



09

Annual Report



Maintaining Momentum of Growth

Vision

To become a leading property company in Indonesia and in the region with strong commitment to positively impact on people's quality of lives and to continuously create value to shareholders.

Mission

To meet the needs of the middle and upper class Indonesians for housing, shopping centers, commercial development, healthcare, entertainment, hospitality and infrastructure.

To achieve sustainable growth for each of its businesses through a balanced portfolio of development projects while maintaining a healthy level of recurring income.

To provide first class living environment that enhances the physical, social and spiritual experience for its clienteles, and to provide best green environment for each of its development projects.

09

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Maintaining Momentum of Growth

Years of commitment to quality and excellence have made Lippo Karawaci the pre-eminent real estate company in Indonesia today. The Company has successfully surmounted past challenges and is determined to maintain its growth momentum by seizing future opportunities that contribute to its business sustainability.

Lippo Karawaci at a Glance

PT Lippo Karawaci Tbk (“Lippo Karawaci”) was founded on a vision to impact lives through the development of independent well-planned sustainable townships and communities with green and flood-free environments, first class physical and social infrastructure.

Through a merger of 8 property related companies in 2004, the Company has expanded its business portfolio to encompass urban townships, large scale integrated developments, retail malls, healthcare, hotel and leisure, as well as fee-based income from property and portfolio management.

Lippo Karawaci’s sound reputation as the leading real estate company in Indonesia is based on several distinctive strengths that ensure its continuing success. Owning the largest most diversified landbank in strategic locations around the country, the Company has the most integrated business model in the property sector and managed by highly experienced and capable professionals. The Company has also proven itself a pioneer and leader amongst developers by initiating innovative award winning projects, and becoming the first and only Indonesian company to set up Real Estate Investment Trusts (REITs) listed in Singapore Stock Exchange. Siloam Hospitals Lippo Village remained the first and only Indonesian hospital awarded with Joint Commission International (JCI) accreditation.

By having a unique, highly focused, and broad-based business model, largest mall operator and manager, Lippo Karawaci has become the premier integrated Indonesian property company.

2009 Highlights

Launching of 'Siloam Stroke Unit' as its latest Centre of Excellence at Siloam Hospitals Lippo Village.

Lippo Karawaci included in the SRI KEHATI/Green Chip Index.

Lippo Karawaci is awarded "Wealth Added Creator Award 2009" by the SWA magazine.

Launching of "PX Pavilion Mall @ The St. Moritz", a preface to the future shopping mall complex located at The St. Moritz Penthouses & Residences.

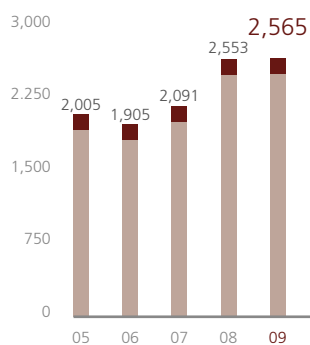
Lippo Karawaci received the prestigious "Euromoney Liquid Real Estate Awards 2009" as the Best Developer in Indonesia.

Launching of two newest clusters in Lippo Cikarang : Acacia Garden and Easton Commercial Center.

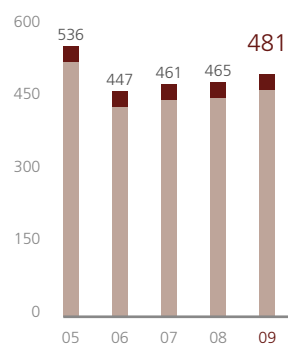
Launching of the 5th condominium tower "The Infinity" in Kemang Village.

Financial Highlights

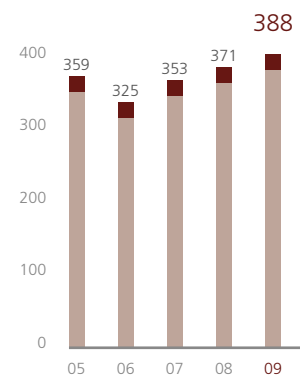
Revenue
(in billion Rupiah)



Operating Profit
(in billion Rupiah)



Net Profit After Tax
(in billion Rupiah)



in billion Rupiah, unless stated otherwise

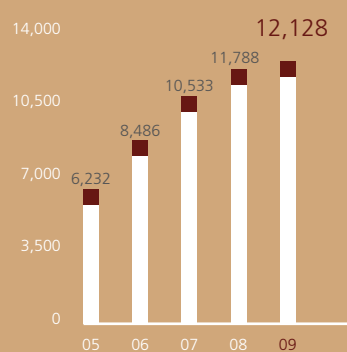
PROFIT AND LOSS

	2005	2006	2007	2008	2009
Revenue	2,005	1,905	2,091	2,553	2,565
Gross Profit	999	973	1,106	1,219	1,187
EBITDA	623	539	533	565	603
Operating Profit	536	447	461	465	481
Net Profit After Tax	359	325	353	371	388
Basic Earning per Share (in Rupiah)	25	22	24	21	22

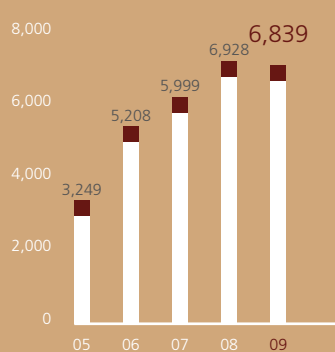
BALANCE SHEETS

	2005	2006	2007	2008	2009
Total Assets	6,232	8,486	10,533	11,788	12,128
Total Liabilities	3,249	5,208	5,999	6,928	6,839
Stockholders' Equity	2,693	2,962	4,206	4,501	4,887

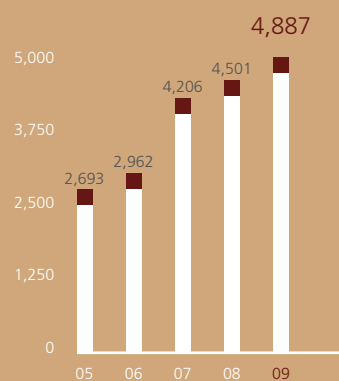
Total Assets
(in billion Rupiah)



Total Liabilities
(in billion Rupiah)



Stockholders' Equity
(in billion Rupiah)



	2005	2006	2007	2008	2009
FINANCIAL RATIOS					
Return on Assets (%)	6	4	3	3	3
Return on Equity (%)	13	11	8	8	8
Debt to Assets	0.3	0.3	0.3	0.3	0.2
Debt to Equity (Gross)	0.6	0.8	0.7	0.7	0.6
Debt to Equity (Net)	0.5	0.4	0.2	0.3	0.3
Gross Profit Margin (%)	50	51	53	48	46
EBITDA Margin (%)	31	28	25	22	24
Operating Profit Margin (%)	27	23	22	18	19
Net Profit Margin (%)	18	17	17	15	15

Stock Highlights

Shareholder Structure

(as of December 31, 2009)

Shareholders	Number of Shares	Percentage of Ownership
Lippo Group	3,682,276,730	21.28%
PT Metropolis Propertindo Utama	1,900,000,000	10.98%
Capital Bloom Investment Limited	1,138,293,750	6.58%
Public	10,581,581,215	61.16%
TOTAL	17,302,151,695	100.00%

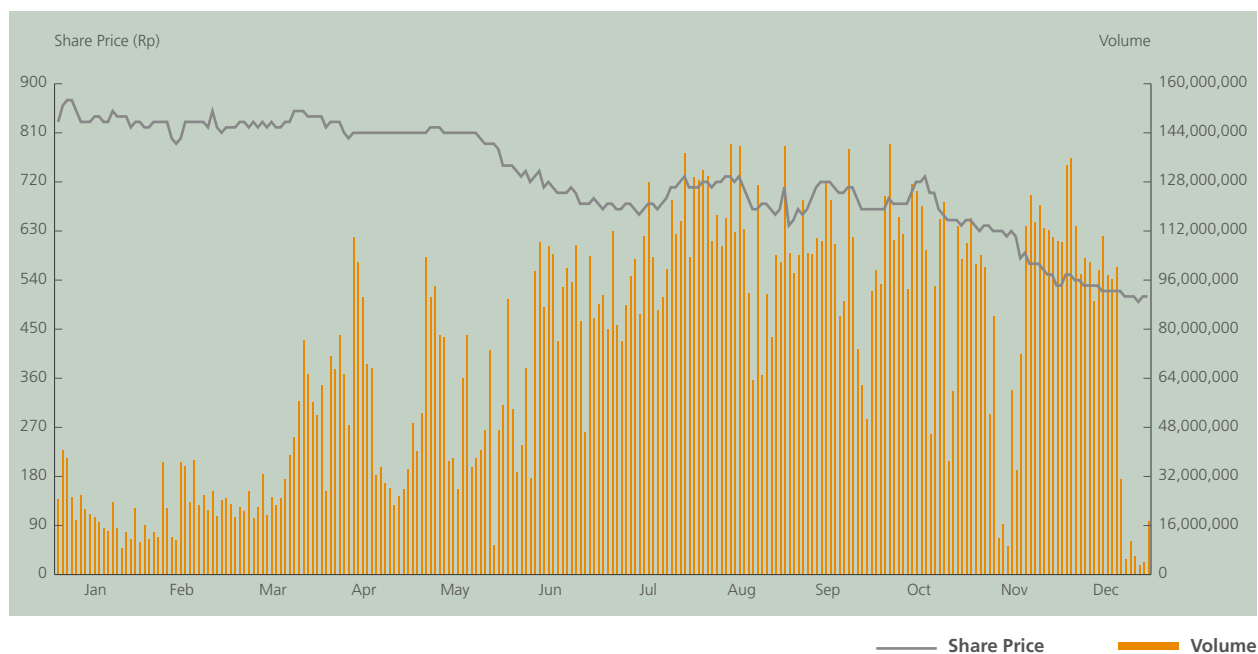
Dividend History

Shareholders Record Date	Payment Date	Dividend/Share
7 December 2007	27 December 2007	Rp 4.62
6 December 2006	20 December 2006	Rp 9.90
24 August 2005	8 September 2005	Rp 10.00
22 January 1998	20 February 1998	Rp 10.00
16 December 1996	14 January 1997	Rp 40.00

Capital History

Description	Date	Shares	Total Issued Shares
IPO	28 Jun 1996	30,800,000	30,800,000
Company Listing		244,000,000	274,800,000
Convertible Bonds		105,072,500	379,872,500
Rights Issue I	27 Feb 1998	607,796,000	987,668,500
Merger	30 Jul 2004	1,063,275,250	2,050,943,750
Rights Issue II	20 Jan 2005	881,905,813	2,932,849,563
Warrant Conversion before Stock Split	20 Jan 2005 - 28 Jul 2006	279,099	2,933,128,662
Stock Split I	2 Aug 2006	2,933,128,662	5,866,257,324
Warrant Conversion after Stock Split I	2 Aug - 31 Dec 2006	4,759,748	5,871,017,072
Warrant Conversion	1 Jan - 30 Nov 2007	1,049,843,606	6,920,860,678
Stock Split II	26 Dec 2007	10,381,291,017	17,302,151,695

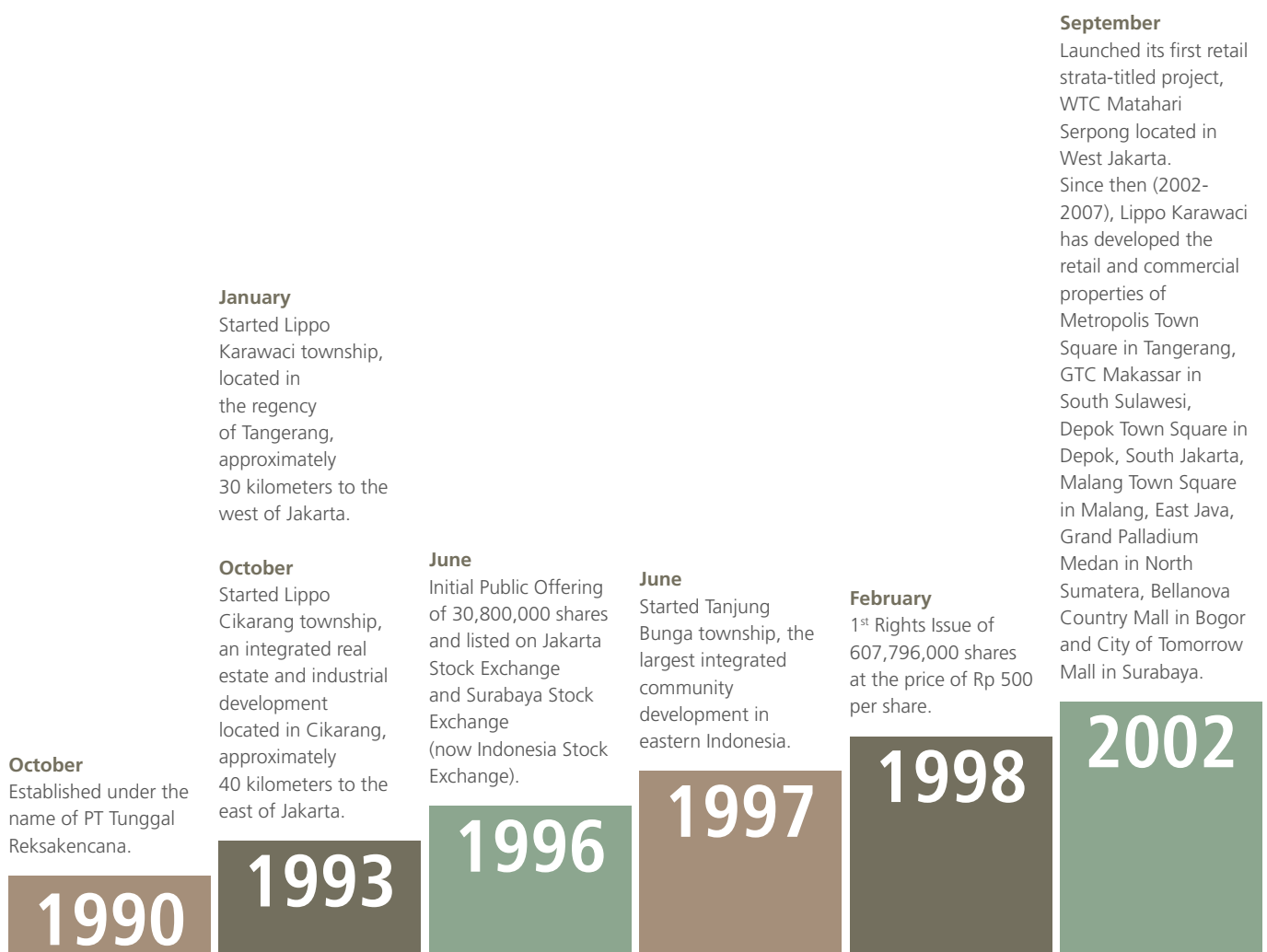
2009 Share Price Movement

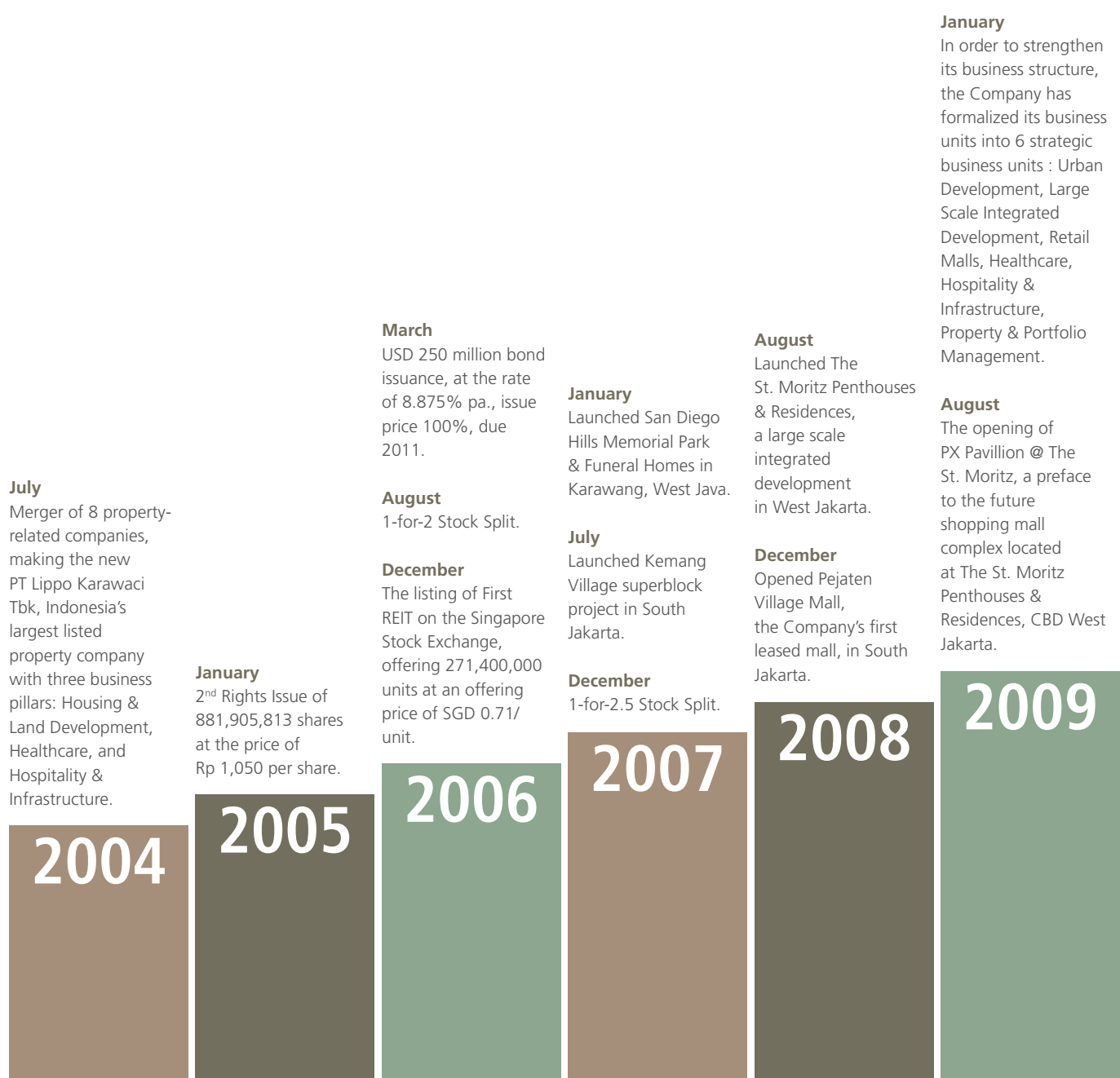


Summary of Share Trading at Indonesia Stock Exchange

2009						2008					
Month	Share Price (Rp)			Share Trading		Month	Share Price (Rp)			Share Trading	
	Highest	Lowest	Closing	Volume (unit)	Amount (Rp)		Highest	Lowest	Closing	Volume (unit)	Amount (Rp)
Jan	890	790	830	383,965,500	322,877,330,000	Jan	750	610	630	479,787,000	325,135,115,000
Feb	850	770	820	456,616,500	374,081,645,000	Feb	760	590	730	469,568,000	311,543,280,000
Mar	870	800	840	737,479,500	612,906,415,000	Mar	830	670	800	456,200,500	343,255,380,000
Apr	840	770	810	1,082,016,000	879,076,085,000	Apr	820	670	690	345,072,000	247,923,510,000
May	820	730	750	1,127,003,500	908,143,490,000	May	760	680	700	625,335,000	452,281,250,000
Jun	760	660	670	1,792,176,500	1,272,512,540,000	Jun	750	680	730	666,892,000	480,034,650,000
Jul	740	640	710	2,187,279,500	1,504,330,530,000	Jul	790	700	780	722,200,000	534,171,765,000
Aug	750	630	640	2,181,770,000	1,533,339,445,000	Aug	780	740	770	591,064,500	449,293,465,000
Sep	730	640	670	1,810,878,500	1,253,842,810,000	Sep	780	690	700	829,204,500	609,459,435,000
Oct	730	620	650	2,279,639,000	1,546,977,420,000	Oct	690	600	610	284,640,500	186,009,100,000
Nov	650	510	530	1,670,850,000	977,323,880,000	Nov	930	560	910	527,833,500	413,679,480,000
Dec	570	490	510	1,356,516,000	717,605,660,000	Dec	940	730	800	227,269,500	188,392,450,000

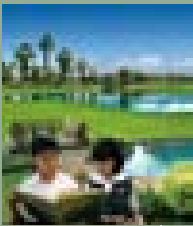
Milestones





Event Highlights

January



▶ Launching of Emerald Green residence in Lippo Village township, offering pristine living with spectacular gardens which boasts golf course and lake views.

February

12

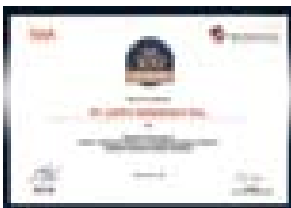
▶ Lippo Karawaci's first leased mall, Pejaten Village, donated to underprivileged children residing in the area of Pejaten, South Jakarta through Gerakan Nasional Orang Tua Asuh (GN-OTA) foundation



14

▶ Lippo Cikarang launched its new residential cluster "Le Jardin" in Elysium Residence

June



26

▶ Lippo Karawaci received "Wealth Added Creator Award 2009" by the SWA Magazine, a well-known business magazine in Indonesia.

27

Seven of The Village Mall group (Plaza Semanggi, Cibubur Junction, Gajah Mada Plaza, Pluit Village in Jakarta, Ekalokasari in Bogor, Bandung Indah Plaza in Bandung and Sun Plaza in Medan) in collaboration with Yayasan Kesehatan Payudara Jakarta (YKPJ) organized a simultaneous campaign supporting early detection of breast cancer to its visitors.

July

16

▶ San Diego Hills conducted a free medical services day in Wadas village, Teluk Jambe Timur, West Karawang, offering free health diagnosis, proper medication and provision of food supplements for infants and pregnant women within the area.

May



14

Siloam Hospitals Group launched 'Siloam Stroke Unit' as its latest Centre of Excellence at Siloam Hospitals Lippo Village which is designed to diagnose, treat and provide early rehabilitation care for stroke patients.

30

The Mochtar Riady Comprehensive Cancer Center (MRCCC) held its topping-off ceremony.

June

8

Lippo Karawaci included in the SRI KEHATI/Green Chip Index, an index featuring listed companies with excellent environmental, social and good corporate governance practices.

13

Lippo Karawaci has signed an MOU with SingHealth, Singapore to further enhance its ability to provide world-class healthcare through a collaboration which covers joint medical training, patient referral, medical exchange and hospital management.



23

Siloam Hospitals Kebon Jeruk launched the first Active Rehabilitation Centre in Indonesia to help patients with chronic waist, shoulders and knees aches and it's known linkage to spinal column problems using a Documentation Based Care (DBC) system.

August

6

Launching of "PX Pavilion Mall @ The St. Moritz". This 6-storey, 14,000 sqm retail spaces is the preface to the future shopping mall complex located at The St. Moritz Penthouses & Residences.



14

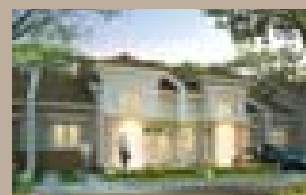
Lippo Village township launched "Alora Residence", a luxurious residential cluster with a minimalist modern tropical concept.

September

11

Lippo Karawaci received the prestigious "Euromoney Liquid Real Estate Awards 2009" as the Best Developer in Indonesia, its fourth time and third consecutive award.

October



9

Lippo Cikarang unveiled its two newest projects: Acacia Garden, a residential enclave with Mediterranean design and Easton Commercial Center, an addition to the Ventura Commercial Center business community.

Report from the Board of Commissioners

Given our market dominance, diversified revenue base through our six strategic business units, farsighted, professional and prudent financial management, this year we were able to maintain our momentum of growth.

Dear Shareholders,

2009 was a highly challenging year. The world economy was still recovering from the global financial crisis that started the year before. However, Indonesia along with the People's Republic of China and India maintained positive growth as the major contributors in Asia's economic recovery. Aside from its political stability, Indonesia's strong economic performance was also attributable to appropriate measures taken by the Government. By the end of 2009, the Bank Indonesia (BI) rate has been reduced to 6.5%, whilst the Rupiah currency appreciated by 14% against USD to Rp 9,400/USD level, and domestic inflation eased down to 2.78%. The Indonesia Composite Index (JCI) also continued its run as the second best performing Asia-Pacific stock market.

Nevertheless, the economic uncertainty in the early months of 2009 has affected the property industry, as reflected in the general slowing down of construction progress and project sales. In response to the macroeconomic conditions during the year, Lippo Karawaci concentrated on the development and completion of Kemang Village Phase I and The St. Moritz Penthouses and Residences (The St. Moritz) projects, as well as preparing for the anticipated economic turnaround.

We are fortunate that given our market dominance, diversified revenue base through our six strategic business units, farsighted, professional and prudent financial management, this year we were able to maintain our momentum of growth and record another creditable performance of Rp 2.6 trillion of revenue and attain healthy financial position. However we will not rest on our laurels.

Report from the Board of Commissioners



Jonathan L. Parapak
Independent Commissioner

Tanri Abeng
Independent Commissioner

Adrianus Mooy
Independent Commissioner

Surjadi Soedirdja
Vice President Commissioner

It is worth noting that our leading position in most of our business segments will continue to be the source of our future organic growth. Our core property business will strengthen next year but healthcare is expected to contribute significantly to both revenue and the bottom line.

We are the leader and trendsetter in residential property, the most dominant player in retail mall management, pre-eminent hospital and healthcare group with world-class facilities, and fastest growing hotel and hospitality chain and will continue to strive for excellence in these business fields. Our commitment to quality and excellence will continue to enhance shareholder value and pride.

It is not a coincidence that we have consistently been voted Euromoney's Best Developer in Indonesia. Our unique business model is fully

integrated and self-reliant and we remain the only major developer with REIT platforms in Singapore, the region's principal financial center.

Looking to the future, we are convinced that the improving global economic situation and Indonesia's continued positive growth trend spurred by strong consumption and gradual liberalizing of the business regulatory environment will create opportunities for the Company to further expand and grow all of its businesses.

Our commitment to Good Corporate Governance (GCG) at all levels of our management and operations remained strong during the year and the Company continued to be a caring corporate citizen with its various community – focused programs impacting the lives of all who benefited from them.



Viven G. Sitiabudi
Commissioner

Theo L. Sambuaga
Independent Commissioner

Agum Gumelar
Independent Commissioner

Farid Harianto
Independent Commissioner

We regret that our Chairman Mr. Ning Gaoning and two of our Commissioners, Mr. Jiang Wei, and Mr. Charley Song Lin resigned from their positions as members of the Board owing to regulatory changes in the PRC (People's Republic of China). We thank these gentlemen for their active participation and effective contribution to the Company and are pleased to report that their previous duties have been smoothly assumed by the remaining eight members of the Board.

Lastly, on behalf of the Board of Commissioners, I would like to extend my gratitude to the shareholders, stakeholders and business partners for their continued trust and support. We would also like to acknowledge the hard work and dedication of the Board of Directors, management and all employees in making 2009 such a remarkable year for all of us despite the challenges faced. With your support we will be able to seize future opportunities, maintain our sustainable growth to remain the premier real estate company in Indonesia.

Surjadi Soedirdja

Vice President Commissioner

Report from the Board of Directors

In 2009 the Company's revenue and gross profit reached Rp 2.6 trillion and Rp 1.2 trillion, respectively, consistent with our expectation. Net income grew to Rp 388 billion, a modest increase of 5% from the previous year.

Dear Shareholders,

The year was full of challenges but Lippo Karawaci once again proved its resilience and was able to maintain its momentum of growth, justifying itself the dominant property developer. Our commitment to delivering value to the customers has brought the Company several achievements. During the year, apart from our continued inclusion in MSCI Global Standard Indices, we were also included in the inaugural SRI KEHATI / Green Chip Index, an index featuring listed companies with excellent environmental, social and good corporate governance practices. The Company was also voted for a third consecutive year the "Euromoney Liquid Real Estate Awards 2009" as the Best Developer in Indonesia. Another award received by the Company was the prestigious "Wealth Added Creator Award 2009" from the SWA Magazine, a prominent Indonesian business magazine.

2009 Performance in Brief

In 2009 the Company's revenue and gross profit reached Rp 2.6 trillion and Rp 1.2 trillion, respectively, consistent with our expectation. Net income grew to Rp 388 billion, a modest increase of 5% from the previous year.

The year's performance was highlighted by significant growth in our Healthcare business and marked by positive developments in our Large Scale Integrated Development. At year end, our total revenue comprised of 46% from development revenue and 54% from recurring revenue. We expect that whilst development revenue continues to grow, the share of recurring revenue to total revenue will grow even stronger.

In line with our focus in 2009 to complete and develop Kemang Village and The St. Moritz projects, we have successfully launched our fifth condominium tower "The Infinity" in Kemang Village in May. By the end of 2009, the construction of Kemang Village's first three condominium towers has reached 60% completion whilst The St. Moritz has started the construction of its first phase. The first three towers of Kemang Village are scheduled for handover to the buyers in mid 2010, while The St. Moritz is expected to be completed in the next two years.

Lippo Village and Lippo Cikarang were the main contributors to Urban Development revenue in 2009 although growth in this business unit came mainly from Lippo Cikarang which generated revenue growth of 16% as sales of residential clusters, industrial and

Report from the Board of Directors

commercial land continued to increase. Sales of San Diego Hills Memorial Park also jumped by 21%. In addition to that, both Lippo Village and Tanjung Bunga also continued to record more sales.

In our retail mall business unit, PX Pavilion @ The St. Moritz, an upscale entertainment and lifestyle mall, was successfully launched in August. Occupancy of Pejaten Village continues to improve whilst our foray into mall management has led us to become the largest retail property operator in Indonesia with 25 malls under our management featuring 1.7 million Gross Floor Area and over 14,000 shops. It was estimated that shopper traffic in our malls last year reached 200 million.

The outstanding performance of our Healthcare business is evidence of the Company's success in implementing its vision to impact lives. Throughout 2009, this business unit has shown continuous improvement both in terms of service and facilities, and contribution to the Company's overall revenues. The successful implementation of SDPDP (Siloam Doctors Partnership Development Program) has not only maintained the loyalty of our medical specialists, it has also attracted many new doctors to join our Siloam Hospitals, and thus improved the performance of this business unit.

On May 30, we held the topping-off ceremony of our fifth hospital The Mochtar Riady Comprehensive Cancer Center (MRCCC), which is expected to open in 2010. We also signed an MOU with SingHealth on June 13 to further enhance our ability to provide world-class healthcare through a collaboration which covers joint medical training and education programs, patient referral and consultancy. The four Siloam Hospitals recorded a 21% growth in revenue in line with the increase in number of patients, achieving average of 68% bed occupancy ratio.

In our Hospitality and Infrastructure business unit we successfully completed a rebranding of "Aryaduta" with a renewed focus on increasing MICE (Meeting, Incentive, Conference & Exhibition) revenue and higher corporate occupancy. Our seven hotels continued to achieve market share in the face of stiff competition in 2009, recording an average of 60% occupancy. This business division contributed 15% to total revenue. PT Aryaduta International Management was created as we entered into the hotel management business. We now manage 3 third party hotels in Jakarta, Palembang and Makassar. With 1,444 rooms under the Aryaduta brand, and more under construction, we are on the way to becoming the largest business hotel chain in the country.



Yuke Elia Susiloputro
Director

Tjokro Libianto
Director

Eddy H. Handoko
President Director

Ketut Budi Wijaya
Director

Jopy Rusli
Director

Our Property and Portfolio Management business unit, unique for a property company, continues to grow. Fee-based income from this business unit grew modestly in 2009 but is expected to take off as we grow on portfolio of malls under management and strengthen our “The Village” mall branding.

Outlook

With the continuing global economic recovery and domestic economic growth boosted by strong and growing domestic demand and consumption, we are confident that the Company can continue to achieve sustainable growth in the coming years. In 2010, we will continue to leverage on our core competencies and our leadership in the various businesses to

achieve stronger growth. Our main focus will be to expand our Healthcare business and hospital network, develop and manage more malls, improve on the performance of our Urban and Large Scale Integrated Developments and strengthen our market share in Hotels and Hospitality.

Finally, we would like to express our gratitude to all our employees, who have dedicated their time, effort and loyalty to the Company to help us achieve this remarkable performance. We are also appreciative to the shareholders, business partners, and all parties for their continuous support and encouragement in making last year a good year.



Eddy H. Handoko
President Director





Business Review

Despite the global economic uncertainty which continued into much of 2009, Indonesia stood out as one of the best performing economies globally.

Macro Economic Condition

Despite the global economic uncertainty which continued into much of 2009, Indonesia stood out as one of the best performing economies globally with GDP growth of 4.5% behind those of People's Republic of China and India which grew by 8.7% and 6.1%, respectively. Bank Indonesia (BI) continued to hold interest rates at 6.5% as the inflation rate dropped significantly. Indonesia was largely able to withstand the global impact as its economy is mainly consumption-driven.

Industry Reviews

Residential & Industrial Property

The reduction in the BI rates did not immediately lead to lower lending rates, adjustments in housing loans as demand for property during the first half of 2009 had been soft. Some construction and projects were delayed due to low market demand. Fortunately in the second half of the year, conditions improved somewhat as both the private and state-owned banks implemented lower lending rates.

The cumulative supply of condominiums in Jakarta surpassed 70,000 units by the end 2009 as sales gradually increased, no doubt supported by lower interest rates and improved offers for extended installment payments for purchasers.

Meanwhile sale of industrial plots experienced steady growth with total sales for the whole of 2009 keeping pace with that of 2008.

Retail Malls

By the end of 2009, the amount of retail space in Jakarta had increased by 9.7%, bringing the total to 3.6 million sqm. Upcoming new retail space development will continue in the coming years, which will result in a more competitive market in this sector.

On the demand side, occupancy level remained relatively steady during the year. Amidst a very competitive market, retailers were more selective in their choice of retail projects mainly those nearing completion or have reached critical phase.

Healthcare

2009 saw the opening of several new hospitals. The growing trend to enter this business sector was mainly due to the fact that there are only around 1,400 hospitals throughout Indonesia. In Jakarta alone with 10 million population, there are approximately 124 various class hospitals, which meant that each hospital served over a hundred thousand people. Demand for quality healthcare continues to increase with better living standards and rising incomes particularly amongst the growing middle class, many of whom travel overseas for their medical needs.

Hotels

Visitor arrivals to Indonesia in 2009 showed a slight increase of 0.4% compared to the previous year, making the hotel business dependent on domestic business travelling. Occupancy across the board dropped as competition heightened.



Development Business

2009 total revenue comprised of 46% from Development Revenue, with Urban Development as the main contributor. Large Scale Integrated Development saw positive development, while Retail Malls remained steady.

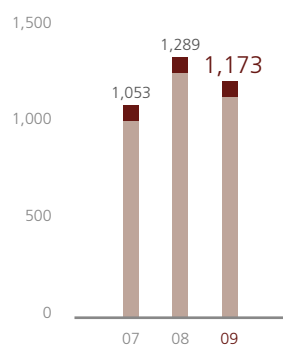
Urban Development

The Company pioneered the concept of urban development in the early 1990s by developing high quality environmentally friendly residential spaces at the Lippo Village and Lippo Cikarang townships. In 1997 the Company launched Tanjung Bunga, the only integrated community development in Makassar. The latest development under Urban Development is the San Diego Hills Memorial Park and Funeral Home, launched in January 2007, is the first memorial park in the world which incorporates a family center.

To date, both Lippo Village and Lippo Cikarang townships are successful and comprehensive residential, commercial and industrial communities populated by over 55,000 and 30,000 people, respectively. More than 100,000 jobs have been created in these two townships. Lippo Cikarang industrial area is home to about 632 factories from well known brands such as Sanyo, Epson, Kalbe Farma, Adem Sari and Danone. Tanjung Bunga is now populated by more than 5,000 people and has proven itself as an up and coming integrated self-sustaining community in Makassar.



Development Revenue
(in billion Rupiah)



Lippo Village

Lippo Village was the Company's first significant project, was launched in 1993 and is located approximately 30 kilometers west of central Jakarta. The Company began pre-selling and marketing residential properties in the development in 1992. The Company's target residential consumers are middle to upper-middle income consumers. The development currently has a population of approximately 55,000 residents and most of the total 1,200 hectares owned by the Company has been developed. The Company has 3,066 hectares of development rights.

Lippo Village has also become a center for office properties, shopping, healthcare (as a high quality healthcare services are provided at Siloam Hospitals Lippo Village), entertainment and recreation facilities (including a five-star Aryaduta hotel, resort and golf course), education (Universitas Pelita Harapan and other internationally accredited English language educational institutions offer preschool to tertiary level education facilities).

During 2009, Lippo Village launched and developed two new clusters namely Emerald Green and Alora Residences and received positive response from the buyers. Lippo Village succeeded in recording total marketing sales of Rp 345 billion in 2009.

Lippo Cikarang

Through its 51.6% owned subsidiary, PT Lippo Cikarang Tbk, the Company has developed an integrated real estate and light industrial development at Cikarang, approximately 40 kilometers east of central Jakarta. The development rights cover an area of approximately 2,940 hectares, of which 2,600 hectares have been acquired and most of it has been developed. In the early 1990's the Company identified and acquired a large tract of undeveloped land located adjacent to several light industrial manufacturers in Cikarang, developed a master plan and constructed key infrastructure, before marketing residential options to consumers in 1992. Lippo Cikarang currently has a population of approximately 30,000 residents. The development has approximately 9,000 residential houses and supporting infrastructure, which includes shopping centers, schools, a hospital

Development Business

and a five-star hotel. Meanwhile, the industrial estate hosts more than 632 light industry facilities with several well known manufacturers. Lippo Cikarang's target residential consumers are middle and upper middle income consumers.

The growth of industrial estate around the Cikarang area has also led increased demand for residential houses as well as commercial centers. In 2009, Lippo Cikarang successfully launched 7 new residential clusters and 3 commercial centers.

As the only township with complete facilities, Lippo Cikarang has an advantage over its competitors. Sales in residential, commercial, and industrial areas increased significantly, achieving sales of more than Rp 400 billion by end of 2009.

Tanjung Bunga

Through its 50.3% owned subsidiary PT Gowa Makassar Tourism Development Tbk (GMTD), the Company has developed Tanjung Bunga urban development in Makassar, South Sulawesi, Indonesia. Tanjung Bunga is the largest integrated community development in eastern Indonesia and currently covers a developed area of approximately 400 hectares. Tanjung Bunga targets middle and upper-middle income consumers. The Company has acquired a total of 632 hectares of land out of 1,000 hectares development rights. Development in Tanjung Bunga commenced in 1997. Since then, the Company has acquired a large area of undeveloped land, installed critical infrastructure, including a four and half kilometer causeway linking the development with the city of Makassar and subsequently constructed and sold residential housing. Tanjung Bunga has



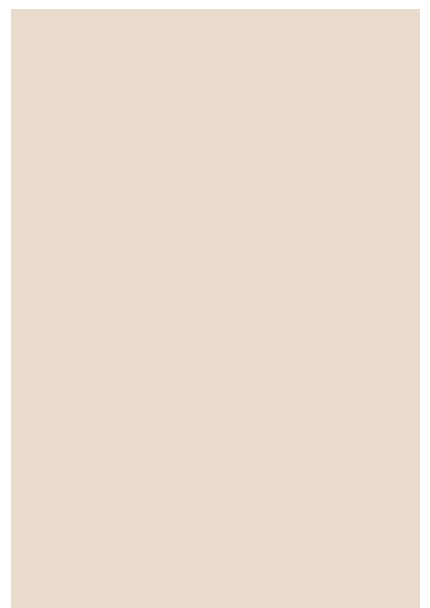
more than 2,200 homes and has a population of approximately 5,000 residents. The development is unique in that it includes both ocean front and river front properties. The Company is currently developing a Spanish-Mediterranean style cluster of townhouses, medium-sized homes and condominiums.

Facilities at Tanjung Bunga include five-star Hotel Aryaduta Makassar and the GTC Makassar Mall. Tanjung Bunga continued to expand and grow in 2009. The total number of buildings (houses, shop houses, and office houses) and land lots handed over to buyers reached 4,000 units increased from 3,654 units last year. Improvements in infrastructure was also carried out through development of water channels, roads and an increase in its clean water supply.

Several recent developments around Makassar has also given impetus to Tanjung Bunga performance this year. These included Trans Studio Mall Makassar and Centre Point of Indonesia. Tanjung Bunga reached Rp 92 billion of marketing sales in 2009, increased significantly from only Rp 49 billion in the previous year.

San Diego Hills Memorial Park (San Diego Hills)

San Diego Hills Memorial Park, built on more than 100 hectares of land in Karawang, West Java, commenced commercial operations in January 2007. Being the first memorial park in the world that incorporates a family center, San Diego Hills includes 14 hectares of facilities, featuring a multipurpose, multi denominational building, a chapel, a restaurant and food mart, a gift shop, and an eight hectare man-made lake.



Development Business

As at December 31, 2009, approximately 824 internments had been made and a total of 15,204 units have been sold. In 2009, San Diego Hills recorded sales of Rp 70 billion, higher than the previous year.

In 2009, the revenue from the three Company's townships recorded Rp 655 billion in revenues, and the memorial park contributing Rp 62 billion, increased by 10% and 21%, respectively from the previous year. Revenue from Urban Development contributed 28% to the Company's overall revenue.

Outlook

The interest rate environment continues to be favorable to the further lowering of property loan rates. Coupled with the expectation that foreigners may soon be allowed to purchase residential property, the outlook for increased sales in the near future appears positive.

The Company will focus on improving the management of its well developed townships and improving access and infrastructures for its residents. New projects will include only small clusters in strategically located micro suburbs.

The implementation of the Government Regulation No. 24 concerning Industrial Areas since late 2009, is also expected to benefit the Company as more factories will have to relocate to designated industrial areas such as Lippo Cikarang.

Tanjung Bunga in particular will see further opportunities for growth with the increasing number of visitors to the surrounding areas, the opening of Trans Studio Makassar and the Mamminasata access that connects Makassar, Maros, Sungguminasa dan Takalar.

Large Scale Integrated Development

The Company has proven that location can be created with its self-contained vertical townships. Designed to attract buyers with a global-standard facilities, Large Scale Integrated Developments also provide a solution to over-burdened city infrastructure by integrating residential, office, entertainment, education and healthcare facilities on one site.

Three developments are still in progress for the company namely City of Tomorrow, Kemang Village, and The St. Moritz.

