on a Notarial Deed drawn up before J. Andy Hartanto, S.H., No. 23 dated 4 March 2010, GELORA entered into a loan agreement with PT Bank Danamon Indonesia Tbk. The loan agreement has been amended several times, with the latest amendment made on 14 October 2011, based on the Notarial Deed No. 39, drawn up before J. Andy Hartanto, S.H., whereby some of the prior terms and conditions of the facility were revised, including the addition and increase of the total maximum of the credit limit facility to Rp175,000 million. This term of this facility was from 14 October 2011 to 14 October 2012. The interest rate for this facility was 10.25% per annum. The facilities will be used for working capital and issuing letter of credit for purchase of raw materials (such as tobacco and tobacco sauce) and spare parts. The facilities granted under this credit facility were as follows:

- Omnibus Facility (revolving loan) with a maximum amount of Rp170,000 million. This facility has a sub-limit amount, consisting of a bank guarantee facility of Rp170,000 million or a Letter of Credit facility for import purpose of USD17,000,000. The term of the bank guarantee facility is 360 days and the term of the letters of credit facility is 180 days. As of 30 June, 2012, the outstanding balance for this facility amounted to Rp111,250 million.
- Bank Overdraft Facility for working capital with a maximum amount of Rp5,000 million. As of 30 June 2012, the outstanding balance for this facility amounted to Rp2,167 million.

The above facilities are secured by GELORA's tobacco and cloves inventories and trade receivables and corporate guarantee from GAWIH, both affiliated parties of the Company.

The total value of the above collateral is 100% of the outstanding balance of the credit facilities.

PT Bank Danamon Indonesia Tbk required GELORA to maintain a debt service coverage ratio (EBITDA/CPLTD+1) at the minimum of 1.25 times. As of 30 June 2012, GELORA's debt service coverage ratio was 9.29 times.

PT Bank CIMB Niaga Tbk

Based on a loan agreement No.021/PK/BU-1/TK/SBY/2001 dated 19 November 2001, GELORA entered into a loan agreement with PT Bank CIMB Niaga Tbk. The loan agreement has been amended several times and the latest amendment was made on 3 November 2011, pursuant to which the limit of the credit facility was increased to Rp125,000 million.

The fixed loan facility is used for working capital purposes with a maximum credit limit amounting to Rp90,000 million. This facility will mature on 19 November 2012. The interest rate for this facility is 10.25% per annum. As of 30 June 2012, the outstanding balance of this facility amounted to Rp68,900 million.

The above facility is secured by by machineries located at Jl. Buntaran 9, Tandes, Surabaya and tobacco and cloves inventories.

PT Bank Ganesha

Based on a loan agreement No.209/STL/ KRD/SBY/00 dated 15 December 2000, GELORA entered into a loan agreement with PT Bank Ganesha. The loan agreement has been amended several times and the latest amendment was made pursuant to a loan agreement No.171/ PPJK/KRD/SBY/11 dated 14 December 2011.



This short-term fixed loan facility is used for working capital purposes with a maximum credit limit amounting to Rp7,500 million. This facility will mature on 15 December 2012. The interest rate for this facility is 12% per annum. As of 30 June 2012, the outstanding balance for this facility amounted to Rp7,500 million.

The short-term fixed loan facility is secured by GELORA's inventories.

Long-Term Bank Loans

The Company

PT CIMB Niaga Tbk

Based on a loan agreement No. 0793/PK/ CSC.Jatim-MAR/X/2006, dated 20 October 2006, the Company entered into a loan agreement with PT Bank CIMB Niaga Tbk. The loan agreement has been amended several times and the latest amendment was made on 22 November 2011, under which the total maximum amount of the credit facility was increased to Rp20,650 million. The facilities granted under this credit facility were as follows:

- Credit Investment Loan 1, which is used to purchase new machineries to produce mild cigarettes. The maximum credit limit of this facility amounted to Rp5,000 million. This facility had a 69 months grace period and matured and must be fully repaid on 9 November 2012. The interest rate for this facility was 10.25% per annum. As of 30 June 2012, the outstanding balance of this facility amounted to Rp417 million.
- Credit Investment Loan 2, which is used to purchase new machineries to produce mild cigarettes. The maximum credit limit of this facility amounted to Rp7,650 million. This facility has a 69 months grace period and will mature on 25 March 2014. The interest rate for this facility is 10.25% per annum. As of 30 June 2012, the outstanding balance of this facility amounted to Rp2,678 million.

The above credit facilities are secured with:

1. One unit filter production machines and one unit filter machine located at Jl. Buntaran 9A, Tandes, Surabaya;
2. Trade receivables; and
3. Raw materials, finished goods and supporting materials inventories located at Jl. Buntaran 9A, Tandes, Surabaya.

PT Bank Central Asia Tbk

Based on a loan agreement No. 5, dated 1 March 2011, the Company entered into a loan agreement with PT Bank Central Asia Tbk. ("BCA"), with total maximum credit amount of Rp5,000 million. The facility was used to purchase cigarette filter machine. This facility is valid from 1 March 2011 or any other date according to the agreement of BCA and the Company, with a nine months grace period and will mature on 1 March 2016. The interest rate for this facility is 10.50% per annum. As of 30 June 2012, the outstanding balance for this facility amounted to Rp4,410 million.

The above facility is secured with one unit machine filter (AF/KDF 2 400 m/min filter maker with hand catcher, filter diameter at 6.95 mm, filter length at 120 mm) that belongs to the Company and located in Surabaya, and all of its supplies, which are stored at Jl. Buntaran 9A, Tandes, Surabaya.

GELORA

PT Bank CIMB Niaga Tbk

Based on a loan agreement No.021/PK/BU-1/TK/SBY/2001 dated 19 November 2001, GELORA entered into a loan agreement with PT Bank CIMB Niaga Tbk. The loan agreement has been amended several times and the latest amendment was made on 3 November 2011, under which the limit of this facility credit was increased to Rp125,000 million.



The credit investment loan is used to purchase a new machine line to produce mild cigarettes with maximum credit limit amounting to Rp25,000 million. The loan period for this facility is 60 months and includes a six months grace period and will mature on 8 November 2016. The interest rate for this facility is 10.25% per annum. As of 30 June 2012, the outstanding balance for this facility amounted to Rp23,854 million.

The above facility is secured with machineries located at Jl. Buntaran 9, Tandes, Surabaya and tobacco and cloves inventories.

Up to the date of the issuance of this Prospectus, the Company is in compliance with all of its existing credit facility covenants required by the lenders, including obtaining prior approval for conducting the Initial Public Offering and changes in the ownership structure of the Company.

EXCEPT AS STATED IN THE MATERIAL EVENTS FOLLOWING THE DATE OF THE INDEPENDENT AUDITOR REPORT, AS OF 30 JUNE 2012 AND UP TO THE DATE OF SUCH INDEPENDENT AUDITOR REPORT AND SUBSEQUENT TO THE DATE OF SUCH INDEPENDENT AUDITOR REPORT AND UP TO THE EFFECTIVE DATE OF THE REGISTRATION STATEMENT, THE COMPANY HAS NO MATERIAL LIABILITIES AND OBLIGATIONS OTHER THAN THOSE REPRESENTED ABOVE AND AS DISCLOSED IN THE INDEPENDENT AUDITOR REPORT AND THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS.

THE COMPANY HAS NO OTHER OBLIGATIONS OTHER THAN THOSE ARISING FROM ITS NORMAL COURSE OF BUSINESS AND THE OBLIGATIONS WHICH HAVE BEEN STATED IN THIS PROSPECTUS AND DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS AS PRESENTED IN CHAPTER XVII OF THE PROSPECTUS.

THROUGH THE SYSTEMATIC MANAGEMENT OF ITS ASSETS AND LIABILITIES AND THE EXPECTED INCREASE OF ITS OPERATIONAL YIELDS IN THE FUTURE, THE COMPANY BELIEVES THAT IT IS ABLE TO DULY MEET ALL ITS OBLIGATIONS IN ACCORDANCE WITH THE AGREED TERMS.

UP TO THE DATE OF THE ISSUANCE OF THIS PROSPECTUS, THERE IS NO NEGATIVE COVENANT IMPOSED WHICH WOULD ADVERSELY AFFECT THE RIGHTS OF THE COMPANY'S PUBLIC SHAREHOLDERS.

UP TO THE DATE OF THIS PROSPECTUS, THE COMPANY HAS NO UNPAID OVERDUE LIABILITY BALANCE.



IV. KEY FINANCIAL HIGHLIGHTS

Prospective investors should read the overview of the important financial data presented below which relates to the Company's consolidated financial statements and the accompanying notes to the consolidated financial statements, which is presented in this Prospectus. Prospective investors should also read Chapter V of this Prospectus on Management's Discussion and Analysis.

The tables below present the consolidated balance sheet of the Company as of 30 June 2012, 31 December 2011, 2010, 2009, 2008 and 2007 and the statement of comprehensive income of the Company for the six months ended 30 June 2012 and 2011 (unaudited) and the years ended 31 December 2011, 2010, 2009, 2008 and 2007. The consolidated financial statements of the Company as of and for the six months ended 30 June 2012 and as of and for the year ended 31 December 2011 were audited by Public Accountants Gani, Mulyadi & Handayani (member of Grant Thornton International Ltd.), with unqualified opinion as stated in its reports dated 17 September 2012 which was then reissued on 2 November 2012. The consolidated financial statements of the Company as of and for the years ended 31 December 2010 and 2009 were audited by Public Accountants Drs. Haryo Tienmar with unqualified opinion as stated in its reports dated 28 August 2012. The consolidated financial statements of the Company as of and for the year ended 31 December 2008 were audited by Public Accountants Achmad, Rasyid, Hisbullah & Jerry with unqualified opinion as stated in its reports dated 7 August 2009. The consolidated financial statements of the Company as of and for the year ended 31 December 2007 were audited by Public Accountants Drs. Haryo Tienmar with unqualified opinion as stated in its reports dated 5 August 2008.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in million Rupiah)

Description	30 June		31 December			
	2012	2011	2010	2009	2008	2007
Asset						
Current Assets						
Cash and cash equivalents	38,232	103,485	20,893	21,666	16,078	19,354
Restricted cash equivalents	-	1,800	-	-	-	-
Trade Receivables	32,076	35,623	28,279	17,768	11,437	9,030
Other Receivables	531	168	-	-	-	-
Inventories	398,711	393,178	258,483	246,040	219,225	255,809
Prepaid taxes	12,918	19,102	12,370	9,180	9,382	8,335
Advance payments	10,796	23,971	16,977	3,773	18,479	3,911
Prepaid expenses	4,452	4,857	5,514	557	117	220
Total Current Assets	497,716	582,184	342,516	298,984	274,718	296,659
Non-current Assets						
Deferred tax assets - net	3,359	3,011	1,580	1,240	600	1,164
Fixed assets - net	137,797	155,800	124,044	124,419	106,852	112,660
Other assets	625	68	68	70	61	61
Total Non-current Assets	141,781	158,879	125,692	125,729	107,513	113,885
TOTAL ASSETS	639,497	741,063	468,208	424,713	382,231	410,544
LIABILITIES AND EQUITY						
Current Liabilities						
Short-term bank loans	189,817	278,982	94,521	107,461	125,034	159,919
Trade payables	86,982	77,807	72,788	47,607	24,257	19,322
Other payables	5,818	9,700	4,329	456	280	245
Advances from customers	1	0	507	-	527	27
Taxes payables	33,028	24,362	16,483	13,699	10,344	7,355
Accrued liabilities	14,087	5,906	4,846	6,198	3,074	3,797



(in million Rupiah)

Description	30 June		31 December			
	2012	2011	2010	2009	2008	2007
Current maturities of long-term bank loans:						
Bank Loans	8,679	6,775	2,530	2,530	-	-
Consumer financing payables	4,089	2,829	1,629	2,878	595	487
TOTAL CURRENT LIABILITIES	342,501	406,361	197,633	180,829	164,111	191,152
NON-CURRENT LIABILITIES						
Deferred tax liabilities -net	-	-	-	205	1,281	-
Long-term loans – net of current maturities:						
Bank loans	22,679	26,899	4,359	6,889	-	-
Consumer financing payables	807	3,246	1,661	765	473	-
Employee benefits liability	22,307	20,208	14,516	11,122	8,155	5,919
TOTAL NON-CURRENT LIABILITIES	45,793	50,353	20,536	18,981	9,909	5,919
TOTAL LIABILITIES	388,294	456,714	218,169	199,810	174,020	197,071
EQUITY						
Equity attributable to the owners of parent entity:						
Share capital	146,991	146,991	102,600	102,600	102,600	102,600
Retained earnings	103,897	136,992	147,110	121,997	105,314	110,571
Total equity attributable to the owners of the parent entity	250,888	283,983	249,710	224,597	207,914	213,171
Non-controlling interests	315	366	329	306	297	302
Total Equity	251,203	284,349	250,039	224,903	208,211	213,473
TOTAL LIABILITIES AND EQUITY	639,497	741,063	468,208	424,713	382,231	410,544

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in million Rupiah)

Description	30 June		31 December				
	2012	2011	2011	2010	2009	2008	2007
NET SALES	484,422	447,817	925,237	592,183	464,865	345,921	305,102
COST OF GOODS SOLD	(348,908)	(331,760)	(664,394)	(408,931)	(309,811)	(232,972)	(212,244)
GROSS PROFIT	135,514	116,057	260,843	183,252	155,054	112,949	92,858
OPERATING EXPENSES							
Selling expenses	(44,627)	(42,062)	(89,170)	(60,582)	(57,856)	(40,629)	(32,647)
General and administrative expenses	(41,647)	(37,742)	(80,652)	(75,673)	(56,121)	(55,531)	(47,955)
Total Operating Expenses	(86,274)	(79,804)	(169,822)	(136,255)	(113,977)	(96,160)	(80,602)
Operating Income	49,240	36,253	91,021	46,997	41,077	16,789	12,256
Other Income (Expenses)							
Gain on sale of subsidiary	7,465	-	-	-	-	1971	-
Gain on sale of fixed assets	5,770	3,060	77,858	3,227	100	-	551
Interest Income	135	179	450	283	168	153	830
Interest Expense	(11,975)	(7,037)	(19,101)	(13,281)	(15,776)	(16,595)	(22,148)
Foreign exchange gain (loss) – net	(731)	(35)	2	10	359	(6)	(6)
Bank charges	(219)	(26)	(364)	(304)	(271)	-	-
Others - net	715	1,020	(1,180)	1,065	(1,557)	(1,061)	(499)
Other income (expense) - net	1,160	(2,840)	57,665	(9,000)	(16,977)	(15,538)	(21,272)
IINCOME BEFORE INCOME TAX EXPENSE (BENEFIT)	50,400	33,414	148,686	37,997	24,100	1,251	(9,016)



INCOME TAX EXPENSE (BENEFIT)

Current	(12,158)	(9,522)	(20,580)	(11,146)	(7,989)	(4,666)	(2,014)
Deferred	734	746	1,431	546	1,716	(1,845)	337
Income Tax Expense - Net	(11,424)	(8,776)	(19,149)	(10,600)	(6,273)	(6,511)	(1,677)

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	38,976	24,638	129,537	27,397	17,827	(5,260)	(10,693)
--	--------	--------	---------	--------	--------	---------	----------

Total comprehensive income for the period attributable to:

Owners of the parent entity	38,930	24,615	129,383	27,371	17,811	(5,257)	(10,682)
Non-controlling interest	46	23	154	26	16	(3)	(11)
Total	38,976	24,638	129,537	27,397	17,827	(5,260)	(10,693)

Financial Ratios

Description	30 June		31 December			
	2012	2011	2010	2009	2008	2007*
GROWTH RATIO(%)						
Income From Operations	8.17%	56.24%	27.39%	34.38%	13.38%	-
Cost of Goods Sold	5.17%	62.47%	31.99%	32.98%	9.77%	-
Gross Profit	16.77%	42.34%	18.19%	37.28%	21.64%	-
Operating Expenses	8.11%	24.64%	19.55%	18.53%	19.30%	-
Income (Loss) Net	35.82%	93.67%	14.41%	144.67%	36.99%	-
Comprehensive Income	58.20%	372.81%	53.68%	438.92%	50.81%	-
Total Assets	-13.71%	58.28%	10.24%	11.11%	-6.90%	-
Total Liabilities	-14.98%	109.34%	9.19%	14.82%	-11.70%	-
Total Equity	-11.66%	13.72%	11.18%	8.02%	-2.46%	-
Business Ratio (%)						
Gross Profit/ Income from Operations	27.97%	28.19%	30.95%	33.35%	32.65%	30.44%
Net Income / Income from Operations	10.16%	9.84%	7.94%	8.84%	4.85%	4.02%
Total Comprehensive Income / Income from Operations	8.05%	14.00%	4.63%	3.83%	-1.52%	-3.50%
Total Comprehensive Income / Total Equity	14.56%	48.48%	11.54%	8.23%	-2.49%	-
Total Comprehensive Income / Total Assets	5.65%	21.42%	6.14%	4.42%	-1.33%	-
Liquidity Ratios (times)						
Current Assets / Current Liabilities	1.45	1.43	1.73	1.65	1.67	1.55
Net Working Capital (in million Rupiah)	155,215	175,823	144,883	118,155	110,607	105,507
Cash Ratio	0.11	0.26	0.11	0.12	0.10	-
Liabilities / Equity	1.55	1.61	0.87	0.89	0.84	0.92
Liabilities / Assets	0.61	0.62	0.47	0.47	0.46	0.48
Receivable Turnover	14**	29	26	32	34	-
Receivable Days	13**	13	14	11	11	-
Inventory Turnover	1**	2	2	1	1	-
Inventory Days	207**	179	225	274	372	-
Debt Service Coverage Ratio	2.32	4.15	2.75	2.80	1.26	1.07

* Growth ratios in 2007 is not presented as comparison against growth ratios of the previous year since the financial statements for the year ended 31 December 2006 are not shown in this Prospectus.

** Calculated as of six month ended 30 June 2012



V. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion's and Analysis section should be read together with Key Financial Highlights section, the consolidated financial statements of the Company with the integrated notes to the consolidated financial statements and other relevant financial information of the Company disclosed in this Prospectus. The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in Indonesia.

The Company's consolidated financial statements as of and for the six months ended 30 June 2012 and as of and for the year ended 31 December 2011 were audited by Public Accountants Gani, Mulyadi & Handayani (member of Grant Thornton International Ltd.), with unqualified opinion as stated in its reports dated 17 September 2012, which was then reissued on 2 November 2012. The consolidated financial statements of the Company as of and for the years ended 31 December 2010 and 2009 were audited by Public Accountants Drs. Haryo Tienmar, with unqualified opinion as stated in its reports dated 28 August 2012. The consolidated financial statements of the Company as of and for the year ended 31 December 2008 were audited by Public Accountants Achmad, Rasyid, Hisbullah & Jerry, with unqualified opinion as stated in its reports dated 7 August 2009. The consolidated financial statements of the Company as of and for the year ended 31 December 2007 were audited by Public Accountants Drs. Haryo Tienmar, with unqualified opinion as stated in its reports dated 5 August 2008.

I. Overview

Since its establishment and up to the date of this Prospectus, the Company focuses its operation in the manufacturing of cigarettes and its supporting materials and also the marketing and distribution efforts of the cigarettes produced by the Company. The Company has a sound track record in the national tobacco industry, with its several cigarette brands that have performed well in the market.

The Company produced cigarettes through its wholly-owned manufacturing arm subsidiary, GELORA and the production can be categorized as follows:

- **Hand-rolled Cigarettes (SKT, *Sigaret Kretek Tangan*)**

Hand-rolled cigarettes are non-filter cigarettes that are hand-rolled manually by factory workers. All of the production process are done manually, in accordance with requirements from the Ministry of Industry and Trade, whereby the excise tax for SKT is lower compared to SKM.

- **Machine-rolled Cigarettes (SKM, *Sigaret Kretek Mesin*)**

Machine-rolled cigarettes are filter cigarettes produced through factory automation. SKM cigarettes can be modified further by manufacturers to become mild cigarettes with lower tar and nicotine. Generally, SKM cigarettes are produced by high-tech manufacturing process by an integrated line of secondary processing from the blending process and finished as ready-to-packed cigarettes.

The Company produced both SKT and SKM cigarettes in regular and mild/slim sizes. Regular size cigarettes measured 8mm in diameter, while mild/slim cigarettes measured 7mm in diameter.

Further details on the production process of SKT and SKM is provided in Chapter IX of this Prospectus.

As of the date of this Prospectus, the production capacity of the Company is reaching three billion sticks annually in total for SKT and SKM cigarettes, where only 75% to 80% of the capacity is used in the production process. Increase in production volume and total sales is still possible by utilizing facility and production capacity that is still available.



The national tobacco industry is one of the priority industry in Indonesia, as the tobacco industry is an industry which absorbs the highest amount of manpower in Indonesia and the income generated by excise taxes in the tobacco industry is the highest income of the Government compared to any other industry.

However, issues surrounding the tobacco industry has forced the Government to issue Law No. 36 of 2009 regarding Public Health, which may limit growth on the national cigarette industry.

Factors affecting the Company's business operations

Several factors which affect the Company's business operations are as follow:

a. Government policies as a way to monitor the national tobacco industry

The tobacco industry is one of the most monitored sector by the Government and reviews of regulations are done periodically from time to time. Any change in regulations on the cigarette industry may adversely affect the Company and its Subsidiaries' operations and financial performance.

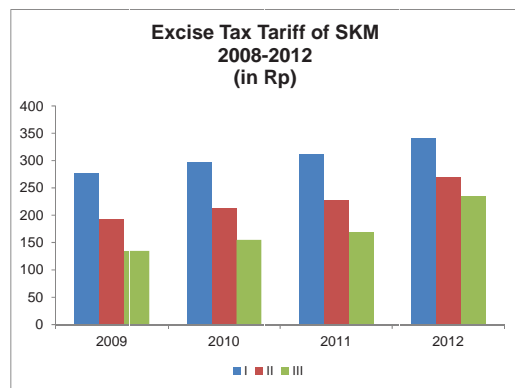
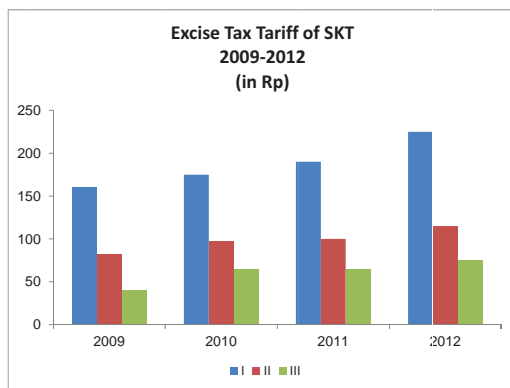
Among some of Government policies which are frequently amended in response to current economic and social condition is amendment in excise tax tariff that could not be directly passed through by cigarette producers to their consumers by way of an increase in the sale price of cigarette products. In general, increase in excise tax tariff will be gradually passed to the consumers by cigarette producers through an increase in the sale price of cigarette products. As such, the increase in excise tax will affect the Company's financials in its current period.

The excise tax tariff is determined based on cigarette brands, number of cigarette sticks in each package, packaging and the type of cigarettes sold.

The Government adjusts the excise tax tariff almost every year by taking into account national income and nationwide sales trend into consideration.

The Company initiates adaptive strategy in response to changes of Government regulations relating to the cigarette industry, especially those related to fiscal tariff on tobacco. As mentioned before, the Company will gradually adjust the selling price due to an increase in excise tax. On the other hand, the Company will always maintain its compliance on existing production requirement and accomodate amendment of Government regulation that may be issued by the Ministry of Trade and Ministry of Industry in the future, as well as persuasive approach through cigarette industry association for any techniques related to operational issues and allowed production capacity.

The below graphs illustrate the trend in the increase of excise tax tariff for cigarettes in category I, II and III, both for SKM and SKT cigarettes during 2009 - 2012.



As shown above, there has been a yearly increase of excise tax tariff. Based on historical data, excise tax tariff had never decreased, instead, it had continuously increased. Furthermore, the amount of the increase is highly dependent on Government policies.



b. Sales of cigarettes produced by the Company

The Company's sales performance has demonstrated a positive trend within the last five years (2007-2012), both in terms of volume of sales of cigarettes produced and value of sales value booked during the period. Further, a significant improvement in sales volume was experienced in 2010 up until by the end of 2011, where the Company recorded an annual growth of sales of 64%, with volume of sales of approximately 1.8 billion cigarettes, compared to 1.1 billion cigarettes in 2010. The average annual growth of sales volume of the Company within the last five years reached approximately 39% per year. As of the first half 2012, the value of sales booked has increased by 8.2%, compared to sales booked during the first half 2011.

The increase in both sales volume and amount is attributed to the success of the SKM cigarettes produced by the Company. The SKM cigarettes contributed to 44% of the Company's total sales booked throughout 2011. This is inline with the industry trend, where sales is dominated by SKM cigarettes.

The Company's operation and financials will always depend on the quantity of cigarettes sold. This is also applicable for its Subsidiaries operating as the manufacturing and marketing distribution arms of the Company's products.

c. Efficiency of the Company's factories

The efficiency of the Company's factories is tied closely with the utilization of production facilities at an optimum level. Up to the date of the issuance of this Prospectus, the Company has reached approximately 75-80% of its available production capacity. A recent positive development in the utilization of production facilities is attributable to the launch of a new product, Diplomat Mild, starting on September 2012. The rate of utilization of the production facilities of the Company in 2010 and 2011 were 17% and 75%, respectively.

The ability of the Company to utilize fully its production capacity directly affects its results of operation. If there is a decline in the production capacity and the Company is unable to fulfill market demand for cigarettes, it could lead to potential loss for the Company. Conversely, if there is an excess in production capacity compared to the actual production output, it could affect the profitability of the Company as the Company is still liable to pay for the full production costs.

Currently, the Company is still operating below its full capacity, which is considered as an opportunity for its future growth. The Company intends to conduct feasibility study to minimize the economic downside resulting from unused capacity. In several production lines, the Company intends to implement certain adjustments, such as proper planning in recruitment, particularly in the SKT cigarettes production line.

The under-utilization of the Company's production facility is also related to the application of technology in the production of cigarettes by the Company. For the production of certain cigarette types, particularly mild cigarettes, it requires a more sophisticated production process. Therefore, the level of utilization of several machineries with specific features to produce mild cigarettes is dependent on the production planning of the Company.

d. Production costs, especially costs of raw materials and excise tax

The fluctuation of costs of raw materials and excise tax as determined by the Government directly affects the Company's operation. As further explained in the Business Activity and Prospect section of this Prospectus, the largest component of production cost is payment of excise tax.

Payment of excise tax as determined by the Government is mandatory for all cigarette manufacturers and cannot be avoided by the Company. One of the ways in which cigarette manufacturers attempt to achieve favourable support and business climate is through the Indonesian Cigarette Manufacturers Association (GAPPRI).



In addition, another factor affecting production cost is volatility of prices of raw materials, such as tobacco and cloves, which are also considered as herbal commodity with high demand, both locally and internationally. Additional factor affecting production cost is fluctuation of the prices of raw materials, as certain types of tobacco used in production of cigarettes are imported directly from its producing countries. Prices of raw materials are also affected by the volatility of the value of the exchange rate of the Rupiah against foreign currencies used in international trading.

2. Financial Performance

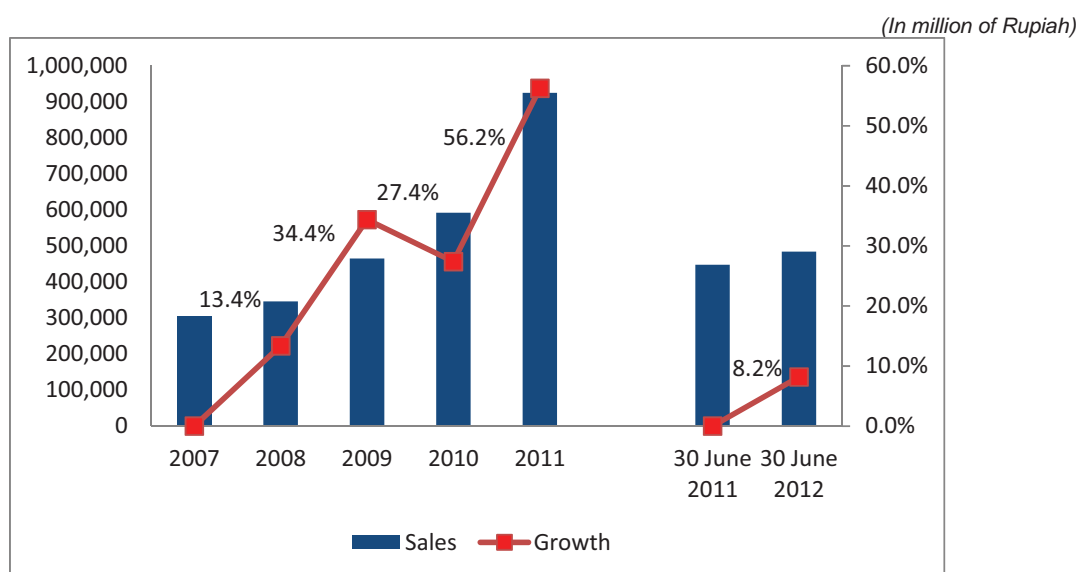
2.1. Growth in Sales, Cost of Sales, Operating Expenses, Other Income (Expenses) and Comprehensive Income

2.1.1 Net Sales

The table below illustrates the net sales of the Company based on each contributor to the Company's revenue during 2007-2012.

Net Sales (In million of Rupiah)

Description	6 months		12 months				
	2012	2011	2011	2010	2009	2008	2007
Operating income							
- Cigarettes	454,379	411,135	850,616	519,920	409,113	300,095	273,128
- Cigarette Filter & OPP	27,715	32,194	66,846	61,279	47,627	33,581	21,062
- Printed goods	2,328	4,488	7,775	10,984	8,125	12,245	10,912
Total net sales	484,422	447,817	925,237	592,183	464,865	345,921	305,102



Net sales for the six months ended 30 June 2012 compared to the six months ended 30 June 2011

Net sales of the Company increased by Rp36,605 million or 8.2%, compared to the six months ended 30 June 2011. The increase was attributable to an increase in the sales of SKM and SKT cigarettes by Rp30 billion and Rp13.6 billion, respectively. Such increase was also in line with a boost in demand for mild cigarettes produced by the Company, consistent with the industry trend where national mild cigarettes demand increased by an average of 8% annually, compared to the 2% increase for SKT cigarettes.



In addition, the increase in sales in the current period was set-off by a decline in sales of filters and OPP and printed goods during the first half of 2012, compared to the same period in 2011, by Rp4,479 million and Rp2,160 million, respectively.

Net sales for the year ended 31 December 2011 compared to the year ended 31 December 2010

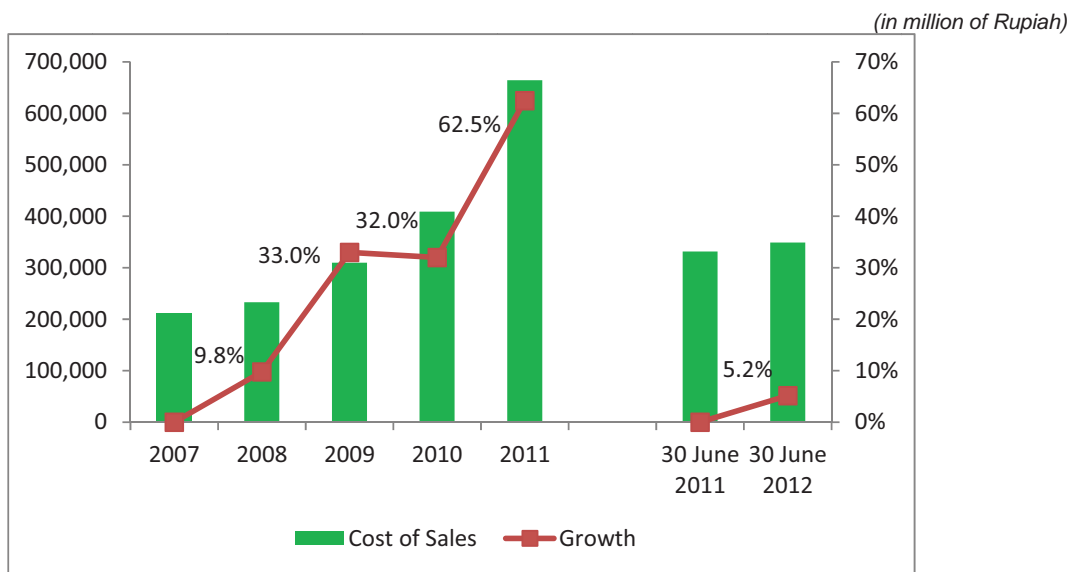
Net sales of the Company increased by Rp333,054 million or 56.2%, to Rp925,237 million for the year ended 31 December 2011, from Rp592,183 million for the year ended 31 December 2010. The increase was attributable to an increase in sales of SKM cigarettes by Rp352.2 billion, to Rp760.1 billion for the year ended 31 December 2011, from Rp408.4 billion for the year ended 31 December 2010.

This significant increase in SKM cigarettes sales by 86.2% in 2011 was attributable to a positive response from the customers on the development of SKM cigarettes line, which was started several years ago. This was also consistent with the trend in the national cigarettes industry, which was dominated by sales of SKM cigarettes.

Net sales for the year ended 31 December 2010 compared to the year ended 31 December 2009

Net sales of the Company increased by Rp127,318 million or 27.4%, to Rp592,183 million for the year ended 31 December 2010, from Rp464,865 million for the year ended 31 December 2009. The increase was attributable to an increase of sales of SKM and SKT cigarettes by Rp106.1 billion and Rp12.5 billion, respectively.

2.1.2 Cost of Sales



Cost of sales consist of raw material consumption, excise tax tariff, direct labor cost, overhead and movement of work-in-process and finished goods.

Cost of sales for the six months ended 30 June 2012 compared to the six months ended 30 June 2011

Cost of sales of the Company increased by Rp17,147 million or 5.2%, from Rp331,761 million for the six months ended 30 June 2011, to Rp348,908 million for the six months ended 30 June 2012. The increase was attributable to an increase in the amount of cigarettes produced and an increase in sales.

A major contributor to an increase in the cost of sales was raw material consumption and supporting materials throughout the first semester of 2012, amounting to Rp124,420 million (first semester of 2011: Rp124,304 million) and factory overhead amounting to Rp22,786 million (first semester of 2011: Rp18,826 million).



Cost of sales for the year ended 31 December 2011 compared to the year ended 31 December 2010

Cost of sales of the Company increased by Rp255,463 million or 62.5%, from Rp408,931 million for the year ended 31 December 2010, to Rp664,394 million for the year ended 31 December 2011. The increase was attributable to an increase in sales during the same period.

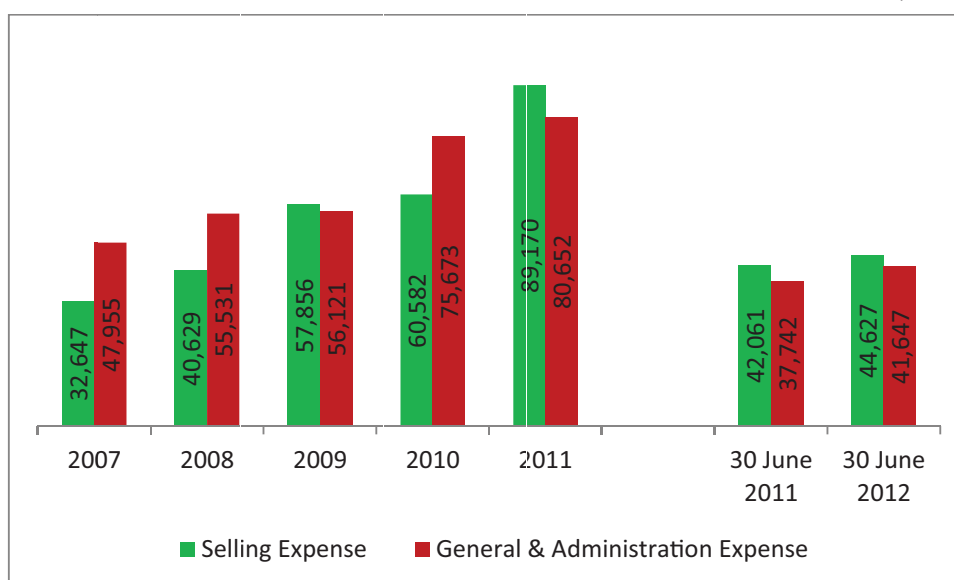
The largest component of cost of sales is excise tax. Excise tax payment increased by Rp.191,598 million or 93.6%, from Rp191,598 million for the year ended 31 December 2010. The increase in excise tax amount was attributable to increase in tariff determined by the Government on the issuance or amendment to Indonesia's tobacco regulation.

Cost of sales for the year ended 31 December 2010 compared to the year ended 31 December 2009

Cost of sales of the Company increased by Rp99,120 million or 32%, from Rp309,811 million for the year ended 31 December 2009, to Rp408,931 million for the year ended 31 December 2010. The increase was primarily attributable to the increase of excise tax by 57.6% from Rp121,554 million for the year ended 31 December 2009, to Rp191,598 million for the year ended 31 December 2010.

2.1.3 Operating Expenses

(in million of Rupiah)



Operating expenses consist of selling expenses and general and administration expenses.

Operating expenses for the six months ended 30 June 2012 compared to the six months ended 30 June 2011.

Operating expenses of the Company increased by Rp6,470 million or 8.1%, from Rp79,804 million for the six months ended 30 June 2011, to Rp86,274 million for the six months ended 30 June 2012. The increase was attributable to an increase in promotional events and advertising communication and an increase in labor costs. In turn, increase in promotion and advertising costs was attributable to the launching of new product of mild cigarettes produced by the Company and intensive marketing communication related to the new product.

For the six months ended 30 June 2012, promotion and advertising costs and labor costs was Rp11,241 million and Rp32,250 million, respectively, compared to promotion and advertising costs and labor costs of Rp7,101 million and Rp29,378 million, respectively, for the six months ended 30 June 2011.



Operating expenses for the year ended 31 December 2011 compared to the year ended 31 December 2010

Operating expenses of the Company increased by Rp33,567 million or 24.6% compared to operating expenses of the Company for the year ended 31 December 2010. The increase was attributable to an increase in costs of promotion and advertising, wages, administrative documentation and license expense of Rp20,489 million, Rp61,609 million and Rp10,361 million, respectively (in 2010, these expenses amounted to Rp8,742 million, Rp51,842 million and 6,110 million, respectively).

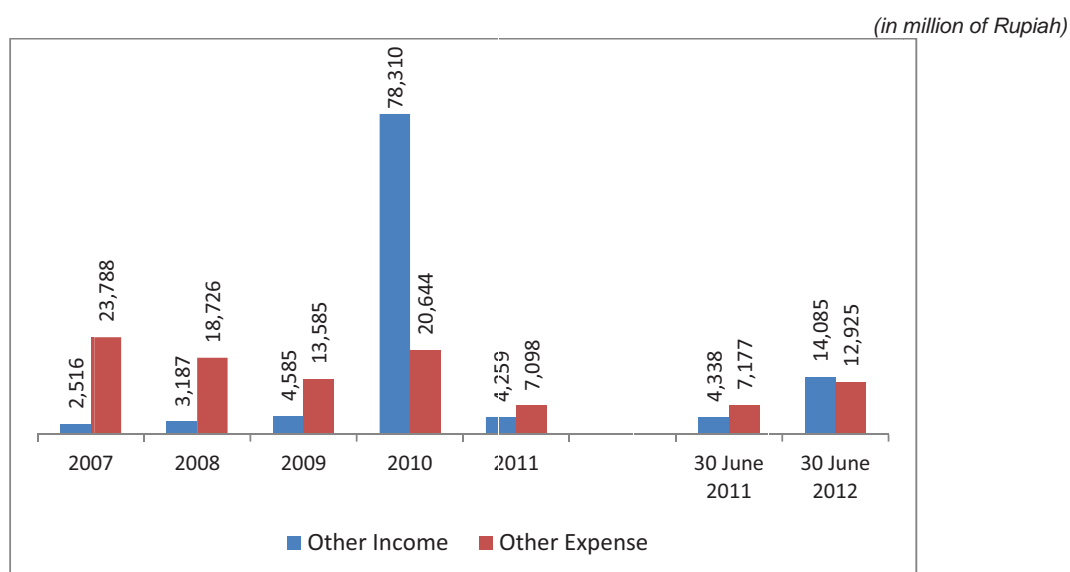
As previously mentioned, intensive promotional events and frequent advertising communication in relation to the launching of new product of mild cigarettes and additional labor head counts and incremental wages for employees contributed to the increase in operating expenses.

Operating expenses for the year ended 31 December 2010 compared to the year ended 31 December 2009

Operating expenses of the Company increased by Rp22,278 million or 19.5%, from Rp136,255 million for the year ended 31 December 2010, from Rp113,977 million for the year ended 31 December 2009. The increase was attributable to an increase in wages for both factory and office employees.

The increase in wages was also attributable to the business expansion of the Company, as shown by an increase in production capacity and sales booked by the Company throughout 2010.

2.1.4 Other Income (Expenses)



Other income (expenses) for the six months ended 30 June 2012 compared to the six months ended 30 June 2011

Other income of the Company was Rp1,160 million for the six months ended 30 June 2012, compared to other expenses of the Company of Rp2,839 million for the six months ended 30 June 2011. Other income booked for the six months ended 30 June 2012 was derived from a divestment of a 99.9% ownership in a subsidiary, PUTRI, by the Company to PT Bumi Inti Makmur. The Company obtained Rp7,465 million as a gain on divestment of a subsidiary which was recorded in the statement of comprehensive income for the six months ended 30 June 2012.



Other income (expenses) for the year ended 31 December 2011 compared to the year ended 31 December 2010

Other income of the Company was Rp57,665 million for the year ended 31 December 2011, compared to other expenses of the Company of Rp9,000 million for the year ended 31 December 2010. Other income booked during 2011 was derived from gain on sales of fixed assets amounting to Rp77,858 million, compared to Rp3,227 million in 2010.

Other income (expenses) for the year ended 31 December 2010 compared to the year ended 31 December 2009

Operating expenses of the Company decreased by 7,977 million or 47.0%, from Rp16,977 million for the year ended 31 December 2009, to Rp9,000 million for the year ended 31 December 2010. The decrease was attributable to a decrease in interest expense booked throughout 2010 of Rp13,281 million, compared to interest expense booked throughout 2009 of Rp15,776 million. Such interest expense was charged in relation to bank loans utilized by the Company during the period, whereas the average outstanding balance of bank loans was higher in 2009 compared to 2010.

For the years ended 31 December 2010 and 2009, the outstanding balance of bank loans was Rp101,410 million and Rp116,880 million, respectively.

2.1.5 Comprehensive Income

Comprehensive income for the six months ended 30 June 2012 compared to the six months ended 30 June 2011

Comprehensive income of the Company increased by Rp14,338 million or 58.2%, from Rp24,638 million for the six months ended 30 June 2011, to Rp38,976 million for the six months ended 30 June 2012. The increase was attributable to an increase of sales by Rp36,605 million or 8.2% for the six months ended 30 June 2012.

The Company also booked other gain from non-operational transaction of divestment over a subsidiary of Rp7,465 million for the six months ended 30 June 2012.

Comprehensive income for the year ended 31 December 2011 compared to the year ended 31 December 2010

Comprehensive income of the Company increased by Rp102,140 million or 372.8%, from Rp27,397 million for the year ended 31 December 2010, to Rp129,537 million for the year ended 31 December 2011. The increase attributable to an increase in sales booked throughout 2011 of Rp925,237 million, compared to sales booked throughout 2010 of 592,183 million.

The increase in sales performance of the Company during 2010-2011 was a result of the expansion by the Company in launching mild cigarette products, which in turn, was well received by the market.

In addition, the increase of comprehensive income is also the result proceeds from sales of fixed assets to PT Bumi Inti Makmur of Rp77,858 million.

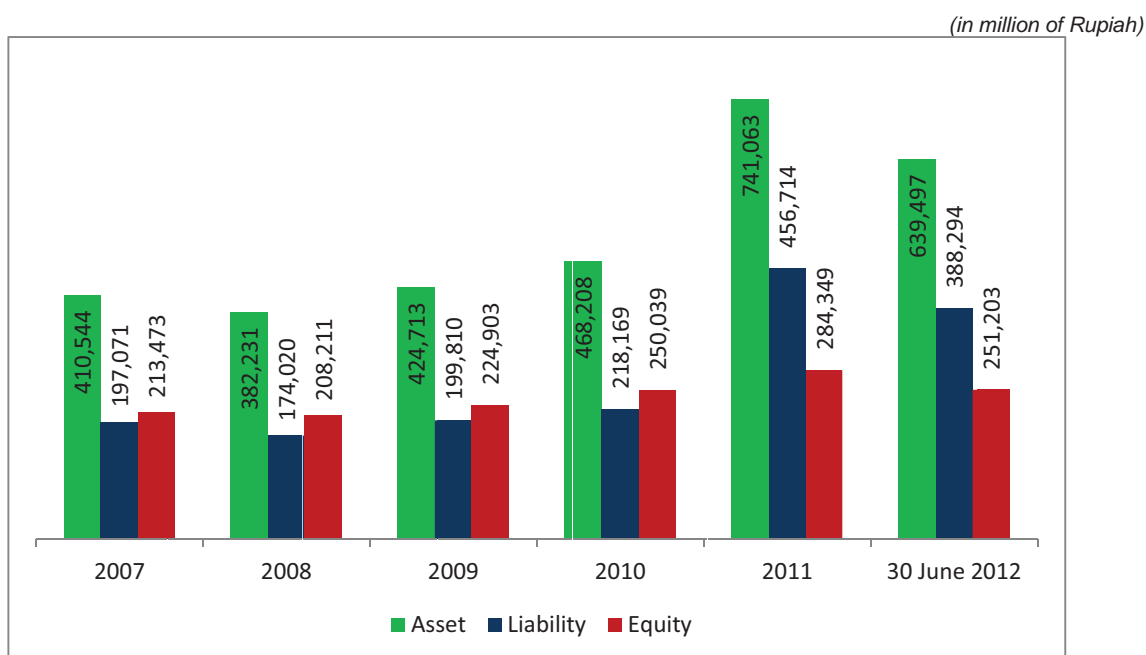
Comprehensive income for the year ended 31 December 2010 compared to the year ended 31 December 2009

Comprehensive income of the Company increased by Rp9,570 million or 53.7%, from Rp17,827 million for the year ended 31 December 2009, to Rp27,397 million for the year ended 31 December 2010. The increase was attributable to an increase in sales in 2010, resulting in an increase of Rp127,318 million or 27.4%, from from sales booked in 2009 of Rp.464,865 million, to Rp592,183 million in 2010.



2.2 Growth of Assets, Liability and Equity

The graph below shows the growth of the Company's assets, liability and equity for the years ended 31 December 2007, 2008, 2009, 2010 and 2011 and for the six months ended 30 June 2012.



2.2.1 Assets

The assets of the Company consist of inventories, mostly in form of raw materials and fixed assets.

Assets as of 30 June 2012 compared to as of 31 December 2011

Assets of the Company decreased by Rp101,566 million or 13.7%, from Rp741,063 million as of 31 December 2011, to Rp639,497 million as of 30 June 2012. The decrease was attributable to several factors, primarily the divestment of a subsidiary, PUTRI, in May 2012.

Furthermore, the decrease in assets in the first half of 2012 was related to a decrease in the purchase of raw material during the period, as purchase of tobacco was done earlier in the second semester on the previous year during the harvesting season. The decrease in assets was also attributable to payment of bank loans amounting to Rp81,522 million and cash dividend payment to the Shareholders amounting to Rp72,026 million.

Assets as of 31 December 2011 compared to as of 31 December 2010

Assets of the Company increased by Rp272,855 million or 58.3%, from Rp468,208 million as of 31 December 2010, to Rp741,063 million as of 31 December 2011. This increase was attributable to several factors, such as an increase in cash and cash equivalents from operations of the Company and capital injection by the Shareholders, increase in cash and cash equivalents resulting from proceeds from bank loans and increase in inventory value resulting from an increase in purchase of assets by the Company during the second half of 2011.

As of 31 December 2011, cash and cash equivalents of the Company amounted to Rp103,485 million, compared to Rp20,893 million as of 31 December 2010, while inventory value was Rp393,178 million, compared to Rp258,483 million as of 31 December 2010.



Assets as of 31 December 2010 compared to as of 31 December 2009

Assets of the Company increased by Rp43,495 million or 10.2%, from Rp424,713 million as of 31 December 2009, to Rp468,208 million as of 31 December 2010. The increase was attributable to an increase in the value of the Company's inventory of finished goods to Rp258,482 million as of 31 December 2010, from Rp246,041 million as of 31 December 2009. Furthermore, the increase in inventory corresponded with an expansion in production capacity.

2.2.2 Liability

The biggest component of Company's liability is current liabilities. The Company uses internal cash coming from operation in order to serve its current liabilities, as well as roll-over of the maturity of short-term borrowings.

Liability as of 30 June 2012 compared to as of 31 December 2011

Liability of the Company decreased by Rp68,420 million or 15%, from Rp456,714 million as of 31 December 2011, to Rp388,294 million as of 30 June 2012. The decrease was attributable to a decrease in short-term bank loans. The balance of short-term bank loans as of 30 June 2012 was Rp189,817 million, compared to Rp278,982 million as of 31 December 2011.

The decrease in bank loans was also consistent with repayment of bank loans during the same period of Rp81,522 million.

Liability as of 31 December 2011 compared to as of 31 December 2010

Liability of the Company increased by Rp238,545 million or 109.3%, from Rp218,169 million as of 31 December 2010, to Rp456,714 million as of 31 December 2011. The increase was attributable to the Company obtaining new short-term bank loans during the period, where in 2011, bank loans increased by Rp184,461 million or approximately 195.2%. All short-term bank loans is utilised as working capital. The balance of the short-term bank loans as of 31 December 2011 was Rp278,982 million, compared to Rp94,521 million as of 31 December 2010. The long-term portion of the bank loans which will mature in a period of more than a year amounted to Rp26,899 million as of 31 December 2011, compared to Rp4,359 million as of 31 December 2010.

Liability as of 31 December 2010 compared to as of 31 December 2009

Liability of the Company increased by Rp18,359 million or 9.2%, from Rp199,810 million as of 31 December 2009, to Rp218,169 million as of 31 December 2010. The increase was attributable to an increase in account payables of the Company by Rp25,181 million or 52.9%, from Rp47,607 million as of 31 December 2009, to Rp72,788 million as of 31 December 2010.

The increase in account payables was attributable to an increase in unpaid balance to *Kantor Kas Negara* or the Treasury Office, resulting from non-payment of excise tax. The unpaid excise tax stamps as of 31 December 2010 amounted to Rp39,237 million, compared to Rp24,324 as of 31 December 2009.

2.2.3 Equity

Equity as of 30 June 2012 compared to as of 31 December 2011

Equity of the Company decreased by Rp33,146 million or 11.7%, from Rp284,349 million as of 31 December 2011, to Rp251,203 million as of 30 June 2012. The decrease was attributable to dividend payment made in the first half of 2012 of Rp72 billion.



Equity as of 31 December 2011 compared to as of 31 December 2010

Equity of the Company increased by Rp34,310 million or 13.7%, from Rp250,039 million as of 31 December 2010, to Rp284,349 million as of 31 December 2011. The increase was attributable to capital injection by the Shareholders, increasing the total issued and fully paid-up capital of the Company to 146,991 million.

Equity as of 31 December 2010 compared to as of 31 December 2009

Equity of the Company increased by Rp25,136 million or 11.2%, from Rp224,903 million as of 31 December 2009, to Rp250,039 million as of 31 December 2010. The increase was attributable to the receipt of retained earnings coming from the net comprehensive income of the Company booked during 2009, which was attributed to the Shareholders.

2.3 Cash Flow

The Company maintains its positive cash flow and is able to maintain its financial performance and growth, which is also supported by the growth of the industry. The Company also implements certain programs to ensure that its positive cash flow is maintained and to safeguard its profitability.

The table below shows the liquidity of the Company as indicated by the cash flow of the Company:

(in million of Rupiah)

Description	6 months 2012	12 months		
		2011	2010	2009
Net cash provided by (used for) operating activity	70,128	(65,839)	29,677	44,428
Net cash provided by (used for) investing activity	25,623	36,440	(5,854)	(27,486)
Net cash provided by (used for) financing activity	(156,689)	117,155	4,314	3,872
Increase (decrease) of cash and cash equivalents	(60,938)	87,756	28,137	20,814
Cash and cash equivalents – beginning	97,003	9,247	(18,890)	(39,704)
Cash and cash equivalents – ending	36,065	97,003	9,247	(18,890)

Negative cash flow used for operating activity for the year ended 31 December 2011 was due to a significant increase in purchases of raw and supporting materials, which was in line with an increase in inventory value by Rp91,384 million, compared to 2010. Such increase was anticipated to accommodate an increase in sales starting in 2011 and going forward.

2.4 Capital Expenditures

The table below shows the capital expenditures of the Company for the six months ended 30 June 2012 and for the years ended 31 December 2011, 2010 and 2009:

(in million of Rupiah)

Description	6 months 2012	12 months		
		2011	2010	2009
Fixed assets				
Land	-	-	-	-
Building	7,002	1,584	130	22,699
Machinery	28,033	18,770	4,110	9,243
Office equipment	778	1,718	1,643	1,254
Vehicles	2,424	11,501	5,681	7,306
Work in progress (additional)	19,075	40,400	4,868	14,614
Work in progress (Subtracted)	(34,909)	(12,960)	(136)	(22,858)
Total	22,403	61,013	16,296	32,258

Such capital expenditures accelerated the Company's sales performance. The Company derived capital expenditure either from loans or proceeds from its daily operations.



2.5 Source of Funding

Besides using proceeds from capital injection from the Shareholders, the Company also entered into loan agreements with various banks. As of the date of this Prospectus, the Company had a total balance of bank loans of Rp221,175 million. The Company and its Subsidiaries obtained loan facilities from several banks, such as PT Bank Niaga Tbk., PT Bank Danamon Indonesia Tbk., PT Bank Ganesha and PT Bank Central Asia Tbk.

The facilities provided by banks consist of working capital facilities, overdraft facilities and various trade finance facilities, such as letter-of-credit (L/C) facilities, which are frequently used for the purchase of imported raw materials.

In addition, the Company also received consumer financing facilities from multifinance companies to purchase operational vehicles. As of 30 June 2012, the outstanding balance for multifinance financing payables to PT Dipo Star Finance, PT Bank Ganesha, PT ITC Auto Multi Finance and PT BCA Finance amounted to Rp4,896 million.

Furthermore, the Company, through GELORA, receives credit lines in relation to deferred payment of excise tax stamps for tobacco products, or commonly referred to as Excise Facility. This facility is considered as one of the forms of support from the Government to the national cigarette industry. The Government, through the Ministry of Finance, provides excise stamps credit lines which require companies to grant corporate guarantees prior to submitting proposal for the credit lines. The credit lines enable tobacco companies to defer payment of excise tax for two months.

Pursuant to the regulation issued by the Ministry of Finance No.69/PMK.04/2009, as amended by Regulation No.169/PMK.04/2011, GELORA is one of the tobacco companies that is granted with credit lines, having met the following requirements:

1. having a low risk profile based on the company's key management;
2. is categorized as valid tax taxpayer;
3. has never been found to commit any regulatory breaches and unlawful acts in relation to customs within last two years;
4. has no outstanding unpaid excise tax balance, underpayment, or under administrative penalty, except in the process of tax appeal;
5. currently does not have any installment payment towards its existing payable excise tax;
6. having financial statements which are audited with unqualified opinion for last two years; and
7. having a sound financial performance.

As of 30 June 2012, the total balance owed to the treasury office in relation to excise tax credit lines amounted to Rp70,377 million.

2.6 Solvability and Rentability

1. Solvability

Solvability is the capacity to cover all of the outstanding liability using assets or equity. Solvability is measured by comparing the total liability against total equity (equity solvability) and by comparing total liability against assets (assets solvability).

As of 30 June 2012, equity solvability was 1.55 times, and as of 31 December 2011, 2010 and 2009, equity solvability were 1.61 times, 0.87 times and 0.89 times, respectively. As of 30 June 2012, The assets solvability was at 0.61 times, and as of 31 December 2011, 2010 and 2009, assets solvability were 0.62 times, 0.47 times and 0.47 times, respectively.



2. Rentability

Profitability is measured by applying certain financial ratios such as net profit margin, return of average assets and return on average equity. These ratios illustrate the Company's ability in generating profits at a particular point in time.

- Net profit margin is a ratio measuring comprehensive income against the Company's revenue.
- Return on average assets is a ratio measuring assets turnover in generating profits.
- Return on average equity is a ratio measuring comprehensive income against the average equity.

Description	6 months	12 months		
	2012	2011	2010	2009
Net profit margin	8.05%	14.00%	4.63%	3.83%
Return on average assets	5.65%	21.42%	6.14%	4.42%
Return on average equity	14.56%	48.48%	11.54%	8.23%

3. Risk Management

Aligned with the continuous efforts for positive business growth, as well as increasing values for all of the Company's stakeholders, proper risk management plays an important role in operating the business of the Company as a going concern, especially in minimizing exposures coming from either operational and financial risks.

In order to anticipate various operational and financial risks, as (as described in Chapter VI of this Prospectus on Risk Management), the Company has consistently implement a framework of risk management based on a balanced determination of risks and results, responsibility, accountability, anticipation and competitive advantages.

Risks Exposures Classification

In general, the Company's risks exposures are identified as operational risk exposure and financial risk exposure.

Operational risk exposure

As previously explained in Chapter VI of this Prospectus, several major risks faced by the Company are raw material availability, implementation of Government regulations and availability of key operational employees. The management has developed a comprehensive risk management framework, encompassing both adaptive and preventive approach. It means that the management ensures that the business and operation of the Company can continue if there is an interference with the Company's normal business operation.

In order to ensure availability of raw materials, the Company plans to purchase tobacco and cloves during the harvesting season. Furthermore, the Company also manages its inventory level by providing buffer stock of tobacco for a 12 months period and clove for a six months period. Tobacco aging time is 12-24 months, while clove aging time is 12 months. Thus, the Company saves the production process with regard to material availability by up to 36 months for tobacco and 18 months for clove.

Furthermore, in ensuring availability of reliable human resources to support production process, the Company is committed to holding trainings and employee development programs with a range of skillful production techniques, raw material understanding and manufacturing process. This is to ensure the continuance of operation where there is movement in employees, due to resignation or pension.

On the other side, if there are changes in Government regulations which affect the tobacco industry, the management will take necessary efforts to keep its compliance and will also continue to be flexible, especially being a mid-size cigarette manufacturer.



Furthremore, regarding possibility of working accidents which may occur, the Company consistently maintain the working quality in its factories, as evidenced by the receipt of Zero Accident awards for the past several years, indicating the result of the commitment by the Company.

Financial risk exposure

The risk management developed by the Company in relation to exposures to financial risk are as follows:

a. Credit risk mitigation over customer receivables.

The Company sets credit policies regarding the approval or rejection of new customers prior to sale transactions of cigarettes and filters. The Company may require bank guarantee facilities from customers which purchase cigarettes and filters using credit facilities, to avoid risk of uncollected receivables from particular customers. In addition, the Company also avoid concentration of risks from certain customers with significant receivable balances.

b. Risk mitigation in relation to financial liquidity.

The Company manages liquidity risk by projecting the cash flow and monitor actual cash flows on a regular basis, as well as monitoring the sufficiency of its cash and cash equivalents and open credit lines to support financing for its production process. Financial liquidity risk can also be mitigated by managing alternative sources of funding from creditors, such as banks or financial institutions.

c. Interest and exchange rates volatility.

The Company is exposed to volatility of interest and exchange rates affecting borrowing facilities with floating interest rates or interest rates that are periodically reviewed by the creditors, as well as fluctuation of exchange rate. As of the date of this Prospectus, the Company does not have a hedging facility over interest or exchange rates as the Company views that its exposures are still manageable. However, if there is an increase in such exposures, in line with the growth of funding requirements in the future and the existence of a significant amount of foreign currencies transactions, the Company may consider entering into suitable hedging agreements with other parties.

d. Management of capital and financial health indicator.

The Company continuously aim to reach the optimum capital structure that can accommodate its business objectives by maintaining a healthy capital ratio and maximization of its stakeholders value. The management continuously monitor the Company's capital by applying certain financial ratios, such as equity-to-debt ratio.

e. Risk mitigation for a decline in cigarette consumption due to anti-smoking campaign in the public.

In addressing various anti-smoking campaigns, the Company will provide education to the communities and increase public awareness of healthy consumption, as well as to increase tolerance to non-smoker.



VI. RISK FACTORS

Investment in the Company's shares may contain risks. Potential investors should carefully consider the following risk factors, as well as other information mentioned in this Prospectus prior to making an investment in the Company's shares. The risks presented below are not the only risks that may affect Company's shares. Other risks that are presently unknown or considered as insignificant may adversely affect Company's business, cash flow, business results, financial performance or business prospects in the future. In general, investment over shares of companies in developing countries such as Indonesia contains risks that are generally not present when investing in shares of companies in developed countries. If any of these risks occur, then the price of the Company's shares may decline and investors may face a potential loss in their investment.

The risks described below are risks that are considered material by the Company and its Subsidiaries and have been prepared based on materiality and exposures to the Company and its Subsidiaries' financial performance.

A. RISKS RELATING TO THE COMPANY AND ITS SUBSIDIARIES' BUSINESS OPERATIONS

In conducting its business, the Company and its Subsidiaries are facing risks that may affect their business results if such risks are not well anticipated. Several risks which may affect the operations can be categorized as follows:

1. Risk Related to Availability of Raw Materials

The main raw materials in manufacturing *kretek* cigarettes are tobacco and cloves. The availability of raw materials is very important to ensure that the production process will not be interrupted. Presently, raw materials are obtained from farmers and suppliers. The harvest season for tobacco and cloves is highly dependent on the weather, therefore, risk of crop failure is present at every season. The Company and its Subsidiaries have anticipated the risk by having inventories of tobacco and cloves for 12 months and 6 months productions, respectively. The aging time for the raw materials before they are ready for production range from 12-24 months for tobacco and 12 months for cloves. Therefore, raw materials are safe for 36 months and 18 months for tobacco and cloves, respectively.

This risk is also applicable for imported raw materials, such as acetate tow, the raw material used for cigarette filter.

2. Risk Related to Government Policies

The cigarette industry is one of the industries in Indonesia that is deeply regulated and one where Government policies are continuously changing from time to time due to various factors. New Government policies which are imposed may affect the Company's sales performance. Such policies include restrictions for cigarette industry expansion permit, media and commercial advertising communication and excise tax tariff, which may affect the operation and profitability of the Company.

3. Risk Related to Competition

The cigarette industry is an increasingly competitive industry, with aggressive marketing activities carried out by all players in the industry. High market dynamics require prompt response from the Company and its Subsidiaries to deliver better value to consumers compared to its competitors, which the Company considers to be important in maintaining the risk of a decrease of the Company and its Subsidiaries' performance.



4. Risk Related to Changes in Customer's Preference

Market globalization has triggered dynamics/changes in consumer preference. Delay in responding to changes in consumer preference may affect the Company and its Subsidiaries performance, which may lead to the risk of decline in the Company's revenue. Therefore, a deep understanding of consumers and the ability to read the trend movement of consumer preference is very important for the Company and its Subsidiaries.

5. Risk Related to Foreign Exchange Volatility of The Rupiah Against Foreign Currencies

The Company is exposed to the risk of volatility of the exchange rates of the Rupiah against foreign currencies used for international trading, particularly relating to the Company's purchases of certain main raw materials, such as a few types of tobacco, flavor and supporting raw materials like acetate tow and CTP, which are imported directly from the producing countries.

The weakening of the exchange rate of the Rupiah could put pressure on the Company's profitability, as all of its revenues are recorded in Rupiah, while related direct expenses are incurred in a foreign currency.

In response to this, the Company is required to be able to take decisions regarding purchases of imported materials by selecting the most effective financing alternatives, including but not limited to, entering into hedging contracts to cover the risk of a currency gap.

6. Risk Related to a Decrease in Cigarette Consumption in Relation to Anti-Smoking Campaign in the Public

Various activities of anti-smoking campaign and invitation for a healthier lifestyle by institutions or social communities sponsored either by the Government or non-governmental organizations may affect the cigarette industry and may cause a decrease in sales volume and total sales.

In addressing the various anti-smoking campaigns, the Company will wisely provide education to the communities and increase public awareness of healthy consumption, as well as to increase tolerance to non-smoker people.

7. Risk Related to Significant Fluctuation in the Prices of Raw Materials

During its production process, the Company requires a variety of raw materials in order to produce a quality product. As mentioned previously, the main raw materials used in the production process are tobacco and cloves. Both are considered commodity items which are traded in the world's commodity market. As such, both of these commodities may experience fluctuations caused by various factors that are beyond the Company's control.

If there is a prolonged substantial increase in the prices of tobacco and/or cloves, it may adversely affect the Company's operation, financial condition, business performance and prospects.

8. Risk Related to the Breakdown of the Main Production Facilities

Currently, the Company has a number of main production facilities which are used to produce cigarettes and cigarettes filter, which include both primary and secondary processing. The manufacturing process of a cigarette is done through a sequence of process using these facilities. If there is a damage or breakdown in the Company's main production facilities, it may slow down or even disrupt the Company's production process, which may adversely affect the Company's business activities, financial condition, business performance and prospects.



9. Risk Related to Loss of Key Employees

The Company's success depends on the commitment of key management and technical personnels, as well as the Company's ability in motivating and retaining quality employees. External factors such as unemployment rate, changes in demographic, minimum wages and other employment regulations relating to minimum working hours and labor dismissal are factors affecting the Company's ability to fulfill its labor needs, as well as in controlling labor-related costs. If the Company fails to recruit and retain qualified personnels, then it could affect the overall operation of the Company, as well as its inability to keep business goals and to explore potential opportunities, such as marketing network expansion. If the Company is unable to sustain appropriate head count proportion in accordance with its current production capacity, or if the Company fails to recruit additional employees to meet its expansion plans, then it may adversely affect the Company's business activities, financial condition, business performance and prospects and the Company may be unable to fulfill its business expansion plan.

10. Risk Related to Disputes With Local Residents Which May Adversely Affect the Company's Operations

Problems with local communities in the areas where the Company conducts its business activities may arise during its operations. These include disputes on environmental issue, such as waste pollution. These problems can lead to protests from the local community, roadblocks and third-party lawsuits. The failure to settle such issues favourably may adversely affect the business of the Company, both operationally and financially.

11. Risk Related to Workplace Accidents

Production facilities are built from a number of machineries and failure to operate them properly and safely may cause injury to the Company's personnel. If accidents occurred, the Company might be liable for the injuries sustained, medical expenses, leave permit and payment of fines or penalties under applicable labor law. The Company may also experience business disruption or negative coverage as a result of suspension due to an investigation by the Government regarding the accident.

However, the Company has managed to maintain the quality of work in its production, as evidenced by the Zero Accident awards awarded to it over the past few years.

12. Risk Related to Decrease in Product Quality

The Company emphasizes the use of high quality raw materials for its products. The raw materials used by the Company is obtained from several supply channels, both from local and international suppliers. The quality of raw materials depends on several factors, such as the weather, that is beyond the Company's control. The Company is always required to be able to obtain raw materials that meet the quality standards for its production purpose. Inability to obtain such high quality raw materials may lead to a decline in the product quality of the Company and may adversely affect the Company through a decrease in the Company's customers and business, as well as financial performance.

13. Risk Related to Reliability of Production Facilities

As of the date of this Prospectus, the Company owns the machineries used in its production process, with varying economic lives or ages. The Company has performed inspection and valuation of its production facilities and confirmed that there is no indication of assets impairment and that all of its production facilities are functioning properly. With its current production facilities, the Company is able to produce approximately 2.5 billion cigarettes (SKM cigarettes) annually. In general, machineries are depreciated over four to eight years of economic life. Along with an increasing competition in the cigarette industry in Indonesia, the Company is facing a challenge to



be able to manufacture cigarettes more efficiently. The inability to rejuvenate production facilities may reduce the competitiveness of the Company in the industry and may adversely affect the Company business activities, financial conditions, business performance and business prospects.

14. Risk Related to Failure of Marketing Strategy

The Company planned a series of marketing strategy to market their products to its consumers. The Company is currently implementing marketing strategies using both above-the-line and below-the-line marketing in introducing new products or to increase sales of products that have been recognized by the market. As of 30 June 2012, promotion and advertising costs incurred by the Company were Rp11,241 million. There is no guarantee that the marketing strategy adopted by the Company can encourage people to consume and increase the sales of the Company's products. The failure of marketing strategy adopted by the Company may result in financial losses and may adversely affect the Company's business activities, financial condition, business performance and business prospects.

15. Risk Related to Disputes Among Shareholders

As of the date of this Prospectus, 67.89% of the shares of the Company are owned by individual Shareholders, some of which are also key management members of the Company. If there is conflict between the existing Shareholders in the future, it could disturb the Company's business, which may impact on the work patterns applied by the Company. Although there are currently no conflicts between the Shareholders, there is no guarantee that disputes will not occur in the future. Conflicts between the Shareholders may adversely affect the Company's business activities, financial condition, business performance and business prospects.

16. Risk Related to Disputes Over Labor Issues

The Company may be involved in labor disputes which could lead to demonstrations, strikes or any other labor disturbance, which may cause operational delays that could be detrimental for the Company's business activities, financial condition or business results. Although the Company is currently not involved in any labor disputes, labor disputes are common occurrence in Indonesia and the Company is not able to guarantee that such disputes will not happen in the future. In addition, the Company's competitors may be able to offer better remuneration for their employees compared to the Company. In such circumstances, labor retention issue and increase in labor costs may adversely affect the Company's business activities, comprehensive income, business results and business prospects.

17. Risk Related to Geological Disturbance as Indonesia is Located in an Area Susceptible to Earthquakes and Has A Geographical Risk Which May Create Social and Economic Loss

The Indonesian archipelago is located in one of the most active volcanic belt in the world, where significant seismic activities such as volcanic eruptions, earthquakes, tsunamis and tidal waves are frequent occurrence. In addition, within the past few years, Indonesia has experienced weather anomaly that caused floods in some parts of its regions.

Although such natural disasters do not significantly impact the economy, the Government has had to spend a significant budget for relief programs, which also involved the Government spending massive resources. Natural disasters often receive widespread public attention, especially from foreign governments and international aid agencies. However, such assistance may not continuously be available and may not be delivered to the victims in a timely manner. If the Government fails to deliver relief program properly and in a timely manner, it may cause political and social unrest in the country. On the other side, relief programs will put pressure to the national budget and could affect the country's ability to meet its debt servicing obligations. Statement of default or declaration of failure or a proposed moratorium to restructure debts, could trigger defaults on private sector borrowing, including the Company. This could adversely affect the Company's business activities, financial condition, business results and prospects.



Natural disasters in Indonesia may significantly affect the economy. Earthquakes or other disasters hitting major cities in Indonesia can deeply interfere with Indonesia's economy and lower investors' level of confidence to invest in Indonesia given uncertainty caused by natural disasters.

18. Risk Related to The Company's Long-term Business Activities in May Be Adversely Affected if The Company Cannot Obtain Necessary Business Licenses

In performing its business activities, GELORA obliged to follow the provisions in business licensing owned. As has been mentioned before, in addition to producing SKT and SKM, GELORA has also producing cigar for marketing to various regions in Indonesia. Since beginning of 2012 until the date of this prospectus, GELORA have of producing a cigar based on NPPBKC a cigar that have been acquired GELORA since may 2011 without any license industry that is appropriate for producing cigar.

With respect to industries a cigar that is currently done by GELORA, Ministry of Industry has implemented new policy which the company who want to do business activities industry cigars are obliged to work together with local partners which have gained permission industries to produce a cigar. As of date of this Prospectus, GELORA plans to do partnership with third parties that have license of cigar industry business in accordance with the applicable licensing requirements. Form of partnership that will be implemented by the Company is partnering with production by parties with permission of cigar production where raw materials and the production process is provided by the Company. The Company will evaluate various occasions to be able to run cigar business with its partners.

Thus, in event of inappropriate of business license, GELORA committed to as soon as possible get local partners who has cigar business license. When in fact, the Company may not find local partners in short time, then GELORA potentially losing income derived from sale of cigar.

B. BUSINESS RISKS ASSOCIATED WITH THE COMPANY'S SHARES

1. Indonesia's Equity Market may Affect the Market Price and Illiquidity of the Company's Shares

The Company will list the Offered Shares on the IDX. Currently, there is no market that previously trade the Company's shares. There is no assurance that market for that shares will be developed and will be liquid. The Indonesian capital market is relatively less liquid and may be more volatile than the capital markets in other countries. In addition, it has a different standardized reporting system compared with other capital markets in more developed countries.

The trading and payment in IDX may experience delays. There is no certainty that the holders of the Offered Shares will be able to sell their shares at the certain offer price or at a certain time, compared to doing so in a more liquid market, or being able to sell their shares at all.

Although the listing application of the Offered Shares has been approved, the listing of the Offered Shares at the IDX will not be performed until a maximum of three working days after the end of the allotment period. During that period, investors will be exposed to shares value movement without having the ability to sell the Offered Shares that they bought through the IDX.



2. Significant Fluctuations on the Prices of the Offered Shares

The price of Company's shares following the Initial Public Offering may fluctuate due to a number of factors, including:

- differences between the actual financial and operational performance of the Company as estimated by investors and analysts expectations;
- changes in recommendations or perceptions of the analysts over the Company's or Indonesia's investment climate;
- changes in the economic, political or market conditions of Indonesia;
- changes in the prices of shares of foreign companies (especially in Asia) and in developing countries;
- stock market price fluctuation;
- final verdicts of current or future litigation cases;
- sales of the Company's shares by its majority Shareholders; and
- the prospect of the cigarette industry and the Company's operations.

3. Disputes Between Controlling Shareholders and Shareholders of the Offered Shares

The Company's controlling Shareholders are allowed to have any other business interests besides the Company's main business, including other interests within Indonesia's tobacco industry. The controlling Shareholders may initiate action, which may or may not involve the Company, that can lead to business priority issue. In such circumstances, interests of the controlling Shareholders may adversely affect the Company's activities, financial condition, business results and prospects.

4. Diluted Ownership of Investors Participating in Limited Offering Which Might be Conducted by the Company in the Future

According to Rule No.IX.D.1, Annex to the Decree of the Chairman of Bapepam and LK No.Kep-26/PM/2003 dated 17 July 2003 regarding Rights Issue, a publicly listed company must offer its shareholders pre-emptive rights to order the Offered Shares in advance, in order to retain their respective shareholding percentages prior to the issuance of the New Shares.

In the event that the Company conducts a limited public offering or other similar offering, the Company will evaluate related potential costs and liabilities, and their ability to comply with the provisions and regulations outside of Indonesia, along with other relevant factors. Nevertheless, the Company can choose not to comply with the securities law in other jurisdictions and if the Company chooses to do so, where there is no exception regarding the registration statement, Shareholders in these jurisdiction could not participate in the limited public offering or other similar offering. Therefore, the non-participating Shareholders may experience dilution of their ownerships. As a result, the Company cannot provide assurance to investors that they will be able to maintain their respective shareholdings in the Company. Due to a limited number of public offerings in Indonesia, it is permissible for investors to participate in such offerings with a higher discount rate calculated from the last trading price and the inability to participate in such offerings may cause losses for the non-participating Shareholders.



5. Sales of the Company's Shares May Adversely Affect the Market Price of the Company's Shares

The sale of a substantial amount of shares in the public market in future, or the perception that such sale may occur, may adversely affect the Company's share price or its ability to acquire capital through additional equity public offering or equity-linked securities. The sale of shares on a substantial amount in the future, or the perception that such sale may occur, may result in a decrease of Company's shares price and undermines the process of capital increase of the Company.

6. The Company May Not be Able to Pay Dividends in the Future

The Company's ability to declare dividends with respects to the Offered Shares may depend on the Company's financial performance in the future, which is also dependent on the success of the Company's growth strategy implementation, competition, regulatory, technical, environmental and any other factors. In general, demand of the Company's cigarettes may be influenced by the selling price and other drivers, such as consumer preference, regulatory issues and competitors' products, some of which are beyond the Company's control.

7. The Net Assets Value Per Share of the Offered Shares May Be Significantly Lower than the Offering Price, Thus Reflecting Substantial Decline Over the Investor's Investment Value

The Offer Price is substantially higher than the net asset value per share of the outstanding shares issued to the existing Shareholders of the Company. Therefore, investors of the Offered Shares may experience a substantial decline in the value of their shares and the Company's existing Shareholders may experience a significant increase in the net asset value per share of the shares they owned.

8. Regulations Under Indonesian Jurisdiction May Set Limitation to Company Takeovers

Based on Bapepam and LK regulations, in the event of any change in the control of a public company in Indonesia, the new controlling party must implement a mandatory tender offer for the remaining shares of the public company (in this case, the shares is owned by public shareholders and excluding shares owned by majority shareholders, as well as other controlling shareholders, if any).

According to Rule No.IX.H.1, Annex Decree of the Chairman of the Bapepam and LK No. Kep-264/BL/2011 dated 31 May 2011 regarding Public Company Takeovers, the takeover of a public company's shares is defined as a direct or indirect action that change the controlling party of such public company. The controlling party of the public company is defined as a party that:

- a. has more than 50% of the paid-up capital of the public company; or
- b. can determine, through any means and whether directly or indirectly, the public company's management and/or discretion.

Furthermore, to ensure that the public continues to have at least 20% of the public company's shares, the new controlling party is required to divest its ownership in the public companies to at least 300 parties within a two year period after the mandatory tender offer. As a result of the mandatory tender offer, the controlling party should have no more than 80% of the paid-up capital of the public company.

If, as a result of a takeover, the new controlling party has more than 80% of the paid-up capital of the public company, then the controlling party must continue to perform the mandatory tender offer, although there is still the obligation to divest some of the obtained shares from that mandatory tender offer to at least 300 parties within a two year period after the completion of the mandatory tender offer.



Despite that the provisions regarding takeovers are intended to protect the Shareholders' interest by requiring the new controlling party to buy shares from the public Shareholders on equal terms with the takeover, such provisions, on the other hand, can inhibit or prevent such transactions. The Shareholders may suffer loss as the transaction actually allows the sale of such shares at a price above the market price of the shares.

THE COMPANY'S MANAGEMENT HEREBY REPRESENT THAT THE COMPANY HAS DISCLOSED ALL MATERIAL BUSINESS RISKS BASED UPON THE LEVEL OF SUCH RISKS AGAINST THE COMPANY'S KEY BUSINESS OPERATIONS AND FINANCIAL CONDITION.



VII. MATERIAL EVENTS AND TRANSACTIONS OCCURRING SUBSEQUENT TO THE INDEPENDENT AUDITOR'S REPORT

There is no important event that has a material impact on the financial condition and profit of the Company that occurred after the date of the Independent Auditor's report of 2 November 2012 on the financial statements for the six months ended 30 June 2012 as audited by the Public Accountants Gani Mulyadi & Handayani (member of Grant Thornton International Ltd.), with an unqualified opinion, that needs to be disclosed in this Prospectus.



VIII. DESCRIPTION OF THE COMPANY

A. BRIEF HISTORY OF THE COMPANY

The Company is a limited liability company established by virtue of the laws and regulations prevailing in the Republic of Indonesia and is domiciled in Surabaya.

The Company was established in 1994 under the name of PT Wismilak Inti Makmur, a limited liability company domiciled in Surabaya, under Deed of Incorporation No. 22 dated 14 December 1994, prepared before Bagjo Atmadja, SH., Notary in Sidoarjo, which deed received formalization from the Ministry of Justice of the Republic of Indonesia by virtue of Decree No. C2-18.481 HT.01.01.Th.94. dated 19 December 1994, and registered in the ledger of the Surabaya District Court Registrar's Office under No.2736/1994 on 21 December 1994, and announced in the State Gazette of the Republic of Indonesia No. 4 dated 13 January 1995, Supplemental State Gazette No. 339 ("**Company Deed of Incorporation**").

The Company's field of business as described in its Articles of Association are as follows:

- a. manage and operate industrial business activities, particularly the manufacturing of cigarettes flavour and the related paraphernalia, such as filters for regular/mild cigarettes;
- b. undertake business in marketing and sale of cigarette flavorings and other equipment, among others the fabrication of regular/mild cigarette filters, in accordance the applicable regulations; and
- c. participate in shareholding in other companies carrying on business activities related to the Company's business operations.

At the time of its establishment, the Company's aim and objective was to establish and operate a business in the cigarette manufacturing and printing industries using materials available domestically and those imported from overseas by the Company as an importing producer, market its products on the domestic and/or international markets and run a general trading business, including local trading, inter-island trading, imports and exports, leveraging, wholesale trading, distribution and agency activities, whether for its own account or at the risk and profit/loss of third parties.

The Company has three Subsidiaries, GELORA, GAWIH and GALAN, which financial statements are consolidated with the Company. As of the date of this Prospectus, The Company's core business are producing cigarette filters and participating in its Subsidiaries' core business, which is also related to the Company's core business. GELORA produces all of the Company's cigarette brands, while GAWIH conducts marketing and distributes the Company's cigarettes. GALAN also has permit to produce cigarette, but as of the date of this Prospectus , GALAN is a non-active entity.



The table below lists the material licenses obtained by the Company and its Subsidiaries in order to carry out its business activities in the production and trade of cigarette filters and cigarettes:

No.	License	Issuing Authority	Validity Period
Company			
	Major Trade Business License ("SIUP") No. 503/3733.A/436.6.11/2012 dated 18 April 2012	Head of the Surabaya Trade and Industry Office	For as long as the Company carries on its business, but must be reregistered on 18 July 2015
	Capital Investment Principal License No. 190/1/IP/I/PMA/2012 dated 22 March 2012	Head of the Capital Investment Coordinating Agency	Until the Company obtains a Permanent Business License
	Industrial Business License (Without Principle Approval Stage) No. 535/926.G/436.5.9/2006 dated 8 February 2006	Head of the Surabaya Industry, Trade and Capital Investment Office	For as long as the Company carries on its business
	Industry Business Expansion License Without Principle Approval Stage No. P2T/053/IUI/118-03/2011 dated 6 January 2011	Head of the Capital Investment Unit, Integrated Licensing Services	For as long as the Company carries on its business
GELORA			
	Major Trade Industry SIUP Number 503/3368.A/436.6.11/2011 dated 6 April 2011	Head of the Trade and Industry Office, Kota Surabaya	For as long as GELORA carries on its business, but must be reregistered on 12 June 2016
	Industrial Trade Permanent License No. 184/DJAI/IUT-1/PMDN/VI/1992 dated 18 June 1992	Ministry of Industry	For as long as GELORA carries on its business
	Industry Expansion License No. 530/20/Kpts/102.04/VIII/2008 dated 19 August 2008	Head of Industry and Trade Office of East Java Province	For as long as GELORA carries on its business
	Industry Business License No. 536/745/412.39/2007 dated 7 June 2007	Head of Industry and Trade Office, Bojonegoro Regency	For five years since GELORA commenced its operations
	API-P No. 133705210-B dated 26 January 2011	Head of the Capital Investment Coordinating Agency	For as long as GELORA carries on its business and must be reregistered after five years from 26 January 2011
	Cigarette Rolling Machine Registration Certificate ("SRMPS") No. 535.1/151.78.019/SRMPS/118-01/2009 dated 17 November 2009	Head of Surabaya Industry and Trade Office	Up to 17 November 2014
	SRMPS No. 535.1/151.78.234/SRMPS/118-01/2010 dated 10 December 2010	Head of Surabaya Industry and Trade Office	Up to 10 December 2015
	SRMPS No. 535.1/151.78.015/SRMPS/118-01/2009 dated 17 November 2009	Head of Surabaya Industry and Trade Office	Up to 17 November 2014.
	SRMPS No. 535.1/151.78.016/SRMPS/118-01/2009 dated 17 November 2009	Head of Surabaya Industry and Trade Office	Up to 17 November 2014.
	SRMPS No. 535.1/151.78.018/SRMPS/118-01/2009 dated 17 November 2009	Head of Surabaya Industry and Trade Office	Up to 17 November 2014.
	SRMPS No. 535.1/151.78.017/SRMPS/118-01/2009 dated 17 November 2009	Head of Surabaya Industry and Trade Office	Up to 17 November 2014.
	Industry Business Expansion License Without Principle Approval No. P2T/06/16.02/02/XI/2012 dated 19 November 2012	Head of the East Java Capital Investment Coordinating Agency on behalf of East Java Governor	For as long as GELORA carries on its business
GAWIH			
	Medium SIUP No. 503/6314A/436.6.11/2010 dated 19 August 2010	Head of Surabaya Industry and Trade Office	For as long as GAWIH carries on its business, but must be reregistered on 27 July 2015
	TDP No. 13.01.1.51.11482 dated 11 June 2008	Head of the Surabaya Trade, Industry and Capital Investment Office	Up to 28 December 2013



As discussed in the previous sections, the Company's products comprise of SKT cigarettes, SKM cigarettes and cigars. However, the cigarette business license owned by GELORA applies only to the production of SKT and SKM cigarettes. GELORA has received cigar's NPPBKC since May 2011, and has been producing cigar without cigar's business license since early 2012.

As of the date of this Prospectus, GELORA plans to enter into partnerships with other third parties who have cigar business license as required by existing regulation. The form of this partnership can be done by the Company through an alliance with the third party where raw material and business process will be provided by the Company. The management, from time to time, will evaluate opportunities in running the cigar business through partnership. Therefore, GELORA is committed to get local partnership that has cigar business license as soon as possible since GELORA has inappropriate industry license.

Since its incorporation and up to the date of issuance of this Prospectus, the Company's Articles of Association as set forth in its Deed of Incorporation has been amended several times as affirmed by the following deeds:

1. Deed of Minutes No. 12 dated 31 May 1996, drawn up before Hasyim Ghamry, S.H., substituting for Bagio Atmadja, S.H., Notary in Sidoarjo ("**Deed No. 12/1996**"), as amended by the Deed of Amendment No. 6 dated 13 September 1997, drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo ("**Deed No. 6/1997**") and amended through the Deed of Minutes No. 2 dated 2 March 1998 drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo ("**Deed No. 2/1998**"), which has received approval from the Ministry of Law and Human Rights by virtue of the Ministerial Decree No. C-7608. HT.01.04.Th.2000 dated 29 March 2000, and entered into the Company Registry at the Company Registry Office of Surabaya under No. 2068/BH.13.01/July/2000 on 28 July 2000 and announced in State Gazette No. 10 dated 2 February 2001, Supplemental State Gazette No. 725. Pursuant to Deed No. 12/1996, Deed No. 6/1997 and Deed No. 2/1998, the Company's shareholders approved, among others, the following:
 - a. increase of the Company's authorized capital from Rp27,000,000,000 divided into 54,000 shares, each with a nominal value of Rp500,000, to become Rp81,000,000,000 divided into 81,000,000 shares, each with a nominal value of Rp1,000;
 - b. increase of the Company's issued and paid-up capital from Rp6,750,000,000 to become Rp21,600,000,000;
 - c. amendment of the provisions of the Company's Articles of Association in order to conform with Law No. 1 of 1995 regarding Limited Liability Company.
2. Deed of Meeting Resolution No. 40 dated 19 April 2001 ("**Deed No. 40/2001**"), as amended by Deed of Meeting Resolution No. 57 dated 31 May 2001 ("**Deed No. 57/2001**"), both drawn up before Tirtawardojo, S.H., Notary in Surabaya, which has received approval from the Ministry of Law and Human Rights by virtue of the Ministerial Decree No. C-14108 HT.01.04.TH.2001 dated 26 November 2001, and entered into the Company Registry at the Corporate Registry Office of Surabaya on 10 December 2001 under No. 2068/BR.13.01/December 2001, and announced in State Gazette No. 44 dated 31 May 2002, Supplemental State Gazette No. 5360. Pursuant to Deed No. 40/2001 and Deed No. 57/2001, the Company's shareholders approved, among others, the following:
 - a. increase of the Company's authorized capital from Rp81,000,000,000 divided into 81,000,000 shares, each with a nominal value of Rp1,000 to become Rp405,000,000,000 divided into 405,000,000 shares;
 - b. increase of the Company's issued and paid-up capital from Rp21,600,000,000, divided into 102,600,000.000 shares;
 - c. amendment of the provisions of the Company's Articles of Association with respect to the Company's aims and objectives and business operations becomes the following:
 - (i) The Company's aims and objectives are to conduct a business in:
 - Industrial
 - Trading
 - Services



- (ii) The Company's core business are :
- conducting business in incorporating and managing cigarette raw material supporting industry and printed goods such as local trading or inter-island trading, import and export, supplier/partnership, wholesaler, distributor and agency.
 - conducting those businesses with local and imported raw material and market its product in domestic and international market.
 - conducting business in services industry, expect legal services and tourism activity.
3. Deed of Minutes No. 8 dated 15 August 2008, drawn up before Nursetiani Budi, S.H., Notary in Sidoarjo ("**Deed No. 8/2008**"), which has received approval from the Ministry of Law and Human Rights by virtue of Decree No. AHU-64656.AH.01.02.Tahun 2008 dated 17 September 2008, and entered into the Company Registry of the Corporate Registry Office of Surabaya under No. 1168/BH.13.01/XI/2008 dated 6 November 2008, and announced in State Gazette No. 15 dated 20 February 2009, Supplemental State Gazette 5275. Pursuant to Deed No. 8/2008, the Company's shareholders approved, among others, the following:
- a. amendment to the entire provisions of the Company's Articles of Association to conform with the requirements under Limited Liability Company Law;
 - b. amendment of the aim and objectives and business operations of the Company becomes the following:
 - (i) The Company's aims and objectives are to conduct a business in:
 - Industrial
 - Trading
 - Printing
 - (ii) The Company's business activity are :
 - Industrial :
 - a. Tobacco processing industry;
 - b. Tobacco sorting industry;
 - c. Printed plate industry;
 - d. Cigarette industry.
 - Trading :
 - a. Conducting businesses in trading particularly cigarette and printed goods
 - b. Distributor, agent and representative of companies
 - c. Export and import
 - d. Wholesaler, supplier, leveransier, and Commission House
 - Printing:
 - a. Design and graphic
 - b. Offset
 - c. Document printing

Based on Deed No. 8/2008, the Company's shareholders approved the amendment of Company's aims and objectives as well as its core business is to accommodate business activity expansion which might be conducted in the future, such as tobacco processing and sorting industry..

4. Deed of Meeting Resolution No. 64 dated 25 November 2011 ("**Deed No. 64/2011**") as affirmed by Deed No. 65 dated 25 November 2011 ("**Deed No. 65/2011**") as reaffirmed by Deed of Meeting Resolution Affirmation No. 55 dated 14 March 2012 ("**Deed No. 55/2012**") and as most currently affirmed by Deed of Meeting Resolution Affirmation No. 24 dated 10 May 2012 ("**Deed No. 24**"), all of which were drawn up before Sonya Natalia, S.H., Notary in Surabaya and reported to the Ministry of Law and Human Rights as evidenced by Ministerial Letter of Acknowledgement of Notification No. AHU-AH.01.10-19750 dated 1 June 2012, and entered into the Company Registry under No. AHU-0049386.AH.01.09.Tahun 2012 on 1 June 2012. Pursuant to these four deeds, the Company's Shareholders agreed to increase the Company's paid-up and issued capital using funds from the Company's retained earnings that were capitalized into issued and paid-up capital, increasing the capital from Rp102,600,000,000 to Rp146,911,176,000.



5. Deed of Meeting Resolution No. 10 dated 7 June 2012 drawn up before Stephanus Raden Agus Purwanto, S.H., Notary in Surabaya (“**Deed No. 10/2012**”), which has received approval from the Ministry of Law and Human Rights by virtue of Decree No. AHU-35520.AH.01.02.Tahun 2012 dated 29 June 2012 and entered into the Company Registry under No. AHU-0059223.AH.01.09.Tahun 2012 on 29 June 2012. Pursuant to Deed No. 10/2012, the Company’s Shareholders agreed to amend the entire provisions of the Company’s Articles of Association to conform with the relevant regulatory provisions relating to capital investment.
6. Deed of Shareholders Meeting Resolution No. 24 dated 10 September 2012 drawn up before Yulia, S.H., Notary in South Jakarta (“**Deed No. 24/2012**”), which has received the approval of the Ministry of Law and Human Rights by virtue of Decree No. AHU-48327.AH.01.02.Tahun 2012 dated 11 September 2012 and entered into the Company Registry under Number AHU-0081584.AH.01.09. Tahun 2012 dated 11 September 2012 in pursuant to Deed of Shareholders Meeting Resolution No. 7 dated 5 October 2012 drawn up before Yulia, S.H., Notary in South Jakarta (“**Deed No. 7/2012**”). Based on Deed No. 24/2012 and in pursuant to Deed No. 7/2012, the Company’s shareholders approved, among others, the following:
 - a. change in the nominal value of the Company’s shares from Rp1,000 to become Rp100 per share;
 - b. the Company’s plan to conduct a Public Offering;
 - c. the Company’s plan to list all of its shares, both its New Shares and the existing shares held by its shareholders, on the IDX;
 - d. change of the Company’s status to become a public company; and
 - e. Employee Stock Allocation approval
 - f. the affirmation and restatement of the entire provisions of the Company’s Articles of Association to conform with the requirements relating to the articles of association of public companies as set forth under Rule No. IX.J.1.
7. Based on Deed No. 24/2012, Company's shareholders has approved the amendment of Company's aims and objectives as well as its business activity to be adjusted with Articles of Association for public company as regulated in Rule No. IX.J.1:
 - i. Core Business:
 - a. Conduct manufacturing business, particularly cigarette flavour industry and cigarette ancillary product such as regular/mild cigarette filter manufacturing.
 - b. Conduct a marketing and the selling of cigarette flavour product and cigarette ancillary product which amongst them are manufacturing regular/mild cigarette filter in accordance to prevailing law; and
 - c. direct investing in other companies engaged in the similar business activities.
 - ii. Supporting business activities:
 conduct a service business by creating a plan and design for development of business management specifically cigarette flavour business and other cigarette ancillary.

B. CAPITAL GROWTH AND SHAREHOLDING OF THE COMPANIES

1994 (incorporation) and 1995

Pursuant to the Deed of Incorporation, the Company’s capital structure at the time of its establishment was as follows:

Description	Number of Shares (units) @ Rp500.000	Nominal Value (Rp)	%
Authorized Capital	54,000	27,000,000,000	
Issued and Paid-up Capital			
1. Rosalina Ali	4,725	2,362,500,000	35.00
2. Nancy Handojo	675	337,500,000	5.00
3. Indahtati Widjajadi	1,260	630,000,000	9.30
4. Budiono Widjajadi	3,465	1,732,500,000	25.70
5. Sugito Winarko	2,025	1,012,500,000	15.00
6. Gunarwan Winarko	360	180,000,000	2.70
7. Gunarwan Winarko, Dipoyono Winarko, Saraswati Winarko, Sudarmo Winarko, Gitawati Winarko, jointly	990	495,000,000	7.30
Total Issued and Paid-up Capital	13,500	6,750,000,000	100.00
Total Shares in Portfolio	40,500	20,250,000,000	



Pursuant to the Deed of Incorporation, payment of capital by the founding shareholders of the Company was made by way of *inbrenng* (in kind) for each of the shareholder's ownership in GELORA, GAWIH and/or PT Putri Gelora Jaya.

Further, pursuant to the Deed of Separation and Distribution No. 7 dated 18 January 1995 drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo, the distribution of the 990 shares owned by Gunarwan Winarko, Dipoyono Winarko, Saraswati Winarko, Sudarmo Winarko and Gitawati Winarko acquired from the inherited estate of the late Satyawati Suganda conferred 198 shares of the Company to each of such persons. Following the separation and distribution of the 990 shares, Saraswati Winarko and Sudarmo Winarko transferred all of their shares in the Company to Gunarwan Winarko and Gitawati Winarko by virtue of the Deed of Share Transfer No. 8 dated 18 January 1995 and Deed of Share Transfer No. 9 dated 18 January 1995, both of which were drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo, and were given approval by the GMS as set forth in the Minutes of Meeting dated 18 January 1995.

1998

Pursuant to Deed No. 12/1996, as amended by Deed No. 6/1997 and further amended by Deed of Minutes No. 2/1998, the Shareholders of the Company approved, among others:

- a. increase of the Company's authorized capital from Rp27,000,000,000, divided into 54,000 shares with a nominal value of Rp500,000 per share, to become Rp81,000,000,000 divided into 81,000,000 shares with a nominal value of Rp1,000 per share; and
- b. increase of the Company's issued and paid-up capital from Rp6,750,000,000 to become Rp21,600,000,000.

The increase in the Company's issued and paid-up capital was conducted by the Shareholders through cash deposit.

As a consequence of such increases, the Company's capital structure became as follows:

Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	81,000,000	81,000,000,000	
Issued and Paid-up Capital			
1. Rosalina Ali	7,560,000	7,560,000,000	35.00
2. Nancy Handojo	1,080,000	1,080,000,000	5.00
3. Indahtati Widjajadi	2,015,280	2,015,280,000	9.30
4. Budiono Widjajadi	5,544,720	5,544,720,000	25.70
5. Sugito Winarko	3,240,000	3,240,000,000	15.00
6. Gunarwan Winarko	1,209,600	1,209,600,000	5.60
7. Dipoyono Winarko	317,520	317,520,000	1.50
8. Gitawati Winarko	632,880	632,880,000	2.90
Total Issued and Paid-up Capital	21,600,000	21,600,000,000	100.00
Total Shares in Portfolio	59,400,000	59,400,000,000	

1999

Pursuant to the Deed of Separation and Distribution No. 53 dated 30 September 1999 drawn up before Tirtawardojo, S.H., Notary in Surabaya, a split and distribution of the shares held by Budiono Widjajadi was effected due to the bequeathing of such shares to Gaby Widjajadi of 4,158,540 shares and to Indahtati Widjajadi of 1,386,180 shares. With the bequeathing of such shares, the Company's capital structure became as follows:



Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	81,000,000	81,000,000,000	
Issued and Paid-up Capital			
1. Rosalina Ali	7,560,000	7,560,000,000	35.00
2. Nancy Handojo	1,080,000	1,080,000,000	5.00
3. Indahtati Widjajadi	3,401,460	3,401,460,000	15.75
4. Gaby Widjajadi	4,158,540	4,158,540,000	19.25
6. Sugito Winarko	3,240,000	3,240,000,000	15.00
6. Gunarwan Winarko	1,209,600	1,209,600,000	5.60
7. Dipoyono Winarko	317,520	317,520,000	1.50
8. Gitawati Winarko	632,880	632,880,000	2.90
Total Issued and Paid-up Capital	21,600,000	21,600,000,000	100.00
Total Shares in Portfolio	59,400,000	59,400,000,000	

2001

Pursuant to Deed No. 40/2001, as amended by Deed No. 57/2001, the Shareholders of the Company approved, among others, the following:

- the increase of the Company's authorized capital from Rp81,000,000,000, divided into 81,000,000 shares with a nominal value of Rp1,000 per share, to become Rp405,000,000,000 divided into 405,000,000 shares; and
- the increase of the Company's issued and paid-up capital from Rp21,600,000,000 to become Rp102,600,000,000.

The increase in Company's issued and paid-up capital was conducted by the Shareholders through cash deposit.

With the increase of the issued and paid-up capital of the Company, the Company's capital structure became as follows:

Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	15,390,000	15,390,000,000	15.00
2. Rosalina Ali	35,910,000	35,910,000,000	35.00
3. Nancy Handojo	5,130,000	5,130,000,000	5.00
4. Indahtati Widjajadi	16,156,935	16,156,935,000	15.75
5. Gaby Widjajadi	19,753,065	19,753,065,000	19.25
6. Gunarwan Winarko	5,745,600	5,745,600,000	5.60
7. Dipoyono Winarko	1,508,220	1,508,220,000	1.50
8. Gitawati Winarko	3,006,180	3,006,180,000	2.90
Total Issued and Paid-up Capital	102,600,000	102,600,000,000	100.00
Total Shares in Portfolio	302,400,000	302,400,000,000	

2007

Pursuant to a Deed of Sale Agreement No. 27 dated 25 October 2007 as reaffirmed by virtue of Deed of Share Sale Reaffirmation Agreement No. 139 dated 7 August 2012 and Deed of Share Sale Reaffirmation Agreement No. 140 dated 7 August 2012, a transfer of 3,149,820 shares occurred from Gunarwan Winarko to Gitawati Winarko, and a transfer of 543,780 shares occurred from Gunarwan Winarko to Dipoyono Winarko. Upon the occurrence of such transfers, the Company's capital structure became as follows:



Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	15,390,000	15,390,000,000	15.00
2. Rosalina Ali	35,910,000	35,910,000,000	35.00
3. Indahtati Widjajadi	16,156,935	16,156,935,000	15.75
4. Nancy Handojo	5,130,000	5,130,000,000	5.00
5. Gaby Widjajadi	19,753,065	19,753,065,000	19.25
6. Gunarwan Winarko	2,052,000	2,052,000,000	2.00
7. Dipoyono Winarko	2,052,000	2,052,000,000	2.00
8. Gitawati Winarko	6,156,000	6,156,000,000	6.00
Total Issued and Paid-up Capital	102,600,000	102,600,000,000	100.00
Total Shares in Portfolio	302,400,000	302,400,000,000	

Further, pursuant to a Deed of Separation and Distribution No. 3 dated 9 November 2007 drawn up before Nursetiani Budi S.H., Notary in Sidoarjo, a separation and distribution occurred to the shares held by Rosalina Ali due to the bequeathing of such shares to Ronald Walla of 17,955,000 shares and to Stephen Walla of 17,955,000, as stated by the Shareholders in a Deed of Meeting Resolution No. 1 dated 3 January 2008, drawn up before Nursetiani Budi S.H., Notary in Sidoarjo ("**Deed No. 1/2008**"), and reported to the Ministry of Law and Human Rights by virtue of Letter of Notification No. AHU-AH.01.10-5473 dated 10 March 2008 and entered into the Company Registry under No. AHU-0016804.AH.01.09.Tahun 2008 on 10 March 2008 and under Number 1457/RU6IX/VII/2008 on 10 March 2008. As a result of such bequeathing, the Company's capital structure became as follows:

Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	15,390,000	15,390,000,000	15.00
2. Ronald Walla	17,955,000	17,955,000,000	17.50
3. Stephen Walla	17,955,000	17,955,000,000	17.50
4. Indahtati Widjajadi	16,156,935	16,156,935,000	15.70
5. Nancy Handojo	5,130,000	5,130,000,000	5.00
6. Gaby Widjajadi	19,753,065	19,753,065,000	19.30
7. Gunarwan Winarko	2,052,000	2,052,000,000	2.00
8. Dipoyono Winarko	2,052,000	2,052,000,000	2.00
9. Gitawati Winarko	6,156,000	6,156,000,000	6.00
Total Issued and Paid-up Capital	102,600,000	102,600,000,000	100.00
Total Shares in Portfolio	302,400,000	302,400,000,000	

2009

Pursuant to a Deed of Share Sale Agreement No. 25 dated 15 May 2009, drawn up before J. Andy Hartanto, S.H., M.H., Notary in Surabaya, Nancy Handojo sold and transferred her shares to Ronald Walla, comprising of 2,565,000 shares in the Company. Further, pursuant to Deed of Share Sale Agreement No. 26 dated 15 May 2009, drawn up before J. Andy Hartanto, S.H., M.H., Notary in Surabaya, Nancy Handojo sold and transferred her shares to Stephen Walla of of 2,565,000 shares in the Company. Both of these deeds have been approved by the Company's Shareholders through the Deed of Meeting Resolution No. 27 dated 15 May 2009 drawn up before J. Andy Hartanto, S.H., M.H., Notary in Surabaya ("**Deed No. 27/2009**"), and reported to the Ministry of Law and Human Rights by virtue of Letter of Notification No. AHU-AH.01.10-07249 dated 5 June 2009 and entered into the Company Registry under No. AHU-0031761.AH.01.09.Tahun2009 dated 5 June 2009. Thus the Company's capital structure became as follows:



Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	15,390,000	15,390,000,000	15.00
2. Ronald Walla	20,520,000	20,520,000,000	20.00
3. Stephen Walla	20,520,000	20,520,000,000	20.00
4. Indahtati Widjajadi	16,156,935	16,156,935,000	15.75
5. Gaby Widjajadi	19,753,065	19,753,065,000	19.25
6. Gunarwan Winarko	2,052,000	2,052,000,000	2.00
7. Dipoyono Winarko	2,052,000	2,052,000,000	2.00
8. Gitawati Winarko	6,156,000	6,156,000,000	6.00
Total Issued and Paid-up Capital	102,600,000	102,600,000,000	100.00
Total Shares in Portfolio	302,400,000	302,400,000,000	

2011

Pursuant to Deed No. 64/2011, as affirmed through Deed No. 65/2011 and reaffirmed through Deed No. 55/2012 and most currently affirmed through Deed No. 24, the Company's Shareholders agreed to increase the Company's issued and paid-up capital using funds derived from the Company's retained earnings that were capitalized into the issued and paid-up capital of the Company, thus increasing the capital of the Company from Rp102,600,000,000 to become Rp146,991,176,000. As a consequence of such capital increase, the Company's capital structure became as follows:

Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405.000.000	405.000.000.000	
Issued and Paid-up Capital			
1. Sugito Winarko	22,048,676	22,048,676,000	15.00
2. Ronald Walla	29,398,235	29,398,235,000	20.00
3. Stephen Walla	29,398,235	29,398,235,000	20.00
4. Indahtati Widjajadi	23,147,435	23,147,435,000	15.7
5. Gaby Widjajadi	28,299,476	28,299,476,000	19.3
6. Gunarwan Winarko	2,939,824	2,939,824,000	2.00
7. Dipoyono Winarko	2,939,824	2,939,824,000	2.00
8. Gitawati Winarko	8,819,471	8,819,471,000	6.00
Total Issued and Paid-up Capital	146,991,176	146,991,176,000	100.00
Total Shares in Portfolio	258,008,824	258,008,824,000	

Further, pursuant to Deed of Meeting Resolution No. 13 dated 30 November 2011 drawn up before Stephanus R. Agus Purwanto, S.H., Notary in Surabaya, the Shareholders approved the transfer of shares from Gitawati Winarko to the other shareholders, the details of which were as follows:

- a. 599,964 shares transferred to Stephen Walla under Deed of Share Sale and Purchase Agreement No.14 dated 30 November 2011;
- b. 577,465 shares transferred to Gaby Widjajadi under Deed of Share Sale and Purchase Agreement No.15 dated 30 November 2011;
- c. 472,472 shares transferred to Indahtati Widjajadi under Deed of Share Sale and Purchase Agreement No. 16 dated 30 November 2011;
- d. 449,973 shares transferred to Sugito Winarko under Deed of Share Sale and Purchase Agreement No. 17 dated 30 November 2011;
- e. 59,996 shares transferred to Gunarwan Winarko under Deed of Share Sale and Purchase Agreement No. 18 dated 30 November 2011;
- f. 59,996 shares transferred to Dipoyono Winarko under Deed of Share Sale and Purchase Agreement No. 19 dated 30 November 2011; dan
- g. 599,964 shares transferred to Ronald Walla under Deed of Share Sale and Purchase Agreement No.20 dated 30 November 2011,



all of which were drawn up before Stephanus R. Agus Purwanto, S.H., Notary in Surabaya. As a consequence of such transfers, the Company's capital structure became as follows:

Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	22,498,649	22,498,649,000	15.30
2. Ronald Walla	29,998,199	29,998,199,000	20.41
3. Stephen Walla	29,998,199	29,998,199,000	20.41
4. Indahtati Widjajadi	23,619,907	23,619,907,000	16.07
5. Gaby Widjajadi	28,876,941	28,876,941,000	19.65
6. Gunarwan Winarko	2,999,820	2,999,820,000	2.04
7. Dipoyono Winarko	2,999,820	2,999,820,000	2.04
8. Gitawati Winarko	5,999,641	5,999,641,000	4.08
Total Issued and Paid-up Capital	146,991,176	146,991,176,000	100.00
Total Shares in Portfolio	258,008,824	258,008,824,000	

2012

Following the transfer of shares from Gitawati Winarko as elaborated in the previous section, pursuant to Deed of Meeting Resolution No. 67 dated 25 November 2011 drawn up before Sonya Natalia, S.H., Notary in Surabaya, as affirmed through Deed of Affirmation No. 8 dated 26 May 2012 drawn up before Stephanus Raden Agus Purwanto, S.H., Notary in Surabaya. and as most currently reaffirmed through Deed No. 10/2012, which have been reported to the Ministry of Law and Human Rights by virtue of Letter of Notification No.AHU-AH.01.10-28698 dated 3 August 2012, and entered into the Company Registry under Number AHU-0070851.AH.01.09.Tahun 2012 on 3 August 2012, the shareholders agreed to the transfer of a portion of the Company's shares to Central Tower, namely shares held by:

- Ronald Walla, of 9,633,022 shares through Deed of Share Sale and Purchase Agreement No. 23 dated 16 June 2012;
- Stephen Walla, of 9,633,022 shares through Deed of Share Sale and Purchase Agreement No. 24 dated 16 June 2012;
- Gaby Widjajadi, of 9,272,963 shares through Deed of Share Sale and Purchase Agreement No. 17 dated 16 June 2012;
- Indahtati Widjajadi, of 7,584,825 shares through Deed of Share Sale and Purchase Agreement No. 18 dated 16 June 2012;
- Sugito Winarko, of 7,224,766 shares through Deed of Share Sale and Purchase Agreement No. 19 dated 16 June 2012;
- Gitawati Winarko, of 1,926,605 shares through Deed of Share Sale and Purchase Agreement No. 20 dated 16 June 2012;
- Gunarwan Winarko, of 963,302 shares through Deed of Share No. 21 dated 16 June 2012; dan
- Dipoyono Winarko, of 963,302 shares through Deed of Share Sale and Purchase Agreement No. 22 dated 16 June 2012,

all of which were drawn up before Stephanus Raden Agus Purwanto, S.H., Notary in Surabaya. As a consequence of such transfers, the Company's capital structure became as follow:

Description	Number of Shares (unit) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	405,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	15,273,883	15,273,883,000	10.39
2. Ronald Walla	20,365,177	20,365,177,000	13.85
3. Stephen Walla	20,365,177	20,365,177,000	13.85
4. Indahtati Widjajadi	16,035,082	16,035,082,000	10.91
5. Gaby Widjajadi	19,603,978	19,603,978,000	13.34
6. Gunarwan Winarko	2,036,518	2,036,518,000	1.39
7. Dipoyono Winarko	2,036,518	2,036,518,000	1.39
8. Gitawati Winarko	4,073,036	4,073,036,000	2.77
9. Central Tower Capital Pte. Ltd.	47,201,807	47,201,807,000	32.11
Total Issued and Paid-up Capital	146,991,176	146,991,176,000	100.00
Total Shares in Portfolio	258,008,824	258,008,824,000	



Except for Central Tower, the shareholders mentioned above received new shares of the Company from sale and purchase agreements among shareholders, and also from the retained earnings capitalization with a nominal value of Rp1,000 per share in May 2012. While Central Tower received shares from other shareholders after such capitalization. The Company's shares issued after capitalization will give equal rights to the holders with the existing Shareholders holding the Company's issued and paid-up shares, including rights to dividend distribution and voting rights.

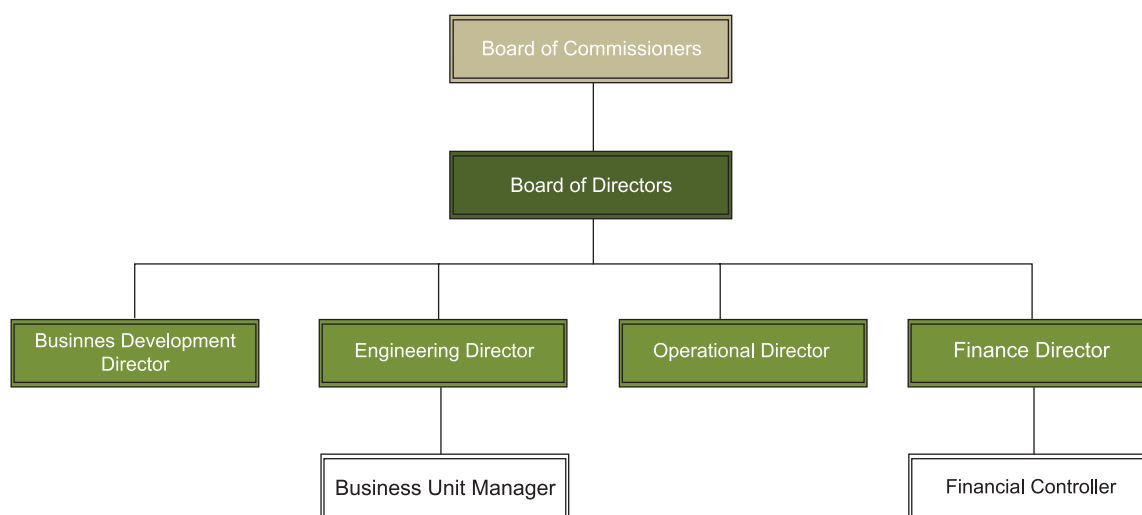
Pursuant to Deed No. 24/2012, the Shareholders of the Company agreed to amend the nominal value of the shares from Rp1,000 per share to become Rp100 per share, thus the capital structure and shareholding composition became as follows:

Description	Number of Shares (unit) @ Rp100	Nominal Value (Rp)	%
Authorized Capital	4,050,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	152,738,830	15,273,883,000	10.39
2. Ronald Walla	203,651,770	20,365,177,000	13.85
3. Stephen Walla	203,651,770	20,365,177,000	13.85
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00
Total Shares in Portfolio	2,580,088,240	258,008,824,000	

C. STRUCTURE OF THE COMPANY'S ORGANIZATION

The following diagram shows the Company's structure of organization as of the date of the issuance of this Prospectus.

PT WISMILAK INTI MAKMUR TBK



Source: Company



D. MANAGEMENT AND SUPERVISION OF THE COMPANY

The composition of the Board of Commissioners and Board of Directors of the Company as of the date of the issuance of this Prospectus is set forth in Deed No. 7/2012 and was as follows:

Board of Commissioners

President Commissioner	: Willy Walla
Commissioner	: Indahtati Widjajadi
Independent Commissioner	: Edy Sugito

Board of Directors

President Director	: Ronald Walla
Director	: Trisnawati Trisnajuwana
Director	: Sugito Winarko
Director	: Lucas Firman Djajanto
Director	: Krisna Tanimhardja
Unaffiliated Director	: Hendrikus Johan Soegiarto

The appointment of the members of the Company's Board of Directors and Board of Commissioners complies with Bapepam and LK Regulation No. IX.1.6 attached to Decree of Bapepam and LK Chairman No. Kep-45/PM/2004 dated 29 November 2004 regarding the Board of Directors and Board of Commissioners of Issuers and Public Companies.

The following section presents brief details of the members of the Company's Board of Commissioners and Board of Directors:

Board of Commissioners



Willy Walla, **President Commissioner**

Indonesian citizen, 63 years old. Mr. Walla has been serving as the Company's President Commissioner since 2012.

Mr. Walla completed his study in Mathematics at Chelsea College, University of London in 1977.

In addition to serving as the President Commissioner of the Company, Mr. Walla also serves as a commissioner of GELORA and GAWIH, and as the President Commissioner of GALAN. Prior to his appointment, Mr. Walla served as the President Director of the Company (1994-2012), the President Director of GAWIH (1983-2007) and the President Director of GELORA (1986-2007).



Indahtati Widjajadi, **Commissioner**

Indonesian citizen, 62 years old. Has been serving as the Company's commissioner since 1994.

Ms. Widjajadi completed her studies in chemical engineering at the *Institut Sepuluh November* in 1974 and completed her studies at the California Polytechnic University in 1976.

In addition to serving as a commissioner of the Company, Ms. Widjajadi also serves as a commissioner of GELORA (1984-present), commissioner of GAWIH (1983-present) and a commissioner of GALAN (1983-present).



Edy Sugito, Independent Commissioner

Indonesian citizen, 47 years old. Has been serving as the Company's commissioner since September 2012.

Mr. Sugito obtained his degree in accounting from Trisakti University in 1991.

In addition to serving as Independent Commissioner of the Company, Mr. Sugito also serves as an Independent Commissioner of PT London Sumatra Indonesia Tbk and PT Pelita Cengkareng Paper Tbk (July 2012-present). Prior to his appointment, Mr. Sugito served as Director of Listing of PT Bursa Efek Indonesia (May 2005-June 2012), Director of PT Kliring Penjaminan Efek Indonesia (October 2000-May 2005), Director of PT Kustodian Sentral Efek Indonesia (October 1998-September 2000), Head of Operations-Associate Director of PT Bahana Securities (April 1997-October 1998), Operation Manager of PT ABN Amro Asia Securities Indonesia (September 1994-March 1997), Finance & Administration Manager of PT KOLLIPAC-Property Consultant Manager (April 1993-September 1994), Corporate Accounting Manager of Barito Pacific Group-Non Timber Division (September 1991-March 1993), Senior Auditor at Arthur Andersen (Drs. Prasetio, Utomo & Co.) (January 1989-September 1991) and as an Auditor at Ernst & Whinney (Drs. Johan, Malonda & Rekan) (May 1987-December 1988).

Board of Directors



Ronald Walla, President Director

Indonesian citizen, 39 years old. Has been serving as President Director of the Company since 2012.

Mr. Walla received his Bachelor of Science degree in computer science from the University of Maryland in 1995 and his Masters Degree in Engineering Management from the George Washington University in 1999.

Prior to his appointment, Mr. Walla served as Commissioner of the Company (2008-2012) and President Director of GALAN (2002-2007).



Trisnawati Trisnajuwana, Director of Operations

Indonesian citizen, 61 years old. Has been serving as a Director of the Company since 2012.

Ms. Trisnajuwana obtained her bachelors degree in Chemical Engineering from the ITS University in Surabaya in 1975.

In addition to serving as a Director of Operations of the Company, Ms. Trisnajuwana also serves as a Director of GELORA (2008-present). Prior to her appointment, Ms. Trisnajuwana served as Director of GAWIH (2008-2011).



Sugito Winarko, Director of Business Development

Indonesian citizen, 63 years old. Has been serving as a Director of the Company since 1994.

Mr. Winarko completed his studies at the Technical University of Aachen, Germany in 1976.

In addition to serving as the Director of Business Development of the Company, Mr. Winarko also serves as a Commissioner at GELORA and GALAN. Prior to his appointment, Mr. Winarko served as Director of GELORA (1983-2008).



Lucas Firman Djajanto, **Director of Finance**

Indonesian citizen, 44 years old. Has been serving as Director of the Company since 2012.

Mr. Djajanto received his degree in economics from Universitas Merdeka, Malang, in 1990.

