

2012

Annual Report

Lippo Karawaci

Transformational Momentum



The St.Moritz Penthouses & Residences





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Total property marketing sales in 2012 reached Rp 4.7 trillion, increasing by 47% yoy



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Cover Story





2012

Transformational Momentum

Lippo Karawaci is well placed to realize its transformational journey to become an US\$8 billion company by 2015. With a vision to have a positive impact and deliver value to society in every development project, supported by focused business strategies, an entrepreneurial spirit, strategic business units and the continued confidence of its stakeholders, Lippo Karawaci has been able to deliver developments that are well planned and have again presented an impressive performance.

Lippo Karawaci has been able to maximize market opportunities via Indonesia's robust economic growth, resulting in the strong advancement of its core business units, creating a stronger working platform for higher growth in the coming year. Lippo Karawaci has strengthened its position as a premier company in Indonesia.

Lippo Karawaci at a Glance





With more than 20 years of success in developing property in Indonesia, PT Lippo Karawaci Tbk (“Lippo Karawaci” or “Company”) has strong brand recognition as the leading property company in Indonesia’s real estate industry and is the largest listed property company in terms of assets, revenue and market capitalisation. A unique, highly focused and integrated business model enables Lippo Karawaci to pursue its commitment to positively impact people’s quality of lives.

This impact radiates from Lippo Karawaci’s sustainable projects that have laid solid foundations for progress in the immediate communities they serve, to the country’s economic development which it fully supports.

Well-planned independent townships and integrated highrise developments feature lush environments augmented by first class physical and social infrastructure and facilities. Its private hospitals, outfitted with state-of-the-art equipment, offer world-class healthcare services. Retail malls, with their diverse mix of entertainment, shopping and recreation, cater to the discerning taste and lifestyle demands of consumers.

Lippo Karawaci at a Glance

String of 'firsts'

Lippo Karawaci evolved from PT Tunggal Reksakencana which was established in 1990. In 1993, the Company inaugurated the first township project in Tangerang, West Java, today known as Lippo Village. It is a pioneering self-sustainable community of residences, commercial, and business hubs, with hotel and leisure facilities, championship golf course, hospitals and schools. Also in the master plan stage at that time was the first integrated township of Lippo Cikarang, which introduced a mix of light industrial uses supported by residences, infrastructure and complete services for modern living.

In 1997, Lippo Karawaci took its emerging expertise further east in Indonesia by developing an integrated township in South Sulawesi. Tanjung Bunga was established as yet another first in the area. This township is strategically located in Makassar, a key trading point and gateway to the eastern regions of Indonesia. These cornerstone developments provided Lippo Karawaci with the most diversified landbank in Indonesia.

Building strength

In 2004, Lippo Karawaci fortified and expanded its business through a merger of eight property-based companies incorporating urban development, large-scale integrated development, retail malls, hospitals, hotels and leisure themed establishments, and a fee-based income portfolio. This in turn developed into a strong recurring income base that has become the foundation for a sustainable growth model.

Lippo Karawaci has focused on constructing solid foundations for its progress. The drive behind the Company's achievements has been consistent throughout the years, and is aptly summarised in the tagline, "Impacting Lives." The difference its endeavors have made in support of the country's economic development is clearly evident in the communities it serves.

The Company's signature independent townships and integrated high-rise developments are master planned and feature lush environments surrounded by first class infrastructure supporting both physical and social facilities. Lippo Karawaci's private hospitals have state-of-the-art equipment to ensure world-class healthcare services. The Company also offers a diverse mix of entertainment, shopping and recreation through their retail malls, each customized to cater to the discerning taste and lifestyle demands of the country's middle class consumers.

Lippo Karawaci is able to effectively adapt and respond to changing urban lifestyles brought about by rapid urbanisation and the burgeoning domestic market led by the middle and upper middle class segments. The Company continues to pioneer mixed-use developments that synergise businesses, residential, commercial and leisure all within an integrated environment supported by superior services in health and education.

These award winning developments serve as inspiration and provide a blueprint for future developments across Indonesia. Lippo Karawaci has earned its status as Indonesia's most trusted developer, with the most recognisable and reputable brand.

The future today

In 2011 Lippo Karawaci began its commitment to transform itself from a US\$3 billion to an US\$8 billion enterprise within a span of 5 years. This strategy has been fortified by formidable growth in the Company's core property business, hospitals and retail malls. Gaining prominence also are increasing assets under management that are facilitated by its "asset-light" strategy.

In the 2nd year of its transformational journey, the momentum for growth picked up speed and 2012 saw Lippo Karawaci deliver its targets. Under the guidance of a group of professional leaders, backed by a broad international investor base and an impressive track record, the Company has brought its future goals within closer reach of its shareholders with the promise of higher market capitalisation and the delivery of enhanced returns.

Vision

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

Mission

- To meet the needs of middle and upper middle 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 environments that enhance the physical, social and spiritual experience of its clientele, and to provide a best practice green environment for each of its development projects.

Vision & Mission

Explaining the Vision

- "To be a leading property company" is Lippo Karawaci's commitment to continue evolving and become a benchmark not only for Indonesia, but also the region in terms of providing more value and better quality in each of the Company's endeavors.
- "Impact on people's quality of life" defines Lippo Karawaci's commitment to positively touch people's lives and bring bountiful benefits through each business venture the Company engages in.
- "Create added value to shareholders" is Lippo Karawaci's pledge that each shareholder is at the core of each of the Company's decisions and endeavors wherein it prioritizes the shareholders' best interest in its value creation.

Explaining the Mission

- Through an integrated business model that seeks continuous development, Lippo Karawaci is determined to meet the needs of the general public, primarily by providing high quality residential structures built within clean and green environments, affordable health care services of international standards, retail centers, entertainment and hospitality.
- Lippo Karawaci will continue to develop innovative and high quality residential structures, while at the same time accelerating the Company's Recurring Revenues sourced from Hospitals, Commercial and Asset Management units.
- Lippo Karawaci will continue to observe the social and spiritual needs of the environment in order to improve the lives of its customers.

Lippo Karawaci Facts

1

Largest listed property Company in Indonesia by Revenue, Total Assets and Market Capitalisation (Rp 23 trillion as of 31 December 2012).

2

One of the top 20 listed companies by trading volume in the Indonesia Stock Exchange (12.9 billion shares for the year ended 31 December 2012, with trading value of Rp10.9 trillion).

3

Fastest growing real estate group (market capitalisation grew more than 10x since the merger of 8 property related companies in 2004).

4

Market leader in townships & residential property, hospitals and retail malls.

5

Integrated business model with ability to recycle capital.

6

Largest diversified landbank in strategic locations throughout Indonesia.

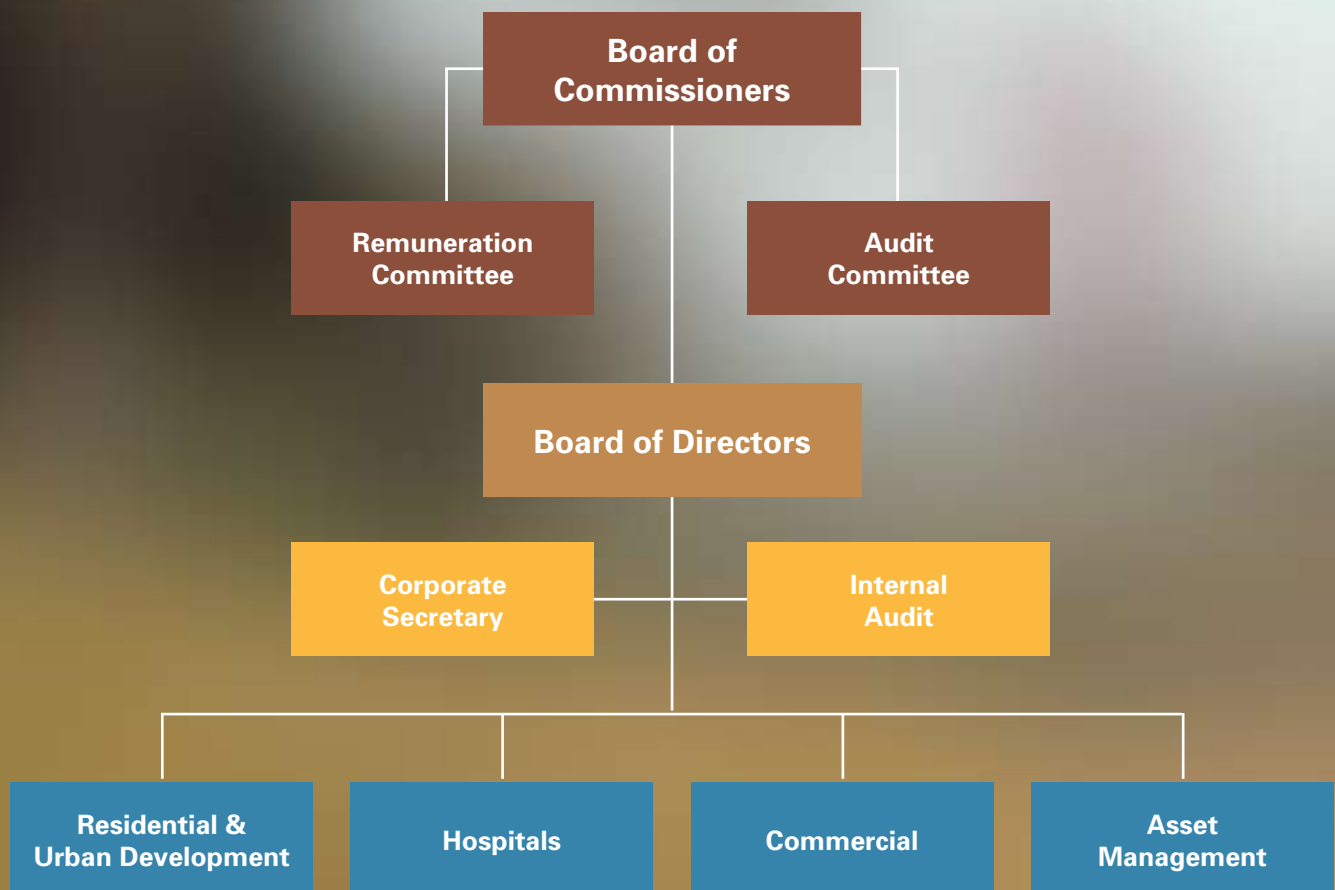
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Only property company rated by three rating agencies ("BB-" by Standard & Poor's, "B1" by Moody's and "BB-" by Fitch).

8

Included in MSCI Global Small Cap, FTSE Emerging Market Indices & major Indonesia Stock Exchange Indices : LQ45, IDX30, Sri Kehati, Jakarta Islamic Index, Bisnis-27 and Kompas-100.

Corporate Structure



Projects Across Indonesia



Geographic Spread

Projects in Greater Jakarta



Business Units

Residential & Urban Development

High Quality, Environmentally Friendly Infrastructure

Covering an area of 1,388 hectares, Lippo Karawaci's diverse and extensive landbank is spread strategically throughout the country's fastest growing areas such as Tangerang (Lippo Village), Bekasi (Lippo Cikarang), and Makassar (Tanjung Bunga). These townships showcase Lippo Karawaci's expertise in creating self-contained "edge cities" providing its resident communities with everything they need to thrive. Over the years, these townships have evolved rapidly with continued increase in land values.

Aside from townships, the Company has also achieved success with its memorial park development called San Diego Hills Memorial Park, and in its smaller mixed-use projects that are located closer to the city center, such

as City of Tomorrow in Surabaya. Currently, Lippo Karawaci is in the midst of delivering two large-scale integrated developments : Kemang Village in South Jakarta, on a total land area of 15 hectares, and The St. Moritz Penthouses & Residences in West Jakarta, with land area of 11.4 hectares.

The Government of Indonesia has granted Lippo Karawaci development rights to 7,826 hectares of land. To date, approximately 62% of this allotment has been acquired, developed, slated for infrastructure projects or partly sold. This translates into a 1,388 ha land inventory that can more than adequately support Lippo Karawaci's developmental projects through the next decade.



Hospitals

World Class Healthcare and Facilities

As part of its vision to make a positive impact on peoples' quality of life and its integrated business approach, Lippo Karawaci also offers premium healthcare services under its Siloam Hospitals brand. Renowned as Indonesia's most progressive healthcare provider, Siloam offers world-class medical care, state-of-the-art equipment as well as specialised services that have historically been accessed by going abroad.

Lippo Karawaci's entry into the healthcare business started in the early 1990s through a partnership with Parkway in what is now Siloam Hospitals Lippo Village. Since 1998 the Company has been operating the hospitals in its portfolio under the Siloam Hospitals Group and continues to expand this business by building new hospitals located in its existing townships as well as in other areas throughout Indonesia.

As part of the Company's plan to build 20 new hospitals in the five years to 2015, in 2012 the Company completed the construction of six new hospitals which are located in Jakarta, Manado, Makassar, Bali and Palembang in addition to the seven hospitals previously operating in the Company's portfolio. Four of those six new hospitals were in operation in 2012.

Aside from delivering high quality health services, which have received various awards from independent international monitoring bodies, Lippo Karawaci's healthcare business also plays a pivotal role in supporting Lippo Karawaci's strong financial performance through its stable recurring revenues which continue regardless of prevailing economic conditions.



Commercial

Dominant Position in Retail Property and Hotels & Hospitality

Lippo Karawaci's commercial businesses consist of retail malls and hotels. At the end of 2012, the Company managed 31 malls across the country with a total Net Leasable Area of approximately one million square meters. The Company's malls have an average occupancy rate of 88% and cater to more than 200 million visitors a year.

The Company builds, sells, and operates these retail properties. Out of the 31 malls, the Company owns three while it manages sixteen that are owned by Singapore-listed Lippo Malls Indonesia Retail Trust (LMIRT). A further eight malls are strata-titled malls previously built by the Company. The remaining four belong to third parties.

As part of the Company's plan to develop 15 new retail malls in Indonesia by end of 2015, last year the Company completed the construction of two new malls namely the Lippo Mall Kemang in South Jakarta and Lippo Plaza Sunset in Bali. Both were open and operational in 2012.

Lippo Karawaci's Hotel Division manages eight Aryaduta brand hotels, which in terms of number of rooms, can be considered Indonesia's largest five star hotel chain. These hotels are located in various business hubs across the country, specifically in Jakarta, Makassar, Manado, Medan, Pekanbaru and Palembang.

Lippo Karawaci plans to build four new hotels, including two hotels located in Kemang Village and The St. Moritz Penthouses & Residences which will be managed by JW Marriott.

Asset Management



Delivering Significant Growth

Lippo Karawaci's Asset Management unit originated from the Company's sponsorship of two Singapore-listed Real Estate Investment Trusts (REITs).

The forerunner of these REITs was First REIT which was established in 2006. First REIT now owns seven Siloam Hospitals, three Singapore healthcare assets, a hospital in South Korea and two Hotel Aryaduta assets. The properties under First REIT are managed by Bowsprit Capital which is 100% owned by Lippo Karawaci.

A year later the second REIT was formed, the Lippo Malls Indonesia Retail Trust (LMIR Trust). LMIR Trust owns sixteen Indonesian retail malls and seven retail spaces, and is the only REIT in Singapore with a focus on the Indonesian retail market. The properties under LMIR Trust are managed through PT Lippo Malls Indonesia (LMI), a wholly-owned subsidiary of Lippo Karawaci.

The REIT system plays a crucial role in the Company's integrated business approach as it allows for capital recycling and therefore facilitates its asset-light strategy. Plans for developing 15 malls and 20 hospitals are well underway and with these latest additions, the Company's Asset Management business is expected to achieve significant growth.

Our REITs have a combined US\$2.1 billion of assets under management.

Financial Highlights

in billion Rupiah, unless stated otherwise

PROFIT AND LOSS

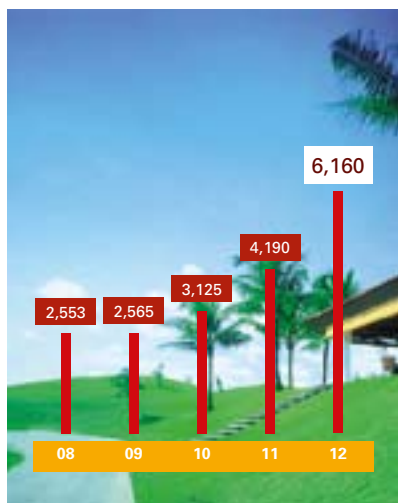
	2008	2009	2010	2011	2012
Revenue	2,553	2,565	3,125	4,190	6,160
Gross Profit	1,219	1,187	1,524	1,896	2,821
EBITDA	565	603	854	1,083	1,686
Operating Profit	465	481	721	983	1,549
Net Profit After Tax	371	388	525	708	1,060
Basic Earning per Share (Rupiah)	21	22	30	32	46
Number of Shares outstanding (Shares)	17,302,151,695	17,302,151,695	21,627,689,619	23,077,689,619	23,077,689,619*

* Including treasury stocks of 306,104,500 shares as per 31 December 2012

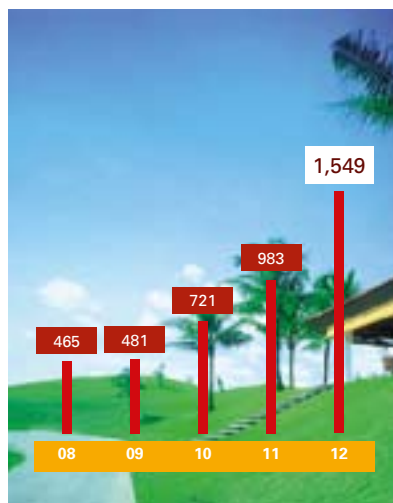
BALANCE SHEETS

Net Working Capital	5,083	4,829	9,293	11,354	16,000
Total Assets	11,788	12,128	16,155	18,259	24,869
Total Investment	306	498	534	2,435	4,304
Total Liabilities	6,928	6,839	7,976	8,850	13,399
Stockholders' Equity	4,501	4,887	7,710	8,834	10,656

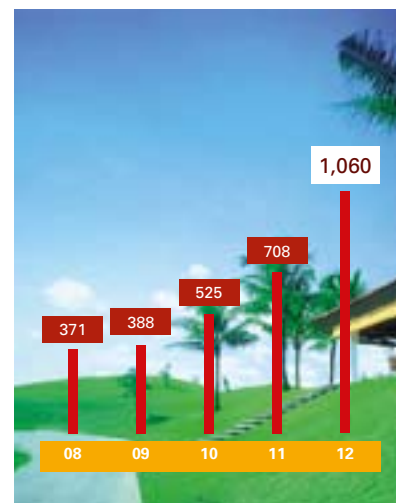
Revenue
(in billion Rupiah)



Operating Profit
(in billion Rupiah)



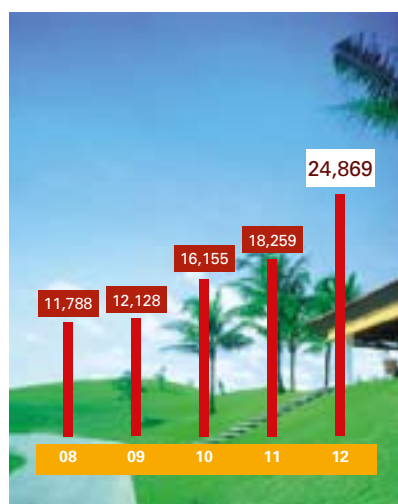
Net Profit After Tax
(in billion Rupiah)



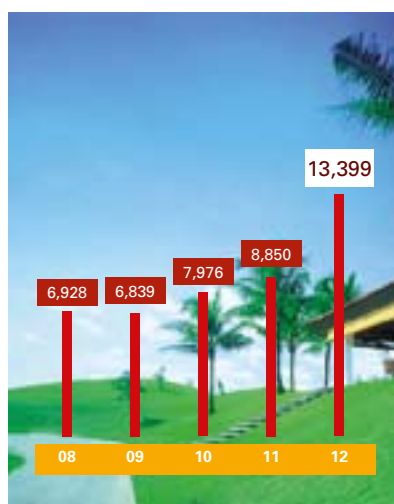


	2008	2009	2010	2011	2012
FINANCIAL RATIOS					
Return on Assets (%)	3	3	3	4	4
Return on Equity (%)	8	8	7	8	10
Debt to Assets	0.3	0.2	0.2	0.2	0.2
Debt to Equity (Gross)	0.7	0.6	0.4	0.4	0.6
Debt to Equity (Net)	0.3	0.3	-	0.2	0.3
Gross Profit Margin (%)	48	46	49	45	46
EBITDA Margin (%)	22	24	27	26	27
Operating Profit Margin (%)	18	19	23	23	25
Net Profit Margin (%)	15	15	17	17	17

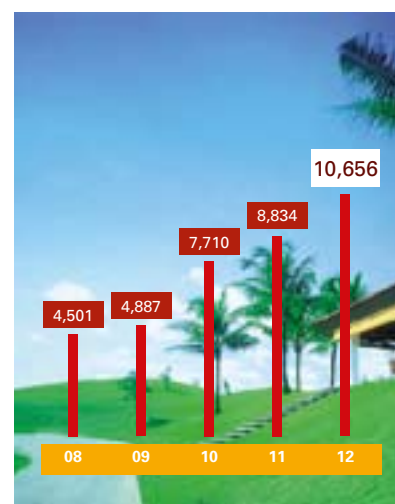
Total Assets
(in billion Rupiah)



Total Liabilities
(in billion Rupiah)



Stockholders' Equity
(in billion Rupiah)



Stock Highlights

Shareholder Structure

(as of 31 December 2012)

Shareholders	Number of Shares	Percentage of Ownership
Pacific Asia Holding Ltd.	4,126,619,908	17.88%
Public (each less than 5%)	18,951,069,711	82.12%
TOTAL	23,077,689,619	100.00%

Dividend History

Shareholders Record Date	Payment Date	Dividend/Share
16 December 1996	14 January 1997	Rp 40.00
22 January 1998	20 February 1998	Rp 10.00
24 August 2005	8 September 2005	Rp 10.00
6 December 2006	20 December 2006	Rp 9.90
7 December 2007	27 December 2007	Rp 4.62
16 November 2010	1 December 2010	Rp 2.88 *)
10 October 2011	24 October 2011	Rp 4.33 *)
30 August 2012	13 September 2012	Rp 7.79

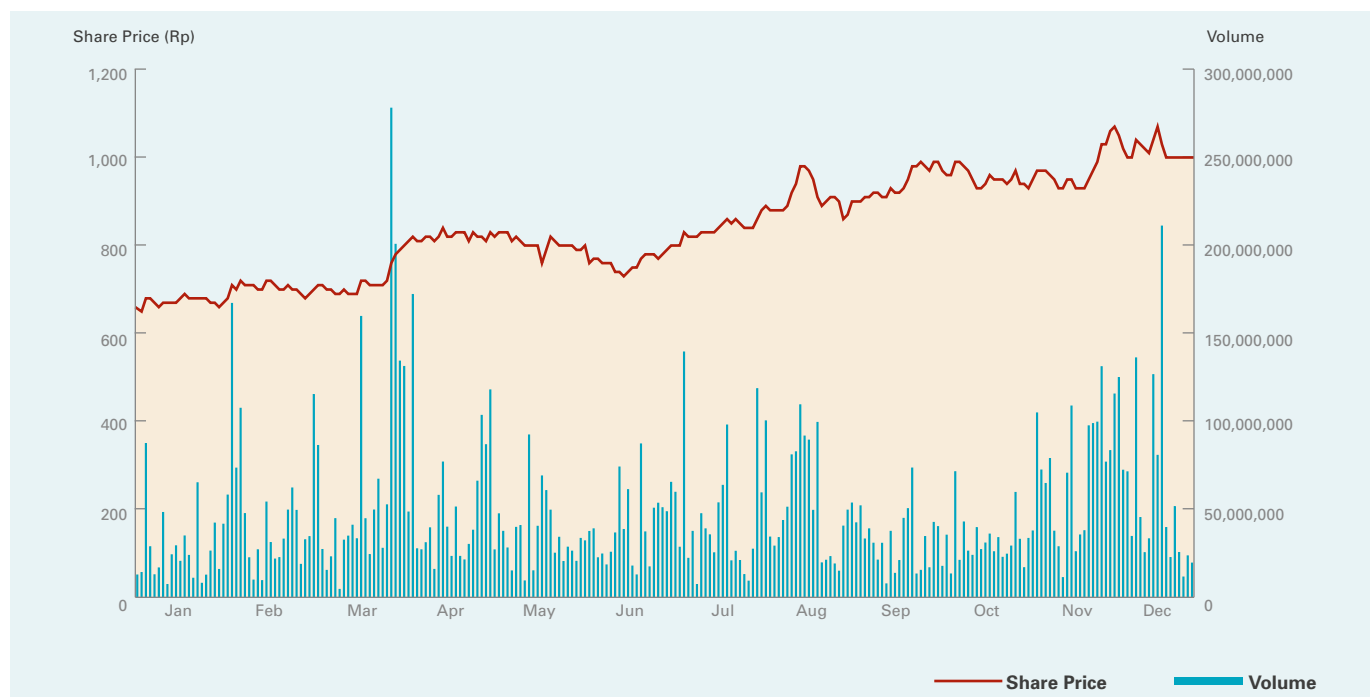
*) Dividend for the fiscal year 2010 amounting to Rp 150 billion distributed as interim dividend of Rp 50 billion and final dividend of Rp 100 billion.

Capital History

Description	Date	Number of Shares	Total Issued Shares
IPO	28 June 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 February 1998	607,796,000	987,668,500
Merger	30 July 2004	1,063,275,250	2,050,943,750
Rights Issue II	20 January 2005	881,905,813	2,932,849,563
Warrant Conversion prior to Stock Split	20 January 2005 - 28 July 2006	279,099	2,933,128,662
Stock Split I	2 August 2006	2,933,128,662	5,866,257,324
Warrant Conversion after Stock Split I	2 August 2006 - 31 December 2006	4,759,748	5,871,017,072
Warrant Conversion	1 January - 30 November 2007	1,049,843,606	6,920,860,678
Stock Split II	26 December 2007	10,381,291,017	17,302,151,695
Rights Issue III	28 December 2010	4,325,537,924	21,627,689,619
Capital increase without Pre-emptive rights	31 May 2011	1,450,000,000	23,077,689,619



2012 Share Price Movement



Summary of Share Trading at Indonesia Stock Exchange

2012						2011					
Month	Share Price (Rp)			Share Trading		Month	Share Price (Rp)			Share Trading	
	Highest	Lowest	Closing	Volume (units)	Amount (Rp)		Highest	Lowest	Closing	Volume (units)	Amount (Rp)
Jan	690	650	670	580,709,000	390,832,555,000	Jan	750	510	570	3,054,119,000	1,907,452,050,000
Feb	730	660	700	1,044,809,000	732,988,245,000	Feb	610	500	540	2,110,590,000	1,171,316,360,000
Mar	830	680	800	1,509,499,000	1,112,278,520,000	Mar	620	530	610	2,173,263,000	1,226,762,040,000
Apr	850	790	830	1,095,069,500	902,437,515,000	Apr	810	590	780	2,077,584,000	1,465,860,070,000
May	830	740	790	757,609,000	608,680,585,000	May	810	610	680	1,584,682,500	1,125,496,470,000
Jun	810	720	800	848,727,500	650,429,715,000	Jun	680	620	650	1,540,450,500	999,264,860,000
Jul	910	790	890	1,049,862,000	881,936,090,000	Jul	780	630	780	1,689,310,000	1,183,991,585,000
Aug	1.010	830	870	980,347,000	904,161,320,000	Aug	870	640	740	1,699,310,500	1,315,228,910,000
Sep	990	870	990	671,283,500	622,966,585,000	Sep	760	620	680	1,505,355,000	1,064,904,130,000
Oct	990	900	930	701,925,500	669,096,905,000	Oct	680	570	640	1,266,082,500	799,781,385,000
Nov	1.090	910	1.070	1,414,302,000	1,384,604,635,000	Nov	680	600	630	887,322,000	566,916,490,000
Dec	1.120	970	1.000	1,152,800,500	1,177,755,985,000	Dec	680	620	660	786,999,500	508,177,080,000



US\$150 million Global Bonds Issuance

The issuance of US\$150 million global bonds, due 2019, with coupon rate of 7.0% pa., and an issue price of 99.32%.

US\$100 million Global Bonds Issuance

The issuance of US\$100 million global bonds, due 2019, with coupon rate of 7.0% pa., and an issue price of 105.25%.

Rp177.5 billion Total Dividend Payment

The total dividend distribution for fiscal year 2011 amounted to Rp177.5 billion, or Rp7.72 per share, with a payout ratio of 25%.

Corporate ACTIONS

Debt Exchange Offer of US\$395.6 million Bonds

Lippo Karawaci successfully completed the debt exchange offer of US\$395.6 million, 9% notes due 2015 to be exchanged for new senior notes which will mature in 2020. As a result, US\$273.3 million notes are exchanged into 2020 notes with a coupon rate of 6.125% pa.

Awards & Certifications



Euromoney Real Estate Awards as Best Developer in Indonesia 2012

This is the sixth time Lippo Karawaci has received this prestigious honour since it was first awarded in 2005, in three consecutive years from 2007 to 2009, 2011 and 2012. This award reflects the Company's vision, strong management, financial discipline, the consistent quality of its products and services, and its innovative developments.

South East Asia Property Awards 2012 as Best Developer in Indonesia

This is the second award received by Lippo Karawaci from Property Report South Asia Magazine. The first award was received in 2011.

FIABCI Prix d'Excellence Awards 2012 for Master Plan Category

This prestigious award in the world of property was awarded to Lippo Karawaci in conjunction with the FIABCI (International Real Estate Federation) Congress held in St. Petersburg, Russia.

Triple A Regional Deal Awards 2012 for Best Liability Management Category

For the success of its bond exchange in 2012, Lippo Karawaci was awarded Triple A Regional Deal Awards for the category "Best Liability Management" from the Asset Management Magazine Hong Kong.

Best for Investor Relations Award – 2nd Rank, from Asiamoney

This award was received by Lippo Karawaci in regards to the Corporate Governance Poll conducted by the Asiamoney Magazine.

Indonesia Sustainable Business Awards (SBA) 2012 as Industry Champion Building and Property

This award was received by Lippo Karawaci during the Indonesia SBA competition held by The Indonesian Chamber of Commerce and Industry (Kadin) in collaboration with Global Initiatives and Climate Business.

Indonesia's Most Admired Company (IMAC) as The Best in Building and Managing Corporate Image

This prestigious award is the second times received by Siloam Hospitals. It was given by Frontier Consulting Group and Bloomberg Business Week Magazine.

Indonesia Sustainable Business Awards 2012 as Industry Champion Healthcare

This award was received by Siloam Hospitals during the Indonesia SBA competition held by The Indonesian Chamber of Commerce and Industry (Kadin) in collaboration with Global Initiatives and Climate Business.

Frost & Sullivan Awards as Indonesian Hospitals Service Provider of the Year 2012

This is the second time Siloam Hospitals received this award which was based on best practice research conducted by Frost and Sullivan.

Best of the Best Award 2012 from Forbes Indonesia Magazine

Lippo Cikarang is the top rank amongst 50 best performing Indonesian companies that received this award from Forbes Indonesia Magazine.

Top Performing Listed Companies Award 2012 from Investor Magazine

This award was received by Lippo Cikarang as a results of very good fundamental and technical performances of the Company which were reflected in its trading liquidity and stock price movements.

1990

October

Established under the name of PT Tunggal Reksakencana.

1993

January

Started Lippo Karawaci township, located in the regency of Tangerang, approximately 30 kilometers to the west of Jakarta.

October

Started Lippo Cikarang township, an integrated real estate and industrial development located in Cikarang, approximately 40 kilometers to the east of Jakarta.

1996

June

Initial Public Offering of 30,800,000 shares and listed on Jakarta Stock Exchange and Surabaya Stock Exchange (now Indonesia Stock Exchange).