City of Tomorrow (CITO)

CITO is located in Surabaya, the second largest city in Indonesia. Constructed on 2.6 hectares of land, it features a strata-titled mall with 1,300 shops, the Aryaduta Residences condominium, 6 office towers, the five-star Aryaduta hotel and a university. As at end of 2009, the office towers and hotel reached 80% and 50% of completion respectively, whilst the strata-titled mall and condominiums have been fully completed and handed over to the buyers the year before.

Kemang Village

Located in the prestigious and elite area in South Jakarta, Kemang Village features the concept of a 'City within the City'. Built on a 15 hectares site its infrastructure and world-class facilities target the expatriate community and upper income residents in South Jakarta. The project comprises of seven condominium towers, Aryaduta Kemang Village Hotel, Kemang Village Country Club, the Pelita Harapan School, Siloam Hospitals Kemang Village and Kemang Village shopping mall. Development of Kemang Village is supported by a project team with expertise and experience in various high-quality development projects around the world.

The development of Phase I of Kemang Village, which comprised three condominium towers (The Ritz, The Cosmopolitan and The Empire), reached 60% completion by end December 2009. The three towers are scheduled for handover to the buyers in the 2nd half of 2010. Sales in the fourth tower, the Tiffany, are proceeding satisfactorily.

The 5th condominium tower, The Infinity, launched in May also received positive response from buyers. Further towers are expected to be completed in phases before scheduled final completion of the project in 2016. The marketing sales of Kemang Village reached Rp 169 billion in 2009.

The St. Moritz

The St. Moritz is located on 11.4 hectares of land within a new 135 hectares Central Business District masterplan in West Jakarta that is projected to become the new business hub for the area with

healthcare, education and entertainment facilities. Developed in response to the new trend of companies moving away from the 3-in-1 zone, The St. Moritz's strategic location could be accessed easily through multiple directions via toll roads.

The St. Moritz will feature condominium towers, hotel, office, mall, clubhouse, convention center, hospital, international school, wedding chapel, and Sea World. Three condominium towers (The Presidential, The Ambassador and The Royal) were launched in the first phase.

By December 2009, the Company has successfully sold approximately 80% of the total 494 units, with Rp 266 billion sales during 2009. Total sales value from the project was Rp 716 billion. The first phase of The St. Moritz development is expected to be completed in 2012, with final completion of the development scheduled to be in 2017.

The total revenue of the Company's Large Scale Integrated Developments in 2009 reached Rp 371 billion, 77% higher to that achieved in the previous year, and equal to 15% of the total revenue of the Company. The Company will continue the completion of The St. Moritz and Kemang Village in phases.

Outlook

The market for apartments is predicted to gradually become active starting 2010 as a result of improving economic conditions and higher business confidence. There is a growing expectation that the government would enact the long awaited regulation on foreign ownership that will enable foreigners to directly

Development Business

own Indonesian property. If this happens, sales of apartments are expected to increase significantly taking into consideration the low price per square meter for property assets in Indonesia compared to the region.

Retail Malls

The successful development of the townships has inspired the Company to further expand into other real estate projects starting with strata-titled commercial malls in 2005. So far the Company

the Company plans to strengthen its position as the largest mall operator in Indonesia by developing or managing more retail malls across Indonesia, focusing mainly in Jakarta and several major secondary cities.

In December 2008, the Company completed its first leased mall, the Pejaten Village Mall located in a strategic location in South Jakarta. Built on a 2.38 ha site, the mall has evolved to become a new lifestyle destination in South Jakarta with 80% occupancy.



has developed eight strata-titled malls strategically located in several major cities of Indonesia, in large population catchment areas and within easy access to major transportation routes and highways. These included malls located in the Greater Jakarta area (Jakarta, Bogor, Depok, Tangerang, Bekasi), Medan, Surabaya and Malang.

Taking advantage of the fast growing middle and upper-middle income class, strong domestic consumption, as well as the growing mall culture,

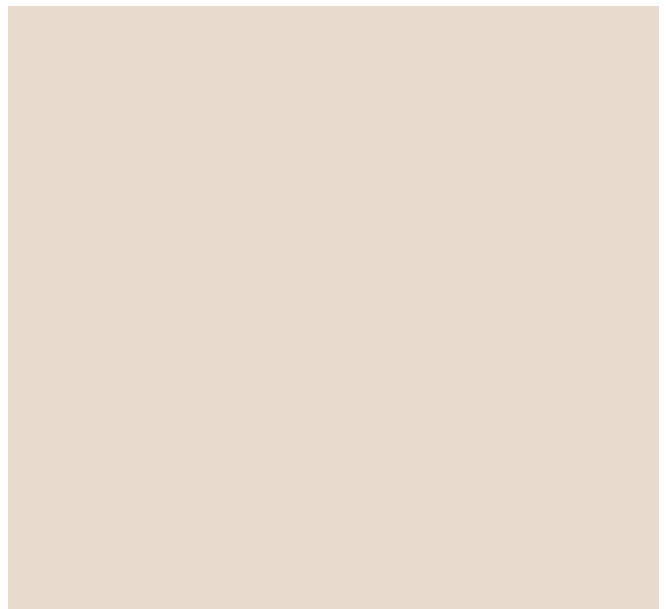
As part of Company's strategy to become the largest mall operator in Indonesia, the Company through its subsidiary, currently manages 25 (twenty five) malls in Indonesia, with more than 1.7 million sqm Gross Floor Area (938,000 sqm Net Leasable Area), more than 14,000 unit shops and over 21,000 car lots. Under The Village brand, the Company is not only the dominant market player but has also been able to achieve an impressive average occupancy of over 80% with more than 200 million visitors in 2009.

Following the successful opening of its Pejaten Village Mall in December 2008, the Company launched PX Pavilion @ The St. Moritz, the first phase of its mall development there, in August 2009.

To support its tenants, the Company has established close relationships with tenants by providing education and advice to improve their sales performance. Several activities such as midnight and 24-hour sale campaigns were held to attract more visitors.

capita in Indonesia is still very low compared to other countries in the region. Additional malls will still be required in locations close to residential developments due to the increased traffic congestion in Jakarta and growing need for convenience. The Company plans to develop the Kemang Village Mall and The St. Moritz mall within the next 3 years.

To cope with a tougher retail environment, the Company as mall operator will strengthen its relationship with tenants/retailers as partner. By



Retail Malls division recorded Rp 85 billion of revenue for this year equal to 3% of the Company's total revenue.

Outlook

With an improving economy expected next year, the Company is confident that the mall business offers great growth potential. Despite the increasing number of mall projects, the number of malls per

having a large number of malls located in strategic areas, good relations with retailers, and commitment to be the best in the business, the Company believes that it can maintain its leading position in the market.

Recurring Business

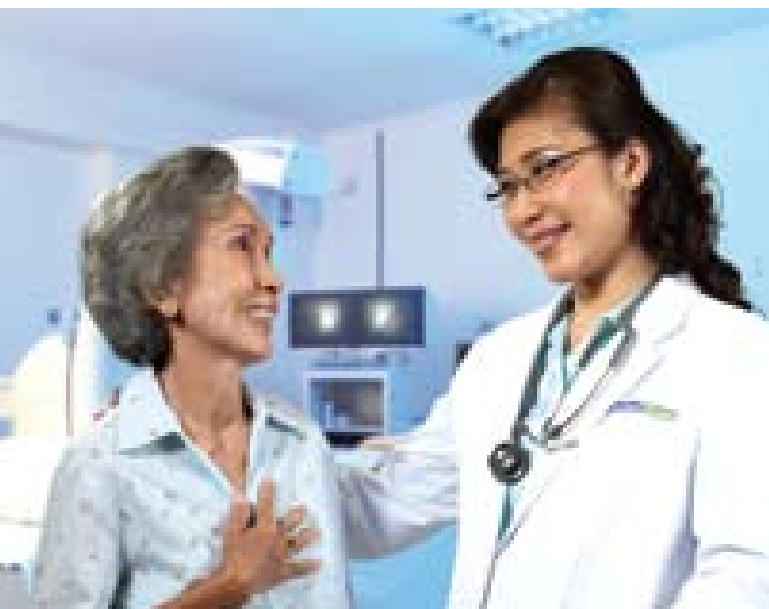


As Healthcare business grew significantly in 2009, the share of Recurring Revenue increased to 54% in 2009. The Company's Hospitality & Infrastructure and Property & Portfolio Management experienced steady growth.

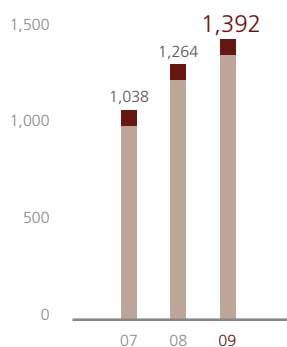
Healthcare

The shortage of high quality hospitals in Indonesia and the growing need of Indonesians seeking superior medical care encouraged Lippo Karawaci to enter the healthcare business by establishing its own network of Siloam Hospitals private hospitals featuring world-class facilities and standards for the medium-to-high income population in Indonesia.

Currently, there are four hospitals under the Siloam Hospitals group management: Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya and Siloam Hospitals Lippo Cikarang, making us the leading private hospital and healthcare group in Indonesia. The fifth, The Mochtar Riady Comprehensive Cancer Centre is expected to be operational in 2nd Half 2010.



Recurring Revenue
(in billion Rupiah)



The Company's commitment to deliver the best healthcare service in Indonesia is reflected in its strategy of recruiting the best doctors and medical staffs to work at Siloam Hospitals. To retain the most talented doctors the Company implemented the Doctors' Partnership Program, which has contributed to increased Healthcare revenues. Quality service at the Company's hospitals also supported by state of the art healthcare equipments, exceptional professional skills, strong commitment to clinical governance and patient safety principles.

In 2009, Siloam Hospitals signed an MOU with SingHealth to further enhance its ability to provide world-class healthcare. Throughout the year, Siloam Hospitals intensified its effort to provide outstanding customer service, demonstrate clinical excellence in taking care of inpatients, outpatients and specialty care patients while at the same time ensuring both operational excellence and cost-efficiency. The Company expanded the emergency unit into a comprehensive trauma center designed to deliver immediate and prompt action to help patients in emergency cases.

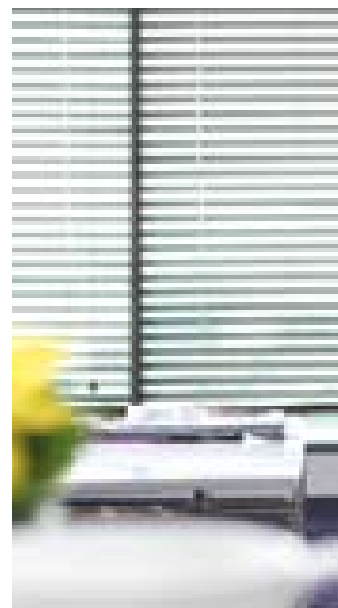
Recurring Business

In connection with the specialist nature of its hospital facilities the Company has developed “Centers of Excellence” in a number of specialist fields at its hospitals, such as cardiology, neuroscience, fertility treatment, urology, orthopedics, occupational medicine and gynecology. The Company believes its Centers of Excellence are recognized in Indonesia as providing some of the most sophisticated services and medical care available in Indonesia.

Siloam Hospitals Lippo Village offers general hospital services and is regarded as a Center of Excellence for neuroscience and leading heart center. The hospital offers a comprehensive range of cardiological services ranging from preventative measures to complicated surgery. Siloam Hospitals Lippo Village is the only hospital in Indonesia to be awarded a JCI Accreditation.

Siloam Hospitals Kebon Jeruk offers general hospital services and is regarded as a Center of Excellence for urology, obstetrics and gynaecology. Siloam Hospitals Lippo Cikarang specializes in Occupational Health, while Siloam Hospitals Surabaya provides excellent medical service on fertility treatment and stroke treatment.

In general, 2009 was a remarkable year for the Company’s Healthcare business unit. The Siloam Hospitals booked total revenue of Rp 896 billion contributing around 35% of the Company’s total revenue.



Outlook

The Company plans to increase public awareness of the high quality of services offered by its medical facilities and to promote its “Siloam Hospitals” brand name through strong marketing activities both in Indonesia and internationally, targeting potential consumers who may otherwise go to neighboring countries for elective surgical procedures and moving towards telemedicine and medical tourism.

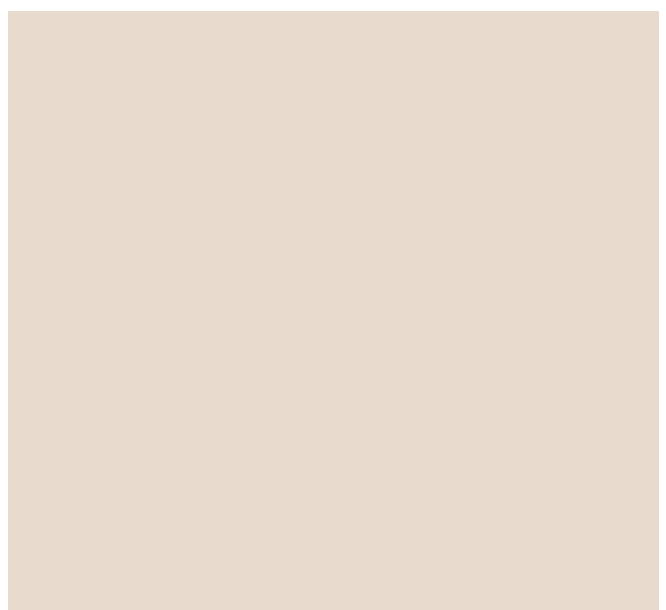
The Company also plans to further expand its healthcare business by establishing other Siloam Hospitals in strategic locations in Indonesia and around Greater Jakarta, several hospitals have been planned in the next five years.

Hospitality & Infrastructure

Hospitality

The Company's Hospitality business unit manages its hotel operations under the Aryaduta brand and operates a number of restaurants, a golf course and other facilities. These facilities target business travelers in particular. In developing its townships and large scale integrated developments in Kemang Village and The St. Moritz, the Company aimed to satisfy its customer's needs by including certain key features, such as high quality hotel facilities.

The Company currently owns and manages 7 (seven) international standard hotels throughout the country. The Company's portfolio includes Hotel Aryaduta Jakarta, Hotel Aryaduta Lippo Village, Hotel Aryaduta Pekanbaru, Hotel Aryaduta Medan, Hotel Aryaduta Semanggi, Hotel Aryaduta Makassar, and Hotel Aryaduta Palembang, with a total of 1,444 rooms.



Recurring Business

Despite the unfavorable situation in the tourism business sector in this country in 2009 due mainly to the global economic slowdown, the Company was able to continue to consolidate its hotel operations and strengthen the Aryaduta brand name and service excellence. By the end of December 2009, the average occupancy of the hotels reached 60%, higher than the industry in general.

Town Management

The Town Management Division (TMD) has proven to be an innovative and highly successful municipal management system, which has demonstrated a high degree of competency and reliability in handling the total administration of its townships. Since its inception, the division has assumed virtually the whole gamut of responsibilities that are generally provided by local governments. The Company's excellent system has become a benchmark that is regularly being studied by senior government officials from around Indonesia and the region.

TMD's high quality services include the following:

- Roads and drainage maintenance and flood retention and control.
- Potable water treatment and reticulation, aerobic sewage treatment and recycling.

- Round the clock town-wide security, traffic control, and road safety.
- Internal and external public transport systems, with increasing emphasis on the safety and convenience of pedestrians and cyclists.
- Planning and building control regulations, with close and effective enforcement.
- Environmental improvement, maintenance and self-sustainability, targeting a reduction of temperatures, maximizing solid waste recycling and livability with cleaner air (reducing particulate count), easy access to healthy amenities and greater and safer sidewalks to schools, university, hospital, shopping center and employment.

Through effective governance, TMD has succeeded in improving property values, often against current trends, and retaining the loyalty of the residents and commercial entities in Lippo Village.

Overall, the revenue from Hospitality & Infrastructure division reached Rp 392 billion, representing 15% of the total revenue.

Outlook

Indonesia's continued growth and its attraction for foreign business investment will continue to help improve tourist and business arrivals. The Company is developing two new Aryaduta-branded hotels, as part of the Company's large scale integrated development, City of Tomorrow and Kemang Village, not only to enhance its network but also to meet the expected increase in demand for high quality but affordable hotel facilities.

In TMD the Company will continue to implement further improvements as part of its ongoing responsibility to the people who work, live and play in its townships to provide them with a sustainable living and work environment.

Property & Portfolio Management

Lippo Karawaci is the first and only Indonesian Company to set up Real Estate Investment Trusts (REITs). Its first Singapore listed REIT was launched in December 2006 through the injection of its healthcare properties into First REIT. Lippo Karawaci owns 80% of the REIT manager Bowsprit Capital Corporation Limited.

The second REIT for Indonesian retail properties, Lippo Mapletree Indonesia Retail Trust (LMIRT), was also listed in Singapore in November 2007. The manager of LMIRT, Lippo-Mapletree Indonesia Retail Trust Management Ltd, is jointly owned by Lippo Karawaci (60%) and Mapletree Group (40%), a leading Singapore real estate company. Through its subsidiary, PT Consulting & Management Services Division, the Company manages the mall properties.

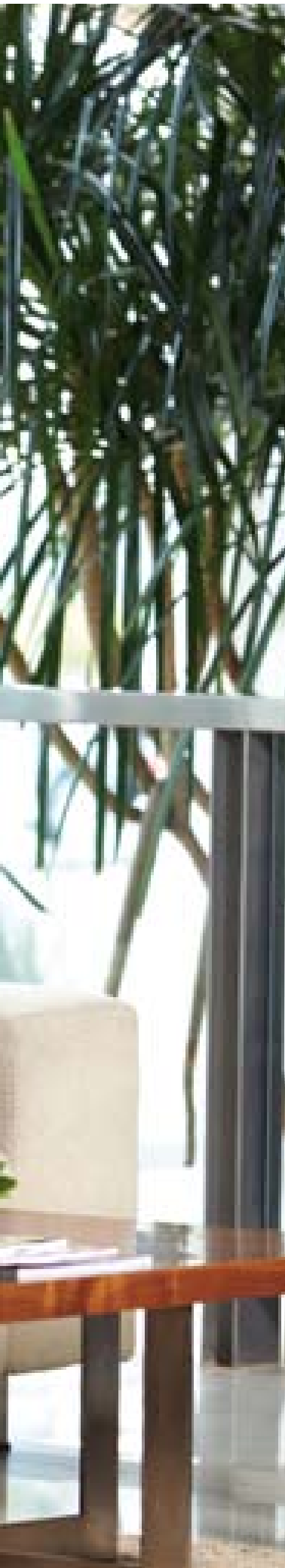
Lippo Karawaci receives fee-based income from being the REIT managers of First REIT and LMIR Trust and property manager for the malls and hotels.

Fee-based income from Property & Portfolio Management reached Rp 104 billion in 2009.

Outlook

Fee-based income is expected to grow as the Company implements its strategy to manage more malls, strengthen its hospitality business and benefit from the recovery and growth of First REIT and LIMR Trust.

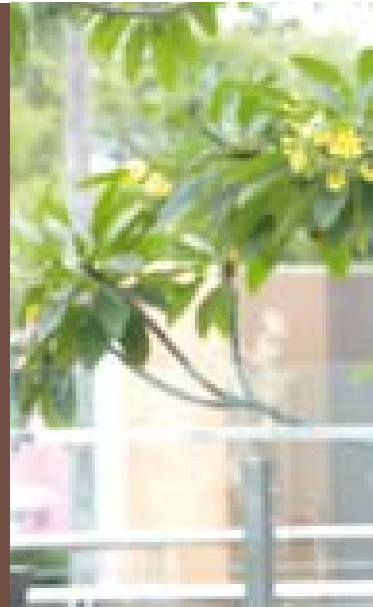




Management Report

The Company's 2009 performance was highlighted by a significant growth in Healthcare business and the positive developments in Large Scale Integrated Development.

Management Discussion & Analysis



2009 was another good year for Lippo Karawaci. The Company ended the year with good results amidst economic conditions that had not fully recovered from the global crisis since mid 2008.

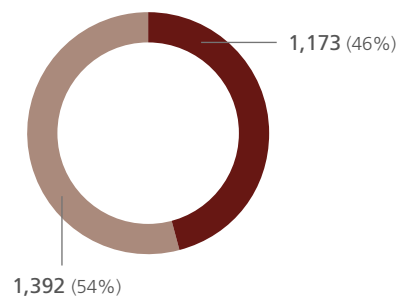
The Company's revenue for full year 2009 was stable compared to the previous year. Development Revenue dropped by 9% year on year but was compensated by the increase in Recurring Revenue of 10% year on year, resulting in total Revenue of Rp 2,565 billion, which grew modestly from Rp 2,553 billion in 2008.

Revenue

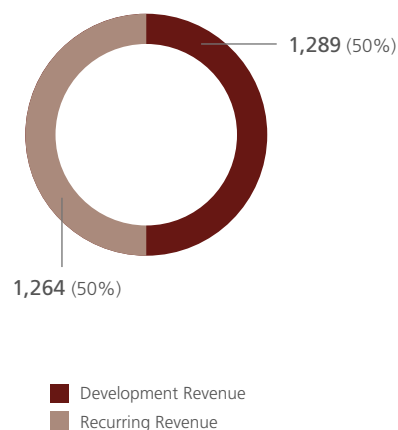
Lippo Karawaci's revenue can be categorized into two main groups, one is the Development Revenue and the other is the Recurring Revenue. Development Revenues are generated by revenue from Urban Development, Large Scale Integrated Development and Retail Malls, while Recurring Revenues are generated predominantly by the revenue from Healthcare, Hospitality & Infrastructure and Property & Portfolio Management.



Revenue 2009
(in billion Rupiah)



Revenue 2008
(in billion Rupiah)



Revenue 2009:

Development Revenue (in billion Rupiah)

Rp **1,173**

Recurring Revenue (in billion Rupiah)

Rp **1,392**

The Company's 2009 performance was highlighted by a significant growth in Healthcare business and the positive developments in Large Scale Integrated Development. From the Rp 2,565 billion total revenue, 46% was contributed by Development Revenue and 54% from Recurring Revenue. This composition has shifted since 2008 as the share of Recurring

Revenue grew stronger. The Company believes that its significant Recurring Revenues mitigate some of the risks of the cyclical of property business in Indonesia.

The table below sets forth the Company's Development and Recurring Revenues:

Management Discussion & Analysis

Revenue (billion Rupiah)

	2009		2008		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Development Revenue	1,173	46%	1,289	50%	-9%
Urban Development	717	28%	1,007	39%	-29%
Large Scale Integrated Development	371	15%	209	8%	77%
Retail Malls	85	3%	73	3%	16%
Recurring Revenue	1,392	54%	1,264	50%	10%
Healthcare	896	35%	743	29%	21%
Hospitality & Infrastructure	392	15%	419	17%	-6%
Property & Portfolio Management	104	4%	102	4%	2%
Total	2,565	100%	2,553	100%	0.5%

1. Development Revenue

Urban Development continues to be the main contributor to the Development Revenue. Both Large Scale Integrated Development and Retail Malls contributed an increase in revenue of 77% and 16%, respectively. However the Urban Development

revenue dropped by 29% year on year (yoy), this is attributable to one-time revenue of Rp 361 billion from selling a commercial land and building, and a hotel property in 2008. As a result the Development Revenue decreased by 9% compared to 2008 performance.

Urban Development

Revenue (billion Rupiah)

	2009		2008		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Land Lots	434	60%	404	40%	7%
Residential Houses and Shophouses	210	29%	178	18%	17%
Memorial Park	62	9%	52	5%	21%
Asset Enhancement	11	2%	12	1%	-3%
Others	-	-	361	36%	-100%
Total	717	100%	1,007	100%	-29%

The Company continues to sell higher margin commercial and residential land lots in Lippo Village and industrial land lots in Lippo Cikarang in 2009, as it has done in the last few years. The sale of Residential Houses and Shophouses which contributed 29% of

this division's revenue grew by 17% yoy as sales of residential clusters in the 3 townships the Company owned continued to increase. Sales of San Diego Hills Memorial Park also jumped by 21% yoy.

Large Scale Integrated Development

Revenue (billion Rupiah)

	2009		2008		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Apartments	359	97%	201	96%	78%
Asset Enhancements	12	3%	8	4%	56%
Total	371	100%	209	100%	77%

Revenue from condominium sales in Large Scale Integrated Development rose significantly by 77%. This is mainly attributable to the recognition of revenue from 3 condominium towers in the Kemang Village project which contributed Rp 354 billion

to 2009 revenue based on construction progress which reached 60% by end of December 2009. These condominiums are expected to be completed and handed over to the buyers in the second half of 2010.

Retail Malls

Revenue (billion Rupiah)

	2009		2008		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Asset Enhancements	84	98%	34	46%	146%
Shopping Centers	1	2%	39	54%	-97%
Total	85	100%	73	100%	16%

As a result of the Company's strategy to switch from selling strata-titled malls to developing leased malls, plus the fact that the Company had limited inventory of unsold retail spaces that the Company own, the revenue contribution from selling retail

spaces in its malls were minimal. On the other hand, the contribution of the Company's first leased mall, Pejaten Village, continues to improve in line with the first full year of operation of this mall which reached 80% occupancy.

2. Recurring Revenue

Healthcare

Throughout the year, the Company's Healthcare business unit has shown continuous improvement both in terms of service and facilities, as a result

both inpatient and outpatient revenues increased by 16% and 27%, respectively. This has brought an outstanding performance of 21% rise in Healthcare revenue, from Rp 743 billion in 2008 to Rp 896 billion in 2009. The operational indicators from each hospital can be seen in below table:

Management Discussion & Analysis

Operational Indicators

	Siloam Hospitals Lippo Village		Siloam Hospitals Kebon Jeruk		Siloam Hospitals Surabaya		Siloam Hospitals Lippo Cikarang	
	2009	2008	2009	2008	2009	2008	2009	2008
Operating Bed	188	170	192	187	157	160	56	55
Bed Occupancy Rate	77%	79%	59%	61%	72%	66%	61%	60%
Number of Inpatient/Year ('000)	12.2	11.1	10.0	9.6	8.2	7.4	3.6	3.6
Number of Outpatient/Year ('000)	186	188	205	209	75	63	68	65
Gross Operating Revenue (billion Rupiah)	389	341	287	230	146	109	66	57
Inpatient revenue	237	206	147	133	107	84	35	29
Outpatient revenue	152	135	140	97	39	25	31	28

Hospitality & Infrastructure

Revenue (billion Rupiah)

	2009		2008		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Hotels and Restaurants	183	47%	226	54%	-19%
Town Management	86	22%	78	19%	10%
Water and Sewage Treatment	67	17%	62	15%	8%
Recreation and Sports	43	11%	42	10%	3%
Others	13	3%	11	2%	29%
Total	392	100%	419	100%	-6%

Revenue from the Hospitality & Infrastructure business unit dropped slightly as revenue from Hotels and Restaurants, its main revenue contributor, decreased by 19% yoy due to the unfavorable situation in the tourism business sector in Indonesia during 2009 as a result of the global economic slowdown. Foreign visitor arrivals to Indonesia in 2009 had not shown significant improvement making the hotel business highly dependent on domestic business travelling.

As a result of the continuous consolidation in the Company's hotel operations and the successful "Aryaduta" rebranding, its four hotels recorded an average of 56% occupancy, higher than the industry average. In addition, its renewed focus in 2009, on

increasing MICE (Meeting, Incentive, Conference & Exhibition) has also helped to increase revenues.

Property & Portfolio Management

The Company's fee-based income from its role as property manager for managing malls and hotels, and controlling ownership of the REIT Managers of First REIT and LMIRT grew modestly from Rp 103 billion in 2008 to Rp 105 billion in 2009, as the Company entered into the hotel management business in 2009 managing 3 third party hotels in Jakarta, Palembang and Makassar, with average occupancy of 62%. The revenue of this business unit is expected to rise as the Company grow its portfolio of malls under management and strengthen "The Village" mall and "Aryaduta" branding.

Gross Profit

Gross Profit decreased by 3% to Rp 1,187 billion in 2009 from Rp 1,219 billion in 2008.

Income from Operations

The Company's Income from Operations increased by 3% from Rp 465 billion in 2008 to Rp 481 billion in 2009 as a result of 6% decreased in Operating Expenses. This was attributable of the implementation of cost control and increased efficiencies that enabled the Company to suppress both Selling and General & Administrative Expenses by 9% and 6%, respectively.

Net Income

Net Income in 2009 grew to Rp 388 billion, reflecting a 5% increased over Rp 371 billion achieved in 2008.

Balance Sheets

Total Assets of the Company grew by 3% from Rp 11,788 billion to Rp 12,128 billion as at 31 December 2009. This was mainly attributed to the increase in Inventory totaling Rp 563 billion in 2009. Total Liabilities decreased from Rp 6,928 billion to Rp 6,839 billion as of end of 2009, mainly due to the drop in Total Debt to Rp 2,884 billion from Rp 3,199 billion as a result of Rupiah's appreciation against USD.

Meanwhile, Advance from Customers increased by 10% compared to the previous year. Most of the Advance from Customers were collected from the pre-selling of condominium units in the Company's two major projects Kemang Village and The St. Moritz.

Liquidity

The Company actively manages its cashflow, debt maturity profile and funding to ensure all refinancing and funding needs are met. The Company believes

that it has sufficient capital resources from its operations and other financing from banks, financial institutions, and other lenders. The Company maintained an adequate cash balance of Rp 1,533 billion at 31 December 2009. At the end of the year net gearing ratios was 0.3. The Company will continue to maintain its gearing ratio at below 1 in the future.

Hedging

As part of the Company's prudent financial policies for foreign exchange, it had fully hedged its foreign currency debt amounted USD 250 million through 9 derivative contracts with various international banks, as follows:

- a. 6 Non Deliverable USD Call Spread Contracts with the following banks : BNP Paribas, UBS AG, Deutsche Bank and Merrill Lynch Capital Markets Bank Ltd. for the Notional Amount of USD 175 million. Under the terms as stipulated in the contracts, the Company has the option to buy the Notional Amount USD at the strike prices of Rp 9,000 to 9,200/USD on 9 March 2011 if the prevailing spot rate is below Rp 12,000/USD.
- b. 3 Non Deliverable USD Seagull Contracts with JP Morgan (S.E.A) Ltd. and BNP Paribas for the Notional Amount of USD 75 million. Based on the contracts, the Company is given the option to buy the USD Notional Amount at the rate of Rp 9,200/USD on 9 March 2011 if the prevailing spot is between Rp 9,200 to 12,000 per USD, and to fix the exchange rate for the Notional Amount at the rate of Rp 8,250/USD and Rp 9,200/USD if the prevailing spot rates for each contract are below Rp 8,250/USD and Rp 9,200/USD, respectively. The Company's major annual financial obligation in foreign currency includes the 8.875% p.a. coupon payment on the USD 250 million Eurobond.

As the Company exercises performance and engagement discussion, it brings up the best potential talent it has, the Company is also able to identify the high potential human resources, develop, and nurture them in a solid teamwork to create synergy.

Human Resources

Lippo Karawaci as a Learning Organization

One of the Company's visions in the area of human resources is to become a learning organization. As this vision permeates through the whole Company, everyone will become actively involved in the process of sharing knowledge with others. The Company's corporate culture also fosters self-improvement and awareness in facing challenges and to explore opportunities as an important part of learning process.

The basis of human capital in the Company is that it provides equal opportunity for all employees to improve. The Company eliminated communication barriers between management and employees and encouraged an open culture wherein everyone has the right to articulate their ideas and concerns. The process of sharing ideas, problems, solution, will boost everyone's capacity to a higher level, as well as generate an out of the box mentality that is the basis of the Company's innovation. This practice is a part of



the insemination of knowledge and spirit to pursue the excellence that is not necessarily obtained through formal training. The Company also believes that such an environment will encourage healthy work ethics and promote job satisfaction. As the Company exercises performance and engagement discussion, it also brings up the best potential talent it has. As a result, the Company will be able to identify the high potential human resources, develop, and nurture them in a solid teamwork to create synergy.

Years of good practices has brought the Company to its present state of excellence, enriching employees with knowledge not available in any formal education. Everyone becomes an expert in what he/she has been doing for years. To become a learning organization, the Company implements knowledge management, to identify, create, represent, distribute, and enable the sharing of insights and experiences. The Company also benchmarks its business process with the best global practices in the industry. Such practices combined with corporate values of honesty, loyalty,

Human Resources

alertness to environment and current issues, as well as being open minded toward innovation and change will drive the Company's human capital toward higher capability compared to other resources in the industry including the global companies.

Recruitment

To fulfill its human resources requirement, the Company recruits the best talents available in the market. Expatriates are hired only for top-level positions requiring specific expertise that cannot be fulfilled by local resources, such as in retail mall and hospital business. Hiring expatriates is part of the Company's strategy to improve the quality of its human resources. By doing this, the Company also expects transfer of knowledge and culture to occur. Nevertheless, for any other vacant positions, the Company still prioritizes internal recruitment over external recruitment.

Impact of Information Technology

Advancement

In the future, technology will gradually take over the execution of routine and mechanical tasks, shifting the role of human resources to more strategic areas. In anticipation to this, the Company has prepared itself internally by concentrating on improvements in two areas, i.e. work process and human resources development.

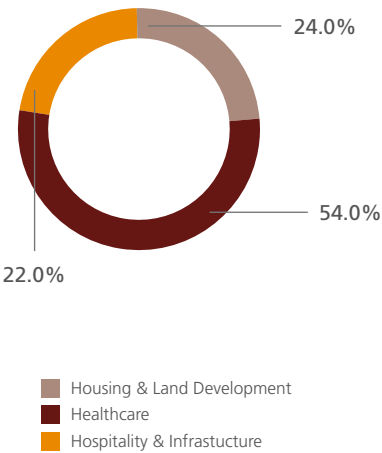
The Company develops continuous business process improvement, evaluating the process from time to time. The Company scrutinizes whether existing procedures effectively produce desired results, efficiently use resources, and eliminate bureaucracy, as well as how information technology could support the process. The Company implements the highest performance and productivity system that will provide actual benefit in enhancing the performance of business processes. Improved efficiency enables an employee to accomplish more tasks in a given time, and in some cases, contribute to a more secure process.

In the human resources area, by creating an environment that enables the insemination of knowledge and spirit of excellence, the Company encourages self development opportunities for employees. The Company utilizes affordable, efficient and easy maintenance technology mainly for data processing purpose such as office administration automation and security, while the human capital are directed toward more strategic roles. This initiative is part of knowledge management practice as explained above.

Employees

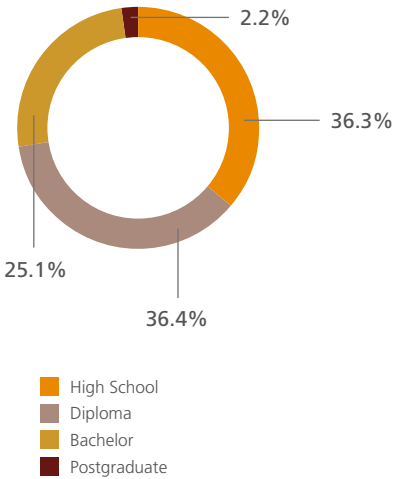
Total number of the Company’s employees in 2009 were 4,998 employees, of which 74% were permanent and 26% were temporary employees. Of the total employees, the largest number was in the Healthcare division, representing 54%, followed by the Housing and Land Development division with 24% and the Hospitality & Infrastructure division with 22%.

Based on Division

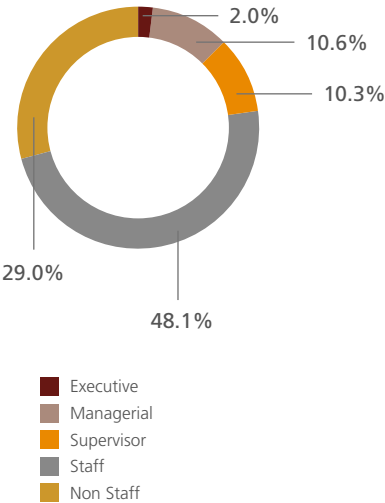


Profile of Employees

Based on education



Based on Position



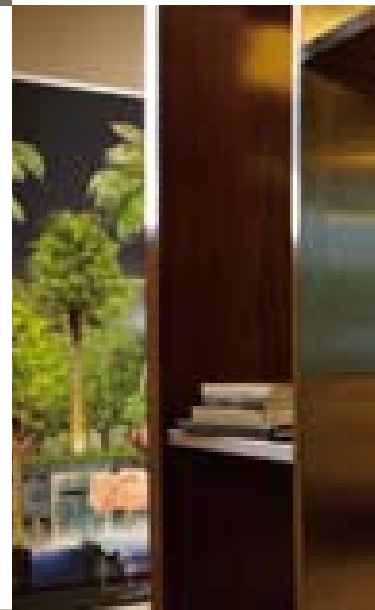




Corporate Governance Report

Corporate Governance Report

The Company commits to continuously improve its Good Corporate Governance (GCG) implementation by strengthening its GCG policies and practices and fully utilizing the Company's committees as well as disseminating GCG policies and practices to all of its members.



The Company believes that implementation of Good Corporate Governance (GCG) principles is an important step towards accomplishing its sustainability in business. The Board of Commissioners (BOC) and Board of Directors (BOD) of the Company work closely together to ensure that the Company continuously implements the principles of GCG in each and every layer of its organization.

The Company also commits to continuously improve its GCG implementation by strengthening its GCG policies and practices and fully utilizing the Company's committees as well as disseminating GCG policies and practices to all of its members.

GCG Implementation in Lippo Karawaci

Transparency

The Transparency principle emphasizes the need to implement openness in every company's aspect related with public or shareholders interest. Transparency is a manifestation of an open management and disclosure of accurate and timely information to the stakeholders.

The Company's management maintains its compliance towards Transparency principles by ensuring timely, adequate and accurate dissemination of information in periodic reporting of financial and non-financial



information to stakeholders, to the capital market authorities and stock exchange at a predetermined period and by complying with the stipulated disclosure regulations. Such information includes Annual Report and Half Yearly Financial Report to be published in mass media.

Any update information regarding the Company which the public should know is easily accessible through the Company's website, www.lippokarawaci.co.id, including information about achievements which is included both in its quarterly reports and also news regarding the Company in press releases.

Accountability

The Accountability principle is a manifestation of obligation to take responsibility over the success or failure in implementing the vision and mission of the Company to accomplish the predetermined objectives and targets. Accountability is a periodic act of responsibility from the Company's management.

The structure and framework of GCG in Lippo Karawaci are carried out through some functions or structures, such as the General Meeting of Shareholders, the BOC, the BOD and Committees, which is elaborated in another page of this report. Each part has its own role and accountability that support the implementation of GCG.

Corporate Governance Report

Responsibility

Compliance with the laws and regulations, as well as responsibility to the community and its environment with the aim of sustaining the long-term performance and recognition as a good corporate citizen is the responsibility undertaken by the Company.

As a public company, Lippo Karawaci has to adhere to the Company's Articles of Association and the Limited Liability Company Law. The Company also complies with the Regulations issued by the Indonesia Stock Exchange where its shares are listed. In addition, since its bonds are also listed at the Singapore Stock Exchange (SGX), the Company must also comply with its covenants. Payment of interest from bonds and distribution of dividend are based on the schedule determined by the SGX. The Company also monitors its credit ratings and provides the latest information in a timely manner to the investors and public alike.

As of 31 December 2009, credit ratings for the Company are B1 by Moody's, B by Standard & Poor's, and B+ by Fitch.

Independence

To expedite the implementation of GCG principles, the Company has to be managed independently and professionally without outside influence. The Company avoids conflict of interest at all time and decision making is implemented objectively without any pressure.

Equality

Equality for the Shareholders

Equality is a principle that treats all shareholders equally. In conducting its activities, the Company has to consider the interests of all shareholders and stakeholders based on this equality principle.

In line with the Equality principle, the shareholders must be treated equally and fairly. Lippo Karawaci applies equal treatment to all shareholders and also equal access in obtaining the latest substantial information from the Company on a timely basis. The Company protects and respects the shareholders' rights and strives to assist them to exercise their rights by conveying information effectively and encouraging them to participate in the General Meeting of Shareholders held by the Company.

Fair treatment for the members of the Company

The Company believes that every one of its members has to be treated in equal, fair manner, and with respect. The Company appreciates diversity in ideas and creativity of the people coming from different backgrounds and capabilities. The Company highly supports a "fair opportunity" culture, in which success is determined by value and performance.

The Company intends to be the preferred employer for its employees in each operation area. Strong corporate culture and innovative working environment are keys to successfully attract and retain its employees.

The Company will continue providing information to its members on the implication of business developments and other related matters. To ensure all its members obtain information on the Company's policies and activities, the Company developed an internal communication portal called "the Village". Through this media, various applications could be seen and utilized by the members, including regulations, and electronic leave application.

In 2009, “the Village” improved to ease the employees in receiving all information about the Company, such as Board of Management, Human Resources, Legal division, applications, Project Management and Document Management. Any news, announcement, list of people on leave and on business trip can also be seen here. Besides that, any useful links can be operated from “the Village”.

The Company commits to continuously improve its GCG implementation by strengthening the GCG policies and practices, fully utilizing the Company's committees and disseminating GCG policies and practices to all of its members.

Corporate Governance Structure

General Meeting of Shareholders (GMS)

The General Meeting of Shareholders (GMS) consists of Annual GMS and Extraordinary GMS. The Annual GMS (AGMS) is held annually, at the latest of 6 (six) months following the Company's fiscal year concludes. During 2009, the Company held its AGMS on 24th April 2009.

Agenda of AGMS

In the AGMS, the BOD discloses the annual report that had been checked by the BOC and the audited financial report by a Public Accountant to obtain the GMS ratification.

The BOC discloses a supervisory task report carried out the previous fiscal year and included in Annual Report.

The AGMS also determines the use of profit (in the event that the Company has positive net profits); and an appointment of a public accountant and/or grant power to the BOC to appoint public accountant.

The Shareholders' proposals shall be recorded in the agenda of GMS when they are written and submitted to the BOD by one or more shareholders who collectively represent at least 1/10 (one tenth) of the entire shares with legitimate votes that is issued by the Company; provided the BOD received the said proposals at the minimum of 3 (three) days prior to issuance of the Call of GMS.

Implementation Procedures

The implementation of GMS can be carried out based by the requests of one or more shareholders who represent 1/10 (one tenth) or more part of the entire shares allocated in the Company with legitimate votes; or based on the request of the BOC.

The implementation of GMS must abide by stipulations of laws on limited liabilities companies and provided that capital market regulations do not state otherwise.

Prior to the meeting, the Company had filed its plan with Bapepam-LK, BEI, Kustodian Sentral Efek Indonesia (KSEI), Sharestar Securities Registrar and Pusat Referensi Pasar Modal (PRPM) on 17 March 2009, followed a week later with the publication of Announcement on two daily newspapers, one national newspaper and one local newspaper and the Company's website on 24 March 2009. The Company published the Invitation and Agenda of AGMS on 8 April 2009 in two daily newspapers, one national newspaper and one local newspaper and the Company's website.