In addition to serving as the Director of Finance of the Company, Mr. Djajanto also serves as Director of GAWIH (2011-present).



Krisna Tanimhardja, **Technical Director**

Indonesian Citizen, 67 years old. Has been serving as Director of the Company since 2008.

Mr. Tanimhardja completed his studies at the University of Rheinisch-Westfalische Technische Hochschule Aachen in 1975.

In addition to serving as the Technical Director of the Company, Mr. Tanimhardja also serves as the President Director of GELORA (2008-present) and as the President Director of GAWIH (2012-present). Prior to his appointment, Mr. Tanimhardja served as Director of GELORA (1996-2008).



Hendrikus Johan Soegiarto, **Unaffiliated Director**

Indonesian citizen, 39 years old. Has been serving as Director of the Company since 2012.

Mr. Soegiarto received his degree in engineering from the School of Engineering & Industrial Management of the University of Surabaya in 1995.

Prior to his appointment as the Unaffiliated Director of the Company, Mr. Soegiarto served as the Marketing Manager of PT Jamu Iboe Jaya (2004-2011), the Product Group Manager of PT Jamu Iboe Jaya (2002-2004), the Product Manager of GELORA (2000-2001), an Accounts Officer at PT Bank Universal (1996-2000) and as Sales Supervisor of PT Arta Boga Cemerlang (1995-1996).

The term of appointment of the members of the Board of Commissioners and Board of Directors is five years, without prejudice to the right of the GMS to dismiss them at any time.

The remuneration received by the Board of Directors for the six months ended 30 June 2012 and the years ended 31 December 2011, 2010 and 2009 were Rp141,859,200, Rp302,126,500, Rp272,846,150 and Rp232,276,400, respectively. The remuneration received includes salary, religious holiday allowance (THR) and bonuses paid to the Board of Directors

No remuneration payment were made to the Board of Commissioners for these periods as the Commissioners were concurrently serving as Commissioners of one of the Company's Subsidiary (GELORA) and remuneration for the Commissioners were paid by GELORA.



CORPORATE SECRETARY

In line with the requirement set by Bapepam and LK Regulation No. IX.I.4, as attached to the Decree of Bapepam and LK Chairman No. Kep-63/PM/1996 dated 17 January 1996 regarding the Establishment of Corporate Secretary, and the Decree of the Board of Directors of PT Bursa Efek Jakarta No. Kep-305/BEJ/07-2004 dated 19 July 2004, by virtue of the Decree of the Board of Directors No.008/LGA/ROW/IX/2012 on the Appointment of Corporate Secretary, the Company has appointed Surjanto Yasaputera as Corporate Secretary. The appointment becomes effective on the Effective Date of the Registration Statement.

The primary duty and responsibilities of the Corporate Secretary among others is to follow regulatory developments in the field of capital market, provide information required by the public relating to the Company's condition and provide advice to the Company's Board of Directors towards compliance with the Capital Market Law and its implementing regulations, and to act as liaison between the Company and Bapepam and LK or the public.

Address of the Corporate Secretary : Grha Wismilak, Jl. Dr. Sutomo 27, Surabaya 60264
Tel. : (62-21) 2952899
Fax. : (62-21) 2952800
E-mail : surjanto@wismilak.com

AUDIT COMMITTEE

To implement Good Corporate Governance, the Company will be forming an Audit Committee in line with Bapepam and LK Regulation No. IX.I.5, as attached to the Decree of Bapepam and LK Chairman No. Kep-29/PM/2004 dated 24 September 2004 regarding the Establishment and Operating Guidelines of the Audit Committee.

The Company will form the Audit Committee in accordance with the prevailing regulations by no later than six months upon the listing and commencement of trading of the Company's shares on the IDX or the convening of a GMS, whichever occurs first.

The Audit Committee is a committee formed by the Board of Commissioners to assist in the implementation of its duties and functions. A public company is mandated by the regulation to have an audit committee and an audit committee operational guidelines. Such audit committee must consist of at least one Independent Commissioner and at least two other members from outside the Company.

The Audit Committee is charged with providing independent professional insights to the Board of Commissioners with regard to reports or matters raised by the Board of Directors to the Board of Commissioners, and identify issues that require the attention of the Board of Commissioners, which may comprise of the following activities:

- a. Review financial information to be issued by the Company, such as financial statements, projections and other financial information;
- b. Conduct due diligence on compliance over capital market regulation and other prevailing regulation related to the company's business;
- c. Perform monitoring over internal audit assesment;
- d. Report to Board of Commissioners regarding risk factors face by Board of Directors and the Company;
- e. Evaluate and report to the Board of Commissioners regarding complains addressed to the Company;
- f. Retain confidentiality of Company's document, data, and other classified information.



INTERNAL AUDIT

The Company has established Internal Audit Unit in accordance with BAPEPAM-LK rule No. IX.I.7 regarding Guideline on Establishment of Internal Audit Unit and also in accordance with Internal Audit Charter No. 018/LGA/ROW/X/2012 dated 1 October 2012. The Internal Audit Unit is performs assessment on assurance and independent consultancy whose objective is to increase value and improve Company operations through systematic approach by evaluating and promote effectiveness of risk management, monitoring and good corporate governance. The following

The Internal Audit Unit has the following duties:

- a. Prepare and conduct the annual audit plan.
- b. Review and evaluate implementation of Internal Audit and Risk Management Systems according to Company's policy.
- c. Review and evaluate efficiency and effectiveness of Company's department such as finance, accounting, operations, human resources, marketing, information technology.
- d. provide recommendation and objective information regarding activity that subject to reviewed by all management level.
- e. prepare audit report and provide to President Director and Board of Commissioners.
- f. monitor, analyze and report the follow-up actions as recommended.
- g. coordinate with Audit Committee in order to maintain efficiency and effectiveness of Company's operation.
- h. prepare Internal Audit Programme
- i. perform specific audit if necessary.

Size of Internal Audit Unit depends on the complexity of Company's operation. The Internal Audit Unit shall be led by Head of Internal Audit who responsible to coordinate the objective of his/her department. As of the date of this Prospectus, the Company has appointed Edie Widjaja Rustiono as Internal Audit Manager based on the Circular Letter Board of Director No. 070/101.100/5B/08/12.

E. HUMAN RESOURCES

As of 30 June 2012, the Company and its Subsidiaries had 2,905 employees, 2,897 of which were permanent employees. The Company's core employees are well experienced and have substantial skills in various industries, in particular the cigarette industry.

Employee Composition

The following tables show the composition of the Company and its Subsidiaries' employees for the six months ended 30 June 2012 and the years ended 31 December 2011, 2010 and 2009 by level of education, career paths, age group and employment status:



Company

Composition of the Company's Employees by Position

Position	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Directors	5	2	2	2	2	2
Managers	2	2	-	-	-	-
Staff	6	3	1	1	-	-
Non-staff	35	38	35	33	34	20
Total	48	45	38	36	36	22

Composition of the Company's Employees by Age

Age Group	30 June			31 December		
	2012	2011	2010	2009	2008	2007
>50	5	3	2	2	2	2
41-50	4	2	1	1	1	-
31-40	14	14	13	8	6	18
<31	25	26	22	25	27	2
Total	48	45	38	36	36	22

Composition of the Company's Employees by Education

Education	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Post-Graduate	3	2	-	-	-	-
Graduate	8	2	3	3	2	2
Diploma	1	1	-	-	1	1
High school	31	35	30	27	28	17
<High school	5	5	5	6	5	2
Total	48	45	38	36	36	22

Composition of the Company's Employees by Status

Status	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Permanent	47	44	38	36	34	19
Temporary	1	1	-	-	2	3
Total	48	45	38	36	36	22

GELORA

Composition of the GELORA'S Employees by Position

Position	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Director	2	2	2	2	2	1
Manager	24	23	24	22	20	21
Staff	135	137	167	142	86	80
Non-staff	1.920	1.938	1.953	1.962	1.742	1.232
Total	2.081	2.100	2.146	2.128	1.850	1.334



Composition of the GELORA'S Employees by Age Group

Age Group	30 June			31 December		
	2012	2011	2010	2009	2008	2007
>50	20	18	17	16	14	13
41-50	118	101	80	62	54	40
31-40	951	927	868	713	572	396
<31	992	1.054	1.181	1.337	1.210	885
Total	2.081	2.100	2.146	2.128	1.850	1.334

Composition of the GELORA'S Employees by Education

Education	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Post Graduate	3	2	5	6	4	4
Graduate	101	108	137	121	70	65
Diploma	52	50	42	43	38	39
High school	814	813	785	771	666	497
<High school	1.111	1.127	1177	1.187	1.072	729
Total	2081	2100	2146	2128	1850	1334

Composition of the GELORA'S Employees by Status

Status	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Permanent	2073	2096	2138	2128	1768	1334
Temporary	8	4	8	-	82	-
Total	2081	2100	2146	2128	1850	1334

GAWIH

Composition of the GAWIH'S Employees by Position

Position	30 June			31 December		
	2012	2011	2010	2009	2008	2007
Director	3	3	2	2	2	1
Manager	42	34	26	20	28	32
Staff	329	309	234	177	247	258
Non-staff	402	430	387	401	228	236
Total	776	776	649	600	505	527

Composition of the GAWIH'S Employees by Age Group

Age Group	30 June			31 December		
	2012	2011	2010	2009	2008	2007
>50	13	18	16	18	17	16
41-50	126	108	90	79	75	77
31-40	333	328	266	262	239	245
<31	304	322	277	241	174	189
Total	776	776	649	600	505	527



Composition of the GAWIH'S Employees by Education

Education	30 June		31 December			
	2012	2011	2010	2009	2008	2007
Post Graduate	3	3	1	1	1	
Graduate	262	257	208	201	190	194
Diploma	8	9	3	4	3	5
High school	455	456	388	344	262	279
< High school	48	51	49	50	49	49
Total	776	776	649	600	505	527

Composition of the GAWIH'S Employees by Status

Status	30 June		31 December			
	2012	2011	2010	2009	2008	2007
Permanent	772	724	570	567	461	470
Temporary	4	52	79	33	44	57
Total	776	776	649	600	505	527

Temporary employees of the Company and its Subsidiaries also represent retired employees who still employed by the Company as contract workers and also newly-hired employees of the Company and its Subsidiaries who are still in their probation or training program prior to the issuance of permanent worker contracts.

EMPLOYEE FACILITIES AND WELFARE

As a part of its commitment to develop its human resources in a balanced manner, the Company's management carries out regular evaluations of the remuneration and welfare package provided to the employees of the Company and its Subsidiaries. Reviews of salaries and remuneration system take into account the relevant developments occurring in the human resources market, taking as reference the provisions of the national labor laws and adhering to local ordinances with regard to implementation. Decision on the salary amount for the Company and its Subsidiaries' employees will be in accordance to the Province Minimum Wage (UMP) and the Regional Minimum Wage (UMR). As a matter of practice, the Company always strive to set the salaries and welfare facilities given to its employees to be higher than the Regional Minimum Wage and compete with the compensation levels set by similar companies in the cigarette industry. The decision on the amount of salary is also based on the Collective Labor Agreement ("PKB") between the Company and its Subsidiaries and the employees as represented by the Labor Union.

The welfare package given by the Company, aside from salaries and wages paid monthly or bi-weekly (specifically for SKT cigarettes employees), also consists of benefits in the form of cash and in-kind. The benefits given cover meals and drinks at the work location during rest periods on work days, religious holiday bonuses (THR) that may amount up to two months' salary (for employees having completed a certain service period), two sets of work uniforms every year and healthcare facilities in the form of medical expense reimbursements and insurance program for employees.

The healthcare facility given to employees cover the reimbursement of medical expenses and insurance coverage for employees and their families (spouse and children), which covers outside of hospital treatment, in-hospital treatment, prescription glasses (employees only) and childbirth (limited up to the third child). The amount of reimbursement and insurance package given depends on the employment grade of the employee as set by the Company.

Additionally, the Company also enrolls its employees in the National Workers' Social Security (Jamsostek) program, which consists of coverage for occupational accident and pension programs.



EMPLOYEE RECRUITMENT AND TRAINING

Human resources development within the Company and its Subsidiaries' organizations starts with analysis of the companies' labor needs based upon the Company's Annual Work Plan. The formulated Annual Work Plan, aside from containing the Company's production budget, also consists of its manpower needs that directly relates to the production process, sales and administrative resources in the Company's offices.

The recruitment of workers is carried out by taking into account the principles of equality and the qualifications of each candidate who applies for the positions offered by the Company. The applying candidate will have to go through a series of selection process comprising of a written test, psychological test, medical examination and face-to-face interview with relevant supervisor/head of division. For some key positions, the candidate will meet with the Company's management team (Directors) for an interview. Essentially, only the most qualified personnel will be able to succeed through the Company's employee recruitment process.

For certain positions, a candidate who is accepted as an employee of the Company will undergo a three-month probation or 'contract' period. During the probation period, the new employee will be evaluated by the Supervisor or Division Head with respect to his/her ability to work in the given area of work. Result of the evaluation performed during the probation period will form the basis for deciding whether the contract employee will continue as a permanent employee of the Company.

Human resources development is also undertaken through transfer of knowledge and skill-building by way of trainings. A newly recruited employee must undergo an orientation period, during which he/she is introduced to the organization and made familiar with the Company's business operations.

The Human Resources Development (HRD) division is responsible for formulating training programs, whether technical or those which enhance employees' soft skills. Some of the training programs implemented by the Company are:

1. Workshop on Strategic Visioning & Balance Scorecard, given to Directors and Managers.
2. Operational Maintenance, Troubleshooting Microbat Portable Calibrator, given to Managers and Staff.
3. Field Work Methodology, given to Managers and Staff of the R&D department/Factory Lab.
4. Win to Battle, given to Supervisors and Managers of the Field Marketing Department.
5. Security Training, given to security personnel.
6. Sales Supervisory Training, given to sales division supervisors.
7. Problem Solving & Decision Making, given to managers.
8. To Be Honest With Your Health, given to managers.
9. Measuring Calibration of Temperature and Humidity, given to managers and staff of the Factory Lab.
10. Digital Marketing, given to Managers and Staff.
11. Excellent Presentation Workshop, given to Managers.
12. Training of Kretek Panelists, given to panelists.
13. Basic Photoshop, given to Supervisors and staff.
14. Safety Awareness Batch II, given to Safety Staff.
15. Training for Administrators of PUK SPSI PT Gelora Djaja, given to SPSI administrators.
16. Training on Key Performance Indicator Formulation, given to Managers.
17. Work Health and Safety, given to Supervisor and Staff.
18. English Course for Sales People, given to Sales division.
19. Safety Awareness Batch I, given to Safety staff.

In order to maintain good relationship and the balance of rights and obligations of the Company to employees, each of the Company's Subsidiary has a PKB. This PKB will be informed to each new hire and also when ammendment occur.



The current PKB has been approved by the Labor Service City of Surabaya through Approval Letter No. 560/454/106.04/2011 dated 18 October 2011 regarding Registration of Collective Labor Agreement between PT Gelora Djaja and Labor Union of PT Gelora Djaja and Approval Letter No. 560/857/436.6.12/PP-58/2011 dated 7 March 2011 regarding Company Regulation of PT Gawih Jaya.

WORKPLACE HEALTH AND SAFETY STANDARDS

In its day-to-day operations, the Company strives to ensure the safety and health of all of its employees within the workplace. Efforts made by the Company's Management include the establishment of a Work Safety and Health Fostering Committee (*Panitia Pembina Keselamatan dan Kesehatan Kerja* or P2K3), which actively conduct raising of awareness and supervise the safety and health aspects in the workplace, including factories, offices or other operational areas within the Company's marketing system.

The establishment of the Committee also constitute compliance with the provisions of Law No. 1 of 1970 regarding Work Safety, specifically Articles 9 and 10, Law No. 32 of 2004 regarding Regional Governance and Regulation of the Ministry of Manpower No. PER.04/MEN/1987 regarding the Safety and Health Fostering Committee and Work Safety Expert Appointment Procedure.

The Work Safety and Health Fostering Committee currently operating at the Company and its Subsidiaries was appointed and formalized through a Safety and Health Fostering Committee Formalization Letter No. 566/4308/X/436.6.12/2011 issued by the Surabaya Manpower Office on 17 October 2011. The current chairperson of the Company's Work Safety and Health Fostering Committee is Mr. Tikto Priharmono (Factory Manager), with the Company's Board of Directors as the Advisory Board.

The Work Safety and Health Fostering Committee's framework is guided by provisions of prevailing labor laws, beginning from the issuance of the Company internal policies governing work safety and health, followed by the administrative process of formulating a work plan, organizing and implementing procedures for such policies. Measures undertaken on policies that are still ineffective are evaluated when work accidents are found which present harm to the employees and cause losses to the Company.

The scope of the Work Safety and Health Fostering Committee's work encompasses the Company's human resources, the properties used in its day-to-day operations and the production process itself.

The Work Safety and Health Fostering Committee issues a monthly Activity Report, which contains description of meetings conducted by the Committee, awareness raising sessions held during the ongoing month and findings or details on work related accidents occurring within the reporting month.

Based on observations made by the Company's Work Safety and Health Fostering Committee, up to the date of the issuance of this Prospectus, the Company has not suffered any work accidents that can be categorized as material, which would indicated by the loss of a worker's life or permanent disability or injury. From the data reported, work accidents suffered by employees of the Company or its Subsidiaries are commonly traffic accidents during their journey from and to the workplace. In such minor cases where accidents which were reported resulted in the loss of working days of the affected employees, the Committee's data shows that the number of days lost due to such accidents does not exceed six days per month. However, the Company's operations did not experience any disruption as there were other employees who were able to take over the duties of the workers involved in the accidents.

F. INFORMATION ON THE SUBSIDIARIES

The Company has three Subsidiaries, comprising of two commercially active Subsidiaries and one Subsidiary, which has not yet commence operation as up to the date of the issuance of this Prospectus, the latter being established to anticipate the future growth of the Company.



The following are information pertaining to each of the Company's Subsidiaries.

1. GELORA

Brief History

GELORA was incorporated in 1963 under the name of PT Gelora Djaja, a limited liability company domiciled in Surabaya, by virtue of the Deed of Incorporation No. 46 dated 26 December 1963, as amended through the Deed of Amendment No. 16 dated 19 November 1963, both of which were drawn up before The Sik Kie, Vice Notary in Surabaya, which received validation from the Ministry of Justice of the Republic of Indonesia on 30 November 1963 under No. J.A.5/152/15, and entered into the Company Registry of the Surabaya District Court's Registrar Office under No. 1735 dated 30 December 1963, and announced in the State Gazette of the Republic of Indonesia under No. 104 dated 29 December 1964, Supplemental State Gazette No. 553.

GELORA's Articles of Association has been subjected to a number of amendments, the latest of which was by virtue of Deed of Meeting Resolution No. 63 dated 25 November 2011 ("**Deed No. 63/2011**"), as affirmed by Deed of Meeting Resolution Affirmation No. 54 dated 14 March 2012 ("**Deed No. 54/2012**") and Deed of Meeting Resolution No. 23 dated 10 May 2012 ("**Deed No. 23/2012**"), which were drawn up before Sonya Natalia, S.H., Notary in Surabaya, and approved by the Ministry of Law and Human Rights by virtue of Decree of the Ministry of Law and Human Rights No. AHU-29374.AH.1.02.Tahun 2012 dated 31 May 2012, and entered into the Company Registry under No. AHU-0048925.AH.01.09. Tahun 2012 on 31 May 2012.

Business Operations

In line with its Articles of Association, the scope of GELORA's business activities is within the field of industry and trade. GELORA commenced commercial operations in 1963.

GELORA is a Subsidiary of the Company which produces all of the cigarette brands produced by the Group. GELORA is located in Surabaya. As of the date of the issuance of this Prospectus, GELORA's office is located at Jl. Buntaran No. 9, Kelurahan Buntaran, Kecamatan Tandes, Surabaya.

Capital Structure and Shareholding Composition

Pursuant to Deed No. 63/2011, as affirmed by Deed No. 54/2012 and Deed No. 23/2012, GELORA's authorized capital is Rp450,000,000,000, divided into 450,000,000 shares, each having a nominal value of Rp1,000.

The composition of GELORA's shareholders as of the date of the issuance of this Prospectus was as follows:

Description	Number of Shares (units) @ Rp1,000	Nominal Value (Rp)	%
Authorized Capital	450,000,000	450,000,000,000	
Issued & Paid-up Capital			
Company	140,155,977	140,155,977,000	99.86
Willy Walla	98,434	98,434,000	0.07
Ir. Sugito Winarko	98,434	98,434,000	0.07
Total Issued and Paid-up Shares	140,352,845	140,352,845,000	100.00
Total Shares in Portfolio	309,647,155	309,647,155,000	



Composition of Board of Commissioners and Board of Directors

Pursuant to a Deed drawn up before Nursetiani Budi, S.H., Notary, No. 10, dated 17 January 2008, the composition of GELORA's Board of Commissioners and Board of Directors as of 30 June 2012 was as follows:

Board of Commissioners

President Commissioner : Sastra Kosasih
 Commissioner : Willy Walla
 Commissioner : Indahtati Widjajadi
 Commissioner : Ir. Sugito Winarko

Board of Directors

President Director : Ir. Krisna Tanimhardja
 Director : Trisnawati Trisnajuana

Key Financial Highlights

Financial Statement	30 June 2012	31 December		
		2011	2010	2009
Current Asset	431,181,778,603	500,801,146,654	299,976,589,340	273,324,471,962
Non-Current Asset	111,057,623,123	126,529,050,775	96,224,212,796	94,862,155,971
Total Assets	542,239,401,726	627,330,197,429	396,200,802,136	368,186,627,933
Short-term Liability	313,464,417,362	368,115,001,842	175,003,557,958	158,843,721,933
Long-term Liability	32,331,758,999	33,371,389,595	8,781,946,322	6,853,868,694
Total Liability	345,796,176,361	401,486,391,437	183,785,504,280	165,697,590,627
Total Equity	196,443,225,365	225,843,805,992	212,415,297,856	202,489,037,306
Total Liability and Equity	542,239,401,726	627,330,197,429	396,200,802,136	368,186,627,933

Comprehensive Loss / Profit Statement	For the six months ended 30 June		For the years ended 31 December		
	2012	2011	2011	2010	2009
Net sales	409,036,970,100	370,447,488,445	751,259,725,512	469,022,388,295	347,811,567,967
Gross profit	83,459,348,129	52,705,632,226	139,691,095,827	100,865,783,835	86,828,073,822
Operating expense	42,760,155,174	40,963,687,207	83,525,257,573	75,722,702,441	60,121,568,014
Operating profit	40,699,192,955	11,741,945,019	56,165,838,254	25,143,081,394	26,706,505,807
Comprehensive Profit	27,442,321,598	5,187,741,350	80,937,508,136	11,456,260,550	8,387,726,051

The following presents fluctuation analysis of GELORA's financial statements which fluctuated for more than 30% compared to previous period.

Assets

Assets as of 31 December 2011 compared to as of 31 December 2010

Assets of GELORA increased by Rp231,129 million or 58.3%, from Rp396,201 million as of 31 December 2010, to Rp627,330 million as of 31 December 2011. The increase was attributable to an increase in cash and cash equivalents by Rp59,618 million or 2,804.4% and an increase in inventory value by Rp108,843 million or 50.7%.

Based on the cash flow statement, GELORA recorded net proceeds from sales of fixed assets amounting to Rp59,233 million and drawdown of credit facilities from banks amounting to Rp211,041 million which was then utilised as working capital. The unused cash balance were still reported as cash and cash equivalents by the end of 2011.



Furthermore, increase in inventory value by the end of 2011 reflects significant purchase transactions done, which was typically higher in the second semester of each year. This was to secure high quality tobacco harvested during the harvest seasons. The inventory balance as of 31 December 2011 was 258,068 million, compared to Rp176,831 million in 2010.

Liabilities

Liabilities as of 31 December 2011 compared to as of 31 December 2010

Liabilities of GELORA increased by Rp217,701 million or 118.5%, from Rp183,786 million as of 31 December 2010, to Rp401,486 million as of 31 December 2011. The increase was attributable to an increase in short-term bank borrowing balance by Rp179,571 million or 203.8%. These short-term bank borrowings were utilised by GELORA as working capital.

Net Sales

Net sales for the year ended 31 December 2011 compared to the year ended 31 December 2010

Net sales of GELORA increased by Rp282,237 million or 60.2%, from Rp469,022 million for the year ended 31 December 2010, to Rp751,260 million for the year ended 31 December 2011. The increase was attributable to an increase in sales of SKM cigarettes, which was in line with the current industry trend where sales was dominated by SKM cigarettes products.

Net sales for the year ended 31 December 2010 compared to the year ended 31 December 2009

Net sales of GELORA increased by Rp121,211 million or 34.8%. from Rp347,812 million for the year ended 31 December 2009, to Rp469,022 million for the year ended 31 December 2010. The increase was attributable to an increase in sales of SKM cigarettes.

Comprehensive Income

Comprehensive income for the six months ended 30 June 2012 compared to the six months ended 30 June 2011

Comprehensive income of GELORA increased by Rp22,255 million or 429.0%, from Rp5,188 million for the six months ended 30 June 2011, to Rp27,442 million for the six months ended 30 June 2012. The increase was attributable to improved sales performance of SKM cigarettes, that recorded an average of 8% annual growth. On the other hand, improvement in sales performance was also contributed by SKT cigarettes sales, whose annual growth reached 2% per year.

Comprehensive income for the year ended 31 December 2011 compared to the year ended 31 December 2010

Comprehensive income of GELORA increased by Rp69,481 million or 606.5%, from Rp11,456 million for the year ended 31 December 2010, to Rp80,938 million for the year ended 31 December 2011. The increase was attributable to a contribution by sales of SKM cigarettes, as mentioned previously. In addition, GELORA recognized other income derived from sales transaction of fixed assets amounted to Rp53,147 million during 2011.

Comprehensive income for the year ended 31 December 2010 compared to the year ended 31 December 2009

Comprehensive income of GELORA increased by Rp3,069 million or 36.6%, from Rp8,388 million for the year ended 31 December 2009, to Rp11,456 million for the year ended 31 December 2010. The increase was attributable to an improvement in sales of SKM cigarettes.



2. GAWIH

Brief History

GAWIH was incorporated in 1983 under the name of PT Gawih Jaya, as a limited liability company with its domicile in Surabaya, by virtue of Deed of Incorporation No. 16 dated 15 April 1983 drawn up before Sastra Kosasih, S.H., Notary in Surabaya, which has received approval from the Ministry of Justice of the Republic of Indonesia through Decree No. C2-6043-HT01.01-Th 83 dated 5 September 1983, and entered into the Company Registry with the Surabaya District Court's Registrar Office under No. 635/1983 on 24 October 1983, and announced in the State Gazette of the Republic of Indonesia under No. 95 dated 28 November 1986, Supplemental State Gazette No. 1475. GAWIH's Articles of Association has been amended several times and the latest amended was made through Deed of Meeting Resolution No. 61 dated 31 July 2012, drawn up before Edwin Subarkah, S.H., Notary in Sidoarjo ("Deed No. 61/2012"), as reaffirmed through Deed No. 379 dated 18 September 2012 drawn up before Edwin Subarkah, S.H., Notary in Sidoarjo ("Deed No. 379/2012").

Business Operations

In line with its Articles of Association, the scope of GAWIH's business is trade, printing and industry. GAWIH commenced its commercial activities in 1983. As of the date of the issuance of this Prospectus, GAWIH has been carrying on the business of, among others, trade, printing, and industry. To achieve such objectives, GAWIH may engage in, among others, general trading, including local or inter-island, importing and exporting, supply, wholesale, distribution and agency activities, carrying on a business in printing management, carrying on such businesses using materials available domestically and materials imported from abroad by GAWIH and market its products within domestic and/or foreign market as an exporter-producer.

GAWIH is domiciled in Surabaya. As of the date of the issuance of this Prospectus, GAWIH's office is located at Jl. Raya Darmo No. 42-44.

Capital Structure and Shareholding Composition

Pursuant to Deed of Minutes No. 3 dated 2 March 1998, drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo, as amended by Deed of Minutes No. 51 dated 29 January 2003 drawn up before Joseph Andy Hartanto, S.H., Notary in Surabaya and Deed of Minutes No. 21 dated 16 July 2003 drawn up before Joseph Andy Hartanto, S.H., Notary di Surabaya, which were all approved by the Ministry of Law and Human Rights by virtue of Decree No. C-12688 HT.01.04.TH 2005 dated 11 May 2005, and entered into the Company Registry with the Surabaya Corporate Registry Office on 11 August 2005 under Number 1052/BH.1301/August 2005 and announced in State Gazette No. 104 dated 30 December 2005, Supplemental State Gazette No. 13495, the capital structure and shareholding composition of GAWIH was as follows:

Description	Number of Shares (units) @ Rp1.000	Nominal Value (Rp)	%
Authorized Capital	7,200,000	7,200,000,000	
Issued & Paid-up Capital			
Company	3,596,000	3,596,000,000	99.88
Willy Walla	2,000	2,000,000	0.06
Ir. Sugito Winarko	2,000	2,000,000	0.06
Total Issued & Paid-up Capital	3,600,000	3,600,000,000	100.00
Total Shares in Portfolio	3,600,000	3,600,000,000	



Composition the Board of Directors and Board of Commissioners

Pursuant to Deed No. 61/2012, as reaffirmed through Deed No. 379/2012, the composition of GAWIH's Board of Commissioners and Board of Directors as of the date of the issuance of this Prospectus was as follows:

Board of Commissioners

President Commissioner : Sastra Kosasih
 Commissioner : Willy Walla
 Commissioner : Indahtati Widjajadi

Board of Directors

President Director : Ir. Krisna Tanimhardja
 Director : Surjanto Yasaputera
 Director : Lucas Firman Djajanto

Key Financial Highlights

Financial Statement	30 June 2012	31 December		
		2011	2010	2009
Current Asset	109,950,508,731	113,561,535,349	68,038,990,692	43,139,825,214
Non-Current Asset	17,970,649,259	17,065,929,805	18,629,214,786	17,829,506,929
Total Assets	127,921,157,990	130,627,465,154	86,668,205,479	60,969,332,143
Short-term Liability	91,095,723,771	85,964,055,641	60,937,629,116	45,248,048,902
Long-term Liability	8,739,007,892	7,806,753,158	6,246,076,658	4,039,622,680
Total Liability	99,834,731,663	93,770,808,799	67,183,705,774	49,287,671,581
Total Equity	28,086,426,327	36,856,656,355	19,484,499,704	11,681,660,562
Total Liability and Equity	127,921,157,990	130,627,465,154	86,668,205,478	60,969,332,143

Comprehensive Loss / Profit Statement	For the six months ended on 30 June		For the years ended on 31 December		
	2012	2011	2011	2010	2009
Net sales	493,414,361,025	453,043,475,127	935,107,334,844	576,350,531,912	457,785,945,230
Gross profit	49,947,129,918	53,344,654,500	101,310,354,435	68,866,580,953	56,306,991,828
Operating expense	41,481,539,364	37,636,692,930	81,875,416,716	58,068,997,378	51,100,816,041
Operating profit	8,465,590,554	15,707,961,570	19,434,937,719	10,797,583,570	5,206,175,787
Comprehensive Profit	6,529,769,972	13,806,451,050	36,905,756,646	10,070,839,142	3,852,971,936

The following presents fluctuation analysis of GAWIH's financial statements which fluctuated for more than 30% compared to previous period.

Assets

Assets as of 31 December 2011 compared to as of 31 December 2010

Assets of GAWIH increased by Rp43,959 million or 50.7%, from Rp86,668 million as of 31 December 2010, to Rp130,627 million as of 31 December 2011. The increase was attributable to an increase in cash and cash equivalents by Rp19,360 million or 108.9% and an increase in inventory value by Rp16,196 million or 42.4%.

Based on the cash flow statement, GAWIH recorded net proceeds from sales of fixed assets amounting to Rp29,704 million during 2011 (2010 was Rp2,847 million). Increase in cash and cash equivalents reflects an increase in cash collection from customers compared to the previous year, that was also in line with the current year sales performance. Cash received from customers throughout 2011 was Rp927,296 million, compared to Rp572,319 million collected in 2010.



Assets as of 31 December 2010 compared to as of 31 December 2009

Assets of GAWIH increased by Rp25,699 million or 42.2%, from Rp60,969 million as of 31 December 2009, to Rp86,668 million as of 31 December 2010. The increase was attributable to an increase in inventory value from Rp19,007 million as of 31 December 2009, to Rp38,161 million as of 31 December 2010.

Inventory balance as of 31 December 2010 was dominated by Wismilak Diplomat (12 sticks pack) and Galan Mild, amounting to Rp11,849 million and Rp10,825 million, respectively (2009: Rp6,339 million and nil). Increase in inventory value was attributable to an anticipation of increased sales performance in the coming years.

Liabilities

Liabilities as of 31 December 2011 compared to as of 31 December 2010

Liabilities of GAWIH increased by Rp26,587 million or 39.6%, from Rp67,184 million as of 31 December 2010, to Rp93,771 million as of 31 December 2011. The increase was attributable to an increase in account payables by Rp20,157 million or 35.2%.

The majority of GAWIH account payables were account payables to GELORA from cigarette purchase transactions. Significant increase in account payables balance was related to an increase in sales of cigarette to other third parties or end consumers and was also in line with an increase in the purchase of cigarette as part of GAWIH's inventory. Account payables balance as of 31 December 2011 and 2010 were Rp75,690 million and Rp57,330 million, respectively.

Liabilities as of 31 December 2010 compared to as of 31 December 2009

Liabilities of GAWIH increased by Rp17,896 million or 36.3%, from Rp49,288 million as of 31 December 2009, to Rp69,184 million as of 31 December 2010.

As previously mentioned, the increase in liabilities was attributable to an increase in account payables to GELORA, due to the expansion of business scale as evidenced by improved sales performance. Account payables due to GELORA as of 31 December 2010 and 2009 was Rp57,330 million and Rp41,236 million, respectively.

Equity

Equity as of 31 December 2011 compared to as of 31 December 2010

Equity of GAWIH increased by Rp17,372 million or 89.2%, from Rp19,484 million as of 31 December 2010, to Rp36,857 million as of 31 December 2011. The increase was attributable to an increase in retained earnings as a result of an increase in net income of the current period.

Equity as of 31 December 2010 compared to as of 31 December 2009

Equity of GAWIH increased by Rp7,803 million or 66.8%, from Rp11,682 million as of 31 December 2009, to Rp19,484 million as of 31 December 2010. The increase was attributable to an increase in retained earnings coming from net profit of operation.

Net Sales

Net sales for the year ended 31 December 2011 compared to the year ended 31 December 2010

Net sales of GAWIH increased by Rp358,757 million or 62.2%, from Rp576,351 million for the year ended 31 December 2010, to Rp935,107 million for the year ended 31 December 2011. The increase was attributable to an increase in sales of Galan Mild amounting to Rp242,599 million or 570.3%.



Operating Expenses

Operating expenses for the year ended 31 December 2011 compared to the year ended 31 December 2010

Total operating expenses of GAWIH increased by Rp23,806 million or 41%, from Rp58,069 million for the year ended 31 December 2010, to Rp81,875 million for the year ended 31 December 2011. The increase was attributable to an increase in salary and wages paid to additional employees and an increase in employees' salaries. Salary and wages incurred by GAWIH for the years ended 31 December 2011 and 2010 were Rp36,929 million and Rp29,737 million, respectively.

The increase in operating expense was also derived from an increase in promotion expenses that reached Rp7,079 million throughout 2011.

Comprehensive Income

Comprehensive income for the six months ended 30 June 2012 compared to the six months ended 30 June 2011

Comprehensive income of GAWIH decreased by Rp7,277 million or 52.7%, from Rp13,806 million for the six months ended 30 June 2011, to Rp6,530 million for the six months ended 30 June 2012. The decrease was attributable to a payment of cash dividend amounting to Rp15,300 million for the six months ended 30 June 2012.

Comprehensive income for the year ended 31 December 2011 compared to the year ended 31 December 2010

Comprehensive income of GAWIH increased by Rp26,835 million or 266.5%, from Rp10,071 million for the year ended 31 December 2010, to Rp36,906 million for the year ended 31 December 2011. The increase was attributable to an increase in sales performance.

Comprehensive income for the year ended 31 December 2010 compared to the year ended 31 December 2009

Comprehensive income of GAWIH increased by Rp6,218 million or 161.4%, from Rp3,583 million for the year ended 31 December 2009, to Rp10,071 million for the year ended 31 December 2010. The increase was attributable to an increase in retained earnings as a result from improved sales performance.

3. GALAN

Brief History

GALAN was incorporated in 1994 under the name of PT Galan Gelora Djaja, as a limited liability company with its domicile in Sidoarjo, by virtue of Deed of Incorporation No. 01 dated 3 December 1993 drawn up before Bagio Atmadja, S.H., Notary in Sidoarjo, which was approved by the Ministry of Justice of the Republic of Indonesia by virtue of Decree No. C2-5081.HT.01.01.TH.94 dated 25 March 1994, and entered into the registry of the Surabaya District Court's Registrar Office under No. 720/1994 on 18 April 1994, and announced in the State Gazette of the Republic of Indonesia under No. 61 on 2 August 1994, Supplemental State Gazette No. 5070.

GALAN's Articles of Association which stipulated in Deed of Establishment has been amended several times and the latest amendment was made by Deed of Minutes No. 32 dated 14 April 2008, drawn up before Joseph Andy Hartanto, S.H., Notary in Surabaya, and has received approval from the Ministry of Law and Human Rights by virtue of Decree No. AHU-27298.AH.01.02.Tahun 2008 dated 23 May 2008, and entered into the Company Registry of the Ministry of Law and Human Rights under No. AHU-0039903.AH.01.09.Tahun 2008 dated 23 May 2008 and entered into the Company Registry with the Surabaya Corporate Registry Office under Number 510/8.BH.13.17/VIII/2008 dated 27 August 2008



and announced in the State Gazette of the Republic of Indonesia No. 93 dated 18 November 2008, Supplemental State Gazette No. 24318 (“**Deed No. 32/2008**”).

Business Operations

In line with its Articles of Association, the aim and objectives of GALAN is to be engaged in the business of industry, imports and exports, general trade, service, agro industry and agro business and land transportation. In order to achieve such aim and objectives, GALAN may undertake various business activities including, among others, establishing and operating companies engaged in the field of industry, particularly the cigarette manufacturing industry using materials acquired from overseas sources imported by GALAN as an importer, marketing products on the domestic and international markets as an exporter, establishing and operating business engaged in the field of general trade, including exports, imports, local or inter-island, whether for its own account or under commission or for the account of a third party, including to act as distributor, wholesaler and supplier of various goods (whether acquired domestically or from overseas), operating a service company except for legal and travel services, establishing and operating companies in the field of agro industry and agro business and in the field of land transportation. GALAN commenced its commercial operation in 1993. However, as of the date of the issuance of this Prospectus, GALAN has not commenced its operational activity. GALAN was established to anticipate the Company’s future business growth.

GALAN is domiciled in Sidoarjo. As of the date of the issuance of this Prospectus, GALAN's office is situated at Jl. Surowongso no. 999, Karangbong, Gedangan, Sidoarjo.

Capital Structure and Shareholding Composition

Pursuant to Deed No. 32/2008, GALAN’s capital structure and shareholding composition was as follows:

Description	Number of Shares (units) @ Rp10.000.000	Nominal Value (Rp)	%
Authorized Capital	2,000	20,000,000,000	
Issued & Paid-up Capital			
GELORA	1,628	16,280,000,000	99.88%
Indahtati Widjajadi	1	10,000,000	0.06%
Stephen Walla	1	10,000,000	0.06%
Total Issued & Paid-up Capital	1,630	16,300,000,000	
Total Shares in Portfolio	370	3,700,000,000	100.00%

Composition of Members of the Board of Commissioners and Board of Directors

Pursuant to Deed No. 32/2008, the composition of GALAN’s Board of Commissioners and Board of Directors as of the date of the issuance of this Prospectus was as follows:

Board of Commissioners

President Commissioner : Willy Walla
Commissioner : Indahtati Widjajadi
Commissioner : Ir. Sugito Winarko

Board of Directors

Director : Henry Najoran



Key Financial Highlights

Financial Statement	30 June 2012	31 December		
		2011	2010	2009
Current Asset	723,865,030	703,017,959	664,676,769	613,216,789
Non-Current Asset	5,896,157,979	6,038,110,985	6,322,016,998	6,605,923,011
Total Assets	6,620,023,009	6,741,128,944	6,986,693,767	7,219,139,800
Short-term Liability	-	-	-	-
Long-term Liability	-	-	-	-
Total Liability	-	-	-	-
Total Equity	6,620,023,009	6,741,128,944	6,986,693,767	7,279,139,800
Total Liability and Equity	6,620,023,009	6,741,128,944	6,986,693,767	7,279,139,800

Comprehensive Loss / Profit Statement	For the six months ended on 30 June		For the years ended on 31 December		
	2012	2011	2011	2010	2009
Net sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Operating expense	141,953,006	141,953,006	283,906,013	283,906,013	284,469,013
Operating loss	(121,105,935)	(121,631,296)	(245,564,823)	(232,446,033)	(275,158,707)
Comprehensive loss	(121,105,935)	(121,631,296)	(245,564,823)	(232,446,033)	(275,158,707)

G. INFORMATION ON THE INSTITUTIONAL SHAREHOLDERS OF THE COMPANY

Central Tower Capital Pte. Ltd.

Brief History

Central Tower is a limited liability company incorporated in 2011 by virtue of the laws of Singapore. Central Tower has been the Company's shareholder since 16 June 2012. As of the date of this Prospectus, Central Tower is domiciled at 10 Anson Road # 03-05, International Plaza, Singapore 079903.

Business

In line with its articles of association, the business of Central Tower include the provision of services and all activities related to investment, trade, export, import, distribution, manufacture and other similar activities.

Capital Structure and Shareholding Composition

The shareholding composition of Central Tower as of the date of the issuance of this Prospectus was as follows:

Description	Number of Shares (units)	Total Nominal Value per share (@SGD1.0)	%
Issued Capital			
Golden Valley Investment Limited	1000	1000	100.00
Total Issued Shares	1000	1000	100.00

Composition of the Board of Commissioners and Board of Directors

As of the date of the issuance of this Prospectus, the composition of Central Tower's management was as follows:

Board of Directors

Director : Andy Pe Yong Woon
 Director and Secretary : Stella Pe Peck Luan



H. ASSOCIATIONS BY WAY OF OWNERSHIP, MANAGEMENT AND SUPERVISION OF THE COMPANY

The following table shows the relationships between the management and the supervision of the Company and its Shareholders and its Subsidiaries:

Name	Company	GELORA	GAWIH	GALAN
Willy Walla	PC	C	C	PC
Indahtati Widjajadi	C	C	C	C
Edy Sugito	IC	-	-	-
Sastra Kosasih	-	PC	PC	-
Ronald Walla	PD	-	-	-
Trisnawati Trisnajuana	D	D	-	-
Sugito Winarko	D	C	-	C
Lucas Firman Djajanto	D	-	D	-
Krisna Tanimhardja	D	PD	PD	-
Hendrikus Johan Soe-giarto	UAD	-	-	-
Surjanto Yasaputera	-	-	D	-
Henry Najoran	-	-	-	D

Description:

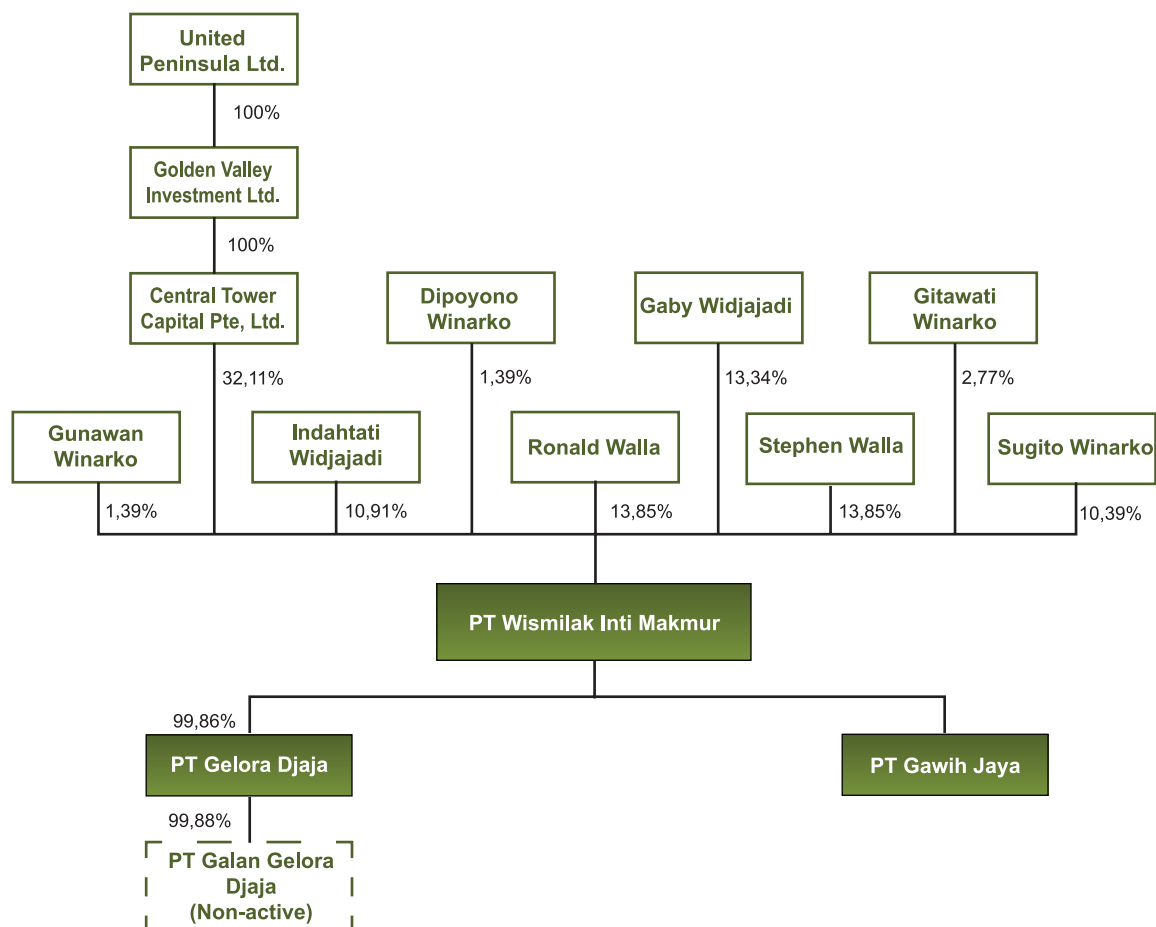
PC : *President Commissioner*
IC : *Independent Commissioner*
C : *Commissioner*

DU : *President Director*
DTA : *Director (unaffiliated)*
D : *Director*



I. STRUCTURE OF THE COMPANY'S BUSINESS GROUP

The following chart shows the structure of the Company's business group as of the date of the issuance of this Prospectus:



Source: Company

The Ultimate shareholder is Andy Pe Yong Woon through its 100% shares ownership in United Peninsula Ltd.

J. TRANSACTIONS WITH AFFILIATED PARTIES

- a. As set forth in Deed of Notary drawn up before H. Edwin Subarkah, S.H., No. 95, dated 6 June 2012, the Company sold 99.99% of its shareholding, or 7,820,000 shares in PUTRI, to PT Bumi Inti Makmur, an affiliated party, at Rp7.820.000.000. The difference between the release price and the investment book value for PUTRI in the amount of Rp7,464,865,843 was recorded as earnings from disposal of investment in a subsidiary in the Company's consolidated comprehensive profit loss statement.
- b. In 2012, GAWIH leased fixed asset in the form of property from PT Bumi Inti Makmur from 1 January 2012 up to 31 December 2012, consisting of properties located at these locations:
 - Jl. Mampang Prapatan Blok A No. 1-2, Duren Tiga, Pancoran, Jakarta Selatan, Jakarta, with a rent value of Rp50,000,000,
 - Jl. Tipar Cakung RT 10/08 - No 27 RT 05/07, Cakung Barat, Cakung, Jakarta Timur, Jakarta, with a rent value of Rp125,000,000,
 - Jl. Tanjungsari No D1-D2, Sukomanunggal, Surabaya, East Java, with a rent value of Rp40,000,000,



- Jl. Wahidin No. 137, Candi, Semarang Selatan, Semarang, Central Java, with a rent value of Rp55,000,000.
- Jl. Caringin 273, Kelurahan Babakan, Kecamatan Babakan Ciparay, Bandung, with a rent value of Rp55,000,000.

The total rent amounted to Rp142,878,788 or 7% of the total rent cost for the six months ended 30 June 2012.

- c. In 2012, GELORA leased fixed asset in the form of a building from PT Bumi Inti Makmur from 1 January 2012 to 31 December 2012, consisting of properties located at these locations:

- Jl. Mojopahit No. 39-41, Surabaya, East Java, with a rent value of Rp60,000,000,
- Jl. Raya Darmo No. 48, Surabaya, East Java, with a rent value of Rp60,000,000,
- Jl. Ronggolawe No. 6, Surabaya, East Java, with a rent value of Rp25,000,000.

The total rent amounted to Rp72,500,000 or 4% of the total rent cost for the six months ended 30 June 2012.

The agreements for the abovementioned rental properties have the following terms and conditions:

- a. GELORA shall use the property only as office building;
- b. GELORA is required to maintain the properties on its own expense;
- c. PT Bumi Inti Makmur guarantees that the land, building and other fixtures therein shall be free from other charges;
- d. GELORA has no right to modify and/or perform extension of the properties without written approval from PT Bumi Inti Makmur;
- e. GELORA shall bear all expenditures occurring due to property damages;
- f. Changes in property due to land/building structure or other damages due to natural disaster shall be borne by PT Bumi Inti Makmur; and
- g. GELORA shall not transfer the lease agreements to other parties without prior written approval from PT Bumi Inti Makmur.

- d. In 2012, GAWIH leased fixed asset in the form of property and building from Ronald Walla, with the following details:

- Office building located at Jl. Raya Darmo No. 42-44, Kelurahan Dr. Sutomo, Kecamatan Tegalsari, Surabaya, at a rent value of Rp120,000,000, valid for one year from 1 November 2012 to 31 October 2013, used as office above 2,090m² area.
- Ruko Darmo Square located at Jl. Raya Darmo No. 54 -56, Kavling R/10-11, Kelurahan Dr. Sutomo, Kecamatan Tegalsari, Surabaya, at a rent value of Rp72,000,000, valid for a period of 1 one year from 1 October 2012 to 30 September 2013, above 75m² and 65m² areas.

The respective rent cost amounted to Rp104,727,273 and Rp24,000,000, or 5% and 1%, respectively, of the total rent cost for the year ended 31 December 2011.

In the event of an amendment of the rental agreement, GAWIH must obtain the prior written approval of Ronald Walla, and this agreement cannot be transferred to other parties by GAWIH.

- e. In 2012, GELORA sold its fixed assets, consisting of property and building to PT Bumi Inti Makmur, an affiliated party, on 22 June 2012, amounting to Rp4,150,000,000 and on 29 June 2012, amounting to Rp31,500,000,000. In 2011, the Company, GELORA and GAWIH sold their fixed assets, consisting of property and building, to PT Bumi Inti Makmur, an affiliated party. The Company sold their fixed assets on 30 December 2011, amounting to Rp3,300,000,000. GELORA sold its fixed assets on 19 December 2011, amounting to RpRp2,850,000,000, on 22 December, amounting to Rp2,430,000,000 and on 30 December 2011, amounting to Rp46,880,000,000. GAWIH sold its fixed assets on 16 December 2011, amounting to Rp11,220,000,000 and on 30 December 2011, amounting to Rp1,560,000,000. Details of the earnings from the sale of such assets were as follows:



	Total		Percentage Against Total Earnings From for the Sale of Fixed Assets	
	2012	2011	2012	2011
PT Wismilak Inti Makmur	-	2,162,727,128		2.78%
GELORA	3,352,174,447	43,957,588,623		56.49%
GAWIH	-	8,865,182,616		11.39%
Total	3,352,174,447	54,985,498,367		70.66%

- f. In 2009, GAWIH leased fixed asset in the form of a building from PT Sativa Karyamandiri located in Dadaprejo Village, Kecamatan Junrejo, Kabupaten Malang, East Java, with a rent value of Rp167,502,500, valid from 29 July 2009 to 28 July 2014, which is used as an office, measuring 1,386 m².

The rent amounted to Rp16,750,250 or 1% of the total rent cost for the six months ended 30 June 2012.

According to this agreement, GAWIH is free from displacement, conviction, and other claims or collection by PT Sativa Karyamandiri or other third parties. Furthermore, GAWIH may not transfer or carry forward the unused rental period.

A summary of the transactions with Affiliated Parties is as follows:

Affiliated Parties	Nature of Relationship	Account Balance and Transaction
PT Bumi Inti Makmur	Has common shareholder	Sale of subsidiary, sale and lease of fixed assets
PT Sativa Karyamandiri	Has common key management personnel	Lease of fixed assets
Ronald Walla	Shareholder	Lease of fixed assets

The management represents that all transactions with affiliated parties as of the date of the issuance of this Prospectus have been disclosed herein.

- g. In 2012, Company rent a 33.150m² building from GELORA located at Jl. Buntaran 9-A, Surabaya. That building can be utilized as the Company's office until 31 March 2013. In the same year, the Company and GELORA entered an agreement of Wismilak brand utilization. In that agreement, the Company retain the rights to use Wismilak brand for ten years period starting from 29 October 2012.
- h. In 2010, GELORA was appointed GAWIH to sell and distribute all GELORA's products in a form of "Wismilak" and "Galan" cigarette, SKT and SKM type, based on cigarette distribution agreement that valid up to 1 January 2015. In 2012, GAWIH rent a building from GELORA which utilized as an office at Jalan Raya Terasak KM. 7, Kecamatan Larangan, Kabupaten Pamekasan, which valid until 31 December 2012.

K. MATERIAL AGREEMENTS WITH THIRD PARTIES

In carrying out its business, the Company and its Subsidiaries have entered into a number of material agreements with third parties, which include, among others:

a. The Company

Loan Agreements

1. Deed of Loan Agreement No. 5 dated 1 March 2011, drawn up before Lilik Susanti S.H., substituting for J. Andy Hartanto S.H., Notary in Surabaya	
Parties	: Company acting as debtor and/or guarantor; PT Bank Central Asia Tbk. ("BCA") collectively referred to as the Parties (the "Parties")
Facility	: Investment loan facility with a maximum amount not exceeding Rp 5,000,000,000
Purpose of loan	: Financing for the purchase of af/kdf 2 cigarette filter machine (400 m/ min), filter marker with hand catcher (filter diameter at 6.95 mm, filter length at 120 mm)



Term for drawdown and/or use of loan facility :	From 1 March 2011, or another date agreed upon by the Parties. As of the date of this Prospectus issued, there is no agreement between parties to terminate this credit facility
Interest and provisions :	Interest: 10.5% per annum (floating), calculated based on the total investment loan facility drawn and payable by the Company; Provision: 1% for each drawdown, calculated based on the investment loan facility granted, for investment loan facility.
Early repayment :	The Company can make early repayment of a portion or the entire payable amount under the loan facility prior to the maturity date without incurring any penalty, provided that the Company satisfies the conditions as agreed upon by the Parties.
Penalty :	In the event that the Company fails to repay the loan for any reason upon the maturity date, the Company is obligated to pay penalty accruing since the date on which the amount becomes payable at 0.17% per day.
Positive covenants :	The Company shall: <ul style="list-style-type: none"> comply with all prevailing laws, Government Regulations, government policies, directions and instructions from the Government, which are applicable to the Debtor; inform BCA in writing on any proceeding involving the Company which affect the business or assets of the Company; inform BCA in writing by attaching the supporting documents upon any changes to the Articles of Association of the Company, the members of the Board of Directors, the members of the Board of Commissioners and/or the Company's Shareholders; pay all incurring charges related to credit facility and implementation of terms and conditions of Credit Agreement even if the credit facility is not used and/or the credit agreement is cancelled; provide any information requested by BCA in connection to the granting of the loan facility and security.
Negative covenants :	The Company shall not do the following actions without obtaining prior written approval from BCA: <ul style="list-style-type: none"> obtain funds/new loans from another party and/or bound itself as a guarantor in any form or capacity whatsoever and/or encumber its assets for the benefit of another party; lend money, including but not limited to its affiliates, except for the conduct of its day-to-day business operations; enter into an amalgamation, merger, acquisition, winding up or liquidation; change its legal entity status <p>Pursuant to a letter from BCA No. 3993/ADM.KWIII/2012 dated 30 August 2012, BCA has given its approval for the Company to change its status into a public company in connection with its plan to conduct the Initial Public Offering. Such approval was given upon the condition that the Company must forthwith submit the deed of amendment and its approval from the Ministry of Law and Human Rights and other competent authority in relation to the Company's change of status to BCA by no later than one month following the issuance of such deed of amendment.</p>
Security :	The loan is secured by the following collaterals: <ul style="list-style-type: none"> An AF/KDF 2 (400 m/min) filter maker with hand catcher (filter diameter at 6.95 mm, filter length at 120mm), along with all its accessories located at Jalan Buntaran No. 9-A Tandés Surabaya and/or which may be stored at any other location as set forth in the Agreement dated 15 October 2010 entered into between the Company and Hauni Maschinenbau AG with respect to the Advance Payment Invoice dated 27 October 2010 No. 707153, with a value of Rp5,350,000,000.
Jurisdiction :	Surabaya District Court
2. Loan Agreement No. 0793/PK/CSC.Jatim-MAR/X/2006 dated 20 October 2006 as amended from time to time, the latest amendment of which was made by the Amended and Loan Agreement No. 030/PK/HECB/JATIMHEB/155/2012 dated 15 October 2012	
Parties :	PT Bank CIMB Niaga Tbk. as creditor ("CIMB"); The Company as debtor.
Facility :	The Company obtained the following facilities from CIMB: <ul style="list-style-type: none"> Current Account Loan: up to a maximum of Rp 5,000,000,000; Investment Loan 1: up to a maximum of Rp5,000,000,000 which has been paid partially, thus, the remaining main liability of Company (outstanding beside interest) is amounted to Rp83,333,333.53; Investment Loan 2: amounted to Rp7,650,000,000 which has been paid partially, thus, the remaining main liability of Company (outstanding beside interest) is amounted to Rp2,295,000,000; Fixed Loan: up to a maximum of Rp 3,000,000,000.
Purpose of Loan :	The purpose of each of the facility is as follows: <ul style="list-style-type: none"> Current Account Loan: operational activities and purchase of cigarette filter raw materials; Investment Loan 1 : Purchase of cigarette filter making machine; Investment Loan 2 : Purchase of cigarette filter making machine; Fixed Loan: purchase of raw materials and operating capital.



Term of the loan	:	The term for each of the facility is as follows: <ul style="list-style-type: none"> • Current Account Loan: from 19 November 2012 up to 19 November 2013. • Investment Loan 1: since 9 February 2007 to 9 November 2012. • Investment Loan 2 : since 26 June 2008 to 25 March 2014; • Fixed Loan: from 19 November 2012 up to 19 November 2013.
Interest and provisions	:	Interest: 10.25% per annum for each loan facility; Provisions: 0.25 for Current Account Loan and Fixed Loan.
Special clauses	:	The Company is required to: <ul style="list-style-type: none"> • submit to CIMB the following documents: <ul style="list-style-type: none"> o financial statement house figures, for a maximum of 90 days following the reporting date; o audited financial statements, for a maximum of 180 days following reporting; o quarterly stock and sales report, to be submitted no later than 1 month following the report, for the positions in March, June, September and December; o quarterly report of receivable aging schedule, to be submitted no later than 1 month following the report, for the positions in March, June, September and December; o result of machine inspection every one year and stock inspection every three months; o Quarterly Financial Statement to monitor the size of affiliated receivable; o transfer its operating account gradually to CIMB; o maintaining: (i) CR more than 1.0 during loan period; and (ii) stock and receivable value per statement at minimum amounting to 125% of outstanding of working capital loan; and (iii) leverage equal or less than 1.0 times; o obtain approval from CIMB prior conducting capital withdrawal and asset acquisition; o allow CIMB or party that has been appointed and authorized by CIMB to conduct an inspection of: (i) Company's inventory (Stock Inspection) for a minimum of three months period; (ii) machine inspection for every one year; and (iii) good business development through periodic call report/visit; o Debt to equity ratio at maximum 1 times; o Include affiliate receivables into fixed assets. • Cashflow deficit will be borne by the shareholders.
Restrictions	:	The Company must obtain the prior written approval from CIMB undertaking the following, : <ul style="list-style-type: none"> • Except in the normal course of business which do not affect the Company's ability to perform its obligations under the loan agreement: <ul style="list-style-type: none"> o sell or otherwise assign its property or lease/surrender the use of all or a part of its assets, whether movable or immovable; o encumber/put up as collateral in any manner the Company's asset for the benefit of other parties/persons, except for the benefit of CIMB; o enter into an agreement which may impose a payment obligation to a third party, including providing guarantee, directly or indirectly, for the obligation of a third party; or • Do any actions relating to the Company's corporate pay or repay claims or receivables of any nature given and/or at any time hereafter to be given by the Shareholder or any equivalent body within the Company, whether with respect to principal, interest or any other payable amount. <p>Additionally, except with the consent of CIMB, the Company shall not:</p> <ul style="list-style-type: none"> • perform capital withdrawal and acquire additional fixed assets; • increase its loan with a bank or any other financial institution; • provide loan to or receive loan from any other party. <p>The Company shall inform CIMB first, followed by written notification at least three months before the following actions:</p> <ol style="list-style-type: none"> a. lending money to other parties including affiliated parties as long as the Debt to Equity ratio does not exceed 1.0 b. conducting GMS to amend its Articles of Association, capital structure, members of the Boards of Commissioners and Directors, as well as Company's shareholders; c. conducting cash dividend payment, shares dividend and/or bonus shares as long as Debt to Equity Ratio does not exceed 1.0; d. changing Company's legal form/status; e. conducting Initial Public Offering.



Security	:	The loan is secured by the following collaterals: <ul style="list-style-type: none">• one cigarette filter production machine (Tow Opener AF 2R/Filter Rod Maker KDF2R), stored and located at Jalan Buntaran No. 9-A Surabaya, valued at Rp 6,500,000,000;• one filter Rod Marker AF2R/KDF2R, stored and located at Jalan Buntaran No. 9 A Surabaya with a fiduciary security value of Rp 7,650,000,000;• receivables or invoices of the Debtor to third parties with a fiduciary security value of Rp 3,350,000,000; and• supplies of raw materials, finished goods or supporting materials, stored and located at Jalan Buntaran No. 9 A Surabaya, with a fiduciary security value of Rp 6,000,000,000.
Jurisdiction	:	Surabaya District Court

In relation to the loan facilities obtained the Company as described above, as of the date of the issuance of this Prospectus, the Company has obtained the necessary and/or exception from the lenders so as to avoid the Initial Public Offering from conflicting with the terms and conditions of the related agreements governing such loan facilities.

Purchase Order in the Purchase of Raw Material for Cigarette Filters

In carrying out its business of manufacturing cigarette filters, the Company purchases its main raw materials and some supporting materials for cigarette filters through a number of suppliers, including PT Sarana Berkat Sejahtera, PT Argha Karya Prima Industry, P.P Payne Indonesia, PT Henkel Adhesive Technologies, PT Kedawung Setia, PT Kemas Super Indonesia and PT Behn Meyer Chemicals. Such purchases are made without written underlying agreements, but through a direct order mechanism with each supplier. To make an order, the Company is required to submit a purchase order to the supplier.

The purchases of raw material for cigarettes filters have been conducted since 2006. Early on, the Company made such purchases at least once a month. Nevertheless, along with an increase in production volume, the purchases of filter raw material may be done several times a month.

The purchase of raw material for cigarettes filters is conducted by agreeing to the existing terms and conditions by the suppliers, which are mostly relating to payment term of approximately 45 days and up to 60 days and other conditions relating to the delivery method of the goods.

Purchase Order in the Sale of Filters

As part of its business activities, the Company conducts sales of cigarette filters produced by it to consumers without any written underlying agreement. Shipment of the products are done upon receiving a purchase order from the consumer.

GELORA only used 18% filters produced by it internally, while the remaining is absorbed by others cigarette producers. There is no dependency to certain parties regarding the production and selling of filter products.

Sales transactions for filter products are done on a cash basis and/or cash upon delivery.

b. GELORA

Lease Agreements

1. Renewal of Lease Agreement dated 1 April 2012

Parties	:	Mulyadi, SE., as the lessor; and GELORA as the lessee.
Term	:	1 April 2012 - 31 March 2013
Leased premise	:	Mulyadi leases to GELORA a 1,108 m2 building to be used as a warehouse located at Jalan Perintis Kemerdekaan, Desa Joho, Kecamatan and Kabupaten of Temanggung
Rent	:	Rp 14,500,000 for one year



GELORA's obligations	: • GELORA is responsible for the maintenance of the premise and penalties or loss arising in connection with the premise. • GELORA bears all costs in the repair of damage (except for fire damage caused by other than the fault of GELORA, riots, earthquake or other natural calamities); and • GELORA is not permitted and shall have no right to assign an extension of the lease to another party.
----------------------	---

Dispute Resolution : District Court of Surabaya

Purchase Order in the Purchase of Cigarette Raw Materials

In carrying out its business of manufacturing cigarettes, the Company regularly makes purchases of raw materials from a number of cigarette ingredient suppliers, such as UD Supianto, Camtex International Pte. Ltd, Amin, Mangli Djaya Raya, PT Margomulyo, PT Orinda Development Ltd. and others. Such purchases are made without any written underlying agreement, but through a direct ordering mechanism with each of the suppliers. To make an order, the Company is required to submit a purchase order to the relevant supplier.

Exporting of Cigarettes

GELORA have also exported cigarettes to a number of foreign purchases, including Supreme Mobility Product PTE LTD, Singapore and Va Long International Ltd, Macau.

Purchase of Cigars Raw Material

GELORA always purchases raw material for cigar from PT Ledokombo.

Cigars Sales

GELORA happened to sold cigars to several buyers, such as Harmonis Store, Diplomat Cafe and Papaya Fresh Gallery.

GELORA Loan Agreements

1	Loan Agreement No. 021/PK/BU-1/TK/SBY/2001 dated 9 November 2001 as most recently amended and restated through the Agreement on 18th Renewal/Amendment of Loan Agreement No. 021/PK/BU-1/TK/SBY/2001 19 November 2012	
Parties	:	a. CIMB as creditor; and b. GELORA as debtor.
Type of facility	:	• Fixed Loan (Direct Facility, Revolving Basis); • Current Account Loan (Direct Facility, On Revolving Basis) • Investment Loan (Direct Facility, On Liquidation Basis)
Purpose of loan	:	• Fixed Loan: Operating Capital; • Current Account Loan: Operating Capital; • Investment Loan: Construction of a new SKM line machine for production of 'mild' cigarettes.
Loan facility amount	:	• Fixed Loan: up to a maximum of amount of Rp90,000,000,000; • Current Account Loan: up to a maximum of amount of Rp10,000,000,000; • Investment Loan: up to a maximum of amount of Rp25,000,000,000.
Term	:	• Fixed Loan: from 19 November 2012 to 19 November 2013. • Current Account Loan: from 19 November 2012 up to 19 November 2013; • Investment Loan: 60 months, including a 6-month grace period, from 8 November 2011 to 8 November 2016.
Specific Terms	:	1. GELORA is required to: Submit to CIMB the following documents: - Financial statement (house figures) at the maximum 30 days after the reporting date; - Annual financial statement (house figures) at the latest of 60 days since the reporting date; - Quarterly stock and sales report to be submitted at the latest of 30 days after the reporting date; - Annual financial statement (audited) including balance sheet and income statement at the latest of 180 days after the reporting date; - LOU from shareholders if cost overrun and shortage cash flow occurred 2. Interest rate adjustment could be done anytime not dependent to tenor promissory notes; 3. Allows CIMB or other authorities to conduct quarterly inventory inspection; 4. Cash flow shortage will be covered proportionally by major shareholders; 5. GELORA must retain ratio between CA and CL at a minimum of 1;



Positive covenants	: GELORA is required to, among others: <ul style="list-style-type: none"> • Apply the credit facility according to the agreed purpose; • Insure the assets securing the loan; • Effect hedging transactions on each loan in a foreign currency; • Allow the bank or its designated officers to enter the project and conduct inventory inspection; • Activate an account with CIMB and conduct transactions, both domestic and international, through CIMB; • Provide to CIMB information and data pertaining to GELORA's financial condition and business, amendments to its articles of association, and regarding events which may affect the condition, asset, business and finance of GELORA; and • Submit financial statements, inventory reports, and other reports to CIMB.
Negative covenants	: Except upon written approval of CIMB, GELORA is precluded from conducting the activities below: <ul style="list-style-type: none"> • Sell, assign, lease, allow the use of all or a part of the debtor's assets; • Encumber the debtor's asset as security for a third party; • Enter into an agreement which results in the debtor's obligation to pay any negotiable instrument; • Extend a loan to or receive a loan from a third party; • Change the nature of its business; • Change share value; • Conduct a merger or acquisition; or • Pay or repay any demand or receivable. Pursuant to Letter of CIMB No. 040/15/LCB V-JATIM/SK/SBY/2012 regarding conformation on the waiver of preclusion dated 24 September 2012, GELORA is required to inform CIMB in writing by no later than three months upon the distribution of such dividend. <p>Except upon written notification to CIMB, GELORA is not allowed to:</p> <ol style="list-style-type: none"> a. Fixed asset financing b. Receive additional loan from banks or other financial institutions c. Change in management and shareholders composition d. Encumber land and building assets e. Directly or indirectly act as guarantor for other third party including but not limited to providing Corporate Guarantee, except authorise endorsement over trading notes for payment or other collections that commonly used in conducting business
Interests and provision	: <ul style="list-style-type: none"> • Fixed Loan and Current Account Loan: 10.25% per annum, with a provision of 0.25% per annum; • Investment Loan: 10.25% per annum, with a provision of 0.5% of the maximum amount of the loan.
Security	: The assets securing the loan are: <ul style="list-style-type: none"> • Stock of tobacco and cloves located and stored at all of GELORA's warehouse, with a security value of Rp100,000,000,000; • Machineries located at Jl. Buntaran No. 9 Surabaya, with a security value of Euro 2,168,000.
Dispute Resolution	: Surabaya District Court
2	Deed of Loan Agreement No. 23 dated 4 March 2010 as amended for the first time by Deed of Amendment to Loan Agreement No. 13 dated 6 July 2010, as most recently amended by Deed of Third Amendment to Loan Agreement Number 39 dated 14 October 2011, all of which were drawn up before J. Andy Hartanto, S.H., M.H., a Notary in Surabaya
Parties	: GELORA as debtor; PT Bank Danamon Indonesia Tbk. ("Danamon") as creditor; and GAWIH as guarantor
Type of Loan Facilities	: <ul style="list-style-type: none"> • Uncommitted Omnibus Facility (Revolving-Loan), amounting to Rp 170,000,000,000 with the following sub-limit: <ol style="list-style-type: none"> a. Type of facility: Bank Guarantee Amount: Rp 170,000,000,000 Tenure: 360 days b. Type of Facility: Import Letter of Credit (LC), including a Domestic Documented Letter of Credit (SKBDN) in the form of Sight and/or Usance and/or Usance Payable at Sight (UPAS). Amount : USD 17,000,000 L/C Validity: 90 days upon the condition that the use of both sub-limit cannot exceed the principal amount of Rp 170,000,000,000 • Current Account Loan Facility amounting to Rp5,000,000,000 <p>(The Omnibus Facility and Current Account Facility to be hereinafter referred to as the "Loan Facility")</p>
Purpose of the loan facility	: Financing of operating capital and issuance of LC/SKBDN for the purchase of raw materials (tobacco, tobacco sauce), machines/spare parts.
Term of facility	: Up to 14 October 2013



Interests and provisions

- : • Loan Facility Interest: 10.25% per annum.
- For each LC/SKBDN issued by Danamon upon the request of GELORA, GELORA is required to pay to Danamon:
 - o Opening commission of 0.125% (flat), for a minimum value of USD 25.00 and telex fee of USD 25.00
 - o Amendment fee of 0.125% per quarter, for a minimum of USD 25.00 and telex fee of USD 25.00
 - o LC/SKBDN Usance Acceptance Commission of 1% per annum, for a minimum of USD 25.00
- GELORA is required to pay provision/ facility at 0.25% per annum, computed based on the amount of credit facility draw and paid to Danamon upon the drawdown of the Loan Facility.
- For each issuance of Bank Guarantee, GELORA is required to pay to Danamon an issuance commission of 1.5% per annum.
- A penalty interest of 3% per annum above the interest rate applicable at that time, computed based upon the amount of interest outstanding and/or the amount of the outstanding/payable money.

Positive covenants of GELORA

- : GELORA is required to, among others:
 - A minimum of 50% of all operational activities of GELORA must be conducted through GELORA's account with Danamon;
 - Carry on its business in a proper and efficient manner;
 - Apply the loan facility only for the agreed purpose;
 - Allow Danamon or its duly authorized officers to:
 - o conduct audit of the books, records and administrative documents of GELORA and inspect the security assets;
 - o inspect the project, other buildings and offices used by GELORA;
 - o allow Danamon to assign its employee and/or authorized agent at GELORA's company if deemed necessary by Danamon.
 - Maintain bookkeeping and records which reflect the company's financial condition and output of business operations;
 - Provide to Danamon any information/ details/data relating to GELORA'S finances and business, and upon the occurrence of any event which may affect the business or financial condition of GELORA;
 - Obtain, maintain, extend or renew business licenses and other permits as required by GELORA to carry on its business ;
 - Allow Danamon's employees or authorized agent to assess the security assets at least once every year at the expense of GELORA;
 - Effect payment of its tax and other charges relating to its business;
 - GELORA is required to maintain its collectability with respect to its creditors at the present collectability level;
 - The debts and obligations of GELORA with Danamon must rank parri-passu relative to its other obligations;
 - GELORA s subject to and bound by all statutory regulations relating to Loan Extension Limit (BMPK) in the event Danamon exceeds the BMPK in granting the loan facility;
 - GELORA is required to comply with all regulatory provisions it is subject to;
 - GELORA must submit its Annual Audited Financial Statements and Bi-Annual Financial Statements, including balance sheet and loss profit statement, to Danamon; and
 - GELORA's financial ratio must be maintained as follows:
 - minimum Current Asset to Current Liabilities ratio of 1.25;
 - maximum leverage ratio (debt to equity ratio) of two times;
 - minimum debts service coverage ratio (EBITDA/ Principal+Interest + Dividend Payment) of 1 times;
 - the value of GELORA's receivables and supplies must be larger than its debt with Danamon.



Negative covenants	<p>: GELORA is precluded from conducting the activities below:</p> <ul style="list-style-type: none"> • Sell or assign rights to or lease/ surrender the use of all or part of its assets; • Encumber as security its assets in any manner for the benefit of a third party; • Enter into an agreement that may result in a payment obligation to a third party, except in its normal course of business; • Directly or indirectly guarantee a third party, including but not limited to its subsidiaries, affiliates, except for transactions usually conducted in the normal course of business; • Lend money to or borrow money from another party; • Change the nature of its business as it is currently operating; • Amend its articles of association or allow changes to be made to the composition of its board of directors and board of commissioners or shareholders; • Conduct merger, acquisition, consolidation; • Pay or repay any demand or receivable which have been given and/or to be given by its shareholders; or • Announce and distribute share dividend. <p>GELORA shall inform Danamon prior announcing and distributing dividend.</p>
Security	<p>The assets securing the loan are:</p> <ul style="list-style-type: none"> • GELORA's inventory of: <ul style="list-style-type: none"> o Tobacco and cloves as of January 2010, with a value of Rp 176,536,824,777.79 o Tobacco and cloves as of 31 May 2010, with a value of Rp 157,259,085,508.70 o Tandes Tobacco and cloves as of 30 May 2011, with a value of Rp 190,120,021,424.15 o Account receivables: <ul style="list-style-type: none"> • account receives as of 31 January 2010, with a value of Rp 34,578,231,934.50 • account receivables as of 31 May 2010, with a value of Rp 37,481,578,205 • account receivables as of 30 May 2011, with a value of Rp 70,232,230,350 • account receivables as of 30 August 2011, with a value of Rp 89,782,344,900 o Inventory of tobacco and cloves as of 30 August 2011, with a value of Rp 239,778,937,341.68 • Corporate Guarantee in the name of GAWIH with a guaranteed value equivalent to the principal, plus interest, commission and charges payable by GELORA, pursuant to the security agreement (Loan Guarantee) No. 25 dated 4 March 2010 drawn up before J. Andy Hartanto, S.H., M.H., Notary in Surabaya.
3 Loan Agreement No. 209/STL/KRD/SBY/00 dated 15 December 2000, most recently amended by the Loan Extension Agreement No. 171/PPJK/KRD/SBY/11 dated 14 December 2011	
Parties	: PT Bank Ganesha, Surabaya Branch ("Ganesha"), as creditor; and GELORA as debtor.
Loan facility amount	: Rp7,500,000,000
Purpose	: GELORA must use the loan provided by Ganesha at the times and for the purposes as set forth in the plan approved by Ganesha.
Term	: up to 15 December 2012.
Interest and provision	: Loan interest rate of 12% per annum. Provision of 0.25% per annum.
Security	: The assets securing the loan are GELORA's inventory of tobacco amounting to 4,001,664.91 KG as stated in its inventory list, located at Buntaran 9 and 18, Surabaya, as of 31 March 2009, with a value of Rp119,012,737,970.
Positive covenants	<p>: GELORA is required to, among others:</p> <ul style="list-style-type: none"> • The loan must be used by GELORA at the times and for the purposes as set forth in the plan approved by Ganesha; • GELORA is required to deliver to Ganesha quarterly progress reports with respect to its business; and • GELORA is required to deliver to Ganesha its balance sheet and details thereof and profit/loss calculation along with all the necessary details, and financial statements that can illustrate GELORA's ongoing financial and business condition and assets, except as otherwise specified by Ganesha.
Negative covenants	<p>: GELORA is precluded from conducting the activities below:</p> <ul style="list-style-type: none"> • GELORA shall not borrow money from or lend money to any third party, other than as may arise in its normal course of business, without the written consent of Ganesha; • GELORA shall not act as guarantor over the debt of other parties, and shall not encumber its assets as security without the written consent of Ganesha; • GELORA shall immediately notify Ganesha of any event which may adversely affect GELORA; or • The assets securing the loan must be insured by GELORA at a value and upon the terms as approved by Ganesha, and which shall carry a Banker's Clause.



4 Loan Agreement No. 129/KY/KRD/SBY/11 dated 27 December 2011	
Parties	: a. Ganesha, as creditor; and b. GELORA, as debtor.
Amount	: Rp115,200,000
Purpose	: Financing for the purchase of a Mitsubishi Colt L300 PU Std. (vehicle)
Term	: 2 years from 27 December 2011
Interest	: 13% per annum
Positive covenant	: GELORA is required to, among others: <ul style="list-style-type: none"> • The loan must be used by GELORA at the times and for the purposes as set forth in the plan approved by Ganesha; • GELORA is required to deliver to Ganesha quarterly progress reports with respect to its business; and • GELORA is required to deliver to Ganesha its balance sheet and details thereof and profit/loss calculation along with all the necessary details, and financial statements that can illustrate GELORA's ongoing financial and business condition and assets, except as otherwise specified by Ganesha.
Negative covenants	: GELORA is precluded from conducting the activities below: <ul style="list-style-type: none"> • GELORA shall not borrow money from or lend money to any third party, other than as may arise in its normal course of business, without the written consent of Ganesha; • GELORA shall not act as guarantor over the debt of other parties, and shall not encumber its assets as security without the written consent of Ganesha; • GELORA shall immediately notify Ganesha of any event which may adversely affect GELORA; or • The security assets must be insured by GELORA at a value and upon the terms as approved by Ganesha, and which shall carry a Banker's Clause.

5 Loan Opening Agreement No. P.M.K. 089/7880/KRED/KYO/OC dated 7 December 2000, as most recently amended by Amended Loan Agreement No. 3742/PPK/7880/2011 dated 18 January 2012	
Parties	: BCA, as creditor; and GELORA, as debtor
Facility	: Local Loan (Current Account) with a maximum credit amount of Rp31,000,000,000
Purpose	: To be used as operating capital of GELORA
Interests and provisions	: Interest rate of 10.50% per annum, calculated based on the debt arising from the local loan facility (current account) at BCA, for Local Loan (Current Account). GELORA is required to pay provision or commission of 0.25% per annum, calculated based on the debt arising from the local loan facility (current account) at BCA, for Local Loan (Current Account).
Period of drawdown and/or use of the loan facility	: From 8 December 2011 to 8 December 2012.
Positive covenants	: Except as may be otherwise specified by BCA in writing, GELORA is required to: <ul style="list-style-type: none"> • comply with all regulatory requirements applicable to GELORA; • immediately notify BCA in writing of any civil, state-administrative, tax, or criminal proceeding or investigations involving GELORA which would have an impact on its business or assets; • immediately notify BCA, along with the submission of any related documents, regarding any change to GELORA's articles of association and composition of board of directors, board of commissioners and shareholders; • pay any cost arising from and in connection with the granting of the loan facility; • provide any information as requested by BCA pertaining to the loan facility and security; • maintain title over all intellectual property owned or to be owned by GELORA; • a limited liability company owning assets worth Rp50,000,000,000 or more and having received a loan ceiling with BCA of or over Rp20,000,000,000, is required to submit its annual financial statement audited by a registered public accountant approved by BCA at least once every year, by no later than six months after 180 days from the date of the statement; • submit a security assessment report; • submit its audited financial statement to BCA; and; • submit its internal financial statement for the ongoing period to BCA in the event of any extension of/addition to/ amendment to the facility.



Negative covenant	: To undertake the following activities, GELORA is required to obtain prior written consent from BCA: <ul style="list-style-type: none"> • Receive a loan from another party and/or bind itself as a guarantor in any manner and under any name whatsoever and/or encumber its assets for the benefit of a another party; • Extend a loan to another party, including but not limited to its affiliates, except in the normal course of business; • If GELORA is a corporate entity: <ul style="list-style-type: none"> a. conduct an amalgamation, merger, acquisition, dissolution/liquidation; b. change its corporate status; c. effect any change to its management and shareholder.
Security and Collateral	: The assets securing the loan are as follows: <ul style="list-style-type: none"> • All of the Madura tobacco inventory owned by GELORA, whether presently or at any time in the future, and situated at any location, including but limited to, those stored at Jalan Buntaran 18, Tandes Surabaya, as specified in the List of Inventory dated 12 November 2009 No. 001/DPB/XI/2009, and all of the amendments and/or renewals thereto. • All of the Madura tobacco and FC tobacco inventory owned by GELORA, whether presently or at any time in the future, and situated at any location, including but limited to, those stored at Jalan Surowongso 999 Karangbong Sidoarjo, as specified in the List of Inventory dated 12 November 2009 No. 002/DPB/XI/2009, and all of the amendments and/or renewals thereto.
Dispute Resolution	: District Court of Surabaya

c. GAWIH

Agency Agreement

In carrying on its cigarette distribution business, GAWIH as a distributor has entered into agreements with third parties, as follows:

No	Agreement Number	Agent Name	Product	Location	Term
1.	001/I/Dir/2012 dated 1 January 2012	UD Agung Perkasa	Wismilak Diplomat	Kodya Kendari, Kendari Regency, Kolaka Regency	1 January 2012 – 31 December 2012
2.	002/I/Dir/2012 dated 1 January 2012	PT Artam Kumala Jaya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Kodya Balikpapan, Pasir (Tanah Grogot) Regency	1 January 2012 – 31 December 2012
3.	003/I/Dir/2012 dated 1 January 2012	UD Deli Wijaya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Kodya Samarinda, Kodya Bontang, Kutai Timur Regency, Kutai Regency	1 January 2012 – 31 December 2012
4.	004/I/Dir/2012 dated 1 January 2012	UD Duta Indah	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim • Galan Mild 	Kodya Palangkaraya, Katingan Regency	1 January 2012 – 31 December 2012
5.	005/I/Dir/2012 dated 1 January 2012	UD Handayani	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Sumbawa Regency, Dompu Regency, and Bima Regency	1 January 2012 – 31 December 2012
6.	006/I/Dir/2012 dated 1 January 2012	Ming-Ming	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Bandar Lampung	1 January 2012 – 31 December 2012
7.	007/I/Dir/2012 dated 1 January 2012	Toko Multi Jaya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Bandung Regency, Bangli Regency, Buleleng Regency, Kodya Denpasar, Gianyar Regency, Jembrana Regency, Karang Asem, Klungkung Regency, Tabanan Regency	1 January 2012 – 31 December 2012
8.	008/I/Dir/2012 dated 1 January 2012	Toko Nusa Jaya	Wismilak Diplomat	Toli-toli Regency, Buol Regency	1 January 2012 – 31 December 2012



No	Agreement Number	Agent Name	Product	Location	Term
9.	009/I/Dir/2012 dated 1 January 2012	Toko Pelangi	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim • Galan Mild 	Bangka Regency, Kodya Pangkal Pinang	1 January 2012 – 31 December 2012
10.	010/I/Dir/2012 dated 1 January 2012	CV Pinang Mas	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim • Galan Mild 	Kota Waringin Barat (Pangkalanbun) Regency, Sukamara Regency, Lamandau (Nanga Bulik) Regency	1 January 2012 – 31 December 2012
11.	011/I/Dir/2012 001/KNT/PKF/HK/PPI/I/2012 dated 2 January 2012	PT Perusahaan Perdagangan Indonesia (Persero)	<ul style="list-style-type: none"> • Wismilak Diplomat 12 • Wismilak Diplomat 16 • Wismilak Kretek • Wismilak Kretek Slim 16 • Galan Mild 	South Sulawesi Province	Valid until 31 December 2012
12.	012/I/Dir/2012 dated 1 January 2012	CV Prima	Wismilak Diplomat	Nabire Regency	1 January 2012 – 31 December 2012
13.	013/I/Dir/2012 dated 1 January 2012	UD Raya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek 	Kodya Palu, Donggala Regency, Poso Regency	1 January 2012 – 31 December 2012
14.	014/I/Dir/2012 dated 1 January 2012	Toko Sejati	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim • Galan Mild 	Tanjung Pandan and the surrounding area	1 January 2012 – 31 December 2012
15.	015/I/Dir/2012 dated 1 January 2012	PT Selatanjaya Aditamaperkasa	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Galan Mild 	Kodya Padang, Pesisir Selatan Regency, Padang Pariaman Regency, Paaman Regency, Bukit Tinggi Regency, Limapuluh Koto Regency, Kodya Solok, Tanah Datar Regency	1 January 2012 – 31 December 2012
16.	016/I/Dir/2012 dated 1 January 2012	PT Selatanprima Sejahteraraya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek Slim • Galan Mild 	Kodya Pekanbaru, Kodaya Dumai, Indragiri Hulu Regency, Rokan Hulu Regency, Bengkalis Regency, Indragiri Hilir Regency, Siak Regency, Kampar Regency, Pelalawan Regency	1 January 2012 – 31 December 2012
17.	017/I/Dir/2012 dated 1 January 2012	UD Serasi	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Kota Waringin Timur (Sampit) Regency	1 January 2012 – 31 December 2012
18.	018/I/Dir/2012 dated 1 January 2012	UD Setia Kawan	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Kotamadya Tarakan	1 January 2012 – 31 December 2012
19.	019/I/Dir/2012 dated 1 January 2012	CV Sinar Mandiri	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim • Galan Mild 	Kodya Pontianak, Pontianak Regency, Bengkayang Regency, Ketapang Regency, Sintang Regency, Sambas Regency,	1 January 2012 – 31 December 2012
20.	020/I/Dir/2012 dated 1 January 2012	UD Pangan Raya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Dan Wismilak Kretek Slim 	Tanjung Redeb Regency	1 January 2012 – 31 December 2012
21.	021/I/Dir/2012 dated 1 January 2012	Toko Surya Kencana	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek • Wismilak Kretek Slim 	Kotabaru Regency	1 January 2012 – 31 December 2012



No	Agreement Number	Agent Name	Product	Location	Term
22.	022//Dir/2012 dated 1 January 2012	UD Tanpa Nama	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek Slim • Galan Mild 	Lombok Barat Regency, Lombok Tengah Regency, Lombok Timur Regency, Kodya Mataram	1 January 2012 – 31 December 2012
23.	023//Dir/2012 dated 1 January 2012	Toko Trijaya	<ul style="list-style-type: none"> • Wismilak Diplomat • Wismilak Kretek Slim 	Tanjung Pinang (Riau Islands, including Batam island)	1 January 2012 – 31 December 2012

Distribution Agreement between GAWIH and PT Japan Tobacco International Indonesia (“JTI”) dated 5 October 2010, as amended by Addendum dated 18 November 2011 and Supplemental Agreement dated 1 May 2012

Parties	<ul style="list-style-type: none"> • GAWIH as a non-exclusive distributor; • JTI as seller
Scope	GAWIH has been appointed by JTI as non-exclusive distributor for the “Mild Seven” cigarette brand, which will be sold in the island of Java and outside of Java, except for Bali and duty free shops.
Term	1 November 2010 to 31 October 2012. The agreement is automatically extended for one year, except where a party receives a notice of termination from the other party by no later than 6 months prior to the expiry of the agreement. As of the date of this Prospectus issued, no parties receive notification on termination of distribution agreement
Delivery and Payment	Mild Seven is shipped at the expense of JTI to GAWIH’s warehouse located at Jl. Tipar Cakung No. 27, East Jakarta. Payment is made by GAWIH to JTI within a period of 40 days upon invoice from JTI.
Security	GAWIH must secure its payment obligation to JTI by an irrevocable Bank Guarantee of Rp1,500,000,000
Obligations, Limitations and Other Provisions	<ul style="list-style-type: none"> - GAWIH is required to store Mild Seven product in a clean area and must insure the value of the Mild Seven product currently being stored by GAWIH; - GAWIH is prohibited from selling Mild Seven products that are damaged, sub-standard or have exceeded 12 months since its production date; - JTI agrees to replace sub-standard Mild Seven products that are returned by customers to GAWIH; - JTI agrees to reimburse GAWIH for every product that is required to JTI, as required by an amendment to the national tax regulation; - Throughout the term of the agreement, GAWIH agrees to employ employees and operate vehicles in a number as approved by JTI for the sale of Mild Seven toward fulfilling GAWIH’s obligation, and GAWIH is required to meet all regulations relating to labor; - GAWIH undertakes to sell Mild Seven in the designated areas and shall not directly or indirectly sell the product outside such areas.
Termination	The agreement terminates by written notice upon: <ul style="list-style-type: none"> - An event of default by any of the parties; - Liquidation of any of the parties; - A change in the structure of shareholders and management of GAWIH; - GAWIH’s business license (SIUP) being revoked by the Government; - GAWIH’s failure to meet strategies of sale and distribution and JTI’s policies that are communicated in writing to GAWIH from time to time. - GAWIH’s failure to meet the annual sale target agreed to by the parties.
Governing law	Swiss laws, without prejudice to the Vienna Convention on the International Sale of Goods and the principle of choice of law.
Dispute resolution	Arbitration in Geneva, Switzerland

Lease Agreements

No.	Agreement	Parties	Premise and Used of Proceed	Term	Rent	Branch
1.	Lease Agreement No. 4 dated 18 January 2012, drawn up before Firman Kurniawan, Notary in Bogor	Andriza Sudrajat as lessor; and GAWIH as lessee	A building situated upon a plot of land with an area of approximately 200 m2, located in the West Java Province, Kotamadya Bogor, Kecamatan Tanah Sareal, Kelurahan Sukadamai. GAWIH shall only use that house as a marketing office.	16 November 2011 - 16 November 2013.	Rp36,000,000	Bogor



No.	Agreement	Parties	Premise and Used of Proceed	Term	Rent	Branch
2.	Lease Agreement No. 85 dated 8 March 2012 drawn up before Gianto, S.H., Notary in Banjarmasin	Imam Mahmudi as lessor; and GAWIH as lessee	A building situated upon a plot of land with an area of 573 m2 located in the province of South Kalimantan, kota Banjarmasin, Kecamatan Bandar Barat, Kelurahan Belitung Selatan. All rental properties can be utilized as office and warehouse	8 March 2012 - 8 March 2014	Rp155,555,556	Banjarmasin
3.	Lease Agreement No. 2 dated 9 May 2012 drawn up before Rekowarno, S.H., Notary in Pati Regency	Amin Haryanto as lessor; and GAWIH as lessee	A building with an area of approximately 100m2, located in Pati Regency, Kecamatan Pati, kelurahan Pati Kidul. Rental property is utilized as GAWIH's employee house.	1 June 2012 - 31 May 2013	Rp5,400,000	Pati
4.	Extension of Lease Agreement No. 74 dated 19 April 2011 drawn up before Silviani Tri Budi Esti, S.H., Notary in Surakarta	Antonius Triyono as lessor; and GAWIH as lessee	A building with an area of ± 475 m2 located in Nusakan Wetan Village, Kecamatan Banjarsari, Kota Surakarta, Central Java Province. Rental land and properties are utilized as marketing office.	27 April 2011 - 27 April 2013	Rp30,000,000	Solo
5.	Lease Agreement No. 112 dated 22 July 2012 drawn up before Sopan, S.H., Notary in Purwokerto	Hardono as lessor; and GAWIH as lessee	A building situated upon a plot of land with an area of approximately 292 m2, located in the Central Java Province, Banyumas Regency, Kecamatan Kedingbanteng, Desa Karangsalam. GAWIH used rental object as office at Purwokerto and centralized at Jl. Dr. Soetomo No. 27, Surabaya.	26 June 2011 - 26 June 2013	Rp30,000,000	Purwokerto
6.	Lease Agreement No. 28 dated 10 June 2011 drawn up before Christiana S.H., Notary in Pati	Boedi Djoko Oetomo as lessor; and GAWIH as lessee	A building with an area of 84 m2 located in the Central Java Province, Pati Regency, Kecamatan Pati, Desa Kutoharjo GAWIH used rental object as employees' house.	1 May 2011 - 30 April 2013	Rp17,777,778	Pati
7.	Lease Agreement No. 51 dated 23 June 2011, drawn up before Fathur Rahman, S.H., Notary in Jember	Mukminah and Rina Listriani as lessor; and GAWIH as lessee	A building with an area of 180 m2. GAWIH has the right to utilize rental object as resident.	2 years from 23 June 2011 and ending on 23 June 2013	Rp20,000,000	Jember



No.	Agreement	Parties	Premise and Used of Proceed	Term	Rent	Branch
8.	Lease Agreement No. 10 dated 7 July 2011 drawn up before Sonny Ambaryono, S.H., Notary in Semarang	Yuli Widodo as lessor and Hardjono as lessee; GAWIH as lessee	A building with an area of 132 m2 located in the Central Java Province, Kota Semarang, Kecamatan Banyumanik, Kelurahan Ngesrep. GAWIH has the right to utilize rental object as residence.	2 years from 1 July 2011 and ending on 1 July 2013	Rp21,000,000, not including Income Tax.	Semarang
9.	Lease Agreement No. 5 dated 4 November 2011 drawn up before Susilo Agus Riyanto, S.H., Notary in Kabupaten Pati	Ifa Muryaningtias and Thio Gedy Wudyarko as lessor; and GAWIH as lessee	Land and building under Free Hold Certificate No. 00250/Pati Lor located in the Central Java Province, Pati Regency, Kecamatan Pati, Kelurahan Pati Lor with an area of 811 m2 GAWIH can utilize the rental house as office and GAWIH marketing in Surabaya.	1 October 2011 - 30 September 2013	Rp66,666,667	Pati
10.	Lease Agreement No. 7 dated 9 July 2012 drawn up before Muhammad Hafidh, S.H., Notary in Semarang	Mira Novana Ardani as lessor; and GAWIH as lessee	A plot of land under Free Hold Certificate No. 3556/Srondol Kulon dated 29 October 2010 located in the Central Java Province, Kota Semarang, Kecamatan Banyumanik with an area of 168m2. GAWIH can develop restaurant, with other buildings, either permanent or temporary, with its own cost.	4 July 2012 – 4 July 2013	Rp17,500,000	Semarang
11.	Lease Agreement No. 6 dated 14 June 2012 drawn up before Tri Agus Heryono, S.H., Notary in Sleman	Yulius Leonard as lessor; and GAWIH as lessee	Land and building under Free Hold Certificate No. 7299/Trihanggo with an area of 595 m2 and Free Hold Certificate No. 7297/Trihanggo with an area of 602 m2. GAWIH utilized the rental house for office and business area.	20 June 2012 -20 June 2014	Rp160,000,000	DI Yogyakarta



No.	Agreement	Parties	Premise and Used of Proceed	Term	Rent	Branch
12.	Lease Agreement No. 19 dated 6 December 2011 drawn up before Misbahuddin, S.H., Notary in Padang Sidempuan	Ali Akbar Sagala and Aisyah Pulungan as lessor; and GAWIH as lessee	Building at Jalan Mawar No. 40, Kelurahan Ujung Pandang, Kecamatan Padangsidimpuan Selatan, Kota Padang Sidempuan. GAWIH utilized the rental object as office and warehouse for GAWIH's operating business.	23 June 2011 - 23 June 2013	Rp111,111,111	Padang Sidempuan
13.	Lease Agreement No. 42 dated 21 February 2012 drawn up before Bachruddin Hardigaluh, S.H., Notary in Cirebon	Sy i h a b u d d i n Rahman Aziz and Supyan Iskandar as lessor; and GAWIH as lessee	A building located at Jl. Ksatria Number 2 Cirebon, situated on two plots of land under Free Hold title located in the West Java Province, Kotamadya Cirebon, Kecamatan Kesambi, Kelurahan Kesambi. GAWIH utilized the rental object as business area and warehouse.	9 February 2012 - 9 February 2014	Rp76,000,000	Cirebon
14.	Extension of Lease Agreement Number 99 dated 24 August 2011 drawn up before Silviani Tri Budi Esti, S.H., Notary in Surakarta	Yudi Ariyanto as lessor; and GAWIH as lessee	A building/house located at Gentan village/ Kelurahan, Kecamatan baki, Sukoharjo Regency, Central Java Province. GAWIH utilized the rental object as residence,	27 July 2011 - 28 July 2013	Rp17,000,000	Solo
15.	Lease Agreement dated 17 January 2012	Lies Yuhaeni, Prima Juristianto and Asri Estetika as lessor; and GAWIH as lessee	A building situated on a plot of land with an area of 200 m ² located in the East Java Province, Kota Surabaya, Kecamatan Rungkut, Kelurahan Penjaringansari, known as Jl, Pandugo I Blok PK No.23 Surabaya. GAWIH has the right to utilized rental object as residence.	17 January 2012 - 16 January 2013	Rp17,000,000	Surabaya
16.	Lease Agreement No. 1 dated 4 November 2011 drawn up before Ujang Komara Sambianto S.H., Notary in Tangerang	Istiqamah as lessor; and GAWIH as lessee	A building situated on a plot of land with an area of ±210 m ² located at Taman Palma Blok F.5/6, RT 002 RW 04, Banten Province, West Java, Tangerang. GAWIH utilized the rental object as office.	2 years started from 17 August 2011 up to 16 August 2013	Rp30,000,000	Tangerang



No.	Agreement	Parties	Premise and Used of Proceed	Term	Rent	Branch
17.	Lease Agreement No. 4 dated 3 April 2012 drawn up before Nirwan Harahap S.H., Notary in Pematang Siantar	Abdul Muin Nasution, BA as lessor; and GAWIH as lessee	A permanent residence located at Jl. Silimakuta No. 33, Pematang Siantar, North Sumatera. GAWIH utilized the rental object as office, warehouse and mess.	9 March 2012 up to 8 March 2014	Rp53,333,333	Pematang Siantar
18.	Extension of Lease Agreement No. 7 dated 15 March 2012, drawn up before Henny Jeanne Pattinama S.H., Notary in Palembang	Zawawi Muchtar as lessor; and GAWIH as lessee	A residence located at Jl. Dwikora II No. 1222 A RT 011 RW 003. GAWIH utilized the rental object as office.	Until 31 November 2013	Rp40,000,000	Palembang

L. FIXED ASSETS

As of 30 June 2012, the Company and its Subsidiaries own and/or occupy 12 plots of land located throughout Indonesia, with a total area of approximately 410,829m² under Building Use title (*Hak Guna Bangunan*), with a major part being used for the Company's operations, as follows:

a. Land and Building

The following table lists the fixed assets of land and building owned by the Company and its Subsidiaries as of 30 June 2012:

No.	Location	Building Consisting Of	Land Area (m ²)	Building Area (m ²)	Land and Building Market Value (in million Rupiah)
GELORA					
1	Jl. Buntaran No. 9, Kel. Manukan Wetan, Kec. Tandes, Surabaya – East Java	Office, warehouse, engineering, policlinic, cafeteria, sub-store (archives, fire extinguisher & lubricants), electrical workshop, house (Genset, Panel & Electrical Switchers), boiler house, guard post, prayer room and parking space	152,200	52,392	367,385
2	Jl. Buntaran No. 18, Kel. Manukan Wetan, Kec. Tandes, Surabaya – East Java	Warehouse, policlinic, child day care & SPSI, glue cooking house, parking space and guard post	34.860	17.136	44,466
3	Jl. Raya Sratujejo No. 99, Desa Sratujejo, Kec. Baureno, Bojonegoro – East Java	Office and production facility, SPSI, policlinic, prayer room, cafeteria, lockers, guard post and generator set housing & workshop	9.049	3.553	6,629
4	Jl. Raya Pasinan, Desa Pasinan, Kec. Baureno, Bojonegoro – East Java	-	9.773	-	1,955
5	Jl. Perintis Kemerdekaan, Kel. Tlogorejo, Kec. Temanggung, Temanggung – Central Java	Office, tobacco warehouse and utility building	14.940	3.908	7,448
6	Jl. Trunojoyo No. 42-44, Desa Gedungan, Kec. Kota Sumenep, Sumenep – East Java	Warehouse, prayer room and security post	13.104	2.501	6,425
7	Jl. Raya Pamekasan, Desa Trasak, Kec. Larangan, Pamekasan – East Java	Warehouse, directors' housing, employee housing, prayer room and guard post	60.287	22.453	33,892



No.	Location	Building Consisting Of	Land Area (m2)	Building Area (m2)	Land and Building Market Value (in million Rupiah)
GAWIH					
1	Jl. Karangandong, Desa Krikilan, Kec. Driyorejo, Gresik – East Java	-	25.080	-	13,232
2	Komplek Pergudangan Wirolusan Blok A1-A9, Jalan Mayjend Sungkono Km. 2,6, Desa Gulomantung, Kec. Kebomas, Gresik – East Java	Office, warehouse, rest area, guard post and motorcycle parking space	5.782	4.586	6,854
3	Jl. Sumatra No. 177, Kel. Sumpersari, Kec. Sumpersari, Jember – East Java	Office	1.296	360,50	3,639
4	Jl. Kompos No. 193, Desa Puji Mulyo, Kecamatan Sunggal, Deli Serdang – North Sumatera	Office, warehouse, prayer room and guard post	6.007	1.311	5,325
GALAN					
1	Jl. Surowongso No. 999, Desa Karangbong and Desa Banjarkemantren, Kec. Gedangan, Sidoarjo – East Java	Office, warehouse, prayer room, cafeteria, guard post, panel housing, genset. housing, walkway and car and motorcycle parking space	78.451	13.006	50,084

b. Machineries and Equipment

Company

No.	Equipment	Qty. (unit)	Make/Type	Year of Manufacture	Details
1	Filter Making Machine	4	Hauni/ AF2R & KDF 2 R	2006	With capacity of 3,300 cigarettes/minute, equipped with hand catcher conveyor driven by an electric motor, along with other features and a cooling machine.
2	Filter Making Machine	4	Hauni/ AF2R & AF2R	2008	With capacity of 3,300 cigarettes/minute, equipped with hand catcher conveyor driven by an electric motor, along with other features and a cooling machine.
3	Filter Menthol Making Machine	5	Hauni/ AF2R & AF2R	2011	With capacity of 3,300 cigarettes/minute, equipped with KDF 2 R -Menthol machine with a capacity of 3,300 cigarettes/minute and a cooling machine.
4	Filter Making Machine	1	Kurt Lamprecht Maschinenbau/ AF2R & AF2R	1971	Capacity of 1,300 cigarettes/ minute
5	Digital Scale	1	Star/ SBS-60	2006	Capacity of 500 Kg
6	Hand Pallet	1	Cacth/ CP25 L 122	2010	Capacity 2,5 tons, polyurethane wheels
7	Hardness Tester	1	KC Automation Inc/ 5460-1	2006	Cigarette and filter hardness tester
8	Digital Scale	1	And/ EK 200 G	2006	Capacity of 200 grams
9	Diameter Machine	1	Brogwaldt KC Inc/ KCS 100	2006	Equipped with printer and other features
10	Oven	1	Memert/ U 15	2006	-
11	Portable Pressure Drop Tester	1	Celanese Acatete/ 981	2006	-
12	Portable Pressure Drop Tester	1	Celanese Acatete/ 981	2008	-



No.	Equipment	Qty. (unit)	Make/Type	Year of Manufacture	Details
13	Air Compressor	1	Hitachi/ Bebicon	2002	Capacity of 9,80 bar, volume of 90 liters, electric motor driven two-cylinder pump
14	Digital Scale	1	CAS/ SW-01	2008	Capacity of 10 Kg
15	Tachometer	1	RS 198977	2011	-
16	Calibration Standard	2	WG	2012	Measurement: 200 mm
17	Calibration Standard	2	WG	2012	Measurement: 400 mm
18	Etui Calibration Standard	1	-	2012	-

GELORA

No.	Equipment	Qty. (units)	Make/type	Year of Manufacture	Details
1	Line Cutting Machine	1	Piramida Mas Perdana & Cardwell	-	Production capacity: 1.5-3 tons/hour
2	Line Blending Machine	1	Mulia Petra Panelindo & Piramida Mas Perdana	-	Production capacity ± 3 tons/hour
3	Granule Production Machine	1	Piramida Mas & Lao Sung	-	Capacity: ± 300 Kg
4	Line Separating Machine	1	Mulia Petra Panelindo & AMF Legg	-	Capacity: 6 tons/hour
5	SOT Line	1	Quester	-	Capacity: 2,715 – 3,000 kgs/hour
6	Plastic Bin	1,250	-	-	Completely plastic construction with lid
7	Primary Workshop Equipment	1	TSI, Bosch, SKF, ESAB	-	Each unit with accessories
8	Hand Pallet Truck	7	OPK, Puma	-	Lifting capacity 250 – 1,000 Kg
9	Sewing Machine	1	New Long	-	With accessories
10	Tobacco Wheel Cart	2	-	-	Angled metal construction
11	Clove Dicing Machine	1	Hauni	2011	Machine dimension 245 cm L x 130 cm W
12	Weighing Conveyor	1	Mulia Petra Penlindo	2012	Capacity: max 3,000 kgs/hour
13	Line Cigarette Making Machine (Hauni)	1	Hauni	2011	Capacity: 5,000 cigarettes/minute
14	Line Cigarette Making Machine (LOGA 5)	1	Decofle, Korber & Ameral	1998	Capacity: 5,000 cigarettes/minute
15	Line Cigarette Making Machine (LOGA 6)	1	Decofle, Korber & Ameral	1997	Capacity: 5,000 cigarettes/minute
16	Line Cigarette Making Machine (LOGA 7)	1	Decofle, Korber & Ameral	1995	Capacity: 5,000 cigarettes/minute
17	Line Cigarette Making Machine (JTI 3)	1	Japan Tobacco, Hauni	1995	Capacity: 3,000 cigarettes/minute
18	Line Cigarette Making Machine (JTI 2 Warehouse)	1	Japan Tobacco, Hauni	1989	Capacity: 2,000 cigarettes/minute
19	Line Cigarette Making Machine (LOF 1 Warehouse)	1	Decofle, Hauni	1997	Capacity: 3000 cigarettes/minute
20	Line Cigarette Making Machine (LOF 2 Warehouse)	1	Decofle, Hauni	1997	Capacity: 3,000 cigarettes/minute
21	Line Cigarette Packing Machine (Aiger)	1	Aiger	2003	Capacity: 200 packs/minute, 30 carton/minute
22	Line Cigarette Packing Machine (ITM A)	1	ITM	1997	Capacity: 250 packs/minute, 30 Carton/minute
23	Line Cigarette Packing Machine (ITM H)	1	ITM	1997	Capacity: 180 packs/minute, 30 carton/minute
24	Line Cigarette Packing Machine (ITM I)	1	ITM	1997	Capacity: 250 packs/minute, 30 cartons/minute
25	Line Cigarette Packing Machine (CME Link Up)	1	CME	1999	Capacity: 225 packs/minute, 30 cartons/minute
26	Line HLP Link Up C	1	Mollins	2001	Capacity: 125 packs/minute
27	Line HLP E	1	Mollins	1995	Capacity: 125 packs/minute
28	Line HLP G	1	Mollins, ITM	1998	Capacity: 125 packs/minute, 30 cartons/minute



No.	Equipment	Qty. (units)	Make/type	Year of Manufacture	Details
29	Wrapping Machine (TAM 1)	1	Tam	1995	Capacity: 125 packs/minute
30	Wrapping Machine (TAM 2)	1	Tam	1995	Capacity: 150 packs/minute
31	Wrapping Machine (TAM 3)	1	Tam	1995	Capacity: 150 packs/minute
32	Wrapping Machine (TAM 4)	1	Tam	1995	Capacity: 150 packs/minute
33	Wrapping Machine (TAM 5)	1	Tam	1995	Capacity: 150 packs/minute
34	Wrapping Machine (TAM 7)	1	Tam	1995	Capacity: 150 packs/minute
35	Wrapping Machine (TAM 8)	1	Tam	1995	Capacity: 150 packs/minute
36	Wrapping Machine (9)	1	Mollins	1995	Capacity: 150 packs/minute
37	Set Peralatan	1	-	1993	-
38	Dust Collector (for LOGA)	2	Basuki 035-16	1995	Dimension: L: 1.5 x W: 1.5 x H: 5 m
39	Mini Dust Collector (untuk JT1)	3	Lokal	1994	With ducting and standard accessories for normal operations
40	Humidifier (for Loga & JT1)	2	Copeland	1997	Capacity: 135.000 BTU / h
41	Humidifier (for Hauni)	2	MC Quay	2011	Capacity: 300.000 BTU / h
42	Dust Collector (for Hauni)	1	Basuki 035-16	2011	Dimension: L: 1.5 x W: 1.5 x H: 5 m
43	UPS Automatic Voltage Regulator	2	Bauma BHR34WATT35	1998	Capacity: 110 KVA, 380 Volts
44	UPS Automatic Voltage Regulator	1	Stabiline WAR34WTT3 - CB	1999	Capacity: 110 KVA, 380 Volts
45	Printing Machine	1	Oliver 258F2	2005	Working width 60 cm
46	Cutting Machine 243,780,000	1	Polar 78ES	2004	Working width 80 cm
47	Cigarette Packing Machine	1	Taiwan CN400A	2002	Shrink Tunnel with a dimension of L: 800 x W: 400 x H: 200 mm
48	Cigarette Peeling Machine	3	Lokal	2001	Steel construction
49	SKT production tools, consisting of among others:	1	-	-	-
50	Cigarette roller	1616	-	-	1,750 cigarettes/ day
51	OPP sheet cutter	5	Lokal PTC15	2000	-
52	Oven- oven room	4	Lokal	1995	temperature 40° Celsius
53	Oven / humidifier	4	Copeland	1999	Cooling capacity 30,000 kcal
54	Other equipment	1	-	1993	-
55	OPP cutter (M1)	1	Packagers FTC 15	2008	Unit driven by a 1-hp electric motor
56	OPP cutter (M2)	1	Packagers FTC 15	2008	Unit driven by a 1-hp electric motor
57	OPP cutter (M3)	1	Packagers FTC 15	2008	Unit driven by a 1-hp electric motor
58	OPP cutter (M4)	1	Packagers FTC 15	2008	Unit driven by a 1-hp electric motor
59	OPP cutter (M5)	1	Packagers FTC 15	2008	Unit driven by a 1-hp electric motor
60	Static Line 1	1	Haug GMBH EN SL LC	2002	Voltage input 115 VAC / 230 VAC (50 - 60 Hz)
61	Static Line 2	1	Haug GMBH EN SL LC	2002	Voltage input 115 VAC / 230 VAC (50 - 60 Hz)
62	Static Line 3	1	Haug GMBH EN SL LC	2010	Voltage input 115 VAC / 230 VAC (50 - 60 Hz)
63	Static Line 4	1	Haug GMBH EN SL LC	2002	Voltage input 115 VAC / 230 VAC (50 - 60 Hz)
64	Static Line 5	1	Haug GMBH EN SL LC	2002	Voltage input 115 VAC / 230 VAC (50 - 60 Hz)
65	Electrical installation	1	PLN	1995	Electric power 1,730 kVA
66	Generator	1	AVK 55390702	1993	Capacity: 500 kVA



No.	Equipment	Qty. (units)	Make/type	Year of Manufacture	Details
67	Generator	1	AVK DSG52MI	1993	Capacity: 350 kVA
68	Forklift Electric	2	Komatsu FB-30-EX5	1997/99	Capacity: lifting 3 tons, height 3 m.
69	Generator	1	Ford	1993	Capacity: 50 kVA
70	Generator	1	Taiyo	1993	Capacity: 135 kVA
71	Screw compressor 2	1	Atlas Copco GA30	1996	Capacity: 2.965 liters / minute
72	Screw compressor 1	1	Atlas Copco GA30	1994	Capacity: 2.965 liters / minute
73	Screw compressor 5	1	Atlas Copco GA30	1999	Capacity: 2.965 liters / minute
74	Screw compressor	1	Ceccato G7 DRD50	2011	Capacity: 6,90 m ³ / minute
75	Compressor	1	Hitachi & Toshiba 7.5P-9.5V5	1990	Capacity: 230 liters / minute
76	Screw compressor 3	1	Atlas Copco GA30	1994	Capacity: 2.965 liters / minute
77	Screw compressor 4	1	Atlas Copco GA30	1994	Capacity: 2.965 liters / minute
78	Screw compressor 6	1	Atlas Copco GA30	1994	Capacity: 2.965 liters / minute
79	Screw compressor	1	Kaeser SK-26	1995	Capacity: 2.965 liters / minute
80	Screw compressor	1	Kaeser SK-26	1999	Capacity: 2.965 liters / minute
81	Screw compressor	1	Kaeser SK-24	2010	Capacity: 2.965 liters / minute
82	Steam Boiler	1	Omnical DDHI 5-0	1997	Capacity: 5 tons/ hour
83	Steam Boiler	1	Indomarine F50L	2001	Capacity: 5 tons/ hour
84	Water Treatment set	1	-	-	-
85	Forklift	1	Komatsu FD-30-JC12	2003	Capacity: lifting 3 tons, height 3 m
86	Electric forklift	2	Komatsu FB-15-EX7	1995/96	Capacity: lifting 1.5 tons, lifting height 3 m
87	Electric Forklift	2	Komatsu FB-15-EX7	1998/99	Capacity: lifting 1.5 tons, lifting height 3 m
88	Forklift	1	Komatsu FD-30-JC12	2002	Capacity: lifting 3 tons, lifting height 3 m

c. Heavy machineries

Company

No.	Machine	Qty. (unit)	Make/Type	Year of manufacture	Details
1	Forklift	1	Komatsu/ FB 15EX-7	2010	Capacity: 1,500 Kg

d. Vehicles

Company

No.	Vehicle type	Qty. (unit)	Make/Type	Year of manufacture	Details
1	Car	1	Toyota	2010	Operational vehicle

GELORA

No.	Vehicle type	Qty. (unit)	Make/Type	Year of manufacture	Details
1	Motorcycle	16	Honda	2001-2010	Operational vehicle
2	Car	56	Nissan, Hino, Mitsubishi, Toyota, Daihatsu, Suzuki, Mercedez	1998-2012	Operational vehicle



GAWIH

No.	Vehicle type	Qty. (unit)	Make/Type	Year of manufacture	Details
1	Car	339	Honda	1993-2012	Commercial vehicle
2	Car	104	Daihatsu, Mitsubishi, Suzuki	1995-2012	Commercial vehicle
3	Car	31	Daihatsu, Mitsubishi, Suzuki, Toyota	1998-2012	Operational vehicle

The book value of fixed assets in the form of land and building in accordance with Company's consolidated financial statements for six months ended 30 June 2012 was Rp14,702 million and Rp19,629 million, respectively.

The building, production machineries, office equipment and vehicles owned by the Company and its Subsidiaries are insured against the risk of fire and other risks, with a coverage value of Rp267,701 million as of 30 June 2012. The Company believes that such coverage is adequate to protect against losses or risks being faced. The book value of the building, production machineries, office equipment and vehicles as of 30 June 2012 was Rp99,681 million.

M. INSURANCE

The following are several insurance contracts entered into by the Company to cover possibility of loss over Company and its Subsidiaries' fixed assets.