1997

June

Started Tanjung Bunga township, the largest integrated community development in eastern Indonesia.

MILESTONES

2006

March

US\$250 million bond issuance, at the rate of 8.875% pa., issue price 100%, due 2011.

August

1-for-2 Stock Split.

December

The listing of First REIT on the Singapore Stock Exchange, offering 271,400,000 units at an offering price of SGD 0.71/unit.

2007

January

Launched San Diego Hills Memorial Park & Funeral Homes in Karawang, West Java.

July

Launched Kemang Village superblock project in South Jakarta.

December

1-for-2.5 Stock Split.

2008

August

Launched The St. Moritz Penthouses & Residences, a large scale integrated development in West Jakarta.

December

Opened Pejaten Village Mall, the Company's first leased mall, in South Jakarta.

1998

February

1st Rights Issue of 607,796,000 shares at the price of Rp500 per share.

2002

September

Launched its first retail strata-titled project, WTC Matahari Serpong located in West Jakarta. Since then (2002-2007), Lippo Karawaci has developed the retail and commercial properties of Metropolis Town Square in Tangerang, GTC Makassar in South Sulawesi, Depok Town Square in Depok, South Jakarta, Malang Town Square in Malang, East Java, Grand Palladium Medan in North Sumatera, Bellanova Country Mall in Bogor and City of Tomorrow Mall in Surabaya.

2004

July

Merger of 8 property-related companies, making the new PT Lippo Karawaci Tbk, Indonesia's largest listed property company with three business pillars: Housing & Land Development, Healthcare, and Hospitality & Infrastructure.

2005

January

2nd Rights Issue of 881,905,813 shares at the price of Rp1,050 per share.

2009

January

In order to strengthen its business structure, the Company formalized its business units into 6 strategic business units: Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality & Infrastructure, Property & Portfolio Management.

August

The opening of PX Pavillion @ The St. Moritz, a preface to the future shopping mall complex located at The St. Moritz Penthouses & Residences, CBD West Jakarta.

2010

May

US\$270 million bonds issuance, at the coupon rate of 9% p.a., issue price 100%, due 2015.

December

3rd Rights Issue of 4,325,537,924 new shares at the price of Rp550 per share.

2011

March

US\$125 million bonds issuance, at the coupon rate of 9% p.a., issue price 108%, due 2015.

June

Capital increase without pre-emptive rights of 1,450 million new shares, at price of Rp660 per share.

2012

May

The issuance of US\$150 million global bonds, due 2019, with coupon rate of 7.0% pa., and an issue price of 99.32%.

August

Launched The Nine Residence at Kemang Utara, an integrated development project consists of apartment and commercial in one location

October

The issuance of US\$100 million global bonds, due 2019, with coupon rate of 7.0% pa., and an issue price of 105.25%.

November

Lippo Karawaci successfully completed the debt exchange offer of US\$395.6 million, 9% notes due 2015 to be exchanged for new senior notes which will mature in 2020. As a result, US\$273.3 million notes were exchanged into 2020 notes with a coupon rate of 6.125% pa.

Event Highlights

25

January

The ground breaking ceremony of the Hotel Aryaduta Pekanbaru's ballroom, with total capacity of more than 2,000 people. The ceremony was officiated by the Governor of Riau, DR (HC) H.M. Rusli Zainal, SE, MP, Lippo Karawaci's President Director, Ketut Budi Wijaya, Chief Executive Officer Hotel Aryaduta Group, Jessy Quantero, and was attended by community, business and government leaders.

26

May

Lippo Karawaci launched the New Presidential Suite Tower, the last and most exclusive tower in its mega project The St. Moritz Penthouses & Residences, Puri Indah, West Jakarta.

28

January

Lippo Cikarang launched a modern classic residential cluster, Vassa Terrace, located within the Vassa Residence cluster.

2

June

Siloam Hospitals and USNS Mercy successfully conducted a joint surgery between the neurosurgeon team of Siloam Hospitals and a team of doctors from the USNS Mercy as part of the social giveback of Siloam Hospital and humanity mission of USNS Mercy.

1

June



The grand opening of Siloam Hospitals Manado, a 224 bed modern hospital in Manado. This hospital will serve the critical healthcare needs of Sulawesi and East Indonesia and will provide much needed international class healthcare screening, diagnosis and treatment to the population of the region. The Grand Opening ceremony was officiated by His Excellency the Minister of Welfare of the Republic of Indonesia, DR. H. R. Agung Laksono, and attended by Acting Minister of Health, Prof. dr. Ali Ghufron Mukti, M.Sc., Ph.D. and Minister of Transportation. Also, Governor of North Sulawesi, S.H. Sarundajang, Deputy Governor of North Sulawesi, DR. Djouhari Kansil, MPd, Acting Mayor of Tomohon, Deputy Mayor of Manado, President Director of ASKES, Manado Chief of Police Department, Naval Captain of USNS Mercy, Senior Doctors and Specialists, Organizations, and Business Leaders in Manado.



9

August

Launching of The Nine Residence, an apartment project located in Kemang Utara.



26

September

The opening of Lippo Mall Kemang, a flagship mall in Kemang Village, South Jakarta. The mall has a net leaseable area of 54,981 sqm. It will house a total of 185 tenants, with anchor tenants including Debenhams, Hypermart, Ace Hardware, and Cinema XXI.

6

October



Lippo Karawaci launched the most luxurious condominium tower, the Bloomington, in Kemang Village.

3

October



The topping off ceremony of the New Royal Suite condominium tower at the St. Moritz Penthouses and Residences.

21

November

Lippo Karawaci received the South East Asia Property Award as the Best Developer in Indonesia 2012 from the South East Asia Property Magazine at the Shangri-La Hotel, Singapore.

29

October

The soft opening of Siloam Hospitals Palembang. This hospital will provide the healthcare treatments and services for the public in Palembang.

26

November



Lippo Cikarang launched the North Tower of Trivium Terrace Apartments.



Report from

the Board of Commissioners

Theo L. Sambuaga
President Commissioner

“

With solid strategies and strong discipline focused on execution, the Company had successfully utilized the growth momentum throughout 2012 and achieved impressive results and progress to be proud of.

”

Dear Shareholders,

Indonesia's property industry grew convincingly throughout 2012, driven by Indonesia's favorable economic climate, burgeoning consumer purchasing power in tandem with growing numbers in Indonesia's middle class, and the improving investment climate. The combination of high GDP growth coupled with low mortgage rates are factors that significantly boosted property business performance during 2012. The sales of most of the property industry's sub-sectors rose by 10% to 15%. Almost all property prices increased by an average 10% to 20%.

This is precisely what has lured foreign investors to increase their business activities in Indonesia. As their domestic markets and most Asia Pacific markets have experienced a slowdown or downturn, Indonesia's property market offers an attractive investment alternative, as it offers appealing potential growth and sustainable growth rates.

Report from the Board of Commissioners

With solid strategies and strong discipline focused on execution, the Company had successfully utilized the growth momentum throughout 2012 and achieved impressive results and progress to be proud of. On behalf of the Board of Commissioners of Lippo Karawaci, I am pleased to report to all stakeholders the Company's impressive performance and achievements during the year 2012.

Performance in 2012

As a leading property company in Indonesia with an integrated business model, sizable landbank and a commitment to deliver quality of life in a superior environment, we believe Lippo Karawaci is well geared to help fulfill the increased demands of Indonesia's expanding middle class.

During 2012, Lippo Karawaci has reaffirmed itself as a market leader in residential and industrial development, the healthcare industry as well as a leading mall manager and operator. The Company continues to offer innovative residential products not only in its self contained cities but also in its two large scale integrated development projects i.e. Kemang Village and The St. Moritz, and in other new products that will provide much higher commercial value. This has received positive responses from consumers such that property sales have escalated continuously throughout 2012 compared to previous years.

In concert with the Government's ongoing efforts to refine healthcare services for Indonesians, the Company is committed to develop new hospitals in cities across the archipelago. In 2012 the Company completed the construction of six new hospitals in Jakarta, Manado, Makassar, Bali and Palembang. Four of those six new hospitals have been fully operational since the end of 2012, thus increasing the Company's hospitals portfolio from seven to eleven hospitals in total.

The Company also continues developing its malls businesses to serve new and much broader markets. The Company successfully completed the construction of two new malls in Jakarta and Bali as planned and continued expanding its network to manage 31 malls by the end of 2012.

Supported by its successful asset light strategy, the Company has been able to accelerate the construction and development of the Company's hospitals and malls for the upcoming years. By the end of 2012, the Company had successfully sold two hospitals and two mall assets to First REIT and LMIRT in Singapore.

Meanwhile recurring revenues generated from the hotel & hospitality businesses have grown rapidly. Property management and dividends from investments in First REIT and LMIRT have provided a greater cushion for the stability of the Company's cash flows.

Lippo Karawaci's performance in 2012 was very impressive. Both Revenue and Net Profit increased by 47% and 50% respectively to Rp6.2 trillion and Rp1 trillion. Meanwhile total assets rose by 37% to Rp25 trillion.

It is no coincidence that two international rating agencies, Standard & Poor's and Fitch have upgraded the Company's rating to "BB-" with "stable" outlook. This is supported by the belief in the Company's strong fundamentals and its ability to keep delivering outstanding and improving performance.

Global investor confidence in the Company also continues to grow, as evidenced by the success of the Company in issuing global bonds in 2012, which were oversubscribed.

The Company has consistently gained recognition and awards from various institutions both nationally and internationally, including the "Best Developer in Indonesia" from Euromoney and South East Property Report Magazine.

Corporate Governance

Stringent implementation of good corporate governance (GCG) within the operations of the Company are a top priority in running the businesses. Lippo Karawaci continually incorporate the latest best Corporate Governance practices that have been cultivated by the global business community.

In performing its duties and responsibilities, the Board of Commissioners has been assisted by Audit and Remuneration Committees. The report of each committee can be found in the corporate governance section.

Outlook for 2013

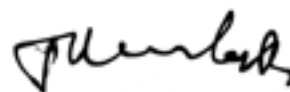
With an integrated business model, sizable landbank, sound financial position and quality management team driven by professionalism, and supported by favorable economic and business conditions in the year 2013, Lippo Karawaci will continue to grow in the midst of challenges, growing competition and the existing dynamics in each sub-sector in various regions in Indonesia.

The Company's townships will be bolstered by new development concepts which will deliver higher added value. The Company will also accelerate the construction of new hospitals and malls that will reach a much broader market. Thus it will solidify its footing enabling it to gain higher revenue and profitability.

We are optimistic that many doors will be opened for the Company to keep expanding and creating new opportunities and new breakthroughs hence accelerating its pace on the path of its transformation journey to be an US\$8 billion company by 2015.

Appreciation

In closing the proud year of 2012 and in entering the year of 2013 full of best wishes, on behalf of the Board of Commissioners I would like to extend my heartfelt gratitude to the shareholders, stakeholders and business partners for their unwavering trust and support to the Company. We also would like to convey our sincere appreciation to the entire Board of Directors, management and all employees of the Company for their exemplary perseverance, commitment, hard work and dedication that has immensely contributed to the Company's achievements in 2012.



Theo L. Sambuaga
President Commissioner

Board of Commissioners



Theo L. Sambuaga

President Commissioner

Agum Gumelar

Independent Commissioner

Tanri Abeng

Independent Commissioner

Jonathan L. Parapak

Independent Commissioner

Viven G. Sitiabudi

Commissioner

Surjadi Soedirdja

Vice President Commissioner and
Independent Commissioner

Farid Harianto

Independent Commissioner



A portrait of Ketut Budi Wijaya, President Director, smiling and wearing a dark suit and light blue shirt. The background is a blurred outdoor setting with greenery.

Report from

the Board of Directors

Ketut Budi Wijaya
President Director

Dear Valued Shareholders,

Indonesia's economic indicators throughout 2012 have shown positive trends. In the midst of a prolonged global economic crisis, Indonesia was able to achieve a 6.2% economic growth rate, second best performer among other G20 countries after China which reached 7.8%.

That impressive economic performance was supported by the increasing inflow of foreign investment, the enlarging numbers of Indonesia's middle class, the steady BI rate at 5.75% and mortgage rates at around 8%, all of which have driven the property development in Indonesia.

Throughout 2012, the property industry was characterized by escalating demand in all sectors. Property industry transactions are estimated to have reached Rp475 trillion, growing by 12% compared to 2011.

In line with those positive conditions, Lippo Karawaci has reaffirmed itself as a leading property developer in Indonesia delivering outstanding performance and achievements throughout 2012. The Company's transformational journey to be an US\$8 billion company by 2015 is well underway and on track.

Performance in 2012

In 2012, marketing sales of residential property product in the Company's townships, and condominiums in the large scale integrated development projects grew by 47% compared to last year, reaching Rp4.7 trillion.

The three Company townships i.e. Lippo Village, Lippo Cikarang and Tanjung Bunga as well as San Diego Hills Memorial Park contributed sales of Rp3,1 trillion, an increase of 63% compared to 2011. This is in line with the Company's asset light strategy to increase sales of both its residential and industrial land.



Lippo Karawaci's development is not just limited to its high performance. The Company will continue its efforts to impact the lives of middle class Indonesians, thus taking part in nation-building through the fulfillment of the demand for housing, retail malls and healthcare for people of various income levels. The Company will continually create added value through business units that continue to grow and provide benefits for all stakeholders.



Report from the Board of Directors

Lippo Cikarang became a major contributor to the increase due to the high demand for industrial land throughout 2012 in conjunction with the rising inflow of foreign direct investment into Indonesia. This condition also boosted residential sales in Lippo Cikarang. Lippo Cikarang contributed Rp2 trillion to the Company's total sales, up by 58% from the previous year. Integrated and advanced infrastructure development in Lippo Cikarang has opened up greater business opportunities for many years to come. Construction of direct access at KM34.7 the Cikampek toll road, which will be opened by early 2013, will increase the value of land and enable this township to grow even more.

With the escalating development of eastern Indonesia, residential sales in Tanjung Bunga township in Makassar, South Sulawesi have consistently increased from year to year, increasing significantly by 90% from the previous year to Rp577 billion in 2012.

Meanwhile, residential sales in Lippo Village township also increased by 59% compared to the previous year, reaching Rp241 billion. Sales contribution of Lippo Village is expected to continue to increase in line with the Company's plan to undertake a new concept

of integrated development which incorporates the construction of condominium and commercial buildings in the township. In addition San Diego Hills Memorial Park contributed sales of Rp185 billion in 2012, an increase of 47% from 2011.

With the heightening market demand for condominiums in 2012, sales of condominiums in the Company's two large scale integrated developments, i.e. Kemang Village and The St. Moritz increased via the successful launch of a condominium tower in each of those two projects. The two large scale integrated projects contributed sales amounting to Rp747 billion for Kemang Village and Rp655 billion for The St. Moritz respectively.

Moreover in 2012, the Company also launched a new project known as The Nine Residence in North Kemang, which received a very good response from the buyers as 74% of units offered were sold, generating sales of Rp182 billion.

Overall sales of condominium products during 2012 rose by 25% from a year ago to Rp1.6 trillion. The Company is determined to continue developing new and innovative residential projects that reach a much wider market.

The Company's robust recurring revenue is generated from Hospitals, Commercial and Asset Management within an integrated business model which continues to expand and provides added value through capacity building and flexibility of the businesses.

Along with the Company's earnest commitment to provide affordable quality healthcare for all Indonesians, as stated in the Company's five year plan to 2015, the Company will build 20 new hospitals in several major cities in Indonesia. In 2012, the Company successfully completed the construction of six new hospitals located in Jakarta, Manado, Makassar, Bali and Palembang, four of which are fully operational. Thus, at the end of 2012, there were eleven hospitals operating under the Company's portfolio.

Furthermore, in 2012 the Company successfully completed the construction of two new malls out of the 15 malls that are planned to be built by 2015. Lippo Mall Kemang located in the large scale integrated development project Kemang Village and Lippo Sunset Mall in Bali. New malls built by the Company will open up opportunities for the Company to penetrate much wider markets. At the end of 2012, the Company managed 31 malls across major cities throughout Indonesia. This further cemented its position as the leading mall operator in Indonesia.

The Company's asset light strategy supports the development of new hospitals and malls. The Company successfully sold two hospitals to First REIT and two malls to LMIRT in Singapore in 2012.

Lippo Karawaci once again broke new records by posting consolidated revenues of Rp6.2 trillion for the year 2012, an increase of 47% compared to 2011 revenues of Rp4.2 trillion. This is supported by the outstanding overall performance of the Company's four business pillars. Residential and Urban Development revenues sharply increased by 67% from the previous year reaching Rp3.4 trillion. The major contributors were the sale of industrial land in Lippo Cikarang amounting to Rp611 billion and the sale of two malls of Rp879 billion to LMIRT.

Recurring Revenue from the Hospitals business unit grew impressively by 42% to reach Rp1.8 trillion. This is supported by an increase in revenue of 33% from the seven existing hospitals, along with an increase in the number of inpatients and outpatients each rising by 41% and 23% respectively over the previous year, and an increase in laboratory revenue by 31% and pharmacy by 33%, in addition to the revenue contribution of the four new hospitals which began operating in 2012.

Revenue from the Commercial businesses rose by 12% to Rp468 billion and Asset Management contributed a 6% increase to Rp500 billion.

In 2012, the Company posted EBITDA of Rp1.7 trillion, up significantly by 57% yoy. Net Profit increased sharply by 50% yoy to Rp1 trillion.

In early 2012, the international rating agency Standard & Poor's upgraded the rating of Lippo Karawaci from 'B +' to 'BB-' in conjunction with expectations for continued strong operating performance over the next 12 to 24 months. It was followed by Fitch Ratings which also upgraded the rating of Lippo Karawaci to "BB-", both giving "stable" outlook. With a good track record and performance for the outstanding bonds, it allowed the Company to successfully issue bonds back to back, US\$150 million in May and US\$100 million in October, both maturing in 2019, with a coupon rate of 7% pa. Issuance of these bonds received strong demand from global investors. This reinforces the belief that the global market is confident in the fundamental strength of Lippo Karawaci in particular, and toward the Indonesian economy in general. The new bond issuance will enhance Company's flexibility in the implementation of the Company's

growth plans in the development of hospitals, retail malls and residential projects, as well as solidifying the Company's financial position.

Towards the end of 2012, the Company also successfully conducted a Debt Exchange Offer and Consent Solicitation on US\$395.6 million global bonds, with a coupon of 9% pa, due 2015 to be exchanged for a new US\$ denominated senior bond, due 2020. US\$273.3 million was successfully exchanged for the 2020 bonds with a coupon rate of 6.125%.

For the success of this Debt Exchange Offer, the Company was awarded Triple A Regional Deal Awards 2012 for the category "Best Liability Management" from Hong Kong's Asset Management Magazine.

Another important accomplishment during 2012 was an increase in the Company's stock price by 52% to Rp1,000 at the end of the year. The Company is also one of the listed companies on the Indonesian Stock Exchange with the highest transaction volume in 2012 reaching 12.93 billion shares with a value of more than Rp11 trillion. At the end of 2012, the Company had a market capitalization of Rp23 trillion or US\$2.4 billion, the largest among property companies in Indonesia.

Report from the Board of Directors

Lippo Karawaci's development is not just limited to its high performance. The Company will continue its efforts to impact the lives of middle class Indonesians, thus taking part in nation-building through the fulfillment of the demand for housing, retail malls and healthcare for people of various income levels. The Company will continually create added value through business units that continue to grow and provide benefits for all stakeholders.

Dividend Distribution

As part of Lippo Karawaci's commitment to its shareholders, in October 2012 the Company distributed dividends for the financial year 2011 amounting to Rp177.5 billion or Rp 7.72/share with a payout ratio of 25%.

Human Resources Development

On going efforts to develop high quality human resources have become one of Company's main concerns during 2012. The Company recruited specialists in various fields, while continuously improving the competence of existing employees through various education and training programs covering technical, managerial and leadership aspects.

Corporate Governance

Commitment to good corporate governance is inculcated in the Company's culture and accompanies every step of its businesses. In achieving its vision and mission and in supporting the development of the Company's businesses from year to year, the Board of Directors continued to oversee the implementation of the principles of Transparency, Accountability, Responsibility, Independence and Fairness (TARIF) throughout the organization, supported by the Audit and Remuneration Committees. Lippo Karawaci also remains committed to fostering good relationships with all stakeholders. More transparent communications with investors have been intensified and achieved much broader coverage.

Awards and Certifications

Throughout 2012 Lippo Karawaci received numerous acknowledgements for its property development projects and hospital business ventures.

Lippo Karawaci once again won Euromoney's Real Estate Award as the Best Developer in Indonesia 2012. This was the sixth time Lippo Karawaci has received this prestigious award, firstly in 2005 and consecutively from 2007 to 2009, 2011 and 2012.

Other prestigious awards that have been received include : South East Asia Property Awards 2012 from Property Report South Asian Magazine as the "Best Developer in Indonesia"; FIABCI Prix d'Excellence Awards 2012 for the category "International Urban Master Planning" for Lippo Village township ; Indonesia Sustainable Business Awards (SBA) 2012 as an "Industry Champion Building and Property". This award was received in the competition held by the Indonesian SBA in cooperation with the Chamber of Commerce and Global Climate Business Initiatives.

Siloam Hospitals also received several important awards such as: Frost & Sullivan Award for "Indonesia Hospitals Service Provider of the Year 2012" and the Indonesia Sustainable Business Awards 2012 as "the Healthcare Industry Champion."

These awards reflected the Company's vision, sound management, consistent development of high quality products and services, and other activities as a whole.

Changes in Board of Directors Composition

We offer a warm welcome to Ms. Jenny Kuistono joining the Board of Directors as an unaffiliated Director, whose appointment has been set out in the Annual General Meeting of Shareholders (AGM) which was held on April 5, 2012.

Looking Forward

Strategies for extracting value within the four pillars of the Company's businesses will continue to be cultivated and accelerated. The Company will foster new concepts in the development of residential and commercial products that provide added value to its land bank.

The Company will also continue to encourage the development of the healthcare industry in the country through their expertise in building and managing hospitals across Indonesia, reaching a much wider society. As such, it is impacting Indonesian people's lives and health.

To drive the growth of sustainable profitability, the Company will continue to accelerate the implementation of its asset-light strategy and prudent financial management.

We believe that Lippo Karawaci's achievements in developing national scale integrated projects have strengthened the Company's position to pursue the transformation of the main activities of the Company. Projects in the pipeline which will be completed by 2015 will increase the Company's revenue streams and bolster the Company's position as well as becoming a benchmark for the property industry in the country.

Appreciation

On behalf of the Board of Directors, I would like to take this opportunity to convey our thanks to all employees for their dedication and hard work achieving outstanding performance. I also would like to express our deepest gratitude to our shareholders, the Board of Commissioners for their guidance and support, business partners, and particularly to our clients for their continuing trust and support enabling Lippo Karawaci to achieve sustainable growth and making 2012 a remarkable year.



Ketut Budi Wijaya
President Director

Directors



Ketut Budi Wijaya
President Director

Djoko Harjono
Director

E. Yudhistira Susiloputro
Director

Jopy Rusli
Director

Jenny Kuistono
Director

Ivan S. Budiono
Director

Tjokro Libianto
Director

Roberto Fernandez Feliciano
Director







Management Discussion & Analysis

BUSINESS REVIEW

A nighttime photograph of a modern building with a large pool and fountain. The building is illuminated with warm yellow lights, and the pool is lit with blue lights. A large palm tree is visible in the background.

The combination of high GDP growth and low mortgage rates is a significant factor that drove property market performance during 2012

2012 Market Conditions: Maintaining Resilience

2012 was a good year for Indonesia. Despite uncertainties plaguing the global market, Indonesia still managed to cap the year with a 6.23 percent growth rate, supported by the growth of domestic consumption and investment. Domestic consumption, which contributed more than 50% of the economy, has attracted Foreign Direct Investment which reached Rp221 trillion (US\$22.8 billion) in 2012, up 26% compared to 2011.

In general, Indonesians enjoyed stronger purchasing power through an increase in per capita

income which now stands at just over US\$3,500. Other economic indicators also showed a positive trend where inflation stood at 4.3% and the rupiah exchange rate was relatively stable in the range between IDR9,600 and 9,700 per 1 US Dollar. The Indonesian economy's strong showing is expected to continue and gain further strength as the government implements reforms, invests more in infrastructure and concentrates on fortifying its macroeconomic strategies.

Industry Reviews

Property Sector

Indonesia's property industry grew convincingly throughout 2012.

It was supported by a relatively conducive economic climate. The property business was also supported by other business sectors, such as trade and the increasing purchasing power of consumers. The property industry's performance increased on average by 12% in the first half of 2012 and in the second half it increased by 13%, resulting in year on year growth of 12.5% compared to 2011. This was driven by increasing consumer purchasing power and an improving investment climate. The combination of high GDP growth and low mortgage rates is a significant factor that drove the property market performance during 2011.



In 2012, sales of almost all property sub-sectors such as landed residential, strata title apartments, offices and commercial increased by 10% to 15%. The occupancy rate of rental commercial spaces such as offices, apartments and shopping centers continued to increase significantly. The price of landed residential, strata title apartments, offices, and shophouses increased on average by 10% to 20%. Meanwhile, the rental rate of commercial spaces such as office, apartment and shopping centers increased by 8% to 15% this year. It was the highest increase in rental rate in the last 5 years.

According to Jones Lang LaSalle Indonesia this positive market performance will continue. The projected growth in supply and demand for the next two years, which will be supported by solid

local economic and demographic fundamentals, shows that the upward trend in occupancy rates or sales growth will drive property prices as well as rental rates as in 2012.

This condition attracted foreign investors to increase their business activities in Indonesia. When most of the domestic markets in the Asia Pacific region were experiencing a slowdown or a downturn, the property market in Indonesia offered an attractive investment alternative, as it has sustainable growth potential.

Healthcare

Indonesia currently records a total of about ±2000 hospitals in the country to serve 240 million citizens, or approximately 6 beds for every 10,000 of population. The

quality of healthcare services, in general, is insufficient. In addition, the country's health expenditure is relatively low compared to other ASEAN countries, and is below World Health Organization standards, at 2.5% of Gross Domestic Product (GDP), or about US\$56 per capita, while standard public health expenditure around the world totals about 5 – 6% of GDP. Some of the major challenges facing the health sector in Indonesia include difficulty in accessibility due to the country's vast geographical landscape, appropriate clinical standards and the availability of health insurance for the people. The majority of the population does not have access to health insurance. The government is currently preparing to implement the National Social Security System (SJSN) in 2014 which will enable government to cover the health expenses of those who cannot afford health insurance.



at par with international standards. As of the end of 2012, there were five hospitals in Indonesia that earned the accreditation of the Joint Commission International (JCI), one of which is Siloam Hospitals in Lippo Village. The government is looking forward to more hospitals achieving international standards in the years to come.

Retail

Retail malls development activity in Jakarta was very prominent during 2012, with a take up rate of 229,300 sqm pa, the highest since 2005. Demand in the retail industry was 2.5 times higher than in 2011.



The country hopes to achieve better standards in its national health sector and private healthcare through the implementation of various national health insurance programs like the one currently in development, as well as JAMKESNAS and JAMSOSTEK.

Hospitals that become health centers need to meet three primary objectives: to provide health services, education and research. The balanced implementation of the three objectives is key in order to achieve the highest standards for hospitals. With such a huge untapped market and the opportunity to capitalize on Indonesia's increased per capita income, the challenge the healthcare sector faces today is how to raise the quality of healthcare in the country, including improvements in health facilities and services so as to be

With the completion of several new malls the take up rate was projected to reach 244,300 sqm. By the end of December 2012, the average rental rate of retail space in Jakarta for a premium location on the ground floor was approximately Rp616,800 per sqm per month, up about 1.2% from the previous quarter, and service charge on average around Rp97,900 per sqm per month.

With improving general consumer buying power, as indicated by higher per capita GDP growth and other positive macro-economic indicators, leasing activity should remain buoyant in 2013 with high expectations that local and international retailers will continue to sign up for leasing pre-commitments in centers under construction.



Hospitality

The Hospitality business in 2012 grew in line with increasing tourist arrivals and trends of business travelers' activities from Jakarta to other areas or vice versa.

Jakarta's hotel industry is divided into three categories: 5-star, 4-star and 3-star. In the first half of 2012, hotels categorized as 5-star made up 39.1% while 4-star hotels and 3-star hotels took up 34% and 26.9% respectively. The majority of these hotels (63.1%) are located in commercial and business districts (CBD) and other prime areas while the remaining hotels are in secondary areas surrounding business hubs. With the opening of three new hotels in 2012, the number of available rooms grew slightly by 1.2% to 25,828 rooms compared to the previous period. There are 30 new hotels in the

pipeline, offering a combined total of 6,135 rooms expected to be available by the end of 2013. Strong demand raised the overall occupancy rate of 70% during 2012.

Tourism arrivals in the country also contributed to the boost in hotel occupancy levels. In 2012, there were approximately eight million foreign tourist arrivals. This figure is low compared to Singapore and Malaysia which were visited by 20 million tourists a year.

The combined factors of aggressive tourism promotions, strong domestic patronage, increasing Revenue per Available Room (RevPar) and a growing number of Meetings, Incentives, Conferences and Exhibitions (MICE) altogether paint a bright future for the country's hotel industry.

Lippo Karawaci Business Review

Lippo Karawaci once again exhibited exceptional performance when it posted positive figures for 2012. The Company's total revenues amounted to Rp6.2 trillion, increased significantly by 47% yoy. EBITDA and Net Profit up remarkably by 57% and 50% respectively to Rp1.7 trillion and Rp1 trillion. This achievement is supported by satisfactory performance of all four main business of the Company.

Development Revenue which was derived from the Residential and Urban Development contributed 55% to revenues, while Recurring Revenue derived from Hospitals, Commercial and Asset Management businesses contributed 45%.

Residential & Urban Development business unit revenue increased sharply by 67% yoy to Rp3.4 trillion. All projects contributed to this growth with main contributors being industrial land sales in the Company's subsidiary, PT Lippo Cikarang amounting to Rp611 billion and the sales of two malls to Lippo Mall Indonesia Retail Trust (LMIRT) amounting to Rp879 billion.



Recurring Revenue from the Hospitals division was up by 42% to Rp 1.8 trillion, boosted by 33% revenue growth from the seven existing hospitals, IPD admissions increased by 41%, OPD visits by 23%, laboratory and pharmacy revenues increased by 31% and 33% respectively, plus additional contributions from the four new greenfield hospitals.



The Commercial division chalked up a 12% increase in revenues to Rp468 billion and the Asset Management business grew 6% to Rp500 billion from Rp473 billion in 2011.

The Company will continue its efforts to bring change in the lives of the growing middle-class, thus taking part in nation-building through the fulfillment of the demand for housing, retail and health care needs for people with various income levels. The Company will continue to create added value through its business units that continue to grow and provide profits for all stakeholders.

As of 31 December 2012, the Company's market capitalization was Rp23 trillion or US\$2.4 billion, the largest amongst property companies in Indonesia. Lippo Karawaci shares remain robust, enjoying an appreciation of 52% and eventually reaching Rp1,000

per share by the end of the year. It remains one of the most liquid shares on the IDX in terms of transaction volume with 12.9 billion shares traded and a transaction value more than Rp 10.9 trillion.

Lippo Karawaci's success as an upscale developer received recognition as 'Best Developer in Indonesia 2012' from Euromoney. This is the sixth time this prestigious award was received by the Company since 2005. This award reflect the Company's vision and strong management execution and consistency in delivering quality products and services. The Company's business units also received numerous awards throughout 2012.

The strong outlook and steady growth of Indonesia's economy is the basis for Lippo Karawaci continuing its growth momentum in the coming years and maintaining its position as the leading property Company in Indonesia.



Development Businesses

Residential & Urban Development

Property development is the core business of Lippo Karawaci. Lippo Karawaci is the pioneer and leader in township development and large scale integrated development projects in Indonesia.

With a large and diversified landbank in strategic locations Lippo Karawaci has successfully developed townships and residential projects across major cities in Indonesia.