Corporate Governance Report

Chairman of GMS

GMS is chaired by a member of the BOC duly appointed by the BOC. In the event all members of the BOC are absent, the GMS will be chaired by the President Director. In the event the President Director is absent, the GMS will be chaired by one of the members of the BOD. In the event all members of the BOC and BOD are absent, the GMS will be chaired by the shareholder who is attending GMS, appointed from and by GMS attendees.

To comply with Article 13 paragraph 1 of the Company's Articles of Association, the BOC appointed Surjadi Soedirdja to chair the AGMS which was attended by 13,095,037,722 shares or representing 75.684% of the total Company's issued shares of 17,302,151,695 shares.

Attendance and Legitimacy of GMS

Those who have the rights to attend GMS are the shareholders whose names are listed in the Company Shareholders' List, 1 (one) working day prior to the Call of GMS in accordance with prevailing laws and regulations and stipulations of the Stock Exchange where the Company's shares are listed. The shareholders may be represented by other shareholders or third parties with a power of attorney based on prevailing laws and regulations.

In the Meeting, each share is vested with 1 (one) vote. Abstention votes or invalid votes are not counted in determining vote count.

Decision-making in GMS

All decisions are made based on discussion and deliberation. In the event a clear conclusion cannot be reached, the decision is made by voting based on affirmative votes of more than 1/2 (one-half) of the legitimate votes taken in the Meeting, unless stated otherwise in laws and/or the Company's Articles of Association.

AGMS has adopted the following resolutions which legally binding the Company:

The Annual General Meeting of the Shareholders (AGMS)

- I. 1. To accept the BOD's report on the activities and financial administration of the Company for the financial year ended 31 December 2008, which included the activities that were derived from the main activities of the Company conducted in Indonesia as well as overseas;
2. To approve and certify the Balance Sheet and Income Statement of the Company for the financial year ended 31 December 2008 which included the Financial Report for the financial year ended 31 December 2008 audited by the Public Accountant Firm Aryanto, Amir Jusuf & Mawar with unqualified opinion as stated by its report No. R/089.AGA/4.1/03/09 dated 2 February 2009;
3. To accept the Responsibility Report on the Realization of the Use of Proceeds from the Company's 2nd Rights Issue for the period ended 31 December 2008; and
4. To grant full release and discharge (acquitted and discharged) to the BOD of the Company for all the management actions and to the BOC of the Company for all the supervision actions, taken during the financial year ended 31 December 2008 as long as those actions were reflected in the Company's Financial Report for the financial year ended 31 December 2008 and the BOD's report for the financial year ended 31 December 2008 which included the actions taken in relation to the activities that were derived from the main activities of the Company conducted in Indonesia as well as overseas.

- II. 1. To approve that there will be no dividend distribution for the financial year ended 31 December 2008.
2. To approve that the fund of Rp 1,000,000,000 (One billion Rupiah) be allocated as a Reserve Fund as regulated by Article 70 of the Law No. 40 of 2007 concerning the Limited Liability Company;
3. To approve that the remainder of the net profit less the reserve in the amount of Rp 369,872,333,757 (Three hundred sixty nine billion eight hundred seventy two million three hundred thirty three thousand seven hundred fifty seven Rupiah) shall be booked as the retained earnings of the Company.
- III. To grant authority to the BOC of the Company to appoint an Independent Public Accountant to audit the books of the Company for the fiscal year that will end 31 December 2009 with condition that the Public Accounting Firm to be appointed is registered at the Capital Market and Financial Institution Supervisory Board and has good reputation, and to grant authority to the BOD to determine the honorarium and other terms relating to the appointment of the public accountant.
- IV. 1. To accept the resignation of Mr. L. Krisnan Cahya from his position as Director effective 13 December 2008 and absolve him from all responsibility undertaken during his term (acquit et de charge) provided that the actions are reflected in the Company book.

2. To appoint the members of the Board of Commissioners, Independent Commissioners and the BOD of the Company effective from the close of the Meeting until the expiry of the service period of the members of the BOC and BOD of the Company based on the Article of Association of the Company:

The Commissioners

President Commissioner	Ning Gaoning
Vice President Commissioner & Independent Commissioner	Surjadi Soedirdja
Independent Commissioner	Theo L. Sambuaga
Independent Commissioner	Tanri Abeng
Independent Commissioner	Farid Harianto
Independent Commissioner	Agum Gumelar
Independent Commissioner	Jonathan L. Parapak
Independent Commissioner	Prof. Dr. Adrianus Mooy
Commissioner	Charley Song Lin
Commissioner	Jiang Wei
Commissioner	Viven Gouw Sitiabudi

The Directors

President Director	Eddy Harsono Handoko
Director	Tjokro Libianto
Director	Ketut Budi Wijaya
Director	Jopy Rusli
Director	Yuke Elia Susiloputro

3. To grant the authority and power of attorney with substitution rights to the BOD individually or collectively to take any necessary actions relating to the aforementioned decisions, including but not limited to stating the appointment of the BOD, the BOC and Independent Commissioners of the Company in a Notarial Deed and to register the composition of the BOD and BOC of the Company above in the Company's Registration as regulated by the prevailing law; and

Corporate Governance Report

4. To approve and grant authority to the Remuneration Committee of the Company to determine the salaries and other benefits for members of the BOD and fees and other benefits for members of the BOC of the Company.

Minutes of GMS

Of all matters discussed and decided in the GMS, Minutes of the GMS is made and signed by the Chairman of Meeting and at least one shareholder or the power of the shareholder appointed by and from those who attend the Meeting. These signatures are not necessary if the Minutes of GMS are recorded in a Notarial Deed.

The Notarial Deed of the AGMS was prepared by Saifuddin Arief, SH, MH, Notary at Ciledug, Tangerang with Deed No. 10/2009 dated 24 April 2009.

The Board of Commissioners (BOC)

Duties

In general, duties of the BOC are performing supervision on the management of the Company by the BOD, on the Company as well as business of the Company and provide advice to the BOD. The BOC performs duties particularly assigned to them, according to the Company's Articles of Association and the prevailing laws and regulations and or based on decisions of GMS; and it is also performs duties, responsibilities, and authorities in accordance with stipulations of the Company Articles of Association and decisions of GMS.

In relation to the above-mentioned duties, the BOC will make a report on its supervisory duties performed during the previous fiscal year to be submitted to GMS. To support performing their duties, the BOC evaluates and approves the Company work plan; and assists and promotes the Company's training and development efforts.

In performing supervisory duties, the BOC must direct, monitor, and evaluate the implementation of the Company strategic policies. The BOC must perform its duties and responsibilities independently and ensure the implementation of risk management and principles of Good Corporate Governance in every business activity of the Company or level of organization.

In order to support the efficiency of its duties and responsibilities implementation, the BOC must form committees in accordance with the prevailing laws and regulations.

Membership and Terms of Office

Members of the Board of Commissioner are appointed by the GMS with one year tenure and may be reelected based on the GMS decision.

Starting the AGMS on 24 April 2009, the composition of the BOC is as presented in Table: BOC Membership and Terms of Office.

Table: Membership and Terms of Office of the Board of Commissioners

No.	Name	Position	Terms of Office
1	Ning Gaoning*	President Commissioner	24 April 2009 – 4 Nov 2009
2	Surjadi Soedirdja	Vice President Commissioner / Independent Commissioner	24 April 2009 – the next AGMS in 2010
3	Theo L. Sambuaga	Independent Commissioner	24 April 2009 – the next AGMS in 2010
4	Tanri Abeng	Independent Commissioner	24 April 2009 – the next AGMS in 2010
5	Farid Harianto	Independent Commissioner	24 April 2009 – the next AGMS in 2010
6	Agum Gumelar	Independent Commissioner	24 April 2009 – the next AGMS in 2010
7	Jonathan L. Parapak	Independent Commissioner	24 April 2009 – the next AGMS in 2010
8	Adrianus Mooy	Independent Commissioner	24 April 2009 – the next AGMS in 2010
9	Charley Song Lin *	Commissioner	24 April 2009 – 7 Sep 2009
10	Jiang Wei*	Commissioner	24 April 2009 – 7 Sep 2009
11	Viven Gouw Sitiabudi	Commissioner	24 April 2009 – the next AGMS in 2010

* On 7 September 2009, Jiang Wei (Commissioners) and Charley Song Lin (Commissioners) resigned from the Board of Commissioners, followed by Ning Gaoning (President Commissioner) on 4 November 2009. These resignations have been reported to the Bapepam-LK and IDX on 6 November 2009.

The BOC Meeting

Implementation Procedures

The BOC Meeting may be held at least once a year, unless it is deemed necessary by the President Commissioner or at least by 2 (two) Commissioners or by a written request of one or more members of the BOD or by a request of one or more shareholders who jointly possess 1/10 (one tenth) of the entire preferred shares by the Company with legitimate votes.

The BOC Meeting shall be held at the Company's premises or at the premises of Stock Exchange where the Company's shares are listed as long as it is within the territory of the Republic of Indonesia. If all members of the BOC are present or represented, the first call is not required and the BOC Meeting may be held anywhere and its decisions considered legitimate and binding.

Chairman of the BOC Meeting

The BOC Meetings shall be chaired by the President Commissioner. In the case that the President Commissioner cannot be present or is absent where it does not need to prove to a third party, the BOC Meeting shall be chaired by a person elected by and from the members of the BOC who are present.

Attendance and Legitimacy

A member of the BOC may be represented at the BOC Meeting only by one other member of the BOC based on a power of attorney. The power of attorney may be delivered through facsimile, electronic mail, or other electronic communication devices followed by the original or a copy of the original declared fit. The BOC Meeting is valid if more than 1/2 (one-half) of the number of members of the BOC are present or represented at the meeting.

Decision-making

Decisions of the BOC Meeting shall be made on the basis of discussion and deliberation. In the case a clear discussion is not reached, this decision will be made by affirmative votes of more than 1/2 (one-half) of the number of votes cast at the meeting. In the event affirmative and negative votes are equal, the Chairman of the BOC meeting shall have the deciding vote.

Corporate Governance Report

Each member of the BOC in attendance is entitled to 1 (one) vote and an additional 1 (one) vote for each other Board member represented. Blank and invalid votes are not counted in determining the number of votes cast.

2009 BOC Meeting

The BOC conducted 4 (four) meetings in 2009

Table: The Board of Commissioners Meetings in 2009 and the List of Attendance

No.	Date	Meeting Agenda	SS	TLS	TA	AG	FH	JP	AM	VS
1	20 March 2009	1. Approval on the Minutes of BOC Meeting held on 24 October 2008. 2. Approval on the 2008 Financial Statements. 3. Approval on the 2009 Budget adjustment. 4. Others.	1	1	1	1	1	1	1	1*
2	28 April 2009	1. Approval on the Minutes of BOC Meeting held on 20 March 2009. 2. Approval on the Financial Statements for the 3 (three) months period ended on 31 March 2009. 3. The BOD's Report. 4. Others.	1	-	1	1	1	1	1	-
3	29 July 2009	1. Approval on the Minutes of BOC Meeting held on 28 April 2009. 2. Approval on the Financial Statements for the 6 (six) months period ended on 30 June 2009. 3. The BOD's Report. 4. Others.	1	1	1	-	1	1	1	1
4	27 October 2009	1. Approval on the Minutes of BOC Meeting held on 29 July 2009. 2. Approval on the Financial Statements for the 9 (nine) months period ended on 30 September 2009. 3. Discussion on the 2009 projection and budget. 4. The BOD's Report. 5. Others.	1	-	1	1	1	1	1	1

Remarks: SS - Surjadi Soedirdja TLS - Theo L. Sambuaga TA - Tanri Abeng AG - Agum Gumelar
FH - Farid Harianto JP - Jonathan L. Parapak AM - Adrianus Mooy VS - Viven G. Sitiabudi

* Present in her capacity as the President Director, before holding the position of Commissioner based on the AGMS held on 24 April 2009

Committees under the BOC

In performing its supervisory function, the BOC is assisted by 2 (two) Committees, namely Audit Committee and Remuneration Committee. Each Committee has certain provisions that determine its duties and responsibilities as have been approved by the BOC.

Audit Committee

The Audit Committee is responsible for providing independent and professional opinion to the BOC in regard with the BOD's reports; to ensure the Company's Financial Statements are made according to the general accounting principles, and to ensure proper implementation of an internal audit system, financial reporting process and GCG within the organization.

The Audit Committee assumes the authority to access internal audit reports and other necessary reports; to communicate directly with both Internal and External Auditors; to discuss problems arising during the decision-making process with the BOD and other key officers with the consent of the BOD, and invite internal and external experts to obtain their professional opinions.

The composition of the Audit Committee as of 31 December 2009 is as follows:

1. Theo L. Sambuaga (Chairman)
2. Jeffrey G. Turangan (Member)
3. Jusuf Arbianto (Member)

Table: The Audit Committee Meeting and List of Attendance

No.	Date	Meeting Agenda	TLS	JT	JA
1	20 March 2009	1. The 2008 Financial Statements (Presentation by External Auditor from Aryanto, Amir Jusuf & Mawar Registered Public Accountant). 2. Discussion on the Financial Statements for 12 (twelve) months period ended on 31 December 2008 to be recommended to the BOC. 3. Internal Audit Work Plan (Presentation by Internal Audit).	1	1	-
2	28 April 2009	1. Discussion on the Financial Statements for 3 (three) months period ended on 31 March 2009 to be recommended to the BOC. 2. Discussion on the Internal Audit Report for Q1 2009.	-	1	1
3	29 July 2009	1. Discussion on the Financial Statements for 6 (six) months ended on 30 June 2009 to be recommended to the BOC. 2. Discussion on the Internal Audit Report for Q2 2009.	-	1	1
4	26 October 2009	1. Discussion on the Financial Statements for 9 (nine) months ended on 30 September 2009 to be recommended to the BOC. 2. Discussion on the Internal Audit Report for Q3 2009.	1	1	1
Remarks: TLS - Theo L. Sambuaga JT - Jeffrey G. Turangan JA - Jusuf Arbianto					

Remuneration Committee

The Remuneration Committee is formed to assist the BOC in improving the quality of the Company's management by establishing and implementing the right remuneration policies. This Committee is authorized to propose remuneration policies. In performing its duties, the Company may request for recommendation from internal and external parties as well.

As of 31 December 2009, the members of the Remuneration Committee are as follows:

1. Theo L. Sambuaga (Chairman)
2. Farid Harianto (Member)
3. Jonathan L. Parapak (Member)
4. Viven G. Sitiabudi (Member)

In 2009, the Remuneration Committee conducted a meeting to discuss the remuneration of the BOC and BOD. Activities of the Remuneration Committee are completely explained in the Report of Remuneration Committee in this Annual Report.

Remuneration Policies

Remuneration for the members of the BOC and BOD are formulated by the Remuneration Committee, which will be further proposed to the GMS for approval.

In 2009 Remuneration Committee decided on the allocation of honorarium and other benefits for members of the BOC and salaries and other benefits for members of the BOD a gross amount of Rp 25,036,885,191 (Twenty five billion thirty six

Corporate Governance Report

million eight hundred and eighty five thousand one hundred and ninety one Rupiah).

The Board of Directors (BOD)

Duties

The BOD is wholly responsible for the management of the Company. It manages the Company in accordance with authorities and responsibilities as stipulated in the Company's Articles of Association and prevailing laws and regulations, manages the Company assets compliant with the prevailing laws and regulations, applies risk management and principles of Good Corporate Governance in every business activity of the Company or level of organization, stipulates the

Company's structure of organization and working procedures, and must be accountable on the implementation of its duties to the shareholders through GMS.

Membership and Terms of Office

Members of the Board of Directors are appointed by the GMS with one year tenure and may be reelected based on the GMS decision.

Since the AGMS on 24 April 2009, the composition of the BOD is as presented in Table: BOD Membership and Terms of Office.

Table: Membership and Terms of Office of the Board of Directors

No.	Name	Position	Terms of Office
1	Eddy Harsono Handoko	President Director	24 April 2009 – the next AGMS in 2010
2	Tjokro Libianto	Director	24 April 2009 – the next AGMS in 2010
3	Ketut Budi Wijaya	Director	24 April 2009 – the next AGMS in 2010
4	Yuke Elia Susiloputro	Director	24 April 2009 – the next AGMS in 2010
5	Jopy Rusli	Director	24 April 2009 – the next AGMS in 2010

Conflict of Interest

In the event the Company has a conflict of interest with the personal interest of a member of the BOD, the Company shall be represented by another member of the BOD and in the event of conflicting interests with the interests of all members of the BOD, the Company in this case shall be represented by a Commissioner.

In the event of a conflict of interest, members of the BOD are prohibited to take actions that may damage or reduce the profits of the Company and must disclose conflicts of interest referred to in any decision.

The BOD Meeting

Implementation Procedures

The BOD Meetings may be held at any time if deemed necessary by one or more members of the BOD; by a written request of one or more members of the BOC; or by a written request of 1 (one) or more

shareholders jointly representing 1/10 (one-tenth) or more of the total shares with a voting right.

Every policy and strategic decision shall be decided through a BOD Meeting.

The Call for a BOD Meeting shall be conducted by a member of the BOD who is entitled to represent the BOD according to the provisions of the Articles of Association.

Chairman of the BOD Meeting

The BOD Meetings shall be chaired by the President Director, in the case the President Director cannot be present, the BOD Meeting shall be chaired by a member of the BOD appointed by members of the BOD in attendance.

Attendance and Legitimacy

A member of the BOD may be represented at the BOD Meeting only by one other member of the BOD based on a power of attorney.

Decision-making

The BOD Meetings are legitimate and entitled to make binding decisions if more than half of the total number of members of the BOD are present or represented at the meeting.

Decisions of the BOD Meeting shall be made on the basis of discussion and deliberation. In case clear agreement is not reached, the decision will be made by affirmative votes of more than half of the number

of votes cast at the meeting. In the event of affirmative and negative votes are equal, the Chairman of the BOD meeting shall have the deciding vote.

Each member of the BOD in attendance is entitled to cast 1 (one) vote and an additional 1 (one) vote for each other BOD member represented.

2009 BOD Meeting

The BOD conducted 20 (twenty) meetings in 2009.

Table: The Board of Directors Meetings in 2009 and the List of Attendance

No.	Date	Meeting Agenda	EH	TL	KBW	JR	YES
1	15 January 2009	1. Approval on the Minutes of Meeting held on 18 December 2008. 2. Discussion on the performance of each business unit. 3. Others.	-	1	-	1	1
2	29 January 2009	1. Approval on the Minutes of Meeting held on 15 January 2009. 2. Determination of schedule of the BOC and Audit Committee Meeting in 2009. 3. Discussion on the performance of each business unit. 4. Others.	1	1	1	1	1
3	12 February 2009	1. Approval on the Minutes of Meeting held on 29 January 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	1	1	-	-
4	19 February 2009	1. Approval on the Minutes of Meeting held on 12 February 2009. 2. Schedule of the AGMS. 3. Discussion on the performance of each business unit. 4. Others.	-	1	1	1	-
5	5 March 2009	1. Approval on the Minutes of Meeting held on 19 February 2009. 2. Discussion on the Financial Statements for the year of 2008. 3. Discussion on the performance of each business unit. 4. Others.	1	1	1	1	1
6	16 April 2009	1. Approval on the Minutes of Meeting held on 5 March 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	1	1	1	-
7	23 April 2009	1. Approval on the Minutes of Meeting held on 16 April 2009. 2. Discussion on the Financial Statements for 3 (three) months ended on 31 March 2009. 3. Preparation of the AGMS to be held on 24 April 2009. 4. Discussion on the roadshow plan. 5. Others.	-	1	1	1	1
8	7 May 2009	1. Approval on the Minutes of Meeting held on 23 April 2009. 2. Discussion on the performance of each business unit. 3. Others.	-	1	1	1	-
9	4 June 2009	1. Approval on the Minutes of Meeting held on 7 May 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	-	1	1	1

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No.	Date	Meeting Agenda	EH	TL	KBW	JR	YES
10	18 June 2009	1. Approval on the Minutes of Meeting held on 4 June 2009. 2. Discussion on the performance of each business unit. 3. Report on the roadshow results. 4. Others.	-	1	1	1	1
11	25 June 2009	1. Approval on the Minutes of Meeting held on 18 June 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	-	1	1	1
12	7 July 2009	1. Approval on the Minutes of Meeting held on 25 June 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	1	1	-	-
13	16 July 2009	1. Approval on the Minutes of Meeting held on 7 July 2009. 2. Discussion on the performance of each business unit. 3. Others.	-	1	1	1	-
14	23 July 2009	1. Approval on the Minutes of Meeting held on 16 July 2009. 2. Discussion on the Financial Statements for 6 (six) months ended on 30 June 2009. 3. Healthcare strategy. 4. Others.	1	1	1	1	-
15	27 August 2009	1. Approval on the Minutes of Meeting held on 23 July 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	1	1	1	1
16	10 September 2009	1. Approval on the Minutes of Meeting held on 27 August 2009. 2. Discussion on the performance of each business unit. 3. Others.	1	1	1	1	1
17	8 October 2009	1. Approval on the Minutes of Meeting held on 10 September 2009. 2. Financial Highlight as of 30 September 2009 vs 30 September 2008. 3. Discussion on the performance of each business unit. 4. Others.	1	-	1	1	-
18	15 October 2009	1. Approval on the Minutes of Meeting held on 8 October 2009. 2. Discussion on the Financial Statements for 9 (nine) months ended on 30 September 2009. 3. Discussion on the 2010 budget. 4. Others.	1	1	1	-	1
19	5 November 2009	1. Approval on the Minutes of Meeting held on 15 October 2009. 2. Discussion on the performance of each business unit. 3. Resignation of Commissioners. 4. Others.	1	1	1	1	-
20	10 December 2009	1. Approval on the Minutes of Meeting held on 5 November 2009. 2. Legalization of the 2010 budget and projection. 3. Discussion on the 2010 corporate agenda. 4. Others.	1	1	1	1	1

Remarks: EH - Eddy H. Handoko TL - Tjokro Libianto KBW - Ketut Budi Wijaya
JR - Jopy Rusli YES - Yuke Elia Susiloputro

Internal Audit

The BOD is responsible for ensuring that the Company has been managed properly and has adequate internal control functions. The main activity of the Internal Audit Division is to provide objective and adequate assurance on the proper implementation of GCG within the Company. In addition, Internal

Audit can provide an added value for the Company and improve the Company's operations. From year to year, the role of Internal Audit has been continuously increasing.

Duties and activities of the Internal Audit Division throughout 2009 included assisting the President

Director and the BOC, particularly the Audit Committee that is appointed by the BOC, in the monitoring and evaluation of internal control and risk management according to the Company's policies, reviewing the independency, efficiency, and effectivity of all management functions within the Company.

They also assess the effectiveness of the internal control system, including its compliance towards policies, procedures, guidance and other predetermined limits, assessing the reporting system and reviewing its accuracy and promptness in submitting the report to management. Besides, they assess the adequacy and fairness of accounting guidelines and treatment and test its compliance towards the predetermined accounting policies and guidelines, performing internal audit effectively by having a clear audit program and conduct special examination when required or as requested by the President Director or the BOC and also cooperating with the Audit Committee by conducting periodic meetings to discuss current findings and the necessary improvement steps to be carried out, and further report to the BOC.

In order to achieve a high quality internal control system, the Internal Audit Division utilizes the Annual Audit Plan and a series of systematic and orderly audit programs that have been discussed and approved by the President Director and Audit Committee. The internal audit is carried out based on the Internal Audit Charter, Internal Audit Code of Ethics, and Professional Practices Standard of Internal Audit which are in line with the International Standards for the Professional Practice of Internal Auditing.

The Internal Audit activity report is submitted directly to the President Director and the BOC, to be further communicated to the auditee for follow-up actions.

To ensure the achievement of audit quality standard and monitor the effectiveness of follow-up actions for every audit finding and recommendation, the Audit

Committee regularly reviews the report and activity of Internal Audit Division.

Throughout 2009, the Internal Audit Division has completed 33 (thirty three) internal audit reports on the Company's financial statements and operations.

Independent Auditor

The Independent Auditor is appointed by the BOD based on the authority granted by the AGMS on 24 April 2009 according to the criteria that has been determined in the GMS.

For the year ended 31 December 2009, the BOC has appointed Aryanto, Amir Jusuf, Mawar & Saptoto Public Accountant to audit the Consolidated Financial Statements of the Company and its subsidiaries.

Communication

To ensure the investors, shareholders and public are well informed about the current performance and activities of the Company, all information is available in the Company website (www.lippokarawaci.co.id) as well as from press releases and Company's announcements.

To obtain further information regarding the Company, please contact:

Jenny Kuistono

Tel. (62-21) 2566-9000

Fax. (62-21) 2566-9099

Email: corsec@lippokarawaci.co.id

Corporate Secretary

The Corporate Secretary holds a key role in assuring the Company's transparency compliance. The Company has a Corporate Secretary responsible for maintaining its relationship with the capital market authorities, shareholders, mass media, community living around its operational area and public. Corporate Secretary is also ensuring its compliance towards the capital market rules and regulations, the Limited Liability Companies Law and the Company's

Corporate Governance Report

Articles of Association, as well as assisting the BOC and BOD in the implementation of GCG in each of the Company's internal and external activities.

Since 2004, Jenny Kuistono has assumed the position of Corporate Secretary (for more background,

see Profile of the Senior Executives at this Annual Report).

Below is the list of Corporate Secretary's Correspondence with Capital Market Authorities in 2009:

List of Correspondences between Corporate Secretary and Capital Market Authorities in 2009

No.	Date	Referensi No.	To	Subject	Regulation
1	13 January 2009	004/LK-COS/I/09	Bapepam - LK	Report on the Realization of Utilization of Funds Resulting from PT Lippo Karawaci Tbk Limited Offering II	Bapepam Regulation No. X.K.4. concerning Report on the Realization of Utilization of Funds Resulting from Public Offering
2	17 March 2009	025/LK-COS/III/09	Bapepam - LK	PT Lippo Karawaci Tbk AGMS Notification	Bapepam Regulation No. IX.I.1 concerning AGMS Plan and Implementation
3	17 March 2009	026/LK-COS/III/09	Bapepam - LK	Proof of Advertisement of PT Lippo Karawaci Tbk AGMS Notification	Article 12 of the Company's Articles of Association
4	30 March 2009	028/LK-COS/III/09	Bapepam - LK	The Consolidated Financial Statements of PT Lippo Karawaci Tbk and Subsidiaries for years ended on 31 December 2008 and 2007	Bapepam Regulation No. X.K.2 concerning Requirement for Periodic Financial Statement Reporting
5	31 March 2009	029/LK-COS/III/09	Bapepam - LK	Report on PT Lippo Karawaci Tbk Debts/Liabilities in Foreign Currencies	Bapepam Regulation No. X.K.1 concerning Disclosure of Information for Immediate Publication to General Public
6	31 March 2009	030/LK-COS/III/09	Bapepam - LK	Advertisement of PT Lippo Karawaci Tbk Financial Statements as of 31 December 2008	Bapepam Regulation No. X.K.2 concerning Requirement for Periodic Financial Reporting
7	31 March 2009	031/LK-COS/III/09	IDX	Disclosure of Information to General Public on the Press Release as of 31 December 2008	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
8	31 March 2009	032/LK-COS/III/09	IDX	Declaration stating no changes in the amount of assets and or liabilities accounts that exceed 20% (twenty percent)	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
9	8 April 2009	037/LK-COS/IV/09	Bapepam - LK	Submission of PT Lippo Karawaci Tbk 2008 Annual Report	Bapepam Regulation No. VIII.G.2 concerning Annual Report
10	8 April 2009	052/LK-COS/IV/09	Bapepam - LK	Proof of Advertisement Placement of PT Lippo Karawaci Tbk AGMS	Article 12 of the Company's Articles of Association
11	28 April 2009	055/LK-COS/IV/09	IDX	Proof of Advertisement of PT Lippo Karawaci Tbk AGMS Notification	Article 12 of the Company's Articles of Association
12	28 April 2009	062/LK-COS/IV/09	Bapepam - LK	Result of PT Lippo Karawaci Tbk AGMS	Bapepam Regulation No. IX.I.1 concerning the Plan and Implementation of the General Meeting of Shareholders
13	28 April 2009	063/LK-COS/IV/09	Bapepam - LK	Proof of Advertisement of PT Lippo Karawaci Tbk AGMS Results	Bapepam Regulation No. IX.I.1 concerning the Plan and Implementation of the General Meeting of Shareholders
14	29 April 2009	066/LK-COS/IV/09	Bapepam - LK	Formation of PT Lippo Karawaci Tbk Audit Committee for 2009 period	Bapepam Regulation No. Kep-29/PM/2004 dated 24 September 2004 concerning Formation and Work Implementation Guidelines of the Audit Committee

No.	Date	Referensi No.	To	Subject	Regulation
15	30 April 2009	067/LK-COS/IV/09	IDX	PT Lippo Karawaci Tbk Consolidated Financial Statements for 3 (three) months period ended on 31 March 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
16	7 May 2009	070/LK-COS/V/09	IDX	Submission of PT Lippo Karawaci Tbk Public Expose materials	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
17	15 May 2009	071/LK-COS/V/09	IDX	Submission of PT Lippo Karawaci Tbk Public Expose results	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
18	3 June 2009	075/LK-COS/VI/09	Bapepam - LK	Comments to Bapepam-LK concerning the Review of 2008 Annual Report and Financial Statements	Bapepam Regulation No. X.K.1 concerning Disclosure of Information for Immediate Publication to the General Public
19	3 June 2009	076/LK-COS/VI/09	Bapepam - LK	Review of 2008 Annual Report and Financial Statements.	Bapepam Regulation No. X.K.1 concerning Disclosure of Information for Immediate Publication to the General Public
20	13 July 2009	077/LK-COS/VII/09	IDX	Use of IDX net (e-Reporting)	SE-001/IDX/12-2007 Procedure for Submission of Electronic Reporting by Listed Companies
21	13 July 2009	078/LK-COS/VII/09	IDX	Monthly Report on the Shareholders Registration as of 30 June 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
22	28 July 2009	080/LK-COS/VII/09	Bapepam - LK	Response to Bapepam-LK Ref. S-6144 Re: Document Duplicate	Bapepam Regulation No. X.K.1 concerning Disclosure of Information for Immediate Publication to the General Public
23	31 July 2009	081/LK-COS/VII/09	Bapepam - LK	PT Lippo Karawaci Tbk Consolidated Financial Statements for 6 (six) months period ended on 30 June 2009	Bapepam Regulation No. X.K.2 concerning Requirement for Periodic Financial Statements Reporting
24	31 July 2009	082/LK-COS/VII/09	Bapepam - LK	Proof of Advertisement of PT Lippo Karawaci Tbk. Financial Statements	Bapepam Regulation No. X.K.2 concerning Requirement for Periodic Financial Statements Reporting
25	7 August 2009	083/LK-COS/VIII/09	IDX	Monthly Report on the Shareholders Registration as of 31 July 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
26	26 August 2009	087/LK-COS/VIII/09	IDX	Revision on PT Lippo Karawaci Tbk Financial Statements as of 30 June 09 via IDX net e-Reporting (unaudited Interim Report)	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
27	10 September 2009	092/LK-COS/IX/09	IDX	Monthly Report on the Shareholders Registration as of 31 August 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
28	14 September 2009	093/LK-COS/IX/09	Bapepam - LK	Response to Bapepam-LK Letter Ref. S-7364/BL/2009 dated 24 August 2009	Bapepam Regulation No. X.K.1 concerning Disclosure of Information for Immediate Publication to the General Public
29	9 October 2009	100/LK-COS/X/09	IDX	Monthly Report on the Shareholders Registration as of 30 September 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
30	27 October 2009	105/LK-COS/X/09	IDX	PT Lippo Karawaci Tbk Consolidated Financial Statements for 9 (nine) months period ended on 30 September 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting

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No.	Date	Referensi No.	To	Subject	Regulation
31	29 October 2009	106/LK-COS/X/09	IDX	Explanation on the Stock Exchange confirmation request concerning the news in mass media	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
32	3 November 2009	107/LK-COS/XI/09	IDX	Investor Summit and Capital Market Expo 2009 held on 2-3 December 2009 at The Ritz Carlton Hotel Ballroom, Pacific Place	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
33	5 November 2009	108/LK-COS/XI/09	IDX	Press Release of PT Lippo Karawaci Tbk Performance for Q3 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
34	6 November 2009	109/LK-COS/XI/09	IDX	Disclosure of Information that needs to be known by public concerning the Resignation of Commissioner	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
35	6 November 2009	110/LK-COS/XI/09	IDX	Monthly Report on the Shareholders Registration as of 31 October 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
36	10 November 2009	111/LK-COS/XI/09	IDX	Explanation Revision on the Stock Exchange Confirmation Request concerning the News in Mass Media	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
37	7 December 2009	114/LK-COS/XII/09	IDX	Monthly Report on the Shareholders Registration as of 30 November 2009	IDX Regulation No. I-E Kep-306/BEJ/07-2004 concerning Requirement for Information Reporting
38	17 December 2009	117/LK-COS/XII/09	Bapepam - LK	Chairman of PT Lippo Karawaci Tbk Internal Audit	Bapepam Regulation No. IX.I.7, Attachment of the Chairman of Bapepam and LK No. Kep-496/BL/2008, dated 28 November 2008 concerning the Internal Audit Charter Formation and Formulation Guidelines

During the year 2009 the Company held 15 press releases and a public expose.

List of Press Release in 2009

1	4 February 2009	Indonesia Now Has a Street Circuit, "The Lippo Village International Circuit"
2	14 February 2009	Lippo Cikarang Launched Le Jardin @ Elysium Residence with 'Green Concept' application
3	31 March 2009	LPKR Booked Rp 2.6 Trillion of Revenue and Rp 371 Billion of Income
4	14 May 2009	Siloam Hospitals Launched the Siloam Stroke Unit
5	11 June 2009	The TNI Commander Gave Honor to the National Badminton Hero Indra Gunawan to be Buried in Heroes Plaza, San Diego Hills Memorial Park
6	23 June 2009	Siloam Hospitals Kebon Jeruk Launched Active Rehabilitation Center
7	16 July 2009	San Diego Hills Conducted Social Activity providing free Medication and Nutrition Improvement for the Community
8	6 August 2009	Lippo Presented "PX Pavilion Mall @ The St. Moritz" worth Rp 1 Trillion
9	10 August 2009	PT Lippo Karawaci Tbk Booked Rp 1.3 T of Revenue in June 2009, Up 12 Percent
10	14 August 2009	Lippo Village Presented Alora Residence @ Taman Permata
11	10 September 2009	Aryaduta, the Largest Hotel Group in Indonesia
12	30 September 2009	Lippo Karawaci for the Fourth Times Obtained the Best Developer Award from the 2009 Euromoney Liquid Real Estate Awards
13	9 October 2009	Lippo Cikarang Launched the Acacia Garden and Easton Commercial Centre using Green Concept
14	2 November 2009	PT Lippo Karawaci Tbk Succeeded to Book Rp 1.96 T of Revenue up to Quarter III, Up 9 Percent
15	7 November 2009	SPH International Kemang Village Open Soon in 2010

Investor Relations

Investor Relations is responsible for maintaining a transparent relationship with investors and the capital markets communities, develop and maintain communications with the stock and bond investors, analysts, rating agencies, and capital markets and other investment-related communities.

The Company periodically conducts briefings, including the Non-Deal roadshows, analyst meetings and conference calls to communicate the progress of

operations and financial position. The Company also sent representatives to participate in property and investor conferences held in Asia, the United States, Europe and the Middle East. Overall, 24 roadshows and more than 50 meetings and conference calls with analysts and fund managers had been conducted. In addition, the Company also promptly handles requests for information and responds to questions through meetings with investors and visit to the site, and correspondents by telephone and electronic mails.

Roadshow Schedule in 2009

Date	Events	City	Facilitator
9-10 February 2009	Citi Asia Pacific Fixed Income Investor Conference 2009	Hong Kong	Citigroup
3-6 March 2009	Non Deal Roadshow	Singapore, Kuala Lumpur, Tokyo	Daiwa
21 April 2009	Korea Stock Exchange Seminar	Jakarta	eTrading Securities
23 April 2009	BCP Investor Conference	Jakarta	BCP Securities
6-8 May 2009	Asian Stars Conference	Singapore	Merrill Lynch
12 May 2009	Investor Day 2009	Jakarta	IDX
2 June 2009	Asean Conference 2009	Singapore	Macquarie
3 June 2009	Asean Conference 2009	Hong Kong	Macquarie
4 June 2009	Non Deal Roadshow	Hong Kong	Daiwa
8-9 June 2009	Daiwa Investment Conference 2009	London	Daiwa
10 June 2009	NDR - Post Conference	Geneva	Daiwa
23-28 July 2009	NDR - Investment Conference 2009	New York, Boston	Daiwa
30 July 2009	Non Deal Roadshow	New York	Macquarie
12 August 2009	Corporate Day (Fixed Income)	Jakarta	JP Morgan
20 August 2009	Indonesia Corporate Day	Singapore	BNP Paribas
1-2 September 2009	Real Estate Corporate Access Days	Singapore	JP Morgan
3-4 September 2009	Real Estate Corporate Access Days	Hong Kong	JP Morgan
12-13 October 2009	Asia Pacific Conference	London	Macquarie
15-16 October 2009	Asia Pacific Conference	Amsterdam, Paris, Frankfurt	Macquarie
2-4 November 2009	Asia Property Seminar	Tokyo	Daiwa
4-5 November 2009	Indonesia Investor Conference	Jakarta	Citi
16 November 2009	Lippo Corporate Day	Kuala Lumpur	CIMB
23-24 November 2009	Asean Access Day Investor Conference	Hongkong, Singapore	CLSA
3-4 December 2009	Non Deal Roadshow	Sydney	Macquarie

Corporate Governance Report

Ethics and Code of Conduct

In order to sustain the effort to operate a professional manner and with high integrity, the Company has formulated the Code of Ethics. This Code specify the rules to be followed by all employees in order to institutionalize corporate values based on best global practices to continue to improve accountability and transparency, and act in accordance with applicable rules and regulations.

Code of Ethics applies to all employees of the Company, without exception. Violation of these codes can result in disciplinary action against employees, including termination of employment by the Company. Details of disciplinary action outlined in the Policy and Guidelines for Disciplinary Actions.

In summary, the Code covers the following aspects:

Integrity

Each employee of Lippo Karawaci performs professional duties with integrity. Integrity demands honesty that can not be replaced for the sake of personal interests.

Gifts and Other Assistance

Each employee may not solicit or accept gifts or other assistance for personal gain, whether in the form of cash or non cash, services, or other personal gain, provided directly or indirectly from customers, suppliers, contractors, brokers or other parties that have business relationships with the Company. Human Resources division shall determine the provisions of gifts that can be received by an employee.

Conflict of Interest

Each employee of the Company should avoid situations where their personal interests have or may have a conflict of interest with his work in the Company.

Human Resources

It is the Company policy to treat all employees fairly, impartially and with respect, without any prejudice. The Company tries to create a positive work environment, and seeks to reduce the negative impact of the unconstructive and pessimistic comments.

The Company does not recommend to hire employees who have direct family relationships (husband-wife, children, parents, or sibling) or indirectly (in-law/brother in-law) with existing employees, and prohibit the employees to hold positions in other companies without consent from the BOD of the Company.

Confidential Information

Employees shall not disclose or communicate confidential information of the Company, which includes all information relating to its business.

Each of the Company's personnel on an annual basis (or more often if deemed necessary by the BOD of the Company) to fill out and sign the Information Disclosure Statement as attached in this Code or that develops from time to time. Code of Ethics is distributed entirely in the Company and publicly accessible via the Company website: www.lippokarawaci.co.id

Disclosures

Shareholdings in Company

Stating the BOC and BOD do not own any shares in the Company.

Litigation

From time to time, the Company is involved in legal proceedings concerning matters arising in relation with the execution of its business. Several lawsuits related to land ownership, malpractice and employment faced by the Company in the year 2009.

Currently, there are no significant pending claims or legal proceedings which are not the normal business activities of the Company.

Conflict of Interest

There are no transactions that may cause conflict of interests that need to be reported for the year ended in 2009.

Audit Committee Report

Lippo Karawaci, 5 April 2010

To
The Board of Commissioners
PT Lippo Karawaci Tbk
Menara Matahari 22nd Floor
7 Boulevard Palem Raya
Lippo Karawaci Central
Tangerang 15811

Dear Commissioners,

Re: Audit Committee Report

Pursuant to the requirement stipulated in the Chairman's Decree of the Capital Market Supervisory Board No. KEP-29/PM/2004 regarding the Establishment and Operational Guidance of the Audit Committee and Decision of the Board of Directors of PT Bursa Efek Jakarta No. Kep-305/BEJ/07/2004 dated 19 July 2004 pertaining to the General Guidance on Listing of Stocks and Equities other than Stocks by Listed Companies, we as the Audit Committee of the Company hereby render the Audit Committee Report of activities held during 2009.

In conducting the audit, the Committee studied financial statements, observed accounting policies, procedures and integrated control within the operational activities, and held intensive discussions with the management, internal audit and Public Accountant.

To fulfill the disclosure obligation regarding the report of the Audit Committee on the Company's Annual Report, we hereby state as follows:

1. To the best of our knowledge, the Company's Financial Statements were prepared in accordance with the generally accepted accounting principles in Indonesia.
2. Throughout 2009, the Company has continuously performed improvements and amendments on internal control to align with the Company's business complexity and diversity. For 2009, the Audit Committee directed the Company's internal audit to be more focused on operational audit, particularly those with largest impact to the Company's financial soundness, and to adherence and compliance to the Company's internal policy and regulation as well as to the prevailing regulations.
3. The Board of Directors has appointed Aryanto, Amir Jusuf, Mawar & Saptoto Registered Public Accountant to conduct an audit on the consolidated Financial Statements of PT Lippo Karawaci Tbk and its subsidiaries for the year ended 31 December 2009, pursuant to the authority granted by the Shareholders in the Annual General Shareholders Meeting held on 24 April 2009.

The Audit Committee duly submits this report.

Yours sincerely,
Audit Committee of PT Lippo Karawaci Tbk.



Theo L. Sambuaga
Chairman



Jeffrey G. Turangan
Member



Jusuf A. Tjondrolukito
Member

Audit Committee



Theo L. Sambuaga

Chairman

Mr. Theo L. Sambuaga has served as the Minister of National Housing and Minister of Labor where he gained abundant insights and experiences which can be beneficial for the real estate development project of the Company as he can provide differing points of view that add to success for the Company's planned projects. As a member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia. Mr. Theo L. Sambuaga obtained his undergraduate degree in Social and Political Studies from Universitas Indonesia, and graduate degree from the School of Advanced International Studies, Johns Hopkins University, USA.