COMPANY AND ITS SUBSIDIARIES

Insurance Company	Type of Coverage	Maturity Date	Insurance Premium per year	Details
PT Asuransi Central Asia	<i>Property All Risk Insurance</i>	17 December 2012	Rp46,902,870	All Risk Insurance covering building, raw material and finished goods

No.	Area	Location	Sum Insured (in million Rupiah)			
			Building	Raw Material	Finished Goods	Total Sum Insured
1.	Logistic Gresik	Komplek Pergudangan PT Wiroluan Cipta Graha, Jl. Mayjend Sungkono Blok A1-A9, Gresik	2,880	20	35,000	37,900
2.	Jakarta 1	Jl. Tipar Cakung No. 27, Jakarta Timur	1,200	100	1,000	2,300
3.	Semarang	Jl. Dr Wahidin No. 137, Semarang	230	40	1,500	1,770
4.	Pati	Jl. Diponegoro No. 16, Ngarus, Pati	230	40	1,500	1,770
5.	Solo	Jl. Walanda Maramis No. 51, Bibis Luhur, Solo	378	60	3,000	3,438
6.	Yogyakarta	Jl. Imogiri Timur Km. 8 No. 99 RT.05/RW.22, Dsn. Boto Kenceng, Kel. Wirokerten, Kec. Banguntapan, Kab. Bantul, Yogyakarta	950	50	3,000	4,000
7.	Banjarmasin	Jl. Manggis No. 65 RT.21, Kel. Kumpan Kec. Banjar Timur, Banjarmasin	310	50	2,500	2,860
8.	Surabaya 1 & 2	Jl. Tanjungsari 3 Blok D1-D2, Lantai 1, Komplek Pergudangan Tanjungsari Mas, Surabaya	1,270	130	4,000	5,400
9.	Pamekasan	Jl. Raya Trsak Km. 7, Larangan, Pamekasan	-	-	1,500	1,500
10.	Malang	Jl. Areng – Areng No. 39, Malang	525	75	2,500	3,100
11.	Jember	Jl. Sumatera No. 177, Jember	250	50	2,500	2,800
12.	Medan	Jl. Kompos 193 Km. 12, Binjai, Medan	1,200	100	25,000	26,300
13.	Padang Sidimpunan	Jl. Asrama No. 71A RT.03, Kel. Sihitang Kec. Padangsidimpunan Tenggara Padang Sidimpunan	250	40	2,500	2,800
14.	Palembang	Jl. Dwikora 2 No. 1222A, RT.11/RW.03, Kel. Lorok Pakjo, Kec. Ilir Barat I Palembang	350	50	1,500	1,900
15.	Jakarta 2	Jl. Mampang Prapatan No. 108, Komplek Buncit Mas Blok A1 – A3, Jakarta Selatan	900	100	1,000	2,000
16.	Bandung	Jl. Caringin No. 273, Bandung	-	-	1,000	1,000
17.	Cirebon	Jl. Satria No. 2, Kesambi, Cirebon	200	40	1,000	1,240



No.	Area	Location	Sum Insured (in million Rupiah)			
			Building	Raw Material	Finished Goods	Total Sum Insured
18.	Stock Point Bogor	Perumahan Budi Agung, Jl. Kruing Blok I No. 3 Bogor	50	10	500	560
19.	Stock Point Tangerang	Taman Palma Blok F. 5/6 RT.002/04, Komplek Citra Raya, Kel. Cikupa, Kec. Cikupa, Tangerang	167	8	500	675
20.	Stock Point Jambi	Jl. Haji Adam Malik Lorong Anggrek No. 1 RT.21/RW.05, Beringin, Kel. Thehok, Kec. Jambi Selatan, Kota Madya Jambi	275	25	750	1,050
21.	Stock Point Siantar	Jl. Silimakuta No. 33, Kec. Siantar Barat, Pematang Siantar	149	40	5,000	5,189
22.	Stock Point Purwokerto	Jl. KS Tubun No. 39, Purwokerto Barat	105	20	600	725
23.	Surabaya	Jl. Raya Darmo No. 42-44, Surabaya	1,900	100	-	2,000
24.	Surabaya	Ruko Darmo Square RT.10 – R.11, Surabaya	700	100	-	800
TOTAL			14.249	1,208	98,850	114,307

GAWIH

Insurance Company	Type of Coverage	Maturity Date	Insurance Premium per year	Details
PT Asuransi Central Asia	Money In Safe dan Money In Transit	1 July 2013	Rp22,387,000	Insurance provides sum insured in total of Rp500,000,000 per location for Money In Safe and Rp75,000,000,000 for Money In Transit per year

No.	Area	Location	Sum Insured (in million Rupiah)
1.	Semarang	Jl. Dr. Wahidin 137, Semarang	250
2.	Pati	Jl. Diponegoro No. 129, Ds. Kaboronggan Kec. Pati Lor	150
3.	Solo	Jl. Walanda Maramis No. 51 Bibis Luhur Surakarta	200
4.	Surabaya 1	Jl. Tanjungsari Blok D1-D2 Komp. Pergudangan Tanjungsari Mas Surabaya Lt. 2	230
5.	Surabaya 2	Jl. Tanjungsari Blok D1-D2 Komp. Pergudangan Tanjungsari Mas Surabaya Lt. 3	170
6.	Yogyakarta	Jl. Imogiri Timur Km. 8 No. 99 RT.05/RW.22 Dsn. Boto Kenceng Kel. Wirokerto Kec. Banguntapan Kab. Bantul	300
7.	Banjarmasin	Jl. Jafri Zam Zam No. 32 RT.38/RW.14 Kel Bitung Selatan Kec. Banjarmasin Barat	250
8.	Pamekasan	Jl. Raya Trasak Km. 7 Larangan Pamekasan Madura	130
9.	Malang	Jl. Areng – Areng No. 39	130
10.	Jember	Jl. Sumatra No. 117	130
11.	Medan	Jl. Kompos 193 Km. 12	500
12.	Pematang Siantar	Jl. Silimakuta No. 33	350
13.	Padang Sidimpuan	Jl. Mawar No. 40 Kel. Ujung Padang Kec. Padang Sidimpuan Selatan	300
14.	Palembang	Jl. Dwikora 2 No. 1222	50
15.	Jakarta 1	Jl. Tipar Cakung No. 27	55
16.	Jakarta 2	Jl. Mampang Prapatan No. 108	55
17.	Bandung	Jl. Caringin No. 273	55
18.	Cirebon	Jl. Satria No. 2	150
19.	Stock Point Bogor	Jl. Puma Blok 1 No. 8	25
20.	Stock Point Tangerang	Komp. Taman Palma Blok F5 No. 06 Citra Raya, Kel. Cikupa Kec. Cikupa, Tangerang 15710	25
21.	Stock Point Jambi	Jl. H. Adam Malik Lorong Anggrek No. 1, RT.21/RW.5, Beringin Kel. Theok, Kec. Jambi Selatan	20
22.	Stock Point Purwokerto	Jl. KS Tubun No. 39	150
TOTAL			3,675

PT Asuransi Central Asia is non-affiliated party of the Company. The Company's management assumes that the total sum insured of insurance policy is sufficient to cover potential loss of Company's material assets.



N. LEGAL PROCEEDINGS FACED BY THE COMPANY, DIRECTORS AND COMMISSIONERS

As of the date of the issuance of this Prospectus, there is no material legal proceedings currently faced by the Company or any of its Directors or Commissioners.



IX. COMPANY'S BUSINESS ACTIVITIES AND PROSPECTS

A. OVERVIEW

Pursuant to its Articles of Association, the Company and its subsidiaries engage in the production of cigarettes and its ancillary products, as well as related marketing activities. As of the date of the issuance of this Prospectus, the Group possesses two office complexes, three plants, three raw material warehouse and one product warehouse. Meanwhile, the Group's marketing network is supported by 17 branch offices, 5 stock points, and 29 agents located throughout several provinces on the main islands of Sumatera, Java, Kalimantan, Sulawesi, Bali, Nusa Tenggara, Maluku and Papua.

The Company's commercial activities operations commenced in 1963 by GELORA, a Subsidiary that, up to the present, produces all of the Company's cigarette brands. GELORA was founded by, among others, Lie Koen Lie, Tjioe Ing Hien, Tjioe Eng (Ing) Hwa, Tjioe Eng Tik, Oei Bian Hok and Sie Po Nio in Petemon, Surabaya. During the early periods of its establishment, GELORA only produced SKT cigarettes, under the *Galan Kretek* and *Wismilak Kretek* brands.

Following the development of GELORA's cigarette business, the owner and early management of the Company decided to establish PUTRI in 1979 and GAWIH in 1983. The inception of PUTRI and GAWIH was aimed at creating entities to specifically handle the marketing and distribution of cigarettes produced by the Company. As of the date of the issuance of this Prospectus, there were several changes to the ownership structure of PUTRI, which caused PUTRI to no longer be a Subsidiary of the Company, and to be an associated entity, which is an entity related to the Company in terms of shareholding structure. GAWIH, on the other hand, is still a Subsidiary of the Company.

In the span of time from 1987 to 1988, the Company expanded its production facilities in line with its need to increase production capacity, by moving its plant to Buntaran, Tandes, Surabaya. In this 18-hectare plot of land, which up to the present still constitute the Company's main production facility, some of the Company's landmark events occurred, such as the initial inception of SKM cigarettes for the Company through the launching of the *Wismilak Filter* and *Wismilak Diplomat* brands. *Wismilak Diplomat* is still considered as the most successful cigarette brands in the market.

With the Company's business achievements since its establishment through the 1990s, the management began to restructure the organization of the entities within its business group. The restructuring ushered pany's commercial activities operations commenced in 1963 style within the corporate organization of such entities. At the end of 1993, the Shareholders established GALAN, followed by the establishment of the Company (PT Wismilak Inti Makmur or "WIM") in 1994. The establishment of the Company was aimed at creating a holding company that will control all of the business operations of the entities within the Group.

To ensure a sustainable business growth, the Company and its Subsidiaries have initiated a number of business development efforts since the early 2000s, comprising of the launching of several new product lines, namely *slim* and *mild* types of cigarettes, as well as the launching of its first cigar brand that targets the upper segment of the market. Several of the products created since 2000 are *Wismilak Slim*, *Wismilak Premium Cigar* and *Galan Mild* (a more detailed description can be found in the table of Company products' details).

The Company has three Subsidiaries, GELORA, GAWIH and GALAN, whose financial statements are consolidated with the Company. The Company's core business are producing cigarette filters and participating in its Subsidiaries' core business, which is also related to the Company's core business. GELORA produces all Company's cigarette brands, while GAWIH conducts marketing and distributes the Company's cigarette. GALAN also has permit to produce cigarette but up until the date of the issuance of this Prospectus, GALAN is a non-active entity.



Vision and Mission of the Company

In carrying out its business operations, the Company faithfully follow its vision and mission, which embodies the original aspirations of the Company's founders. The vision and mission envisaged by the Company is as follows:

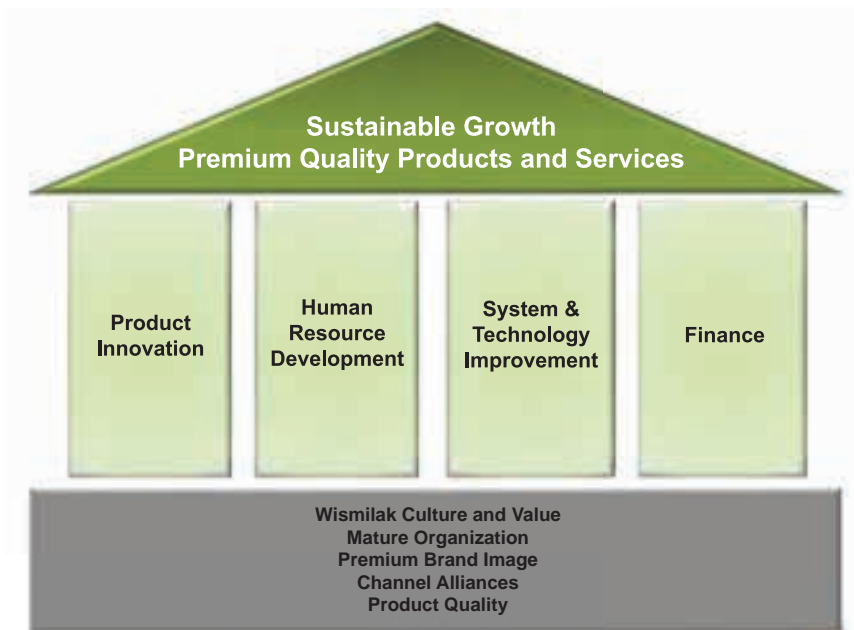
VISION:

To become a world-class industry player with superior product and service quality achieved through continuous growth, acquired through integrity, teamwork, sustainable development and innovation.

MISSION:

- Achieve mutual success by way of collaborations with all stakeholders (consumers, Shareholders, employees, distributors, suppliers and society)
- Create products and services with unmatched quality
- Act responsibly and committed towards the environment and community

In addition to the Company's vision and mission which serve as operational guidelines and reference for achievements, the Company's management also established a business strategy master plan, as illustrated by the diagram below:



The continuous development of the products and services offered by the Company to its consumers are built upon four main pillars that serve as indicators of the Company's quality of operations. These four main pillars are:

1. Product Innovation

The Company endeavors to do more than merely surviving within the increasingly competitive national cigarette industry, which has recently been intensified by the entry of foreign cigarette producers which have acquired local producers. The business strategy adopted by the Company is to introduce innovations to the cigarettes it produces that can be well-received by consumers.

These innovations starts from the solid research and development programs undertaken by the Company; from new cigarette development projects to technical development aimed at ensuring product quality and standardization of products.



2. Human Resources Development

As an industry player that employs a high volume of workers, the Company is committed to continually undertake efforts to develop its human resources, which in turn will positively contribute to its product quality and efficiency of the production process itself.

Steps to develop human resources starts from the selection and recruitment processes, the training of employees on knowledge of raw materials, the production process, sale and marketing system, as well as performance evaluation of all employees that confers reward in accordance with the level of performance of the individual workers.

Since 2007, The Company has shown its consistency in research and development program. It is shown from total cost spent by one of Company's subsidiary, GELORA for research and development program for the six months ended 30 June 2012 and for the years ended 31 December 2011, 2010, 2009, 2008, 2007, which amounted to Rp866 million, Rp2,417 million, Rp2,121 million, Rp1,809 million, Rp1,489 million and Rp1,224 million. In line with its business expansion, the Company's spending on research and development will also increase.

3. Information Technology System Development

Increasingly modern manufacturing process and large scale of production, a high raw material turnover rate and a market competition that is more intensive than ever, demand an integrated production plan and a reliable and timely distribution system, which is only possible through the utilization of the adequate information technology system. The use of an informative IT system would help the Company in its strategic decision-making process, which more often than not must be carried out very quickly.

The Company will take strategic steps to be able to develop an information technology system based upon the considerations of economic efficiency and value that can be applied to the Company's operations.

4. Financial Advantage

A stable and growing financial capability and performance are the primary capital to ensure the level of growth desired by all stakeholders concerned. Reliability and accuracy of financial information will also help the management in making suitable decisions in its day-to-day management activities.

In addition to the quality of financial information, the Company's financial capacity is also crucial to the achievement of its goals. A relatively stable asset growth and profitability will allow the management to achieve the intended level of business expansions.



Implementation of the four main pillars will be supported by a number of underlying assets that cannot be quantified, such as culture and organizational values, a mature organization with established experience, the Company's image which is the finest in its class, distribution channels and mutually beneficial business alliances, as well as the quality of the cigarettes that the Company produces.



Description of the Group's cigarette products:

No.	Product Name	Number of Cigarettes Per Pack	Product Appearance	Rollout Date	Target Market
1.	Galan Kretek	12		First launched in 1962.	<ul style="list-style-type: none"> Geographic segment: Predominantly for markets in North Sumatera, Aceh and Riau Demographic market: men aged 35 years and above Psychographic segment: traditionalists, hardworking people, true cigarette consumers
2.	Wismilak Special	12		First launched in 1963.	<ul style="list-style-type: none"> Geographic segment: all of Indonesia, particularly Java and West Kalimantan (Pontianak) Demographic segment: men aged 35 years and above Psychographic segment: traditionalists, hardworking people, true cigarette consumers
3.	Galan Kretek Slim	16		First launched in 2002	<ul style="list-style-type: none"> Geographic segment: Predominantly for markets in North Sumatera, Aceh and Riau Demographic segment: men aged 25 – 35 years Psychographic segment: progressive traditionalists
4.	Wismilak Kretek Slim	12, 16		First launched in 2000	<ul style="list-style-type: none"> Geographic segment: all of Indonesia, particularly Java and West Kalimantan (Pontianak) Demographic segment: men aged 25 – 35 years Psychographic segment: progressive traditionalists
5.	Wismilak Diplomat	12, 16, 20, 50		First launched in 1989	<ul style="list-style-type: none"> Geographic segment: all of Indonesia Demographic segment: men aged 25 – 40 years Psychographic segment: status striver, established, confident, successful
6.	Galan Mild	16		First launched in 2010	<ul style="list-style-type: none"> Geographic segment: Predominantly for markets in North Sumatera, Aceh and Riau Demographic segment: men aged 18 – 25 years Psychographic segment: fun seekers, dynamic, creative
7.	Diplomat Mild	16		First launched in 2012	<ul style="list-style-type: none"> Geographic segment: Java, Kalimantan Demographic segment: men aged 18 – 25 years Psychographic segment: dynamic, creative, leadership qualities
8.	Cigar - Corona	1		First launched in 2010	<ul style="list-style-type: none"> Geographic segment: Java, Bali Demographic segment: men aged 30 years and above Psychographic segment: mature, successful, urban



No.	Product Name	Number of Cigarettes Per Pack	Product Appearance	Rollout Date	Target Market
9.	Cigar – Petit Corona	1		First launched in 2010	<ul style="list-style-type: none"> • Geographic segment: Java, Bali • Demographic segment: men aged 30 years and above • Psychographic segment: mature, successful, urban
10.	Cigar - Robusto	1		First launched in 2000	<ul style="list-style-type: none"> • Geographic segment: Java, Bali • Demographic segment: men aged 30 years and above • Psychographic segment: mature, successful, urban

The following table shows each the Company's product contribution in percentages related to total sales for period of 2007 – 2012

(in million Rupiah)

Sales Composition per product	6 months				31 December									
	2012	%	2011	%	2011	%	2010	%	2009	%	2008	%	2007	%
<i>Galan Kretek</i>	30,992	6%	25,152	6%	54,919	6%	48,635	8%	51,077	11%	57,356	17%	62,853	21%
<i>Wismilak Special</i>	25,071	5%	17,058	4%	37,535	4%	31,640	5%	27,430	6%	21,614	6%	17,652	6%
<i>Galan Kretek Slim</i>	10,533	2%	15,637	3%	27,687	3%	42,554	7%	30,484	7%	9,685	3%	5,106	2%
<i>Wismilak Kretek Slim</i>	16,840	3%	12,942	3%	26,826	3%	31,235	5%	31,847	7%	17,713	5%	5,589	2%
<i>Wismilak Diplomat</i>	260,368	54%	192,450	43%	432,715	47%	327,356	55%	267,161	57%	191,520	55%	173,008	57%
<i>Galan Mild</i>	98,090	20%	141,660	32%	256,617	28%	37,921	6%	-	0%	-	0%	-	0%
<i>Diplomat Mild</i>	2	0%	10	0%	11	0%	71	0%	616	0%	1,774	1%	2,955	1%
<i>Cigars</i>	382	0%	413	0%	805	0%	503	0%	406	0%	357	0%	213	0%
<i>Others*)</i>	42,149	9%	42,515	9%	88,143	10%	72,268	12%	55,844	12%	45,902	13%	37,725	12%
Total	484,422	100%	447,817	100%	925,237	100%	592,183	100%	464,865	100%	345,921	100%	305,102	100%

Notes:

*The sales of other products are including the sales of filter product and OPP sheet to other third parties



Cigarette packaging

For marketing purposes, cigarettes produced by the Company are sold to the public in various packaging units, such as packs, *slofts*, *baals*, and carton boxes. Factories sold cigarettes in carton boxes to distribution networks or agents. Meanwhile, sales to retail customers can be done by packs. The following table shows the details of packaging units by which the cigarettes are sold to the public.

SKT REGULAR 12			SKT SLIM 16			SKM REGULAR 12		
1 Pack	=	12 Cigarettes	1 Pack	=	16 Cigarettes	1 Pack	=	12 Cigarettes
1 Sloft	=	20 Pack	1 Sloft	=	10 Pack	1 Sloft	=	10 Pack
	=	240 Cigarettes		=	160 Cigarettes		=	120 Cigarettes
1 Baal	=	10 Sloft	1 Baal	=	10 Sloft	1 Baal	=	20 Sloft
	=	200 Pack		=	100 Pack		=	200 Pack
	=	2400 Cigarettes		=	1600 Cigarettes		=	2400 Cigarettes
1 Box	=	4 Baal	1 Box	=	6 Baal	1 Box	=	4 Baal
	=	40 Sloft		=	60 Sloft		=	80 Sloft
	=	800 Pack		=	600 Pack		=	800 Pack
	=	9600 Cigarettes		=	9600 Cigarettes		=	9600 Cigarettes

SKM MILD 16			SKM REGULAR 20			SKM REGULAR 50		
1 Pack	=	16 Cigarettes	1 Pack	=	20 Cigarettes	1 Pack	=	50 Cigarettes
1 Sloft	=	10 Pack	1 Sloft	=	5 Pack	1 Sloft	=	5 Pack
	=	160 Cigarettes		=	100 Cigarettes		=	250 Cigarettes
1 Baal	=	10 Sloft	1 Box	=	10 Sloft	1 Box	=	5 Sloft
	=	100 Pack		=	50 Pack		=	25 Pack
	=	1600 Cigarettes		=	1000 Cigarettes		=	1250 Cigarettes
1 Box	=	6 Baal						
	=	60 Sloft						
	=	600 Pack						
	=	9600 Cigarettes						

Specifically for cigars, packaging and sale units uses the smallest packaging unit, which consists of one cigar per pack.

Production capacity in millions of cigarettes

The table below shows the details of production capacity and actual production quantity of cigarettes from 2007 through 2012 and for the six months ended 30 June 2012:

Production Capacity (cigarettes)	30 June 2012 (6 months)	2011	2010	2009	2008	2007
SKT	208,000,000	434,000,000	434,000,000	420,000,000	352,000,000	374,000,000
SKM - Regular	571,000,000	1,142,000,000	1,554,000,000	1,554,000,000	1,554,000,000	1,554,000,000
SKM - Mild	672,000,000	898,000,000	624,000,000	188,000,000	188,000,000	188,000,000
Production capacity of SKM	1,243,000,000	2,040,000,000	2,178,000,000	1,742,000,000	1,742,000,000	1,742,000,000
Total production capacity	1,451,000,000	2,474,000,000	2,612,000,000	2,162,000,000	2,094,000,000	2,116,000,000



Production Volume (cigarettes)	30 June 2012 (6 months)	2011	2010	2009	2008	2007
SKT - Regular	109,104,000	187,622,400	176,486,400	178,857,600	185,193,600	200,352,000
SKT - Slim	79,382,400	155,088,000	274,588,800	247,920,000	114,806,400	44,832,000
Production volume of SKT	188,486,400	342,710,400	451,075,200	426,777,600	300,000,000	245,184,000
SKM - Regular	380,055,096	665,976,233	578,626,451	500,231,467	379,520,891	345,924,050
SKM - Mild	273,276,800	834,067,200	172,185,600	3,523,200	6,883,200	13,516,800
Production volume of SKM	653,331,896	1,500,043,433	750,812,051	503,754,667	386,404,091	359,440,850
Total production volume	841,818,296	1,842,753,833	1,201,887,251	930,532,267	686,404,091	604,624,850

As of the date of this Prospectus, the Company has reached approximately 85% of its production capacity. Current development on production capacity relates to launching of new product (*Diplomat Mild*) on September 2012 that gained positive response from Company's consumer. The Company's strategy to operate at the optimum level is more focused on increasing sales volume, which is followed by an increase in production volume. Furthermore, increase in business scale can also be achieved through appropriate planning of capital expenditure allocated for production facilities. The Company started to produce its own cigars in 2012, with the capacity to produce 2,903 cigars as of the six months ended 30 June 2012. The daily production capacity of cigars is 150 cigars per worker.

B. COMPETITIVE ADVANTAGES

In facing competition from other cigarette companies, the Company believes that it possesses a number of competitive advantages compared to its competitors. Some of these advantages are as follows:

Superior product quality

The quality of its cigarettes is the Company's main asset in facing competition in the industry, which, as of the date of the issuance of this Prospectus, is dominated by several large national and foreign cigarette companies. The Company's management places special attention on each production process that are carried out, in order to ensure that the quality of the cigarette being sold is maintained and that product standards match the predetermined product specifications.

Quality control over the products starts with selecting raw materials which have high quality and standards, which are then processed using the appropriate modern technology by workers and experts with extensive experiences in their respective fields. At every production stage, there is a Quality Assurance Unit ("QA Unit"), which is designed to ensure the employment of proper production process, quality of the raw materials used, the products being processed and the stock of finished goods. If a process, raw material used or stock of finished goods does not conform to the Company's standard specification, the QA Unit will initiate the necessary corrective steps, such as a repeat of the process or the recall of raw materials or finished goods.

Should deviation occur apart from standardized product, the QA unit will rework over the cigarettes by peeling its package and re-blend the tobaccos on secondary process.

To ensure a superior production quality, the Company also performed monitoring during the fabrication of filter rods, which is one of the main ingredients in the production of 'mild' cigarettes. As previously mentioned, the Company produces filters that caters not only to its internal production needs, but also as supplier to other mild cigarette producers. The Company's technical knowledge of filter products serves as an advantage for the Company.



This is also supported by the Company's commitment to continually provide quality services to its filter customers by way of effective communication. This strategy is important since filter products produced and sold to other companies must conform to the specifications of the companies ordering such filters.

The Company's success in maintaining the quality of its filters is evidenced of its ability to achieve 25% market share of all locally produced filters.

Strong Corporate Image

Established for more than 50 years, the Company is one of the oldest Indonesian cigarette manufacturers. The Company's production and commercial activities that have been operating for three generation proves its competitive advantage and characteristic as the preferred cigarette producer.

In order to retain its position, the Company aims to create best corporate and brand image. Such strategy is more focused in producing best quality cigarettes and currently, the Company is considered to have high brand equity derived from this competitive advantage.

Product segmentation and focus on the intended target market

Before launching a new cigarette product, the Company first determines product segmentation and the intended target market. The Company always conduct a thorough analysis in determining a clear product positioning, which in turn will determine the most appropriate direction for its marketing strategy. The analysis also takes into account brand equity to be achieved for the cigarette product being launched.

There are several methods commonly employed by the Company to acquire and enhance the brand equity of a product being marketed, such as by carrying out above-the-line ("ATL") or below-the-line ("BTL") marketing strategies. The Company focuses its ATL marketing strategy by using mass communication in the form of printed and electronic advertisements and the placement of billboards at various strategic locations; this is also aimed at spreading product information and building brand awareness as the underlying capital to obtain brand equity. The total promotion and advertising cost spent by the Company for the six months ended 30 June 2012 and for the years ended 31 December 2011, 2010, 2009, 2008 and 2007, amounted to Rp11,241 million, Rp20,489 million, Rp8,742 million, Rp11,424 million, Rp5,323 million and Rp4,563 million, respectively.

On the other hand, the BTL strategy employed by the Company puts emphasis on effective communication with specific communities. In this case, marketing efforts are directed more towards a market niche by placing special attention on tradition, custom and appreciation of local values. Such approach demands familiarity and control of the market area.

In line with its growth, the Company has managed to develop an effective combination of ATL and BTL approaches with the aim to communicate its products. This is evidenced by the promotions carried out for each brand based on the Company's final objective consideration, whereby, the product will be marketed under a locally, regionally or nationally recognized brand. A number of products created by the Company were packaged as a local product and is only available in a certain area, such as the Galan Kretek, while other products were introduced as a national brand, such as the Wismilak Diplomat.

The success and effectiveness of a marketing strategy being employed is measured using a brand equity index and by being compared to a number of products of other national cigarette companies. The table below shows the brand equity index of several of the Company's marketing areas in 2011.



Brand	Surabaya 1	Surabaya 2	Surabaya 3	Malang	Jogja	Pati	Solo	Kaisel	Sulsel
Djarum Super 12	58.6	56.0	58.5	59.5	76.1	81.9	78.5	55.4	58.5
Djarum Super 16	0.0	57.9	57.9	44.5	58.8	58.6	55.2	56.4	58.6
234 Magnum	58.6	58.9	58.9	57.8	58.1	59.4	58.0	57.3	58.3
Gudang Garam International	75.8	68.7	65.1	64.3	70.4	59.1	67.3	56.0	62.7
Gudang Garam Surya 12	72.6	79.8	79.9	75.3	58.4	56.4	54.1	62.2	58.6
Gudang Garam Surya 16	61.3	59.6	63.5	51.0	38.0	58.9	60.0	78.0	87.2
Wismilak Diplomat 12	61.1	49.4	62.1	55.1	60.1	60.8	59.9	59.3	58.2
Wismilak Diplomat 16	57.9	0.0	0.1	50.3	57.9	0.1	58.1	59.9	59.5

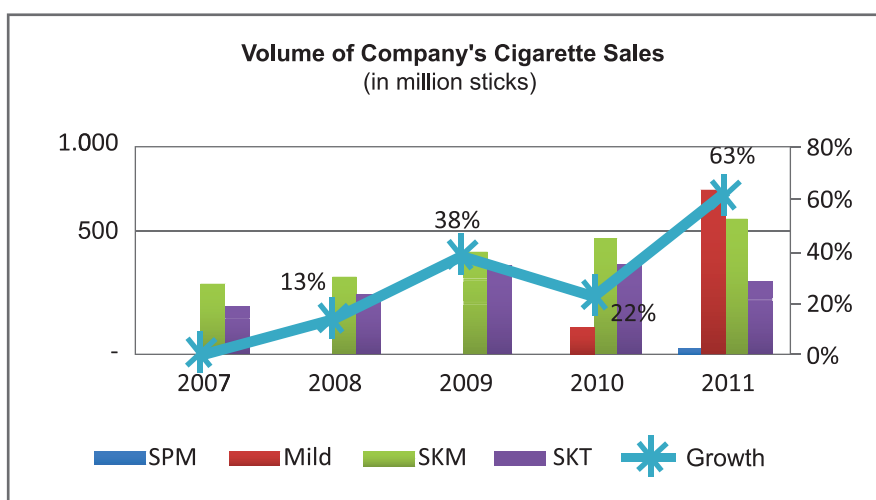
Source: Internal research by the Company, August 2011

Distribution network and spread

An even distribution of products is critical. A distribution strategy is implemented based on a clear target market in line with the determined segmentation. With the Company's 17 branch offices, 5 stock points and 29 agents, the Company's products are able to be distributed with an even spread, covering Indonesia's entire area.

In running its distribution, the Company's sales teams are assisted by various marketing activities (*field marketing*) conceived based on the intended target market, thus creating a synergy between the distribution and the creation of image.

The graph below shows the impact of the various competitive advantages as detailed above based on the growth of sales of the Company's products within the period of 2007-2011:



Source: Internal research by the Company, 2012

C. BUSINESS STRATEGIES

In line with the strong potential of the Company's cigarette products to further grow and be accepted by the consumers, the Company has a large opportunity to increase its sales volume and at the same time, expand its market share. Presently, the Company's products are relatively dominant and is growing in several areas within Indonesia, thus having the potential to further expand in the future and to gain an even larger market share.

The Company will continue to develop the potential of its cigarette products, with a continued focus on areas which may potentially contribute significantly to increase in sales volume and thus, increasing nationwide sales.



As one of the largest cigarette producers in Indonesia, the Company has prospects in various types of cigarettes available in the Indonesian market. As such, the Company continually endeavors to develop its business by applying a variety of strategies that can be broadly elaborated as follows:

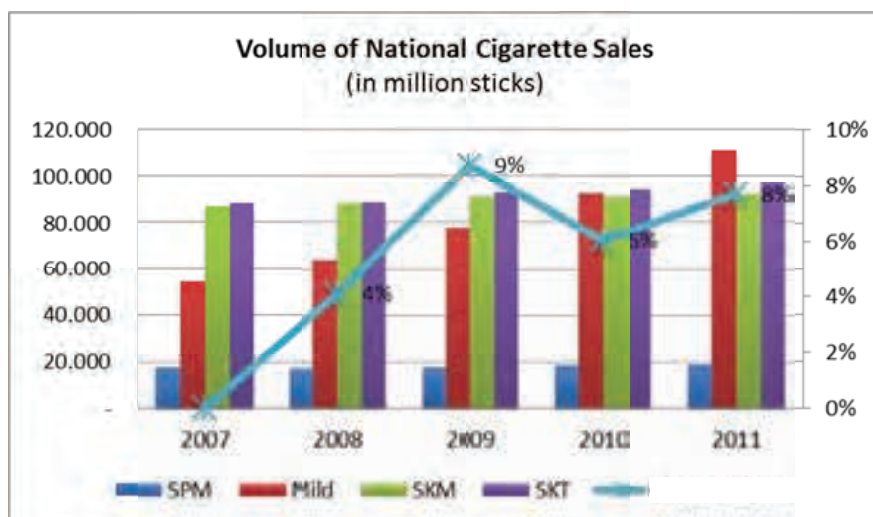
1. Focusing its products on *kretek* (clove flavored) cigarettes, with priority on the growth of SKM mild cigarettes, as well as maintaining its opportunity with respect to non-mild *kretek* cigarettes (regular SKM and SKT cigarettes).
2. Enhancing quality, marketing and distribution of the Company's products;
3. Continuously improving the quality of its human resources in order to anticipate and prepare for future business developments; and
4. Enhancing internal and external communication that are beneficial to the enhancement of the Company's performance.

As explained in the previous section on competitive advantages, the Company continuously gives its attention to the development of its production quality, human resources and marketing system. This is also part of the Company's business strategy implemented to respond to competition from other cigarette producers.

Product quality, particularly that of the Company's cigarette products, will always be the highest priority of the Company, which must be continuously improved. Advancement of technology and knowledge in the field of tobacco products requires continuous development in order for production quality to be enhanced, particularly during the primary processing phase. Additionally, the quality and quantity of research and development projects will also be optimized in order to create ideas for superior products that can compete on the market.

Another measure that is continuously being taken by the Company is the development of a more equal distribution system, that encompasses its target market areas, and the application of an integrated information technology system to support an effective distribution and marketing system, used as basis by the Management in making decisions.

In other areas, the Company is also developing business strategies to boost the growth opportunity of *mild* cigarettes in line with the current trends within the industry. During the last several years, the growth of demand for mild cigarettes have shown a positive movement, and even occupied the highest rank in 2011 compared to several other cigarette types sold on the market at that time.



Source: Internal research by the Company, 2012

In response to the rising popularity of the SKM *mild* cigarettes within the cigarette industry, the Company has also given focus on SKM *mild* cigarette products in an effort to enhance its market share. During the past two years (2010-2012), the Company has launched two mild cigarette products on the market, namely Galan Mild and Diplomat Mild. The strategy of developing a market for *mild* cigarettes will continue to be employed, while still giving due priority to product quality and the appropriate marketing strategy.



Meanwhile, the regular SKM cigarette products, namely Wismilak Diplomat, will be further developed, as this product already has an excellent brand equity and is still regarded as a high quality and premium product by the consumers. Promotional activities directed towards the target market still focuses on enhancement of brand image and brand loyalty.

For SKT cigarette products, aside from maintaining the presence of existing products, the Company also establishes a business strategy aimed at filling up market niches that are still open to business players. On the other hand, with respect to market for filtered cigarettes, the strategy employed by the Company, aside from maintaining its domestic market share, is to try to enhance its presence in the international market, which is still rife with opportunities.

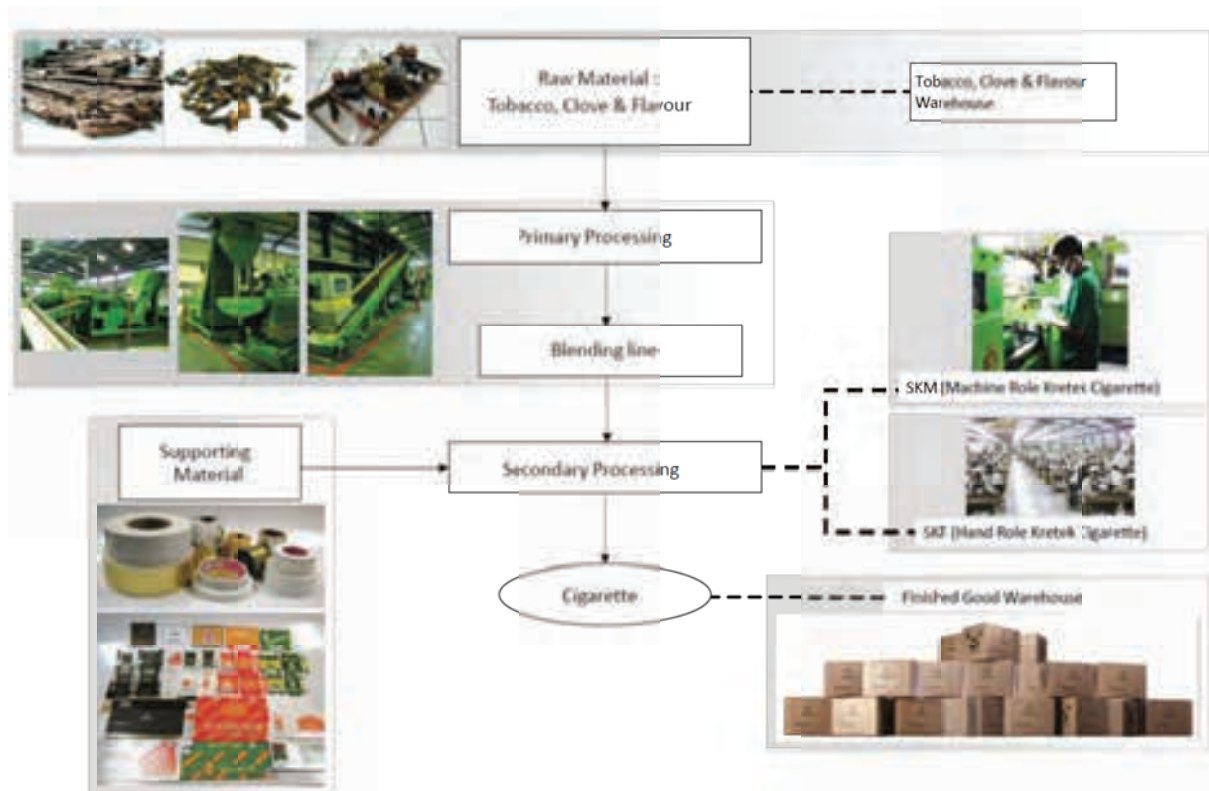
Through the application of the various business strategies described above, the Company has managed to achieve a positive growth figure in terms of annual sales for the past years (2007-2011), with an annual growth rate of 34% within the last five years.

Increase of the sales volume by the Company during 2007-2011 has generated an optimism within the Company that the applied business strategy is performing well in accordance with the formulated plan, thus the Company must immediately prepare an operation line to sustain the growth momentum in the sale of its products.

D. OPERATIONS OF THE COMPANY

The following production process flow chart shows the operations of the Company's cigarette factories and its other supporting activities:

Cigarette Production Process Flow Chart



The Group's operations are integrated, starting from cigarette production, production of supporting materials (filters), to marketing and distribution efforts, allowing the Group's cigarette products to be enjoyed by consumers.



The flow of cigarette production can be explained through the process chart illustrated above. In simple terms, the process by which cigarettes are produced consists of several phases: (1) raw material handling, consisting of tobacco, cloves and flavorings, (2) primary processing, (3) blending line, (4) secondary processing and (5) storing of finished goods at warehouses.

1. Raw material handling

As mentioned in the previous sections, the main ingredients in the production of cigarettes are tobacco, cloves and flavorings. The Group's management places special attention on the handling of the primary raw materials, as the quality of such raw materials will determine the quality of the cigarettes produced.

Tobacco

The production of cigarettes uses a variety of tobaccos blended together based on their characteristics and in certain quantities in order to achieve a specific flavor for each type of cigarettes. The types of tobacco are differentiated based on the areas where they were grown. GELORA's cigarettes uses local and imported tobaccos. Several varieties of tobaccos used by GELORA in the production of its cigarettes are as follows:

- Local tobaccos: Madura, Paiton, FC Lombok, Kedu, Pak Pie, Garut, Kasturi and Maesan tobaccos
- Imported tobaccos: Virginia, Burley and oriental tobaccos.

For tobaccos obtained locally, the management purchases these tobaccos from tobacco farmers. However, for tobaccos imported from outside of Indonesia, purchase is done from suppliers through commercial trades.

In the case of both local and imported tobaccos, purchase is made in kilograms and calculated based on the weight of the dried leaves. Dried tobaccos are packed in boxes in the case of imported tobaccos and in weaved baskets for varieties acquired locally from local farmers.

Several types of tobacco are purchased as leaves. For these, threshing process is carried out, which is the separation of the stems from the leaves. The tobaccos are then pressed and packed in carton boxes.

Tobaccos purchased from local farmers are usually stored in tobacco warehouses for approximately one to two years before used in the cigarette-making process. The long natural drying and fermentation process will enhance the quality of the tobacco leaves. However, the quality will degrade if they are aged more than five years since first harvest.

The handling of tobacco that takes years require a well-scheduled production plan in terms of availability of raw materials for cigarette production. Production planning takes into account factors relating to the harvest success rate at each of the tobacco-producing areas, such as the weather cycle, pest disruptions and the quantity of harvested goods available on the market, in order to determine quantity to be purchased.

Cloves

Unlike tobacco, cloves are entirely acquired locally through purchases made from suppliers. They are imported only under certain circumstances as governed by the Cigarette Producers' Association and the Department of Trade. The purchase of cloves by the Company is made monthly by taking into consideration the quantity available in the raw materials warehouse.

The quantity of cloves stored in the raw materials warehouse are maintained in order to ensure continuity of production for the next six years. In general, cloves used for cigarette production are aged one to one and a half years from the time of harvest.

Upon having reached one year to one and a half year mark, the cloves are cut and stored to ensure production for four to five weeks.



Flavors

Cigarette flavorings are liquids that are a mix of chemical compounds sprayed on the blended tobaccos in order to add flavor and aroma to the cigarettes. Flavorings are purchased in kilograms or liters (only for alcohols). The flavorings are purchased from local suppliers, who are usually suppliers of laboratory supplies.

Purchase of flavorings is done by taking into account regulatory provisions regarding chemicals that are categorized as food grade. Availability of flavorings are maintained to serve two to three months of production.

There is no special handling for raw materials of supporting materials.

Filter

The main raw material in the production of filters is acetate tow and triacetine. The purchase of acetate tow and triacetine is done to maintain raw material availability for one month and two months, respectively.

Acetate tow are directly imported from several countries such as United States, Japan and Korea, whereas triacetine is purchased through local distributors.

Supporting Raw Materials

Supporting raw materials for the production of cigarettes are mostly used for the packaging of the cigarettes and are comprised of:

- Cigarette paper
- Tipping paper, for SKM cigarettes
- Inner frame
- Aluminum foil, for SKM cigarettes
- Printed pack / blanks
- Adhesives
- OPP roll /OPP sheet
- Tear tape
- Printed carton sloft
- OPP wrapper/ seal
- Baal packing paper
- Carton box
- Printed tape
- Plug wrap for the production of filters

The above supporting raw materials are purchased from suppliers in various quantities which are matched against the factory's production needs. Supplies of the supporting raw materials are maintained to meet production for the next one month in the case of local materials, and two months in the case of imported materials.

Collection of the primary raw materials and supporting materials from the warehouses to be used for production purposes will be done under proper supervision and documented in accordance with the applicable operational standards and procedures. The collection of the primary raw materials and supporting materials will be matched to the weekly production plan prepared by the Production Planning Department.

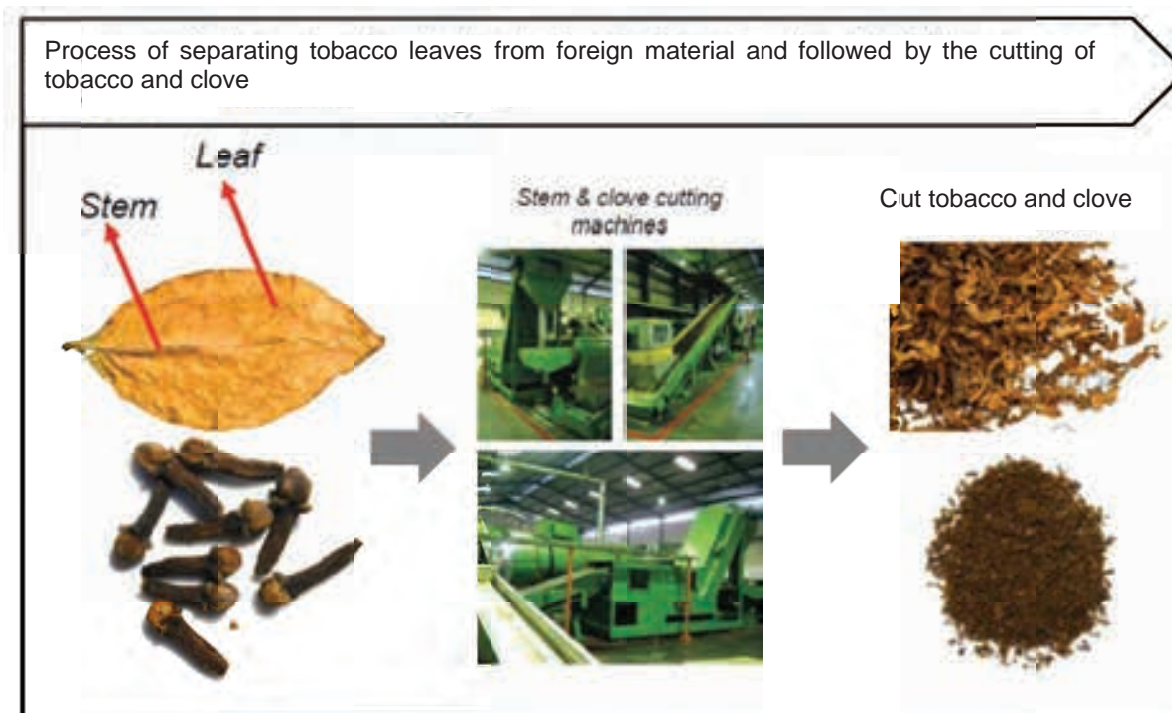


2. Primary Processing

The main purpose of primary processing is to separate the tobacco leaves from the stems and from other foreign materials and the cutting of the tobaccos and cloves.

The separation of the tobacco leaves from foreign materials, in addition to being performed automatically using machines, are also done manually by workers at the factories. Some types of tobaccos undergo a loosening process, through which the tobacco leaves have their folds straightened for ease of cutting.

The chart below shows the primary processing of tobaccos and cloves:



The available capacity for the primary process is 14 ton/shift and only 33% of this capacity is used (only one shift of the three available shifts is used).

3. Blending Process

The production of a type of cigarette is the result of the blending of several types of selected tobaccos, added with flavorings and also combined with cut cloves. The mixing of the several types of tobaccos are done in a certain proportion according to the product formula specific to each type and brand of cigarettes.

The cut tobacco that have been mixed are treated with casing, dried and cooled in a cooler in order to achieve a certain level of humidity before being sprayed with a top flavor.

The final stage of the blending process is the mixing of the tobacco with cloves. The blended tobacco and clove are packed in pouches before being sent to the secondary processing unit.

The blending process is done with high precision, particularly in the batching plan, so that the aroma generated by the blended tobacco of a certain type of cigarette product does not mix with those of the other types. To prevent the mixing of aromas, the cleaning process and idle periods of the machineries being used must be performed properly.

The installed capacity for the blending process is 14 tons/shift, and only 33% of such capacity is being used (only one shift of the three available shifts is used).



Before the blended tobacco is sent to the secondary processing unit, a sample is taken and sent to the Research and Development Department for organoleptic and chemical tests, to ensure that it meets the standardized flavor aroma for that particular product.

4. Secondary Processing

The secondary processing phase in cigarette production comprises of the rolling and wrapping of the tobacco using wrapping paper. For SKM cigarettes, the secondary processing adds a filter to one end of the rolled tobacco.

SKM (Sigaret Kretek Mesin or Machine-Rolled Kretek Cigarettes)



There are two machine lines for the secondary process in the production of SKM cigarettes, namely the making line and packing line. Tobaccos which has undergone the blending process are placed on a feeder and fed into the making machine for rolling and wrapping in cigarette paper and installed with a filter. The rolled tobacco, which already take the form of cigarettes, will be cut according to the determined product specification.

The supporting materials used by the making machine are tipping paper, cigarette paper and adhesives.

As they come out of the machine, the cigarettes are fed into the packing machine for stamping of the ribbon and packed into their respective packaging units: *sloft*, *baal* and *carton boxes*.

The production capacity of cigarette making machines varies according to the specifications of the cigarette produced. For mild cigarettes, the machine's capacity is 55 million cigarettes per week, whereas in the case of regular cigarettes the capacity is 20 million cigarettes per week.

The quality control for SKM, in addition to being done automatically by equipments fitted inside the making machine, are manually performed by workers within the SKM division.

Aside from packaging into baal and carton boxes, all activities in the secondary process are done automatically.



SKT (Sigaret Kretek Tangan or Hand-Rolled Kretek Cigarettes)

In line with regulations issued by the Ministry of Industry and Trade, the production of SKT cigarettes must make use of human laborers, from the process of tobacco grinding up to the packaging process, thus making SKT cigarettes production a labor-intensive operation.

There are four categories of SKT workers, grouped by their work activities, namely rolling, packing, stamping and wrapping.



Blended tobacco and cloves are distributed to the SKT workers for rolling and packing in cigarette paper. After being rolled, the SKT are cut to remove any excess tobacco that have not be rolled. The rolling process requires great care to be exercised by the workers, and to minimize deviations from the determined standards, a quality assurance process is performed by several employees (forepersons). The supporting materials used in SKT production are cigarette paper and adhesives.

The normal production capacity of an SKT worker is 1,750 cigarettes per day. This figure is lower compared to the production volume of SKT cigarettes production of other cigarette companies, but the Company maintains the highest quality for hand-rolled cigarettes which it produces.

The SKT production process is followed by packing, placement of the duty ribbons and wrapping in OPP and packing into their packing units, *sloft*, *baal* and carton boxes.

Cigars

The production process for cigars is not divided into primary and secondary process, since the process immediately starts with the rolling of tobacco sheets, differentiated based on the order from filler, binder and wrap.

The rolling of cigars involves a relatively lengthy process, which can take about two weeks and must be followed by an aging process for up to six months. The rolling and aging process is done in an alternating manner, and the tobacco have to pressed between the rolling processes.

Packaging and the attachment of the duty ribbon is also done manually. The finished cigars are then packaged in individual package.

Production of Filters

Filters produced by the Company, aside for meeting the needs for the production of GELORA's cigarettes, is also supplied to other cigarette companies based on their requested specifications.

Filters are made by weaving acetate two fibers that have been added with triacetine in order to obtain a certain density. After having been weaved, the filters are wrapped by a plug wrap and cut to the lengths specified for the SKM cigarettes.

The finished filters are put into boxes and sent over to the secondary processing facility.

5. Warehousing of Finished Goods

The final stage of the production process is the warehousing of the finished goods that are sent over from the secondary process facility to the warehouse. The security of the warehouse is managed by GAWIH, a Subsidiary in charge of marketing and distribution, and which manages the flow of products from the factory to the end consumers.

Inventory management system for finished goods conducted using first-in-first-out method, where finished goods produced earlier will be out from warehouse earlier. Shipment of cigarettes is authorised based on warehouse receipt to be delivered to branches, sales agents or stock points. The warehouse receipt can also be issued based on purchase order received from customers.

The Company's warehouse system also addresses the product expiry. In general, the expiry status distinguished by two factors; expiry defined by product aging and expiry as a result in changes in excise tax tariff.

The product expiry defined by product aging can be detailed as follow:

- a. For SKT regular : six months after production
- b. For SKT slim : four and a half months after production
- c. For SKM regular and mild : three months after production



In the event that a product is defined as expired due to product aging and/or due to changes in excise tax tariff, the Company will recall the product from same production batches from market. Furthermore, recall procedure will be in accordance with the Ministry of Finance Regulation No. 113/PMK 04/2008 regarding Excise Tax Return And/Or Administrative Penalties, Directorate General of Customs Regulation No. P19/BC/2008 regarding Excise Tax Return on Reworked or Destroyed Taxable Goods, as amended by the Directorate General of Customs Regulation No. P-3BC/2010. According to these regulation, the Company retains the right to reclaim the expired tax ribbon and rework the tobacco to produce new cigarettes subject to the approval by the authorities.

E. PRODUCTION FACILITIES

The Company's production facilities are established in three locations:

1. A filter rod, primary and SKM cigarettes production facilities, located at Jalan Buntaran No. 9 and 9A, Kelurahan Manukan Wetan, Kecamatan Tandes, Surabaya, occupying an area measuring 152,200 m² with a building floor area designated for production and supporting operations, including an office block, measuring 52,392 m².
2. A SKT cigarettes production facility, located at Jalan Buntaran 18, Kelurahan Manukan Wetan, Kecamatan Tandes, Surabaya, occupying an area measuring 34,860 m² including a production and supporting operations facility measuring 17,136 m².
3. A SKT cigarettes production facility, located at Jalan Sratujejo No. 99, Kelurahan Sratujejo, Kecamatan Baureno Bojonegoro, occupying an area measuring 9,049 m², and a building floor space measuring 3,553 m², allocated for production and supporting operations.

Filter Rod and OPP Sheet production of the Company:

The production of filter rods and OPP sheets are carried out at Jalan Buntaran No. 9A, in a facility measuring 3,024 m².

The production capacity of such facility is 800 million regular sized filter rods and 1.2 billion mild size filter rods annually. The production capacity for OPP sheets is 88 million sheets annually.

Production is supported by the following fabricating machines:

1. one Hauni KDF2 regular size filter rod making machine;
2. two Hauni KDF2 mild size filter rod making machines; and
3. five OPP sheet making machines.

A detailed description of these production facilities are presented in Chapter VIII on Description of the Company, under Fixed Assets.

Kretek Cigarette production at GELORA:

1. Primary Production Process & Blending:

The primary production process of GELORA's kretek cigarettes is carried out at Jalan Buntaran No. 9 in a facility measuring 13,002 m² and supported by the following equipments:

- a. Clove & Stem Cutting Line:
Comprising of an automated machines used to process clove and clove stems and a Hauni KT2 cutting machine to produce cut cloves and stems of the highest quality.
- b. Lamina Cutting Line:
Comprising of the newest automated machines, the installation of which will be completed in October 2012, and will be used for processing tobaccos that will be blended.
- c. Blending Line
Comprising of automated machines and new main machines for the blending of tobaccos, flavorings and cloves according to the specified formula of each brand.



2. SKT Cigarette Secondary Process:

The secondary process in SKT cigarettes production is carried out at :

- a. Jalan Buntaran No. 18 Surabaya, in a building measuring 8,352 m2 with a production capacity of 185 cigarettes annually.
- b. Jalan Sratujejo No. 99, Bojonegoro, in a building measuring 1,380 m2 with a production capacity of 230 cigarettes annually.

3. SKM Cigarette Secondary Process:

The secondary process in the SKM cigarettes production is carried out at Jalan Buntaran No. 9 Surabaya in a building measuring 3.990 m2 and equipped with the following machines:

- a. **Regular Size Kretek Cigarettes: capacity of 1.7 billion cigarettes per year**
 - i. two LOGA IIID *Making Machine* built by Decoufle, equipped with filter attachment and tray filler manufactured by Hauni
 - ii. two packaging line machines built by ITM and CME
- b. **Mild Size Kretek Cigarettes: capacity of 2 billion cigarettes per year**
 - i. one Protos 80C *Making Machine* line built by Hauni, equipped with filter attachment and tray filler and linked to a Focke 349 packaging line machine
 - ii. one LOGA IIID *Making Machine* built by Decoufle, equipped with filter attachment and tray filler manufactured by Hauni and linked to an Aiger Packaging Machine

Research & Development (“R&D”):

The R&D department is located at Jalan Buntaran No. 9 Surabaya, occupying an area measuring 2,500 m2 and equipped with laboratory supported by equipments such as the Cerulean linear smocking machine and Borgwaldt rotary smocking machine, and the Auto Analyzer and Gas Chromatography (GC MS) equipment.

F. MANAGEMENT OF RAW MATERIALS

The management constantly strives to ensure availability of main and supporting raw materials by maintaining a safe buffer. This is to ensure continuation of cigarette production operations over a certain period. As disclosed in the previous sections, tobacco as the main ingredient used in the production process must be stored for some time, which is called the ageing period, before being taken from the warehouse for the primary and secondary processes of production. Similarly, availability of other main ingredients such as cloves and top flavors and other supporting materials must be ensured within a safe buffer level.

Appropriate raw material management also consider composition of raw material obtain locally and those are imported. It relates to estimated quantity and purchase value of raw material. Based on past experiences, around 20-25% from raw material needs are directly imported from producing countries. Trading mechanism and material handling of those raw materials might be different from raw materials obtained locally.

A number of efforts have been undertaken by the Company’s management to safeguard production continuity with respect to the technical treatment of raw materials.

- **Reliable production planning**

The Production Planning Division issues an description of raw materials needed for the production of cigarettes, adjusted to the plants’ capacities and sales information as well as the stock quantity of the finished goods. The planned production quantity issued also takes into account the possibility of production capacity increase and decrease as may be brought upon by maintenance activities or the addition of new production machineries.



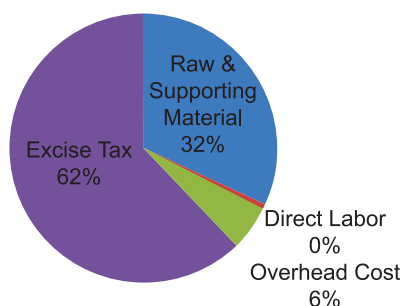
- **Purchase of raw materials in a planned quantity**
The purchase of tobacco and cloves as key plant commodities is done based on priority. Uneven quality of the harvested leaves and level of availability at a given harvest season are problems that often arise in determining the quantity of tobacco and cloves to be purchased. With its technical knowledge of the characteristics of various tobacco plants and cloves and equipped with historical data, the management is expected to determine the appropriate planned quantity for purchase, taking into account the Company's current financial capacity.
- **Supply chain of raw materials**
The supply chain of raw materials is designed to be efficient in the purchasing process. For several types of locally grown tobaccos, the Company makes direct purchases from tobacco farmers at the plantations or through national tobacco trading centers. However, in the case of imported tobacco, the commodity is acquired through international trade schemes from the suppliers. Specifically for cloves, all of the materials are acquired from the domestic market as mandated by regulations issued by the Ministry of Trade. In an extremely rare case, such as a national clove harvest failure, the Company will endeavor to seek permits from the authorities and associations for the import of cloves in limited quantities to be used in its ongoing production process.
- **Technical aspects of raw materials handling and warehousing system**
Specifically for tobacco and cloves, proper handling up to the time immediately before their use in the production process determines the quality of the finished products. Warehouse condition and humidity must be continuously maintained so that aging can occur properly and do not cause spoilage of the tobacco leaves.
- **Availability of substitute raw materials**
The R&D Division constantly seeks to find substitute materials for the production process. In reality, however, substitute raw materials are relevant only for the supporting materials, while tobacco, cloves and top flavor cannot be replaced by any other material as they greatly determine the flavor or aroma of the cigarettes produced.

In addition to the technical measures in handling raw materials as discussed in the previous sections, the Company also performs financial evaluations with respect to the prices of raw materials prevailing on the market. This is done to obtain an illustration of the linkage between raw materials price and the sales price of the cigarettes to be marketed.

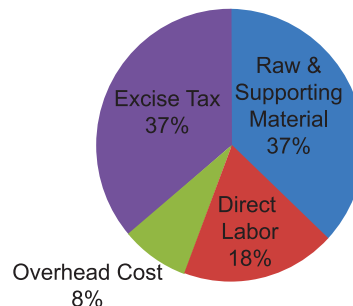
Historically, the largest components of cost in SKM cigarettes production goes into payment of excise tax, which constitute 62% of cost. This is followed by costs of raw materials, direct labor and factory overhead.

For SKT cigarettes, although the largest cost component is payment of excise tax, at 37%, labor cost is higher at 18% due to the labor-intensive nature of the operation.

COGS Composition of SKM



COGS Composition of SKT





G. DISTRIBUTION AND MARKETING

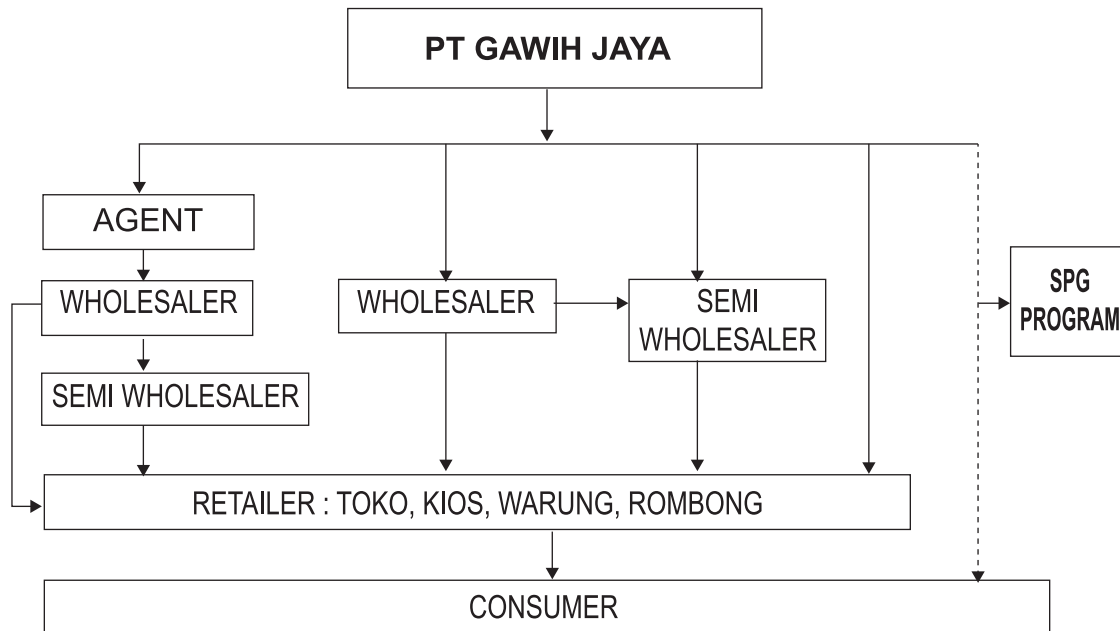
Marketing efforts are entirely carried out by GAWIH, a subsidiary of the Company, that is exclusively engaged in the marketing and distribution of cigarettes.

The distribution of cigarettes is done through land distribution and air distribution, starting from the warehouses storing finished goods at the Surabaya and Bojonegoro factories. GAWIH never encountered significant issues in conducting product distribution.

The cigarette distribution process as carried out by GAWIH falls into two categories. The first category is sales made to traditional cigarette sellers (wholesalers, semi-wholesalers and retailers), whereas the second category is directed towards modern markets. The Company has no dependency to other parties in producing and selling its products.

The chart below shows GAWIH's sales flows of within the two marketing categories :

a. Traditional Market Sale Scheme



Translation:

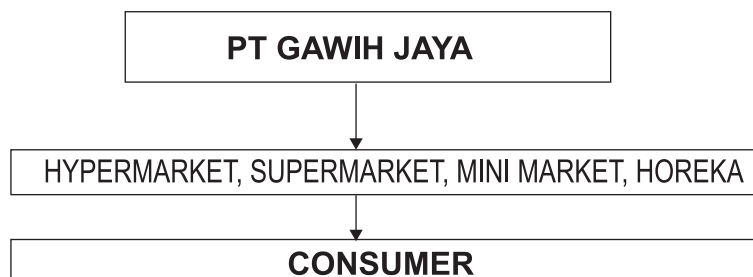
Toko : retailer store

Kios : kiosk

Warung : smaller retailer store

Rombong : direct sales person with two-wheeled motorcycle

b. Modern Market Sale Scheme



As such, the flow of distribution of the Company's products can go through either of two methods, namely through the Company's salespersons and also by using distribution spread provided by the distribution chain of wholesalers to semi-wholesalers and subsequently to the retailers.

Accordingly, the level of availability of the products on the market depends on two mechanisms, the first being directly through the Company's salespersons, and the second is through market mechanism, namely from wholesalers to the semi-wholesalers, and from the semi-wholesalers to the retailers.

As of the date of the the issuance of this Prospectus, GAWIH's distribution coverage area includes Sumatera, Java, Kalimantan, Sulawesi, Bali, Nusa Tenggara, Maluku and Papua, operated by a marketing network comprising of 17 branch offices, 5 stock points and 29 sale agents.

Distribution Coverage Area for the Group's Cigarettes



List of GAWIH Branch Offices

No.	Address
Medan	
1.	Jl. Kompos 193 Km. 12
Padang Sidempuan	
2.	Jl. Mawar No. 40 Kel.Ujung Padang
Palembang	
3.	Jl Dwikora 2 No.1222 A
Bandung	
4.	Jl. Caringin 273
Cirebon	
5.	Jl. Satria No. 2
Jakarta	
6.	Jl. Tipar Cakung 27
7.	Jl. Mampang Prapatan 108
Semarang	
8.	Jl. Dr. Wahidin 137
Pati	
9.	Jl. Diponegoro No. 129
Solo	
10.	Jl. Walanda Maramis No. 51
Yogyakarta	
11.	Jl. Kabupaten Km 3,8 No. 27



No.	Address
Banjarmasin	
12.	Jl. Zafri Zam - Zam Komp. Grawiratama Rt 38
Surabaya	
13.	Jl. Tanjung Sari 3 Blok D1 – D2 Lt. 2
14.	Jl. Tanjung Sari 3 Blok D1 – D2 Lt. 3
Malang	
15.	Jl. Ir. Sukarno No.39 Rt.01 Rw.01 Batu
Jember	
16.	Jl. Sumatera No. 117
Pamekasan	
17.	Jl. Raya Trasak Km. 7 Larangan

List of GAWIH Stock Points

No.	Address
Pematang Siantar	
1.	Jl. Silimakuta No. 33
Jambi	
2.	Jl. Haji Adam Malik Lorong Anggrek No. 1
Bogor	
3.	Perum. Budi Agung Jl. Kruing Bl. 1 No. 3
Tangerang	
4.	Komp. Taman Palma Blok F5 No. 6 Citra Raya
Purwokerto	
5.	Jl. Ks. Tubun No. 39

H. CERTIFICATION AND QUALITY CONTROL

ISO Certification

As of the date of the issuance of this Prospectus, the Company has received the ISO/IEC 17025 Certification in 2009, for the Accreditation of Laboratory by the National Accreditation Committee, conferred upon GELORA as an entity of the Group which engages in the production of cigarettes.

The ISO 17025 Certification for laboratory quality was acquired after undergoing a series of tests, including the testing of chemicals such as testing of the accuracy of mass measuring and volumetric devices. The table below shows the testing process conducted in relation to the ISO 17025 Certification.

Certification of Laboratory Accreditation: LP-327-IDN	
Field of test	Chemicals
Materials / products tested	Clove cigarettes Regular cigarettes
Type of testing / attributes measured	Total Particulate Matter (TPM) Nicotine Eugenol Tar
Testing method	ISO 4387 : 2000 ISO 10315 : 2000 IK 405.500.C.08.05.021.002 (gas chromatography) ISO 10362-1:1999
Final accreditation decision	19 November 2010



Certification of Laboratory Accreditation: LK-108-IDN	
Field of test	Mass measuring and volumetric device
Materials / products tested	Clove cigarettes Regular cigarettes
Type of equipment calibrated	Conventional scale Volumetric glassware
Test results	Best measuring capability is stated as an uncertainty expanded at a confidence level of 95% with a coverage factor of k = 2 and taking into account the uncertainty contribution from the use of the laboratory's standard of reference, uncertainty of the calibration process and impacting conditions as well as uncertainties from the best equipment that can be calibrated by the laboratory.
Final accreditation decision	12 June 2009

Environmental Impact Analysis (*Analisa Mengenai Dampak Lingkungan* or AMDAL)

Pursuant to the Law of the Republic of Indonesia No. 32 of 2009 on the Environmental Protection and Management, the Government Regulation No. 27 of 2012 on Environmental Permits and Regulation of the Ministry of the Environment No. 5 of 2012 on Types of Business Plan and/or Activities Subject to the Environmental Impact Analysis (AMDAL) Requirement, the Company and its Subsidiaries' field of business activities are subject to AMDAL, Environmental Management Measures (UKL) and Environmental Monitoring Measures in line with:

- a. Letter of the Mayor of Surabaya No. 660/5399/436.4.20/2005 dated 19 December 2005 on approval of AMDAL, UKL and UPL for the operation of the GELORA Cigarette Factor; and
- b. Letter of the Government of Bojonegoro Regency No. 660/1026/4129.19/2005 dated 8 November 2005 on Recommendation for UKL/UPL Documents for GELORA, Bojonegoro unit, Jl. Raya Sratujejo No. 99 Baureno Bojonegoro Regency.

One of AMDAL and UKL/UPL requirement fulfilled by the Company is a waste management system from daily operational in form of spoilage raw materials and tobacco powder which can be reused by the Company for production process. For the spoilage raw materials the Company can resell the waste to third party, thus can contribute other income for the Company.

Such waste management system is in accordance with Circular of Surabaya Mayor No. 660/5399/436.4.20/2005 dated 19 December 2005 regarding Approval of AMDAL, UKL and UPL proposed for GELORA.

I. INTELLECTUAL PROPERTY RIGHT

The Company and its Subsidiaries hold a number of Intellectual Property Rights ("IPR") that have been registered. The table below lists the description of the IPRs held by the Company and its Subsidiaries:

No.	IPR Owner	Number and Receiving Date of IPR	Registration Date	Class of Good and/or Service	Type of IPR
1.	PT Gelora Djaja	A00200602006 dated 1 June 2006	22 January 2010	27 - 06	Industrial Design: Cigarettes container Protection afforded: Line and Color Composition
2.	PT Gelora Djaja	IDM000185090 22 April 2009	19 November 2008	01	Brand Logo and Name: GALAN 999
3.	PT Gelora Djaja	IDM000185077 22 April 2009	19 November 2008	02	Brand Logo and Name: GALAN 999
4.	PT Gelora Djaja	IDM000185078 22 April 2009	19 November 2008	03	Brand Logo 999
5.	PT Gelora Djaja	IDM000185079 22 April 2009	19 November 2008	04	Brand Logo and Name: GALAN 999
6.	PT Gelora Djaja	IDM000187949 5 March 2009	22 December 2008	05	Brand Logo and Name: GALAN 999



No.	IPR Owner	Number and Receiving Date of IPR	Registration Date	Class of Good and/or Service	Type of IPR
7.	PT Gelora Djaja	IDM000185080 22 April 2009	19 November 2008	06	Brand Name: GALAN
8.	PT Gelora Djaja	IDM000185081 22 April 2009	19 November 2008	07	Brand Logo and Name: GALAN 999
9.	PT Gelora Djaja	IDM000185082 22 April 2009	19 November 2008	08	Brand Logo: 999
10.	PT Gelora Djaja	IDM000212049 28 January 2010	22 July 2009	NCL9 09	Brand Logo: 999
11.	PT Gelora Djaja	IDM000185083 22 April 2009	19 November 2008	10	Brand Logo and Name: GALAN 999
12.	PT Gelora Djaja	IDM000185084 22 April 2009	19 November 2008	12	Brand Logo: 999
13.	PT Gelora Djaja	IDM000185085 22 April 2009	19 November 2008	13	Brand Logo and Name: GALAN 999
14.	PT Gelora Djaja	IDM000185091 22 April 2009	19 November 2008	14	Brand Logo and Name: GALAN 999
15.	PT Gelora Djaja	IDM000185092 22 April 2009	19 November 2008	15	Brand Logo and Name: GALAN 999
16.	PT Gelora Djaja	IDM000205212 26 October 2009	28 May 2009	NCL9 16	Brand Logo and Name: GALAN 999
17.	PT Gelora Djaja	IDM000185093 22 April 2009	19 November 2008	17	Brand Logo and Name:: GALAN 999
18.	PT Gelora Djaja	IDM000185094 05 March 2009	19 November 2008	18	Brand Logo and Name: GALAN 999
19.	PT Gelora Djaja	IDM000185095 22 April 2009	19 November 2008	19	Brand Logo and Name: GALAN 999
20.	PT Gelora Djaja	IDM000185097 22 April 2009	19 November 2008	21	Brand Name: GALAN
21.	PT Gelora Djaja	IDM000185098 22 April 2009	19 November 2008	22	Brand Logo and Name: GALAN 999
22.	PT Gelora Djaja	IDM000185099 22 April 2009	19 November 2008	23	Brand Logo and Name: GALAN 999
23.	PT Gelora Djaja	IDM000185100 22 April 2009	19 November 2008	26	Brand Logo and Name: GALAN 999
24.	PT Gelora Djaja	IDM000185101 22 April 2009	19 November 2008	27	Brand Logo and Name: GALAN 999
25.	PT Gelora Djaja	IDM000187950 22 April 2009	22 December 2008	28	Brand: GALAN
26.	PT Gelora Djaja	IDM000186697 22 April 2009	28 November 2008	29	Brand: GALAN 999
27.	PT Gelora Djaja	IDM000186698 22 April 2009	28 November 2008	32	Brand Name: GALAN
28.	PT Gelora Djaja	IDM000186699 22 April 2009	28 November 2008	33	Brand Logo and Name: GALAN 999
29.	PT Gelora Djaja	IDM000207385 27 November 2009	19 June 2009	NCL9 34	Brand Logo and Name: GALAN 999
30.	PT Gelora Djaja	IDM000065519 16 July 2004	16 February 2006	34	Brand Logo and Name: 999 Kretek Slim
31.	PT Gelora Djaja	IDM000128144 26 October 2005	16 July 2007	34	Brand Logo and Name: GALAN 999
32.	PT Gelora Djaja	IDM000186700 05 March 2009	28 November 2008	35	Brand Logo and Name: GALAN 999
33.	PT Gelora Djaja	IDM000186701 22 April 2009	28 November 2008	36	Brand Logo and Name: GALAN 999
34.	PT Gelora Djaja	IDM000186702 22 April 2009	28 November 2008	37	Brand Logo and Name: GALAN 999
35.	PT Gelora Djaja	IDM000186703 22 April 2009	28 November 2008	38	Brand Logo and Name: GALAN 999
36.	PT Gelora Djaja	IDM000186704 22 April 2009	28 November 2008	39	Brand Logo and Name: GALAN 999
37.	PT Gelora Djaja	IDM000186705 22 April 2009	28 November 2008	40	Brand Logo and Name: GALAN 999
38.	PT Gelora Djaja	IDM000186694 22 April 2009	28 November 2008	41	Brand Logo and Name: GALAN 999



No.	IPR Owner	Number and Receiving Date of IPR	Registration Date	Class of Good and/or Service	Type of IPR
39.	PT Gelora Djaja	IDM000195017 05 March 2009	02 March 2009	42	Brand Logo and Name: GALAN 999
40.	PT Gelora Djaja	IDM000186695 05 March 2009	28 November 2008	43	Brand Logo and Name: GALAN 999
41.	PT Gelora Djaja	IDM000186696 05 March 2009	28 November 2008	44	Brand Logo and Name: GALAN 999
42.	PT Gelora Djaja	IDM000136731 30 January 2006	01 October 2007	41	Brand Logo (Catur) and Name: GALAN 999
43.	PT Gelora Djaja	IDM000210741 05 March 2009	17 July 2009	NCL9 45	Brand Logo and Name: GALAN 999
44.	PT Gelora Djaja	IDM000058215 11 March 2006	14 December 2005	01	Brand Name: WISMILAK
45.	PT Gelora Djaja	IDM 000058216 11 March 2006	14 December 2005	02	Brand Name: WISMILAK
46.	PT Gelora Djaja	IDM 000068902 11 March 2006	22 December 2005	03	Brand Name: WISMILAK
47.	PT Gelora Djaja	IDM000058219 11 March 2006	14 December 2005	04	Brand Name: WISMILAK
48.	PT Gelora Djaja	IDM000058220 11 March 2006	14 December 2005	05	Brand Name: WISMILAK
49.	PT Gelora Djaja	IDM000058222 11 March 2006	14 December 2005	06	Brand Name: WISMILAK
50.	PT Gelora Djaja	IDM000058217 11 March 2006	14 December 2005	07	Brand Name: WISMILAK
51.	PT Gelora Djaja	IDM000058218 11 March 2006	14 December 2005	08	Brand Name: WISMILAK
52.	PT Gelora Djaja	IDM000058221 11 March 2006	14 December 2005	09	Brand Name: WISMILAK
53.	PT Gelora Djaja	IDM000058903 11 March 2006	22 December 2005	10	Brand Name: WISMILAK
54.	PT Gelora Djaja	IDM000058223 11 March 2006	14 December 2005	11	Brand Name: WISMILAK
55.	PT Gelora Djaja	IDM000058225 11 March 2006	14 December 2005	12	Brand Name: WISMILAK
56.	PT Gelora Djaja	IDM000058226 11 March 2006	14 December 2005	13	Brand Name: WISMILAK
57.	PT Gelora Djaja	IDM000058227 11 March 2006	14 December 2005	14	Brand Name: WISMILAK
58.	PT Gelora Djaja	IDM000058228 11 March 2006	14 December 2005	15	Brand Name: WISMILAK
59.	PT Gelora Djaja	IDM000058229 11 March 2006	14 December 2005	16	Brand Name: WISMILAK
60.	PT Gelora Djaja	IDM000058224 11 March 2006	14 December 2005	17	Brand Name: WISMILAK
61.	PT Gelora Djaja	IDM000058904 11 March 2006	22 December 2005	18	Brand Name: WISMILAK
62.	PT Gelora Djaja	IDM000058230 11 March 2006	14 December 2005	19	Brand Name: WISMILAK
63.	PT Gelora Djaja	IDM000058231 11 March 2006	14 December 2005	20	Brand Name: WISMILAK
64.	PT Gelora Djaja	IDM000058722 11 March 2006	21 December 2005	21	Brand Name: WISMILAK
65.	PT Gelora Djaja	IDM000058234 11 March 2006	14 December 2005	22	Brand Name: WISMILAK
66.	PT Gelora Djaja	IDM000058236 11 March 2006	14 December 2005	23	Brand Name: WISMILAK
67.	PT Gelora Djaja	IDM000185647 11 March 2006	20 November 2008	24	Brand Name: WISMILAK
68.	PT Gelora Djaja	IDM000058238 11 March 2006	14 December 2005	26	Brand Name: WISMILAK
69.	PT Gelora Djaja	IDM000056181 11 March 2006	23 November 2005	27	Brand Name: WISMILAK
70.	PT Gelora Djaja	IDM000056183 11 March 2006	23 November 2005	28	Brand Name: WISMILAK



No.	IPR Owner	Number and Receiving Date of IPR	Registration Date	Class of Good and/or Service	Type of IPR
71.	PT Gelora Djaja	IDM000058232 11 March 2006	14 December 2005	29	Brand Name: WISMILAK
72.	PT Gelora Djaja	IDM000058233 11 March 2006	14 December 2005	30	Brand Name: WISMILAK
73.	PT Gelora Djaja	IDM000058235 11 March 2006	14 December 2005	31	Brand Name: WISMILAK
74.	PT Gelora Djaja	IDM000058237 11 March 2006	14 December 2005	32	Brand Name: WISMILAK
75.	PT Gelora Djaja	IDM000332394 15 June 2006	3 November 2011	NCL9 34	Brand Logo and Name: WISMILAK DIPLOMAT
76.	PT Gelora Djaja	IDM000025958 4 August 2005	31 December 2004	34	Brand Logo and Name: 12 CLOVES CIGARETTES, WISMILAK DIPLOMAT
77.	PT Gelora Djaja	IDM000155947 30 September 2008	03 March 2008	34	Brand Logo and Name: WISMILAK
78.	PT Gelora Djaja	IDM000025959 4 August 2005	31 December 2004	34	Brand Logo and Name: WISMILAK KRETEK
79.	PT Gelora Djaja	IDM000296547 17 May 2011	07 March 2011	34	Brand Logo and Name: WISMILAK LIGHTS
80.	PT Gelora Djaja	IDM000037234 05 August 2003	09 May 2005	34	Brand Logo and Name: WISMILAK LIGHTS, LOWERED TAR NICOTINE
81.	PT Gelora Djaja	IDM000113994 16 July 2004	21 March 2007	34	Brand Name: DIPLOMAT LIGHTS
82.	PT Gelora Djaja	IDM000113995 16 July 2004	21 March 2007	34	Brand: DIPLOMAT LIGHTS*
83.	PT Gelora Djaja	IDM000296548 17 May 2011	07 March 2011	34	Brand Logo and Name: SLIM
84.	PT Gelora Djaja	IDM000329197 10 January 2011	26 October 2011	NCL9 34	Brand Logo and Name: WISMILAK CLASSIC
85.	PT Gelora Djaja	IDM000061268 11 June 2004	05 January 2006	34	Brand Logo and Name: WISMILAK LATINO
86.	PT Gelora Djaja	IDM000100726 12 April 2005	04 December 2006	34	Brand Name: MILDAY
87.	PT Gelora Djaja	IDM000100725 12 April 2005	04 December 2006	34	Brand Logo and Name: FUNMILD
88.	PT Gelora Djaja	IDM000053660 17 January 2006	013 October 2005	34	Brand Logo and Name: HIS CLASSY, CLOVE CIGARETTES
89.	PT Gelora Djaja	IDM0000611269 11 June 2004	05 January 2006	34	Brand Logo and Name: HIS GEN M
90.	PT Gelora Djaja	IDM0000661270 11 June 2004	05 January 2006	34	Brand Logo and Name: HIS GEN B
91.	PT Gelora Djaja	IDM000315234 25 February 2010	25 February 2010	NCL9 34	Brand Name: WISMILAK RONN MILD
92.	PT Gelora Djaja	IDM000315298 17 March 2010	05 August 2011	NCL9 34	Brand Name: WISMILAK ESTEEM MILD
93.	PT Gelora Djaja	IDM000316401 09 March 2010	12 August 2011	NCL9 34	Brand Logo and Name: WISMILAK CREST MILD
94.	PT Gelora Djaja	IDM000316400 09 March 2010	12 August 2011	34	Brand Name: WISMILAK ACT MILD
95.	PT Gelora Djaja	IDM000056179 11 March 2006	23 November 2005	35	Brand Name: WISMILAK
96.	PT Gelora Djaja	IDM000056180 11 March 2006	23 November 2005	36	Brand Name: WISMILAK
97.	PT Gelora Djaja	IDM000056182 11 March 2006	23 November 2005	37	Brand Name: WISMILAK
98.	PT Gelora Djaja	IDM000056184 11 March 2006	23 November 2005	38	Brand Name: WISMILAK
99.	PT Gelora Djaja	IDM000056185 11 March 2006	23 November 2005	39	Brand Name: WISMILAK



No.	IPR Owner	Number and Receiving Date of IPR	Registration Date	Class of Good and/or Service	Type of IPR
100.	PT Gelora Djaja	IDM000056187 11 March 2007	23 November 2005	40	Brand Name: WISMILAK
101.	PT Gelora Djaja	IDM000136730 30 January 2006	01 October 2007	41	Brand Logo (Sepeda) and Name: WISMILAK
102.	PT Gelora Djaja	IDM000056186 11 March 2006	23 November 2005	41	Brand Name: WISMILAK
103.	PT Gelora Djaja	IDM000056188 11 March 2006	23 November 2005	42	Brand Name: WISMILAK
104.	PT Gelora Djaja	IDM000061635 11 March 2006	06 January 2006	43	Brand Name: WISMILAK
105.	PT Gelora Djaja	IDM000061636 11 March 2006	06 January 2006	44	Brand Name: WISMILAK
106.	PT Gelora Djaja	IDM000114284 21 June 2005	22 March 2007	45	Brand Name: WISMILAK
107.	PT Gelora Djaja	IDM000357897 30 June 2012	5 June 2012	NCL9 41	Brand Name: WISMILAK INTERNATIONAL

* On 21 March 2007, GELORA registered 2 (two) brands, namely "Diplomat Lights" and "Diplomat Mild", however the Brand Certificates issued by the Directorate General of IPR states "Diplomat Lights" for both of the brands registered. Despite this, GELORA can still use "Diplomat Mild" as the brand of the cigarette that it sells pending a revised certificate for the "Diplomat Mild" brand.

J. AWARDS

Throughout the Company's history, its Subsidiaries have won a number of awards and honors for certain achievements. The table below lists the awards won by the Subsidiaries:

Receiving Entity	Award Name	Award Category	Year	Conferring Entity
GELORA	International Gold Star	International Gold Star For Quality	1999	Business Initiative Directions
	Zero Accident Award	Implementation of Work Safety and Health Program	2001	Indonesia Ministry of Manpower and Transmigration
	Zero Accident Award	Prevention of Accidents at the Workplace	2001	PT. Jamsostek (Persero)
	First Best Company, "Best Female Worker Fostering" Program, East Java Province, 2002	Best Implementer of Women Empowerment Program of East Java Province for 2002	2002	Governor Of East Java
	Participant of the Jamsostek Program Meeting Membership Legal Administrative Requirements as a Commitment Towards Providing Protection and Welfare to Employees and Their Families.	Jamsostek (Workers' Social Security) Program Participant	2002	PT. Jamsostek (Persero)
	Best Female Worker Fostering Company, Provincial Level, 2002	Female Worker Fostering Company, Provincial Level, 2002	2002	Indonesia Ministry of Women Empowerment
	Exemplary Property Tax Payer of 2002	Property Tax Payer of 2002	2002	Mayor of Surabaya
	Most Active Category III Tobacco Processing Company	Category III Tobacco Processing Company I	2007	Class A2 Juanda Oversight and Services Office
	Largest Initiator and Implementer of Cigar Production	Initiator and Implementer of Cigar Production	2010	Indonesia Museum of Records
GAWIH	Most Powerful Distribution Performance 2009	Distribution Performance 2009	2009	SWA QASA MIX



K. BUSINESS PROSPECTS

The cigarette industry in Indonesia

Indonesia is the third largest country in the world in terms of cigarette consumption, with 317 billion cigarettes consumed in 2011. The industry saw an annual growth rate of 7.7% during the last five years, and it is predicted that the growth will continue by 3-4% within the next five years.

The most common type of cigarettes consumed in Indonesia is the *kretek* (clove blended) cigarette, leaving only 6% market share for 'white' cigarettes. Kretek cigarettes are divided into Machine-Rolled Kretek Cigarettes (SKM) and Hand-Rolled Kretek Cigarettes (SKT). The market share for SKM has increased by 8% during the last five years, and in 2011, it contributed a 68% market share to the cigarette market.

The largest growth in the cigarette industry is mostly experienced by "mild" or "light" cigarettes, with a five-year (2007-2012) CAGR of 14.89%, as compared to 2.54% for regular cigarettes, and based on its current growth rate, sales of mild cigarettes will continue to surpass regular cigarettes for the next five years.

Indonesia is one of the countries with the highest number of smokers in the world, where 34.8% of adults in the country are smokers. However, Indonesia also presents one of the largest discrepancy between the number of male and female smokers, amounting to 67% and 3%, respectively. The number of male smokers continues to grow steadily. The average smoker in the country consumes less than 16 cigarettes a day.

On the regulation side, the Government is still finalizing its discussion on a draft government regulation regarding the supervision of the local tobacco industry. Compared to similar legislations in other countries, the new regulation will be relatively relaxed, allowing advertisements and promotional activities.

The main issue being discussed in the drafting process is the ban on the mixing of additives, unless they are scientifically proven to be safe to human health. Furthermore, the regulation contemplates that every cigarette company must submit the composition or ingredients of its cigarettes to the Department of Health, and this is considered to be against the principles of fair business competition and opens the possibility for such ingredients to fall into the hands of competitors.

The Department of Finance has developed a roadmap for the tobacco industry, to be implemented in three phases within the period of 2007-2020. The second phase of implementation is focused on the increase of tax applied to cigarettes, which will change from a 19-tiered rate to a single rate for all types of cigarettes. This will be favorable to large producers, as smaller producers will be subjected to a higher rate in order to keep up with the larger companies. The third phase will be the imposition of a sales limit, which will be implemented in 2015 at 260 billion cigarettes per year. However, it is not certain whether the Government will implement such quota and how many billion production will be allowed annually.

A description on the Company's business prospects is provided in more details in Chapter X on the Indonesian Cigarette Industry.

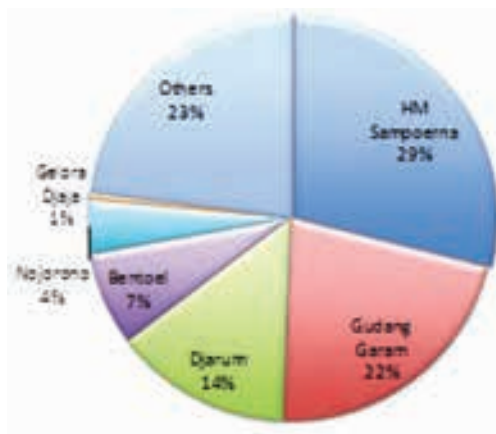
L. BUSINESS COMPETITION

Market Share in the Cigarette Industry

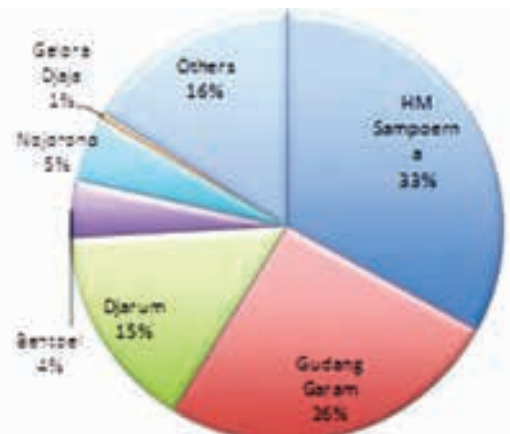
There are currently four large cigarette companies that controls 72% of the market share in Indonesia in 2011 in terms of cigarette production volume. The largest portion of such share is controlled by PT HM Sampoerna ("**Sampoerna**") with 29%, followed by PT Gudang Garam ("**Gudang Garam**") with 22% and PT Djarum ("**Djarum**") with 14% at the second and third place, respectively.



Market Share (Sticks)



Market Share (Excise Tax)



Source: Annual Report, Clarity Research Indonesia

The following is a summary of the four largest cigarette companies in Indonesia which constitute the major competitors of the Company, as reported in the research conducted by Clarity Research Indonesia in 2012 on the Current Status of the Cigarette Industry Sector in Indonesia and its Prospect For the Future.

HM Sampoerna Group

In 2011, Sampoerna achieved 29% market share in terms of cigarette production and 33% of the market share by purchase of excise tax. The company focuses itself on the domestic market in order to achieve sales volume of 99.8%.

Sampoerna's main brands, namely Marlboro, A Mild, U Mild, Trend Mild, Vegas Mild and Dji Sam Soe contribute 60% to its total sales. In 2011, its sales volume increased by 16.3%, representing 21.8% of its earnings. Although the U Mild brand began to be marketed only during the last few years, its sales has made a large contribution, along with A Mild, to the increase of its overall sales. U Mild is produced by one of Sampoerna's subsidiaries, Asia Tembakau, and sold at a price which is 33% lower than that of A Mild.

Currently, Sampoerna has started to focus its business on the sale of 'white' cigarettes (SPM), such as the Marlboro brand, in relation to its acquisition by Phillip Morris.

Gudang Garam

As the second cigarette producer in Indonesia, Gudang Garam has a 22% market share in terms of production and 26% in terms of tax payment.

The company focuses its operations on the sale of SKM cigarettes, which contributes to 86% of its total sales volume. Currently, Gudang Garam does not produce 'white' cigarettes (SPM), although it has a production plan scheduled for the next few years.

Gudang Garam's domestic sales volume in 2011 only saw a growth of 1.6%, although its total earnings increased by 11%. This was due to the company's emphasis on profit generation rather than sales volume.

Some of Gudang Garam's leading brands are Surya, Filter International Red and Surya Professional Mild. So far, sales have been focused on these brands. Currently, most of Gudang Garam's sales are centred in Java, Sumatera, and Bali, with more areas being targeted.



Djarum

Djarum's sales in 2011 reached 44.7 billion cigarettes, constituting a market share of 14% in terms of production and 15% in terms of tax payment. Djarum indirectly controls around 30 cigarette producers, not all of which are its subsidiaries, and thus, it is difficult to determine the group's total sales. Production is focused on *kretek* cigarettes and currently, there is no plan to produce 'white' cigarettes within the next several years.

The main brands of Djarum include Djarum Super, Djarum Coklat, LA Lights and Djarum Black.

PT Bentoel International Investama ("Bentoel")

Bentoel is the fourth largest cigarette company nationally, with a production volume of 23.1 billion cigarettes in 2011, constituting a market share of 7% in terms of production and 4% in terms of tax payment.

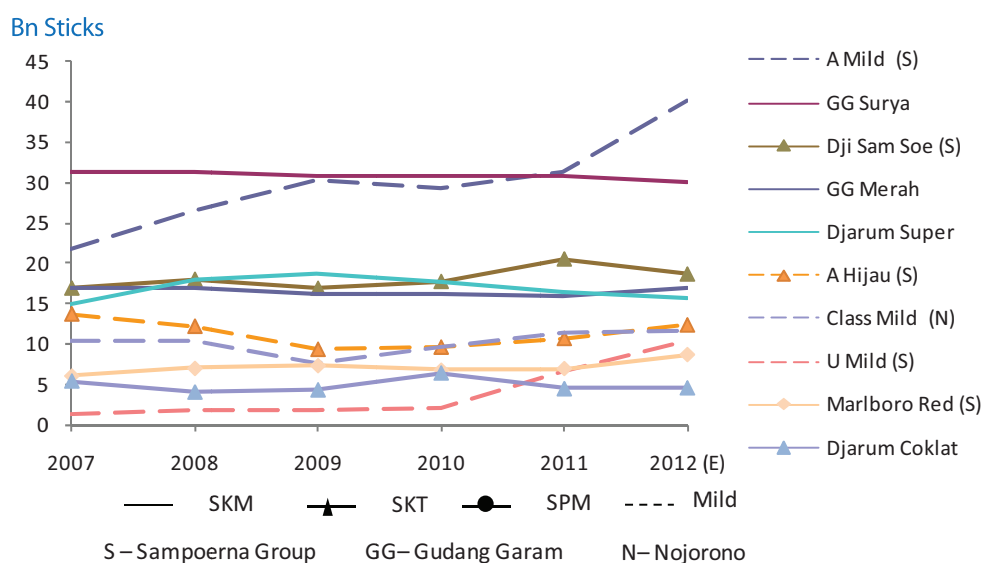
In 2011, its sales volume increased by 0.8%, or a 13% increase in earnings. The company produces kretek cigarettes (SKM & SKT) and 'white' cigarettes (SPM). Sales made by the company is more influenced by the SKT segment, which saw an increase of 13% in 2011, contributing 38% to sales volume. On the other hand, SKM contributes 48% to the total volume, 80% of which comes from the sale of mild cigarettes. Meanwhile, sales volume of premium SPM brands increased, while other brands experienced a reduction. The main brands of Bentoel are Sejati, Star Mild, neO Mild, and Club Mild.

Brand Market Share

The market share of cigarette brands in Indonesia is predominantly occupied by A Mild (including for SKM), which is produced by Sampoerna, with a sales volume of 20.5 billion cigarettes in 2011. In the second position, the Surya brand produced by PT Gudang Garam, has a stable sales volume during the past five years. The brand is classified as regular SKM. Meanwhile, the Dji Sam Soe brand (categorized as SKT) produced by Sampoerna, is third among brands in terms of market share. For the 'white' cigarette market, Sampoerna (through Phillip Morris) recorded a sale of 7 billion cigarettes per year.

Cigarette brands under the 'mild' category experienced a higher growth rate in sales volume compared to those categorized as regular cigarettes.

Market Share (2007-2011)



Source: Clarity Research Indonesia



The Company's Position Within the National Cigarette Industry Competition

As of the date of the issuance of this Prospectus, the market share occupied by cigarette products of the Company and its Subsidiaries only represents 1% of the total national cigarette production by production and by tax payment. Despite the low market share, the Company remains consistent with its intended target market and places emphasis on the quality of its products. In the future, the Company will continue to strive to achieve optimum growth by utilizing its available production capacity, and also by launching new products that can grab the attention of consumers.

M. CORPORATE SOCIAL RESPONSIBILITY

The Company believes that in order to maintain the continuity of business operations, it has to not only carry out its business, but must also observe its Corporate Social Responsibility (“**CSR**”), which constitute the foundation on which every measure taken by the Company rests.

As a form of the Company's contribution to the social development of the community where the Company operates, several programs have been undertaken with focus on the environment, education, economic empowerment, sports, health, religious activities and social drive.

a. Environment

To campaign the importance of maintaining and preserving the environment to the local communities, the Company organizes Tree Planting Drives as an effort to replant and rebuild within the East Java province and distribution of tree seeds in the province, which has the added benefit of augmenting the income of the local communities.

b. Education

The Company views that education is a critical aspect in the life of the communities, and as such, it makes donation in the form of scholarships for residents living around its factories, donate books to library runs by the Surabaya municipal government and is currently establishing the Wismilak Foundation to coordinate disbursement of education grants to the local communities.

Also in the field of education, the Company has donated bicycles as an internal mode of transport within the Gajah Mada University.

c. Economic Empowerment

To enhance the economy, the Company is currently holding the “*Diplomat Success Challenge*”, an event aimed to promote entrepreneurship in Indonesia, where participants are called upon to submit business proposals which will then be subject to competition. The winner selected is given a sum of cash to be used as a capital to start the business as described in the proposal.

d. Sports

Sports is also an aspect of social life that is considered by the Company as very important to the community, and as such, the Company organized various ongoing technical development and training for junior tennis players, tennis training development program and held the “Wismilak International” Tennis Tournament for the periods 1994 – 2008 and Junior International Tournaments for the periods 1994 – 2007. The Company's focus on the promotion of national sports is also manifested in the setting up of a bicycle race team to allow Indonesian athletes to compete overseas. The program was run up until 2007.



e. Healthcare

To promote the health of its employees and the surrounding community, the Company takes an active part in organizing blood drive every year for its employees and mass circumcision for the communities living near its factory locations as part of the Indonesian National Independence Day commemorations.

f. Humanitarian Programs

Shipment of humanitarian assistance packages for victims affected by the earthquake in Bantul, Yogyakarta, and victims of the Mount Merapi eruption. The Company also sent an 'off-roader' team to reach the victims of the 2006 tsunami in Aceh.

g. Religious Activities

For promotion of religious activities, the Company is active in organizing major religious events and other religious activities, together with the giving of donations to followers of the respective faiths.

The amount spent by the Company and its Subsidiaries in relation to CSR activities between 2007 and 2011 was around Rp9.9 billion.



X. INDONESIAN CIGARETTE INDUSTRY

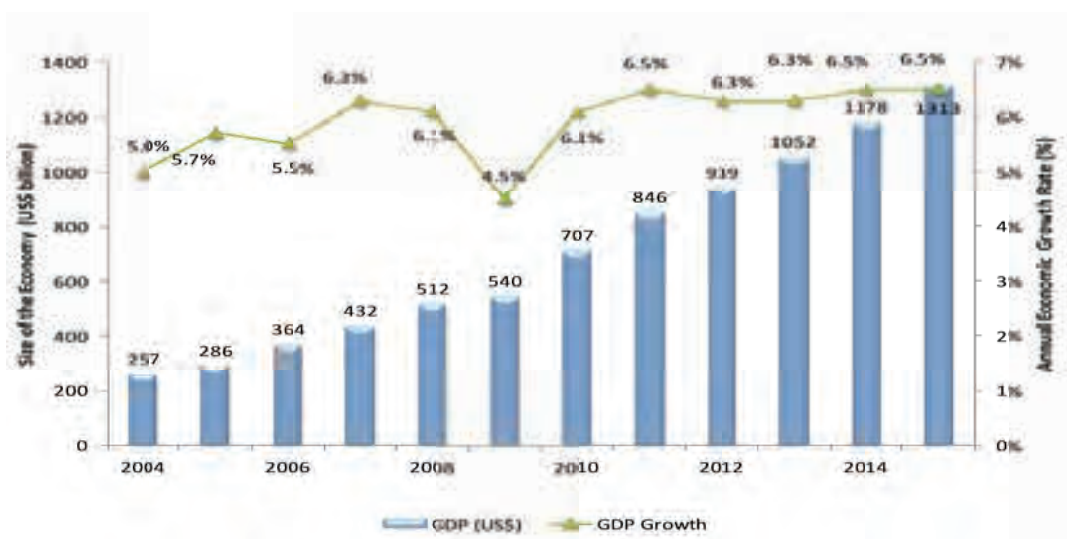
Indonesian Macroeconomic Overview

Economic growth prospects

Indonesia is the currently the world's 16th largest economy valued at US\$846 billion at the end of 2011. Indonesia has sustained growth in excess of 6% per annum over the past six years, with the exception of 2009 during the height of the Global Financial Crisis. In 2011, the Indonesian economy grew by 6.5% , making its highest rate in 15 years.

During 2012, Indonesia has the second fastest growing economy among the G-20 nations, after China. The full year economic growth is expected to slow modestly to 6.3% in 2012 and 2013, due to the deepening Eurozone debt crisis, which is increasingly affecting the global economy. Strong economic growth is due to the rising in domestic consumption and investment, however exports have been impacted.

Indonesia's Economic Growth Performance (2004-2015)



Source: BPS, World Bank, IMF, and consensus of other forecasters

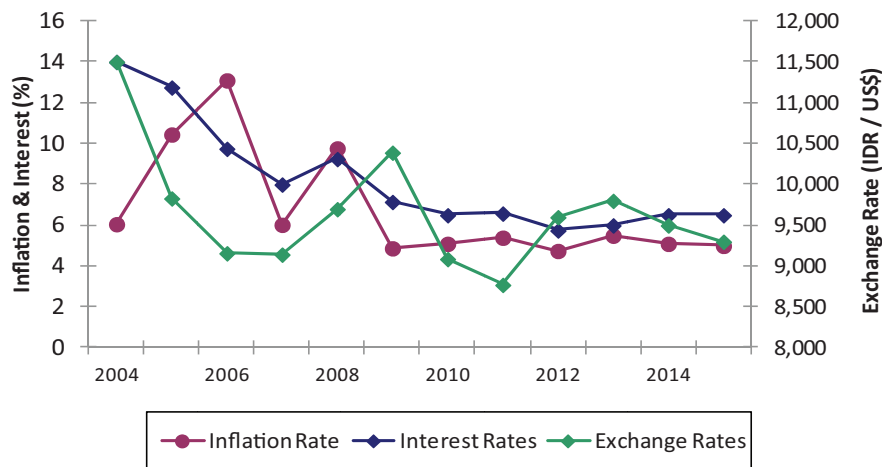
Other macroeconomic variables

Indonesia has historically suffered from moderate inflation, however, over the past few years, Bank Indonesia has been able to bring inflation under control with inflation hitting a 22-month low in January 2012. Inflation had increased slightly since January due to the rise in the world's food prices and the Rupiah depreciation, but it is well within the Government's target range.

Low inflation has enabled the central bank to maintain interest rate to a record low of 5.75%, in a bid to maintain the country's strong growth to protect the economy from the Eurozone debt crisis.



Macroeconomic Indicators (2004-2015)



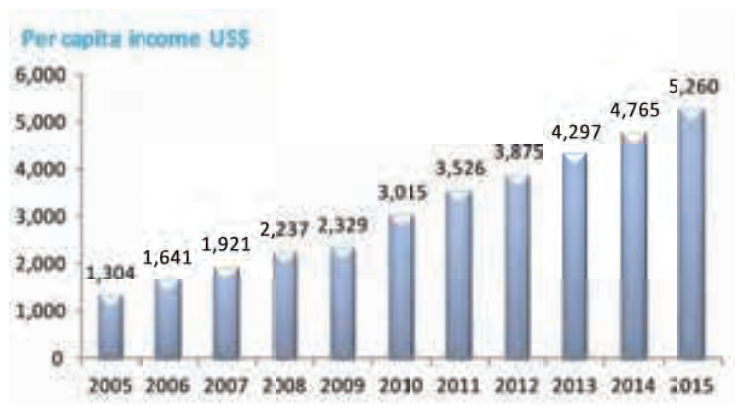
Source: BPS and Clarity Analysis

Meanwhile, Indonesia has not been totally immune from the Eurozone debt crisis and has posted four consecutive trade deficits from April to July and is expected to remain in deficit until the end of the year. This has put pressure on the Rupiah, which has depreciated 5% against the US dollar since the start of the year with many analysts expecting the Rupiah to depreciate by a further 2% by the end of the year. The depreciation in Rupiah is expected to add pressure to the economy over the next few years. Going forward, macroeconomic indicators are expected to remain within a stable range.

Middle class growth

Indonesia continues to remain a lower middle income country, but in 2010, Indonesia’s per capita income surpassed the critical US\$3,000 level, which is seen by many economists as the tipping point for accelerating economic growth.

Growth of per capita income (2005-2015)

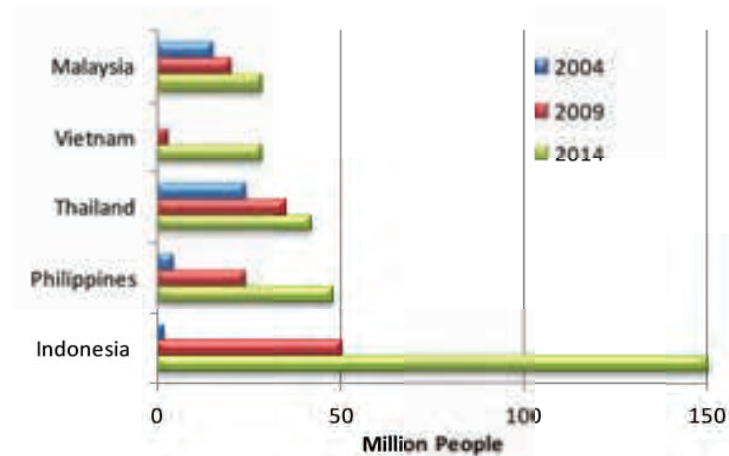


Source: BPS, Clarity Research projections

The middle class segment has ballooned from 2 million in 2004 to 50 million in 2009, and is expected to triple to 150 million by 2014. By the end of 2014, Indonesia’s middle class will outnumber the middle class in Philippines, Thailand, Vietnam and Malaysia combined.



Middle Class Spread



Source: World Bank, Nomura, CEIC

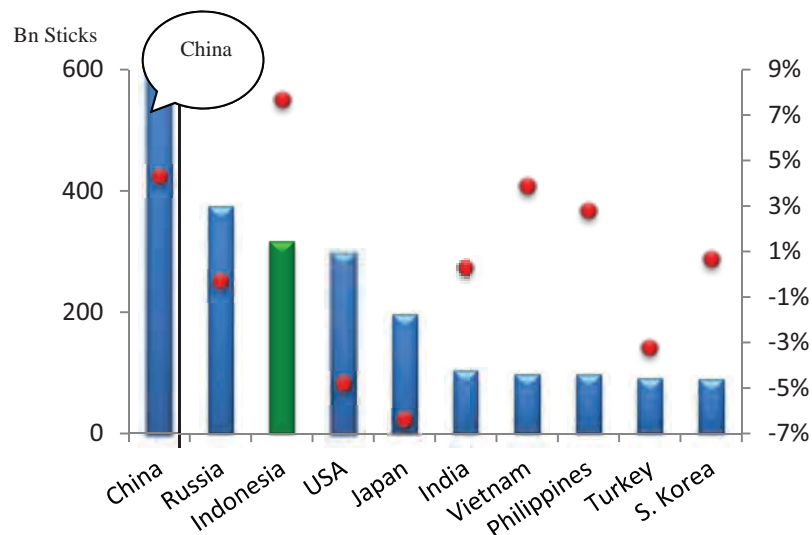
Note : Based on Annual household disposable income of US\$3,000 or higher

The Indonesian Cigarette Industry in the Global Context

By volume, Indonesia was the third largest cigarettes market in 2011, behind China, which accounted for 41% of cigarette consumption, and Russia. Indonesia's cigarette market is similar in size with the USA. Based on the current growth rates, Indonesia is projected to become the second largest cigarette market within the next five years.

Top ten cigarette markets by volume

(2011 billion cigarettes)



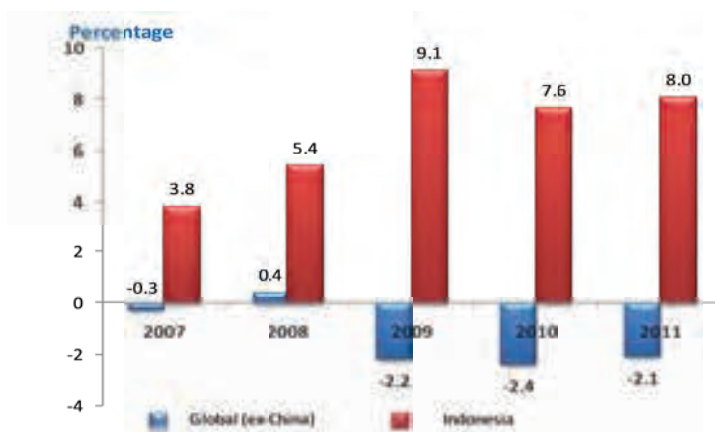
Source: Clarity Research Indonesia, Euromonitor



Only 6 out of the top 20 cigarette markets posted positive growth during 2006-2011 periods, with Indonesia being the fastest growing market with a CAGR of 7.7% (2006-2011), virtually doubling the growth rates of the next fastest growing markets of China and Vietnam.

Globally (excluding China), cigarette volumes had declined on average by 2.2% per annum over the past three years (2009-2011), while Indonesia's cigarette industry had posted growth rates above 7% per annum during the same period.

Global (ex-China) and Indonesia cigarette volumes growth (2006-2011)



Source: Clarity Research Indonesia, Euromonitor

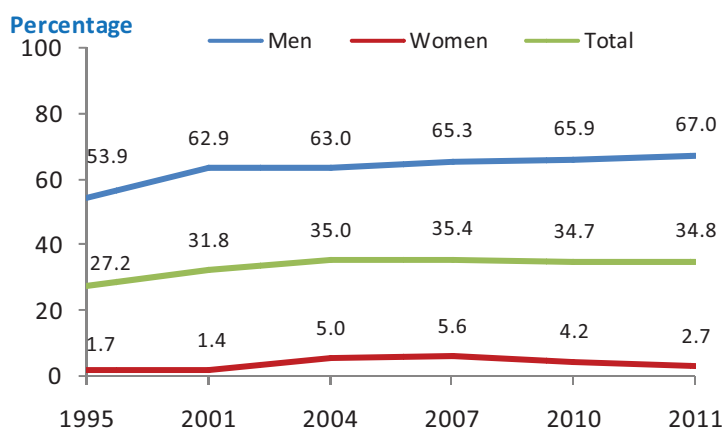
Indonesian Cigarette Consumers

Smoking prevalence

Indonesia has one of the highest smoking prevalence rates in the world with 34.8% of Indonesian adults classified as smokers. The smoking prevalence rate has remained fairly stable since 2004.

In terms of smoking prevalence, Indonesia has one of the largest gaps between the prevalence of male and female smokers. In 2011, two third of male adults were smokers compared to just under 3% of women. Prevalence rate of male smokers has gradually increased over the past decade, while for women, although the prevalence rate initially increased, it has since 2000, declined in the following years.

Prevalence of smokers (1995-2011)



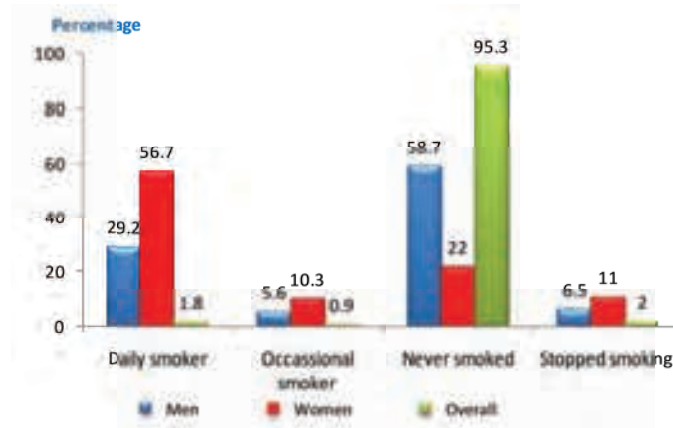
Source: GATS Indonesia, Riskesdas

S



Out of the total smoker population, 85% of males smoke every day, compared to 67% of females. Even more remarkable is that only 22% of males have never smoked, compared to 95% of women.

Smoking status by gender

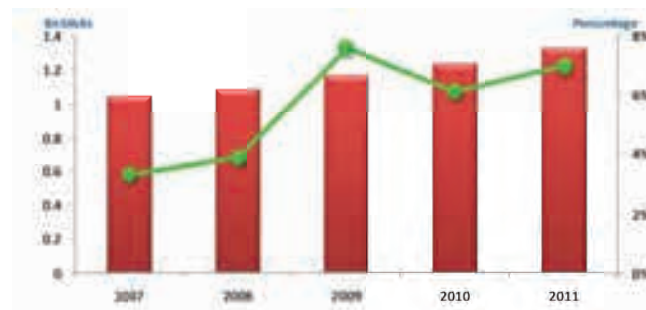


Source: GATS Indonesia

Per capita consumption

Per capita consumption (“PCC”) was 1,323 cigarettes per annum in 2011. PCC had increased at a CAGR of 4.87% over the last 5 years.

Per capita consumption (2007-2011)



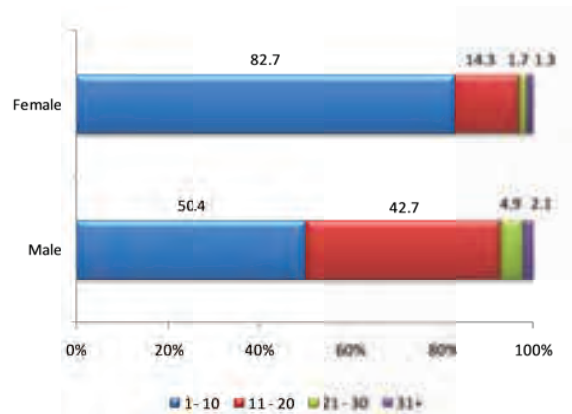
Source: GATS, Clarity Research Indonesia

Based on a smoking prevalence rate of 34.8% in 2011, on average, a smoker consumes 27.5 packs (consisting of 16 cigarettes), an increase from 24 packs a month in 2007.

Males, who were more likely to be daily smokers, are equally split between smoking 1-10 sticks per day and more than 10 sticks a day. Whereas, women are much lighter smokers with 82.7% smoking less than 10 sticks a day. This is expected as 33% of female smokers claim to be occasional smokers.



Average number of cigarettes smoked a day

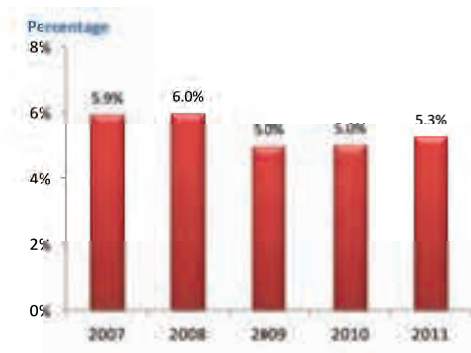


Source: GATS Indonesia

Average monthly spending on cigarettes

The average monthly spending on cigarettes had gradually decreased over the past five years to 5.5% from 5.9% in 2008. The decrease reflects the increasing purchasing power of the consumers, which was growing faster than the increase in price of cigarettes due to higher excise tax and higher PCC.

Average monthly spending on cigarettes



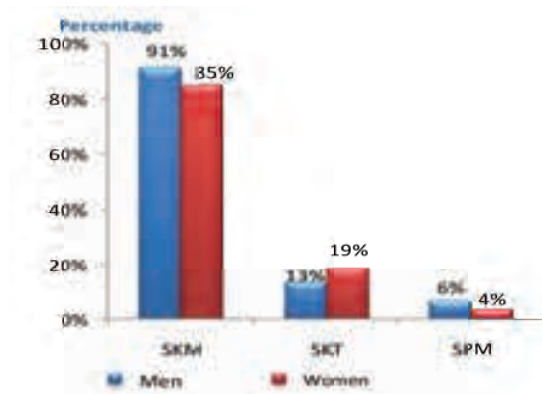
Source: BPS

Preferred type of cigarettes

An overwhelming amount of Indonesian smokers smoke kretek cigarettes, with 91% of men and 85% of women smoking machine made kretek cigarettes (SKM). Interestingly, more women than men claimed to smoke hand rolled kretek cigarettes (SKT). Some smokers would smoke both SKM and SKT cigarettes. Indonesian smokers rarely smoke white cigarettes, with only 6% of men and 4% of women smoking SPM cigarettes, partly due to the unfamiliar taste as well as higher price of white cigarettes.



Type of cigarettes smoked



Source: GATS Indonesia

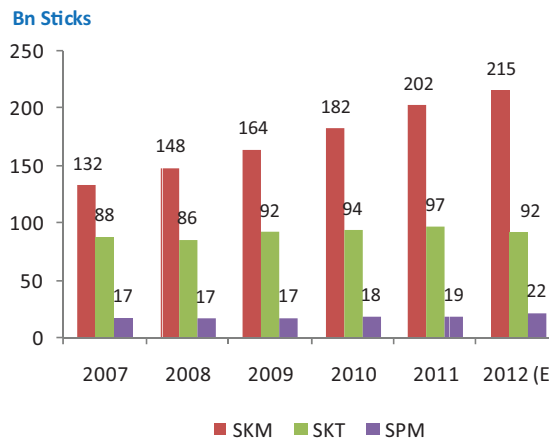
Indonesia Domestic Market Size

In 2011, the size of Indonesia’s domestic market was estimated to consist of 317 billion cigarettes, with a five year CAGR rate of 7.7%. There are two types of cigarettes primarily smoked in Indonesia:

- Kretek cigarettes, which is a blend of tobacco and cloves unique to Indonesia. Kretek cigarettes are further divided into:
 - o Machine rolled kretek (SKM)
 - o Hand rolled kretek (SKT)
- White cigarettes (SPM)

The Indonesian market is overwhelmingly a kretek cigarette market, accounting for 94% of cigarettes sold, with white cigarettes accounting to 6% share.

Cigarettes Market Size in Indonesia (2007-2012)

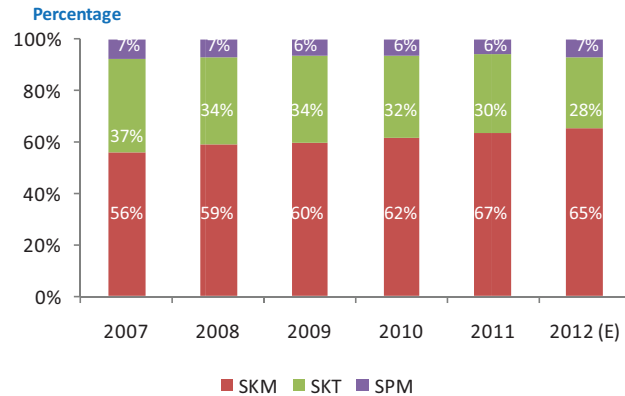


Source: Clarity Research Indonesia

Within the kretek segment, machine rolled kretek (SKM) had increased 8.8% per annum, while hand rolled cigarettes have increased by only 2.0% per annum, with mild kretek cigarettes representing the largest component to the market share of this segment. White cigarettes (SPM) have grown by 2.2% per annum over the same periods. In terms of market share, SKM’s market share had increased from 8.0% over the past five years from 56% to 64%, while SKT’s market share had decreased from 37% to 30%. On the other hand, the market share of white cigarettes (SPM) had remained stable at 6-7% for the past five years.