At the end of 2012, the Company had a total landbank of 1,388 ha located mostly in the townships in Karawaci, Bekasi, Karawang and Makassar. This large landbank is sufficient for a sustainable ten years of development.

In addition to its townships, Lippo Karawaci also develops large scale integrated projects that combine residential, mall, hotel, school and hospital in one location, to meet the demands of modern society. The Company's large scale integrated projects are Kemang Village and The Nine Residence in South

Jakarta, The St. Moritz Penthouses and Residences in West Jakarta and City of Tomorrow in Surabaya, East Java.

In the midst of Indonesia's economic growth momentum, the growing middle class and increased urbanization, the Company will continue to expand its property development projects to strategic areas and strengthen its position as a leading property company and property developer of choice in Indonesia.



Lippo Village: The Incomparable City

Lippo Village is the first and most significant project of the Company and is located 30 kilometers from the CBD of Jakarta. Since its launch in 1993, Lippo Village has evolved to become a modern city with complete infrastructure and facilities, and is professionally managed in accordance with the dynamic needs of modern lifestyles. Lippo Village is also equipped with high quality facilities such as an international school and university, office buildings, hospital, five star hotel, shopping mall, and golf course. Lippo Village is home to over 58,000 residents and has created jobs for more than 45,000 workers.

Lippo Village has received many awards. In 2012, Lippo Village was awarded the FIABCI Prix d'Excellence Awards 2012 in the category "International Urban Master Planning". This award was given during the prestigious Federation Internationale des Administrateurs de Biens Conseils et Agents Immobiliers (FIABCI) competition held by the International Real Estate Federation. In the competition held by the SBA in cooperation with the Chamber of Commerce Global Business Initiatives and Climate, Lippo Karawaci was also honored with an Indonesia Sustainable Business Award (SBA) as an "Industry Champion Building and Property".



Lippo Cikarang: The most complete city in the east of Jakarta

Through the ownership of 54.4% of its subsidiary PT Lippo Cikarang Tbk, Lippo Karawaci has developed Lippo Cikarang township. This township is located 40 km to the east of Jakarta, and is the only township that offers a concept of integrated residential and light industrial estate that is supported by modern infrastructure and services.

This self contained city is home to more than 40,000 residents. There are more than 800 factories including some of the most popular world brand manufacturers, with more than 300,000 workers.

Today, Lippo Cikarang continues to capitalize on its innate creativity, providing quality infrastructure and diverse facilities in an integrated zone. The Company has successfully awakened a sleeping landbank and rapidly converted the area into the most comprehensive township east of Jakarta. Lippo Cikarang today consistently attracts interested entities providing well-balanced living spaces carefully planned into industrial and commercial areas that continue to serve as excellent choices for investment.



Tanjung Bunga: The Pride of Makassar

Tanjung Bunga is the first integrated township developed in Eastern Indonesia. The town is located in Makassar, South Sulawesi, home to more than 9,000 residents. To date the Company has acquired 644ha of its total development rights of 1,500 hectares, which include 500 ha additional development rights granted by the Government of Indonesia to the Company by reclaiming a mangrove area and establishing approximately 10% of this area to be the 'Center Point of Indonesia'. Lippo Karawaci has 50.3% of the project through its 50.3% of PT Gowa Makassar Tourism Development Tbk and partnering with local government.

San Diego Hills Memorial Park

Lippo Karawaci pioneered the development of modern memorial parks in Indonesia through its San Diego Hills Memorial Park project. This memorial park has an area of 125 ha with a beautiful view and is equipped with a 14 hectare family recreation facility including an 8 hectare man made lake, multipurpose building and a restaurant. Since

San Diego Hills Memorial Park was launched in 2007, and to date more than 30,000 cemetery plots have been sold.

Large Scale Integrated Development

Large Scale Integrated Development is a development project that combines residential, commercial, recreational facilities, international school and hospital in a single location. Two major Large Scale Integrated Development projects of the Company are Kemang Village and The St. Moritz. These projects will be completed within a six to eight year period.

Kemang Village

Kemang Village is located on an area of 15 ha and has a strategic location in one of the prestigious and exclusive residential areas in South Jakarta.

Kemang Village has an upper middle class target market who live and work in this dynamic urban area. The first phase of Kemang Village is a combination of residential and commercial development that is built on an area of 8.8 ha.

Since it was first launched in 2007, seven condominium towers have been launched in which 98% of the units offered were sold. Three of those condominium towers have been completed and the units have been handed over to the buyers. In September 2012, Lippo Mall Kemang was opened and adds a premium facility in this area.

The St. Moritz Penthouses and Residences

The St. Moritz Penthouses and Residences are built on an area of 11.4 ha, in a strategic location in the Central Business area of Puri Indah, West Jakarta. The project was launched in 2008 and targeted to be completed by 2018.

The development currently consists of six condominium towers, all of which have been launched, a JW Marriott Hotel, office building, a premium shopping mall, convention center, indoor Sea World, Siloam Hospitals, and an international school with capacity of 1,000 students. In 2012, three condominium towers that have been completed have started to be handed over to the buyers.



Total property marketing sales in 2012 reached Rp 4.7 trillion, increasing by 47% yoy. This increase was driven by positive contributions from all property projects.

City of Tomorrow, Surabaya

City of Tomorrow is the Company's first large scale integrated development. It is developed on a land area of 2.6 ha in Surabaya, East Java. This development features a condominium tower, strata-title mall, six office towers, a hotel and an university.

Park View Apartments

The Company launched the Park View Apartment project in 2011. This project consists of two apartment towers being built on Depok Town Square, a strata title mall built by the Company. The target market of this apartment project is the middle-class income population in Jakarta. The project received a very good response from buyers with almost 100% of the units offered sold.

The Nine Residence

The Nine Residence was launched in August 2012, and is a modern residential complex consisting of a condominium tower that is equipped with a commercial facility. The project also has a strategic location in Kemang Utara, close to the Jakarta CBD, South Jakarta and Kuningan. At the end of 2012, 72% of the total units available have been sold and the project is scheduled to be completed in 2015.

Property Marketing Sales

Total property marketing sales in 2012 reached Rp 4.7 trillion, increasing by 47% yoy. The Urban Development Division contributed Rp3 trillion to this total, increasing significantly by 63% from 2011.

This increase was primarily driven by a significant increase in sales of industrial land in Lippo Cikarang in line with the high demand for industrial land in 2012.

Total sales of condominium units from the Company's large scale integrated projects increased by 25% from the previous year to Rp1.6 trillion in 2012. Kemang Village contributed Rp747 billion, while The St. Moritz contributed a total of Rp655 billion, The Nine Residence and Park View Apartment contributed Rp182 billion and Rp17 billion, respectively.



The New Presidential Suite Tower

THE LAST & MOST EXCLUSIVE TOWER



THE St. Moritz

Penthouses & Residences

Puri Indah, CBD West Jakarta





Recurring BUSINESSES





Lippo Karawaci is unique as a property company because approximately 50% of its total revenues are derived from its recurring businesses i.e. Hospitals, Commercial and Asset Management. Recurring revenue is very important for the Company in mitigating risk during a downturn in the property cycle.

Lippo Karawaci is also the most innovative property company in Indonesia. The Company is the first and only one that successfully sponsored the establishment of Real Estate Investment Trusts (REITs) in Singapore to support its asset light strategy and to recycle capital.

Hospitals

Lippo Karawaci is committed to bring impact and improvement of the quality of healthcare for Indonesians. The Company began its hospitals business under the Siloam Hospitals brand in the mid 1990s.

In an effort to improve health services in Indonesia, the Indonesian government opened an opportunity for foreign investors to invest in the health sector, as well as encouraged the private sector to participate in the development and management of hospitals.

In response to the government's efforts and in line with the Company's commitment to provide affordable high quality healthcare to the public, the Company will build 20 new hospitals in major cities in Indonesia under its five-year plan up to 2015. The Company will also continue to strengthen its position as a leading healthcare provider in Indonesia.

In 2012, the Company completed the construction of six new hospitals which are located in Jakarta, Manado, Makassar, Bali and Palembang. Four of these hospitals are in operation. Thus at the end of 2012, eleven hospitals under the Company's portfolio were operational.



The Company's hospitals are equipped with the latest equipment and modern facilities. Among these hospitals, seven hospital assets have been sold to First REIT, as part of Company's asset light strategy, and have been leased back by the Company for a period of 15 years.

Lippo Karawaci will accelerate the development of its Hospitals division with a target to operate twenty seven hospitals by 2015, with total expected revenue of US\$500 million.

Siloam Hospitals has gained recognition and received many awards as the best hospital network in Indonesia. In 2012 some of the awards received by Siloam Hospitals include: Frost & Sullivan Award for "Indonesia Hospitals Service Provider of the Year 2012" and the Indonesia Sustainable Business Awards 2012 as "Industry Champion Healthcare"

Commercial

Retail Malls

The Company's Commercial business unit consists of Retail Malls and Hotels businesses. At the end of 2012, Lippo Karawaci managed 31 malls across Indonesia with a total Net Leasable Area of approximately one million square meters. Those malls had an average occupancy rate of 88%, and visitor numbers to reach 200 million per year.



From these 31 malls, three malls are owned by Lippo Karawaci, sixteen malls are owned by Lippo Malls Indonesia Retail Trust (LMIR Trust) in Singapore, the other eight are strata-title malls built by Lippo Karawaci and four other malls are owned by third parties.

In its five-year plan through 2015, Lippo Karawaci has a target to build 15 malls and to increase the number of malls under management to 50 malls, with a focus of developing and managing community malls which are located in cities with dense populations.

In 2012, the Company completed the construction of two new malls namely Lippo Mall Kemang in South Jakarta and Lippo Plaza Sunset in Bali, both of which commenced operations and contributed income in 2012.

Hotels

Lippo Karawaci manages eight five-star Aryaduta hotels with a total of 1,444 rooms, of which three hotels are owned by Lippo Karawaci.

Three hotels are located in Jakarta, while the other hotels are located in Medan, Palembang, Pekanbaru and Makassar. Lippo Karawaci plans to develop four new hotels in several cities of Indonesia in the near future.







Asset Management

Town Management

Lippo Karawaci manages its property developments through its Town Management Division (TMD).

TMD focuses and prioritises the comfort and convenience of the township's residents. Hence, the division ensures preservation of the community's quality of life through superior services, which include:

- Road maintenance and drainage flood control
- Potable water treatment and reticulation, sewage treatment and 100% recycling;
- 24 hour and 7 day a week 5-layer town-wide security, traffic ease and control, plus road safety;
- Internal and external public transport systems that mainly focus on pedestrian modes, including walkways and cycling paths;
- Planning and building regulations;
- Environmental improvement, maintenance and self-sustainability, targeting a reduction of temperatures, maximizing solid waste recycling and cleaner air, easy access to healthy amenities, and greater and safer sidewalks to schools, university, hospitals, shops and offices.

TMD's effective town management services contribute to the rising land value of township properties, as well as in retaining the loyalty of residents.

Fee-based Income

The Asset Management business of the Company benefits from the two Singapore REITs, First REIT for healthcare and LMIR Trust for the retail malls. As assets under the two REITs grow, the division benefits from increased management and other fees derived from the underlying assets since Lippo Karawaci has management control over both REITs.

Since the malls under LMIR Trust are located in Indonesia, Lippo Karawaci operates them through its subsidiary, PT Lippo Malls Indonesia (LMI), managing these mall properties under contract with LMIR Trust.

LMI is also the appointed operator for the other retail malls under the Company's 31 mall portfolio. The Company also receives fees for the management of the three hotels owned by third parties under the five-star hotel "Aryaduta" brand.

Once Lippo Karawaci's pipeline hospitals and retail malls become established assets, and the implementation of the asset-light strategy continues as planned, management expects to generate substantially more revenues from this division.

Future Outlook

The Company will continue to accelerate its strategy to realize the entire value of its four main strategic businesses. It will continue to create new concepts in residential and commercial products and developments that provide added value to its land bank.

Through its expertise in building and managing hospitals across Indonesia, the Company will also continue to support the development of the healthcare industry in the country to reach wider market segment.

The Company will also continue to accelerate the implementation of its asset light strategy and prudent financial management to boost sustainable growth in its profitability.

Lippo Karawaci's achievements in developing projects nationally has strengthened its position to pursue a transformation of its activities. Projects in the pipeline which will be completed by 2015 will continue to increase the Company's revenue streams and strengthen the Company's position as well as becoming a benchmark for the property industry in the country.

Human Resources





Lippo Karawaci is known both internally and externally as an “Employer of Choice” and it constantly strives to maintain this status. This honor is seen as an essential tool in attracting and keeping the most talented individuals who, in turn, helps fuel the Company’s constant growth.

Lippo Karawaci has always had the highest regard for its human resources and is fully aware that the contributions of its employees are central to the Company's continued success and growth. The Company's Human Resources Division (HR) upholds a basic tenet of building a strong organization by fielding a loyal and excellent workforce that have the goals of the Company firmly in mind. To achieve this, the HR Division constantly trains and motivates its workforce while giving them a sense of belongingness and ownership towards the Company.

Lippo Karawaci's HR Division is a vital component in the overall well-being of the Company and as such, has continuously developed policies and initiatives that are fully aligned with the Company's overall business objectives. The HR Division's role as a business partner has kept it constantly active as it provides sound advice and action on issues concerning manpower. It also defines the challenges that are faced by the Company's different business units and answers those needs by deploying committed HR personnel to undertake the formidable task of learning about the requirements of the different business units and providing strategic solutions to answer them.

The HR Division has integrated into the framework of the Company's business activities some strategic initiatives:

- To uphold the title "Employer of Choice" from both an internal and external point of view.
- To maintain an ethical working culture within the Company in order to instill accountability and bring out the best performance out of every employee.
- To implement a performance-based approach in the evaluation of employees to be able to identify, assess and encourage respective potential and to implement a salary system that appreciates and rewards employees based on performance.

Employer of Choice

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To achieve this goal, the Company works on both internal and external approaches:

A. Internal

HR builds and maintains a top-notch working environment that encourages teamwork, and collaboration and provides a system that recognizes the hard work and contributions of every employee. HR also fosters open communication through dialogues that give leaders an opportunity to share their insights and practices. This enables the Company's employees to grow as professionals in their respective fields of expertise as well as in their managerial roles, and therefore contribute to the Company's culture of excellence.

B. External

Working for Lippo Karawaci has consistently been seen as desirable and the Company is constantly ranked in the top 20 "Employers of Choice". This status did not come by chance but was bestowed as a result of non-stop investments into the Company's workforce through team building activities throughout the Company's different business units.

Lippo Karawaci's HR also reinforces the Company's status by actively searching out talent through career and branding talks in top universities. Moreover, it participates in career guidance activities for fresh graduates and uses different resource channels to fill positions in various internal locations. This attention to detail has kept Lippo Karawaci a desirable objective to many job seekers and this reputation in turn helps the Company find the best talent the job market has to offer.

Performance Management System

The HR Division's Performance Management System is a key tool for encouraging a high level of performance at Lippo Karawaci. This is done through an online Performance Assessment Polling System featuring a Balanced Scorecard concept which was started in 2011.

The Balanced Scorecard measures four aspects of performance:

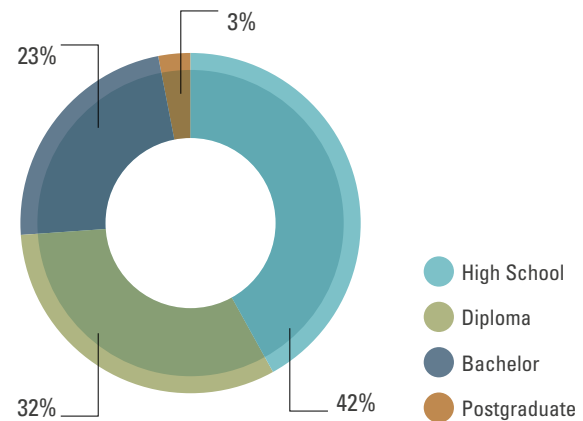
- Financial
- Customer
- Internal Procedures
- People

These aspects become the focus of employees as they deliver results throughout the work year. Performance evaluations, Key Performance Indicator achievements, as well as competency demonstrations are used as a basis for rating.

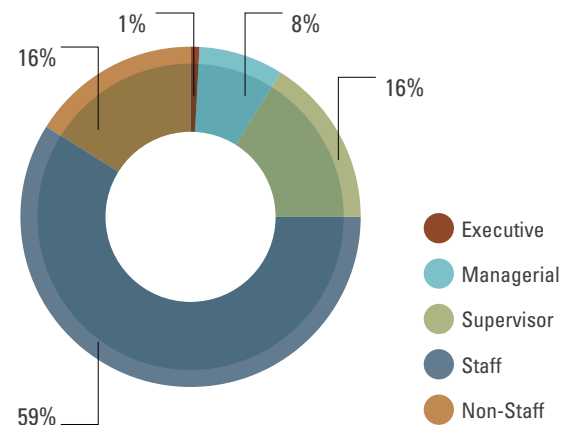
To ensure that the HR Division recognizes performers, it facilitates a calibration process with the CEO and the respective senior management of the business units during the performance evaluation cycle. This process allows HR to identify key performers while seeking out the low performing employees so they can be managed accordingly.

Another tool in achieving the HR Division's goals is the Company's salary system. Lippo Karawaci's pay system follows the Pay for Performance model and the Company manages the employee's pay positions based on their contribution and performance. Stated simply, the harder and better an employee works, the higher his or her salary will be.

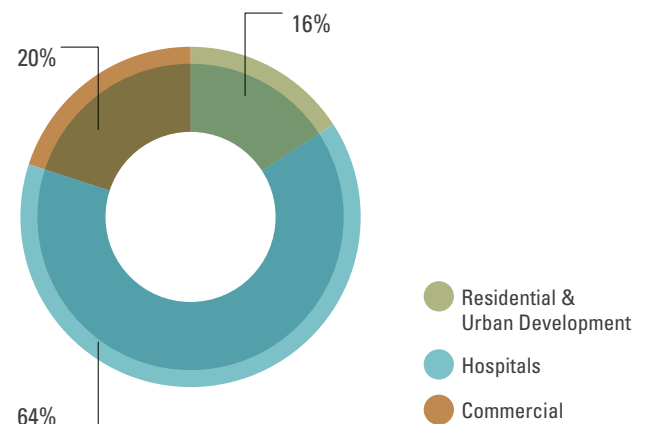
Based on Education



Based on Position



Based on Division



Recruitment and Capacity Building

The Company's HR objectives echo the Company's vision to support the country's development goals. HR ensures that excellent training and capacity building programs are implemented in every division and employees benefit from increased knowledge, skills and capabilities. Lippo Karawaci aims to support economic development in the regions in which it operates through recruiting, training and developing local talent.

Human Resources Information System

An integrated Information Technology system has been implemented to ensure effective HR procedures are communicated efficiently and records are accurate through high speed information exchange. With an online self-service feature built into the most updated IT system, employees and managers are empowered to access their own profile and data, helping them align skills, activities and benefits with the business objectives and strategies of the Company.

Staff Profile

In 2012, the total number of employees increased by 23% to 9,206 employees. The number of permanent employees represent 73% of the workforce while the remaining 27% consists of contractuels. The breakdown of the total workforce shows 73% from the Hospital Division, 15% from the Commercial Division and 12% were from the Residential and Urban Development Division.



Corporate Social Responsibility

Lippo Karawaci was initially founded on a vision to impact lives through the development of well-planned sustainable independent townships with green environments and first class physical and social infrastructure.

Over more than a decade, the Company has proven itself as a highly trusted property developer with the most recognizable brand name and continuously growing in its corporate culture and vision extend beyond the confines of the Company's economic growth by delivering a positive impact on both society and the environment.

Providing for a Better Quality of Life

Lippo Karawaci promotes environmental sustainability by integrating the eco-living concept in its townships that unify green spaces with international standard facilities. In Lippo Village for instance, 21% of the entire estate was allocated for green space featured by nearly 56,000 sprawling trees. The Company regularly conducts tree-planting activities along with the residents through the Adopt-a-Tree program.







This program is being adopted in other properties managed and operated by the Company to anticipate impacts of climate change and reduce temperature and pollution.

Lippo Karawaci invested in Water Treatment Plants to produce potable water that comply with the standards set by the Ministry of Public Health. These Water Treatment Plants now supply healthy drinking water from the tap facility for residents of Lippo Village and Lippo Cikarang. Both facilities produce nearly 800 cubic meters of potable water every month.

Flood prevention initiatives were incorporated into the townships' development blueprints. In Lippo Village, the strategic location of the golf course allows rainwater to be naturally absorbed into the groundwater system. At Kemang Village, the Company constructed a wet detention basin capable of holding 90,000 cubic meters of rainwater.

TMD instigated 'Zero Waste' program after a long campaign to promote the program and educating the resident of its long-term benefits.

Employment Opportunities. Sustainable livelihood.

Development of townships creates new employment opportunities for the local community. The residential and light industry township in Cikarang provided opportunities to over 320,000 employees. The Company's commercial business unit also provides employment opportunities through 31 malls and 8 hotels operating across the country. More malls and hotels planned in the future will benefit host communities with additional employment opportunities.

Lippo Malls, the commercial pillar of Lippo Karawaci, worked together with Bali's Social Welfare Coordinating Office (BK3S) in efforts to renovate and rebuild rundown homes.

This program took place within the Sanggalangit Village of the Gerokgak district in Buleleng, Bali. Lippo Malls donated the equivalent value of Rp2 billion in support of the BK3S home rebuilding program.

Lippo Karawaci's CSR program did not stop at merely providing better homes. The Company went the extra mile by guaranteeing residents of Sanggalangit employment through job hires for the hotel, mall and hospital currently



being developed in Bali. These efforts have made quite an impact on the province's social economic condition, particularly by reducing unemployment rate.

Medical Missions and Improving Healthcare

Alongside government efforts to provide medical access to the masses, Lippo Karawaci supports healthcare endeavors by developing and constructing world-class hospitals across Indonesia and investing in state of the art medical equipments.

In March 2012, Siloam Hospitals operated its very first general hospital located in Lippo Karawaci. The general hospital is aimed to fulfill the basic healthcare requirement for the needy.

In May 2012, the Karawaci Ladies arranged a medical mission together with the Lippo Village Town Management Division and doctors from Singapore for free eye examinations benefiting school children ages six to twelve residing within and around Lippo Village. The mission also included providing free eyeglasses to those who required them.

The medical mission treated approximately 200 children, from which 52 children were provided eyeglasses.

Lippo Karawaci's Blood Donor Club has been organizing activities since 1999 in cooperation with Red Cross Indonesia (RCI) and the Siloam Hospitals Lippo Village. The Club aimed at helping to reduce the deficit of blood bags required by RCI and a manifestation of a real commitment and responsibility for humanity by Lippo Karawaci. In June 2012, the Club arranged the 50th Blood Donor Activity.

In 2012, Siloam Hospitals and USNS Mercy conducted a successful joint surgery between the surgical team of Siloam Hospitals and a team of doctors from the USNS Mercy as part of the social giveback of Siloam Hospital and humanity mission of USNS Mercy.

Management REPORT





In 2012, Lippo Karawaci once again achieved record revenues of Rp6.2 trillion, EBITDA of Rp1.7 trillion and Net Profit of Rp1.0 trillion. The Company's market capitalization as at December 28, 2012 was Rp23 trillion based on the closing price per ordinary share on the IDX of Rp1,000.

Financial Review

Business Overview

Lippo Karawaci develops residential, commercial, retail and light industrial properties throughout Indonesia, with the majority of its current developments based in and around several major cities, including Greater Jakarta, Surabaya, Makassar, Medan and Palembang.

As of end of 2012, the Company operates eleven hospitals under Siloam Hospitals brand name, manages 31 malls, as well as own and or manages eight Aryaduta-branded hotels. In addition, the Company also provides a broad range of infrastructure services to the residents of its developments, and provides other property management and Real Estate Investment Trust (“REIT”) management services.

In 2012, Lippo Karawaci once again achieved record revenues of Rp6.2 trillion, EBITDA of Rp1.7 trillion and Net Profit of Rp1.0 trillion. The Company’s market capitalization as at December 28, 2012 was Rp23 trillion based on the closing price per ordinary share on the IDX of Rp1,000.

Lippo Karawaci’s operations are organized into four business units:

- Residential & Urban Development
- Hospitals
- Commercial
- Asset Management

The Company’s business and results of operations are influenced by the following important factors:

Composition of the Business Units

The significant proportion of the recurring revenue of the Company is countercyclical, mitigating some of the risk of operating in the cyclical property business in Indonesia.

In 2012, 55% of Lippo Karawaci’s revenues were derived from development income, which comprises the development and sale of residential, commercial and light industrial properties from its Urban Development and Large Scale Integrated Development projects, and 45% of revenues were derived from recurring revenue sources, which consists of revenues from the operation of its Hospitals, Commercial, which consists of Retail Malls and Hotels, and Asset Management.

Indonesia’s Economic Conditions

The Company’s results of operations are subject to general economic conditions in Indonesia, including property and other market pricing trends that affect sales of its properties, standards of living, levels of disposable income, demographic changes, interest rates, the availability of consumer financing and increases in utility and fuel costs. Additionally, its hotel

business are patronized mainly by business travelers within Indonesia and business travel is directly tied to general economic conditions.

Growing Middle Class in Indonesia

Lippo Karawaci’s businesses are generally targeted at middle and upper-middle income consumers in Indonesia. Homebuyers in the middle-income segment accounted for approximately 60% of Jakarta condominium market sales activity during 2012. In addition, Lippo Karawaci targets mostly middle and upper-middle income patients in its healthcare business and we are continuing to invest in retaining the best medical personnel and state of the art technology to service this growing demographic.

Fluctuations in Interest Rates

The property market is impacted by fluctuations in interest rates. Lower interest rates during 2012 compared to previous years has resulted in an increase in property sales in Indonesia.

Impact of Exchange Rate Movements

Lippo Karawaci is exposed to fluctuations in the value of the Rupiah against other foreign currencies, especially US dollars. For the purposes of preparing its consolidated financial statements, the accounts of foreign subsidiaries

“ The Company’s Total Revenues in 2012 have been derived from two main sources, 55% from Development Revenues and 45% from Recurring Revenues ”

are translated into Rupiah at each balance sheet date. Fluctuations in the Rupiah-other foreign currency exchange rates have resulted in the recording of a net foreign exchange gain or loss.

Government Spending

The success of Lippo Karawaci’s developments depends, in part, upon the quality of infrastructure surrounding its properties and their accessibility. Government plans to upgrade transport infrastructure in Jakarta, including improved access to the Jakarta CBD and surrounding areas and a more efficient system of roads, may increase sales and occupancy levels in Lippo Karawaci “Edge Cities” if completed. The realisation of these infrastructure development plans, however, is dependent upon the Government policies.

Government Regulations

All of Lippo Karawaci’s business units are subject to Government regulations and require licences and permits. In particular, healthcare is subject to extensive government regulation and new regulations could have a significant and possibly unfavorable effect on the price and availability of its healthcare services.

Construction and Raw Materials Expenses

Lippo Karawaci’s property development businesses are subject to fluctuations in construction expenses and raw materials expenses necessary to complete its projects. Construction on a particular property will typically begin when the amount of pre-sales can cover construction costs, but increases (or decreases) in construction costs after the project begins mean that projects will become more (or less) expensive for us to finish than we had originally planned.

Inpatient and outpatient services and demand

Lippo Karawaci derives a portion of its revenues from the operation of its hospitals, which in turn generate revenue from providing inpatient and outpatient services. The inpatient revenue is highly dependent on the number of beds Lippo Karawaci’s hospitals operate, the bed occupancy ratio and the average revenue earned per patient day and outpatient revenue is highly dependent upon the number of outpatient visits and the average revenue per outpatient visit. The volume of inpatient and outpatient is driven by, among other things, the hospital image and brand reputation, the type of services offered, the economic and social conditions of local and regional communities, the degree of competition from other hospitals, the clinical reputation of accredited doctors and their retention and

attrition, the effectiveness of marketing programs, and religious and cultural periods.

Funding position of First REIT and LMIRT

Part of Lippo Karawaci’s development funding plan involves the sale of stabilized properties that the Company has developed to First REIT and LMIRT, the two REITs that the Company manages. The ability of these two trusts to purchase the properties from the Company, and therefore provide the Company with funding for further development, depends on the financial position of the trusts, including their ability to raise additional capital through the issuance of equity or debt.

Hotel Occupancy Rates and Room Rates

Lippo Karawaci derives a portion of its revenues from the operation of its hotels which are primarily dependent on occupancy rates, room rates and the number of rooms available at our hotels. Key factors affecting its occupancy rates include travel patterns of the hotel guests, competition from other hotels and location and the quality of services and facilities on offer. A key factor affecting room rates is the type of booking. Wholesale room bookings and travel group bookings receive higher discounts, due to the volume of these bookings, than individual bookings, including walk-in guests and occasional small group guests.

Sales, Marketing and Pricing

Urban Development and Large Scale Integrated Developments

Lippo Karawaci employs a strategy of pre-selling its properties prior to construction. Rather than relying only on traditional real estate brokers or mass media advertising, pre-selling is conducted principally by freelance marketing teams consisting of approximately 5,000 club members who work on a commission basis, with approximately 4,500 members in the Lippoland Club. These club members participate in training courses to enable them to effectively market the Company's properties and products.

Approximately 25% of revenues from urban residential, commercial, and light industrial property sales are generated by the Lippoland Club's marketing efforts. The Company's internal sales and marketing department is responsible for managing the freelance marketing teams and other sales and marketing functions. The sales managers and marketing managers cooperate closely to determine the appropriate advertising and sales plans for each particular development. They also work together to plan and organize efficient and orderly on-site sales presentations, conduct market

research, design sales and pricing strategies, collect customer data and comments and prepare feasibility studies based on market analysis.

To highlight the new developments or products, the Company regularly engages in promotional activities, including advertising in the Indonesian print and broadcast media and arranging promotional events. These activities have been particularly important to the success of the Company's commercial property developments.

Lippo Karawaci's property prices are initially set based on a number of criteria, including a property's location, the target market, the size of the property being sold, the amenities provided and general market conditions in effect at the time of pricing. Lippo Karawaci offers three payment alternatives to its purchasers: cash sales, mortgages and installment plans. The Company typically offers a discount to its regular purchase price, with the amount of discount dependent on the type of payment selected by the purchaser. The pricing options are designed to encourage cash sales and to permit flexibility to offer discounts while maintaining targeted profit margins. Cash sales provide a source of financing through which the Company can develop necessary infrastructure or buildings

without having to rely on third party financing.

Cash Sales

Cash sales for which payment is made in full at closing provide the purchasers with the largest discount on the purchase price, typically 30%.

Mortgages

Purchasers of properties may choose to finance their purchases through mortgages or other bank financing. For this type of payment, the Company offers a discount on the purchase price of approximately $\pm 26\%$.

Installments

Purchasers of residential and certain commercial and retail property may elect to pay a portion of the purchase price at the time of sale, which ranges between 5% and 20%, and pay the remaining balance in equal monthly installments for up to 36 months. The Company generally offer such purchasers a discount on the purchase price of approximately 16%.

The table below sets forth information with respect to the various payment alternatives for certain of the Company's developments during 2012.

Project	Cash	Mortgage	Installment
Lippo Village			
- Residential	64%	25%	11%
Lippo Cikarang			
- Residential	6%	49%	45%
- Light Industrial	14%	4%	82%
Tanjung Bunga	9%	76%	15%
San Diego Hills Memorial Park	65%	-	35%
Kemang Village	26%	54%	20%
The St. Moritz	21%	50%	29%

Healthcare

Lippo Karawaci's target market includes middle and upper middle income Indonesian consumers who require high quality domestic healthcare services and also middle low income Indonesia consumers. The Company's hospitals are operated under the "Siloam" hospitals brand. Advertising of its medical services is somewhat constrained in Indonesia by the strict controls imposed by the Advertisement Code of Conduct. The Company markets to insurance companies and corporations by offering medical checks and pre-employment checks, as well as seeking to promote its services through general practitioners who refer patients to the Company's hospitals.