Jusuf A. Tjondrolukito

Member

Mr. Jusuf A. Tjondrolukito began his career with Citibank N.A. and served as Director of Bank Danamon and Commissioner of Korea Exchange Bank Danamon in 1980. Besides his current position as a member of Audit Committee of Lippo Karawaci, he is also the President Commissioner of PT Catur Sentosa Adiprana and the Independent Commissioner of PT Matahari Putra Prima Tbk. Mr. Jusuf A. Tjondrolukito graduated from the Faculty of Economics, Universitas Gajah Mada.



Jeffrey G. Turangan

Member

Mr. Jeffrey G. Turangan has an extensive knowledge in finance and banking. His career began at Citibank N.A. Jakarta Branch (1971-1976), continued with PT Multinational Finance Corporation (1990-1993) with latest position as Executive Director, PT Bank Societe Generale Summa as Director (1993-1996) and Deputy President Director (1997-1998). At present, besides his position as a member of Audit Committee of Lippo Karawaci, he assumes the position as Commissioner at PT Bank Commonwealth, a member of Indonesia Bankers Association (IBI), ACI-Indonesia, and Chairperson Board of Founders of Certified Wealth Managers Association (CWMA) Indonesia. Mr. Jeffrey G. Turangan graduated from Universitas Pancasila in Aeronautical Engineering.

Remuneration Committee Report

Lippo Karawaci, 5 April 2010

To
The Board of Commissioners
PT Lippo Karawaci Tbk
Menara Matahari 22nd Floor
7 Boulevard Palem Raya
Lippo Karawaci Central
Tangerang 15811

Dear Commissioners,

Re: Remuneration Committee Report

The establishment of the Remuneration Committee is part of the implementation of Good Corporate Governance in providing a competitive remuneration package. The Committee was established to assist the duties of the Board of Commissioners in determining the remuneration system and its implementation for the members of the Board of Commissioners and Directors.

Composition of the Remuneration Committee is as follows:

Chairman : Theo L. Sambuaga
Members : Farid Harianto
Jonathan L. Parapak
Viven G. Sitiabudi

Responsibilities and duties of the Remuneration Committee are as follows:

1. To conduct a formal meeting at least once a year.
2. To ensure an adequate remuneration system and determine the remuneration for the Board of Commissioners and Directors of PT Lippo Karawaci Tbk, including honorarium and fringe benefits, if applicable, for the member of the Board of Commissioners as well as the salary, bonus and parting package (in case of retirement or resignation) for the Board of Directors.
3. Resolutions are made by 3 votes out of 4, in a Committee meeting or by a circular letter. In the absence of a Committee member, the Chairman of the Committee (or two other Committee members if the Chairman is absent), shall ask the President Director, or another Director appointed by the President Director, to fill-in on the vacant position temporarily until the respective Committee member can resume his function, or until a new Committee member has been appointed by the Board of Commissioners.

The Remuneration Committee prepared the remuneration budget for Board of Commissioners and Directors based on the Company's performance and contribution of members, which reflect the performance of the Board of Commissioners and Directors.

In 2009, the Remuneration Committee held a meeting on 27 October 2009 to determine the budget allocation for honorarium and fringe benefits for the Board of Commissioners as well as the salaries and other benefits for the Board of Directors. For 2009, the gross remuneration amounted Rp 25,036,885,191,- (Twenty five billion thirty six million eight hundred and eighty five thousand one hundred and ninety one Rupiah).

			
Theo L. Sambuaga Chairman	Farid Harianto Member	Jonathan L. Parapak Member	Viven G. Sitiabudi Member

Remuneration Committee



Theo L. Sambuaga

Chairman

Mr. Theo L. Sambuaga has served as the Minister of National Housing and Minister of Labor where he gained abundant insights and experiences which can be beneficial for the real estate development project of the Company as he can provide differing points of view that add to success for the Company's planned projects. As a member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia. Mr. Theo L. Sambuaga obtained his undergraduate degree in Social and Political Studies from Universitas Indonesia, and graduate degree from the School of Advanced International Studies, Johns Hopkins University, USA.



Jonathan L. Parapak

Member

Mr. Jonathan L. Parapak has extensive experience in large private and state-owned enterprises in Indonesia. His former positions include, among others, as President Director of PT Indosat Tbk and a member of the People's Consultative Assembly. In addition to his current position as Commissioner of Lippo Karawaci, he is also the Commissioner of PT AsiaNet and PT Broadband Multimedia. He had become a Commissioner of PT Multipolar Tbk and PT Matahari Putra Prima Tbk. Mr. Jonathan L. Parapak earned his Bachelor of Engineering and Master of Engineering Science degree from University of Tasmania, Australia.



Farid Harianto

Member

Mr. Farid Harianto has many years of experience in the financial industry. His experiences include the appointment as advisor to the Governor of Bank Indonesia. He concurrently serves as Commissioner of PT Unggul Indah Cahaya Tbk. His previous positions include, among others, Chairman of the Indonesian Rating Agency (PT PEFINDO), Vice Chairman of the Indonesian Banking and Restructuring Agency, and Commissioner of the Indonesia Clearing and Guarantee Corporation (PT KPEI). Mr. Farid Harianto's social positions include being a member of the Asian Executive Advisory Board of the Wharton School and Senior Advisor to the Institute for Human Virology and Cancer Biology at Universitas Indonesia, and consultant at several large corporations in Indonesia and international organizations. Mr. Farid Harianto obtained his undergraduate degree in Electrical Engineering from Institut Teknologi Bandung (ITB), while his Master degree in Applied Economic and his Ph.D with distinction was obtained from the Wharton School of the University of Pennsylvania, USA.



Viven G. Sitiabudi

Member

Mrs. Viven G. Sitiabudi has an outstanding career in many companies. Her experiences in general management, corporate planning and marketing brought the success to Lippo Karawaci. She is now also the Executive Director and CEO of the Lippo-Mapletree Indonesia Retail Trust Management Ltd. She pioneered PT Lippo Life Insurance and assumed the position of President Director until 1995. Under her leadership, PT Lippo Life Insurance successfully established its position as one of the largest life insurance companies in Indonesia and initiated its Initial Public Offering. Previously, Mrs. Viven G. Sitiabudi was the CEO of Legal and General Australia's operations in Indonesia and Vice President Director of Allianz Life Indonesia. Mrs. Viven G. Sitiabudi graduated from the University of New South Wales, Australia in 1977 with a degree in Computer Science and Statistics.

Social Responsibility of the Company



The belief that Lippo Karawaci's activities are impacting the life of a broader community has been embedded in its culture and become a major consideration in the development of the Company's annual business plan.

Lippo Karawaci's Corporate Social Responsibility (CSR) Philosophy

Lippo Karawaci believes that a corporation is an integral part of the society and environment within which it is doing business. As a responsible corporation, the Company place serious consideration on how its businesses may affect the society and environment and how the Company could contribute to improve the well being of that society. The Company also believes that its social consciousness will strengthen the social structure, which further enhances and supports the goals of the Company.

As stated in the Company's motto: "Impacting Lives", the belief has been embedded in the culture throughout the organization and internalized in the mind of its people. Therefore, the development of the Company's annual business plan always incorporates the initiatives to develop communities, promote good health, and support environmental conservation, which are transformed into the following programs:



Social Community Program

The Company's contribution to the community is reflected in activities that it conducted for years, particularly in the area close to its developments. In 2009, for its project in Kemang area, the Company provided aids and facilities for the Kemang community in the form of road improvements, water retention tank and clean water supply.

Socio Religious Program

The Company's socio religious programs are conducted in the form of donations to several religious-oriented activities without exception to any specific religion. During the 2009 fasting month, the Company gave donations to the orphans and sacrificial animals to several mosques in the Kemang Village area. These are ongoing activities that the Company undertakes every year.

Health Program

- **Blood Donor Club Lippo Karawaci (Kelompok Donor Darah Lippo Karawaci)**

Since it was established in 1999, the Club has regularly conducted blood donor activities in cooperation with the Indonesian Red Cross and Siloam Hospitals Lippo Village. This event usually involves local communities and other companies in the Lippo Village area.

In 2009, the Company conducted 4 blood donor activities in March, May, August and November. A total of 574 blood pockets were collected from these activities.

- **Children's Charity Fund and the Indonesian Brain Foundation**

Through Children's Charity Fund and the Indonesian Brain Foundation, the Company has helped thousands of patients.

Social Responsibility of the Company

- **Health Assistance**

To educate parents about healthy eating habits and help children in need, in 2009 the Company distributed healthy foods to approximately 1,200 children under five years old through 20 Posyandu (integrated health service provider for public) located around Lippo Village. The Company's concern toward children's health was also shown by conducting immunization activity for babies and operating mobile polyclinic to serve the community.

- **Health Seminars**

Several health seminars for the community were held on current health issues.

Environmental Responsibility

As a property developer whose activities are impacting the life of communities, the Company has always placed serious consideration on environmental issues when developing each of its projects. The Company's commitment towards environmental responsibility is reflected in the master plan of its projects, which always carefully includes the design and the development of the following infrastructure:

- **Water Supply**

The quality of locally available drinking water supplies and the future supplies of healthy water supply have always become the Company's major concern. Therefore, to alleviate the risk of water supply and to improve the well being of the society, the Company has created Water Treatment Plants (WTP) in its various townships to ensure that clean water is available for its residents at the quality that exceeds the standards set by the Ministry of Public Health. WTP in Lippo Village township currently has a capacity of 315,000 m³ of potable water per month while Lippo Cikarang produces another 480,000 m³/month.

- **Flood Centre and Retention Pools**

Another realization of the Company's responsibility to the society is reflected in its procedures of considering options to prevent flooding in public property area, prior to developing each project. The Company first implemented a flood retention system at the Lippo Village golf course which allows rain water retention for almost the whole of township to be naturally absorbed into the ground water system. Whilst creating wonderful landscape value, the system is engineered to be environmentally friendly. At the Kemang Village, the Company creates a water retention pond that can hold up to 90,000 m³ solely to retain its own rain and waste water to prevent flooding from neighboring areas. This in effect means

that 1 million tonnes of rain can fall on the town within a 3-hour period without causing disruptive flooding.

- **Micro Climate Improvements**

The Company has also implemented a very effective eco-friendly concept in its developments to anticipate the effect of climate changes in the future. To provide a pleasant environment for the population living in the vicinity, a regular plan being implemented is to plant in excess of 2,000 trees annually. Up to 2009, the Company has planted over 55,000 trees in Lippo Village alone. This has resulted in cool temperatures prevailing throughout the town. This project is also replicated in the Company's other projects. To reduce ambient temperatures, shady trees cover many streets and only light-coloured roofs are approved.

- **Sewage Treatment**

Good sewage treatment is required to manage domestic waste produced by the residential and commercial zones. For environmental safety, sewage is collected through underground pipes to be treated anaerobically in Sewage Treatment Plants (STP). The treated sewage water is then 100% recycled for landscape irrigation.

- **Gas Pipeline Installation**

The Company has installed gas pipelines in the Kemang Village project and Lippo Cikarang industrial areas. By doing this, the Company has participated in the government efforts to reduce the use of electricity, while at the same time reduces dependency upon the electricity supply from the State-Owned Electric Company (PLN).

- **E-billing of Township Management Division**

In its effort to contribute to the environment preservation, the Township Management Division has used electronic billing to the users. The implementation of electronic billing has reduced the use of paper, improved efficiency and cut administration costs.

In the long-term, Lippo Karawaci is confident that its CSR concept will contribute to providing solutions for social, economic and environmental issues, while at the same time demonstrates part of the Company's Good Corporate Governance practices. On the other hand, integration of the concept into the Company's business strategy will ultimately elevate its image as well as reputation as a company of choice.



Corporate Data

Projects / Business Units Addresses

Urban Development



Lippo Village
Marketing Gallery,
Menara Matahari 1st Floor
7 Boulevard Palem Raya
Lippo Village Sentral
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 5420 3636
Fax. 62 (21) 5420 3535



Lippo Cikarang
Menara Pasifik 2nd Floor
Jl. M.H. Thamrin Kav. 107
Lippo Cikarang, Bekasi 17550
West Java, Indonesia
Tel. 62 (21) 897 2484/88
Fax. 62 (21) 897 2039/2493



Tanjung Bunga
Jl. Metro Tanjung Bunga Kav. 3-5
Tanjung Bunga
Makassar 90134
South Sulawesi, Indonesia
Tel. 62 (411) 811 3456
Fax. 62 (411) 811 3494



Royal Serpong Village
Ruko WTC No. 5833, Jatiuwung
Jl. Raya Serpong No. 39 Serpong
Tangerang 15326
Banten, Indonesia
Tel. 62 (21) 537 6420
Fax. 62 (21) 537 6435



Plaza Semanggi
Gedung Veteran 7th Floor
Kawasan Bisnis Granada
Jl. Jend. Sudirman Kav. 50
Jakarta 12930, Indonesia
Tel. 62 (21) 574 5501
Fax. 62 (21) 574 5503

Large Scale Integrated Development



City of Tomorrow
Jl. Jend. Achmad Yani No.1
Surabaya
East Java, Indonesia
Tel. 62 (31) 827 3888
Fax. 62 (31) 827 3666



Kemang Village
Jl. Pangeran Antasari No. 36
Jakarta 12150, Indonesia
Tel. 62 (21) 725 5999
Fax. 62 (21) 726 6999



The St. Moritz Penthouses & Residences
Jl. Boulevard Puri Indah Raya Bl. U1
Puri Indah CBD
West Jakarta, Indonesia
Tel. 62 (21) 5577 7775
Fax. 62 (21) 5835 8607

Retail Malls



Pejaten Village
Jl. Warung Jati Barat No. 39
Jati Padang, Pasar Minggu
Jakarta, Indonesia
Tel. 62 (21) 782 2611



City of Tomorrow
Jl. Jend. Achmad Yani No.1
Surabaya
East Java, Indonesia
Tel. 62 (31) 827 3888
Fax. 62 (31) 827 3666



Bandung Indah Plaza
Jl. Merdeka No. 56
Bandung 40115
West Java, Indonesia
Tel. 62 (22) 423 0850, 424 1656
Fax. 62 (22) 424 0336



Plaza Medan Fair
Jl. Gatot Subroto No. 30
Medan 20113
North Sumatera, Indonesia
Tel. 62 (61) 414 0888



PX Pavillion@ The St. Moritz
Jl. Boulevard Puri Indah Raya Bl. U1
Puri Indah CBD
West Jakarta, Indonesia
Tel. 62 (21) 5577 7775
Fax. 62 (21) 5835 8607



Gedung Veteran 6th Floor
Kawasan Bisnis Granada
Jl. Jend. Sudirman Kav. 50
Jakarta 12930, Indonesia
Tel. 62 (21) 527 5878, 2553 6306-15



Jl. Pasir Kaliki Ni. 121 – 123
Bandung
West Java, Indonesia
Tel. 62 (22) 600 0404



WTC Matahari
Jl. Raya Serpong No. 39, Serpong
Tangerang 15326
Banten, Indonesia
Tel. 62 (21) 5315 5656
Fax. 62 (21) 5315 5757



Pluit Village
Jl. Pluit Raya Indah
Jakarta 14450, Indonesia
Tel. 62 (21) 668 3888



Gajah Mada Plaza
Jl. Gajah Mada Kav. 19 - 26
Jakarta 10310, Indonesia
Tel. 62 (21) 638 5858



Jl. Siliwangi No. 123
Bogor 16142
West Java, Indonesia
Tel. 62 (251) 831 8788 / 838 7275



Jl. M. H. Thamrin
Lippo Cikarang, Bekasi 17550
West Java, Indonesia
Tel. 62 (21) 897 2535



Jl. H. Zainul Arifin No. 7
Medan 20152
North Sumatera, Indonesia
Tel. 62 (61) 4501 000 / 888



Cibubur Junction
Jl. Jambore No. 1
Ciracas - Cibubur
Jakarta 13720, Indonesia
Tel. 62 (21) 8775 5678



Bellanova Country Mall
Jl. M.H. Thamrin No. 8
Bukit Sentul Selatan
Bogor 16810
West Java, Indonesia
Tel. 62 (21) 8796 1905
Fax. 62 (21) 8796 1915



Metropolis Town Square
Jl. Hartono Raya, Modernland
Kelapa Indah
Tangerang 15117
Banten, Indonesia
Tel. 62 (21) 5578 0739

Projects / Business Units Addresses

Retail Malls

DEPOK TOWN SQUARE

Depok Town Square
Jl. Margonda Raya No. 01
Pondok Cina, Beji
Depok 16424
West Java, Indonesia
Tel. 62 (21) 7887 0101, 7888 4330



Binjai Supermall
Jl. Soekarno Hatta No.14
Binjai 20731
North Sumatera, Indonesia
Tel. 62 (61) 882 5111
Fax. 62 (61) 883 0115



GTC Makassar
Metro Tanjung Bunga
Tanjung Bunga
Makassar 90134
South Sulawesi, Indonesia
Tel. 62 (411) 838 990
Fax. 62 (411) 838 819



Kramat Jati Indah Plaza
Jl. Raya Bogor Km. 14
Kramat Jati
Jakarta 13510, Indonesia
Tel. 62 (21) 800 0735
Fax. 62 (21) 809 2689



Palembang Square
Jl. Angkatan 45
Palembang
South Sumatera, Indonesia
Tel. 62 (711) 359 918



Tamini Square
Jl. Taman Mini Raya No.15
Jakarta, Indonesia
Tel. 62 (21) 8778 5888
Fax. 62 (21) 8778 5999



Grand Palladium Medan
Jl. Kapten Maulana Lubis No. 8
Medan 20112
North Sumatera, Indonesia
Tel. 62 (61) 7710 8393
Fax. 62 (61) 456 4393

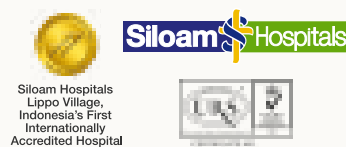


Grand Mal Bekasi
Jl. Jend. Sudirman
Medan Satria
Bekasi 17143
West Java, Indonesia
Tel. 62 (21) 885 5327/8
Fax. 62 (21) 885 5329



Malang Town Square
Jl. Veteran No. 2, Klojen – Penanggungan
Malang
East Java, Indonesia
Tel. 62 (341) 575 763
Fax. 62 (341) 575 767

Healthcare



Siloam Hospitals Lippo Village
Jl. Siloam No. 6, Lippo Village 1600
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 546 0055
Fax. 62 (21) 546 0921



Siloam Hospitals Kebon Jeruk
Jl. Raya Perjuangan Kav. 8, Kebon Jeruk
Jakarta 11530, Indonesia
Tel. 62 (21) 530 0888
Fax. 62 (21) 530 0876



Siloam Hospitals Surabaya
Jl. Raya Gubeng No. 70
Surabaya 60281
East Java, Indonesia
Tel. 62 (31) 503 1333
Fax. 62 (31) 503 1533



Siloam Hospitals Lippo Cikarang
Jl. M.H. Thamrin Kav. 105, Lippo Cikarang
Bekasi 17550
West Java, Indonesia
Tel. 62 (21) 8990 1088
Fax. 62 (21) 8990 0022



Semanggi Specialist Clinic
Veteran Building 7th Floor, Plaza Semanggi
Jl. Jend. Sudirman Kav. 50
Jakarta 12930, Indonesia
Tel. 62 (21) 2553 9326
Fax. 62 (21) 2553 9325

Hotels

HOTEL ARYADUTA JAKARTA

Hotel Aryaduta Jakarta
Jl. Prapatan 44-48
Jakarta 10110, Indonesia
Tel. 62 (21) 2352 1234
Fax. 62 (21) 2351 8600

HOTEL ARYADUTA SEMANGGI

Hotel Aryaduta Semanggi
Jl. Garnisun Dalam No. 8
Karet Semanggi
Jakarta 12930, Indonesia
Tel. 62 (21) 251 5151
Fax. 62 (21) 251 4090

HOTEL ARYADUTA LIPPO VILLAGE

Hotel Aryaduta Lippo Village
Jl. Boulevard Jend. Sudirman No. 401
Lippo Village 1300
Tangerang 15611
Banten, Indonesia
Tel. 62 (21) 546 0101
Fax. 62 (21) 546 0201

HOTEL ARYADUTA MEDAN

Hotel Aryaduta Medan
Jl. Kapten Maulana Lubis No. 8
Medan 20112
North Sumatera, Indonesia
Tel. 62 (61) 457 2999
Fax. 62 (61) 457 1999

HOTEL ARYADUTA PEKANBARU

Hotel Aryaduta Pekanbaru
Jl. Diponegoro No. 34
Pekanbaru 28116
Riau, Indonesia
Tel. 62 (761) 44 200
Fax. 62 (761) 44 210

HOTEL ARYADUTA PALEMBANG

Hotel Aryaduta Palembang
Jl. POM IX, Palembang Square
Palembang 30137
South Sumatera, Indonesia
Tel. 62 (711) 383 838
Fax. 62 (711) 377 900

HOTEL ARYADUTA MAKASSAR

Hotel Aryaduta Makassar
Jl. Somba Opu No. 297
Makassar 90111
South Sulawesi, Indonesia
Tel. 62 (411) 870 555
Fax. 62 (411) 870 222



Shima Japanese Restaurant
Main Lobby - Aryaduta Hotel Jakarta
Jl. Prapatan No. 44-48,
Jakarta 10110, Indonesia
Tel. 62 (21) 3852233, 3844926,
62 (21) 2311234 ext. 88159/88199

Leisure



Benton Junction
Jl. Boulevard Palem Raya No. 38
Lippo Village
Tangerang 15811,
Banten, Indonesia
Tel. 62 (21) 547 2307 / 547 2308
Fax. 62 (21) 5421 1176



Permata Sports Club
Jl. Taman Permata No. 301
Lippo Village
Tangerang
Banten, Indonesia
Tel. 62 (21) 591 5966



Grand Bowling
Mall WTC Matahari 5th Floor
Jl. Raya Serpong No. 39, Serpong
Tangerang 15326
Banten, Indonesia
Tel. 62 (21) 5315 4730
Fax. 62 (21) 5315 4732



Imperial Klub Golf
Jl. Pulau Golf 2709
Lippo Village
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 546 0120
Fax. 62 (21) 546 0121



Puncak Resor
Jl. Hanjarwar, Desa Sukanagalih
Pacet, Cipanas
West Java, Indonesia
Tel. 62 (263) 515 001
Fax. 62 (263) 515 020



Balai Serpong
WTC Matahari - Serpong
Jl. Raya Serpong No. 39
Tangerang 15326
Banten, Indonesia
Tel. 62 (21) 5315 5656
Fax. 62 (21) 5315 5757

Managed by Hotel Aryaduta :



La Collina Italian Restaurant
San Diego Hills Memorial Park
Exit Tol Karawang Barat Km. 46
West Java, Indonesia
Tel. 62 (267) 845 3333
Fax. 62 (267) 845 4575



Water Boom Lippo Cikarang
Jl. Madiun Kav. 115
Lippo Cikarang
Bekasi
West Java, Indonesia
Tel. 62 (21) 8990 7814, 8990 9467
Fax. 62 (21) 8990 9469



Grand Chapel
UPH Tower C 6th Floor
Lippo Village, Tangerang
Banten, Indonesia
Tel. 62 (21) 546 6623, 546 6239
Fax. 62 (21) 5420 2897

Projects / Business Units Addresses

Infrastructure



Town Management Services
2121 Boulevard Gajah Mada # 01-01
Lippo Cyber Park, Lippo Village
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 5579 0190/91
Fax. 62 (21) 5579 7111/17



Potable & Waste Water Management
2121 Boulevard Gajah Mada # 01-01
Lippo Cyber Park, Lippo Village
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 5579 0190/91
Fax. 62 (21) 5579 7111/17



PT Dinamika Intertrans
2121 Boulevard Gajah Mada # 01-01
Lippo Cyber Park, Lippo Village
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 5579 0190/91
Fax. 62 (21) 5579 7111/12



Home Care Unit
2121 Boulevard Gajah Mada # 01-01
Lippo Cyber Park, Lippo Village
Tangerang 15811
Banten, Indonesia
Tel. 62 (21) 5579 0190/91
Fax. 62 (21) 5579 7111/17

Supporting Professional & Institutions

Registered Public Accountant

Aryanto, Amir Jusuf, Mawar & Saptoto (AAJ Associates)
Plaza ABDA 10th & 11th Floor
Jl. Jend. Sudirman Kav. 59
Jakarta 12190, Indonesia

Legal Consultant

Makes & Partners Law Firm
Menara Batavia 7th Floor
Jl. K.H. Mas Mansyur Kav. 126
Jakarta 10220, Indonesia

Share Registrar

PT Sharestar Indonesia
Citra Graha 7th Floor
Jl. Gatot Subroto Kav. 35-36
Jakarta 12950, Indonesia

Profile of the Board of Commissioners



Surjadi Soedirdja

Vice President Commissioner

Mr. Surjadi Soedirdja, age 71, in his extensive work experience has acquired a broad knowledge for urban development. He serves concurrently as a Senior Advisor to PT Krakatau Steel. He had served as Coordinating Minister for Political, Social and Security Affairs and as Minister of Home Affairs, and was also a former Governor of Jakarta. Prior to his political career, Mr. Surjadi Soedirdja had a distinguished career in the Indonesian Armed Forces, retiring with the rank of General.



Theo L. Sambuaga

Independent Commissioner

Mr. Theo L. Sambuaga, age 60, has served as the Minister of National Housing and Minister of Labor where he gained abundant insights and experiences which can be beneficial for the real estate development project of the Company as he can provide differing points of view that add to success for the Company's planned projects. As a member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia. Mr. Theo L. Sambuaga obtained his undergraduate degree in Social and Political Studies from Universitas Indonesia, and graduate degree from the School of Advanced International Studies, Johns Hopkins University, United State of America (USA).



Tanri Abeng

Independent Commissioner

Mr. Tanri Abeng, age 67, brings his vast experience in the government sector, large multinational corporations and Good Corporate Governance to Lippo Karawaci. His former positions, among others, are as Commissioner of the Jakarta Stock Exchange, Minister of State-Owned Enterprises and member of the People's Consultative Assembly, other than serving as Chairman of PT Multi Bintang Indonesia and PT British American Tobacco Indonesia. He concurrently serves as President Commissioner of PT Telkom Indonesia Tbk, Chairman of the Executive Center for Global Leadership, Co-chairman of the Indonesia-Malaysia Business Council, and member of the Non-Aligned Movement Business Council. Mr. Tanri Abeng earned his MBA degree from the State University of New York, and completed the Advanced Management Program of Claremont Graduate School, Los Angeles, USA.



Farid Harianto

Independent Commissioner

Mr. Farid Harianto, age 57, has many years of experience in the financial industry. His experiences include the appointment as advisor to the Governor of Bank Indonesia. He concurrently serves as Commissioner of PT Unggul Indah Cahaya Tbk. His previous positions include, among others, Chairman of the Indonesian Rating Agency (PT PEFINDO), Vice Chairman of the Indonesian Banking and Restructuring Agency, and Commissioner of the Indonesia Clearing and Guarantee Corporation (PT KPEI). Mr. Farid Harianto's social positions include being a member of the Asian Executive Advisory Board of the Wharton School and Senior Advisor to the Institute for Human Virology and Cancer Biology at Universitas Indonesia, and consultant at several large corporations in Indonesia and international organizations. Mr. Farid Harianto obtained his undergraduate degree in Electrical Engineering from Institut Teknologi Bandung (ITB), while his Master degree in Applied Economic and his Ph.D with distinction was obtained from the Wharton School of the University of Pennsylvania, USA.

Profile of the Board of Commissioners



Agum Gumelar

Independent Commissioner

Mr. Agum Gumelar, age 64, is a decorated Armed Forces General, with over 30 years of experience in managing large scale organizations and complex operations. He also has a sound reputation in developing and implementing national policies in the infrastructure, transportation and national security sectors. Mr. Agum Gumelar had served as both the Minister of Transportation and Telecommunications and the Coordinating Minister for Political Affairs, Social and Security. In addition to his military educations, Mr. Agum Gumelar also holds a Master of Science degree in Management from American World University, USA. His social activities included the prestigious position as the Chairman of The Indonesian National Sport Committee (KONI).



Jonathan L. Parapak

Independent Commissioner

Mr. Jonathan L. Parapak, age 67, has extensive experience in large private and state-owned enterprises in Indonesia. His former positions include, among others, as President Director of PT Indosat Tbk and a member of the People's Consultative Assembly. In addition to his current position as Commissioner of Lippo Karawaci, he is also the Commissioner of PT AsiaNet and PT Broadband Multimedia. He had become a Commissioner of PT Multipolar Tbk and PT Matahari Putra Prima Tbk. Mr. Jonathan L. Parapak earned his Bachelor of Engineering and Master of Engineering Science degree from University of Tasmania, Australia.



Adrianus Mooy

Independent Commissioner

Mr. Adrianus Mooy, age 73, has dedicated his life in the service of the government of Indonesia. He formerly served as Governor of Indonesia's Central Bank, Ambassador to the European Communities, Alternate Governor for Indonesia at the Asian Development Bank, and Deputy Head of BAPPENAS, and has held various advisory roles as the Senior Advisor of Asian Development Bank, Indonesia's Central Bank, UNSFIR, SEACEN Center, United Nations ESCAP and the Government of Indonesia, as well as being a lecturer at the Faculty of Economics at Universitas Indonesia. Mr. Adrianus Mooy earned his Bachelor of Science in Economics from Universitas Gajah Mada, Yogyakarta and holds a Master of Science degree and a Ph.D degree in Economics from the University of Wisconsin, USA.



Viven G. Sitiabudi

Commissioner

Mrs. Viven G. Sitiabudi, age 54, has an outstanding career in many companies. Her experiences in general management, corporate planning and marketing brought the success to Lippo Karawaci. She is now also the Executive Director and CEO of the Lippo-Mapletree Indonesia Retail Trust Management Ltd. She pioneered PT Lippo Life Insurance and assumed the position of President Director until 1995. Under her leadership, PT Lippo Life Insurance successfully established its position as one of the largest life insurance companies in Indonesia and initiated its Initial Public Offering. Previously, Mrs. Viven G. Sitiabudi was the CEO of Legal and General Australia's operations in Indonesia and Vice President Director of Allianz Life Indonesia. Mrs. Viven G. Sitiabudi graduated from the University of New South Wales, Australia in 1977 with a degree in Computer Science and Statistics.

Profile of the Board of Directors



Eddy H. Handoko

President Director

Mr. Eddy H. Handoko, age 53, has over 20 years of experience in banking and financial services, which includes his long and successful tenure as the Director of PT Bank Lippo Tbk from 1989 to 1998, President Director of PT Lippo Securities Tbk from 1998 until 1999, and Deputy President Director of PT Bank Lippo Tbk from 2000 until 2003. Prior to joining Lippo Karawaci, he had been holding several management positions in retail and property companies, Vice President Director of PT Multipolar Tbk and Director of PT Matahari Putra Prima Tbk. Mr. Eddy Handoko graduated from the University of Southern California, Los Angeles, USA, with a degree in Business Administration.



Tjokro Libianto

Director

Mr. Tjokro Libianto, age 50, is very knowledgeable in land development regulations and requirements for its successful development. He has been instrumental in negotiating most of the Lippo Group's land acquisitions and is expected to perform this function again in the future. He was formerly the Administrative and Finance Manager of PT Dwi Satya Utama in Surabaya, as well as PT Tifa Finance and PT Tifa Securities. Mr. Tjokro Libianto holds a degree in Accountancy from Universitas Brawijaya, Malang.



Yuke Elia Susiloputro

Director

Mr. Yuke E. Susiloputro, age 50, has a long tenure in the property business. He started his career at PT Lippo Cikarang Tbk in 1992, and was appointed as President Director in 1999, and Commissioners of PT Lippo Cikarang Tbk in 2007. Mr. Yuke Susiloputro's social responsibilities include serving as Head of the New Township Development in the Indonesian Real Estate Association and the Chairman of the Indonesian Industrial Estate Association for Infrastructure Facilities Development. He is also the President Director of the International Zone Area (Special Economic Zone), Bekasi, West Java. He started his career as a design architect in Future Systems, Los Angeles, California from 1986 to 1988. He was later an Associate Director of Glenwood L. Garvey & Associates, Santa Monica, California in 1998. Mr. Yuke Elia Susiloputro earned a Bachelor of Architecture degree from the Southern California Institute of Architecture Santa Monica, California, USA.

**Ketut Budi Wijaya**

Director

Mr. Ketut Budi Wijaya, age 54, has brought his in-depth expertise and prowess in accounting and corporate finance to Lippo Karawaci. He concurrently serves as an Independent Commissioner of PT Multipolar Tbk. Prior to joining the Company, Mr. Ketut Budi Wijaya held various executive positions within the Lippo Group, including PT Matahari Putra Prima Tbk, PT Multipolar Tbk, and PT Bank Lippo Tbk. He had also worked for PT Bridgestone Tire Indonesia and Darmawan & Co. Public Accountants.

**Jopy Rusli**

Director

Mr. Jopy Rusli, age 47, has used his architectural talent and experience to create and effectively market many of Lippo Karawaci's successful projects. A former Project Designer with Trittipio & Associates in San Diego, California, USA and Project Manager and Designer with the Pacific Architecture and Planning Group, San Diego, California, Mr. Jopy Rusli has also served as Director of PT Califa Pratama, a subsidiary of Gunung Sewu and Duta Anggada Realty. Mr. Jopy Rusli obtained his Bachelor's degree in Architecture from the University of Oregon, and has an MBA degree in Real Estate from the National University, San Diego, USA.

Profile of the Senior Executives



Gordon Benton, OBE

Mr. Gordon Benton, age 77, has extensive experience in urban planning, city management, conceptual architectural and construction design, and project and municipal management. Mr. Gordon Benton has a distinguished career in several countries, including Scotland, Kenya, Iran, the Indian sub-continent and many Southeast Asian countries. He also had the distinction of being named an Officer of the Most Excellent Order of the British Empire by Queen Elizabeth II. Mr. Gordon Benton is a member of the Singapore, Malaysian and Royal Institute of British Architects. In addition to having won several awards and citations in architectural design competitions in Pakistan, Kuala Lumpur, Singapore and Indonesia, he has been an active member of the St. Andrew's Societies in Brunei, Singapore and Indonesia.



Gershu Paul

Dr. Gershu Paul, age 50, brings his extensive knowledge of the public health sector and senior executive level experience in diverse sectors including change management to Lippo Karawaci. He has earned his Medical Degree from the University of Bangalore, India. In addition, he has a Diploma in Sports Studies, an MBA from the University of Otago, New Zealand and the Executive Program at Harvard Medical School, USA. He is also a member of the Royal Australasian College of Medical Administrators.



Murray D. Bell

Mr. Murray D. Bell, age 45, has strong ability to understand the needs of diverse stakeholder groups with prime focus on retail shopping malls that he gained from his vast experience within the property sector. He currently serves as CEO of "The Village" mall. Prior to joining Lippo Karawaci he concurrently served as SVP Business Development in Property Group, Acting CEO as well as SVP Asset Management and Leisure at Majid Al Futtaim (MAF) Shopping Malls, Dubai, United Arab Emirates (UAE). Mr. Murray D. Bell has served important position in prominent property and investment companies in Australia, Hong Kong, Korea, Indonesia and UAE for more than 20 years. He obtained his Bachelor of Arts in Economics and Law from University of Sydney, Australia.



Leigh V. Regan

Mr. Leigh V. Regan, age 52, has over 20 years experience in various retail business, property and construction companies. Prior to his appointment as Senior Executive at Lippo Karawaci, he was a Chief Operation Officer of PT Manggala Gelora Perkasa Senayan City, General Manager of Eastland Shopping Center, Victoria, Australia, Portfolio Manager of Jones Lang LaSalle National, General Manager of Rodamco Pacific & Lippo Group, Lippo Supermal and General Manager of Kumagai Gumi P/L in Melbourne Central, Australia. Mr. Leigh V. Regan holds Bachelor of Business from RMIT, Australia, Certified Practicing Accountant (CPA) and Certified Shopping Centre Manager (CSMA).

Profile of the Senior Executives



Jessy Quantero

Ms. Jessy Quantero, age 55, had served in several strategic positions within the Lippo Group since 1990 before serving as CEO of Aryaduta Hotel since 2009. After seven years of dedication in PT Bank Lippo Tbk with the last position as Deputy Regional Office Head, she was appointed as Director of PT Siloam Gleneagles Health Care Tbk., then as Director of Siloam HealthCare Group until 2006. Between 2006-2009, she served as Director of Kemang Village. Prior to joining Lippo Group, Ms. Jessy Quantero had worked as External Auditor at Price Waterhouse & Co., and General Manager at PT. Zindo Utama (Vespa Group). She earned her Degree in Accounting from Universitas Trisakti in 1988.



Juergen Fisher

Mr. Juergen Fisher, age 52, has far-reaching knowledge in hotel and tourism from his working experience in Europe, Middle East, Caribbean and Asia. He has been the Chief Operating Officer of Aryaduta Hotel since 2007. Prior to joining Aryaduta Hotel, he had been holding several managerial positions at Swiss- Belhotel International, Nakamanda Resort & Spa, Gloria International Hotels China, Aerowisata International Hotels and Legend Resort. He gained his working experience from well-known hotels such as Patra (Bali), Royal Garden Marriot (Thailand) and Dorint Sport Hotel (Biesdorf, Germany).



Mark Wong

Mr. Mark Wong, age 63, is an experienced banker, stockbroker and venture capitalist specializing in Indonesia financial markets in the last 30 years. He came to Indonesia as Country Representative for the five largest Singapore Banks in the mid 70's. He was involved in the ADB study which resulted in the establishment of the Indonesian Capital Markets and help co-found two securities companies. He participated in the formative years of the Indonesian Venture Capital industry and helped create the AMVI (Asosiasi Modal Ventura Indonesia) and later on facilitated its founding role in APVCA (Asia Pacific Venture Capital Alliance) in which he currently held board positions. Prior to joining Lippo Karawaci, Mr. Mark Wong was involved in a variety of merger and acquisition transactions and financial advisory. Besides being active in business, professional and community service organizations, he currently holds Board positions in the International Business Chamber and the Singapore Chamber of Commerce, which he co-founded. Mr. Mark Wong is a business graduate from the University of Singapore and University of Pennsylvania, USA.



Julie McCaughan

Ms. Julie McCaughan, age 47, has notable contribution in leading Siloam Hospitals Group to be an international standard hospital. She joined Lippo Karawaci as Director of Clinical Improvements at Siloam Hospitals Group since 2005. Ms. Julie McCaughan also plays a major role in the development of Universitas Pelita Harapan School of Nursing, and The Mochtar Riady Comprehensive Cancer Center in Central Jakarta. Prior to joining Siloam Hospitals, Ms. Julie McCaughan worked at St. John of God Healthcare (SJGHC), Murdoch, Western Australia for more than a decade and enhanced her capability while serving in various strategic assignment and position. She obtained a Master Degree in Business Administration from University of Newcastle, New South Wales, Australia in 2009 and certification on several medical specializations from prestigious hospitals in Australia.

Profile of the Senior Executives



Susanto

Mr. Susanto, age 40, is an experienced finance and accounting professional. Starting his career in Prasetio, Utomo & Co. – Arthur Andersen, he later joined Lippo Group in 2000 as Finance and Accounting Division Head of Lippo Karawaci. In 2001, he was appointed as Director of PT Lippo Cikarang Tbk and in August 2004, he was appointed as Chief Controller of Lippo Karawaci. Mr. Susanto holds an Accounting degree from STIE “YAI”, Jakarta.



Jenny Kuistono

Mrs. Jenny Kuistono, age 47, has an impressive track record of excellent service within the Lippo Group. She was appointed to the position of Corporate Secretary of Lippo Karawaci in 2004. Adept and knowledgeable about the diverse operation of Lippo, she had worked as President Director and Commissioner of PT Sharestar Indonesia, Director of PT Multifiling Mitra Indonesia, General Manager of PT Jasa Century Permai Nusantara (JCPENNY) and was Director of PT Multipolar Tbk until July 2004. Mrs. Jenny Kuistono graduated from Universitas Trisakti, Jakarta with an Electronic Engineering degree.

Responsibility for the 2009 Annual Report


The Board of Commissioners and Board of Directors of PT Lippo Karawaci Tbk have reviewed and are fully responsible for this 2009 Annual Report, including the accompanying financial statements and related financial information.

Lippo Village, March 2010

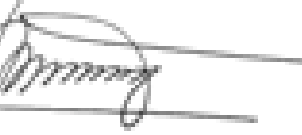
Board of Commissioners*



Surjadi Soedirdja
Vice President Commissioner



Theo L. Sambuaga
Independent Commissioner



Agum Gumelar
Independent Commissioner



Tanri Abeng
Independent Commissioner



Farid Harianto
Independent Commissioner



Jonathan L. Parapak
Independent Commissioner




Adrianus Mooy
Independent Commissioner



Viven G. Sitiabudi
Commissioner

Board of Directors




Eddy H. Handoko
President Director



Tjokro Libianto
Director



Ketut Budi Wijaya
Director



Jopy Rusli
Director



Yuke Elia Susiloputro
Director

* Mr. Charley Song Lin and Mr. Jiang Wei resigned as Commissioner effective September 7, 2009, followed by Mr. Ning Gaoning resigned as President Commissioner effective November 4, 2009.



The image shows a minimalist cover design for a financial report. It features a light beige background with three vertical stripes on the left side: a wide dark grey stripe, a narrow orange stripe, and a medium-width light grey stripe. On the right side, a large brown rectangle contains a thin horizontal line above the title.

Financial Report

RSM AAJ Associates

PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES

Independent Auditor's Report
and
Consolidated Financial Statements
for the Years Ended
31 December 2009 and 2008

Aryanto, Amir Jusuf, Mawar & Saptoto
Registered Public Accountants



**DIRECTOR'S STATEMENT
ON
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2009**

We the undersigned:

- | | |
|--|---|
| 1. Name | : Eddy Harsono Handoko |
| Address | : 22 nd floor Menara Matahari
7 Boulevard Palem Raya
Lippo Karawaci Central, Tangerang 15811 |
| Residential Address
(as in identity card) | : Jln. Naga Hijau Raya No. 51
RT. 001 RW. 017 Pondok Pinang
Kebayoran Lama, Jakarta Selatan |
| Telephone | : (021) 2566 9000 |
| Title | : President Director |
| 2. Name | : Ketut Budi Wijaya |
| Address | : 22 nd floor Menara Matahari
7 Boulevard Palem Raya
Lippo Karawaci Central, Tangerang 15811 |
| Residential Address
(as in identity card) | : Jl. Percetakan Negara II/3
Johar Baru, Jakarta Pusat |
| Telephone | : (021) 2566 9000 |
| Title | : Director |

State that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Lippo Karawaci Tbk ("the Company");
2. The Company's consolidated financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;
3. a. All information contained in the Company's consolidated financial statements is complete and correct;
b. The Company's consolidated financial statements do not contain misleading material information or facts and do not omit material information or facts; and
4. We are responsible for the Company's internal control system.