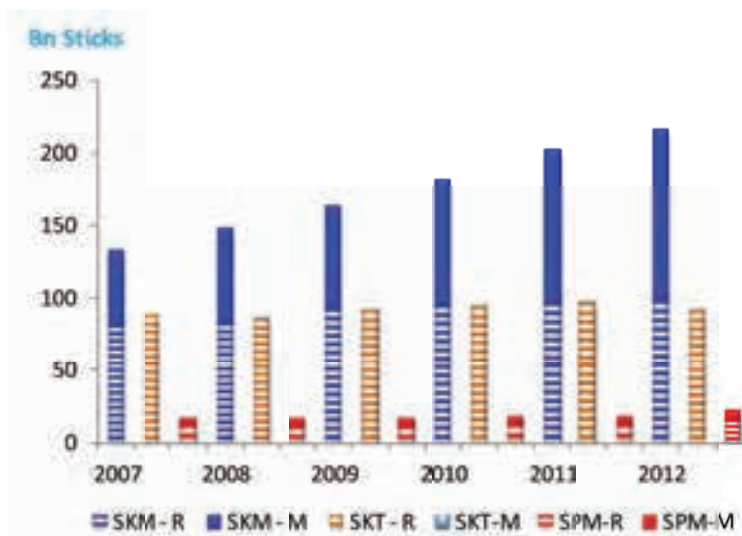
Market share by types of cigarette



Sumber: Clarity Research Indonesia

Over the past five years, virtually all of the volume growth had been derived from mild cigarettes, which had risen, by an average 14.9% per annum during the five years period between 2007 and 2011, compared to regular cigarettes that had risen by 2.2% during the same period. Consequently, mild cigarettes share of the market had increased from 23% in 2007 to 35% in 2011.

Mild vs regular cigarettes volume growth (2007-2011)



Source: Clarity Research Indonesia

Regulatory Environment

Indonesian Government has prepared a new draft tobacco regulation that is stricter than the current regulation (Government Regulation No. 19 Year 2003 regarding The Healthy Issues of Smoking). However, the draft regulation has been in circulation for the past five years without being passed into law, as it needs approval from five Government ministries, as well as from the People's Representative Council (*Dewan Perwakilan Rakyat* or "DPR"). The draft regulation has a short window to be approved as the next election is scheduled to occur in mid-2014 and the DPR is unlikely to pass any controversial regulations in the run up to the election.



There are several important differences between the Government Regulation No. 19 Year 2003 and the new draft of tobacco regulation. In general, there are four main differences:

- **Product** – Additive material restriction
- **Packaging and Promotion** – Minimum quantity of cigarette per pack, health conscious, information regarding nicotine and tar composition, and terms, statements and signs inclusion restriction
- **Purchasing** – Place and sales restriction

1) Product

Criteria	Current Applicable Regulation (PP 19/2003)	Proposed Regulation
Banned additives	Restriction of unqualified additives	Restriction of additive usage, unless scientifically proven to be safe The proposed draft states that tobacco, cloves, incense, rhubarb are not included as additive if used as raw material

Impact:

The clause banning additives “unless scientifically proven to be safe” requires producers to provide their ingredients to the Ministry of Health, which in turn, may be leaked to competitors that can make similar products. This is against the principle of fair competition. The industry is fighting hard to change this clause to allow additives, unless scientifically proven to be unsafe. Until this Prospectus issued, that proposed regulation still been discussed by related parties.

2) Packaging

Criteria	Current Applicable Regulation (PP 19/2003)	Proposed Regulation
Minimum quantity per package	No restriction.	No restriction for SKM and SKT cigarettes. SPM – minimum 20 cigarettes/pack.
	No image restriction about health warning Health warning bordered by 1mm width line, with a contrast color between basic background and font color, font at least 3mm. Current health warning is : “Smoking may cause cancer, heart attack, impotency, and disorder of pregnancy and fetus	Health warning Health warning in form of images and statements should fulfill the following conditions: a. Stated on 50% of the top of the front and back cover started with “Warning” by using white font color with black background, printed obviously, either partially or fully. b. The warning picture has to be printed in color c. Must use arial bold and font 10, white color on black background. Each tobacco based product must states health warning in form of images and statements which contains five different types, with 20% of each tobacco based product for each portion Health warning in Government Regulation No. 19/2003 will still prevail as long as not against the proposed tobacco regulation.
Information regarding Nicotine and tar composition	Only required to state the information regarding nicotine and tar composition	Aside the requirement to states information regarding nicotine and tar, in cigarette pack must also states: Statement of: “prohibited to sell or give to childred below 18 years old and pregnant woman”, “No safe limit” and “contains more than 43 carcinogen“
Restriction of terms, statements or signs	None.	Restriction in stating Light, ultra light, mild, extra mild, low tar, slim, special, full flavor or premium statements, or any other words that indicating quality, superiority, safety, brand imaging, personality or any other similar words, unless such tobacco based product already received a brand certificate

Impact:

The industry can continue to advertise on TV, which is their main form of promotion and are already prepared for restrictions on outdoor advertising, as some cities have already banned cigarette outdoor advertising.



3) Purchasing

Criteria	Current Regulation (PP 19/2003)	Proposed Regulation
Place of sale	Vending machines is permitted in select locations.	Vending machines will be prohibited.
Sales restrictions	No restrictions.	Sales are prohibited to children below 18 years old and pregnant women.

Impact:

Virtually, no impact on the industry as cigarettes are not widely sold through vending machines. Practically, it will be hard to enforce the restriction against small shops from selling to children below 18 years old and pregnant women.

4) Place of smoking

Criteria	Current Regulation (PP 19/2003)	Proposed Regulation
Banned locations	Public areas including health facilities, place of work and some specific places which serve as a purpose of worship, schools, children's zones and public transportation.	Health facilities, schools and children's zones, public transportation, Work place and other public places must provide a dedicated smoking zone.
Special smoking areas	Public areas and work place that provide dedicated smoking zone, must provide exhaust fan, so not harmful for smokers	Public areas and work place that provide dedicated smoking zone located outside.

Impact:

Currently not all work and public places are providing dedicated smoking facilities and the local Government is not actively enforcing the regulation, however this will gradually change over time.

Taxation (Tobacco Industry roadmap and excise duty policy)

In 2007, the Ministry of Finance issued a tobacco industry roadmap for the periods 2007-2020. The roadmap is subdivided into three phases with different core focuses.

Phase 2 focuses on increasing cigarette excise tax through increasing the rate, as well as decreasing the excise tariff bands to a single tier for each type or cigarette.

	Phase 1 (2007-2010)	Phase 2 (2010-2015)	Phase 3 (2015-2013)
Key Focus	Focus on growth of the industry and employment.	Increasing excise tax. Increase Government revenues through higher excise tax. Reducing the number of excise tiers from 19 (in 2009) to three (in 2016) by gradually merging tiers until there is only one tariff by cigarette type. Issue a SNI for kretek cigarettes.	Health issues. Imposing production quota for 2015 onwards at 260 billion cigarettes per annum. All tobacco regulations must be adjusted to take into account health issues.
Implementation	Completed. The number of producers dropped from 5,000 in 2007 to 1,500 in 2010 and then to 800 in 2012.	Ongoing. Excise tiers reduced from 19 in 2009 to 15 in 2011 with average 16%p.a hike in excise tax. Further tier reductions expected in 2013. Excise for lowest tiers (for smallest producers selling cheapest products) rising faster than the highest tiers (major producers selling premium priced products).	Uncertain.



Impact: High

At the end of the day, consumers will continue to smoke cigarettes even with the planned increase excise duty as cigarettes still only account for 5% of consumers monthly spending.

Large producers of SKM and SPM cigarettes will benefit as smaller producers will lose their cost advantage of lower excise tariff compared to the brand leaders. As there will only be one excise tariff, then all of the cigarette producers, both large and small, will have one price, and therefore, the consumers will choose higher quality cigarettes (premium cigarettes) to be consumed.

On the other hand, the biggest impact will be faced by SKT cigarette producers, which mostly consist of small producers, as they will be in line with large producers. There is expected to be a rate in consolidation as smaller players may be acquired by larger companies, or even going out of business.

The discussion of quota implementation is discussed in full in Industry challenges and risk section.

Currently, each cigarette producers are categorized based on their annual production as such major cigarette producers have a number of subsidiary producers with production below two billion sticks to enjoy lower excise tax. However, starting in November 2012, the excise tax tier will be based on the total group annual production and as a result, many subsidiaries of major producers will automatically become excise tier I. This will automatically increase the number of cigarette companies in excise tier I.

Cigarette excise tax roadmap 2009-2016

Cigarette Company Tier		Company size	Retail price per stick (IDR)	Excise tariff per stick (IDR)						
Cigarette Type	Tier			2009	2010-11	2012	2013	2014	2015	2016
SKM	I	>2 bn sticks	> IDR 660	310	325	355				
			631 - 660	300	315	345				
			600 - 630	280	295	325				
	II	≤2 bn sticks	> IDR 430	230	245	270				
			381 - 430	195	210	235				
			374 - 380	155	170					
SPM	I	>2 bn sticks	> 600	310	325					
			451 - 600	275	295	365				
			375 - 450	225	245					
	II	≤2 bn sticks	>300	200	215	235				
			255 - 300	165	175	190				
			217 - 254	105	110	125				
SKT	I	>2 bn sticks	>590	215	235	255				
			551 - 590	165	180	195				
			520 - 550	145	155					
	II	300 mn - 2bn sticks	> 379	105	110	125				
			350 - 379	95	100	115				
			336 - 349	90	90	105				
	III	<300mn sticks	Min 234	65	65	75				

Source: Ministry of Finance and Tobacco Roadmap

Market trends

Industry dynamics

There are several drivers pushing the demand combined with a few constraints that may hold back the industry.

Drivers

Growing middle class with larger disposable incomes

A smoker spend approximately 5.4% of his or her monthly spending to purchase cigarettes. The price of a packet of cigarettes, consisting of 16 cigarettes, currently costs on average Rp7,500 to Rp.12,500, and therefore, an increase in excise tax will not affect the affordability of cigarettes, especially for middle class. By an increase in income, it is expected that the middle class population will increase from 50 million to 150 million between 2009-2014.



Smoking prevalence in Indonesia is high and stable

For the last five years, the smoking prevalence rate is expected to remain stable for at least the next five years, as smoking is deep rooted into the Indonesian culture, as evidenced by a total of 67% of adult males smoking.

Addictive nature of tobacco

The statement of “once a smoker always a smoker” holds true in Indonesia, with only 11% of males claimed to have quit smoking.

Low price elasticity of cigarettes

Even with the price increase, smokers will continue to smoke due to the addictive nature of tobacco.

Constraint

Price increase of cigarettes

Excise tax will increase annually with the largest increase on small producers in order to streamline the excise tariffs into a single tier. As previously mentioned, cigarettes have a low price elasticity, however, in the next few years, consumers may switch to premium cigarette products after secondary cigarette products are not sold anymore.

Rebranding

If the draft tobacco regulation is passed into law, then the latest cigarette brand recently obtained will need to be rebranded as they are no longer allowed to use terms such as “mild”, “light”, “special” or “premium”.

Production / sales quotas

There is uncertainty as to whether the Government will introduce production quotas. No discussion has taken place on implementing quotas and annual sales has already far exceed the quota set for 2015. The industry is optimistic that the quotas will not introduced or if they are, the quota limit will be raised to a more realistic level.

Implementation of the draft tobacco regulation

Indonesia currently has one of the most relaxed regulatory environments in the world for tobacco. Even if the draft regulation is passed into law in its current form, it is a lot more lenient than many other countries' tobacco regulations. The regulations places more restrictions in terms of promotion and packaging, however producers are still able to advertise on TV between the hours of 21.30 and 05.00, differentiate their products, as well as openly display their products and use shop banners and certain types of outdoor advertising.

The regulation is controversial in terms of producers having to divulge their ingredients to the Ministry of Health, which could lead to formulations leaking to the competitors. However, the regulation is expected to have a limited impact in terms of consumer demand..

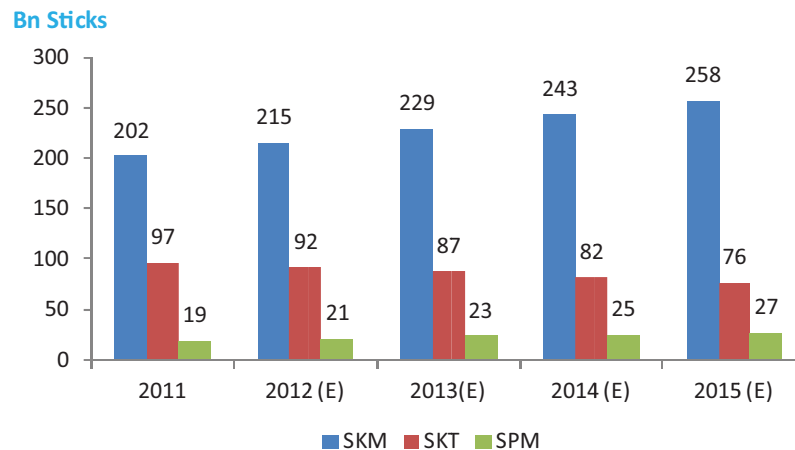
Market trends

Over the next four years, the cigarette industry is expected to continue growing at an annual rate of 3.5% over the next four years to reach 364 billion cigarettes in 2015. Much of the growth is expected to come from SKM cigarettes, which is expected to grow by 6% per annum at the expense of SKT cigarettes, which is expected to decrease by 5-6 % per annum. SPM cigarettes is expected to grow in double digits as the urban middle class consumers increasingly switch to white SPM cigarettes. This projection is



based on several assumptions, including projected growth rates, which will mirror 2012 growth rates. The Government will implement the single excise tariff rate in stages, without implementing production quota. If quota production is implemented, then the previous minimum of 260 cigarettes will be replaced by 360 billion cigarettes. If the Government will not implement the production quota limit, then it will increase the risk of circulation of illegal products to fulfill market demand.

Projected cigarette market size (2011-2015)



Source: Clarity Research Indonesia

Most of the increased demand will be for mild / light cigarettes, although Clarity recognizes that if the draft regulation is passed, then the category “mild / light” will disappear.

Gradual progression to a single excise tariff will benefit the larger players and producers with higher brand equity as their price premium will be reduced and smaller producers will see a large increase in pricing, making their products less competitive. The number of companies in tier I is expected to jump in November 2012, when producers will have their excise tariff tier determined by the group sales rather than the individual producer’s annual sales.

The number of cigarette producers has already fallen from 5,000 in 2007 to 800 in 2012, and is expected to significantly fall over the next five years. The single excise tariff implementation will result in a number of smaller producers going out of business, as well as large group companies streamlining the number of subsidiaries as it is no longer advantageous to have a large number of small producers.

Industry Challenges and Risks

The cigarette industry will face several key challenges over the next five years.

Production / sales quotas

The 2007-2020 Roadmap for Tobacco industry and excise tax policy set a 260 billion cigarettes quota from 2015 onwards.

The cigarette industry has grown much faster than the Government projected in 2007. In 2011, cigarettes sales were estimated to be 22% higher than the 2015 quota limit and based on a 3-3.5% per annum growth rate, the industry may reach 355-365 billion cigarettes by 2015, approximately 100 cigarettes higher than the Government’s anticipated quota.

The Government’s primary strategy for limiting sales is through increasing excise tax to make cigarettes more expensive for consumers. The Government aims to gradually reduce the number of excise tariff tiers from 19 in 2009 to 3 “single tariffs” for SKM, SPM and SKT. The single tariff for SKM and SPM cigarettes is likely to be set at the same level. Smaller producers will no longer have a competitive



advantage over major players, as it is assumed that consumers will switch to brand leaders, which will no longer have a large price premium and as a result many of the smaller players will go out of business. However, it is questionable whether this strategy will reduce demand, as cigarettes have low price elasticity (due to the addictive nature of tobacco) combined with higher income levels average spending on tobacco, which is expected to remain at the 5-6% range.

Even if the Government would like to impose the original cigarette quota, it will be difficult to do financially as the Government is committed to a maximum budget deficit of 3% of GDP and has historically run a modest deficit ranging from 0.5% to 1.6% of GDP. In 2011, cigarette excise tax contributed to Rp77 trillion (or US\$8.5 billion), and given that the Government is unable to eliminate fuel and electricity subsidies, it is reliant on cigarette excise tax to maintain small budget deficits.

In all probability, if the Government is to impose quota, it will renegotiate a new quota limit with industry players that realistically matches the 2015 consumption levels.

The timing for quota implementation is also questionable as it will fall in the first full year of the next Government which will be elected in mid 2014 and it cannot be predicted whether the next Government will have the same vision for the tobacco industry and follow through with the quota implementation or not.

Draft tobacco regulation being passed into law

The draft tobacco regulation has been in discussion for the past five years as five Government ministries as well as the DPR, need to agree on the final draft before it can be passed into law. The current Government only has a small window of three to six months to pass the draft regulation before the next election cycle, at which point the chance on passing any controversial regulation is low. The new regulation can be viewed in three scenarios in terms of the industry:

- ***Best case scenario*** - the draft regulation is not passed in the next three to six months and is handed to the next Government to handle. Business will continue as normal for tobacco producers.
- ***Medium case scenario*** – the draft regulation is passed, but key controversial clauses are amended including:
 - o ***Banning all additives unless proven to be scientifically safe*** to be less negative wording such as only additives that are scientifically proven to be unsafe are banned.
 - o ***Health warning*** – the current draft requires a health warning covering 40% of the frontside and backside of the pack with five picture variants. The industry is pushing for the health warning to be limited to 20% of the pack, located only on the backside of the pack with only one picture variant per annum. The industry is also pushing for the picture warnings to be unpleasant rather than shocking as in Canada, Canada or Malaysia.

If these key changes are implemented, the impact on the tobacco industry will be limited.

- ***Worst case scenario*** – the draft regulation is passed in its current form. The tobacco industry will push hard for the Constitutional Court to review the law and deem certain clauses to be against the constitution:
 - o ***Banning all additives unless proven to be scientifically safe*** implicitly implies that producers must give their ingredients to the Ministry of Health and this is contrary to the principal of fair competition.
 - o ***Health warnings*** – The tobacco industry will push for pictorial warnings to be banned and will provide the case example of the US where the US court of Appeal upheld a lower court's decision in finding pictorial warnings as violation of the freedom of speech.

If this fails, the kretek industry may push to have kretek classified as an Indonesian cultural product and not as a cigarette, and therefore, kretek cigarettes will fall outside the Indonesian tobacco regulation and will no longer be required to meet FCTC guidelines. Indonesia is following in India's footsteps, that succeeded in removing Bidi, its national tobacco product from the definition of cigarette and therefore is not covered by the FCTC guidelines.



Single Tariff Excise Tax

The Government has set out a roadmap of increasing excise tax on cigarettes as well as reducing the number of excise tiers from 15 at present to 3 in 2016 with a single tariff for SKM, SPM and SKT cigarettes. In all probability, the excise tariff for SKM and SPM cigarettes will be set at the same level.

Starting November 2012, a producer's excise tier will be based on its total group's annual production, rather than the producer's actual production. Consequently, a number of subsidiaries of the major players - Sampoerna, Gudang Garam, Djarum and Bentoel – will automatically be reclassified as excise tier I.

The single tier excise tariff will have two main impacts:

- 1) Reduce the number of cigarette players, as it will no longer be beneficial for major producers to have a large number of subsidiary producers as they will all be subject to the same excise tax.
- 2) Single excise tariff policy will adversely affect small independent producers, which over the next few years, will face the largest excise tariff increase to bring them in-line with tier I producers. This will result in a reduced price differential between brand leaders and other brands and as such, consumers are expected to switch to brand leaders. This will lead to many smaller producers to go out of business.

SNI (Indonesian National Standard)

SNI for Kretek cigarettes will be introduced in October 2012, however at this stage, it is still optional for companies to implement the SNI.

Foreign company acquisition on Indonesian players

To date, three major Indonesian cigarette producers have been acquired by large multinational cigarette producers. Other major and mid-size companies are expected to be targeted by multinational cigarette producers as Indonesia is one of the largest cigarette market in the world.

Foreign acquisition of Indonesian cigarette producers is seen as a threat to the Indonesian kretek industry on two levels:

- Foreign owned Indonesian companies have more access to capital and can improve production and R&D facilities, as well as working capital to pre-purchase excise stamps and build up a strong distribution and promotion network compared to Indonesian-owned companies.
- The local industry fears that the foreign owned cigarette producers will increasingly promote white cigarettes at the expense of kretek cigarettes.

Illegal Products

It is estimated that the Government loses 0.5-0.75% of cigarette excise tax annually due to cigarette producers using incorrect excise stamps caused by:

- 1) cigarettes packs sold without excise stamps
- 2) cigarette companies using a different companies' excise stamps, for example products with higher excise duty use stamps from products from a lower excise tier
- 3) cigarettes using fake or used excise stamps

This is primarily an issue for smaller players that directly compete with illegal products rather than for major players with leading brands. It is also an issue for the Government as it loses revenues.

Indonesians becoming more health concious

Some anti-tobacco communities have been established since the WHO declared that all countries should ratify the Framework Convention of Tobacco Control.. The anti-smoking communities are supported by the Ministry of Health and are increasingly promoting the harmful effects of smoking to specific communities like schools and women's communities.

Overtime, this may lead to a generational shift with fewer young males taking up smoking.



XI. EQUITY

a. Capital Structure

The table below shows the equity of the Company based on its consolidated balance sheet of the Company for the six months ended 30 June 2012 and for the years ended 31 December 2011, 2010, 2009 and the Company's consolidated financial statements as of 30 June 2012 and 31 December 2011; and for the six months ended 30 June 2012 and the year ended 31 December 2011 were audited by Public Accountants Gani, Mulyadi & Handayani (member of Grant Thornton International Ltd.) with unqualified opinion as stated in its reports dated 17 September 2012. The Company's consolidated financial statements as of and for the years ended 31 December 2010 and 2009 were audited by Public Accountants Drs. Haryo Tienmar with unqualified opinion as stated in its reports dated 28 August 2012 .

(in million Rupiah, except shares data)

Description	30 June 2012	31 December		
		2011	2010	2009
Authorized Capital – 405,000,000 shares				
Issued and Fully Paid-up Capital – 146,991,176 shares as of 30 June 2012 and 31 December 2011 and 102,600,000 shares as of 31 December 2010 and 2009	146,991	146,991	102,600	102,600
Retained Earnings	103,897	136,992	147,110	121,997
Total Equity Attributable to the Owners of the Parent Entity	250,888	283,983	249,710	224,597
Non-controlling Interest	315	366	328	306
Equity	251,203	284,349	250,038	224,903

b. Changes in Company's Ownership Structure

Company's Article of Association has been amended several times with most recent amendment by the Circular of Shareholders Resolution No.24 dated 10 September 2012 prepared before Yulia SH., Notary in South Jakarta ("Deed No.24/2012"), which was approved by the Ministry of Law and Human Rights No. AHU-48327.AH.01.02.Tahun 2012 dated 11 September 2012 and registered on Company Registrar No. AHU-0081584.AH.01.09.Tahun 2012 dated 11 September 2012. According to Deed No. 24/2012, the Shareholders of the Company authorised:

- Change in the share nominal value from Rp1,000 (one thousand Rupiah) become Rp100 (one hundred Rupiah);
- Authorized the Initial Public Offering;
- Authorised the Company's shares listing on the IDX either for new shares issued or outstanding shares by initial Shareholders;
- Changes in company status as Public Company; and
- Restatement of the company's Article of Association to comply with the article of association 's of Public Company according to Rule No.IX.J.1.



Thus the capital structure and shareholding portion was as follows:

103,897	Number of Shares @ Rp100	Nominal Value (Rp)	%
Authorised Capital	4,050,000,000	405,000,000,000	
Issued and Paid-up Capital			
1. Sugito Winarko	152,738,830	15,273,883,000	10.39
2. Ronald Walla	203,651,770	20,365,177,000	13.85
3. Stephen Walla	203,651,770	20,365,177,000	13.85
4. Indahtati Widjajadi	160,350,820	16,035,082,000	10.91
5. Gaby Widjajadi	196,039,780	19,603,978,000	13.34
6. Gunarwan Winarko	20,365,180	2,036,518,000	1.39
7. Dipoyono Winarko	20,365,180	2,036,518,000	1.39
8. Gitawati Winarko	40,730,360	4,073,036,000	2.77
9. Central Tower Capital Pte. Ltd.	472,018,070	47,201,807,000	32.11
Total Issued and Paid-up Capital	1,469,911,760	146,991,176,000	100.00
Shares in Portfolio	2,580,088,240	258,008,824,000	

c. Capital Structure Proforma

As of 9 October 2012 the Company submit Registration Statement to Bapepam and LK, in relation to the Initial Public Offering of 629,962,000 (six hundred and twenty nine million and nine hundred and sixty two thousand) shares.

If the Initial Public Offering of 629,962,000 (six hundred and twenty nine million and nine hundred and sixty two thousand) shares with a nominal value of Rp100 (one hundred Rupiah) per share and an Offering Price of Rp650 (six hundred and fifty Rupiah) per share occur on 30 June 2012, the proforma equity structure of the Company will be as follows:

(in million Rupiah, except shares data)

Description	Issued and Paid-up Capital	Additional Paid In Capital	Retained Earnings	Total Equity
Equity balance from consolidated financial statements as of the six months ended 30 June 2012, and the years ended 31 December 2011, 2010 and 2009	146,991	-	103,897	250,888
Changes in equity as of the six months ended 30 June 2012, and the years ended 31 December 2011, 2010 and 2009				
- Initial Public Offering of 629,962,000 Ordinary Shares with a nominal value of Rp100,- per share and an Offer Price of Rp650 per share, net of estimated offering costs borne by the Company	62,996	307,333	-	370,329
Equity balance from the consolidated financial statements of the Company as of the six months ended 30 June, and the years ended 31 December 2011, 2010 and 2009 post the Initial Public Offering	209,987	307,333	103,897	621,217

There is no change in the capital structure of the Company that occurred after the balance sheet date.



XII. DIVIDEND POLICY

The Company may announce a dividend in the current year if the Company recorded a positive retained earning. In accordance to the Limited Liability Company Law, dividend distribution is done based on the approval of the Annual GMS or the Extraordinary GMS. Before the end of a financial year, interim dividend can be distributed as long it is allowed by the Articles of Association of the Company and the distribution does not cause the net asset of the Company to become less than fully paid-up capital and the mandatory reserves of the Company. Interim dividend is distributed by the Board of Directors after being authorised by the Board of Commissioners. In the event that the Company suffered from loss after the distribution of interim dividend at the end of the financial year, the interim dividend that is already being distributed must be refunded to the Company. The Boards of Commissioners and Directors shall be jointly and severally responsible for the refund process by the Shareholders.

The Company plans to distribute dividends at least once every year. The amount of dividend is related to the Company's current year profit and considering certain financial indicators and resolution of GMS in accordance with the Articles of Association of the Company and prevailing regulations. The table below shows the history of dividend distribution of the Company:

Fiscal year of payment	Description	Payment of cash dividend per share (Rp)	Total Share	Amount Paid (Rp)	Retained Earnings		Ratio
					Total (Rp)	Year Ended	
2009	Cash dividend	11	102,600,000	1,128,600,000	105,314,358,925	31 Dec 2008	1.1%
2010	Cash dividend	22	102,600,000	2,257,200,000	121,996,749,736	31 Dec 2009	1.9%
2011	Cash dividend	927	102,600,000	95,110,200,000	147,110,332,777	31 Dec 2010	64.7%
2012	Cash dividend	490	146,991,176	72,025,676,240	136,991,853,989	31 Dec 2011	52.6%

After the Initial Public Offering, the Company intends to distribute cash dividend of a maximum amount of 30% (thirty percent) of its consolidated net profit, starting in 2013 after deducting the Company's mandatory reserves.

The timing, amount and payment type of the dividend distribution will follow recommendation from the Board of Directors. However, there is no certainty that the Company is able to distribute dividend in each accounting period. The decision to distribute dividend will depend on several issues subject to Management's approval, as follows:

- Company's net income and cash flows availability;
- Financial projection and working capital requirement;
- Business prospect of the Company;
- Capital expenditures and other investment plan;
- Investment plan and other growth catalysts; and
- Economic condition and general industry climate and other relevant factors to the Board of Directors as well as existing negative covenants which prohibit dividend distribution.

If a dividend distribution is authorised, dividend payment will be in Rupiah. Shareholders, who are registered as of the record date, is entitled to the full amount of paid dividend and subject to prevailing withholding tax applied in Indonesia. Dividend received by foreign Shareholders would subject to income tax (withholding tax) of 20% (based on the regulation of the applicable tax at current period).

Subsequent to the Initial Public Offering, new Shareholders have the same right in every way as the existing Shareholders, including a right for dividend. The dividend policy of the Company is not legally binding and will depend on the discretion of the Board of Directors. Negative covenants which may prohibit dividend distribution to the Shareholders by the Company have been agreed to be waived by the parties to such agreements.



XIII. TAXATION

A. TAXATION FOR SHAREHOLDERS

Income tax on dividends is levied under the prevailing law and regulations. Under Article 4 paragraph 3 item f of the Law of the Republic of Indonesia No. 7 of 1983, as most currently amended by Law No. 36 of 2008 regarding Income Tax (entering into force on 1 January 2009), dividend or distribution of profit earned by limited liability companies as domestic taxpayers, co-operative, state-owned or local government owned enterprises, as result of their equity investment in any business entity established and domiciled in Indonesia, shall not be liable for income tax, if the following requirement are fulfilled:

- The dividend is derived from retained earnings; and
- In the case where the recipient of a dividend is a limited liability company or a state or local government-owned enterprise, its ownership in the enterprise paying the dividend must not be less than 25% of the total fully paid-up capital.

Pursuant to the Regulation of the Ministry of Finance No. PMK 234/PMK.03/2009 dated 29 December 2009 on Certain Investment Sectors Generating Income for Pension Funds, the income received by a pension fund approved by the Ministry of Finance shall not be subject to Income Tax if such income was received or acquired from an investment in, among others, stocks being traded on the IDX.

In accordance with the Government Regulation No. 14 of 1997 on Amendment of Government Regulation No. 41 of 1994 on Income Tax on Proceeds from Sale Transactions of Shares at the Stock Exchange, and Circular of the Directorate General of Tax No. SE-06/PJ.4/1997 dated 20 June 1997, regarding the Application of Income Tax on Proceeds from Share Sale Transactions at the Stock Exchange, the following provisions are stipulated:

1. On any income received or earned by any individual or entity from a sale transaction of shares listed in a Stock Exchange, a final income tax will be imposed at 0.1% of the gross value of the transactions. Payment of the related withholding tax is to be made as a deduction by the Stock Exchange through the stock brokers at the time of payment of the sale transaction of shares;
2. Founding shareholders shall be charged with an additional final income tax of 0.5% of the value of shares which it held in the Company at the time of the Initial Public Offering;
3. Founding shareholders are given an exemption of fulfillment of their tax obligations by their own calculations in accordance with the above provisions. In this case, the founding shareholders for tax purposes may make a final calculation using their own assumptions that proceeds have been generated. Payment of additional Income Tax is carried out by the Company in the name of the founding shareholders by no later than one month following the trade of the shares at the Stock Exchange. However, in the event that the shareholder declines to take advantage of such exemption, calculation of the Income Tax shall be based on the applicable income rate in accordance with Article 17 of Law No. 7 of 1983 as most currently amended by Law No. 36 of 2008 regarding Income Tax.

Pursuant to the Government Regulation No. 19 of 2009 on Income Tax Applicable to Dividend Received or Acquired by Domestic Individual Taxpayer, income in the form of dividend received or acquired by a domestic individual taxpayer is subject to a final Income Tax of 10% of the total gross value.

Dividend paid to a Domestic Taxpayer (including Permanent Corporate Entities) which do not meet the qualifications of stipulated under Article 4 paragraph 3 item f of Law No. 7 of 1983 as most currently amended by Law No. 36 of 2008 above, shall be subject to a deduction for Article 23 Income Tax at the rate of 15% of the gross value, as provided under Article 23 paragraph 1 and 1(a) of Law No. 7 of 1983, as most currently amended by Law No. 36 of 2008 regarding Income Tax, and if such taxpayer does not have a Taxpayer Registration Number, the rate will be 100% higher, or 30% of the gross income.



The magnitude of the rate imposed on the income in the form of dividends received or obtained by the private taxpayer in the country is based on the provisions of article 17 paragraph (2c) Law No. 36 of 2008 regarding Income Tax. A tariff imposed on income in the form of dividends to be distributed to taxpayers of a private person in the country is the highest rate, of as much as 10%, and shall be final. The stipulation concerning the amount of the tariff based on the provision of article 17 paragraph (2d) shall be regulated with the Government Regulation No. 19 of 2009 regarding Income Tax on dividends are received or obtained taxpayers a private person in the country.

In accordance to the Regulations the Director General of Tax No. PER-64/PJ/2009 on the application of the approval procedures of the Double Tax Avoidance, as amended by by-24/PJ/2010, dividends paid to foreign taxpayers will be subject to a 20% rate of cash being paid out (in terms of cash dividend) or 20% of the par value (in terms of share dividends) or a lower rate in terms of dividend payments made to those who are residents of a country that has signed a Double Taxation Avoidance Agreement (P3B) with Indonesia.

In order for such foreign taxpayer to benefit under the rate stipulated under the Agreement on Avoidance of Double Taxation, then pursuant to the provisions of the Regulation of the Directorate General of Tax No. PER-24/PJ/2010 dated 30 April 2010 on Amendment to the Regulation of the Directorate General of Tax No. PER-61/PJ/2009 on Procedure to Invoke Agreement on Avoidance of Double Taxation, such foreign taxpayer is required to file a Certificate of Domicile of Non Resident for Indonesia Tax Withholding, namely:

1. Form-DGT 1 or;
2. Form-DGT 2 for banks and foreign taxpayers receiving or acquiring income through a custodian with respect to income derived from a share or bond transfer traded or listed at an Indonesian stock exchange other than interest and dividend, and foreign taxpayers having the form of a pension fund foundation which was established by virtue of the laws of the state party and which is a taxpayer in such state party.
3. SKD Form issued by the state party, in the event the competent authority of such state party declines to sign the Form DGT-1/DGT-2. The SKD form is issued in English. The DGT-1/DGT-2 form needs to only be signed by the foreign taxpayers, and will constitute an appendix to the SKD Form of the state party with the following terms:
 - The SKD form is issued in English;
 - Published in or after January 1, 2010;
 - Original document or copy of the document that already been legalized by tax services office where one of the tax collector is listed as a taxpayers;
 - At least include information about WPLN name; and
 - include the signature of an authorized officer, his Deputy, or the official of the office of the tax authorities in the P3B partner countries, or its equivalent.

In addition to the requirement of filing a Form-DGT1 or Form DGT-2 or SKD Form of the State Party, then in accordance with PER-25/PJ/2010 dated 30 April 2010 on Amendment to Regulation of the Directorate General of Tax No. PER-62/PJ/2009 on the Prevention of the Misuse of the Agreement on the Avoidance of Double Taxation, a foreign taxpayer must meet the beneficial owner requirement.

In accordance to the Regulation of the Directorate General of Tax No. PER-43/PJ/2011 on Determination of Domestic Taxpayer and Foreign Tax Payer, a foreign tax payer is an individual who does not domicile in Indonesia, an individual who is domiciling in Indonesia for less than 183 (one hundred eighty three) days within a period of 12 (twelve) months or an entity that has not been previously established in Indonesia and is not domiciling in Indonesia and:

- a. that operate a business or activity through a permanent entity in Indonesia; or
- b. that can receive or obtain revenue from Indonesia although not operating a business or activity through a permanent entity in Indonesia.



Meanwhile, a domestic tax payer is:

- a. an individual who is:
 - 1) domiciling in Indonesia; or
 - 2) domiciling in Indonesia for more than 183 (one hundred eighty three) days within a period of 12 (twelve) months; or
 - 3) within a Fiscal Year, is domiciling in Indonesia and has an intention to domicile in Indonesia.
- b. an entity that is established or domiciling in Indonesia; and
- c. entitlement to an inheritance which has not been divided.

An individual who is domiciling in Indonesia as mentioned above is an individual who:

- a. has a place of residence in Indonesia that is used by the individual as a place for:
 - 1) a permanent dwelling place, which is not temporary and not as a transit place,
 - 2) operating daily activities or ordinary course of life,
 - 3) a place of habitual abode, or
- b. has a place of domicile in Indonesia, that is, individual who was born in Indonesia that is still in Indonesia.

An individual who is domiciling in Indonesia as mentioned above, which later went to a foreign country is still defined as domiciling in Indonesia, if the individual's stay in the foreign country is temporary and such person remains domiciling in Indonesia for more than 183 (one hundred eighty three) days within a period of 12 (twelve) months.

An Indonesia Citizen who is in a foreign country is not defined as domiciling in Indonesia if such person permanently stays in such foreign country as proven by a valid legal identity card, such as:

- a. a Green Card,
- b. an Identity Card,
- c. a Student Card,
- d. an address in a foreign country on the individual's passport which is validated by the Representative of the Republic of Indonesia in that foreign country, or
- e. a notification letter from the Embassy of or Representative of the Republic of Indonesia in that foreign country, or
- f. written on the individual's passport by the Immigration Office in that foreign country.

An individual tax payer is defined as person who has an intention to domicile in Indonesia if:

- a. the individual tax payer shows his intention to domicile in Indonesia, as evidenced by documents such as:
 - 1) a Working Visa, or
 - 2) Limited Residence Permit Card (KITAS), more than 183 (one hundred eighty three) days or a contract/agreement for a duty, business, or activities which is conducted in Indonesia within a period of more than 183 (one hundred eighty three) days.
- b. the individual tax payer conducts activities which show that he will be domiciling in Indonesia or prepare to domicile in Indonesia, such as renting a place, including residential rental in Indonesia, moving family members or obtaining place which is provided by other party.

A private person who is a citizen of Indonesia who work abroad for more than 183 (one hundred eighty three) days within a period of 12 (twelve) months is considered as a foreign tax payer. Such person remains a domestic tax payer if he or she does not have or cannot show a valid identification document showing his or her status as an official resident abroad.

An entity which is domiciling in Indonesia as mentioned above is a subject of taxation if such entity:

- a. Has a residence in Indonesia as mentioned in its articles of association,
- b. Has a head office in Indonesia,
- c. Has a head of administrative office and/or financial center in Indonesia,
- d. Has an office of controlling management in Indonesia,
- e. has its management conducting meeting in Indonesia for deciding strategic resolutions, or
- f. has its management is domiciling in Indonesia.



A foreign tax payer may operate its activity or business through a permanent entity in Indonesia in event that it has a management office in Indonesia. A management office as mentioned above is a place for management, that is conducting the company's daily activities/operations and does not control the whole company or make strategic decision. In event that the management office as mentioned above controls the whole company or makes strategic decision, then such foreign tax payer will be treated as a domestic tax payer.

B. TAX OBLIGATIONS OF THE COMPANY

As Taxpayers, the Company has tax liability for income tax (PPh) and land and building tax (PBB). The Company has fulfilled its tax obligation in accordance with the taxation regulations.

The Company's tax liabilities for the fiscal year 2011 for the income tax Article 21, 23, 26, 4 (2), 29 and VAT have been fulfilled by the Company. The Company's tax liabilities for the fiscal year 2011, has been paid at the time of submission of SPT in April 2012, thus the Company had no outstanding liabilities taxation for fiscal year 2011.

The Company's transactions with related parties must abide by the requirements under article 18, paragraph 4 of Law No. 7 Year 1983 as amended by Law No. 36 Year 2008 regarding Income Tax and Regulations of the Directorate General of Taxes No. 43 Year 2010, as modified by the Regulations of the Directorate General of Taxes No. 32 Year 2011 regarding the Application of Ordinary Business in Transactions Between the Taxpayer and Their Affiliated Parties.

PROSPECTIVE BUYERS OF SHARES IN THE INITIAL PUBLIC OFFERING IS EXPECTED TO CONSULT WITH THEIR RESPECTIVE TAX CONSULTANT ABOUT THE TAX CONSEQUENCES THAT MAY ARISE FROM THE PURCHASE, POSSESSION AND SALE OF SHARES PURCHASED THROUGH AN INITIAL PUBLIC OFFERING.



XIV. UNDERWRITING

A. INFORMATION ON THE JOINT LEAD UNDERWRITERS

Under the terms and conditions of the Deed of Underwriting Agreement No. 16 dated October 9, 2012. Pursuant to amendment of underwriting agreement No. 1 dated 1 December 2012, drawn up before Yulia, S.H., Notary in Jakarta (“**Underwriting Agreement**”), the Underwriters whose names are identified below shall jointly or severally agree to offer and sell the Company's Offered Shares to the public based upon their respective underwriting portion with full commitment and bind themselves to purchase the Offered Shares that remain unsold at the close of the Offering Period.

The aforesaid agreement After the aforesaid agreement, there is no other agreement which was made by the Company and the Underwriters.

The Joint Lead Underwriters participating in the underwriting of the Company's shares have agreed to discharge their duties in conformity with Regulation IX.A.7 Decree of the Chairman of Bapepam and LK No. Kep-691/BL/2011 dated 30 December 2011 on Ordering and Allotment of Securities in Public Offering.

The composition, underwriting portion and percentage of the members of the syndicated Underwriters in the Company's Public Offering with full commitment are as follows:

No.	Information	Underwriting Portion		
		Number of Shares	Value (Rp)	Percentage (%)
JOINT LEAD UNDERWRITERS				
1.	PT Mandiri Sekuritas	328,179,000	213,316,350,000	52.095
2.	PT OSK Nusadana Securities Indonesia	295,983,000	192,388,950,000	46.984
Sub Total		624,162,000	405,705,300,000	99.079
UNDERWRITERS				
1.	PT Lautandhana Securindo	200,000	130,000,000	0.032
2.	PT Minna Padi Investama	200,000	130,000,000	0.032
3.	PT Buana Capital	200,000	130,000,000	0.032
4.	PT Dhanawibawa Arthacemerlang	200,000	130,000,000	0.032
5.	PT Panca Global Securities	200,000	130,000,000	0.032
6.	PT Bumiputera Capital Indonesia	200,000	130,000,000	0.032
7.	PT Valbury Asia Securities	200,000	130,000,000	0.032
8.	PT Overseas Securities	200,000	130,000,000	0.032
9.	PT MNC Securities	200,000	130,000,000	0.032
10.	PT Danareksa Sekuritas	200,000	130,000,000	0.032
11.	PT Bahana Securities	200,000	130,000,000	0.032
12.	PT Equator Securities	250,000	162,500,000	0.040
13.	PT AM Capital	200,000	130,000,000	0.032
14.	PT Waterfront Securities Indonesia	200,000	130,000,000	0.032
15.	PT Mega Capital Indonesia	200,000	130,000,000	0.032
16.	PT Danpac Sekuritas	500,000	325,000,000	0.079
17.	PT Erdhika Elit Sekuritas	200,000	130,000,000	0.032
18.	PT Reliance Securities	200,000	130,000,000	0.032
19.	PT Yulie Securindo	400,000	260,000,000	0.064
20.	PT Magenta Kapital Indonesia	200,000	130,000,000	0.032
21.	PT Philip Securities Indonesia	200,000	130,000,000	0.032
22.	PT Amantara Sekuritas	200,000	130,000,000	0.032
23.	PT NISP Sekuritas	150,000	97,500,000	0.024
24.	PT Victoria Securities Indonesia	200,000	130,000,000	0.032
25.	PT Indo Premier Securities	500,000	325,000,000	0.079
Sub Total		5,800,000	3,770,000,000	0.926
TOTAL		629,962,000	409,475,300,000	100.005



The Joint Lead Underwriters and the Underwriters expressly represent that they do not have any affiliate relationship, whether directly or indirectly, with the Company as such term is defined in the Limited Liability Company Law.

According to the Capital Market Law, an affiliated party is defined as follows:

- a. A family relationship by either marriage or by blood up to the second degree either horizontally or vertically;
- b. A relationship between the parties and employees, directors, or commissioners of such person;
- c. A relationship between two companies having one or more common directors or commissioners;
- d. A direct or indirect relationship between the Company and the person controlling or being controlled by the Company;
- e. A relationship between two companies under the common control of a person, whether directly or indirectly; or
- f. A relationship between the company and the principal shareholder.

B. DETERMINATION OF THE OFFER PRICE IN THE PRIMARY MARKET

The Offer Price for the Offered Shares is determined based upon the mutual agreement and negotiations between the Company's Shareholders and the Joint Lead Underwriters, with due consideration of the result of the initial offer (book building) which will be held from 19 November 2012 up to 29 November 2012.

Based upon the result of the book building, the highest bid price received by the Joint Lead Underwriters is between Rp575 (five hundred and seventy five Rupiah) up to Rp800 (eight hundred Rupiah) per share. Taking into account the result of the bookbuilding as mentioned above, upon the mutual agreement of the Joint Lead Underwriters and the Company, an Offer Price of Rp650 (six hundred and fifty Rupiah) per share is determined. Such determination of price have also taken into account the following factors:

- The market condition at the time of the bookbuilding;
- Global investors demand (domestic and international);
- Qualified potential investors demand;
- Financial Performance of Company;
- Data and information on the Company, the Company's performance, brief history, business prospect and information on the cigarette industry in Indonesia;
- The Company's latest standing and development of Company;
- Factors as mentioned above in relation with market value determination and such valuation methods for companies which operating in the same industry with Company;
- Valuation based on PER comparison ratio between such public companies listing in regional stock exchange which are comparable; and
- Shares Performance in the secondary market.

It cannot be guaranteed or ascertained that following the Initial Public Offering, the Company's share price will continually be above the Offer Price or that trading of the Company's stock will actively grow at the IDX where the shares are listed.



XV. CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONS

The Capital Market Supporting Institutions and Professions participating in this Initial Public Offering are as follows:

1. Public Accountant: Gani Mulyadi & Handayani (Grant Thornton)

International Financial Center, 15th Floor
Jalan Jendral Sudirman Kav. 22-23
Jakarta 12920, Indonesia
Telephone: +6221-571-0703
Facsimile: +6221-571-07034

Under the name of : Fendri Sutejo
STTD No. : 187/BL/STTD-AP/2012
STTD Date : 16 January 2012
Appointed by the Company under appointment letter No. 004/LGA/ROW/VIII/2012 dated 9 August 2012.

Has more than 10 years experience in auditing financial statements for local and multinational company in various industries especially manufacturing, insurances, financial services, pension funds and media and entertainment, has work experienced in Public Accountants Purwantono, Suherman & Surja (Ernst & Young) since 2011 and moved to Public Accountants Gani Mulyadi & Handayani (Grant Thornton) since 2011, experienced in auditing financial statements of PT Indosiar Karya Media Tbk and PT Indosiar Visual Mandiri, PT Swadharma Indotama Finance, PT Avrist Assurance, PT Asuransi Cigna, PT Asuransi AIA Indonesia, Dana Pensiun Citibank, DPLK Allianz, PT Hitachi Modern Sales Indonesia, etc. Moreover, has participated in Initial Public Offering of PT Indosiar Karya Media Tbk in 2004 and Bond Public Offering of PT Swadharma Indotama Finance in 2004.

The Public Accountant principal duties and obligations in this Initial Public Offering are to conduct audit in accordance with the auditing standards determined by IAPI. The standards require the public accountant to plan and exercise the audit in order to obtain a reasonable belief that the financial statements are free from material omissions. In this case, the Public Accountant is fully responsible for the opinion issued for the audited financial statements.

The audit include inspection, based upon tests, evidences, that support the figures and disclosures in financial statements. The audit should also cover assessment of accounting principles adopted and significant estimates by the management, as well as an evaluation of the overall financial statements.



2. Legal Consultant: Hiswara Bunjamin & Tandjung

Gedung BRI II, 23rd Floor
Jalan Jendral Sudirman Kav 44-46
Jakarta 10210, Indonesia
Telephone: +6221-574-4010
Facsimile: +6221-574-4670

Member of *Himpunan Konsultan Hukum Pasar Modal*, or Association of Capital Market Legal Consultant No. 200817 under the name of Kristo Molina, SH

STTD No. 531/BL/STTD-KH/2008 dated 14 April 2008 under the name of Kristo Molina, S.H.

Appointed by the Company under appointment letter No. 002/LGA/ROW/VIII/2012 dated 9 August 2012.

For the last three years, has been involved in the Initial Public Offerings of PT Erajaya Swasembada, PT Atlas Resources Tbk, PT MNC Sky Vision Tbk, PT Harum Energy Tbk, PT Borneo Lumbung Energy & Metal Tbk, PT Agung Podomoro Land Tbk, PT Sampoerna Agro Tbk, PT Total Bangun Persada Tbk, Limited Public Offering of PT Pakuwon Jati Tbk, PT Bank Danamon Indonesia Tbk, PT Bank Negara Indonesia Tbk, Bond Public Offering of PT Berau Coal Energy, PT Bakrie Telecom Tbk, PT Bumi Resources Tbk, and merger and acquisition of Cargill International Luxemburg 6 S.a.r.l, Cargill Foods Indonesia, British American Tobacco, Singapore Airport Terminal Services (Temasek Group) and Block Trade Process of PT Bank Central Asia Tbk treasury stock, Block Sale of Summarecon Agung shares, placement agents regarding Block Sale of PT Surya Citra Media Tbk shares and PT Lippo Karawaci Tbk shares, Banpu related to Indonesia legal aspect regarding sales of 8.7% Indonesia Tambangraya Megah Tbk shares ownership, HeidelbergCement regarding Block Sale of part of PT Indocement Tunggul Prakarsa Tbk shares ownership.

The Legal Consultant principal duties and obligations in this Initial Public Offer are conduct research and examination of the facts about the company and other related information as presented by the company in terms of law. The result of the audit and review have been set out in Legal Due Diligence Report which form the basis of the Legal Opinion rendered in an objective and independent manner, in line with the applicable Standard of Profession and Capital Market Regulations.



3. Notary:

Yulia, S.H.

Multivision Tower Lantai 3 Suite 05
Jalan Kuningan Mulia Kav. 9B Jakarta Selatan 12980
Telephone: +6221-293-80-800
Facsimile: +6221-293-80-801

Member of *Ikatan Notaris Indonesia* with a Letter No. 052/Pengda/Suket/V/2009 under the name of Yulia, SH, MKn.
STTD: No. 266/PM/STTD-N/2000 dated 16 October 2000.
Appointment Letter No. 006/LGA/ROW/VIII/2012 dated 9 August 2012.

For the last three years, involved in Initial Public Offering of PT Greenwood Sejahtera Tbk, PT Star Petrochem Tbk, PT Jaya Agri Wattie Tbk, PT Agung Podomoro Land Tbk and rights issue of PT Central Proteina Prima Tbk.

The Notary principal duties and obligations in this Initial Public Offer are preparing and drafting notarial documents, such as amendment of Company's Articles of Association, Underwriting Agreement between the Company and the Joint Lead Underwriters and Underwriters, and Share Administrations Agreement between the Company and the Securities Administration Bureau.

4. Administration Bureau: PT Raya Saham Registra

Gedung Plaza Central, 2nd Floor
Jalan Jendral Sudirman Kav 47-48
Jakarta 12930
Telephon: +6221-252-5666
Facsimile: +6221-252-5028

Member of Association: *Asosiasi Biro Administrasi Efek Indonesia (ABI)*.
SAB License No.: Kep-79/PM/1991 dated 18 September 1991
Appoitment Letter No. 005/LGA/ROW/VIII/2012 dated 9 August 2012.

For the last three years, involved in the Initial Public Offerings of PT Elang Mahkota Teknologi Tbk, PT Indopoly Swakarsa Industry Tbk, PT Nippon Indosari Corpindo Tbk, PT Indofood CBP Sukses Makmur Tbk, PT Salim Ivomas Pratama Tbk, PT Metropolitan Land Tbk, PT Solusi Tunas Pratama Tbk, PT Erajaya Swasembada Tbk, PT Bekasi Fajar Industrial Estate Tbk, PT Global Teleshop Tbk.

The Securities Administration Bureau (SAB) principal duties and obligations in this Initial Public Offer are being responsible in receiving *Daftar Pemesanan Pembelian Saham (DPPS)* and SSF supplemented by documents required in the share subscription and approved by Underwriters as a submitted subscription for share allotment, and administering the shares subscription based upon the applications available to SAB. Jointly with the Underwriters, SAB is entitled to reject subscriptions that do not conform with the subscription requirement subject to prevailing regulations. In the event of subscriptions exceeding the amount of Offered Shares, SAB shall exercise allotment based on the allotment formula set by the Allotment Manager, print allotment confirmations and prepare allotment reports. SAB shall also be responsible for issuing the Allotment Confirmation Forms (FKP) in the name of the subscriber receiving the allotment and prepare a Public Offer Report in accordance with the prevailing regulations.



5. Appraisal Company: KJPP Yanuar Bey dan Rekan

Wijaya Grand Centre Block F No. 59
Jalan Wijaya II, Kebayoran Baru
Jakarta 12160, Indonesia
Telephone: +6221-7279-4427 (Hunting)
Facsimile: +6221-7279-4428

Under the name of : Dasaat Alam Ratu, MAPPI (Cert)
STTD No. : 56/BL/STTD-P/A/2011
STTD Date : 9 March 2011

Member of *Asosiasi Forum Kantor Jasa Penilai Publik (FKJPP)* :
No. 12020071, valid until 31 December 2012.
KJPP Business License: No. 2.09.0041 dated 12 May 2009.
Appointment Letter No. 003/LGA/ROW/VIII/2012 dated 9 August 2012.

For the last three years, involved in appraising the projects of companies listed in the IDX, such as PT Bakrieland Development Tbk, PT Indonesian Paradise Property Tbk, PT First Media Tbk, PT KMI Wire & Cable Tbk, PT Sahid Jaya International Tbk, PT Aneka Kemasindo Utama Tbk, PT Sekawan Intipratama Tbk, PT KMI Wire & Cable Tbk, PT Rig Tender Indonesia Tbk and PT Hanjaya Mandala Sampoerna Tbk.

The appraisal company principal duties and obligations in this Initial Public Offering include direct physical examination, research, analysis of data, to obtain market value of the fixed assets owned by the Company in accordance with the Indonesia Appraisal Standard (SPI) 2007 and the Appraisal Code of Ethics (KEPI).

The Capital Market Supporting Institutions and Professionals in this Initial Public Offering expressly represent that they do not have any affiliate relationship, whether directly or indirectly, with the Company as such term is defined in the Limited Liability Company Law.



XVI. LEGAL OPINION

The following is a reproduction of the legal opinion regarding all subject matters related to the Initial Public Offering, as rendered by Law Firm Hiswara Bunjamin & Tandjung.

This page is intentionally left blank

Jakarta, 3 December 2012

Our Ref.: 02/12/12

To : **PT WISMILAK INTI MAKMUR Tbk**
Jalan Buntaran No. 09-A
Surabaya

Attn.: Board of Directors

Dear Sir/Madam,

Legal Opinion For the Initial Public Offering of Shares of PT Wismilak Inti Makmur Tbk

To fulfil the requirements as regulated in the laws and regulations on capital market, the undersigned, Kristo Molina, SH., Partner at Hiswara, Bunjamin & Tandjung law office, who is registered as a member of the Association of Capital Market Legal Consultant (*Himpunan Konsultan Hukum Pasar Modal*) under Number 200817 and Legal Consultant, Capital Market Supporting Profession Agency (*Lembaga Profesi Penunjang Pasar Modal*) registered at the Capital Market and Financial Institution Supervisory Board ("**Bapepam-LK**") under registration number 531/BL/STTD-KH/2008 dated 14 April 2008 and member of Indonesian Advocates Association (*Perhimpunan Advokat Indonesia*) under number 07.10513, as an independent legal consultant appointed by PT Wismilak Inti Makmur Tbk (the "**Company**") by virtue of Appointment Letter Number 002/LGA/ROW/VIII/2012 dated 9 August 2012 to conduct legal due diligence (hereinafter referred to as "**Due Diligence**"), make report on the result of Due Diligence (hereinafter referred to as "**Due Diligence Report**") for the Company and its Subsidiaries (as defined below) and also deliver legal opinion ("**Legal Opinion**"), in connection with the Company's plan to conduct initial public offering of new shares of maximum 629,962,000 (six hundred twenty nine million nine hundred sixty two thousand) shares ("**New Shares**") (initial public offering hereinafter referred to as "**Public Offering**"), at the price of Rp650 (six hundred fifty Rupiah) per share offered to the public and guaranteed on full commitment basis by PT Mandiri Sekuritas, PT OSK Nusadana Securities Indonesia, and other underwriters ("**Underwriters**").

For the purpose of the Public Offering, all shares of the Company will be listed at the Indonesian Stock Exchange ("**IDX**").

The proceeds from the Public Offering, net of the offering costs and other costs relating to the Public Offering, will be allocated by the Company in the following details:

1. 50% will be allocated by the Company for capital expenditure;
The proceeds from the Public Offering allocated for capital expenditure will be used to fund the purchase of production machineries, expansion of factory buildings, furniture and fixtures, and operational vehicles which support the activities of the Company and Subsidiaries (as defined below).

2. 30% will be allocated by the Company for working capital; and
The proceeds from the Public Offering allocated for working capital will be used to fund the operations of the Company and Subsidiaries (as defined below) entirely relating to the cigarette industry, including the processes of manufacturing, marketing, and distributing the Company's cigarette products.
3. 20% will be allocated by the Company for settlement of bank loans.
The proceeds from the Public Offering allocated for settlement of bank loans will be paid to PT Bank Danamon Indonesia Tbk, Bank CIMB Niaga Tbk, Bank Ganesha and PT Bank Central Asia Tbk.

The Company is periodically responsible for the use of proceeds from the Public Offering to the shareholders through the Annual General Meeting of Shareholders and is required to report it to Bapepam-LK in accordance with the Regulation of Bapepam-LK Number X.K.4 regarding Report on the Realization of use of proceeds from Public Offering. If in the future the Company intends to change the the use of proceeds plan, the Company will firstly be required to report to Bapepam-LK by indicating the reasons and considerations thereof, and such change must first be approved by the Company's shareholders through the General Meeting of Shareholders ("GMS").

If the use of proceeds mentioned above constitutes material transactions and/or contains any conflict of interest and/or constitutes an affiliated party transaction as intended in the Regulation of Bapepam-LK Number IX.E.2 regarding Material Transactions and Change of Main Business Activities, and/or the Regulation of Bapepam-LK Number IX.E.1 regarding Affiliated Party Transactions and Conflict of Interest in Certain Transactions, the Company is required to meet the applicable provisions under the aforementioned regulations.

This Legal Opinion is made based on the condition of the Company and its subsidiaries, namely PT Gelora Djaja ("GDJ"), PT Gawih Jaya ("GWJ"), and PT Galan Gelora Djaja through GDJ ("GGD") (GDJ, GWJ, and GGD hereinafter referred to as the "Subsidiaries") as from the date of their establishment until the issuance of this Legal Opinion and on the examination of original documents and the true copy, copy and photocopy thereof that we received from the Company and the Subsidiaries, and verbal an/or written statement or information provided by members of the Board of Directors, the Board of Commissioners, representatives and/or employees of the Company and/or the Subsidiaries (as relevant), which results are set out in the Legal Due Diligence Report of the Company and the Subsidiaries for use as the basis of this Legal Opinion, and the applicable laws and regulations.

Having examined and reviewed documents as further detailed in the Legal Due Diligence Report, and subject to the qualifications and assumptions as mentioned at the end of our Legal Opinion, set out below is our Legal Opinion:

A. The Company

- A.1 The Company was established with the name of PT Wismilak Inti Makmur, domicile in Surabaya, based on Deed Of Establishment No. 22 dated 14 December 1994, drawn up before Bagio Atmadja, SH., Notary in Sidoarjo, as approved by the Minister of Justice of the Republic of Indonesia under Decision

Letter No. C2 -18.481 HT.01.01.Th.94 dated 19 December 1994, registered in the registry of the Registrar's Office of Surabaya District Court under No. 2736/1994 dated 21 December 1994, and published in the State Gazette of the Republic of Indonesia No. 4 dated 13 January 1995, Supplement to the State Gazette No. 339 (the "**Company's Deed of Establishment**"). The Company has been duly incorporated under the applicable laws in Indonesia.

The Company's Deed of Establishment that contains the Company's articles association has been amended several times lastly based on Deed of Statement of Resolution of the Company's Shareholders No. 24 dated 10 September 2012, drawn up before Yulia, SH., Notary in Jakarta, as approved by the Minister of Law and Human Rights ("**MOLHR**") under Decision Letter of the MOLHR No. 48327.AH/01.02.Tahun 2012 dated 11 September 2012 and registered in the Company Registry Number AHU-0081584.AH.01.09.Tahun 2012 dated 11 September 2012 (the "**Deed No. 24/2012**" or "**Company's Articles of Association**"). Based on the Company's Articles Association, the Company's shareholders adopted, among others, the following resolutions:

- (i) to approve the change of share nominal value of the Company from IDR 1,000 to IDR 100;
- (ii) to approve the Company's plan to conduct Public Offering;
- (iii) to approve the change of the status of the Company from non-public/limited liability company to a public/listed company;
- (iv) to approve the Company's plan to list all shares of the Company at IDX, either new shares or shares that have been owned by the Company's shareholders;
- (v) to approve the confirmation and restatement of all of the Company's Articles of Association to be adjusted with provisions on the articles of association of public company as set forth in Bapepam-LK Regulation Number IX.J.1 regarding Principal Provisions of Articles of Association of Company Conducting a Public Offering of Equity Securities and Public Company.

Pursuant to Law Number 40 Year 2007 concerning Limited Liability Company ("**Law No. 40/2007**"), Deed Number 24/2012 will become valid upon:

- a. the obtainment of effective letter of registration statement from Bapepam-LK; or
- b. the commencement of public offering.

Amendments to articles of association of the Company since the establishment of the Company have been duly made and complied with the applicable laws and regulations.

- A.2 Based on the provision of Article 3 Deed Number 24/2012, the purpose and objective of the Company is to engage in industry, trading, and service. In order to achieve such purpose and objective, the Company may perform the following business activities:
- i. main business activities of the Companies are:
 - a. to run and engage in industrial businesses, mainly the industry of cigarette flavouring and other cigarette materials, among other things, the production of filters for regular/mild cigarettes

- b. to run business in the field of marketing and sales of cigarette flavouring products and other cigarette materials, among other things, the production of filters for regular/mild cigarettes in accordance with the prevailing laws and regulations; and
 - c. to participate in other companies having business activities relating to the Company's business activities.
- ii. The Company's supporting business activity is to run business in the field of services by making plans and designs for the development of business management in the industry of cigarette flavouring and other cigarette materials.

Such purpose and objective of the Company as well as its main and supporting business activities to achieve such purpose and objective are in compliance with the provision of the applicable laws and regulations in the Republic of Indonesia.

As at the date of this Legal Opinion, the Company has been conducting its business activities within the scope of purpose and objective as set out in the Company's Articles of Association.

A.3 The capital structure and shares ownership in the Company before the Public Offering pursuant to Article 4 Deed Number 24/2012 are as follows:

No.	Name of Shareholder	Nominal Value IDR 100 per shares		%
		Nominal (IDR)	Amount of Shares	
Authorized Capital		405,000,000,000	4,050,000,000	-
1.	Ronald Walla	20,365,177,000	203,651,770	13.85
2.	Stephen Walla	20,365,177,000	203,651,770	13.85
3.	Gaby Widjajadi	19,603,978,000	196,039,780	13.34
4.	Indahtati Widjajadi	16,035,082,000	160,350,820	10.91
5.	Sugito Winarko	15,273,883,000	152,738,830	10.39
6.	Gitawati Winarko	4,073,036,000	40,730,360	2.77
7.	Gunarwan Winarko	2,036,518,000	20,365,180	1.39
8.	Dipoyono Winarko	2,036,518,000	20,365,180	1.39
9.	Central Tower Capital Pte. Ltd.	47,201,807,000	472,018,070	32.11
Total Paid up and Subscribed Capital		146,991,176,000	1,469,911,760	100
Shares in Portfolio		258,008,824,000	2,580,088,240	-

Any change in the capital structure of the Company and/or share ownership of the Company since the establishment of the Company was valid and made in accordance with the provision of the articles of association of the Company and

9

the applicable laws and regulations (including but not limited to the obtaining of approvals from the authorised party), except for the change in the capital structure of the Company and/or share ownership in the Company with respect to the transfer of (i) 3,149,820 shares from Gunawan Winarko to Gitawati Winarko and (ii) 543,780 shares from Gunawan Winarko to Dipoyono Winarko under Deed of Sale Agreement No. 27 dated 25 October 2007, drawn up before Stephany Maria Lilianti, SH., Notary in Jakarta as re-affirmed under (i) Deed of Confirmation on the Sale and Purchase of Shares Agreement No. 139 dated 7 August 2012, drawn up before Edwin Subarkah, SH., Notary in Sidoarjo that there has been a transfer of 3,149,820 shares from Gunawan Winarko to Gitawati Winarko and (ii) Deed of Confirmation on the Sale and Purchase of Shares Agreement No. 140 dated 7 August 2012, drawn up before Edwin Subarkah, Notary in Sidoarjo, for which transfer of shares, we find no evidence of GMS approval as required under the articles of association of the Company in effect at the time and evidence of information registration with the Company Registration Office.

Following such transfer of shares, changes were made to the capital structure and/or share ownership in the Company and such changes have been approved by all shareholders of the Company. Since there was no objection from the other shareholders in relation to the transfer of shares in the subsequent Company's GMS approvals, this can be interpreted that the other shareholders gave their implicit approval on the transfer of shares as regulated in Article 1347 of the Indonesian Civil Code.

For the absence of information registration in connection with the transfer of shares described above, failure to register information in relation to the change of share ownership composition with the Company Registration Office may subject the Company to sanction as specified in Law No. 3 Year 1982 concerning Mandatory Company Registry ("WDP Law").

Based on the Statement of the Board of Directors and Board of Commissioners of the Company, as at the date of this Legal Opinion, the Company has never received any demand, notice, warning or claim, verbally or in writing with respect to the change of capital structure and composition of shareholders from any third party, the previous shareholders of the Company or their heirs. The Board of Directors and the Board of Commissioners of the Company will be responsible for any legal consequence in the event of future lawsuits in relation to the change of capital structure and the composition of shareholders from any third parties whatsoever, the previous shareholders of the Company or their heirs.

In addition, the Company's shareholders state and confirm that all transfers of shares in the Company occurring after the establishment of the Company up to the date of the statement made by the Company's shareholders have been effected and are binding upon the Company's shareholders. The Company's shareholders also state that there was no claim/lawsuit or objection and rebuttal from any third party (including previous shareholders or their heirs) or dispute relating to the transfer of shares in the change of the capital structure of the Company since the establishment of the Company up to the date of the statement made by the Company's shareholders, and therefore, the Company's shareholders, along with the Board of Directors and Board of Commissioners of

the Company, will be responsible for all claims, lawsuits, costs, taxes, and other risks incurred because of incomplete documentation of share transfer and change of capital structure as of the establishment of the Company up to the date of the statement made by the Company's shareholders.

Except as described above, any change in the Company's capital structure and/or share ownership has been supported with sufficient evidence.

- A.4 As at the date of this Legal Opinion, the latest composition of members of the Board of Directors and Board of Commissioners as appointed by the Company's shareholders is as provided for in Deed of Statement of Resolutions of the Company's Shareholders No. 07 dated 5 October 2012 ("Deed No.7/2012"), drawn up before Yulia, SH., Notary in Jakarta, which has been notified to the MOLHR based on the Receipt of Notice Number AHU-AH.01.10-37202 dated 16 October 2012 and has been registered in the Company Registry Number AHU-0090611.AH.01.09.Tahun 2012 dated 16 October 2012. The following is the latest composition of members of the Company's Board of Directors and Board of Commissioners:

Board of Director

President Director	: Ronald Walla
Director	: Ir. Krisna Tanimhardja
Director	: Sugito Winarko
Director	: Lucas Firman Djajanto
Director	: Trisnawati Trisnajuana
Non-Affiliated Director	: Hendikus Johan Soegiarto

Board of Commissioner

President Commissioner	: Willy Walla
Commissioner	: Indahtati Widjajadi
Independent Commissioner	: Edy Sugito

Appointment of members of the Board of Directors and the Board of Commissioners above has complied with the Company's Articles of Association and prevailing laws and regulations including but not limited to the obtaining of approvals from the authorized institution. All members of the Board of Directors and Board of Commissioners of the Company have obtained Taxpayer Registration Number in accordance with prevailing tax regulation.

As at the date of this Legal Opinion, the Company has not established an Audit Committee (*Komite Audit*) as required under Bapepam-LK Regulation Number IX.I.5 and IDX Regulation Number I-A. Pursuant to Article IIII of IDX Regulation Number I-A, the Company must establish an Audit Committee within 6 (six) months since the listing of shares of the Company at IDX.

The Company has formed an Internal Audit Unit (*Unit Audit Internal*) to comply with Bapepam-LK Regulation Number IX.I.7 regarding the Establishment and Guideline on the Preparation of Internal Audit Unit pursuant to Internal Audit Charter Number 018/LGA/ROW/X/2012 dated 12 October 2012.

As at the date of this Legal Opinion, by virtue of Letter Number 008/LGA/ROW/IX/2012, the Company has appointed Surjanto Yasaputra as Corporate Secretary to fulfil the requirement set out in Bapepam-LK Regulation Number IX.I.4 regarding the Appointment of Corporate Secretary.

As at the date of this Legal Opinion date, there are no other names than those as stated above and there are no other parties appointed as members of the Board of Director and Board of Commissioners resulting in the change of the aforementioned composition of members of the Board of Directors and Board of Commissioners.

- A.5 As at the date of this Legal Opinion, the Company has obtained key and material licences and approvals required for engaging in the Company's business and activities as prescribed by the prevailing laws and regulations in accordance with the purpose and objective of the Company which are set out in the Company's Articles of Association. These licences and approvals are still in effect as at the date of this Legal Opinion and the Company has fulfilled all of the obligations under such licences, except for:
- A.6 The Company has performed/fulfilled material general obligations of the company based on the Company's Articles of Association and/or prevailing laws and regulations except for the submission of Annual Financial Report of the Company (*Laporan Keuangan Finansial/LKTP*) for Financial Statements for period ended on 31 December 2007, 2008, 2009 and 2010 which are still being prepared by the Company. Failure to submit LKTP may subject to criminal sanction in the form of imprisonment for a maximum period of 2 (two) months or a maximum fine of Rp.1,000,000 (one million Rupiah) .
- A.7 As at the date of this Legal Opinion, the Company's shares participation in the Subsidiaries is as follows:

No.	Company Name	Total Shares	Percentage of Shares Ownership (%)
1.	GDJ	140,155,997	99.86
2.	GWJ	3,596,000	99.88
3.	GGD (through GDJ)	1,628	99.88

The Company's ownership in the abovementioned Subsidiaries is lawful and evidenced by valid documents.

Based on the Statement of the Board of Directors and Board of Commissioners of each of the Subsidiaries, until the date of this Legal Opinion, each of the Subsidiaries has never received any demand, notice, warning or claim, verbally or in writing with respect to the change of capital structure and composition of shareholders from any third party, the previous shareholders of each of the Subsidiaries or their heirs in relation to the change of capital structure in each of the Subsidiaries. The Board of Directors and the Board of Commissioners of each of the Subsidiaries will be responsible for any legal consequence in the event of future lawsuits in relation to the change of capital structure and the composition of shareholders from any third parties whosoever, the previous shareholders of each of the Subsidiaries or their heirs.

In addition, the shareholders of each of the Subsidiaries state and confirm that all transfers of shares in each of the Subsidiaries occurring after the establishment of each of the Subsidiaries up to the date of the statement made by the shareholders of each of the Subsidiaries have been effected legally and binding upon the shareholders of each of the Subsidiaries. The shareholders of each of the Subsidiaries also state that there was no claim/lawsuit or objection and rebuttal from any third party (including previous shareholders or their heirs) or dispute relating to the transfer of shares in the change of the capital structure of each of the Subsidiaries since the establishment of each of the Subsidiaries up to the date of the statement made by the shareholders of each of the Subsidiaries, and therefore, the shareholders of each of the Subsidiaries, along with the Board of Directors and Board of Commissioners of each of the Subsidiaries, will be responsible for all claims, lawsuits, costs, taxes, and other risks incurred because of incomplete documentation of share transfer and change of capital structure as of the establishment of each of the Subsidiaries up to the date of the statement made by the shareholders of each of the Subsidiaries.

- A.8 As at the date of this Legal Opinion, the Company based on approval from GDJ has used licensed software owned by GDJ.
- A.9 As at the date of this Legal Opinion, the Company does not have any intellectual property rights. The use of Wismilak logo by the Company in Prospectus or otherwise in other documents relating to the Public Offering is conducted by the Company pursuant to the applicable laws and regulations.
- A.10 As at the date of this Legal Opinion, the Company has 1 (one) insurance policy relating to the machineries and equipments owned by the Company. However, such insurance policy has expired. Based on the Company's statement, the insurance owned by the Company is in the process of extension and when it becomes effective, such insurance will be sufficient to cover all possible losses if the machineries and equipments owned by the Company are damaged or destroyed.
- A.11 As at the date of this Legal Opinion, the Company has fulfilled the legal provisions and requirements applicable to the Company in the field of manpower.
- A.12 On the date of this Legal Opinion, the Company has obtained credit facilities from some creditors as detailed below:
- a. Investment credit facility with total credit ceiling of up to IDR5,000,000,000 from PT Bank Central Asia Tbk., ("BCA"), based on Credit Agreement Deed No. 5 dated 1 March 2011, drawn up before Lilik Susanti SH., a substitute of J. Andy Hartanto SH., Notary in Surabaya ("BCA Investment Credit"). To secure the Company's obligations based on the BCA Investment Credit, the Company has given fiduciary security over one unit of cigarette filter machine AF/KDF 2 (400 m/Min) filter maker with band catcher (filter diameter at 6,95 mm, filter length at 120mm), along with its tools/equipments located at Jalan Buntaran No. 9-A Tandes Surabaya and/or at any other place of storage in the future;

- b. Current Account Loan Facility (up to a maximum amount of IDR5,000,000,000, Investment Loan 1 (up to a maximum amount of IDR5,000,000,000, Investment Loan 2 (up to a maximum amount of IDR7,650,000,000) and Fixed Loan (up to a maximum amount of IDR3,000,000,000) from PT Bank CIMB Niaga Tbk. ("CIMB"), based on Credit Agreement No. 0793/PK/CSC.Jatim-MAR/X/2006 dated 20 October 2006 as amended from time to time and most recently with the Amendment and Restatement of Credit Agreement No. 030/PK/HECB/JATIMHEB/155/2012 dated 15 October 2012 ("CIMB Facility 1"). To secure the obligation of the Company based on the CIMB Facility 1, the Company has given fiduciary security over (a) one unit of Cigarette filter production machine (Tow opener AF 2R/Filter Rod Maker KDF2R) stored and located at Jalan Buntaran No. 9-A Surabaya; (b) one unit of filter machine Rod Maker AF2R/KDF2R, stored and located at Jalan Buntaran No. 9-A Surabaya; (c) receivables or debtor's bills to third parties with fiduciary security value of IDR3,350,000,000; and (d) inventory in the form of raw materials, finished materials or supporting materials, stored and located at Jalan Buntaran No. 9-A Surabaya.

The agreements in relation to the BCA Investment Credit and CIMB Facility 1, drawn up and signed by the Company are legal and binding upon the Company and have been executed pursuant to the provisions of the articles of association of the Company and the prevailing laws and regulations at the time of signing of such agreements.

The Public Offering is not contradictory to or does not violate any terms and conditions and/or does not constitute a default based on the agreements relating to the BCA Investment Credit and CIMB Facility 1 and the Company has obtained the approval of each of the relevant creditors in relation to the Public Offering plan including the creditors' approval to eliminate provisions in the related credit agreements that may be detrimental to the interests of public shareholders, among other things, a provision prohibiting the Company to distribute dividends without obtaining the prior approval of the related creditors.

Furthermore, in relation to the Public Offering, the Company has fulfilled all of its obligations under BCA Investment Credit and CIMB Facility 1, including the notification of the Public Offering plan by the Company to CIMB as one of the Company's creditors.

Based on Letter from CIMB Number 009/GYH/HECB/155/X/2012, the Company is required to provide a written notice to CIMB on the implementation of a Public Offering by no later than 3 months as of the completion of the Public Offering.

- A.13 As at the date of this Legal Opinion, the Company has signed 2 (two) agreements with a party affiliated with the Company, namely a building lease agreement with GDJ and an agreement for the use of Wismilak logo with GDJ. Such agreement and/or such transaction are continuous in nature and has been disclosed in the Public Offering prospectus. In the event of any change on a latter date after the

Public Offering to the terms and conditions of the lease agreement or borrow and use of trademark agreement that may be detrimental to the Company, the Company will meet the requirements as provided for in Regulation IX.E.1.

Such Agreement is valid and binding upon the Company and in accordance with the Company's Articles of Association and the prevailing laws and regulations.

- A.14 Until the date of this Legal Opinion, in relation to its operational activities, based on the Statement of the Company's Board of Directors and Board of Commissioners, the purchase of processing materials to produce filters is made without any specific written agreement but through the mechanism of direct order to each supplier of the raw materials by sending purchase orders to some suppliers such as PT Sarana Berkat Sejahtera, PT Argha Karya Prima Industry, P.P. Payne Indonesia, PT Henkel Adhesive Technologies, PT Kedawung Setia, PT Kemas Super Indonesia, and PT Behn Meyer Chemicals. Subsequently, based on the Statement of the Company's Board of Directors and Board of Commissioners, filters are sold without any specific written agreement. Filters are sold after obtaining purchase orders from some consumers such as PT Cakra Guna Cipta, 369 Tobacco, CV Sejahtera.

Such agreements or order are valid and binding upon the Company and comply with the Articles of Association of the Company and the prevailing laws and regulations.

- A.15 As at the date of this Legal Opinion, based on the Statement of the Company's Board of Directors and Board of Commissioners and the statement of each member of the Board of Directors and Board of Commissioners of the Company, as supported by case statements from several judicial institutions, the Company and each member of the Board of Directors and Board of Commissioners are not involved in any legal case, both civil and criminal, and/or legal dispute/claim in a court and/or BANI or in administrative disputes with any government bodies including disputes relating to labour issues or petition for bankruptcy submitted by a third party, or has never been declared bankrupt that may affect the business continuity of the Company.

B. Public Offering

- B.1 In accordance with the provisions of the Company's Articles of Association, in connection with the Public Offering plan, the Company has obtained the approval from the shareholders of the Company as set out in Deed No. 24/2012.
- B.2 The shares offered in this Public Offering will bear the same rights to their holders as the shares that have been issued by the Company and/or held by the shareholders of the Company at the time this Legal Opinion is issued.
- B.3 Based on Deed No.24/2012 and Deed No.07/2012, the Company has obtained the approval of the Company's GMS to carry out a program to allocate a part of New Shares to the employees of the Company (Employee Stock Allocation – "ESA"), at the maximum of 10% of all shares offered in the Public Offering. In the ESA program, the Company is subject to the provisions of the Regulation of

Bapepam-LK Number IX.A.7 regarding Responsibilities of Allotment Managers in Securities Subscription and Allotment in Public Offerings.

- B.4 On the date of this Legal Opinion, all shareholders of the Company are subject to the lock-up provisions as set out in the Regulation of Bapepam-LK Number IX.A.6 regarding Restriction for Shares Issued Prior to Public Offerings. Therefore, all shareholders of the Company holding shares in the Company before the Public Offering are prohibited from transferring some or all shares they currently hold for 8 (eight) months after the Registration Statement is declared effective by Bapepam-LK.
- B.5 Based on the provisions of the prevailing capital market regulations, in the context of the Public Offering, the Company has signed the following agreements:
- (a) Agreement on the Registration of Equity Securities with PT Kustodian Sentral Efek Indonesia (KSEI) No. SP-0029/PE/KSEI/1012 dated 8 October 2012, between the Company and KSEI;
 - (b) Deed of Underwriting Agreement No. 16 dated 9 October 2012 as amended by Deed of Addendum I to Underwriting Agreement No. 1 dated 1 December 2012, made before Yulia, SH., Notary in Jakarta between the Company and the Underwriters;
 - (c) Deed of Shares Administrative Management Agreement No. 17 dated 9 October 2012 as amended by Deed of Addendum I to Shares Administration Management Agreement No. 2 dated 1 December 2012, made before Yulia, SH., Notary in Jakarta between the Company and PT Raya Saham Registra; and
 - (d) Securities Listing Preliminary Agreement No.:S-06834/BELPPR/10-2012 dated 8 October 2012, between the Company and BEL.

C. Subsidiaries

- C.1 Subsidiaries are lawfully established based on the prevailing laws in Indonesia.
- C.2 All amendments to the Articles of Association of the Subsidiaries were made in compliance with the prevailing laws and regulations, except for the amendments to the Articles of Association of the Subsidiaries as stated below:

GGD:

Report to the Minister of Justice, registration with the company registration office to the Ministry of Trade and announcement in the Official Gazette of the Republic of Indonesia ("BNRI") on the amendments to the Articles of Association based on (i) Deed of Minutes No. 30 dated 26 April 1999; (ii) Deed of Minutes No. 56 dated 18 June 2001; (iii) Deed of Minutes No. 45 dated 24 November 2001; and (iv) Deed of Minutes No. 54 dated 18 March 2002, all drawn up before Tirtawardojo, SH., Notary in Surabaya.

Based on the provisions of Law No. 1 Year 1995 regarding Limited Liability Company ("Law No. 1/1995"), insofar as no report has been submitted to the Minister of Justice on the amendments to the Articles of Association required to be reported to the Minister of Justice, such amendments cannot be registered with the company register based on the WDP Law. Insofar as no registration has been conducted, such amendments to the Articles of Association have not come into effect.

A failure to register an amendment to Articles of Association with the Company Registration Office may subject GGD to sanctions as regulated in the WDP Law.

Based on Law No. 1/1995 provisions, for the failure to announce the amendments to the Articles of Association in BNRI, at the time Law No. 1/1995 was in effect, the Board of Directors of GGD should be jointly responsible for all actions of GGD. This legal consequence can no longer be enforced following the coming into effect of Law No. 40/2007, because the person obligated to announce amendments of Articles of Association in BNRI is MOLHR.

Based on the Statement of the Board of Directors and Board of Commissioners of GGD, GGD will be responsible for all legal consequences in the event of future lawsuits in relation to the amendment to GGD's Articles of Association from any parties whatsoever.

C.3 Based on their respective articles of association, the business activities of the Subsidiaries are as follows:

- (a) GDJ : industry and trading sectors
- (b) GWJ : trading, printing and industry sectors
- (c) GGD : industrial company, importer producer, exporter, general trading, services company, agro industry and agro business company, and land transportation sectors.

The business activities conducted by the Subsidiaries as stated above are in accordance with the provisions of the prevailing laws and regulations in the Republic of Indonesia.

C.4 Capital structure and shares ownership in the Subsidiaries on the date of this Legal Opinion are as follows:

- (a) GDJ
Based on Article 4 of the Deed of Statement of Meeting Resolutions No. 63 dated 25 November 2011 as confirmed with the Deed of Statement of Meeting Resolutions of GDJ No. 54 dated 14 March 2012 and the Deed of Statement of Meeting Resolutions No. 23 dated 10 May 2012, all three of which drawn up before Sonya Natalia, SH., Notary in Surabaya, as approved by MOLHR based on the Decision of MOLHR No. AHU-29374.AH.1.02 Year 2012 dated 31 May 2012, registered under Company Register No. AHU-0048925.AH.01.09.Tahun 2012 dated 31 May 2012, the capital structure and shares ownership in GDJ are as follows:

No.	Shareholder's Name	Nominal value of IDR 1,000 per share		%
		Nominal (IDR)	Total Shares	
Authorised Capital		450,000,000,000	450,000,000	-
1.	Company	140,155,977,000	140.155.977	99.86
2.	Willy Walla	98,434,000	98.434	0.07
3.	Sugito Winarko	98,434,000	98.434	0.07
Total Issued Capital and Fully Paid-Up Capital		140,352,845,000	140,352,845	100
Shares in Portfolio		309,647,155,000	309,647,155	-

(b) GWJ

Based on Article 4 of the Deed of Minutes No. 3 dated 2 March 1998, drawn up before Bagio Atmadja, SH., Notary in Sidoarjo, as revised with the Deed of Minutes No. 51 dated 29 January 2003, drawn up before Joseph Andy Hartanto, SH., Notary in Surabaya, and the Deed of Minutes No. 21 dated 16 July 2003 drawn up before Joseph Andy Hartanto, SH., Notary in Surabaya, all three of which have been approved by MOLHR based on Decision No. C-12688 HT.01.04.TH 2005 dated 11 May 2005, and registered in the Company Register with the company registration office of Surabaya City on 11 August 2005 under Number 1052/BH.1301/Agustus 2005 and announced in State Gazette No.104 dated 30 December 2005, Supplement to the State Gazette No.13495, the capital structure and shares ownership in GDJ are as follows:

No.	Shareholder's Name	Nominal value of IDR 1,000 per share		%
		Nominal (IDR)	Total Shares	
Authorised Capital		7,200,000,000	7,200,000	-
1.	Company	3,596,000,000	3,596,000	99.88
2.	Willy Walla	2,000,000	2,000	0.06
3.	Sugito Winarko	2,000,000	2,000	0.06
Total Issued Capital and Fully Paid-Up Capital		3,600,000,000	3,600,000	100
Shares in Portfolio		3,600,000,000	3,600,000	-

(c) GGD:

Based on Article 4 of Deed of Minutes No. 32 dated 14 April 2008 made before Joseph Andy Hartanto, SH., Notary in Surabaya as approved by the MOLHR based on Decision Letter No. AHU-27298.AH.01.02.Tahun 2008 dated 23 May 2008, registered in the Company Register Office of

Surabaya Municipality under No. 510/8.BH.13.17/VII/2008 dated 27 August 2008 and announced in the State Gazette of the Republic of Indonesia No. 93 dated 18 November 2008, Supplement to the State Gazette No. 24318, the capital structure and shares ownership in GGD are as follows:

No.	Shareholder's Name	Nominal value of IDR 10,000,000 per shares		%
		Nominal (IDR)	Total Shares	
Authorised Capital		20,000,000,000	2,000	-
1	GDJ	16,280,000,000	1,628	99.88
2.	Stephen Walla	10,000,000	1	0.06
2	Indahtati Widjajadi	10,000,000	1	0.06
Total Issued Capital and Paid-Up Capital		16,300,000,000	1,630	100
Shares in Portfolio		3,700,000,000	370	-

Any changes in the capital structure of the Subsidiaries and/or shares ownership of the Subsidiaries have complied with the Articles of Association of the respective Subsidiaries and prevailing laws and regulations (including but not limited to the obtaining of approvals from the authorized party) and have been supported with sufficient evidence except for:

(a) GDJ:

1. Evidence of information registration with the Company Registration Office in relation to the change of shareholders composition which resulted from the granting of shares from Puspasari Handojo to Nancy Handojo pursuant to Deed of Grant of Shares No. 6 dated 21 May 1993 made before Bagio Atmadja SH., Notary in Sidoarjo. Failure to register information related to the changes in the composition of shares ownership may subject GDJ to sanction as regulated in WDP Law.
2. Document that expressly states the division of inheritance among Wiseman Ali heirs, namely Rosalina Ali, Melina Ali, Isarina Ali, and Sinta Dewi Sampurno with respect to the transfer of 252 shares owned by Wiseman Ali (the testator) to Sinta Dewi Sampurno (the heir). The Statement Letter signed by Wiseman Ali and Sinta Dewi Sampurno heirs (the "Stating Parties") in October 2012 certified that Wiseman Ali left Dewi Sampurno 23/32 portion of his inheritance, being 252 shares Wiseman Ali owned in GDJ, and the Stating Parties gave compensation for any damages incurred by GDJ as resulting from any demand or claim from any third party related with the above inheritance.

3. Approval of the Board of Directors and Board of Commissioners of GDJ and evidence of information registration with the Company Registration Office in relation to the changes in shareholders composition resulting from the granting of 315 shares from Sinta Dewi Sampurno to Rosalina Ali pursuant to Deed of Grant of Shares No. 2 dated 7 December 1993, made before Bagio Atmadja, SH., Notary in Sidoarjo as required in the Articles of Association of GDJ.

Following such grant of shares, changes were made to the capital structure and shares ownership in GDJ and such changes have been approved by the Board of Directors and the Board of Commissioners of GDJ and the GDJ's shareholders. Since there was no objection from the Board of Directors/ the Board of Commissioners and the other shareholders in relation to such transfer in subsequent GDJ GMS, this can be interpreted that they have given their implicit approvals on the transfer of shares as regulated in Article 1347 of the Indonesian Civil Code.

As for the absence of information registration approvals with the Company Registration Office in connection with the change in shareholders composition resulting from the grant from Sinta Dewi Sampurno to Rosalina Ali as mentioned above, failure to register information with respect to the change in the share ownership composition may subject GDJ to sanction as regulated in WDP Law.

4. Evidence of information registration with the Company Registration Office in relation to the change of shareholders composition as a resulting from grant of shares from Muryanto Winarko to Sugito Winarko pursuant to Deed of Grant of Shares No. 5 dated 5 September 1994, made before Bagio Atmadja, SH., Notary in Sidoarjo. Failure to register information related to the change in shareholders composition may subject GDJ to sanction as regulated in WDP Law.
5. Evidence of information registration with the Company Registration Office related to the change of shareholder composition resulting from the inkind participation (*inbreng*) from all shareholders of GDJ to the Company.

As for the absence of information registration was made with the Company Registration Office in connection with the change in shareholders composition resulting from the abovementioned *inbreng*, failure to register information with respect to the change of share ownership composition may subject GDJ to sanction as regulated in WDP Law.

6. Evidence of reporting to the Minister of Justice and evidence of information registration with the Company Registration Office in relation to the change of shares ownership composition resulting



from the sale of 1 share from the Company to Willy Walla under Deed of Sale and Purchase No. 07 dated 15 September 1995, drawn up before Hasyim Ghamry, SH., Notary in Sidoarjo. For the above failure, GDJ may be subject to sanctions as stated in section C.2 part (b) of this Legal Opinion.

7. Approval from the Board of Directors and the Board of Commissioners of GDJ, evidence of report to the Minister of Justice and evidence of information registration with the Company Registration Office in relation to the sale and purchase of 1 share from the Company to Sugito Winarko as stated in Deed of Sale and Purchase No. 19 dated 29 January 1996, made before Hasyim Ghamry SH., substitute of Bagio Atmadja, SH., Notary in Sidoarjo.

Following such grant of shares, changes were made to the capital structure and shares ownership in GDJ and such changes have been approved by the Board of Directors and the Board of Commissioners of GDJ. Since there was no objection from the Board of Directors/the Board of Commissioners and the other shareholders in relation to such transfer in the subsequent GDJ GMS approvals, this can be interpreted that they have given their implicit approvals on the transfer of shares as regulated in Article 1347 of the Indonesian Civil Code.

In addition to that, as no report was submitted to the Ministry of Justice and information registration made with the Company Registration Office in relation to the change of shareholders composition resulting from the sale of 1 shares from the Company to Sugito Winarko as referred to above, GDJ may be subject to sanctions as stated in section C.2 part (b) of this Legal Opinion.

Based on the Statement of the Board of Directors and the Board of Commissioners of GDJ, as at the date of this Legal Opinion, GDJ has never received any demand, notice, warning or claim, either verbally or in writing with respect to the change of capital structure and composition of shareholders from any third party, the previous shareholders of the GDJ or their heirs in connection with the same. The Board of Directors and the Board of Commissioners of GDJ will be responsible for any legal consequence in the event of future lawsuits in relation to the change of capital structure and the composition of shareholders from any third parties whosoever, the previous shareholders of GDJ or their heirs.

Moreover, the shareholders of GDJ state and confirm that any transfers of shares in GDJ as of its establishment until the date of statement of the shareholders of GDJ have been effected and are binding upon GDJ shareholders. In addition, the shareholders of GDJ also state that there was no claim/lawsuit or objection and rebuttal from any third party (including from the previous shareholders or their heirs) or dispute relating to the transfer of shares in the change of capital structure of GDJ since the establishment of GDJ up to the date of statement made by the shareholders of GDJ and therefore, the shareholders of GDJ, along with

the Board of Directors and the Board of Commissioners of GDJ, will be responsible for any claim, lawsuit, costs, taxes or other risks incurred because of incomplete documentation of shares transfer and change of capital structure as of its establishment up to the date of statement made by the shareholders of GDJ.

(b) GWJ:

1. Approval of GWJ shareholders and evidence of information registration with the Company Registration Office in relation to the transfer of 270 shares in GWJ from Gunarwan Winarko to Sugito Winarko and 90 shares in GWJ from Gunarwan Winarko to Nancy Handojo. Following such grant of shares, changes were made to the capital structure and shares ownership in GWJ and such changes have been approved by all shareholders of GWJ. Since there was no objection from the other shareholders in relation to such transfer in the subsequent GWJ GMS approvals, this can be interpreted that they have given their implicit approvals on the transfer of shares as regulated in Article 1347 of the Indonesian Civil Code.

As for the absence of information registration with the Company Registration Office in connection with the change in shareholders composition resulting from the above transfer of shares, failure to register information with regard to the change of shareholders composition may subject GWJ to sanction as regulated in WDP Law.

2. Evidence of information registration with the Company Registration Office in relation to the change of shareholder composition resulting from the inkind participation (*inbreng*) from all shareholders of GWJ to the Company.

As for the absence of information registration = with the Company Registration Office in connection with the change in shareholders composition resulting from *inbreng* as mentioned above, failure to register information in relation to the change of shareholders composition may subject GWJ to sanction as regulated in WDP Law.

3. Evidence of reporting to the Minister of Justice and evidence of information registration to the Company Registration Office with regard to the change of shares ownership composition resulting from the sale of 1 share from the Company to Willy Walla based on Deed of Sale and Purchase No. 09 dated 15 September 1995, drawn up before Hasyim Ghamry, SH., substitute of Bagio Atmadja, SH., Notary in Sidoarjo. For the above failure, GWJ may be subject to sanctions as stated in section C.2 part (b) in this Legal Opinion.
4. Approval of GWJ shareholders, evidence of report to the Minister of Justice and evidence of information registration with the Company Registration Office in relation to the sale and purchase of 1 share from the Company to Sugito Winarko as stated in Deed

No. 21 dated 29 January 1996, made before Bagio Atmadja, SH., Notary in Sidoarjo.

Following such transfer of shares, changes were made to the capital structure and/or shares ownership in GWJ, and such changes have been approved by all shareholders of GWJ. Since there was no objection from the other shareholders in relation to the transfer of shares in the subsequent GWJ GMS approvals, this can be interpreted that the other shareholders have given their implicit approvals on the transfer of shares as regulated in the Article 1347 of Indonesian Civil Code.

In addition to that, as no report has been submitted to the Ministry of Justice and no information registration was made with the Company Registration Office in relation to the change of shareholders composition resulting from the sale of 1 share from the Company to Sugito Winarko as referred above, GWJ may be subject to sanctions as stated in section C.2 part (b) in this Legal Opinion.

Based on the Statement of the Board of Directors and the Board of Commissioners of GWJ, as at the date of this Legal Opinion, GWJ has never received any demand, notice, warning or claim, either verbally or in writing with respect to the change of capital structure and composition of shareholders from any third party, the previous shareholders of the GWJ or their heirs in connection with the same. The Board of Directors and the Board of Commissioners of GWJ will be responsible for any legal consequence in the event of future lawsuits in relation to the change of capital structure and the composition of shareholders from any third parties whosoever, the previous shareholders of GWJ or their heirs.

In addition, the shareholders of GWJ state and confirm that any transfers of shares in GWJ as of its establishment until the date of statement of the shareholders of GWJ have been effected and are binding upon GWJ shareholders. In addition, the shareholders of GWJ also state that there was no claim/lawsuit or objection and rebuttal from any third party (including from the previous shareholders or their heirs) or dispute relating to the transfer of shares in the change of capital structure of GWJ since the establishment of GWJ up to the date of statement made by the shareholders of GWJ and therefore, the shareholders of GWJ, along with the Board of Directors and the Board of Commissioners of GWJ, will be responsible for any claim, lawsuit, costs, taxes or other risks incurred because of incomplete documentation of shares transfer and change of capital structure as of its establishment up to the date of statement made by the shareholders of GWJ.

(c) GGD:

Approval from GGD shareholders, report to the Minister of Justice, and registration with the Company Registration Office related to the sale of 749,999 shares from Rosalina Ali and Indahtati Widjajadi to GDJ

4

based on Shares Sale and Purchase Agreement No. 44 dated 28 February 1997 and Shares Sale and Purchase Agreement No. 45 dated 28 February 1997, both of which were made before Tirtawardojo, SH., Notary in Surabaya.

Sanction on these failures is as stated in section C.2 part (b) in this Legal Opinion.

Based on the Statement of the Board of Directors and the Board of Commissioners of GGD, as at the date of this Legal Opinion, GGD has never received any demand, notice, warning or claim, either verbally or in writing with respect to the change of capital structure and composition of shareholders from any third party, the previous shareholders of the GGD or their heirs in connection with the same. The Board of Directors and the Board of Commissioners of GGD will be responsible for any legal consequence in the event of future lawsuits in relation to the change of capital structure and the composition of shareholders from any third parties whatsoever, the previous shareholders of GGD or their heirs.

Moreover, the shareholders of GGD state and confirm that any transfers of shares in GGD as of its establishment until the date of statement of the shareholders of GGD have been effected and are binding upon GGD shareholders. In addition, the shareholders of GGD also state that there was no claim/lawsuit or objection and rebuttal from any third party (including from the previous shareholders or their heirs) or dispute relating to the transfer of shares in the change of capital structure of GGD since establishment of GGD up to the date of statement made by the shareholders of GGD and therefore, the shareholders of GGD, along with the Board of Directors and the Board of Commissioners of GGD, will be responsible for any claim, lawsuit, costs, taxes or other risks incurred because of incomplete documentation of shares and change of capital structure as of the establishment of GGD up to the date of statement made by the shareholders of GGD.

C.5 Each of the Subsidiaries has obtained key and material licences and approvals required to engage in its business and activities as prescribed by the prevailing laws and regulations and as at the date of this Legal Opinion, these licences and approvals are still in effect, and materially fulfilled the obligations pursuant to such licences and approvals, except for the licences and obligations as stated below:

(a) GDJ:

The implementation of cigar production by GDJ is not in accordance with the Industrial Business Permit that GDJ holds. As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners of GDJ, GDJ is currently in the process of finding local partner to produce cigars to be sold by GDJ. Failure to conduct industrial activity in compliance with the provisions specified in the Industrial Business Permit of GDJ may subject GDJ to administrative

sanction in the form of written warning, suspension of industry business permit up to the revocation of the same.

(b) GWJ:

- a. The reporting of SIUP for some branch offices of GWJ in Jakarta (Cakung and Mampang Prapatan) and Malang. As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners, GWJ is currently in the process of preparing the reporting of SIUP for these branch offices. Failure to submit such report on SIUP of branch offices to the relevant authority may subject GWJ to administrative sanction in the form of written warning, suspension of industry business permit up to the revocation of the same..
- b. The ownership of TDP from branch office of GWJ in Jakarta (Cakung). As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners of GWJ, GWJ is currently in the process of registering TDP for some of these branch offices. Failure to obtain TDP may subject GWJ to sanction of maximum imprisonment of 3 months or maximum fine in the amount of IDR3,000,000.
- c. The extension of Company's Certificate of Domicile ("SKDP") of branch office of GWJ in Jakarta (Mampang Prapatan). Based on information from the management of GWJ, the SKDP is currently in the process of extension. Failure to extent the SKDP may subject GWJ not being able to apply other licences in such area since SKDP is one of the required documents for applying other licences.
- d. The ownership of Nuisance Permit (*Izin Undang-Undang Gangguan/HO*) by several GWJ branch offices in Surabaya, Jakarta (Cakung and Mampang Prapatan) and Surabaya (Tanjung Sari). As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners of GWJ, GWJ is currently in the process of applying for HO for several of these branch offices. Failure to obtaining HO shall be subject to sanction of revocation of business permit or closing of business premises and imprisonment of maximum 2 months or fine.

- C.6 The Subsidiaries have performed/fulfilled material general obligations based on their respective Articles of Association and/or prevailing laws and regulations except for the submission of the Company Annual Financial Report (*Laporan Keuangan Tahunan Perusahaan/ LKTP*) by GDJ and for Financial Statements for Period as of 31 December 2007, 2008, 2009 and 2010 which up to now are still being prepared by GDJ for submission to the Ministry of Trade. Failure to report LKTP shall be subject to criminal sanction of imprisonment of maximum 2 (two) months or fine in a maximum amount of IDR1,000,000 (one million Rupiah).

- C.7 Except GDJ, the Subsidiaries have no shares participation in any company. As at the date of this Legal Opinion, GDJ has shares participation in amount of 1,628 shares or 99.88% of the entire paid up and subscribe capital in GGD.

Shares ownership by GDJ in GGD above is lawful and supported by valid documents. As at the date of this Legal Opinion, based on the Statement of the Board of Directors of GGD, there is no dispute or case regarding the shares participation of GDJ in GGD.

- C.8 As at the date of this Legal Opinion and based on the statement letter of the Board of Directors, except for GGD, the Subsidiaries have owned and used licensed software.

- C.9 As at the date of this Legal Opinion, the Subsidiaries have owned and/or controlled material assets, namely land, building and/or machineries as set out in the Due Diligence Report. Ownership and/or control of these assets by the Subsidiaries are lawful and supported with valid documents.

As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners of the respective Subsidiaries, in addition to those specified in the Due Diligence Report and/or Public Offering prospectus, the material assets of the Subsidiaries, in the form of land, building and/or machineries are not encumbered with any security.

- C.10 As at the date of this Legal Opinion, except for GDJ, the Subsidiaries have no intellectual property rights. As at the date of this Legal Opinion, GDJ owns 106 trademarks and 1 industry design.

All intellectual property rights of GDJ have been protected in accordance with the applicable laws and regulations, except for the trademark "Diplomat Mild" which is currently in trademark revision process from "Diplomat Lights" based on the Registration Certificate on the Receipt of Intellectual Property Rights IDM000113995 dated 16 July 2004.

Pursuant to Article 28 of Law No. 15 of 2001 regarding Trade Mark, a registered trademark shall receive legal protection since the Date of Receipt of trademark registration at the Directorate General of Intellectual Property Rights. As a result of this, legal consequence of not obtaining revised trademark registration is that the trademark would not yet qualify to receive any legal protection and that there is a possibility another party may challenge/claim the ownership of such trademark and/or another party may register the same trademark, causing GDJ to lose the same.

- C.11 Except for GDJ, the Subsidiaries, as at the date of this Legal opinion, have no insurance policy in relation to their operational activities. As at the date of this Legal Opinion, GDJ owns insurance with respect to employees' health with Allianz and 5 industrial all risk insurance policies with PT Asuransi Central Asia for property/inventory, machinery and building. Based on the statement of the Board of Directors of GDJ, GDJ insurance policies are sufficient to cover all potential losses against the business and properties of GDJ.

- C.12 On the date of this Legal Opinion, the Subsidiaries have complied with the legal provisions and applicable requirements on manpower field among others, employment report, employee social security and minimum wages, except for:

GWJ:

- a. The submission of Obligatory Manpower Report (*WLTk*) for several branch offices of GWJ in Jakarta (Cakung and Mampang Prapatan), Yogyakarta and Banjarmasin. As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners of GWJ, GWJ is currently preparing *WLTk* for the above branch offices. Failure to implement *WLTk* shall be subject to sanction as regulated in Law No. 7 Year 1981 regarding Obligatory Manpower Report; and
 - b. Payment of *Jamsostek* contribution for October 2012 for head office and several branch offices of GWJ in Malang and Semarang. As at the date of this Legal Opinion, based on the Statement of the Board of Directors and the Board of Commissioners of GWJ, GWJ is currently in the process of preparing the payment of *Jamsostek* for the relevant branch offices for the period mentioned above. Under Government Regulation Number 14 Year 1993 concerning the Administration of Manpower Social Security Program (as amended from time to time), any delay in payment of *Jamsostek* contribution may subject GWJ on default penalty at 2% (two percent) for each month of delay as calculated from such outstanding contribution.
- C.13 As at the date of this Legal Opinion, except for GDJ, the Subsidiaries obtain no credit facility from any creditor. On the date of this Legal Opinion, GDJ has received credit facilities from several creditors as detailed below:

- a. Fixed Loan up to the amount of IDR90,000,000,000 Current Account Loan up to the amount of IDR10,000,000,000 and Investment Loan up to a maximum amount of IDR25,000,000,000 from CIMB pursuant to Credit Agreement No. 021/PK/BU-1/TK/SBY/2001 dated 9 November 2001 as lastly amended and reinstated with Extension Agreement/18th Amendment of Credit Agreement No. 021/PK/BU-1/TK/SBY/2001 dated 19 November 2012 ("**CIMB Loan 1**"). In order to guarantee the obligation of GDJ under CIMB Loan 1, GDJ has granted fiduciary guarantee over tobacco and clove inventories which are located and stored in all warehouses of PT GDH and machinery at Jl. Buntaran No. 9 Surabaya;
- b. Uncommitted Revolving Loan in the amount of IDR170,000,000,000 and Current Account Credit Facility in the amount of IDR5,000,000,000 from PT Bank Danamon Indonesia Tbk under Deed of Credit Agreement No. 23 dated 4 March 2010 as first amended with Deed of Amendment Agreement to Credit Agreement No. 13 dated 6 July 2010 and amended for the second time with Deed of Amendment Agreement to Credit Agreement No. 11 dated 7 June 2011 and lastly with the Third Amendment pursuant to Deed of Amendment Agreement to Credit Agreement No. 39 dated 14 October 2011 all of which drawn up before J.

4

Andy Hartanto, SH, MH, Notary in Surabaya and has been extended pursuant to Amendment and Renewal Agreement to Credit Agreement No. 174/PP&PWK/CBD/X/2012 dated 12 October 2012 ("**Danamon Facility**"). To guarantee the obligation of GDJ under Danamon Facility, GDJ has granted fiduciary guarantee in the form of tobacco and clove inventories and trade receivables and GDJ has obtained corporate guarantee from GWJ;

- c. Credit Facility in the amount of IDR7,500,000,000 from PT Bank Ganesha, Surabaya Branch Office ("**Ganesha**") under Credit Agreement No. 209/STL/KRD/SBY/00 dated 15 December 2000 as lastly amended with Credit Extension Agreement No. 171/PPJK/KRD/SBY/11 dated 14 December 2011 ("**Ganesha Credit 1**"). To guarantee the obligation of GDJ under Ganesha Credit 1, GDJ granted fiduciary guarantee over tobacco inventory in Buntaran 9 and 18, Surabaya as stated in the tobacco stock registry.
- d. Credit Facility in the amount of IDR115,200,000 from Ganesha pursuant to Credit Agreement No. 129/KY/KRD/SBY/11 dated 27 December 2011 ("**Ganesha Credit 2**"). No guarantee has been granted by GDJ in relation to Ganesha Credit 2; and
- e. Local Credit (Current Account) with total credit ceiling up to IDR31,000,000,000 from BCA under an Agreement to Open Credit No. P.M.K. 089/7880/KRED/KYO/OC dated 7 December 2000 as lastly amended with Amendment to Credit Agreement No. 3742/PPK/7880/2011 dated 18 January 2012 ("**BCA Local Credit**"). To guarantee the obligation of GDJ pursuant to BCA Local credit, GDJ has granted fiduciary guarantee over all stock goods, namely Madura tobacco and FC tobacco which are available at present or in the future.

Public Offering is not contradictory to or does not violate any terms and conditions and/or does not constitute a default pursuant to agreements with respect to CIMB Loan 1, Danamon Facility, Ganesha credit 1, Ganesha Credit 2 and BCA Local Credit and GDJ.

C.14 Except for GGD, as at the date of this Legal opinion, the Subsidiaries have signed the following agreements:

(a) GDJ:

- (i) As at the date of this Legal Opinion, GDJ has signed a building/tower lease agreement with the third party, financial agreement with PT BCA Finance, and based on the Statement of the Board of Directors and Board of Commissioners of GDJ, in cigar production, no written agreement is made for the purchase of raw materials. Purchase is made using a direct order mechanism based on a purchase order to PT Ledokombo, and the sale of cigar is also made without written agreement to Toko Harmonis, Diplomat Café and Papaya Fresh Gallery, in addition, in cigarette production, no written agreement is made for the

purchase of raw materials. Purchase is made using a direct order mechanism based on purchase order to its suppliers, including among others UD Suprianto, Camtex International Pte. Ltd, Mangli Djaja Raya, PT Margomulyo and PT Orinda Development Ltd. Furthermore, based on the Statement of the Board of Directors and the Board of Commissioners of GDJ, the majority of cigarettes sale is conducted by GWJ as the distributor of GDJ cigarettes.

The aforementioned agreements are legal, valid, and binding upon GDJ and are in accordance with the Articles of Association of GDJ and applicable laws and regulations. This Public Offering is not contradictory to or does not violate any terms and conditions of and/or does not constitute a default based on those agreements.

- (ii) As at the date of this Legal Opinion, GDJ has signed affiliation agreements in the form of a building/structure lease agreement with GWJ and PT Bumi Inti Makmur, and a cigarette distribution agreement with GWJ. Those agreements are legal, valid, and binding upon GDJ and are in accordance with the Articles of Association of GDJ and applicable laws and regulations. This Public Offering is not contradictory to or does not violate any terms and conditions of and/or does not constitute a default based on those agreements.

Those agreements are continuous in nature and have been disclosed in the Company's Public Offering prospectus. If there is any amendment to the terms and conditions in the future that could harm the Company, GDJ and the Company must fulfil the provisions of Regulation IX.E.1.

(b) GWJ:

- (i) As at the date of this Legal Opinion, GWJ has signed building/structure lease agreements with third parties, financial agreements with PT Dipo Star Finance and PT BCA Finance. All branches and/or stock points of GWJ with lease status have signed building/structure lease agreements, except for branches and/or stock points of GWJ located in Palembang, Tangerang, Jambi, and Pematang Siantar.

Those agreements are legal, valid, and binding upon GWJ and are in accordance with the Articles of Association of GWJ and applicable laws and regulations. This Public Offering is not contradictory to or does not violate any terms and conditions of and/or does not constitute a default based on those agreements.

- (E) As at the date of this Legal Opinion, GWJ has signed affiliation agreements in the form of 2 building/structure lease agreements with Ronald Walla. Those agreements are legal, valid, and binding

upon GWJ and are in accordance with the Articles of Association of GWJ and prevailing laws and regulations. This Public Offering is not contradictory to or does not violate any terms and conditions of and/or does not constitute a default based on those agreements.

Those agreements are continuous in nature and have been disclosed in the Company's Public Offering prospectus. If there is any amendment to the terms and conditions in the future that could harm the Company, GWJ and the Company must fulfil the provisions of Regulation IX.E.1.

- C.15 Based on the statements of the Board of Directors and Board of Commissioners of each of the Subsidiaries and also the statements of case from several judicial institutions, the Subsidiaries and members of the Board of Directors and Board of Commissioners of each Subsidiary are not involved in any legal case, either civil or criminal, and/or any legal dispute/claim in any court and/or BANI (Indonesian National Board of Arbitration) or in any administrative dispute with a government institution, including any dispute relating to labour issues or petition for bankruptcy filed by a third party or have never been declared bankrupt that could effect the business continuity of the Subsidiaries.

D. Qualifications and Assumptions

We prepare this Legal Opinion based on the provisions of applicable laws and regulations in the Republic of Indonesia and with the following assumptions and qualifications:

Qualifications

1. This Legal Opinion is prepared to meet the need of the Company in relation to its plan to conduct the Public Offering;
2. In preparing this Legal Opinion, the examination of data and/or information that exist/occur is conducted based on data and/or information furnished to us up to 30 November 2012 ("**Deadline for Document Acceptance**");
3. We did not conduct any evaluation on (a) taxation and (b) commercial and financial conditions of the Company and its shareholders and Subsidiaries;
4. The descriptions and explanations provided in the Due Diligence Report and, therefore, this Legal Opinion are merely based on the laws and practices applicable in the Republic of Indonesia up to the Deadline for Document Acceptance, and such descriptions and explanations are not based on and we did not make interpretations according to the laws and practices applicable in any country other than the Republic of Indonesia;

For facts not disclosed in writing by the Company to us but are material in nature for this Legal Opinion or the sections thereof, our opinion is

made based on confirmations, statements and information we received until the Deadline for Document Acceptance;

5. Our opinion with respect to “material licenses”, “material agreements” and “material assets” extent insofar as such licenses, agreements and assets have direct impact or influence on the continuance of the Company and the Subsidiaries’ business;
6. We did not conduct any evaluation on the Opinion on Fairness Report prepared independently by KJPP Yanuar Bey dan Rekan;
7. Based on the WDP Law, a company established in Indonesia has to be registered with the Company Registration Office by the authorised officer at the Company Registration Office. Furthermore, upon the coming into effect of Law No. 40/2007, MOLHR now maintains a Company Register intended to record company data that include, but not limited to, name, domicile, purpose and objective, and change of company data *inter alia* change of the members of Board of Directors and Board of Commissioners, and change of shareholders composition, as set out in more details in Article 29 of Law No. 40/2007. However, based on the provisions of Article 29 of Law No. 40/2007, the Company Register maintained by MOLHR cannot be connected with the Company Register registered with the Company Registration Office by the authorised officer of the Company Registration Office. In the Due Diligence Report, we describe several amendments to the articles of association of the Company and Subsidiaries made after Article 29 of Law No. 40/2007 comes into effect. Such amendments cannot be registered in the Company Register because they have been registered in the Company Register maintained by MOLHR, causing their rejection by the authorised officer of the Company Registration Office for their registration in the Company Register with the Company Registration Office of Surabaya, even though the Mandatory Company Registration Law has not been revoked and is still applicable. Based on the WDP Law, failure to register is subject to a criminal sanction of imprisonment for a maximum period of 3 months or a fine in the maximum amount of IDR 3,000,000; and
8. If the words “to the best of our knowledge” is used in the Legal Opinion on the Company and Subsidiaries, it means that we do not find any indication or have any knowledge that is contrary to the matters provided in the Legal Opinion, and we did not conduct any independent research on such matters beyond the documents provided and/or presented to us until the Deadline for Documents Acceptance and we give our opinion based on verbal information or written statements obtained and received from related parties, either from the Company, Subsidiaries or other parties or agencies.

Assumptions

1. Every original documents provided and/or presented to us by the Company and Subsidiaries regarding the Company and Subsidiaries is valid, original, complete and the contents are true and correspond to the

factual conditions based on the regulations and legal provisions applicable at the time of the drawing up and signing of such document, and covers each and every amendment thereto until the Deadline for Documents Acceptance;

2. Every document provided and/or presented to us by the Company and Subsidiaries regarding the Company and Subsidiaries in form of photocopy, derivative and/or specimen is complete and the contents are true and correspond to the original document, and the original document is legal, original, complete and the contents are true and correspond to the factual conditions and it has been drawn up and signed by entitled and authorized person(s) based on the regulations and legal provisions applicable at the time of the drawing up and signing of such document, and covers each and every amendment thereto until the Deadline for Documents Acceptance;
3. In relation to the spousal consent in the context of shares transfer, our Due Diligence and Legal Opinion are based on the information contained in the share transfer documents drawn up by the parties in the forms of notary deeds or privately drawn up agreements. In the event no information on spousal consent exists in the relevant share transfer documents, we assume that the transferring shareholders have obtained prior spousal consent or are not required to obtain prior spousal consent.
4. All signatures, stamp duty, deletions/corrections and markings in every original document provided and/or presented to us are original, legal and valid;
5. All signatures, stamp duty, deletions/corrections and markings in every original document provided and/or presented to us in the forms of copy, derivative or specimen correspond to those contained in the original document and all signatures, stamp duty, deletions/corrections and markings in the original document are original, legal and valid;
6. Every document of confirmation, statement or information we receive or obtain from the Company and Subsidiaries regarding the Company and Subsidiaries either in the form of original or copy, including confirmation, statement or information from the Boards of Directors, Boards of Commissioners and employees of the Company and Subsidiaries is true and describes the most recent situation and conditions and corresponds to the factual conditions;
7. Every document, either in the form of original or copy, confirmation, statement or information we obtain and receive for the purpose of the preparation of this Legal Opinion has been provided by the party entitled and authorised to provide such document and/or to disclose such confirmation, statement or information;
8. The Government Agencies and/or parties issuing permits, approvals, licenses, and/or proofs of registration to the Company and Subsidiaries, including for the purpose of the implementation of the Public Offering,

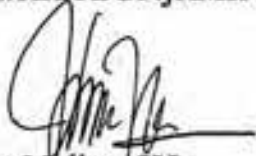
are officials and/or parties authorized to take such actions and represented by a person(s) entitled and authorized to issue and/or sign such permits, approvals, licenses, and/or evidence of registration;

9. Every party entering into an agreement with the Company and Subsidiaries has been represented by a person(s) authorized to represent such party and the person(s) has obtained each and every permit and approval required pursuant to the articles of association and/or laws and regulations and/or applicable practice and, therefore, such person(s) is authorized to bind the party he/she represents with the Company and Subsidiaries and to sign the agreement concerned and, consequently, such relevant agreement is valid and binding upon the relevant parties; and
10. Every statement or warranties contained in any document provided or presented to us for the purpose of preparing this Legal Opinion, either in the original form or the copy, is true and correspond to the factual conditions.

This Legal Opinion is made to supersede the Legal Opinion dated 5 November 2012 which was previously submitted Bapepam-LK on 5 November 2012.

In witness whereof, we prepare this Legal Opinion based on the data and documents we receive in our capacity as an independent Legal Consultant not affiliated and/or associated with the Company and Subsidiaries, impartial and free from any personal interest, both directly and indirectly, in the businesses of the Company and Subsidiaries, and we are responsible for the contents of this Legal Opinion.

Yours faithfully,
HISWARA BUNJAMIN & TANDJUNG



Kristo Molina, SH
STTD 531/BL/STTD-KH/2008

This page is intentionally left blank



XVII. FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

This page is intentionally left blank



PT. WISMILAK INTI MAKMUR Tbk.

Jl. Buntaran 9A Tandes - Surabaya 60185
Telp. (031) 7493556 Fax. (031) 7491164

**SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS
LAPORAN KEUANGAN KONSOLIDASIAN
PERIODE ENAM BULAN YANG BERAKHIR PADA
TANGGAL 30 JUNI 2012 DAN TAHUN YANG BERAKHIR
PADA TANGGAL 31 DESEMBER 2011
(DENGAN ANGKA PERBANDINGAN UNTUK PERIODE
ENAM BULAN YANG BERAKHIR PADA TANGGAL 30
JUNI 2011 DAN TAHUN YANG BERAKHIR PADA
TANGGAL 31 DESEMBER 2010 DAN 2009)
PT WISMILAK INTI MAKMUR TBK DAN ENTITAS ANAK**

**DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR
THE CONSOLIDATED FINANCIAL STATEMENTS
SIX-MONTH PERIOD ENDED
JUNE 30, 2012 AND
YEAR ENDED DECEMBER 31, 2011
(WITH COMPARATIVE FIGURES FOR SIX-MONTH
PERIOD ENDED JUNE 30, 2011 AND YEARS ENDED
DECEMBER 31, 2010 AND 2009)**

PT WISMILAK INTI MAKMUR TBK AND SUBSIDIARIES

Kami yang bertanda tangan di bawah ini/We, the undersigned:

Nama/Name
Alamat Kantor/Office Address
Nomor Telepon/Telephone Number
Alamat Domisili/Domicile Address

Jabatan/Title

Nama/Name
Alamat Kantor/Office Address
Nomor Telepon/Telephone Number
Alamat Domisili/Domicile Address
Jabatan/Title

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Wismilak Inti Makmur Tbk dan Entitas Anak;
2. Laporan keuangan konsolidasian PT Wismilak Inti Makmur Tbk dan Entitas Anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan konsolidasian PT Wismilak Inti Makmur Tbk dan Entitas Anak telah dimuat secara lengkap dan benar;
b. Laporan keuangan konsolidasian PT Wismilak Inti Makmur Tbk dan Entitas Anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; dan
4. Bertanggung jawab atas sistem pengendalian internal dalam PT Wismilak Inti Makmur Tbk dan Entitas Anak.