Based on the Indonesian Hospital Code of Conduct, hospitals may promote only informative marketing; such marketing may not be comparative, must be based on facts and not excessive. The Indonesian Advertisement Code of Conduct stipulates that hospital advertising is only allowed if the hospital is presented as a business entity that offers available services and the facility and hospital may not advertise sales promotions of any kind.

Retail Malls

The Company's sales and marketing strategies for retail malls parallel those in its Urban Development and Large Scale Integrated Developments business units.

Advertising in the Indonesian print and broadcast media and arranging promotional events have also played an important role in the success of the Company's retail

property developments. Purchasers may also use any of the three payment alternatives available to the Company's Urban Development and Large Scale Integrated Developments business units.

Hotels

Lippo Karawaci's hotels are marketed under the Aryaduta brand. Marketing of the Company's hotels is primarily targeted at business travelers as substantial income is also derived from the Meetings, Incentives, Conventions and Exhibitions (MICE) related activities provided at our hotels.

The Company utilizes many different advertising channels to market its hotels including Indonesian and international print media, direct contact with domestic and international travel agents and representation and participation at travel conferences and travel industry presentations.

Accounting Policies

Lippo Karawaci has prepared its financial statements using accounting principles and reporting practices in accordance with Indonesian GAAP. Preparation of the financial statements required management to make estimates and judgments under the critical accounting policies described below.

Revenue and Expense Recognition

The Company recognizes revenues from the sale of real estate using the full accrual method, where specified criteria are met. For sales of vacant land, the criteria to be met are as follows:

- Payments received from the buyer have reached 20% of the agreed selling price and the amount is non-refundable;
- The collectibility of the sales price is reasonably assured;
- the receivables from the sale are not subject to future subordination against other loans which will be obtained by the buyer;
- the process of land development has been completed (i.e., the seller is not obliged to develop the sold lots through construction or development of infrastructure in accordance with the sales and purchase agreement or any regulation requirements); and
- the sale consists only of vacant land, without any obligation of the seller to construct any buildings upon the land sold.

For sales of residential houses, shophouses and other similar types of buildings, including parcels of land, the criteria to be met are as follows:

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

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

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

The method used to determine the level of development activity completion is based on a percentage of actual activities accomplished to total development activities still to be accomplished. If a real estate sale fails to meet the criteria of full accrual method, revenue recognition is deferred and that transaction is recognized using the deposit method until all of the conditions of full accrual method are fulfilled.

The cost of land parcels sold is determined based on the estimated acquisition cost of the land plus other estimated expenditures for its improvement and development. The cost of residential houses and shophouses sold is determined based on the 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.

Revenue from medical services is recognized when medical services are rendered or when medical supplies are delivered to patients. Rental revenue and other services are 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. Other expenses are recognized when incurred (accrual basis).

Financial Performance

Lippo Karawaci recorded an exceptional performance in 2012. The Company closed its financial calendar year with impressive financial results, Total Revenues and Net Income increased by 47% and 50% respectively. These accomplishments constitute major contributions from Lippo Karawaci’s four business units namely Residential and Urban Development, Hospitals, Commercial and Asset Management.

Revenues

The Company’s Total Revenues in 2012 have been derived from two main sources, 55% from Development Revenues and 45% from Recurring Revenues.

Development Revenues were primarily derived from the development and sale of properties from the two business lines: Urban Development and Large Scale Integrated Development, whilst Recurring Revenue was generated from the revenues of Hospitals, Commercial and Asset Management

In billion Rupiah	2012	2011	Growth
Revenues	6,160	4,190	47%
Gross Profit	2,821	1,896	49%
EBITDA	1,686	1,083	56%
Operating Profit	1,549	983	58%
Net Profit	1,060	708	50%

The revenue contribution and growth of each business unit can be seen in below table:

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Development Revenue	3,404	55%	2,040	49%	67%
Residential & Urban Development	3,404	55%	2,040	49%	67%
Urban Development	2,358	38%	1,266	30%	86%
Large Scale Integrated Development	1,046	17%	774	19%	35%
Recurring Revenue	2,756	45%	2,150	51%	28%
Hospitals	1,788	29%	1,260	30%	42%
Commercial	468	8%	417	10%	12%
Asset Management	500	8%	473	11%	6%
Total Revenues	6,160	100%	4,190	100%	47%

A. Development Revenues

Development revenues were generated primarily by the sale of residential properties in the Company's townships at Lippo Village, Lippo Cikarang and Tanjung Bunga and in its Large Scale Integrated Developments at Kemang Village and The St. Moritz and sales of plots at San Diego Hills Memorial Park. In 2012, there was additional revenues from two malls to LMIRT in Singapore.

Development revenues increased sharply by 67% to Rp3,404 billion in 2012 from Rp2,040 billion in 2011. Urban Development continued to be the main contributor to Development Revenues with Rp2,358 billion, a 86% increase from Rp1,266 billion in 2011. This is mainly due to additional revenues from the sales of two mall assets, Pejaten Village and Binjai Supermal, to LMIRT in Singapore.

As of end 2012, revenue from Large Scale Integrated Developments also increased significantly by 35% to Rp1,046 billion from Rp774 billion in 2011.

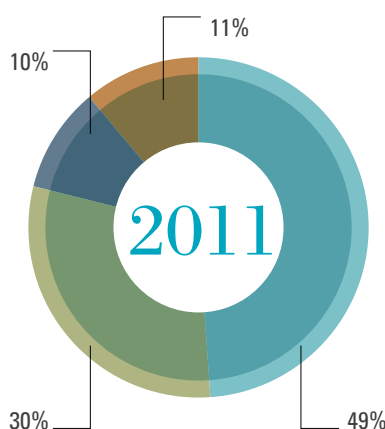
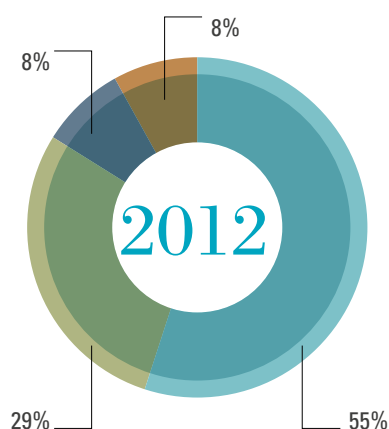
Revenues 2012

Development Revenues (in billion Rupiah)

Rp3,404

Recurring Revenue (in billion Rupiah)

Rp2,756



Revenues Contribution (in billion Rupiah)

- Residential & Urban Development
- Hospitals
- Commercial
- Asset Management

Urban Development

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Land Lots	732	31%	759	60%	-4%
Residential Houses & Shophouses	561	24%	384	30%	46%
Memorial Park	167	7%	104	8%	60%
Asset Enhancement	19	1%	19	2%	-
Others	879	37%	-	-	-
Total	2,358	100%	1,266	100%	86%

Throughout 2012, revenue from Urban Development grew tremendously by 86% to Rp2,358 billion, with revenue from land lot sales being the main contributor which was driven by the increase of

sales of Lippo Cikarang industrial land, the sales of residential houses and shophouses in the Company's townships. In addition there was additional revenues derived

from the sales of two mall asset namely Pejaten Village and Binjai Supermall to LMIRT in Singapore, which contributed Rp879 billion to this revenue.

Large Scale Integrated Development

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Apartment	1,015	97%	748	97%	36%
Asset Enhancement	31	3%	26	3%	19%
Total	1,046	100%	774	100%	35%

As of end 2012, revenue generated from condominium sales at Kemang Village, The St. Moritz, and Park View Apartment at Depok rose by 36% from Rp748 billion in 2011 to Rp1,015 billion. The increase was mainly attributed to increased revenue recognition as the construction of the projects progressed.

B. Recurring Revenues

Recurring revenues, which constitute 45% of total revenues, were generated primarily by revenue of Lippo Karawaci's Hospitals and Commercial businesses and revenue from its asset management operations.

In 2012, recurring revenues increased by 28% to Rp2,756 billion from Rp2,150 billion in 2011. The largest portion of recurring revenues was generated by the Hospitals business unit.

Hospitals

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Inpatient	1,077	60%	722	57%	49%
Outpatient	711	40%	538	43%	32%
Total	1,788	100%	1,260	100%	42%

In 2012, this business unit contributed Rp 1,788 billion to the Company's Total Revenue, an increase of 42% from the previous year figure, boosted by 33% revenue growth from the seven existing hospitals, IPD admissions increased by 41%, OPD visits by 23%, laboratory and pharmacy revenues increased by 31% and 33% respectively, plus additional and healthy increasing contributions from the four new greenfield hospitals.

Commercial

In 2012, revenue from this business unit, comprising the revenue of Retail Malls and Hotels, reached Rp468 billion, a rise of 12% compared to last year's figure.

Retail Malls

Income from Asset is the rental income derived from shopping centers owned by the Company. In 2012, the Company completed the development of two new leased malls namely Lippo Mall Kemang,

in South Jakarta, and Lippo Plaza Sunset in Bali, which began to operate and contribute revenues in 2012. In 2012, income from Asset slightly decreased due to two leased malls sold to LMIRT in Singapore. While the income from the sale of strata mall inventories increased from last year.

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Asset Enhancement	117	81%	137	96%	-15%
Shopping Centers	27	19%	6	4%	350%
Total	144	100%	143	100%	0,7%

Hotels

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Hotels & Restaurant	263	81%	223	81%	18%
Recreation & Sports	61	19%	51	19%	20%
Total	324	100%	274	100%	18%

In 2012, revenue gained from Hotels & Restaurants and Recreation & Sports increased 18% and 20%, respectively compared to 2011. Throughout 2012, Lippo Karawaci's hotel business recorded an improvement in both occupancy and room rates. The average occupancy rate reached 70%, while the average room rate was Rp600 thousand. The improvement in room bookings was due mainly to increased marketing efforts to domestic business travelers.

Asset Management

The Company sponsored the establishment of two REITs in Singapore, First REIT and Lippo Malls Indonesia Retail Trust (LMIRT) with ownership of 28.6% and 30.2% in FREIT and LMIRT, respectively, by end of December 2012. Lippo Karawaci receives fee-based income from being the REIT managers of First REIT and LMIRT as it owns 100% of the REIT Managers. In addition, the Company also receives fee-based income from its role as the property manager of the 31 malls, hotels and township management.

Revenue from Infrastructure, mainly fee-based income generated by town management rose by 23% compared to 2011. Meanwhile, fee-based income from Property and Portfolio Management decreased by 7% to Rp249 billion from Rp268 billion in 2011 primarily due to extraordinary fees earned by the Company amounting to Rp99 billion in 2011.

Revenues	2012		2011		Growth
	Rp billion	Contribution	Rp billion	Contribution	
Infrastructure	251	50%	205	43%	23%
Fee-based Income	249	50%	268	57%	-7%
Total	500	100%	473	100%	6%

Cost of Sales and Services.

Lippo Karawaci's cost of sales and services increased 45% in 2012 to Rp3,339 billion from Rp2,293 billion in 2011. This is mainly due to the increase of costs relating to the sales of mall assets to LMIRT and costs relating to property development (Urban Development and Large Scale Integrated Development), associated with the development of residential properties in the Company's large scale integrated developments at Kemang Village and The St. Moritz. Meanwhile costs relating to the Company's Hospitals, Commercial and Asset Management business units increased by 37% from the previous year to Rp 1,697 billion.

Gross Profit

Lippo Karawaci's gross profit increased 49% to Rp2,821 billion in 2012 from Rp1,896 billion in 2011.

Operating Expenses

Lippo Karawaci's operating expenses for 2012 amounted to Rp1,344 billion or a 39% rise from Rp968 billion in 2011. This increase was mainly due to the following:

- Selling Expenses increased to Rp455 billion in 2012 due to higher marketing and advertising expenses for Lippo Karawaci's property-related products including several condominium units launched during the year.

- General and Administrative Expenses increased by 19% from the previous year's figure to Rp889 billion, primarily due to the increase in salary expenses.

Income from Operations

The Company's Income from Operations increased sharply by 58% from Rp983 billion in 2011 to Rp1,549 billion in 2012.

Net Income

Lippo Karawaci's net income represents the outcome of the whole range of factors mentioned earlier. In 2012, the Company recorded Rp1,060 billion in consolidated Net Income, grew by 50% from Rp708 billion in 2011. This growth was a result of the Company's organic growth from the intensification of selling activities and operational efficiency initiatives.

Financial Position

The Company's Total Assets increased by 36% to Rp24,869 billion in 2012. As at 31 December 2012, the Company's Cash and Cash Equivalent position was Rp3,337 billion.

During 2012, the Company successfully completed the issuance of US\$150 million global bonds in May and US\$100 million bonds in October, both due in 2019, with a coupon rate of 7% pa.

Issuance of these new bonds provide flexibility for the Company to continue the implementation of the Company's growth plans through the development of hospitals, retail malls and residential projects, as well as strengthen the financial position of the Company.

Towards the end of 2012, the Company also successfully offered the Debt Exchange Offer and Consent Solicitation for its \$395, 6 million bonds with a coupon of 9% per year, due 2015 to be exchanged with new senior bonds denominated in U.S. dollars, which will mature in 2020. A total of \$273.3 million bonds were exchanged into 2020 bonds with a 6.125% pa coupon rate.

Inventory increased by 33% to Rp10,505 billion in line with the completion of the Company's development projects.

The Company's Debt position by end of 2012 reached Rp Rp6,014 billion, an increase of 60% from Rp3,753 billion in 2011 mainly due to the additional bonds issuance.

Advances from Customers showed a 68% increase compared to the previous year reaching Rp3,994 billion in 2012, most of it from pre-selling activities of condominium units in both Kemang Village, The St. Moritz, and the Nine Residence.

Shareholders' Equity grew from Rp8,834 billion in 2011 to Rp10,656 billion in 2012. Retained Earnings also rose by 30% to Rp3,790 billion from Rp2,908 billion in 2011.

Liquidity and Capital Resources

Lippo Karawaci defines liquidity as its ability to generate sufficient funds from both internal and external sources to meet its obligations and commitments. In addition, liquidity includes the ability to obtain appropriate financing and to convert into cash those assets that are no longer required to meet existing strategic, financial objectives and the ability to expand the capital base of the REITs in which the Company has invested.

Historically, the Company has financed its capital requirements primarily through funds generated from its operations and financing from banks and other financial institutions. The primary capital requirements have been to finance purchases of land and construction of properties and to fund general working capital requirements.

The Company believes that it has sufficient capital resources from its operations and other financing from banks, financial institutions, and other lenders. The Company strives to maintain a minimum balance of cash and cash equivalents sufficient to cover operating expenses for a period of three to six months. In addition, Lippo Karawaci will continue our policy to pay a dividend with payout ratio of 25%-30% of net profits.

Hedging

Lippo Karawaci has hedged 100% of its foreign currency debts amounting to \$642.5 million through derivative contracts with three major international banks namely JP Morgan, Morgan Stanley, BNP Paribas and Nomura.

Solvability

The solvability ratio shows the ability of the Company in fulfilling its overall liabilities including its financial liabilities such as interest bearing liabilities. This ratio can be measured by comparing total liabilities to total assets, as well as by comparing total financial liabilities to equity (Debt to Equity Ratio).

Lippo Karawaci's solvability ratio based on the comparison of total liabilities and total assets as at 31 December 2012 and 31 December 2011 were 53% and 48% respectively. Whilst the solvability ratio of the Company based on the comparison of total debt and total equity were 56% as at 31 December 2012 and 42% as at December 2011.

In addition, its gearing ratio in 2012 was 0.25. It has been the Company's policy to keep this ratio below 1x level.

The solvability ratios of the Company are within a relatively moderate range and reflect a sufficient amount of Company assets and equity to cover total liabilities.

Rentability

Rentability ratio is defined as the ability of a company to produce profit within a certain period. It can be measured by calculating the net earning ratio, Return on Assets (ROA) ratio and Return on Equity (ROE) ratio.

Net Profit margin of the Company both in 2012 and 2011 were 17%. The Company's ROA both in 2012 and 2011 were 4%. The ROE ratios of the Company in 2012 and 2011 were 10% and 8% respectively.

An aerial night photograph of a city, likely Jakarta, showing a dense urban landscape with numerous lights from buildings and streets. A prominent feature is a multi-lane highway in the foreground, where the movement of vehicles has created long, vibrant light trails in shades of red, orange, and white. The sky above the city is a deep, clear blue, providing a stark contrast to the illuminated urban scene below.

Good Corporate Governance



Lippo Karawaci commits itself firmly to good corporate governance and recognizes its role as the foundation of a sustainable business and the key to creating value for shareholders. It also continuously strives for balance to serve the best interests of all who have a stake in the Company.

Implementation of GCG in Lippo Karawaci

High ethical standards, solid internal controls and consistency in policy implementation are crucial factors in achieving Good Corporate Governance (GCG). This is exactly how Lippo Karawaci has managed to enhance its GCG in line with Indonesia's best practices and uses these to achieve its goals of:

- Maximizing the Company's value through improved implementation of GCG principles throughout its entire activities.
- Assisting in the generation of a more professional and independent management to better maintain the Company's image.
- Cultivating a decision making process that is derived from high ethical standards and compliance with the law.
- Providing better opportunities to communities through its Corporate Social Responsibility (CSR) program.
- Promoting a favorable national investment climate especially in the fields of property and healthcare.

Transparency

The management of Lippo Karawaci views transparency as an important cornerstone in GCG and as such, strives to continuously upgrade its transparency practices in its financial reports, corporate actions and policies as well as in other materials generated by its activities. Management believes that appropriate transparency will enhance stakeholder trust in the Company and is therefore indispensable to Lippo Karawaci's long term success.

Access to the Company's relevant financial and non-financial information is made easy and the reports are adequately comprehensive, thus allowing stakeholders the opportunity to understand clearly the Company's condition.

Lippo Karawaci commits itself to full transparency by distributing key information as required by current regulations and disseminating public information through the Indonesian Stock Exchange's IDXNet facility, newspaper placements, public expose and roadshows sponsored by Indonesian or international securities companies. The Company also makes it a point to issue press releases to the media as well as to analysts in order to announce its achievements. The Company's website www.lippokarawaci.co.id serves as a vital link in the Company's information chain and, as such, is updated regularly for the benefit of all concerned parties. Company reports, statements and presentations may also be freely downloaded from the website.

Accountability

The Company highly promotes a culture of accountability by separating the functions, authority and responsibilities of each of its organs. These organs are: the General Meeting of Shareholders (GMS), the Board of Commissioners (BOC) and the Board of Directors (BOD). The respective authorities they hold can be found in the Company's Articles of Association.

The BOC's function, assisted by the Audit and Remuneration Committee, is to keep track of management and shareholder interests and maintain balance between them.

Responsibility

As a law-abiding corporate entity, the Company follows existing regulations and recognizes its responsibilities to the investors/creditors and to employees apart from its shareholders. The Company extends its responsibility beyond, to its customers, public and environment. The Company views these responsibilities as being vital to long-term business success and sustainability as well as being central to its image as a good corporate citizen.

Lippo Karawaci gives back to society and, in particular, the communities which make up its immediate environment through a Corporate Social Responsibility (CSR) Program. More comprehensive information on the Company's community development and environmental preservation programs can be found in the CSR section of this report.

Lippo Karawaci's sustainability is the direct result of its employees' performance. To maintain the high standard that the Company expects, it counts on the HR Division to equip, develop and empower them personally and professionally with all the tools necessary for them to excel at their specific tasks. The Company also makes it a point to identify and cultivate outstanding employees as well as those with leadership potential. The Company motivates its employees through a meritocracy system that rewards employees that perform well and contribute to the Company's success.

Another responsibility that Lippo Karawaci highly undertakes is the development of excellent products and services. The Company wishes to offer only the best value for their loyal customers and strives to continually set new benchmarks and impacting lives. Due to this unwavering commitment, Lippo Karawaci has garnered recognition and multiple awards from both domestic and international institutions. The full list of the awards for 2012 can be seen in this report.

Independence

Lippo Karawaci ensures that its different business units are independently and professionally managed in order to meet the demands and expectations of global, regional and domestic markets all the while keeping its GCG principles firmly in mind.

Lippo Karawaci's GCG principles is reflected in its established codes of conduct which was formalized in 2000 and renewed in 2005. These rules serve as effective guides to how everyone belonging to the Lippo Karawaci family should work and act. The codes of conduct also carry a specific section discussing independence, and conflict of interest. It is expected that through these guidelines, conflicts of interest can be avoided and decisions be made objectively.

Fairness

To ensure fairness at all times, Lippo Karawaci follows a principle of equality in all its actions. This requires it to always take into consideration the interests of its shareholders as well as others who have a stake in the Company. To facilitate this, the Company gives all stakeholders a means of obtaining Company information by giving them open access to Company data or to provide feed back on the Company's product and services through the Company's website.

Lippo Karawaci adopts equal opportunity in recruitment of employees and in career development throughout all levels in the organization and across all business units. The Company provides a conducive environment for its employees to carry out their duty professionally and rewards employees that perform well and contribute to the Company's success through meritocracy system supported by an objective appraisal tools.

Incorporation of Global Business Community Standards

Lippo Karawaci recognizes that enterprise drives increased productivity and development. It also is very much aware that domestic and foreign commerce and investments, whether large or small, are central to building prosperous societies. With these facts in mind, the Company faces head on the need for its corporate government to identify and meet the regulations of global business standards. Currently, the Company is monitoring and studying developments in global business practices in corporate governance and is in the process of weaving them into its existing framework.

Corporate Governance Structure and Framework

At the core of Lippo Karawaci's GCG structure lie the GMS, BOC and BOD. These bodies ensure that the Company's GCG principles are properly implemented throughout the entire range of Lippo Karawaci's operational and strategic activities. Each body has a specific authority and works independently of the others to serve their respective mandates and responsibilities.

General Meeting of Shareholders (GMS)

The company held a total of 1 GMS for the year, which is the Annual General Meeting of Shareholders (AGM), held on 5 April 2012.

The AGM was attended by 18,766,715,891 shares or 82.077% of 22,864,835,119 shares which constituted the total issued shares less the treasury stock up to the recording date of the AGM.

The decisions were drawn through consensus or majority voting of the quorum are as follows:

Agenda 1

1. To approve and ratify the Annual Report of the Company on its position and course of its business actions including among others the Company's Financial Statements for the year ended December 31, 2011, covering the business activities derived from the Company's main business activities and the Supervisory Duty Report of the Board of Commissioners.
2. To approve and ratify the Consolidated Financial Statements of the Company and subsidiaries for the fiscal year ended December 31, 2011 audited by the Accounting Firm Aryanto, Amir Jusuf, Mawar and Saptoto with an unqualified opinion as stated in its report No: R/081.AGA/dwd.3/2011 dated February 17, 2012.
3. To grant full release and discharge to the Board of Directors and the Board of Commissioners for the management and supervision conducted during the fiscal year ended December 31, 2011 (acquitted de charge), provided that those actions including the actions relating to the business activities derived from the Company's main business activities are reflected

in the Financial Statements and considering the Directors Report for the year ended December 31, 2011 as well.

Agenda 2

1. To approve the distribution of final cash dividend amounting to a total of Rp177,500,000,000 (one hundred seventy seven billion five hundred million Rupiah) which represents 25% of Net Income After Tax.
2. To approve the disbursement of cash dividend by applying the dividend tax deduction pursuant to the prevailing tax regulation.
3. To approve and resolve that Rp1,000,000,000 (one billion Rupiah) be allocated as the reserved fund as referred to in Article 70 of Law No. 40 of 2007 regarding the Limited Liability Company.
4. To approve that the remaining Net Income after deducting the dividend and the reserved fund amounting to Rp529,782,328,610 (five hundred twenty nine billion seven hundred eighty two million three hundred twenty eight thousand six hundred and ten Rupiah) be recorded as the Company's Retained Earnings.
5. To approve and grant full power and authority with the right of substitution to the Company's Directors to determine the schedule and procedure of the execution of dividend distribution as referred to in item 4 above and to announce it pursuant to the applicable laws and regulations including to determine the date of "cum and ex dividend".

Agenda 3

To grant the authority to the Company's Board of Commissioners to appoint an Independent Public Accountant that is registered in Bapepam and LK and has good reputation to conduct an audit of the Company's books for the fiscal year ended December 31, 2012 and to give full authority to the Company's Board of Directors to set the fee and other terms of the appointment.

Agenda 4

1. To appoint and determine the members of the Board of Directors, Board of Commissioners and the Independent Commissioners of the Company as with the following structure:

The Board of Commissioners	
President Commissioner	Theo L. Sambuaga
Vice President Commissioner and Independent Commissioner	Surjadi Soedirdja
Independent Commissioner	Tanri Abeng
Independent Commissioner	Agum Gumelar
Independent Commissioner	Farid Harianto
Independent Commissioner	Jonathan L. Parapak
Commissioner	Viven Gouw Sitiabudi

The Board of Directors	
President Director	Ketut Budi Wijaya
Director	Tjokro Libianto
Director	Jopy Rusli
Director	E. Yudhistira Susiloputro
Director	Djoko Harjono
Director	Roberto Fernandez Feliciano
Director	Ivan Setiawan Budiono
Non-affiliated Director	Jenny Kuistono

The appointment and determination of the members of the Board of Directors, Board of Commissioners and the Independent Commissioners of the Company is effective as of closing of the Meeting until the expiry of the tenure of the members of the Board of Directors and the Board of Commissioners of the Company pursuant to the Article of Association of the Company.

2. To grant the authority and power with the substitution rights to the Board of Directors of the Company acting severally or collectively to execute any action required relating to the abovementioned resolutions, including but not limited to stating the appointment of the Board of Directors, the Board of Commissioners and the Independent Commissioners of the Company in a Notarial deed, submitting a notification to the Minister of Law and Human Rights of the Republic of Indonesia and registering the structure of the said Board of Commissioners and the Board of Directors in the Company's Registration pursuant to the prevailing law and regulation.
3. To approve and to grant the authority to the Remuneration Committee of the Company to set the compensation, allowance and other facilities for the Board of Commissioners and the Board of Directors of the Company.

Agenda 5

To approve the Accountability Report of the Use of Proceeds from the Right Issue III as reported to Bapepam and LK by letter No. 001/LK-COS/I/2012 dated January 13, 2012.

Board of Commissioners (BOC)

It is the responsibility of the BOC to exercise supervisory control over the Board of Directors' (BOD) management of the Company. It dispenses advice as well as monitors and evaluates the implementation of strategic policies as well as ensures that GCG and risk management practices are effectively implemented throughout the scope of the Company's operations.

Lippo Karawaci's Articles of Association stipulates that the BOC be made up of at least three members. Considering the Company's broad scope and the resulting complexities of operations, the AGMS held on 5 April 2012 reappointed the BOC, composed of the following:

The Board of Commissioners

President Commissioner : Theo L. Sambuaga
 Vice President Commissioner
 and Independent Commissioner : Surjadi Soedirdja
 Independent Commissioner : Tanri Abeng
 Independent Commissioner : Agum Gumelar
 Independent Commissioner : Farid Harianto
 Independent Commissioner : Jonathan L. Parapak
 Commissioner : Viven Gouw Sitiabudi

Five of the seven appointed members of the BOC are Independent Commissioners and all of those chosen to the BOC have met all the criteria set by law, Bapepam-LK's regulations and the Company's Articles of Association. The standards followed for the selection require that the candidate:

- Posses good moral character
- Be capable of performing legal actions
- Must never have been declared bankrupt or have been a member of a BOC or BOD judged to cause the bankruptcy of a company and
- Must never have been sentenced for a criminal offense which caused financial loss to the state in the five years prior to his appointment.

The criteria set for becoming an Independent Commissioner refer to the Regulation of Bapepam-LK No. IX.I.5. These state that a candidate:

- Must not be an party working for or having an authority and responsibility to plan, lead, control or monitor the activity of the to the Listed or Public Company in the past 6 (six) months;
- Does not directly or indirectly own the shares of the Listed or Public Company
- Is not affiliated to the Listed or Public Company, a member of the BOC or BOD or a majority shareholder of the Listed or Public Company and
- Does not own a business directly or indirectly linked with the main activity of the Listed or Public Company

The BOC's authority is stipulated in the Company's AoA and granted to it by the GMS and its tasks and responsibilities are as follows:

- To supervise the BOD's undertaking of the overall management of the Company, as well as its businesses, and to provide advice to the BOD.
- To perform specific duties as mandated by the Company's Articles of Association, prevailing regulations and/or pertaining to the decisions drawn up in the GMS, such as appointment of the Public Accountant for the Company.
- To provide guidance, to monitor and to evaluate the implementation of the Company's strategic policies.
- To apply and ensure implementation of risk management and GCG principles in every activity of the Company to achieve a sustainable growth.
- To evaluate the annual work plan proposed by the BOD to ensure that the work plan is in line with the Company's vision, mission, and roadmap of long-term growth.
- To support and encourage the development of the Company's management and business.
- To execute its tasks and responsibilities independently without any conflict of interest which may affect the quality of its decision, as part of the GCG practice.

As a form of accountability for their duties and authorities, the BOC prepares a Supervisory Assignment Report on their supervisory role conducted throughout one fiscal year to be reported to the shareholders and subsequently endorsed by the AGMS.

BOC Meetings

A. Implementation Procedures

It is mandated that BOC Meetings should be based on necessity, and convene at least once a year. In 2012, the BOC convened a total of 8 (eight) BOC meetings. The schedule, agenda, venue and list of attendees of the BOC members in the meetings are presented in the table Meetings of the BOC in 2012.

B. Chairmanship of the BOC Meeting

The President Commissioner chairs every BOC meeting. In his the absence, the BOC Meeting shall be chaired by a commissioner who is nominated by and from the BOC in attendance.

C. Attendance and Legitimacy

A member of the BOC may be represented in a BOC Meeting only by another member of the BOC by means of a power of attorney . A BOC Meeting is valid and shall be entitled to adopt binding resolutions if more than ½ (half) of the BOC members are in attendance or represented in the meeting.

D. Decision Making

Resolution of the BOC Meetings shall be drawn up based on mutual consensus. In the event that mutual consensus fails to be reached, the resolution shall be drawn by casting votes based on the approval of more than ½ (half) from the valid total votes cast in the meeting. Where the number of votes in favor for and against the decision is equal, the decision shall then be at the discretion of the Chairman of the BOC Meeting.

BOC appoints and forms supporting committees to assist the BOC in carrying out their duties in an effective and efficient manner.

Lippo Karawaci's BOC maintains Audit Committee and Remuneration Committee to perform specific functions and tasks as directed by the BOC.

At present a specific risk management committee has yet to be formed so until such time, this aspect is being handled by the Audit Committee.
A separate Nomination Committee is being run by the Remuneration Committee.