This statement is issued to the best of our knowledge and belief.

Lippo Karawaci, 29 January 2010
PT Lippo Karawaci Tbk


Eddy Harsono Handoko
President Director


Ketut Budi Wijaya
Director



RSM Aryanto, Amir Jusuf, Mawar & Saptoto

This report is originally issued in Indonesian language

Number : R/055.AGA-E/9.1/03/10

RSM Aryanto, Amir Jusuf, Mawar & Saptoto
Registered Public Accountants
Place ARIA, Floor 10 & 11
J. Jend. Sudirman Kav. 58 Jakarta 12190, Indonesia
Phone : (62) 21 548 1548
Fax : (62) 21 548 1556
www.rsm-ags.com/indonesia.com

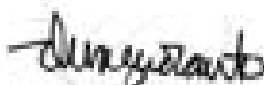
Independent Auditors' Report

The Stockholders, Commissioners and Directors
PT Lippo Karawaci Tbk

We have audited the accompanying consolidated balance sheets of PT Lippo Karawaci Tbk and subsidiaries as of December 31, 2009 and 2008, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of PT Gowa Makassar Tourism Development Tbk, a subsidiary, for the years ended December 31, 2009 and 2008, which reflected total assets of Rp 305,636 million and Rp 287,040 million as of December 31, 2009 and 2008, respectively, and total revenue of Rp 63,013 million and Rp 60,084 million for the years then ended, respectively. Those financial statements were audited by other independent auditors, whose reports dated January 28, 2010 and January 28, 2009, respectively, expressed an unqualified opinion thereon. Those reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such subsidiary is based solely on the reports of such other independent auditors.

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 and the reports of other independent auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of PT Lippo Karawaci Tbk and subsidiaries as of December 31, 2009 and 2008, and the results of their operations, their changes in stockholders' equity and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Indonesia.



Didik Wahyudiyanto

Public Accountant License Number: 01.1.0774

Jakarta, January 29, 2010

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

RSM Aryanto, Amir Jusuf, Mawar & Saptoto is an
independent member firm of
RSM International, an affiliation of
independent accounting and consulting firms

License numbers:
Ministry of Finance : 044598.12009
Capital Market Supervisory Board
(BAPEPAM) : 495
Bank Indonesia : 043

Branch Office:
Jl. Wijaya Suripurna
Komplek Garuda Park I Blok D 8 17 19
Surabaya 60254 - Indonesia

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

As of December 31, 2009 and 2008

(Expressed In Full Rupiah, Unless Otherwise Stated)

ASSETS	Notes	2009 Rp	2008 Rp
Cash and Cash Equivalent	2.c, 2.d, 3, 33	1,533,259,921,843	1,699,917,347,675
Investments	2.c, 2.e, 4, 9, 33	498,496,367,809	305,719,800,296
Trade Accounts Receivable	2.c, 2.f, 5, 33		
Third Parties		530,422,288,809	798,246,501,351
<i>(Net of allowance for doubtful accounts of Rp 52,696,124,794 and Rp 50,541,325,142 as of December 31, 2009 and 2008, respectively)</i>			
Related Parties	9	7,713,338,502	1,988,406,936
<i>(Net of allowance for doubtful accounts of Rp 749,719,412 and Rp 425,479,259 as of December 31, 2009 and 2008, respectively)</i>			
Other Accounts Receivable	2.c, 2.f, 2.u, 6, 31.j, 33	183,522,948,292	617,971,203,410
<i>(Net of allowance for doubtful accounts of Rp 7,135,675,394 and Rp 7,116,587,959 as of December 31, 2009 and 2008, respectively)</i>			
Inventories	2.g, 2.n, 7	5,893,283,214,333	5,330,086,982,218
<i>(Net of allowance for decline in inventories value of Rp 39,505,683 as of December 31, 2009 and 2008, respectively)</i>			
Prepaid Taxes and Expenses	2.h, 2.k, 2.p, 31.i	230,805,594,045	176,978,576,919
Purchase Advances	8	192,710,855,542	174,581,209,870
Due from Related Parties	2.f, 9	12,887,018,903	12,046,789,830
<i>(Net of allowance for doubtful accounts of Rp 11,724,811,276 and Rp 11,975,439,410 as of December 31, 2009 and 2008, respectively)</i>			
Deferred Tax Assets - Net	2.p, 17.b	61,129,611,748	69,017,506,654
Land for Development	2.g, 2.n, 10	985,301,853,498	957,533,566,870
Investment Properties	2.i, 2.k, 2.l, 11	421,018,137,130	17,315,554,439
<i>(Net of accumulated depreciation of Rp 24,766,419,985 and Rp 6,019,788,807 as of December 31, 2009 and 2008, respectively)</i>			
Property and Equipment	2.j, 2.k, 2.l, 12	1,245,661,350,665	1,268,960,681,947
<i>(Net of accumulated depreciation of Rp 720,751,144,553 and Rp 619,451,118,174 as of December 31, 2009 and 2008, respectively)</i>			
Intangible Assets	2.m, 13	133,888,176,502	163,432,474,016
<i>(Net of accumulated amortization of Rp 105,239,833,462 and Rp 72,573,567,527 as of December 31, 2009 and 2008, respectively)</i>			
Other Assets	2.c, 14, 31.a, 33	197,543,333,175	193,980,608,178
TOTAL ASSETS		12,127,644,010,796	11,787,777,210,609

See the Accompanying Notes which are an integral part
of these Consolidated Financial Statements.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)

As of December 31, 2009 and 2008

(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY	Notes	2009 Rp	2008 Rp
LIABILITIES			
Loans	2.c, 2.n, 2.v, 15, 33		
Third Parties		2,883,801,146,170	3,193,033,167,164
Related Party	9	--	5,498,225,669
Trade Accounts Payable	2.c, 9, 33	294,507,158,707	368,253,848,082
Other Accounts Payable	2.c, 33	139,372,907,832	208,215,983,874
Accrued Expenses	2.c, 2.o, 16, 31.j, 33	480,201,717,418	412,012,195,151
Taxes Payable	2.p, 17.c	148,238,887,532	180,305,520,657
Advance from Customers	2.o, 18	1,249,951,529,862	1,136,235,623,326
Customer Deposit		15,710,783,162	12,731,407,443
Deferred Income	2.o, 9, 19	906,835,381,734	572,608,024,489
Obligations Under Finance Lease	2.k	3,860,271	200,871,169
Due to Related Parties	9	23,643,836,417	23,037,354,205
Deferred Gain on Sale and Leaseback Transactions	2.k, 20, 31.i	584,196,843,025	714,232,036,619
Estimated Liabilities on Employees' Benefits	2.t, 21	112,248,363,748	101,446,624,605
Total Liabilities		6,838,712,415,878	6,927,810,882,453
MINORITY INTERESTS		401,690,095,653	359,472,056,020
STOCKHOLDERS' EQUITY			
Capital Stock			
Par Value of Rp 100 per share			
Authorized Capital - 40,000,000,000 shares			
Issued and Fully Paid - 17,302,151,695 shares	22	1,730,215,169,500	1,730,215,169,500
Additional Paid in Capital - Net	23	1,304,222,206,548	1,304,222,206,548
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	2.b, 2.r, 24	19,535,347,265	149,144,092,881
Unrealized Gain (Loss) on Changes in Fair Value of Available-for-Sale Marketable Securities	2.e, 4.a	58,597,260,712	(145,379,229,804)
Difference from Foreign Currency Translations	2.c	(3,814,354,758)	71,859,658,640
Retained Earnings			
Appropriated	25	3,000,000,000	2,000,000,000
Unappropriated		1,775,485,869,998	1,388,432,374,371
Total Stockholders' Equity		4,887,241,499,265	4,500,494,272,136
TOTAL LIABILITIES, MINORITY INTERESTS AND STOCKHOLDERS' EQUITY		12,127,644,010,796	11,787,777,210,609

See the Accompanying Notes which are an integral part of these Consolidated Financial Statements.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2009 and 2008

(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2009 Rp	2008 Rp
NET SALES, SERVICES AND OTHER REVENUES	2.o, 9, 26	2,565,101,010,425	2,553,306,718,090
COST OF SALES AND SERVICES	2.o, 27	<u>1,378,533,339,426</u>	<u>1,334,494,092,559</u>
GROSS PROFIT		<u>1,186,567,670,999</u>	<u>1,218,812,625,531</u>
OPERATING EXPENSES	2.o		
Selling	28.a	134,910,105,988	148,530,857,460
General and Administrative	28.b	<u>570,950,794,065</u>	<u>604,828,773,907</u>
Total Operating Expenses		<u>705,860,900,053</u>	<u>753,359,631,367</u>
INCOME FROM OPERATIONS		<u>480,706,770,946</u>	<u>465,452,994,164</u>
OTHER INCOME (EXPENSES)	2.o		
Interest Income - Net	30	10,819,166,632	14,929,059,636
Penalties Income - Net	29	5,852,775,140	27,777,602,196
Gain on Disposal of Property and Equipment	2.j, 12	265,958,104	832,130,395
Unrealized Loss on Changes in Fair Value of Marketable Securities	2.e, 4.a	--	(19,105,477,190)
Amortization Expenses - Net	2.k, 2.m, 2.v	(42,177,606,504)	(42,758,889,537)
Gain (Loss) on Foreign Exchange - Net	2.c	(91,160,995,148)	68,369,099,431
Others - Net	24	<u>147,131,301,067</u>	<u>(53,269,063,600)</u>
Total Other Income (Expense) - Net		<u>30,730,599,291</u>	<u>(3,225,538,668)</u>
INCOME BEFORE EQUITY IN NET EARNINGS OF ASSOCIATES		511,437,370,237	462,227,455,496
EQUITY IN NET EARNINGS OF ASSOCIATES	2.e, 4.b	<u>15,220,649,633</u>	<u>9,458,073,114</u>
INCOME BEFORE INCOME TAX EXPENSE		<u>526,658,019,870</u>	<u>471,685,528,610</u>
INCOME TAX EXPENSE	2.p, 17.a		
Current		(82,284,732,636)	(46,771,645,647)
Deferred		<u>(7,887,894,906)</u>	<u>(28,055,895,172)</u>
Total Income Tax Expense		<u>(90,172,627,542)</u>	<u>(74,827,540,819)</u>
INCOME BEFORE MINORITY INTERESTS		436,485,392,328	396,857,987,791
MINORITY INTERESTS IN NET INCOME OF CONSOLIDATED SUBSIDIARIES	2.b	<u>(48,431,896,701)</u>	<u>(25,985,654,034)</u>
NET INCOME		<u><u>388,053,495,627</u></u>	<u><u>370,872,333,757</u></u>
BASIC EARNINGS PER SHARE	2.q, 35	22.43	21.44

See the Accompanying Notes which are an integral part of these Consolidated Financial Statements.

These consolidated financial statements are originally issued in Indonesian language

R/055.AGA-E/9.1/03/10

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2009 and 2008
(Expressed In Full Rupiah, Unless Otherwise Stated)

Notes	Issued and Fully Paid in Capital	Additional Paid in Capital - Net	Difference in Value from Restructuring Transactions between Entities Under Common Control	Unrealized Gain (Loss) on Changes in Fair Value of Available-for-Sale Marketable Securities	Difference from Foreign Currency Translations	Retained Earnings		Total Stockholders' Equity
						Appropriated	Unappropriated	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
BALANCE AS OF DECEMBER 31, 2007	1,730,215,169,500	1,304,222,206,548	149,144,092,881	--	2,918,405,155	400,000,000	1,019,160,040,614	4,206,059,914,698
Unrealized Loss on Changes in Fair Value of Available-for-Sale Marketable Securities	--	--	--	(145,379,229,804)	--	--	--	(145,379,229,804)
Reserved Fund	--	--	--	--	--	1,600,000,000	(1,600,000,000)	--
Difference from Foreign Currency Translations	--	--	--	--	68,941,253,485	--	--	68,941,253,485
Net Income	--	--	--	--	--	--	370,872,333,757	370,872,333,757
BALANCE AS OF DECEMBER 31, 2008	1,730,215,169,500	1,304,222,206,548	149,144,092,881	(145,379,229,804)	71,859,658,640	2,000,000,000	1,388,432,374,371	4,500,494,272,136
Unrealized Gain on Changes in Fair Value of Available-for-Sale Marketable Securities	--	--	--	203,976,490,516	--	--	--	203,976,490,516
Difference in Value from Restructuring Transactions between Entities Under Common Control	--	--	(129,608,745,616)	--	--	--	--	(129,608,745,616)
Reserved Fund	--	--	--	--	--	1,000,000,000	(1,000,000,000)	--
Difference from Foreign Currency Translations	--	--	--	--	(75,674,013,398)	--	--	(75,674,013,398)
Net Income	--	--	--	--	--	--	388,053,495,627	388,053,495,627
BALANCE AS OF DECEMBER 31, 2009	1,730,215,169,500	1,304,222,206,548	19,535,347,265	58,597,260,712	(3,814,354,758)	3,000,000,000	1,775,485,869,998	4,887,241,499,265

See the Accompanying Notes which are an integral part of these Consolidated Financial Statements.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS CASH FLOWS

For the Years Ended December 31, 2009 and 2008

(Expressed In Full Rupiah, Unless Otherwise Stated)

	2009 Rp	2008 Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from Customers	3,281,496,666,236	2,676,012,411,179
Taxes Payment	(240,185,630,330)	(254,238,729,090)
Payment to Employees	(323,459,478,619)	(347,844,919,633)
Interest Payments - Net	(369,372,948,348)	(247,319,436,953)
Payment to Suppliers and Third Parties	(2,232,745,043,684)	(2,065,651,030,995)
Net Cash Flows Provided by (Used in) Operating Activities	<u>115,733,565,255</u>	<u>(239,041,705,492)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend Receipt	36,271,003,286	34,358,739,614
Redemption (Placement) of Investments and Promissory Note	10,950,000,000	(5,014,994,000)
Proceeds from Disposal of Property and Equipment	3,287,966,850	5,559,505,309
Placement of Restricted Funds	(3,680,508,441)	(41,686,204,592)
Acquisition of Property and Equipment and Investment Properties	(164,967,043,144)	(267,016,671,933)
Net Cash Flows Used in Investing Activities	<u>(118,138,581,449)</u>	<u>(273,799,625,602)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from Loans	138,038,243,681	80,593,724,254
Cash Received from (Payment to) Related Parties	16,881,273	(6,730,794,855)
Payment of Obligations Under Finance Lease	(197,010,898)	(432,718,351)
Repayment of Promissory Notes	(26,458,030,357)	(39,335,266,601)
Repayment of Loans	(51,223,916,315)	(101,787,316,913)
Net Cash Flows Provided by (Used in) Financing Activities	<u>60,176,167,384</u>	<u>(67,692,372,466)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	57,771,151,190	(580,533,703,560)
Effect of Foreign Exchanges on Cash and Cash Equivalent at the End of the Year	(224,428,577,022)	251,463,874,332
BEGINNING BALANCE OF CASH AND CASH EQUIVALENT	1,699,917,347,675	2,028,987,176,903
ENDING BALANCE OF CASH AND CASH EQUIVALENT	<u><u>1,533,259,921,843</u></u>	<u><u>1,699,917,347,675</u></u>
Cash and Cash Equivalent at the End of the Year consist of:		
Cash on Hand	3,787,993,087	4,872,092,089
Cash in Banks	124,379,295,036	80,888,757,315
Time Deposits	1,405,092,633,720	1,614,156,498,271
Total	<u><u>1,533,259,921,843</u></u>	<u><u>1,699,917,347,675</u></u>

See the Accompanying Notes which are an integral part of these Consolidated Financial Statements.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2009 and 2008

(Expressed In Full Rupiah, Unless Otherwise Stated)

1. General

1.a. The Company's Establishment

PT Lippo Karawaci Tbk (the Company) was established under the name of PT Tunggal Reksakencana on October 15, 1990 based on Deed of Establishment No. 233, made in presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's article of association have been amended several times, the latest by the Deed of Extraordinary General Meeting of Shareholders Resolution No. 19 dated December 18, 2008, made in presence of Unita Christina Winata, S.H., a notary in Tangerang, concerning the changes of the Company's scope of activities. The deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No. AHU-100280.AH.01.02.Tahun 2008 dated December 30, 2008.

In accordance with article 3 of the Company's articles of association, the Company's scope of activities include real estate, urban development, land purchasing and clearing, land cut and fill, land development and excavation; infrastructure development; planning, developing, leasing, selling, and managing of buildings, houses, offices and industrial estates, hotels, hospitals, commercial centers, sports centers as well as supporting infrastructure, including but not limited to golf courses, club houses, restaurants, other entertainment centers, medical laboratories, medical pharmacies and related facilities, directly or by investment or capital divestment; build and operate environment infrastructure, build and manage public facilities as well as accommodation services, operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

As at the reporting date, the main activities of the Company are conducting businesses related to Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management.

The Company is domiciled in 7 Boulevard Palem Raya # 22-23, Menara Matahari, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia.

1.b. The Company's Public Stock Offering

The Company's initial public offering of 30,800,000 shares was declared effective by the Chairman of Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) (formerly Capital Market Supervisory Board) in his Decree No. S-878/PM/1996 dated June 3, 1996, and was listed at Indonesia Stock Exchange on June 28, 1996.

Subsequently, the Company offered 607,796,000 shares to its existing stockholders through Limited Public Offering I, as approved by the Decree of the Chairman of Bapepam-LK in his letter No. S-2969/PM/1997 dated December 30, 1997. These shares were listed in Indonesia Stock Exchange on January 16, 1998.

On July 30, 2004, the Company acquired and merged with several companies. As part of the merger, the Company issued 1,063,275,250 new shares, and then the Company's total outstanding shares became 2,050,943,750 shares. The increase of authorized, issued and fully paid capital was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. C-19039.HT.01.04.Th.04 dated July 30, 2004.

In 2004, the Company offered 881,905,813 common shares at par value of Rp 500 to the shareholders through Limited Public Offering II in connection with Preemptive Rights Issuance and issued 529,143,440 Warrants Series I as a compliment to shareholders that exercised their rights in the Limited Public Offering II. This offering was approved by the Decree of the Chairman of Bapepam-LK in his Letter No. S-3357/PM/2004 dated October 29, 2004. These shares were listed in Indonesia Stock Exchange on January 20, 2005.

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On July 28, 2006, the Company exercised stock split from one share to two shares. The outstanding shares as of December 31, 2006 were 5,871,017,072 shares and have been listed in Indonesia Stock Exchange.

Based on Deed of Extraordinary General Meeting of Shareholders (EGMS) Resolution No. 72 dated November 30, 2007 made in presence of Unita Christina Winata, S.H., a notary in Tangerang, the shareholders approved issuance of new shares in connection with Non Preemptive Rights Issuance (PRI) with maximum 5% of paid-in capital which will be executed by the Company after stock split were exercised. This Non PRI can be exercised all at once or partially in 3 years after the approval of EGMS.

On December 26, 2007, the Company exercised stock split from Rp 250 per share to Rp 100 per share. The outstanding shares as of December 31, 2007 were 17,302,151,695 shares (see Note 22) and have been listed in Indonesia Stock Exchange.

1.c. The Company's Structure

The Company has ownership of more than 50%, either direct or indirectly, of the following subsidiaries:

Subsidiary	Domicile	Main Business Activity	Ownership Percentage (directly and/or indirectly)	Year of Operation Started	Total Assets	
					2009	2008
					Rp	Rp
PT Prudential Development	Jakarta	Real Estate	100	--	578,200,542	585,313,792
Lippo Karawaci Finance B. V.	Netherlands	Investment, Trading and Services	100	2006	2,421,548,122,631	2,802,654,353,318
Lippo Karawaci Corporation Pte. Ltd. and Subsidiaries	Singapore	Investment, Trading and Services	100	--	28,444,628,924	16,703,407,088
LK Reit Management Pte. Ltd. and Subsidiary	Singapore	Investment, Trading and Services	100	--	28,437,549,019	16,695,367,554
Bowsprit Capital Corp. Ltd.	Singapore	Investment, Trading and Services	80	2006	28,431,023,255	16,687,957,271
Jesselton Investment Ltd. and Subsidiaries	Malaysia	Investment, Trading and Services	100	--	82,334,152,349	53,278,570,242
Peninsula Investment Ltd. and Subsidiary	Malaysia	Investment, Trading and Services	100	--	82,216,211,749	53,160,631,192
Lippo-Mappletree Indonesia Retail Trust Management Ltd.	Singapore	Investment, Trading and Services	60	2007	82,098,252,349	53,042,670,242
PT Grand Villa Persada	Tangerang	Real Estate	100	--	581,806,000	587,378,000
PT Primakreasi Propertindo and Subsidiaries	Tangerang	Real Estate	100	--	864,826,871,968	632,009,359,039
PT Mujur Sakti Graha and Subsidiaries	Tangerang	Real Estate	99.83	--	91,689,980,414	93,464,582,611
PT Surplus Multi Makmur and Subsidiary	Jakarta	Real Estate	90	--	21,440,070,913	23,211,736,611
PT Arta Sarana	Bandung	Investment, Trading and Services	81	--	41,591,020,892	43,357,158,090
PT Perdana Kencana Mandiri	Jakarta	Development, Trading, Industry and Services	100	--	3,569,130,180	4,784,807,560
PT PuriParagon	Tangerang	Development, Trading and Services	100	--	588,715,942	590,276,942
PT PluitParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,942	590,276,942
PT BaliParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT Kuta BeachParagon and Subsidiaries	Tangerang	Development, Trading and Services	100	--	105,137,920,504	112,295,138,967
PT Graha Buana Utama and Subsidiaries	Tangerang	Development, Trading and Services	86.5	--	103,385,628,867	194,091,256,986
PT Berkat Langgeng Jaya and Subsidiary	Tangerang	Development, Trading and Services	80.01	--	103,347,048,367	109,719,756,986
PT Pamor Paramita Utama	Jakarta	Development, Trading and Services	80.02	--	92,962,569,948	99,121,170,872
PT PejatenParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT CibuburParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT PalembangParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941

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Subsidiary	Domicile	Main Business Activity	Ownership Percentage (directly and/or indirectly)	Year of Operation Started	Total Assets	
					2009	2008
			%		Rp	Rp
PT MedanParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT Multiguna Selaras Maju (formerly PT BogorParagon Mall)	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT ThamrinParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT SurabayaParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT SemarangParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT RiauParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT LampungParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT PontianakParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT BatamParagon Mall	Tangerang	Development, Trading and Services	100	--	588,715,941	590,276,941
PT Graha Solusi Mandiri and Subsidiaries	Jakarta	Services	100	--	164,902,262,221	148,358,779,596
PT Wijaya Wisesa Propertindo and Subsidiary	Jakarta	Development and Services	80	--	159,413,251,806	147,627,764,319
PT Simprug Arteri Realty	Jakarta	Development, Trading and Services	60	--	156,977,483,222	147,606,212,611
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	100	--	595,936,000	596,427,000
PT Menara Abadi Megah	Tangerang	Development, Trading and Services	100	--	590,762,500	594,750,000
PT Multiselaras Anugrah	Tangerang	Development, Trading and Services	100	--	3,291,884,778	4,325,704,926
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	100	--	587,387,500	600,000,000
PT Mandiri Cipta Gemilang	Jakarta	Real Estate	100	2003	995,590,357,865	515,110,771,435
PT Jaya Makmur Bersama	Jakarta	Development, Trading and Services	100	--	2,000,000,000	600,000,000
PT Mega Proyek Pertiwi	Tangerang	Real Estate	100	--	580,400,000	586,571,000
PT Megapratama Karya Persada	Tangerang	Investment, Trading and Services	100	--	582,584,147	588,499,000
PT Sentra Dwimandiri and Subsidiaries	Jakarta	Real Estate	100	--	2,500,945,352,218	2,761,554,102,213
PT Muliasentosa Dinamika (has 4.48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	100	1997	305,321,961,804	338,588,417,069
PT Sentra Realtindo Development (has 4.62% ownership in PT Lippo Cikarang Tbk) and Subsidiaries	Tangerang	Home Improvement	100	2001	141,853,657,236	125,995,854,813
PT Darma Sarana Nusa Pratama and Subsidiary	Tangerang	Real Estate	52.7	1997	128,348,654,926	112,878,416,498
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	42.16	2001	57,453,810	86,730,710
PT Golden Pradamas and Subsidiaries	Tangerang	Real Estate	100	--	137,127,798,691	147,835,367,358
PT Mulia Bangun Semesta and Subsidiary	Jakarta	Real Estate	99.98	2002	84,167,459,383	101,272,694,520
PT Villa Permata Cibodas	Tangerang	Real Estate	99.98	1995	77,678,568,652	91,823,047,739
PT Puncak Resort International and Subsidiaries	Cianjur	Real Estate	100	1994	75,157,423,301	74,232,485,162
PT Sentosa Seksama	Cianjur	Real Estate	100	1994	23,235,147,364	23,235,642,030
PT Purimegah Swarga Buana	Cianjur	Real Estate	100	1994	8,778,875,151	8,777,869,817
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	100	1994	7,206,733,965	7,205,774,631
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	100	1994	1,975,056,475	1,974,140,939
PT Dona Indo Prima	Cianjur	Real Estate	100	--	50,000,000	50,000,000
PT Sukmaprima Sejahtera	Cianjur	Real Estate	100	--	50,000,000	50,000,000
PT Sentra Asritama Realty Development	Tangerang	Installation and Water Treatment	100	1994	70,954,428,516	64,371,785,291
PT Sentra Graha Mandiri	Tangerang	Real Estate	100	--	33,317,753,392	33,316,593,392
PT Tata Mandiri Daerah Lippo Karawaci	Tangerang	Town Management	100	1999	45,506,539,780	42,754,412,640
PT Saptapersada Jagatnusa	Tangerang	Bowling	100	1998	9,741,845,370	9,132,668,188
PT Sejahterajaya Selaras	Jakarta	Real Estate	100	--	19,336,819,118	19,318,022,618
PT Surya Makmur Alam Persada	Jakarta	Real Estate	100	--	20,286,909,984	20,288,793,484
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	100	--	15,742,951,819	15,742,644,676
PT Sentra Office Realty	Tangerang	Building Management	100	1998	730,334,874	740,953,015
PT Dinamika Intertrans	Tangerang	Transportation	100	1994	1,014,684,578	705,612,131

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Subsidiary	Domicile	Main Business Activity	Ownership Percentage (directly and/or indirectly)	Year of Operation Started	Total Assets	
					2009	2008
					Rp	Rp
PT Imperial Karawaci Golf	Tangerang	Golf	100	--	479,661,000	485,722,000
PT Agung Sepadan	Tangerang	Real Estate	100	--	2,249,629,404	2,198,125,404
PT Prudential Townhouse Development	Jakarta	Real Estate	100	--	184,231,263	167,986,670
PT Wahana Tatabangun Cemerlang Matahari	Jakarta	Real Estate	100	--	21,442,808	21,883,808
PT Wahana Tatabangun Cemerlang	Jakarta	Real Estate	100	--	19,712,066	20,153,066
PT Paragon City	Tangerang	Real Estate and Trading	100	--	7,163,977,926	6,680,269,926
Bridgewater International Ltd and Subsidiaries	Seychelles	Investment	100	2006	1,605,718,537,015	1,682,336,457,172
Platinum Strategic Investments Pte. Ltd. and Subsidiaries	Singapore	Investment, Trading and Services	100	--	78,786,085	45,649,607
Ultra Investments Pte. Ltd.	Singapore	Investment, Trading and Services	100	--	661,092,370	22,828,607
PT Graha Pilar Sejahtera	Tangerang	Development, Transportation, Trading and Services	100	--	12,462,210,172	12,463,980,294
PT Lippo Karawaci Infrastructure & Utilities Division	Tangerang	Construction and Services	100	--	234,432,000	235,788,000
Brightlink Capital Pte. Ltd. and Subsidiaries	Malaysia	Investment, Trading and Services	100	--	69,900,831,573	230,979,857,399
Evodia Strategic Investment Ltd. and Subsidiaries	Malaysia	Investment, Trading and Services	100	--	144,352,880	136,937,578
Great Capital Pte. Ltd. and Subsidiary	Singapore	Investment, Trading and Services	100	--	72,178,041	45,649,607
Key Capital Pte. Ltd.	Singapore	Investment, Trading and Services	100	--	36,092,370	22,828,607
Globalink Investments Pte. Ltd. and Subsidiary	Singapore	Investment, Trading and Services	100	--	72,178,041	45,649,607
Fortuna Capital Pte. Ltd.	Singapore	Investment, Trading and Services	100	--	36,092,370	22,828,607
PT Lippo Cikarang Tbk and Subsidiaries	Bekasi	Real Estate	51.64	1989	1,550,521,235,190	1,403,050,864,590
PT Great Jakarta Inti Development	Bekasi	Town Management and Real Estate	51.64	1992	124,497,416,772	111,304,869,153
PT Erabaru Realindo	Bekasi	Real Estate	51.64	--	16,980,287,500	16,980,287,500
PT Dian Citimarga	Bekasi	Public	51.64	1993	27,837,062	105,354,428
PT Kreasi Dunia Keluarga	Bekasi	Transportation Recreation Services	51.38	1993	5,638,906,007	4,909,476,724
Pan Asian Investment Ltd. and Subsidiary	Vanuatu	Trading	100	--	6,790,161,356	6,790,161,356
Cromwell Investment Ltd.	Vanuatu	Trading	100	--	16,930	21,900
Indigo Investment Fund Ltd.	Cook Island	Investment	100	--	9,400	10,950
Banksia Holdings Ltd.	Cook Island	Trading	100	--	9,400	10,950
Inglewood Properties Ltd.	Cook Island	Trading	100	--	9,400	10,950
Chesterfield Properties Ltd.	Cook Island	Trading	100	--	9,400	10,950
PT Maharama Sakti	Jakarta	Trading	100	--	23,674,000	23,674,000
PT Wisma Jatim Propertindo and Subsidiaries	Jakarta	Services	100	--	3,235,743,320,067	2,967,856,243,215
PT KemangParagon Mall and Subsidiaries	Tangerang	Development, Trading and Services	100	--	960,603,852,344	776,704,946,270
PT Wahana Usaha Makmur and Subsidiaries	Jakarta	Real Estate	92.00	--	960,527,788,264	816,182,955,775
PT Almaron Perkasa	Jakarta	Real Estate	92.00	2005	895,854,138,488	944,636,678,959
PT Adhi Utama Dinamika	Jakarta	Real Estate	92.00	--	57,722,170,544	49,314,546,016
PT Lippoindo Abadi and Subsidiaries	Jakarta	Trading	100	--	215,437,539,074	204,606,208,280
PT Kemuning Satiatama (has 42.20% ownership in PT Lippo Cikarang Tbk) and Subsidiaries	Jakarta	Trading	100	--	211,336,946,632	200,505,694,104
PT Megachandra Karyaalestari	Jakarta	Trading	100	1992*	294,586,447	294,787,393
PT Prudential Apartment Development	Jakarta	Services	100	1993*	599,611,403	599,876,426
PT Sentra Kharisma Indah and Subsidiary	Jakarta	Services	80	--	6,838,735	7,279,735
PT. Sentra Goldhill Bussinesspark	Jakarta	Services	72	--	--	--
PT Carakatama Dirgantara and Subsidiary	Jakarta	Trading	100	--	74,351,654,423	76,656,667,669
PT Prudential Hotel Development	Tangerang	Trading and Services	100	1994*	74,331,448,944	76,636,174,787
PT Ariasindo Sejati and Subsidiaries	Jakarta	Trading and Services	95	--	263,066,170,802	294,510,251,124
PT Unitech Prima Indah and Subsidiary	Jakarta	Real Estate	94.68	2004	261,803,490,105	293,247,644,427
PT Karya Cipta Pesona	Medan	Accommodation Services	100	--	140,300,581,570	160,865,497,462
PT Metropolitan Leisure and Subsidiaries	Jakarta	Trading and Services	100	--	75,400,392,603	83,798,203,621

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Subsidiary	Domicile	Main Business Activity	Ownership Percentage (directly and/or indirectly)	Year of Operation Started	Total Assets	
					2009	2008
					Rp	Rp
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	100	--	1,371,166,007	1,376,925,627
PT Graha Tata Cemerlang Makassar (has 0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	100	2002	72,771,491,377	78,210,354,049
PT Guna Tata Carakatama	Makassar	Trading and Services	100	2002	159,671,870	192,570,809
PT Lippo Land Cahaya Indonesia	Jakarta	Services	100	2003	13,124,700,751	12,369,976,117
PT Lipposindo and Subsidiary	Jakarta	Trading	100	--	122,925,606,826	118,690,257,297
PT Pendopo Niaga	Jakarta	Real Estate	100	--	123,375,605,826	119,140,256,297
PT Larasati Anugerah	Jakarta	Trading	100	--	15,462,220	24,595,420
PT Bathara Brahma Sakti	Tangerang	Trading and Services	100	1992*	15,462,220	2,489,328,342
PT Realty Limaribu	Jakarta	Services	100	1998*	370,352,622	370,279,483
PT Dwisindo Jaya	Jakarta	Trading	100	--	80,384,279	80,430,686
PT Lippo Vacation and Subsidiary	Jakarta	Trading	100	--	233,363,494,462	235,264,329,448
PT Jagat Pertama Nusantara	Jakarta	Real Estate	100	2004	233,363,494,462	233,429,076,431
PT Wisma Sumut Propertindo	Jakarta	Services	100	--	--	2,181,382
PT Mulia Mukti Persada Perkasa	Jakarta	Trading	100	--	6,316,400	6,916,400
PT Kemang Village and Subsidiaries	Jakarta	Trading	100	--	276,861,354,295	278,093,531,712
PT Menara Bhumimegah and Subsidiaries	Jakarta	Services	100	2005	276,846,158,881	277,628,649,275
PT Jaya Usaha Prima and Subsidiaries	Jakarta	Real Estate and	80	--	86,890,672,809	121,465,334,741
PT Persada Mandiri Abadi and Subsidiaries	Jakarta	Urban Development	80	2005	86,890,672,809	121,498,308,741
		Real Estate and				
PT Pesona Indah Lestari	Jakarta	Hotel and Tourism	80	--	9,995,000,000	10,000,000,000
PT Prima Aman Sarana	Jakarta	Services	80	--	491,000,000	500,000,000
PT Kemang Multi Sarana	Jakarta	Real Estate and	80	--	495,000,000	500,000,000
PT Menara Perkasa Megah and Subsidiaries	Jakarta	Urban Development	100	2005	528,551,909,790	495,971,349,974
		Real Estate and				
PT Pelangi Cahaya Intan Makmur and Subsidiaries	Sidoarjo	Trading	85	--	447,563,030,878	414,960,196,544
PT Surya Mitra Jaya and Subsidiary	Sidoarjo	Trading and Services	85.01	2005	447,572,273,177	414,963,276,344
PT Citra Harapan Baru	Surabaya	Accommodation	85.01	--	2,000,000,000	2,000,000,000
PT Niaga Utama	Jakarta	Services	100	--	111,571,242	112,062,242
PT Mitra Kasih Karunia	Jakarta	Trading	100	--	111,571,242	112,062,242
PT Kreasi Megatama Gemilang and Subsidiary	Jakarta	Real Estate	100	--	2,429,761,400	3,255,298,600
PT Kreasi Megatama Gemilang and Subsidiary	Tangerang	Development,	100	--	27,430,151,165	43,099,640,502
		Industry,				
PT Consulting & Management Service Division	Tangerang	Agribusiness,	100	--	27,430,151,165	43,099,640,502
		Transportation,				
PT Saputra Karya	Jakarta	Trading and Services	100	--	51,962,672,205	39,539,296,259
PT Grand Provita and Subsidiary	Tangerang	Urban Development	100	--	487,625,000	487,981,000
		Real Estate				
PT Grand Prima Propertindo	Tangerang	Real Estate	100	--	12,875,000	13,231,000
PT Pacific Sejahtera	Tangerang	Real Estate	100	--	17,317,400	24,216,100
PT Satriamandiri Idola Utama	Jakarta	Real Estate	100	--	590,108,900	590,108,900
PT Mahakaya Abadi	Jakarta	Real Estate	100	--	490,000,000	490,000,000
PT Persada Mandiri Dunia Niaga and Subsidiaries	Jakarta	Real Estate	100	--	125,737,187,024	121,430,120,995
PT Gapura Sakti Prima and Subsidiaries	Jakarta	Real Estate	78.6	--	121,927,465,496	117,472,569,553
PT Menara Megah Tunggal and Subsidiary	Jakarta	Real Estate	55.02	--	121,927,465,496	117,472,569,553
PT Trias Mitra Investama	Jakarta	Real Estate	54.97	--	121,927,465,496	117,472,569,553
PT Permata Agung Propertindo	Jakarta	Real Estate	100	--	525,029,191	528,411,591
PT Kencana Mitra Lestari	Jakarta	Real Estate	100	--	588,879,750	589,370,750
PT Direct Power and Subsidiaries	Jakarta	Development,	100	--	114,635,104,088	115,421,330,967
		Transportation				
PT Mitra Mulia Kreasi and Subsidiary	Jakarta	Trading and Services	80	--	56,838,322,303	54,196,871,678
		Real Estate				
PT Bellanova Country Mall	Bogor	Industry, Printing,	80	--	56,822,373,803	54,195,452,178
		Agribusiness,				
PT Bellanova Country Mall	Bogor	Transportation and Services	80	--	56,822,373,803	54,195,452,178
		Development,				
PT Bellanova Country Mall	Bogor	Transportation	80	--	56,822,373,803	54,195,452,178
		Trading and Services				

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Subsidiary	Domicile	Main Business Activity	Ownership Percentage (directly and/or indirectly)	Year of Operation Started	Total Assets	
					2009	2008
			%		Rp	Rp
PT Sarana Global Multindo and Subsidiaries	Jakarta	Development, Transportation	100	--	267,374,180,349	229,196,045,807
PT Guna Sejahtera Karya and Subsidiaries	Jakarta	Trading and Services Development, Industry, Agribusiness, Park	100	--	285,017,895,933	246,690,472,519
PT Citra Sentosa Raya and Subsidiaries	Jakarta	Trading, Real Estate, Industry, Agribusiness, Transportation and Services	100	--	267,399,303,523	229,367,205,544
PT Gading Nusa Utama	Jakarta	Trading, Development, Industry, Gardens, Agribusiness and Services	99.6	--	3,150,931,900	3,152,452,900
Rosenet Limited and Subsidiaries	British Virgin Island	Investment	100	--	265,858,753,136	227,843,553,211
Seapejaten Pte. Ltd. and Subsidiary	Singapore	Investment	100	--	266,358,753,136	228,343,553,211
PT Panca Permata Pejaten	Jakarta	Trading, Development and Real Estate	100	2008	267,697,269,861	228,451,970,375
Continental Investment Ltd.	Malaysia	Investment, Trading and Services	100	--	19,592,702	10,950
PT Sandiego Hills Memorial Park	Tangerang	Trading, Development, Transportation and Services	100	2006	288,903,400,072	274,016,263,986
PT CB Commercial	Tangerang	Development, Trading and Services	100	--	587,648,404	593,104,467
PT Mahaduta Purnama and Subsidiary	Jakarta	Development, Transportation	100	--	45,854,763,237	46,450,981,453
PT Buana Mandiri Selaras	Jakarta	Trading and Services Development and Services	100	--	38,824,358,594	38,824,358,594
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	100	--	2,467,939,000	2,474,075,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Services	100	--	589,717,500	2,489,412,000
PT Antasindo Permai Semesta and Subsidiary	Jakarta	Healthcare	100	--	8,834,636,559	11,551,213,022
PT Siloam Sarana Karya	Jakarta	Healthcare	100	2005	4,515,017,488	4,690,647,575
PT Siloam International Hospitals and Subsidiaries	Jakarta	Healthcare	100	--	2,855,585,493	2,861,014,640
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	100	--	100,000,000	100,000,000
PT Siloam Dinamika Perkasa	Jakarta	Development, Transportation, Trading and Services	100	--	248,999,000	248,999,000
PT Siloam Graha Utama	Jakarta	Development, Transportation, Trading and Services	100	--	248,999,000	248,999,000
PT Siloam Tata Prima	Surabaya	Development, Transportation, Trading and Services	100	--	248,999,000	248,999,000
PT Eramulia Pratamajaya	Jakarta	Healthcare	100	--	20,401,000	25,892,000
PT Nusa Medika Perkasa	Bekasi	Healthcare	81.6	--	825,901,888	797,192,460
PT East Jakarta Medika	Bekasi	Healthcare	50	2002	61,962,443,261	67,810,107,541
PT Tigamitra Ekamulia	Jakarta	General	100	1998*	-	445,939,352
PT Abadi Jaya Sakti and Subsidiaries	Tangerang	Investment, Trading and Services	100	--	587,457,200	586,863,500
PT Shimatama Graha	Jakarta	Restaurant, Bar, Catering, Etc	100	1989	825,206,857	1,546,106,452
PT Aryaduta International Management and Subsidiaries	Jakarta	Management Services	100	1998	6,502,282,735	3,230,090,523
PT Aryaduta Surabaya Management	Surabaya	Services	100	--	591,683,178	599,000,000
PT Aryaduta Medan Management	Medan	Services	100	--	598,445,000	599,000,000

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Subsidiary	Domicile	Main Business Activity	Ownership Percentage (directly and/or indirectly)	Year of Operation Started	Total Assets	
					2009	2008
			%		Rp	Rp
PT Aryaduta Karawaci Management	Tangerang	Services	100	--	592,015,062	599,495,777
PT Aryaduta Makassar Management	Makassar	Services	100	--	596,249,449	599,435,194
PT Aryaduta Residences	Jakarta	Services	100	--	1,522,264,626	962,361,890
PT Aryaduta Hotels & Resort	Jakarta	Services	100	--	586,044,595	588,097,000
PT Graha Jaya Pratama and Subsidiary	Tangerang	Real Estate	100	--	582,606,500	589,049,000
PT Tataguna Cemerlang	Jakarta	Trading, Real Estate, and Development	100	--	100,006,000	--
PT Aresta Amanda Lestari (has 0.31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	General Trading	99.99	--	3,952,496,108	3,942,078,408
PT Aresta Permata Utama (has 3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	General Trading	99.99	--	2,207,242,300	2,196,950,000
PT Fajar Usaha Semesta (has 4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	General Trading	99.99	--	3,023,950,600	3,012,960,000
PT Fajar Raya Cemerlang (has 4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	General Trading	99.99	--	2,929,560,300	2,918,805,000
PT Fajar Abadi Aditama (has 3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	General Trading	99.99	--	2,252,449,343	2,249,594,393
PT Nuansa Indah Lestari and Subsidiaries	Jakarta	General Trading	99.99	--	38,378,663,103	33,970,236,743
PT Metropolitan Permai Semesta and Subsidiaries	Jakarta	General Trading	89.73	--	40,163,168,103	35,755,036,741
PT Makassar Permata Sulawesi (has 32.5% ownership in PT Gowa Makassar Tourism Development Tbk)	Makassar	General Trading	88.66	--	38,156,381,725	33,748,132,964
PT Gowa Makassar Tourism Development Tbk	Makassar	Real Estate and Property	50.3	1997	305,635,686,223	287,040,432,423

* Dormant

PT Bumi Indah Pertiwi was established under Deed of Establishment No. 25 dated January 21, 2008, made in presence of Myra Yuwono, S.H., a notary in Tangerang. The establishment deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. AHU-14698.AH.01.01.Tahun 2008 dated March 26, 2008.