Demikian pernyataan ini dibuat dengan sebenarnya.

Surabaya, 2 November 2012
Atas nama dan mewakili Direksi

Ir. Krisna Tanimhardja
Direktur/Director

Ir. Krisna Tanimhardja
Jl. Buntaran 9A Tandes, Surabaya
(02-31) 7494448
Jl. Pulo Mas Timur Ibr/10, RT 003/ RW 014, Kayu putih – Pulo
Gadung, Jakarta Timur
Direktur / Director

Lucas Firman Djajanto
Jl. Buntaran 9A Tandes, Surabaya
(02-31) 7494448
Jl. Lidah Bukit Mas Barat XII C6-2, Surabaya
Direktur / Director

State that:

1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Wismilak Inti Makmur Tbk and Subsidiaries;
2. The consolidated financial statements of PT Wismilak Inti Makmur Tbk and Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information have been fully and correctly disclosed in PT Wismilak Inti Makmur Tbk and Subsidiaries consolidated financial statements;
b. The consolidated financial statements of PT Wismilak Inti Makmur Tbk and Subsidiaries do not contain incorrect information or material facts, nor do they omit information or material facts; and
4. We are responsible for the internal control system of PT Wismilak Inti Makmur Tbk and Subsidiaries.

This statement has been made truthfully.

Surabaya, November 2, 2012
For and on behalf of the Board of Directors

Lucas Firman Djajanto
Direktur/Director



Halaman ini sengaja dikosongkan



Grant Thornton Gani Mulyadi & Handayani

The original report included herein is in Indonesian language.

No. : A-252/GMH/12/FS

Laporan Auditor Independen Independent Auditors' Report

15th Floor International Financial Center
Jalan Jend. Sudirman Kav. 22-23
Jakarta Selatan 12920
Indonesia
T +62 (0)21 571 0703
F +62 (0)21 571 0704
www.grantthornton.co.id

Pemegang Saham, Dewan Komisaris dan
Direksi
PT Wisnilak Inti Makmur Tbk

Kami telah mengaudit laporan posisi keuangan konsolidasian PT Wisnilak Inti Makmur Tbk ("Perusahaan") dan Entitas Anak tanggal 30 Juni 2012 dan 31 Desember 2011, serta laporan laba rugi komprehensif konsolidasian, laporan perubahan ekuitas konsolidasian dan laporan arus kas konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 dan tahun yang berakhir pada tanggal 31 Desember 2011. Laporan keuangan konsolidasian adalah tanggung jawab manajemen Perusahaan. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan konsolidasian berdasarkan audit kami. Laporan keuangan konsolidasian PT Wisnilak Inti Makmur Tbk dan Entitas Anak untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2010 dan 2009 diaudit oleh auditor independen lain yang laporannya bertanggal 28 Agustus 2012 berisi pendapat wajar tanpa pengecualian atas laporan keuangan konsolidasian tersebut.

Kami melaksanakan audit berdasarkan standar auditing yang ditetapkan Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar kami memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan estimasi signifikan yang dibuat oleh manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin bahwa audit kami memberikan dasar memadai untuk menyatakan pendapat.

*The Shareholders, Boards of Commissioners and
Directors
PT Wisnilak Inti Makmur Tbk*

We have audited the consolidated statements of financial position of PT Wisnilak Inti Makmur Tbk (the "Company") and Subsidiaries as of June 30, 2012 and December 31, 2011, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period ended June 30, 2012 and year ended December 31, 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. The consolidated financial statements of PT Wisnilak Inti Makmur Tbk and Subsidiaries for the years ended December 31, 2010 and 2009 were audited by other independent auditors whose report dated August 28, 2012 expressed an unqualified opinion on those consolidated financial statements.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Halaman 2

Menurut pendapat kami, laporan keuangan konsolidasian yang kami sebut di atas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Wisnilak Inti Makmur Tbk dan Entitas Anak tanggal 30 Juni 2012 dan 31 Desember 2011, dan hasil usaha serta arus kas konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 dan tahun yang berakhir pada tanggal 31 Desember 2011 sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Kami tidak mengaudit laporan laba rugi komprehensif konsolidasian, laporan perubahan ekuitas konsolidasian serta laporan arus kas konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2011 yang disajikan untuk tujuan perbandingan, oleh karena itu kami tidak menyatakan pendapat atas laporan keuangan konsolidasian tersebut.

Audit kami laksanakan dengan tujuan untuk menyatakan pendapat atas laporan keuangan konsolidasian secara keseluruhan. Informasi keuangan tambahan PT Wisnilak Inti Makmur Tbk, entitas induk saja, pada tanggal 30 Juni 2012 dan 31 Desember 2011 dan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 dan tahun yang berakhir pada tanggal 31 Desember 2011, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian laporan keuangan konsolidasian yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi keuangan tambahan tersebut, telah menjadi objek prosedur audit yang kami terapkan dalam audit atas laporan keuangan konsolidasian dan, menurut pendapat kami disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian secara keseluruhan.

The original report included herein is in Indonesian language.

Page 2

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of PT Wisnilak Inti Makmur Tbk and Subsidiaries as of June 30, 2012 and December 31, 2011, and the consolidated results of their operations and their cash flows for the six-month period ended June 30, 2012 and year ended December 31, 2011 in conformity with Indonesian Financial Accounting Standards.

We did not audit the consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period ended June 30, 2011, which are presented for comparative purposes, accordingly, we do not express an opinion on such consolidated financial statements.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary financial information of PT Wisnilak Inti Makmur Tbk, parent entity only, as of June 30, 2012 and December 31, 2011 and for the six-month period ended June 30, 2012 and year ended December 31, 2011, is presented for the purposes of additional analysis and is not required part of the consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Such supplementary financial information has been subjected to the auditing procedures applied in our audit of consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Halaman 3

Page 3

Kami telah menerbitkan laporan auditor independen No. A-214/GMH/12/FS tanggal 17 September 2012 atas laporan keuangan konsolidasian PT Wismilak Inti Makmur Tbk untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 (dengan angka perbandingan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2011) dan tahun yang berakhir pada tanggal 31 Desember 2011 (dengan angka perbandingan untuk tahun yang berakhir pada tanggal 31 Desember 2010 dan 2009). Sehubungan dengan rencana Perusahaan untuk melakukan Penawaran Umum Perdana Saham Perusahaan, sebagaimana dijelaskan pada Catatan 34 atas laporan keuangan konsolidasian, Perusahaan menerbitkan kembali laporan keuangan konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 (dengan angka perbandingan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2011) dan tahun yang berakhir pada tanggal 31 Desember 2011 (dengan angka perbandingan untuk tahun yang berakhir pada tanggal 31 Desember 2010 dan 2009) yang disertai perubahan maupun tambahan pengungkapan pada catatan atas laporan keuangan konsolidasian.

We have issued the independent auditor's report No. A-214/GMH/12/FS dated September 17, 2012 on the consolidated financial statements of PT Wismilak Inti Makmur Tbk for the six-month period ended June 30, 2012 (with comparative figures for the six-month period ended June 30, 2011) and year ended December 31, 2011 (with comparative figures for the years ended December 31, 2010 and 2009). In relation with the Company's plan to conduct Initial Public Offering, as described in Note 34 to its consolidated financial statements, the Company reissued its consolidated financial statements for the six-month period ended June 30, 2012 (with comparative figures for the six-month period ended June 30, 2011) and year ended December 31, 2011 (with comparative figures for the years ended December 31, 2010 and 2009) with changes and additional disclosures in the notes to the consolidated financial statements.



Fendri Sutejo
Ijin No. AP. 0016
(*License No. AP. 0016*)

2 November 2012

November 2, 2012

Notice to Readers

The accompanying consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized in Indonesia to audit such consolidated financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying consolidated financial statements and the auditor's report thereon are not intended for use by those who are not informed about Indonesian Financial Accounting Standards and Auditing Standards, and their application in practice.

Halaman ini sengaja dikosongkan

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
30 Juni 2012 dan 31 Desember 2011
(Dengan Angka Perbandingan Tanggal
31 Desember 2010 dan 2009)
(Disajikan Dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
June 30, 2012 and December 31, 2011
(With Comparative Figures as of
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

	Catatan/ Notes	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
ASET						ASSETS
ASET LANCAR						CURRENT ASSETS
Kas dan setara kas	2c,2p,3,4,26	38.232.389.199	103.484.742.930	20.893.042.322	21.665.919.849	Cash and cash equivalents
Setara kas yang dibatasi penggunaannya	2d,2p,3,5,26	-	1.800.000.000	-	-	Restricted cash equivalents
Piutang usaha - Pihak ketiga	2e,2p,3,6,15,26	32.076.187.687	35.622.852.378	28.278.656.518	17.767.887.450	Trade receivables - Third parties
Piutang lain-lain - Pihak ketiga	2e,2p,3,7,26	530.762.271	167.486.848	-	-	Other receivables - Third parties
Persediaan	2f,3,8,15	398.710.391.209	393.178.048.549	258.483.117.167	246.040.549.919	Inventories
Pajak dibayar dimuka	16	12.918.384.378	19.102.272.857	12.369.848.192	9.179.963.734	Prepaid taxes
Uang muka	9	10.796.322.611	23.971.402.584	16.977.211.485	3.772.897.762	Advance payments
Beban dibayar dimuka	2g,10	4.451.555.282	4.857.002.076	5.513.742.355	557.150.945	Prepaid expenses
TOTAL ASET LANCAR		497.715.992.637	582.183.808.222	342.515.618.039	298.984.369.659	TOTAL CURRENT ASSETS
ASET TIDAK LANCAR						NON-CURRENT ASSETS
Aset pajak tangguhan - neto	2o,16	3.358.837.476	3.010.798.807	1.580.267.145	1.240.062.873	Deferred tax assets - net
Aset tetap, setelah dikurangi akumulasi penyusutan sebesar Rp166.180.786.591 pada tanggal 30 Juni 2012, Rp173.735.444.013 pada tanggal 31 Desember 2011, Rp173.737.635.049, pada tanggal 31 Desember 2010, Rp161.207.014.583 pada tanggal 31 Desember 2009	2h,2j,3,11,15,31	137.796.817.589	155.799.857.773	124.043.648.094	124.418.462.410	Fixed assets - net of accumulated depreciation of Rp166,180,786,591 as of June 30, 2012, Rp173,735,444,013 as of December 31, 2011, Rp173,737,635,049 as of December 31, 2010 and Rp161,207,014,583 as of December 31, 2009
Aset lain-lain	2p,3,12,26	624.919.728	68.347.062	68.347.062	70.347.062	Other assets
TOTAL ASET TIDAK LANCAR		141.780.574.793	158.879.003.642	125.692.262.301	125.728.872.345	TOTAL NON-CURRENT ASSETS
TOTAL ASET		639.496.567.430	741.062.811.864	468.207.880.340	424.713.242.004	TOTAL ASSETS

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
LAPORAN POSISI KEUANGAN
KONSOLIDASIAN (lanjutan)
30 Juni 2012 dan 31 Desember 2011
(Dengan Angka Perbandingan Tanggal
31 Desember 2010 dan 2009)
(Disajikan Dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION (continued)
June 30, 2012 and December 31, 2011
(With Comparative Figures as of
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

	Catatan/ Notes	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
LIABILITAS DAN EKUITAS						LIABILITIES AND EQUITY
LIABILITAS						LIABILITIES
LIABILITAS JANGKA PENDEK						CURRENT LIABILITIES
Utang bank jangka pendek	2p,3,15,26	189.817.400.874	278.981.555.140	94.521.294.432	107.460.903.982	Short-term bank loans
Utang usaha - Pihak ketiga	2p,3,13,26	86.982.038.623	77.807.553.982	72.787.507.861	47.606.940.546	Trade payables - Third parties
Utang lain-lain - Pihak ketiga	2p,3,14,26	5.817.971.978	9.700.446.183	4.329.422.179	456.357.038	Other payables - Third parties
Uang muka pelanggan	18	536.000	423.500	506.501.806	-	Advances from customers
Utang pajak	2o,16	33.028.117.008	24.362.190.530	16.483.360.035	13.698.759.923	Taxes payable
Liabilitas yang masih harus dibayar	2p,3,17,26	14.087.169.900	5.905.838.568	4.845.707.005	6.197.960.075	Accrued liabilities
Bagian utang jangka panjang yang jatuh tempo dalam satu tahun:						Current maturities of long-term loans:
Utang bank	2p,3,15,26	8.678.726.301	6.774.882.592	2.529.999.996	2.529.999.996	Bank loans
Utang pembiayaan konsumen	2p,3,19,26	4.089.068.131	2.828.603.016	1.629.039.209	2.877.510.601	Consumer financing payables
TOTAL LIABILITAS JANGKA PENDEK		342.501.028.815	406.361.493.511	197.632.832.523	180.828.432.161	TOTAL CURRENT LIABILITIES
LIABILITAS JANGKA PANJANG						NON-CURRENT LIABILITIES
Liabilitas pajak tangguhan - neto	2o,16	-	-	-	205.270.796	Deferred tax liabilities - net
Utang jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun:						Long-term loans - net of current maturities:
Utang bank	2p,3,15,26	22.679.298.201	26.899.171.717	4.359.166.681	6.889.166.667	Bank loans
Utang pembiayaan konsumen	2p,3,19,26	807.036.641	3.245.545.638	1.661.201.980	765.475.505	Consumer financing payables
Liabilitas imbalan kerja	2l,3,20	22.306.601.000	20.207.508.000	14.516.155.000	11.121.507.000	Employee benefits liability
TOTAL LIABILITAS JANGKA PANJANG		45.792.935.842	50.352.225.355	20.536.523.661	18.981.419.968	TOTAL NON-CURRENT LIABILITIES
TOTAL LIABILITAS		388.293.964.657	456.713.718.866	218.169.356.184	199.809.852.129	TOTAL LIABILITIES
EKUITAS						EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk						Equity attributable to the owners of the parent entity:
Modal saham - Rp1.000 per saham	2s,29					Share capital - Rp1,000 per share
Modal dasar - 405.000.000 saham						Authorized - 405,000,000 shares
Modal ditempatkan dan disetor penuh - 146.991.176 saham pada tanggal 30 Juni 2012 dan 31 Desember 2011; dan 102.600.000 saham pada tanggal 31 Desember 2010 dan 2009	21	146.991.176.000	146.991.176.000	102.600.000.000	102.600.000.000	Issued and fully paid - 146,991,176 shares as of June 30, 2012 and December 31, 2011 and 102,600,000 shares as of December 31, 2010 and 2009
Saldo laba - belum ditentukan penggunaannya		103.896.564.294	136.991.853.989	147.110.332.777	121.996.749.736	Retained earnings - unappropriated
Total Ekuitas yang Dapat Diatribusikan Kepada Pemilik Entitas Induk		250.887.740.294	283.983.029.989	249.710.332.777	224.596.749.736	Total Equity Attributable to the Owners of the Parent Entity
Kepentingan Non-pengendali	2b,22	314.862.479	366.063.009	328.191.379	306.640.139	Non-controlling Interest
Total Ekuitas		251.202.602.773	284.349.092.998	250.038.524.156	224.903.389.875	Total Equity
TOTAL LIABILITAS DAN EKUITAS		639.496.567.430	741.062.811.864	468.207.880.340	424.713.242.004	TOTAL LIABILITIES AND EQUITY

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
LAPORAN LABA RUGI KOMPREHENSIF
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada Tanggal
31 Desember 2011

(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME**

Six-Month Period Ended June 30, 2012 and Year
Ended December 31, 2011

(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

	Catatan/ Notes	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
		2012	2011	2011	2010	2009	
PENJUALAN NETO	2m,23	484.422.186.988	447.817.269.872	925.236.734.794	592.183.400.192	464.864.662.612	NET SALES
BEBAN POKOK PENJUALAN	2m,24	348.908.426.099	331.760.618.213	664.393.639.610	408.930.746.167	309.810.589.503	COST OF GOODS SOLD
LABA BRUTO		135.513.760.889	116.056.651.659	260.843.095.184	183.252.654.025	155.054.073.109	GROSS PROFIT
BEBAN USAHA	2m,25						OPERATING EXPENSES
Beban penjualan		44.626.908.436	42.061.335.849	89.170.330.567	60.582.288.299	57.855.778.578	Selling expenses
Beban umum dan administrasi		41.646.634.133	37.742.309.527	80.651.575.141	75.673.145.983	56.121.010.061	General and administrative expenses
Total Beban Usaha		86.273.542.569	79.803.645.376	169.821.905.708	136.255.434.282	113.976.788.639	Total Operating Expenses
LABA USAHA		49.240.218.320	36.253.006.283	91.021.189.476	46.997.219.743	41.077.284.470	OPERATING INCOME
PENDAPATAN (BEBAN) LAIN-LAIN							OTHER INCOME (EXPENSES)
Laba pelepasan entitas anak	1,31	7.464.865.843	-	-	-	-	Gain on sale of subsidiary
Laba penjualan aset tetap	11,31	5.770.194.169	3.060.048.332	77.858.351.936	3.226.581.136	100.348.114	Gain on sale of fixed assets
Pendapatan bunga		134.715.056	179.322.257	449.842.755	282.541.896	168.447.994	Interest income
Beban bunga	15	(11.975.102.046)	(7.036.819.028)	(19.101.036.371)	(13.280.948.021)	(15.776.260.629)	Interest expense
Laba (rugi) selisih kurs - neto		(731.101.156)	(35.070.196)	1.579.908	10.561.858	359.339.665	Foreign exchange gain (loss) - net
Administrasi bank		(218.723.887)	(25.974.888)	(363.716.112)	(303.658.455)	(271.628.240)	Bank charges
Lain-lain - neto		714.810.305	1.019.319.697	(1.179.720.696)	1.064.860.636	(1.557.247.870)	Others - net
Pendapatan (Beban) Lain-lain - Neto		1.159.658.284	(2.839.173.826)	57.665.301.420	(9.000.060.950)	(16.977.000.966)	Other Income (Expenses) - Net
LABA SEBELUM BEBAN (MANFAAT) PAJAK PENGHASILAN		50.399.876.604	33.413.832.457	148.686.490.896	37.997.158.793	24.100.283.504	INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)
BEBAN (MANFAAT) PAJAK PENGHASILAN	2o,16						INCOME TAX EXPENSE (BENEFIT)
Kini		12.157.534.563	9.521.924.492	20.579.857.000	11.145.633.500	7.989.430.120	Current
Tanggunghan		(733.643.796)	(745.962.749)	(1.430.531.662)	(545.475.068)	(1.715.882.400)	Deferred
Beban Pajak Penghasilan - Neto		11.423.890.767	8.775.961.743	19.149.325.338	10.600.158.432	6.273.547.720	Income Tax Expense - Net
TOTAL LABA KOMPREHENSIF PERIODE BERJALAN		38.975.985.837	24.637.870.714	129.537.165.558	27.397.000.361	17.826.735.784	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD
Total laba komprehensif periode berjalan yang dapat diatribusikan kepada:							Total comprehensive income for the period attributable to:
Pemilik entitas induk		38.930.386.545	24.615.317.923	129.382.897.212	27.370.783.041	17.810.990.814	Owners of the parent entity
Kepentingan non- pengendali	2b,22	45.599.292	22.552.791	154.268.346	26.217.320	15.744.970	Non-controlling interest
Total		38.975.985.837	24.637.870.714	129.537.165.558	27.397.000.361	17.826.735.784	Total
LABA PER SAHAM DASAR							BASIC EARNINGS PER SHARE
Laba komprehensif periode berjalan yang dapat diatribusikan kepada pemilik entitas induk per saham	2s,2t,28,29	26,48	16,75	88,02	18,62	12,12	Total comprehensive income for the period attributable to owners of the parent entity per share

Catatan terlampir merupakan bagian yang tidak terpisahkan
dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of
these consolidated financial statements.

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
LAPORAN PERUBAHAN EKUITAS
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada Tanggal
31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY
Six-Month Period Ended June 30, 2012 and Year
Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

Ekuitas yang dapat Diatribusikan kepada Pemilik Entitas Induk/ Equity Attributable to Owners of the Parent Entity							
Catatan/ Notes	Modal Saham/ Share Capital	Saldo Laba - Belum Ditentukan Penggunaannya/ Retained Earnings - Unappropriated	Total/ Total	Kepentingan Non- Pengendali/ Non-Controlling Interest	Total Ekuitas/ Total Equity		
Saldo pada tanggal 1 Januari 2009	102.600.000.000	105.314.358.922	207.914.358.922	296.803.201	208.211.162.123	Balance as of January 1, 2009	
Pembagian dividen kas	21	-	(1.128.600.000)	(5.908.032)	(1.134.508.032)	Distribution of cash dividends	
Laba komprehensif tahun berjalan	-	17.810.990.814	17.810.990.814	15.744.970	17.826.735.784	Comprehensive income for the year	
Saldo pada tanggal 31 Desember 2009	102.600.000.000	121.996.749.736	224.596.749.736	306.640.139	224.903.389.875	Balance as of December 31, 2009	
Pembagian dividen kas	21	-	(2.257.200.000)	(4.666.080)	(2.261.866.080)	Distribution of cash dividends	
Laba komprehensif tahun berjalan	-	27.370.783.041	27.370.783.041	26.217.320	27.397.000.361	Comprehensive income for the year	
Saldo pada tanggal 31 Desember 2010	102.600.000.000	147.110.332.777	249.710.332.777	328.191.379	250.038.524.156	Balance as of December 31, 2010	
Pembagian dividen kas	21	-	(3.385.800.000)	(1.641.120)	(3.387.441.120)	Distribution of cash dividends	
Laba komprehensif periode berjalan	-	24.615.317.923	24.615.317.923	22.552.791	24.637.870.714	Comprehensive income for the period	
Saldo pada tanggal 30 Juni 2011	102.600.000.000	168.339.850.700	270.939.850.700	349.103.050	271.288.953.750	Balance as of June 30, 2011	
Saldo pada tanggal 31 Desember 2010	102.600.000.000	147.110.332.777	249.710.332.777	328.191.379	250.038.524.156	Balance as of December 31, 2010	
Pembagian dividen kas dan dividen saham	21	44.391.176.000	(139.501.376.000)	(95.110.200.000)	(116.396.716)	(95.226.596.716)	Distribution of cash and share dividends
Laba komprehensif tahun berjalan	-	129.382.897.212	129.382.897.212	154.268.346	129.537.165.558	Comprehensive income for the year	
Saldo pada tanggal 31 Desember 2011	146.991.176.000	136.991.853.989	283.983.029.989	366.063.009	284.349.092.998	Balance as of December 31, 2011	
Pembagian dividen kas	21	-	(72.025.676.240)	(96.731.540)	(72.122.407.780)	Distribution of cash dividends	
Pelepasan kepentingan non-pengendali investasi entitas anak	-	-	-	(68.282)	(68.282)	Disposal of non-controlling interest share in subsidiary	
Laba komprehensif periode berjalan	-	38.930.386.545	38.930.386.545	45.599.292	38.975.985.837	Comprehensive income for the period	
Saldo pada tanggal 30 Juni 2012	146.991.176.000	103.896.564.294	250.887.740.294	314.862.479	251.202.602.773	Balance as of June 30, 2012	

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
LAPORAN ARUS KAS KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada Tanggal
31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six-Month Period Ended June 30, 2012 and Year
Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

Catatan/ Notes	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
ARUS KAS DARI AKTIVITAS OPERASI						CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	489.080.972.197	460.709.235.125	919.966.771.204	584.193.228.588	460.570.602.379	Cash receipts from customers
Pembayaran kas kepada pemasok dan lainnya	(325.702.836.400)	(402.528.569.749)	(796.517.867.828)	(398.513.690.395)	(291.564.470.808)	Cash payments to suppliers and others
Pembayaran kas untuk beban operasi	(65.103.490.460)	(72.296.364.095)	(155.181.457.115)	(131.885.482.607)	(102.563.705.344)	Cash payments for operating expenses
Pembayaran pajak penghasilan	(15.540.828.358)	(8.458.511.883)	(15.580.980.615)	(10.574.939.937)	(7.020.819.365)	Cash payments for income taxes
Pembayaran bunga	(12.605.563.726)	(6.782.612.960)	(18.525.016.487)	(13.541.759.116)	(14.993.302.411)	Cash payments for interest
Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Operasi	70.128.253.253	(29.356.823.562)	(65.838.550.841)	29.677.356.533	44.428.304.451	Net Cash Provided by (Used in) Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI						CASH FLOWS FROM INVESTING ACTIVITIES
Hasil penjualan aset tetap	11 36.539.290.910	3.670.115.667	92.440.473.110	3.928.043.786	130.676.788	Proceeds from disposal of fixed assets
Hasil penjualan entitas anak	1,31 7.820.000.000	-	-	-	-	Proceeds from sale of subsidiary
Pencairan setara kas yang dibatasi penggunaannya	1.800.000.000	-	-	-	-	Refund of restricted cash equivalents
Perolehan aset tetap	11 (20.536.006.928)	(11.405.603.905)	(54.200.530.053)	(9.785.143.305)	(27.617.283.315)	Acquisitions of fixed assets
Pengembalian uang jaminan Setara kas yang dijadikan sebagai jaminan	5 -	(1.500.000.000)	(1.800.000.000)	-	-	Refund of security deposits
Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Investasi	25.623.283.982	(9.235.488.238)	36.439.943.057	(5.855.099.519)	(27.486.606.527)	Net Cash Provided by (Used in) Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN						CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan (pembayaran) utang bank-neto	(81.522.494.756)	49.710.370.951	216.409.887.632	13.440.000.004	7.072.723.910	Proceeds (repayments) of bank loans-net
Pembayaran dividen kas kepada pemilik modal entitas induk	21 (72.025.676.240)	(3.385.800.000)	(95.110.200.000)	(2.257.200.000)	(1.128.600.000)	Dividends paid to equity holders of the parent entity
Pembayaran utang pembiayaan konsumen	(3.044.765.882)	(2.331.977.583)	(4.028.243.232)	(6.863.704.915)	(2.065.832.548)	Payment of consumer financing payables
Pembayaran dividen kas kepada kepentingan non-pengendali	22 (96.731.540)	(1.641.120)	(116.396.716)	(4.666.080)	(5.908.032)	Dividends paid to non-controlling interests
Pelepasan kepentingan non-pengendali melalui entitas anak	22 (68.282)	-	-	-	-	Disposal of non-controlling interest share in subsidiary
Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	(156.689.736.700)	43.990.952.248	117.155.047.684	4.314.429.009	3.872.383.330	Net Cash Provided by (Used in) Financing Activities
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS	(60.938.199.465)	5.398.640.448	87.756.439.900	28.136.686.023	20.814.081.254	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL PERIODE	97.003.187.790	9.246.747.890	9.246.747.890	(18.889.938.133)	(39.704.019.387)	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD
KAS DAN SETARA KAS PADA AKHIR PERIODE	36.064.988.325	14.645.388.338	97.003.187.790	9.246.747.890	(18.889.938.133)	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD
KAS DAN SETARA KAS AKHIR PERIODE TERDIRI DARI :						CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD CONSISTS OF:
Kas	5 9.591.106.698	4.045.717.696	9.302.749.312	6.592.418.302	5.896.268.868	Cash on hand
Bank	5 27.922.467.036	22.700.281.518	28.084.541.224	13.642.544.816	13.414.063.757	Cash in banks
Setara kas	5 718.815.465	678.916.913	66.097.452.394	658.079.204	2.355.587.224	Cash equivalents
Cerukan	15 (2.167.400.874)	(12.779.527.789)	(6.481.555.140)	(11.646.294.432)	(40.555.857.982)	Bank overdraft
Total	36.064.988.325	14.645.388.338	97.003.187.790	9.246.747.890	(18.889.938.133)	Total

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes form an integral part of these consolidated financial statements.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

1. UMUM

a. Pendirian Perusahaan

PT Wismilak Inti Makmur Tbk (Perusahaan), didirikan pada tanggal 14 Desember 1994, berdasarkan Akta Notaris Bagio Atmadja, S.H., No. 22. Akta pendirian ini telah disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. C2-18.481 HT. 01.01.Th.94 tanggal 19 Desember 1994, dan diumumkan dalam Tambahan No. 339 dari Lembaran Berita Negara No. 4 tanggal 13 Januari 1995.

Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir dengan Akta Notaris Yulia, S.H., No. 24 tanggal 10 September 2012, tentang antara lain perubahan Anggaran Dasar Perusahaan untuk disesuaikan dengan ketentuan Anggaran Dasar Perusahaan Publik dan perubahan nilai nominal saham Perusahaan. Akta perubahan Anggaran Dasar telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-48327.AH.01.02.Tahun 2012 pada tanggal 11 September 2012.

Sesuai dengan Pasal 3 Anggaran Dasar Perusahaan, Perusahaan dapat melaksanakan kegiatan usaha utama dan penunjang. Ruang lingkup kegiatan usaha utama adalah sebagai berikut:

1. Menjalankan dan melaksanakan usaha perindustrian, terutama industri bumbu rokok dan kelengkapan rokok lainnya antara lain pembuatan filter rokok regular/mild.
2. Menjalankan usaha dibidang pemasaran dan penjualan produk-produk bumbu rokok dan kelengkapan rokok lainnya antara lain pembuatan filter rokok regular/mild sesuai dengan peraturan perundang-undangan yang berlaku; dan
3. Melakukan penyertaan pada perusahaan-perusahaan lain yang memiliki kegiatan usaha yang berhubungan dengan kegiatan usaha perusahaan.

Saat ini kegiatan usaha yang dilaksanakan Perusahaan adalah pembuatan filter rokok regular/mild dan melakukan penyertaan pada perusahaan-perusahaan lain yang memiliki kegiatan usaha yang berhubungan dengan kegiatan usaha perusahaan.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

1. GENERAL

a. The Company's Establishment

PT Wismilak Inti Makmur Tbk (the "Company") was established based on Notarial Deed No. 22 of Bagio Atmadja, S.H., dated December 14, 1994. The establishment deed has been approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-18.481 HT.01.01.Th.94 dated December 19, 1994, and was published in Supplement No. 339 of State Gazette No. 4, dated January 13, 1995.

The Company's Articles of Association has been amended for several times, most recently by Notarial Deed No. 24 of Yulia, S.H., dated September 10, 2012, among others, concerning changes in the Company's Articles of Association to comply with the Articles of Association of Public Company and changes of the Company's nominal value per share. The amendment of the Articles of Association was approved by Minister of Laws and Human Rights of Republic of the Indonesia in his Decree No. AHU-48327.AH.01.02.Tahun 2012 dated September 11, 2012.

In accordance with Article 3 of the Company's Articles of Association, the Company is allowed to carry out the following primary and secondary business activities. Scope of the primary business activities are as follows:

1. *Initiating and operating its business' operations, by specializing in cigarette flavoring and manufacture of regular/mild cigarette filters.*
2. *Operating the business by marketing and selling of cigarette flavored products and the manufacture of regular/mild cigarettes filter under the terms as allowed by the legislation in force; and*
3. *Investing in other companies with similar business activities to that of the Company.*

Currently, the Company's business activities are producing of regular/mild cigarette filters and investing in other companies with similar business activities to that of the Company.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

1. UMUM (lanjutan)

a. Pendirian Perusahaan

Perusahaan memulai kegiatan komersilnya pada tahun 1994.

Kantor pusat dan pabrik Perusahaan berlokasi di Surabaya, pada saat ini kantor Perusahaan terletak di Jl. Buntaran 9A, Tandes, Surabaya.

b. Dewan Komisaris, Direksi dan Karyawan

Pada tanggal 30 Juni 2012, susunan Dewan Komisaris dan Direksi Perusahaan berdasarkan Akta Notaris H. Edwin Subarkah, S.H., No. 280, tanggal 29 Juni 2012, adalah sebagai berikut:

Dewan Komisaris

Komisaris Utama	:	Willy Walla	:
Komisaris	:	Indahwati Widjajadi	:

Dewan Direksi

Direktur Utama	:	Ronald Walla	:
Direktur	:	Ir. Krisna Tanimhardja	:
Direktur	:	Ir. Sugito Winarko	:
Direktur	:	Lucas Firman Djajanto	:
Direktur	:	Trisnawati Trisnajuana	:

Berdasarkan Akta Notaris Yulia, S.H. No. 7 tanggal 5 Oktober 2012, pemegang saham Perusahaan setuju untuk mengangkat Edy Sugito sebagai Komisaris Independen Perusahaan dan Hendrikus Johan Sugiarto sebagai Direktur Tidak Terafiliasi Perusahaan (Catatan 29).

Pada tanggal 31 Agustus 2012, Edie Widjaja Rustiono diangkat sebagai kepala unit Audit Internal Perusahaan.

Pada tanggal 31 Desember 2011, 2010 dan 2009, susunan Dewan Komisaris dan Direksi Perusahaan berdasarkan Akta Notaris Nursetiani Budi, S.H., No. 08, tanggal 15 Agustus 2008, adalah sebagai berikut:

Dewan Komisaris

Komisaris Utama	:	Ronald Walla	:
Komisaris	:	Indahwati Widjajadi	:

Direksi

Direktur Utama	:	Willy Walla	:
Direktur	:	Ir. Sugito Winarko	:

1. GENERAL (continued)

a. The Company's Establishment

The Company started its commercial operations in 1994.

The Company's head office and plants are located in Surabaya and its current registered office address is at Jl. Buntaran 9A, Tandes, Surabaya.

b. Boards of Commissioners, Directors and Employees

As of June 30, 2012, the composition of the Company's Boards of Commissioners and Directors based on Notarial Deed No. 280 of H. Edwin Subarkah, S.H. dated June 29, 2012, is as follows:

Board of Commissioners

President Commissioner	:
Commissioner	:

Directors

President Director	:
Director	:
Director	:
Director	:
Director	:

Based on Notarial Deed No. 7 of Yulia, S.H. dated October 5, 2012, the Company's shareholders agree to appoint Edy Sugito as the Company's Independent Commissioner and Hendrikus Johan Sugiarto as the Company's Non-affiliated Director (Note 29).

As of August 31, 2012, Edie Widjaja Rustiono is appointed as the Company's Internal Audit Manager.

As of December 31, 2011, 2010 and 2009, the composition of the Company's Boards of Commissioners and Directors based on Notarial Deed No. 08 dated August 15, 2008 of Nursetiani Budi, S.H., is as follows:

Board of Commissioners

President Commissioner	:
Commissioner	:

Directors

President Director	:
Director	:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

1. UMUM (lanjutan)

b. Dewan Komisaris, Direksi dan Karyawan (lanjutan)

Jumlah kompensasi yang dibayarkan kepada Direksi Perusahaan untuk enam bulan yang berakhir pada tanggal 30 Juni 2012 dan 2011 masing-masing sebesar Rp141.859.200 dan Rp128.093.100, dan untuk tahun yang berakhir pada tanggal 31 Desember 2011, 2010 dan 2009, masing-masing sebesar, Rp302.126.500, Rp272.846.150 dan Rp232.276.400. Tidak ada kompensasi dibayar kepada Dewan Komisaris Perusahaan untuk enam bulan yang berakhir pada tanggal 30 Juni 2012 dan 2011, dan untuk tahun yang berakhir pada tanggal 31 Desember 2011, 2010 dan 2009.

Grup memiliki karyawan tetap sejumlah 2.897, 3.238, 3.059 dan 2.953, masing-masing pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009.

c. Struktur Entitas Anak

Susunan entitas anak Perusahaan adalah sebagai berikut:

1. GENERAL (continued)

b. Boards of Commissioners, Directors and Employees (continued)

Total compensation benefits of the Directors for the six month periods ended June 30, 2012 and 2011 amounted to Rp141,859,200 and Rp128,093,100, respectively, and for the years ended December 31, 2011, 2010 and 2009, amounted to Rp302,126,500, Rp272,846,150 and Rp232,276,400, respectively. No compensation benefits were paid to the Board of Commissioners for the six month periods ended June 30, 2012 and 2011 and for the years ended December 31, 2011, 2010 and 2009.

The Group has 2,897, 3,238, 3,059 and 2,953 permanent employees as of June 30, 2012, December 31, 2011, 2010 and 2009, respectively.

c. The Structure of Subsidiaries

The composition of the Company's Subsidiaries are as follows:

Entitas Anak/ Subsidiaries	Domisili/ Domicile	Kegiatan Usaha Utama/ Main Business Activity	Tahun Operasi Komersial/ Years of Commercial Operation	Persentase Kepemilikan/Percentage of Ownership		
				30 Juni/ June 30, 2012	31 Desember/December 31,	
					2011	2010
PT Gelora Djaja (GD)	Surabaya	Industri Rokok/Cigarette Industry	1962	99,86	99,86	99,86
PT Gawih Jaya (GJ)	Surabaya	Pemasaran dan Distribusi/ Marketing and Distribution	1983	99,89	99,89	99,89
PT Putri Gelora Jaya (PGJ)** <i>Melalui/Through PT Gelora Djaja</i>	Surabaya	Industri Percetakan/Printing Industry	1981	-	99,99	99,98
PT Galan Gelora Djaja (GGD)*	Surabaya	Industri Rokok/Cigarette Industry	1994	99,74	99,74	99,74

*) Sejak tahun 2007, GGD menghentikan kegiatan operasinya/Since 2007, GGD ceased its operations.

**) Pada tanggal 6 Juni 2012, Perusahaan telah melepaskan seluruh kepemilikannya di PT Putri Gelora Jaya/On June 6, 2012, the Company has sold its investment in PT Putri Gelora Jaya.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

1. UMUM (lanjutan)

c. Struktur Entitas Anak (lanjutan)

Entitas Anak/ Subsidiaries	Domisili/ Domicile	Kegiatan Usaha Utama/ Main Business Activity	Tahun Operasi Komersial/ Years of Commercial Operation	Total Aset Sebelum Jurnal Eliminasi/ Total Assets Before Elimination Entries			
				30 Juni/ June 30, 2012	31 Desember/December 31, 2011 2010 2009		
PT Gelora Djaja (GD)	Surabaya	Industri Rokok/Cigarette Industry	1962	551.899.378.717	636.869.068.485	405.494.108.369	377.247.488.133
PT Gawih Jaya (GJ)	Surabaya	Pemasaran dan Distribusi/ Marketing and Distribution	1983	127.921.157.990	130.627.465.154	86.668.205.479	60.969.332.144
PT Putri Gelora Jaya (PGJ)** <i>Melalui/Through PT Gelora Djaja</i>	Surabaya	Industri Percetakan/Printing Industry	1981	-	9.124.741.360	11.851.236.652	11.717.293.368
PT Galan Gelora Djaja (GGD)*	Surabaya	Industri Rokok/Cigarette Industry	1994	6.620.023.009	6.741.128.944	6.986.693.767	7.219.139.800

*) Sejak tahun 2007, GGD menghentikan kegiatan operasinya/Since 2007, GGD ceased its operations.

**) Pada tanggal 6 Juni 2012, Perusahaan telah melepaskan seluruh kepemilikannya di PT Putri Gelora Jaya/On June 6, 2012, the Company has sold its investment in PT Putri Gelora Jaya.

PT Gelora Djaja (GD)

Perusahaan memiliki secara langsung 99,86% saham PT Gelora Djaja yang didirikan berdasarkan Akta Notaris The Sik Kie, S.H. No. 46, tanggal 26 Desember 1962 dan bergerak di bidang perindustrian dan perdagangan rokok. Akta pendirian ini telah disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. J.A.5/152/15, tanggal 30 November 1963, dan diumumkan dalam Tambahan No. 553 dari Lembaran Berita Negara No. 104 tanggal 29 Desember 1964.

PT Gawih Jaya (GJ)

Perusahaan memiliki secara langsung 99,89% saham PT Gawih Jaya yang didirikan berdasarkan Akta Notaris Sastra Kosasih, S.H. No. 16 tanggal 15 April 1983 dan telah disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. C2-6043-HT01.01-TH83, tanggal 5 September 1983, dan diumumkan dalam Tambahan No. 1475 dari Lembaran Berita Negara No. 95 tanggal 28 November 1986.

PT Gawih Jaya bergerak di bidang pemasaran dan distribusi rokok.

PT Gelora Djaja (GD)

The Company directly owns 99.86% of shares of PT Gelora Djaja which was established based on Notarial Deed No. 46 of The Sik Kie, S.H., dated December 26, 1962 and is engaged in manufacturing and trading of cigarettes. The establishment deed was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. J.A.5/152/15 dated November 30, 1963, and was published in Supplement No. 553 of State Gazette No. 104, dated December 29, 1964.

PT Gawih Jaya (GJ)

The Company directly owns 99.89% of shares of PT Gawih Jaya which was established based on Notarial Deed No. 16 of Sastra Kosasih, S.H., dated April 15, 1983 and was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-6043-HT01.01-TH83 dated September 5, 1983, and was published in Supplement No. 1475 of State Gazette No. 95 dated November 28, 1986.

PT Gawih Jaya is engaged in the marketing and distribution of cigarettes.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

1. UMUM (lanjutan)

c. Struktur Entitas Anak (lanjutan)

PT Putri Gelora Jaya (PGJ)

PT Putri Gelora Jaya didirikan berdasarkan Akta Notaris Ir. Sastra Kosasih, S.H. No. 36, tanggal 27 November 1979 dan telah disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. YA5/306/21 tanggal 5 Juni 1981.

PT Putri Gelora Jaya bergerak dalam bidang industri percetakan serta perdagangan barang-barang cetakan.

Berdasarkan Akta Notaris H. Edwin Subarkah, S.H., No. 95, tanggal 6 Juni 2012, Perusahaan menjual kepemilikan 99,99% atau 7.820.000 saham PT Putri Gelora Jaya kepada PT Bumi Inti Makmur, pihak berelasi, sebesar Rp7.820.000.000. Selisih antara harga pelepasan dengan nilai buku investasi PGJ sebesar Rp7.464.865.843 dicatat sebagai laba pelepasan penyertaan investasi dalam entitas anak dalam laporan laba rugi komprehensif konsolidasian.

PT Galan Gelora Djaja (GGD)

Perusahaan memiliki secara tidak langsung 99,74% saham PT Galan Gelora Djaja. GGD didirikan berdasarkan Akta Notaris Ir. Bagio Atmadja, S.H. No. 1 tanggal 3 Desember 1993, bergerak dalam bidang manufaktur, impor dan ekspor, penjualan umum, jasa, pertanian dan agribisnis, perusahaan forwarding, dan perdagangan umum dari rokok untuk masyarakat umum. GGD menghentikan operasinya pada tahun 2007 tetapi Perusahaan tidak memiliki niat untuk menutup GGD dikarenakan mereka diharapkan untuk kembali beroperasi pada saat GD memperluas usahanya.

d. Penyelesaian laporan keuangan konsolidasian

Manajemen Grup bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian yang telah diselesaikan dan disetujui untuk diterbitkan pada tanggal 2 November 2012.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

1. GENERAL (continued)

c. The Structure of Subsidiaries (continued)

PT Putri Gelora Jaya (PGJ)

PT Putri Gelora Jaya was established based on Notarial Deed No. 36 of Ir. Sastra Kosasih, S.H., dated November 27, 1979 and was approved by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. YA5/306/21 dated June 5, 1981.

PT Putri Gelora Jaya is engaged in the printing industry and trading of printed products.

Based on Notarial Deed No. 95 of H. Edwin Subarkah, S.H., dated June 6, 2012, the Company sold its 99.99% or 7,820,000 shares of PT Putri Gelora Jaya to PT Bumi Inti Makmur, a related party, for a total consideration of Rp7,820,000,000. The difference between the selling price and the carrying value of investment in PGJ amounting to Rp7,464,865,843, is recorded as gain on disposal of investment in shares of subsidiary in the consolidated statements of comprehensive income.

PT Galan Gelora Djaja (GGD)

The Company indirectly owns 99.74% of shares of PT Galan Gelora Djaja. GGD was established based on Notarial Deed No. 1 of Ir. Bagio Atmadja, S.H. dated December 3, 1993, is engaged in manufacturing, importing and exporting, general selling, servicing, agriculture and agribusiness, forwarding company, and general trading of cigarettes to the public. GGD ceased its operations in 2007 but the Company has no intention to close GGD as they are expecting to resume the operations when GD expands its business.

d. Completion of the consolidated financial statements

The management of the Group is responsible for the preparation and presentation of these consolidated financial statements that were completed and authorized for issue on November 2, 2012.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011**

**(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING**

Berikut ini adalah kebijakan akuntansi yang signifikan yang diterapkan dalam penyusunan laporan keuangan konsolidasian PT Wismilak Inti Makmur Tbk dan Entitas Anak ("Grup").

**a. Dasar Penyusunan Laporan Keuangan
Konsolidasian**

Laporan keuangan konsolidasian telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia ("SAK"), yang mencakup Pernyataan dan Interpretasi yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia (DSAK) serta Peraturan Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) No. VIII.G.7 tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atas Perusahaan Publik.

Laporan keuangan konsolidasian untuk enam bulan yang berakhir pada tanggal 30 Juni 2012 disusun sesuai dengan PSAK No. 3 (Revisi 2010), "Laporan Keuangan Interim" dan PSAK No. 1 (Revisi 2009), "Penyajian Laporan Keuangan".

Laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian, disusun berdasarkan konsep akrual, dengan menggunakan konsep biaya historis, kecuali untuk akun tertentu yang diukur dengan menggunakan dasar seperti yang disebutkan dalam catatan yang relevan.

Laporan arus kas konsolidasian, menyajikan penerimaan dan pengeluaran kas yang diklasifikasikan ke dalam aktivitas operasi, investasi dan pendanaan dengan menggunakan metode langsung.

Mata uang pelaporan yang digunakan pada laporan keuangan konsolidasian adalah Rupiah yang juga merupakan mata uang fungsional Perusahaan.

Grup memilih menyajikan laporan laba rugi komprehensif konsolidasian dalam satu laporan dan menyajikan tambahan pengungkapan sumber estimasi ketidakpastian pada Catatan 3 serta pengelolaan permodalan pada Catatan 26.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011**

**(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES**

Presented below are the significant accounting policies adopted in preparing the consolidated financial statements of PT Wismilak Inti Makmur Tbk and Subsidiaries (the "Group").

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

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements and Interpretations issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants (DSAK) and the Regulation No. VIII.G.7 regarding Presentation and Disclosures of the Financial Statements of Public Company.

The consolidated financial statements for the the six month period ended June 30, 2012 have been prepared in accordance with PSAK No. 3 (Revised 2010), "Interim Financial Reporting" and PSAK No. 1 (Revised 2009), "Presentation of Financial Statements."

The consolidated financial statements, except for the consolidated statements of cash flows, have been prepared using the accrual basis, using the historical cost concept, except for certain accounts which are measured on the bases as described in the relevant notes herein.

The consolidated statements of cash flows present cash receipts and payments classified into operating, investing and financing activities using the direct method.

The reporting currency used in the preparation of these consolidated financial statements is Indonesian Rupiah which is also the Company's functional currency.

The Group elected to present one single consolidated statement of comprehensive income and disclosed source of estimation uncertainty in Note 3 and capital management in Note 26.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

**a. Dasar Penyusunan Laporan Keuangan
Konsolidasian (lanjutan)**

Kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian konsisten dengan kebijakan akuntansi yang diterapkan dalam penyusunan laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2011, kecuali bagi penerapan beberapa SAK yang telah direvisi dan berlaku efektif sejak tanggal 1 Januari 2012 seperti yang diungkapkan pada Catatan ini.

b. Prinsip-prinsip Konsolidasi

Efektif tanggal 1 Januari 2011, Grup menerapkan secara retrospektif PSAK No. 4 (Revisi 2009), "Laporan Keuangan Konsolidasian dan Laporan Keuangan Tersendiri", kecuali beberapa hal berikut yang diterapkan secara prospektif: (i) rugi entitas anak yang menyebabkan saldo defisit bagi kepentingan non-pengendali ("KNP"); (ii) kehilangan pengendalian pada entitas anak; (iii) perubahan kepemilikan pada entitas anak yang tidak mengakibatkan hilangnya pengendalian; (iv) hak suara potensial dalam menilai keberadaan pengendalian; dan (v) konsolidasi atas entitas anak yang memiliki pembatasan jangka panjang.

PSAK No. 4 (Revisi 2009) mengatur penyusunan dan penyajian laporan keuangan konsolidasian untuk sekelompok entitas yang berada dalam pengendalian suatu entitas induk dan akuntansi untuk investasi pada entitas anak, pengendalian bersama entitas dan entitas asosiasi ketika laporan keuangan tersendiri disajikan sebagai informasi tambahan.

Penerapan PSAK No. 4 (Revisi 2009) tidak memberikan pengaruh yang signifikan terhadap pengukuran pelaporan keuangan kecuali bagi pengungkapan terkait pada laporan keuangan konsolidasian.

Laporan keuangan konsolidasian meliputi laporan keuangan Perusahaan dan Entitas Anak, seperti yang disebutkan pada Catatan 1c, yang dimiliki oleh Perusahaan (secara langsung atau tidak langsung) dengan kepemilikan saham lebih dari 50%.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**a. Basis of Preparation of Consolidated
Financial Statements (continued)**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those made in the preparation of the consolidated financial statements for the year ended December 31, 2011, except for the adoption of several amended SAKs which were effective starting on January 1, 2012 as disclosed in this Note.

b. Principles of Consolidation

Effective January 1, 2011, the Group retrospectively adopted PSAK No. 4 (Revised 2009), "Consolidated and Separate Financial Statements", except for the following items which were applied prospectively: (i) losses of a subsidiary that result in a deficit balance to non-controlling interests ("NCI"); (ii) loss of control over a subsidiary; (iii) changes in the ownership interest in a subsidiary that do not result in the loss of control; (iv) potential voting rights in measuring the existence of control; and (v) consolidation of subsidiaries that are subject to long-term restrictions.

PSAK No. 4 (Revised 2009) provides for the preparation and presentation of consolidated financial statements for a group of entities under the control of a parent and in accounting for investments in subsidiaries, jointly controlled entities and associated entities when separate financial statements are presented as additional information.

The adoption of PSAK No. 4 (Revised 2009) has no significant impact on the financial reporting measurement except for the related disclosures in the consolidated financial statements.

The consolidated financial statements include the accounts of the Company and Subsidiaries, mentioned in Note 1c, in which the Company maintains (directly or indirectly) equity ownership of more than 50%.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

b. Prinsip-prinsip Konsolidasi (lanjutan)

Sejak Tanggal 1 Januari 2011

Seluruh transaksi dan saldo akun antar entitas yang signifikan (termasuk laba atau rugi yang belum direalisasi) telah dieliminasi.

Entitas Anak dikonsolidasi secara penuh sejak tanggal akuisisi, yaitu tanggal Perusahaan memperoleh pengendalian, sampai dengan tanggal entitas induk kehilangan pengendalian. Pengendalian dianggap ada ketika Perusahaan memiliki secara langsung atau tidak langsung melalui Entitas Anak, lebih dari setengah suara dalam rapat umum pemegang saham entitas.

Rugi entitas anak diatribusikan pada KNP, bahkan jika hal ini mengakibatkan KNP mempunyai saldo defisit.

Jika kehilangan pengendalian atas suatu entitas anak, maka Perusahaan:

- i. menghentikan pengakuan aset (termasuk *goodwill*) dan liabilitas entitas anak;
- ii. menghentikan pengakuan jumlah tercatat setiap KNP;
- iii. menghentikan pengakuan akumulasi selisih penjabaran, yang dicatat di ekuitas, jika ada;
- iv. mengakui nilai wajar pembayaran yang diterima;
- v. mengakui setiap sisa investasi pada nilai wajarnya;
- vi. mengakui setiap perbedaan yang dihasilkan sebagai keuntungan atau kerugian dalam laporan laba rugi; dan
- vii. mereklasifikasi bagian induk atas komponen yang sebelumnya diakui sebagai pendapatan komprehensif ke laporan laba rugi komprehensif konsolidasian, atau mengalihkan secara langsung ke saldo laba.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of Consolidation (continued)

From January 1, 2011

All significant intercompany transactions and account balances (including the related significant unrealized gains or losses) have been eliminated.

Subsidiaries are fully consolidated from the date of acquisitions, being the date on which the Company obtained control, and continue to be consolidated until the date such control ceases. Control is presumed to exist if the Company owns directly or indirectly through Subsidiaries, more than a half of the voting power in the shareholders' meeting of an entity.

Losses of a subsidiary are attributed to NCI, even if that results in a deficit balance.

If it loses control over a subsidiary, the Company:

- i. derecognizes the assets (including *goodwill*) and liabilities of the subsidiary;
- ii. derecognizes the carrying amount of any NCI;
- iii. derecognizes the cumulative translation differences, recorded in equity, if any;
- iv. recognizes the fair value of the consideration received;
- v. recognizes the fair value of any investment retained;
- vi. recognizes any surplus or deficit in profit or loss; and
- vii. reclassifies the parent's share of components previously recognized in other comprehensive income to consolidated statement of comprehensive income or retained earnings, as appropriate.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

b. Prinsip-prinsip Konsolidasi (lanjutan)

KNP mencerminkan bagian atas laba atau rugi dan aset neto dari entitas anak yang dapat diatribusikan secara langsung maupun tidak langsung oleh Perusahaan, yang masing-masing disajikan dalam laporan laba rugi komprehensif konsolidasian dan dalam ekuitas pada laporan posisi keuangan konsolidasian, terpisah dari bagian yang dapat diatribusikan kepada pemilik entitas induk.

Penerapan PSAK No. 4 (Revisi 2009) ini mengubah pencatatan penyertaan investasi saham pada entitas anak dalam laporan keuangan induk tersendiri, yang disajikan sebagai lampiran dari laporan keuangan konsolidasian ini, dari metode ekuitas menjadi metode biaya.

Sebelum tanggal 1 Januari 2011, kerugian yang menjadi bagian dari KNP pada entitas anak tertentu yang sudah melebihi bagiannya dalam modal disetor entitas anak tersebut dibebankan sementara kepada pemegang saham pengendali, kecuali terdapat kewajiban yang mengikat KNP untuk menutupi kerugian tersebut. Laba entitas anak tersebut pada periode berikutnya terlebih dahulu akan dialokasikan kepada pemegang saham pengendali sampai seluruh bagian kerugian KNP yang dibebankan kepada pemegang saham pengendali dapat ditutup.

c. Kas dan Setara Kas

Kas dan setara kas terdiri dari kas, bank dan setara kas yang meliputi deposito berjangka dengan jangka waktu tiga bulan atau kurang dan tidak digunakan sebagai jaminan atau dibatasi penggunaannya dan dapat segera dijadikan kas tanpa terjadi perubahan nilai yang signifikan.

Untuk tujuan laporan arus kas, kas dan setara kas termasuk erukan yang jatuh tempo berdasarkan permintaan yang merupakan bagian integral dari manajemen kas entitas.

d. Setara Kas yang Dibatasi Penggunaannya

Deposito berjangka dengan jangka waktu 6 bulan yang dijamin sebagai jaminan pembayaran kepada PT Japan Tobacco International Indonesia (Catatan 30) disajikan sebagai "Setara Kas yang Dibatasi Penggunaannya".

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

b. Principles of Consolidation (continued)

NCI represents a portion of the profit or loss and net assets of the subsidiaries attributable to equity interests that are not owned directly or indirectly by the Company, which are presented in the consolidated statement of comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent entity.

The adoption of PSAK No. 4 (Revised 2009) changed the value of investment in shares of subsidiaries in the individual financial statements of parent entity only, as attachment of these consolidated financial statements, from equity method to become cost method.

Prior to January 1, 2011, losses attributable to the NCI in certain subsidiaries that have exceeded the former's portion in the equity of the said subsidiaries are temporarily charged against the controlling shareholder unless the NCI had a binding obligation to cover these losses. Subsequent profits of the said subsidiaries shall be allocated to the controlling shareholder until the NCI's share of losses previously absorbed by the controlling shareholder has been recovered.

c. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks, and cash equivalents which are time deposits with maturities within three months or less which are not pledged as collateral or restricted in use and readily convertible to cash without significant changes in value.

For statement of cash flows purposes, cash and cash equivalents includes bank overdrafts which are repayables on demand form an integral part of an entity's cash management.

d. Restricted Cash Equivalents

Time deposits with maturities within 6 months which are pledged as guarantee payments to PT Japan Tobacco International Indonesia (Note 30) are presented as "Restricted Cash Equivalents".

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

e. Penyisihan Kerugian Penurunan Nilai Piutang

Sebelum tanggal 1 Januari 2010, penyisihan kerugian penurunan nilai piutang ditetapkan berdasarkan hasil penelaahan terhadap kemungkinan tertagihnya masing-masing piutang pada akhir periode.

Efektif tanggal 1 Januari 2010, Grup melakukan penyisihan kerugian penurunan nilai piutang sesuai dengan PSAK No. 55 (Revisi 2006).

Efektif tanggal 1 Januari 2012, Grup menerapkan PSAK No. 55 (Revisi 2011) untuk kerugian penurunan nilai piutang.

f. Persediaan

Persediaan dinyatakan sebesar nilai terendah antara biaya perolehan dengan nilai realisasi neto.

Biaya perolehan persediaan ditentukan dengan metode rata-rata tertimbang, kecuali untuk barang jadi menggunakan metode masuk pertama keluar pertama dan untuk persediaan pita cukai yang biayanya ditentukan dengan metode identifikasi khusus. Biaya perolehan persediaan yang terdiri dari semua biaya pembelian, biaya konversi dan biaya lainnya yang terjadi pada saat membawa persediaan ke lokasi dan kondisi yang sekarang. Penyisihan untuk persediaan usang dan/atau penurunan nilai persediaan ditetapkan untuk menurunkan nilai tercatat persediaan ke nilai realisasi neto.

Nilai realisasi neto adalah taksiran harga jual dalam kegiatan usaha normal, dikurangi dengan estimasi biaya penyelesaian dan estimasi biaya yang diperlukan untuk melakukan penjualan.

g. Beban Dibayar Dimuka

Beban dibayar dimuka dibebankan selama masa manfaatnya.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Allowance for Impairment Losses on Receivables

Prior to January 1, 2010, allowance for impairment losses on receivables is provided based on a review of the collectibility of the individual outstanding amounts at the end of the period.

Effective January 1, 2010, the Group provides allowance for impairment losses on receivables in accordance with PSAK No. 55 (Revised 2006).

Effective January 1, 2012, the Group applied PSAK No. 55 (Revised 2011) for impairment losses on receivables.

f. Inventories

Inventories are stated at the lower of cost or net realizable value.

Cost of inventories is determined using weighted average method, except for finished goods which is using the first-in first-out method and excise duty ribbon inventory for which cost is determined by specific identification method. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Allowance for inventory obsolescence and/or decline in the value of inventories is provided to reduce the carrying value of inventories to their net realizable value.

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

g. Prepaid Expenses

Prepaid expenses are charged to operations over the periods benefited.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

h. Transaksi dengan Pihak-pihak Berelasi

Efektif tanggal 1 Januari 2011, Grup menerapkan PSAK No. 7 (Revisi 2010), "Pengungkapan Pihak-pihak Berelasi". PSAK revisi ini mensyaratkan pengungkapan hubungan, transaksi dan saldo pihak-pihak berelasi, termasuk komitmen, dalam laporan keuangan konsolidasian, dan juga diterapkan terhadap laporan keuangan secara individual. Penerapan PSAK yang direvisi tersebut tidak memberikan pengaruh yang signifikan terhadap pengungkapan terkait dalam laporan keuangan konsolidasian.

Suatu pihak dianggap berelasi dengan Grup jika:

- i. langsung, atau tidak langsung yang melalui satu atau lebih perantara, suatu pihak (1) mengendalikan, atau dikendalikan oleh, atau berada di bawah pengendalian bersama, dengan Grup; (2) memiliki kepentingan dalam Grup yang memberikan pengaruh signifikan atas Grup; atau (3) memiliki pengendalian bersama atas Grup;
- ii. suatu pihak adalah entitas asosiasi Grup;
- iii. suatu pihak adalah ventura bersama di mana Grup sebagai venturer;
- iv. suatu pihak adalah anggota dari personil manajemen kunci Grup atau induk;
- v. suatu pihak adalah anggota keluarga dekat dari individu yang diuraikan dalam butir (i) atau (iv);
- vi. suatu pihak adalah entitas yang dikendalikan, dikendalikan bersama atau dipengaruhi signifikan oleh atau di mana hak suara signifikan dimiliki oleh, langsung maupun tidak langsung, individu seperti diuraikan dalam butir (iv) atau (v); atau
- vii. suatu pihak adalah suatu program imbalan pasca kerja untuk imbalan kerja dari Grup atau entitas yang terkait dengan Grup.

Transaksi dilakukan berdasarkan persyaratan yang disetujui kedua belah pihak, dimana persyaratan tersebut mungkin tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak berelasi.

Seluruh transaksi dan saldo yang signifikan dengan pihak-pihak berelasi diungkapkan dalam catatan atas laporan keuangan konsolidasian.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

h. Transactions with Related Parties

Effective January 1, 2011, the Group applied PSAK No. 7 (Revised 2010), "Related Party Disclosures". PSAK No. 7 (Revised 2010) requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated financial statements, and also applies to individual financial statements. The adoption of the said revised PSAK did not have a significant impact on the related disclosures in the consolidated financial statements.

A party is considered to be related to the Group if:

- i. directly, or indirectly through one or more intermediaries, the party (1) controls, is controlled by, or is under common control with, the Group; (2) has an interest in the Group that gives it significant influence over the Group; or, (3) has joint control over the Group;
- ii. the party is an associate of the Group;
- iii. the party has a joint venture in which the Group is a venturer;
- iv. the party is a member of the key management personnel of the Group or its parent;
- v. the party is a close member of the family of any individual referred to in (i) or (iv);
- vi. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or,
- vii. the party has a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those transactions with unrelated parties.

All significant transactions and balances with related parties are disclosed in the notes to the consolidated financial statements.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

i. Sewa

Berdasarkan PSAK No. 30 (Revisi 2011), "Sewa," penentuan apakah suatu perjanjian merupakan perjanjian sewa atau perjanjian yang mengandung sewa didasarkan atas substansi perjanjian pada tanggal awal sewa dan apakah pemenuhan perjanjian tergantung pada penggunaan suatu aset dan perjanjian tersebut memberikan suatu hak untuk menggunakan aset tersebut. Menurut PSAK No. 30 (Revisi 2011) ini, sewa yang mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset, diklasifikasikan sebagai sewa pembiayaan. Selanjutnya, suatu sewa diklasifikasikan sebagai sewa operasi, jika sewa tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset.

Grup sebagai *lessee*

- i. Berdasarkan PSAK No. 30 (Revisi 2011), dalam sewa pembiayaan, Grup sebagai *lessee* mengakui aset dan liabilitas dalam laporan posisi keuangan konsolidasian pada awal masa sewa, sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar. Pembayaran sewa minimum dipisahkan antara bagian yang merupakan biaya keuangan dan bagian yang merupakan pelunasan liabilitas sewa. Biaya keuangan dialokasikan pada setiap periode selama masa sewa, sehingga menghasilkan tingkat suku bunga periodik yang konstan atas saldo liabilitas. Rental kontinjen dibebankan pada periode terjadinya. Biaya keuangan dicatat dalam laporan laba rugi komprehensif konsolidasian.
- ii. Aset sewaan (disajikan sebagai bagian "Aset Tetap") disusutkan selama jangka waktu yang lebih pendek antara umur manfaat aset sewaan dan periode masa sewa, jika tidak ada kepastian yang memadai bahwa Grup akan mendapatkan hak kepemilikan pada akhir masa sewa.
- iii. Dalam sewa operasi, Grup mengakui pembayaran sewa sebagai beban dengan metode garis lurus (*straight-line method*) selama masa sewa.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

i. Leases

Based on PSAK No. 30 (Revised 2011), "Leases," the determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. Under PSAK No. 30 (Revised 2011), leases that transfer substantially to the lessee all the risks and rewards incidental to ownership of the leased item are classified as financial leases. Moreover, leases which do not transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases.

The Group as *lessee*

- i. Based on PSAK No. 30 (Revised 2011), under a finance lease, the Group, as *lessee*, recognizes assets and liabilities in the consolidated statements of financial position at amounts equal to the fair value of the leased fixed asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payment is separated between finance charge and the portion of principal payment. The finance charge is allocated to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. Finance charges are reflected in the consolidated statements of comprehensive income.
- ii. Capitalized leased asset (presented as a part of the "Fixed Assets" account) is depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.
- iii. Under an operating lease, the Group recognizes lease payments as an expense on a straight-line basis over the lease term.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

j. Aset Tetap

Efektif tanggal 1 Januari 2012, Grup menerapkan PSAK No. 16 (Revisi 2011), "Aset Tetap". Revisi PSAK No. 16 ini mengatur akuntansi tanah dan mencabut PSAK No. 47, "Akuntansi Tanah". Penerapan SAK revisi ini tidak berdampak terhadap laporan keuangan konsolidasian.

Tanah dinyatakan sebesar harga perolehan dan tidak diamortisasi karena manajemen berpendapat bahwa besar kemungkinan hak atas tanah tersebut dapat diperbaharui/diperpanjang pada saat jatuh tempo.

Efektif 1 Januari 2012, Grup menerapkan ISAK No. 25, "Hak atas Tanah". ISAK No. 25 menetapkan bahwa biaya pengurusan legal hak atas tanah dalam bentuk Hak Guna Bangunan ("HGB") yang dikeluarkan ketika tanah diperoleh pertama kali diakui sebagai bagian dari biaya perolehan tanah pada akun "Aset Tetap" dan tidak diamortisasi. Biaya pengurusan perpanjangan atau pembaruan legal hak atas tanah diakui sebagai aset tak berwujud dan diamortisasi sepanjang umur hukum hak atau umur ekonomis tanah, mana yang lebih pendek. Penerapan PSAK revisi ini tidak berdampak pada laporan keuangan konsolidasian Grup.

Grup memilih model biaya sebagai kebijakan akuntansi pengukuran aset tetap.

Aset tetap, kecuali tanah, dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai, jika ada. Biaya perolehan termasuk biaya penggantian bagian aset tetap saat biaya tersebut terjadi, jika memenuhi kriteria pengakuan. Selanjutnya, pada saat inspeksi yang signifikan dilakukan, biaya inspeksi itu diakui ke dalam nilai tercatat ("*carrying amount*") aset tetap sebagai suatu penggantian jika memenuhi kriteria pengakuan. Semua biaya pemeliharaan dan perbaikan yang tidak memenuhi kriteria pengakuan diakui dalam laporan laba rugi komprehensif keuangan konsolidasian pada saat terjadinya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Fixed Assets

Effective on January 1, 2012, the Group adopted PSAK No. 16 (Revised 2011), "Fixed Assets". The revised PSAK No. 16 prescribes accounting for land and therefore, revoked PSAK No. 47, "Accounting the Land". The adoption of the revised SAK has no impact on the consolidated financial statements.

Land are stated at cost and not amortized as the management is of the opinion that it is highly probable the titles of land rights can be renewed/extended upon expiration.

Effective on January 1, 2012, the Group adopted ISAK No. 25, "Land Rights". ISAK No. 25 prescribes that the legal cost of land rights in the form of Building Usage Rights ("HGB") incurred when the land was acquired initially are recognized as part of the cost of the land under "Fixed Assets" account and not amortized. The legal cost incurred to extend or renew the land rights are recorded as intangible assets and amortized over the shorter of the rights' legal life or land's economic life. The adoption of the revised PSAK has no impact on the Group's consolidated financial statements.

The Group chooses the cost model as a measurement of its fixed assets accounting policy.

Fixed assets, except for land, are stated at cost less accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in consolidated statements of comprehensive income as incurred.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

j. Aset Tetap (lanjutan)

Penyusutan dihitung dengan menggunakan estimasi masa manfaat atas aset adalah sebagai berikut:

Bangunan	20 tahun/years
Mesin	4 - 8 tahun/years
Peralatan kantor	4 - 8 tahun/years
Kendaraan	4 - 8 tahun/years

Penyusutan bangunan dihitung dengan menggunakan metode garis lurus.

Efektif tanggal 1 Januari 2011, Grup melakukan perubahan metode penyusutan aset tetap (kecuali bangunan) dari semula metode saldo menurun menjadi metode garis lurus (*straight-line method*) untuk lebih mencerminkan ekspektasi pola konsumsi manfaat ekonomis masa depan dari aset tersebut.

Aset dalam penyelesaian dinyatakan sebesar biaya perolehan dan disajikan sebagai bagian dari "Aset Tetap" dalam laporan posisi keuangan konsolidasian. Akumulasi biaya perolehan untuk aset dalam penyelesaian akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat aset tersebut selesai dikerjakan dan siap digunakan sesuai dengan tujuannya.

Jumlah tercatat aset tetap dihentikan pengakuannya pada saat dilepaskan atau saat tidak ada manfaat ekonomis masa depan yang diharapkan dari penggunaan atau pelepasannya. Laba atau rugi yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan antara jumlah neto hasil pelepasan dan jumlah tercatat dari aset) dimasukkan dalam laporan laba rugi komprehensif konsolidasian pada periode aset tersebut dihentikan pengakuannya.

Pada setiap akhir periode buku, manajemen mereviu nilai residu, masa manfaat dan metode penyusutan aset tetap.

k. Penurunan Nilai Aset Non-Keuangan

Efektif tanggal 1 Januari 2011, Grup menerapkan secara prospektif PSAK No. 48 (Revisi 2009), "Penurunan Nilai Aset", termasuk *goodwill* dan aset yang berasal dari kombinasi bisnis sebelum tanggal 1 Januari 2011. PSAK No. 48 (Revisi 2009) menggantikan PSAK No. 48 (Revisi 1998), "Penurunan Nilai Aktiva".

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

j. Fixed Assets (continued)

Depreciation is computed using the estimated useful lives of the assets, as follows:

<i>Building</i>
<i>Machinery</i>
<i>Office equipment</i>
<i>Vehicles</i>

Depreciation of buldings in computed using straight-line method.

Effective January 1, 2011, the Group changed its depreciation method of fixed assets (except building) from diminishing balance method to straight-line method to reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity.

Construction in progress is stated at cost and presented as part of "Fixed Assets" in the consolidated statements of financial position. The accumulated costs will be reclassified to the appropriate fixed asset accounts when the construction is substantially completed and the constructed asset is ready for its intended use.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of comprehensive income in the period the asset is derecognized.

The residual values, useful lives and methods of depreciation of fixed assets are reviewed at each financial period end.

k. Impairment of Non-Financial Assets

Effective January 1, 2011, the Group prospectively adopted PSAK No. 48 (Revised 2009), "Impairment of Assets", including goodwill and assets acquired from business combinations before January 1, 2011. PSAK No. 48 (Revised 2009) superseded PSAK No. 48 (Revised 1998), "Impairment of Assets".

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

**k. Penurunan Nilai Aset Non-Keuangan
(lanjutan)**

PSAK No. 48 (Revisi 2009) menetapkan prosedur-prosedur yang diterapkan entitas agar aset dicatat tidak melebihi jumlah terpulihkannya. Suatu aset dicatat melebihi jumlah terpulihkannya jika jumlah tersebut melebihi jumlah yang akan dipulihkan melalui penggunaan atau penjualan aset. Pada kasus demikian, aset mengalami penurunan nilai dan PSAK No. 48 (Revisi 2009) mensyaratkan entitas mengakui rugi penurunan nilai. PSAK No. 48 (Revisi 2009) juga menentukan kapan entitas membalik suatu rugi penurunan nilai dan pengungkapan yang diperlukan.

Pada setiap akhir periode pelaporan, Grup menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut atau pada saat pengujian penurunan nilai aset (seperti aset tak berwujud dengan umur manfaat tidak terbatas, aset tak berwujud yang belum dapat digunakan, atau *goodwill* yang diperoleh dalam suatu kombinasi bisnis) diperlukan, maka Grup membuat estimasi formal jumlah terpulihkan aset tersebut.

l. Imbalan Kerja

Grup mengakui liabilitas imbalan pasca kerja sesuai dengan PSAK No. 24 (Revisi 2010), "Imbalan Kerja". Pernyataan ini mengharuskan Perusahaan mengakui seluruh imbalan kerja yang diberikan melalui program atau perjanjian formal dan informal, peraturan perundang-undangan atau peraturan industri, yang mencakup imbalan pasca-kerja, imbalan kerja jangka pendek dan jangka panjang lainnya, pesangon pemutusan hubungan kerja dan imbalan berbasis ekuitas.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

**k. Impairment of Non-Financial Assets
(continued)**

PSAK No. 48 (Revised 2009) prescribes the procedures to be employed by an entity to ensure that its assets are carried at no more than their recoverable amounts. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and PSAK No. 48 (Revised 2009) requires the entity to recognize an impairment loss. PSAK No. 48 (Revised 2009) also specifies when an entity should reverse an impairment loss and prescribes disclosures.

The Group assesses at each annual reporting period-end whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e., an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

l. Employee Benefits

The Group recognizes employee benefits liability in accordance with PSAK No. 24 (Revised 2010), "Employee Benefits". This statement requires the Company to provide all employee benefits under formal and informal plans or agreements, under legislative requirements or through industry arrangements, including post-employment benefits, short-term and other long-term employee benefits, termination benefits and equity compensation benefits.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

I. Imbalan Kerja (lanjutan)

Efektif 1 Januari 2012, Grup menerapkan PSAK No. 24 (Revisi 2010), "Imbalan Kerja". Revisi SAK ini antara lain memperbolehkan entitas untuk menerapkan metode sistematis atas pengakuan yang lebih cepat dari keuntungan/kerugian aktuarial yang timbul dari imbalan pasti, antara lain pengakuan langsung keuntungan/kerugian yang terjadi pada periode berjalan ke dalam pendapatan komprehensif lain. Grup tidak memilih metode ini dalam pengakuan keuntungan/kerugian aktuarial, karenanya PSAK revisi ini tidak memiliki dampak signifikan terhadap laporan keuangan konsolidasian Grup.

Berdasarkan PSAK No. 24 (Revisi 2010), perhitungan estimasi liabilitas atas imbalan kerja berdasarkan UU Ketenagakerjaan No.13/2003 tanggal 25 Maret 2003, ditentukan dengan menggunakan metode penilaian aktuarial *projected-unit-credit*. Keuntungan atau kerugian aktuarial diakui sebagai penghasilan atau beban apabila akumulasi keuntungan atau kerugian aktuarial bersih yang belum diakui pada akhir tahun pelaporan sebelumnya melebihi 10% dari nilai kini kewajiban imbalan pasti pada tanggal tersebut. Keuntungan atau kerugian ini diakui dengan menggunakan metode garis lurus berdasarkan rata-rata sisa masa kerja karyawan yang diperkirakan.

Lebih lanjut, biaya jasa lalu atas pengenalan program manfaat pasti atau perubahan utang imbalan dari program yang ada diamortisasi dengan metode garis lurus sepanjang periode sampai imbalan tersebut menjadi hak atau *vested*.

Keuntungan atau kerugian atas kurtailmen atau penyelesaian suatu program imbalan pasti diakui ketika kurtailmen atau penyelesaian terjadi.

Kurtailmen terjadi apabila salah satu dari kondisi berikut terpenuhi:

- i. Menunjukkan komitmennya untuk mengurangi secara signifikan jumlah pekerja yang ditanggung oleh program; atau
- ii. Mengubah ketentuan dalam program imbalan pasti yang menyebabkan bagian yang material dari jasa masa depan pekerja tidak lagi memberikan imbalan atau memberikan imbalan yang lebih rendah.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

I. Employee Benefits (continued)

Effective on January 1, 2012, the Group adopted PSAK No. 24 (Revised 2010), "Employee Benefits". The revised SAK permit an entity to adopt any systematic method that results in faster recognition of actuarial gains or losses, which among others is immediate recognition of actuarial gains and losses in the period in which they occur recognized in other comprehensive income. The Group decided not to apply this method in recognizing the actuarial gains or losses and therefore there is no significant impact on the Group's consolidated financial statements.

Under PSAK No. 24 (Revised 2010), the calculation of estimated liability for employees benefits based on Labor Law No.13/2003 dated March 25, 2003 is determined using the *projected-unit-credit* method. Actuarial gains or losses are recognized as income or expense when the net cumulative unrecognized actuarial gains or losses at the end of the previous reporting period/year exceed 10% of the present value of the defined benefit obligation at that date. These gains or losses are recognized on a straight-line basis over the expected average remaining service years of the employees.

Furthermore, past service costs arising from the introduction of a defined benefit plan or changes in the benefit payable of an existing plan are required to be amortized using the straight-line method over the period until the benefits concerned become vested.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs.

A curtailment occurs when an entity either:

- i. Is demonstrably committed to make a significant reduction in the number of employees covered by a plan; or
- ii. Amends the terms of a defined benefit plan so that a significant element of future service by current employees will no longer qualify for benefits, or will qualify only for reduced benefits.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

m. Pengakuan Pendapatan dan Beban

Efektif tanggal 1 Januari 2011, Grup menerapkan PSAK No. 23 (Revisi 2010), "Pendapatan". PSAK revisi ini mengidentifikasi terpenuhinya kriteria pengakuan pendapatan, sehingga pendapatan dapat diakui, dan mengatur perlakuan akuntansi atas pendapatan yang timbul dari transaksi dan kejadian tertentu, serta memberikan panduan praktis dalam penerapan kriteria mengenai pengakuan pendapatan. Tidak terdapat dampak signifikan dari standar akuntansi yang direvisi tersebut terhadap laporan keuangan konsolidasian.

Pendapatan diakui bila besar kemungkinan manfaat ekonomi akan diperoleh oleh Grup dan jumlahnya dapat diukur secara handal. Pendapatan diukur pada nilai wajar imbalan yang diterima. Penjualan neto termasuk cukai atas rokok yang telah dijual dan telah dikurangi retur penjualan, diskon, rabat, dan tidak termasuk pajak pertambahan nilai (PPN).

Pendapatan dari penjualan yang timbul dari pengiriman barang jadi diakui bila risiko dan manfaat yang signifikan telah dipindahkan kepada pembeli, bersamaan waktunya dengan pengiriman dan penerimaannya.

Beban diakui pada saat terjadinya dengan menggunakan dasar akrual.

n. Transaksi dan Saldo Dalam Mata Uang Asing

Efektif tanggal 1 Januari 2012, Grup menerapkan PSAK No. 10 (Revisi 2010), "Pengaruh Perubahan Nilai Tukar Mata Uang Asing", yang menggambarkan bagaimana memasukkan transaksi mata uang asing dan kegiatan usaha luar negeri dalam laporan keuangan konsolidasian entitas dan menjabarkan laporan keuangan ke dalam mata uang penyajian. Masing-masing Entitas mempertimbangkan indikator utama dan indikator lainnya dalam menentukan mata uang fungsionalnya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Revenue and Expense Recognition

Effective January 1, 2011, the Group adopted PSAK No. 23 (Revised 2010), "Revenue". This revised PSAK identifies the circumstances in which the criteria on revenue recognition will be met and, therefore, revenue may be recognized, and prescribes the accounting treatment of revenue arising from certain types of transactions and events, and also provides practical guidance on the application of the criteria on revenue recognition. There is no significant impact of these amended accounting standards on the consolidated financial statements.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Net sales include excise taxes attributable on cigarettes being sold and are net of returns, discounts, rebates and exclude value added taxes.

Revenue from sales arising from physical delivery of finished goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincide with their delivery and acceptance.

Expenses are recognized as incurred on an accrual basis.

n. Transactions and Balances Denominated in Foreign Currency

Effective on January 1, 2012, the Group applied PSAK No. 10 (Revised 2010), "The Effects of Changes in Foreign Exchange Rates", which describes how to include foreign currency transaction and foreign operations in the consolidated financial statements of an entity and translate financial statements into a presentation currency. Each entity considers the primary indicators and other indicators in determining its functional currency.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

n. Transaksi dan Saldo Dalam Mata Uang Asing (lanjutan)

Transaksi dalam mata uang asing dicatat dalam mata uang fungsional berdasarkan nilai tukar yang berlaku pada saat transaksi dilakukan. Pada tanggal laporan posisi keuangan konsolidasian, aset dan liabilitas moneter dalam mata uang asing disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut dan laba atau rugi kurs yang timbul dikreditkan atau dibebankan pada usaha periode berjalan.

Kurs tengah Bank Indonesia adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
1 Dolar Amerika Serikat	9.480	9.068	8.991	9.400	United States Dollar 1
1 Euro Eropa	11.801	11.739	11.956	13.510	European Euro 1
1 Poundsterling Inggris	14.732	13.969	13.894	15.114	Great Britain Poundsterling 1

o. Pajak Penghasilan

Efektif tanggal 1 Januari 2012, Grup menerapkan PSAK No. 46 (Revisi 2010), yang menetapkan perlakuan akuntansi untuk pajak penghasilan dalam memperhitungkan konsekuensi pajak kini dan mendatang dari pemulihan (penyelesaian) jumlah tercatat aset (liabilitas) masa depan yang diakui dalam laporan posisi keuangan konsolidasian dan transaksi dan kejadian lain dari periode kini yang diakui dalam laporan keuangan konsolidasian. SAK revisi ini juga mensyaratkan entitas untuk mencatat kekurangan/kelebihan pembayaran pajak penghasilan beserta bunga/denda, jika ada, sebagai bagian dari "Beban Pajak Kini" dalam laporan laba rugi komprehensif konsolidasian. Penerapan awal SAK revisi ini tidak berdampak terhadap laporan keuangan konsolidasian Grup.

Beban pajak penghasilan merupakan jumlah dari pajak penghasilan badan yang terhutang saat ini dan pajak tangguhan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Transactions and Balances Denominated in Foreign Currency (continued)

Transactions involving foreign currencies are recorded in the functional currency at the rates of exchange prevailing at the time the transactions are made. At consolidated statement of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the prevailing exchange rates at such date and the resulting gains or losses are credited or charged to current operations.

The middle rates of exchanges of Bank Indonesia are as follows:

o. Income Tax

Effective January 1, 2012, the Group applied PSAK No. 46 (Revised 2010), which prescribes the accounting treatment for income taxes to account for the current and future tax consequences of the future recovery (settlement) of the carrying amount of assets (liabilities) that are recognized in the consolidated statements of financial position and transactions and other events of the current period that are recognized in the consolidated financial statements. The revised SAK also prescribes an entity to present the underpayment/overpayment of income tax including its interest/penalty, if any, as part of "Tax Expense - Current" in the consolidated statement of comprehensive income. The initial adoption of the revised SAK did not give any impact to the Group's consolidated financial statements.

Income tax expense represents the sum of the corporate income tax currently payable and deferred tax.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

o. Pajak Penghasilan (lanjutan)

Pajak kini

Aset dan liabilitas pajak kini untuk periode berjalan diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan. Tarif pajak dan peraturan pajak yang digunakan untuk menghitung jumlah tersebut adalah yang telah berlaku atau secara *substantive* telah berlaku pada tanggal pelaporan.

Koreksi terhadap liabilitas perpajakan dicatat saat surat ketetapan pajak diterima atau apabila dilakukan banding, ketika hasil banding sudah diputuskan.

Pajak tangguhan

Pajak tangguhan diakui dengan menggunakan metode liabilitas atas perbedaan temporer pada tanggal pelaporan antara dasar pengenaan pajak aset dan liabilitas dan jumlah tercatatnya untuk tujuan pelaporan keuangan pada tanggal pelaporan.

Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal, sepanjang besar kemungkinan besar laba kena pajak akan tersedia sehingga perbedaan temporer yang boleh dikurangkan dan akumulasi rugi fiskal tersebut dapat dimanfaatkan.

Aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer kena pajak terkait dengan investasi pada entitas anak dan asosiasi, kecuali yang waktu pembalikannya dapat dikendalikan dan besar kemungkinan perbedaan temporer tersebut tidak akan dibalik di masa depan yang diperkirakan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal pelaporan dan nilai tercatatnya disesuaikan berdasarkan ketersediaan laba kena pajak di masa mendatang.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o. Income Tax (continued)

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used as a basis for computation are those that have been enacted or substantively enacted as at the reporting dates.

Amendments to taxation obligations are recorded when an assessment is received or if appealed against, when the results of the appeal are determined.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting dates between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences and accumulated fiscal losses to the extent that it is probable that taxable income will be available in future years against which the deductible temporary differences and accumulated fiscal losses can be utilized.

Deferred tax assets and liabilities are recognized in respect of taxable temporary differences associated with investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax asset is reviewed at each reporting date and adjusted based on availability of future taxable income.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

o. Pajak Penghasilan (lanjutan)

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan akan berlaku pada tahun saat aset dipulihkan atau liabilitas diselesaikan berdasarkan tarif pajak yang peraturan pajak yang berlaku atau yang telah secara substansial berlaku pada tanggal pelaporan. Perubahan nilai tercatat aset dan liabilitas pajak tangguhan yang disebabkan perubahan tarif pajak dibebankan pada tahun berjalan, kecuali untuk transaksi-transaksi yang sebelumnya telah langsung dibebankan atau dikreditkan ke ekuitas.

p. Instrumen Keuangan

Efektif tanggal 1 Januari 2012, Grup menerapkan PSAK No. 50 (Revisi 2010), "Instrumen Keuangan: Penyajian", PSAK No. 55 (Revisi 2011), "Instrumen Keuangan: Pengakuan dan Pengukuran" dan PSAK No. 60, "Instrumen Keuangan: Pengungkapan".

PSAK No. 50 (Revisi 2010) berisi persyaratan penyajian dari instrumen keuangan dan mengidentifikasi informasi yang harus diungkapkan. Persyaratan pengungkapan berlaku terhadap klasifikasi instrumen keuangan, dari perspektif penerbit, dalam aset keuangan, liabilitas keuangan dan instrumen ekuitas; pengklasifikasian yang terkait dengan suku bunga, dividen, kerugian dan keuntungan; dan keadaan dimana aset keuangan dan liabilitas keuangan akan saling hapus. PSAK ini mensyaratkan pengungkapan, antara lain, informasi mengenai faktor yang mempengaruhi jumlah, waktu dan tingkat kepastian arus kas masa datang suatu entitas yang terkait dengan instrumen keuangan dan kebijakan akuntansi yang diterapkan untuk instrumen tersebut.

PSAK No. 55 (Revisi 2011) mengatur prinsip-prinsip pengakuan dan pengukuran aset keuangan, liabilitas keuangan dan beberapa kontrak pembelian atau penjualan item non-keuangan. PSAK ini, antara lain, menyediakan definisi dan karakteristik derivatif, kategori instrumen keuangan, pengakuan dan pengukuran, akuntansi lindung nilai dan penetapan hubungan lindung nilai.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

o. Income Tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted as at the reporting date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates are charged to current year operations, except to the extent that they relate to items previously charged or credited to equity.

p. Financial Instruments

Effective January 1, 2012, the Group applied PSAK No. 50 (Revised 2010), "Financial Instruments: Presentation", PSAK No. 55 (Revised 2011), "Financial Instruments: Recognition and Measurement" and PSAK No. 60, "Financial Instruments: Disclosures".

PSAK No. 50 (Revised 2010) contains the requirements for the presentation of financial instruments and identifies the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This PSAK requires the disclosures of, among others, information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments.

PSAK No. 55 (Revised 2011) establishes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This PSAK provides the definitions and characteristics of derivatives, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

p. Instrumen Keuangan (lanjutan)

PSAK No. 60 mensyaratkan pengungkapan tambahan atas pengukuran nilai wajar dan risiko likuiditas. Pengukuran nilai wajar terkait pos yang dicatat pada nilai wajar disajikan berdasarkan sumber input dengan menggunakan tiga tingkatan hirarki nilai wajar untuk setiap kelas instrumen keuangan yang diukur pada nilai wajar. Sebagai tambahan, PSAK ini mewajibkan rekonsiliasi antara saldo awal dan akhir untuk pengukuran nilai wajar tingkat 3, demikian pula pengungkapan transfer antar tingkatan dalam hirarki nilai wajar. PSAK ini juga menjelaskan lebih lanjut persyaratan pengungkapan risiko likuiditas transaksi derivatif dan aset yang digunakan untuk pengelolaan likuiditas. Pengungkapan pengukuran nilai wajar diungkapkan pada Catatan 26. Pengungkapan risiko likuiditas tidak terpengaruh secara signifikan oleh PSAK ini dan diungkapkan pada Catatan 26.

Aset Keuangan

Pengakuan dan pengukuran awal

Aset keuangan dalam ruang lingkup PSAK No. 55 (Revisi 2011) diklasifikasikan sebagai salah satu dari aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, pinjaman yang diberikan dan piutang, investasi dimiliki hingga jatuh tempo atau aset keuangan tersedia untuk dijual. Grup menetapkan klasifikasi aset keuangan setelah pengakuan awal dan, jika diperbolehkan dan sesuai, akan melakukan evaluasi pada setiap akhir periode keuangan.

Aset keuangan Grup terdiri dari kas dan setara kas, setara kas yang dibatasi penggunaannya, piutang usaha, piutang lain-lain, dan aset lain-lain (uang jaminan), diklasifikasikan dan dicatat sebagai pinjaman yang diberikan dan piutang sesuai dengan PSAK No. 55 (Revisi 2011).

Pada saat pengakuan awalnya, aset keuangan diukur pada nilai wajar, dan dalam hal aset keuangan yang tidak diukur pada nilai wajar melalui laba rugi, nilai wajar tersebut ditambah dengan biaya transaksi yang dapat diatribusikan secara langsung dengan perolehan aset keuangan tersebut.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Financial Instruments (continued)

PSAK No. 60 requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using the three level fair value hierarchy, by class, for all financial instruments recognized at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The PSAK also clarifies the requirements for liquidity risk disclosures with respect to the derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 26. The liquidity risk disclosures are not significantly impacted by the PSAK and are presented in Note 26.

Financial Assets

Initial recognition and measurement

Financial assets within the scope of PSAK No. 55 (Revised 2011) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial period-end.

The Group's financial assets consist of cash and cash equivalents, restricted cash equivalents, trade receivables, other receivables, and other assets (security deposits) which are classified and accounted for as loans and receivables under PSAK No. 55 (Revised 2011).

When financial assets are recognized initially, they are measured at fair value, and in the case of financial assets that are not recorded at fair value through profit or loss, the fair value plus directly attributable transaction costs.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

p. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Pengukuran setelah pengakuan awal

Pinjaman yang diberikan dan piutang adalah aset keuangan non derivatif dengan pembayaran tetap atau telah ditentukan, yang tidak mempunyai kuotasi di pasar aktif. Setelah pengakuan awal, aset keuangan tersebut dicatat pada biaya perolehan diamortisasi dengan menggunakan metode Suku Bunga Efektif (SBE), dan keuntungan dan kerugian terkait diakui pada laporan laba rugi komprehensif konsolidasian ketika pinjaman yang diberikan dan piutang dihentikan pengakuannya atau mengalami penurunan nilai, serta melalui proses amortisasi.

Cadangan atas jumlah yang tidak tertagih dicatat bila ada bukti yang objektif bahwa Grup tidak akan dapat menagih utang tersebut. Piutang tidak tertagih dihapuskan pada saat diidentifikasi. Rincian lebih lanjut tentang kebijakan akuntansi untuk penurunan nilai aset keuangan diungkapkan dalam catatan di bawah ini.

Penghentian pengakuan

Suatu aset keuangan, atau mana yang berlaku, bagian dari aset keuangan atau bagian dari kelompok aset keuangan sejenis, dihentikan pengakuannya pada saat:

- i. hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir; atau
- ii. Grup mentransfer hak kontraktual untuk menerima arus kas yang berasal dari aset keuangan atau menanggung kewajiban untuk membayar arus kas yang diterima tanpa penundaan yang signifikan kepada pihak ketiga melalui suatu kesepakatan penyerahan dan (a) secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, atau (b) secara substansial tidak mentransfer dan tidak memiliki seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, namun telah mentransfer pengendalian atas aset keuangan tersebut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Financial Instruments (continued)

Financial Assets (continued)

Subsequent measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are carried at amortized cost using the Effective Interest Rate (EIR) method, and the related gains and losses are recognized in the consolidated statements of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

An allowance is made for uncollectible amounts when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written-off when identified. Further details on the accounting policy for impairment of financial assets are disclosed below in this note.

Derecognition

A financial asset, or where applicable a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- i. the contractual rights to receive cash flows from the financial asset have expired; or
- ii. the Group has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement and either (a) has transferred substantially all the risks and rewards of the financial asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the financial asset, but has transferred control of the financial asset.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

p. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Penghentian pengakuan (lanjutan)

Apabila Grup mentransfer hak untuk menerima arus kas yang berasal dari aset keuangan atau mengadakan kesepakatan penyerahan dan tidak mentransfer maupun tidak memiliki secara substansial seluruh risiko dan manfaat atas aset keuangan tersebut dan juga tidak mentransfer pengendalian atas aset keuangan tersebut, maka suatu aset baru diakui oleh Grup sebesar keterlibatan berkelanjutan dengan aset tersebut.

Keterlibatan berkelanjutan berbentuk pemberian jaminan atas aset yang ditransfer, diukur sebesar jumlah terendah antara nilai aset yang ditransfer dan nilai maksimal dari pembayaran yang diterima yang mungkin harus dibayar kembali oleh Grup.

Pada saat penghentian pengakuan atas aset keuangan secara keseluruhan, maka selisih antara nilai tercatat dan jumlah dari (i) pembayaran yang diterima, termasuk setiap aset baru yang diperoleh dikurangi setiap liabilitas baru yang harus ditanggung; dan (ii) setiap keuntungan atau kerugian kumulatif yang telah diakui secara langsung dalam ekuitas harus diakui pada laporan laba rugi komprehensif konsolidasian.

Penurunan nilai

Pada setiap tanggal pelaporan, Grup mengevaluasi apakah terdapat bukti yang objektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Penurunan nilai atas aset keuangan atau kelompok aset keuangan dianggap telah terjadi jika, dan hanya jika, terdapat bukti yang objektif mengenai penurunan nilai sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut ("peristiwa yang merugikan"), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara handal.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Financial Instruments (continued)

Financial Assets (continued)

Derecognition (continued)

Where the Group has transferred its rights to receive cash flows from the financial asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the financial asset nor transferred control of the financial asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (i) the consideration received, including any new asset obtained less any new liability assumed; and (ii) any cumulative gain or loss that has been recognized directly in equity is recognized in the consolidated statements of comprehensive income.

Impairment

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event"), and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

p. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Penurunan nilai (lanjutan)

Bukti penurunan nilai dapat meliputi indikasi pihak peminjam atau kelompok pihak peminjam mengalami kesulitan keuangan signifikan, wanprestasi atau tunggakan pembayaran bunga atau pokok, terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya dan pada saat data yang dapat diobservasi mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa datang, seperti meningkatnya tunggakan atau kondisi ekonomi yang berkorelasi dengan wanprestasi.

Aset Keuangan yang Dicatat pada Biaya Perolehan Diamortisasi

Untuk pinjaman yang diberikan dan piutang yang dicatat pada biaya perolehan diamortisasi, Grup pertama kali menentukan secara individual apakah terdapat bukti objektif mengenai penurunan nilai atas aset keuangan yang signifikan secara individual, atau secara kolektif untuk aset keuangan yang tidak signifikan secara individual.

Jika Grup menentukan tidak terdapat bukti objektif mengenai penurunan nilai atas aset keuangan yang dinilai secara individual, terlepas aset keuangan tersebut signifikan atau tidak, maka Grup memasukkan aset tersebut ke dalam kelompok aset keuangan yang memiliki karakteristik risiko kredit yang sejenis dan menilai penurunan nilai kelompok tersebut secara kolektif. Aset yang penurunan nilainya dinilai secara individual dan untuk itu kerugian penurunan nilai diakui atau terus diakui, tidak termasuk dalam penilaian penurunan nilai secara kolektif.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Financial Instruments (continued)

Financial Assets (continued)

Impairment (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial Assets Carried at Amortized Cost

For loans and receivables carried at amortized cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment or impairment.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

p. Instrumen Keuangan (lanjutan)

Aset Keuangan (lanjutan)

Penurunan nilai (lanjutan)

Aset Keuangan yang Dicatat pada Biaya Perolehan Diamortisasi (lanjutan)

Jika terdapat bukti objektif bahwa kerugian penurunan nilai telah terjadi, jumlah kerugian tersebut diukur sebagai selisih antara nilai tercatat aset dengan nilai kini estimasi arus kas masa datang (tidak termasuk kerugian kredit di masa mendatang yang belum terjadi). Nilai tercatat atas aset keuangan dikurangi melalui penggunaan akun cadangan penurunan nilai dan jumlah kerugian tersebut diakui secara langsung dalam laporan laba rugi komprehensif konsolidasian.

Jika, dalam periode berikutnya, nilai estimasi kerugian penurunan nilai aset keuangan bertambah atau berkurang yang dikarenakan peristiwa yang terjadi setelah penurunan nilai diakui, maka kerugian penurunan nilai yang sebelumnya diakui ditambahkan atau dikurangi (dipulihkan) dengan menyesuaikan akun cadangan penurunan nilai. Pemulihan tersebut tidak boleh mengakibatkan nilai tercatat aset keuangan melebihi biaya perolehan diamortisasi yang seharusnya jika penurunan nilai tidak diakui pada tanggal pemulihan dilakukan. Jumlah pemulihan aset keuangan diakui pada laporan laba rugi komprehensif konsolidasian.

Nilai kini atas estimasi arus kas masa datang didiskonto dengan menggunakan SBE awal dari aset keuangan tersebut. Jika pinjaman yang diberikan memiliki suku bunga variabel, maka tingkat diskonto yang digunakan untuk mengukur setiap kerugian penurunan nilai adalah SBE yang berlaku.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Financial Instruments (continued)

Financial Assets (continued)

Impairment (continued)

Financial Assets Carried at Amortized Cost (continued)

When there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The carrying amount of the asset is reduced through the use of an allowance for impairment account and the amount of the loss is directly recognized in the consolidated statements of comprehensive income.

If, in the subsequent period, the amount of the estimated impairment loss increases or decreases because of event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced (recovered) by adjusting the allowance for impairment account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The recovery of financial assets is recognized in the consolidated statements of comprehensive income.

The present value of the estimated future cash flows is discounted at the financial assets' original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

p. Instrumen Keuangan (lanjutan)

Liabilitas Keuangan

Pengakuan awal dan pengukuran

Liabilitas keuangan dalam ruang lingkup PSAK No. 55 (Revisi 2011) diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laporan laba rugi atau utang dan pinjaman. Grup menetapkan klasifikasi atas liabilitas keuangan pada saat pengakuan awal.

Pengakuan awal liabilitas keuangan dicatat pada nilai wajar dan, dalam hal utang dan pinjaman, termasuk biaya transaksi yang dapat diatribusikan secara langsung.

Pada tanggal laporan posisi keuangan konsolidasian, Grup tidak memiliki liabilitas keuangan selain yang diklasifikasikan sebagai utang dan pinjaman.

Pengukuran setelah pengakuan awal

Liabilitas keuangan Grup mencakup utang usaha, utang lain-lain, liabilitas yang masih harus dibayar, utang bank jangka pendek dan jangka panjang dan utang pembiayaan konsumen.

Liabilitas untuk utang usaha dan utang lain-lain, liabilitas yang masih harus dibayar, utang bank jangka pendek dan jangka panjang dan utang pembiayaan konsumen dicatat sebesar jumlah tercatat (jumlah nosional), yang kurang lebih sebesar nilai wajarnya.

Penghentian pengakuan

Sebuah liabilitas keuangan dihentikan pengakuannya pada saat kewajiban yang ditetapkan dalam kontrak tersebut dihentikan atau dibatalkan atau kadaluwarsa.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Financial Instruments (continued)

Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of PSAK No. 55 (Revised 2011) are classified as financial liabilities at fair value through profit or loss or loans and borrowings. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are initially recognized at their fair values and, in case of loans and borrowings, inclusive of directly attributable transaction costs.

As of reporting date of the consolidated financial statements, the Group has no other financial liabilities other than those classified as loans and borrowings.

Subsequent measurement

The Group's financial liabilities include trade and other payables, accrued liabilities, short-term and long-term bank loans and consumer financing payables.

Liabilities for trade and other payables, accrued liabilities, short-term and long-term bank loans and consumer financing payables are stated at carrying amounts (notional amounts), which approximate their fair values.

Derecognition

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

p. Instrumen Keuangan (lanjutan)

Liabilitas Keuangan (lanjutan)

Penghentian pengakuan (lanjutan)

Ketika sebuah liabilitas keuangan ditukar dengan liabilitas keuangan lain dari pemberi pinjaman yang sama atas persyaratan yang secara substansial berbeda, atau bila persyaratan dari liabilitas keuangan tersebut secara substansial dimodifikasi, pertukaran atau modifikasi persyaratan tersebut dicatat sebagai penghentian pengakuan liabilitas keuangan awal dan pengakuan liabilitas keuangan baru, dan selisih antara nilai tercatat masing-masing liabilitas keuangan tersebut diakui dalam laporan laba rugi komprehensif konsolidasian.

Saling Hapus Instrumen Keuangan

Aset keuangan dan liabilitas keuangan disalinghapuskan dan nilai netonya disajikan dalam laporan posisi keuangan konsolidasian jika, dan hanya jika, terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah tercatat dari aset keuangan dan liabilitas keuangan tersebut dan terdapat intensi untuk menyelesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

Nilai Wajar Instrumen Keuangan

Nilai wajar instrumen keuangan yang diperdagangkan di pasar aktif pada setiap tanggal pelaporan ditentukan dengan mengacu pada kuotasi harga pasar pada akhir periode pelaporan, tanpa pengurangan untuk biaya transaksi.

Untuk instrumen keuangan yang tidak memiliki pasar aktif, nilai wajar ditentukan dengan menggunakan teknik penilaian yang diizinkan oleh PSAK No. 55 (Revisi 2011) seperti dengan mengacu pada transaksi pasar terkini yang dilakukan secara wajar (*arm's length transaction*); mengacu kepada nilai wajar terkini instrumen lain yang secara substansial sama; analisa arus kas yang didiskonto atau model penilaian lainnya.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

p. Financial Instruments (continued)

Financial Liabilities (continued)

Derecognition (continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as derecognition of the original financial liability and recognition of a new financial liability, and the difference in the respective carrying amounts is recognized in the consolidated statements of comprehensive income.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair Value of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices at the end of the reporting period, without any deduction for transaction costs.

For financial instruments where there is no active market, the fair value is determined using appropriate valuation techniques permitted by PSAK No. 55 (Revised 2011) such as using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

p. Instrumen Keuangan (lanjutan)

Biaya Perolehan yang Diamortisasi dari Instrumen Keuangan

Biaya perolehan yang diamortisasi diukur dengan menggunakan metode SBE dikurangi penyisihan penurunan nilai dan pembayaran atau pengurangan pokok. Perhitungan ini mencakup seluruh premi atau diskonto pada saat akuisisi dan mencakup biaya transaksi serta komisi yang merupakan bagian tak terpisahkan dari suku bunga efektif.

q. Informasi Segmen

Efektif tanggal 1 Januari 2011, Grup menerapkan PSAK No. 5 (Revisi 2009), "Segmen Operasi". PSAK revisi ini mengatur pengungkapan yang memungkinkan pengguna laporan keuangan untuk mengevaluasi sifat dan dampak keuangan dari aktivitas bisnis yang mana entitas terlibat dan lingkungan ekonomi dimana entitas beroperasi. Tidak terdapat dampak signifikan atas penerapan standar akuntansi yang direvisi tersebut terhadap laporan keuangan konsolidasian.

Segmen adalah bagian khusus dari Grup yang terlibat baik dalam menyediakan produk dan jasa (segmen usaha), maupun dalam menyediakan produk dan jasa dalam lingkungan ekonomi tertentu (segmen geografis), yang memiliki risiko dan imbalan yang berbeda dari segmen lainnya.

Jumlah setiap unsur segmen dilaporkan merupakan ukuran yang dilaporkan kepada pengambil keputusan operasional untuk tujuan pengambilan keputusan untuk mengalokasikan sumber daya kepada segmen dan menilai kinerjanya.

Pendapatan, beban, hasil, aset dan liabilitas segmen termasuk item-item yang dapat diatribusikan langsung kepada suatu segmen serta hal-hal yang dapat dialokasikan dengan dasar yang sesuai kepada segmen tersebut. Segmen ditentukan sebelum saldo dan transaksi antar grup dieliminasi sebagai bagian dari proses konsolidasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

p. Financial Instruments (continued)

Amortized Cost of Financial Instruments

Amortized cost is computed using the EIR method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

q. Segment Information

Effective January 1, 2011, the Group applied PSAK No. 5 (Revised 2009), "Operating Segments". The revised PSAK requires disclosures that will enable users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. There is no significant impact on the adoption of the revised accounting standard on the consolidated financial statements.

A segment is a distinguishable component of the Group that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The amount of each segment item reported shall be the measure reported to the chief operating decision maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and intra-group transactions are eliminated as part of consolidation process.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
PENTING (lanjutan)**

r. Provisi dan Kontinjensi

Grup menerapkan PSAK No. 57 (Revisi 2009), "Provisi, Liabilitas Kontinjensi dan Aset Kontinjensi". PSAK No. 57 (Revisi 2009) harus diterapkan secara prospektif dan menetapkan kriteria pengakuan dan dasar pengukuran untuk provisi, liabilitas kontinjensi dan aset kontinjensi, dan untuk memastikan bahwa informasi yang memadai diungkapkan dalam catatan atas laporan keuangan untuk memungkinkan pengguna dalam memahami sifat, waktu dan jumlah yang terkait dengan informasi tersebut. Penerapan PSAK No. 57 (Revisi 2009) tidak memiliki dampak signifikan terhadap laporan keuangan konsolidasian.

Provisi diakui jika Grup memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif), sebagai akibat peristiwa masa lalu, besar kemungkinan penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya yang mengandung manfaat ekonomi dan jumlah kewajiban tersebut dapat diestimasi secara handal.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika kemungkinan besar tidak terjadi arus keluar sumber daya yang mengandung manfaat ekonomi untuk menyelesaikan kewajiban tersebut, maka provisi dibatalkan.

Kewajiban kontinjensi tidak diakui dalam laporan keuangan konsolidasian, namun diungkapkan kecuali jika kemungkinan akan terjadinya arus kas keluar berkaitan dengan kewajiban tersebut sangat kecil.

Aset kontinjensi tidak diakui dalam laporan keuangan konsolidasian, tetapi diungkapkan apabila kemungkinan diperolehnya arus kas masuk dari aset tersebut cukup besar.

s. Peristiwa Setelah Tanggal Pelaporan

Peristiwa setelah akhir periode yang memerlukan penyesuaian dan menyediakan informasi tambahan tentang posisi Perusahaan dan Entitas Anak pada tanggal pelaporan (*adjusting event*) tercermin dalam laporan keuangan konsolidasian.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

r. Provisions and Contingencies

The Group adopted PSAK No. 57 (Revised 2009), "Provisions, Contingent Liabilities, and Contingent Assets". PSAK No. 57 (Revised 2009) is to be applied prospectively and provides that appropriate recognition criteria and measurement bases are applied to provisions, contingent liabilities and contingent assets, and to ensure that sufficient information is disclosed in the notes to enable users to understand the nature, timing and amount related to the information. The adoption of PSAK No. 57 (Revised 2009) has no significant impact on the consolidated financial statements.

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingent liabilities are not recognized in the consolidated financial statements, but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements, but are disclosed when an inflow of economic benefits is probable.

s. Events After Reporting Date

Post period-end events that provide additional information about the Company and Subsidiaries' position at the reporting date (*adjusting event*) are reflected in the consolidated financial statements.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (lanjutan)

s. Peristiwa Setelah Tanggal Pelaporan (lanjutan)

Peristiwa setelah pelaporan yang tidak memerlukan penyesuaian, diungkapkan dalam laporan keuangan konsolidasian apabila material.

t. Laba per Saham

Efektif tanggal 1 Januari 2012, Grup menerapkan PSAK No. 56 (Revisi 2011), yang menetapkan prinsip penentuan dan penyajian laba per saham. Penerapan PSAK revisi ini tidak berdampak pada laporan keuangan konsolidasian Grup.

Laba per saham dasar dihitung dengan membagi total laba komprehensif periode berjalan yang dapat diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada periode yang bersangkutan.

Perusahaan tidak mempunyai efek berpotensi saham biasa yang bersifat dilutif pada tanggal-tanggal 30 Juni 2012, dan oleh karenanya, laba per saham dilusian tidak dihitung dan disajikan pada laporan laba rugi komprehensif konsolidasian.

u. Penerapan standar akuntansi revisi lain

Selain standar akuntansi revisi yang telah disebutkan sebelumnya, Grup juga telah menerapkan standar akuntansi berikut pada tanggal 1 Januari 2012 yang dianggap relevan terhadap laporan keuangan konsolidasian namun tidak menimbulkan dampak terhadap laporan keuangan konsolidasian:

- i. PSAK No. 26 (Revisi 2011), "Biaya Pinjaman",
- ii. ISAK No. 20, "Pajak Penghasilan-Perubahan Dalam Status Pajak Entitas atau Para Pemegang Saham",
- iii. ISAK No. 26 (Revisi 2011), "Penilaian Ulang Derivatif Melekat".

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

s. Events After Reporting Date (continued)

Any post period-end event that is not an adjusting event is disclosed in the notes to the consolidated financial statements when material.

t. Earnings per Share

Effective on January 1, 2012, the Group applied PSAK No. 56 (Revised 2011), which prescribes principles for the determination and presentation of earnings per share. The adoption of the revised PSAK has no impact on the Group's consolidated financial statements.

Basic earnings per share amounts are computed by dividing the total comprehensive income for the period attributable to owners of the parent entity by the weighted average number of ordinary shares outstanding during the period.

The Company has no outstanding dilutive potential ordinary shares as of June 30, 2012, and accordingly, no diluted earnings per share is calculated and presented in the consolidated statements of comprehensive income.

u. Adoption of other revised accounting standards

Other than the revised accounting standards previously mentioned, the Group also adopted the following revised accounting standards on January 1, 2012, which are considered relevant to the consolidated financial statements but have no impact on the consolidated financial statements:

- i. PSAK No. 26 (Revised 2011), "Borrowing Cost",
- ii. ISAK No. 20, "Income Taxes-Changes in the Tax Status of an Entity or its Shareholders",
- iii. ISAK No. 26 (Revised 2011), "Reassessment of Embedded Derivatives".

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

3. SUMBER ESTIMASI KETIDAKPASTIAN

Pertimbangan

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan di Indonesia mewajibkan manajemen untuk membuat estimasi dan asumsi yang mempengaruhi jumlah-jumlah yang dilaporkan dalam laporan keuangan. Sehubungan dengan kemungkinan adanya ketidakpastian yang melekat dalam penyusunan estimasi, hasil actual yang akan dilaporkan di periode mendatang dapat berbeda dengan jumlah estimasi yang dibuat.

Pertimbangan-pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Grup yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan konsolidasian:

Klasifikasi Aset dan Liabilitas Keuangan

Grup menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan definisi yang ditetapkan dalam PSAK No. 55 (Revisi 2011). Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Grup seperti diungkapkan pada Catatan 2p.

Penyisihan atas Penurunan Nilai Piutang - Evaluasi Individual

Grup mengevaluasi akun tertentu yang mana diketahui bahwa pelanggan tersebut tidak dapat memenuhi kewajiban keuangannya. Dalam hal tersebut, Grup mempertimbangkan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada jangka waktu hubungan dengan pelanggan dan status kredit dari pelanggan berdasarkan catatan kredit dari pihak ketiga yang tersedia dan faktor pasar yang telah diketahui, untuk mencatat provisi spesifik atas jumlah piutang pelanggan guna mengurangi jumlah piutang yang diharapkan dapat diterima oleh Grup. Provisi spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan kerugian atas penurunan nilai piutang usaha.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

3. SOURCE OF ESTIMATION UNCERTAINTY

Judgements

The preparation of consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make estimations and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates.

The following judgements are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements:

Classification of Financial Assets and Liabilities

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (Revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2p.

Allowance for Impairment of Receivables - Individual Assessment

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgement, based on available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on any available third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Group expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of receivables.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

3. SUMBER ESTIMASI KETIDAKPASTIAN (lanjutan)

Estimasi dan Asumsi

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun/periode berikutnya, diungkapkan di bawah ini. Grup mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan konsolidasian disusun.

Asumsi dan situasi mengenai perkembangan masa depan, mungkin berubah akibat perubahan pasar atau situasi di luar kendali Grup. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

Penyisihan Penurunan Nilai Pasar dan Keusangan Persediaan

Penyisihan penurunan nilai pasar dan keusangan persediaan diestimasi berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada kondisi fisik persediaan yang dimiliki, harga jual pasar, estimasi biaya penyelesaian dan estimasi biaya yang timbul untuk penjualan. Provisi dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang mempengaruhi jumlah yang diestimasi. Nilai tercatat persediaan Grup diungkapkan dalam Catatan 8.

Imbalan Kerja

Penentuan biaya liabilitas imbalan kerja Grup bergantung pada pemilihan asumsi yang digunakan oleh aktuaris independen dalam menghitung jumlah-jumlah tersebut. Asumsi tersebut termasuk antara lain, tingkat diskonto, tingkat kenaikan gaji tahunan, tingkat pengunduran diri karyawan tahunan, tingkat cacat, umur pensiun dan tingkat kematian.

Hasil aktual yang berbeda dari asumsi yang ditetapkan Grup yang memiliki pengaruh lebih dari 10% nilai kini kewajiban imbalan pasti, ditanggungkan dan diamortisasi secara garis lurus selama rata-rata sisa masa kerja karyawan. Meskipun Grup berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan Grup dapat mempengaruhi secara material liabilitas diestimasi atas pensiun dan imbalan kerja dan beban imbalan kerja neto. Penjelasan lebih rinci diungkapkan dalam Catatan 21 dan 20.

**3. SOURCE OF ESTIMATION UNCERTAINTY
(continued)**

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year/period are disclosed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions as they occur.

Allowance for Decline in Market Value and Obsolescence of Inventories

Allowance for decline in market value and obsolescence of inventories is estimated based on available facts and circumstances, including but not limited to, the inventories' own physical conditions, their market selling prices, estimated costs of completion and estimated costs to be incurred for their sales. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated. The carrying amounts of the Group's inventories are disclosed in Note 8.

Employee Benefits

The determination of the Group's cost for employee benefits liabilities depends on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, annual salary increase rate, annual employee turn-over rate, disability rate, retirement age and mortality rate.

Actual results that differ from the Group's assumptions which effects are more than 10% of the present value of defined benefit obligations are deferred and being amortized on a straight-line basis over the expected average remaining service years of the qualified employees. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual results or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. Further details are disclosed in Notes 21 and 20.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

3. SUMBER ESTIMASI KETIDAKPASTIAN (lanjutan)

Estimasi dan Asumsi (lanjutan)

Penyusutan Aset Tetap

Biaya perolehan aset tetap disusutkan dengan menggunakan metode saldo menurun sebelum tanggal 1 Januari 2011 dan menggunakan metode garis lurus efektif tanggal 1 Januari 2011 berdasarkan taksiran masa manfaat ekonomisnya. Manajemen mengestimasi masa manfaat ekonomis aset tetap antara 4 sampai dengan 20 tahun. Ini merupakan masa manfaat ekonomis yang secara umum diharapkan dalam industri di mana Grup menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya beban penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 2j dan 11.

Instrumen Keuangan

Grup mencatat aset dan liabilitas keuangan tertentu berdasarkan nilai wajar pada pengakuan awal, yang mengharuskan penggunaan estimasi akuntansi. Sementara komponen signifikan atas pengukuran nilai wajar ditentukan menggunakan bukti objektif yang dapat diverifikasi, jumlah perubahan nilai wajar dapat berbeda bila Grup menggunakan metodologi penilaian yang berbeda. Perubahan nilai wajar aset dan liabilitas keuangan tersebut dapat mempengaruhi secara langsung laporan laba atau rugi komprehensif konsolidasian Grup (Catatan 26).

Pajak Penghasilan

Pertimbangan signifikan dilakukan dalam menentukan provisi atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti sepanjang kegiatan usaha normal. Grup mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**3. SOURCE OF ESTIMATION UNCERTAINTY
(continued)**

Estimates and Assumptions (continued)

Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a diminishing method before January 1, 2011 and using straight line method effective January 1, 2011 over their estimated useful lives. Management properly estimates the useful lives of these fixed assets to be within 4 to 20 years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. Further details are disclosed in Notes 2j and 11.

Financial Instruments

The Group recorded certain financial assets and liabilities initially based on fair values, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group's consolidated statements of comprehensive income (Note 26).