Y 2012 BOC Meeting Agenda and Attendance List

No.	Date/Venue	Meeting Agenda	TLS	SS	TA	AG	FH	JP	VS
1	31 January 2012 Lippo Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 13 December 2011. 2. Corporate Updates. 3. Others.	1	1	1	1	1	1	1
2	20 March 2012 Lippo Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 31 January 2012. 2. 2011 Full Year Financial Performance. 3. Healthcare Division Updates. 4. Others.	1	1	1	0	1	1	1
3	24 April 2012 Lippo Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 20 March 2012. 2. Q1 Financial Performance. 3. Updates from BoD. 4. Others.	1	1	1	1	1	1	1
4	18 June 2012 Lippo Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 24 April 2012. 2. Hospitality Division Updates. 3. Others.	1	1	1	1	1	1	1
5	27 July 2012 Lippo Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 18 June 2012. 2. Q2 Financial Performance. 3. Report and Updates from Board of Directors. 4. Others.	1	1	1	1	1	1	1
6	21 September 2012 Kemang Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 27 July 2012. 2. Corporate Updates. 3. Lippo Homes Presentation. 4. Others.	1	1	1	1	1	1	1
7	30 October 2012 Kemang Village	1. To confirm the minutes of Board of Commissioners' Meeting held on 21 September 2012. 2. To approve the Financial Results for nine months ended 30 September 2012. 3. Report and Updates from Board of Directors. 4. Others.	1	1	1	1	1	1	1

Y 2012 BOC Meeting Agenda and Attendance List

No.	Date/Venue	Meeting Agenda	TLS	SS	TA	AG	FH	JP	VS
8	12 November 2012 Aryaduta Hotel Jakarta	1. To confirm the minutes of Board of Commissioners' Meeting held on 30 October 2012. 2. To approve 2013 Budget. 3. 2012 Forecast. 4. Report and Updates from Board of Directors. 5. Others.	1	1	1	1	1	1	1

TLS - Theo L. Sambuaga; SS - Surjadi Soedirdja; TA - Tanri Abeng; AG - Agum Gumelar; FH - Farid Harianto; JP - Jonathan L. Parapak; VS - Viven Gouw Sitiabudi
 0 - Absent, 1 - Attend

Audit Committee

The Audit Committee is tasked to assist the BOC in:

1. Improving the quality of financial reports prepared by the management of the Company, especially with regard to compliance with transparency and reporting standards.
2. Monitoring and improving the effectiveness of internal and external audits in order to create a disciplined environment that resists any distortion in company management by empowering the role of internal and external audit.
3. Reviewing the performance of the Public Accountant particularly scope, accuracy, independence and objectivity.
4. Identifying matters that require the BOC's attention by reviewing the internal audit reports and monitoring the corrective actions following the audit findings.
5. Evaluating and empowering the role of risk management to mitigate the Company's risks
6. Ensuring that the financial statements of the Company comply with generally accepted accounting principles and that an internal auditing system as well as financial reporting procedures are adequately incorporated and applied.

In order to support the functions of the Audit Committee, its members are authorized to:

- a. secure important and relevant information such as internal audit reports through communication, discussion or meeting with the Company's Internal Audit at any time.
- b. coordinate and meet with external auditor to review significant or material findings or the possibility of any pitfall for the external auditor to perform its audit assignment.
- c. request for explanation from the BOD.

The members of the Audit Committee as of 31 December 2012 (appointed on 5 April 2012) are:

Chairman : Farid Harianto

Member : Siswanto

Member : Jeffrey Turangan*

* Jeffrey Turangan passed away on 7 December 2012 and was reported to Bapepam-LK by letter no. 276/LK-COS/XII/2012 dated December 10, 2012.

In 2012, the Audit Committee convened 5 (five) meetings with the agenda and attendance list as follows:

List of 2012 Audit Committee Meetings Agenda and Attendance

No.	Date	Meeting Agenda	JLP	LKT	IRA
1	20 March 2012	<ol style="list-style-type: none"> To confirm the minutes of Audit Committee Meeting held on 24 October 2012. 2011 Full Year Financial Performance (presented by External Auditor from Aryanto Amir Jusuf, Mawar & Saptoto Public Accountant Office). To approve the Financial Results for Y2011 ended 31 December 2011, to be submitted to Bapepam and IDX. Working Plan of the company's Internal Audit for the year 2012 (presented by Internal Audit). Others. 	1	1	1

JLP - Jonathan L. Parapak; LKT - Lie Kwang Tak; IRA - Isnandar Rachmat Ali (0 - Absent; 1- Attend)
The Audit Committee appointed on April 5, 2012.

No.	Date	Meeting Agenda	FH	JT	SP
2	24 April 2012	<ol style="list-style-type: none"> To confirm the minutes of Audit Committee Meeting held on 20 March 2012. To discuss the financial report for the 3 (three) months ended on 31 March 2012. Others. 	1	1	1
3	18 June 2012	<ol style="list-style-type: none"> To confirm the minutes of Audit Committee Meeting held on 24 April 2012. Focus of Audit Committee for the year 2012/2013. Others. 	1	1	1
4	27 July 2012	<ol style="list-style-type: none"> To confirm the minutes of Audit Committee Meeting held on 18 June 2012. To discuss the financial report for the 6 (six) months ended on 30 June 2012. Others. 	1	1	1
5	30 October 2012	<ol style="list-style-type: none"> To confirm the minutes of Audit Committee Meeting held on 27 July 2012. To discuss the financial report for the 9 (nine) months ended on 30 September 2012. Others. 	1	1	1

FH - Farid Harianto; JT - Jeffrey Turangan; SP - Siswanto Pramono; (0 - Absent; 1- Attend)

Remuneration Committee

The Remuneration Committee was established to assist BOC in upgrading the quality and standards of company management. This committee is tasked to develop accurate mechanisms for nomination and remuneration for the Company's workforce based on the Company's principle of meritocracy as well as for contributions to the Company's growth. This committee is also mandated to ensure improvements in the Company's GCG practices, particularly on the Fairness principles.

As of 31 December 2012 the following individuals comprise the Remuneration Committee:

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

To determine the proper remuneration for the members of BOC and BOD, the Remuneration Committee follows these procedures:

- The Committee reviews the remuneration of the BOC and BOD members while taking note of the work scope, and each member's responsibility.
- The remuneration packages is designed with a purpose to reflect appreciation for the member's position as well as to convey expectations of outstanding performance.

3. The Committee evaluate the adoption of meritocracy system in order to encourage better performance.
4. The Committee, as authorized by the GMS, sets the remuneration amount for each member of the BOC and BOD through a Remuneration Committee meeting or by written consent of all Remuneration Committee members.
5. The Committee reports the decision on the amount of remuneration given to the BOC and BOD to the BOC for presentation to the GMS.

In 2012, the Remuneration Committee convened 1 (one) meeting to review the remuneration of the Commissioners and the Board of Directors and approved the remuneration of Rp36,044,707,147 to the Board of Commissioners and the Board of Directors.

Board of Directors (BOD)

The BOD is a core component of the Company and shall manage and lead the Company in accordance with the purposes and objectives of as stipulated in the Article of Association of the Company as well as ensuring that all assets and resources are functioning at peak capacity. The BOD performance is measured with the increasing operational profitability while maintaining Lippo Karawaci's sustainable growth.

1. The duties, responsibilities and authorities of the BOD, as governed by the Company's Articles of Association, are to:
 - Manage the Company and its assets
 - Apply risk management and GCG principles in all activities for the entire level of organization
 - Form an effective organizational structure that espouses fair and equal division of tasks in support of the Company's expansion.

BOD represent the Company before or outside the courts of justice for all matters and in any events, bind the Company with other party or other party with the company and execute all management or ownership act. However, there is a limit to the BOD's authority:

- A. Matters reserved for BOC approvals:
 - a. To lend money from or lend out money on behalf of the Company (excluding withdrawal of funds from approved credit facilities and in the normal course of undertaking the Company's operational activities).

- b. To purchase/sell or obtain/release the rights of immovable goods owned by the Company, except in the normal course of undertaking the Company's operational activities.
- c. To encumber/guarantee in any form of the Company's immovable goods.
- d. To take part in an capital participation or release capital participation in other company.
- e. To transfer and/or release its rights or pledge the Company's assets as a security for a loan comprises more than 50% of the Company's nett worth in one or more related or unrelated transaction within a period of 1 (one) financial year.

B. Matters reserved for GMS' approval:

- a. To undertake Material Transaction or Conflict of Interest Transaction pursuant to the related regulations in the capital markets.
- b. To transfer or pledge as a security for a loan all or more than 50% of the Company's entire net assets in either 1 (one) or more related or unrelated transactions within a period of 1 (one) financial year, save for the event when it is a normal course of business of the Company.
- c. To amend the Company's Articles of Association.
- d. To undertake a merger, amalgamation, acquisition, dissolution or liquidation of the Company.

The BOD members perform their duties on behalf of the Company and make their decisions in accordance with the division of tasks and authority. However, the tasks implemented by the individual members of the BOD are acknowledged as a collective responsibility.

2. BOD Structure, Membership Criteria and Terms of Office.

The current BOD was appointed during the AGMS held on 5 April 2012. The BOD is made up of one President Director and seven members who are charged with the efficient and effective management of the Company. This body was given its mandate after having considered the extensive requirements needed to manage the Company as well as the complexity of the Company's businesses.

The BOD is composed of:

President Director	: Ketut Budi Wijaya
Director	: Tjokro Libianto
Director	: Jopy Rusli
Director	: E. Yudhistira Susiloputro
Director	: Djoko Harjono
Director	: Roberto F. Feliciano
Director	: Ivan S. Budiono
Non-affiliated Director	: Jenny Kuistono

The members of the BOD are required to meet specific criteria as stated in Article 15 of the Company's Articles of Association. The member should:

- Possess good moral character
- Be capable of performing legal actions
- Never have been declared bankrupt or be a member of a BOD or BOC who is judged to have caused the bankruptcy of a Company and
- Never have been sentenced for a criminal offense which caused financial loss to the state in the past 5 (five) years prior to his appointment.

Any 2 (two) directors collectively may act for and on behalf of the Directors to represent the Company.

3. Conflict of Interest

Should there be a conflict of interest between the Company and a member of the BOD, another member of the BOD will be assigned to represent the Company. In cases where the entire BOD is deemed to have a conflict of interest with the Company, a member of the BOC will then be assigned to represent the Company.

Any actions undertaken by BOD members that will compromise the Company's profits are strictly prohibited and the directors are obliged to declare any conflicting interests in all their undertakings.

4. BOD Meetings

a. Implementation Procedures

A BOD Meeting is convened when deemed necessary by its members and among others, whenever a strategic policy and decision as well as financial report and performance of the Company require decisions to be made.

b. Chairmanship of the BOD

The BOD is chaired by the President Director or another member of the BOD who is appointed by members of the BOD in attendance of the Meetings.

c. Decision-making

All decisions made by the BOD Meetings are reached based on the principle of consensus. Unless it cannot be reached, decisions are made by casting a vote to obtain more than ½ (half) of the entire amount of legitimate votes in the Meeting. Where the number of votes in favor for and against the decision is equal, the decision shall then be at the discretion of the Chairman of the BOD Meeting.

Schedule of 2012 BOD Meeting

The BOD has convened 10 meetings during 2012. The schedule, agenda and attendance list of the meeting are:

Y 2012 BOD Meeting Agenda and Attendance List

No.	Date	Meeting Agenda	KBW	TL	JR	YES	DH	RF	IB	JK
1	16 January 2012	1. BoD Meeting schedule for Y2012. 2. 2012 Corporate Information. 3. Other Topics.	1	1	1	1	1	0	1	*
2	6 February 2012	1. To confirm the minutes of Board of Directors Meeting held on 16 January 2012. 2. Lippo Homes. 3. Other Topics.	1	1	1	1	1	0	1	*
3	10 April 2012	1. To confirm the minutes of Board of Directors Meeting held on 6 February 2013. 2. Bonds Issuance Corporate Action. 3. Other Topics.	1	1	1	1	1	1	1	1

Y 2012 BOD Meeting Agenda and Attendance List

No.	Date	Meeting Agenda	KBW	TL	JR	YES	DH	RF	IB	JK
4	23 April 2012	1. To confirm the minutes of Board of Directors' Meeting held on 10 April 2012. 2. Approval of Financial Statements for three months ended 31 March 2012. 3. Other Topics.	1	1	1	1	1	1	1	1
5	7 May 2012	1. To confirm the minutes of Board of Directors' Meeting held on 23 April 2012. 2. Corporate Updates re: Bonds Issuance. 3. Other Topics.	1	1	1	1	1	1	1	1
6	4 June 2012	1. To confirm the minutes of Board of Directors' Meeting held on 7 May 2012. 2. Corporate Updates. 3. Hospitality Division. 4. Other Topics.	1	1	1	1	1	1	1	1
7	23 July 2012	1. To confirm the minutes of Board of Directors' Meeting held on 4 June 2012. 2. Corporate Update. 3. Approval of Financial Statements for six months ended 30 June 2012. 4. Other Topics.	1	1	1	1	1	1	1	1
8	3 September 2012	1. To confirm the minutes of Board of Directors' Meeting held on 23 July 2012. 2. Corporate Update. 3. Pipeline projects discussion. 4. Other Topics.	1	1	1	1	1	1	1	1
9	1 October 2012	1. To confirm the minutes of Board of Directors' Meeting held on 3 September 2012. 2. Malls. 3. Homes. 4. Other Topics.	1	1	1	1	1	0	0	1
10	29 October 2012	1. To confirm the minutes of Board of Directors' Meeting held on 1 October 2012. 2. Approval of Financial Statements for nine months ended 30 September 2012. 3. Other Topics.	1	1	1	1	1	1	1	1

KBW - Ketut Budi Wijaya; **TL** - Tjokro Libianto; **JR** - Jopy Rusli; **YES** - E. Yudhistira Susiloputro; **DH** - Djoko Harjono;

RF - Roberto F. Feliciano; **IS** - Ivan S. Budiono; **JK** - Jenny Kuistono

0 - Absent, **1** - Attend

* Ibu Jenny Kuistono was appointed as Non-Affiliated Director on 5 April 2012

Internal Audit

The Internal Audit Division is charged with the task of internal control and risk management in the context of Good Corporate Governance practices. At this time, the Company has not formed a committee to manage risk control, and the Internal Audit is assigned to also perform risk management function.

The Internal Audit Division is also tasked to actively assist the Audit Committee in monitoring, evaluating and providing recommendations for internal control as well as in identifying problems and preventing or reducing the Company's exposure to risk.

The Internal Audit Division's main role lies in the assessment of whether or not the Company's internal control systems are functioning as they should. To gauge this, the Internal Audit Division analyzes a variety of parameters which include but are not limited to the assessment of adherence to all established regulations, policies, work plan and budget set up by the BOD, the assessment of the efficiency and effectiveness of the operational performance, investigation of any possibility of discrepancy, fraud or misused authority, identification, risk mapping and effectiveness of each business units in managing and mitigating risk and review of the financial reporting procedure to ensure a timely reporting and compliance with the prevailing regulation and guidelines.

The tasks assigned to the Internal Audit division are based on an annual work plan approved by the President Director and the Audit Committee. The Internal Audit Committee is also tasked out special examinations upon the discretion of the President Director.

In the performance of its duties, the Internal Audit Division follows an Internal Audit Charter that has been approved by the Audit Committee. The charter takes into account the Internal Audit Code of Ethics as well as the Professional Practices Standard of Internal Audit and other pertinent regulations.

The activities of the Internal Audit Committee are reflected on a report that it submits to the President Director and the Audit Committee. Periodic meeting are held by these parties in order to discuss and review the Internal Audit reports. The Audit Committee covers meetings and discussions of the internal audit for the BOC and gives feedback on its supervisory function.

In 2012, the Internal Audit convened 67 meetings with management of the operation divisions, and held 5 meetings with the Audit Committee. In the meetings, the Internal Audit highlighted the findings found during the audit and followed up the recovery actions taken by the management of the relevant division. In the meetings with the Audit committees, the internal audit reported their review of the quarterly, semester or annual financial statements, the findings and recommendation and the working plan of next term.

On 31 December 2012, Head of the Internal Audit Division was held by Arthur F. Kalesaran who is appointed by the BOC and BOD on 5 April 2012. There are 8 members of Internal Audit team who are fully dedicated and competent.

Independent Auditor

The 5 April 2012 AGMS gave authority to the BOC to commission the services of an independent public accountant to audit the Company's financial statements ending 31 December 2012. Only Independent Public Accountants listed in good standing with Bapepam-LK were considered for the post.

The directive to hire an independent accounting firm was implemented through the commissioning of Aryanto, Amir Jusuf, Mawar & Saptoto Public Accountant Firm to audit the Company's financial statements ending 31 December 2012.

As stated in their report No. R/151.AGA E/bna.1/2013 dated 25 March 2013, Aryanto, Amir Jusuf, Mawar & Saptoto Public Accounting Firm provided an unqualified opinion for the Consolidated Financial Statements For the Year Ended 31 December 2012 of PT Lippo Karawaci Tbk and subsidiaries.

Apart from auditing the Company's and subsidiaries Consolidated Financial Statements For the Year Ended 31 December 2012, Aryanto, Amir Jusuf, Mawar & Saptoto Public Accounting Firm was also engaged in performing a limited review on the Company's and subsidiaries Consolidated Financial Statements for the period ended 31 March 2012, 30 June 2012 and 30 September 2012 respectively.

Communication

Lippo Karawaci holds its shareholders and investors in the highest regard and inevitable part of the sustainable business growth. The Company makes all information and updates pertaining to the performance easily accessible on its website www.lippokarawaci.co.id. Inquiries may also be directed to:

PT. Lippo Karawaci Tbk
Phone: +62 21 2566 9000
Fax: +62 21 2566 9098 / 99
E-mail: corsec@lippokarawaci.co.id

Corporate Secretary

The Corporate Secretary holds a frontline position and is critical in ensuring transparency and compliance in the Company. It is also a responsibility of the Corporate Secretary's to maintain good relations and strategic partnerships with the shareholders, capital market authorities, mass media and the public. The Corporate Secretary also monitors the Company's compliance with the capital market's rules and regulations and the Company's Articles of Association.

Another function of the Corporate Secretary is to provide assistance to the BOC and the BOD in ensuring GCG practices are followed throughout the Company's business activities as well as corporate actions.

The position of Corporate Secretary has been held by Mrs. Jenny Kuistono since 2004.

List of The Corporate Secretary's Correspondences with Capital Market Authority During Y2012

No	Date	Reference No.	Destination	Subject	Regulation
1	13 January 2012	001/LK-COS/I/2012	Bapepam - LK IDX	Realization Report of the usage of Right Issue Funds as of 31 December 2011.	Bapepam Regulation No. X.K.4 regarding Realization Report of the usage of Right Issue Funds.
2	13 January 2012	002/LK-COS/I/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 31 December 2011.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
3	13 January 2012	005/LK-COS/I/2012	Bapepam - LK IDX	Report on the Company's Share Buyback as of 31 December 2011.	Bapepam Regulation No. XI.B.2 regarding Share Buyback issued by the Issuer or Public listed Company.
4	18 January 2012	011/LK-COS/I/2012	Bapepam - LK	Request of Copy of Documents in relation with Realization Report of the usage of Right Issue Funds as of 30 September 2011.	Bapepam Regulation No. X.K.4 regarding Realization Report of the usage of Right Issue Funds.
5	20 January 2012	014/LK-COS/I/2012	Bapepam - LK	Request of Copy of Documents in relation with Report of the Company's Share Buyback.	Bapepam Regulation No. XI.B.2 regarding Share Buyback issued by the Issuer or Public listed Company.
6	6 February 2012	028/LK-COS/II/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 31 January 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
7	9 February 2012	032/LK-COS/II/2012	Bapepam - LK IDX	Explanation on "Company's Share Buyback".	Bapepam Regulation No. XI.B.2 regarding Share Buyback issued by the Issuer or Public listed Company.
8	28 February 2012	038/LK-COS/II/2012	Bapepam - LK IDX	Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.

List of The Corporate Secretary's Correspondences with Capital Market Authority During Y2012

No	Date	Reference No.	Destination	Subject	Regulation
9	2 March 2012	040/LK-COS/III/2012	IDX Bapepam - LK	Submission of Press Release "LPKR Rating Raised to 'Bb-' from 'B+' on Expectation of Better Performance."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
10	6 March 2012	043/LK-COS/III/2012	Bapepam - LK IDX	Proof of Announcement of Information of the Annual General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Article 12 of the Company's Article of Association.
11	7 March 2012	045/LK-COS/III/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 28 February 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
12	19 March 2012	053/LK-COS/III/2012	Bapepam - LK	Annual General Meeting of Shareholders and Extraordinary General Meeting of Shareholders of PT Lippo Karawaci Tbk (in regards to Bapepam-LK's letter No. S-2928/BL/2012).	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.
13	21 March 2012	056/LK-COS/III/2012	Bapepam - LK IDX	Submission of PT Lippo Karawaci Tbk 2011 Annual Report.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
14	21 March 2012	057/LK-COS/III/2012	Bapepam - LK IDX	Proof of announcement of the Consolidated Financial Statement as of 31 December 2011.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
15	21 March 2012	058/LK-COS/III/2012	Bapepam - LK IDX	Proof of Invitation to the Annual General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Article 12 of the Company's Article of Association.
16	22 March 2012	060/LK-COS/III/2012	IDX Bapepam - LK	Submission of Press Release "LPKR Audited FY2011 Results Revenues & Profits Up 34% & 35%. Healthcare contributes 30% to Revenues."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
17	4 April 2012	084/LK-COS/IV/2012	Bapepam - LK IDX	Announcement of the Information Disclosure regarding Report of Share Ownership.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
18	5 April 2012	086/LK-COS/IV/2012	Bapepam - LK IDX	Head of Internal Audit.	Bapepam Regulation No. Kep-29/ PM/2004 dated 24 September 2004 regarding Establishment and Implementation Guidelines of Audit Committee.
19	5 April 2012	087/LK-COS/IV/2012	IDX Bapepam - LK	Result of the Annual and Extraordinary General Meeting of Shareholders of PT Lippo Karawaci Tbk held on 23 February 2011.	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.
20	5 April 2012	085/LK-COS/IV/2012	Bapepam - LK IDX	Submission of Press Release "LPKR Pays Total Dividend Rp 177.5 Billion, Rp 7.72 share, Final Pay out Ratio of 25.06%."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
21	9 April 2012	089/LK-COS/IV/2012	Bapepam - LK	Proof of the announcement of Result of the Annual and Extraordinary General Meeting of Shareholders of PT Lippo Karawaci Tbk.	Bapepam Regulation No. IX.I.1 regarding Planning and Conducting the General Meeting of Shareholders.
22	9 April 2012	090/LK-COS/IV/2012	Bapepam - LK	Audit Committee of PT Lippo Karawaci Tbk.	Bapepam Regulation No. Kep-29/ PM/2004 dated 24 September 2004 regarding Establishment and Implementation Guidelines of Audit Committee.

List of The Corporate Secretary's Correspondences with Capital Market Authority During Y2012

No	Date	Reference No.	Destination	Subject	Regulation
23	10 April 2012	100/LK-COS/IV/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 31 March 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
24	13 April 2012	105/LK-COS/IV/2012	Bapepam - LK IDX	Realization Report of the usage of Right Issue Funds as of 31 March 2011.	Bapepam Regulation No. X.K.4 regarding Realization Report of the usage of Right Issue Funds.
25	26 April 2012	123/LK-COS/IV/2012	Bapepam - LK IDX	Explanation of the change of Internal Audit Head.	Bapepam Regulation No. Kep-29/ PM/2004 dated 24 September 2004 regarding Establishment and Implementation Guidelines of Audit Committee.
26	27 April 2012	125/LK-COS/IV/2012	IDX Bapepam - LK	Planning of Limited review on Financial Report of PT Lippo Karawaci Tbk ("Company") for the period ended 31 March 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
27	9 May 2012	130/LK-COS/V/2012	IDX Bapepam - LK	Submission of Press Release "Fitch Upgrades LPKR to Bb- ; Outlook Stable."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
28	9 May 2012	131/LK-COS/V/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 30 April 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
29	11 May 2012	133/LK-COS/V/2012	IDX Bapepam - LK	Submission of Press Release "LPKR Successful Pricing of US\$ 150 Million Senior Notes. Investors Chase Bonds Despite Aggressive Pricing."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
30	21 May 2012	140/LK-COS/V/2012	Bapepam - LK	The Announcement of the Information Disclosure of PT Lippo Karawaci Tbk regarding Transaction on 16 May 2012.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
31	29 May 2012	146/LK-COS/V/2012	IDX Bapepam	Consolidated Financial Statement of PT Lippo Karawaci Tbk and subsidiaries for the period ending 31 March 2011.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
32	29 May 2012	147/LK-COS/V/2012	IDX Bapepam - LK	Submission of Press Release "LPKR Q1 YoY Revenues & Profits Up 33% & 51%. Hospitals Revenue Up 40%."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
33	1 June 2012	150/LK-COS/VI/2012	IDX Bapepam - LK	Submission of Press Release "Stand-alone "Edge City" Lippo Village Achieves FIABCI International Urban Award 2012."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
34	1 June 2012	152/LK-COS/VI/2012	IDX Bapepam - LK	Submission of Press Release "Siloam Opens US\$ 40 Million 290 Bed Modern Hospital in Manado to serve Sulawesi and the East."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
35	8 June 2012	159/LK-COS/VI/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 30 May 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
36	10 July 2012	172/LK-COS/VII/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 30 June 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
37	11 July 2012	173/LK-COS/VII/2012	IDX Net e-reporting	Explanation to BEI in respond to their letter No. S-04949/ BEI.PPJ/07-2012 dated 10 July 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.

List of The Corporate Secretary's Correspondences with Capital Market Authority During Y2012

No	Date	Reference No.	Destination	Subject	Regulation
38	13 July 2012	174/LK-COS/VII/2012	Bapepam - LK IDX	Realization Report of the usage of Right Issue Funds as of 30 June 2011.	Bapepam Regulation No. X.K.4 regarding Realization Report of the usage of Right Issue Funds.
39	13 July 2012	175/LK-COS/VII/2012	Bapepam - LK IDX	Report on the Company's Share Buyback as of 30 June 2012.	Bapepam Regulation No. XI.B.2 regarding Share Buyback issued by the Issuer or Public listed Company.
40	31 July 2012	188/LK-COS/VII/2012	Bapepam - LK IDX	Consolidated Financial Statement of PT Lippo Karawaci Tbk and subsidiaries for the period ending 30 June 2011.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
41	31 July 2012	189/LK-COS/VII/2012	Bapepam - LK IDX	Proof of announcement of the Consolidated Financial Statement as of 30 June 2011.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
42	31 July 2012	190/LK-COS/VII/2012	IDX Bapepam - LK	Submission of Press Release "LPKR 1st Half 2012 Results : Revenues 7 Profits Up 28% & 47% YoY. Hospital Revenues Up 37%."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
43	31 July 2012	191/LK-COS/VII/2012	IDX	Explanation of 20% Analyze of Change of PT Lippo Karawaci Tbk Financial Report for the period ended 30 June 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
44	1 August 2012	192/LK-COS/VIII/2012	Bapepam - LK IDX	Cash Dividend Distribution.	IDX Regulation No. II-A Kep-565/ BEJ/11-2003 regarding Securities Trading.
45	2 August 2012	195/LK-COS/VIII/2012	Bapepam - LK IDX	Proof of announcement of Cash Final Dividend Distribution for the year ended 2011.	IDX Regulation No. II-A Kep-565/ BEJ/11-2003 regarding Securities Trading.
46	8 August 2012	198/LK-COS/VIII/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 30 June 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
47	30 August 2012	204/LK-COS/VIII/2012	Bapepam - LK IDX	Information Disclosure regarding Cash Dividen Ratio as of Recording Date 30 August 2012.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
48	4 September 2012	209/LK-COS/IX/2012	Bapepam - LK	Consolidated Financial Statement of PT Lippo Karawaci Tbk and subsidiaries for the period ending 30 June 2011.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
49	6 September 2012	213/LK-COS/IX/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 30 June 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
50	26 September 2012	227/LK-COS/IX/2012	IDX Bapepam - LK	LPKR's Opens US\$250 Million Flagship Lippo Mall in Kemang South Jakarta.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
51	5 October 2012	231/LK-COS/X/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 31 September 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
52	15 October 2012	238/LK-COS/X/2012	Ka. Biro PKP Sektor Jasa Bapepam	Realization Report of the usage of Right Issue Funds as of 30 September 2012.	Bapepam Regulation No. X.K.4 regarding Realization Report of the usage of Right Issue Funds.
53	15 October 2012	239/LK-COS/X/2012	Bapepam - LK IDX	Submission of Press Release "LPKR Successfully Issues New US\$ 100 Million, 7 year Global Senior Notes, 8.4 x Oversubscribed."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.

List of The Corporate Secretary's Correspondences with Capital Market Authority During Y2012

No	Date	Reference No.	Destination	Subject	Regulation
54	16 October 2012	241/LK-COS/X/2012	IDX Bapepam - LK	Submission of Press Release "LPKR Launches 8 Year 2020 Debt Exchange Offer of Senior Global Notes to Replace US\$ 396 Million 2015 Facility."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
55	23 October 2012	247/LK-COS/X/2012	IDX	Planning of Limited Review on Financial Report of PT Lippo Karawaci Tbk ("Company") for the period ended 30 September 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
56	24 October 2012	250/LK-COS/X/2012	Bapepam - LK	Announcement of Information Disclosure regarding Bonds Issuance.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
57	24 October 2012	251/LK-COS/X/2012	Bapepam - LK	Cash Dividend Distribution.	IDX Regulation No. II-A Kep-565/ BEJ/11-2003 regarding Securities Trading.
58	7 November 2012	257/LK-COS/XI/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 31 October 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
59	19 November 2012	261/LK-COS/XI/2012	Bapepam - LK IDX	Announcement of Information Disclosure.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
60	20 November 2012	263/LK-COS/XI/2012	IDX	Public Expose PT Lippo Karawaci Tbk.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
61	29 November 2012	267/LK-COS/XI/2012	IDX	Submission of Public Expose material of PT Lippo Karawaci Tbk.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
62	29 November 2012	268/LK-COS/XI/2012	IDX	Consolidated Financial Statement of PT Lippo Karawaci Tbk and subsidiaries for the period ended September 30, 2012 (Limited Review).	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
63	29 November 2012	269/LK-COS/XI/2012	IDX	Explanation of 20% Change in the Assets of PT Lippo Karawaci Tbk for the period ended 30 September 2012.	Bapepam Regulation No. X.K.2 regarding Obligation to submit Periodical Financial Statement.
64	4 December 2012	270/LK-COS/XII/2012	IDX Bapepam - LK	Submission of Press Release "Preliminary Financial Projection of LPKR for the year 2013."	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.
65	6 December 2012	274/LK-COS/XII/2012	IDX Bapepam - LK	Result of Public Expose of PT Lippo Karawaci Tbk.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
66	10 December 2012	276/LK-COS/XII/2012	Bapepam - LK IDX	Information regarding Audit Committee.	Bapepam Regulation Kep-29/ PM/2004 tanggal 24 September 2004 Regulation IX.1.5 regarding the Establishment and Implementation of the Employment Guidelines of the Audit Committee.
67	11 December 2012	281/LK-COS/XII/2012	IDX Net e-reporting	Monthly Report on the Shareholders Registry as of 30 November 2012.	IDX Regulation No. I-E Kep-306/ BEJ/07-2004 regarding Obligation of Information Submission.
68	19 December 2012	286/LK-COS/XII/2012	Bapepam - LK	Written explanation as meeting result between Bapepam-LK and the Company on 11 December 2012.	Bapepam Regulation No. X.K.1 regarding the Disclosure of Information that must be made Public Immediately.

List of Press Release During Year 2012

No	Date	Reference No.	Topic
1	2 March 2012	040/LK-COS/III/2012	LPKR Rating Raised to BB- from B+ on Expectation of Better Performance; Outlook Stable, S&P.
2	21 March 2012	060/LK-COS/III/2012	LPKR Audit FY2011 Results : Revenue and Profits Up 34% AND 35%.
3	5 April 2012	087/LK-COS/IV/2012	LPKR Pays Total Dividend Rp 177.5 Billion, Rp 7.72/share, Final Payout Ratio of 25.06%.
4	8 May 2012	130/LK-COS/V/2012	Fitch Upgrades LPKR to BB-; Outlook Stable.
5	10 May 2012	133/LK-COS/V/2012	LPKR Successful Pricing of US\$150 Million Senior Notes. Investors Chase Bonds Despite Aggressive Pricing.
6	29 May 2012	147/LK-COS/V/2012	LPKR Q1 YoY Revenues & Profits Up 33% & 51%. Hospitals Revenue Up 40%.
7	20 June 2012	150/LK-COS/VI/2012	Stand-alone Edge City Lippo Village Achieves FIABCI International Urban Award 2012.
8	31 July 2012	152/LK-COS/VII/2012	Siloam Opens US\$40 Million 290 Bed Modern Hospital in Manado to serve Sulawesi and The East.
9	14 October 2012	161/LK-COS/X/2012	LMIRT, Affiliated Company of LPKR Succeed in Obligation Launch of SGD 200 million for 3 years and Obligation of SGD 50 million for 5 years.
10	16 October 2012	190/LK-COS/X/2012	LPKR 1st semester Revenues & Profits Up 28% & 47%. Hospitals Revenue Up 37%.
11	17 October 2012	241/LK-COS/X/2012	LPKR Successfully Issues New US\$100 Million, 7 Year Global Senior Notes, 8.4x Oversubscribed.
12	27 November 2012	242/LK-COS/XI/2012	LPKR Launched Senior Global Obligation Exchange Offering in 8 years, due on 2020 to replace Senior Global Obligation of US\$396 Million which is due on 2015.
13	4 December 2012	270/LK-COS/XII/2012	LPKR Preliminary Financial Projection in 2013 with Total Profit of Rp 1.9 Billion, Up 81%. Income Rp 9.3 Billion, Up 54%.