PT Menara Abadi Megah was established under Deed of Establishment No. 13 dated January 23, 2008, made in presence of Unita Christina Winata, S.H., a notary in Tangerang. The establishment deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia, in his Decree No. AHU-18849.AH.01.01.Tahun 2008 dated April 16, 2008.

PT Multiselaras Anugrah was established under Deed of Establishment No. 6 dated February 5, 2008, made in presence of Julijanti Sundjaja, S.H., M. Kn., a notary in Tangerang. The establishment deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. AHU-17841.AH.01.01.Tahun 2008 dated April 10, 2008.

PT Cipta Mahakarya Gemilang was established under Deed of Establishment No. 4 dated Februari 13, 2008 made in presence of Unik Setyawati, S.H., a notary in Tangerang. The establishment deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decree No. AHU-21244.AH.01.01.Tahun 2008 dated April 25, 2008.

On March 28, 2008, PT Kuta BeachParagon, a subsidiary, acquired 86.5% ownership of PT Graha Buana Utama (GBU). GBU owned 92.5% shares in PT Berkat Langgeng Jaya (BLJ), BLJ owned 99.99% shares in PT Pamor Paramita Utama.

On April 30, 2008, all ownerships in PT Taman Sari Lippo Karawaci, a subsidiary, were transferred to third party.

On May 19, 2008, two subsidiaries namely PT Wahana Usaha Makmur and PT Almaron Perkasa acquired 99.96% and 0.04% ownership of PT Adhi Utama Dinamika, respectively.

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On June 10, 2008, two subsidiaries namely PT Primakreasi Propertindo and PT Grand Villa Persada acquired 99.83% and 0.17% ownership of PT Jaya Makmur Bersama, respectively.

On June 24, 2008, two subsidiaries namely PT Aritasindo Permai Semesta and PT Serasi Adikarsa acquired 99.8% and 0.02% ownership of PT Buana Mandiri Selaras, respectively.

On June 27, 2008, three subsidiaries namely PT Aritasindo Permai Semesta, PT Perdana Kencana Mandiri and PT Multiselaras Anugerah acquired 27.26%, 17.53% and 14.90% ownership of PT Nusa Medika Perkasa, respectively.

On September 29, 2008, all ownership in Gold Capital Pte. Ltd., a subsidiary, was sold.

On July 7, 2009, two subsidiaries namely PT Graha Jaya Pratama and PT Maharama Sakti acquired 99.83% and 0.17% ownership of PT Tataguna Cemerlang, respectively.

1.d. Board of Commissioners, Board of Directors and Employees

Based on Deed of Annual General Meeting of Shareholders Resolution No. 10/2009 dated April 24, 2009, made in presence of Saifuddin Arief, S.H., M.H., a notary in Tangerang and Deed of Annual General Meeting of Shareholders Resolution No. 15 dated March 19, 2008, made in presence of Unita Christina Winata, S.H., a notary in Tangerang, the Company's Board of Commissioners and Board of Directors as of December 31, 2009 and 2008 were as follows:

	2009	2008
Board of Commissioners:		
President Commissioner	: --	Ning Gaoning
Vice President Commissioner	: Surjadi Soedirdja*	Surjadi Soedirdja*
Independent Commissioner	: Theo L. Sambuaga	Theo L. Sambuaga
Independent Commissioner	: Tanri Abeng	Tanri Abeng
Independent Commissioner	: Farid Harianto	Farid Harianto
Independent Commissioner	: Agum Gumelar	Agum Gumelar
Independent Commissioner	: Jonathan Limbong Parapak	Jonathan Limbong Parapak
Independent Commissioner	: Adrianus Mooy	Adrianus Mooy
Commissioner	: Gouw Vi Ven (Viven G. Sitiabudi)	Gouw Vi Ven (Viven G. Sitiabudi)
Commissioner	: --	Eddy Sindoro
Commissioner	: --	Song Lin (Song Lin, Charley)
Commissioner	: --	Jiang Wei
Board of Directors:		
President Director	: Eddy Harsono Handoko	Eddy Harsono Handoko
Director	: Tjokro Libianto	Tjokro Libianto
Director	: Ketut Budi Wijaya	Ketut Budi Wijaya
Director	: Jopy Rusli	Jopy Rusli
Director	: Yuke Elia Susiloputro	Yuke Elia Susiloputro
Director	: --	Hendra Agus
Director	: --	Lay Krisnan Cahya

* also as Independent Commissioner

On September 7, 2009, Ning Gaoning, Charley Song Lin, and Jiang Wei have been resigned from their position as President Commissioner, and Commissioners of the Company. The resignation has been announced to public based on Letter to Baepam-LK No. 109/LK-COS/XI/2009 dated November 6, 2009.

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Total remuneration of the Company's Commissioners and Directors amounted to Rp 25,036,885,191 and Rp 21,791,375,122 in 2009 and 2008, respectively.

On December 31, 2009 and 2008, the Company and subsidiaries have 4,035 and 3,701 permanent employees, respectively (unaudited).

2. Summary of Significant Accounting Policies

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

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in Indonesia, consisting of among others, the Statements of Financial Accounting Standard (PSAK) established by the Indonesian Institute of Accountants, and Bapepam-LK regulations.

The basis of measurement in the preparation of these consolidated financial statements is by using the historical cost concept, except for investments in certain securities which are carried at fair value, and inventories which are carried at the lower of cost or net realizable value. The consolidated financial statements are prepared using the accrual method, except for statements of cash flows.

The consolidated balance sheets are presented based on the unclassified method in accordance with PSAK No. 44 "Accounting for Real Estate Development Activities".

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

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

2.b. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries which are presented in Note 1.c.

The consolidated financial statements have been prepared on the basis of entity concept. All significant related intercompany accounts, transactions and profits among the consolidated companies have been eliminated to reflect the financial position and result of operations as a whole entity.

2.c. Foreign Currency Transactions and Translation of Financial Statements

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. On the balance sheets date, monetary assets and liabilities denominated in foreign currencies were adjusted to reflect the rates of exchange prevailing at the time, with the following conversion rates:

	2009 Rp	2008 Rp
USD 1	9,400	10,950
SGD 1	6,699	7,607
EUR 1	13,510	15,432
JPY 100	10,170	12,123
AUD 1	8,432	7,556

The accounts of foreign subsidiaries were translated into Rupiah at the middle rate of exchange prevailing at balance sheet date for balance sheet accounts and the average rate during the year for statement of income accounts. The differences resulting from the translations of the financial statements of subsidiaries which are an integral part of the Company are debited or credited to "Gain (Loss) On Foreign Exchanges" in the consolidated financial statements, while for the subsidiaries which are not an integral part of the Company, are debited or credited to "Difference from Foreign Currency Translations".

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2009 and 2008

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2.d. Cash Equivalent

Cash equivalent consists of time deposits with maturities of not more than or equal to 3 (three) months since the date of placement and are not used as collateral to any liabilities.

2.e. Investments

Investments consist of placement in certain securities and investments in associated and other companies.

▪ **Securities**

Placements in securities without fair value are carried at cost. Placements in securities, which have a readily determinable fair value consists of debt and equity securities are classified into the following 3 (three) categories:

– Trading

Securities in this category are bought and held for the purpose of selling them in the near future, which are usually indicated by high frequency of purchase and sale transactions. These securities are held for the purpose of profit-taking in the short term. These securities are carried at their fair value. Unrealized gains or losses are recognized in the current year consolidated statement of income.

– Held to Maturity

Debt securities classified as held to maturity are carried at cost net of unamortized discount or premium. Losses are recognized in the current year statement of income for the impairment in the carrying value of the securities.

– Available for Sale

Investments in securities which cannot be classified as “Trading” or “Held to Maturity” are carried at fair value. Any unrealized gain or loss from adjustment to fair value on the date of consolidated balance sheet is credited or debited under “Unrealized Gain (Loss) on Changes in Fair Value of Available-for-Sale Marketable Securities” account as a separate component of consolidated stockholders’ equity.

▪ **Investment in Associates and Other Companies**

Investments in stock with ownership less than 20% where the fair market value are not readily determinable are carried at acquisition cost (cost method). Whereas investments with ownership from 20% up to 50%, either direct or indirect, are carried at acquisition cost by adding or deducting with the Company’s share in net earnings or losses of the investee from the date of acquisition in proportion to the percentage of ownership and less the dividend received (equity method).

2.f. Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on the review of the status of the debtors at the end of year. The outstanding balance of receivables is written-off against the respective allowance for doubtful accounts or by direct write off the relevant accounts receivable when management believes that such accounts receivable were to be definitely uncollectible.

2.g. Inventories and Land for Development

Real estate inventories, which mainly consist of acquisition cost of land under development, shopping center, residential houses, shophouses, office buildings, and apartments, including buildings (houses) under construction, are carried at the lower of cost or net realizable value. Cost is determined by using the average method. Cost of land under development includes cost of land improvement and development, capitalized interest and other financing charges obtained to finance the acquisition and development of land until completed. The cost of residential houses and shophouses consist of actual construction cost.

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Inventories of healthcare business (e.g. medicines, medical supplies and others) are carried at the lower of cost or net realizable value. Cost is determined by using the average method. Allowance for decline in inventories value is provided based on a review of inventory status at the end of year.

Inventories of hotel business (e.g. food, beverages and others) are carried at the lower of cost or net realizable value. Cost is determined by using the first-in-first-out method (FIFO). Allowance for decline in inventories value is provided based on a review of inventory status at the end of year.

Land for development which are owned by the Company and subsidiaries is classified as "Land for Development". Upon the commencement of development and construction of infrastructure, the carrying cost of land under development will be transferred to the respective real estate inventories or property and equipment accounts, whichever is most appropriate.

2.h. Prepaid Expenses

Prepaid expenses are amortized over the period benefited using straight-line method.

2.i. Investment Properties

Investment properties owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties is carried at cost less its accumulated depreciation and any accumulated impairment losses (cost model). Land is not depreciated and presented at acquisition cost. Building is depreciated using straight line method based on its estimated useful lives (20 years). The cost of repairs and maintenance is charged to operation as incurred, whilst significant renovations and additions are capitalized.

2.j. Property and Equipment

Property and equipment after initial recognition accounted using cost model. Property and equipment are carried at cost less their accumulated depreciation and any accumulated impairment losses, if any. Land are carried at cost and not depreciated. Depreciation is computed by using the straight line method based on the estimated useful lives of the assets, as follows:

	<u>Years</u>
Building, Infrastructure, and Renovations	: 4 - 40
Parks and Interiors	: 5
Golf Course and Club House	: 20
Transportation Equipment and Vehicles	: 4 - 8
Furniture, Fixtures and Office Equipment	: 3 - 10
Tools and Medical Equipment	: 3 - 10
Machinery and Project Equipment	: 3 - 10
Bowling Machinery	: 10
Playground Areas	: 5

The cost of repairs and maintenance is charged to operation as incurred, whilst significant renovations and additions are capitalized. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts and any resulting gains or losses are reflected in the consolidated statement of income for the year.

Unutilized property and equipment are presented as a component of other assets and carried at the lower of its carrying value or net realizable value.

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Construction in progress represents expenditure incurred directly to infrastructure development and property and equipment preparation. Expenditure including borrowing cost on loan used for developing assets during the construction period. Construction in progress will be transferred to the appropriate property and equipment account when the construction is completed and ready for its intended use.

2.k. Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. Leases are classified as operating leases if substantially all the risks and rewards of ownership are not transferred to the lessee.

At the commencement of the lease term, a finance lease is recognized as an asset and a liability in the balance sheet at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognized as an asset. The depreciable amount of a leased asset is allocated to each accounting period during the period of expected use on a systematic basis consistent with the depreciation policy the lessee adopts for depreciable assets that are owned.

A sale and leaseback transaction involves the sale of an asset and leasing back the same asset. If a sale and leaseback transaction is a finance lease, any excess of sales proceeds over the carrying value should not be immediately recognized as income in the financial statements of a seller (lessee), but it should be deferred and amortized over the lease period.

If a sale and leaseback transaction is an operating lease, and it is clear that the transaction is established at fair value, any profit and loss should be recognized immediately. If the sale price is below fair value, any profit or loss should be recognized immediately except that the loss is compensated by future lease payments at below market price, it should be deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value should be deferred and amortized over the period for which the asset is expected to be used.

2.l. Impairment of Assets Value

Recoverable of assets value shall be estimated whenever events and changes of circumstances indicating carrying value may not be recoverable. Impairment in asset value is recognized as loss in the consolidated statements of income.

2.m. Intangible Assets

The difference between acquisition cost and fair value of net assets of subsidiaries acquired (goodwill) is amortized by using straight-line method up to 20 (twenty) years.

Acquisition cost of accounting software, is deferred and amortized by using the straight-line method based on the estimated of economic useful lives of 5 (five) years.

2.n. Borrowing Cost

Interest and other financing charges incurred on loan and debt obtained to finance the acquisition and development of land and building construction are capitalized to the respective real estate inventories. Capitalization ceases upon completion of all activities related to the acquisition and development of land, or upon completion of the construction and the assets are ready for their intended use.

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2.o. Revenue and Expense Recognition

The Company and subsidiaries recognize revenues from the sale of real estate using the full accrual method. Revenues of real estate sales will be fully recognized if the following conditions for each type of sale are met.

For sale of parcel of vacant land, the criteria that should be met are as follows:

- a. The payments received from the buyer have reached 20% of the agreed selling price and the amount is non-refundable;
- b. The collectability of the sales price is reasonably assured;
- c. The receivables from the sale is not subject to future subordination against other loans which will be obtained by the buyer;
- d. The process of land development has been completed thus the seller is not obliged to develop the sold lots such as the obligation to construct lot of land or obligation to develop main infrastructure promised by the seller, in accordance with the sales and purchase agreement or any regulation requirements; and
- e. The sale consists only of the vacant land, without any obligation of the seller in the construction of the buildings upon the land sold.

For sale of residential houses, shophouses and other similar types of buildings, including parcel of land, the criteria that should be met are as follows:

- a. The sale is consummated;
- b. The collectability of the sales price reasonably assured;
- c. The receivables from the sale is not subject to future subordination against other loans which will be obtained by the buyer; and
- d. The seller has transferred to the buyer the usual risks and rewards of ownership through a transaction representing in substance is a sale and the seller does not have substantial continuing involvement with such property.

If a real estate sale fails to meet the all criteria of full accrual method, revenue recognition is deferred and the transaction is recognized using the deposit method until all of the conditions of full accrual method fulfilled.

The revenue from shopping centers and apartments are recognized based on percentage of completion method, if all of the following criteria are met:

- a. The construction process has already beyond preliminary stage, that is the building foundation has been completed and all of the requirements to start the construction have been fulfilled;
- b. Total payments received from the buyer is at least 20% of the contract sales price and that such amount is not refundable; and
- c. The amount of revenue and cost of the unit property can reasonably be estimated.

The method used to determine the level of development activity completion is based on percentage of actual activities accomplished to total development activities need to be accomplished.

Cost of land lots sold is determined based on estimated acquisition cost of the land plus other estimated expenditures for its improvements and developments. The cost of residential houses and shophouses sold is determined based on actual cost incurred and estimated cost to complete the work. The estimated cost to complete is included under "Accrued Expenses". The difference between the estimated cost and the actual cost of construction or development is charged to "Cost of Sales" in the current year.

Revenues from medical services are recognized when medical services are rendered or when medical supplies are delivered to patients.

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Rental revenue and other services is recognized based on their respective rental periods and when the services are rendered to the customers. Rental and membership paid in advances are presented as deferred income and recognized as revenue over the period benefited.

Expenses are recognized when incurred (accrual basis).

2.p. Income Tax

Final Income Tax

Final income tax expense is recognized proportionally with the accounting income recognized during the year. The difference between the final income tax paid and the final tax expense in the consolidated statement of income is recognized as prepaid tax or tax payable. If the income is subject to final income tax, the differences between the financial statement carrying value of existing assets and liabilities and their tax bases are not recognized as deferred tax assets or liabilities.

Non-Final Income Tax

All temporary differences arising between tax bases of assets and liabilities and their carrying value are recognized as deferred tax using the liability method. Currently or substantially enacted tax rates are used to determine deferred income tax.

Deferred tax assets relating to carryforward unused tax losses are recognized to the extent that it is probable the future taxable profit will be available against which the unused tax losses can be utilized. Amendments to tax obligations are recorded when an assessment is received or, if appealed against, when the results of the appeal are determined.

Current tax is recognized based on taxable income for the year, in accordance with current tax regulations.

2.q. Earning Per Share

Basic earning per share (EPS) is computed by dividing the residual net income (income or loss after tax less preferred stock dividend) available to common stockholders' with the weighted average number of common stocks during 1 (one) reporting period, while diluted EPS is computed by dividing the residual net income (income or loss after tax less preferred stock dividend) available to common stockholders with the weighted average number of common stocks during 1 (one) reporting period plus dilutive potential common stocks.

2.r. Difference in Value from Restructuring Transactions between Entities Under Common Control

The restructuring transactions between entities under common control, such as transfers of assets, liabilities, shares or other ownership instruments by re-organizing entities within the same group, does not represent changes of ownership in terms of economic substance, thus should not result in gain or loss for the group companies as a whole or for the individual entity in the group.

Since restructuring transactions with entities under common control do not result in changes in term of economic substance of ownership in transferred assets, liabilities or other ownership instruments, the transferred assets or liabilities (in legal form) should be recorded at book value in a manner similar to business combination transactions using the pooling of interest method.

The difference between transfer price and book value does not represent goodwill. Such difference is recorded in an account entitled "Difference in Value from Restructuring Transactions between Entities Under Common Control" and presented as a component of stockholders' equity.

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2.s. Segment Information

Primary segment information of the Company and subsidiaries are presented based on business segment group. Business segment is a distinguishable component and results in a different products or services based on different industry or a product group or service, especially for customers outside the Company's entity.

In 2009, the Company reclassifies its business segment information to be as follows:

- Urban Development, which comprises, among other, activities in real estate, urban development, land acquisition and clearing, land development and excavation, infrastructure development.
- Large Scale Integrated Development, which comprises, among other, activities in real estate in large scale integrated development project and its infrastructure development.
- Retail Malls, which comprises among other, activities in real estate in development and management of shopping center.
- Healthcare, which comprises activities in health services.
- Hospitality and Infrastructure, which comprises, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
- Property and Portfolio Management, which comprises, among others, activities in management services.

The geographical segment represents the Company's distinguishable components which provide products or services within a particular economic environment and this component contains risks and returns that are different from those components which operate in other economic environments.

2.t. Estimated Liabilities on Employees' Benefits

Short-term employees' benefits are recognized at an undiscounted amount when employees have rendered their services to the Company during the accounting period.

Post employment benefit was recognized at discounted amount when the employees have rendered their service to the Company during the accounting period. Liabilities and expenses are measured using actuarial techniques which include constructive obligation that arises from the Company's common practices. In calculating liabilities, the benefit must be discounted using the projected unit credit method.

Termination benefit is recognized when, and only when, the Company is committed to either:

- (a) Terminate the employment of an employee or group of employees before the normal retirement date;
- (b) Provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

2.u. Derivative Financial Instruments

The Company adopted Statement of Financial Accounting Standard (PSAK) No. 55 (revised 1999) regarding "Accounting for Derivative Instruments and Hedging Activities".

For derivatives designated as forward hedges, fair value changes of the effective portion of the hedging instrument are recognized in Forward Receivable or Payable until the hedged item is recognized in statements of income. The ineffective portion of the fair value changes are recognized in statements of income immediately.

2.v. Bond Issuance Cost

Bond issuance cost deducted directly from proceeds in order to describe net proceeds of the bonds. The difference between the net proceeds and the nominal value represents premium or discount which is amortized over the term of the bonds by using the straight line method.

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2.w. Use of Estimates

The preparation of the consolidated financial statements is in accordance with generally accepted accounting principles in Indonesia, which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of the contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period.

Due to inherent uncertainty in the estimation determination, the actual amount of assets, liabilities, revenues and expenses reported in the future might possibly be different from these estimates.

3. Cash and Cash Equivalent

	2009	2008
	Rp	Rp
Cash on Hand		
(including 2009: USD 25,495, SGD 8,746, EUR 3,005, JPY 13,800, AUD 10,717; 2008: USD 39,596, SGD 10,649, EUR 1,005, JPY 163,800, AUD 9,439)	<u>3,787,993,087</u>	<u>4,872,092,089</u>
Cash in Banks		
Third Parties		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	54,405,180,998	41,760,191,689
PT Bank Central Asia Tbk	7,882,206,744	5,721,170,726
PT Bank Negara Indonesia (Persero) Tbk	7,053,234,377	395,944,162
PT Bank OCBC NISP Tbk	5,758,010,224	832,520,493
PT Bank Mandiri (Persero) Tbk	3,763,288,487	1,319,057,717
PT Bank Mega Tbk	3,162,254,152	4,232,874,026
PT Bank Rakyat Indonesia (Persero) Tbk	2,086,031,764	124,144,219
PT Bank Permata Tbk	2,026,884,378	1,480,665,969
PT Bank Internasional Indonesia Tbk	1,517,791,994	483,979,778
PT Bank Panin Tbk	1,097,346,232	--
PT Bank Tabungan Negara (Persero) Tbk	870,249,925	314,918,509
PT Bank Danamon Indonesia Tbk	723,993,896	742,539,889
PT Bank Buana Indonesia Tbk	649,844,178	565,644,215
PT Bank Agroniaga Tbk	414,399,209	511,925,507
Standard Chartered Bank	216,058,294	404,734,198
PT Bank Pembangunan Daerah Riau	148,463,614	207,139,572
Others (each below Rp 100 million)	40,011,425	138,927,298

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	2009 Rp	2008 Rp
Foreign Currencies		
OCBC Bank, Singapore (2009: SGD 2,174,883; 2008: SGD 805,425)	14,569,541,485	6,126,866,986
PT Bank OCBC NISP Tbk (2009: USD 246,033, SGD 1,276,176, EUR 4,549; 2008: USD 343,901, SGD 5,836, EUR 4,541)	10,923,271,653	3,880,227,372
PT Bank CIMB Niaga Tbk (2009: USD 543,645; 2008: USD 545,802)	5,110,259,815	5,976,527,982
PT Bank Mega Tbk (2009: USD 70,932, SGD 12,785; 2008: USD 62,942, SGD 24,159)	752,407,072	872,987,444
DBS Bank, Singapore (2009: USD 30,943, SGD 31,738; 2008: USD 30,943, SGD 70,286)	503,480,165	873,495,081
Deutschebank, Amsterdam (2009: USD 23,043, EUR 14,223; 2008: USD 230,058, EUR 10,547)	408,764,837	2,681,887,431
PT Bank International Indonesia Tbk (2009: SGD 20,927; 2008: SGD 94,053)	140,190,911	715,458,281
Credit Suisse, Singapore (2009: SGD 4,453; 2008: USD 33,537, SGD 4,453)	29,829,173	401,098,615
Bank of America N.A (USD 11,309)	--	123,830,156
Others (USD 13,436)	126,300,034	--
	124,379,295,036	80,888,757,315
Time Deposits		
Third Parties		
Rupiah		
PT Bank CIMB Niaga Tbk	52,302,566,286	25,420,367,264
PT Bank Mega Tbk	25,000,000,000	5,400,000,000
PT Bank Negara Indonesia (Persero) Tbk	5,200,000,000	--
PT Bank Rakyat Indonesia (Persero) Tbk	2,000,000,000	--
PT Bank OCBC NISP Tbk	--	3,000,000,000
PT Bank Permata Tbk	--	2,000,000,000
PT Bank Internasional Indonesia Tbk	--	551,904,271
Foreign Currencies		
Credit Suisse, Singapore (2009: USD 137,755,404; 2008: USD 137,066,963)	1,294,900,797,583	1,500,883,243,079
Bank of India, Singapore (2009: USD 87,627, SGD 1,774,207; 2008: SGD 5,019,604)	12,709,105,089	38,184,123,901
OCBC Bank, Singapore (2009: SGD 1,500,000; 2008: SGD 3,000,000)	10,048,500,000	22,821,000,000
PT Bank Negara Indonesia (Persero) Tbk (USD 300,000)	2,820,000,000	--
PT Bank CIMB Niaga Tbk (2009: USD 11,879; 2008: USD 1,451,677)	111,664,762	15,895,859,756
	1,405,092,633,720	1,614,156,498,271
Total Cash and Cash Equivalent	1,533,259,921,843	1,699,917,347,675

Interest rates and maturity period for time deposits are as follows:

	2009	2008
Interest Rates		
Rupiah	6.00% - 8.00%	6.50% - 13.00%
Foreign Currencies	0.20% - 3.60%	0.50% - 4.00%
Maturity Period	3 Month	3 Month

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4. Investments

	2009 Rp	2008 Rp
Real Estate Investment Trust (REIT)	371,362,012,359	189,520,165,478
Investment in Shares of Stock:		
Associates	68,789,466,775	57,843,817,142
Other Companies	58,344,888,675	58,355,817,676
Total of Investments	498,496,367,809	305,719,800,296

a. Real Estate Investment Trust (REIT)

	2009 Rp	2008 Rp
Available-for-Sale Securities		
Acquisition Cost		
First REIT (2009: 59,074,742 units; 2008: 57,271,344 units)	278,952,825,074	309,320,810,804
Lippo-Mapletree Indonesia Retail Trust (LMIRT) (2009: 14,434,703 units; 2008: 5,545,234 units)	38,501,183,467	13,076,604,386
Foreign Exchanges Differences	(2,739,944,977)	14,451,292,009
Accumulated Unrealized Gain (Loss):		
Charged to Profit and Loss	(1,949,311,917)	(1,949,311,917)
Credited (Charged) to Equity	58,597,260,712	(145,379,229,804)
Total Investment in Real Estate Investment Trust	371,362,012,359	189,520,165,478

This account represents investments in REITs which is listed in Singapore Stock Exchange. As of December 31, 2009 and 2008, the Company's percentage of ownership in First REIT and LMIRT is amounted to 21.44% (2008: 20.93%) and 1.34% (2008: 0.52%), respectively.

The Company's management changed the accounting policy of investment in First REIT from trading securities to available for sale securities since July 1, 2008.

b. Investment in Associates

			2009			
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Equity in Net Earnings (Losses)	Accumulated Dividend Received	Carrying Value
		%	Rp	Rp	Rp	Rp
Equity Method						
PT Multifiling Mitra Indonesia	Bekasi	49.81	500,000,000	36,820,138,263	(1,000,000,000)	36,320,138,263
PT Hyundai Inti Development	Bekasi	45.00	5,155,423,370	73,299,230,977	(67,724,873,862)	11,729,780,485
PT Menara Inti Development	Bekasi	40.00	100,000,000	8,985,038,844	(1,512,000,000)	7,573,038,844
PT Tritunggal Sentra Utama	Surabaya	20.00	583,500,000	1,784,653,241	--	2,368,153,241
PT Lippo Indorent	Jakarta	50.00	200,000,000	826,853,442	--	1,026,853,442
PT Lippo Hyundai Development	Jakarta	40.00	16,216,500,000	(16,216,500,000)	--	--
PT Bumi Lemahabang Permai	Bekasi	30.00	37,500,000	(37,500,000)	--	--
Sub Total			23,792,923,370	105,461,914,767	(70,236,873,862)	59,017,964,275

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	2009					
	Domicile	Percentage of Ownership %	Acquisition Cost Rp	Accumulated Equity in Net Earnings (Losses) Rp	Accumulated Dividend Received Rp	Carrying Value Rp
Cost Method						
PT Medika Sehat Lestari *	Jakarta	25.00	4,999,994,000	--	--	4,999,994,000
PT Dunia Air Indah *	Bekasi	100.00	3,781,609,500	--	--	3,781,609,500
PT Adnansindo Intiprima *	Jakarta	30.00	300,000,000	--	--	300,000,000
PT Tunas Pundi Bumi *	Bekasi	99.92	250,000,000	--	--	250,000,000
PT Swadaya Teknopolis *	Bekasi	99.99	249,999,000	--	--	249,999,000
PT Ilmu Intiswadaya *	Jakarta	20.00	100,000,000	--	--	100,000,000
PT Bekasi Mega Power *	Bekasi	100.00	49,900,000	--	--	49,900,000
PT Taman Karawaci Permai	Jakarta	10.00	12,500,000	--	--	12,500,000
PT Sentra Star Dinamika *	Jakarta	100.00	12,500,000	--	--	12,500,000
PT Serasi Adikarsa *	Jakarta	100.00	12,500,000	--	--	12,500,000
PT Tunggal Griya Semesta	Bekasi	5.00	2,500,000	--	--	2,500,000
Sub Total			9,771,502,500	--	--	9,771,502,500
Total Investment in Associates			33,564,425,870	105,461,914,767	(70,236,873,862)	68,789,466,775

2008							
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Equity in Net Earnings (Losses)	Accumulated Dividend Received	Carrying Value	
		%	Rp	Rp	Rp	Rp	
Equity Method							
	PT Multifiling Mitra Indonesia	Bekasi	49.81	500,000,000	26,494,476,210	(1,000,000,000)	25,994,476,210
	PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	68,404,243,397	(63,449,873,862)	11,109,792,905
	PT Menara Inti Development	Bekasi	40.00	100,000,000	8,985,038,844	(1,512,000,000)	7,573,038,844
	PT Tritunggal Sentra Utama	Surabaya	20.00	583,500,000	1,784,653,241	--	2,368,153,241
	PT Lippo Indorent	Jakarta	50.00	200,000,000	826,853,442	--	1,026,853,442
	PT Lippo Hyundai Development	Jakarta	40.00	16,216,500,000	(16,216,500,000)	--	--
	PT Bumi Lemahabang Permai	Bekasi	30.00	37,500,000	(37,500,000)	--	--
	Sub Total			<u>23,792,923,370</u>	<u>90,241,265,134</u>	<u>(65,961,873,862)</u>	<u>48,072,314,642</u>
Cost Method							
	PT Medika Sehat Lestari *	Jakarta	25.00	4,999,994,000	--	--	4,999,994,000
	PT Dunia Air Indah *	Bekasi	100.00	3,781,609,500	--	--	3,781,609,500
	PT Adnansindo Intiprima *	Jakarta	30.00	300,000,000	--	--	300,000,000
	PT Tunas Pundi Bumi *	Bekasi	99.92	250,000,000	--	--	250,000,000
	PT Swadaya Teknopolis *	Bekasi	99.99	249,999,000	--	--	249,999,000
	PT Ilmu Intiswadaya *	Jakarta	20.00	100,000,000	--	--	100,000,000
	PT Bekasi Mega Power *	Bekasi	100.00	49,900,000	--	--	49,900,000
	PT Taman Karawaci Permai	Jakarta	10.00	12,500,000	--	--	12,500,000
	PT Sentra Star Dinamika *	Jakarta	100.00	12,500,000	--	--	12,500,000
	PT Serasi Adikarsa *	Jakarta	100.00	12,500,000	--	--	12,500,000
	PT Tunggal Griya Semesta	Bekasi	5.00	2,500,000	--	--	2,500,000
	Sub Total			<u>9,771,502,500</u>	<u>--</u>	<u>--</u>	<u>9,771,502,500</u>
Total Investment in Associates				33,564,425,870	90,241,265,134	(65,961,873,862)	57,843,817,142

* Dormant

The Company's investments in dormant companies are accounted using cost model because the fair value of the investments cannot be determined.

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c. Investment in Other Companies

	Domicile	2009 Rp	2008 Rp
PT Supermal Karawaci	Tangerang	57,372,704,000	57,372,704,000
PT East Jakarta Industrial Park	Jakarta	766,935,000	766,935,000
PT Spinindo Mitradaya	Jakarta	160,000,000	160,000,000
Others	--	45,249,675	56,178,676
Total Investment in Other Companies		58,344,888,675	58,355,817,676

5. Trade Accounts Receivable

	2009 Rp	2008 Rp
Third Parties		
Urban Development:		
Land Lots	147,819,589,866	72,108,219,447
Residential Houses and Shophouses	43,717,555,287	113,833,449,386
Memorial Park	22,196,810,597	18,010,364,926
Asset Enhancements	2,225,043,213	3,004,274,988
Others	--	230,979,846,448
Sub Total	215,958,998,963	437,936,155,195
Large Scale Integrated Development:		
Apartments	17,185,704,345	26,776,824,115
Asset Enhancements	1,664,332,570	--
Sub Total	18,850,036,915	26,776,824,115
Retail Malls:		
Shopping Centers	161,726,157,037	200,615,584,840
Asset Enhancements	21,206,620,901	30,885,769,703
Others	1,597,041,821	--
Sub Total	184,529,819,759	231,501,354,543
Healthcare:		
Inpatient and Outpatient	53,928,641,624	53,556,226,003
Hospitality and Infrastructure:		
Town Management and Water Treatment	72,396,821,878	59,853,224,648
Hotels and Restaurants	12,401,532,482	13,499,373,413
Recreations and Sports	20,430,000	12,922,000
Others	2,120,102,428	2,089,994,491
Sub Total	86,938,886,788	75,455,514,552

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	2009 Rp	2008 Rp
Property and Portfolio Management:		
Management Fee	22,912,029,554	23,561,752,085
Sub Total Trade Accounts Receivable from Third Parties	583,118,413,603	848,787,826,493
Less: Allowance for Doubtful Accounts	(52,696,124,794)	(50,541,325,142)
Total Trade Accounts Receivable from Third Parties - Net	530,422,288,809	798,246,501,351
Related Parties		
Healthcare:		
Inpatient and Outpatient	8,463,057,914	2,413,886,195
Less : Allowance for Doubtful Accounts	(749,719,412)	(425,479,259)
Total Trade Accounts Receivable from Related Parties - Net	7,713,338,502	1,988,406,936
Total Trade Accounts Receivable - Net	538,135,627,311	800,234,908,287

Details of trade accounts receivable for the year 2008 have been represented to conform with the 2009 presentation (see Note 2.s).

The trade accounts receivable schedule from the date of the invoice is as follows:

	2009 Rp	2008 Rp
Third Parties		
Up to 3 Months	468,997,333,624	754,672,225,646
> 3 months - 6 months	14,614,180,170	8,523,806,237
> 6 months - 1 year	15,792,056,038	9,610,429,850
> 1 year	83,714,843,770	75,981,364,760
Sub Total	583,118,413,603	848,787,826,493
Less : Allowance for Doubtful Accounts	(52,696,124,794)	(50,541,325,142)
Total Trade Accounts Receivable from Third Parties - Net	530,422,288,809	798,246,501,351
Related Parties		
Up to 3 Months	5,649,473,534	1,335,948,969
> 3 months - 6 months	1,685,406,083	156,904,550
> 6 months - 1 year	378,932,945	353,216,997
> 1 year	749,245,352	567,815,679
Sub Total	8,463,057,914	2,413,886,195
Less : Allowance for Doubtful Accounts	(749,719,412)	(425,479,259)
Total Trade Accounts Receivable from Related Parties - Net	7,713,338,502	1,988,406,936
Total Trade Accounts Receivable - Net	538,135,627,311	800,234,908,287

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The movements of allowance for doubtful accounts are as follows:

	2009 Rp	2008 Rp
Third Parties		
Beginning Balance	50,541,325,142	44,773,362,784
Addition	2,154,799,652	5,811,306,702
Reversal	--	(43,344,344)
Ending Balance	52,696,124,794	50,541,325,142
Related Parties		
Beginning Balance	425,479,259	577,533,675
Addition	324,240,153	--
Reversal	--	(152,054,416)
Ending Balance	749,719,412	425,479,259

Trade accounts receivable of the Company and PT Surya Mitra Jaya, a subsidiary, with a minimum value of Rp 340.6 billion and 120% from total credit limit, have been pledged as collateral for loans obtained from PT Bank Negara Indonesia (Persero) Tbk and PT Bank CIMB Niaga Tbk, respectively (see Notes 15.a and 15.b).

Management believes that the allowance for doubtful account is adequate to cover the possibility of uncollectible trade accounts receivable.

6. Other Accounts Receivable

	2009 Rp	2008 Rp
Third Parties		
Call Spread Option (see Note 31.j)	59,625,000,000	447,125,000,000
Promissory Notes (2009: USD 5,000,000; 2008: USD 6,000,000)	47,000,000,000	65,700,000,000
Tenant Association for Apartments, Condominium and Shopping Centers	17,534,917,609	20,071,292,920
Dividend	6,484,632,000	7,755,499,916
Security Services	5,153,546,411	5,143,770,036
Others (each less than Rp 5 billion)	54,860,527,666	79,292,228,497
Sub Total	190,658,623,686	625,087,791,369
Less: Allowance for Doubtful Accounts	(7,135,675,394)	(7,116,587,959)
Total Other Accounts Receivable - Net	183,522,948,292	617,971,203,410

Promissory notes represents non-interest bearing promissory notes received from PT Makassar Hotel Network for sales of Aryaduta Hotel Makassar in 2008. The notes were issued by PT Makassar Capital (MC) with total amount of USD 6,000,000. First promissory note amounted to USD 3,000,000 had due on December 31, 2008 and was extended based on Rescheduling Agreement (RA) dated April 22, 2009. Based on RA, MC shall pay to the Company on installment basis whereby the last installment should be paid on October 22, 2009. Up to December 31, 2009, MC had made installment of USD 1,000,000 and the balance of USD 2,000,000 is in process to be extended. The second promissory note amounted to USD 3,000,000 will due on May 4, 2010.

Receivable from Tenant Association for Apartments, Condominium and Shopping Centers represents receivables of maintenance, security, electricity and water.

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Dividend represents dividend receivables of Bridgewater International Pte Ltd, a subsidiary, for its investment in REIT (see Note 4.a).

Security service represents receivable from PT Artha Sarana Prima for providing security services in Lippo Village area.

The Company and subsidiaries' management believe that allowance for doubtful accounts is adequate to cover the possibility of uncollectible other accounts receivable.

7. Inventories

	2009	2008
	Rp	Rp
Urban Development:		
Land under Development	2,698,584,813,735	2,390,815,270,786
Residential Houses and Shophouses	407,508,361,146	367,920,575,347
Shopping Centers	14,072,796,365	16,284,211,054
Apartments	2,305,270,670	958,577,302
Others	47,905,574,290	47,242,067,073
Sub Total	<u>3,170,376,816,206</u>	<u>2,823,220,701,562</u>
Large Scale Integrated Development:		
Land under Development	635,663,932,698	641,505,908,276
Shopping Centers	320,196,763,316	134,553,541,798
Apartments	301,429,812,259	95,750,531,153
Sub Total	<u>1,257,290,508,273</u>	<u>871,809,981,227</u>
Retail Malls:		
Shopping Centers	773,763,065,158	878,328,163,540
Land under Development	660,234,946,706	731,570,776,131
Sub Total	<u>1,433,998,011,864</u>	<u>1,609,898,939,671</u>
Healthcare:		
Medical Supplies		
Pharmaceutical	20,370,946,660	15,253,313,871
Non-pharmaceutical	3,811,545,576	4,094,508,855
Non-Medical Supplies	3,454,919,291	1,038,102,529
Sub Total	<u>27,637,411,527</u>	<u>20,385,925,255</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	3,494,340,585	4,370,446,931
Recreation and Sports	381,260,993	305,080,020
Others	144,370,568	135,413,235
Less: Allowance for Decline in Inventories Value	<u>(39,505,683)</u>	<u>(39,505,683)</u>
Sub Total	<u>3,980,466,463</u>	<u>4,771,434,503</u>
Total Inventories - Net	<u>5,893,283,214,333</u>	<u>5,330,086,982,218</u>

In 2009, land under development amounted to Rp 101,874,921,232 and Rp 25,692,667,232 has been reclassified to investment properties and property and equipment (see Notes 11 and 12), respectively, and shopping centre amounted to Rp 190,093,899,163 has been reclassified to investment properties (see Note 11).

Interests and other borrowing costs capitalized into land under development amounted to Rp 368,320,630,270 and Rp 218,319,022,427 for the years ended December 31, 2009 and 2008, respectively.

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As of December 31, 2009, land under development consisted of land covering a net area of approximately 32 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 15 hectares in Mampang Prapatan District, 3 hectares in Simprug, South Jakarta, 21 hectares in West Panunggangan Village, 31 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 28 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 4 hectares in Pondok Jagung Village, 105 hectares in Margakaya Village, Telukjambe, Karawang, 128 hectares in Cibatua Village, 15 hectares in Serang Village, 38 hectares in Sukaresmi Village, 132 hectares in Cicau Village, 3 hectares in Kuta, Bali, 39 hectares in Tanjung Merdeka Village, 24 hectares in Macini Sombala Village, 17 hectares in Tamanyeleng Village, 32 hectares in Barombong Village and 14 hectares in Mariso District.

Land under development with total area of 173,307.6 sqm and property inventories are pledged as collateral for loan of the Company obtained from PT Bank Negara Indonesia (Persero) Tbk (see Note 15.a) and land under development with area of 26,655 sqm, including building of "City of Tomorrow", with minimum value of Rp 180 billion is pledged as collateral for loan obtained by PT Surya Mitra Jaya, a subsidiary, from PT CIMB Niaga Tbk (see Note 15.b).

The Company's and subsidiaries' inventories have been insured against all risks, with the sum insured of Rp 3,481 billion and USD 4,600,000 as of December 31, 2009, and Rp 1,324 billion and USD 5,140,541 as of December 31, 2008. The Company and subsidiaries' management believe that the sum insured is adequate to cover any possible losses.

The Company and subsidiaries' management believe that the allowance for declining in value of inventories as of December 31, 2009 and 2008 is adequate.

Details of inventories for the year 2008 have been represented to conform with the 2009 presentation (see Note 2.s).

8. Purchase Advances

This account mostly consists of advance for purchase of the Company and subsidiaries' assets.