Income Tax

Significant judgement is involved in determining provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

4. KAS DAN SETARA KAS

Akun ini terdiri dari:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Pihak Ketiga					Third Parties
Kas	9.591.106.698	9.302.749.312	6.592.418.302	5.896.268.868	Cash on hand
Bank					Cash in banks
Rupiah					Rupiah
PT Bank CIMB Niaga Tbk	15.243.239.066	8.805.701.886	7.279.477.038	6.324.393.035	PT Bank CIMB Niaga Tbk
PT Bank Negara					PT Bank Negara
Indonesia (Persero) Tbk	2.815.114.828	8.455.031.626	3.074.153.789	3.985.226.333	Indonesia (Persero) Tbk
PT Bank Central Asia Tbk	8.236.150.931	7.228.637.596	1.114.651.501	1.509.036.920	PT Bank Central Asia Tbk
PT Bank Danamon					PT Bank Danamon
Indonesia Tbk	692.419.110	2.277.916.448	678.411.163	1.061.472.865	Indonesia Tbk
PT Bank Rakyat Indonesia					PT Bank Rakyat Indonesia
(Persero) Tbk	814.991.742	1.132.728.723	1.367.924.313	391.431.360	(Persero) Tbk
PT Bank Ganesha	44.153.643	87.795.494	76.083.393	140.455.371	PT Bank Ganesha
PT Bank BRI Syariah	26.692.310	30.339.894	33.601.836	-	PT Bank BRI Syariah
PT Bank Panin Tbk	-	-	18.241.783	2.047.873	PT Bank Panin Tbk
Dolar Amerika Serikat					United States Dollar
PT Bank CIMB Niaga Tbk					PT Bank CIMB Niaga Tbk
(30 Juni 2012: USD4.041; 31 Des. 2011: USD6.055)	38.305.456	54.908.825	-	-	(June 30, 2012: USD4,041; Dec. 31, 2011: USD6,055)
Euro					Euro
PT Bank CIMB Niaga Tbk					PT Bank CIMB Niaga Tbk
(30 Juni 2012: Euro966; 31 Des. 2011: Euro978)	11.399.950	11.480.732	-	-	(June 30, 2012: Euro966; Dec. 31, 2011: Euro978)
Deposito berjangka					Time Deposit
Rupiah					Rupiah
PT Bank Ganesha	718.815.465	59.400.000.000	658.079.204	605.587.224	PT Bank Ganesha
PT Bank CIMB Niaga Tbk	-	6.697.452.394	-	-	PT Bank CIMB Niaga Tbk
Deutsche Bank	-	-	-	1.750.000.000	Deutsche Bank
Total	38.232.389.199	103.484.742.930	20.893.042.322	21.665.919.849	Total
	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Tingkat bunga dari deposito berjangka	6,75% - 7,75%	6,00% - 7,75%	7,75% - 8,00%	8,25% - 12,25%	Interest rates on time deposits

**5. SETARA KAS YANG DIBATASI
PENGGUNAANNYA**

Pada tanggal 31 Desember 2011, akun ini merupakan deposito berjangka yang dimiliki oleh PT Gawih Jaya (GJ), entitas anak, pada PT Bank Central Asia Tbk, pihak ketiga, yang dibatasi penggunaannya sebagai bank garansi untuk PT Japan Tobacco International Indonesia atas pembelian barang jadi tertentu, masing-masing sebesar Rp1.500.000.000 dan Rp300.000.000 yang jatuh tempo pada tanggal 28 Januari 2012 dan 25 Januari 2012, serta mendapatkan bunga tahunan masing-masing sebesar 5,50% dan 5,25% (Catatan 30).

5. RESTRICTED CASH EQUIVALENTS

As of December 31, 2011, this account represents time deposits owned by PT Gawih Jaya (GJ), a Subsidiary, at PT Bank Central Asia Tbk, a third party, amounting to Rp1,500,000,000 and Rp300,000,000, which are restricted as bank guarantee with maturity dates on January 28, 2012 and January 25, 2012, respectively, to PT Japan Tobacco International Indonesia for GJ's purchase of certain finished goods and earns annual interest rate at 5.50% and 5.25%, respectively (Note 30).

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

6. PIUTANG USAHA

Rincian atas piutang usaha berdasarkan pelanggan
adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011
Pihak Ketiga		
Rupiah		
PT Sumber Alfaria Trijaya Tbk	3.064.916.580	3.624.867.620
Bernard Daniel	2.725.210.488	3.202.930.093
PT Berkah Tobacco Indonesia	2.495.830.722	2.248.175.160
CV Dwikarya Makmur	2.187.510.600	2.476.690.700
PT Selatanprima Sejahterajaya	1.903.585.450	1.155.205.400
PT Corona Mas	1.852.716.679	1.416.823.430
PT Indomarco Prismaatama	1.086.956.250	213.662.000
PT Perusahaan Perdagangan Indonesia (Persero)	1.023.627.710	1.128.355.710
CV Sinar Mandiri	907.741.300	1.222.853.400
Goenadi	716.485.798	873.460.500
UD Duta Indah	654.773.600	581.681.800
PT Purindo Ilufa	593.253.012	865.102.230
UD Deli Wijaya	590.301.300	762.192.620
Ali Gunawan	535.392.000	1.094.127.100
CV Pinang Mas	515.915.700	439.012.200
PT Karya Tajinan Prima	476.190.000	558.511.800
PT Cakra Guna Cipta	418.618.200	780.757.010
UD Tanpa Nama	335.663.000	574.317.200
CV Megah Sejahtera	232.320.000	429.660.000
CV Sumber Anugrah Jaya	154.099.726	493.847.799
Toko Surya Kencana	108.118.000	200.315.050
Wicaksono	34.107.425	560.788.910
Yulianti	-	-
Bustami	-	-
PT Rembaka	-	270.358.000
Djilianton	-	-
PT Karya Timur Prima	-	-
Lain-lain (masing-masing kurang dari Rp400 juta)	9.462.854.147	10.449.156.646
Total	32.076.187.687	35.622.852.378

Analisa umur piutang usaha adalah sebagai
berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011
Sampai dengan 30 hari	20.164.882.878	22.362.993.362
31 - 90 hari	9.419.163.100	11.012.535.873
91 - 360 hari	2.492.141.709	2.247.323.143
Total	32.076.187.687	35.622.852.378

Manajemen berpendapat bahwa seluruh piutang
usaha dapat tertagih, sehingga tidak diperlukan
cadangan penurunan nilai piutang usaha.

Piutang usaha Perusahaan pada tanggal
30 Juni 2012, 31 Desember 2011, 2010 dan 2009
masing-masing sebesar Rp3.350.000.000,
dijadikan jaminan untuk fasilitas pinjaman dari
PT Bank CIMB Niaga Tbk (Catatan 15).

Piutang usaha PT Gelora Djaja dari PT Gawih Jaya
pada tanggal 30 Juni 2012, 31 Desember 2011,
2010 dan 2009 masing-masing
sebesar Rp81.031.018.895, Rp75.689.761.773,
Rp57.329.932.793 dan Rp41.236.173.977,
dijadikan jaminan untuk fasilitas pinjaman dari
PT Bank Danamon Indonesia Tbk (Catatan 15).

6. TRADE RECEIVABLES

Details of trade receivables based on customers
are as follows:

	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
			Third Parties
			Rupiah
	866.725.000	371.843.250	PT Sumber Alfaria Trijaya Tbk
	1.309.427.196	945.648.000	Bernard Daniel
	2.428.295.760	977.551.575	PT Berkah Tobacco Indonesia
	1.706.103.300	1.289.519.880	CV Dwikarya Makmur
	891.265.400	426.132.000	PT Selatanprima Sejahterajaya
	-	142.199.640	PT Corona Mas
	197.061.000	214.665.250	PT Indomarco Prismaatama
	1.155.632.510	899.896.033	PT Perusahaan Perdagangan Indonesia (Persero)
	840.688.400	9.287.158	CV Sinar Mandiri
	1.784.086.645	805.400.750	Goenadi
	155.086.200	130.661.600	UD Duta Indah
	440.412.414	-	PT Purindo Ilufa
	192.102.600	158.140.800	UD Deli Wijaya
	778.507.015	794.640.000	Ali Gunawan
	-	72.543.600	CV Pinang Mas
	361.171.800	797.665.000	PT Karya Tajinan Prima
	1.861.690.600	1.204.029.200	PT Cakra Guna Cipta
	157.867.950	118.136.900	UD Tanpa Nama
	136.059.000	-	CV Megah Sejahtera
	-	-	CV Sumber Anugrah Jaya
	62.448.000	83.394.300	Toko Surya Kencana
	-	200.706.000	Wicaksono
	507.408.847	-	Yulianti
	449.748.420	228.674.462	Bustami
	642.891.975	433.903.470	PT Rembaka
	1.126.156.713	-	Djilianton
	846.567.700	1.089.924.000	PT Karya Timur Prima
	-	-	Others (each below Rp400 million)
	28.278.656.518	17.767.887.450	Total

The aging analysis of trade receivables are as
follows:

	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
	18.242.793.663	12.308.230.883	Up to 30 days
	6.141.523.078	5.282.067.334	31 - 90 days
	3.894.339.777	177.589.233	91 - 360 days
Total	28.278.656.518	17.767.887.450	Total

Management is of the opinion that all trade
receivables are fully collectible, therefore, no
allowance for impairment of trade receivables is
required.

The Company's trade receivables as of
June 30, 2012, December 31, 2011, 2010 and
2009 amounting to Rp3,350,000,000, respectively,
were used as collateral for loan facility from
PT Bank CIMB Niaga Tbk (Note 15).

PT Gelora Djaja's trade receivables from PT Gawih
Jaya as of June 30, 2012, December 31, 2011,
2010 and 2009 amounting to Rp81,031,018,895,
Rp75,689,761,773, Rp57,329,932,793 and
Rp41,236,173,977, respectively, were used as
collateral for loan facility from PT Bank Danamon
Indonesia Tbk (Note 15).

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

7. PIUTANG LAIN-LAIN

Akun ini terdiri dari:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011
Pihak Ketiga		
Rupiah		
Kantor Kas Negara	335.910.389	-
Piutang Karyawan	10.699.050	6.816.144
PT Japan Tobacco International Indonesia	-	157.919.704
Lain-lain (masing-masing kurang dari Rp100 juta)	184.152.832	2.751.000
Total	530.762.271	167.486.848

Manajemen berpendapat bahwa seluruh piutang lain-lain dapat tertagih, sehingga tidak diperlukan penyisihan penurunan nilai piutang lain-lain.

8. PERSEDIAAN

Akun ini terdiri dari:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Barang jadi	56.483.433.374	59.292.353.963	40.999.328.588	19.096.775.459
Barang dalam proses	20.817.935.950	15.272.564.660	9.655.793.908	8.137.361.776
Bahan baku dan pembantu	294.884.314.261	280.773.079.188	189.388.631.774	206.032.431.318
Pita cukai	19.993.738.580	32.010.051.620	13.917.058.280	8.445.668.656
Suku cadang dan lain-lain	6.530.969.044	5.829.999.118	4.522.304.617	4.328.312.710
Total	398.710.391.209	393.178.048.549	258.483.117.167	246.040.549.919

Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009, persediaan Grup diasuransikan terhadap risiko kebakaran dan risiko kerugian lainnya dengan nilai pertanggungan masing-masing sebesar Rp418.550.000.000, Rp350.758.942.400, Rp340.991.392.400 dan Rp189.048.942.400 dimana manajemen berkeyakinan bahwa nilai tersebut cukup untuk menutupi kemungkinan kerugian atas risiko-risiko tersebut.

Manajemen berpendapat bahwa nilai tercatat persediaan pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009 mendekati nilai realisasi neto-nya.

Persediaan Grup masing-masing sebesar Rp262.950.000.000, Rp262.950.000.000, Rp142.950.000.000 dan Rp127.950.000.000 pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009 yang terdiri dari bahan baku, barang jadi dan bahan pembantu dijadikan jaminan untuk fasilitas pinjaman dari PT Bank Danamon Indonesia Tbk, PT Bank Central Asia Tbk, PT Bank Ganesha dan PT Bank CIMB Niaga Tbk (Catatan 15).

7. OTHER RECEIVABLES

This account consists of:

	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
			Third Parties
			Rupiah
			Kantor Kas Negara
			Employee receivables
			PT Japan Tobacco
			International Indonesia
			Others (each below Rp100 million)
			Total

Management is of the opinion that all other receivables are fully collectible, therefore, no allowance for impairment of other receivables is required.

8. INVENTORIES

This account consists of:

	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
			Finished goods
			Work-in-process
			Raw and supporting materials
			Excise duty ribbons
			Spareparts and others
			Total

As of June 30, 2012, December 31, 2011, 2010 and 2009, the Group's inventories are insured against fire risk and other risks with the sum insured amounting to Rp418,550,000,000, Rp350,758,942,400, Rp340,991,392,400 and Rp189,048,942,400, respectively, which the management believes adequate to cover possible losses from such risks.

Management is of the opinion that the carrying amount of inventories as of June 30, 2012, December 31, 2011, 2010 and 2009, approximates their net realizable value.

The Group's inventories of raw materials, supporting materials and finished goods amounting to Rp262,950,000,000, Rp262,950,000,000, Rp142,950,000,000 and Rp127,950,000,000 as of June 30, 2012, December 31, 2011, 2010 and 2009, respectively, were used as collaterals for loan facilities from PT Bank Danamon Indonesia Tbk, PT Bank Central Asia Tbk, PT Bank Ganesha and PT Bank CIMB Niaga Tbk (Note 15).

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011 (Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011 (With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009) (Expressed in Rupiah, unless Otherwise Stated)

9. UANG MUKA

Akun ini terdiri dari:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Operasional	4.023.675.658	1.576.111.100	2.955.085.185	2.256.768.772	Operational
Uang muka kepada pemasok	3.136.632.418	20.167.411.285	10.603.534.904	399.850.509	Advances to suppliers
Pemasaran	2.326.777.319	1.405.351.215	760.703.445	855.275.513	Marketing
Lain-lain	1.309.237.216	822.528.984	2.657.887.951	261.002.968	Others
Total	10.796.322.611	23.971.402.584	16.977.211.485	3.772.897.762	Total

9. ADVANCE PAYMENTS

This account consists of:

10. BEBAN DIBAYAR DIMUKA

Akun ini terdiri dari:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Iklan dan promosi	2.464.111.683	3.410.633.879	4.393.895.623	-	Advertising and promotion
Sewa	1.214.185.658	763.821.291	537.219.809	82.500.000	Rent
Asuransi	501.387.293	433.469.391	382.263.850	196.125.491	Insurance
Lain-lain	271.870.648	249.077.515	200.363.073	278.525.454	Others
Total	4.451.555.282	4.857.002.076	5.513.742.355	557.150.945	Total

10. PREPAID EXPENSES

This account consists of:

11. ASET TETAP

Periode enam bulan yang berakhir pada tanggal 30 Juni 2012/
Six-month period ended June 30, 2012

	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo Akhir/ Ending Balance	
Biaya Perolehan						Acquisition Cost
Tanah	20.826.110.129	-	6.124.075.892	-	14.702.034.237	Land
Bangunan	73.653.052.785	14.355.000	32.824.902.113	6.987.814.191	47.830.319.863	Building
Mesin	144.119.086.413	112.004.486	6.752.163.998	27.920.909.170	165.399.836.071	Machinery
Peralatan Kantor	14.189.112.054	777.620.643	544.664.401	-	14.422.068.296	Office Equipment
Kendaraan	37.504.009.668	2.423.649.480	1.714.620.130	-	38.213.039.018	Vehicles
Aset dalam penyelesaian	39.243.930.737	19.075.099.319	-	(34.908.723.361)	23.410.306.695	Construction in progress
Sub-Total	329.535.301.786	22.402.728.928	47.960.426.534	-	303.977.604.180	Sub-Total
Akumulasi Penyusutan						Accumulated Depreciation
Bangunan	33.723.980.975	1.952.951.772	7.475.221.609	-	28.201.711.138	Building
Mesin	110.486.520.293	3.959.064.137	6.383.453.545	-	108.062.130.885	Machinery
Peralatan Kantor	11.275.516.704	550.868.947	538.521.066	-	11.287.864.585	Office Equipment
Kendaraan	18.249.426.041	1.819.433.895	1.439.779.953	-	18.629.079.983	Vehicles
Sub-Total	173.735.444.013	8.282.318.751	15.836.976.173	-	166.180.786.591	Sub-Total
Nilai Tercatat	155.799.857.773				137.796.817.589	Carrying Value

Tahun yang berakhir pada tanggal 31 Desember 2011/
Year ended December 31, 2011

	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo Akhir/ Ending Balance	
Biaya Perolehan						Acquisition Cost
Tanah	30.960.915.677	-	10.134.805.548	-	20.826.110.129	Land
Bangunan	84.458.270.772	141.873.500	12.388.929.585	1.441.838.098	73.653.052.785	Building
Mesin	126.769.521.965	7.263.959.748	1.420.572.190	11.506.176.890	144.119.086.413	Machinery
Peralatan Kantor	13.561.903.291	1.705.764.438	1.091.010.718	12.455.043	14.189.112.054	Office Equipment
Kendaraan	29.859.894.418	11.500.630.240	3.856.514.990	-	37.504.009.668	Vehicles
Aset dalam penyelesaian	12.170.777.020	40.400.452.824	366.829.076	(12.960.470.031)	39.243.930.737	Construction in progress
Sub-Total	297.781.283.143	61.012.680.750	29.258.662.107	-	329.535.301.786	Sub-Total
Akumulasi Penyusutan						Accumulated Depreciation
Bangunan	38.546.958.511	4.027.371.537	8.850.349.073	-	33.723.980.975	Building
Mesin	105.277.907.670	6.629.184.812	1.420.572.189	-	110.486.520.293	Machinery
Peralatan Kantor	11.572.057.346	792.268.360	1.088.809.002	-	11.275.516.704	Office Equipment
Kendaraan	18.340.711.522	3.225.525.188	3.316.810.669	-	18.249.426.041	Vehicles
Sub-Total	173.737.635.049	14.674.349.897	14.676.540.933	-	173.735.444.013	Sub-Total
Nilai Tercatat	124.043.648.094				155.799.857.773	Carrying Value

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

11. ASET TETAP (lanjutan)

11. FIXED ASSETS (continued)

Tahun yang berakhir pada tanggal 31 Desember 2010/ Year ended December 31, 2010						
	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo Akhir/ Ending Balance	
Biaya Perolehan						Acquisition Cost
Tanah	31.240.446.647	-	279.530.970	-	30.960.915.677	Land
Bangunan	84.328.170.322	-	-	130.100.450	84.458.270.772	Building
Mesin	122.978.025.366	4.104.126.427	318.066.828	5.437.000	126.769.521.965	Machinery
Inventaris Kantor	12.594.952.342	1.643.356.806	676.405.857	-	13.561.903.291	Office Equipment
Kendaraan	27.045.460.497	5.680.727.421	2.866.293.500	-	29.859.894.418	Vehicles
Aset dalam penyelesaian	7.438.421.819	4.867.892.651	-	(135.537.450)	12.170.777.020	Construction in progress
Sub-total	285.625.476.993	16.296.103.305	4.140.297.155	-	297.781.283.143	Sub-total
Akumulasi Penyusutan						Accumulated Depreciation
Bangunan	34.517.732.332	4.029.226.179	-	-	38.546.958.511	Building
Mesin	98.281.274.091	7.199.376.438	202.742.859	-	105.277.907.670	Machinery
Peralatan Kantor	11.280.710.362	961.814.459	670.467.475	-	11.572.057.346	Office Equipment
Kendaraan	17.127.297.798	3.779.037.895	2.565.624.171	-	18.340.711.522	Vehicles
Sub-Total	161.207.014.583	15.969.454.971	3.438.834.505	-	173.737.635.049	Sub-Total
Nilai Tercatat	124.418.462.410				124.043.648.094	Carrying Value

Tahun yang berakhir pada tanggal 31 Desember 2009/ Year ended December 31, 2009						
	Saldo Awal/ Beginning Balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassifications	Saldo Akhir/ Ending Balance	
Biaya Perolehan						Acquisition Cost
Tanah	31.240.446.647	-	-	-	31.240.446.647	Land
Bangunan	61.629.000.249	370.498.121	-	22.328.671.952	84.328.170.322	Building
Mesin	113.915.355.939	8.714.142.438	180.428.613	528.955.602	122.978.025.366	Machinery
Peralatan Kantor	11.393.441.567	1.254.104.523	52.593.748	-	12.594.952.342	Office Equipment
Kendaraan	21.417.903.614	7.305.963.120	1.678.406.237	-	27.045.460.497	Vehicles
Aset dalam penyelesaian	15.681.833.813	14.614.215.560	-	(22.857.627.554)	7.438.421.819	Construction in progress
Sub-Total	255.277.981.829	32.258.923.762	1.911.428.598	-	285.625.476.993	Sub-Total
Akumulasi Penyusutan						Accumulated Depreciation
Bangunan	31.206.557.790	3.311.174.542	-	-	34.517.732.332	Building
Mesin	90.800.533.371	7.661.169.335	180.428.615	-	98.281.274.091	Machinery
Peralatan Kantor	10.617.600.524	713.934.818	50.824.980	-	11.280.710.362	Office Equipment
Kendaraan	15.801.472.870	2.975.671.257	1.649.846.329	-	17.127.297.798	Vehicles
Sub-Total	148.426.164.555	14.661.949.952	1.881.099.924	-	161.207.014.583	Sub-Total
Nilai Tercatat	106.851.817.274				124.418.462.410	Carrying Value

Pada tahun 2012, pengurangan aset tetap termasuk pengurangan karena kehilangan pengendalian pada PT Putri Gelora Jaya, Entitas Anak, dengan harga perolehan sebesar Rp5.151.107.520 beserta akumulasi penyusutannya sebesar Rp3.796.753.900.

Tanah yang dimiliki oleh Perusahaan dan Entitas Anak, seluas sekitar 410.829 meter persegi berupa Hak Guna Bangunan (HGB) pada tanggal 30 Juni 2012. HGB tersebut akan berakhir pada berbagai tanggal antara tahun 2014 sampai dengan 2033. Manajemen Perusahaan dan Entitas Anak berkeyakinan bahwa HGB tersebut dapat diperpanjang pada saat berakhirnya hak tersebut.

In 2012, deductions to fixed assets include the reductions of fixed assets due to loss of control over PT Putri Gelora Jaya, Subsidiary, with cost of Rp5,151,107,520 and accumulated depreciation of Rp3,796,753,900.

The titles of land, which are owned by the Company and Subsidiaries, totaling 410,829 square meters as of June 30, 2012, represent Hak Guna Bangunan (HGB). The HGB will expire on various dates from year 2014 to 2033. The Company's management believes that the HGB can be renewed upon expiry.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

11. ASET TETAP (lanjutan)

Pembebanan penyusutan adalah sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Beban pokok penjualan	4.773.184.316	3.934.915.630	7.618.459.889	8.737.018.540	9.293.995.853
Beban usaha - penjualan (Catatan 25)	1.076.890.968	727.126.885	1.687.646.630	1.802.652.961	1.280.951.038
Beban usaha - umum dan administrasi (Catatan 25)	2.432.243.467	2.559.302.048	5.368.243.378	5.429.783.470	4.087.003.061
Total	8.282.318.751	7.221.344.563	14.674.349.897	15.969.454.971	14.661.949.952

Cost of goods sold
Operating expenses - selling
(Note 25)
Operating expenses - general
and administrative (Note 25)

Total

11. FIXED ASSETS (continued)

Depreciation is charged as follows:

Penjualan aset tetap adalah sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Harga perolehan	42.809.319.014	2.953.582.379	29.258.662.107	4.140.297.155	1.911.428.598
Akumulasi depresiasi	(12.040.222.273)	(2.343.515.044)	(14.676.540.933)	(3.438.834.505)	(1.881.099.924)
Nilai tercatat	30.769.096.741	610.067.335	14.582.121.174	701.462.650	30.328.674
Harga jual	36.539.290.910	3.670.115.667	92.440.473.110	3.928.043.786	130.676.788
Laba Penjualan Aset Tetap	5.770.194.169	3.060.048.332	77.858.351.936	3.226.581.136	100.348.114

Acquisition cost
Accumulated depreciation

Carrying value
Selling price

Gain on Disposal of Fixed Assets

Disposal of fixed assets is as follows:

Pada tahun 2011, penjualan aset tetap termasuk penjualan tanah dan bangunan Grup kepada pihak berelasi (Catatan 31).

In 2011, disposals of fixed assets include sale of land and buildings of Group to related party (Note 31).

Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009, bangunan, mesin, peralatan kantor dan kendaraan Grup telah diasuransikan terhadap risiko kebakaran dan risiko lainnya dengan nilai pertanggungan sebesar Rp267.700.866.000, Rp390.891.768.924, Rp265.497.471.200 dan Rp224.242.524.500, dimana manajemen berkeyakinan bahwa nilai tersebut cukup untuk menutupi kemungkinan kerugian atas risiko-risiko tersebut.

As of June 30, 2012, December 31, 2011, 2010 and 2009, the Group's building, machinery, office equipment and vehicles are insured against fire risk and other risk with the sum insured of Rp267,700,866,000, Rp390,891,768,924, Rp265,497,471,200 and Rp224,242,524,500, respectively, which the management believes adequate to cover possible losses from such risks.

Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009, penambahan aset tetap diperoleh melalui pembiayaan konsumen masing-masing sebesar Rp1.866.722.000, Rp6.812.150.697, Rp6.510.960.000 dan Rp4.641.640.447 (Catatan 19).

As of June 30, 2012, December 31, 2011, 2010 and 2009, additional fixed assets which were acquired through consumer financing amounting to Rp1,866,722,000, Rp6,812,150,697, Rp6,510,960,000 and Rp4,641,640,447, respectively (Note 19).

Aset tetap Perusahaan dan PT Putri Gelora Jaya, berupa mesin senilai Rp19.519.455.000, Rp22.224.040.450, Rp16.882.800.000 dan Rp16.882.800.000, masing-masing pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009, dijadikan jaminan untuk fasilitas pinjaman dari PT Bank Central Asia Tbk, PT Bank CIMB Niaga Tbk dan PT Bank Ganesha (Catatan 15).

The Company's and PT Putri Gelora Jaya's, fixed assets - machineries amounting to Rp19,519,455,000, Rp22,224,040,450, Rp16,882,800,000 and Rp16,882,800,000, as of June 30, 2012, December 31, 2011, 2010 and 2009, respectively, were used as collateral for loan facilities from PT Bank Central Asia Tbk, PT Bank CIMB Niaga Tbk and PT Bank Ganesha (Note 15).

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

11. ASET TETAP (lanjutan)

Aset tetap PT Gelora Djaja, berupa mesin senilai EUR2.168.000 pada tanggal 30 Juni 2012 dan 31 Desember 2011, dijadikan jaminan untuk fasilitas pinjaman dari PT Bank CIMB Niaga Tbk (Catatan 15).

Nilai yang dapat diperoleh kembali dari aset tetap Grup, kecuali aset dalam penyelesaian, pada tanggal 30 Juni 2012, yang dinyatakan dalam laporan penilaian dari penilai independen, KJPP Yanuar Bey dan Rekan, pada tanggal 17 September 2012, sebesar Rp595,5 milyar, yang dinilai menggunakan pendekatan perbandingan data pasar untuk tanah, alat berat dan kendaraan, dan pendekatan biaya untuk bangunan, sarana pelengkap, mesin-mesin dan peralatannya, dan peralatan kantor.

Berdasarkan hasil evaluasi manajemen Grup, tidak terdapat peristiwa atau perubahan keadaan yang mengindikasikan adanya penurunan nilai aset tetap pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009.

Aset dalam penyelesaian terdiri dari mesin dan bangunan dengan rincian berikut:

	<u>30 Juni 2012/ June 30, 2012</u>	<u>31 Des. 2011/ Dec. 31, 2011</u>	<u>31 Des. 2010/ Dec. 31, 2010</u>	<u>31 Des. 2009/ Dec. 31, 2009</u>	
Mesin	22.284.213.655	35.754.724.973	9.515.569.869	2.322.745.336	Machineries
Bangunan	1.126.093.040	3.489.205.764	2.655.207.151	5.115.676.483	Building
Total	<u>23.410.306.695</u>	<u>39.243.930.737</u>	<u>12.170.777.020</u>	<u>7.438.421.819</u>	Total

Informasi aset dalam penyelesaian untuk bangunan adalah sebagai berikut:

	<u>30 Juni 2012/ June 30, 2012</u>	<u>31 Des. 2011/ Dec. 31, 2011</u>	<u>31 Des. 2010/ Dec. 31, 2010</u>	<u>31 Des. 2009/ Dec. 31, 2009</u>	
Estimasi persentase penyelesaian	20% - 95%	20% - 65%	10% - 60%	26% - 76%	Estimated percentage of completion
Estimasi tahun penyelesaian	2012	2012	2011 - 2012	2011-2012	Estimated completion year

Informasi aset dalam penyelesaian untuk mesin adalah sebagai berikut:

	<u>30 Juni 2012/ June 30, 2012</u>	<u>31 Des. 2011/ Dec. 31, 2011</u>	<u>31 Des. 2010/ Dec. 31, 2010</u>	<u>31 Des. 2009/ Dec. 31, 2009</u>	
Estimasi persentase penyelesaian	22% - 95%	25% - 95%	20% - 95%	25% - 89%	Estimated percentage of completion
Estimasi tahun penyelesaian	2012	2012	2011 - 2012	2010-2011	Estimated completion year

11. FIXED ASSETS (continued)

PT Gelora Djaja's, fixed assets - machinery amounting to EUR2,168,000 as of June 30, 2012 and December 31, 2011, were used as collateral for loan facilities from PT Bank CIMB Niaga Tbk (Note 15).

The recoverable amount of the Group's fixed assets, except for construction in progress, as of June 30, 2012, as stated in the valuation report from an independent valuers, KJPP Yanuar Bey dan Rekan, dated September 17, 2012, is Rp595.5 billion. The valuation was calculated using sales comparison approach for land, heavy equipment and vehicles, and cost approach for building, improvements, machineries and related equipment and office equipment.

Based on the evaluation of the Group's management, there are no events or changes in circumstances which may indicate impairment in the value of fixed assets as of June 30, 2012, December 31, 2011, 2010 and 2009.

Construction in progress pertains to both machinery and building with details as follow:

Information on the construction in progress for buildings are as follows:

Information on the construction in progress for machineries are as follows:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

12. ASET LAIN-LAIN

Akun ini terdiri dari :

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Taksiran tagihan pajak penghasilan (Catatan 16)	556.572.666	-	-	-
Uang jaminan	68.347.062	68.347.062	68.347.062	70.347.062
Total	624.919.728	68.347.062	68.347.062	70.347.062

Estimated claim for tax refund (Note 16)
Security deposits

Total

13. UTANG USAHA

a. Rincian berdasarkan pemasok yang muncul dari pembelian pita cukai, bahan baku dan pembantu adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Pihak Ketiga				
Kantor Kas Negara	70.376.760.000	55.105.537.500	39.236.850.000	24.323.928.000
PT Mitsui Indonesia	4.045.979.643	3.231.028.546	1.617.131.942	332.254.256
PT Japan Tobacco International Indonesia	2.062.105.000	1.797.036.000	-	-
New Co Leaf Asia Pte Ltd	1.919.351.610	1.765.781.212	-	-
PT Indesso Niagatama	1.548.533.494	1.024.813.446	1.130.401.447	627.124.493
PT Semarang Packaging Industry	1.392.154.170	521.079.680	3.756.614.290	837.346.290
Celanese Acetate LLC	1.111.885.083	7.860.132.101	1.874.930.340	-
PT Tunas Alfin	911.791.650	441.157.750	980.294.095	237.204.000
PT Bukit Muria Jaya	848.082.400	729.300.000	565.676.320	197.561.320
PT Karya Bumi Subur	478.500.000	-	-	-
PT Pura Barutama	393.148.800	249.981.600	652.901.425	96.807.700
PT Surya Momentum Sejati	211.709.638	513.290.332	312.692.707	351.275.456
PT Behn Meyer Kimia	201.651.120	623.471.901	277.205.500	191.051.520
PT Mangli Djaya Raya	-	2.140.724.500	-	-
CV Surya Terang	-	5.482.756	583.181.401	72.950.256
UD Supianto	-	-	12.683.853.895	11.350.821.640
PT Ogasaka	-	-	3.182.671.200	-
CV Trisno Adi	-	-	1.651.320.000	-
PT Mitra Perwinda Sukses	-	-	673.795.208	-
PT Surya Pamenang	-	-	487.998.419	120.236.650
PT Daun Mustika Indonesia	-	-	-	2.526.207.265
PT Karyadibya Mahardhika	-	-	-	1.560.137.106
Bet Ontoge & Sara Ontoge	-	-	-	1.416.975.120
Luisa Fani Rompah	-	-	-	711.036.810
Suhardi	-	-	-	707.785.100
HM Lauw Song Tjai	-	-	-	686.983.500
PT Gading Mas Indonesia Tobacco	-	-	718.928.000	-
Lain-lain (masing-masing kurang dari Rp400 juta)	1.480.386.015	1.798.736.658	2.401.061.672	1.259.254.064
Total	86.982.038.623	77.807.553.982	72.787.507.861	47.606.940.546

Third Parties

Kantor Kas Negara
PT Mitsui Indonesia
PT Japan Tobacco International Indonesia
New Co Leaf Asia Pte Ltd
PT Indesso Niagatama
PT Semarang Packaging Industry
Celanese Acetate LLC
PT Tunas Alfin
PT Bukit Muria Jaya
PT Karya Bumi Subur
PT Pura Barutama
PT Surya Momentum Sejati
PT Behn Meyer Kimia
PT Mangli Djaya Raya
CV Surya Terang
UD Supianto
PT Ogasaka
CV Trisno Adi
PT Mitra Perwinda Sukses
PT Surya Pamenang
PT Daun Mustika Indonesia
PT Karyadibya Mahardhika
Bet Ontoge & Sara Ontoge
Luisa Fani Rompah
Suhardi
HM Lauw Song Tjai
PT Gading Mas Indonesia Tobacco
Others (each below Rp400 million)

Total

b. Rincian berdasarkan mata uang adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Pihak Ketiga				
Rupiah	79.831.594.005	63.354.912.106	64.530.967.276	45.723.787.363
Dolar AS (30 Juni 2012 : USD754.266; 31 Des 2011 : USD 1.593.807; 31 Des 2010 : USD 918.312; 31 Des 2009 : USD200.335)	7.150.444.618	14.452.641.876	8.256.540.585	1.883.153.183
Total	86.982.038.623	77.807.553.982	72.787.507.861	47.606.940.546

b. Details by currency are as follows:

Third Parties
Rupiah
US Dollar (30 June 2012 : USD754,266; 31 Dec 2011 : USD1,593,807; 31 Dec 2010 : USD 918,312; 31 Dec 2009 : USD200,335)

Total

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

13. UTANG USAHA (lanjutan)

c. Analisa umur utang usaha adalah sebagai berikut:

	<u>30 Juni 2012/ June 30, 2012</u>	<u>31 Des. 2011/ Dec. 31, 2011</u>	<u>31 Des. 2010/ Dec. 31, 2010</u>	<u>31 Des. 2009/ Dec. 31, 2009</u>	
Sampai dengan 30 hari	82.770.130.471	49.653.655.482	46.336.496.990	24.755.393.168	Up to 30 days
31 - 90 hari	4.211.908.152	28.143.864.244	24.683.613.377	17.509.079.678	31 - 90 days
91 - 360 hari	-	10.034.256	1.767.397.494	5.342.467.700	91 - 360 days
Total	86.982.038.623	77.807.553.982	72.787.507.861	47.606.940.546	Total

13. TRADE PAYABLES (continued)

c. The aging analysis of trade payables are as follows:

14. UTANG LAIN-LAIN

a. Rincian berdasarkan pemasok adalah sebagai berikut :

	<u>30 Juni 2012/ June 30, 2012</u>	<u>31 Des. 2011/ Dec. 31, 2011</u>	<u>31 Des. 2010/ Dec. 31, 2010</u>	<u>31 Des. 2009/ Dec. 31, 2009</u>	
Pihak Ketiga					Third Parties
Matari Advertising	1.315.749.600	637.874.000	486.624.000	-	Matari Advertising
PT Jatim Mustika Sarana Steel	461.522.875	-	-	-	PT Jatim Mustika Sarana Steel
PT Inpar Saka Teknik	399.159.322	-	-	-	PT Inpar Saka Teknik
PT Kencana Digital Printing	367.122.952	273.641.500	52.800.000	-	PT Kencana Digital Printing
PT Multigrafindo Mandiri	132.162.857	225.255.103	156.260.204	-	PT Multigrafindo Mandiri
PT Tecma Mitratama	-	-	-	-	PT Tecma Mitratama
Advertindo	104.349.186	306.153.061	760.971.023	-	Advertindo
Kantor Kas Negara	-	1.545.360.000	-	-	Kantor Kas Negara
PT Semarang Packaging Industry	-	515.625.000	-	-	PT Semarang Packaging Industry
PT Perusahaan Listrik Negara (Persero)	-	449.255.565	-	-	PT Perusahaan Listrik Negara (Persero)
PT Aneka Rupa Tera	-	367.137.760	19.105.614	-	PT Aneka Rupa Tera
PT Oxy Jaya Putera	-	328.783.350	692.764.316	-	PT Oxy Jaya Putera
CV Selamat Jaya Advertising	-	247.551.021	54.540.816	-	CV Selamat Jaya Advertising
PT Gunung Mas Makmur	-	231.000.000	-	-	PT Gunung Mas Makmur
Decouffe s.a.r.l	-	203.481.805	52.096.040	5.293.920	Decouffe s.a.r.l
Delta Indo Group	-	-	333.333.334	-	Delta Indo Group
PT AKR Corporindo Tbk	-	-	277.872.748	129.031.672	PT AKR Corporindo Tbk
Lain-lain (masing-masing kurang dari Rp200 juta)	3.037.905.186	4.369.328.018	1.443.054.084	322.031.446	Others (each below Rp200 million)
Total	5.817.971.978	9.700.446.183	4.329.422.179	456.357.038	Total

14. OTHER PAYABLES

a. Details by supplier are as follows :

b. Rincian berdasarkan mata uang adalah sebagai berikut:

	<u>30 Juni 2012/ June 30, 2012</u>	<u>31 Des. 2011/ Dec. 31, 2011</u>	<u>31 Des. 2010/ Dec. 31, 2010</u>	<u>31 Des. 2009/ Dec. 31, 2009</u>	
Pihak Ketiga					Third Parties
Rupiah	5.641.730.108	9.334.315.120	4.221.093.576	450.218.838	Rupiah
Dolar AS (30 Juni 2012 : USD1.711; 31 Des. 2011 : USD625; 31 Des. 2010 : USD955; 31 Des. 2009 : USD653)	16.220.280	5.667.500	8.586.405	6.138.200	US Dollar (June 30, 2012 : USD1,711; Dec. 31, 2011 : USD625; Dec. 31, 2010 : USD955; Dec. 31, 2009 : USD653)
Euro (30 Juni 2012 : Euro12.414; 31 Des. 2011 : Euro28.204; 31 Des. 2010 : Euro7.988)	146.497.614	331.086.756	95.504.528	-	Euro (June 30, 2012 :Euro12,414; Dec. 31, 2011 : Euro28,204; Dec. 31, 2010 :Euro7,988)
GBP (30 Juni 2012 : GBP918; 31 Des. 2011 : GBP2.103; 31 Des. 2010 : GBP305)	13.523.976	29.376.807	4.237.670	-	GBP (June 30, 2012 : GBP918; Dec. 31, 2011 : GBP2,103; Dec. 31, 2010 : GBP305)
Total	5.817.971.978	9.700.446.183	4.329.422.179	456.357.038	Total

b. Details by currency are as follows:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

15. UTANG BANK

Rincian akun ini adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Utang Bank Jangka Pendek					Short-term Bank Loans
Perusahaan Pihak ketiga					The Company Third party
PT Bank CIMB Niaga Tbk	-	5.646.648.978	100.000.000	5.280.981.115	PT Bank CIMB Niaga Tbk
Entitas Anak					Subsidiaries
PT Gelora Djaja Pihak ketiga					PT Gelora Djaja Third parties
PT Bank Danamon Indonesia Tbk	113.417.400.874	170.191.371.111	40.653.332.985	-	PT Bank Danamon Indonesia Tbk
PT Bank CIMB Niaga Tbk	68.900.000.000	90.000.000.000	36.275.000.000	54.405.000.000	PT Bank CIMB Niaga Tbk
PT Bank Ganesha	7.500.000.000	7.500.000.000	5.000.000.000	7.500.000.000	PT Bank Ganesha
PT Bank Central Asia Tbk	-	-	6.191.707.507	20.178.012.206	PT Bank Central Asia Tbk
PT Bank Panin Tbk	-	-	-	13.837.248.643	PT Bank Panin Tbk
PT Putri Gelora Jaya Pihak ketiga					PT Putri Gelora Jaya Third parties
PT Bank Ganesha	-	2.000.000.000	2.000.000.000	2.000.000.000	PT Bank Ganesha
PT Bank Central Asia Tbk	-	3.643.535.051	4.301.253.940	4.259.662.018	PT Bank Central Asia Tbk
Sub-total	189.817.400.874	278.981.555.140	94.521.294.432	107.460.903.982	Sub-total
Utang Bank Jangka Panjang					Long-term Bank Loans
Perusahaan Pihak ketiga					The Company Third parties
PT Bank CIMB Niaga Tbk	3.094.166.683	4.359.166.681	6.889.166.677	9.419.166.663	PT Bank CIMB Niaga Tbk
PT Bank Central Asia Tbk	4.410.223.569	4.998.253.378	-	-	PT Bank Central Asia Tbk
Entitas Anak					Subsidiary
PT Gelora Djaja Pihak ketiga					PT Gelora Djaja Third party
PT Bank CIMB Niaga Tbk	23.853.634.250	24.316.634.250	-	-	PT Bank CIMB Niaga Tbk
Sub-total	31.358.024.502	33.674.054.309	6.889.166.677	9.419.166.663	Sub-total
Dikurangi utang bank jangka Panjang yang akan jatuh tempo dalam satu tahun					Less current maturities of long-term bank loans
Perusahaan					The Company
PT Bank CIMB Niaga Tbk	1.946.666.683	2.446.666.681	2.529.999.996	2.529.999.996	PT Bank CIMB Niaga Tbk
PT Bank Central Asia Tbk	1.176.059.618	1.176.059.619	-	-	PT Bank Central Asia Tbk
Entitas Anak					Subsidiary
PT Gelora Djaja					PT Gelora Djaja
PT Bank CIMB Niaga Tbk	5.556.000.000	3.152.156.292	-	-	PT Bank CIMB Niaga Tbk
Sub-total	8.678.726.301	6.774.882.592	2.529.999.996	2.529.999.996	Sub-total
Utang bank jangka panjang - setelah dikurangi bagian yang akan jatuh tempo dalam satu tahun					Long-term bank loans - net of current maturities
Perusahaan					The Company
PT Bank CIMB Niaga Tbk	1.147.500.000	1.912.500.000	4.359.166.681	6.889.166.667	PT Bank CIMB Niaga Tbk
PT Bank Central Asia Tbk	3.234.163.951	3.822.193.759	-	-	PT Bank Central Asia Tbk
Entitas Anak					Subsidiary
PT Gelora Djaja					PT Gelora Djaja
PT Bank CIMB Niaga Tbk	18.297.634.250	21.164.477.958	-	-	PT Bank CIMB Niaga Tbk
Sub-total	22.679.298.201	26.899.171.717	4.359.166.681	6.889.166.667	Sub-total
Total	221.175.425.376	312.655.609.449	101.410.461.109	116.880.070.645	Total

15. BANK LOANS

Details of this account are as follows:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

15. UTANG BANK (lanjutan)

1. PT Bank CIMB Niaga Tbk

Perusahaan

Berdasarkan Perjanjian Kredit No.0793/PK/CSC.Jatim-MAR/X/2006 tanggal 20 Oktober 2006, Perusahaan melakukan perjanjian kredit dengan PT Bank CIMB Niaga Tbk (CIMB NIAGA). Perjanjian kredit tersebut telah diubah dari waktu ke waktu, perubahan terakhir terjadi pada tanggal 22 November 2011, yang meningkatkan nilai pinjaman maksimum menjadi sebesar Rp20.650.000.000. Rinciannya adalah sebagai berikut:

Utang Bank Jangka Pendek

- Fasilitas Cerukan Bank digunakan untuk aktivitas operasional dan pembelian bahan baku dengan nilai pinjaman maksimum sebesar Rp5.000.000.000. Fasilitas ini berlaku hingga tanggal 19 November 2012, dengan tingkat suku bunga efektif sebesar 10,25% per tahun. Pada tanggal 31 Desember 2011 dan 2009 saldo untuk pinjaman ini masing-masing sebesar Rp2.646.648.978 dan Rp2.280.981.115. Perusahaan tidak memiliki saldo hutang bank pada tanggal 30 Juni 2012 dan 31 Desember 2010.
- Kredit *Fixed Loan* digunakan untuk modal kerja dan pembelian bahan baku, dengan nilai pinjaman maksimum sebesar Rp3.000.000.000. Fasilitas ini akan jatuh tempo pada tanggal 19 November 2012. Tingkat suku bunga efektif sebesar 10,25% per tahun. Pada tanggal 31 Desember 2011, 2010 dan 2009 saldo untuk pinjaman ini masing-masing sebesar Rp3.000.000.000, Rp100.000.000 dan Rp3.000.000.000.

Utang Bank Jangka Panjang

- Kredit Investasi 1 digunakan untuk membeli mesin yang memproduksi filter rokok reguler. Nilai pinjaman maksimum pada fasilitas ini adalah sebesar Rp5.000.000.000. Fasilitas ini memiliki masa tenggang selama 9 bulan yang akan jatuh tempo dan dibayar lunas pada tanggal 9 November 2012. Tingkat bunga efektif untuk fasilitas ini adalah sebesar 10,25% per tahun. Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009 saldo untuk pinjaman ini masing-masing sebesar Rp416.666.683, Rp916.666.681, Rp1.916.666.667 dan Rp2.916.666.663.

15. BANK LOANS (continued)

1. PT Bank CIMB Niaga Tbk

The Company

Based on Loan Agreement No.0793/PK/CSC.Jatim-MAR/X/2006, dated October 20, 2006, the Company entered into a loan agreement with PT Bank CIMB Niaga Tbk (CIMB NIAGA). The loan agreement has been amended several times, the latest amendment was made on November 22, 2011 which increase the total maximum credit to Rp20,650,000,000. Details are as follows:

Short-term Bank Loan

- The Bank Overdraft Facility is used for operational activities and purchasing of raw materials with maximum credit limit amounting to Rp5,000,000,000. This facility will be effective until November 19, 2012 with an effective interest rate of 10.25% per annum. As of December 31, 2011 and 2009 the outstanding loan balance for this facility amounted to Rp2,646,648,978 and Rp2,280,981,115, respectively. The Company has no outstanding bank loan as of June 30, 2012 and December 31, 2010.
- The Fixed Loan facility is used for working capital and purchasing raw materials, with maximum credit limit amounting to Rp3,000,000,000. This facility will mature on November 19, 2012. The effective interest rate for this facility is 10.25% per annum. As of December 31, 2011, 2010 and 2009, the outstanding loan balance for this facility amounted to Rp3,000,000,000, Rp100,000,000 and Rp3,000,000,000, respectively.

Long-term Bank Loan

- The Credit Investment Loan 1 is used to buy a new machine line producing regular cigarettes filter. The maximum credit limit on this facility amounted to Rp5,000,000,000. This facility include nine months grace period which will mature and be paid on November 9, 2012. The effective interest rate for this facility is 10.25% per annum. As of June 30, 2012, December 31, 2011, 2010 and 2009 the outstanding loan balance for this facility amounted to Rp416,666,683, Rp916,666,681, Rp1,916,666,667 and Rp2,916,666,663, respectively.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

15. UTANG BANK (lanjutan)

1. PT Bank CIMB Niaga Tbk (lanjutan)

Perusahaan (lanjutan)

Utang Bank Jangka Panjang (lanjutan)

- Kredit Investasi 2 digunakan untuk membeli mesin baru yang memproduksi filter rokok mild, dengan nilai pinjaman maksimum sebesar Rp7.650.000.000. Fasilitas ini memiliki masa tenggang selama 9 bulan yang akan jatuh tempo pada tanggal 25 Maret 2014. Tingkat bunga efektif untuk fasilitas ini adalah sebesar 10,25% per tahun. Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009 saldo untuk pinjaman ini masing-masing sebesar Rp2.677.500.000, Rp3.442.500.000, Rp4.972.500.000 dan Rp6.502.500.000.

Jaminan atas fasilitas kredit tersebut berupa :

- i. Satu unit mesin produksi filter dan satu unit mesin filter yang terletak di Jl. Buntaran 9A, Tandes, Surabaya (Catatan 11);
- ii. Piutang dagang (Catatan 6); dan
- iii. Persediaan yang terdiri dari bahan baku, barang jadi, dan bahan pembantu yang terletak di Jl. Buntaran 9A, Tandes, Surabaya (Catatan 8).

Selama periode perjanjian kredit, tanpa seizin terlebih dahulu dari CIMB NIAGA, Perusahaan tidak diperkenankan untuk melakukan:

- a. *Capital withdrawal* dan penambahan aktiva tetap; dan
- b. Penambahan pinjaman ke Bank atau lembaga keuangan lain.

Perusahaan diharuskan menjaga *current ratio* lebih dari 1 (satu) dan *leverage* kurang dari 1 (satu) dan menjaga nilai persediaan dan piutang minimal 125% dari saldo pinjaman modal kerja. Manajemen Perusahaan berpendapat bahwa seluruh rasio telah dipenuhi pada tanggal laporan posisi keuangan konsolidasian.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

15. BANK LOANS (continued)

1. PT Bank CIMB Niaga Tbk (continued)

The Company (continued)

Long-term Bank Loan (continued)

- Credit Investment Loan 2 is used to buy a new machine line producing mild cigarettes filter with maximum credit facility amounting to Rp7,650,000,000. This facility include nine months grace period which will mature on March 25, 2014. The effective interest rate for this facility is 10.25% per annum. As of June 30, 2012, December 31, 2011, 2010 and 2009 the outstanding loan balance for this facility amounted to Rp2,677,500,000, Rp3,442,500,000, Rp4,972,500,000 and Rp6,502,500,000, respectively.

Collaterals for the credit facility are as follows :

- i. One unit filter production machines and one unit filter machine located at Jl. Buntaran 9A, Tandes, Surabaya (Note 11);
- ii. Trade receivables (Note 6); and
- iii. Inventories of raw materials, finished goods, and supporting materials located at Jl. Buntaran 9A, Tandes, Surabaya (Note 8).

During the period of loan, the Company is not allowed to carry out the following activities without written approval from CIMB NIAGA, among others:

- a. *Capital withdrawal* and additional purchase of fixed asset; and
- b. Additional borrowings to Bank or other financial institution.

The Company should maintain *current ratio* greater than 1 (one) and *leverage* lower than 1 (one) and maintain minimum balance of inventories and receivables amount greater than 125% of total outstanding loan balance. The Company's management is of the opinion that all ratios are met as of consolidated statements of financial position date.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

15. UTANG BANK (lanjutan)

1. PT Bank CIMB Niaga Tbk (lanjutan)

Entitas anak (PT Gelora Djaja)

Berdasarkan Perjanjian Kredit No.021/PK/BU-1/TK/SBY/2001 tanggal 9 November 2001, PT Gelora Djaja melakukan perjanjian kredit dengan PT Bank CIMB Niaga Tbk. Perjanjian kredit tersebut telah diubah dari waktu ke waktu. Perubahan terakhir dilakukan pada tanggal 3 November 2011 berkaitan dengan peningkatan jumlah pinjaman maksimum menjadi sebesar Rp125.000.000.000. Rinciannya adalah sebagai berikut:

Utang Bank Jangka Pendek

- Pinjaman Rekening Koran digunakan untuk modal kerja dengan nilai pinjaman maksimum sebesar Rp10.000.000.000. Fasilitas ini akan jatuh tempo pada tanggal 19 November 2012. Tingkat bunga efektif yang dibebankan sebesar 10,25% per tahun. Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009, tidak terdapat saldo utang atas fasilitas ini.
- Pinjaman Tetap digunakan untuk modal kerja dengan nilai pinjaman maksimum sebesar Rp90.000.000.000. Fasilitas ini akan jatuh tempo pada tanggal 19 November 2012. Tingkat bunga efektif untuk fasilitas ini adalah sebesar 10,25% per tahun. Pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009 saldo untuk pinjaman ini masing-masing sebesar Rp68.900.000.000, Rp90.000.000.000, Rp36.275.000.000 dan Rp54.405.000.000.

Utang Bank Jangka Panjang

- Pinjaman Investasi digunakan untuk pembelian mesin baru yang memproduksi rokok jenis *mild*, dengan nilai pinjaman maksimum sebesar Rp25.000.000.000. Jangka waktu pinjaman ini adalah 60 bulan termasuk masa tenggang selama 6 bulan dan akan jatuh tempo pada tanggal 8 November 2016. Tingkat bunga efektif yang dibebankan sebesar 10,25% per tahun. Pada tanggal 30 Juni 2012 dan

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

15. BANK LOANS (continued)

1. PT Bank CIMB Niaga Tbk (continued)

Subsidiary (PT Gelora Djaja)

Based on Loan Agreement No.021/PK/BU-1/TK/SBY/2001 dated November 9, 2001, PT Gelora Djaja entered into a loan agreement with PT Bank CIMB Niaga Tbk. The loan agreement has been amended several times. The latest amendment was made on November 3, 2011 which increases the facility credit limit to Rp125,000,000,000. Details are as follows :

Short-term Bank Loan

- The Bank Overdraft Credit is used for working capital with maximum credit limit amounting to Rp10,000,000,000. This facility will be effective until November 19, 2012. The effective interest rate for this facility is 10.25% per annum. As of June 30, 2012, December 31, 2011, 2010 and 2009, no amounts were outstanding for this facility.
- The Fixed Loan is used for working capital purposes with a maximum credit limit amounting to Rp90,000,000,000. This facility will mature on November 19, 2012. The effective interest rate for this facility is 10.25% per annum. As of June 30, 2012, December 31, 2011, 2010 and 2009 the outstanding loan balance for this facility amounted to Rp68,900,000,000, Rp90,000,000,000, Rp36,275,000,000 and Rp54,405,000,000, respectively.

Long-term Bank Loans

- The Credit Investment Loan is used to buy a new machine line producing mild's cigarettes with maximum credit limit amounting to Rp25,000,000,000. The loan period for this facility is 60 months and includes 6 months grace period and will mature on November 8, 2016. The effective interest rate for this facility is 10.25% per annum. As of June 30, 2012 and

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

15. UTANG BANK (lanjutan)

1. PT Bank CIMB Niaga Tbk (lanjutan)

Entitas anak (PT Gelora Djaja) (lanjutan)

Utang Bank Jangka Panjang (lanjutan)

31 Desember 2011, saldo untuk pinjaman ini masing-masing sebesar Rp23.853.634.250 dan Rp24.316.634.250. Pada tanggal 31 Desember 2010 dan 2009, tidak terdapat saldo utang atas fasilitas ini.

Jaminan atas fasilitas kredit tersebut berupa :

- Mesin yang terletak di Jl. Buntaran 9, Surabaya (Catatan 11);
- Persediaan berupa tembakau dan cengkeh (Catatan 8).

Selama periode perjanjian kredit, PT Gelora Djaja tanpa pemberitahuan tertulis kepada CIMB NIAGA tidak boleh melakukan antara lain hal-hal sebagai berikut:

- a. Pembiayaan aset tetap;
- b. Memperoleh tambahan pinjaman dari Bank atau lembaga keuangan lainnya;
- c. Melakukan perubahan susunan pengurus dan pemegang saham;
- d. Menjaminkan aset tanah dan bangunan; dan
- e. Menjaminkan kepada pihak ketiga tidak terbatas pada memberikan *Corporate Guarantee*, kecuali melakukan pengesahan atas surat-surat yang dapat diperdagangkan untuk keperluan pembayaran atau penagihan transaksi-transaksi lain yang lazim dilakukan dalam menjalankan usaha.

Perusahaan diharuskan menjaga *current ratio* minimal 1 (satu). Manajemen Perusahaan berpendapat bahwa seluruh rasio telah dipenuhi pada tanggal laporan posisi keuangan konsolidasian.

2. PT Bank Ganesha

Entitas anak (PT Gelora Djaja)

Berdasarkan Perjanjian Kredit No.209/STL/KRD/SBY/00 tanggal 15 Desember 2000, PT Gelora Djaja melakukan perjanjian kredit dengan PT Bank Ganesha (Ganesha). Perjanjian kredit tersebut telah diubah dari waktu ke waktu. Perubahan Perjanjian Kredit terakhir berdasarkan perpanjangan Perjanjian Kredit No.171/PPJK/KRD/SBY/11 pada tanggal 14 Desember 2011.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

15. BANK LOANS (continued)

1. PT Bank CIMB Niaga Tbk (continued)

Subsidiary (PT Gelora Djaja) (continued)

Long-term Bank Loans (continued)

December 31, 2011, the outstanding loan balance for this facility amounted to Rp23,853,634,250 and Rp24,316,634,250, respectively. As of December 31, 2010 and 2009, no amounts were outstanding for this facility.

Collaterals for the credit facilities are as follows:

- Machine located at Jl. Buntaran 9, Tandes, Surabaya (Note 11);
- Inventories of tobacco and cloves (Note 8).

During the period of the loan, PT Gelora Djaja without written notification to CIMB NIAGA is not allowed to carry out the following activities :

- a. Fixed asset financing;
- b. Obtain an additional loan from other banks or financial institution;
- c. Change the Company's management and shareholders' structures;
- d. Pledge as loan collaterals the Land and Building; and
- e. Pledge to third party not limited to grant Corporate Guarantee, except for endorsement of trading securities for payment or billing of other transactions which are normally done on its business operations.

The Company should maintain minimum *current ratio* of 1 (one). The Company's management is of the opinion that all ratios are met as of consolidated statements of financial position date.

2. PT Bank Ganesha

Subsidiary (PT Gelora Djaja)

Based on Loan Agreement No.209/STL/KRD/SBY/00 dated December 15, 2000, PT Gelora Djaja entered into a loan agreement with PT Bank Ganesha (Ganesha). The loan agreement has been amended for several times. The latest is based on Loan Agreement No.171/PPJK/KRD/SBY/11 on December 14, 2011.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

15. UTANG BANK (lanjutan)

2. PT Bank Ganesha (lanjutan)

Entitas anak (PT Gelora Djaja) (lanjutan)

Fasilitas Pinjaman Tetap jangka pendek tersebut digunakan untuk keperluan modal kerja dengan nilai pinjaman maksimum sebesar Rp7.500.000.000. Fasilitas ini berlaku hingga tanggal 15 Desember 2012. Tingkat bunga efektif untuk fasilitas ini adalah sebesar 12% per tahun. Pada tanggal 30 Juni 2012, 31 Desember 2011 dan 2009 saldo untuk pinjaman ini masing-masing sebesar Rp7.500.000.000. Pada tanggal 31 Desember 2010, saldo untuk pinjaman ini sebesar Rp5.000.000.000.

Fasilitas pinjaman tetap jangka pendek diatas dijamin dengan persediaan PT Gelora Djaja (Catatan 8).

Entitas anak (PT Putri Gelora Jaya)

Berdasarkan Perjanjian Kredit No.047/STL/KRD/SBY/07 tanggal 25 April 2007, PT Putri Gelora Jaya melakukan perjanjian kredit dengan PT Bank Ganesha. Perjanjian kredit tersebut telah diubah dari waktu ke waktu. Perubahan Perjanjian Kredit terakhir berdasarkan perpanjangan perjanjian kredit No.069/PPJK/KRD/SBY/12 pada tanggal 30 Mei 2012 yang memperpanjang masa berlaku pinjaman dari tanggal 25 Mei 2012 dan akan jatuh tempo pada tanggal 25 April 2013. Pinjaman tersebut berupa fasilitas pinjaman jangka pendek dengan nilai pinjaman maksimum sebesar Rp2.000.000.000. Tingkat suku bunga untuk fasilitas ini adalah 12,50% per tahun dan provisi 1%. Pada tanggal 30 Juni 2012, tidak terdapat saldo utang atas fasilitas ini. Pada tanggal 31 Desember 2011, 2010 dan 2009, saldo utang pinjaman ini masing-masing sebesar Rp2.000.000.000.

Fasilitas pinjaman ini dijamin dengan aset tetap berupa mesin milik PT Putri Gelora Jaya (Catatan 11).

15. BANK LOANS (continued)

2. PT Bank Ganesha (continued)

Subsidiary (PT Gelora Djaja) (continued)

This short-term Fixed Loan Facility is used for working capital with maximum credit limit amounting to Rp7,500,000,000. This facility will be effective until December 15, 2012. The effective interest rate for this facility is 12% per annum. As of June 30, 2012, December 31, 2011 and 2009 the outstanding loan balance for this facility amounted to Rp7,500,000,000, respectively. As of December 31, 2010, the outstanding loan balance for this facility is Rp5,000,000,000.

The short-term fixed loan facility above is collateralized by inventories of PT Gelora Djaja (Note 8).

Subsidiary (PT Putri Gelora Jaya)

Based on Loan Agreement No. 047/STL/KRD/SBY/07 dated April 25, 2007, PT Putri Gelora Jaya entered to a short-term loan agreement with PT Bank Ganesha. The loan agreement has been amended several times. The latest amendment is based on Loan Agreement No.069/PPJK/KRD/SBY/12 on May 30, 2012 which extends the loan validity from May 25, 2012 to April 25, 2013. The bank loan has maximum credit limit amounted to Rp2,000,000,000. The annual interest rate of this facility is 12.50% per annum and a provision of 1%. As of June 30, 2012, there was no outstanding loan for this facility. As of December 31, 2011, 2010 and 2009, the outstanding balance for this facility amounted to Rp2,000,000,000, respectively.

This loan facility is collateralized by fixed assets machinery owned by PT Putri Gelora Jaya (Note 11).

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

15. UTANG BANK (lanjutan)

3. PT Bank Danamon Indonesia Tbk

Entitas anak (PT Gelora Djaja)

Berdasarkan Akta Notaris J. Andy Hartanto, S.H., No. 23 tanggal 4 Maret 2010, PT Gelora Djaja melakukan perjanjian kredit dengan PT Bank Danamon Indonesia Tbk. Perjanjian kredit tersebut diubah dari waktu ke waktu.

Perubahan terakhir, berdasarkan Akta Notaris J. Andy Hartanto, S.H., No. 39 tanggal 14 Oktober 2011, untuk mengubah sebagian dari syarat dan ketentuan sebelumnya, termasuk penambahan dan kenaikan fasilitas dengan jumlah pinjaman maksimum menjadi sebesar Rp175.000.000.000. Fasilitas kredit berlaku sejak tanggal 14 Oktober 2011 dan akan jatuh tempo pada tanggal 14 Oktober 2012 dan telah diperpanjang sampai dengan tanggal 14 Oktober 2013. Tingkat suku bunga efektif yang dibebankan untuk fasilitas ini adalah sebesar 10,25% per tahun. Fasilitas kredit ini digunakan untuk pembiayaan keperluan modal kerja dan penerbitan *letter of credit* impor untuk pembelian bahan baku (antara lain tembakau dan saus tembakau) dan suku cadang. Fasilitas kredit tersebut terdiri dari:

- Fasilitas Omnibus (*revolving loan*) dengan nilai maksimal sebesar Rp170.000.000.000. Fasilitas kredit tersebut memiliki sub limit penggunaan berupa Bank Garansi sebesar Rp170.000.000.000 atau *Letter of Credit* Impor sebesar USD17.000.000. Jangka waktu penggunaan bank garansi selama 360 hari dan untuk *letter of credit* impor selama 180 hari. Pada tanggal 30 Juni 2012, 31 Desember 2011 dan 2010, saldo untuk pinjaman ini masing-masing sebesar Rp111.250.000.000, Rp170.000.000.000 dan Rp39.500.000.000.

15. BANK LOANS (continued)

3. PT Bank Danamon Indonesia Tbk

Subsidiary (PT Gelora Djaja)

Based on Notarial Deed of J. Andy Hartanto, S.H., No. 23 dated March 4, 2010, PT Gelora Djaja entered into a loan agreement with PT Bank Danamon Indonesia Tbk. The loan agreement has been amended several times.

The latest amendment was made on October 14, 2011 based on Notarial Deed No. 39 of J. Andy Hartanto, S.H., covering change in some of the prior terms and conditions including additional and increase in total maximum credit limit facility to become Rp175,000,000,000. This facility will be effective from October 14, 2011 until October 14, 2012 and has been extended up to October 14, 2013. The effective interest rate for this facility is 10.25% per annum. The facilities will be used for working capital and issuance letter of credit for raw materials purchase (such as tobacco and tobacco sauce) and spare parts. The facilities of this credit are as follows:

- Omnibus Facility (*revolving loan*) with maximum credit amounting to Rp170,000,000,000. This facility has sub-limits which are Bank Guarantee amounting to Rp170,000,000,000 or Letter of Credit for import purpose amounting to USD17,000,000. Usage period for a bank guarantee is 360 days and for letters of credit is 180 days. As of June 30, 2012, December 31, 2011 and 2010, the outstanding loan balance for this facility amounted to Rp111,250,000,000, Rp170,000,000,000 and Rp39,500,000,000, respectively.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

15. UTANG BANK (lanjutan)

3. PT Bank Danamon Indonesia Tbk (lanjutan)

Entitas anak (PT Gelora Djaja) (lanjutan)

- Kredit Rekening Koran digunakan untuk pembiayaan keperluan modal kerja dengan nilai maksimal sebesar Rp5.000.000.000. Pada tanggal 30 Juni 2012, 31 Desember 2011 dan 2010, saldo untuk pinjaman ini masing-masing sebesar Rp2.167.400.874, Rp191.371.111 dan Rp1.153.332.985.

Jaminan atas fasilitas di atas berupa persediaan tembakau dan cengkeh PT Gelora Djaja (Catatan 8), piutang usaha PT Gelora Djaja (Catatan 6) dan jaminan Perusahaan dari PT Gawih Jaya, pihak berelasi.

Nilai jaminan untuk jaminan tersebut diatas sebesar 100% dari jumlah yang terhutang (*outstanding*) pinjaman berdasarkan fasilitas kredit.

Berdasarkan perpanjangan perjanjian kredit, PT Gelora Djaja diharuskan untuk mempertahankan rasio keuangan seperti *current ratio* 1,25 kali, *debt to equity ratio* sebesar 2 kali, *debt service coverage ratio* minimum 1 kali dan jumlah piutang dan persediaan milik PT Gelora Djaja harus lebih besar dari jumlah utang bank.

4. PT Bank Central Asia Tbk

Perusahaan

Berdasarkan Perjanjian Kredit No. 5 tanggal 1 Maret 2011, Perusahaan melakukan perjanjian kredit dengan PT Bank Central Asia Tbk (BCA) untuk fasilitas kredit investasi dengan jumlah maksimum kredit sebesar Rp5.000.000.000. Fasilitas ini digunakan untuk pembelian mesin filter rokok. Fasilitas ini

15. BANK LOANS (continued)

3. PT Bank Danamon Indonesia Tbk (continued)

Subsidiary (PT Gelora Djaja) (continued)

- Bank Overdraft Facility is used for working capital with maximum credit facility amounting to Rp5,000,000,000. As of June 30, 2012, December 31, 2011 and 2010, the outstanding loan balance for this facility amounted to Rp2,167,400,874, Rp191,371,111 and Rp1,153,332,985, respectively.

The collaterals of the above facilities are secured by PT Gelora Djaja's tobacco and cloves (Note 8), PT Gelora Djaja's trade receivables (Note 6) and corporate guarantee from PT Gawih Jaya, a related party.

Total amount of the above collaterals comprises 100% from outstanding loan according to credit facilities.

Based on the extended loan agreement, PT Gelora Djaja should maintain the financial ratio such as *current ratio* of 1.25 times, *debt to equity ratio* of 2 times, *debt service coverage ratio* minimum of 1 time and the sum of receivables and inventories owned by PT Gelora Djaja should be more than total outstanding loan balance.

4. PT Bank Central Asia Tbk

The Company

Based on Loan Agreement No. 5, dated on March 1, 2011, the Company entered into a loan agreement with PT Bank Central Asia Tbk (BCA) for an Investment credit facility with total maximum credit of Rp5,000,000,000. The facility was used to purchase cigarette filter machine. This facility is applicable starting

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

15. UTANG BANK (lanjutan)

4. PT Bank Central Asia Tbk (lanjutan)

Perusahaan (lanjutan)

berlaku mulai tanggal 1 Maret 2011 atau tanggal lain sesuai perjanjian BCA dengan Perusahaan termasuk 9 bulan *grace period* dan akan jatuh tempo pada tanggal 1 Maret 2016. Tingkat bunga efektif yang dibebankan sebesar 10,50% per tahun. Pada tanggal 30 Juni 2012 dan 31 Desember 2011, saldo utang pinjaman ini masing-masing sebesar Rp4.410.223.569 dan Rp4.998.253.378.

Jaminan atas fasilitas kredit investasi tersebut berupa 1 unit mesin produksi filter (AF/KDF 2 400 m/min *filter maker with hand catcher*, filter diameter 6,95 mm, panjang 120 mm) milik Perusahaan yang terletak di Surabaya beserta seluruh perlengkapannya yang tersimpan di Jl. Buntaran 9A, Tandes, Surabaya.

PT Gelora Djaja diharuskan untuk mempertahankan rasio keuangan seperti *current ratio* 1,25 kali, *debt to equity ratio* sebesar 2 kali, *debt service coverage ratio* minimum 1 kali dan jumlah piutang dan persediaan milik PT Gelora Djaja harus lebih besar dari jumlah utang bank.

Manajemen PT Gelora Djaja berpendapat bahwa seluruh rasio keuangan telah dipenuhi pada tanggal laporan posisi keuangan.

Selama periode perjanjian kredit, Perusahaan tidak diijinkan melakukan kegiatan-kegiatan berikut tanpa ijin tertulis dari BCA, seperti :

- Memperoleh tambahan pinjaman dari bank atau lembaga keuangan lainnya;
- Meminjamkan uang termasuk tetapi tidak terbatas kepada perusahaan afiliasi kecuali untuk kegiatan operasional sehari-hari;
- Tidak diijinkan melakukan penggabungan, pengambilalihan, maupun pembubaran; dan
- Mengubah status institusi.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

15. BANK LOANS (continued)

4. PT Bank Central Asia Tbk (continued)

The Company (continued)

from March 1, 2011 or other date according to the agreement of BCA and the Company with 9 months *grace period* and will mature on March 1, 2016. Interest rate is 10.50% per annum. As of June 30, 2012 and December 31, 2011, the outstanding balance for this facility amounted to Rp4,410,223,569 and Rp4,998,253,378, respectively.

The collateral of the above facility is 1 unit machine filter (AF/KDF 2 400 m/min *filter maker with hand catcher*, filter diameter at 6.95 mm, filter length at 120 mm) that belongs to the Company which is located in Surabaya and all the supplies which are located at Jl. Buntaran 9A, Tandes, Surabaya.

PT Gelora Djaja should maintain the financial ratio such as *current ratio* of 1.25 times, *debt to equity ratio* of 2 times, *debt service coverage ratio* minimum of 1 time and the sum of *receivables* and *inventories* owned by PT Gelora Djaja should be more than total *outstanding loan balance*.

The management of PT Gelora Djaja is of the opinion that all ratios are met as of statements of financial position date.

During the period of the loan, the Company is not allowed to carry out the following activities without written approval from BCA, among others :

- Obtain an additional loan from other banks and or other financial institution;
- Lending money to other companies, including but not limited to affiliated companies except for daily operations;
- Not allowed to do merger, acquisition, and liquidation; and
- Change institutional status.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

15. UTANG BANK (lanjutan)

4. PT Bank Central Asia Tbk (lanjutan)

Entitas anak (PT Putri Gelora Jaya)

PT Putri Gelora Jaya memperoleh fasilitas kredit lokal (rekening koran) dari PT Bank Central Asia Tbk berdasarkan Perubahan Perjanjian Kredit Nomor 1181/PPK/7900/2009 tanggal 27 Mei 2009 memberikan fasilitas kredit maksimum sebesar Rp4.400.000.000, dengan tingkat suku bunga 6,75% per tahun. Pada tanggal 31 Desember 2011, 2010 dan 2009 saldo utang pinjaman ini masing-masing sebesar Rp3.643.535.051, Rp4.301.253.940 dan Rp4.259.662.018.

Berdasarkan Perjanjian Kredit Pasal 3.4, perjanjian kredit akan diperpanjang secara otomatis untuk satu tahun berikutnya dan demikian seterusnya, apabila salah satu pihak tidak memberikan informasi mengenai perpanjangan atas perjanjian kredit tersebut 30 hari sebelum perjanjian kredit berakhir.

Selama periode perjanjian kredit, PT Putri Gelora Jaya harus segera memberitahukan kepada PT Bank Central Asia Tbk secara tertulis dengan melampirkan dokumen pendukung setiap kali terjadi perubahan Anggaran Dasar serta perubahan susunan Direksi, Komisaris dan/atau pemegang saham.

Jaminan atas fasilitas kredit tersebut berupa deposito berjangka yang dimiliki oleh Indahtati Widjajadi dan Rudyard Hartanto Linaya masing-masing sebesar Rp4.015.448.305 dan Rp350.000.000 yang masing-masing merupakan komisaris dan direktur dari PT Putri Gelora Jaya.

Entitas anak (PT Gelora Djaja)

Berdasarkan Perjanjian Kredit No. 089/ 7880/ KRED/KYO/00 pada tanggal 8 Desember 2000, PT Gelora Djaja memperoleh fasilitas kredit dari PT Bank Central Asia Tbk (BCA). Perjanjian kredit tersebut telah diubah beberapa kali. Perubahan perjanjian terakhir dilakukan pada tanggal 18 Januari 2012 untuk meningkatkan jumlah pinjaman maksimum menjadi Rp31.000.000.000. Fasilitas kredit tersebut digunakan untuk modal kerja dan akan jatuh tempo pada tanggal 8 Desember 2012, dengan tingkat bunga efektif yang dibebankan sebesar 10,50% per tahun. Pada tanggal 31 Desember 2010 dan 2009 saldo utang pinjaman ini sebesar Rp6.191.707.507 dan Rp20.178.012.206.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

15. BANK LOANS (continued)

4. PT Bank Central Asia Tbk (continued)

Subsidiary (PT Putri Gelora Jaya)

PT Putri Gelora Jaya entered into a Bank Overdraft Facilities from PT Bank Central Asia Tbk based on the latest amendment of Credit Agreement No. 1181/PPK/7900/2009 dated May 27, 2009, with maximum facility limit amounting to Rp4,400,000,000, annual interest rate of 6.75%. As of December 31, 2011, 2010 and 2009, the outstanding loan balance for this facility amounted to Rp3,643,535,051, Rp4,301,253,940 and Rp4,259,662,018, respectively.

Based on Credit Agreement Article 3.4, the agreement will be automatically extended for another 1 year period from the moment that one party has not informed to renew the credit agreement within 30 days before its expiration.

During the period of the loan, PT Putri Gelora Jaya must immediately notify PT Bank Central Asia Tbk in writing by attaching supporting documents whenever there is a change in the Company's Articles of Association as well as changes in composition of its Directors, Commissioners and/or shareholders.

The credit facility is secured by time deposits under the name of Indahtati Widjajadi and Rudyard Hartanto Linaya amounting to Rp4,015,448,305 and Rp350,000,000, respectively, who are commissioner and director of PT Putri Gelora Jaya, respectively.

Subsidiary (PT Gelora Djaja)

Based on Loan Agreement No. 089/7880/ KRED/KYO/00 dated December 8, 2000, PT Gelora Djaja entered into a credit facility agreement with PT Bank Central Asia Tbk (BCA). The agreement was amended for several times. The latest amendment was on January 18, 2012 to increase total credit limit to become Rp31,000,000,000. This credit facility is used for working capital and will mature on December 8, 2012, with an effective interest rate of 10.50% per annum. As of December 31, 2010 and 2009, the outstanding loan balance for this facility amounted to Rp6,191,707,507 and Rp20,178,012,206, respectively.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

15. UTANG BANK (lanjutan)

4. PT Bank Central Asia Tbk (lanjutan)

Entitas anak (PT Gelora Djaja) (lanjutan)

Jaminan atas fasilitas kredit diatas berupa persediaan tembakau PT Gelora Djaja (Catatan 8).

Selama periode perjanjian kredit, tanpa persetujuan tertulis dari BCA, PT Gelora Djaja tidak diijinkan melakukan hal-hal berikut, antara lain:

- Memperoleh tambahan pinjaman dari bank atau lembaga keuangan lainnya;
- Meminjamkan uang termasuk tetapi tidak terbatas kepada perusahaan berafiliasi kecuali untuk kegiatan operasional sehari-hari;
- Tidak diijinkan melakukan penggabungan, pengambilalihan, maupun pembubaran;
- Mengubah status institusi;
- Mengubah susunan pengurus dan pemegang saham PT Gelora Djaja.

5. PT Bank Panin Tbk

Entitas anak (PT Gelora Djaja)

Berdasarkan Perjanjian Kredit No.427/X/07 tanggal 17 Oktober 2007, Perusahaan melakukan perjanjian kredit dengan PT Bank Panin Tbk. Perjanjian kredit tersebut telah diubah dari waktu ke waktu, perubahan terakhir memperpanjang masa berlaku pinjaman dari tanggal 17 Oktober 2009 hingga tanggal 17 Oktober 2010. Pinjaman tersebut berupa Fasilitas Pinjaman Rekening Koran dengan nilai pinjaman maksimum sebesar Rp14.000.000.000 digunakan untuk pembiayaan modal kerja. Tingkat suku bunga untuk fasilitas ini adalah 9,25% per tahun. Pada tanggal 31 Desember 2009 saldo untuk pinjaman ini adalah sebesar Rp13.837.248.643.

Jaminan atas fasilitas kredit rekening koran tersebut berupa deposito berjangka atas nama Willy Walla dengan nilai penjaminan sebesar Rp14.000.000.000.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

15. BANK LOANS (continued)

4. PT Bank Central Asia Tbk (continued)

Subsidiary (PT Gelora Djaja) (continued)

The collaterals of the above credit facility are PT Gelora Djaja's tobacco inventory (Note 8).

During the period of the loan, PT Gelora Djaja is not allowed to carry out the following activities without written approval from BCA, among others :

- Obtain an additional loan from other banks and or other financial institution;
- Lending money to other companies include but not limited to affiliated companies except for daily operations;
- Not allowed to do merger, acquisition, and liquidation;
- Change institutional status.
- Change the composition of PT Gelora Djaja's board of directors, commissioners and shareholders.

5. PT Bank Panin Tbk

Subsidiary (PT Gelora Djaja)

Based on Loan Agreement No. 427/X/07, dated October 17, 2007, PT Gelora Djaja entered into a loan agreement with PT Bank Panin Tbk. The loan agreement has been amended several times, the latest amendment extended the loan validity from October 17, 2009 to October 17, 2010. The bank overdraft facility has maximum credit limit amounting to Rp14,000,000,000 which is used for working capital purposes. The annual interest rate of this facility is 9.25%. As of December 31, 2009, the outstanding loan balance for this facility amounting to Rp13,837,248,643.

The collateral of the bank overdraft facility is the time deposit in the name of Willy Walla with collateral value amounted to Rp14,000,000,000.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

16. PERPAJAKAN

a. Pajak Dibayar dimuka

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Pajak pertambahan nilai:				
Masukan	8.070.892.571	9.632.349.741	2.586.441.742	2.801.906.725
Pita cukai	4.847.491.807	9.469.923.116	9.783.406.450	6.378.057.009
Total	12.918.384.378	19.102.272.857	12.369.848.192	9.179.963.734

Value - added taxes:
Input
Excise duty ribbons

Total

b. Utang Pajak

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Pajak penghasilan:				
Pasal 4 (2) Final	4.932.639.877	49.766.676	24.267.000	14.679.880
Pasal 21	555.149.727	483.937.728	402.468.622	271.170.657
Pasal 22	31.004.863	220.600.892	48.704.578	8.642.069
Pasal 23	81.431.654	72.526.912	51.748.474	32.885.176
Pasal 25	1.471.397.780	838.324.463	580.339.540	44.769.817
Pasal 26	4.625.777.086	-	-	-
Pasal 29	5.028.301.004	8.488.095.452	3.747.203.990	3.712.080.150
Pajak pertambahan nilai	16.302.415.017	14.208.938.407	11.628.627.831	9.614.532.174
Total	33.028.117.008	24.362.190.530	16.483.360.035	13.698.759.923

Income taxes:
Article 4 (2) - Final
Tax article 21
Tax article 22
Tax article 23
Tax article 25
Tax article 26
Tax article 29
Value-added tax

Total

c. Beban (Manfaat) Pajak Penghasilan

Beban (manfaat) pajak Perusahaan dan Entitas Anak terdiri dari:

c. Income Tax Expense (Benefit)

Tax expense (benefit) of the Company and Subsidiaries are as follows:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
Perusahaan						The Company
Kini	1.035.920.313	2.352.102.992	4.031.781.250	3.522.443.250	1.320.290.160	Current
Tangguhan	44.512.714	72.038.663	117.808.710	(108.804.609)	(258.745.533)	Deferred
	1.080.433.027	2.424.141.655	4.149.589.960	3.413.638.641	1.061.544.627	
Entitas Anak						Subsidiaries
Kini	11.121.614.250	7.169.821.500	16.548.075.750	7.623.190.250	6.669.139.960	Current
Tangguhan	(778.156.510)	(818.001.412)	(1.548.340.372)	(436.670.459)	(1.457.136.867)	Deferred
	10.343.457.740	6.351.820.088	14.999.735.378	7.186.519.791	5.212.003.093	
Konsolidasian						Consolidated
Kini	12.157.534.563	9.521.924.492	20.579.857.000	11.145.633.500	7.989.430.120	Current
Tangguhan	(733.643.796)	(745.962.749)	(1.430.531.662)	(545.475.068)	(1.715.882.400)	Deferred
Beban Pajak Penghasilan - Neto	11.423.890.767	8.775.961.743	19.149.325.338	10.600.158.432	6.273.547.720	Income Tax Expense - Net

Pada September 2008, Undang-undang No. 7 Tahun 1983 mengenai "Pajak Penghasilan" diubah untuk keempat kalinya dengan Undang-undang No. 36 Tahun 2008. Perubahan tersebut juga mencakup perubahan tarif pajak penghasilan badan dari sebelumnya menggunakan tarif pajak bertingkat menjadi tarif tunggal yaitu 28% untuk tahun fiskal 2009 dan 25% untuk tahun fiskal 2010 dan seterusnya.

In September 2008, Law No. 7 Year 1983 regarding "Income Tax" has been revised for the fourth time with Law No. 36 Year 2008. The revised Law stipulates changes in corporate tax rate from progressive tax rates to a single rate of 28% for fiscal year 2009 and 25% for fiscal year 2010 onwards.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

16. PERPAJAKAN (lanjutan)

16. TAXATION (continued)

d. Pajak Kini

d. Current Tax

Rekonsiliasi antara laba sebelum beban (manfaat) pajak penghasilan menurut laporan laba rugi komprehensif konsolidasian dengan taksiran laba kena pajak adalah sebagai berikut:

The reconciliation between income before income tax expense (benefit) as shown in the consolidated statements of comprehensive income and estimated taxable income is as follows:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Laba sebelum beban (manfaat) pajak penghasilan menurut laporan laba rugi komprehensif konsolidasian	50.399.876.604	148.686.490.896	37.997.158.793	24.100.283.504	<i>Income before income tax expense (benefit) per consolidated statements of comprehensive income</i>
Laba sebelum beban (manfaat) pajak entitas anak	(43.298.169.530)	(130.599.020.565)	(25.420.638.030)	(17.363.269.480)	<i>Income before tax expense (benefit) of subsidiaries</i>
Eliminasi transaksi dengan entitas anak	(2.831.203.006)	353.585.875	804.015.121	(3.245.513.398)	<i>Elimination of transactions with subsidiaries</i>
Laba sebelum beban (manfaat) pajak penghasilan Perusahaan	4.270.504.068	18.441.056.206	13.380.535.884	3.491.500.626	<i>Income before income tax expense (benefit) of the Company</i>
Beda temporer					Temporary differences
Imbalan kerja karyawan	171.386.000	99.812.000	32.997.000	21.126.000	<i>Employee benefit expense</i>
Beban penyusutan	(283.537.826)	(567.199.216)	433.444.152	1.160.287.216	<i>Depreciation expense</i>
Beban dibayar dimuka	(65.899.029)	(3.847.625)	(31.222.717)	(146.431.084)	<i>Prepaid expenses</i>
Beda temporer	(178.050.855)	(471.234.841)	435.218.435	1.034.982.132	<i>Temporary differences</i>
Beda tetap					Permanent differences
Gaji, upah dan tunjangan lain-lain	51.692.331	81.024.353	-	50.204.291	<i>Salary, wages and other allowances</i>
Hiburan	2.301.570	29.772.620	9.182.300	94.500	<i>Entertainment</i>
Sumbangan	250.000	5.286.943	10.198.980	11.359.600	<i>Donation</i>
Pendapatan bunga	(6.084.858)	(16.469.117)	(6.316.777)	-	<i>Interest income</i>
Promosi	-	136.220.990	64.369.103	-	<i>Promosi</i>
Laba penjualan aset tetap setelah dikenakan pajak final	-	(2.098.160.068)	-	-	<i>Gain on sale of fixed asset subject to final tax</i>
Beban pajak	-	-	137.736.370	-	<i>Tax expense</i>
Lain-lain	3.069.000	19.628.450	58.848.951	127.181.235	<i>Others</i>
Beda tetap-neto	51.228.043	(1.842.695.829)	274.018.927	188.839.626	<i>Permanent differences - net</i>
Taksiran laba fiskal	4.143.681.256	16.127.125.536	14.089.773.246	4.715.322.384	<i>Estimated taxable income</i>
Taksiran laba fiskal (pembulatan)	4.143.681.000	16.127.125.000	14.089.773.000	4.715.322.000	<i>Estimated taxable income (rounded)</i>
Beban pajak kini - Perusahaan	1.035.920.313	4.031.781.250	3.522.443.250	1.320.290.160	Current tax expense- the Company
Pajak penghasilan dibayar dimuka					<i>Prepayments of income taxes</i>
Pajak penghasilan pasal 22	(296.071.713)	(1.354.207.200)	(1.013.717.484)	(894.954.336)	<i>Income tax article 22</i>
Pajak penghasilan pasal 25	(1.296.421.266)	(1.987.878.276)	(319.001.868)	-	<i>Income tax article 25</i>
	(1.592.492.979)	(3.342.085.476)	(1.332.719.352)	(894.954.336)	
Taksiran tagihan pajak penghasilan (Catatan 12) Perusahaan	556.572.666	-	-	-	Estimated claim for tax refund (Note 12) The Company
Taksiran utang pajak penghasilan badan					Estimated corporate income tax payables
Perusahaan	-	689.695.774	2.189.723.898	425.335.824	<i>The Company</i>
Entitas Anak	5.028.301.004	7.798.399.678	1.557.480.092	3.286.744.326	<i>Subsidiaries</i>
Total	5.028.301.004	8.488.095.452	3.747.203.990	3.712.080.150	Total

Taksiran laba fiskal Perusahaan untuk tahun fiskal 2011, 2010 dan 2009 seperti yang tercantum dalam table diatas telah sesuai dengan Surat Pemberitahuan Tahunan yang disampaikan ke Kantor Pajak.

Estimated taxable income of the Company for fiscal years 2011, 2010 and 2009, as shown in the table above has been in accordance with the Annual Tax Returns submitted to the Tax Office.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

16. PERPAJAKAN (lanjutan)

16. TAXATION (continued)

e. Pajak Tangguhan

e. Deferred Tax

Pajak tangguhan dihitung berdasarkan pengaruh dari perbedaan temporer antara jumlah tercatat aset dan liabilitas menurut laporan posisi keuangan konsolidasian komersial dengan dasar pengenaan pajak aset dan liabilitas. Rincian dari aset (liabilitas) pajak tangguhan adalah sebagai berikut:

Deferred tax is calculated based on temporary differences between the carrying value of total assets and liabilities recorded according to the commercial consolidated statements of financial positions and tax bases of assets and liabilities. Details of deferred tax assets (liabilities) are as follows:

	Saldo Awal 31 Des. 2011/ Beginning Balance Dec. 31, 2011	Dibebankan ke Laporan Laba Rugi Konsolidasian/ Charged to Consolidated Statements of Comprehensive Income	Aset Pajak Tangguhan dari Entitas Anak yang Dijual/ Deferred Tax Asset of the Sold Subsidiary (PT Putri Gelora Jaya)	Saldo Akhir 30 Juni 2012/ Ending Balance June 30, 2012	
Perusahaan					The Company
Liabilitas imbalan kerja	42.279.750	42.846.500	-	85.126.250	Employee benefit liability
Aset tetap	600.459.185	(70.884.457)	-	529.574.728	Fixed assets
Beban dibayar dimuka	(45.375.356)	(16.474.757)	-	(61.850.113)	Prepaid expenses
Entitas Anak					Subsidiaries
Liabilitas imbalan kerja	5.009.597.250	833.260.500	(351.333.750)	5.491.524.000	Employee benefit liability
Aset tetap	(908.616.322)	(166.220.452)	(34.271.377)	(1.109.108.151)	Fixed assets
Beban dibayar dimuka	(1.687.545.700)	111.116.462	-	(1.576.429.238)	Prepaid expenses
Aset Pajak Tangguhan - Neto	3.010.798.807	733.643.796	(385.605.127)	3.358.837.476	Deferred Tax Assets - Net
	Saldo Awal 31 Des. 2010/ Beginning Balance Dec. 31, 2010	Dibebankan ke Laporan Laba Rugi Konsolidatif Charged to Consolidated Statements of Comprehensive Income	Saldo Akhir 31 Des. 2011/ Ending Balance Dec. 31, 2011		
Perusahaan					The Company
Liabilitas imbalan kerja	17.326.750	24.953.000	42.279.750		Employee benefit liability
Aset tetap	742.258.989	(141.799.804)	600.459.185		Fixed assets
Beban dibayar dimuka	(44.413.450)	(961.906)	(45.375.356)		Prepaid expenses
Entitas Anak					Subsidiaries
Liabilitas imbalan kerja	3.611.712.000	1.397.885.250	5.009.597.250		Employee benefit liability
Aset tetap	(887.204.475)	(21.411.847)	(908.616.322)		Fixed assets
Beban dibayar dimuka	(1.859.412.669)	171.866.969	(1.687.545.700)		Prepaid expenses
Aset Pajak Tangguhan - Neto	1.580.267.145	1.430.531.662	3.010.798.807		Deferred Tax Assets - Net
	Saldo Awal 31 Des. 2009/ Beginning Balance Dec. 31, 2009	Dibebankan ke Laporan Laba Rugi Konsolidatif Charged to Consolidated Statements of Comprehensive Income	Saldo Akhir 31 Des. 2010/ Ending Balance Dec. 31, 2010		
Perusahaan					The Company
Liabilitas imbalan kerja	9.077.500	8.249.250	17.326.750		Employee benefit liability
Aset tetap	633.897.951	108.361.038	742.258.989		Fixed assets
Beban dibayar dimuka	(36.607.771)	(7.805.679)	(44.413.450)		Prepaid expenses
Entitas Anak					Subsidiaries
Liabilitas imbalan kerja	1.226.248.750	2.385.463.250	3.611.712.000		Employee benefit liability
Aset tetap	(167.802.171)	(719.402.304)	(887.204.475)		Fixed assets
Beban dibayar dimuka	(424.751.386)	(1.434.661.283)	(1.859.412.669)		Prepaid expenses
Aset Pajak Tangguhan - Neto	1.240.062.873	340.204.272	1.580.267.145		Deferred Tax Assets - Net

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

16. PERPAJAKAN (lanjutan)

16. TAXATION (continued)

e. Pajak Tangguhan (lanjutan)

e. Deferred Tax (continued)

	Saldo Awal 31 Des. 2009/ Beginning Balance Dec. 31, 2009	Dibebankan ke Laporan Laba Rugi Komprehensif		Saldo Akhir 31 Des. 2010/ Ending Balance Dec. 31, 2010	
		Konsolidasian/ Charged to Consolidated Statements of Comprehensive Income			
Entitas Anak					Subsidiary
Liabilitas imbalan kerja	1.545.050.500	(1.545.050.500)	-	-	Employee benefit liability
Aset tetap	(1.686.289.924)	1.686.289.924	-	-	Fixed assets
Beban dibayar dimuka	(64.031.372)	64.031.372	-	-	Prepaid expenses
Liabilitas Pajak Tangguhan - Neto	(205.270.796)	205.270.796	-	-	Deferred Tax Liabilities - Net
	Saldo Awal 31 Des. 2008/ Beginning Balance Dec 31, 2008	Dibebankan ke Laporan Laba Rugi Komprehensif		Saldo Akhir 31 Des. 2009/ Ending Balance Dec.31, 2009	
		Konsolidasian/ Charged to Consolidated Statements of Comprehensive Income			
Perusahaan					The Company
Liabilitas imbalan kerja	3.796.000	5.281.500	9.077.500	9.077.500	Employee benefit liability
Aset tetap	343.826.147	290.071.804	633.897.951	633.897.951	Fixed assets
Beban dibayar dimuka	-	(36.607.771)	(36.607.771)	(36.607.771)	Prepaid expenses
Entitas Anak					Subsidiaries
Liabilitas imbalan kerja	918.847.500	307.401.250	1.226.248.750	1.226.248.750	Employee benefit liability
Aset tetap	(534.793.179)	366.991.008	(167.802.171)	(167.802.171)	Fixed assets
Beban dibayar dimuka	(131.463.801)	(293.287.585)	(424.751.386)	(424.751.386)	Prepaid expenses
Aset Pajak Tangguhan - Neto	600.212.667	639.850.206	1.240.062.873	1.240.062.873	Deferred Tax Assets - Net
Entitas Anak					Subsidiary
Liabilitas imbalan kerja	1.115.971.750	429.078.750	1.545.050.500	1.545.050.500	Employee benefit liability
Aset tetap	(2.372.726.128)	686.436.204	(1.686.289.924)	(1.686.289.924)	Fixed assets
Beban dibayar dimuka	(24.548.612)	(39.482.760)	(64.031.372)	(64.031.372)	Prepaid expenses
Liabilitas Pajak Tangguhan - Neto	(1.281.302.990)	1.076.032.194	(205.270.796)	(205.270.796)	Deferred Tax Liabilities - Net

Manajemen Grup berpendapat bahwa aset pajak tangguhan tersebut dapat terpulihkan seluruhnya terhadap penghasilan kena pajak di masa yang akan datang.

Management of the Group is of the opinion that sufficient taxable profit will be available against which the above deferred tax assets may be utilized.

Pada tanggal 30 Juni 2012, Grup tidak mengakui aset pajak tangguhan sebesar Rp334.655.544 yang berasal dari akumulasi rugi fiskal PT Galan Gelora Djaja, entitas anak sebesar Rp1.338.622.175, karena manajemen Grup berkeyakinan aset pajak tangguhan tersebut tidak akan dapat digunakan.

As of June 30, 2012, no deferred tax asset amounting to Rp334,655,544 is provided for tax loss carry forward from PT Galan Gelora Djaja, a subsidiary, amounting to Rp1,338,622,175 since the Group expects that deferred tax asset will not be utilized.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

16. PERPAJAKAN (lanjutan)

e. Pajak Tangguhan (lanjutan)

Rekonsiliasi antara beban (manfaat) pajak penghasilan yang dihitung dengan menggunakan tarif pajak yang berlaku dari laba sebelum beban (manfaat) pajak penghasilan seperti yang dilaporkan pada laporan laba rugi komprehensif konsolidasian adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Laba sebelum beban (manfaat) pajak penghasilan menurut laporan laba rugi komprehensif konsolidasian	50.399.876.604	148.686.490.896	37.997.158.793	24.100.283.504
Laba sebelum beban (manfaat) pajak entitas anak	(43.298.169.530)	(130.599.020.565)	(25.420.638.030)	(17.363.269.480)
Eliminasi transaksi dengan entitas anak	(2.831.203.006)	353.585.875	804.015.121	(3.245.513.398)
Laba sebelum beban (manfaat) pajak penghasilan Perusahaan	4.270.504.068	18.441.056.206	13.380.535.884	3.491.500.626
Pajak dihitung pada tarif pajak yang berlaku	1.067.626.017	4.610.264.052	3.345.133.971	977.620.175
Pengaruh pajak atas beda tetap Perusahaan	12.807.010	(460.674.092)	68.504.670	52.875.095
Selisih tarif pajak	-	-	-	31.049.357
Total Beban Pajak Penghasilan Perusahaan	1.080.433.027	4.149.589.960	3.413.638.641	1.061.544.627
Total Beban Pajak Penghasilan Entitas Anak	10.343.457.740	14.999.735.378	7.186.519.791	5.212.003.093
Total Beban Pajak Penghasilan Konsolidasian	11.423.890.767	19.149.325.338	10.600.158.432	6.273.547.720

Income before income tax expense (benefit) per consolidated statements of comprehensive income

Income before tax expense (benefit) of subsidiaries

Elimination of transactions with subsidiaries

Income before income tax expense (benefit) of the Company

Tax calculated based on applicable tax rate

Tax effect of the Company's permanent differences

Difference on tax rate

Total Income Tax Expense of the Company

Total Income Tax Expense of the Subsidiaries

Total Income Tax Expense Consolidation

16. TAXATION (continued)

e. Deferred Tax (continued)

The reconciliation between the income tax expense (benefit) calculated by applying the applicable tax rate on the income before tax expense (benefit) as shown in the consolidated statements of comprehensive income is as follows:

17. LIABILITAS YANG MASIH HARUS DIBAYAR

Akun ini terdiri dari:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Upah dan pesangon	7.212.913.583	935.618.533	1.984.687.071	1.489.322.405
Ekspedisi	4.129.629.080	344.760.626	-	219.197.119
Asuransi	883.364.813	390.657.023	406.360.253	278.465.745
Listrik, telpon, air dan minyak	572.611.967	405.754.668	597.894.028	416.862.022
Bunga	468.876.208	1.099.337.888	523.318.004	782.958.217
Jasa tenaga ahli	359.880.000	1.322.760.000	-	-
Pemeliharaan aset	-	671.444.764	163.978.102	113.942.856
Promosi	-	181.054.999	-	-
Lain-lain (masing-masing kurang dari Rp100 million)	459.894.249	554.450.067	1.169.469.547	2.897.211.711
Total	14.087.169.900	5.905.838.568	4.845.707.005	6.197.960.075

17. ACCRUED LIABILITIES

This account consists of:

Wages and severance

Expeditions

Insurance

Utilities

Interests

Professional fee

Assets maintenance

Promotion

Others (each below Rp100 million)

Total

18. UANG MUKA PELANGGAN

Akun ini merupakan pembayaran uang muka dari pelanggan masing-masing sebesar Rp536.000, Rp423.500 dan Rp506.501.806 pada tanggal 30 Juni 2012, 31 Desember 2011 dan 2010.

18. ADVANCES FROM CUSTOMERS

This account pertains to advance payments made by customers amounting to Rp536,000, Rp423,500 and Rp506,501,806 as of June 30, 2012, December 31, 2011 and 2010, respectively.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

19. UTANG PEMBIAYAAN KONSUMEN

Grup memperoleh fasilitas pembiayaan untuk pembelian kendaraan dari PT Bank Panin Tbk, PT Bank Ganesha, PT Dipo Star Finance, PT ITC Auto Multi Finance dan PT BCA Finance. Rincian adalah sebagai berikut :

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Tahun 2010	-	-	-	3.393.585.996	Year 2010
Tahun 2011	-	-	2.895.411.354	833.216.235	Year 2011
Tahun 2012	2.693.029.092	5.184.214.489	746.698.700	-	Year 2012
Tahun 2013	2.291.408.360	1.454.577.862	-	-	Year 2013
Tahun 2014	370.712.008	-	-	-	Year 2014
Total pembayaran minimum	5.355.149.460	6.638.792.351	3.642.110.054	4.226.802.231	Total minimum payment
Dikurangi beban bunga yang belum diakui	459.044.688	564.643.697	351.868.865	583.816.125	Less unrecognized interest expense
Total utang pembiayaan konsumen	4.896.104.772	6.074.148.654	3.290.241.189	3.642.986.106	Total consumer financing payables
Bagian utang pembiayaan konsumen yang jatuh tempo dalam satu tahun	4.089.068.131	2.828.603.016	1.629.039.209	2.877.510.601	Current maturities of long-term consumer financing payables
Utang pembiayaan konsumen setelah dikurangi bagian yang jatuh tempo dalam satu tahun	807.036.641	3.245.545.638	1.661.201.980	765.475.505	Consumer financing payables - net of current maturities

19. CONSUMER FINANCING PAYABLES

The Group have consumer financing payable agreements for vehicles with PT Bank Panin Tbk, PT Bank Ganesha, PT Dipo Star Finance, PT ITC Auto Multi Finance and PT BCA Finance. Details are as follows:

20. LIABILITAS IMBALAN KERJA

Program Manfaat Karyawan

Grup menghitung dan membukukan beban imbalan kerja berdasarkan Undang-undang Ketenagakerjaan No.13 Tahun 2003. Liabilitas imbalan kerja pada tanggal 31 Desember 2011, 2010 dan 2009 dihitung oleh PT Sentra Jasa Aktuaria, aktuaris independen dalam laporannya tertanggal 1 Juni 2012. Liabilitas imbalan kerja pada tanggal 30 Juni 2012 dihitung oleh PT Sentra Jasa Aktuaria dalam laporannya tertanggal 16 Agustus 2012.

Asumsi aktuarial yang digunakan dalam menentukan beban dan liabilitas imbalan kerja adalah sebagai berikut:

Usia Pensiun Normal	50 Tahun untuk Perempuan/ Years for Female 55 Tahun untuk Laki-laki/ Years for Male	Normal Pension Age
Tingkat Diskonto	7% (2011:7%, 2010:9%, 2009:11%)	Discount Rate
Estimasi Kenaikan Gaji di Masa Datang	6%	Estimated Future Salary Increase
Tabel Mortalita	Tabel Mortalita Indonesia/ Indonesian Mortality Table (TMI'11)	Mortality Table
Tingkat Cacat	10% dari Tabel Mortalita/ of Mortality Table	Disability Rate
Tingkat Pengunduran Diri	1-29 tahun/years old : 6% menurun secara linear dari 6% hingga 0%/ linearly decreased from 6% to 0% Di atas 52 tahun/years old : 0%	Resignation Rate
Metode	Projected Unit Credit	Method

20. EMPLOYEE BENEFITS LIABILITY

Employee Benefits Program

The Group calculated and recorded the employee benefits expense based on Labor Law No. 13 year 2003. The employee benefits liability as of December 31, 2011, 2010 and 2009 are calculated by PT Sentra Jasa Aktuaria, an independent actuary, in its report dated June 1, 2012. The employee benefits liability as of June 30, 2012 are calculated by PT Sentra Jasa Aktuaria in its report dated August 16, 2012.

Actuarial assumptions used in determining the employee benefits expense and liability are as follows:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011 (Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011 (With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009) (Expressed in Rupiah, unless Otherwise Stated)

20. LIABILITAS IMBALAN KERJA (lanjutan)

Liabilitas imbalan kerja adalah sebagai berikut :

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Nilai kini liabilitas imbalan kerja	30.160.308.000	28.246.209.000	17.545.980.000	11.383.070.000
Kerugian aktuarial yang belum diakui	(7.645.248.000)	(7.761.228.000)	(2.733.649.000)	53.316.000
Biaya jasa lalu yang belum diakui	(208.459.000)	(277.473.000)	(296.176.000)	(314.879.000)
Total	22.306.601.000	20.207.508.000	14.516.155.000	11.121.507.000

20. EMPLOYEE BENEFITS LIABILITY (continued)

Employee benefits liability recognized are as follows:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Nilai kini liabilitas imbalan kerja	30.160.308.000	28.246.209.000	17.545.980.000	11.383.070.000
Kerugian aktuarial yang belum diakui	(7.645.248.000)	(7.761.228.000)	(2.733.649.000)	53.316.000
Biaya jasa lalu yang belum diakui	(208.459.000)	(277.473.000)	(296.176.000)	(314.879.000)
Total	22.306.601.000	20.207.508.000	14.516.155.000	11.121.507.000

Present value of employee benefits liability

Unrecognized actuarial losses
Unrecognized past service cost

Total

Mutasi liabilitas imbalan kerja di laporan posisi keuangan konsolidasian adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Saldo awal tahun	20.207.508.000	14.516.155.000	11.121.507.000	8.154.461.000
Liabilitas imbalan kerja dari entitas anak yang dijual	(1.405.335.000)	-	-	-
Beban imbalan kerja periode berjalan	3.831.542.000	6.346.734.000	4.202.848.000	2.968.111.000
Pembayaran imbalan kerja periode berjalan	(327.114.000)	(655.381.000)	(808.200.000)	(1.065.000)
Saldo Akhir Tahun	22.306.601.000	20.207.508.000	14.516.155.000	11.121.507.000

Movement of employee benefits liability in the consolidated statements of financial position is as follows:

Balance at the beginning of the year
Employee benefits liability of the sold subsidiary
Current period employee benefit expense
Current period employee benefit payments

Balance at End of the Year

Perubahan atas nilai kini liabilitas imbalan pasti sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009
Saldo awal tahun	28.246.209.000	17.545.980.000	11.383.070.000	8.488.043.000
Liabilitas imbalan pasti dari entitas anak yang dijual	(1.884.387.000)	-	-	-
Beban jasa kini	2.535.653.000	4.665.339.000	2.930.379.000	2.005.848.000
Pembayaran manfaat	(327.114.000)	(655.381.000)	(808.200.000)	(1.065.000)
Beban bunga	922.667.000	1.579.138.000	1.252.137.000	933.685.000
Kerugian (keuntungan) aktuarial	667.280.000	5.111.133.000	2.788.594.000	(43.441.000)
Total	30.160.308.000	28.246.209.000	17.545.980.000	11.383.070.000

Changes in the present value of defined benefit obligation are as follows:

Balance at the beginning of the year
Defined benefit obligation of the sold subsidiary
Current service cost
Benefits paid
Interest cost
Actuarial (gains) losses

Total

Rincian beban imbalan kerja periode berjalan adalah sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Beban jasa kini	2.535.653.000	2.332.669.500	4.665.339.000	2.930.379.000	2.005.848.000
Beban bunga	922.667.000	789.569.000	1.579.138.000	1.252.137.000	933.685.000
Amortisasi biaya jasa lalu	7.354.000	(43.032.000)	213.589.000	(1.288.000)	18.703.000
Dampak kurtailmen	-	-	(139.803.000)	21.007.000	-
Amortisasi laba aktuarial	365.868.000	94.160.500	28.471.000	613.000	9.875.000
Neto	3.831.542.000	3.173.367.000	6.346.734.000	4.202.848.000	2.968.111.000

The details of employee benefits expense are as follows:

Current service cost
Interest cost
Amortization of past service cost
Effect of curtailment
Amortization of actuarial gain

Net

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

20. LIABILITAS IMBALAN KERJA (lanjutan)

Jumlah yang terkait dengan liabilitas imbalan kerja adalah sebagai berikut:

	2012	2011	2010	2009	2008	
Liabilitas imbalan pasti	30.160.308.000	28.246.209.000	17.545.980.000	11.383.070.000	8.488.043.000	Defined benefit obligation
Defisit	30.160.308.000	28.246.209.000	17.545.980.000	11.383.070.000	8.488.043.000	Deficit
Penyesuaian atas liabilitas imbalan pasti	667.280.000	5.111.133.000	2.788.594.000	(43.441.000)	(109.662.000)	Experienced adjustments on defined benefit obligation

Penyesuaian atas liabilitas imbalan pasti merupakan keuntungan (kerugian) aktuarial yang berasal dari selisih antara nilai perhitungan liabilitas imbalan pasti dengan hasil realisasinya.

Analisa sensitivitas untuk risiko tingkat diskonto

Pada tanggal 30 Juni 2012, jika tingkat diskonto meningkat sebesar 1 poin dengan semua variabel konstan, maka liabilitas imbalan kerja lebih rendah sebesar Rp283 juta, sedangkan jika tingkat diskonto menurun 1 poin, maka liabilitas imbalan kerja lebih tinggi sebesar Rp341 juta.

Manajemen Grup telah mereviu asumsi yang digunakan dan berpendapat bahwa asumsi tersebut sudah memadai. Manajemen berkeyakinan bahwa liabilitas imbalan kerja tersebut telah memadai untuk menutupi liabilitas imbalan kerja Grup.

21. MODAL SAHAM

Susunan pemegang saham Perusahaan pada tanggal 30 Juni 2012 adalah sebagai berikut:

20. EMPLOYEE BENEFITS LIABILITY (continued)

The amounts relating to the employee benefits liabilities are as follows:

Experience adjustments on employee benefit liabilities represent the actuarial gains (losses) resulting from the differences between realized and calculated values for the defined benefit obligations.

Sensitivity analysis for discount rate risk

As of June 30, 2012, if the discount rate is higher one point with all other variables held constant, the employee benefits liability would have been Rp283 million lower, while if the discount rate is lower one point, the employee benefits liability would have been Rp341 million higher.

The management of the Group has reviewed the assumptions used and agrees that these assumptions are adequate. Management believes that the liability for employee benefits is sufficient to cover the Group's liability for its employee benefits.

21. SHARE CAPITAL

The Company's shareholding structure as of June 30, 2012 is as follows:

**Ditempatkan dan Disetor Penuh/
Issued and fully paid**

	Jumlah Saham/ Total Shares	Persentase Kepemilikan/ Percentage of Ownership	Total/Total	
Central Tower Capital Pte. Ltd., Singapura	47.201.807	32,11%	47.201.807.000	Central Tower Capital Pte. Ltd., Singapore
Ronald Walla (Direktur Utama)	20.365.177	13,85%	20.365.177.000	Ronald Walla (President Director)
Stephen Walla	20.365.177	13,85%	20.365.177.000	Stephen Walla
Gaby Widjajadi	19.603.978	13,34%	19.603.978.000	Gaby Widjajadi
Indahtati Widjajadi (Komisaris)	16.035.082	10,91%	16.035.082.000	Indahtati Widjajadi (Commissioner)
Ir. Sugito Winarko (Direktur)	15.273.883	10,39%	15.273.883.000	Ir. Sugito Winarko (Director)
Gitawati Winarko	4.073.036	2,77%	4.073.036.000	Gitawati Winarko
Gunarwan Winarko	2.036.518	1,39%	2.036.518.000	Gunarwan Winarko
Dipoyono Winarko	2.036.518	1,39%	2.036.518.000	Dipoyono Winarko
Total	146.991.176	100,00%	146.991.176.000	Total

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

21. MODAL SAHAM (lanjutan)

Susunan pemegang saham Perusahaan pada tanggal 31 Desember 2011 adalah sebagai berikut:

Ditempatkan dan Disetor Penuh/Issued and fully paid

	Jumlah Saham/ Total Shares	Persentase Kepemilikan/ Percentage of Ownership	Total/Total	
Ronald Walla (Komisaris Utama)	29.998.199	20,41%	29.998.199.000	Ronald Walla (President Commissioner)
Stephen Walla	29.998.199	20,41%	29.998.199.000	Stephen Walla
Gaby Widjajadi	28.876.941	19,65%	28.876.941.000	Gaby Widjajadi
Indahtati Widjajadi (Komisaris)	23.619.907	16,07%	23.619.907.000	Indahtati Widjajadi (Commissioner)
Ir. Sugito Winarko (Direktur)	22.498.649	15,30%	22.498.649.000	Ir. Sugito Winarko (Director)
Gitawati Winarko	5.999.641	4,08%	5.999.641.000	Gitawati Winarko
Gunarwan Winarko	2.999.820	2,04%	2.999.820.000	Gunarwan Winarko
Dipoyono Winarko	2.999.820	2,04%	2.999.820.000	Dipoyono Winarko
Total	146.991.176	100,00%	146.991.176.000	Total

21. SHARE CAPITAL (continued)

The Company's shareholding structure as December 31, 2011 is as follows:

Susunan pemegang saham Perusahaan pada tanggal 31 Desember 2010 dan 2009 adalah sebagai berikut:

Ditempatkan dan Disetor Penuh/Issued and fully paid

	Jumlah Saham/ Total Shares	Persentase Kepemilikan/ Percentage of Ownership	Total/Total	
Ronald Walla (Komisaris Utama)	20.520.000	20,00%	20.520.000.000	Ronald Walla (President Commissioner)
Stephen Walla	20.520.000	20,00%	20.520.000.000	Stephen Walla
Gaby Widjajadi	19.753.065	19,25%	19.753.065.000	Gaby Widjajadi
Indahtati Widjajadi (Komisaris)	16.156.935	15,75%	16.156.935.000	Indahtati Widjajadi (Commissioner)
Ir. Sugito Winarko (Direktur)	15.390.000	15,00%	15.390.000.000	Ir. Sugito Winarko (Director)
Gitawati Winarko	6.156.000	6,00%	6.156.000.000	Gitawati Winarko
Gunarwan Winarko	2.052.000	2,00%	2.052.000.000	Gunarwan Winarko
Dipoyono Winarko	2.052.000	2,00%	2.052.000.000	Dipoyono Winarko
Total	102.600.000	100,00%	102.600.000.000	Total

The Company's shareholding structure as of December 31, 2010 and 2009 is as follows:

Pada bulan Juni 2012, para pemegang saham Perusahaan mengalihkan kepemilikan saham sebanyak 47.201.807 saham senilai Rp47.201.807.000 kepada Central Tower Capital Pte. Ltd., Singapura, dengan rincian sebagai berikut:

- Ronald Walla sebanyak 9.633.022 saham senilai Rp9.633.022.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 23 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;
- Stephen Walla sebanyak 9.633.022 saham senilai Rp9.633.022.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 24 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;
- Gaby Widjajadi sebanyak 9.272.963 saham senilai Rp9.272.963.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 17 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;

In June 2012, the Company's shareholders transferred their 47,201,807 shares amounting to Rp47,201,807,000 to Central Tower Capital Pte. Ltd., Singapore, with details as follow :

- Ronald Walla transferred 9,633,022 shares amounting to Rp9,633,022,000, based on Shares Sales and Purchase Agreement No. 23 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;
- Stephen Walla transferred 9,633,022 shares amounting to Rp9,633,022,000, based on Shares Sales and Purchase Agreement No. 24 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;
- Gaby Widjajadi transferred 9,272,963 shares amounting to Rp9,272,963,000, based on Shares Sales and Purchase Agreement No. 17 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

21. MODAL SAHAM (lanjutan)

- Indahtati Widjajadi sebanyak 7.584.825 saham senilai Rp7.584.825.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 18 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;
- Sugito Winarko sebanyak 7.224.766 saham senilai Rp7.224.766.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 19 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;
- Gitawati Winarko sebanyak 1.926.605 saham senilai Rp1.926.605.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 20 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;
- Gunarwan Winarko sebanyak 963.302 saham senilai Rp963.302.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 21 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012;
- Dipoyono Winarko sebanyak 963.302 saham senilai Rp963.302.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 22 dari Notaris Stephanus R. Agus Purwanto tanggal 16 Juni 2012.

Pada bulan November 2011, Gitawati Winarko mengalihkan kepemilikan sahamnya sebanyak 2.819.830 saham senilai Rp2.819.830.000 kepada:

- Ronald Walla sebanyak 599.964 saham senilai Rp599.964.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 20 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011;
- Stephen Walla sebanyak 599.964 saham senilai Rp599.964.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 14 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011;
- Gaby Widjajadi sebanyak 577.465 saham senilai Rp577.465.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 15 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011;
- Indahtati Widjajadi sebanyak 472.472 saham senilai Rp472.472.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 16 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011;
- Sugito Winarko sebanyak 449.973 saham senilai Rp449.973.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 17 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011;

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

21. SHARE CAPITAL (continued)

- Indahtati Widjajadi transferred 7,584,825 shares amounting to Rp7,584,825,000, based on Shares Sales and Purchase Agreement No. 18 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;
- Sugito Winarko transferred 7,224,766 shares amounting to Rp7,224,766,000, based on Shares Sales and Purchase Agreement No. 19 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;
- Gitawati Winarko transferred 1,926,605 shares amounting to Rp1,926,605,000, based on Shares Sales and Purchase Agreement No. 20 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;
- Gunarwan Winarko transferred 963,302 shares amounting to Rp963,302,000, based on Shares Sales and Purchase Agreement No. 21 of Notary Stephanus R. Agus Purwanto dated June 16, 2012;
- Dipoyono Winarko transferred 963,302 shares amounting to Rp963,302,000, based on Shares Sales and Purchase Agreement No. 22 of Notary Stephanus R. Agus Purwanto dated June 16, 2012.

In November 2011, Gitawati Winarko transferred her 2,819,830 shares amounting to Rp2,819,830,000 to:

- Ronald Walla of 599,964 shares amounting to Rp599,964,000, based on Shares Sales and Purchase Agreement No. 20 of Notary Stephanus R. Agus Purwanto dated November 30, 2011;
- Stephen Walla of 599,964 shares amounting to Rp599,964,000, based on Shares Sales and Purchase Agreement No. 14 of Notary Stephanus R. Agus Purwanto dated November 30, 2011;
- Gaby Widjajadi of 577,465 shares amounting to Rp577,465,000, based on Shares Sales and Purchase Agreement No. 15 of Notary Stephanus R. Agus Purwanto dated November 30, 2011;
- Indahtati Widjajadi of 472,472 shares amounting to Rp472,472,000, based on Shares Sales and Purchase Agreement No. 16 of Notary Stephanus R. Agus Purwanto dated November 30, 2011;
- Sugito Winarko of 449,973 shares amounting to Rp449,973,000, based on Shares Sales and Purchase Agreement No. 17 of Notary Stephanus R. Agus Purwanto dated November 30, 2011;

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

21. MODAL SAHAM (lanjutan)

- Gunarwan Winarko sebanyak 59.996 saham senilai Rp59.996.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 18 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011;
- Dipoyono Winarko sebanyak 59.996 saham senilai Rp59.996.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 19 dari Notaris Stephanus R. Agus Purwanto tanggal 30 November 2011.

Pada bulan Mei 2009, Nancy Handojo mengalihkan kepemilikan saham sebanyak 5.130.000 saham senilai Rp5.130.000.000 kepada Ronald Walla dan Stephen Walla, dengan rincian sebagai berikut:

- Ronald Walla sebanyak 2.565.000 saham senilai Rp2.565.000.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 25 dari Notaris J. Andy Hartanto, SH., MH. tanggal 15 Mei 2009;
- Stephen Walla sebanyak 2.565.000 saham senilai Rp2.565.000.000, berdasarkan Akta Perjanjian Jual Beli Saham No. 26 dari Notaris J. Andy Hartanto, SH., MH. tanggal 15 Mei 2009.

Berdasarkan Akta Notaris Edwin Subarkah, S.H., No. 272 tanggal 27 Juni 2012, pemegang saham Perusahaan menyetujui pembagian dividen dalam bentuk kas sebesar Rp72.025.676.240 pada tahun 2012.

Berdasarkan Akta Notaris Sonya Natalia, S.H., No. 64 tanggal 25 November 2011, pemegang saham Perusahaan menyetujui pembagian dividen dalam bentuk kas dan saham masing-masing sebesar Rp91.724.400.000 dan Rp44.391.176.000 (setara dengan 44.391.176 lembar) pada tahun 2011.

Dalam Rapat Umum Luar Biasa Pemegang Saham yang diselenggarakan pada tanggal 22 Maret 2011, para pemegang saham Perusahaan menyetujui pembagian dividen dalam bentuk kas sebesar Rp3.385.800.000.

Dalam Rapat Umum Luar Biasa Pemegang Saham yang diselenggarakan pada tanggal 12 April 2010, para pemegang saham Perusahaan menyetujui pembagian dividen dalam bentuk kas sebesar Rp2.257.200.000.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

21. SHARE CAPITAL (continued)

- Gunarwan Winarko of 59,996 shares amounting to Rp59,996,000, based on Shares Sales and Purchase Agreement No. 18 of Notary Stephanus R. Agus Purwanto dated November 30, 2011;
- Dipoyono Winarko of 59,996 shares amounting to Rp59,996,000, based on Shares Sales and Purchase Agreement No. 19 of Notary Stephanus R. Agus Purwanto dated November 30, 2011.