Investor Relations

To ensure that good relations with investors are maintained and improved, the Company's Investor Relations Division is dedicated to provide transparency and updates on the Company's development and growth to investors, analysts, rating agencies and other concerned parties.

To implement this role, in 2012, the Company's Investors Relations participated in 47 roadshows in Asia, Europe and USA. The Investor Relations team also attended 128 meetings with analysts, representative of institutional investors, brokers, investment bankers and conducted 4 (four) analysts meetings.

List of Roadshows 2012

No.	Date	Event	Venue	Organizer
1	5 - 6 January	Credit Suisse Asian Real Estate Conference	Hong Kong	Credit Suisse
2	17 January	Macquarie Asia-Pacific Financials & Property Conference	Hong Kong	Macquarie
3	1 - 3 February	Citi 9th Annual Asia Pacific Investor Conference 2012	Hong Kong	Citi
4	7 - 8 February	Goldman Sachs Global Macro Conference - APAC 2012	Hong Kong	Goldman Sachs
5	13 - 17 February	Domestic Non Deal Roadshow	Jakarta, Bandung	Bahana
6	1 - 2 March	Bank of America Merrill Lynch - Stars Conference 2012	Singapore	Merrill Lynch
7	5 - 8 March	IDX & Nomura ASEAN Corporate Day	London, New York, Boston	IDX & Nomura
8	6 - 7 March	UBS Indonesia Conference	Jakarta	UBS
9	9 - 12 March	Non Deal Roadshow	USA	Kim Eng
10	14 - 16 March	CLSA ASEAN Corporate Access Forum	Bangkok	CLSA
11	28 March	Non Deal Roadshow	Hong Kong	UBS
12	16 - 17 April	Macquarie ASEAN Corporate Day	London	Macquarie
13	24 April	APREA Investor Day hosted by Macquarie	Hong Kong	Macquarie
14	26 - 27 April	HSBC 3rd Annual Asian Property Conference	Hong Kong	HSBC
15	22 - 23 May	HSBC 2nd Annual ASEAN Conference - ASEAN Tigers	Singapore	HSBC
16	24 - 25 May	Morgan Stanley 3rd Annual Investor Summit	Singapore	Morgan Stanley
17	31 May - 1 June	Non Deal Roadshow	Tokyo	Nomura
18	5 - 7 June	Daiwa Asia Pacific Conference	USA	Daiwa
19	6 June	Nomura Asia Equity Forum	Singapore	Nomura
20	12 - 14 June	Bank of America Merrill Lynch - CalGEMs Conference 2012	California, USA	Merrill Lynch
21	18 - 19 June	JP Morgan's Indonesia Conference 2012	Jakarta	JP Morgan
22	18 - 19 June	Macquarie ASEAN Corporate Day	Hong Kong	Macquarie
23	21 - 22 June	Indonesia Property Theme Day	Hong Kong, Singapore	UBS
24	25 June	OSK ASEAN Day	Singapore	OSK Nusadana
25	26 - 27 June	Citi 5th Indonesia Investor Conference 2012	Jakarta	Citi
26	28 June	OSK ASEAN Day	Kuala Lumpur	OSK Nusadana
27	28 - 30 August	Macquarie ASEAN Conference	Singapore	Macquarie
28	3 - 4 September	UBS ASEAN Conference	Singapore	UBS
29	3 - 6 September	Citi Indonesia Industrial Estate Corporate Day	Singapore, Hong Kong	Citi
30	3 - 4 September	JP Morgan ASEAN London Forum	London	JP Morgan
31	5 - 6 September	Emerging Market Conference	New York	Deutsche Bank
32	5 - 7 September	JP Morgan 16th Annual Asia Pacific Conference	Boston	JP Morgan
33	10 - 11 September	Non Deal Roadshow	Toronto, Chicago	Daiwa
34	10 - 12 September	CLSA Investors Forum 2012	Hong Kong	CLSA

List of Roadshows 2012

No.	Date	Event	Venue	Organizer
35	12 - 13 September	Bank of America Merrill Lynch - Global Real Estate Conference 2012	New York	Merrill Lynch
36	18 September	OSK DMG ASEAN & Hong Kong Corporate Day	Hong Kong	OSK Nusadana
37	24 - 25 September	Indonesia Investment Day	New York Stock Exchange	IDX, Danareksa & Goldman Sachs
38	27 September	Daiwa Asian Property Seminar 2012	Singapore	Daiwa
39	27 - 28 September	Indonesia Corporate Day	London	Mandiri & Barclays
40	31 October - 1 November	Non Deal Roadshow	Abu Dhabi, Qatar	Jones Lang Lasalle
41	6 - 7 November	3rd Annual Credit Suisse Emerging Markets Leadership Forum	Bali	Credit Suisse
42	19 - 26 November	Non Deal Roadshow	Europe	UBS
43	27 - 28 November	UBS 15th Global Real Estate CEO/CFO Conference	London	UBS
44	27 - 29 November	UBS Global Emerging Markets	New York	UBS
45	30 November - 5 December	Non Deal Roadshow	USA	Daiwa
46	5 December	Indonesia Access 2012	Jakarta	Deutsche Bank
47	10 - 11 December	Non Deal Roadshow	Tokyo	Daiwa

Code of Conduct

Lippo Karawaci developed a set of work ethics as a Code of Conduct to be used in the implementation of Company business. This BOD approved Code took the global standards, applies to all Company members and exempts no one and aims that the Company's corporate values and principles are institutionalized throughout the organization. The code was created to enhance accountability, independency and transparency as well as to better abide by existing regulations. This Code of Conduct has been circulated to all Company members and is constantly brought up in all Company events. It is also an integral part in the orientation of new members.

The code of conduct highlights these key points:

1. Integrity

Staff members of the Company must uphold integrity in the performance of their duties. Integrity requires honesty which is an irreplaceable character or trait.

2. Gifts and Assistance

To maintain professionalism and independency, each employee is prohibited from accepting gifts for personal benefits directly or indirectly from any party having business relationship with the Company. This applies also to gifts or gratification indirectly granted through the employee's family or relatives or any other third party.

3. Conflict of Interest

Staff members must avoid situations that may cause conflict between Company and personal interests.

If an employee is involved in such situation, such employee shall declare each situation to the Human Resources.

4. Human Resources

The Company is committed to treat and provide equal opportunities to all staff members regardless of gender, ethnicity or religious belief. The Company strives to create a conducive and positive working environment at all times.

5. Confidential Information

All staff members are prohibited from disclosing confidential information or any information pertinent to the Company's businesses. To support this regulation, the Company requires that all staff members complete and sign an Information Disclosure Statement form, regularly done every year or if deemed necessary by the Company BOD.

Disclosure

Ownership of Shares in the Company

Each member of the BOC and BOD has declared that no member own any shares in the Company.

Litigation

The Company faces litigation case as declared in the Financial Report. However, BOD is of the view that there is no litigation case that may have a significant adverse impact to the business of the Company.

Conflict of Interest

In 2012, the Company is not involved in any conflict of interest transaction as stipulated in the Bapepam-LK regulation.

Corporate Action

In 2012, the Company has conducted the following corporate actions:

1. Issuance of US\$150,000,000 7% Senior Notes on May 16, 2012 by Theta Capital Pte. Ltd., a wholly owned subsidiary directly owned by the Company ('Theta') due May 16, 2019 (2019 Notes). The Company and certain of its subsidiaries unconditionally and irrevocably guarantee the issuance of 2019.

Relating to the issuance of 2019 Notes, several affiliated transactions occurred and the Company complied by reporting to Bapepam-LK by its letter No. 140/LK-COS/V/2012 dated May 21, 2012.

2. Dividend Distribution

The Company announced a dividend distribution of Rp 177,500,000,000 from the financial year ended 2011 as approved by the AGM held on April 5, 2012.

The Dividend was announced in the Investor Daily published on August 2, 2012 and was distributed on September 13, 2012.

3. Issuance of an additional US\$100,000,000 7% Senior Notes on October 22, 2012 by Theta due in 2019 (Additional 2019 Notes). The issuance of Additional 2019 was unconditionally and irrevocably guaranteed by a corporate guarantee by the Company and certain subsidiaries.

The issuance of Additional 2019 Notes is not a material transaction as referred to in Bapepam-LK Regulation No. IX.E.2, however considering that the Additional 2019 Notes was issued with the same terms and conditions as Notes 2019, therefore Notes 2019 and Additional Notes 2019 constituted a material transaction as stipulated in Bapepam-LK

Regulation No. IX.E.2, which exceeded 20% but not more than 50% of the Company's equity based on the Company's Consolidated Financial Report ended 30 Juni 2012 which was limited reviewed by Public Accounting Firm Aryanto, Amir, Jusuf, Mawar and Saptono.

Relating to the issuance of Additional 2019 Notes, several affiliated transactions pursuant to Bapepam-LK Regulation No. IX.E.1 occurred. The Company complied by announcing a disclosure of the transaction on October 24, 2012 and reported to Bapepam-LK by its letter No. 250/LK-COS/X/2012 dated October 24, 2012

4. The issuance of new notes amounting to US\$ 273,306,000 6.125% Senior Notes on November 14, 2012 by Theta which will be due in 2020 (2020 New Notes). The issuance of 2020 New Notes was unconditionally and irrevocably guaranteed by a corporate guarantee by the Company and certain subsidiaries.

The issuance of 2020 New Notes is a material transaction pursuant to Bapepam-LK Regulation No. IX.E.2, which exceeded 20% but not more than 50% of the Company's equity based on the Company's Consolidated Financial Report ended 30 Juni 2012 which was limited reviewed by Public Accounting Firm Aryanto, Amir, Jusuf, Mawar and Saptono.

Relating to the issuance of 2020 New Notes, several affiliated transactions pursuant to Bapepam-LK Regulation No. IX.E.1 occurred. The Company complied by announcing a disclosure of the transaction on November 19, 2012 and reported to Bapepam-LK by its letter No. 261/LK-COS/X/2012 dated November 19, 2012

Business Risks

As with any other business, the Company remains exposed to certain risks that may affect the Company's performance. These risks have been identified based on their potential to significantly impact company performance.

Risks Related to the Property Business

1. **Increased Interest Rate**
Demand for the Company's properties may be affected by this risk factor. An increase in the Country's interest rates has the potential to adversely affect LPKR property developments.
2. **Property Market Fluctuation**
Cyclical in domestic and regional economies directly affect the real estate development industry in Indonesia. The variables that influence the industry include the employment levels, availability of financing, interest rates, and demand for residential, commercial, retail or industrial properties.
3. **Discontinuation of Current Projects and Suspension of Planned Projects**
In order to succeed, the Company relies on its expertise in developing, marketing and selling its projects as well as sourcing funds and using them to cover needs in a timely manner. The risks that the Company is exposed to result from delays in obtaining the required permits, availability of raw materials, increasing construction costs, natural calamities, and dependency on third party contractors as well as the risk of decline in market demand during the course of project development.
4. **Increased Competition in Indonesia's Property Market**
The Company's future projects face competition from the projects of other developers in terms of location, facilities, support infrastructure, services and price. Increased competition among property developers may result in increased in land acquisition prices causing an oversupply of properties which will then adversely affect the Company's profits.

5. Obtaining Business Permits

The Company's business units each require separate permits in order to operate. Not acquiring those permits bring the risk of Government sanctions in the form of business closure, fines and even criminal prosecution.

6. Dependence on Contracting Agencies

The execution of the Company's residential and commercial development projects are awarded to third party contractors. These projects consist of construction work, piling and foundation, interior design, air conditioning and elevator installation, and landscaping. In general, contractors are paid fixed amounts but if costs exceed the agreed amount, contractors may renegotiate with the Company for a cost adjustment. The Company will then be forced to bear the additional costs in order for the project to be completed. There is also a risk that the contractor may encounter financial difficulties or other challenges which may affect its capability to fulfill its contract. Such an occurrence will cause a delay in the completion of the project or create additional costs that must be met by the Company.

7. Development of New Property Construction

New construction projects may face certain challenges, such as stock shortage of raw materials, shortage of quality manpower, technical issues, strikes, litigation, weather, floods and unanticipated increases in project costs. These risks play a significant part in putting a project over budget as well as delaying its completion.

Risks Related to the Healthcare Business

1. Inability to Recruit and Maintain Medical Personnel

The operation of the Company's hospital business depends greatly on the capabilities and skills of its doctors and other medical personnel. With the supply of these professionals being finite, the Company is in constant competition with other hospitals, especially those found in the immediate vicinity, to recruit and maintain doctors and medical personnel. To add to this challenge, country regulations prohibit hospitals from outsourcing medical personnel who do not possess a License to Practice issued by Indonesia's Ministry of Health.

2. Malpractice Claims and Litigation

The Company's hospitals may face the risk of confronted claims from both medical and legal fronts and action from the authorities stemming from medical services provided by the Company's hospitals. Such claims may adversely affect the reputation of the hospitals as well as the reputations of the doctors who work there.

3. Environmental Effluence within the Company's Hospital Business

Operational activities of the Company require the use of certain materials/chemicals, processes or installations that are environmentally regulated or require certain permits. Such materials/chemicals are part of medical sewage or toxic wastes, which according to the Government's environmental regulation, the Company is required to manage to avoid environmental pollution or public safety. The Mismanagement of such toxic wastes may result in sanctions such as fines or payments to cover public damage and the surrounding natural resources or properties.

4. Emerging External Factors that Implicate the Company's Healthcare Business Unit

The Company's healthcare unit faces a number of challenges commonly faced by the healthcare industry. Most important is the need to provide quality treatment while managing costs. Aside from this, the healthcare business unit is affected by factors such as:

- (i) Development of technology and drugs that may minimize the need for medical services
- (ii) Demographical changes and
- (iii) Changes in the distribution of medical services or other factors that may increase the cost of medical services.

The Company's revenue from its medical facilities as well as the number of patients that seek treatment are affected by the economy. It is part of a cycle determined by external factors, such as:

- (i) Unemployment rate
- (ii) Weather conditions disease cycles
- (iii) Competition and
- (iv) Patient's decision to undergo medical treatment or procedures.

Risks Related to the Retail Business

1. Business Crises Affecting the Indonesian Retail Industry

The Company historically develops retail projects and commercial spaces based on strata titles. Now however, the Company develops leased retail and commercial property where the Company still possesses both land and property rights.

The financial performance of the Company's Retail unit is tied closely to the Country's economic condition as well as to its retail property industry. This makes demand for retail and commercial space especially vulnerable to: the weakening of national, regional and local economies

- declines in the financial condition of major retail companies
- consolidation of the retail sector in Indonesia
- oversupply of retail spaces in certain regions in Indonesia
- increase in consumerism through catalogues and the internet
- change in the tenants' mode of sales from occupying retail spaces to e-commerce
- changes in tax regulations and
- changes in government regulations.

2. Losing Anchor Tenants

The Company relies on the pulling power of its anchor tenants to help it sell and lease spaces in its malls. Stated simply, if an anchor tenant is lost, a decline in leases or sales will be experienced.

Risks Related to the Hotel Industry

There are a number of factors affecting the hotel industry that are beyond the Company's control. These factors though unrelated to the Company's hotel management may nonetheless create negative perceptions towards the Company's hotels. These factors are:

- Terrorism
- The spread of contagious diseases
- Increase in air ticket prices, travel costs and other occurrences that may reduce the amount of tourists or business travelers
- Increase in competition against other hotel leading to reductions in occupancy and revenue levels
- Increase in costs due to inflation, salary adjustments and other incidentals
- Conditions outside of Indonesia that are not conducive to the Country's tourism and business travel atmosphere as well as adverse economic conditions at a national or regional level.
- Changes in government regulations that may affect the permits needed to operate the Company's hotels and
- Negative effects of the hotel industry crisis

Financial Risk

The main financial risks faced by the Company are credit, foreign exchange rate, interest rate, liquidity and price risks. Focus on managing these risks has been considerably increased because of the considerable changes and volatility of the Indonesian as well as the international markets.

1. Credit Risk

The Company runs a risk of incurring losses when customers, clients or counter parties fail to fulfill their contractual obligations. The Company manages this particular risk by limiting the amount of exposure for each customer and by dealing only with banks and financial institutions that are reputable and creditworthy.

2. Foreign Exchange Rate Fluctuation Risk

Rupiah exchange rate fluctuations are something that the Company is constantly exposed to and the resulting profit or loss from these discrepancies will reflect in the Company's net profit. This is evident in the preparation of the Company's consolidated financial statements, where the income sheets of Lippo Karawaci's offshore subsidiaries must first be converted to Rupiahs. The inevitable fluctuation in exchange rates will result in negative implications towards the Company's financial condition and operational output. Management of this risk is being done through several derivative agreements with certain third parties.

3. Interest Rate Risk

Interest rate changes pose a risk to the Company because of its loans that have floating interest rates. This risk is managed through a combination of loans with fixed and floating interest rates as well as through constant monitoring of interest rate movements in order to minimize negative effects to the Company. As of 31 December 2012, 95% of the Company's loans have fixed interest rates.

4. Liquidity Risk

The cash flow position of the Company determines its liquidity. Therefore, liquidity risk is the insufficiency of short-term revenue to cover short-term expenditure. To combat this, the Company always maintains an adequate cash and cash equivalents to cover the Company's normal operations. It also evaluates regularly the projected and actual cash flow and maturity dates of financial assets and liabilities.

5. Price Risk

The Company's exposure to price risks is due to their investments in AFS classified financial assets. This risk stems from the fluctuation in the value of financial instruments from changing market prices. To manage this risk, the Company and its subsidiaries continuously monitor global market developments and regularly evaluate the financial performance and market price of their investments.

Other Risks

1. Unavailability of Funding

In order to cover capital needed for business operations as well as for expansion, the Company requires external funding. The Company's ability to procure funds from outside sources is influenced by economic conditions, capital markets, interest rates, availability of funds from banks or other creditors, the Bank of Indonesia's policies in terms of distribution of credit to the property sectors and other factors.

2. Dependency on the Regional Government in Renewing the Company's Agreements

In some cases, the continuity of the Company's agreements are dependent on renewals issued by regional governments. For example, The Aryaduta Hotel Pekanbaru is operated by the Company under a BOT (build, operate and transfer) agreement in accordance with the Cooperation Agreement No. 55 dated 17 September 1993 between the Company and the Regional Government. The BOT agreement gives the Company rights to build and operate the hotel, but not to own the land. The BOT agreement's term is 25 years, with an option for a 10-year renewal but there is no guarantee that the Regional Government will approve the renewal of the agreement.

3. Additional Expenses Relating to Environmental Problems

Environmental laws and policies must be followed by all and Lippo Karawaci is no exception. The Company is required to monitor and dispose of its toxic wastes properly all the while bearing the cost of this endeavor which is quite significant. Non-compliance with this directive may lead to hefty fines, litigation and other sanctions.

Audit Committee Report

Lippo Karawaci, March 2013

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

Dear Commissioners,

Re: 2012 Audit Committee Report

In compliance with the requirement stipulated in the Decree of the Chairman of the Capital Market Supervisory Board No. KEP-29/PM/2004 regarding the Establishment and Operational Guidance of the Audit Committee and the Decision of the Board of Directors of PT Bursa Efek Jakarta No. Kep-305/BEJ/07/2004 regarding the Listing of Stocks and Equities Other than Stocks issued by Listed Companies, we as the Audit Committee of PT Lippo Karawaci Tbk (‘the Company’) hereby render the Audit Committee Report of activities held during 2012.

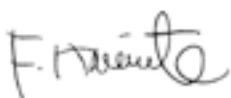
The main activities conducted by the Audit Committee during 2012 are among others:

1. Reviewed the independency and objectivity of the Company’s external auditor, Public Accountant Firm Aryanto Amir Jusuf Mawar & Saptoto, in performing the audit of the Consolidated Financial Report of the Company and its subsidiaries for the period ending 31 December 2012. The external auditor who was appointed by the Board of Commissioner of the Company under the authority granted to them during the Annual General Shareholder Meeting held in April 5, 2012.
2. Reviewed the qualitative aspects and the integrity in the implementation of accounting, audit and reporting.
3. Reviewed the business and risk management process and its compliance to the prevailing law and regulation.
4. Discussed with the Internal Auditor relating to its work plans and focused objectives and internal control system in 2012.
5. Discussed with the Company’s management relating to:
 - quarterly financial statement
 - business strategy and work plan as well as budget of 2012
 - internal control system
 - compliance with the law and regulation
 - risk management process
6. Discussed with the External Auditor relating to findings and result of audit
7. Reported the result of the audit committee’s meeting to the Board of Commissioner.

To fulfill the obligation to disclose the report of the Audit Committee’s review in the Company’s 2012 Annual Report, we hereby state that to the best of our knowledge, the Company’s Financial Statements were prepared in accordance with the generally accepted accounting principles in Indonesia.

The Audit Committee duly submits this report.

Yours sincerely,
Audit Committee of PT Lippo Karawaci Tbk



Farid Harianto
Chairman



Siswanto Pramono
Member



Farid Harianto
Chairman

Mr. Farid Harianto, age 60, is currently serving as a Special Staff to the Vice President of the Republic of Indonesia, and is an advisor to the Governor of Bank Indonesia. He is a member of the Asian Executive Advisory Board of the Wharton School, University of Pennsylvania, and is a member of The President's Advancement Advisory Council of the National University of Singapore. He sits as a member of various corporate boards including PT Pos Indonesia, PT BATA Indonesia, PT Unggul Indah Cahaya Tbk and PT Lippo Karawaci Tbk, and serves as a member of the risk oversight committee of Bank International Indonesia Tbk, and as a contributing editor to Globe Asia magazine.

Over the past thirty years, Mr. Harianto's professional career has encompassed the academics, the public as well as private sectors. He served as an advisor for many leading companies in Indonesia, and for various international organizations including FIAS/the World Bank, ADB, CIDA, and IDRC. He was the CEO of the Credit Rating Company Indonesia (1995-1998) and was then appointed as the Deputy Chairman of the Indonesian Bank Restructuring Agency (IBRA; 1998-2000). During his tenure at IBRA, he spearheaded the consolidation (closing, merging and recapitalization) of the banking sector and the negotiation and settlement with banks' controlling shareholders resulting in billions of dollars of assets being transferred to IBRA. He earned his Masters and PhD (with distinction) from the University of Pennsylvania-the Wharton School in applied economics and managerial science.



Siswanto Pramono
Member

Mr. Siswanto Pramono, held several senior positions in various companies, among others, as the Managing Director at Banten World International Tours and Travel (1994-2004), Marketing Manager at PT. GE Astra Finance, subsidiary of GE Capital, USA (1996-1999), PT Dai-Ichi Kangyo Leasing Panin, a subsidiary of The Dai-Ichi Kangyo Bank, Japan (1990-1995) and as Account Officer at PT Lippo Pacific Finance Ltd (1984 -1989). Currently he also serves as a Partner. Mr. Pramono earned a Bachelor of Science degree in Commerce Economics from the University of Santo Tomas, Manila, Philippines, in 1983.



Jeffrey Turangan (Deceased)
Member

Late Mr. Jeffrey Turangan began his career with Citibank in 1971 in Jakarta. During his 38 years of experience in banking and finance, he held various senior positions, including Executive Director PT Multinational Finance Corporate - Multicor (1983 - 1990), Bank Societe Generale Indonesia (1993 - 1998) as Director, he also had served as Independent Commissioner of PT Bank Commonwealth. He was also a member of the Audit Committee of PT Matahari Putra Prima Tbk. Late Mr. Turangan graduated from Universitas Pancasila in Aeronautical Engineering. Mr. Jeffrey Turangan passed away on 7 December 2012 at the age of 65 years

Remuneration Committee Report

Lippo Karawaci, March 2013

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

Dear Commissioners,

Re: Remuneration Committee Report

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

Composition of the Remuneration Committee of PT Lippo Karawaci Tbk. ('Committee') is as follows:

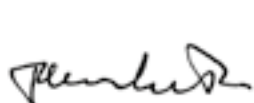
Chairman	: Theo L. Sambuaga
Member	: Farid Harianto
Member	: Jonathan L. Parapak
Member	: Viven G. Sitiabudi

Responsibilities and duties of the Committee are as follows:

1. To conduct a formal meeting at least once a year.
2. To ensure an adequate remuneration system and to determine the remuneration for the Board of Commissioners and Directors of PT Lippo Karawaci Tbk, including the reward and fringe benefits, if applicable, for the members 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 the 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.

The Remuneration Committee held a meeting on 12 November 2012 to determine the budget allocation for reward and fringe benefits for the Board of Commissioners as well as the salaries and other benefits for the Board of Directors. The gross remuneration for the Board of Commissioners and Director of the Company in 2012 amounted to Rp36,044,707,147 (thirty-six billion forty-four million seven hundred seven thousand one hundred forty seven).



Theo L. Sambuaga
Chairman



Farid Harianto
Member



Jonathan L. Parapak
Member



Viven G. Sitiabudi
Member

Mr. Theo L. Sambuaga, age 63, has served as Indonesia's Minister of National Housing and Minister of Labor where he gained abundant insight and experience which is beneficial for the real estate development projects of the company. He provides differing points of view that add to the success of the Company's planned projects. As a former member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia. Mr. Sambuaga is currently the President of Lippo Group, President of Berita Satu Media Holding and Commissioner of PT First Media Tbk and PT Multipolar Tbk. Mr. Sambuaga obtained his undergraduate degree in Social and Political Studies from well renowned Universitas Indonesia, and has received a graduate degree from the School of Advanced International Studies at Johns Hopkins University, USA.



Theo L. Sambuaga
Chairman



Jonathan L. Parapak
Member

Mr. Jonathan L. Parapak, age 70, has broad and extensive experience in large private and state-owned enterprises. His former positions include, among others, President Director of PT Indosat, Secretary-General of the Department of Tourism, Post and Telecommunication, and a member of the People's Consultative Assembly. In addition to his current position as Commissioner of Lippo Karawaci, he is also a Commissioner of PT AsiaNet and PT Broadband Multimedia, as well as being a Commissioner of several companies within the Lippo Group, including PT Multipolar Tbk and PT Matahari Putra Prima Tbk. Mr. Parapak earned his Bachelor of Engineering and Master of Engineering Science degree from the University of Tasmania, Australia.



Farid Harianto
Member

Mr. Farid Harianto, age 60, is currently serving as a Special Staff to the Vice President of the Republic of Indonesia, and is an advisor to the Governor of Bank Indonesia. He is a member of the Asian Executive Advisory Board of the Wharton School, University of Pennsylvania, and is a member of The President's Advancement Advisory Council of the National University of Singapore. He sits as a member of various corporate boards including PT Pos Indonesia, PT BATA Indonesia, PT Unggul Indah Cahaya Tbk and PT Lippo Karawaci Tbk, and serves as a member of the risk oversight committee of Bank International Indonesia Tbk, and as a contributing editor to Globe Asia magazine.

Over the past thirty years, Mr. Harianto's professional career has encompassed the academics, the public as well as private sectors. He served as an advisor for many leading companies in Indonesia, and for various international organizations including FIAS/the World Bank, ADB, CIDA, and IDRC. He was the CEO of the Credit Rating Company Indonesia (1995-1998) and was then appointed as the Deputy Chairman of the Indonesian Bank Restructuring Agency (IBRA; 1998-2000). During his tenure at IBRA, he spearheaded the consolidation (closing, merging and recapitalization) of the banking sector and the negotiation and settlement with banks' controlling shareholders resulting in billions of dollars of assets being transferred to IBRA. He earned his Masters and PhD (with distinction) from the University of Pennsylvania-the Wharton School in applied economics and managerial science.



Viven G. Sitiabudi
Member

Mrs. Viven G. Sitiabudi, age 57, has had an outstanding career in many companies. Her experience in general management, corporate planning and marketing brought success to Lippo Karawaci. She is now the Executive Director and CEO of Lippo Malls Indonesia Retail Trust Management Ltd. She pioneered PT Lippo Life Insurance and assumed the position of President Director until 1995. Under her leadership, the company successfully established its position as one of the largest life insurance companies in Indonesia and initiated its Initial Public Offering. Previously, Mrs. Sitiabudi was the CEO of Legal and General Australia's operations in Indonesia and Vice President Director of Allianz Life Indonesia. Mrs. Sitiabudi graduated from the University of New South Wales, Australia with a degree in Computer Science and Statistics.