9. Transaction and Balances with Related Parties

Transactions with related parties mainly consist of investments, accounts receivable, loan, accounts payable, intercompany advances and charges, deferred income, and revenue. The transactions were conducted on equal normal business terms as transactions with third parties, unless otherwise disclosed. The details of the accounts balance with related parties are as follows:

	2009 Rp	2008 Rp	Percentage from Total Assets/Liabilities/Net Sales	
			2009 %	2008 %
Investment in Associates				
PT Multifiling Mitra Indonesia	36,320,138,263	25,994,476,210	0.30	0.22
PT Hyundai Inti Development	11,729,780,485	11,109,792,905	0.10	0.09
PT Menara Inti Development	7,573,038,844	7,573,038,844	0.06	0.06
PT Medika Sehat Lestari	4,999,994,000	4,999,994,000	0.04	0.04
PT Dunia Air Indah	3,781,609,500	3,781,609,500	0.03	0.03
PT Tritunggal Sentra Utama	2,368,153,241	2,368,153,241	0.02	0.02
PT Lippo Indorent	1,026,853,442	1,026,853,442	0.01	0.01
Others	989,899,000	989,899,000	0.01	0.01
Total Investment in Associates	68,789,466,775	57,843,817,142	0.57	0.48

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	2009 Rp	2008 Rp	Percentage from Total Assets/Liabilities/Net Sales	
			2009 %	2008 %
Trade Accounts Receivable				
Inpatient and Outpatient	8,463,057,914	2,413,886,195	0.07	0.02
Less: Allowance for Doubtful Accounts	(749,719,412)	(425,479,259)	(0.01)	(0.00)
Total Trade Accounts Receivable - Net	7,713,338,502	1,988,406,936	0.06	0.02
Due from Related Parties				
PT Bumi Lemahabang Permai	10,090,713,609	10,090,713,609	0.08	0.09
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.04	0.04
Employees and Directors	1,525,294,539	3,298,193,272	0.01	0.03
Others (each below Rp 1 billion)	8,103,886,580	5,741,386,908	0.07	0.05
Total	24,611,830,179	24,022,229,240	0.20	0.20
Less: Allowance for Doubtful Accounts	(11,724,811,276)	(11,975,439,410)	(0.10)	(0.10)
Total Due from Related Parties - Net	12,887,018,903	12,046,789,830	0.10	0.10
Loan				
PT Ciptadana Multifinance	--	5,498,225,669	--	0.08
Trade Accounts Payable				
PT First Media Tbk	10,152,000,000	11,826,000,000	0.15	0.17
Due to Related Parties				
PT Bumi Lemahabang Permai	10,478,277,605	10,478,277,605	0.15	0.15
PT Dunia Air Indah	3,790,587,326	3,790,587,326	0.06	0.05
PT Cahaya Harapan	2,799,999,500	2,799,999,500	0.04	0.04
PT Gita Multi Sarana	1,900,238,838	1,875,752,838	0.03	0.03
PT Tirta Graha Sentana	1,620,804,400	1,620,804,400	0.02	0.02
Others (each below Rp 1 billion)	3,053,928,748	2,471,932,536	0.04	0.04
Total Due to Related Parties	23,643,836,417	23,037,354,205	0.34	0.33
Deferred Income				
PT Matahari Putra Prima Tbk	770,539,981,820	459,603,931,432	11.27	6.63
Net Sales, Services and Other Revenues				
PT Matahari Putra Prima Tbk	13,775,229,612	11,283,716,280	0.54	0.44

The significant transactions with related parties are as follows:

Related Parties	Relationship with the Company	Transactions
PT Matahari Putra Prima Tbk	Affiliate	Deferred income and net sales
PT Bumi Lemahabang Permai	Affiliate	Non-interest bearing of intercompany charges, advance in connection with the cancellation of land
PT Lippo Indorent	Associate	Investment in shares of stock
PT Hyundai Inti Development	Associate	Investment in shares of stock
PT Multifiling Mitra Indonesia	Associate	Investment in shares of stock
PT Tritunggal Sentra Utama	Associate	Investment in shares of stock
PT Menara Inti Development	Associate	Investment in shares of stock
PT Medika Sehat Lestari	Associate	Investment in shares of stock
PT Duta Mas Kharisma Indah	Affiliate	Non-interest bearing of intercompany charges

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Related Parties	Relationship with the Company	Transactions
PT Dunia Air Indah	Associate	Investment in shares of stock and non-interest bearing of intercompany charges
PT Gita Multi Sarana	Affiliate	Non-interest bearing of intercompany charges
PT Tirta Graha Sentana	Affiliate	Non-interest bearing of intercompany charges
PT Cahaya Harapan	Affiliate	Intercompany advances
PT Ciptadana Multifinance	Affiliate	Factoring facility
PT First Media Tbk	Affiliate	Rental of lease line

10. Land for Development

	2009		2008	
	Area sqm	Value Rp	Area sqm	Value Rp
The Company	1,001,010	203,350,714,722	1,001,010	201,350,714,722
Subsidiaries				
PT Lippo Cikarang Tbk	4,212,516	429,274,551,224	4,354,176	403,580,241,559
PT Gowa Makassar Tourism Development Tbk	2,133,077	134,646,765,913	2,149,167	134,590,658,840
PT Muliasentosa Dinamika	803,413	112,455,747,318	803,413	112,455,747,318
PT Erabaru Realindo	692,082	16,961,287,500	692,082	16,961,287,500
PT Sentragraha Mandiri	239,759	33,313,592,430	239,759	33,313,592,430
PT Sejatijaya Selaras	136,909	19,324,757,255	136,909	19,306,887,365
PT Bahtera Pratama Wirasakti	83,405	15,690,813,603	83,405	15,690,813,603
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
Total Land for Development	9,373,474	985,301,853,498	9,531,224	957,533,566,870

Land for development of the Company and subsidiaries are located at Curug Wetan Village, Curug Kulon, Sukabakti in Curug District; Serdang Wetan Village, Rancagong in Legok District; Ciakar Village, Serdang Kulon, Cukang Galih, Tangerang Regency, Banten; Cipambuan Village in Citeureup District, Bogor Regency, West Java; Sukaresmi, Cibatu, Cicau, Sukamukti, Sirnajati, Jayamukti in Lemahabang District, South Cikarang; Tanjung Merdeka Village, Barombong, Maccini Sombala, Tamanyeleng, Mariso, Benteng Somba Opu in Makassar, South Sulawesi.

Site development permits of each land have been obtained from their respective local governors.

Land for development of PT Gowa Makassar Tourism Development Tbk, a subsidiary, with area of 183,480 sqm is pledged as collateral for loan obtained from PT Bank Agroniaga Tbk (see Note 15.c).

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11. Investment Properties

	2009				
	Beginning Balance Rp	Reclassification Rp	Addition Rp	Deduction Rp	Ending Balance Rp
Acquisition Cost					
Land	--	101,874,921,232	--	--	101,874,921,232
Building	23,335,343,246	319,076,205,879	1,498,086,758	--	343,909,635,883
Total Acquisition Cost	23,335,343,246	420,951,127,111	1,498,086,758	--	445,784,557,115
Accumulated Depreciation					
Building	6,019,788,807	--	18,746,631,178	--	24,766,419,985
Total Accumulated Depreciation	6,019,788,807	--	18,746,631,178	--	24,766,419,985
Carrying Value	17,315,554,439				421,018,137,130
	2008				
	Beginning Balance Rp	Reclassification Rp	Addition Rp	Deduction Rp	Ending Balance Rp
Acquisition Cost					
Building	--	23,155,343,246	180,000,000	--	23,335,343,246
Total Acquisition Cost	--	23,155,343,246	180,000,000	--	23,335,343,246
Accumulated Depreciation					
Building	--	4,839,521,643	1,180,267,164	--	6,019,788,807
Total Accumulated Depreciation	--	4,839,521,643	1,180,267,164	--	6,019,788,807
Carrying Value	--	18,315,821,603			17,315,554,439

In 2008, the Company had reclassified property and equipment with carrying value amounted to Rp 18,315,821,603 to investment properties (see Note 12).

In 2009, the Company had reclassified inventories and property and equipment to investment properties amounted to Rp 291,968,820,395 and Rp 128,982,306,716, respectively (see Notes 7 and 12).

In 2009 and 2008, rental revenue earned amounted to Rp 43,924,788,193 and Rp 2,640,297,049, respectively.

In 2009, depreciation charged to cost of sales and service, and general and administration expenses amounting to Rp 11,187,015,539 and Rp 7,559,615,639, respectively. In 2008, depreciation charged to general and administration expenses amounting to Rp 1,180,267,164.

The Company's building has been insured against fire damage and other risks, with sum insured amounted to Rp 341.1 billion and Rp 28.3 billion as of December 31, 2009 and 2008. The Company and subsidiaries' management were in opinion that the sum insured is adequate to cover any possible losses.

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12. Property and Equipment

	2009				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
Acquisition Cost					
Direct Ownership					
Land	277,162,421,101	--	--	25,664,382,673	302,826,803,774
Building, Infrastructure and Renovations	452,058,334,631	9,179,349,713	--	37,138,576,915	498,376,261,259
Parks and Interiors	18,824,198,232	2,126,038,181	1,833,863,205	1,180,220,915	20,296,594,123
Golf Course and Club House	165,267,762,953	1,731,956,904	--	--	166,999,719,857
Transportation Equipment and Vehicles	22,161,709,470	749,713,360	431,165,399	41,975,000	22,522,232,431
Furniture Fixtures and Office Equipment	282,981,655,769	22,736,104,113	1,824,046,714	3,512,710,075	307,406,423,243
Tools and Medical Equipment	226,049,606,584	14,024,439,452	177,976,901	5,395,090,600	245,291,159,735
Machinery and Project Equipment	126,911,846,439	9,117,625,705	482,307,615	1,573,780,985	137,120,945,514
Bowling Machinery	14,380,816,861	--	--	5,175,000	14,385,991,861
Playground Areas	3,135,746,093	400,887,282	--	--	3,536,633,375
Sub Total	1,588,934,098,133	60,066,114,710	4,749,359,834	74,511,912,163	1,718,762,765,172
Assets under Finance Lease	2,072,498,780	--	175,685,280	--	1,896,813,500
Construction in Progress	297,405,203,208	103,402,841,676	3,115,607,813	(151,939,520,525)	245,752,916,546
Total Acquisition Cost	1,888,411,800,121	163,468,956,386	8,040,652,927	(77,427,608,362)	1,966,412,495,218
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	78,706,983,396	22,424,060,548	--	(453,616,494)	100,677,427,451
Parks and Interiors	12,644,357,458	2,526,996,607	436,271,042	--	14,735,083,023
Golf Course and Club House	97,170,658,218	8,999,775,189	--	--	106,170,433,407
Transportation Equipment and Vehicles	17,929,632,843	880,392,007	393,271,802	18,810,331	18,435,563,379
Furniture Fixtures and Office Equipment	181,258,186,497	37,433,725,684	761,824,908	160,728,130	218,090,815,403
Tools and Medical Equipment	155,377,560,613	18,624,199,212	56,543,724	(1,237,035)	173,943,979,066
Machinery and Project Equipment	58,364,303,485	11,939,383,860	152,641,812	57,117,423	70,208,162,956
Bowling Machinery	14,210,685,557	30,689,899	--	--	14,241,375,456
Playground Areas	3,128,481,424	373,873,350	--	--	3,502,354,774
Sub Total	618,790,849,492	103,233,096,356	1,800,553,288	(218,197,645)	720,005,194,915
Assets under Finance Lease	660,268,682	188,164,036	102,483,080	--	745,949,638
Total Accumulated Depreciation	619,451,118,174	103,421,260,392	1,903,036,368	(218,197,645)	720,751,144,553
Carrying Value	1,268,960,681,947				1,245,661,350,665
	2008				
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	Ending Balance Rp
Acquisition Cost					
Direct Ownership					
Land	378,151,066,932	28,284,559	--	(101,016,930,390)	277,162,421,101
Building, Infrastructure and Renovations	481,310,841,549	12,666,793,177	4,816,637,864	(37,102,662,231)	452,058,334,631
Parks and Interiors	6,997,625,500	1,024,457,776	--	10,802,114,956	18,824,198,232
Golf Course and Club House	164,135,206,726	1,174,308,671	--	(41,752,444)	165,267,762,953
Transportation Equipment and Vehicles	22,116,791,356	1,844,967,327	1,442,092,431	(357,956,782)	22,161,709,470
Furniture Fixtures and Office Equipment	261,552,709,498	30,430,318,854	2,346,979,022	(6,654,393,561)	282,981,655,769
Tools and Medical Equipment	209,677,036,108	24,447,925,407	7,722,693,794	(352,661,137)	226,049,606,584
Machinery and Project Equipment	131,564,345,071	11,503,894,136	322,466,926	(15,833,925,842)	126,911,846,439
Bowling Machinery	14,380,816,861	--	--	--	14,380,816,861
Playground Areas	3,121,642,093	14,104,000	--	--	3,135,746,093
Sub Total	1,673,008,081,693	83,135,053,907	16,650,870,037	(150,558,167,431)	1,588,934,098,133
Assets under Finance Lease	2,431,948,780	--	359,450,000	--	2,072,498,780
Construction in Progress	310,160,950,109	183,701,618,026	--	(196,457,364,927)	297,405,203,208
Total Acquisition Cost	1,985,600,980,582	266,836,671,933	17,010,320,037	(347,015,532,358)	1,888,411,800,121

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	2008				Ending Balance Rp
	Beginning Balance Rp	Addition Rp	Deduction Rp	Reclassification Rp	
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	91,143,793,445	21,563,247,699	2,970,036,439	(31,030,021,309)	78,706,983,396
Parks and Interiors	3,916,890,392	731,723,233	--	7,995,743,833	12,644,357,458
Golf Course and Club House	88,511,345,316	8,663,975,829	--	(4,662,927)	97,170,658,218
Transportation Equipment and Vehicles	17,824,887,553	1,416,140,783	1,065,425,764	(245,969,729)	17,929,632,843
Furniture Fixtures and Office Equipment	158,044,962,633	30,685,864,095	1,805,539,796	(5,667,100,434)	181,258,186,497
Tools and Medical Equipment	144,085,451,689	18,005,021,273	5,974,015,865	(738,896,484)	155,377,560,613
Machinery and Project Equipment	62,119,027,529	15,477,926,279	287,077,259	(18,945,573,064)	58,364,303,485
Bowling Machinery	13,123,566,089	1,087,119,468	--	--	14,210,685,557
Playground Areas	3,121,642,093	6,839,331	--	--	3,128,481,424
Sub Total	581,891,566,739	97,637,857,990	12,102,095,123	(48,636,480,114)	618,790,849,492
Assets under Finance Lease	706,041,272	245,214,078	180,850,000	(110,136,668)	660,268,682
Total Accumulated Depreciation	582,597,608,011	97,883,072,068	12,282,945,123	(48,746,616,782)	619,451,118,174
Carrying Value	1,403,003,372,571				1,268,960,681,947

Depreciation charges are allocated as follows:

	2009 Rp	2008 Rp
General and Administrative Expenses	73,155,741,395	72,733,932,943
Cost of Sales and Services	24,076,809,613	20,304,695,385
Selling Expenses	6,188,709,384	4,844,443,740
Total Depreciation Charges	103,421,260,392	97,883,072,068

The disposal of property and equipment represents sale of assets with details as follows:

	2009 Rp	2008 Rp
Acquisition Cost	8,040,652,927	17,010,320,037
Accumulated Depreciation	1,903,036,368	12,282,945,123
Carrying Value	6,137,616,559	4,727,374,914
Written off - Carrying Value	(3,115,607,813)	--
Selling Price	3,287,966,850	5,559,505,309
Gain on Disposal	265,958,104	832,130,395

In 2008, the Company had reclassified property and equipment with carrying value of Rp 298,268,915,576 to investment properties and inventories with carrying value of Rp 18,315,821,603 (see Note 11) and Rp 279,953,093,973, respectively. Land and building of Hotel Imperial Aryaduta Makassar which had reclassified to inventories with carrying value of Rp 29,974,783,875 was sold in 2008 (see Note 26) and property and equipment of PT Primatama Cemerlang, a subsidiary which was transferred in 2008, had reclassified to inventories with carrying value of Rp 100,670,000,000 (see Note 1.c).

In 2009, the Company had reclassified construction in progress amounted to Rp 128,982,306,716 to investment properties (see Note 11), and inventories and other assets to property and equipment amounted to Rp 25,692,667,232 and Rp 26,080,228,767, respectively (see Notes 7 and 14).

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Land and buildings of Aryaduta Hotel Jakarta and PT East Jakarta Medika (EJM), a subsidiary, are pledged as collateral for loans obtained by the Company and EJM, respectively, from PT Bank CIMB Niaga Tbk and PT Bank Permata Tbk (see Notes 15.b and 15.d), as well as land and building with areas of 82,478 sqm and 781 sqm located at Tanjung Merdeka, Makassar were pledged as collateral for loan obtained by PT Gowa Makassar Tourism Development Tbk, a subsidiary, from PT Bank Agroniaga Tbk (see Note 15.c).

All the Company and subsidiaries' property and equipment have been insured against fire damage and other risks, with sum insured amounted to Rp 1,610 billion, SGD 44,475,972 and USD 38,986,442 as of December 31, 2009, and Rp 816.9 billion and USD 40,348,930 as of December 31, 2008. The Company and subsidiaries' management were in opinion that the sum insured is adequate to cover any possible losses.

The Company and subsidiaries' management were in opinion that there is no impairment in the carrying value of property and equipment.

13. Intangible Assets

	2009 Rp	2008 Rp
Excess of Acquisition Cost over the Subsidiaries' Net Assets	234,065,201,770	234,065,201,770
Acquisition Cost of Software	5,062,808,194	1,940,839,773
Total	239,128,009,964	236,006,041,543
Less: Accumulated Amortization	(105,239,833,462)	(72,573,567,527)
Total Intangible Assets - Net	133,888,176,502	163,432,474,016

The excess of acquisition cost over the subsidiaries' net assets represents the difference arising from acquisition of PT Nuansa Indah Lestari, PT Aresta Amanda Lestari, PT Aresta Permata Utama, PT Fajar Usaha Semesta, PT Fajar Raya Cemerlang, PT Fajar Abadi Aditama, PT Gowa Makassar Tourism Development Tbk by the Company for Rp 96,070,942,680; acquisition of PT Unitech Prima Indah by PT Ariasindo Sejati, a subsidiary, for Rp 5,470,663,157; acquisition of PT Pendopo Niaga by PT Lipposindo, a subsidiary, for Rp 246,980,535; acquisition of PT Jagat Pertala Nusantara by PT Lippo Vacation, a subsidiary, for Rp 17,621,494,991; acquisition of PT Menara Perkasa Megah by PT Wisma Jatim Propertindo, a subsidiary, for Rp 1,151,986,397; acquisition of PT Menara Bhumimegah by PT Kemang Village, a subsidiary, for Rp 1,707,831,551; acquisition of PT Persada Mandiri Dunia Niaga by PT Wisma Jatim Propertindo, a subsidiary, for Rp 1,542,978,254; acquisition of PT Almaron Perkasa by PT Wahana Usaha Makmur, a subsidiary for Rp 6,114,426,687; acquisition of PT Direct Power by PT Wisma Jatim Propertindo, a subsidiary, for Rp 9,258,357,865; acquisition PT Mujur Sakti Graha by PT Prima Kreasi Propertindo, a subsidiary, for Rp 1,165,878,505; and acquisition of PT Graha Solusi Mandiri by PT Primakreasi Propertindo, a subsidiary, for Rp 38,067,060,305. The addition in 2008 represents acquisition of PT Adhi Utama Dinamika by PT Wahana Usaha Makmur and PT Almaron Perkasa, both are subsidiaries, for Rp 24,783,975,543; acquisition of PT Pamor Paramitha Utama by PT Berkas Langgeng Jaya, a subsidiary, for Rp 10,027,716,935; acquisition of PT Berkas Langgeng Jaya by PT KutaBeach Paragon, a subsidiary, for Rp 3,111,072,589; acquisition of PT Buana Mandiri Selaras by PT Mahaduta Purnama, a subsidiary, for Rp 1,173,290,123, and acquisition of PT Nusa Medika Perkasa by PT Perdana Kencana Mandiri, PT Multiselaras Anugrah, and PT Aritasindo Permai Semesta, all subsidiaries, for Rp 16,550,545,653 (see Note 1.c).

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14. Other Assets

	2009 Rp	2008 Rp
Deferred Charges	97,145,321,393	73,066,433,075
Restricted Funds	62,258,089,351	58,577,580,910
Project Advances	9,095,177,007	33,977,154,751
Others	29,044,745,424	28,359,439,442
Total Other Assets	197,543,333,175	193,980,608,178

Deferred charges represents the Company's training and development of professional employees for preparation of Mochtar Riady Comprehensive Cancer Center operation, and marketing and sales expenditures incurred by PT Almaron Perkasa and PT Mandiri Cipta Gemilang, subsidiaries, for Kemang Village and St. Moritz project, respectively. The cost will be amortized systematically in accordance with recognition of revenue from the abovementioned projects.

Restricted fund represents the Company and subsidiaries' time deposits placement in relation to mortgages agreements (KPR and KPA) entered by the Company and subsidiaries with their respective banks.

In 2009, the Company had reclassified project advances to property and equipment amounted to Rp 26,080,228,767 (see Note 12).

15. Loans

	2009 Rp	2008 Rp
Third Parties		
Bank		
a. PT Bank Negara Indonesia (Persero) Tbk	492,770,821,896	354,732,578,215
b. PT Bank CIMB Niaga Tbk	30,128,666,664	71,757,333,332
c. PT Bank Agroniaga Tbk	24,650,000,000	31,500,000,000
d. PT Bank Permata Tbk	1,009,877,929	3,755,127,576
	548,559,366,489	461,745,039,123
Non Bank		
e. Bonds (2009 and 2008: USD 250,000,000)	2,335,241,779,681	2,710,328,323,353
f. Promissory Notes	--	20,959,804,688
	2,335,241,779,681	2,731,288,128,041
Sub Total Third Parties	2,883,801,146,170	3,193,033,167,164
Related Party		
Non Bank		
g. PT Ciptadana Multifinance	--	5,498,225,669
Total Loans	2,883,801,146,170	3,198,531,392,833

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a. PT Bank Negara Indonesia (Persero) Tbk

Based on Deed of Credit Agreement No. 34 dated October 30, 2006 made in presence of H. Zamri, S.H., a notary in Jakarta, which was renewed by Deed of Credit Agreement No. 46 dated March 29, 2007 of the same notary, the Company obtained a Working Capital Credit facility with maximum amount of Rp 250,000,000,000 and bears an annual interest rate of 13.5%. This loan was used to finance property and other businesses, except for land acquisition and matured on October 29, 2007. Furthermore, based on Deed of Credit Agreement No. 44 dated March 29, 2007 made in presence of H. Zamri, S.H., a notary in Jakarta, the Company obtained additional Working Capital Credit facility with maximum amount of Rp 20,000,000,000 resulting in total Working Capital Credit facility amounted to Rp 270,000,000,000. This loan bears an annual interest rate of 13.5% and matured on October 29, 2007. These loans have been extended to October 29, 2008. Based on Amendment of Credit Agreement Nos. 34 and 44 dated November 3, 2009, respectively, these loans were extended starting from October 30, 2008 to June 12, 2010 and can be extended with written approval of both parties.

Both facilities are secured by collaterals as follows:

- 16 (sixteen) parcels of land with area of 52,312.4 sqm, consist of part of Right to Build (HGB) Nos. 5305, 5347 and 5348, HGB Nos. 750, 5036, 110, 187, 5119, 1447, 1597, 5037, 5302, 979, 5345, 5342, and 178 registered under the name of PT Villa Permata Cibodas (VPC), a subsidiary;
- 11 (eleven) parcels of land with area of 30,280.2 sqm, consist of part of HGB Nos. 750, 116, 118, 1598, 119, 5035, 148, 5344, 5304, 5301 and 111 registered under the name of VPC, a subsidiary.
- Property and other trade accounts receivable (excluding accounts receivable from land sold) amounting to Rp 340,579,121,086.

The outstanding balance of these loans as of December 31, 2009 and 2008 amounted to Rp 243,020,821,896 and Rp 203,482,578,215, respectively.

Based on Deed of Credit Agreement No. 45 dated March 29, 2007 made in presence of H. Zamri, S.H., a notary in Jakarta, the Company obtained a term loan credit facility with maximum amount of Rp 270,000,000,000. This loan bears an annual interest rate of 13.5%. The loan was used to finance the Company's projects in Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare and Hospitality and Infrastructure, except for land acquisition and will mature on March 29, 2011.

This loan is secured by collaterals as follows:

- 35 (thirty five) parcels of land with area of 90,715 sqm consist of Right to Build (HGB) Nos. 487, 486, 488, 490, 485, 477, 545, 546, 547, 489, 521, 520, 519, 518, 517, 516, 515, 514, 508, 509, 510, 511, 512, 513, 532, 531, 530, 529, 528, 527, 526, 525, 524, 523 and 522 registered under the name of PT Almaron Perkasa, a subsidiary.
- Property inventories (excluding land) with minimum amount of 100% of total credit.

The outstanding balance of this loan as of December 31, 2009 and 2008 amounted to Rp 249,750,000,000 and Rp 151,250,000,000, respectively.

b. PT Bank CIMB Niaga Tbk

Based on Credit Agreement No. 351/CBG/JKT/05 dated December 21, 2005, the Company obtained Special Transaction Credit Facility with maximum amount of Rp 46,000,000,000, with annual interest rate of 18%. This loan was used to finance renovation of Aryaduta Hotel Jakarta and Imperial Aryaduta Hotel & Country Club, Karawaci Tangerang, and matured on December 21, 2009. The outstanding balance of this loan as of December 31, 2008 amounted to Rp 11,500,000,000. This facility is secured by Right to Build (HGB) Nos. 352 and 353 located in Gambir Village, Gambir District, Center Jakarta, DKI Jakarta, registered under the Company's name (see Note 12). The balance has been fully paid on December 1, 2009.

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Based on credit agreement No. 045/CBG/JKT/07 dated February 22, 2007, which was renewed by credit agreement No. 158/AMD/CBG/JKT/08, PT Surya Mitra Jaya (SMJ), a subsidiary, obtained:

- Bank Guarantee Facility with maximum amount of Rp 25,000,000,000.
- Special Transaction Credit facility with maximum amount of Rp 82,853,833,333, and bears an annual interest rate of 14.5%. This loan was used to finance development of "City of Tomorrow" project.

Both facilities will mature on December 1, 2010.

These facilities were secured by collaterals as follows:

- One parcel of land with area of 26,655 sqm, consists of Right to Build (HGB) No. 417 located at Dukuh Menanggal Village, Gayungan District, Surabaya, East Java registered under SMJ's name and including building of "City of Tomorrow" project with minimum value of Rp 180,000,000,000.
- Fiduciary of accounts receivable from sales of apartment units, mall and office space with minimum of 120% from total facility.

The outstanding balance of this loan as of December 31, 2009 and 2008 amounted to Rp 30,128,666,664 and Rp 60,257,333,332, respectively.

Based on Credit Agreement No. 205/CBG/JKT/08 dated June 30, 2008, PT East Jakarta Medika (EJM), a subsidiary, obtained Special Transaction Credit Facility with maximum amount of Rp 54,000,000,000 and borne annual interest rate of 10.5%. This loan will mature in a year. On December 31, 2008, EJM had settled this loan.

c. PT Bank Agroniaga Tbk

Based on Credit Agreement No. 73 dated June 23, 2004, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, obtained an approval alteration of credit facility, credit limit, and collaterals. This loan agreement has been extended up several times, latest by Credit Agreement Letter No. AB/Cr.S/033/PPK/IX/2009 dated September 30, 2009, which extend the loan facility to one year with maximum credit amounted to Rp 26,900,000,000 and bears an annual interest rate of 16.5%.

This facility is secured by collaterals as follows:

- 13 (thirteen) parcel of land with area of 183,480 sqm, consist of Right to Build (HGB) Nos. 20001, 20002, 20003, 20004, 20005, 20006, 20007, 20008, 20009, 20010, 20011, 20012 and 20013 located in Barombong Village, Tamalate District, Makassar, South Sulawesi Province registered under the name of GMTD.
- Land and building with area of 82,478 sqm and 781 sqm, respectively, based on HGB No. 20588 located in Tanjung Merdeka, Tamalate District, Makassar, South Sulawesi Province registered under the name of GMTD.

As of December 31, 2009 and 2008, the outstanding balance of this loan amounted to Rp 24,650,000,000 and Rp 31,500,000,000, respectively.

d. PT Bank Permata Tbk

The loan obtained by PT East Jakarta Medika (EJM), a subsidiary, on August 29, 2003, which was renewed by credit agreement No. 33 dated October 31, 2008, represented Term Loan Facility with maximum amount of Rp 4,174,187,326, bears an annual interest rate of 15% and will mature on April 13, 2010. This facility was secured by one parcel of land with area of 9,900 sqm including its building, with Right to Build (HGB) No. 623 located in Cibatuh Village, Bekasi registered under EJM's name (see Note 12).

As of December 31, 2009 and 2008, the outstanding balance of this loan amounted to Rp 1,009,877,929 and Rp 3,755,127,576, respectively.

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e. PT Bank International Indonesia Tbk

Based on the Deed of Credit Agreement No. 57 dated September 30, 2003 made in presence of Sri Hartini Widjaja, S.H., a notary in Makassar, the Company obtained loan facility from the Bank amounted to Rp 12,500,000,000, consist of:

- Term Loan I (TL I) of Rp 11,000,000,000; and
- Term Loan II (TL II) of Rp 1,500,000,000.

The loan facility due on September 30, 2008, borne an annual interest rate of 16% and secured by the Company's assets as follows:

- Land area of 4,655 sqm and 617 sqm based on Right to Build (HGB) Nos. 20021/Losari dated September 23, 2003 and 1/Losari dated August 18, 1997 with expiry date on September 17, 2033 and August 2017, respectively, registered under the name of the Company;
- Building constructed on the land and future expansion of such building; and
- All property and equipments of Aryaduta Hotel Makassar.

Based on Deed of First Amendment of Credit Agreement (First Amendment) dated November 18, 2003 made in presence of Sri Hartini Widjaja, S.H., a notary in Makassar, the Bank had agreed to change due date of TL I to become September 30, 2008 and TL II to became November 18, 2008, all other conditions were remained the same.

Subsequent to First Amendment, based on Amendment of Credit Agreement No. 672/PrbPK/2007/MKS dated November 11, 2007, TL I and TL II had been converted to Term Loan Back to Back amounted to Rp 2,921,837,215, which due on November 18, 2008, borne an annual interest rate of Time Deposit Rate + 1%, and replace all collaterals with certificate of Time Deposit amounted to Rp 3,500,000,000.

The Company has settled these loans on December 31, 2008.

f. Bond

	2009 Rp	2008 Rp
Nominal (USD 250,000,000)	2,350,000,000,000	2,737,500,000,000
Bond Issuance Cost - Net	(14,758,220,319)	(27,171,676,647)
Total	2,335,241,779,681	2,710,328,323,353
Bond Issuance Costs	65,176,216,045	65,176,216,045
Less: Accumulated Amortization	(50,417,995,726)	(38,004,539,398)
Unamortized Bond Issuance Cost	14,758,220,319	27,171,676,647

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD 250,000,000 and annual interest rate of 8.875% at Singapore Stock Exchange. The bond has 5 years period and will due on March 9, 2011. Payments of interest will be conducted every 6 months. As of December 31, 2009 and 2008, the outstanding accrued interest expense amounted to Rp 66,206,514,544 (USD 7,043,246) and Rp 73,847,424,498 (USD 6,744,057), respectively.

The Company has entered into Non Deliverable USD Call Spread Option facility agreements with certain third parties to hedge foreign exchange fluctuation risk on this foreign currency bond (see Note 31.j).

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g. Promissory Notes

PT Lippo Cikarang Tbk, a subsidiary, issued bearing promissory notes with an annual interest rate of 15% that were managed by Asia Growth Investment Limited, Malaysia. On October 22, 2008, promissory notes amounted to Rp 20,959,804,688 has been extended to December 24, 2009. The promissory notes have been fully paid on December 14, 2009.

h. PT Ciptadana Multifinance

On August 7, 2006, PT Lippo Cikarang Tbk, a subsidiary, and PT Ciptadana Multifinance entered into factoring facility agreement with maximum facility of Rp 75,000,000,000 for the period up to August 7, 2011 and bears an annual interest rate of 18%. This loan facility has been fully paid on September 28, 2009. In 2009 and 2008, total interest expense was Rp 513,673,506 and Rp 3,665,778,967, respectively.

16. Accrued Expenses

	2009 Rp	2008 Rp
Estimated Cost for Construction	293,457,380,934	248,877,014,059
Interest	66,216,576,330	76,105,146,906
Transfer of Ownership Tax	17,707,646,952	--
Hedging Premium	17,378,354,476	20,170,873,333
Endowment Care Fund	13,687,001,535	8,038,969,369
Professional Fees	6,558,340,233	6,172,341,980
Electricity, Water and Telephone	5,146,188,493	3,500,880,610
Salaries and Employees' Benefits	4,887,253,232	13,067,730,711
Others	55,162,975,233	36,079,238,183
Total Accrued Expenses	480,201,717,418	412,012,195,151

17. Taxation

a. Income Tax Expense

	2009 Rp	2008 Rp
Current	(82,284,732,636)	(46,771,645,647)
Deferred		
Arising from Temporary Differences	(3,738,310,739)	(23,126,073,268)
Arising from Changes of Tax Rate	(4,149,584,167)	(4,929,821,904)
	(7,887,894,906)	(28,055,895,172)
Total Income Tax Expense	(90,172,627,542)	(74,827,540,819)

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Reconciliation between income before income tax expense as presented in the consolidated statements of income, and the Company's taxable income is as follows:

	2009 Rp	2008 Rp
Income before Income Tax Expense as Presented in Consolidated Statements of Income	526,658,019,870	471,685,528,610
<i>Deduct:</i>		
Income from Subsidiaries	(213,046,788,353)	(348,261,269,470)
Elimination of Transactions Related to Consolidated Subsidiaries	(83,751,065,962)	(54,880,629,921)
Income before Income Tax from Sales of Land and Building Subject to Final Income Tax	(83,760,441,741)	--
The Company's Commercial Income - Net of Subject to Final Tax	<u>146,099,723,814</u>	<u>68,543,629,219</u>
Temporary Differences		
Salaries and Employees' Benefits	10,191,068,101	6,710,224,132
Amortization of Deferred Income	563,570,795	946,924,393
Depreciation of Assets Under Finance Lease	182,210,702	232,425,406
Provision for Doubtful Accounts	105,738,101	238,265,732
Interest on Finance Lease Obligations	17,065,925	95,410,509
Gain on Sale of Property and Equipment	--	242,594,201
Payments of Obligations Under Finance Lease	--	(527,828,860)
Depreciation of Direct Ownership of Property and Equipment	(7,101,820,387)	(6,535,116,539)
Deferred Gain on Sale and Leaseback Transactions	(7,303,446,744)	(7,303,446,744)
Sub Total	<u>(3,345,613,507)</u>	<u>(5,900,547,770)</u>
Permanent Differences		
Donation and Representation	1,125,467,187	619,454,701
Vehicles Rent Expense	765,042,750	3,573,047,612
Interest Income	(3,002,247,682)	(11,655,141,061)
Income Subject to Final Tax - Net	(21,409,246,669)	(15,041,183,019)
Others	(130,244,641,385)	113,962,180
Sub Total	<u>(152,765,625,799)</u>	<u>(22,389,859,587)</u>
The Company's Estimated Taxable Income (Fiscal Loss)	<u>(10,011,515,492)</u>	<u>40,253,221,862</u>

Calculation of estimated current income tax and tax payable is as follows:

	2009 Rp	2008 Rp
The Company		
Estimated Taxable Income (Fiscal Loss)	<u>(10,011,515,492)</u>	<u>40,253,221,862</u>
Current Income Tax (2009: Single Rate)	--	12,058,466,559
Tax Credit	--	(12,058,466,559)
Estimated Income Tax of Company Article 29	<u>--</u>	<u>--</u>

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	2009 Rp	2008 Rp
Subsidiaries		
Income Tax from Sales of Land and Building Subject to Final Income Tax	67,751,883,043	--
Taxable Income	71,975,150,622	126,568,944,163
Current Income Tax (2009: Single Rate)	14,532,849,593	34,713,179,088
Tax Credit	(6,472,057,984)	(9,537,519,531)
Estimated Income Tax of Subsidiaries Article 29	8,060,791,609	25,175,659,557
Consolidated Income Tax Payable	8,060,791,609	25,175,659,557
Prior Year Income Tax Article 29	58,308,312,931	91,781,593,826
Consolidated Income Tax Article 29	66,369,104,540	116,957,253,383

Reconciliation between tax expense and the multiplication of the consolidated income before income tax with the prevailing tax rate is as follows:

	2009 Rp	2008 Rp
Income before Income Tax Expense According to the Consolidated Statements of Income	526,658,019,870	471,685,528,610
<i>Deduct:</i>		
Income of Subsidiaries	(213,046,788,353)	(348,261,269,470)
Elimination of Transactions Related to Consolidated Subsidiaries	(83,751,065,962)	(54,880,629,921)
Income before Income Tax from Sales of Land and Building Subject to Final Income Tax	(83,760,441,741)	--
The Company's Commercial Income - Net of Subject to Final Tax	146,099,723,814	68,543,629,219
Income Tax Expense at Effective Tax Rate	(40,907,922,668)	(20,545,588,766)
Income Subject to Final Tax - Net	5,994,589,067	4,512,354,906
Interest Income	840,629,351	3,496,542,318
Vehicles Rent Expense	(214,211,970)	(1,071,914,284)
Donation and Representation	(315,130,812)	(185,836,410)
Deferred Tax Arising from Temporary Differences	(2,803,224,339)	387,137,313
Deferred Tax Arising from Changes of Tax Rate	(4,149,584,167)	(2,833,301,715)
Others	36,468,499,588	(34,188,654)
Total Income Tax Expense of the Company	(5,086,355,950)	(16,274,795,292)
Current Tax of the Subsidiaries	(82,284,732,636)	(34,713,179,088)
Deferred Tax of the Subsidiaries	(2,801,538,956)	(23,839,566,439)
Total Income Tax Expense of the Subsidiaries	(85,086,271,592)	(58,552,745,527)
Total Income Tax Expense	(90,172,627,542)	(74,827,540,819)

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b. Deferred Tax Asset – Net

In 2009 and 2010, new tax regulation had been applied, among others, the changes of tax rate. Deferred tax is calculated using tax rate of 28% for 2008 and 25% for 2009 and following years, replacing the previous tax rate of 30%.

Detail of deferred tax assets and liabilities as presented in the consolidated balance sheets as of December 31, 2009 and 2008 is as follows:

	2007	Charged to Consolidated Statements of Income	2008	Charged to Consolidated Statements of Income	2009
	Rp	Rp	Rp	Rp	Rp
The Company					
Allowance for Doubtful Accounts	14,818,305,297	(10,622,486,245)	4,195,819,052	(423,117,516)	3,772,701,536
Estimated Liabilities on Employees' Benefits	14,143,942,548	1,317,444,608	15,461,387,156	891,189,830	16,352,576,986
Amortization of Deferred Income from Sale and Lease Back Transactions	30,662,457,741	(4,195,976,938)	26,466,480,803	(4,661,556,058)	21,804,924,745
Amortization of Deferred Expense	(448,892,761)	295,065,014	(153,827,747)	157,374,243	3,546,496
Depreciation	(16,121,441,579)	9,817,806,326	(6,303,635,253)	(1,050,246,449)	(7,353,881,702)
Others	828,181,498	(828,181,498)	--	--	--
	43,882,552,744	(4,216,328,733)	39,666,224,011	(5,086,355,950)	34,579,868,061
Subsidiaries	53,190,849,082	(23,839,566,439)	29,351,282,643	(2,801,538,956)	26,549,743,687
Deferred Tax Assets - Net	97,073,401,826	(28,055,895,172)	69,017,506,654	(7,887,894,906)	61,129,611,748

c. Taxes Payable

	2009	2008
	Rp	Rp
Income Tax		
Article 25/29	66,369,104,540	116,957,253,383
Article 21	17,989,032,740	15,061,158,877
Article 4 (2) - Final	9,709,730,205	7,869,545,701
Article 26	3,218,727,600	596,435,645
Article 23	2,231,051,555	2,302,838,948
Article 15	--	72,000,000
Value Added Tax	35,167,814,042	34,744,445,886
Transfer of Ownership Tax	10,763,765,476	--
Hotel and Restaurant Tax	2,130,554,318	2,091,685,553
Entertainment Tax	659,107,056	610,156,664
Total Taxes Payable	148,238,887,532	180,305,520,657

Based on tax assessment result for fiscal year 2007, the Company received Under Payment Tax Assessment Letters (SKPKB) on Income Tax Article 26 and Income Tax Article 23, amounted to Rp 73,154,175,323 and Rp 16,732,920,154, respectively. The Company has submitted an Appeal Letter to the Tax Office dated January 25, 2010. Up to completion date of these consolidated financial statements, the Company has not received any reply from the Tax Office.

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18. Advance from Customers

	2009 Rp	2008 Rp
Third Parties		
Apartment	912,523,410,782	948,216,008,842
Residential Houses and Shophouses	220,077,739,095	125,019,252,196
Land Lots	116,565,223,813	62,215,206,116
Shopping Centers	785,156,172	785,156,172
Total Advance from Customers	1,249,951,529,862	1,136,235,623,326

19. Deferred Income

	2009 Rp	2008 Rp
Related Parties		
Rent (see Note 9)	770,539,981,820	459,603,931,432
Third Parties		
Rent	74,415,216,467	53,255,630,277
Excess of Net Assets over Acquisition Cost - Net	48,513,341,709	51,673,228,669
Others	13,366,841,738	8,075,234,111
Sub Total	136,295,399,914	113,004,093,057
Total Deferred Income	906,835,381,734	572,608,024,489

20. Deferred Gain on Sale and Leaseback Transaction

	2009 Rp	2008 Rp
Acquisition Cost	422,526,532,426	422,526,532,426
Accumulated Depreciation	111,094,459,359	111,094,459,359
Carrying Value	311,432,073,067	311,432,073,067
Proceeds	1,027,043,534,378	1,027,043,534,378
Deferred Gain on Sale and Leaseback Transactions	715,611,461,311	715,611,461,311
Foreign Exchange	15,561,063,486	96,668,978,854
Accumulated Amortization	(146,975,681,772)	(98,048,403,546)
Deferred Gain on Sales and Leaseback - Net	584,196,843,025	714,232,036,619

Deferred gain on sale and leaseback transactions is amortized proportionally over 15 years of lease period using the straight line method (see Note 31.i).