In May 2009, Nancy Handojo transferred her 5,130,000 shares amounting to Rp5,130,000,000 to Ronald Walla and Stephen Walla with details as follow :

- *Ronald Walla transfer 2,565,000 shares amounting to Rp2,565,000,000, based on Shares Sales and Purchase Agreement No. 25 of Notary J. Andy Hartanto, SH., MH. dated May 15, 2009;*
- *Stephen Walla transfer 2,565,000 shares amounting to Rp2,565,000,000, based on Shares Sales and Purchase Agreement No. 26 of Notary J. Andy Hartanto, SH., MH. dated May 15, 2009.*

Based on Notarial Deed No. 272 of Edwin Subarkah, S.H., dated June 27, 2012, the Company's shareholders approved the distribution of cash dividends amounting to Rp72,025,676,240 in 2012.

Based on Notarial Deed No. 64 of Sonya Natalia, S.H., dated November 25, 2011, the Company's shareholders approved the distribution of cash and share dividends amounting to Rp91,724,400,000 and Rp44,391,176,000 (equivalent to 44,391,176 shares), respectively, in 2011.

During the Shareholder's Extraordinary General Meeting, dated March 22, 2011, the Company's shareholders approved the distribution of cash dividends amounting to Rp3,385,800,000.

During the Shareholder's Extraordinary General Meeting, dated April 12, 2010, the Company's shareholders approved the distribution of cash dividends amounting to Rp2,257,200,000.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

21. MODAL SAHAM (lanjutan)

Dalam Rapat Umum Luar Biasa Pemegang Saham yang diselenggarakan pada tanggal 12 Maret 2009, para pemegang saham Perusahaan menyetujui pembagian dividen dalam bentuk kas sebesar Rp1.128.600.000.

22. KEPENTINGAN NON-PENGENDALI

Kepentingan non-pengendali atas aset neto entitas anak adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
PT Gelora Djaja	283.655.339	325.042.887	306.508.472	292.870.046	PT Gelora Djaja
PT Gawih Jaya	31.207.140	40.951.840	21.649.444	12.979.623	PT Gawih Jaya
PT Putri Gelora Jaya	-	68.282	33.463	790.470	PT Putri Gelora Jaya
Total	314.862.479	366.063.009	328.191.379	306.640.139	Total

21. SHARE CAPITAL (continued)

During the Shareholder's Extraordinary General Meeting, dated March 12, 2009, the Company's shareholders approved the distribution of cash dividends amounting to Rp1,128,600,000.

22. NON-CONTROLLING INTEREST

Non-controlling interest in Subsidiaries' net assets are as follows:

Mutasi kepentingan non-pengendali atas aset neto entitas anak adalah sebagai berikut:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Saldo awal	366.063.009	328.191.379	306.640.139	296.803.201	Beginning balance
Laba (rugi) komprehensif: periode berjalan					Comprehensive income (loss) for the period:
PT Gelora Djaja	38.373.992	113.586.178	15.784.506	11.478.228	PT Gelora Djaja
PT Gawih Jaya	7.225.300	41.006.396	11.189.821	4.281.080	PT Gawih Jaya
PT Putri Gelora Jaya	-	(324.228)	(757.007)	(14.338)	PT Putri Gelora Jaya
Pembagian dividen:					Dividend distribution:
PT Gelora Djaja	(79.731.540)	(94.692.716)	(4.666.080)	(5.908.032)	PT Gelora Djaja
PT Gawih Jaya	(17.000.000)	(21.704.000)	-	-	PT Gawih Jaya
Pelepasan entitas anak PT Putri Gelora Jaya	(68.282)	-	-	-	Disposal of subsidiary PT Putri Gelora Jaya
Saldo akhir	314.862.479	366.063.009	328.191.379	306.640.139	Ending balance

Movements of non-controlling interest in Subsidiaries' net assets are as follows:

23. PENJUALAN NETO

Akun ini terdiri dari:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
Penjualan kepada pihak ketiga	485.954.812.952	448.973.167.534	927.442.224.474	594.954.608.322	466.559.153.841	Sales to third parties
Retur penjualan	(1.532.625.964)	(1.155.897.662)	(2.205.489.680)	(2.771.208.130)	(1.694.491.229)	Sales return
Penjualan - Neto	484.422.186.988	447.817.269.872	925.236.734.794	592.183.400.192	464.864.662.612	Net Sales

23. NET SALES

This account consists of:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

23. PENJUALAN NETO (lanjutan)

Untuk enam bulan yang berakhir pada tanggal 30 Juni 2012 dan 2011, dan untuk tahun yang berakhir pada tanggal 31 Desember 2011, 2010 dan 2009, tidak ada penjualan kepada pelanggan yang melebihi 10% dari total penjualan neto.

23. NET SALES (continued)

For the six months periods ended June 30, 2012 and 2011 and for the years ended December 31, 2011, 2010 and 2009, there are no sales to individual customers exceeding 10% of total net sales.

24. BEBAN POKOK PENJUALAN

Akun ini terdiri dari:

24. COST OF GOODS SOLD

This account consists of:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
Bahan baku dan pembantu:						Raw and supporting materials:
Persediaan awal	280.773.079.188	189.388.631.774	189.388.631.774	206.032.431.318	186.081.483.565	At beginning of year
Pembelian-neto	138.531.365.511	169.122.996.698	330.014.306.058	150.440.874.341	143.513.963.882	Net purchases
Penghapusan persediaan	-	-	(2.763.953.441)	-	-	Write-off of inventories
Persediaan akhir	(294.884.314.261)	(234.207.423.961)	(280.773.079.188)	(189.388.631.774)	(206.032.431.318)	At the end of year
Pemakaian bahan baku dan pembantu	124.420.130.438	124.304.204.511	235.865.905.203	167.084.673.885	123.563.016.129	Raw and supporting material used
Pemakaian pita cukai	181.276.353.177	200.011.311.799	370.875.685.127	191.598.249.408	121.554.225.711	Excise duty ribbons used
Tenaga kerja langsung	13.701.618.755	13.078.830.154	26.687.719.574	28.022.948.913	25.264.139.050	Direct labor
Beban overhead	22.786.076.588	18.825.595.097	41.306.318.717	48.822.065.149	42.697.717.087	Factory overhead
Beban Produksi	342.184.178.958	356.219.941.561	674.735.628.621	435.527.937.355	313.079.097.977	Cost of Production
Persediaan barang proses :						Work-in-process inventory :
Persediaan awal	15.272.564.660	9.655.793.908	9.655.793.908	8.137.361.776	5.282.451.947	At beginning of year
Persediaan akhir	(20.817.935.950)	(14.530.196.272)	(15.272.564.660)	(9.655.793.908)	(8.137.361.776)	At the end of year
Beban Pokok Produksi	336.638.807.668	351.345.539.197	669.118.857.869	434.009.505.223	310.224.188.148	Cost of Goods Manufactured
Persediaan barang jadi						Finished goods :
Persediaan awal	59.292.353.963	40.999.328.588	40.999.328.588	19.096.775.459	19.510.023.711	At beginning of year
Pembelian	11.259.032.844	6.423.526.605	15.049.569.706	497.156.715	361.528.041	Purchases
Barang jadi untuk sampel dan lain-lain	(1.798.335.002)	(1.637.005.294)	(1.481.762.590)	(3.673.362.642)	(1.188.374.938)	Finished goods for sampling and others
Persediaan akhir	(56.483.433.374)	(65.370.770.883)	(59.292.353.963)	(40.999.328.588)	(19.096.775.459)	At the end of year
Beban Pokok Penjualan	348.908.426.099	331.760.618.213	664.393.639.610	408.930.746.167	309.810.589.503	Cost of Goods Sold

Tidak ada pembelian dari pemasok yang melebihi 10% dari total penjualan neto masing-masing untuk enam bulan yang berakhir pada tanggal 30 Juni 2012 dan 2011 dan untuk tahun yang berakhir pada tanggal 31 Desember 2011, 2010 dan 2009.

There are no purchases from individual suppliers exceeding 10% of the total net sales for the six months ended June 30, 2012 and 2011 and for the years ended December 31, 2011, 2010 and 2009.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

25. BEBAN USAHA

Akun ini terdiri dari:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Beban Penjualan					
Promosi dan iklan	11.241.218.640	7.100.742.452	20.489.291.836	8.742.108.021	11.424.633.710
Gaji dan honor	10.472.556.922	10.468.880.610	20.887.875.302	16.328.062.309	13.975.778.933
Pengurusan dan perijinan	3.850.094.176	5.505.801.006	10.360.528.610	6.110.231.765	6.012.899.211
Percetakan dan perlengkapan	3.247.595.692	2.723.259.697	4.263.142.049	3.046.487.838	2.410.528.382
Ekspedisi	2.293.863.513	2.534.234.797	4.273.943.386	2.470.824.544	2.002.153.216
Tunjangan	2.273.939.434	1.435.959.178	3.409.955.676	2.081.546.285	2.041.563.866
Bahan bakar minyak dan parkir	1.921.137.208	1.908.443.803	3.767.930.430	3.137.954.240	3.016.932.094
Akomodasi	1.170.661.915	1.261.640.473	2.703.242.787	1.848.861.160	3.427.642.629
Penyusutan (Catatan 11)	1.076.890.968	727.126.885	1.687.646.630	1.802.652.961	1.280.951.038
Tunjangan hari raya	1.007.725.367	739.284.923	1.493.308.683	981.692.040	720.798.516
Sewa	868.617.199	1.384.821.604	2.457.955.631	1.924.963.701	2.761.783.253
Sampel	812.297.685	652.202.642	1.581.762.358	1.364.885.243	1.096.337.376
Riset dan pengembangan	635.576.731	340.883.623	926.758.497	4.302.425.638	3.278.652.321
Pemeliharaan kendaraan	565.014.997	524.697.672	939.125.465	840.088.176	1.102.236.302
Jamsostek	553.329.928	398.098.626	838.744.040	618.568.415	535.719.635
Asuransi	427.602.942	359.578.122	741.814.762	336.248.873	444.791.405
Jasa pihak eksternal	181.543.357	2.384.548.719	3.425.386.324	-	-
Lain-lain (masing-masing kurang dari Rp500 juta)	2.027.241.762	1.611.131.017	4.921.918.101	4.644.687.090	2.322.376.691
Sub-total	44.626.908.436	42.061.335.849	89.170.330.567	60.582.288.299	57.855.778.578
Beban Administrasi Dan Umum					
Gaji dan honor	21.777.513.320	18.909.196.278	40.721.503.495	35.514.167.717	27.439.369.312
Tunjangan hari raya dan gratifikasi	3.149.000.009	2.730.723.051	5.192.625.977	5.868.972.608	4.739.812.746
Penyusutan (Catatan 11)	2.432.243.467	2.559.302.048	5.368.243.378	5.429.783.470	4.087.003.061
Jasa pihak eksternal	2.227.530.603	903.464.799	1.355.672.270	2.451.943.658	641.706.097
Tunjangan	1.379.333.284	981.443.528	1.452.114.290	1.178.396.009	1.536.266.224
Sewa	1.252.788.615	266.559.761	647.689.096	335.961.317	367.669.841
Pemeliharaan	901.332.101	604.124.083	2.036.255.694	2.396.087.814	2.290.565.497
Listrik, air, minyak dan gas	898.238.756	614.375.320	1.253.246.280	1.596.714.589	1.784.149.758
Biaya tenaga ahli	894.771.569	406.540.458	1.519.026.842	47.000.000	-
Rumah tangga kantor	768.549.297	545.118.819	832.632.710	613.918.902	1.246.364.266
Pesangon karyawan	664.504.470	824.264.535	911.832.420	431.210.600	533.923.425
Perjalanan dinas	516.993.135	463.378.205	978.417.679	1.355.471.649	1.704.971.828
Perlengkapan kantor	513.109.523	3.902.048.613	8.013.842.531	6.667.786.627	2.647.692.827
Telekomunikasi	378.580.805	493.693.690	676.124.283	600.374.118	880.745.501
Perijinan	362.592.391	298.403.433	464.843.572	-	1.404.205.581
Jamsostek	319.571.739	266.837.649	538.071.757	454.649.659	389.045.197
Pajak bumi dan bangunan	302.480.448	154.295.267	1.013.450.797	735.035.112	2.465.079.225
Pos, fotokopi, dan koran	250.978.422	261.279.496	537.534.453	484.793.936	434.489.476
Langganan dan iuran	188.640.000	187.030.200	2.318.940.100	1.097.208.724	532.940.709
Lain-lain (masing-masing kurang dari Rp500 juta)	2.467.882.179	2.370.230.294	4.819.507.517	8.413.669.474	995.009.490
Sub-total	41.646.634.133	37.742.309.527	80.651.575.141	75.673.145.983	56.121.010.061
Total	86.273.542.569	79.803.645.376	169.821.905.708	136.255.434.282	113.976.788.639

25. OPERATING EXPENSES

This account consists of:

Selling Expenses
Promotion and advertising
Salary and honorarium
Permit and licenses
Printing and Supplies
Expedition
Allowances
Fuel and parking
Accommodation
Depreciation (Note 11)
Thirteenth month salaries
Rental
Samples
Research and development
Maintenance for vehicles
Jamsostek
Insurance
Outsource services
Others (each below Rp500 million)
Sub-total
General and Administrative Expenses
Salaries and honorarium
Thirteenth month salaries and gratuities
Depreciation (Note 11)
Outsource services
Allowances
Rent
Maintenance
Utilities
Professional fees
Office expenses
Severance
Official travel
Office supplies
Telecommunication
License
Jamsostek
Property tax
Postal, photocopy and newspaper
Subscriptions and fees
Others (each below Rp500 million)
Sub-total
Total

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO
KEUANGAN DAN PENGELOLAAN MODAL**

**a. Faktor dan Kebijakan Manajemen Risiko
Keuangan**

Dalam menjalankan aktivitas operasi, investasi dan pendanaan, Grup menghadapi risiko keuangan yaitu risiko kredit, risiko likuiditas dan risiko pasar dan mendefinisikan risiko-risiko sebagai berikut:

- Risiko kredit: kemungkinan bahwa debitur tidak membayar semua atau sebagian pinjaman atau tidak membayar secara tepat waktu dan akan menyebabkan kerugian Grup.
- Risiko likuiditas: risiko bahwa Grup tidak akan dapat memenuhi kewajiban keuangannya pada saat jatuh tempo.
- Risiko pasar: risiko perubahan dalam suku bunga, kurs mata uang asing dan harga komoditas akan mempengaruhi pendapatan Grup atau nilai dari kepemilikan instrumen keuangan.

Tabel berikut menyajikan nilai tercatat aset dan liabilitas keuangan:

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
Aset Keuangan					<i>Financial assets</i>
Pinjaman yang diberikan dan piutang:					<i>Loans and receivables:</i>
Kas dan setara kas	38.232.389.199	103.484.742.930	20.893.042.322	21.665.919.849	<i>Cash and cash equivalents</i>
Setara kas yang dibatasi penggunaannya	-	1.800.000.000	-	-	<i>Restricted cash equivalents</i>
Piutang usaha	32.076.187.687	35.622.852.378	28.278.656.518	17.767.887.450	<i>Trade receivables</i>
Piutang lain-lain	530.762.271	167.486.848	-	-	<i>Other receivables</i>
Aset lain-lain (uang jaminan)	68.347.062	68.347.062	68.347.062	70.347.062	<i>Other asset (security deposits)</i>
Total	70.907.686.219	141.143.429.218	49.240.045.902	39.504.154.361	Total
Liabilitas Keuangan					<i>Financial Liabilities</i>
Liabilitas keuangan diukur pada biaya perolehan diamortisasi:					<i>Financial liabilities at amortized cost:</i>
<u>Liabilitas keuangan jangka pendek</u>					<u>Short-term financial liabilities</u>
Utang bank jangka pendek	189.817.400.874	278.981.555.140	94.521.294.432	107.460.903.982	<i>Short-term bank loans</i>
Utang usaha	86.982.038.623	77.807.553.982	72.787.507.861	47.606.940.546	<i>Trade payables</i>
Utang lain-lain	5.817.971.978	9.700.446.183	4.329.422.179	456.357.038	<i>Other payables</i>
Liabilitas yang masih harus dibayar	14.087.169.900	5.905.838.568	4.845.707.005	6.197.960.075	<i>Accrued liabilities</i>
Bagian utang jangka panjang yang jatuh tempo dalam satu tahun:					<i>Current maturities of long-term loans:</i>
Utang bank	8.678.726.301	6.774.882.592	2.529.999.996	2.529.999.996	<i>Bank loans</i>
Utang pembiayaan konsumen	4.089.068.131	2.828.603.016	1.629.039.209	2.877.510.601	<i>Consumer financing payables</i>
<u>Liabilitas keuangan jangka panjang</u>					<u>Long-term financial liabilities</u>
Utang jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun:					<i>Long-term loans - net of current maturities of current portion:</i>
Utang bank	22.679.298.201	26.899.171.717	4.359.166.681	6.889.166.667	<i>Bank loans</i>
Utang pembiayaan konsumen	807.036.641	3.245.545.638	1.661.201.980	765.475.505	<i>Consumer financing payables</i>
Total	332.958.710.649	412.143.596.836	186.663.339.343	174.784.314.410	Total

**26. FINANCIAL INSTRUMENTS, RISKS
MANAGEMENT AND CAPITAL MANAGEMENT**

**a. Factors and Policies of Financial Risk
Management**

In its operating, investing and financing activities, the Group is exposed to the following financial risks: credit risk, liquidity risk and market risk and define those risks as follows:

- Credit risk: the risk of financial loss to the Group if debtor will not repay all or a portion of a loan or will not repay in a timely manner.
- Liquidity risk: the risk that the Group will not be able to meet its financial obligations as they fall due.
- Market risk: the risk that changes in interest rates, foreign currency rates and commodity prices will affect the Group's income or the value of its holdings of financial instruments.

The following table summarizes the carrying amounts of financial assets and liabilities:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

**26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO
KEUANGAN DAN PENGELOLAAN MODAL
(lanjutan)**

**a. Faktor dan Kebijakan Manajemen Risiko
Keuangan (lanjutan)**

Risiko Kredit

Grup mengendalikan eksposur risiko kredit dengan menetapkan kebijakan, dimana persetujuan atau penolakan konsumen baru dan kepatuhan atas kebijakan tersebut dipantau oleh Direksi. Sebagai bagian dari proses dalam persetujuan atau penolakan tersebut, reputasi dan jejak rekam pelanggan menjadi bahan pertimbangan. Saat ini, tidak terdapat risiko kredit yang terkonsentrasi secara signifikan. Grup mengharuskan pelanggan memberikan Bank Garansi untuk menghindari resiko kredit tak tertagih. Bank Garansi dari pelanggan masing-masing sebesar Rp11.800.000.000, Rp9.600.000.000 Rp7.715.000.000 dan Rp7.175.000.000 pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009.

**26. FINANCIAL INSTRUMENTS, RISKS
MANAGEMENT AND CAPITAL MANAGEMENT
(continued)**

**a. Factors and Policies of Financial Risk
Management (continued)**

Credit Risk

The Group controls its exposure to credit risk by setting its credit policy in approval or rejection of new customers and compliance is monitored by the directors. As part of the process in approval or rejection, the customer reputation and track record is taken into consideration. There are no significant concentrations of credit risk. The Group requires customers to provide Bank Guarantee in order to avoid uncollectible credit risk. Bank Guarantees from customers amounted to Rp11,800,000,000, Rp9,600,000,000, Rp7,715,000,000, and Rp7,175,000,000 as of June 30, 2012, December 31, 2011, 2010 and 2009, respectively.

30 Juni 2012/June 30, 2012					
	Sampai dengan 30 hari/ Up to 30 days	31 - 90 hari/ days	91 - 360 hari/ days	Total/ Total	
Pinjaman yang diberikan dan piutang:					
Piutang usaha	20.164.882.878	9.419.163.100	2.492.141.709	32.076.187.687	Loans and receivables
Piutang lain-lain	382.676.080	45.530.308	102.555.883	530.762.271	Trade receivables Other receivables
Total	20.547.558.958	9.464.693.408	2.594.697.592	32.606.949.958	Total
31 Des. 2011/Dec. 31, 2011					
	Sampai dengan 30 hari/ Up to 30 days	31 - 90 hari/ days	91 - 360 hari/ days	Total/ Total	
Pinjaman yang diberikan dan piutang:					
Piutang usaha	22.362.993.362	11.012.535.873	2.247.323.143	35.622.852.378	Loans and receivables
Piutang lain-lain	167.486.848	-	-	167.486.848	Trade receivables Other receivables
Total	22.530.480.210	11.012.535.873	2.247.323.143	35.790.339.226	Total
31 Des. 2010/Dec. 31, 2010					
	Sampai dengan 30 hari/ Up to 30 days	31 - 90 hari/ days	91 - 360 hari/ days	Total/ Total	
Pinjaman yang diberikan dan piutang:					
Piutang usaha	18.242.793.663	6.141.523.078	3.894.339.777	28.278.656.518	Loans and receivables Trade receivables
Total	18.242.793.663	6.141.523.078	3.894.339.777	28.278.656.518	
31 Des. 2009/Dec. 31, 2009					
	Sampai dengan 30 hari/ Up to 30 days	31 - 90 hari/ days	91 - 360 hari/ days	Total/ Total	
Pinjaman yang diberikan dan piutang:					
Piutang usaha	12.308.230.883	5.282.067.334	177.589.233	17.767.887.450	Loans and receivables Trade receivables

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO KEUANGAN DAN PENGELOLAAN MODAL (lanjutan)

a. Faktor dan Kebijakan Manajemen Risiko Keuangan (lanjutan)

Risiko Likuiditas

Grup dapat terekspos terhadap risiko likuiditas apabila ada perbedaan waktu signifikan antara penerimaan piutang dengan penyelesaian utang dan pinjaman.

Grup mengelola risiko likuiditas dengan pengawasan proyeksi arus kas dan arus kas aktual secara berkesinambungan serta menjaga kecukupan kas dan setara kas dan fasilitas pinjaman yang tersedia. Risiko ini juga diminimalisir dengan mengelola berbagai sumber pembiayaan dari para pemberi pinjaman yang dapat diandalkan.

Risiko Tingkat Bunga

Grup terekspos risiko tingkat suku bunga terutama menyangkut liabilitas berbunga Grup.

Tidak terdapat aktivitas lindung nilai tingkat bunga pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009.

Tabel berikut menganalisis rincian liabilitas keuangan berdasarkan jangka waktu:

	30 Juni 2012/June 30, 2012			
	Dalam satu tahun/ Within one year	Lebih dari satu tahun/ More than one year	Total/ Total	
Utang bank	198.496.127.175	22.679.298.201	221.175.425.376	Bank loans
Utang pembiayaan konsumen	4.089.068.131	807.036.641	4.896.104.772	Consumer financing payables
Total	202.585.195.306	23.486.334.842	226.071.530.148	Total

	31 Des. 2011/Dec. 31, 2011			
	Dalam satu tahun/ Within one year	Lebih dari satu tahun/ More than one year	Total/ Total	
Utang bank	285.756.437.732	26.899.171.717	312.655.609.449	Bank loans
Utang pembiayaan konsumen	2.828.603.016	3.245.545.638	6.074.148.654	Consumer financing payables
Total	288.585.040.748	30.144.717.355	318.729.758.103	Total

	31 Des. 2010/Dec. 31, 2010			
	Dalam satu tahun/ Within one year	Lebih dari satu tahun/ More than one year	Total/ Total	
Utang bank	97.051.294.428	4.359.166.681	101.410.461.109	Bank loans
Utang pembiayaan konsumen	1.629.039.209	1.661.201.980	3.290.241.189	Consumer financing payables
Total	98.680.333.637	6.020.368.661	104.700.702.298	Total

26. FINANCIAL INSTRUMENTS, RISKS MANAGEMENT AND CAPITAL MANAGEMENT (continued)

a. Factors and Policies of Financial Risk Management (continued)

Liquidity Risk

The Group would be exposed to liquidity risk if there is significant mismatch in the timing difference between the collection of receivables and settlement of payables and borrowings.

The Group manages the liquidity risk by ongoing monitoring over the projected and actual cash flows as well as the adequacy of cash and cash equivalents and available credit facilities. This risk is also minimized by managing diversified funding resources from reliable quality lenders.

Interest Rate Risk

The Group's exposure to interest rate risk relates primarily to their interest-bearing liabilities.

There are no interest rate hedging activities in place as of June 30, 2012, December 31, 2011, 2010 and 2009.

The following table analysis the breakdown of financial liabilities by maturity:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO KEUANGAN DAN PENGELOLAAN MODAL (lanjutan)

a. Faktor dan Kebijakan Manajemen Risiko Keuangan (lanjutan)

Risiko Tingkat Bunga (lanjutan)

31 Des. 2009/Dec. 31, 2009

	Dalam satu tahun/ Within one year	Lebih dari satu tahun/ More than one year	Total/ Total
Utang bank	109.990.903.978	6.889.166.667	116.880.070.645
Utang pembiayaan konsumen	2.877.510.601	765.475.505	3.642.986.106
Total	112.868.414.579	7.654.642.172	120.523.056.751

Bank loans
Consumer financing payables
Total

Analisa sensitivitas untuk risiko suku bunga

Pada tanggal 30 Juni 2012, jika tingkat suku bunga pinjaman meningkat/menurun sebesar 50 basis poin dengan semua variabel konstan, laba sebelum beban (manfaat) pajak untuk periode yang berakhir pada tanggal tersebut lebih rendah/tinggi sebesar Rp49.551.480 terutama sebagai akibat kenaikan/penurunan biaya bunga atas pinjaman dengan tingkat bunga mengambang.

Risiko Mata Uang Asing

Risiko nilai tukar mata uang asing adalah risiko dimana nilai wajar atau arus kas masa mendatang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan nilai tukar mata uang asing. Risiko Grup terkait nilai tukar mata uang asing adalah utang usaha atas pembelian tembakau dalam mata uang asing.

Untuk memitigasi risiko terkait risiko perubahan mata uang asing, Grup melakukan *monitoring* arus kas non-Rupiah.

Tidak ada aktivitas lindung nilai mata uang asing secara formal pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009.

26. FINANCIAL INSTRUMENTS, RISKS MANAGEMENT AND CAPITAL MANAGEMENT (continued)

a. Factors and Policies of Financial Risk Management (continued)

Interest Rate Risk (continued)

Sensitivity analysis for interest rate risk

As of June 30, 2012, if the interest rates of the loans have been 50 basis points higher/lower with all other variables held constant, the profit before tax expense (benefit) for the period then ended would have been Rp49,551,480 lower/higher, mainly as a result of higher/lower interest expense on loans with floating interest rates.

Foreign Currency Risk

Foreign exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to exchange rate fluctuations results primarily from trade payables for its purchases of tobacco in foreign currencies.

To mitigate the Group's exposure to foreign exchange currency risk, non-Rupiah cash flows are monitored.

There is no formal currency hedging activities in place as of June 30, 2012, December 31, 2011, 2010 and 2009.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO KEUANGAN DAN PENGELOLAAN MODAL (lanjutan)

a. Faktor dan Kebijakan Manajemen Risiko Keuangan (lanjutan)

Risiko Mata Uang Asing (lanjutan)

Pada tanggal 30 Juni 2012, aset dan liabilitas moneter Grup yang berdenominasi dalam mata uang selain Rupiah sebagai berikut:

	Nilai dalam Mata uang asing/ Amounts in Foreign currency	Dalam Rupiah pada tanggal pelaporan/ Rupiah equivalent as at reporting date
Aset		
Kas dan setara kas		
Dolar AS	4.041	38.305.456
Euro	966	11.399.950
Liabilitas		
Utang usaha		
Dolar AS	754.266	(7.150.441.618)
Utang lain-lain		
Dolar AS	1.711	(16.220.280)
Euro	12.414	(146.497.614)
GBP	918	(13.523.976)
Liabilitas moneter - neto		(7.276.978.082)

Jika nilai denominasi liabilitas neto dari mata uang asing pada tanggal 30 Juni 2012 ditampilkan dengan menggunakan nilai tukar yang dikeluarkan oleh Bank Indonesia pada tanggal 2 November 2012 (tanggal penyelesaian laporan keuangan konsolidasian), yaitu Rp9.628 untuk 1 Dollar AS, Rp12.450 untuk 1 Euro dan Rp15.516 untuk 1 GBP, liabilitas neto moneter Grup akan meningkat sebesar Rp119 juta.

Analisa sensitivitas untuk risiko mata uang asing

Pada tanggal 30 Juni 2012, jika nilai tukar Rupiah terhadap mata uang asing meningkat sebanyak 10% dengan semua variabel konstan, laba sebelum beban (manfaat) pajak untuk periode yang berakhir pada tanggal tersebut lebih rendah sebesar Rp727.697.808, terutama sebagai akibat kerugian/keuntungan translasi utang usaha dan lain-lain dalam mata uang asing, sedangkan jika nilai tukar Rupiah terhadap mata uang asing menurun sebanyak 10%, maka laba sebelum beban (manfaat) pajak untuk periode yang berakhir pada tanggal tersebut lebih tinggi sebesar Rp727.697.808.

26. FINANCIAL INSTRUMENTS, RISKS MANAGEMENT AND CAPITAL MANAGEMENT (continued)

a. Factors and Policies of Financial Risk Management (continued)

Foreign Currency Risk (continued)

As of June 30, 2012, the Group's monetary assets and liabilities denominated in currencies other than Rupiah are as follows:

	Dalam Rupiah pada tanggal pelaporan/ Rupiah equivalent as at reporting date	Assets
		Cash and cash equivalents
		US Dollar
		Euro
		Liabilities
		Trade payable
		US Dollar
		Other payable
		US Dollar
		Euro
		GBP
	(7.276.978.082)	Net monetary liabilities

If the net foreign currency denominated liabilities as of June 30, 2012 are reflected using the exchange rates as published by Bank of Indonesia as of November 2, 2012 (date of completion of the consolidated financial statements), which are Rp9,628 to US Dollar 1, Rp12,450 to Euro 1 and Rp15,516 to GBP 1, the Group's net monetary liabilities will increase approximately by Rp119 million.

Sensitivity analysis for foreign exchange risk

As of June 30, 2012, if the exchange rates of Rupiah against foreign currencies appreciated by 10% with all other variables held constant, the profit before tax expense (benefit) for the period then ended would have been Rp727,697,808 lower, mainly as result of foreign exchange losses/gains on the translation of trade and other payables denominated in foreign currencies, while, if the exchange rates of Rupiah against foreign currencies depreciated by 10%, the income before tax expense (benefit) for the period then ended would have been Rp727,697,808 higher.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO
KEUANGAN DAN PENGELOLAAN MODAL
(lanjutan)**

**a. Faktor dan Kebijakan Manajemen Risiko
Keuangan (lanjutan)**

Risiko Harga Komoditas

Risiko harga komoditas adalah risiko bahwa harga barang yang dibeli akan berfluktuasi karena perubahan harga komoditas yang diamati dari dasar yang sama. Eksposur Grup terhadap risiko komoditas hanya menyangkut pembelian tembakau kepada pihak ketiga. Tidak ada kontrak pembelian komoditas resmi yang dilakukan oleh Grup pada tanggal 30 Juni 2012, 31 Desember 2011, 2010 dan 2009.

b. Nilai Wajar Instrumen Keuangan

Nilai buku (berdasarkan nilai nosional) dari kas dan setara kas, setara kas yang dibatasi penggunaannya, piutang usaha, piutang lain-lain, utang bank jangka pendek, utang usaha, utang lain-lain dan liabilitas yang masih harus dibayar dalam laporan keuangan konsolidasian mendekati nilai wajarnya karena sebagian besar bersifat jangka pendek atau nilai wajarnya tidak dapat ditentukan secara handal. Utang bank jangka panjang dan utang pembiayaan konsumen tersebut dicatat pada biaya perolehan diamortisasi dengan menggunakan metode SBE.

Uang jaminan tidak dinyatakan sebesar harga pasarnya dan nilai wajarnya tidak dapat diukur secara handal tanpa biaya berlebihan, dicatat pada nilai nominal. Adalah tidak praktis untuk mengestimasi nilai wajar dari uang jaminan karena tidak ada jangka waktu pembayaran yang pasti meskipun tidak diharapkan akan diselesaikan dalam 12 bulan sejak tanggal laporan posisi keuangan konsolidasian.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**26. FINANCIAL INSTRUMENTS, RISKS
MANAGEMENT AND CAPITAL MANAGEMENT
(continued)**

**a. Factors and Policies of Financial Risk
Management (continued)**

Commodity Price Risks

Commodity price risk is the risk that prices of purchased goods will fluctuate because of changes in observable commodity prices of the same underlying. The Group's exposure to commodity risk relates only to its purchase of tobacco to third parties. There is no formal forward commodity purchase contract entered by the Group as of June 30, 2012, December 31, 2011, 2010 and 2009.

b. Fair Value of Financial Instruments

The carrying amounts (based on notional amounts) of cash and cash equivalents, restricted cash equivalents, trade receivables, other receivables, short-term bank loans, trade payables, other payables and accrued liabilities in the consolidated financial statements reasonably approximate their fair values because they are mostly short-term in nature or their fair values cannot be reliably determined. Long-term bank loans and consumer financing payables are measured at amortized cost using the EIR.

Security deposits which are not stated at their quoted market prices and whose fair values cannot be reliably measured without incurring excessive cost are carried at their nominal amount. It is not practical to estimate the fair value of the security deposit because there is no definite repayment term although it is not expected to be settled within 12 months after the date of the consolidated statement of financial position.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

**26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO
KEUANGAN DAN PENGELOLAAN MODAL
(lanjutan)**

**26. FINANCIAL INSTRUMENTS, RISKS
MANAGEMENT AND CAPITAL MANAGEMENT
(continued)**

b. Nilai Wajar Instrumen Keuangan (lanjutan)

**b. Fair Value of Financial Instruments
(continued)**

	30 Juni 2012/June 30, 2012	
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value
Aset Keuangan		
Pinjaman yang diberikan dan piutang:		
Kas dan setara kas	38.232.389.199	38.232.389.199
Piutang usaha	32.076.187.687	32.076.187.687
Piutang lain-lain	530.762.271	530.762.271
Aset lain-lain (uang jaminan)	68.347.062	68.347.062
Total	70.907.686.219	70.907.686.219
Liabilitas Keuangan		
Liabilitas keuangan diukur pada biaya perolehan diamortisasi:		
<u>Liabilitas keuangan jangka pendek</u>		
Utang bank jangka pendek	189.817.400.874	189.817.400.874
Utang usaha	86.982.038.623	86.982.038.623
Utang lain-lain	5.817.971.978	5.817.971.978
Liabilitas yang masih harus dibayar	14.087.169.900	14.087.169.900
Bagian utang jangka panjang yang jatuh tempo dalam satu tahun:		
Utang bank	8.678.726.301	8.678.726.301
Utang pembiayaan konsumen	4.089.068.131	4.089.068.131
<u>Liabilitas keuangan jangka panjang</u>		
Utang jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun:		
Utang bank	22.679.298.201	22.679.298.201
Utang pembiayaan konsumen	807.036.641	807.036.641
Total	332.958.710.649	332.958.710.649

Financial assets
Loans and receivables:
Cash and cash equivalents
Trade receivables
Other receivables
Other asset (security deposits)
Total

Financial Liabilities
Financial liabilities at amortized cost:
Short-term financial liabilities
Short-term bank loans
Trade payables
Other payables
Accrued liabilities
Current maturities of long-term loans:
Bank loans
Consumer financing payables
Long-term financial liabilities
Long-term loans - net of current maturities:
Bank loans
Consumer financing payables
Total

	31 Des. 2011/Dec. 31, 2011	
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value
Aset Keuangan		
Pinjaman yang diberikan dan piutang:		
Kas dan setara kas	103.484.742.930	103.484.742.930
Setara kas yang dibatasi penggunaannya	1.800.000.000	1.800.000.000
Piutang usaha	35.622.852.378	35.622.852.378
Piutang lain-lain	167.486.848	167.486.848
Aset lain-lain (uang jaminan)	68.347.062	68.347.062
Total	141.143.429.218	141.143.429.218

Financial assets
Loans and receivables:
Cash and cash equivalents
Restricted cash equivalents
Trade receivables
Other receivables
Other asset (security deposits)
Total

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO KEUANGAN DAN PENGELOLAAN MODAL (lanjutan)

b. Nilai Wajar Instrumen Keuangan (lanjutan)

26. FINANCIAL INSTRUMENTS, RISKS MANAGEMENT AND CAPITAL MANAGEMENT (continued)

b. Fair Value of Financial Instruments (continued)

		31 Des. 2011/Dec. 31, 2011		
		Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value	
Liabilitas Keuangan				Financial Liabilities
Liabilitas keuangan diukur pada biaya perolehan diamortisasi:				Financial liabilities at amortized cost:
<u>Liabilitas keuangan jangka pendek</u>				<u>Short-term financial liabilities</u>
Utang bank jangka pendek	278.981.555.140	278.981.555.140		Short-term bank loans
Utang usaha	77.807.553.982	77.807.553.982		Trade payables
Utang lain-lain	9.700.446.183	9.700.446.183		Other payables
Liabilitas yang masih harus dibayar	5.905.838.568	5.905.838.568		Accrued liabilities
Bagian utang jangka panjang yang jatuh tempo dalam satu tahun:				Current maturities of long-term loans:
Utang bank	6.774.882.592	6.774.882.592		Bank loans
Utang pembiayaan konsumen	2.828.603.016	2.828.603.016		Consumer financing payables
<u>Liabilitas keuangan jangka panjang</u>				<u>Long-term financial liabilities</u>
Utang jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun:				Long-term loans - net of current maturities
Utang bank	26.899.171.717	26.899.171.717		Bank loans
Utang pembiayaan konsumen	3.245.545.638	3.245.545.638		Consumer financing payables
Total	412.143.596.836	412.143.596.836		Total
		31 Des. 2010/Dec. 31, 2010		
		Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value	
Aset Keuangan				Financial assets
Pinjaman yang diberikan dan piutang:				Loans and receivables:
Kas dan setara kas	20.893.042.322	20.893.042.322		Cash and cash equivalents
Piutang usaha	28.278.656.518	28.278.656.518		Trade receivables
Aset lain-lain (uang jaminan)	68.347.062	68.347.062		Other asset (security deposits)
Total	49.240.045.902	49.240.045.902		Total
Liabilitas Keuangan				Financial Liabilities
Liabilitas keuangan diukur pada biaya perolehan diamortisasi:				Financial liabilities at amortized cost:
<u>Liabilitas keuangan jangka pendek</u>				<u>Short-term financial liabilities</u>
Utang bank jangka pendek	94.521.294.432	94.521.294.432		Short-term bank loans
Utang usaha	72.787.507.861	72.787.507.861		Trade payables
Utang lain-lain	4.329.422.179	4.329.422.179		Other payables
Liabilitas yang masih harus dibayar	4.845.707.005	4.845.707.005		Accrued liabilities
Bagian utang jangka panjang yang jatuh tempo dalam satu tahun:				Current maturities of long-term loans:
Utang bank	2.529.999.996	2.529.999.996		Bank loans
Utang pembiayaan konsumen	1.629.039.209	1.629.039.209		Consumer financing payables
<u>Liabilitas keuangan jangka panjang</u>				<u>Long-term financial liabilities</u>
Utang jangka panjang setelah dikurangi yang jatuh tempo dalam satu tahun:				Long-term loans - net of current maturities :
Utang bank	4.359.166.681	4.359.166.681		Bank loans
Utang pembiayaan konsumen	1.661.201.980	1.661.201.980		Consumer financing payables
Total	186.663.339.343	186.663.339.343		Total

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

26. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO KEUANGAN DAN PENGELOLAAN MODAL (lanjutan)

b. Nilai Wajar Instrumen Keuangan (lanjutan)

	31 Des. 2009/Dec. 31, 2009	
	Nilai Tercatat/ Carrying Value	Nilai Wajar/ Fair Value
Aset Keuangan		
Pinjaman yang diberikan dan piutang:		
Kas dan setara kas	21.665.919.849	21.665.919.849
Piutang usaha	17.767.887.450	17.767.887.450
Aset lain-lain (uang jaminan)	70.347.062	70.347.062
Total	39.504.154.361	39.504.154.361
Liabilitas Keuangan		
Liabilitas keuangan diukur pada biaya perolehan diamortisasi:		
<u>Liabilitas keuangan jangka pendek</u>		
Utang bank jangka pendek	107.460.903.982	107.460.903.982
Utang usaha	47.606.940.546	47.606.940.546
Utang lain-lain	456.357.038	456.357.038
Liabilitas yang masih harus dibayar	6.197.960.075	6.197.960.075
Bagian utang jangka panjang yang jatuh tempo dalam satu tahun:		
Utang bank	2.529.999.996	2.529.999.996
Utang pembiayaan konsumen	2.877.510.601	2.877.510.601
<u>Liabilitas keuangan jangka panjang</u>		
Utang jangka panjang setelah dikurangi bagian yang jatuh tempo dalam satu tahun:		
Utang bank	6.889.166.667	6.889.166.667
Utang pembiayaan konsumen	765.475.505	765.475.505
Total	174.784.314.410	174.784.314.410

c. Manajemen Modal

Grup bertujuan mencapai struktur modal yang optimal untuk memenuhi tujuan usaha, diantaranya dengan mempertahankan rasio modal yang sehat dan memaksimalkan nilai pemegang saham.

Manajemen memantau modal dengan menggunakan beberapa ukuran leverage keuangan seperti rasio ekuitas terhadap utang.

26. FINANCIAL INSTRUMENTS, RISKS MANAGEMENT AND CAPITAL MANAGEMENT (continued)

b. Fair Value of Financial Instruments (continued)

Financial assets	
Loans and receivables:	
Cash and cash equivalents	
Trade receivables	
Other asset (security deposits)	
Total	
Financial Liabilities	
Financial liabilities at amortized cost:	
<u>Short-term financial liabilities</u>	
Short-term bank loans	
Trade payables	
Other payables	
Accrued liabilities	
Current maturities of long-term loans:	
Bank loans	
Consumer financing payables	
<u>Long-term financial liabilities</u>	
Long-term loans – net of current maturities :	
Bank loans	
Consumer financing payables	
Total	

c. Capital Management

The Group aims to achieve an optimal capital structure in pursuit of its business objectives, which include maintaining healthy capital ratios and maximizing shareholders value.

Management monitors capital using several financial leverage measurements such as debt to equity ratio.

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

27. INFORMASI SEGMENT

27. SEGMENT INFORMATION

	30 Juni 2012/June 30, 2012					
	Rokok/ Cigarette	Percetakan/ Printing	Pemasaran dan Distribusi/ Marketing and Distribution	Eliminasi/ Elimination	Total/ Total	
PENJUALAN NETO	442.520.611.411	4.205.963.817	493.414.361.025	(455.718.749.265)	484.422.186.988	NET SALES
BEBAN POKOK PENJUALAN	352.230.921.980	4.295.359.440	443.467.231.107	(451.085.086.428)	348.908.426.099	COST OF GOODS SOLD
LABA (RUGI) BRUTO	90.289.689.431	(89.395.623)	49.947.129.918	(4.633.662.837)	135.513.760.889	GROSS PROFIT (LOSS)
BEBAN USAHA						OPERATING EXPENSES
Beban penjualan	18.870.519.058	99.905.868	25.656.483.510	-	44.626.908.436	Selling expenses
Beban umum dan administrasi	25.273.831.973	547.746.306	15.825.055.854	-	41.646.634.133	General and administrative expenses
Total Beban Usaha	44.144.351.031	647.652.174	41.481.539.364	-	86.273.542.569	Total Operating Expenses
LABA (RUGI) USAHA	46.145.338.400	(737.047.797)	8.465.590.554	(4.633.662.837)	49.240.218.320	OPERATING INCOME (LOSS)
PENDAPATAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Pendapatan dividen kas	72.046.170.685	-	-	(72.046.170.685)	-	Cash dividend income
Laba pelepasan entitas anak	-	-	-	7.464.865.843	7.464.865.843	Gain on sale of subsidiary
Laba penjualan aset tetap	5.565.946.989	-	204.247.180	-	5.770.194.169	Gain on sale of fixed assets
Pendapatan bunga	27.447.930	434.037	106.833.089	-	134.715.056	Interest income
Administrasi bank	(516.000)	(13.031.184)	(205.176.703)	-	(218.723.887)	Bank charge
Rugi selisih kurs - neto	(731.101.156)	-	-	-	(731.101.156)	Foreign exchange loss - net
Beban bunga	(11.679.295.536)	(141.747.532)	(154.058.978)	-	(11.975.102.046)	Interest expense
Lain-lain - neto	640.786.789	(125.987.303)	200.010.819	-	714.810.305	Others - net
Pendapatan (Beban) Lain-lain - Neto	65.869.439.701	(280.331.982)	151.855.407	(64.581.304.842)	1.159.658.284	Other Income (Expenses) - Net
LABA (RUGI) SEBELUM BEBAN (MANFAAT) PAJAK PENGHASILAN	112.014.778.101	(1.017.379.779)	8.617.445.961	(69.214.967.679)	50.399.876.604	INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)
BEBAN (MANFAAT) PAJAK PENGHASILAN						INCOME TAX EXPENSE (BENEFIT)
Kini	9.939.562.563	-	2.217.972.000	-	12.157.534.563	Current
Tangguhan	(603.347.785)	-	(130.296.011)	-	(733.643.796)	Deferred
Beban Pajak Penghasilan - Neto	9.336.214.778	-	2.087.675.989	-	11.423.890.767	Income Tax Expense - Net
TOTAL LABA (RUGI) KOMPRESIF PERIODE BERJALAN	102.678.563.323	(1.017.379.779)	6.529.769.972	(69.214.967.679)	38.975.985.837	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD
Informasi lainnya						Other information
Aset segmen	747.323.822.399	-	127.921.157.990	(235.748.412.959)	639.496.567.430	Segment assets
Liabilitas segmen	370.252.548.589	-	99.834.731.663	(81.793.315.595)	388.293.964.657	Segment liabilities
Penyusutan	6.476.847.028	247.364.106	1.558.107.617	-	8.282.318.751	Depreciation
Segmen Geografis						Geographical Segment
		Indonesia	Di luar Indonesia/ Outside Indonesia	Total		
Penjualan neto						Net sales
Rokok		452.142.108.181	2.236.420.400	454.378.528.581		Cigarette
Filter dan OPP Rokok		27.715.157.311	-	27.715.157.311		Filter and Oriented polypropylene
Percetakan		2.328.501.096	-	2.328.501.096		Printing
Total		482.185.766.588	2.236.420.400	484.422.186.988		Total

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

27. INFORMASI SEGMENT (lanjutan)

27. SEGMENT INFORMATION (continued)

	31 Des 2011/Dec 31, 2011					
	Rokok/ Cigarette	Percetakan/ Printing	Pemasaran dan Distribusi/ Marketing and Distribution	Eliminasi/ Elimination	Total/ Total	
PENJUALAN NETO	831.596.826.425	12.069.809.008	935.107.334.844	(853.537.235.483)	925.236.734.794	NET SALES
BEBAN POKOK PENJUALAN	671.548.380.832	12.231.927.977	833.796.980.409	(853.183.649.608)	664.393.639.610	COST OF GOODS SOLD
LABA (RUGI) BRUTO	160.048.445.593	(162.118.969)	101.310.354.435	(353.585.875)	260.843.095.184	GROSS (LOSS) PROFIT
BEBAN USAHA						OPERATING EXPENSES
Beban penjualan	34.566.350.511	142.298.974	54.461.681.082	-	89.170.330.567	Selling expenses
Beban umum dan administrasi	51.792.431.033	1.445.408.474	27.413.735.634	-	80.651.575.141	General and administrative expenses
Total Beban Usaha	86.358.781.544	1.587.707.448	81.875.416.716	-	169.821.905.708	Total Operating Expenses
LABA (RUGI) USAHA	73.689.664.049	(1.749.826.417)	19.434.937.719	(353.585.875)	91.021.189.476	OPERATING (LOSS) INCOME
PENDAPATAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Pendapatan dividen kas	86.926.203.376	-	-	(86.926.203.376)	-	Cash dividend income
Pendapatan dividen saham	23.320.089.000	-	-	(23.320.089.000)	-	Stock Dividend Income
Laba penjualan aset tetap	55.311.369.667	-	22.546.982.269	-	77.858.351.936	Gain on sale of fixed assets
Pendapatan bunga	58.647.669	1.547.492	389.647.594	-	449.842.755	Interest income
Laba selisih kurs - neto	1.578.346	1.562	-	-	1.579.908	Foreign exchange gain - net
Administrasi bank	(1.354.433)	(27.279.128)	(335.082.551)	-	(363.716.112)	Bank charge
Beban bunga	(18.170.883.812)	(594.747.575)	(335.404.984)	-	(19.101.036.371)	Interest expense
Lain-lain - neto	(1.311.117.866)	10.726.006	120.671.164	-	(1.179.720.696)	Others - net
Pendapatan (Beban) Lain-lain - Neto	146.134.531.947	(609.751.643)	22.386.813.492	(110.246.292.376)	57.665.301.420	Other Income (Expenses) - Net
LABA (RUGI) SEBELUM BEBAN (MANFAAT) PAJAK PENGHASILAN	219.824.195.996	(2.359.578.060)	41.821.751.211	(110.599.878.251)	148.686.490.896	INCOME (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)
BEBAN (MANFAAT) PAJAK PENGHASILAN						INCOME TAX EXPENSE (BENEFIT)
Kini	15.333.362.000	-	5.246.495.000	-	20.579.857.000	Current
Tangguhan	(984.432.856)	(115.598.375)	(330.500.431)	-	(1.430.531.662)	Deferred
Beban Pajak Penghasilan - Neto	14.348.929.144	(115.598.375)	4.915.994.569	-	19.149.325.338	Income Tax Expense - Net
TOTAL LABA (RUGI) KOMPRESIF PERIODE BERJALAN	205.475.266.852	(2.243.979.685)	36.905.756.642	(110.599.878.251)	129.537.165.558	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD
Informasi lainnya						Other information
Aset segmen	834.783.268.661	9.124.741.360	130.627.465.154	(233.472.663.311)	741.062.811.864	Segment assets
Liabilitas segmen	431.521.979.711	7.752.159.142	93.770.808.799	(76.331.228.786)	456.713.718.866	Segment liabilities
Penyusutan	11.566.910.290	282.371.290	2.825.068.317	-	14.674.349.897	Depreciation
Segmen Geografis						Geographical Segment
		Indonesia	Di luar Indonesia/ Outside Indonesia	Total		
Penjualan neto						Net sales
Rokok		850.616.164.403	-	850.616.164.403		Cigarette
Filter dan OPP Rokok		66.845.811.912	-	66.845.811.912		Filter and Oriented polypropylene
Percetakan		7.774.758.479	-	7.774.758.479		Printing
Total		925.236.734.794	-	925.236.734.794		Total

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

27. INFORMASI SEGMENT (lanjutan)

27. SEGMENT INFORMATION (continued)

	31 Des 2010/Dec 31, 2010					
	Rokok/ Cigarette	Percetakan/ Printing	Pemasaran dan Distribusi/ Marketing and Distribution	Eliminasi/ Elimination	Total/ Total	
PENJUALAN NETO	537.456.980.417	14.632.315.598	576.350.531.912	(536.256.427.735)	592.183.400.192	NET SALES
BEBAN POKOK PENJUALAN	420.645.439.172	16.253.768.657	507.483.950.952	(535.452.412.614)	408.930.746.167	COST OF GOODS SOLD
LABA (RUGI) BRUTO	116.811.541.245	(1.621.453.059)	68.866.580.960	(804.015.121)	183.252.654.025	GROSS PROFIT (LOSS)
BEBAN USAHA						OPERATING EXPENSES
Beban penjualan	25.966.774.919	178.773.905	34.436.739.475	-	60.582.288.299	Selling expenses
Beban umum dan administrasi	50.881.873.654	1.159.259.135	23.632.013.194	-	75.673.145.983	General and administrative expenses
Total Beban Usaha	76.848.648.573	1.338.033.040	58.068.752.669	-	136.255.434.282	Total Operating Expenses
LABA (RUGI) USAHA	39.962.892.672	(2.959.486.099)	10.797.828.291	(804.015.121)	46.997.219.743	OPERATING INCOME (LOSS)
PENDAPATAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Pendapatan dividen kas	3.793.333.920	-	-	(3.793.333.920)	-	Cash dividend income
Laba penjualan aset tetap	712.152.610	-	2.514.428.526	-	3.226.581.136	Gain on sale of fixed assets
Pendapatan bunga	176.657.348	945.592	104.938.956	-	282.541.896	Interest income
Administrasi bank	(1.170.880)	(28.515.877)	(273.971.698)	-	(303.658.455)	Bank service charge
Selisih kurs - neto	10.606.984	(45.126)	-	-	10.561.858	Foreign exchange - net
Beban bunga	(12.369.894.237)	(576.809.590)	(334.244.194)	-	(13.280.948.021)	Interest expense
Lain-lain - neto	735.348.867	283.406.892	46.104.877	-	1.064.860.636	Others - net
Pendapatan (Beban) Lain-lain - Neto	(6.942.965.388)	(321.018.109)	2.057.256.467	(3.793.333.920)	(9.000.060.950)	Other Income (Expenses) - Net
LABA (RUGI) SEBELUM BEBAN (MANFAAT) PAJAK PENGHASILAN	33.019.927.284	(3.280.504.208)	12.855.084.758	(4.597.349.041)	37.997.158.793	INCOME (LOSS) (LOSS) BEFORE INCOME TAX EXPENSE (BENEFIT)
BEBAN (MANFAAT) PAJAK PENGHASILAN						INCOME TAX EXPENSE (BENEFIT)
Kini	8.204.944.750	-	2.940.688.750	-	11.145.633.500	Current
Tangguhan	(401.509.179)	12.477.250	(156.443.139)	-	(545.475.068)	Deferred
Beban Pajak Penghasilan - Neto	7.803.435.571	12.477.250	2.784.245.611	-	10.600.158.432	Income Tax Expense - Net
TOTAL LABA (RUGI) KOMPRESIF PERIODE BERJALAN	25.216.491.713	(3.292.981.458)	10.070.839.147	(4.597.349.041)	27.397.000.361	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD
Informasi lainnya						Other information
Aset segmen	559.405.349.373	11.851.236.652	86.668.205.479	(189.716.911.164)	468.207.880.340	Segment assets
Liabilitas segmen	199.000.127.183	10.205.674.749	67.183.705.772	(58.220.151.520)	218.169.356.184	Segment liabilities
Penyusutan	12.507.813.510	156.279.271	3.305.362.190	-	15.969.454.971	Depreciation
Segmen Geografis						Geographical Segment
		Indonesia	Di luar Indonesia/ Outside Indonesia		Total	
Penjualan neto						Net sales
Rokok		519.919.912.859	-	519.919.912.859		Cigarette
Filter dan OPP Rokok		61.279.706.122	-	61.279.706.122		Filter and Oriented polypropylene
Percetakan		10.983.781.211	-	10.983.781.211		Printing
Total		592.183.400.192	-	592.183.400.192		Total

The original consolidated financial statements included herein are in Indonesian language.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

27. INFORMASI SEGMENT (lanjutan)

27. SEGMENT INFORMATION (continued)

	31 Des 2009/Dec 31, 2009					
	Rokok/ Cigarette	Percetakan/ Printing	Pemasaran dan Distribusi/ Marketing and Distribution	Eliminasi/ Elimination	Total/ Total	
PENJUALAN NETO	400.461.419.938	12.467.409.200	457.785.945.230	(405.850.111.756)	464.864.662.612	NET SALES
BEBAN POKOK PENJUALAN	306.964.151.513	10.463.109.742	401.478.953.402	(409.095.625.154)	309.810.589.503	COST OF GOODS SOLD
LABA BRUTO	93.497.268.425	2.004.299.458	56.306.991.828	3.245.513.398	155.054.073.109	GROSS PROFIT
BEBAN USAHA						OPERATING EXPENSES
Beban penjualan	26.580.046.966	147.945.410	31.127.786.202	-	57.855.778.578	Selling expenses
Beban umum dan Administrasi	34.226.609.359	1.921.370.864	19.973.029.838	-	56.121.010.061	General and administrative expenses
Total Beban Usaha	60.806.656.325	2.069.316.274	51.100.816.040	-	113.976.788.639	Total Operating Expenses
LABA USAHA	32.690.612.100	(65.016.816)	5.206.175.788	3.245.513.398	41.077.284.470	OPERATING INCOME
PENDAPATAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Pendapatan dividen kas	4.206.091.968	-	-	(4.206.091.968)	-	Cash dividend income
Laba penjualan aset tetap	(296.295.465)	-	396.687.724	-	100.392.259	Gain on sale of fixed assets
Pendapatan bunga	85.234.008	817.275	82.396.711	-	168.447.994	Interest income
Administrasi bank	-	-	-	-	-	Bank service charge
Selisih kurs - neto	360.047.956	(708.291)	-	-	359.339.665	Foreign exchange - net
Beban bunga	(15.542.302.546)	-	(233.958.086)	-	(15.776.260.632)	Interest expense
Lain-lain - neto	(1.812.708.211)	(54.417.248)	38.205.207	-	(1.828.920.252)	Others - net
Pendapatan (Beban) Lain-lain - Neto	(12.999.932.290)	(54.308.264)	283.331.556	(4.206.091.968)	(16.977.000.966)	Other Income (Expenses) - Net
LABA SEBELUM BEBAN (MANFAAT) PAJAK PENGHASILAN	19.690.679.810	(119.325.080)	5.489.507.344	(960.578.570)	24.100.283.504	INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)
BEBAN (MANFAAT) PAJAK PENGHASILAN						INCOME TAX EXPENSE (BENEFIT)
Kini	6.001.683.520	-	1.987.746.600	-	7.989.430.120	Current
Tangguhan	(1.334.777.727)	(29.893.480)	(351.211.193)	-	(1.715.882.400)	Deferred
Beban Pajak Penghasilan - Neto	4.666.905.793	(29.893.480)	1.636.535.407	-	6.273.547.720	Income Tax Expense - Net
TOTAL LABA KOMPREHENSIF PERIODE BERJALAN	15.023.774.017	(89.431.600)	3.852.971.937	(960.578.570)	17.826.735.784	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD
Informasi lainnya						Other information
Aset segmen	523.305.568.768	11.717.293.368	60.969.332.144	(171.278.952.276)	424.713.242.004	Segment assets
Liabilitas segmen	184.329.638.290	8.278.750.007	49.287.671.581	(42.086.207.749)	199.809.852.129	Segment liabilities
Penyusutan	11.673.830.968	182.138.621	2.805.980.363	-	14.661.949.952	Depreciation
Segmen Geografis						Geographical Segment
		Indonesia	Di luar Indonesia/ Outside Indonesia	Total		
Penjualan neto						Net sales
Rokok		409.112.652.510	-	409.112.652.510		Cigarette
Filter dan OPP Rokok		47.627.035.472	-	47.627.035.472		Filter and Oriented polypropylene
Percetakan		8.124.974.630	-	8.124.974.630		Printing
Total		464.864.662.612	-	464.864.662.612		Total

Kebijakan akuntansi segmen operasi adalah sama sebagaimana dijelaskan pada ikhtisar kebijakan akuntansi yang penting pada Catatan 2.

The accounting policy of the operating segments is the same with the summary of accounting policies in Note 2.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

28. LABA PER SAHAM

- a. Perhitungan laba per saham dalam Rupiah penuh adalah sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Total laba komprehensif yang diatribusikan kepada pemilik entitas induk	38.930.386.545	24.615.317.923	129.382.897.212	27.370.783.041	17.810.990.814

Total comprehensive income attributable to owners of the parent entity

- b. Jumlah Saham

Jumlah rata-rata tertimbang saham untuk perhitungan laba per saham dasar dengan memperhitungkan dampak dari pembagian dividen dalam bentuk saham sebesar Rp44.391.176.000 (setara dengan 44.391.176 saham) pada tanggal 25 November 2011 dan dampak dari perubahan nilai nominal saham dari Rp1.000 menjadi Rp100 yang dilaksanakan pada tanggal 10 September 2012 adalah sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Jumlah saham	1.469.911.760	1.469.911.760	1.469.911.760	1.469.911.760	1.469.911.760

Number of shares

- c. Laba per saham dasar

Labanya komprehensif periode berjalan yang dapat diatribusikan kepada pemilik entitas induk per saham adalah sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Labanya komprehensif periode berjalan yang dapat diatribusikan kepada pemilik entitas induk per saham (dalam Rupiah penuh)	26,48	16,75	88,02	18,62	12,12

Total comprehensive income for the period attributable to the owners of the parent entity per share (in full Rupiah)

- d. Laba per saham dilusian

Labanya per saham dilusian adalah sama dengan labanya per saham dasar karena Perusahaan tidak memiliki efek berpotensi dilutif.

28. EARNINGS PER SHARE

- a. Earnings per share is calculated in full Rupiah amount as follows:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Total laba komprehensif yang diatribusikan kepada pemilik entitas induk	38.930.386.545	24.615.317.923	129.382.897.212	27.370.783.041	17.810.990.814

Total comprehensive income attributable to owners of the parent entity

- b. Number of Shares Outstanding

The weighted average number of shares used in calculating basic earnings per share after giving effect to the distribution of share dividends amounting to Rp44,391,176,000 (equivalent to 44,391,176 shares) on November 25, 2011 and the effect of change in nominal value per share from Rp1,000 to Rp100 conducted on September 10, 2012 are as follows:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Jumlah saham	1.469.911.760	1.469.911.760	1.469.911.760	1.469.911.760	1.469.911.760

Number of shares

- c. Basic earnings per share

Total comprehensive income for the period attributable to the owners of the parent entity per share is as follows:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)		
	2012	2011	2011	2010	2009
Labanya komprehensif periode berjalan yang dapat diatribusikan kepada pemilik entitas induk per saham (dalam Rupiah penuh)	26,48	16,75	88,02	18,62	12,12

Total comprehensive income for the period attributable to the owners of the parent entity per share (in full Rupiah)

- d. Diluted earnings per share

Diluted earnings per share is the same as the basic earnings per share since the Company does not have potential dilutive securities.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

29. PERISTIWA SETELAH TANGGAL PELAPORAN

- a. Berdasarkan Akta Notaris Yulia, S.H., No. 24 tanggal 10 September 2012, pemegang saham Perusahaan telah memutuskan sebagaimana tercantum dalam Keputusan Sirkuler Para Pemegang Saham Perusahaan yang lengkap ditandatangani pada tanggal 8 September 2012, yang menerangkan keputusan yang telah diambil, antara lain, sebagai berikut:
1. Menyetujui perubahan nilai nominal saham Perusahaan dari Rp1.000 menjadi Rp100, sehingga rincian pemegang saham Perusahaan menjadi sebagai berikut:

Ditempatkan dan Disetor Penuh/Issued and fully paid			
	Jumlah Saham/ Total Shares	Persentase Kepemilikan/ Percentage of Ownership	Total/Total
Central Tower Capital Pte. Ltd., Singapura	472.018.070	32,11%	47.201.807.000
Ronald Walla	203.651.770	13,85%	20.365.177.000
Stephen Walla	203.651.770	13,85%	20.365.177.000
Gaby Widjajadi	196.039.780	13,34%	19.603.978.000
Indahtati Widjajadi	160.350.820	10,91%	16.035.082.000
Ir. Sugito Winarko	152.738.830	10,39%	15.273.883.000
Gitawati Winarko	40.730.360	2,77%	4.073.036.000
Gunarwan Winarko	20.365.180	1,39%	2.036.518.000
Dipoyono Winarko	20.365.180	1,39%	2.036.518.000
Total	1.469.911.760	100,00%	146.991.176.000

2. Menyetujui rencana Perusahaan untuk melakukan Penawaran Umum Perdana atas saham-saham Perusahaan sampai dengan sebanyak-banyaknya 30% dari modal ditempatkan dan disetor.
3. Menyetujui perubahan status Perusahaan dari Perusahaan Tertutup/Non publik menjadi Perusahaan Terbuka/Publik, serta merubah nama Perusahaan menjadi PT Wismilak Inti Makmur Tbk.
4. Menyetujui pelaksanaan *Management and Employee Stock Allocation (MESA)* Perusahaan dalam rangka Penawaran Umum Perdana Perusahaan dengan jumlah maksimal 10% dari jumlah seluruh saham yang ditawarkan pada Penawaran Umum Perdana Perusahaan.

29. EVENTS AFTER REPORTING DATE

- a. Based on Notarial Deed No. 24 of Yulia, S.H., dated September 10, 2012, the Company's shareholders have decided as stated in Circular Resolution of the Company's Shareholders which is completely signed on September 8, 2012, the decisions that have been taken, among others, as follows:
1. Change the Company's share nominal value from Rp1,000 to Rp100, therefore the details of Company's shareholders become as follows:

Central Tower Capital Pte. Ltd., Singapore	47.201.807.000
Ronald Walla	20.365.177.000
Stephen Walla	20.365.177.000
Gaby Widjajadi	19.603.978.000
Indahtati Widjajadi	16.035.082.000
Ir. Sugito Winarko	15.273.883.000
Gitawati Winarko	4.073.036.000
Gunarwan Winarko	2.036.518.000
Dipoyono Winarko	2.036.518.000
Total	146.991.176.000

2. Approve the Company's plan to conduct Initial Public Offering of the Company's shares up to a maximum of 30% of the issued and paid-up capital.
3. Change the Company's status from Private/Non-public Company to Public Company and change the Company's name to become PT Wismilak Inti Makmur Tbk.
4. Approve the implementation of *Management and Employee Stock Allocation (MESA)* in relation with the Company's Initial Public Offering with maximum of 10% of total shares offered in the Company's Initial Public Offering.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**29. PERISTIWA SETELAH TANGGAL PELAPORAN
(lanjutan)**

5. Menyetujui, menegaskan dan menyatakan kembali seluruh Anggaran Dasar Perusahaan untuk disesuaikan dengan ketentuan Anggaran Dasar Perusahaan Publik.

Akta perubahan Anggaran Dasar telah disetujui oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-48327.AH.01.02.Tahun 2012 pada tanggal 11 September 2012.

- b. Berdasarkan Akta Notaris Yulia, S.H. No. 7 tanggal 5 Oktober 2012, para pemegang saham Perusahaan memutuskan untuk, antara lain:

1. Mengangkat anggota Dewan Komisaris dan Direksi yang baru, bersamaan dengan masuknya Komisaris Independen dan Direktur Tidak Terafiliasi, sehingga sejak ditandatangani Keputusan Para Pemegang Saham tersebut, susunan anggota Dewan Komisaris dan Direksi Perusahaan menjadi sebagai berikut:

Dewan Komisaris:

Komisaris Utama	:	Willy Walla	:
Komisaris	:	Indahwati Widjajadi	:
Komisaris Independen	:	Edy Sugito	:

Direksi:

Direktur Utama	:	Ronald Walla	:
Direktur	:	Krisna Tanimhardja	:
Direktur	:	Sugito Winarko	:
Direktur	:	Lucas Firman Djajanto	:
Direktur	:	Trisnawati Trisnajuana	:
Direktur Tidak Terafiliasi	:	Hendrikus Johan Soegiarto	:

2. Merubah satu keputusan dalam Keputusan Para Pemegang Saham Perusahaan yang dinyatakan dalam Akta Notaris Yulia, S.H. No. 24 tanggal 10 September 2012, mengenai persetujuan pelaksanaan *Management and Employee Stock Allocation (MESA)* Perusahaan dalam rangka Penawaran Umum Perdana Saham Perusahaan menjadi *Employee Stock Allocation (ESA)*.

29. EVENTS AFTER REPORTING DATE (continued)

5. Approve, affirm and restate all the Company's Articles of Association to comply with the Articles of Association of Public Company.

The amendment of the Articles of Association was approved by Minister of Laws and Human Rights of the Republic of Indonesia in his Decree No. AHU-48327.AH.01.02.Tahun 2012 dated September 11, 2012.

- b. Based on Notarial Deed No. 7 of Yulia, S.H. dated October 5, 2012, the Company's shareholders decided to, among other things:

1. Appoint new Boards of Commissioners and Directors, along with the addition of Independent Commissioner and Unaffiliated Director. Therefore, since the signing of that Resolution Shareholders, the members of Boards of Commissioners and Directors of the Company to be as follows:

Board of Commissioners:

President Commissioner	:	Willy Walla
Commissioner	:	Indahwati Widjajadi
Independent Commissioner	:	Edy Sugito

Directors:

President Director	:	Ronald Walla
Director	:	Krisna Tanimhardja
Director	:	Sugito Winarko
Director	:	Lucas Firman Djajanto
Director	:	Trisnawati Trisnajuana
Non-affiliated Director	:	Hendrikus Johan Soegiarto

2. Amendment of one provision in the Company's Resolution of Shareholders which stated in Notarial deed No. 24 of Yulia, S.H. dated September 10, 2012, regarding the approval of the implementation of *Management and Employee Stock Allocation (MESA)* upon the Company's Initial Public Offering which then amended to *Employee Stock Allocation (ESA)*.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

30. PERJANJIAN PENTING

Perjanjian Grup yang signifikan adalah sebagai berikut:

Pada tanggal 5 Oktober 2010, PT Gawih Jaya (GJ), Entitas Anak, melakukan perjanjian distribusi dengan PT Japan Tobacco International Indonesia (JTII), dimana GJ ditunjuk sebagai "non-exclusive distributor" untuk rokok merk "Mild Seven" untuk dijual di Pulau Jawa, Indonesia, dengan fokus di kota-kota utama seperti Jabodetabek, Bandung, Surabaya, Yogyakarta dan Semarang. Perjanjian ini berlaku efektif sejak tanggal 1 November 2010 dengan jangka waktu 2 tahun dan akan berakhir pada tanggal 31 Oktober 2012. Perjanjian ini dapat diperpanjang secara otomatis untuk satu tahun kedepan, kecuali salah satu pihak menerima surat pemberitahuan penghentian dari pihak yang lain tidak kurang dari enam bulan sebelum kontrak berakhir.

Berdasarkan perjanjian ini, GJ harus memberikan jaminan pembayaran atas pembelian barang dari JTII berupa bank garansi yang diterbitkan oleh PT Bank Central Asia Tbk (Catatan 5). Pada tanggal 31 Desember 2011, jaminan bank garansi diterbitkan dengan deposito berjangka milik GJ yang dibatasi penggunaannya (Catatan 5), dan pada tanggal 30 Juni 2012, pembayaran tersebut dijamin dengan bank garansi yang diterbitkan oleh PT Bank Central Asia Tbk sebesar Rp2.000.000.000 yang dijamin dengan kontra bank garansi pada PT Asuransi Central Asia, berlaku efektif sejak tanggal 28 Januari 2012 dan berakhir pada tanggal 28 Januari 2013, dengan pembayaran premi sebesar Rp36.000.000.

31. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI

- a. Berdasarkan Akta Notaris H. Edwin Subarkah, S.H., No. 95, tanggal 6 Juni 2012, Perusahaan menjual kepemilikan 99,99% atau 7.820.000 saham PT Putri Gelora Jaya kepada PT Bumi Inti Makmur, pihak berelasi, sebesar Rp7.820.000.000. Selisih antara harga pelepasan dengan nilai buku investasi PGJ sebesar Rp7.464.865.843 dicatat sebagai laba pelepasan penyertaan investasi dalam entitas anak dalam laporan laba rugi komprehensif konsolidasian.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

30. SIGNIFICANT AGREEMENTS

The Group's significant agreements are as follows:

On October 5, 2010, PT Gawih Jaya (GJ), a Subsidiary, entered into a distribution agreement with PT Japan Tobacco International Indonesia (JTII), whereby GJ is appointed as "non-exclusive distributor" for cigarettes bearing the "Mild Seven" trademark for resale in Java Island, Indonesia, with focusing in main cities such as Jabodetabek, Bandung, Surabaya, Yogyakarta and Semarang. The agreement was effective from November 1, 2010 and remains to be in effect for a term of two years, expiring on October 31, 2012. This agreement shall be automatically renewed for successive terms of one year, unless either party receives a termination notice from the other not less than six months prior to the expiry of the current term.

Based on this agreement, GJ shall secure the payments arising from goods purchased from JTII in the form of bank guarantee issued by PT Bank Central Asia Tbk (Note 5). As of December 31, 2011, bank guarantee issued was secured by time deposit in the name of GJ (Note 5), and as of June 30, 2012, the payment was secured with bank guarantee issued by PT Bank Central Asia Tbk amounting to Rp2,000,000,000 which was secured by contra bank guarantee in PT Asuransi Central Asia, effective as of January 28, 2012 and expiring on January 28, 2013 with premium payment amounting to Rp36,000,000.

31. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

- a. Based on Notarial Deed No. 95 of H. Edwin Subarkah, S.H., dated June 6, 2012, the Company sold its 99.99% or 7,820,000 shares of PT Putri Gelora Jaya to PT Bumi Inti Makmur, a related party, for a total consideration of Rp7,820,000,000. The difference between the selling price and the carrying value of investment in PGJ amounting to Rp7,464,865,843, is recorded as gain on disposal of investment in shares of subsidiary in the consolidated statements of comprehensive income.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

31. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI (lanjutan)

- b. Pada tahun 2012, PT Gawih Jaya menyewa aset tetap berupa tanah dan bangunan dari PT Bumi Inti Makmur sejak tanggal 1 Januari 2012 sampai dengan 31 Desember 2012, dengan rincian sebagai berikut:
- Jl. Mampang Prapatan Blok A No. 1-2, Duren Tiga, Pancoran, Jakarta Selatan, Jakarta dengan nilai sewa sebesar Rp50.000.000,
 - Jl. Tipar Cakung RT 10/08 - No 27 RT 05/07, Cakung Barat, Cakung, Jakarta Timur, Jakarta dengan nilai sewa sebesar Rp125.000.000,
 - Jl. Tanjungsari No D1-D2, Sukomanunggal, Surabaya, Jawa Timur dengan nilai sewa sebesar Rp40.000.000,
 - Jl. Wahidin No. 137, Candi, Semarang Selatan, Semarang, Jawa Tengah dengan nilai sewa sebesar Rp55.000.000.
 - Jl. Caringin No. 273, Kelurahan Babakan, Kecamatan Babakan Ciparay, Bandung dengan nilai sewa Rp55.000.000.

Jumlah beban sewa sebesar Rp142.878.788 atau sebesar 7% dari total beban sewa untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012.

- c. Pada tahun 2012, PT Gelora Djaja menyewa aset tetap berupa bangunan dari PT Bumi Inti Makmur sejak tanggal 1 Januari 2012 sampai dengan 31 Desember 2012, dengan rincian sebagai berikut:
- Jl. Mojopahit No. 39 – 41, Surabaya, Jawa Timur dengan nilai sewa sebesar Rp60.000.000,
 - Jl. Raya Darmo No. 48, Surabaya, Jawa Timur dengan nilai sewa sebesar Rp60.000.000,
 - Jl. Ronggolawe No. 6, Surabaya, Jawa Timur dengan nilai sewa sebesar Rp25.000.000.

Jumlah beban sewa sebesar Rp72.500.000 atau sebesar 4% dari total beban sewa untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

31. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

- b. In 2012, PT Gawih Jaya entered into rent agreement of land and building with PT Bumi Inti Makmur starting from January 1, 2012 until December 31, 2012, with details are as follows:
- Jl. Mampang Prapatan Blok A No. 1-2, Duren Tiga, Pancoran, Jakarta Selatan, Jakarta amounting to Rp50,000,000,
 - Jl. Tipar Cakung RT 10/08 - No 27 RT 05/07, Cakung Barat, Cakung, Jakarta Timur, Jakarta amounting to Rp125,000,000,
 - Jl. Tanjungsari No D1-D2, Sukomanunggal, Surabaya, Jawa Timur amounting to Rp40,000,000,
 - Jl. Wahidin No. 137, Candi, Semarang Selatan, Semarang, Jawa Tengah amounting to Rp55,000,000.
 - Jl. Caringin No. 273, Kelurahan Babakan, Kecamatan Babakan Ciparay, Bandung amounting to Rp55,000,000.

Total rental expense amounted to Rp142,878,788 or 7% of total rental expense for six-month period ended June 30, 2012.

- c. In 2012, PT Gelora Djaja entered into rent agreement of building with PT Bumi Inti Makmur starting from January 1, 2012 until December 31, 2012., with details are as follows:
- Jl. Mojopahit No. 39 – 41, Surabaya, Jawa Timur amounting to Rp60,000,000,
 - Jl. Raya Darmo No. 48, Surabaya, Jawa Timur amounting to Rp60,000,000,
 - Jl. Ronggolawe No. 6, Surabaya, Jawa Timur amounting to Rp25,000,000.

Total rental expense amounted to Rp72,500,000 or 4% of total rental expense for six-month period ended June 30, 2012.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

**31. TRANSAKSI DAN SALDO DENGAN PIHAK-
PIHAK BERELASI (lanjutan)**

- d. Pada tahun 2011, PT Gawih Jaya menyewa aset tetap berupa tanah dan bangunan dari Ronald Walla, dengan rincian sebagai berikut:
- Gedung Perkantoran berlokasi di Jl. Raya Darmo No. 42-44, Kelurahan Dr. Sutomo, Kecamatan Tegalsari, Surabaya dengan nilai sewa sebesar Rp120.000.000, berlaku untuk satu tahun sejak tanggal 1 November 2011 sampai dengan 31 Oktober 2012,
 - Ruko Darmo Square berlokasi di Jl. Raya Darmo No. 54-56, Kavling R/10-11, Kelurahan Dr. Sutomo, Kecamatan Tegalsari, Surabaya dengan nilai sewa sebesar Rp72.000.000, berlaku untuk satu tahun sejak tanggal 1 Oktober 2011 sampai dengan 30 September 2012.

Jumlah beban sewa masing-masing sebesar Rp104.727.273 dan Rp24.000.000 atau sebesar 5% dan 1% dari total beban sewa untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 dan tahun yang berakhir pada tanggal 31 Desember 2011.

- e. Pada tahun 2011, Perusahaan, PT Gelora Djaja dan PT Gawih Jaya menjual aset tetap berupa tanah dan bangunan kepada PT Bumi Inti Makmur, pihak berelasi, dengan harga jual masing-masing sebesar Rp3.300.000.000, Rp52.160.000.000 dan Rp12.780.000.000.

Pada tahun 2012, PT Gelora Djaja menjual aset tetap berupa tanah dan bangunan kepada PT Bumi Inti Makmur, pihak berelasi, sebesar Rp35.650.000.000.

Rincian laba atas penjualan aset tetap sebagai berikut:

	Jumlah/Amount		Persentase Terhadap Total Laba Penjualan Aset Tetap/ Percentage to Total Gain on Sale of Fixed Assets	
	2012	2011	2012	2011
PT Gelora Djaja	3.352.174.447	43.957.588.623	60,30%	56,46%
PT Gawih Jaya	-	8.865.182.616	-	11,39%
PT Wismilak Inti Makmur	-	2.162.727.128	-	2,78%
Total	3.352.174.447	54.985.498.367	60,30%	70,63%

PT Gelora Djaja
PT Gawih Jaya
PT Wismilak Inti Makmur

Total

**31. TRANSACTIONS AND BALANCES WITH
RELATED PARTIES (continued)**

- d. In 2011, PT Gawih Jaya entered into rent agreement of land and building with Ronald Walla, with details are as follows:
- Office Building located at Jl. Raya Darmo No. 42-44, Kelurahan Dr. Sutomo, Kecamatan Tegalsari, Surabaya, amounting to Rp120,000,000 valid for one year starting from November 1, 2012 until October 31, 2012,
 - Ruko Darmo Square located at Jl. Raya Darmo No. 54-56, Kavling R/10-11, Kelurahan Dr. Sutomo, Kecamatan Tegalsari, Surabaya amounting to Rp72,000,000, valid for one year starting from October 1, 2011 until September 30, 2012.

Total rental expense amounted to Rp104,727,273 and Rp24,000,000, respectively or 5% and 1%, respectively, of total rental expense for six-month period ended June 30, 2012 and year ended December 31, 2011.

- e. In 2011, the Company, PT Gelora Djaja and PT Gawih Jaya sold their fixed assets consists of land and buildings to PT Bumi Inti Makmur, a related party, amounting to Rp3,300,000,000, Rp52,160,000,000 and Rp12,780,000,000, respectively.

In 2012, PT Gelora Djaja sold its fixed assets of land and building to PT Bumi Inti Makmur, a related party, amounting to Rp35,650,000,000.

Details of gain on sale of fixed assets are as follows:

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2012 dan Tahun yang Berakhir pada Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam Bulan yang Berakhir pada Tanggal 30 Juni 2011 (Tidak Diaudit) dan Tahun yang Berakhir pada Tanggal-tanggal 31 Desember 2010 dan 2009) (Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

Six-Month Period Ended June 30, 2012 and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period Ended June 30, 2011 (Unaudited) and Years Ended December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

31. TRANSAKSI DAN SALDO DENGAN PIHAK-PIHAK BERELASI (lanjutan)

- f. Pada tahun 2009, PT Gawih Jaya menyewa aset tetap berupa bangunan dengan PT Sativa Karyamandiri yang terletak di Desa Dadaprejo, Kecamatan Junrejo, Kabupaten Malang, Jawa Timur, dengan nilai sewa sebesar Rp167.502.500, berlaku sejak tanggal 29 Juli 2009 sampai dengan 28 Juli 2014.

Jumlah beban sewa masing-masing sebesar Rp16.750.250 atau sebesar 1% dari total beban sewa untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012.

- g. Grup memberikan kompensasi imbalan kerja jangka pendek kepada Dewan Komisaris dan Direksi sebagai berikut:

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
Komisaris	4.404.288.854	4.080.420.118	9.387.746.836	8.268.103.238	7.031.352.024	Commissioners Directors
Direksi	1.958.899.199	1.456.893.160	3.507.179.120	2.239.135.150	1.675.748.500	
Total	6.363.188.053	5.537.313.278	12.894.925.956	10.507.238.388	8.707.100.524	Total

- f. In 2009, PT Gawih Jaya entered into fixed asset rent agreement of building with PT Sativa Karyamandiri located at Dadaprejo Village, Junrejo Kecamatan, Kabupaten Malang, Jawa Timur, amounting to Rp167,502,500, starting from July 29, 2009 until July 28, 2014.

Total rental expense amounted to Rp16,750,250 or 1% of total rental expense for six-month period ended June 30, 2012.

- g. The Group provided short-term compensation benefits for the Boards of Commissioners and Directors with details as follows:

Pihak-Pihak Berelasi/ Related Parties	Sifat Hubungan/ Nature of Relationship	Sifat Saldo Akun dan Transaksi/ Nature of Account and Transaction
PT Bumi Inti Makmur	Mempunyai pemegang saham yang sama/Having same shareholders	Penjualan entitas anak, penjualan dan sewa aset tetap/Sale of subsidiary, sale and rent of fixed assets
PT Sativa Karyamandiri	Mempunyai manajemen kunci yang sama/Having same key management	Sewa aset tetap/Rent of fixed assets
Ronald Walla	Pemegang saham/Shareholder	Sewa aset tetap/Rent of fixed assets

32. STANDAR YANG TELAH DIKELUARKAN TAPI BELUM BERLAKU EFEKTIF

Interpretasi Standar Akuntansi Keuangan (ISAK) dan Pencabutan dari standar akuntansi (PPSAK) yang telah dikeluarkan oleh Dewan Standar Akuntansi Keuangan ("DSAK") di Indonesia dan efektif berlaku pada atau setelah tanggal 1 Januari 2013 adalah sebagai berikut:

- ISAK 21, "Perjanjian Konstruksi Real Estat,"
- PPSAK 7, Pencabutan PSAK No. 44: "Akuntansi Aktivitas Pengembangan Real Estat,"
- PPSAK 10, Pencabutan PSAK No. 51, "Akuntansi Kuasi-Reorganisasi"

ISAK dan PPSAK tersebut tidak memiliki dampak terhadap laporan keuangan konsolidasian Grup.

32. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Interpretations on Financial Accounting Standards (ISAK) and revocation to financial accounting standards (PPSAK) issued by the Indonesian Financial Accounting Standards Board ("DSAK") and effective on or after January 1, 2013 is as follows:

- ISAK 21, "Agreements for the Construction of Real Estate,"
- PPSAK 7, "Revocation of PSAK No. 44: "Accounting for Real Estate Development Activities,"
- PPSAK 10, Revocation of PSAK No. 51, "Accounting for Quasi-Reorganisation"

These ISAK and PPSAK have no impact on the Group's consolidated financial statements.

**PT WISMILAK INTI MAKMUR TBK
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN
KONSOLIDASIAN**

**Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

33. INFORMASI KEUANGAN TERSENDIRI PERUSAHAAN

Informasi keuangan tersendiri Entitas Induk menyajikan informasi laporan posisi keuangan, laporan laba rugi komprehensif, laporan perubahan ekuitas dan laporan arus kas, dimana penyertaan saham pada entitas anak dicatat dengan metode biaya.

Informasi keuangan tersendiri Entitas Induk disajikan sebagai lampiran pada laporan keuangan konsolidasian ini.

34. PENERBITAN KEMBALI LAPORAN KEUANGAN KONSOLIDASIAN

Perusahaan telah menerbitkan laporan keuangan konsolidasian untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 (dengan angka perbandingan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2011) dan tahun yang berakhir pada tanggal 31 Desember 2011 (dengan angka perbandingan untuk tahun yang berakhir pada tanggal 31 Desember 2010 dan 2009). Laporan keuangan konsolidasian tersebut untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2012 (dengan angka perbandingan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2011) dan tahun yang berakhir pada tanggal 31 Desember 2011 (dengan angka perbandingan untuk tahun yang berakhir pada tanggal 31 Desember 2010 dan 2009) telah diaudit oleh Kantor Akuntan Publik Gani Mulyadi & Handayani dengan laporan auditor independen No. A-214/GMH/12/FS tanggal 17 September 2012. Laporan keuangan konsolidasian yang berakhir pada tanggal 31 Desember 2010 dan 2009 tersebut telah diaudit oleh Kantor Akuntan Publik Drs. Haryo Tienmar. Sehubungan dengan rencana Perusahaan untuk melakukan Penawaran Umum Perdana Saham Perusahaan dan untuk memenuhi persyaratan Bapepam-LK, maka laporan keuangan konsolidasian tersebut diterbitkan kembali dengan disertai perubahan maupun tambahan pengungkapan pada catatan atas laporan keuangan konsolidasian.

**PT WISMILAK INTI MAKMUR TBK
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS**

**Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

33. THE COMPANY'S SEPARATE FINANCIAL STATEMENTS

Separate financial information of the Parent Entity presents statements of financial position, statements of comprehensive income, change in equity and cash flows, which the investment in subsidiaries are recorded using cost method.

The separate financial information of the Parent Entity are presented as attachment to these consolidated financial statements.

34. REISSUANCE OF CONSOLIDATED FINANCIAL STATEMENTS

The Company issued its consolidated financial statements for the six-month period ended June 30, 2012 (with comparative figures for the six-month period ended June 30, 2011) and for the year ended December 31, 2011 (with comparative figures for the years ended December 31, 2010 and 2009). The consolidated financial statements for the six-month period ended June 30, 2012 (with comparative figures for the six-month period ended June 30, 2011) and for the year ended December 31, 2011 (with comparative figures for the years ended December 31, 2010 and 2009) were audited by Gani Mulyadi & Handayani, Public Accounting Firm with independent auditors' report No. A-214/GMH/12/FS dated September 17, 2012. The consolidated financial statement for the years ended December 31, 2010 and 2009 were audited by Drs. Haryo Tienmar, Public Accounting Firm. In relation with the Company's plan to conduct Initial Public Offering and to meet the BAPEPAM-LK requirement, the consolidated financial statements has been reissued with changes and additional disclosures in the notes to the consolidated financial statements.

Lampiran I

**PT WISMILAK INTI MAKMUR TBK
(ENTITAS INDUK SAJA)
LAPORAN POSISI KEUANGAN
30 Juni 2012 dan 2011 dan 31 Desember 2011
(Dengan Angka Perbandingan Tahun yang
Berakhir 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

Attachment I

**PT WISMILAK INTI MAKMUR TBK
(PARENT ENTITY ONLY)
STATEMENTS OF FINANCIAL POSITION
June 30, 2012 and 2011 and December 31, 2011
(With Comparative Figures as of
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
ASET					ASSETS
ASET LANCAR					CURRENT ASSETS
Kas dan setara kas	9.626.848.110	4.142.341.835	700.492.476	10.000.000	Cash and cash equivalents
Piutang usaha	14.880.979.617	16.933.532.228	16.087.556.982	10.469.912.550	Trade receivables
Piutang lain-lain	-	-	-	-	Other receivables
Persediaan	21.764.007.384	20.320.830.546	8.275.632.811	7.147.405.446	Inventories
Pajak dibayar dimuka	467.377.578	1.098.243.171	1.350.931.806	1.830.583.884	Prepaid taxes
Uang muka	1.739.959.200	54.435.900	1.708.701.800	-	Advances
Beban dibayar di muka	100.969.371	35.010.342	31.222.716	67.492.100	Prepaid expenses
TOTAL ASET LANCAR	48.580.141.260	42.584.394.022	28.154.538.591	19.525.393.980	TOTAL CURRENT ASSETS
ASET TIDAK LANCAR					NON-CURRENT ASSETS
Aset pajak tangguhan - neto	552.850.865	597.363.579	715.172.289	606.367.680	Deferred tax assets - net
Aset tetap, setelah dikurangi akumulasi penyusutan sebesar Rp10.854.045.586 pada tanggal 30 Juni 2012, Rp9.195.233.849 pada tanggal 31 Desember 2011, Rp9.745.533.060 pada tanggal 31 Desember 2010, Rp6.215.842.838 pada tanggal 31 Desember 2009	11.642.878.882	12.699.336.631	8.053.948.357	10.206.291.175	Fixed assets - net of accumulated depreciation as of Rp10,854,045,586 as of June 30, 2012, Rp9,195,233,849 as of December, 31 2011 Rp9,745,533,060 as of December 31, 2010 Rp6,215,842,838 as of December 31, 2009
Taksiran tagihan pajak penghasilan	556.572.666	-	-	-	Estimated claim for tax refund
Penyertaan pada entitas anak	143.751.977.000	151.571.977.000	126.280.888.000	124.780.888.000	Investment in subsidiaries
TOTAL ASET TIDAK LANCAR	156.504.279.413	164.868.677.210	135.050.008.646	135.593.546.855	TOTAL NON-CURRENT ASSETS
TOTAL ASET	205.084.420.673	207.453.071.232	163.204.547.237	155.118.940.835	TOTAL ASSETS

Lampiran II

Attachment II

**PT WISMILAK INTI MAKMUR TBK
(ENTITAS INDUK SAJA)
LAPORAN POSISI KEUANGAN (lanjutan)
30 Juni 2012 dan 2011 dan 31 Desember 2011
(Dengan Angka Perbandingan Tahun yang
Berakhir 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

**PT WISMILAK INTI MAKMUR TBK
(PARENT ENTITY ONLY)
STATEMENTS OF FINANCIAL POSITION (continued)
June 30, 2012 and 2011 and December 31, 2011
(With Comparative Figures as of
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

	30 Juni 2012/ June 30, 2012	31 Des. 2011/ Dec. 31, 2011	31 Des. 2010/ Dec. 31, 2010	31 Des. 2009/ Dec. 31, 2009	
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
LIABILITAS					LIABILITIES
LIABILITAS JANGKA PENDEK					CURRENT LIABILITIES
Utang bank jangka pendek	-	5.646.648.978	100.000.000	5.280.981.115	Short-term bank loans
Utang usaha	5.827.680.716	12.554.898.869	4.531.472.775	2.773.013.518	Trade payables
Utang lain-lain	4.057.405	7.075.017	-	5.983.108	Other payables
Uang muka pelanggan	36.000	-	506.501.806	-	Advances from customers
Utang pajak	10.283.946.728	1.476.398.714	2.870.885.364	934.632.076	Taxes payable
Liabilitas yang masih harus dibayar	495.756.127	824.027.637	247.289.282	181.961.174	Accrued liabilities
Bagian utang bank jangka panjang yang jatuh tempo dalam satu tahun	3.122.726.301	3.622.726.300	2.529.999.996	2.529.999.996	Current maturities of long-term bank loans
TOTAL LIABILITAS JANGKA PENDEK	19.734.203.277	24.131.775.515	10.786.149.223	11.706.570.987	TOTAL CURRENT LIABILITIES
LIABILITAS JANGKA PANJANG					NON-CURRENT LIABILITIES
Utang bank jangka panjang setelah dikurangi bagian jatuh tempo dalam satu tahun	4.381.663.951	5.734.693.759	4.359.166.681	6.889.166.677	Long-term bank loans - net of current maturities
Liabilitas imbalan kerja	340.505.000	169.119.000	69.307.000	36.310.000	Employee benefits liability
TOTAL LIABILITAS JANGKA PANJANG	4.722.168.951	5.903.812.759	4.428.473.681	6.925.476.677	TOTAL NON-CURRENT LIABILITIES
TOTAL LIABILITAS	24.456.372.228	30.035.588.274	15.214.622.904	18.632.047.664	TOTAL LIABILITIES
EKUITAS					EQUITY
Modal saham - Rp1.000 per saham					Share capital- Rp1,000 per share
Modal dasar - 405.000.000 saham Modal ditempatkan dan disetor penuh - 146.991.176 saham pada tanggal 30 Juni 2012 dan; 31 Desember 2011; dan 102.600.000 saham pada tanggal 31 Desember 2010 dan 2009	146.991.176.000	146.991.176.000	102.600.000.000	102.600.000.000	Authorized - 405,000,000 shares Issued and fully paid - 146,991,176 shares as of June 30, 2012 and December 31, 2011 and 102,600,000 shares as of December 31, 2010 and 2009
Saldo laba - belum ditentukan penggunaannya	33.636.872.445	30.426.306.958	45.389.924.333	33.886.893.171	Retained earnings - unappropriated
Total Ekuitas	180.628.048.445	177.417.482.958	147.989.924.333	136.486.893.171	Total Equity
TOTAL LIABILITAS DAN EKUITAS	205.084.420.673	207.453.071.232	163.204.547.237	155.118.940.835	TOTAL LIABILITIES AND EQUITY

Lampiran III

Attachment III

PT WISMILAK INTI MAKMUR TBK
(ENTITAS INDUK SAJA)
LAPORAN LABA RUGI KOMPREHENSIF
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2011
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-Tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

PT WISMILAK INTI MAKMUR TBK
(PARENT ENTITY ONLY)
STATEMENTS OF COMPREHENSIVE INCOME
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
PENJUALAN NETO	33.483.641.311	39.502.685.401	80.337.100.912	68.434.592.122	52.649.851.972	NET SALES
BEBAN POKOK PENJUALAN	26.653.300.009	29.009.735.711	59.979.751.147	52.488.834.712	45.980.657.367	COST OF GOODS SOLD
LABA BRUTO	6.830.341.302	10.492.949.690	20.357.349.765	15.945.757.410	6.669.194.605	GROSS PROFIT
BEBAN USAHA						OPERATING EXPENSES
Beban penjualan	83.979.639	81.620.498	478.654.640	290.778.634	23.806.311	Selling expenses
Beban umum dan administrasi	1.300.216.218	562.800.890	2.354.869.331	834.922.790	661.281.999	General and administrative expenses
Total Beban Usaha	1.384.195.857	644.421.388	2.833.523.971	1.125.701.424	685.088.310	Total Operating Expenses
LABA OPERASI	5.446.145.445	9.848.528.302	17.523.825.794	14.820.055.986	5.984.106.295	OPERATING INCOME
PENDAPATAN (BEBAN) LAIN-LAIN						OTHER INCOME (EXPENSES)
Pendapatan dividen	72.046.170.685	1.168.358.880	110.246.292.376	3.793.333.920	4.206.091.968	Dividend income
Pendapatan bunga	6.084.859	7.664.375	16.469.117	6.316.777	-	Interest income
Laba penjualan aset tetap	2.550.000	-	2.163.977.128	17.943.754	-	Gain on sale of fixed assets
Beban bunga	(765.318.490)	(503.331.643)	(1.268.560.998)	(1.322.497.230)	(2.464.690.877)	Interest expenses
Laba (rugi) selisih kurs - neto	(348.256.890)	(17.605.673)	(2.286.101)	1.810.250	-	Foreign exchange gain (loss) - net
Lain-lain - neto	(70.700.855)	23.250.614	7.631.269	(143.093.654)	(27.914.791)	Others - net
Pendapatan Lain-lain - Neto	70.870.529.309	678.336.553	111.163.522.791	2.353.813.817	1.713.486.300	Other Income - Net
LABA SEBELUM BEBAN (MANFAAT) PAJAK PENGHASILAN	76.316.674.754	10.526.864.855	128.687.348.585	17.173.869.803	7.697.592.595	INCOME BEFORE INCOME TAX EXPENSE (BENEFIT)
BEBAN (MANFAAT) PAJAK PENGHASILAN						INCOME TAX EXPENSE (BENEFIT)
Kini	1.035.920.313	2.352.102.992	4.031.781.250	3.522.443.250	1.320.290.160	Current
Tangguhan	44.512.714	72.038.663	117.808.710	(108.804.609)	(258.745.533)	Deferred
Beban Pajak Penghasilan - Neto	1.080.433.027	2.424.141.655	4.149.589.960	3.413.638.641	1.061.544.627	Income Tax Expense - Net
TOTAL LABA KOMPREHENSIF PERIODE BERJALAN	75.236.241.727	8.102.723.200	124.537.758.625	13.760.231.162	6.636.047.968	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

Lampiran IV

**PT WISMILAK INTI MAKMUR TBK
(ENTITAS INDUK SAJA)
LAPORAN PERUBAHAN EKUITAS
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2012
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-Tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)**

Attachment IV

**PT WISMILAK INTI MAKMUR TBK
(PARENT ENTITY ONLY)
STATEMENTS OF CHANGES IN EQUITY
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)**

	Modal Saham/ Share Capital	Laba Ditahan - Belum Ditentukan Penggunaannya/ Retained Earnings - Unappropriated	Total/ Total	
Saldo pada tanggal 1 Januari 2009	102.600.000.000	28.379.445.203	130.979.445.203	<i>Balance as of January 1, 2009</i>
Pembagian dividen kas	-	(1.128.600.000)	(1.128.600.000)	<i>Distribution of cash dividends</i>
Laba komprehensif tahun berjalan	-	6.636.047.968	6.636.047.968	<i>Comprehensive income for the year</i>
Saldo pada tanggal 31 Desember 2009	102.600.000.000	33.886.893.171	136.486.893.171	<i>Balance as of December 31, 2009</i>
Pembagian dividen kas	-	(2.257.200.000)	(2.257.200.000)	<i>Distribution of cash dividends</i>
Laba komprehensif tahun berjalan	-	13.760.231.162	13.760.231.162	<i>Comprehensive income for the year</i>
Saldo pada tanggal 31 Desember 2010	102.600.000.000	45.389.924.333	147.989.924.333	<i>Balance as of December 31, 2010</i>
Pembagian dividen kas	-	(3.385.800.000)	(3.385.800.000)	<i>Distribution of cash dividends</i>
Laba komprehensif periode berjalan	-	8.102.723.200	8.102.723.200	<i>Comprehensive income for the period</i>
Saldo pada tanggal 30 Juni 2011	102.600.000.000	50.106.847.533	152.706.847.533	<i>Balance as of June 30, 2011</i>
Saldo pada tanggal 31 Desember 2010	102.600.000.000	45.389.924.333	147.989.924.333	<i>Balance as of December 31, 2010</i>
Pembagian dividen kas dan saham	44.391.176.000	(139.501.376.000)	(95.110.200.000)	<i>Distribution of cash and shares dividends</i>
Laba komprehensif tahun berjalan	-	124.537.758.625	124.537.758.625	<i>Comprehensive income for the year</i>
Saldo pada tanggal 31 Desember 2011	146.991.176.000	30.426.306.958	177.417.482.958	<i>Balance as of December 31, 2011</i>
Pembagian dividen kas	-	(72.025.676.240)	(72.025.676.240)	<i>Distribution of cash dividends</i>
Laba komprehensif periode berjalan	-	75.236.241.727	75.236.241.727	<i>Comprehensive income for the period</i>
Saldo pada tanggal 30 Juni 2012	146.991.176.000	33.636.872.445	180.628.048.445	<i>Balance as of June 30, 2012</i>

Lampiran V

Attachment V

**PT WISMILAK INTI MAKMUR TBK
(ENTITAS INDUK SAJA)
LAPORAN PERUBAHAN ARUS KAS**
Periode Enam Bulan yang Berakhir pada Tanggal
30 Juni 2012 dan Tahun yang Berakhir pada
Tanggal 31 Desember 2011
(Dengan Angka Perbandingan untuk Periode Enam
Bulan yang Berakhir pada Tanggal 30 Juni 2012
(Tidak Diaudit) dan Tahun yang Berakhir pada
Tanggal-Tanggal 31 Desember 2010 dan 2009)
(Disajikan dalam Rupiah, kecuali Dinyatakan Lain)

**PT WISMILAK INTI MAKMUR TBK
(PARENT ENTITY ONLY)
STATEMENTS OF CASH FLOWS**
Six-Month Period Ended June 30, 2012
and Year Ended December 31, 2011
(With Comparative Figures for the Six-Month Period
Ended June 30, 2011 (Unaudited) and Years Ended
December 31, 2010 and 2009)
(Expressed in Rupiah, unless Otherwise Stated)

	30 Juni/June 30, (Enam bulan/Six months)		31 Desember/December 31, (Satu tahun/One year)			
	2012	2011	2011	2010	2009	
ARUS KAS DARI AKTIVITAS OPERASI						CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	35.501.834.167	37.832.224.170	78.907.499.621	63.463.997.888	45.025.028.745	Cash receipts from customers
Pembayaran kas kepada pemasok dan lainnya	(25.651.641.978)	(36.537.068.539)	(62.733.551.102)	(50.796.318.117)	(34.392.483.047)	Cash payments to suppliers and others
Pembayaran kas untuk beban operasi	(1.596.727.822)	(508.823.464)	(2.014.937.542)	(1.016.038.480)	(614.275.005)	Cash payments for operating expenses
Pembayaran bunga	(775.064.208)	(529.379.985)	(1.227.989.482)	(1.357.415.980)	(2.462.447.821)	Cash payment for interest
Pembayaran pajak penghasilan	(2.267.554.769)	(3.438.321.265)	(5.322.748.894)	(1.722.610.524)	(894.954.336)	Cash payments for income taxes
Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Operasi	5.210.845.390	(3.181.369.083)	7.608.272.601	8.571.614.787	6.660.868.536	Net Cash Provided by (Used in) Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI						CASH FLOWS FROM INVESTING ACTIVITIES
Penambahan (pengurangan) investasi pada entitas anak	7.820.000.000	-	-	(1.500.000.000)	(1.000.000.000)	Additional (deduction) investment in subsidiary's shares of stock
Penerimaan kas dividen	72.046.170.685	1.208.191.423	86.926.203.376	3.793.333.920	4.206.091.968	Receipt of cash dividends
Hasil penjualan aset tetap	2.550.000	-	3.136.250.000	29.138.880	-	Proceeds from disposal of fixed assets
Perolehan aset tetap	(69.704.777)	(323.526.951)	(7.133.578.978)	(235.414.000)	(7.911.721.575)	Acquisitions of fixed assets
Kas Neto Diperoleh dari (Digunakan untuk) Investasi	79.799.015.908	884.664.472	82.928.874.398	2.087.058.800	(4.705.629.607)	Net Cash Provided by (Used in) Activities
ARUS KAS DARI AKTIVITAS PENDANAAN						CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan (pembayaran) utang bank - neto	(4.853.029.805)	3.644.175.684	5.368.253.382	(5.429.999.996)	1.617.500.003	Net proceeds (repayments) from bank loan - net
Pembayaran kas dividen	(72.025.676.240)	(3.385.800.000)	(95.110.200.000)	(2.257.200.000)	(1.128.600.000)	Cash dividend payments
Kas Neto Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	(76.878.706.045)	258.375.684	(89.741.946.618)	(7.687.199.996)	488.900.003	Net Cash Provided by (Used in) Financing Activities
KENAIKAN (PENURUNAN) NETO KAS DAN SETARA KAS	8.131.155.253	(2.038.328.927)	795.200.381	2.971.473.591	2.444.138.932	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL PERIODE	1.495.692.857	700.492.476	700.492.476	(2.270.981.115)	(4.715.120.047)	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD
KAS DAN SETARA KAS PADA AKHIR PERIODE	9.626.848.110	(1.337.836.451)	1.495.692.857	700.492.476	(2.270.981.115)	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD
KAS DAN SETARA KAS PADA AKHIR PERIODE TERDIRI DARI:						CASH AND CASH EQUIVALENTS AT END OF THE PERIOD CONSISTS OF:
Kas	25.000.000	10.000.000	25.000.000	10.000.000	10.000.000	Cash on hand
Bank	9.601.848.110	485.043.182	4.117.341.835	690.492.476	-	Cash in bank
Cerukan	-	(1.832.879.633)	(2.646.648.978)	-	(2.280.981.115)	Bank overdraft
Total	9.626.848.110	(1.337.836.451)	1.495.692.857	700.492.476	(2.270.981.115)	Total



XVIII. APPRAISAL REPORT

The following is the Appraisal Report on the fixed assets of the Company and its Subsidiaries as rendered by KJPP Yanuar Bey dan Rekan.

This page is intentionally left blank

File No.: Y&R/AV/12/140.1.R

Jakarta, October 30, 2012

Directors of :
PT. Wismilak Inti Makmur
Jalan Buntaran No. 9, Manukan Wetan
Tandes, Surabaya
Jawa Timur.

Re : Assets Appraisal

Dear Sir / Mrs,

KJPP YANUAR BEY DAN REKAN ("Y&R") has been appointed by PT Wismilak Inti Makmur ("WIM") based on approval of proposal No. Pr.YR.R/AV/278/WIM/VI/12, dated June 12, 2012, to perform appraisal to the assets of PT Wismilak Inti Makmur with the scope of assignment as follow :

Machinery and the equipments, heavy vehicles, vehicles, and office equipments, located at Jalan Buntaran No. 9, Kelurahan Manukan Wetan, Kecamatan Tandes, Kota Surabaya, Propinsi Jawa Timur.

The purpose of this assignment is to provide an independent opinion of the **Market Value** on the date of June 30, 2012 of the assets for Financial Statements in order IPO (Initial Public Offering) of PT Wismilak Inti Makmur.

For that purpose, we have performed field inspection on July 9, 2012 until July 13, 2012, in order checking the physical and the condition of the property, while the date of appraisal is as of June 30, 2012.

This report is a revision of the report with File No.: Y&R/AV/12/140.1 in relation to the Bapepam-LK response by letter No. S-/2553/BL/2012, dated on October 24, 2012 on Amendment and/or Additional of Information on Registration Statements for Initial Public Offering of PT Wismilak Inti Makmur, Tbk.

This appraisal was prepared in accordance with Indonesia Appraisal Standard 2007 (SPI). SPI defines market value as follows :

"Market Value" is the estimated amount of money on the appraisal date which can be earned from the sale and purchase or exchange proceeds of a property, between the buyers who are interested to buy and sellers who are interested to sell in the free bond transactions, with proper marketing, where each others act based on their understanding, carefully and without compulsion. (SPI 1. Definitions 3.1)

APPRAISAL APPROACH

The appraisal basic that used is the Market Value, where the value is in accordance with the definition (SPI 1. Definitions 3.1)

Appraisal Approach is approach that is used to generate an opinion/conclusion of value, the approach used is **Cost Approach**, but specially for the appraisal of the heavy vehicles and vehicles is used **Sales Comparison Approach**.

Cost Approach

The basic concept of the cost approach is an approach that is used to obtain an indication of the value of the estimated costs necessary to replace, repair, or rebuild property to the condition that is substantially the same as but not better or more extensive than the new conditions that include cost/price of materials, labor, supervision costs, fixed costs contractors, including benefits, cost of technical experts including all related expenses such as transportation costs, insurance costs, installation costs, import duties, Value Added Tax (VAT) if applicable, but excluding the cost of overtime pay and premium/bonus. This approach also estimated internal and external depreciation of the properties from the new creation estimates, the depreciation method used is straight line by dividing (actual age of the property) with (economic lives of property), so can be obtained an indication of the value that is a reflection of the Market Value.

Sales Comparison Approach

The basic concept of the sales comparison approach is the principle of supply and demand, the balance between supply and demand as well as the principle of substitution, which is the tendency of high interest in the property type is cheaper than the more expensive properties.

With this approach, the appraisal of a property done by comparing it with other property similar or almost the same that are on the market directly. This approach will result in an accurate appraisal if the subject property and comparable properties have small difference relatively or are still in a reasonable tolerance. Variants of this approach can be used plus and minus calculation techniques in a percentage or in the amount of money or used multiple partners calculation techniques in the form of the completion of simultaneous equations.

The calculation is done by comparing the market data in the form of an offer or transaction that occurs over several similar properties and then performed correlation analysis of the factors that influence to determine the value of the property. If the subject property has a factor of better than data, the adjustment in the form of added value (positive), otherwise if the subject property has a factor that is less than the data, then the adjustment is a reduction in the value (negative). The amount of the adjustment will depend on the type of property and comparable data are available.

Factors to be considered in making adjustments will vary for each property type. Factors to be considered in the appraisal described in each object's appraisal.

APPRAISAL PROCESS

The appraisal process is a process of gathering property data, analyze, and provide conclusions in the form of Market Value of the assets by using Cost Approach and/or Sales Comparison Approach.

CHOOSING APPRAISAL APPROACH

The approach used in this appraisal as follows:

- The cost approach is used to obtain an indication of the market value of the machinery and the equipments and office equipments, by applying the method: New Replacement Cost minus by depreciations that occurs on the machinery and the equipments and office equipments. We think this approach is the most appropriate to be used by considering the characteristics of the property where no adequate market data, which comparable and commensurate with the subject property to be used as a comparison.

- Sales Comparison Approach, The approach is used to obtain an indication of the market value of the heavy vehicles and vehicles, by comparing the sale and purchase of some data objects are similar and comparable assessment, which ultimately can be used to draw a conclusion. This approach is done by making adjustments to the differences that exist between the data being assessed by buying and selling data available. We think this approach is the most appropriate to be used by considering the characteristics of the property and availability of sufficient market data, which comparable and commensurate with the subject property to be used as a comparison.

ASSUMPTIONS AND LIMITING CONDITIONS

- All existing liens and encumbrances, if any, have been disregarded, and the property is appraised as though it is free and clear under responsible ownership.
- We have assumed that the certificates of the property are good, marketable and free from liens encumbrances.
- We have made no investigation of and assume no responsibility for titles to or liabilities against the property appraised.
- The Appraisal report is prepared based on data, facts, investigation and verification of the property mentioned and has been performed in accordance with the current valuation standard.
- All of the statement and data contained in this report are true and confirmed to the appraiser's knowledge and good intention.
- Part of the property, which is not have any material value, will not be included in this valuation.
- Values are reported in IDR currency.
- Middle Exchange Rate value that we use in this appraisal is on June 29, 2012, 1 US. \$ was IDR 9,480 due on June 30, 2012 (Saturday), BANKING transaction data was not available.
- We, the Company and Appraisers, have not present or contemplated future or any other interest in the property appraised.
- This Appraisal was done in accordance with Code of Ethics Indonesian Appraiser (KEPI) and Code of Ethics Indonesia Society of Appraisers (MAPPI).
- Appraisal standard in this appraisal report is a standard applicable as stated in IAS 2007 (Indonesian Appraisal Standard Year 2007).
- Prohibiting the publication of the certificate or report in whole or in part, or any reference thereto, or to the valuation figures contained therein, of to the names and professional affiliations of the appraisers, without the written approval of the appraiser as to the form and context in which it is to appear (SPI 0.5.26.2).
- KJPP Yanuar Bey dan Rekan by reason of this appraisal is not required to give testimony or attendance in court or to any other government instances related to the subject property, unless it has been arranged in advance.
- This appraisal report is not valid unless it is signed by the registered appraiser that mentioned above and bears the corporate seal of KJPP Yanuar Bey dan Rekan.
- The appraisal report is intended for financial reporting purpose.
- These appraisal report is cannot be used for the fulfillment of Banking purpose.
- We do not recommend this report be used for other purposes, because the purpose of appraisal will provide a basic of appraisal and types of values.
- Appraiser has made review of the documents used in the appraisal process.
- Data and information are sourced from or validated by the Association of Appraisers.
- Appraiser is responsible for the implementation of the appraisal, Appraisal Report and Conclusions of the Final Value.

QUALIFICATION OF APPRAISER

We are a Public Appraiser with property appraiser license in accordance with Ministry of Finance Decision No. 53/KM.1/2010 dated January 25, 2010, About Licensed Public Appraiser in Sector of Property Valuation Services (P) given to Dasa'at Alam Ratu, MAPPI (Cert) with Licensed No. P-1.10.00272.

SUMMARY OF APPRAISAL

<u>Description</u>	<u>Market Value</u>
<ul style="list-style-type: none"> ▪ Location : Jalan Buntaran No. 9, Kelurahan Manukan Wetan, Kecamatan Tandes, Kota Surabaya - Jawa Timur. 	
• Machinery and The Equipments	IDR 16,069,600,000
• Heavy Vehicles	IDR 42,500,000
• Vehicles	IDR 188,000,000
• Office Equipments	<u>IDR 80,500,000</u>
Total	IDR 16,380,600,000
Rounded	<u>IDR 16,380,600,000</u>

CONCLUSION

This appraisal report consists of several parts that are intertwined and can not be separated, namely :

- This letter which mention about the result, conclusion and valuation summary on the above property;
- description of the property and opinion on the market value of the property;
- Assumptions and Limiting Conditions, and
- Photo, Situation picture and map location of the subject property

Based on a general appraisal method, considering all information and other factors relevant to the valuation and the assumptions and limiting conditions, we are in the opinion that the **Market Value** of the above assets as of **June 30, 2012** is:

IDR 16,380,600,000

**(Sixteen Billion Three Hundred Eighty Million
Six Hundred Thousand Rupiahs)**

Yours faithfully,
KJPP YANUAR BEY DAN REKAN

Bahasa Indonesia report is
Dully signed by Signing Partner.

Dasa'at Alam Ratu, MAPPI (Cert)
Partner of Property Appraisal
MAPPI No. 00-S-01338
Appraisal License : P-1.10.00272
STTD No. 56/BL/STTD-P/A/2011

STATEMENT OF APPRAISER

In the limits of our ability and confidence as appraisers, we are the undersigned below explains that:

- a. The statements of facts contained in this report are true and correct.
- b. We have no present or prospective interest in the property that is subject of this report, and we have no personal interest or bias with respect to the parties involved.
- c. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- d. We has met the professional education requirements prescribed and / or organized by an Appraisers Association that had been recognized by Governments.
- e. We are solely responsible for the result of appraisal done within the limits set based on the Indonesia Valuation Standard (SPI).
- f. We have adequate knowledge about appraised property or the type of industry.
- g. We had implemented the following scope :
 - Identify the problem (identification of constraints, purpose and objects, the definition of appraisal, and the date of appraisal)
 - Data collection and interviews
 - Analysis of data
 - Estimated the value by using appraisal approach
 - Composing and writing the appraisal report
- h. We have made an inspection of the properties that is subject of this report.
- i. No one, except mentioned in this report, provided significant professional assistance for preparation of this report.
- j. This report has been arranged in accordance and subject to the provisions of the Code of Ethics for Indonesia Appraisers (KEPI) and Indonesia Valuation Standard (SPI 2007).
- k. Assignment of professional appraisal has been done on the object of appraisal on Date of Appraisal (Cut Off Date).
- l. Estimated value resulted in the assignment of professional appraisal has been presented as a conclusion of value.
- m. Conclusion of value has been in accordance with the assumptions and limiting conditions.

File No.: Y&R/AV/12/140.2.R

Jakarta, October 30, 2012

Directors of :
PT. Wismilak Inti Makmur
Jalan Buntaran No. 9, Manukan Wetan
Tandes, Surabaya
Jawa Timur.

Re : Assets Appraisal

Dear Sir / Mrs,

KJPP YANUAR BEY DAN REKAN ("Y&R") has been appointed by **PT Wismilak Inti Makmur ("WIM")** based on approval of proposal No. Pr.YR.R/AV/278/WIM/VI/12, dated June 12, 2012, to perform appraisal to the assets of **PT Gelora Djaja** with the scope of assignment as follow :

1. Cigarette factory, consist of a tract of land of approximately 152,200 square meters, buildings and the complementary, machinery and the equipments, heavy vehicles and vehicles, located at Jalan Buntaran No. 9, Kelurahan Manukan Wetan, Kecamatan Tandes, Kota Surabaya, Propinsi Jawa Timur.
2. Warehouse, consist of a tract of land of approximately 34,860 square meters, buildings and the complementary, located at Jalan Buntaran No. 18, Kelurahan Manukan Wetan, Kecamatan Tandes, Kota Surabaya, Propinsi Jawa Timur.
3. Warehouse, consist of a tract of land of approximately 9,049 square meters, buildings and the complementary, located at Jalan Raya Sraturojo No. 99, Desa Sraturojo, Kecamatan Baureno, Kabupaten Bojonegara, Propinsi Jawa Timur.
4. Tract of land of approximately 9,773 square meters, located at Jalan Raya Pasinan, Desa Pasinan, Kecamatan Baureno, Kabupaten Bojonegoro, Propinsi Jawa Timur.
5. Warehouse, consist of a tract of land of approximately 14,940 square meters, buildings and the complementary, located at Jalan Perintis Kemerdekaan, Kelurahan Tlogorejo, Kecamatan Temanggung, Kabupaten Temanggung, Propinsi Jawa Tengah.
6. Warehouse, consist of a tract of land of approximately 13,104 square meters, buildings and the complementary, located at Jalan Trunojoyo No. 42-44, Desa Gedungan, Kecamatan Kota Sumenep, Kabupaten Sumenep, Propinsi Jawa Timur.
7. Warehouse, consist of a tract of land of approximately 60,287 square meters, buildings and the complementary, located at Jalan Raya Pamekasan, Desa Trasak, Kecamatan Larangan, Kabupaten Pamekasan, Propinsi Jawa Timur.
8. Vehicles, located at some locations.
9. Office equipments, located at some locations.

The purpose of this assignment is to provide an independent opinion of the **Market Value** on the date of **June 30, 2012** of the assets for **Financial Statements** in order **IPO (Initial Public Offering)** of **PT Wismilak Inti Makmur**.

For that purpose, we have performed field inspection on **July 9, 2012** until **July 13, 2012**, in order checking the physical and the condition of the property, while the date of appraisal is as of **June 30, 2012**.