Corporate Data

Projects / Business Unit 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



**ROYAL SERPONG
VILLAGE**

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



SAN DIEGO HILLS
— MEMORIAL PARK AND FUNERAL HOMES —

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



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



Easton Commercial Centre
Jl. Gn. Panderman Kav. 05
Lippo Cikarang
Bekasi 17550, Indonesia
Tel. 62 (21) 897 2484, 897 2488
Fax. 62 (21) 897 2039, 897 2493

► 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

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



Park View Apartment
Jl. Margonda Raya No.1
Pondok Beji, Depok 16424
West Java, Indonesia
Tel. 62 (21) 7887 0070



The Nine Residence
Kemang Village,
Jl. Pangeran Antasari No. 36
Jakarta 12150 Indonesia
Tel. 62 (21) 725 5999

► Retail Malls



Pejaten Village
Jl. Warung Jati Barat No. 39
Jati Padang, Pasar Minggu, Jakarta, Indonesia
Tel. 62 (21) 762 2611, 781 5818



Pluit Village
Jl. Pluit Raya Indah Lt. 3
Jakarta 14450, Indonesia
Tel. 62 (21) 668 3888/3634 - 22

METROPOLIS TOWN SQUARE

Metropolis Town Square
Jl. Hartono Raya, Modern
Kota Modern, Tangerang 15117
Banten, Indonesia
Tel. 62 (21) 5574 8384



City of Tomorrow
Jl. Jend. Achmad Yani No. 288
Surabaya 60234, East Java, Indonesia
Tel. 62 (31) 827 5888



Cibubur Junction
Jl. Jambore No. 1, Kec. Ciracas - Cibubur
Jakarta 13720, Indonesia
Tel. 62 (21) 8775 5678, 873 3339

EKALOKASARI PLAZA

Ekalokasari Plaza
Jl. Siliwangi No. 123, Bogor 16142
Jawa Barat, Indonesia
Tel. 62 (251) 831 8788, 838 7275



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



Gajah Mada Plaza
Jl. Gajah Mada No. 19 - 26
Jakarta 10310, Indonesia
Tel. 62 (21) 6385 8888, 633 6866

Plaza Semanggi

The Plaza Semanggi
Kawasan Bisnis Granadha
Jl. Jend. Sudirman Kav. 50
Jakarta 12930, Indonesia
Tel. 62 (21) 527 5878, 2553 6325



PX Pavillion@ The St. Moritz
Jl. Boulevard Puri Indah Raya Bl. U1
Puri Indah CBD, West Jakarta, Indonesia
Tel. 62 (21) 5835 1076



Sun Plaza
Jl. H. Zainul Arifin No. 7, Medan 20152
North Sumatera, Indonesia
Tel. 62 (61) 450 1000 / 888

PLAZA MEDAN FAIR

Plaza Medan Fair
Jl. Jend. Gatot Subroto No. 30
Medan 20113
North Sumatera, Indonesia
Tel. 62 (61) 414 1888



Istana Plaza
Jl. Pasir Kaliki No. 121-123, Bandung
West Java, Indonesia
Tel. 62 (22) 600 0404, 600 0100



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

MAL LIPPO CIKARANG

Mal Lippo Cikarang
Jl. M.H. Thamrin, Lippo Cikarang
Bekasi 17550, West Java, Indonesia
Tel. 62 (21) 897 2535 - 37

BELLANOVA COUNTRY MALL

Bellanova Country Mall
Jl. M.H. Thamrin No. 8
Bukit Sentul Selatan, Bogor 16810
West Java, Indonesia
Tel. 62 (21) 8792 3888

Projects / Business Unit Addresses

► Retail Malls



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



Malang Town Square
Jl. Veteran No. 2
Malang, East Java
Indonesia
Tel. 62 (341) 575 761



GTC Makassar, Ruko GA 8 No. 35-36
Jl. Metro Tanjung Bunga
Makassar 90134
South Sulawesi, Indonesia
Tel. 62 (411) 811 4088



Tamini Square
Jl. Taman Mini Raya, Pinang Ranti
Jakarta, Indonesia
Tel. 62 (21) 8778 5888



Binjai Supermall
Jl. Soekarno Hatta No.14, Binjai 20731
North Sumatera, Indonesia
Tel. 62 (61) 882 5111, 7734 7171/7373



Grand Palladium Medan
Jl. Kapten Maulana Lubis No. 3, Petisan Tengah
Medan 20112, North Sumatera, Indonesia
Tel. 62 (61) 451 7106



Kramat Jati Indah Plaza
Jl. Raya Bogor Km. 19 Kramat Jati
Jakarta 13510, Indonesia
Tel. 62 (21) 809 5558, 809 5577



Palembang Square
Jl. Angkatan 45, R63 - R65, Palembang
South Sumatera, Indonesia
Tel. 62 (711) 380 001, 378 313-4



Grand Mal Bekasi
Jl. Jend. Sudirman, Medan Satria, Bekasi 17143
West Java, Indonesia
Tel. 62 (21) 885 5328



Batos Mall, Batu – Malang
Jl. Diponegoro Kota Batu, Malang



Lippo Plaza Kendari
Jl. MT. Haryono, Kendari



Sitos Mall, Sidoarjo
Jl. Jati Raya, Sidoarjo



Lippo Plaza Sunset Bali
Sunset Road Street, Kuta, Bali



Lippo Mall Kemang
Kemang Village, 36 Pangeran Antasari,
Jakarta 12150

► Healthcare



Siloam Hospitals
Lippo Village,
Indonesia's First
Internationally
Accredited Hospital

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



MRCCC Siloam Hospitals Semanggi
Jl. Garnisun Kav. 2-3
Karet Semanggi, Jakarta
Indonesia
Tel. 62 (21) 2996 2888



Siloam Hospitals Bali
Jl. Sunset Road No. 818
Kuta, Badung, Bali
Tel. 62 (361) 779900
Fax. 62 (361) 779933



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



Siloam Hospitals Balikpapan
Jl. MT. Haryono No. 9, Ring Road
Balikpapan 76114, Indonesia
Tel. 62 (542) 720 6509
Fax. 62 (542) 720 6517



Siloam Hospitals Palembang
Jl. POM IX, Kodya Palembang
South Sumatera, Indonesia
Tel. 62 (711) 522 9100



Siloam Hospitals Jambi
Jl. Soekarno Hatta, Paal Merah
Jambi, Indonesia
Tel. 62 (741) 573 333



Siloam Hospitals Makassar
Jl. Metro Tanjung Bunga, Kav. 9
Makassar, South Sulawesi,
Indonesia
Tel. 62 (411) 811 7555



Siloam Hospitals Manado
Boulevard Centre
Jl. Sam Ratulangi No. 22,
Manado 95111, Indonesia
Tel. 62 (43) 1888 3131
Fax. 62 (43) 1888 3133



Rumah Sakit Umum Siloam
(RSUS)
Jl. Siloam No. 6,
Lippo Village 1600
Tangerang 15811,
Banten, Indonesia
Tel. 62 (21) 5422 0770,
5421 3003, 5421 5656

► 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 PEKANBARU

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

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 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 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 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

HOTEL ARYADUTA MANADO

Hotel Aryaduta Manado
Jl. Piere Tendean (Boulevard)
Manado, South Sulawesi, Indonesia
Tel. 62 (431) 855 555
Fax. 62 (431) 868 888



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

Projects / Business Unit Addresses

► 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



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



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

► 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



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



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

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
Lippo Karawaci Finance B.V.	Netherland	Investment, Trading and Services	100.00%	--	2006
Theta Capital Pte Ltd and Subsidiary	Singapore	Investment	100.00%	--	--
Theta Kemang Pte Ltd	Singapore	Trading	--	100.00%	--
Sigma Capital Pte Ltd and Subsidiary	Singapore	Investment	100.00%	--	--
Sigma Trillium Pte Ltd	Singapore	Trading	--	100.00%	--
Lippo Karawaci Corporation Pte Ltd	Singapore	Investment, Trading and Services	100.00%	--	--
LK Reit Management Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Bowsprit Capital Corporation Ltd	Singapore	Investment, Trading and Services	--	80.00%	2006
Jesselton Investment Limited	Malaysia	Investment, Trading and Services	100.00%	--	--
Peninsula Investment Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
LMIRT Management Ltd. (formerly Lippo Mapletree Indonesia RTM Ltd)	Singapore	Investment, Trading and Services	--	100.00%	2007
PT Primakreasi Propertindo	Tangerang	Real Estate	100.00%	--	--
PT Mujur Sakti Graha	Tangerang	Real Estate	--	99.83%	--
PT Surplus Multi Makmur	Jakarta	Real Estate	--	90.00%	--
PT Arta Sarana	Bandung	Investment, Trading and Services	--	81.00%	--
PT Puri Paragon	Tangerang	Development, Trading and Services	--	99.83%	--
PT Menara Tirta Indah (formerly PT Pluit Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Gempita Sinar Abadi (formerly PT Bali Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Kuta Beach Paragon	Tangerang	Development, Trading and Services	--	99.83%	--
PT Graha Buana Utama	Tangerang	Development, Trading and Services	--	99.83%	--
PT Berkat Langgeng Jaya	Tangerang	Development, Trading and Services	--	99.83%	--
PT Pamor Paramita Utama	Jakarta	Development, Trading and Services	--	80.02%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Titian Semesta Raya (formerly PT Pejaten Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Tatabangun Nusantara (formerly PT CibuburParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Tirtasari Kencana (formerly PT Medan Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Multiguna Selaras Maju (formerly PT Bogor Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Lintas Lautan Cemerlang (formerly PT Thamrin Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Nilam Biru Bersinar (formerly PT Surabaya Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Safira Prima Utama (formerly PT Semarang Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Kalimaya Pundi Bumi (formerly PT Lampung Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Gloria Mulia (formerly PT Pontianak Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Graha Solusi Mandiri and Subsidiary	Jakarta	Services	--	99.83%	--
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	99.83%	--
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	99.83%	--
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	99.83%	--
PT Mandiri Cipta Gemilang	Jakarta	Real Estate	--	99.83%	2003
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	99.83%	--
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Gumarang Karya Sejati	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Bahtera Perkasa Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Bimasakti Jaya Mandiri	Tangerang	Development, Trading, Printing and Services	--	100.00%	2011

List of Subsidiaries

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Surya Megah Lestari	Tangerang	Development, Trading, Printing, Transportation, Industry, Agribusiness and Services	--	100.00%	--
PT Jaya Makmur Bersama	Jakarta	Development, Trading and Services	--	100.00%	--
PT Grand Villa Persada	Tangerang	Real Estate	--	99.83%	--
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	99.83%	--
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--
PT Karyabersama Jaya	Tangerang	Development, Trading and Services	--	100.00%	--
PT Bayutama Sukses**	Tangerang	Development, Trading and Services	--	100.00%	--
PT Manunggal Utama Makmur	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gempita Cipta Bersama	Tangerang	Development, Trading and Services	--	100.00%	--
PT Suryamas Khatulistiwa	Tangerang	Development and Services	--	100.00%	--
PT Lautan Sinar Abadi	Tangerang	Development, Trading and Services	--	100.00%	--
PT Kreasi Tunas Bangsa	Tangerang	Development, Trading and Services	--	100.00%	--
PT Grahatama Asri Makmur	Tangerang	Development, Trading and Services	--	100.00%	--
PT Usahatama Kreatif	Tangerang	Development, Trading and Services	--	86.50%	--
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--
PT Sentra Dwimandiri	Jakarta	Real Estate	100.00%	--	--
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--
PT Muliasentosa Dinamika (4.48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	--	100.00%	1997
PT Sentra Realtindo Development (4.62% ownership in PT Lippo Cikarang Tbk)	Tangerang	Home Improvement	--	100.00%	2001
PT Darma Sarana Nusa Pratama	Tangerang	Real Estate	--	52.70%	1997
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001
PT Golden Pradamas	Tangerang	Real Estate	--	100.00%	--
PT Mulia Bangun Semesta	Jakarta	Real Estate	--	99.98%	2002
PT Villa Permata Cibodas	Tangerang	Real Estate	--	99.98%	1995
PT Puncak Resort International	Cianjur	Real Estate	--	100.00%	1994
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994
PT Dona Indo Prima	Cianjur	Real Estate	--	100.00%	--
PT Sukmaprima Sejahtera	Cianjur	Real Estate	--	100.00%	--
PT Sentra Asritama Realty Development	Tangerang	Water Treatment Installation	--	100.00%	1994
PT Sentragraha Mandiri	Tangerang	Real Estate	--	100.00%	--
PT Tata Mandiri Daerah Lippo Karawaci	Tangerang	Town Management	--	100.00%	1999
PT Saptapersada Jagatnusa	Tangerang	Bowling	--	100.00%	1998
PT Sejatijaya Selaras	Jakarta	Real Estate	--	100.00%	--
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	100.00%	--
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--
PT Sentra Office Realty	Tangerang	Building Management	--	100.00%	1998
PT Dinamika Intertrans	Tangerang	Transportation	--	100.00%	1994
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--
PT Prudential Townhouse Development	Jakarta	Real Estate	--	100.00%	--
PT Wahana Tatabangun Cemerlang Matahari	Jakarta	Real Estate	--	100.00%	--
PT Wahana Tatabangun Cemerlang	Jakarta	Real Estate	--	100.00%	--
PT Paragon City	Tangerang	Real Estate and Trading	--	100.00%	--
PT Bangun Karya Semesta	Jakarta	Development and Services	--	100.00%	--
PT Padang Indah City	Tangerang	Trading, Development and Services	--	100.00%	--
Bridgewater International Ltd	Seychelles	Investment and Trading	--	100.00%	2006
PT Lippo Karawaci Infrastructure & Utilities Division	Tangerang	Construction and Services	--	100.00%	--
Brightlink Capital Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
Evodia Strategic Investment Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
Great Capital Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Key Capital Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--

List of Subsidiaries

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
Globalink Investments Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Fortuna Capital Pte Ltd	Singapore	Investment, Trading and Services	--	100.00%	--
Sagacity Investments Pte Ltd and Subsidiary**	Singapore	Investment, Trading and Services	--	100.00%	--
Maxi Magna Investments Pte Ltd**	Singapore	Investment, Trading and Services	--	100.00%	--
PT Amanda Cipta Utama**	Tangerang	Development, Trading and Services	--	100.00%	--
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	--
PT Kemang Village Management (formerly PT Pesona Indah Lestari)	Jakarta	Hotel	--	80.00%	--
PT Wisma Jatim Propertindo	Jakarta	Services	100.00%	--	--
PT Maharama Sakti	Jakarta	Trading	--	100.00%	--
PT Kemang Paragon Mall	Tangerang	Development, Trading and Services	--	100.00%	--
PT Wahana Usaha Makmur	Jakarta	Real Estate	--	92.00%	--
PT Almaron Perkasa	Jakarta	Real Estate	--	92.00%	2005
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	92.00%	--
PT Prima Aman Sarana	Jakarta	Services	--	92.00%	--
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	92.00%	--
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	92.00%	--
PT Lipposindo Abadi	Jakarta	Trading	--	100.00%	--
PT Kemuning Satiatama (42.20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--
PT Megachandra Karyalestari	Jakarta	Trading	--	100.00%	1992*
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*
PT Sentra Kharisma Indah	Jakarta	Services	--	80.00%	--
PT Carakatama Dirgantara	Jakarta	Trading	--	100.00%	--
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*
PT Ariasindo Sejati	Jakarta	Trading and Services	--	95.00%	--
PT Unitech Prima Indah	Jakarta	Real Estate	--	94.68%	2004
PT Karya Cipta Pesona	Medan	Accommodation Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Metropolitan Leisure Corporation	Jakarta	Trading and Services	--	100.00%	--
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--
PT Graha Tata Cemerlang Makasar (0.34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002
PT Lippo Land Cahaya Indonesia	Jakarta	Services	--	100.00%	2003
PT Karunia Persada Raya (formerly PT Lipposindo)	Jakarta	Trading	--	100.00%	--
PT Pendopo Niaga	Jakarta	Real Estate	--	100.00%	--
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--
PT Bathara Brahma Sakti	Tangerang	Trading and Services	--	100.00%	1992*
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*
PT Dwisindo Jaya	Jakarta	Trading	--	100.00%	--
PT Karunia Alam Damai (formerly PT Lippo Vacation)	Jakarta	Trading	--	100.00%	--
PT Jagatpertala Nusantara	Jakarta	Real Estate	--	100.00%	2004
PT Mulia Mukti Persada Perkasa	Jakarta	Trading	--	100.00%	--
PT Kemang Village	Jakarta	Trading	--	100.00%	--
PT Menara Bhumimegah	Jakarta	Services	--	100.00%	2005
PT Jaya Usaha Prima	Jakarta	Real Estate	--	80.00%	--
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	80.00%	2005
PT Menara Perkasa Megah	Jakarta	Real Estate and Urban Development	--	100.00%	2005
PT Pelangi Cahaya Intan Makmur	Sidoarjo	Trading	--	85.00%	--
PT Surya Mitra Jaya and Subsidiary	Sidoarjo	Trading and Services	--	85.01%	2005
PT Citra Harapan Baru	Surabaya	Accommodation	--	99.99%	--
PT Niaga Utama	Jakarta	Trading	--	100.00%	--
PT Mitra Kasih Karunia	Jakarta	Real Estate	--	100.00%	--
PT Kreasi Megatama Gemilang	Tangerang	Development, Industry, Agribusiness, Transportation, Trading and Services	--	100.00%	--
PT Lippo Malls Indonesia (formerly PT Consulting & Management Service Division)	Tangerang	Services	--	100.00%	--

List of Subsidiaries

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Kreasi Gemilang Perkasa (formerly PT Batam Paragon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--
PT Kilau Intan Murni	Tangerang	Development, Trading and Services	--	100.00%	--
PT Mulia Citra Abadi	Jakarta	Development, Trading, Printing, Transportation, Industry, Agribusiness and Services	--	100.00%	2012
PT Arwana Kreasi Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gayana Sumber Cipta	Tangerang	Development, Trading and Services	--	100.00%	--
PT Harapan Insan Mandiri	Tangerang	Development, Trading and Services	--	100.00%	--
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--
PT Putera Abadi Karya	Tangerang	Development, Trading and Services	--	100.00%	--
PT Violet Pelangi Indah	Tangerang	Development, Trading and Services	--	100.00%	--
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--
PT Lembayung Karya Nirwana	Tangerang	Development, Trading and Services	--	100.00%	--
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--
PT Irama Karya Megah	Tangerang	Development, Trading and Services	--	100.00%	--
PT Gaharu Alam Permai	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Gunung Halimun Elok	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Koridor Usaha Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Multi Panen Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--
PT Saputra Karya	Jakarta	Real Estate and Urban Development	--	100.00%	--
PT Grand Provita and Subsidiary	Tangerang	Real Estate	--	100.00%	--
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	100.00%	--
PT Mahakaya Abadi	Jakarta	Real Estate	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Persada Mandiri Dunia Niaga	Jakarta	Real Estate	--	100.00%	--
PT Ekaputra Kencana Abadi	Jakarta	Real Estate	--	100.00%	--
PT Gapura Sakti Prima	Jakarta	Real Estate	--	100.00%	--
PT Menara Megah Tunggal	Jakarta	Real Estate	--	100.00%	--
PT Trias Mitra Investama	Jakarta	Real Estate	--	100.00%	--
PT Permata Agung Propertindo	Jakarta	Real Estate	--	100.00%	--
PT Kencana Mitra Lestari	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT Direct Power and Subsidiary	Jakarta	Trading, Real Estate, Industry, Printing, Agribusiness, Transportation, Trading and Services	--	100.00%	--
PT Mitra Mulia Kreasi and Subsidiary	Jakarta	Development, Industry, Maining, Agribusiness, Transportation, Trading and Services	--	80.00%	--
PT Bellanova Country Mall	Bogor	Development, Transportation, Trading and Services	--	80.00%	--
PT Sarana Global Multindo and Subsidiary	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT Guna Sejahtera Karya and Subsidiary	Jakarta	Development, Industry, Agribusiness, Garden, Trading and Services	--	100.00%	--
PT Citra Sentosa Raya and Subsidiary	Jakarta	Trading, Real Estate, Industry, Agribusiness, Transportation and Services	--	100.00%	--
PT Gading Nusa Utama	Jakarta	Trading, Development, Industry, Agribusiness, Garden and Services	--	99.60%	--
Rosenet Limited	British Virgin Island	Investment	--	100.00%	--
Sea Pejaten Pte.Ltd	Singapore	Investment	--	100.00%	--
PT Panca Permata Pejaten**	Jakarta	Trading, Development and Real Estate	--	100.00%	2008
Continental Investment Limited	Malaysia	Investment, Trading and Services	--	100.00%	--
PT Sandiego Hills Memorial Park	Tangerang	Trading, Development, Transportation and Services	--	100.00%	2006
PT Pengelola Memorial Park (formerly Riau Paragon Mall)	Tangerang	Development, Trading and Services	--	100.00%	2010
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--

List of Subsidiaries

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Services Publik	--	100.00%	--
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--
PT Lippo Cikarang Tbk	Bekasi	Real Estate	--	54.37%	1989
PT Great Jakarta Inti Development	Bekasi	Town Management and Real Estate	--	54.37%	1992
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012
PT Tunas Pundi Baru	Bekasi	Town Management	--	54.37%	2010
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993
PT Kreasi Dunia Keluarga	Bekasi	Recreation Services	--	54.37%	1993
PT Chandra Mulia Adhidharma	Bekasi	Property Management	--	54.37%	2011
PT Tirtasari Nirmala	Bekasi	Water and Waste Treatment Plant	--	54.37%	2011
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2011
PT Swadaya Tenopolis	Bekasi	Real Estate	--	54.37%	2009
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2009
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009
Pan Asian Investment Ltd	Vanuatu	Trading	--	100.00%	--
Crowmwell Investment Ltd	Vanuatu	Trading	--	100.00%	--
Indigo Fund Investment Fund Ltd	Cook Island	Investment	--	100.00%	--
Banksia Holdings Ltd	Cook Island	Trading	--	100.00%	--
PT Megapratama Karya Persada	Tangerang	Investment, Trading and Services	100.00%	--	--
PT Siloam International Hospitals	Jakarta	Healthcare	--	100.00%	--
PT Aritasindo Permaihemesta	Jakarta	Healthcare	--	100.00%	--
PT Perdana Kencana Mandiri	Jakarta	Development, Trading, Industry and Jasa	--	100.00%	--
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	100.00%	--
PT Nusa Medika Perkasa	Bekasi	Healthcare	--	71.00%	--
PT Siloam Graha Utama	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT East Jakarta Medika	Bekasi	Healthcare	--	85.50%	2002
PT Guchi Kencana Emas	Jakarta	Development and Services	--	100.00%	--
PT Golden First Atlanta	Jakarta	Healthcare	--	83.00%	2008
PT Prawira Tata Semesta	Jakarta	Development and Services	--	100.00%	--
PT Balikpapan Damai Husada	Balikpapan	Healthcare	--	79.61%	2007
PT Siloam Emergency Services	Tangerang	Healthcare	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Utama Sentosa Abadi	Jakarta	Trading, Development and Services	--	100.00%	--
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading	--	100.00%	--
PT Perisai Dunia Sejahtera	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Primakarya Dunia Sentosa	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Pancawarna Semesta	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Diagram Healthcare Indonesia	Jakarta	Healthcare	--	80.00%	2006
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Industry and Services	--	100.00%	--
PT Agung Cipta Raya	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Bina Cipta Semesta	Jakarta	Trading, Industry and Services	--	100.00%	--
PT Brenada Karya Bangsa	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Harmoni Selaras Indah	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Krisolis Jaya Abadi	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Kusuma Bhakti Anugerah	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Kusuma Primadana	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Adijaya Buana Sakti	Tangerang	Trading, Industry and Services	--	80.00%	--
PT Siloam Sumsel Kemitraan	Tangerang	Trading, Industry and Services	--	100.00%	--
PT RS Siloam Hospital Sumsel (formerly PT Karyatama Indah Sentosa	Tangerang	Trading, Development, Printing and Services	--	100.00%	--
PT Mega Buana Bhakti	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Optimum Karya Persada	Jakarta	Trading, Industry and Services	--	100.00%	--
PT Rosela Indah Cipta	Jakarta	Trading, Industry and Services	--	100.00%	--
PT Sembada Karya Megah	Jakarta	Trading, Industry and Services	--	100.00%	--
PT Taruna Perkasa Megah	Jakarta	Trading, Industry and Services	--	100.00%	--
PT Tataka Bumi Karya	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Tataka Karya Indah	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Trijaya Makmur Bersama	Tangerang	Trading, Industry and Services	--	100.00%	--

List of Subsidiaries

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Visindo Galaxi Jaya	Tangerang	Trading, Industry and Services	--	100.00%	--
PT Danisa Indah Cipta	Tangerang	Trading, Industry, Printing and Services	--	100.00%	--
PT Fajarindo Sinar Sakti	Tangerang	Trading, Industry, Printing and Services	--	100.00%	--
PT Eramulia Pratamajaya and Subsidiary	Jakarta	Healthcare	99.99%	0.01%	--
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--
PT Siloam Dinamika Perkasa	Jakarta	Trading, Development, Transportation and Jasa	--	100.00%	--
PT Siloam Sarana Karya	Jakarta	Healthcare	--	100.00%	2005
PT Siloam Tata Prima	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--
PT Buana Mandiri Selaras	Jakarta	Development and Services	--	100.00%	--
PT Serasi Adikarsa	Jakarta	Healthcare	0.01%	99.99%	--
PT Kalanusa Intan Cemerlang and Subsidiary	Tangerang	Trading, Development, Printing and Services		100.00%	--
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services		100.00%	--
PT Abadi Jaya Sakti and Subsidiary	Tangerang	Investment, Trading and Services	100.00%	--	--
PT Tigamitra Ekamulia and Subsidiary	Jakarta	General	0.01%	99.99%	1998*
PT Shimatama Graha	Jakarta	Restaurant, Cafe and Catering	--	100.00%	1989
PT Aryaduta International Management and Subsidiary	Jakarta	Management Services	--	100.00%	1998
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--
PT Graha Jaya Pratama and Subsidiary	Tangerang	Real Estate	100.00%	--	
PT Tataguna Cemerlang	Jakarta	Trading, Real Estate and Development	--	100.00%	--
PT Aresta Amanda Lestari (0.31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--
PT Aresta Permata Utama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--
PT Fajar Usaha Semesta (4.73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--
PT Fajar Raya Cemerlang (4.58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--
PT Fajar Abadi Aditama (3.45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--
PT Nuansa Indah Lestari and Subsidiary	Jakarta	Trading	--	100.00%	--
PT Metropolitan Permaisemesta and Subsidiary	Jakarta	Trading	--	89.74%	--
PT Makasar Permata Sulawesi dan (32.5%ownership in PT Gowa Makassar Tourism Development Tbk)	Makassar	Trading	--	88.66%	--
PT Gowa Makassar Tourism Development Tbk)	Makassar	Real Estate	4.92%	45.33%	1997

** Transferred

Mr. Theo L. Sambuaga, age 63, has served as Indonesia's Minister of National Housing and Minister of Labor where he gained abundant insight and experience which is beneficial for the real estate development projects of the company. He provides differing points of view that add to the success of the Company's planned projects. As a former member of the People's Consultative Assembly, he is conversant with many of the socio-economic and regional issues that affect Indonesia. Mr. Sambuaga is currently the President of Lippo Group, President of Berita Satu Media Holding and Commissioner of PT First Media Tbk and PT Multipolar Tbk. Mr. Sambuaga obtained his undergraduate degree in Social and Political Studies from well renowned Universitas Indonesia, and has received a graduate degree from the School of Advanced International Studies at Johns Hopkins University, USA.



Theo L. Sambuaga
President Commissioner

Profile of the Board of Commissioners

Mr. Surjadi Soedirdja, age 74, in his extensive work experience has acquired a broad knowledge of urban development. He serves concurrently as a Senior Advisor to PT Krakatau Steel. Formerly, he has served as both the Coordinating Minister for Political, Social and Security Affairs and as Minister of Home Affairs, as well as the Governor of Jakarta. Prior to his political career, Mr. Soedirdja had a very distinguished career in the Indonesian Armed Forces, retiring with the rank of General.



Surjadi Soedirdja
Vice President Commissioner and
Independent Commissioner



Agum Gumelar
Independent Commissioner

Mr. Agum Gumelar, age 67, is a decorated Armed Forces General, with over 30 years of experience in managing large scale organizations and complex operations. He has a sound reputation in developing and implementing national policies in the infrastructure, transportation and national security sectors. Mr. Gumelar has served as both the Minister of Transportation & Telecommunications and as Coordinating Minister for Political Affairs, Social and Security. In addition to his military education, Mr. Gumelar also holds a Master of Science degree in Management from American World University, USA.



Tanri Abeng
Independent Commissioner

Mr. Tanri Abeng, age 71, brings his vast experience in the government sector, large multinational corporations and excellent corporate governance to Lippo Karawaci. His former positions, among others, include the Commissioner of the Jakarta Stock Exchange, Minister of State-Owned Enterprises and member of the People's Consultative Assembly. In addition, he was the 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. Abeng earned his MBA degree from the State University of New York, and completed the Advanced Management Program at Claremont Graduate School, Los Angeles, USA.

Profile of the Board of Commissioners



Farid Harianto
Independent Commissioner

Mr. Farid Harianto, age 60, is currently serving as a Special Staff to the Vice President of the Republic of Indonesia, and is an advisor to the Governor of Bank Indonesia. He is a member of the Asian Executive Advisory Board of the Wharton School, University of Pennsylvania, and is a member of The President's Advancement Advisory Council of the National University of Singapore. He sits as a member of various corporate boards including PT Pos Indonesia, PT BATA Indonesia, PT Unggul Indah Cahaya Tbk and PT Lippo Karawaci Tbk, and serves as a member of the risk oversight committee of Bank International Indonesia Tbk, and as a contributing editor to Globe Asia magazine.



Jonathan L. Parapak
Independent Commissioner

Mr. Jonathan L. Parapak, age 70, has broad and extensive experience in large private and state-owned enterprises. His former positions include, among others, President Director of PT Indosat, Secretary-General of the Department of Tourism, Post and Telecommunication, and a member of the People's Consultative Assembly. In addition to his current position as Commissioner of Lippo Karawaci, he is also a Commissioner of PT AsiaNet and PT Broadband Multimedia, as well as being a Commissioner of several companies within the Lippo Group, including PT Multipolar Tbk and PT Matahari Putra Prima Tbk. Mr. Parapak earned his Bachelor of Engineering and Master of Engineering Science degree from the University of Tasmania, Australia.

Over the past thirty years, Mr. Harianto's professional career has encompassed the academics, the public as well as private sectors. He served as an advisor for many leading companies in Indonesia, and for various international organizations including FIAS/the World Bank, ADB, CIDA, and IDRC. He was the CEO of the Credit Rating Company Indonesia (1995-1998) and was then appointed as the Deputy Chairman of the Indonesian Bank Restructuring Agency (IBRA; 1998-2000). During his tenure at IBRA, he spearheaded the consolidation (closing, merging and recapitalization) of the banking sector and the negotiation and settlement with banks' controlling shareholders resulting in billions of dollars of assets being transferred to IBRA. He earned his Masters and PhD (with distinction) from the University of Pennsylvania-the Wharton School in applied economics and managerial science.

Mrs. Viven G. Sitiabudi, age 57, has had an outstanding career in many companies. Her experience in general management, corporate planning and marketing brought success to Lippo Karawaci. She is now the Executive Director and CEO of Lippo Malls Indonesia Retail Trust Management Ltd. She pioneered PT Lippo Life Insurance and assumed the position of President Director until 1995. Under her leadership, the company successfully established its position as one of the largest life insurance companies in Indonesia and initiated its Initial Public Offering. Previously, Mrs. Sitiabudi was the CEO of Legal and General Australia's operations in Indonesia and Vice President Director of Allianz Life Indonesia. Mrs. Sitiabudi graduated from the University of New South Wales, Australia with a degree in Computer Science and Statistics.



Viven G. Sitiabudi
Commissioner



Ketut Budi Wijaya
President Director

Mr. Ketut Budi Wijaya, age 57, brings his in-depth expertise in accounting and corporate finance to Lippo Karawaci. Prior to joining the Company, Mr. 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.

Profile of the Board of Directors



Tjokro Libianto
Director

Mr. Tjokro Libianto, age 53, is very knowledgeable in land development regulations and requirements for its successful developments. He has been instrumental in successfully negotiating a large part of the Lippo Group's land acquisitions in the past and will continue to perform this function 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. Libianto graduated from Universitas Brawijaya, Malang, with a degree in Accounting.



E. Yudhistira Susiloputro
Director

Mr. E. Yudhistira Susiloputro, age 53, has a long tenure in the property business. He started his career at PT Lippo Cikarang Tbk in 1992. He was appointed President Director of PT Lippo Cikarang Tbk in 1999, and Commissioner of PT Lippo Cikarang Tbk in 2007. Mr. Susiloputro social activities 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 (Specific Economic Zone), Bekasi, West Java. In December 2010, he was appointed as the Vice President of the International Real Estate Federation FIABCI. Mr. Susiloputro earned a Bachelor of Architecture degree from the Southern California Institute of Architecture Santa Monica, California, USA.



Jopy Rusli
Director

Mr. Jopy Rusli, age 50, has used his architectural talent and experience to create and effectively market many of Lippo Karawaci's successful projects. A former Project Designer with Tritipo & Associates in San Diego, California, USA and Project Manager and Designer with the Pacific Architecture and Planning Group, San Diego, California. Mr. Rusli has also served as Director of PT Califa Pratama, a subsidiary of Gunung Sewu & Duta Anggada Realty. Mr. Rusli received a Bachelor's degree in Architecture from the University of Oregon, and MBA degree in Real Estate from the National University, San Diego, USA.

Profile of the Board of Directors



Djoko Harjono
Director

Mr. Djoko Harjono, age 54, started his career as an Engineer in several reputable construction companies in United States (1983 – 1994). Prior to joining the Company in 2005 as Project Director, he held several key positions within the Lippo Group from 1994 until 2002, and was appointed as Director of PT. Matahari Putra Prima Tbk for Property and Business Development from 2002 until 2005. Mr. Harjono earned his Bachelor of Science, Master of Business Administration and Master of Science in Civil Engineering from San Jose State University, California, USA.



Ivan S. Budiono
Director

Mr. Ivan Budiono, age 54, commenced his career at PT Bank Lippo Tbk, from 1987 to 2004 he was assigned to various senior positions as Regional Head, Branch Banking Group Head, Central Credit Group Head, and as a member of the Board of Directors for Commercial Banking. Prior to joining Lippo Karawaci, he was the President Director/ CEO of PT Lippo General Insurance Tbk from 2005 – 2011. Mr. Budiono graduated from the Chemical Engineering Faculty of the University of Southern California - Los Angeles in 1983 and obtained his MBA degree in 1986 from the Loyola Marymount University - Los Angeles.