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21. Estimated Liabilities on Employees' Benefits

The Company and subsidiaries appointed independent actuaries to determined and recognized liabilities on employees' benefits in accordance with the existing manpower regulations. Estimated liabilities on employees' benefits as of December 31, 2009 was calculated by PT Dayamandiri Dharmakonsilindo and PT Dian Artha Tama whose reports dated January 20, 2010 and January 28, 2010, respectively, whereas as of December 31, 2008 was calculated PT Pointera Aktuarial Strategis and PT Dayamandiri Dharmakonsilindo whose reports dated January 15, 2009 and January 20, 2009, respectively.

Management is in the opinion that the estimate of employees' benefits is sufficient to cover such liabilities.

Employees' benefits expense recognized in the consolidated statements of income:

	2009 Rp	2008 Rp
Current Service Cost (Acquired Benefits during the Current Year)	12,698,127,342	21,601,130,863
Interest Expense	10,342,305,265	12,248,380,052
Past Service Cost (Non Vested)	553,125,581	872,004,518
Recognized Actuarial (Gain) Loss	(1,865,796,972)	(2,137,970,762)
Expected Return from Program of Assets	(1,944,856,902)	(4,428,306,223)
Amortization of Actuarial Adjustment	--	(12,298,000)
Correction of Previous Year Expense	--	(2,541,161,912)
Net Contribution Paid to Program of Assets	--	(4,730,540,105)
Estimated Payment Current Year	--	(14,828,768,003)
Total Employees' Benefits Expense	19,782,904,314	6,042,470,428

Reconciliation of changes on liabilities recognized in consolidated balance sheets:

	2009 Rp	2008 Rp
Liabilities at Beginning of the Year	101,446,624,605	96,729,382,177
Payment of Employees' Benefit in Current Year	(3,923,859,946)	(19,578,000)
Company's Contribution	(5,057,305,225)	(1,305,650,000)
Recognized Employees' Benefit Expense in Current Year	19,782,904,314	6,042,470,428
Estimated Employees' Benefits Liabilities as at Balance Sheets Date	112,248,363,748	101,446,624,605

Present value of liability, related current service cost and past service cost has been calculated by independent actuaries by using the following assumptions:

	2009	2008
Interest Rates	: 10%	12%
Salary Increase Projection Rate	: 8%	10%
Mortality Rate	: Indonesia – II 1999	100% TMI2 and CSO'80
Permanent Disability Rate	: --	5%
Withdrawal Rate	: 1% for age 18 – 44, 0% for age 45 – 54	1%
Proportion Method Intake of Normal Pension Method	: --	100%
Method	: Projected Unit Credit	Projected Unit Credit

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The Company and subsidiaries have established defined benefit pension plans covering all their permanent employees. Pension contribution expense charged to consolidation statements of income amounted to Rp 7,898,523,590 and Rp 7,927,643,674 in 2009 and 2008, respectively.

22. Capital Stock

The Company's stockholders composition as of December 31, 2009 and 2008 are as follows:

Stockholders	2009		
	Total Shares	Percentage Ownership %	Issued and Fully Paid Rp
PT Metropolis Propertindo Utama	1,900,000,000	10.98	190,000,000,000
Pacific Asia Holdings Ltd	1,836,706,250	10.62	183,670,625,000
Capital Bloom Investment Ltd	1,138,293,750	6.58	113,829,375,000
Others (each less than 5%)	12,427,151,695	71.82	1,242,715,169,500
Total	17,302,151,695	100.00	1,730,215,169,500

Stockholders	2008		
	Total Shares	Percentage Ownership %	Issued and Fully Paid Rp
UBS AG, Hongkong	2,263,926,350	13.08	226,392,635,000
Pacific Asia Holdings Ltd	1,836,706,250	10.62	183,670,625,000
Capital Bloom Investment Ltd	1,138,293,750	6.58	113,829,375,000
Others (each less than 5%)	12,063,225,345	69.72	1,206,322,534,500
Total	17,302,151,695	100.00	1,730,215,169,500

23. Additional Paid-in Capital – Net

	Rp
Rights Issue I	
Premium on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
Sub Total	<u>75,439,569,336</u>
Rights Issue II	
Premium on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Sub Total	<u>477,605,385,137</u>
Premium on Exercising Warrant Series I	<u>659,475,970,000</u>
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	<u>91,701,282,075</u>
Total Additional Paid-in Capital - Net	<u>1,304,222,206,548</u>

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The excess of market value over par value of stock issued during business combination exercised under purchase method represents the difference between the highest share price reached during the 90 day period prior to the announcement of the business combination and par value of the Company's issued shares.

Premium on exercising Warrant Series I represents the difference between warrant execution price and par value.

24. Difference in Value from Restructuring Transactions between Entities Under Common Control – Net

	Rp
Transaction from Before Business Combination:	
Net Asset Value of PT Saptapersada Jagatnusa	322,884,648
Acquisition Cost	(5,000,000,000)
Difference in Value	<u>(4,677,115,352)</u>
Transaction from Business Combination:	
Net Asset Value of Siloam	275,837,221,176
Acquisition Cost	(85,173,967,500)
Difference in Value	190,663,253,676
Realization in 2009	<u>(84,027,724,260)</u>
Net	<u>106,635,529,416</u>
Net Asset Value of Lippo Land	69,227,950,557
Acquisition Cost	(265,747,071,500)
Difference in Value	<u>(196,519,120,943)</u>
Net Asset Value of Aryaduta	199,314,766,000
Acquisition Cost	(39,637,690,500)
Difference in Value	159,677,075,500
Realization in 2009	<u>(45,581,021,356)</u>
Net	<u>114,096,054,144</u>
Total	<u>19,535,347,265</u>

Difference in value from the restructuring transaction of PT Saptapersada Jagatnusa (SPJN), was incurred during the acquisition of SPJN by the Company in 2001.

Difference in value from restructuring transactions between entities under common control from business combination amounted to Rp 190,663,253,676, Rp (196,519,120,943), and Rp 159,677,075,500, respectively, was incurred from the merger of ex Siloam (including ex Sumber Waluyo), ex Lippo Land, and ex Aryaduta in 2004. The difference was determined from the difference in net asset value of ex Siloam (including ex Sumber Waluyo), ex Lippo Land, and ex Aryaduta and the nominal value of new shares issued by the Company.

The realization of difference in value from restructuring transactions between entities under common control amounting to Rp 129,608,745,616 due to certain assets was sold and presented as part of other income – others net in 2009.

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25. Cash Dividend and Reserved Fund

Based on Deed of Annual General Meeting of Shareholders Resolution No. 15 dated March 19, 2008 made in presence of Unita Christina Winata, S.H., a notary in Tangerang, the Company's shareholders agreed, among others, no disbursement of cash dividend for the financial year ended December 31, 2007 and additional reserved fund amounted to Rp 1,600,000,000 from 2007 retained earnings.

Based on Deed of Annual General Meeting of Shareholders Resolution No. 10/2009 dated April 24, 2009 of Saifuddin Arief, S.H., M.H., a notary in Tangerang, the Company's shareholders approved among others, no disbursement of dividend for the financial year ended December 31, 2008 and additional reserved fund amounted to Rp 1,000,000,000 from 2008 retained earnings.

26. Net Sales, Services and Other Revenues

	2009 Rp	2008 Rp
Urban Development:		
Land Lots	433,736,446,180	404,157,417,715
Residential Houses and Shophouses	209,490,479,871	178,338,697,418
Memorial Park	62,474,621,851	51,452,063,477
Asset Enhancements	11,281,516,370	11,663,334,970
Others	--	361,015,403,071
Sub Total	<u>716,983,064,272</u>	<u>1,006,626,916,651</u>
Large Scale Integrated Development:		
Apartments	358,506,264,174	201,261,401,566
Asset Enhancements	12,087,040,508	7,751,366,664
Sub Total	<u>370,593,304,682</u>	<u>209,012,768,230</u>
Retail Malls:		
Asset Enhancements	83,803,237,592	34,018,329,459
Shopping Centers	1,274,609,946	39,235,843,970
Sub Total	<u>85,077,847,538</u>	<u>73,254,173,429</u>
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	205,347,469,125	171,776,830,463
Drugs and Medical Supplies	186,106,539,542	161,392,073,055
Ward Fees	72,090,589,304	63,881,277,056
Administration Fees	26,622,121,249	23,342,425,888
Operating Theater	11,756,103,402	14,798,171,582
Delivery Fees	636,082,463	851,808,750
Others	23,361,240,799	16,050,206,493
Outpatient Department		
Medical Support Services and Professional Fees	242,807,362,182	178,987,162,072
Drugs and Medical Supplies	114,683,798,205	102,137,517,308
Registration Fees	12,384,632,680	9,836,332,813
Sub Total	<u>895,795,938,951</u>	<u>743,053,805,480</u>

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	2009 Rp	2008 Rp
Hospitality and Infrastructure:		
Hotels and Restaurants	182,556,038,218	226,136,567,683
Town Management	85,836,601,711	78,271,058,266
Water and Sewage Treatment	67,233,421,247	62,339,682,040
Recreation and Sports	42,981,764,886	41,652,814,452
Others	13,388,425,758	10,339,970,186
Sub Total	<u>391,996,251,820</u>	<u>418,740,092,627</u>
Property and Portfolio Management:		
Management Fees	<u>104,654,603,162</u>	<u>102,618,961,673</u>
Total Net Sales, Service and Other Revenues	<u>2,565,101,010,425</u>	<u>2,553,306,718,090</u>

Management fees revenue represents revenue of shopping centers management services and as manager of REIT.

Revenue from asset enhancement represents revenue from rental of the Company's assets.

Details of net sales, services, and other revenues for the year 2008 have been represented to conform with the 2009 presentation (see Note 2.s).

27. Cost of Sales and Services

	2009 Rp	2008 Rp
Urban Development:		
Land Lots	161,236,392,285	142,814,688,362
Residential Houses and Shophouses	136,725,319,490	130,799,162,987
Memorial Park	10,332,878,595	10,511,588,177
Asset Enhancements	--	65,910,119
Others	--	155,932,867,990
Sub Total	<u>308,294,590,370</u>	<u>440,124,217,635</u>
Large Scale Integrated Development:		
Apartments	188,736,449,743	123,740,300,793
Asset Enhancements	1,682,320,581	--
Sub Total	<u>190,418,770,324</u>	<u>123,740,300,793</u>
Retail Malls:		
Asset Enhancements	23,946,144,403	194,442,807
Shopping Centers	477,162,426	24,563,063,978
Sub Total	<u>24,423,306,829</u>	<u>24,757,506,785</u>
Healthcare:		
Inpatient Department		
Salaries and Employees' Benefits	202,361,904,155	171,277,806,886
Drugs and Medical Supplies	129,132,967,715	110,518,534,560
Clinical Supplies	21,753,684,134	15,423,988,246
Depreciation	15,127,287,218	12,350,373,118
Food and Beverages	12,648,472,921	11,374,185,666
Repair and Maintenance	4,200,429,082	7,404,788,798
Others	10,102,335,962	12,001,661,149

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	2009 Rp	2008 Rp
Outpatient Department		
Salaries and Employees' Benefits	159,351,529,460	104,107,404,415
Drugs and Medical Supplies	84,609,473,676	83,044,077,722
Clinical Supplies	18,511,468,705	12,373,708,407
Depreciation	8,949,522,395	7,954,322,267
Repair and Maintenance	3,135,813,520	4,708,540,857
Others	3,347,229,772	3,870,790,830
Sub Total	<u>673,232,118,714</u>	<u>556,410,182,921</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	87,488,991,213	102,969,405,436
Town Management	39,685,114,999	34,655,583,595
Water and Sewage Treatment	28,485,591,985	28,974,428,509
Recreation and Sports	15,899,131,970	16,128,623,559
Others	8,576,146,774	6,733,843,326
Sub Total	<u>180,134,976,941</u>	<u>189,461,884,425</u>
Property and Portfolio Management:		
Management Fees	2,029,576,248	--
Total Cost of Sales and Services	<u>1,378,533,339,426</u>	<u>1,334,494,092,559</u>

Details of cost of sales and services for the year 2008 have been represented to conform with the 2009 presentation (see Note 2.s).

28. Operating Expenses

a. Sales and Marketing Expenses

	2009 Rp	2008 Rp
Marketing and Advertising	49,218,998,605	60,310,191,566
Salaries and Employees' Benefits	32,528,997,245	36,957,260,183
Management Fees	10,674,279,620	9,647,235,669
Repairs and Maintenance	8,793,220,599	9,454,647,832
Office Supplies	6,951,171,748	5,325,816,867
Depreciation	6,188,709,384	4,844,443,740
Transportation and Accommodation	6,102,752,413	7,287,724,656
Electricity and Water	5,621,359,349	5,274,678,974
Rent	4,014,677,091	2,744,195,478
Communication	2,232,514,260	3,066,283,367
Others	2,583,425,674	3,618,379,128
Total Sales and Marketing Expenses	<u>134,910,105,988</u>	<u>148,530,857,460</u>

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b. General and Administrative Expenses

	2009 Rp	2008 Rp
Salaries and Employees' Benefits	198,996,367,195	230,667,467,772
Rent	93,764,947,221	97,033,532,246
Depreciation	80,715,357,034	73,914,200,107
Water and Electricity	52,227,348,917	51,399,948,189
Professional Fees	32,530,010,908	27,713,515,797
Repairs and Maintenance	26,013,090,530	25,133,979,651
Office Supplies	21,155,426,728	15,866,717,727
Transportation and Accommodation	19,221,486,918	24,324,376,171
Communication	9,850,664,982	9,383,003,455
Training and Seminar	8,993,525,629	10,070,074,674
Membership and Subscription Fees	6,342,405,677	6,572,107,807
Insurance	4,704,858,403	6,002,630,309
Representation and Entertainment	2,549,203,828	2,564,860,418
Provision for Doubtful Accounts	2,498,127,241	5,024,423,578
Taxes	668,305,762	2,452,871,607
Others	10,719,667,093	16,705,064,399
Total General and Administrative Expenses	570,950,794,065	604,828,773,907

29. Penalties Income – Net

This account represents penalties on cancellation of sales transactions, late payments from customers and late constructions by the Company.

30. Interest Income – Net

	2009 Rp	2008 Rp
Interest Income	21,058,806,161	49,427,340,165
Interest Expenses	(10,239,639,529)	(34,498,280,529)
Total Interest Income - Net	10,819,166,632	14,929,059,636

Interest income represents interest earned from bank accounts, cash equivalent and restricted fund (see Notes 3 and 14), while interest expense represents interest of loans (see Note 15).

31. Commitments

- a. On September 13, 1995, the Company entered into cooperation agreement for the construction and development of Karawaci Interchange and Crossing Gate of Jakarta-Merak with PT Jasa Marga (Persero) (JM), based on Deed of Revenue Sharing Agreement No. 84 dated September 13, 1995 made in presence of Agus Madjid, S.H., a notary in Jakarta. The construction shall be completed by the Company within a certain period as mutually agreed upon by both parties with total project cost of Rp 31,509,304,000, consisting of Rp 20,113,174,000 for the Karawaci Interchange and Rp 11,396,130,000 for the Crossing Gate. JM will operate the project upon completion and reimburse the project cost to the Company amounted to 40.5% of the daily toll revenues.

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The payment from JM to the Company was arranged as follows:

- Payment for the Karawaci Interchange amounted to 17.5% of toll revenues for a period of 10 (ten) years since commencement date. This payment does not include interest; and
- Payment for the Crossing Gate amounted to 23% of toll revenues for a period of 10 (ten) years since commencement date and should there remain as unpaid obligation at the end of the ten years, and JM shall pay the entire debt within 3 (three) months thereafter. This payment includes interest at 2.5% above the average one-year time deposit rate of 5 (five) government banks.

Based on Deed of Amendment on Revenue Sharing Agreement No. 94 dated March 30, 2004 made in presence of Agus Majid, S.H., a notary in Jakarta, the Company and JM amended the Revenue-Sharing Agreement for the construction and development of Karawaci Interchange and Crossing Gate of Jakarta-Merak. The construction which was completed by the Company with total project cost of Rp 19,426,689,000 will be refunded by JM based upon a profit sharing scheme of the daily toll revenues from North and South Karawaci exit toll gates for a period of 10 (ten) years starting from October 1, 2001, with proportion as follows:

- 82.5% for JM including operational and maintenance expenses of 18%; and
- 17.5% for the Company.

- b. The Company and subsidiaries entered into several agreements with contractors for development of their projects. As of December 31, 2009 and 2008, total outstanding commitment amounted to Rp 767 billion and Rp 403 billion, respectively.
- c. On December 18, 1975, ex Aryaduta entered into a management agreement with Hyatt International - Asia Pacific Limited (Hyatt), Hongkong (previously Hyatt of Hongkong Limited) to operate Aryaduta Hotel Jakarta (AHJ) until December 31, 2005. On December 15, 1997, Hyatt transferred its rights and obligations under the management agreement to PT Hyatt Indonesia. On May 13, 2002, this agreement was amended to extend the operating period until December 31, 2015 and to include completion of the renovation program by December 31, 2004. On September 16, 2002, the agreement was further amended to extend the deadline for the completion of the renovation program to December 31, 2005. Based on the agreement, Hyatt will receive management and incentive fees computed at a certain rate, depending upon the fulfillment of certain conditions mentioned in the agreement.

Management and incentive fees charged to operations amounted to nil and Rp 2,069,521,273 in 2009 and 2008, respectively.

The agreement has ended on October 31, 2008 and there is no penalty incurred of this termination.

- d. On September 17, 1993, ex Aryaduta entered into an agreement with the Regional Government of Riau ("Riau Government") in connection with the operation of Aryaduta Hotel Pekanbaru (AHP). According to the agreement, the Company agreed to plan, develop and operate AHP whilst the Riau Government agreed to provide Right to Use No. 466 with land area of 21,360 sqm at Jl. Diponegoro, Simpang Empat, Pekanbaru. The Government receives a royalty fee and a share in the hotel's profits as compensation. This agreement is valid for 25 years commencing from the date of the grand opening of the hotel and can be extended for another 10 years. In an amendment to the agreement with the Regional Government dated July 7, 1997, the Regional Government of Riau granted a land right in the name of ex Aryaduta which will be returned to Regional Government of Riau at the end of the agreement. The grand opening was conducted at January 1, 2001.

Royalty fee expenses charged to operations in 2009 and 2008 amounted to Rp 222,222,222, respectively.

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- e. On August 20, 2004, the Company entered into agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with area of 10,568 sqm for a period up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.
- f. Based on lease agreement No. 062/LK-PSM/LGL/VII/05 dated on August 31, 2005, the Company entered into lease agreement with PT Matahari Putra Prima Tbk (MPPA) that commenced on September 1, 2005 and will expire on August 31, 2010. The Company lease fully furnished residential house to MPPA. The total rental fee for the period of 5 years is USD 348,000 (excluding VAT). The rental fee will be paid in advance for the first two years in the amount of USD 120,000 and payable upon signing and commencement of the lease agreement, whichever is earlier.

MPPA shall pay to the Company a security deposit amounted to USD 15,000 or equivalent to 3 months rental to secure payment of all liabilities of MPPA as stipulated in the lease agreement. The security deposit shall be paid upon signing of the lease agreement.

- g. Based on lease agreement No. 001/LA-LK/PTLK-PTKG/BD-106/II-05 dated March 4, 2005 which was amended on October 21, 2005, the Company leases a plot of land with area of 3,848.57 sqm to PT Shell Indonesia (SI) (formerly PT Kridapetra Graha). The lease period is for 10 years commenced from the lease agreement date. Total value of lease was amounted to Rp 16,560,000,000 with the initial base rent for the first three years start at Rp 40,000 per square meter per month inclusive of 10% Withholding Tax and 10% Value Added Tax.

SI agreed to pay a security deposit amounted to Rp 443,796,000 in the form of a bank transfer (cash deposit), and will be refunded when the lease period ended, or expired, or terminated.

- h. On April 9, 2006, PT Consulting & Management Service Division (CMSD), a subsidiary, entered into shopping centers management agreement with their main shareholders to manage, to sell and maintain the shopping centers' facilities. CMSD shall receive certain management service fee as stipulated in the agreement.
- i. Based on Deed of Sale and Purchase Agreements Nos. 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253 and 254 dated December 11, 2006, all made in presence of Unita Christina, S.H., a notary in Tangerang, Deed of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all made in presence of Rusdi Muljono, S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, made in presence of Wenda Taurusita Amidjaja, S.H., a notary in Tangerang, the Company and PT Prudential Hotel Development, a subsidiary, transferred land and building of their 3 hospitals and 1 hotel to PT Karya Sentra Sejahtera (KSS), PT Graha Indah Pratama (GIP), PT Tata Prima Indah (TPI) and PT Sentra Dinamika Perkasa (SDP) which owned 100% directly by Lovage International Pte. Ltd, Henley Investments Pte. Ltd, Primerich Investment Pte. Ltd and Got Pte. Ltd, whereas those Companies were owned by First Real Estate Investment Trust (First REIT). Based on rental agreement of Allen & Gledhill Advocates & Solicitors dated October 23, 2006, the Company entered into rental and management agreement of certain assets which have been transferred aforesaid, with KSS, GIP, TPI and SDP for 15 years. According to the agreement, the Company shall pay certain amount as stipulated in the agreement. Rental expense for the years ended December 31, 2009 and 2008 amounted to Rp 146,526,156,871 and Rp 146,260,462,526, respectively. Difference between carrying value of assets transferred (see Note 20) against selling price is presented as deferred gain on sale and leaseback transactions and amortized over the rental period.

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- j. On March 24, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch amounted to USD 25,000,000 for spread between Rp 9,200 to Rp 12,000 with annual Premium Rate of 2.525% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 5,000,000,000 and Rp 43,750,000,000, respectively.

On March 28, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with UBS AG, Singapore branch amounted to USD 25,000,000 for spread between Rp 9,015 to Rp 12,000 with annual Premium Rate of 2.72% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 9,625,000,000 and Rp 48,375,000,000, respectively.

On April 4, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with Deutsche Bank AG, Jakarta branch amounted to USD 25,000,000 for spread between Rp 9,000 to Rp 12,000 with annual Premium Rate of 2.69% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 10,000,000,000 and Rp 48,750,000,000, respectively.

On April 5, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with Merrill Lynch & Co, Singapore branch amounted to USD 50,000,000 for spread between Rp 9,200 to Rp 12,000 with annual Premium Rate of 2.475% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 10,000,000,000 and Rp 87,500,000,000, respectively.

On May 17, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch amounted to USD 25,000,000 for spread between Rp 9,200 to Rp 12,000 with annual Premium Rate of 2.59% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 5,000,000,000 and Rp 43,750,000,000, respectively.

On May 17, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with UBS AG, Singapore branch amounted to USD 25,000,000 for spread between Rp 9,200 to Rp 12,000 with annual Premium Rate of 2.49% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 5,000,000,000 and Rp 43,750,000,000, respectively.

On June 9 and July 11, 2006, the Company entered into Non Deliverable USD Call Spread Option facilities with J.P. Morgan (S.E.A.) Limited, Singapore branch amounted to USD 35,000,000 and USD 25,000,000, respectively, with spread between Rp 8,250; Rp 9,200 and Rp 12,000 with annual Premium Rates of 2.2% and 1.86%, respectively, from Notional Amount. Premium will be paid on every March 9 and September 9. These facilities will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 12,000,000,000 and Rp 105,000,000,000, respectively.

On November 8, 2006, the Company entered into Non Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch amounted to USD 15,000,000 for spread between Rp 9,200; Rp 9,200 and Rp 12,000 with annual Premium Rate of 1.525% from Notional Amount. Premium will be paid on every March 9 and September 9. This facility will due on March 9, 2011. As of December 31, 2009 and 2008, the unrealized gain amounted to Rp 3,000,000,000 and Rp 26,250,000,000, respectively.

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- k. On September 19, 2008, the Company and Carbon Worldwide Sdn. Bhd. (CW) entered into agreement to organize A1 Grand Prix at Lippo Karawaci, Tangerang for the period of 2009 up to 2013. The Company shall pay USD 1,000,000 per annum and share to CW part of ticketing and others revenue in certain proportion as stated in the agreement. The agreement has been terminated earlier on July 17, 2009 and no outstanding commitment or obligation existed as of December 31, 2009.
- l. Based on Deed of Lease Agreement No. 06 dated November 12, 2008 made in presence of Julijanti Sundjaja, S.H., a notary in Tangerang, the Company entered into lease agreement with PT Matahari Putra Prima Tbk (MPPA) for a period of 20 years started from opening date of St. Moritz with total rental income amounted to Rp 324,259,600,000.
- m. Lippo-Mapletree Indonesia Retail Trust Management Ltd (LMIR TM), a subsidiary, entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited, as trustee of Lippo-Mapletree Indonesia Retail Trust (LMIR Trust) effectively since listing date of LMIR Trust (November 14, 2007). Based on the agreement, LMIR TM will provide management services to LMIR Trust, among others, investment strategic and investment as well as divestment recommendation. For such services, LMIR TM shall receive certain compensation as stated in the agreement.

32. Segment Information

a. Primary Segment

	2009 (In Thousand Rupiah)						Consolidated
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Revenues							
External	716,983,064	370,593,305	85,077,848	895,795,939	391,996,252	104,654,603	2,565,101,011
Total Revenues	716,983,064	370,593,305	85,077,848	895,795,939	391,996,252	104,654,603	2,565,101,011
Result							
Segment Results	408,688,474	180,174,534	60,654,541	222,563,820	211,861,275	102,625,027	1,186,567,671
Operating Expenses							
Allocated Operating Expenses	318,069,308	29,065,632	58,985,238	102,584,454	143,473,791	53,682,477	705,860,900
Income from Operations	90,619,166	151,108,902	1,669,303	119,979,366	68,387,484	48,942,550	480,706,771
Interest Income (Expenses) - Net	14,021,944	(1,845,888)	229,888	(185,390)	(1,416,392)	15,005	10,819,167
Other Income (Expenses) - Net	4,225,665	(12,417,556)	38,164,481	(12,547,703)	(3,174,986)	5,661,532	19,911,433
Income of Associates	7,471,289	--	--	--	7,749,360	--	15,220,649
Income before Tax Benefit (Expense)	116,338,064	136,845,458	40,063,672	107,246,273	71,545,466	54,619,087	526,658,020
Income Tax Benefit (Expense)							
Current Tax	(42,744,089)	(18,907,499)	(6,835,166)	--	(4,904,070)	(8,893,909)	(82,284,733)
Deferred Tax	(7,688,960)	--	--	350,091	(638,720)	89,694	(7,887,895)
Income Before Minority Interests	65,905,015	117,937,959	33,228,506	107,596,364	66,002,676	45,814,872	436,485,392
Minority Interests	(34,910,690)	(9,406,153)	(2,686,449)	2,800	--	(1,431,404)	(48,431,896)
Net Income	30,994,325	108,531,806	30,542,057	107,599,164	66,002,676	44,383,468	388,053,496
Segment Assets	7,070,878,739	1,700,070,813	2,164,622,764	409,783,781	585,556,190	127,942,257	12,058,854,544
Investment in Associates	66,396,314	--	--	2,393,153	--	--	68,789,467
Total Assets	7,137,275,053	1,700,070,813	2,164,622,764	412,176,934	585,556,190	127,942,257	12,127,644,011
Segment Liabilities	4,483,190,242	1,753,847,580	342,222,626	137,234,275	102,118,146	20,099,547	6,838,712,416
Capital Expenditures	66,906,266	44,339,298	8,768,578	24,738,718	20,214,183	--	164,967,043
Depreciation	21,284,436	2,827,866	11,414,426	34,036,571	51,784,538	820,055	122,167,892
Non Cash Expenses Other than Depreciation	31,384,368	8,115,666	2,677,573	--	--	--	42,177,607

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	2008 (In Thousand Rupiah)						
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Cash Flows from Operating							
Receipt from Costumers	562,378,999	725,319,436	146,084,460	732,783,938	420,385,203	89,060,375	2,676,012,411
Payment to Third Parties	(448,634,903)	(353,602,898)	(465,480,669)	(523,619,949)	(255,281,123)	(19,031,489)	(2,065,651,031)
Others	(623,612,114)	(27,475,710)	(15,222,143)	(120,428,270)	(30,267,448)	(32,397,401)	(849,403,086)
	<u>(509,868,018)</u>	<u>344,240,828</u>	<u>(334,618,352)</u>	<u>88,735,719</u>	<u>134,836,632</u>	<u>37,631,485</u>	<u>(239,041,706)</u>
Cash Flows from Investing							
Receipt from (Placement of)							
Investment and Promissory Note	30,789,795	--	--	--	--	(1,446,049)	29,343,746
Acquisition of Property and Equipment and Investment Properties	(52,579,796)	(81,923,085)	(38,613,122)	(59,465,857)	(33,999,753)	(435,059)	(267,016,672)
Others	(36,699,249)	--	--	572,550	--	--	(36,126,699)
	<u>(58,489,250)</u>	<u>(81,923,085)</u>	<u>(38,613,122)</u>	<u>(58,893,307)</u>	<u>(33,999,753)</u>	<u>(1,881,108)</u>	<u>(273,799,625)</u>
Cash Flows from Financing							
Proceed from Loans	80,593,724	--	--	--	--	--	80,593,724
Repayment of Loans and Promissory Notes	(93,634,395)	--	(30,128,667)	(3,005,642)	(14,786,598)	--	(141,555,302)
Others	5,394,174	(270,847,843)	400,440,669	(27,584,320)	(99,943,264)	(14,190,212)	(6,730,795)
	<u>(7,646,497)</u>	<u>(270,847,843)</u>	<u>370,312,002</u>	<u>(30,589,962)</u>	<u>(114,729,862)</u>	<u>(14,190,212)</u>	<u>(67,692,373)</u>

Primary segment information for the year 2008 has been represented to conform with the 2009 presentation (see Note 2.s).

b. Secondary Segment

2009 (In Thousand Rupiah)							
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
ASSETS							
Greater Jakarta	5,087,541,128	1,646,761,616	1,064,452,909	293,856,280	385,031,854	17,399,376	8,495,043,163
East Java	--	53,309,197	421,849,839	118,320,654	--	--	593,479,690
Riau	--	--	--	--	60,223,754	--	60,223,754
South Sulawesi	378,401,323	--	157,807,922	--	--	--	536,209,245
North Sumatera	--	--	384,987,737	--	140,300,582	--	525,288,319
Bali	--	--	135,524,357	--	--	--	135,524,357
Foreign Countries	1,671,332,602	--	--	--	--	110,542,881	1,781,875,483
Total	7,137,275,053	1,700,070,813	2,164,622,764	412,176,934	585,556,190	127,942,257	12,127,644,011
LIABILITIES							
Greater Jakarta	1,291,947,108	1,753,159,263	190,979,449	106,663,131	86,786,352	7,566,394	3,437,101,697
East Java	--	688,317	87,375,840	30,571,144	--	--	118,635,301
Riau	--	--	--	--	7,073,889	--	7,073,889
South Sulawesi	337,365,752	--	3,774,174	--	--	--	341,139,926
North Sumatera	--	--	40,086,574	--	8,257,905	--	48,344,479
Bali	--	--	20,006,589	--	--	--	20,006,589
Foreign Countries	2,853,877,382	--	--	--	--	12,533,153	2,866,410,535
Total	4,483,190,242	1,753,847,580	342,222,626	137,234,275	102,118,146	20,099,547	6,838,712,416

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2009 (In Thousand Rupiah)							
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
REVENUE							
Greater Jakarta	660,019,550	366,467,430	62,610,493	750,220,610	337,631,547	44,503,208	2,221,452,838
East Java	--	4,125,875	10,232,862	145,575,329	--	--	159,934,066
Riau	--	--	--	--	14,131,613	--	14,131,613
South Sulawesi	56,963,514	--	2,595,547	--	5,839,223	--	65,398,284
North Sumatera	--	--	9,638,946	--	34,393,869	--	44,032,815
Bali	--	--	--	--	--	--	--
Foreign Countries	--	--	--	--	--	60,151,395	60,151,395
Total	716,983,064	370,593,305	85,077,848	895,795,939	391,996,252	104,654,603	2,565,101,011
NET INCOME (LOSS)							
Greater Jakarta	52,267,513	106,726,780	37,031,693	96,018,861	87,225,057	12,838,641	392,108,545
East Java	--	1,805,026	20,679,786	11,580,303	--	--	34,065,115
Riau	--	--	--	--	(2,604,417)	--	(2,604,417)
South Sulawesi	1,638,399	--	1,239,726	--	3,605,422	--	6,483,547
North Sumatera	--	--	(26,690,170)	--	(22,223,386)	--	(48,913,556)
Bali	--	--	(1,718,978)	--	--	--	(1,718,978)
Foreign Countries	(22,911,587)	--	--	--	--	31,544,827	8,633,240
Total	30,994,325	108,531,806	30,542,057	107,599,164	66,002,676	44,383,468	388,053,496
2008 (In Thousand Rupiah)							
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
ASSETS							
Greater Jakarta	5,209,050,981	1,178,347,570	1,046,824,623	353,886,976	420,682,133	8,203,759	8,216,996,042
East Java	--	11,634,430	446,868,035	45,624,537	--	--	504,127,002
Riau	--	--	--	--	59,815,950	--	59,815,950
South Sulawesi	364,002,941	--	110,462,220	--	--	--	474,465,161
North Sumatera	--	--	389,992,262	--	160,865,497	--	550,857,759
Bali	--	--	150,474,403	--	--	--	150,474,403
Foreign Countries	1,761,294,816	--	--	--	--	69,746,077	1,831,040,893
Total	7,334,348,738	1,189,982,000	2,144,621,543	399,511,513	641,363,580	77,949,836	11,787,777,210
LIABILITIES							
Greater Jakarta	1,726,513,627	1,424,488,606	259,963,913	102,215,792	92,802,985	14,474,772	3,620,459,695
East Java	--	789,124	139,163,281	35,593,027	--	--	175,545,432
Riau	--	--	--	--	6,971,892	--	6,971,892
South Sulawesi	251,421,836	--	8,841,654	--	--	--	260,263,490
North Sumatera	--	--	38,610,485	--	8,507,904	--	47,118,389
Bali	--	--	21,029,417	--	--	--	21,029,417
Foreign Countries	2,785,601,562	--	--	--	--	10,821,006	2,796,422,568
Total	4,763,537,025	1,425,277,730	467,608,750	137,808,819	108,282,781	25,295,778	6,927,810,883

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	2008 (In Thousand Rupiah)						
	Urban Development	Large Scale Integrated Development	Retail Malls	Healthcare	Hospitality and Infrastructure	Property and Portfolio Management	Consolidated
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
REVENUE							
Greater Jakarta	951,505,094	169,391,713	45,044,272	634,303,180	355,533,218	25,375,011	2,181,152,488
East Java	--	39,621,055	17,009,839	108,750,625	--	--	165,381,519
Riau	--	--	--	--	15,705,993	--	15,705,993
South Sulawesi	55,121,823	--	4,924,578	--	5,015,706	--	65,062,107
North Sumatera	--	--	6,275,484	--	42,485,176	--	48,760,660
Bali	--	--	--	--	--	--	--
Foreign Countries	--	--	--	--	--	77,243,951	77,243,951
Total	1,006,626,917	209,012,768	73,254,173	743,053,805	418,740,093	102,618,962	2,553,306,718
NET INCOME (LOSS)							
Greater Jakarta	(31,000,340)	(14,357,831)	30,295,547	76,814,604	66,448,605	5,898,038	134,098,623
East Java	--	14,223,381	(11,049,049)	15,746,779	--	--	18,921,111
Riau	--	--	--	--	2,997,319	--	2,997,319
South Sulawesi	(1,054,248)	--	2,010,445	--	3,464,088	--	4,420,285
North Sumatera	--	--	(28,042,536)	--	(13,879,696)	--	(41,922,232)
Bali	--	--	(1,152,928)	--	--	--	(1,152,928)
Foreign Countries	215,299,688	--	--	--	--	38,210,468	253,510,156
Total	183,245,100	(134,450)	(7,938,521)	92,561,383	59,030,316	44,108,506	370,872,334

Secondary segment information for the year 2008 has been represented to conform with the 2009 presentation (see Note 2.s).

33. Asset and Liabilities Denominated in Foreign Currencies

	2009					
	Foreign Currencies					Equivalent Rupiah
	USD	JPY	SGD	EUR	AUD	
Assets						
Cash and Cash Equivalent	139,108,437	13,800	6,803,915	21,777	10,717	1,353,584,704,259
Investments	--	--	55,435,440	--	--	371,362,012,359
Trade Accounts Receivable	1,676,830	--	392,381	--	--	18,390,763,550
Other Accounts Receivable	11,676,720	--	2,519,673	--	--	126,640,460,269
Other Assets	49,950	--	2,214,513	--	--	15,304,549,796
Total Assets	152,511,937	13,800	67,365,922	21,777	10,717	1,885,282,490,233
Liabilities						
Loan	250,000,000	--	--	--	--	2,350,000,000,000
Trade Accounts Payable	1,086,191	--	279,305	6,600	--	12,170,421,772
Other Accounts Payable	50,300	--	--	--	--	472,820,000
Accrued Expenses	8,724,016	--	843,427	--	--	87,655,860,922
Total Liabilities	259,860,507	--	1,122,732	6,600	--	2,450,299,102,694
Total Asset (Liabilities) - Net	(107,348,570)	13,800	66,243,190	15,177	10,717	(565,016,612,461)

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	2008					
	Foreign Currencies					Equivalent
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalent	139,816,728	163,800	9,034,465	16,093	9,439	1,600,057,876,945
Investments	--	--	24,913,917	--	--	189,520,165,478
Trade Accounts Receivable	1,028,730	--	382,797	--	--	14,176,664,640
Other Accounts Receivable	47,105,223	--	2,909,879	--	--	537,938,695,651
Other Assets	49,950	--	2,130,633	--	--	16,755,438,078
Total Assets	188,000,631	163,800	39,371,691	16,093	9,439	2,358,448,840,792
Liabilities						
Loan	250,000,000	--	--	--	--	2,737,500,000,000
Trade Accounts Payable	1,166,983	327,040	114,318	2,420	--	13,725,109,461
Other Accounts Payable	49,500	--	--	--	--	542,025,000
Accrued Expenses	8,744,137	--	1,339,463	--	--	105,938,083,659
Total Liabilities	259,960,620	327,040	1,453,781	2,420	--	2,857,705,218,120
Total Asset (Liabilities) - Net	(71,959,989)	(163,240)	37,917,910	13,673	9,439	(499,256,377,328)

34. Contingencies

Based on the Legal Case Register Nos. 15/PDTG/2005/PN.TNG, 16/PDTG/2005/PN.TNG and 17/PDTG/2005/PN.TNG dated January 24, 2005, respectively, and Nos. 77/PDTG/2005/PN.TNG, 78/PDTG/2005/PN.TNG, 79/PDTG/2005/PN.TNG, 80/PDTG/2005/PN.TNG and 81/PDTG/2005/PN.TNG dated April 12, 2005, respectively, Menanti Panjaitan, S.H., Mayjen TNI (Purn) M.Y Amin Suyitno, S.H., Rudy Andreas Tampi, Ng A Hwi, Ridwan Sunardi, Silvia Sunardi, Tansri Singaju Benui and Aida Sutjiono sued the Company (ex Lippo Land). Based on the case, it was stated that compensation was demanded due to the allegation that kiosks at Depok Town Square was sold to the above mentioned parties at the point where the land status was still under dispute (court case). In 2005, the land dispute case, based on the legal case Register Nos. 15-16-17, was cancelled by the Banten High Court, whilst the legal case Register Nos. 77-78-79-80-81 was rejected by Tangerang District Court's. Upon the judgments to the case aforesaid, the plaintiffs are pursuing remedy either by cassation through Supreme Court of the Republic Indonesia or by appeal through Banten High Court. According to the Company's legal counsel, the event will not influence nor threat the ownership status of the land on which Depok Town Square was built.

35. Earnings per Share

The basic earnings per share calculation are as follows:

	2009	2008
Residual Net Income (Rupiah)	388,053,495,627	370,872,333,757
Weighted Average Number of Common Stocks (Share)	17,302,151,695	17,302,151,695
Basic Earnings per Share (Rupiah)	22.43	21.44

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2009 and 2008
(Expressed In Full Rupiah, Unless Otherwise Stated)

36. Revised of Statement of Financial Accounting Standards (PSAK)

The followings are the revised PSAKs which were recently issued by the Indonesian Institute of Accountants:

- I. For financial statements covering the periods beginning on or after January 1, 2010:
 - PSAK 50 (Revised 2006) "Financial Instruments: Presentation and Disclosures"
 - PSAK 55 (Revised 2006) "Financial Instruments: Recognition and Measurement"
 - PSAK 26 (Revised 2008) "Borrowing Costs"
- II. For financial statements covering the periods beginning on or after January 1, 2011:
 - PSAK 01 (Revised 2009) "Presentation of Financial Statements"
 - PSAK 02 (Revised 2009) "Statement of Cash Flows"
 - PSAK 04 (Revised 2009) "Consolidated and Separate Financial Statements"
 - PSAK 05 (Revised 2009) "Operating Segments"
 - PSAK 12 (Revised 2009) "Interests in Joint Ventures"
 - PSAK 15 (Revised 2009) "Investments in Associates"
 - PSAK 25 (Revised 2009) "Accounting Policies, Changes in Accounting Estimates and Errors"
 - PSAK 48 (Revised 2009) "Impairment of Assets"
 - PSAK 57 (Revised 2009) "Provisions, Contingent Liabilities and Contingent Assets"
 - PSAK 58 (Revised 2009) "Non-current Assets Held for Sale and Discontinued Operations"

The Company and subsidiaries' management do not implement earlier those revised PSAKs and have not yet determined the related impacts on the consolidated financial statements.

37. Reclassification of Accounts

The Company has reclassified certain accounts in the consolidated financial statements for the year 2008 to conform with the presentation of the consolidated financial statements for the year ended December 31, 2009 as follows:

Accounts	Presented Before Reclassification Rp	Presented After Reclassification Rp
Investment - Promissory Notes	65,700,000,000	--
Other Receivables	552,271,203,410	617,971,203,410
Due to Related Parties	72,500,256,615	23,037,354,205
Other Accounts Payable	158,753,081,464	208,215,983,874
Advance from Customers	1,148,967,030,769	1,136,235,623,326
Customer Deposit	--	12,731,407,443
Total	<u>1,998,191,572,258</u>	<u>1,998,191,572,258</u>

38. Management Responsibility on the Consolidated Financial Statements

The management of the Company is responsible for the preparation of the consolidated financial statements completed on January 29, 2010.



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