This report is a revision of the report with File No.: Y&R/AV/12/140.2 in relation to the **Bapepam-LK** response by letter No. S-/2553/BL/2012, dated on **October 24, 2012** on **Amendment and/or Additional of Information on Registration Statements for Initial Public Offering** of **PT Wismilak Inti Makmur, Tbk.**

This appraisal was prepared in accordance with Indonesia Appraisal Standard 2007 (SPI). SPI defines market value as follows :

"Market Value" is the estimated amount of money on the appraisal date which can be earned from the sale and purchase or exchange proceeds of a property, between the buyers who are interested to buy and sellers who are interested to sell in the free bond transactions, with proper marketing, where each others act based on their understanding, carefully and without compulsion. (SPI 1. Definitions 3.1)

APPRAISAL APPROACH

The appraisal basic that used is the Market Value, where the value is in accordance with the definition (SPI 1. Definitions 3.1)

Appraisal Approach is approach that is used to generate an opinion/conclusion of value, the approach used is **Cost Approach**, but specially for the appraisal of land, heavy vehicles and vehicles is used **Sales Comparison Approach**.

Cost Approach

The basic concept of the cost approach is an approach that is used to obtain an indication of the value of the estimated costs necessary to replace, repair, or rebuild property to the condition that is substantially the same as but not better or more extensive than the new conditions that include cost/price of materials, labor, supervision costs, fixed costs contractors, including benefits, cost of technical experts including all related expenses such as transportation costs, insurance costs, installation costs, import duties, Value Added Tax (VAT) if applicable, but excluding the cost of overtime pay and premium/bonus. This approach also estimated internal and external depreciation of the properties from the new creation estimates, the depreciation method used is straight line by dividing (actual age of the property) with (economic lives of property), so can be obtained an indication of the value that is a reflection of the Market Value.

Sales Comparison Approach

The basic concept of the sales comparison approach is the principle of supply and demand, the balance between supply and demand as well as the principle of substitution, which is the tendency of high interest in the property type is cheaper than the more expensive properties.

With this approach, the appraisal of a property done by comparing it with other property similar or almost the same that are on the market directly. This approach will result in an accurate appraisal if the subject property and comparable properties have small difference relatively or are still in a reasonable tolerance. Variants of this approach can be used plus and minus calculation techniques in a percentage or in the amount of money or used multiple partners calculation techniques in the form of the completion of simultaneous equations.

The calculation is done by comparing the market data in the form of an offer or transaction that occurs over several similar properties and then performed correlation analysis of the factors that influence to determine the value of the property. If the subject property has a factor of better than data, the adjustment in the form of added value (positive), otherwise if the subject property has a factor that is less than the data, then the adjustment is a reduction in the value (negative). The amount of the adjustment will depend on the type of property and comparable data are available.

Factors to be considered in making adjustments will vary for each property type. Factors to be considered in the appraisal described in each object's appraisal.

APPRAISAL PROCESS

The appraisal process is a process of gathering property data, analyze, and provide conclusions in the form of Market Value of the assets by using Cost Approach and/or Sales Comparison Approach.

ELECTION OF APPRAISAL APPROACH

The approach used in this appraisal as follows:

- The cost approach is used to obtain an indication of the market value of the buildings and the complementary, machinery and the equipments, and office equipments, by applying the method: New Replacement Cost minus by depreciations that occurs on the buildings and the complementary, machinery and the equipments, and office equipments. We think this approach is the most appropriate to be used by considering the characteristics of the property where no adequate market data, comparable and commensurate with the subject property to be used as a comparison.
- Sales Comparison Approach, The approach is used to obtain an indication of the market value of the land, heavy vehicles and vehicles, by comparing the sale and purchase of some data objects are similar and comparable assessment, which ultimately can be used to draw a conclusion. This approach is done by making adjustments to the differences that exist between the data being assessed by buying and selling data available. We think this approach is the most appropriate to be used by considering the characteristics of the property and availability of sufficient market data, which comparable and commensurate with the subject property to be used as a comparison.

ASSUMPTIONS AND LIMITING CONDITIONS

- All existing liens and encumbrances, if any, have been disregarded, and the property is appraised as though it is free and clear under responsible ownership.
- We have assumed that the certificates of the property are good, marketable and free from liens encumbrances.
- We have made no investigation of and assume no responsibility for titles to or liabilities against the property appraised.
- The Appraisal report is prepared based on data, facts, investigation and verification of the property mentioned and has been performed in accordance with the current valuation standard.
- All of the statement and data contained in this report are true and confirmed to the appraiser's knowledge and good intention.
- Part of the property, which is not have any material value, will not be included in this valuation.
- Values are reported in IDR currency.
- Middle Exchange Rate value that we use in this appraisal is on June 29, 2012, 1 US. \$ was IDR 9,480 due on June 30, 2012 (Saturday), BANKING transaction data was not available.
- We, the Company and Appraisers, have not present or contemplated future or any other interest in the property appraised.
- This Appraisal was done in accordance with Code of Ethics Indonesian Appraiser (KEPI) and Code of Ethics Indonesia Society of Appraisers (MAPPI).
- Appraisal standard in this appraisal report is a standard applicable as stated in IAS 2007 (Indonesian Appraisal Standard Year 2007).
- Prohibiting the publication of the certificate or report in whole or in part, or any reference thereto, or to the valuation figures contained therein, of to the names and professional affiliations of the appraisers, without the written approval of the appraiser as to the form and context in which it is to appear (SPI 0.5.26.2).

- KJPP Yanuar Bey dan Rekan by reason of this appraisal is not required to give testimony or attendance in court or to any other government instances related to the subject property, unless it has been arranged in advance.
- This appraisal report is not valid unless it is signed by the registered appraiser that mentioned above and bears the corporate seal of KJPP Yanuar Bey dan Rekan.
- The appraisal report is intended for financial reporting purpose.
- These appraisal report is cannot be used for the fulfillment of Banking purpose.
- We do not recommend this report be used for other purposes, because the purpose of appraisal will provide a basic of appraisal and types of values.
- Appraiser has made review of the documents used in the appraisal process.
- Data and information are sourced from or validated by the Association of Appraisers.
- Appraiser is responsible for the implementation of the appraisal, Appraisal Report and Conclusions of the Final Value.

QUALIFICATION OF APPRAISER

We are a Public Appraiser with property appraiser license in accordance with Ministry of Finance Decision No. 53/KM.1/2010 dated January 25, 2010, About Licensed Public Appraiser in Sector of Property Valuation Services (P) given to Dasa'at Alam Ratu, MAPPI (Cert) with Licensed No. P-1.10.00272.

SUMMARY OF APPRAISAL

<u>Description</u>	<u>Market Value</u>
<ul style="list-style-type: none"> • 1st Location: Jalan Buntaran No. 9, Kelurahan Manukan Wetan, Kecamatan Tandes, Kota Surabaya - Jawa Timur. 	
• Land (Area : 152,200 m ²)	IDR 136,980,000,000
• Buildings (Area : 52,392 m ²)	IDR 41,073,950,000
• Complementary	IDR 3,357,940,000
• Machinery and The Equipments	IDR 173,169,020,000
• Heavy Vehicles	IDR 1,214,190,000
• Vehicles	IDR 4,844,500,000
• Laboratory Equipments	IDR 6,745,360,000
Total of 1st Location	IDR 367,384,960,000
<ul style="list-style-type: none"> • 2nd Location: Jalan Buntaran No. 18, Kelurahan Manukan Wetan, Kecamatan Tandes, Kota Surabaya - Jawa Timur. 	
• Land (Area : 34,860 m ²)	IDR 31,374,000,000
• Buildings (Area : 17,136 m ²)	IDR 13,663,910,000
• Complementary	IDR 1,428,240,000
Total of 2nd Location	IDR 46,466,150,000

<u>Description</u>	<u>Market Value</u>
<ul style="list-style-type: none"> • 3rd Location: Jalan Raya Sraturejo No. 99, Desa Sraturejo, Kecamatan Baureno, Kabupaten Bojonegoro - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 9,049 m²) 	IDR 2,262,250,000
<ul style="list-style-type: none"> • Buildings (Area : 3,553 m²) 	IDR 3,951,380,000
<ul style="list-style-type: none"> • Complementary 	<u>IDR 415,280,000</u>
Total of 3 rd Location	IDR 6,628,910,000
<ul style="list-style-type: none"> • 4th Location: Jalan Raya Pasinan, Desa Pasinan, Kecamatan Baureno, Kabupaten Bojonegoro - Jawa Timur . 	
<ul style="list-style-type: none"> • Land (Area : 9,773 m²) 	<u>IDR 1,954,600,000</u>
Total of 4 th Location	IDR 1,954,600,000
<ul style="list-style-type: none"> • 5th Location: Jalan perintis kemerdekaan, Kelurahan Tlogorejo, Kecamatan Temanggung, Temanggung - Jawa Tengah. 	
<ul style="list-style-type: none"> • Land (Area : 14,940 m²) 	IDR 3,735,000,000
<ul style="list-style-type: none"> • Buildings (Area : 3,908 m²) 	IDR 3,438,680,000
<ul style="list-style-type: none"> • Complementary 	<u>IDR 274,100,000</u>
Total of 5 th Location	IDR 7,447,780,000
<ul style="list-style-type: none"> • 6th Location: Jalan Trunojoyo No. 42 - 44, Desa Gedungan, Kecamatan Kota Sumenep, Kabupaten Sumenep - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 13,104 m²) 	IDR 3,931,200,000
<ul style="list-style-type: none"> • Buildings (Area : 2,501 m²) 	IDR 2,200,980,000
<ul style="list-style-type: none"> • Complementary 	<u>IDR 293,180,000</u>
Total of 6 th Location	IDR 6,425,360,000
<ul style="list-style-type: none"> • 7th Location: Jalan Raya Pamekasan, Desa Trasak, Kecamatan Larangan, Kabupaten Pamekasan - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 60,287 m²) 	IDR 8,440,180,000
<ul style="list-style-type: none"> • Buildings (Area : 22,453 m²) 	IDR 23,411,970,000
<ul style="list-style-type: none"> • Complementary 	<u>IDR 2,039,490,000</u>
Total of 7 th Location	IDR 33,891,640,000

<u>Description</u>	<u>Market Value</u>
▪ Vehicles Some location in Surabaya.	
• Vehicles	IDR <u>4,567,600,000</u>
Total of Vehicles	IDR <u>4,567,600,000</u>
▪ Office Equipments Some location in Surabaya.	
• Office Equipments	IDR <u>3,356,576,000</u>
Total of Office Equipments	IDR <u>3,356,576,000</u>
Total	IDR <u>478,123,576,000</u>
Rounded	IDR <u>478,123,600,000</u>

CONCLUSION

This appraisal report consists of several parts that are intertwined and can not be separated, namely :

- This letter which mention about the result, conclusion and valuation summary on the above property;
- description of the property and opinion on the market value of the property;
- Assumptions and Limiting Conditions, and
- Photo, Situation picture and map location of the subject property

Based on a general appraisal method, considering all information and other factors relevant to the valuation and the assumptions and limiting conditions, we are in the opinion that the **Market Value** of the above assets as of June 30, 2012 is:

IDR 478,123,600,000

(Four Hundred Seventy Eight Billion One Hundred Twenty-Three Million
Six Hundred Thousand Rupiahs)

Yours faithfully,
KJPP YANUAR BEY DAN REKAN

Bahasa Indonesia report is
Dully signed by Signing Partner.

Dasa'at Alam Ratu, MAPPI (Cert)
 Partner of Property Appraisal
 MAPPI No. 00-S-01338
 Appraisal License : P-1.10.00272
 STTD No. 56/BL/STTD-P/A/2011

STATEMENT OF APPRAISER

In the limits of our ability and confidence as appraisers, we are the undersigned below explains that:

- a. The statements of facts contained in this report are true and correct.
- b. We have no present or prospective interest in the property that is subject of this report, and we have no personal interest or bias with respect to the parties involved.
- c. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- d. We has met the professional education requirements prescribed and / or organized by an Appraisers Association that had been recognized by Governments.
- e. We are solely responsible for the result of appraisal done within the limits set based on the Indonesia Valuation Standard (SPI).
- f. We have adequate knowledge about appraised property or the type of industry.
- g. We had implemented the following scope :
 - Identify the problem (identification of constraints, purpose and objects, the definition of appraisal, and the date of appraisal)
 - Data collection and interviews
 - Analysis of data
 - Estimated the value by using appraisal approach
 - Composing and writing the appraisal report
- h. We have made an inspection of the properties that is subject of this report.
- i. No one, except mentioned in this report, provided significant professional assistance for preparation of this report.
- j. This report has been arranged in accordance and subject to the provisions of the Code of Ethics for Indonesia Appraisers (KEPI) and Indonesia Valuation Standard (SPI 2007).
- k. Assignment of professional appraisal has been done on the object of appraisal on Date of Appraisal (Cut Off Date).
- l. Estimated value resulted in the assignment of professional appraisal has been presented as a conclusion of value.
- m. Conclusion of value has been in accordance with the assumptions and limiting conditions.

This page is intentionally left blank

File No.: Y&R/AV/12/140.3.R

Jakarta, October 30, 2012

Directors of :
PT. Wismilak Inti Makmur
Jalan Buntaran No. 9, Manukan Wetan
Tandes, Surabaya
Jawa Timur.

Re : Assets Appraisal

Dear Sir / Mrs,

KJPP YANUAR BEY DAN REKAN ("Y&R") has been appointed by **PT Wismilak Inti Makmur ("WIM")** based on approval of proposal No. Pr.YR.R/AV/278/WIM/VI/12, dated June 12, 2012, to perform appraisal to the assets of **PT Gawih Jaya** with the scope of assignment as follow :

1. Tract of land of approximately 25,080 square meters and the complementary, located at Jalan Karangandong, Desa Krikilan, Kecamatan Driyorejo, Kabupaten Gresik, Propinsi Jawa Timur.
2. Warehouse, consist of a tract of land of approximately 5,782 square meters, buildings and the complementary, located at Kompleks Pergudangan Wirolusan Blok A1-A9, Jalan Mayjend Sungkono Km 2,6, Desa Gulomantung, Kecamatan Kebomas, Kabupaten Gresik, Propinsi Jawa Timur.
3. Office, consist of a tract of land of approximately 1,296 square meters, buildings and the complementary, located at Jalan Sumatra No. 117, Kelurahan Sumbersari, Kecamatan Sumbersari, Kabupaten Jember, Propinsi Jawa Timur.
4. Warehouse, consist of a tract of land of approximately 6,007 square meters, buildings and the complementary, located at Jalan Kompos No. 193, Desa Puji Mulyo, Kecamatan Sunggal, Kabupaten Deli Serdang, Propinsi Sumatera Utara.
5. Vehicles and office equipments, located at some locations.

The purpose of this assignment is to provide an independent opinion of the **Market Value** on the date of June 30, 2012 of the assets for Financial Statements in order IPO (Initial Public Offering) of **PT Wismilak Inti Makmur**.

For that purpose, we have performed field inspection on July 9, 2012 until July 13, 2012, in order checking the physical and the condition of the property, while the date of appraisal is as of June 30, 2012.

This report is a revision of the report with File No.: Y&R/AV/12/140.3 in relation to the Bapepam-LK response by letter No. S-/2553/BL/2012, dated on October 24, 2012 on Amendment and/or Additional of Information on Registration Statements for Initial Public Offering of **PT Wismilak Inti Makmur, Tbk.**

This appraisal was prepared in accordance with Indonesia Appraisal Standard 2007 (SPI). SPI defines market value as follows :

"Market Value" is the estimated amount of money on the appraisal date which can be earned from the sale and purchase or exchange proceeds of a property, between the buyers who are interested to buy and sellers who are interested to sell in the free bond transactions, with proper marketing, where each others act based on their understanding, carefully and without compulsion. (SPI 1. Definitions 3.1)

APPRAISAL APPROACH

Base of the appraisal used is the Market Value, where the value is in accordance with the definition (SPI 1. Definitions 3.1)

Appraisal Approach is an approach applied to generate an opinion/conclusion of value, the approach used is **Cost Approach**, but specially for the appraisal of the land and vehicles is used **Sales Comparison Approach**.

Cost Approach

The basic concept of the cost approach is an approach that is used to obtain an indication of the value of the estimated costs necessary to replace, repair, or rebuild property to the condition that is substantially the same as but not better or more extensive than the new conditions that include cost/price of materials, labor, supervision costs, fixed costs contractors, including benefits, cost of technical experts including all related expenses such as transportation costs, insurance costs, installation costs, import duties, Value Added Tax (VAT) if applicable, but excluding the cost of overtime pay and premium/bonus. This approach also estimated internal and external depreciation of the properties from the new creation estimates, the depreciation method used is straight line by dividing (actual age of the property) with (economic lives of property), so can be obtained an indication of the value that is a reflection of the Market Value.

Sales Comparison Approach

The basic concept of the sales comparison approach is the principle of supply and demand, the balance between supply and demand as well as the principle of substitution, which is the tendency of high interest in the property type is cheaper than the more expensive properties.

With this approach, the appraisal of a property done by comparing it with other property similar or almost the same that are on the market directly. This approach will result in an accurate appraisal if the subject property and comparable properties have small difference relatively or are still in a reasonable tolerance. Variants of this approach can be used plus and minus calculation techniques in a percentage or in the amount of money or used multiple partners calculation techniques in the form of the completion of simultaneous equations.

The calculation is done by comparing the market data in the form of an offer or transaction that occurs over several similar properties and then performed correlation analysis of the factors that influence to determine the value of the property. If the subject property has a factor of better than data, the adjustment in the form of added value (positive), otherwise if the subject property has a factor that is less than the data, then the adjustment is a reduction in the value (negative). The amount of the adjustment will depend on the type of property and comparable data are available.

Factors to be considered in making adjustments will vary for each property type. Factors to be considered in the appraisal described in each object's appraisal.

APPRAISAL PROCESS

The appraisal process is a process of gathering property data, analyze, and provide conclusions in the form of Market Value of the assets by using Cost Approach and/or Sales Comparison Approach.

ELECTION OF APPRAISAL APPROACH

The approach used in this appraisal as follows:

- The cost approach is used to obtain an indication of the market value of the buildings and the complementary and office equipments, by applying the method: New Replacement Cost minus by depreciations that occurs on the buildings and the complementary and office equipments. We think this approach is the most appropriate to be used by considering the characteristics of the property where no adequate market data, comparable and commensurate with the subject property to be used as a comparison.
- Sales Comparison Approach, The approach is used to obtain an indication of the market value of the land and the vehicles, by comparing the sale and purchase of some data objects are similar and comparable assessment, which ultimately can be used to draw a conclusion. This approach is done by making adjustments to the differences that exist between the data being assessed with buying and selling data available. We think this approach is the most appropriate to be used after considering of the characteristics of the property and availability of sufficient market data, which comparable and commensurate with the subject property to be used as a comparison.

ASSUMPTIONS AND LIMITING CONDITIONS

- All existing liens and encumbrances, if any, have been disregarded, and the property is appraised as though it is free and clear under responsible ownership.
- We have assumed that the certificates of the property are good, marketable and free from liens encumbrances.
- We have made no investigation of and assume no responsibility for titles to or liabilities against the property appraised.
- The Appraisal report is prepared based on data, facts, investigation and verification of the property mentioned and has been performed in accordance with the current valuation standard.
- All of the statement and data contained in this report are true and confirmed to the appraiser's knowledge and good intention.
- Part of the property, which is not have any material value, will not be included in this valuation.
- Values are reported in IDR currency.
- Middle Exchange Rate value that we use in this appraisal is on June 29, 2012, 1 US. \$ was IDR 9,480 due on June 30, 2012 (Saturday), BANKING transaction data was not available.
- We, the Company and Appraisers, have not present or contemplated future or any other interest in the property appraised.
- This Appraisal was done in accordance with Code of Ethics Indonesian Appraiser (KEPI) and Code of Ethics Indonesia Society of Appraisers (MAPPI).
- Appraisal standard in this appraisal report is a standard applicable as stated in IAS 2007 (Indonesian Appraisal Standard Year 2007).
- Prohibiting the publication of the certificate or report in whole or in part, or any reference thereto, or to the valuation figures contained therein, of to the names and professional affiliations of the appraisers, without the written approval of the appraiser as to the form and context in which it is to appear (SPI 0.5.26.2).
- KJPP Yanuar Bey dan Rekan by reason of this appraisal is not required to give testimony or attendance in court or to any other government instances related to the subject property, unless it has been arranged in advance.
- This appraisal report is not valid unless it is signed by the registered appraiser that mentioned above and bears the corporate seal of KJPP Yanuar Bey dan Rekan.
- The appraisal report is intended for financial reporting purpose.
- These appraisal report is cannot be used for the fulfillment of Banking purpose.

- We do not recommend this report be used for other purposes, because the purpose of appraisal will provide a basic of appraisal and types of values
- Appraiser has made review of the documents used in the appraisal process.
- Data and information are sourced from or validated by the Association of Appraisers.
- Appraiser is responsible for the implementation of the appraisal, Appraisal Report and Conclusions of the Final Value.

QUALIFICATION OF APPRAISER

We are a Public Appraiser with property appraiser license in accordance with Ministry of Finance Decision No. 53/KM.1/2010 dated January 25, 2010, About Licensed Public Appraiser in Sector of Property Valuation Services (P) given to Dasa'at Alam Ratu, MAPPI (Cert) with Licensed No. P-1.10.00272.

SUMMARY OF APPRAISAL

<u>Description</u>	<u>Market Value</u>
<ul style="list-style-type: none"> • 1st Location: Jalan Karangandong, Desa Krikilan, Kecamatan Driyorejo, Kabupaten Gresik - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 25,080 m²) 	IDR 12,540,000,000
<ul style="list-style-type: none"> • Complementary 	IDR <u>691,960,000</u>
Total of 1st Location	IDR 13,231,960,000
<ul style="list-style-type: none"> • 2nd Location: Kompleks Pergudangan Wirolusan Blok A1-A9, Jalan Mayjend Sungkono Km. 2,6, Desa Gulomantung, Kecamatan Kebomas, Kabupaten Gresik - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 5,782 m²) 	IDR 3,758,300,000
<ul style="list-style-type: none"> • Buildings (Area : 4,586 m²) 	IDR 2,935,000,000
<ul style="list-style-type: none"> • Complementary 	IDR <u>160,530,000</u>
Total of 2nd Location	IDR 6,853,830,000
<ul style="list-style-type: none"> • 3rd Location: Jalan Sumatra No. 177, Kelurahan Sumbersari, Kecamatan Sumbersari, Kabupaten Jember - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 1,296 m²) 	IDR 3,240,000,000
<ul style="list-style-type: none"> • Building (Area : 360,50 m²) 	IDR 366,980,000
<ul style="list-style-type: none"> • Complementary 	IDR <u>32,430,000</u>
Total of 3rd Location	IDR 3,639,410,000

<u>Description</u>	<u>Market Value</u>
<ul style="list-style-type: none"> • 4th Location: Jalan Kompos No. 193, Desa Puji Mulyo, Kecamatan Sunggal, Kabupaten Deli Serdang - Sumatera Utara. 	
<ul style="list-style-type: none"> • Land (Area : 6,007 m²) 	IDR 3,604,200,000
<ul style="list-style-type: none"> • Buildings (Area : 1,311 m²) 	IDR 1,127,220,000
<ul style="list-style-type: none"> • Complementary 	<u>IDR 594,000,000</u>
Total of 4 th Location	IDR 5,325,420,000
<ul style="list-style-type: none"> • Vehicles and Office Equipments Some location. 	
<ul style="list-style-type: none"> • Vehicles 	IDR 18,132,420,000
<ul style="list-style-type: none"> • Office Equipments 	<u>IDR 2,952,783,000</u>
Total of Vehicles and Office Equipments	IDR 21,085,203,000
Total	IDR 50,135,823,000
Rounded	<u>IDR 50,135,800,000</u>

CONCLUSION

This appraisal report consists of several parts that are intertwined and can not be separated, namely :

- This letter which mention about the result, conclusion and valuation summary on the above property;
- description of the property and opinion on the market value of the property;
- Assumptions and Limiting Conditions, and
- Photo, Situation picture and map location of the subject property

Based on a general appraisal method, considering all information and other factors relevant to the valuation and the assumptions and limiting conditions, we are in the opinion that the **Market Value** of the above assets as of **June 30, 2012** is:

IDR 50,135,800,000

**(Fifty Billion One Hundred Thirty-Five Million
Eight Hundred Thousand Rupiahs)**

Yours faithfully,
KJPP YANUAR BEY DAN REKAN

Bahasa Indonesia report is
Dully signed by Signing Partner.

Dasa'at Alam Ratu, MAPPI (Cert)
Partner of Property Appraisal
MAPPI No. 00-5-01338
Appraisal License : P-1.10.00272
STTD No. 56/BL/STTD-P/A/2011

STATEMENT OF APPRAISER

In the limits of our ability and confidence as appraisers, we are the undersigned below explains that:

- a. The statements of facts contained in this report are true and correct.
- b. We have no present or prospective interest in the property that is subject of this report, and we have no personal interest or bias with respect to the parties involved.
- c. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- d. We has met the professional education requirements prescribed and / or organized by an Appraisers Association that had been recognized by Governments.
- e. We are solely responsible for the result of appraisal done within the limits set based on the Indonesia Valuation Standard (SPI).
- f. We have adequate knowledge about appraised property or the type of industry.
- g. We had implemented the following scope :
 - Identify the problem (identification of constraints, purpose and objects, the definition of appraisal, and the date of appraisal)
 - Data collection and interviews
 - Analysis of data
 - Estimated the value by using appraisal approach
 - Composing and writing the appraisal report
- h. We have made an inspection of the properties that is subject of this report.
- i. No one, except mentioned in this report, provided significant professional assistance for preparation of this report.
- j. This report has been arranged in accordance and subject to the provisions of the Code of Ethics for Indonesia Appraisers (KEPI) and Indonesia Valuation Standard (SPI 2007).
- k. Assignment of professional appraisal has been done on the object of appraisal on Date of Appraisal (Cut Off Date).
- l. Estimated value resulted in the assignment of professional appraisal has been presented as a conclusion of value.
- m. Conclusion of value has been in accordance with the assumptions and limiting conditions.

This page is intentionally left blank

File No.: Y&R/AV/12/140.4.R

Jakarta, October 30, 2012

Directors of :
PT. Wismilak Inti Makmur
Jalan Buntaran No. 9, Manukan Wetan
Tandes, Surabaya
Jawa Timur.

Re : Assets Appraisal

Dear Sir / Mrs,

KJPP YANUAR BEY DAN REKAN ("Y&R") has been appointed by **PT Wismilak Inti Makmur ("WIM")** based on approval of proposal No. Pr.YR.R/AV/278/WIM/VI/12, dated June 12, 2012, to perform appraisal to the assets of **PT Galan Gelora Djaja** with the scope of assignment as follow :

Warehouse, consist of a tract of land of approximately 78,451 square meters, buildings and the complementary, located at Jalan Surowongso No. 999, Desa Karangbong dan Desa Banjarkemantren, Kecamatan Gedangan, Kabupaten Sidoarjo, Propinsi Jawa Timur.

The purpose of this assignment is to provide an independent opinion of the **Market Value** on the date of June 30, 2012 of the assets for Financial Statements in order IPO (Initial Public Offering) of **PT Wismilak Inti Makmur**.

For that purpose, we have performed field inspection on **July 9, 2012** until **July 13, 2012**, in order checking the physical and the condition of the property, while the date of appraisal is as of **June 30, 2012**.

This report is a revision of the report with File No.: Y&R/AV/12/140.4 in relation to the Bapepam-LK response by letter No. S-/2553/BL/2012, dated on October 24, 2012 on Amendment and/or Additional of Information on Registration Statements for Initial Public Offering of **PT Wismilak Inti Makmur, Tbk**.

This appraisal was prepared in accordance with Indonesia Appraisal Standard 2007 (SPI). SPI defines market value as follows :

"Market Value" is the estimated amount of money on the appraisal date which can be earned from the sale and purchase or exchange proceeds of a property, between the buyers who are interested to buy and sellers who are interested to sell in the free bond transactions, with proper marketing, where each others act based on their understanding, carefully and without compulsion. (SPI 1. Definitions 3.1)

APPRAISAL APPROACH

Base of the appraisal used is the **Market Value**, where the value is in accordance with the definition (SPI 1. Definitions 3.1)

Appraisal Approach is an approach applied to generate an opinion/conclusion of value, the approach used is **Cost Approach**, but specially for the appraisal of the land is used **Sales Comparison Approach**.

Cost Approach

The basic concept of the cost approach is an approach that is used to obtain an indication of the value of the estimated costs necessary to replace, repair, or rebuild property to the condition that is substantially the same as but not better or more extensive than the new conditions that include cost/price of materials, labor, supervision costs, fixed costs contractors, including benefits, cost of technical experts including all related expenses such as transportation costs, insurance costs, installation costs, import duties, Value Added Tax (VAT) if applicable, but excluding the cost of overtime pay and premium/bonus. This approach also estimated internal and external depreciation of the properties from the new creation estimates, the depreciation method used is straight line by dividing (actual age of the property) with (economic lives of property), so can be obtained an indication of the value that is a reflection of the Market Value.

Sales Comparison Approach

The basic concept of the sales comparison approach is the principle of supply and demand, the balance between supply and demand as well as the principle of substitution, which is the tendency of high interest in the property type is cheaper than the more expensive properties.

With this approach, the appraisal of a property done by comparing it with other property similar or almost the same that are on the market directly. This approach will result in an accurate appraisal if the subject property and comparable properties have small difference relatively or are still in a reasonable tolerance. Variants of this approach can be used plus and minus calculation techniques in a percentage or in the amount of money or used multiple partners calculation techniques in the form of the completion of simultaneous equations.

The calculation is done by comparing the market data in the form of an offer or transaction that occurs over several similar properties and then performed correlation analysis of the factors that influence to determine the value of the property. If the subject property has a factor of better than data, the adjustment in the form of added value (positive), otherwise if the subject property has a factor that is less than the data, then the adjustment is a reduction in the value (negative). The amount of the adjustment will depend on the type of property and comparable data are available.

Factors to be considered in making adjustments will vary for each property type. Factors to be considered in the appraisal described in each object's appraisal.

APPRAISAL PROCESS

The appraisal process is a process of gathering property data, analyze, and provide conclusions in the form of Market Value of the assets by using Cost Approach and/or Sales Comparison Approach.

CHOOSING APPRAISAL APPROACH

The approach used in this appraisal as follows:

- The cost approach is used to obtain an indication of the market value of the buildings and the complementary, by applying the method: New Replacement Cost minus by depreciations that occurs on the buildings and the complementary. We think this approach is the most appropriate to be used by considering the characteristics of the property where no adequate market data, comparable and commensurate with the subject property to be used as a comparison.

- Sales Comparison Approach, The approach is used to obtain an indication of the market value of the land, by comparing the sale and purchase of some data objects are similar and comparable assessment, which ultimately can be used to draw a conclusion. This approach is done by making adjustments to the differences that exist between the data being assessed with buying and selling data available. We think this approach is the most appropriate to be used after considering of the characteristics of the property and availability of sufficient market data, which comparable and commensurate with the subject property to be used as a comparison.

ASSUMPTIONS AND LIMITING CONDITIONS

- All existing liens and encumbrances, if any, have been disregarded, and the property is appraised as though it is free and clear under responsible ownership.
- We have assumed that the certificates of the property are good, marketable and free from liens encumbrances.
- We have made no investigation of and assume no responsibility for titles to or liabilities against the property appraised.
- The Appraisal report is prepared based on data, facts, investigation and verification of the property mentioned and has been performed in accordance with the current valuation standard.
- All of the statement and data contained in this report are true and confirmed to the appraiser's knowledge and good intention.
- Part of the property, which is not have any material value, will not be included in this valuation.
- Values are reported in IDR currency.
- Middle Exchange Rate value that we use in this appraisal, is on June 29, 2012, 1 US. \$ was IDR 9,480 due on June 30, 2012 (Saturday), BANKING transaction data was not available.
- We, the Company and Appraisers, have not present or contemplated future or any other interest in the property appraised.
- This Appraisal was done in accordance with Code of Ethics Indonesian Appraiser (KEPI) and Code of Ethics Indonesia Society of Appraisers (MAPPI).
- Appraisal standard in this appraisal report is a standard applicable as stated in IAS 2007 (Indonesian Appraisal Standard Year 2007).
- Prohibiting the publication of the certificate or report in whole or in part, or any reference thereto, or to the valuation figures contained therein, of to the names and professional affiliations of the appraisers, without the written approval of the appraiser as to the form and context in which it is to appear (SPI 0.5.26.2).
- KJPP Yanuar Bey dan Rekan by reason of this appraisal is not required to give testimony or attendance in court or to any other government instances related to the subject property, unless it has been arranged in advance.
- This appraisal report is not valid unless it is signed by the registered appraiser that mentioned above and bears the corporate seal of KJPP Yanuar Bey dan Rekan.
- The appraisal report is intended for financial reporting purpose.
- These appraisal report is cannot be used for the fulfillment of Banking purpose.
- We do not recommend this report be used for other purposes, because the purpose of appraisal will provide a basic of appraisal and types of values
- This appraisal is based on list of assets that we have received from the assignor.
- Appraiser has made review of the documents used in the appraisal process.
- Data and information are sourced from or validated by the Association of Appraisers.
- Appraiser is responsible for the implementation of the appraisal, Appraisal Report and Conclusions of the Final Value.

QUALIFICATION OF APPRAISER

We are a Public Appraiser with property appraiser license in accordance with Ministry of Finance Decision No. 53/KM.1/2010 dated January 25, 2010, About Licensed Public Appraiser in Sector of Property Valuation Services (P) given to Dasa'at Alam Ratu, MAPPI (Cert) with Licensed No. P-1.10.00272.

SUMMARY OF APPRAISAL

<u>Description</u>	<u>Market Value</u>
<ul style="list-style-type: none"> • Location : Jalan Surowongso No. 999, Desa Karangbong dan Desa Banjarkemantren, Kecamatan Gedangan, Kabupaten Sidoarjo - Jawa Timur. 	
<ul style="list-style-type: none"> • Land (Area : 78,451 m²) 	IDR 39,225,500,000
<ul style="list-style-type: none"> • Buildings (Area : 13,006 m²) 	IDR 10,858,760,000
<ul style="list-style-type: none"> • Complementary 	IDR <u>780,620,000</u>
Total	IDR 50,864,880,000
Rounded	IDR <u>50,864,900,000</u>

CONCLUSION

This appraisal report consists of several parts that are intertwined and can not be separated, namely :

- This letter which mention about the result, conclusion and valuation summary on the above property;
- description of the property and opinion on the market value of the property;
- Assumptions and Limiting Conditions, and
- Photo, Situation picture and map location of the subject property

Based on a general appraisal method, considering all information and other factors relevant to the valuation and the assumptions and limiting conditions, we are in the opinion that the **Market Value** of the above assets as of **June 30, 2012** is:

IDR 50,864,900,000
(Fifty Billion Eight Hundred Sixty-Four Million
Nine Hundred Thousand Rupiahs)

Yours faithfully,
KJPP YANUAR BEY DAN REKAN

Bahasa Indonesia report is
Dully signed by Signing Partner.

Dasa'at Alam Ratu, MAPPI (Cert)
Partner of Property Appraisal
MAPPI No. 00-S-01338
Appraisal License : P-1.10.00272
STTD No. 56/BL/STTD-P/A/2011

STATEMENT OF APPRAISER

In the limits of our ability and confidence as appraisers, we are the undersigned below explains that:

- a. The statements of facts contained in this report are true and correct.
- b. We have no present or prospective interest in the property that is subject of this report, and we have no personal interest or bias with respect to the parties involved.
- c. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- d. We has met the professional education requirements prescribed and / or organized by an Appraisers Association that had been recognized by Governments.
- e. We are solely responsible for the result of appraisal done within the limits set based on the Indonesia Valuation Standard (SPI).
- f. We have adequate knowledge about appraised property or the type of industry.
- g. We had implemented the following scope :
 - Identify the problem (identification of constraints, purpose and objects, the definition of appraisal, and the date of appraisal)
 - Data collection and interviews
 - Analysis of data
 - Estimated the value by using appraisal approach
 - Composing and writing the appraisal report
- h. We have made an inspection of the properties that is subject of this report.
- i. No one, except mentioned in this report, provided significant professional assistance for preparation of this report.
- j. This report has been arranged in accordance and subject to the provisions of the Code of Ethics for Indonesia Appraisers (KEPI) and Indonesia Valuation Standard (SPI 2007).
- k. Assignment of professional appraisal has been done on the object of appraisal on Date of Appraisal (Cut Off Date).
- l. Estimated value resulted in the assignment of professional appraisal has been presented as a conclusion of value.
- m. Conclusion of value has been in accordance with the assumptions and limiting conditions.



XIX. ARTICLES OF ASSOCIATION

The Company's Articles of Association as provided below is the latest of the Company's Articles of Association as provided in the Deed No. 7 dated 5 October 2012, drawn up before Yulia, S.H., Notary at South Jakarta.

The Company's Articles of Association provided in the Prospectus is the latest Articles of Association which which has been ratified by the Ministry of Law and Human Right by Decree No. AHU-48327.AH.01.02.Year 2012 dated 11 September 2012 and registered in the Company Registry under No. AHU-0081584.AH.01.09.Year 2012 dated 11 September 2012.

The Company's Articles of Association is in accordance with the Rule No.IX.J.1.

NAME AND DOMICILE

Article 1

1. This limited liability is named "PT WISMILAK INTI MAKMUR Tbk." (hereinafter referred to as the "**Company**"), domiciling in Surabaya – Surabaya City.
2. The Company may open branch or representative offices in other locations whether inside or outside the Republic of Indonesia as determined by its Board of Directors, subject to the approval of its Board of Commissioners.

PERIOD OF ESTABLISHMENT

Article 2

The Company is established for an indefinite period and commence operation as a limited liability since 19 December 1994.

AIM AND OBJECTIVE AND BUSINESS OPERATIONS

Article 3

1. The aim and objective of the Company is to conduct business in the sectors of Industry, Trade and Services.
2. To achieve the aforesaid aim and objective, the Company may carry out the following business operations :
 - i. Main business activities :
 - a. To perform business activity in industrial sector, especially cigarette flavour and other cigarette supporting materials such as cigarette filters;
 - b. To perform business activity in marketing and selling the cigarette flavour products and other supporting materials such as, among others, production of regular/mild cigarette filter with regard to the prevailing laws; and
 - c. To perform direct investment in other companies with related industry with the Company..
 - ii. Supporting business activity :

To perform business activity in services sector such as production planning and design for business development for cigarette flavour and other supporting materials.

CAPITAL

Article 4

1. The Authorized Capital of the Company is in the amount of Rp.405,000,000,000.- (four hundred and five billion Rupiah), divided among 4,050,000,000 (four billion and fifty million) shares, each having a nominal value of Rp.100.- (one hundred Rupiah).
2. Out of the above authorized capital, 36.29% (thirty-six point twenty-nine percent) or 1,469,911,760 (one billion four hundred and sixty nine million and nine hundred eleven thousand and seven hundred sixty) shares with a total nominal value Rp.146,991,176,000.- (one hundred fourty six



billion and nine hundred ninety-one million and one hundred seventy-six thousand Rupiah) have been paid-up in full to the Company by each of the shareholders subscribing are as set out at the end of this deed.

3. Payment for shares can be done in form of cash or others. Payment for shares in forms other than cash, either as tangible or intangible articles, is subject to the following conditions:
 - a. the object to be made as deposit of the capital shall be announced to the public at the time of invitation to the GMS convened to deliberate such deposit;
 - b. the object to be made as deposit of capital shall be appraised by an appraiser registered with the Indonesian Capital Market and Financial Institution Supervisory Agency (“**Bapepam – LK**”) and is not encumbered as lien in any way whatsoever;
 - c. approval from a GMS shall be obtained as stipulated in the Articles of Association, Article 14 section (1);
 - d. in the event the object to be deposited as capital is in the form of the Company’s shares listed at the Stock Exchange, their price shall be set at the fair market price; and
 - e. in the event the capital deposit is derived from retained earnings, shares paid above par value, the Company’ net profit, and/or private capital, then such profit held in reserve, shares paid above par value, the Company’ net profit, and/or private capital must already be stated in the latest Annual Financial Statement as audited by an auditor registered at Bapepam-LK receiving unqualified opinion.
 - f. On a GMS which approve Public Offering, shall also be decided about the maximum amount of shares to be issued for Public and authorize the Board of Commisioners to determine the realization of amount of shares to be issued in the Public Offering.
4. The shares in portfolio shall be issued by the Company subject to approval of the GMS with certain terms and price determined by the Directors under approval from the Board of Commisioners and such fixed price shall not be lower than the nominal value, the issuance of such shares shall be subject to provisions hereof and withdue observance of Capital Market and Stock Exchange regulations whereto the Company’s shares being listed.
5. Any increase of capital by the issuance of equity securities (Equity Securities shall mean Shares, Convertible Securities or any other securities bearing rights for acquiring shares from the Company as the issuer), shall be exercised under the following terms:
 - a. Any increase of capital by the issuance of equity securities which is exercised with an order, shall be exercised by furnishing the Pre-emptive Rights (hereinafter being referred to as the “**HMETD**”) to the shareholders whose names registered in the Company’s shareholders register on a predetermined date by the GMS of which approves the issuance of the equity securities proportionally with the number of shares registered in the Company’s shares register in the name of the relevant shareholders on such date.
 - b. Issuance of equity securities without the granting of Preemptive Right to shareholders may be effected if such issuance :
 - 1) Is made to the Company’s employees;
 - 2) is made to holders of bonds or other convertible Securities, issued with the approval of the GMS;
 - 3) is effected in the course of reorganization and/or restructuring approved by the GMS; and/or;
 - 4) is effected in accordance with the prevailing Capital Market laws and regulations allowing capital increase without Preemptive Right.
 - c. Preemptive Right shall be transferable and tradable within a period as stipulated in the Rule Number IX.D.1 about the Preemptive Right.
 - d. Equity securities to be issued by the Company which are not subscribed by HMETD holders shall be allocated to all shareholders which order additional equity Securities, provided that in the case of oversubscribe, the unsubscribed equity Securities shall be allocated proportionally with the number of HMETD of which being exercised by each shareholder which orders such additional equity Securities.
 - e. In case there will be equity Securities that remain unsubscribed by the shareholders as stipulated under letter d of this section, then in case the availability of the standby buyer, such equity Securities shall be allocated to certain Parties acting as the standby buyer with the same price and terms and conditions .



- f. The implementation of the issuance of shares in portfolio for the holders of convertible Securities or Securities bearing rights to acquire shares, can be conducted by the Board of Directors on the basis of previous Company's GMS which approved such issuance.
 - g. The increase of paid-up capital becomes effective after the payment has been made, and the issued shares shall bear the same rights as the one issued under the same class by the Company without prejudice to Company's obligation to render notification to the Ministry of Law and Human Rights.
6. The Increase of Company's Authorized Capital :
- a. The Increase of Company's Authorized Capital which conducted by orders, therefore it shall be done by giving HMETD to shareholders who are recorded in the Company's register on the date which determined by GMS that approve the issuance of equity securities in the amount proportionally with the registered shares in the Company's share register in the name of the shareholders on such date.
 - b. The increase of authorized capital causing the issued and paid-up capital to become less than 25% (twenty five percent) of the authorized capital, can only be done as long as:
 - b.1. Approval from GMS for the increase of authorized capital has been obtained;
 - b.2. Approval from the Ministry of Law and Human Rights has been obtained;
 - b.3. The increase of the issued and paid-up to become at least 25% (twenty five percent) of the authorized capital shall be done no later than six (6) months after the approval of the the Ministry of Law and Human Rights;
 - b.4. In case the increase of paid-up capital as referred to in Article 4 section 7.b.3 of the articles of association is not fully satisfied then, the Company must change back its articles of association to enable the authorized and paid-up capital meet the provision of Article 33 sections (1) and (2) of the Company Law within two (2) months after the period stipulated under Article 4 section 7 b.3 is not fulfilled;
 - b.5. Approval of the GMS as referred to in Article 4 section 7 b.1 of the articles of association also includes the approval for amending the articles of association as meant under Article 4 section 7 b.4 of the articles of association.
 - c. The amendment of articles of association in order to increase the authorized capital shall become effective after the payment of shares causing the paid-up capital becomes at least 25% (twenty five) percent of the authorized capital and bearing the same rights as other shares issued by the Company, without prejudice to the Company's obligation to proceed approval for the amendment of articles of association upon such increase of such paid-up capital from the Ministry of law and human rights.
7. The Company may buy back the issued shares, with due observance of the applicable laws.

SHARES

Article 5

1. Company's shares shall be registered shares, as registered in the Shareholders Registry.
2. The Company shall recognize only one person or 1 (one) legal entity as the owner of one share;
3. Each share has 1 (one) voting right.
4. If a share, for any reasons, becomes owned by several persons, then those who jointly own the share must appoint in writing one person among themselves or another person as their representative and only the name of the representative that will be registered in the Shareholders Register and the representative must be deemed as the legitimate shareholder of the share concerned and shall have the right to exercise all rights vested by law over that share.
5. Every shareholder must comply with this articles of association and all resolutions validly adopted at a GMS, as well as the applicable laws.
6. All shares issued by the company can be encumbered as collateral with due observance of the applicable laws concerning the shares pledge, Capital Market and the Company Law.
7. Evidence of ownership of shares are as follows:
 - a. In case the Company's Shares are not kept in the Collective Custody at the Settlement and Depository Agency then, the Company shall render a share ownership evidence in the form of shares collective certificate to the shareholders.



- b. In case the Company's Shares are kept in the Collective Custody at the Settlement and Depository Agency then, the Company shall issue a certificate or a written confirmation to the Settlement and Depository Agency as an evidence of registration in the Company's shareholders register.
8. For the Company's shares that are listed on the Stock Exchanges, the applicable Capital Market laws and Stock Exchange rules where the shares are listed shall also apply.

SHARES CERTIFICATE

Article 6

1. The Company may issue a collective share certificate as evidence of ownership of 2 (two) or more shares owned by a single shareholder.
2. A share certificate must contain at least the followings:
 - a. Name and address of the shareholder;
 - b. Share certificate serial number;
 - c. Nominal value of the share
 - d. Issuance Date of the share certificate;
3. A collective shares certificate must contain at least the followings:
 - a. Name and address of the shareholder;
 - b. Collective share certificate serial number;
 - c. Serial number and number of shares;
 - d. Nominal value of the shares;
 - e. Issuance date of the collective share certificate
4. Each share certificate and/or collective share certificate and/or the convertible bonds and/or warrant and/or other convertible securities shall be printed out and shall be marked with serial number and rendered a date of issuance and bearing signature of the Board of Directors and a member of Board of Commissioners appointed by the Board of Commissioners' Meeting and the said signatures can be directly printed on the said share certificate and/or the collective share certificate and/or the convertible bonds and/or warrant and/or other convertible securities with regard to the Capital Market applicable laws.

REPLACEMENT OF SHARE CERTIFICATE

Article 7

1. The damaged share certificate and collective share certificate:
 - a. In the event that a share certificate is damaged, a replacement of the said share certificate can be issued if:
 - i. The applicant who files a written request for said share replacement is the owner of the said share certificate; and
 - ii. The Company has received the damaged share certificate;
 - b. The Company must destroy the original of the share certificate after issuing the replacement share certificate bearing the same serial number as the original one.
2. In the event that a share certificate is lost, the replacement of the said share certificate can be issued if:
 - a. The applicant who files a written request for said share replacement is the owner of the said share certificate;
 - b. The Company has obtained a police report from Indonesian Police on such lost of share certificate.
 - c. The applicant who files a request such share replacement provides a security as deemed adequate by the Company's Board of Directors.; and
 - d. The plan for the issuance of a replacement of lost share certificate has been announced at the Stock Exchange where the said share being listed at least 14 (fourteen) Calendar days prior to the issuance of such share replacement of share certificate.
3. All costs incurred for the issuance of a replacement share certificate shall be borne by the Shareholder concerned.



4. The provisions of sections 1, 2 and 3 shall also apply for the issuance of a replacement of collective share certificate or Equity Securities.

COLLECTIVE DEPOSITORY

Article 8

1. The Provisions of Collective Depository at least shall be as follows:
 - a. Shares held in a Collective Depository with the Depository and Settlement Institution shall be registered in the Shareholder Register in the name of the Depository and Settlement Institution on behalf of the accountholders in such institution.
 - b. Shares held in a Collective Depository with the Custodian Bank or Securities Company shall be registered in the Securities account at the Depository and Settlement Institution on behalf of the Custodian Bank or Securities Company for the benefit of the relevant accountholders of such Custodian Bank or Securities Company.
 - c. If the shares held in Collective Depository with the Custodian Bank constitute a part of a Collective Investment Contract Mutual Funds securities portfolio and is not included in Collective Depository at the Depository and Settlement Institution, the Company shall register the shares in the Shareholder Register in the name of the Custodian Bank for the benefit of the owner of the respective Units of the Collective Investment Contract Mutual Funds.
 - d. The Company shall issue certificates or written confirmation to the Depository and Settlement Institution as referred to in paragraph (a) of this article or the Custodian Bank as referred to in paragraph (c) of this article as evidence of registration in the Company's Shareholder Register.
 - e. The Company shall transfer shares held in Collective Depository registered in the name of the Depository and Settlement Institution or the Custodian Bank for the Collective Investment Contract Mutual Funds in the Company's Shareholder Register to become in the name of the person designated by the Depository and Settlement Institution or the Custodian Bank concerned. Request for such transfer shall be submitted by the Depository and Settlement Institution or the Custodian Bank to the Company or Securities Administration Bureau designated by the Company.
 - f. The Depository and Settlement Institution, Custodian Bank, or Securities Company shall issue a written confirmation to the accountholder as evidence of registration in the securities account.
 - g. With respect to the Collective Depository, every share of the same type and class issued by the Company shall have equal status as and may be exchanged with one another.
 - h. The Company shall refuse registration of the shares in the Collective Depository if the share certificate is lost or destroyed, unless the person requesting the transfer is able to provide sufficient evidence and/or guarantee that the person is the lawful shareholder and the share certificate is indeed lost or destroyed.
 - i. The Company shall refuse registration of the shares in the Collective Depository if the shares are pledged, placed under attachment by court order or is seized in a criminal proceeding.
 - j. An accountholder whose shares are registered in the Collective Depository is entitled to be present and/or cast votes in a General Meeting of Shareholders of the Company in proportion to number of shares he holds in the securities account.
 - k. Holders of securities accounts who are entitled to cast votes in a General Meeting of Shareholders are holders whose names are registered as securities account holders with the Depository and Settlement Institution, Custodian Bank, or Securities Company 1 (one) business day prior to the invitation to the General Meeting of Shareholders.
 - l. The Custodian Bank or Securities Company shall deliver a list of the names of the securities account holders and the number of the Company's shares held by each of such securities account holders to the Company by no later than 1 (one) business day prior to a GMS invitation to be registered in the Shareholder Register specifically provided for the holding of the GMS concerned.
 - m. The Investment Manager is entitled to be present and cast votes in the GMS by virtue of the Company's shares held in Collective Depository at the Custodian Bank, which constitute a part of the collective investment contract Mutual Funds portfolio and is not held in Collective Depository at the Depository and Settlement Institution provided that the Custodian Bank shall deliver the name of the Investment Manager by no later than 1 (one) business day prior to the invitation to the GMS.



- n. The Company shall give dividend, bonus shares, or other entitlements relating to ownership of the shares to the Depository and Settlement Institution with respect to shares held in Collective Depository with the Depository and Settlement Institution, which shall forward the said dividend, bonus shares, or such other rights to the Custodian Bank and to the Securities Company for the benefit of the respective account holders with the Custodian Bank and/or Securities Company.
 - o. The Company shall give dividend, bonus shares or other rights relating to share ownership to the Custodian Bank with respect to shares held in Collective Depository with the Custodian Bank which constitute a part of the Collective Investment Contract Mutual Funds portfolio and which is not held in Collective Depository at the Depository and Settlement Institution.
 - p. The latest by which securities account holders are determined as being entitled to receive dividend, bonus shares or such other rights with respect to shares held in Collective Depository shall be determined by the GMS provided that the Custodian Bank and Securities Company shall deliver a list of the securities account holder and the number of the Company's shares that are held by each of the said securities account holders to the Depository and Settlement Institution by no later than the date for which constitute the basis for determining shareholders entitled to receive the dividend, bonus shares or other entitlements, and shall forward the consolidated list to the Company's Board of Directors by no later than 1 (one) business day following the date which constitute the basis for determining shareholders entitled to receive the dividend, bonus shares or other entitlements.
2. The provisions of Collective Depository shall be subject to the Capital Market Law and Stock Exchange Regulations in the Republic of Indonesia where to the Company's shares being listed.

SHAREHOLDERS REGISTER AND SPECIAL REGISTER

Article 9

1. The Board of Directors shall establish, keep, and maintain a Shareholders Register and a Special Register in the Company's place of domicile.
2. In the Shareholders Register the followings shall be recorded:
 - a. names and addresses of the shareholders and/or Depository and Settlement Agency or other party appointed by the account holders of the Depository and Settlement Agency;
 - b. quantity, serial numbers and acquisition dates of shares owned by the shareholders;
 - c. the paid-up amount of each share;
 - d. names and addresses of persons or legal entities as the pledgees over the shares or as the fiduciary receiver of the shares as well as the date of encumbrance of such share pledge or the date of registration of such fiduciary transfer;
 - e. information on the payments of the shares in the form other than money;
 - f. other information as deemed necessary by the Board of Directors;
3. In the Special Register shall be recorded information pertaining the ownership of shares by the members of Board of Directors and Board of Commissioners and their families in the Company and/or in other company and the dates of acquisition of such shares. The Board of the Directors has the obligation to keep and maintain with the good care the Shareholder Register and the Special Register.
4. Every shareholder whose name registered in the Shareholders Register or Special Register shall, by a letter accompanied with receipt, notify the Board of Directors of the Company for any change of the shareholder's address. So far as such notice has not been rendered, all letters, summons and notices to the shareholder are valid if addressed to the shareholder's last address as recorded in the Shareholders Register.
5. The Board of the Directors shall provide the Shareholders Register and the Special Register at Company's office. Each shareholder or his/her legal representative has the right to ask for the Shareholders Register and the Special Register shown to them during business hours of the Company.
6. The Company's legal shareholders are entitled to exercise all rights rendered to a shareholder under the applicable laws and with due observance of this articles of association.
7. Registration of more than one (1) names for one (1) share or the transfer of title of one (1) share to more than one (1) persons is not allowed. The company shall, with due observance of the provision under Article 5 section (4) of this articles of association, be entitled to deem that the shareholder whose name is registered in the Shareholders Register of the Company is the only legal shareholder of such share(s).



8. The Board of Directors of the Company may appoint and authorize the Share Registrar to record the shares in the Shareholders Register and in the Special Register. Each registration and recording in the Shareholders Register including recording of sale, transfer and assignment, encumbrance, pledge and fiduciary transfer of shares of the Company or rights or interests over the shares shall be performed in compliance with this articles of association and the applicable Capital Market regulations.

TRANSFER OF SHARES

Article 10

1. a. Except determined otherwise in the Capital Market Law and the Articles of Association of the Company, Transfer of shares shall be sufficiently evidenced by document signed by or on behalf of the transferor and by or on behalf of the transferee. The Document of transfer of shares shall be in form of documents which has been determined by or approved by Board of Directors.
b. Transfer of shares held in the collective depository shall be effected by transfer from one Securities account to another Securities account at the Depository and Settlement Institution, Custodian Bank, and Securities Company.
The deed of transfer or such other document as referred to in section (a) of article must be in a form as determined by and/or acceptable to the Board of Directors, and the copy or original of which shall be submitted to the Company, provided that transfer document for shares listed at the Indonesian Stock Exchange must conform with the requirements set out in the prevailing Indonesian Capital Market laws including regulations that apply at the Indonesian Stock Exchange at which the Company's shares are listed.
2. Transfer of shares which not in accordance with the provisions in this article nor the prevailing laws or without approval from authorized parties if required, shall not apply to the Company.
3. The Board of Directors in their sole discretion and by give a reason thereof, may refuse to register a transfer of share in the Shareholders Register if any of the relevant provisions in this Articles of Association has not been satisfied or if any requirement for the transfer of share has not been met.
4. In the event the Board of Directors refuses to register the transfer of shares, the Board of Directors shall deliver a notification of refusal to the persons intending to effect the transfer within 30 (thirty) days following the request for such transfer has been received by the Board of Directors, provided that in the case of the Company's shares listed with the Indonesian Stock Exchange the relevant laws and regulations prevailing in Indonesian must be duly observed.
5. In the event of a transfer of ownership of a share, the original shareholder registered in the Shareholder Register shall continue to be considered as the shareholder until the name of the new shareholder has been registered in the Shareholder Register, subject to the relevant regulatory provisions and regulations of the Indonesian Stock Exchange at which the shares of the Company are listed.
6. The person receiving a transfer of shares due to the death of a shareholder or due to any other reason which causes the ownership of the shares to change by law, by providing evidence of the right to receive the transfer as may from time to time be required by the Board of Directors, may submit a written application to be registered as a shareholder; Registration may be effected only upon the Board of Directors' acceptance of the evidence of transfer, without prejudice to the relevant provisions of this Articles of Association and the applicable Indonesian Capital Market laws.
7. Form and methods of transfer of shares which traded listed at the Capital Market must conform with the requirements set out in the prevailing Indonesian Capital Market laws including regulations that apply at the Indonesian Stock Exchange at which the Company's shares are listed.

GENERAL MEETING OF SHAREHOLDERS

Article 11

1. A GMS consists of :
 - a. Annual GMS; and
 - b. Other forms of GMS, hereinafter referred to as Extraordinary GMS, which can be conducted anytime as required.



2. The term GMS as used in this Articles of Association shall mean both the Annual GMS and the Extraordinary GMS, unless expressly provided otherwise.
3. In GMS, for any other events shall not be entitled to make decisions.
4. Annual GMS shall be conducted every year.
5. Annual GMS for approval of the Annual Reports shall be conducted at least in June after the closing period of respective fiscal year, and during the Annual GMS, Board of Directors shall announce the following:
 - a. Annual Report as referred to in article 21 section (3) of this Articles of Association;
 - b. Proposed utilization of the Company's net profit if the Company has a positive retained earnings;
 - c. Proposed appointment of a Public Accountant Office registered in Bapepam-LK.Beside of the agenda as referred to in section (a), (b) and (c) in this article, the Annual GMS shall discuss another agenda as long as it is in the interest of the Company in accordance with the provisions of this Articles of Association and the prevailing law.
6. Approval of the annual report by Annual GMS, means will effect full release and discharge for the Board of Directors and Board of Commisioners of the management and supervisory duties undertaken during the previous fiscal year, provided that such performance of duties are reflected in the annual report except the misappropriation, fraud and other criminal activities.
7. In a GMS event can also include the proposals which proposed by :
 - a. Board of Commisioners and/or one person or more of Shareholders representing at minimum 1/10 (one per ten) of total amount of paid in shares which have voting rights;
 - b. The proposals shall be received by Board of Directors within 7 (seven) Calender days prior to the date of notice for GMS.

VENUE, ANNOUCEMENT, INVITATION AND TIMING OF A GMS

Article 12

1. A GMS must be convened within the Republic of Indonesia, and may be held at :
 - a. the Company's domicile;
 - b. A location where the Company carries out its business; or
 - c. the domicile of the Stock Exchange where the Company's shares are listed.
2. Annoucement of a GMS must be effected by no later than 14 (fourteen) days prior to the date of the invitation of GMS, excluding the date of the announcement and the date of the invitation of GMS.
3.
 - a. Invitation to a GMS must be effected no later than 14 (fourteen) calender days prior to the date of the GMS, excluding the date of the invitation and the date of the GMS.
 - b. Invitation to a second GMS shall be effected by no later than 7 (seven) days prior to the convening of the second GMS, excluding the date of invitation and date of the GMS, along with information that the first GMS was convened but did not achieve quorum without prejudice to the applicable Indonesian Capital Market laws and Stock Exchange regulations whereto the Company's shares being listed.
 - c. Invitation to a GMS shall state the day, date, time, venue and agenda and information that the materials to be discussed at the meeting are available at the office of the Company as provided under the Company Law, except as otherwise provided under the applicable Capital Market laws.
 - d. Second GMS shall be convened no earlier than 10 (ten) calender days and no later than 21 (twenty-one) calender days following the preceding GMS.
4. Without prejudice to other provisions of this Articles of Association, the invitation of GMS shall be conducted by Board of Directors or Board of Commisioners as provided in this Article of Association. The announcement and invitation shall be conducted by placement of an advertisement in at least 1 (one) daily newspaper printed in Bahasa Indonesia which shall have a wide national circulation as determined by Board of Directors, except as otherwise provided under the prevailing laws including the applicable Capital Market Laws.
5. The announcement and invitation of GMS, for deciding resolutions of conflict of interests, shall be conducted in accordance with the Capital Market Laws.
6. The convene of GMS as referred to in article 11 can be conducted as requested by :
 - a. 1 (one) person or more of shareholders who representing 1/10 (one-tenth) or more of total shares with voting rights; or
 - b. Board of Commisioners.



CHAIRPERSON AND MINUTE OF MEETING OF GENERAL MEETING OF SHAREHOLDERS

Article 13

1. A GMS shall be chaired by a person appointed by and from among the members of the Board of Commissioners. In the event all members of the Board of Commissioners are not present or are unavailable, the GMS shall be chaired by a person appointed by and from among the members of the Board of Directors. In the event all members of the Board of Directors are not present or are unavailable, the GMS shall be chaired by a shareholder present at the GMS who is appointed by and from among participants of the GMS.
2. In the event the member of the Board of Commissioners so appointed has a conflict of interest with regard to any of the issues to be resolved in the GMS, the GMS shall be chaired by another person appointed by and from among the members of the Board of Commissioners which do not have such conflict of interest. If all members of the Board of Commissioners have a conflict of interest, the GMS shall be chaired by a person appointed by and from among the Board of Directors. If the Director so appointed has a conflict of interest with regard to the issue to be resolved in the GMS, the GMS shall be chaired by a member of the Board of Directors who does not have a conflict of interest. If all members of the Board of Directors have a conflict of interest, the GMS shall be chaired by an independent shareholder appointed by other shareholders attending the GMS.
3. Chairperson of the GMS may request that such power of attorney to represent be presented during the meeting.
4. All matters discussed and resolved in a GMS shall be recorded in a Minute of Meeting by a Notary; such Minute of Meeting shall signed by Chairperson of GMS and a shareholder or a representative of shareholders who appointed by and from among them. Minute of Meeting shall constitute valid evidence with respect to all shareholders and third parties in connection with the resolutions so adopted and all events occurring in the GMS.
5. The signing as referred to in section (4) of this article is not required if the Minute of Meeting is prepared in form of Notarial Deed.
6. The Minute of Meeting which prepared in accordance with the provisions in section (4) and (5) in this article shall constitute valid evidence with respect to all shareholders and third parties in connection with the resolutions so adopted and all events occurring in the GMS.

QUORUM, VOTING RIGHTS, AND RESOLUTION OF THE GMS

Article 14

1. As long as not otherwise provided in this Articles of Association, the quorum of attendance and resolutions of GMS with regard to the issue to be resolved in the GMS including the issuance of equity securities shall be conducted in accordance with the following provisions :
 - a. In event of a GMS attended by 1/2 (one-half) of the total shares or represented and the resolutions of GMS is valid if the motion is approved by more than 1/2 (one-half) of the total shares with valid votes present at the meeting;
 - b. In event of quorum as referred to in paragraph (a) aforesaid cannot be met, the second GMS shall valid and have right to make a binding resolutions if in GMS at least 1/3 (one-third) of total shares with votes present or represented and resolutions of GMS is conducted if approved by more than 1/2 (one-half) of total shares with votes present at the meeting, except otherwise provided in this articles and the applicable laws; and
 - c. If quorum for the second GMS as referred to in paragraph (b) cannot be met, upon request of the Company, attendance quorum, the required number of votes, invitation and the time for convening a GMS shall be determined by the Chairperson of Bapepam-LK.
2. A GMS convened to effect an amendment to the Company's articles of association requiring the approval of the Ministry of Law and Human Rights, shall conform to the following:
 - a. The GMS shall be attended by shareholders representing at least 2/3 (two thirds) of the entire shares with valid voting rights, and such resolution shall be valid if approved by more than 2/3 (two-thirds) of the entire shares with valid voting rights present at the GMS;
 - b. In the event the attendance quorum as referred to in sub-paragraph a above cannot be achieved, then at the second GMS a resolution shall be validly adopted if such GMS is attended by shareholders representing at least 3/5 (three-fifths) of the total shares with valid voting rights



- and such resolution approved by more than $\frac{1}{2}$ (one-half) of the total shares with valid voting rights present at the GMS; and
- c. In the event the attendance quorum as referred to in sub-paragraph b above cannot be achieved, then upon the request of the Company, the attendance quorum for the third GMS, the total votes required to adopt a resolution, invitation, and time of convening of the GMS shall be determined by the Chairperson of Bapepam-LK. The amendment of the Company's articles of association shall be made on the notarial deed and prepared in Bahasa Indonesia.
3. A GMS convened to transfer the assets of the Company or make the same as security for a loan, which assets constitute more than 50% (fifty percent) of the Company's net assets, whether in one or more independent or related transactions, to effect a merger, amalgamation, acquisition, spin-off, filing of a petition for the Company's bankruptcy, extension of the Company's establishment period, and dissolution, shall be conducted in the following manner:
 - a. The GMS shall be attended by shareholders representing at least $\frac{3}{4}$ (three-fourths) of the entire shares with valid voting rights, and such resolution shall be valid if approved by more than $\frac{3}{4}$ (three-fourths) of the entire shares with valid voting rights present at the GMS;
 - b. In the event the attendance quorum as referred to in sub-paragraph a above cannot be achieved, then at the second GMS a resolution shall be validly adopted if such GMS is attended by shareholders representing at least $\frac{2}{3}$ (two-thirds) of the total shares with valid voting rights and such resolution approved by more than $\frac{3}{4}$ (three-fourths) of the total shares with valid voting rights present at the GMS; and
 - c. In the event the attendance quorum as referred to in sub-paragraph b above cannot be achieved, then upon the request of the Company, the attendance quorum for the third GMS, the total votes required to adopt a resolution, invitation, and time of convening of the GMS shall be determined by the Chairperson of Bapepam-LK.
 4. A GMS convened to approve transactions involving a conflict of interest shall be conducted in the following manner:
 - a. The shareholders having such conflict of interest shall be considered as rendering the same decision as that which has been agreed upon by the independent shareholders, which shall be the shareholders without any conflict of interests;
 - b. The GMS shall be attended by shareholders representing at least $\frac{1}{2}$ (one-half) of the entire shares with valid voting rights held by the entire Independent Shareholders and such resolution shall be valid if approved by more than $\frac{1}{2}$ (one-half) of the entire shares with valid voting rights held by the entire Independent Shareholders;
 - c. In the event the attendance quorum as referred to in sub-paragraph b above cannot be achieved, then at the second GMS a resolution shall be validly adopted if such GMS is attended by shareholders representing more than $\frac{1}{2}$ (one-half) of the total shares with valid voting rights held by the entire Independent Shareholders and such resolution approved by more than $\frac{1}{2}$ (one-half) of the total shares held by the entire Independent Shareholders attending/represented at the GMS; and
 - d. In the event the attendance quorum for the second meeting cannot be achieved, then upon the request of the Company, the attendance quorum for the third GMS, the total votes required to adopt a resolution, invitation, and time of convening of the GMS shall be determined by the Chairperson of Bapepam-LK.
 5. Person who authorized to attend the GMS are shareholders who recorded in the Company's Register, 1 (one) business day prior to the date of invitation with observance of the prevailing laws and Stock Exchange regulations whereto the company's shares is listed.
 6. A shareholder may be represented by another shareholder or third party who have a power of attorney in observance of the prevailing laws.
 7. During the course of the meeting, every share shall confer a right upon the holder to cast 1 (one) vote.
 8. A shareholder having voting rights who is present at the GMS but do not exercise such right shall be considered to have cast the same votes as the majority vote of shareholders who has cast their votes.
 9. During the voting, member of Board of Directors, member of Board of Commisioners and Company's employees shall be prohibited to acting as the proxy of shareholders.
 10. The voting shall be conducted in verbal, except it otherwise determined by the Chairperson of GMS.
 11. All resolutions of GMS must be adopted by consensus through amicable dialogue, and in the manner as provided in this Articles of Association.



12. Shareholders may decide validly without convening the GMS, with provision that all Shareholders have been notified by written notification and all Shareholders approve the written proposal then sign that approval. Resolutions which made by that way are equal with valid resolutions in GMS.

BOARD OF DIRECTORS

Article 15

1. The Company is managed and led by a Board of Directors.
2. Board of Directors consisting of at least 3 (three) Directors :
 - a. a President Director;
 - b. 2 (two) or more Directors, with observance of the prevailing Capital Market Law.
3. Persons who can be appointed as member of Board of Directors are individuals who has the capability in performing legal action, except within 5 years prior to his appointment :
 - a. Had been declared bankrupt;
 - b. Had been being member of Board of Directors or Board of Commissioners who was convicted cause a bankruptcy of a Company; or
 - c. Had been convicted of a criminal acts to detriment of the country's financia and/or related to the financial sector.
4. Term of a member of the Board of Directors shall conform with the following laws:
 - a. Company Law;
 - b. Capital Market Law; and
 - c. Law which related to Company's business activity.
5. The fullfilment of requirements as referred to in this article is evidenced by form/letter which filed by the Company.
6. The appointment of member of Board of Directors which is not met the requirements as referred to in section (3) in this article is cancelled under the law since the other member of Board of Directors or Board of Commissioners notice the unfullfilment of requirements. No less than 7 (seven) calender days since it has been noticed, other member of Board of Directors or Board of Commissioners shall announce the cancellation for appointment of member of Board of Directors no less than 1 (one) Newspaper and inform the Ministry to recorded in the Company's list.
7. Members of the Board of Directors are appointed by a GMS for a three-year term, beginning from the date of the GMS effecting their appointment up to the dismissed at the end of fifth Annual GMS following their appointment, except if otherwise provided in GMS.
8. Member of Board of Directors after his office term of service may be reappointed by resolution of the GMS.
9.
 - a. GMS can dismiss members of Board of Directors any time by mentioning the reasons.
 - b. The reason of dismissal of member of Board of Directors as referred to in this article shall be conducted if the respective member of Board of Directors no longer fullfills the requirement as member of Board of Directors which among other do disservice the company or for other reasons appropriate by the GMS.
 - c. The resolution of dismissal of member of the Board of Directors shall be taken after give an opportunity to member of the Board of Directors to present a defense in GMS.
 - d. Granting the opportunity to member of the Board of Directors to present a defense in GMS is not necessary in event of he has no objection to such dismissal.
 - e. Dismissal of member of Board of Directors shall be effective as the closing of GMS as referred to in point (a) in this section or another date which has been determined in resolution of GMS.
10.
 - a. A member of the Board of Directors may resign from office prior written notice of such resignation to the Company his resignation.
 - b. The Company shall then convene a GMS to decide upon the resignation tender of such Director by no later than 60 (sixty) days following the receipt of such notice.
 - c. If the Company fails to convene a GMS within the period as referred to in this section, the resignation shall with the lapse of time be valid and the resigning Director shall cease from being in office without requiring the approval of the GMS, in observance of point (g) in this article.
 - d. Prior to the effective date of resignation, the resigning Director shall responsible to accomplish his duties and responsibilities as stipulated in Articles of Association and the prevailing laws.



- e. For the resigning Director as referred to in aforesaid shall still be accountable for the period during which he was a Director from the time of appointment up to his effective resignation as Director in GMS.
 - f. Discharge of responsibility of the resigning member of Board of Directors shall be given after the annual GMS discharge it.
 - g. In event of member of Board of Directors resigned that led the number of members to less than 3 (three) persons, then the resignation valid if it has determined in GMS and has appointed the new member, so as to meet the minimum requirement of number of members.
11. a. Member of Board of Directors may be suspended at anytime by Board of Commissioners along with the reason for such measure.
- b. The suspension as referred to in aforesaid shall be informed in writing to the person concerned.
 - c. The suspended member of Board of Directors shall not be authorized to discharge the duties as stipulated in this Articles of Association.
 - d. within no later than 45 (forty-five) calendar days following the suspension, a GMS must be convened.
 - e. in the GMS as described in sub-paragraph (d) of this paragraph, the Director concerned shall be given an opportunity to present a defense in GMS if the suspended Directors attending the GMS.
 - f. GMS shall rescinded or affirmed the suspension.
 - g. In event of GMS is affirmed the suspension, the Director concerned shall be dismissed permanently.
 - h. In event of the suspended member of Board of Directors is not attend the GMS then the suspended Directors considered not use his rights to defend himself in GMS, thus the suspended Directors accept the resolution of GMS.
 - i. If the 45 (forty-five) day period has elapsed and a GMS as described in sub-paragraph d of this paragraph has not been convened or the GMS cannot reach a decision, the suspension shall become null and void..
12. GMS may:
- a. Appoint other person to fill the position of the dismissed member of Board of Directors; or
 - b. Appoint other person to fill the position of the resigning member of Board of Directors; or
 - c. Appoint a person as a member of Board of Directors to fill in the vacant position; or
 - d. Adding a new member of Board of Directors.
- The term of office of the person who has been appointed to replace the dismissed or resigning member of Board of Directors shall be the remaining portion of the term of office of the dismissed or resigning member of Board of Directors and the term of office of the new additional member of Board of Directors shall be the remaining term of office of the members of Board of Directors who are still serving at that time, unless otherwise determined by the GMS.
13. The term of offices of a member of the Board of Directors shall automatically terminated, if such member of the Board of Directors:
- a. is declared bankrupt or under guardianship pursuant to a court order; or
 - b. is no longer qualified pursuant to the prevailing laws and regulations; or
 - c. is deceased; or
 - d. is dismissed pursuant to a resolution of the GMS.
14. Salaries, services allowance and other remuneration granted to members of Board of Directors (if any) shall be determined by the GMS and the authority in respect of the foregoing may be conferred to the Board of Commissioners.
15. If the position of any member of Board of Directors for whatsoever reason is vacant and the number of members of the Board of Directors is less than 3 (three) persons as indicated under section 2 of this article then, no later than sixty (60) Calendar Days after such vacancy occurred, a GMS shall be convened to fill the vacancy with due observance to the applicable laws and regulations.
16. In case the position of President Director is vacant and as long as his/her successor has not been appointed or assumed the President Director position then, a member of Board of Directors who appointed by Board of Directors shall perform the obligation of the President Director and have the same authorities and responsibilities as the President Director.
17. In case all members of the Board of Directors are vacant then, the provision of Article 19 section 4 of the Company's articles of association shall prevail.



DUTIES AND AUTHORITIES OF THE BOARD OF DIRECTORS

Article 16

1. Board of Directors shall fully assume responsibilities in performing its tasks for the Company's interest in achieving the Company's purposes and objectives.
2. Each member of Board of Directors shall perform his/her duties in good faith and with full responsibility giving due regards to the prevailing regulations and the Company's articles of association.
3. The Board of Directors shall legally and directly represent the Company within and outside the Courts in respect of all matters and in any event, to bind the Company to other parties and other parties to the Company, and to undertake any act concerning management and ownership, but with the limitation to:
 - a. Acquire or purchase immovable goods for the Company's interest with the total value of which is more than limit which has been determined by Board of Commissioners, and/or to encumber the Company's assets as lean, which is not in accordance with the provisions in article 14 section (3).
 - b. Receive or lend loan which amount thereof exceeds the limit which from time to time determined by the Board of Commissioners Meeting to the extent such receiving or lending of loan does not require approval from the GMS in compliance with the applicable Capital Market laws;
 - c. Establish a new business or participate in other company whether domestic or overseas which amount thereof exceeds the limit which from time to time determined by the Board of Commissioners Meeting, to the extent such matter does not require approval from the GMS and in compliance with the applicable Capital Market laws; Director shall obtain approval from Board of Commissioners, without prejudice to the provisions in section (4) below this section and the prevailing laws.
 - d. Sell, transfer or encumber the Company's assets with the value of more than ten percent (10%) up to fifty percent (50%) of the Company's net worth, whether in a single transaction or series of individual or related transactions.
4. Any legal action to transfer, release rights or encumber as security more than 50% (fifty percent) of the Company's net worth in a single transaction or more whether or not they are related one another, the transaction mentioned above is transfer of Company's Net Assets which occurred within one (1) fiscal year then, it shall obtain approval of the GMS under conditions and terms as stipulated in Article 14 section 4 of this articles of association.
5. Legal action to execute any Material Transactions, Affiliated Transaction and Conflict of Interest Transaction as referred to in the applicable Capital Market laws which requires approval from the Company's GMS shall be subject to conditions as stipulated in the applicable Capital Market laws.
6.
 - a. President Director shall be entitled to and authorized to act for and on behalf of the Board of Directors and legally represent the Company;
 - b. In case the President Director is not available or absent for any reason, of which no evidence to third parties shall be given, then 2 (two) members of the Board of Directors shall be entitled and authorized to act for and on behalf of the Board of Directors and legally represent the Company;
7. Distribution of tasks and authorities of each member of Board of Directors shall be determined by the GMS, in case the GMS is silence then, the distribution of tasks and authorities of each member of Board of Directors shall be determined by the Board of Directors Meeting.
8. In case the Company has any conflict of interest against personal interest of a member of Board of Directors then, the Company shall be represented by other members of Board of Directors, and in case the Company has any conflict of interest against the interest of all members of Board of Directors then, the Company shall be represented by Board of Commissioners with due observance of the applicable laws.

BOARD OF DIRECTORS MEETING

Article 17

1. A Board of Directors Meeting may be convened at any time when considered necessary by one or more members of the Board of Commissioners or upon the written request of 1 (one) or more shareholders which jointly representing 1/10 (one tenth) of the total issued shares with valid voting rights.
2. Invitation to a Board of Directors Meeting may be made by any of its members entitled to act for and on its behalf in accordance with paragraph 6 of Article 16 above.



3. Invitation to a Board of Directors Meeting shall be delivered through any kind of written form to each members of the Board of Directors with receipt by no later than 3 (three) calendar days prior to the meeting, excluding the date of the invitation and date of the meeting.
4. Invitation to the meeting shall state the agenda, date, time and venue of the meeting.
5. A Board of Directors Meetings shall be held at the domicile of the Company or its place of business or Stock Exchange within Republic of Indonesia whereto the Company's shares being listed. In the event all members of the Board of Directors are present or represented, such prior invitation shall not be required and the Meeting may be convened at any location and entitled to adopt valid and binding resolutions.
6. A Board of Directors Meetings shall be chaired by the President Director. In the event the President Director cannot attend or is unavailable, which shall not be required to be proven to any third party, the meeting shall be chaired by a member of the Board of Directors appointed from among members who are present.
7. A member of the Board of Directors may be represented at a Board of Directors Meeting by another member by virtue of a power of attorney.
8. A Board of Directors Meeting is valid and entitled to adopt binding resolutions if more than 1/2 (one half) of the total members of the Board of Directors is present or represented at the meeting.
9. A resolution of a Board of Directors Meeting shall be adopted by way of amicable discussion. If a resolution cannot be achieved through such a manner, a resolution shall be sought through voting based on approving votes of more than 1/2 (one-half) of the total votes cast at the meeting.
10. If the number of approving and disapproving votes are equal, then the proposal shall be refused.
11.
 - a. Each attending member of the Board of Directors is entitled to cast 1 (one) vote and an additional 1 (one) vote for every member he is representing.
 - b. Each member of the Board of Directors who personally in any way either directly or indirectly have an interest in a transaction, the contract or proposed contract, in which the Company becomes ne of his party shall mention the nature of interest in the Board of Directors Meeting and not entitled to participate in the voting on matters related to transactions or contract, unless otherwise stipulated in the Board of Directors Meeting.
12. A Minute of Board of Directors Meeting shall be prepared by a person present at the meeting as appointed by the Chairperson of the meeting, and subsequently signed by the Meeting Chairperson and a member of the Board of Directors or a representative or proxy of a Director appointed for such purpose at the meeting. If the Minute of Meeting is prepared by a Notary, then the above signatures shall not be required.
13. The Minute of Meeting as referred to in section (12) in this article shall serve as valid evidence with respect to the members of the Board of Directors as well as any third parties regarding the resolutions adopted at the meeting.
14. The Board of Directors may also adopt valid resolution without convening a Board of Directors meeting, provided that all members have been informed in writing and given their approval on the motion in writing by signing such approval. A resolution so adopted shall have the same binding powers as a resolution validly adopted in a Board of Directors meeting.

BOARD OF COMMISSIONERS

Pasal 18

1. The Board of Commissioners shall consists of at least two members:
 - a. a President Commissioner; and
 - b. one or more Commissioners; with regards to prevailing Capital Market Law.
2. Any member of the Board of Commissioners may not act severally but under resolution of the Board of Commissioners or based on appointment of the Board of Commissioners.
3. The person who can be appointed as a member of the Board of Commissioners shall be a private person having capacity to carry out legal action, except for those who, in the last five (5) years prior to his/her appointment has ever:
 - a. been declared of being bankrupt;
 - b. become a member of the Board of Directors or Board of Commissioners which was has been convicted for causing a company declared bankrupt; or
 - c. been sentenced due to a crime of which detrimental to state financial and/or relating to financial sector.



4. Requirements applied for the members of Board of Commissioners must comply with:
 - a. the Company Law;
 - b. Capital Market applicable regulations; and
 - c. regulations related to the Company's business activities.
5. Fulfillment of requirements as mentioned in this article shall be evidenced by a certificate kept by the Company.
6. Any appointment of the members of Board of Commissioners that does not in compliance with requirements as indicated under section 3 of this article shall, by operation of law, null and void since the other members of Board of Directors or Board of Commissioners become aware of such requirements in compliance. No later than seven (7) Calendar days as of being known, other members of the Board of Directors or Board of Commissioners shall announce the nullification of appointment of the member of Board of Commissioners in question at least in one (1) newspaper and notifying such matter to the Ministry to be recorded in the company Register.
7. Unless otherwise determined at the GMS, the members of Board of Commissioners are appointed and dismissed by the GMS, such appointment shall be effective as of a date determined at the GMS for such appointment and shall expire at the closing of the fifth Annual GMS after such appointment.
8. Members of Board of Commissioners may, upon the expiry of their term of office, be reappointed under the GMS resolution.
9.
 - a. The GMS may, at any time, dismiss a member(s) of the Board of Commissioners by stating the reasons of such dismissal.
 - b. The reasons for the dismissal of the members of Board of Commissioners as meant under this Article shall be done in case the member of Board of Commissioners in question is no longer meet the requirements for a member of Board of Commissioners, among others, committing any harmful action to the Company or due to any other reason as deemed appropriate by the GMS.
 - c. Resolution for dismissal the member of Board of Commissioner in question is adopted after the related member being given an opportunity to defend himself/herself at the GMS.
 - d. The opportunity to defend himself/herself is not necessary if the member so dismissed has no objection against such dismissal.
 - e. The dismissal of the member of Board of Commissioners shall be effective as of the closing of the GMS as meant under point a of this section or on any other date adopted in the GMS resolution.
10.
 - a. A member of Board of Commissioners shall have the right to resign from his/her position by submitting a written notice concerning his/her intention to the Company.
 - b. The Company shall, no later than sixty (60) calendar days after receiving the resignation letter, convene the GMS to resolve the resignation of the member of Board of Commissioners.
 - c. In case the Company fails convening the GMS within the period of time as intended under this section then, by the lapse of such time, the resignation of the member of Board of Commissioner shall be valid without requiring any approval from the GMS with due observance of point g of this article.
 - d. Before the resignation becomes effective, the relevant member of Board of Commissioners shall remain responsible for accomplishing its duties and responsibility in compliance with the articles of association and the applicable laws.
 - e. Accountability of such resigning member of the Board of Commissioners as from his/her appointment until his/her resignation being approved by the GMS still can be required.
 - f. A release and discharge of the resigning member of the Board of Commissioners shall be granted at the Annual GMS.
 - g. In case resignation of the members of Board of Commissioners causing the total members of the Board of Commissioners to become less than two (2) persons then, such resignation shall only be valid if it is determined by the GMS and new members of Board of Commissioners have been appointed in order that the number of members of Board of Commissioners in order to meet the minimum requirement of the total number members of Board of Commissioners.
11. The term of offices of members of Board of Commissioners shall automatically terminated, if such members of Board of Commissioners:
 - a. is declared bankrupt or under guardianship under a court order; or
 - b. is prohibited to have a position as a member of Board of Commissioners under the provision of laws or regulations;



- c. is deceased; or
 - d. is dismissed pursuant to the GMS resolution.
12. Salaries or honorarium and other remuneration granted to the members of Board of Commissioners shall be determined by the GMS.
 13. If the position of any member of Board of Commissioners office is vacant and the number of members of the Board of Commissioners members is less than 2 (two) persons as indicated under section 1 of this article then, no later than sixty (60) Calendar Days as of such vacancy occurred, a GMS shall be convened to fill the vacancy with due observance of the applicable Capital Market regulations.
 14. In case the position of the President Commissioner office is vacant and as long as his/her successor has not been appointed or assumed the president commissioner position then, one (1) member of the Board of Commissioners appointed by the Board of Commissioners Meeting shall perform the duties of the President Commissioner and having the same authorities and responsibilities as the President Commissioner.

DUTIES AND AUTHORITIES OF THE BOARD OF COMMISSIONERS

Article 19

1. Board of Commissioners shall perform supervision over the management policies, daily management, either relating to the Company or the Company's business and shall give advice to the Board of Directors.
2. The Board of Commissioners shall, at any time, during office hours of the Company, be entitled to enter the building and the premises of the Company or other places used or controlled by the Company and be entitled to inspect all records, letters and other evidences, to inspect and examine the financial situation and to know all actions taken by the Board of Directors.
3. The Board of Directors and each member of Board of Directors shall be obliged to give explanations relating to all matters requested by the Board of Commissioners.
4. In the event that all members of the Board of Directors are suspended or due to any reason the Company has no member of the Board of Directors, the Board of Commissioners shall be temporarily manage the Company. In that case, the Board of Commissioners shall be entitled to grant temporary authority to one or more among the members of Board of Commissioners to manage the Company at the responsibility of Board of Commissioners.
5. In the case that there is only one member of Board of Commissioners, all tasks and duties vested to the President Commissioner or members of Board of Commissioners under this articles of association shall also be applicable to him.
6. Board of Commissioners may, at anytime, under a resolution of the Board of Commissioners Meeting, suspend one or more members of the Board of Directors from his/her position (their position) if such member(s) of the Board of Directors engage in actions which contradict the articles of association and/or the applicable laws, the said suspension must be accompanied by valid reasons.
7. The said suspension shall be in compliance with the Article 15 section 11 of the Articles of Association.

BOARD OF COMMISSIONERS MEETING

Article 20

1. A Board of Directors Meeting may be convened at any time when considered necessary by one or more members of the Board of Commissioners or upon the written request of Director or upon request of 1 (one) or more shareholders which jointly representing 1/10 (one tenth) of the total issued shares with valid voting rights.
2. The notice of the Board of Commissioners Meeting shall be made by the President Commissioners. In the event that the President Commissioner is not available, of which no evidence to third parties shall be required then, one of the members of Board of Commissioners appointed by the President Commissioner shall be entitle and authorized for the notice of the Board of Commissioners Meeting.
3. The notice for the Board of Commissioners Meeting shall be delivered by using whatsoever means in writing and delivered to each member of the Board of Commissioners no later than three (3) Calendar Days before the meeting is convened and in the case of state of urgency, at the latest one (1) Calendar Day before the Meeting excluding the date of the Notice and the date of Meeting, such



urgency state shall be determined by the President Commissioners. In case of all members of the Board of Commissioners are present or represented at the Board of Commissioners Meeting, such prior notice is not required.

4. The notice of Meeting must specify the agenda, date, time and venue of the Meeting.
5. The Board of Commissioners Meeting shall be convened at the Company's place of domicile or the Company's place of business or at the place of the Stock Exchange where the Company's shares are listed, provided that is within the territory of the Republic of Indonesia. If all members of Board of Directors are present or represented at the meeting, the Meeting may be convened wherever within the territory of the Republic of Indonesia and shall be entitled to resolve any valid and binding resolutions.
6. The Board of Commissioners Meeting shall be chaired by the President Commissioner; in the absence or disability of the President Commissioner, of which no evidence to third parties shall be required, then the Board of Commissioners Meeting is shall be chaired by a member of Board of Commissioners elected by and from the members of Board of Commissioners present at Meeting.
7. A member of the Board of Commissioner may be represented at a Board of Commissioners Meeting only by the other member of the Board of Commissioner by virtue of a power of attorney.
8. A Board of Commissioners Meeting shall be valid and entitled to adopt binding resolutions if more than 1/2 (one-half) of the total number of the members of the Board of Commissioners present or represented at the Meeting.
9. The resolution of the Board of Commissioners Meeting shall be adopted on the basis of deliberations to reach consensus. In the event that a resolution on the basis of deliberation to reach consensus can not be reached, then the resolution shall be made by voting with the affirmative vote is more than 1/2 (one-half) of the total number of votes validly cast in the Meeting. .
10. In the event the number of the disapproving votes is equal to the number of the approving votes, the said proposal is declined.
11.
 - a. Each member of Board of Commissioners is entitled to cast one (1) vote and one (1) additional vote for each other member of Board of Commissioners represented by him/her;
 - b. Any member of Board of Commissioners who personally has either directly or indirectly any interest in any transaction, contract or contract to be proposed in which the Company is as a party to such transaction shall declare the nature of such interest at the Board of Commissioners Meeting and shall not be entitled to cast vote concerning the matters related to such transaction or contract, unless otherwise determined by the Board of Commissioners Meeting.
12. The minutes of Board of Commissioners Meeting shall be made by a person present at the Meeting designated by the Chairman of the Meeting and shall be signed by the Chairman of the Meeting and by one of other members of Board of Commissioners who present and/or represented at the Meeting. If the minutes is prepared by a Notary then, no such signature is required.
13. The minutes of Board of Commissioner Meeting which is made in accordance with the provision of section (12) of this article shall serve as legal evidence on the resolution adopted at the Board of Commissioners Meeting concerned for the members of Board of Commissioners or for the third parties.
14. The Board of Commissioners may also adopt a valid resolution without convening a Board of Commissioners Meeting provided that all members of the Board of Commissioners have been informed in writing regarding the proposal being submitted and all members of Board of Commissioners have given their approval in writing regarding the proposal being submitted by signing the approval. The resolution adopted in such manner has the same power as the resolution validly adopted at a Board of Commissioners Meeting.

WORK PLAN, FISCAL YEAR AND ANNUAL REPORT

Article 21

1. The Board of Directors Direksi shall prepare and implement the annual work plan.
2. The Board of Directors shall submit the annual work plan to the Board of Commissioners for approval.
3. The approval on the annual report , including the ratification of the annual financial statement as well as the Board of Commissioners report on supervisory tasks, and decision on profit utilization shall be determined by the GMS.
4. The work plan as meant under section (1) must be submitted prior to the commencement of the following year financial year.



5. The financial year of the Company shall commence from 1st January to 31st December. At the end of month of December of each year, the Company's bookkeeping shall be closed.
6. The Board of Directors must submit the Company's financial statement to the Public Accountant designated by the GMS to be audited and the Board of Directors shall prepare the annual report with due observance of the applicable laws and make it available at the Company's office for review by the shareholders as of the date of the notice of the Annual GMS.
7. Within four (4) months after the closing of the Company's financial year, the Board of Directors shall prepare the annual report in compliance with the applicable laws.
8. The annual report shall signed by all members of the Board of Directors and the Board of Commissioners. In case there is a member(s) of Board of Directors and/or Board of Commissioners who does not sign the annual report, specific reasons must be given in writing. In case there is a member(s) of Board of Directors and/or Board of Commissioners who does not sign the annual report and giving no reasons upon such matter then, the relevant members are deemed to have approved such annual report.
9. The company shall announce the Balance Sheet and Loss/Profit Statement in a Bahasa Indonesia widelycirculated newspaper subject to procedures as stipulated under the rule Number X.K.2 concerning the Obligation for Delivering Periodical Financial Statement.

UTILIZATION OF PROFIT AND DISTRIBUTION OF DIVIDENDS

Article 22

1. The Company's net profit in any financial year as stated in the balance sheet and the profit and loss statement which have been ratified by the Annual GMS and constitutes positive profit balance shall be divided for utilization as determined by the annual GMS.
2. The Dividends may only be paid according to financial capability of the Company based on the resolution adopted in the GMS, such resolution shall also determine the time and the method of payment of dividend. Dividend for one share must be paid to the person in whose name the share is registered in the Shareholders Register with due observance of the Article 9 of this articles of association, that will be determined by, or by the authority of the GMS in which the resolution for the distribution of dividend is adopted with due observance of the applicable rules of the Stock Exchange where the Company's shares are listed.
3. In the event that the Annual GMS does not determine other utilization, the net profit shall, after deduction by the reserve fund as required by the law and the Articles of Association be distributed as dividends.
4. If the profit and loss statement in a financial year shows a loss that cannot be covered by the reserve fund, the loss shall remain recorded and entered in the profit and loss statement and in the following financial years the Company shall not be considered as having made any profit as long as the loss recorded and entered in the profit and loss statement have not yet been fully covered, without prejudice to the provisions of the applicable laws.
5. The dividends which remain uncollected within a period of 5 (five) years after the date determined for the payment of the dividends has lapsed, will be entered into a special reserve. The GMS shall determine the method of collection of the dividends that have been entered into such special reserve. The dividends that have been entered into the special reserve as mentioned above and uncollected within a period of 10 (ten) years will become the possession of the Company.
6. As for the shares listed at the Stock Exchange, the applicable rules of the Stock Exchange where the Company's shares are listed will prevail.
7. The Company may distribute the interim dividends prior to the end of fiscal year of Company if required by Shareholders representing 1/10 (one-tenth) of total issued shares, due observance of earning projection and financial ability of Company.
8. The distribution of the interim dividends shall be determined by the resolution of the Board of Directors Meeting and approved by the Board of Commissioners with due observance of section (6) of this article.
9. In the event that after the closing off the financial year, it turned out that the Company suffers los, the interim dividends that have been distributed must be returned by the Shareholders to the Company.



10. The Board of Directors and the Board of Commissioners of the Company shall jointly and severally be responsible for the loss suffered by the Company in case the shareholders are unable to return the interim dividends as indicated under section (9) of this article.

UTILIZATION OF RESERVE FUNDS

Article 23

1. The Company must retain certain amount of its net profits in every financial year as a reserve fund, as determined by GMS with due observance of the applicable laws.
2. The Obligation to retain the net profits shall apply when the Company has positive balance of profit.
3. The retaining of the net profits for the reserve fund shall be done until the reserve fund has reached 20% (twenty percent) of the total of issued and paid-up capital.
4. The reserve fund which has not reached the amount indicated in section (3) of this article may only be utilized to cover the loss which cannot be covered by other reserves.
5. If the amount of the reserve fund has exceeded 20% (twenty percent) of the total of issued and paid-up capital, the GMS may decide that the excess amount may be utilized for the Company's needs.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 24

1. The amendments to the Articles of Association shall be in compliance with the Company Law and/or Capital Market regulations.
2. The amendment to the Articles of Association shall be determined by the GMS with due observance of the provisions contained in this Articles of Association.
3. Amendment to the provisions of the Articles of Association pertaining change of the Company's name and/or place of domicile of the Company, purposes and objectives, as well as business activities, duration of Company's establishment, amount of authorized capital, reduction of the issued and paid-up capital and/or change of the status of the Company from private company to a public Company or vice-versa, shall be subject to approval from the Ministry as required by the applicable laws.
4. Amendment to the articles of association pertaining to the matters other than as referred to in section (3) of this article shall be sufficiently reported to the Ministry with due observance of the provision of the Company Law.
5. Provisions concerning reduction of capital shall be with due observance of the applicable laws, especially the Capital Market regulations.

MERGER, CONSOLIDATION, ACQUISITION AND SPIN-OFF

Article 25

1. Merger, Consolidation, Acquisition and Spin-off shall be determined by the GMS in compliance with the provisions as indicated under Article 14 section (3) of this articles of association.
2. Further provisions concerning Merger, Consolidation, Acquisition and Spin-Off shall be as stipulated under the applicable laws, especially the Capital Market regulations.

DISSOLUTION, LIQUIDATION AND EXPIRATION OF LEGAL ENTITY STATUS

Article 26

1. Dissolution of the Company can be done under the resolution of the GMS subject to provisions as specified under Article 14 section (3) of this articles of association.
2. Further provisions concerning Dissolution, Liquidation and Expiration of the Legal Entity Status shall be as stipulated under the applicable laws, especially the Capital Market regulations.



DOMICILE
Article 28

The shareholders shall, for the matters relating to the Company, be deemed of having place of domicile at the addresses as recorded in the Shareholders Register with due observance of the applicable laws and the Capital Market regulations as well as the Stock Exchange rules where the company's shares are listed.

CLOSING PROVISION
Article 28

Any and all matters that are not or not yet adequately provided in these articles of association shall be decided by the General Meeting of Shareholders.

THE COMPANY'S MANAGEMENT HEREBY STATES THAT THE ARTICLES OF ASSOCIATION CONTAINED IN THIS PROSPECTUS IS THE COMPANY'S LATEST ARTICLES OF ASSOCIATION IN ACCORDANCE WITH RULE NUMBER IX.J.1.



XX. TERMS OF SHARE SUBSCRIPTION

A. SHARE SUBSCRIPTION

A subscription order for the Offered Shares must be in conform to the terms and conditions as provided under this Prospectus and in the Share Subscription Form (“**SSF**”). A share subscription order is made using original copies of the SSF and copies issued by the Joint Lead Underwriters, to be made in five copies. An SSF can be obtained from the Joint Lead Underwriters and Selling Agent whose names are listed in Chapter XXI of this Prospectus. Share subscription orders that do not conform to the above condition shall not be processed.

Each subscriber must maintain a Securities Account with the Securities Company/Custodian Bank who are holders of accounts with Kustodian Sentral Efek Indonesia (KSEI).

B. ENTITLED SUBSCRIBERS

Subscribers entitled to place orders for the purchase of the Offered Shares are individuals and/or Institutions/Corporate Entities as defined in the Capital Market Law, Rule No. IX.A.7.

C. SUBSCRIPTION QUANTITY

Subscription for shares must be conducted at a minimum of one unit of transaction of 500 (five hundred) shares, and subsequently, in multiples of 500 (five hundred) shares.

D. REGISTRATION OF SECURITIES INTO THE COLLECTIVE DEPOSITORY

The Offered Shares have been registered in KSEI under an Agreement of Equity Securities Registration with Collective Depository No. SP-0029/PE/KSEI/1012 signed by the Company and KSEI on 8 October 2012.

i. Upon registration of the shares in KSEI, the following conditions shall apply to the Offered Shares:

1. The Company will not issue Collective Share Certificates (“**CSC**”) for the Offered Shares in this Initial Public Offering. Instead, such shares shall be distributed electronically and shall be administered in KSEI’s collective depository. Shares issued under this Initial Public Offering will be credited to a Securities Account in the name of the account holders not later than distribution date of shares upon receiving confirmation of the registration of such shares in the name of KSEI from the Company or SAB;
2. The Company/SAB will issue the Share Record Confirmation Form (“**SKPS**”) to KSEI as proof of recording on the Company’s shares register for each shares in the Collective Custody;
3. Before the shares shall be offered in this Public Offering and are be listed in the Stock Exchange, the subscribers will receive proof of ownership of the shares in the form of Allotment Confirmation Form (“**FKP**”);
4. KSEI, Securities Company, or Custodian Bank shall issue written confirmations to the Account Holders as confirmation of share ownership. The written confirmation is a legal confirmation of shares listed in Securities Accounts;
5. Transfer of ownership of shares shall be performed by means of transfer of shares between Securities Accounts that are held in KSEI;
6. The listed shareholders in a Securities Account have rights to dividends, bonus, preemptive rights, vote at a GMS and others rights that are adhered with the shares;
7. Payment of dividends, bonus and granting pre-emptive rights to shareholders shall be exercised by the Company, or SAB as appointed by the Company, through Securities Account in KSEI to be subsequently forwarded to the beneficial owner that has opened/ operates the Securities Account with the Security Company or Custodian Bank;



8. After this Public Offering and the listing of shares of the Company, any shareholders who wish to have the share certificates may withdraw the shares from the Collective Custody with KSEI after the shares from the Public Offering have been distributed into the Securities Accounts of the appointed Securities Company/Custodian Bank.
 9. The withdrawal shall be conducted by submitting an application for withdrawal of shares to KSEI through the Securities Company/Custodian Bank administering the shares, by filling out the Securities Withdrawal Form.
 10. For the shares withdrawn from the Collective Custody, a Collective Shares Certificate will be issued no later than 5 (five) Business Days after the receipt of the application by KSEI, in the name of the shareholder in compliance with the request of the Securities Company or Custodian Bank administering the shares.
 11. Parties intending to settle a transaction in the stock exchange on the Company's shares must appoint the Securities Company or Custodian Bank which have been registered as holder of the account at KSEI to administer the shares.
- ii. Shares which have been withdrawn from the Collective Custody with KSEI and for which a Collective Share Certificates have been issued may not be used for the settlement of transactions in the Stock Exchange. Further information on procedures of withdrawal of shares can be obtained from the Underwriters or Selling Agent to whom the related SSF have been submitted.

E. SUBMISSION OF SHARE SUBSCRIPTION ORDER

During the Offering Period, the entitled subscribers may make subscription orders for the Offered Shares during normal working hours of the office of the Joint Lead Underwriters or Selling Agent where the SSF was obtained.

Each person is only entitled to submit one SSF and must do so in person (no representations) by attaching a photocopy of personal identity documents (valid Resident's Identity Card/Passport for individual and the most current Articles of Association and Deed of Directors Appointment for institutions) and also do the payment in accordance with the number of orders. For foreign subscribers, in addition to a copy of valid passport, full and clear names and addresses abroad/valid legal domicile of the subscriber must be clearly stated on the SSF.

The Selling Agent, Underwriters and Joint Lead Underwriters retain the right to refuse subscription orders if the form are filled out completely or if the requirement for the subscription order have not been satisfied in full.

F. OFFERING PERIOD

The Offering Period will be held within five Business Days, on 6 December 2012 up to 12 December 2012, from 09.00 WIB up to 15.00 WIB.

G. ALLOTMENT DATE

The Allotment Date, where the Joint Lead Underwriters and the Company shall determine the allotment of shares for each subscriber in accordance with the prevailing regulations, will be 14 December, 2012.

H. TERMS OF PAYMENT

Payment may be in cash, by transfer, by cheque or by bank draft in Rupiah by the person concerned (no representation) by presenting the original copies of identity documents and duly filled-in SSF submitted to the Joint Lead Underwriters. Payment for each SSF shall only be conducted by using one of any method of payment, such as cheque or cash or bank transfer or giro.

In the case of payment by cheque, the cheque must be a cheque bearing the name of the person submitting (signing) the SSF. Cheques owned by/in the name of third parties shall not be accepted as payment. All bank charges and transfer fee with respect to such payment shall be at the account of the



subscriber. All cheques and bank drafts will be immediately endorsed upon receipt. If the cheque or bank draft is dishonoured by the payee bank upon endorsement, the related share subscription shall be automatically declared void. Date of payment is calculated based on the date of receipt cheque/transfer/giro that has been accepted in good funds in the account of the Underwriters. Every payment by using cheque/transfer/giro can only be accepted in the first day of Offering Period.

For each specific share subscription order, the payment shall be made directly to the Company. For any payment through an account transfer from another bank account, the subscriber shall enclose a copy of Bank Draft Traffic Credit Note issued by the relevant bank stating the reference number of SSF/DPPS.

Further, all payments from the Underwriters and Selling Agent shall be paid into the account of the Joint Lead Underwriters at the following details:

Bank Account : 121-0005922582
Account Holder : PT Mandiri Sekuritas - IPO Wismilak Inti
Branch : Bank Mandiri Jakarta Kebon Sirih

For share subscription conducted through the Underwriters which has submitted confirmation from the Payment Bank when submit the share subscription order, can deposit the funds into the account of Joint Lead Underwriters on the date as stipulated in the Underwriting Agreement.

I. RECEIPT

The Joint Lead Underwriters, Underwriters and Selling Agent receiving the Share Subscription Form, will return the form to the subscriber, the 5th (fifth) copy of Share Subscription Form signed (with original signature) as Receipt of Share Subscription. This Receipt of Share Subscription is not a guarantee of the granted subscription. The Receipt of Share Subscription must be kept in good order to be exchanged if there is cash return of subscription and/or for the receipt of Allotment Confirmation Form for subscription. For each specific share subscriber, the Receipt of Share Subscription shall be given directly by the Company.

J. SHARE ALLOTMENT

The allotment of shares shall be conducted by Joint Lead Underwriters as Allotment Manager by using a combination of pooling and fixed allotment systems based on Rule No. IX.A.7 and other regulations including the prevailing Capital Market laws.

The allotment systems that shall be conducted are combination system as well as fixed allotment is limited at maximum 98% (ninety eight percent) of the total Offered Shares. The remaining portion at 2% (two percent) shall be conducted by using pooling allotment.

A. Fixed Allotment

Fixed allotment is limited at maximum 98% (ninety eight percent) of the total Offered Shares, to be allocated for investors but not limited to:

- Pension Funds
- Insurance
- Mutual Funds
- Institutions
- Individual
- Company's Employee through ESA

In the event that the fixed allotment system is used in a Public Offering, such allotment may be made only with the following conditions:

- 1) The Allotment Manager may decide the percentage and the persons to receive the fixed allotment in the Initial Public Offering. The determination of percentage amount of allotment must consider the interests of individual subscribers.



- 2) The amount of fixed allotment as referred to the number 1) is including the portion for Company's ESA program on the Initial Public Offering (if any) at maximum 10% (ten percent) of the total Offered Shares.
- 3) The fixed allotment is restricted for Affiliated parties, such as:
 - a) Board of Directors, Board of Commissioners, employee, or any party owning 20% (twenty percent) shares or more of each Securities Companies acting as the Lead Underwriters or Securities Selling Agent with respect to Initial Public Offering;
 - b) Board of Directors, Board of Commissioners, and/or ultimate shareholder of the Company; or
 - c) Affiliate party as referred to letter a) and letter b), which are not doing the subscription order for the interest of third party.

B. Pooling

Allotment using the pooling system is limited to minimum of 2% (two percent) of the total Offered Shares. If the number of shares subscribed exceeds the number of Offered Shares in the Initial Public Offering, the Allotment Manager shall conduct an allotment of the remaining shares as follows:

- a. If, after excluding subscribers considered as affiliated parties and there are remaining shares with an amount equal to or higher than the subscribed amount, the allotment to the subscribers shall be allocated according to the following conditions:
 1. Non-exempted subscribers shall each receive all subscribed shares.
 2. If there are remaining shares, after all unit of transaction is distributed to the non-exempted subscriber, allocation will be made proportionally to the Affiliated Parties in accordance with the number of shares subscribed by the subscribers.
- b. If, after excluding subscribers considered as Affiliated Parties and there remain shares less than the number of shares subscribed, the allotment to the subscribers not excluded shall be allocated according to the following conditions:
 1. If the shares are not listed in the Stock Exchange, the allotment will be made proportionally according to the number of shares subscribed by the subscribers; or
 2. If the shares are not listed in the Stock Exchange, the shares shall be allocated according to the following conditions:
 - Subscribers who are not excluded will receive one unit of transaction at the Stock Exchange, subject to the availability of units of the transaction. In the event that the number is insufficient, the available units of transaction will be distributed by lot. The number of shares included in such transaction units is the largest full transaction unit specified by the stock exchange where such shares are listed.
 - If there are remaining shares, after one unit of transaction is distributed to the subscriber, allocation will be made proportionally, in unit of transactions, according to the number of shares subscribed by the subscribers.

C. Other Allotment Methods

Other Allotment Methods can be conducted as long as in accordance with the following conditions:

- 1) the procedure has been approved by Bapepam and LK.;
- 2) the procedure has been disclosed in the Prospectus; and
- 3) the procedure are in accordance with Rule No. IX.A.7 excluding the Fixed and Pooling Allotment.

The shares allotment shall be audited in accordance with the procedure as stipulated under Rule No. VIII.G.12.



K. POSTPONEMENT OR CANCELLATION OF THE INITIAL PUBLIC OFFERING

Based on the Deed of Underwriting Agreement No. 16 dated 9 October 2012, prepared before Yulia, S.H., Notary in South Jakarta, the Public Offering shall be cancelled or postponed in accordance with the latest Rule of Bapepam dan LK, by Company using the written notification to the Bapepam dan LK and any other authorized parties related to postponement of Public Offering, in accordance with the following conditions:

- a. Jakarta Composite Index in the Stock Exchange has declined more than 10% (ten percent) within three consecutive bourse days;
- b. Natural disaster, war, riot, fire, strike which impact significantly to the business of the Company; and/or
- c. Occuring any other events which impact significantly to the business of the Company as stipulated in Bapepam dan LK Rule No. IX.A.2.

L. REFUND OF SUBSCRIPTION MONEY

1. Considering the allotment regulations, if there is over-subscription, the Joint Lead Underwriters is responsible and must return the excess subscription fund to the Underwriters at a maximum within one working day after the Allotment Date, and every Underwriters is responsible and must return the excess subscription money to the investors according to the subscription immediately at a maximum within two Business Days after the Allotment Date. Therefore, the Joint Lead Underwriters and the Underwriters will set at liberty the issuers from any claims/fines for the negligence.
2. The refund shall be done in form of transfer to the account on behalf of subscribers name or through other payment instruments in form of cheque, giro or refund form that can be obtained directly by the subscribers at the Underwriters where the subscription has been conducted by submitting the share subscription receipt together with valid identity card.
3. For each Specific Investors, because of the allotment, the refund of subscription money shall be managed and conducted directly by the Company and therefore the Company set at liberty the Joint Lead Underwriters, Underwriters from any claims/fines for the negligence.
4. In case the Underwriters neglect in the refund then cause the delay in refund to the subscribers, then the Underwriters must pay fine to the subscribers, for each late payment date, as much as interest rate of giro in the Receiving Bank which calculated from the third Business Days since the Allotment Date prorated for each delay.
5. According to the cancellation or postponement of Public Offering which causing terminations of Underwriting Agreement, as stipulated in the Underwriting Agreement, prevailing provisions as follows, among others:
 - The refund of subscription money (including fines for any delay of refund) is the responsibility of the Joint Lead Underwriters or Underwriters in accordance with each portions or Company (for the Specific Subscribers), and shall be done at a maximum two Business Days after the termination of Underwriting Agreement or announcement of cancellation of Public Offering;
 - If the subscription money to be refunded is available (including for Specific Subscribers), but the subscribers have not come to obtain within two Business Days after the decision date of cancellation or postponement of Public Offering or termination of Underwriting Agreement, is not responsibility of the Company, the Joint Lead Underwriters and/or Underwriters, therefore there is no responsibility of fine and or interest payment to the subscribers.

M. DELIVERY OF SHARE SUBSCRIPTION CONFIRMATION FORM

The distribution of Share Subscription Confirmation Forms to each securities account of the subscribers where the related Share Subscription Forms are to be submitted will be made immediately within 1 (one) day after the allotment date. The Share Subscription Confirmation Form can be taken upon presenting the Receipt for Share Subscription.



N. OTHERS

In accordance with the Decision Letter of Bapepam Chairperson No.Kep-691/BL/2011 dated 30 December 2011 regarding Subscription and Allotment of Securities in the Initial Public Offering, in the event that there are more than one subscription forms submitted by one party, for the purpose of shares allotment, the Allotment Manager can only submit one SSF which first proposed by the subscriber.

The Underwriters, Selling Agent and Affiliated Parties of the Underwriters, or Affiliated Parties of the Selling Agent are prohibited from purchasing or owning shares for their own account in the event of an over-subscription, if all subscribers has received the full allotment and there is still any remaining shares, then the remaining shares shall be distributed proportionally, in unit of transactions, according to the number of shares subscribed by the subscribers who are (i) Board of Directors, Board of Commisioners, employee, or any party owning 20% (twenty percent) shares or more of each Securities Companies acting as the Lead Underwriters or Securities Selling Agent with respect to Initial Public Offering; (ii) Board of Directors, Board of Commisioners, and/or ultimate shareholder of the Company; or (iii) Affiliate party as referred to letter i) and letter ii), which are not doing the subscription order for the interest of third party.

In the event of an under-subscription in the Initial Public Offering, the Joint Lead Underwriters, Underwriters and the Selling Agent or its Affiliated Parties shall not be allowed to sell the shares purchased or to be purchased under the Underwriting Agreement, until that such shares have been listed in the Stock Exchange.

The Underwriters shall submit the Public Offering Result Report to *Bapepam dan LK* at least five Business Days after the Allotment Date according to Rule No. IX.A.2.



X. DISTRIBUTION OF THE PROSPECTUS AND THE SHARE SUBSCRIPTION FORMS

The Prospectus and the SSF can be obtained at the offices of the Joint Lead Underwriters, the Underwriters and the Selling Agents, namely the Securities Brokers registered as members of the IDX. The Joint Lead Underwriters, Underwriters and Selling Agents as referred to above are:

JOINT LEAD UNDERWRITERS

PT Mandiri Sekuritas
Plaza Mandiri, Lt. 28
Jl. Jend. Gatot Subroto Kav. 36-38
Jakarta 12190, Indonesia
Tel: +6221 526 3445
Fax: +6221 5263507

PT OSK Nusadana Securities Indonesia
CIMB Niaga Plaza, Lt. 14
Jalan Jenderal Sudirman Kav. 25
Jakarta 12920
Tel: +6221 2598 6888
Fax: +6221 2598 6777

UNDERWRITERS

PT Lautandhana Securindo
Wisma Keiai, Lt. 15
Jl. Jend. Sudirman Kav. 3
Jakarta 10220
Telp. +6221 5785 1818
Fax. +6221 5785 1717

PT Minna Padi Investama
Equity Tower Building, Lt. 11
Jl. Jend. Sudirman Kav. 52 – 53,
Jakarta Selatan 12920
Telp. +6221 5255 555
Fax. +6221 5271 527

PT Buana Capital
Indonesia Stock Exchange Building
Tower II Lantai 26
Jl. Jend. Sudirman Kav. 52 – 53
Jakarta 12190
Telp. +6221 515 0203
Fax. +6221 515 0241

PT Dhanawibawa Arthacemerlang
Indonesia Stock Exchange Building
Tower I Lantai 15
Jl. Jend. Sudirman Kav. 52 – 53
Jakarta 12190
Telp. +6221 515 1678
Fax. +6221 515 1226

PT Panca Global Securities
Indonesia Stock Exchange Building
Tower I Suite 1706A
Jl. Jend. Sudirman Kav. 52 – 53
Jakarta 12190
Telp. +6221 5155 456
Fax. +6221 5155 466

PT Valbury Asia Securities
Menara Karya, Lt. 10
Jl. HR. Rasuna Said Blok X-5 Kav. 1-2
Jakarta 12950
Telp. +6221 255 33600
Fax. +6221 255 33700

PT Bumiputera Capital Indonesia
Wisma Bumiputera Lt. 17
Jl. Jend. Sudirman Kav. 75
Tlp. +6221 5296 0155
Fax. +6221 5296 0148

PT MNC Securities
MNC Tower, Lt. 4
Jl. Kebon Sirih Kav. 17 – 19
Jakarta 10340
Telp. +6221 392 2000
Fax. +6221 3989 6868

PT Overseas Securities
Plaza Bapindo Mandiri Tower Lt. 16
Jl. Jend. Sudirman Kav. 54 - 55
Jakarta 12190
Telp. +6221 527 7008
Fax. +6221 527 7009

PT Bahana Securities
Graha Niaga Lt 18
Jl. Jend. Sudirman Kav. 58
Jakarta 12190
Telp. +6221 2505080
Fax. +6221 2505070/71

**PT Danareksa Sekuritas**

Gedung Danareksa
Jl. Medan Merdeka Selatan No. 14
Jakarta 10110
Telp. +6221 3509 777
Fax. +6221 3500 989

PT Equator Securities

Wisma KEIAI Lt. 21
Jl. Jend Sudirman Kav. 3
Jakarta 10220
Telp. +6221 572 3828
Fax. +6221 572 3475

PT Waterfront Securities Indonesia

CIMB Niaga Plaza Lt. 10
Jl. Jend. Sudirman Kav. 25
Jakarta 12920
Telp. +6221 5292 1166
Fax. +6221 5292 2266

PT Danpac Securities

Gedung Equity Tower Lt. 9 Unit A dan E
Jl. Jend. Sudirman Kav. 52 – 53
Jakarta 12190
Telp. +6221 720 1010
Fax. +6221 720 8729

PT Reliance Securities

Menara Batavia, Lt. 27
Jl. K.H. Mas Mansyur Kav. 126
Jakarta 10220
Telp. +6221 5793 0008
Fax. +6221 5793 0010

PT Magenta Kapital Indonesia

Menara Batavia Lt. 23
Jl. K.H. Mas Mansyur Kav. 126
Jakarta 10220
Telp. +6221 5793 0078
Fax. +6221 5793 0079

PT Amantara Sekuritas

Plaza BII Menara 3, Lt. 11
Jl. MH. Thamrin No. 51
Jakarta 10350
Telp. +6221 392 9601
Fax. +6221 392 9588

PT Victoria Securities Indonesia

Senayan City, Panin Tower Lt. 8
Jl. Asia Afrika Lot 19
Jakarta 10270
Telp. +6221 7278 2310
Fax. (6221) 7278 2280

PT AM Capital

Wisma GKBI Lt. 5 Suite 501
Jl. Jend. Sudirman No. 28
Jakarta 10210
Telp. +6221 5795 7000
Fax. +6221 5795 0968

PT Mega Capital Indonesia

Menara Bank Mega, Lt. 2
Jl. Kapten Tendean, Kav. 12 – 14 A
Jakarta 12790
Telp. +6221 7917 5599
Fax. +6221 7919 3900

PT Erdhika Elit Sekuritas

Gedung Sucaco, Lt. 5
Jl. Kebon Sirih Kav. 71
Jakarta 10340
Telp. +6221 3100 525
Fax. +6221 3152 841

PT Yulie Securindo

Plaza ABDA, Lt. 5
Jl. Jend. Sudirman Kav. 59
Jakarta 12190
Telp. +6221 5140 2181
Fax. +6221 5140 2182

PT Phillip Securities Indonesia

Wisma Aetna, Lt. 28
Jl. Jend. Sudirman Kav. 45 – 46
Jakarta 12930
Telp. +6221 577 0011
Fax. +6221 577 0970

PT NISP Sekuritas

OCBC NISP Tower, Lt. 21
Jl. Prof. Dr. Satrio Kav. 25
Jakarta 12940
Telp. +6221 2935 2788
Fax. +6221 5794 4095

PT Indo Premier Securities

Wisma KGBI Lt. 17 Suite 1702
Jl. Jend. Sudirman Kav 28
Jakarta 10210
Telp. +6221 5793 1168
Fax. +6221 5793 1220

**Public Offering Booth will be opened during the Offering Period at Gedung Bank Mandiri
Cabang Kebon Sirih, Jl. Tanah Abang Timur No. 1-2, Jakarta**