Mr. Roberto Feliciano, age 58, commenced his career as a Trainee in OESCO International in Manila – Philippines, and later as a Project Assistant at M Krugger Ltd. in Copenhagen – Denmark. He was assigned to various management positions in the International Division of Manufacturers Hanover Trust Bank, NY in New York for 11 years. Later, he joined Lippo Group and held various senior position including Director of PT Lippo Pacific Finance, Commissioner of PT Lippo General Insurance, Director of PT Lippo E-Net, and Director of PT First Media. He obtained his Bachelor of Science in Business Administration from Ateneo De Manila University in Manila, Philippine, and MBA from Babson College in Wellesley – Massachusetts, USA.



Roberto Fernandez Feliciano
Director



Jenny Kuistono
Director

Mrs. Jenny Kuistono, age 50, has an extensive knowledge in regulations and compliances required by the Company as a public company. Prior to her appointment as the Corporate Secretary of Lippo Karawaci in 2004, she was the President Director and Commissioner of PT Sharestar Indonesia, General Manager PT Jasa Century Permai Nusantara (JCPenny) and Director of PT Multipolar Tbk until July 2004. Mrs. Kuistono was also the Director of PT Multifiling Mitra Indonesia Tbk. Mrs. Kuistono graduated from Universitas Trisakti, Jakarta with Bachelor's degree in Electrical Engineering.

Profile of Senior Executives

Corporate



Stephen Choo Kooi Yoon

Mr. Stephen Choo Kooi Yoon, age 62, is Lippo Karawaci's Executive Director for Group Strategy and Development. He is a Chartered Professional Engineer registered in the Engineering Council, UK, Malaysia and Singapore in Civil, Structural and Geotechnical engineering. He spearheads the institutionalization (by strengthening of the organizational structure, putting in systems & technology and building capacity through right staffing) and the commercialization of the groups operations through value engineering, as well as providing the leadership & management, of Lippo Karawaci's development strategy including the planning & execution of projects.

Mr. Choo's 40 years of experience in Engineering, Procurement and Construction covers a vast range of fields – industrial, commercial, residential property & townships and land infrastructural development, coastal & reclamation projects, ports and marine installations, oil & gas and chemical plants, worked in planning & development of industrial estates & airports for governments, experienced in turnkey contracting in Water Treatment, Power Stations and Oil & Gas pipelines in Singapore, Malaysia, India, Pakistan, Saudi Arabia, Vietnam, Thailand, Philippines and China. He joined Lippo Karawaci in May 2012, bringing a solid leadership proven track record that will enable him to positively contribute to Lippo Karawaci's expansion path and strategic focus to deliver more sustainable profits & charting new growth strategies.



Mark Wong

Mr. Mark Wong, age 66, a Singaporean, 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 fifth 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 held board positions. Prior to joining Lippo Karawaci, Mr. Wong was involved in Merger & Acquisition and financial advisory transactions. 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. Wong is a business graduate from the University of Singapore and University of Pennsylvania, USA. Mr. Wong has been Investor Relations Director of Lippo Karawaci since 2008.



Susanto

Mr. Susanto, age 43, is an experienced finance and accounting professional. Starting his career in Prasetyo, 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 earned his Accounting degree from STIE “YAI”, Jakarta.

Profile of Senior Executives

Lippo Homes



Gordon Benton, OBE

Mr. Gordon Benton, age 80, has extensive experience in urban planning, city management, conceptual architectural and construction design, and project and municipal management. Mr. 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. 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.



Meow Chong Loh

Mr. Meow Chong Loh, age 60, joined the Company as the President Director of Lippo Cikarang in 2007. He began his professional career as Senior Project Manager then as Executive Director at Pembinaan Desakota Sdn. Bhd. in Malaysia. In 1989, he moved to the USA and became a partner in UniCon Development and then President of Euston Development Corporation/Monfric Construction Inc. Returning to Asia in 1995, he oversaw the construction of two large coal powered plants in China. As Senior Vice President of Ascendas – A JTC Company, he involved in the complete development of large industrial parks in Vietnam and The Philippines during the Asian financial crisis. As General Manager for Tan Chong Motor Holdings Berhad, he completed the construction of a Nissan Car Assembly plant in Malaysia. Mr. Loh obtained a Bachelor of Science degree in Civil Engineering from the National Taiwan University.



Ninik Prajitno Nathan

Prior to her appointment as the CFO of Lippo Homes, Mrs. Ninik Nathan, age 48, held various senior positions in the Company including Chief of Staff to the CEO and Chief of Marketing of Strata Malls. She was also the Associate Director of Consumer Banking of PT Lippo Bank Tbk and Director of PT Lippo Merchants Finance. She obtained her Bachelor of Arts from University of Washington, Seattle, USA.

Profile of Senior Executives

Siloam Hospitals



dr. Gershu Paul

With 25 years experience in health service planning and strategy development, dr. Gershu Paul, age 54, drives the Siloam Vision, leads the Group's expansion strategy and manages hospital operations. Dr. Gershu's background includes health service planning, organisation transformation and leading and managing all phases of a project life cycle, from needs assessment, through to implementation. Dr. Gershu's sound experience in health service strategy development, project management and clinical operations has facilitated his skill development in formulating and implementing solutions to complex operations in a multi-national environment. Dr. Gershu holds a Bachelor degree in Surgery and Medicine from the University of Bangalore, India and a Diploma of Sports Studies and an MBA from the University of Otago, NZ. He is also a fellow of the Royal Australasian College of Medical Administrators and attended the executive program at Harvard Medical School, USA.



dr. Grace Frelita

dr. Grace Frelita, MM, age 56, has dedicated over 25 years to the healthcare services development in Indonesia. One of her notable achievements was introducing the Joint Commission International Accreditation along with colleagues, to the Siloam Hospitals Lippo Village in 2007 and again in 2010. dr. Grace's strong leadership and organisational skills have contributed to the development of the company from the ground up and her unwavering devotion to the community exemplifies her strong character and moral fibre. dr. Grace holds a Masters degree in Management, majoring in Hospital Administration from the University of Esa Unggul. Her Medical degree was earned at Universitas Katolik of Atmajaya dr. Grace is on the committee for the Indonesian Doctors Association (Ikatan Dokter Indonesia), is the Chairman of International Accreditation Division with the Indonesian Hospitals Association (Persatuan Rumah Sakit Seluruh Indonesia), the Vice Chairman of Strategic Healthcare Committee with the Indonesian Chamber of Commerce (KADIN) and is on the National Patient Safety Committee.



Romeo F. Lledo

As the Finance Director at Siloam Hospitals, Mr. Romeo Lledo, age 58, leads the Group's Accounting and Financial management and strategy, planning and forecast. After spending 11 years of his professional life as a Certified Public Accountant, Mr. Lledo has gone on to serve 24 years in Commerce and Industry Management. Having served in executive positions in various companies both in the Philippines and Indonesia, he brings a wealth of knowledge to the Siloam management team. Mr. Lledo's educational achievements include his Certification as a Certified Public Accountant in the Philippines, completion Management Programs at the Asian Institute of Management, and the Strategic Business Economics for Senior Executives which leads to Master's degree in Business Economics. Mr. Lledo's previous positions with The Salim Group and SGV & Co. (Ernst & Young International) has enabled his development of a vast range of experiences, among others, in manufacturing, agribusiness and plantation, broadcasting and multimedia, logging and mining, utilities and services.

Profile of Senior Executives

Lippo Malls



Craig Williams

Mr. Craig Williams, age 49, is a career property professional who has extensive experience in both the Australian and Indonesian property markets. He spent 19 years with professional services firm Jones Lang LaSalle (JLL), beginning his career with JLL in North Sydney in 1985 handling investment property transactions. From 1989 - 1997 Mr. Williams was posted to Jakarta, where from 1993-1997 he was the Chief Executive Officer of the firms' Indonesian Operations, which at the time were associated with PT Procon Indah. From 1997-2004 he held various positions with JLL in Australia including CEO Australasia and MD Capital Markets Asia-Pacific.

From 2005 - 2010 Mr. Williams was Managing Director of a boutique funds management operation in Sydney which specialised in both direct and indirect real estate funds management. He returned to Indonesia in 2011 to join his former Client, Lippo Group, as Managing Director - Property. Mr. Williams is a qualified property Valuer in Australia and is a Fellow of the Australian Property Institute.



Thomas Connolly Malayil

Mr. Thomas Malayil is the Chief Executive Officer of Lippo Malls Indonesia (LMI). LMI is the largest mall operator in Indonesia and has a significant development pipeline. Mr. Malayil, age 41, is American and an experienced retail real estate executive. He started his career with a private shopping center developer in the Midwestern United States. Mr. Malayil subsequently entered law school and clerked or practiced with several large law firms. He returned to the commercial side and spent over a decade with one of America's largest shopping mall companies. Before joining Lippo Karawaci, he owned a private advisory and consultancy focused on the shopping center industry.

Mr. Malayil holds a bachelor degree in accountancy from the W.P. Carey School of Business at Arizona State University, a Doctor of Jurisprudence (law degree) from the University of Oregon School of Law and MBA degrees from the National University of Singapore and the John E. Anderson School of Management at the University of California Los Angeles (UCLA). Mr. Malayil is a member of the International Council of Shopping Centers and the Washington State Bar Association.

Profile of Senior Executives

Hotels & Hospitality



Jessy Quantero

Ms. Jessie Quantero, age 58, had served in several strategic positions within the Lippo Group since 1990, before serving as CEO of The Aryaduta Hotels since 2009. After seven years of dedication at PT Bank Lippo Tbk with the last position as Deputy Regional Office Head, she was appointed as Director for PT Siloam Gleneagles Health Care Tbk. Siloam Group, 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. Quantero worked as an 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 Fischer

Mr. Juergen Fischer, age 55, has extensive knowledge in hotel and tourism via his experience in Europe, the Middle East, the Caribbean and Asia. He has been the Chief Operating Officer of Aryaduta Hotels since 2007. Prior to joining Aryaduta Hotels, he held 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).

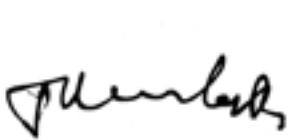
Statement of The Board of Commissioners and Board of Directors Regarding Responsibility for the 2012 Annual Report of PT Lippo Karawaci Tbk.

We, the undersigned, hereby declare that all information in the annual report of PT Lippo Karawaci Tbk for the year 2012 have been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of such annual report.

This statement is duly made in all integrity.

Lippo Village, March 2013

Board of Commissioners



Theo L. Sambuaga
President Commissioner



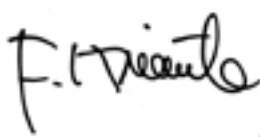
Surjadi Soedirdja
Vice President Commissioner



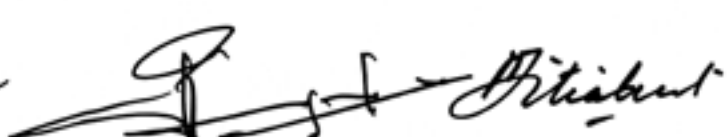
Agum Gumelar
Independent Commissioner



Tanri Abeng
Independent Commissioner



Farid Harianto
Independent Commissioner



Jonathan L. Parapak
Independent Commissioner



Viven G. Sitiabudi
Commissioner

Board of Directors



Ketut Budi Wijaya
President Director



Tjokro Libianto
Director



Jopy Rusli
Director



E. Yudhistira Susiloputro
Director



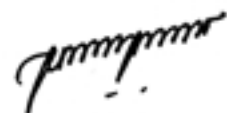
Djoko Harjono
Director



Roberto Feliciano
Director



Ivan S. Budiono
Director



Jenny Kuistono
Director

Financial Report

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

**Consolidated Financial Statements
For the Years Ended
31 December 2012 and 2011,
Consolidated Statements of Financial Position
As of 1 January 2011 / 31 December 2010**



**DIRECTORS' STATEMENT
ON
THE RESPONSIBILITY FOR PT LIPPO KARAWACI TBK
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2012**

We the undersigned:

- | | |
|--|--|
| 1. Name | : Ketut Budi Wijaya |
| Address | : Menara Matahari Lt. 22
Jln. Bulevar Palem Raya No. 7
Lippo Karawaci, Tangerang 15811 |
| Residential Address
(as in identity card) | : Jln. Percetakan Negara II/3
Johar Baru, Jakarta Pusat. |
| Telephone | : (021)2566 9000 |
| Title | : President Director |
| 2. Name | : Tjokro Libianto |
| Address | : Menara Matahari Lt. 22
Jln. Bulevar Palem Raya No. 7
Lippo Karawaci, Tangerang 15811 |
| Residential Address
(as in identity card) | : Jln. Kembangan Utama Blok L.J. No. 10
Rt 010/Rw 009 Kembangan Utara
Kembangan, Jakarta Barat |
| 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, 25 March 2013

PT Lippo Karawaci Tbk




Ketut Budi Wijaya
President Director



Tjokro Libianto
Director

This report is originally issued in Indonesia language

Number : R/151.AGA-E/bna.1/2013

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Independent Auditors' Report

The Stockholders, Commissioners and Directors
PT Lippo Karawaci Tbk

We have audited the accompanying consolidated statements of financial position of PT Lippo Karawaci Tbk ("the Company") and subsidiaries as of December 31, 2012 and 2011, and January 1, 2011 / December 31, 2010, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2012 and 2011. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of PT Gowa Makassar Tourism Development Tbk, a subsidiary, for the years ended December 31, 2012 and 2011, which reflected a total assets of Rp 900,597 million and Rp 487,194 million as of December 31, 2012 and 2011, respectively, and a total revenue of Rp 239,911 million and Rp 189,241 million for the years then ended, respectively. Those financial statements were audited by other independent auditor, whose reports dated March 22, 2013 and February 16, 2012, 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 auditor.

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 statements presentation. We believe that our audits and the reports of other independent auditor provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other independent auditor, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of PT Lippo Karawaci Tbk and subsidiaries as of December 31, 2012 and 2011, and January 1, 2011 / December 31, 2010 and the consolidated results of their operations and their cash flows for the years ended December 31, 2012 and 2011, in conformity with the Indonesian Financial Accounting Standards.

As described in the Note 2 to the consolidated financial statements, the Company and subsidiaries have implemented certain Financial Accounting Standards which became effective starting January 1, 2012. Furthermore, the Company has restated the consolidated statements of financial position as of December 31, 2011 in conformity with the presentation of the consolidated statements of financial position as of December 31, 2012, by classifying assets as current assets and non-current assets and classifying liabilities as current liabilities and non-current liabilities. Therefore, the consolidated statements of financial position as of January 1, 2011 / December 31, 2010 have been restated.



Benny Andria

Public Accountant License Number: AP.0181

Jakarta, March 25, 2013

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such financial statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly the accompanying financial statements and the auditors' report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their application in practice.

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2012 and 2011, and January 1, 2011/ December 31, 2010

(Expressed In Full Rupiah, Unless Otherwise Stated)

ASSETS	Notes	December 31, 2012	December 31, 2011 *)	January 1, 2011/ December 31, 2010 *)
		Rp	Rp	Rp
Current Assets				
Cash and Cash Equivalent	3.c, 3.d, 3.f, 3.x, 4, 10, 42, 44	3,337,357,407,919	2,174,560,697,339	3,660,087,191,120
Trade Accounts Receivable	3.x, 3.y, 5, 44			
Third Parties	3.c, 42	591,205,993,335	561,856,099,019	656,604,474,581
Related Parties	3.f, 10	3,171,020,453	2,779,461,708	5,083,171,699
Other Current Financial Assets	3.c, 3.s, 3.x, 3.y, 6, 40.b, 42, 44	4,603,435,991,596	2,671,821,100,562	547,919,244,755
Inventory	3.g, 3.l, 3.m, 7	10,504,909,573,401	7,892,170,591,837	7,068,539,007,802
Prepaid Taxes	3.u, 18.c	330,155,958,274	209,159,804,577	171,327,012,215
Prepaid Expenses	3.h, 8, 40.b	109,214,896,716	96,056,870,094	84,310,343,563
Total Current Assets		19,479,450,841,694	13,608,404,625,136	12,193,870,445,735
Non-Current Assets				
Due from Related Parties Non-Trade	3.f, 3.x, 10, 44	11,460,650,042	10,102,936,910	9,373,247,862
Other Non-Current Financial Assets	3.c, 3.x, 9, 42, 44	402,631,259,780	253,210,215,432	151,710,156,526
Investment in Associates	3.e, 10, 11	85,783,638,690	64,021,323,926	69,571,917,104
Investment Property	3.i, 3.k, 3.m, 12	301,745,856,881	528,400,307,942	517,985,863,654
Property and Equipment	3.j, 3.m, 3.y, 13	2,222,377,300,854	1,556,124,819,331	1,206,374,544,429
Intangible Assets	3.n, 3.o, 14, 45	214,637,574,108	210,276,495,852	104,623,556,841
Deferred Tax Assets	3.u, 3.y, 18.b	76,454,612,653	77,480,992,299	72,636,806,041
Advances	15	1,079,837,163,783	738,765,092,504	699,295,415,957
Land for Development	3.g, 16	929,483,420,264	987,757,345,136	953,759,187,924
Other Non-Current Non-Financial Assets		65,433,414,344	224,627,260,416	176,183,777,853
Total Non-Current Assets		5,389,844,891,399	4,650,766,789,748	3,961,514,474,191
TOTAL ASSETS		24,869,295,733,093	18,259,171,414,884	16,155,384,919,926

*) Restated (See Note 2.b)

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

As of December 31, 2012 and 2011, and January 1, 2011/ December 31, 2010

(Expressed In Full Rupiah, Unless Otherwise Stated)

LIABILITIES AND EQUITY	Notes	December 31, 2012	December 31, 2011 *)	January 1, 2011/ December 31, 2010 *)
		Rp	Rp	Rp
LIABILITIES				
Current Liabilities				
Trade Accounts Payable	3.x, 44			
Third Parties	3.c, 19, 42	575,701,267,461	416,870,564,924	265,820,833,435
Related Party	3.f, 10	--	--	9,710,280,000
Accrued Expenses	3.c, 3.l, 3.s, 3.x, 17, 40.c, 42, 44	487,335,826,278	325,793,863,002	484,179,885,050
Taxes Payable	3.u, 18.d	199,078,158,108	166,090,643,179	202,293,996,406
Short-Term Employment Benefits Liabilities	3.q, 3.y, 10, 44	6,326,397,455	3,704,922,933	3,173,775,373
Short-Term Bank Loans	3.x, 20, 44	4,853,583,896	144,930,951,280	459,622,201,824
Current Portion of Long-Term-Bank Loans	3.x, 22, 44	11,218,103,420	7,489,401,044	--
Other Current Financial Liabilities	3.x, 21, 42, 44	179,543,836,416	91,230,595,132	194,955,274,696
Advances from Customers	3.t, 25	1,850,726,035,076	963,300,544,347	1,161,504,968,573
Deferred Income	3.f, 3.t, 26	79,696,900,858	76,366,842,057	72,610,740,064
Deferred Gain on Sale and Leaseback Transactions	3.k, 27, 40.b	84,727,362,523	58,313,426,875	47,298,740,074
Total Current Liabilities		3,479,207,471,491	2,254,091,754,773	2,901,170,695,495
Non-Current Liabilities				
Long-Term-Bank Loans	3.x, 22, 44	54,753,114,466	65,971,217,878	--
Due to Related Parties Non-Trade	3.f, 3.x, 10, 44	3,188,994,396	4,447,347,258	10,307,468,479
Bonds Payable	3.c, 3.p, 3.x, 23, 42, 44	5,943,529,636,435	3,534,706,824,201	2,916,240,540,290
Other Non-Current Financial Liabilities	3.x, 44	85,634,498,079	31,576,305,817	27,417,395,136
Long-Term Employment Benefits Liabilities	3.f, 3.q, 3.y, 10, 24	161,333,982,735	143,171,484,230	117,089,448,839
Deferred Tax Liabilities	3.u, 3.y, 18.b	6,653,250,000	--	--
Advances from Customers	3.t, 25	2,142,860,001,643	1,407,968,948,946	517,084,804,401
Deferred Income	3.f, 3.t, 26	662,901,019,769	826,981,143,790	793,175,710,853
Deferred Gain on Sale and Leaseback Transactions	3.k, 27, 40.b	859,127,373,604	581,238,193,537	648,338,440,123
Total Non-Current Liabilities		9,919,981,871,127	6,596,061,465,657	5,029,653,808,121
Total Liabilities		13,399,189,342,618	8,850,153,220,430	7,930,824,503,616
EQUITY				
Equity Attributable to Owner of the Parent Company				
Capital Stock				
Par Value - Rp 100				
Authorized Capital - 64,000,000,000 shares				
Issued and Fully Paid - 23,077,689,619 shares				
as of December 31, 2012 and 2011, and 21,627,689,619 shares				
as of January 1, 2011/ December 31, 2010	28	2,307,768,961,900	2,307,768,961,900	2,162,768,961,900
Additional Paid-in Capital - Net	3.r, 29	4,063,148,621,880	4,063,148,621,880	3,264,272,536,575
Difference in Transactions with Non-Controlling Interest	30	(242,888,251,427)	(177,677,727,750)	--
Treasury Stock	3.x, 28	(216,524,113,794)	(61,731,458,788)	--
Retained Earnings		3,790,222,421,118	2,907,500,486,689	2,299,144,554,495
Other Comprehensive Income	32	954,389,097,088	(205,311,684,065)	28,865,389,068
Total Equity Attributable to Owner of the Parent Company		10,656,116,736,765	8,833,697,199,866	7,755,051,442,038
Non-Controlling Interest	3.n, 33	813,989,653,710	575,320,994,588	469,508,974,272
Total Equity		11,470,106,390,475	9,409,018,194,454	8,224,560,416,310
TOTAL LIABILITIES AND EQUITY		24,869,295,733,093	18,259,171,414,884	16,155,384,919,926

*) Restated (See Note 2.b)

The accompanying notes form an integral part of these consolidated financial statements

PT LIPPO KARAWACI Tbk

AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2012 and 2011

(Expressed In Full Rupiah, Unless Otherwise Stated)

	Notes	2012 Rp	2011 Rp
REVENUES	3.f, 3.t, 3.y, 10, 34	6,160,214,023,204	4,189,580,354,855
COST OF SALES	3.t, 3.y, 35	(3,339,267,470,227)	(2,293,260,256,746)
GROSS PROFIT		2,820,946,552,977	1,896,320,098,109
Other Income	3.t, 38	247,027,452,572	126,437,269,428
Operating Expenses	3.t, 36	(1,343,938,696,897)	(968,323,966,017)
Other Expenses	3.t, 38	(174,842,064,945)	(71,212,931,133)
PROFIT FROM OPERATIONS		1,549,193,243,707	983,220,470,387
Financial Income (Charges) - Net	37	1,632,727,916	(776,546,729)
Share in the Profit of Associates	3.e, 11	26,262,314,762	2,366,381,400
PROFIT BEFORE TAX		1,577,088,286,385	984,810,305,058
Tax Expenses	3.t, 3.u, 18.a	(254,241,267,447)	(170,715,956,132)
PROFIT FOR THE YEAR		1,322,847,018,938	814,094,348,926
OTHER COMPREHENSIVE INCOME			
Gain from Translations Financial Statements in Foreign Currency	3.c, 32	50,594,220,564	6,258,174,070
Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	3.c, 3.x, 6, 32	1,109,106,560,589	(240,435,247,203)
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEAR		1,159,700,781,153	(234,177,073,133)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,482,547,800,091	579,917,275,793
Profit for the Year Attributable to:			
Owner of the Parent Company		1,060,221,934,429	708,282,328,610
Non-Controlling Interest	3.b	262,625,084,509	105,812,020,316
		1,322,847,018,938	814,094,348,926
Total Comprehensive Income for the Year Attributable to:			
Owner of the Parent Company		2,219,922,715,582	474,105,255,477
Non-Controlling Interest	3.b	262,625,084,509	105,812,020,316
		2,482,547,800,091	579,917,275,793
EARNINGS PER SHARE			
Basic, Profit for the Year Attributable to Ordinary Share Holders of the Parent Company	3.v, 39	46.48	31.56

The accompanying notes form an integral part of these consolidated financial statements

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
For the Years Ended December 31, 2012 and 2011
(Expressed In Full Rupiah, Unless Otherwise Stated)

The accompanying notes form an integral part of these consolidated financial statements

**PT LIPPO KARAWACI Tbk
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2012 and 2011
(Expressed In Full Rupiah, Unless Otherwise Stated)

	2012 Rp	2011 Rp
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from Customers	7,636,269,050,885	4,972,581,629,604
Payments to Suppliers	(4,851,031,998,739)	(3,402,713,135,032)
Payments to Employees	(684,851,925,524)	(408,083,017,261)
Interest Received	81,486,812,047	104,572,396,647
Tax Refund	89,887,095,477	--
Payments of Taxes	(530,369,714,608)	(471,193,813,655)
Interest Payments	(452,595,838,532)	(420,636,600,197)
Net Cash Provided by Operating Activities	<u>1,288,793,481,006</u>	<u>374,527,460,106</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and Equipment		
Disposal	467,759,850,643	1,590,421,400
Acquisition	(940,731,518,620)	(388,401,541,608)
Receipt of Hospital Performance Guarantee	61,000,000,000	--
Acquisition of Investment Property	(10,981,513,930)	(36,054,500,286)
Receipt of Dividend	270,941,921,449	35,370,007,588
Receipt of Promissory Notes	31,878,000,000	4,495,500,000
Purchase of Minority Stock in Subsidiary	(77,210,477,500)	(221,067,000,000)
Acquisition of Subsidiary, Net of Cash Acquired	(501,676,697,309)	--
Placement of Restricted Funds	(149,421,044,348)	(101,528,556,906)
Placement of Investments	(856,005,945,917)	(2,199,746,371,810)
Net Cash Used in Investing Activities	<u>(1,704,447,425,532)</u>	<u>(2,905,342,041,622)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Bond Issuance		
Received	2,458,404,100,000	615,770,597,134
Repayment	(218,228,248,000)	--
Issuance Cost	(212,607,080,000)	(46,800,365,128)
Proceeds from Short-Term Bank Loan	45,000,000,000	140,000,000,000
Net Proceeds from Capital Stocks Issuance - Non-Preemptive Rights Issuance	--	956,394,200,000
Payments to Related Parties - Net	(2,616,065,994)	(6,339,182,135)
Dividend Payment by Subsidiary to the Non-Controlling Interest	(8,268,034,677)	--
Share Buyback	(154,792,655,006)	(61,731,458,788)
Dividend Payment	(177,500,000,000)	(99,926,396,416)
Repayment of Loans	(192,566,768,420)	(459,622,201,824)
Net Cash Provided by Financing Activities	<u>1,536,825,247,903</u>	<u>1,037,745,192,843</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	<u>1,121,171,303,377</u>	<u>(1,493,069,388,673)</u>
Effect of Foreign Exchange on Cash and Cash Equivalent at the End of the Year	41,625,407,203	7,542,894,892
BEGINNING BALANCE OF CASH AND CASH EQUIVALENT	<u>2,174,560,697,339</u>	<u>3,660,087,191,120</u>
ENDING BALANCE OF CASH AND CASH EQUIVALENT	<u><u>3,337,357,407,919</u></u>	<u><u>2,174,560,697,339</u></u>

The accompanying notes form 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, 2012 and 2011
(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 the Deed of Establishment No. 233, which was made in the presence of Misahardi Wilamarta, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in his Decree No. C2-6974.HT.01.01.TH.91 dated November 22, 1991 and was published in the State Gazette No. 62, Supplement No. 3593 on August 4, 1992. The Company's articles of association has been amended several times, and the latest was by the Deed of Extraordinary General Meeting of Stockholders No. 19 dated May 31, 2011, made in the presence of Unita Christina Winata, S.H., a notary in Tangerang, in relation to the increase of the Company's issued and fully paid-in capital and the changes in the Company's scope of activities. The deed was received by the Minister of Law and Human Rights of the Republic of Indonesia in his decree No.AHU-AH.01.10-16825 dated June 1, 2011.

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 and sports centers, 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 and accommodation services and operating activities in services consisting of public transportation, security services and other supporting services, except for legal and taxation services.

The Company started commercial operations in 1993. As of the reporting date, the Company's main activity is in the field of Urban Development, Large Scale Integrated Development, Retail Malls, Healthcare, Hospitality and Infrastructure, and Property and Portfolio Management. The work area of the Company and its subsidiaries, includes Sumatra, Java, Bali, Kalimantan and Sulawesi.

The Company is domiciled at 7 Boulevard Palem Raya # 22-23, Menara Matahari, Lippo Karawaci Central, Tangerang 15811, Banten - Indonesia. The Company is a member of the Lippo Group.

1.b. The Company's Initial Public 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 in the Indonesian 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 the Indonesian 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 which increased the Company's total outstanding shares to 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.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2012 and 2011
(Expressed In Full Rupiah, Unless Otherwise Stated)

In 2004, the Company offered 881,905,813 common shares at par value of Rp 500 to the stockholders through Limited Public Offering II in connection with Preemptive Rights Issuance and issued 529,143,440 Warrants Series I as a compliment to stockholders who 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 the Indonesian Stock Exchange on January 20, 2005.

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

On December 26, 2007, the Company exercised stock split from Rp 250 to Rp 100 per share. The outstanding 17,302,151,695 shares as of December 31, 2007 have been listed in the Indonesian Stock Exchange.

In December 2010, the Company offered 4,325,537,924 common shares with a par value of Rp 100 to the stockholders through Limited Public Offering III. This offering has received an effective notice of registration statement through the letter of the Chairman of Bapepam-LK No. S-10674/BL/2010, dated November 29, 2010 and was approved by the stockholders through a resolution of the EGM on same date. On December 29, 2010 these shares were listed in the Indonesian Stock Exchange.

Based on the Deed of Extraordinary General Meeting of Stockholders (EGMS) No. 02 dated May 3, 2011 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, which was recently updated by the Deed of EGMS Resolution No. 13 dated March 9, 2011, made in the presence of same notary, the stockholders approved the issuance of new shares within the framework of the Non Preemptive Rights Issuance (NPRI) with a maximum of 10% of paid-in capital or 2,162,768,961 shares. The NPRI can be implemented at once and / or gradually within a period of 2 (two) years as approved by the EGMS. On June 6, 2011, the addition of 1,450,000,000 shares has been issued. The new shares were listed in the Indonesian Stock Exchange on June 8, 2011.

Based on the Deed of EGMS No. 19 dated November 15, 2011 which was made in the presence of Unita Christina Winata, SH, a notary in Jakarta, the shareholders approved the repurchase (buyback) of outstanding shares. In 2011, the number of shares repurchased amounted to 96,229,500 shares, bringing the total number of ordinary shares outstanding as of the December 31, 2011 amounted to 22,981,460,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 005/LK-COS/II/2012 dated January 13, 2012.

The repurchased of the outstanding ordinary shares made in 2012 totalling 209,875,000 shares, bringing the outstanding shares as of December 31, 2012 amounted to 22,771,585,119 shares. The Company has reported this buyback to Bapepam-LK in its letter No. 175/LK-COS/VII/2012 dated July 13, 2012.

PT LIPPO KARAWACI Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
For the Years Ended December 31, 2012 and 2011
(Expressed In Full Rupiah, Unless Otherwise Stated)

1.c. The Company's Structure

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

Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation	Total Assets	
						2012 Rp	2011 Rp
Lippo Karawaci Finance B. V.***	Netherlands	Investment, Trading and Services	100.00%	--	2006	24,139,930,280	22,312,456,969
Theta Capital Pte. Ltd*** and Subsidiary	Singapore	Investment	100.00%	--	--	5,131,103,634,489	--
Theta Kemang Pte Ltd***	Singapore	Trading	--	100.00%	--	5,142,769,728,169	--
Sigma Capital Pte Ltd*** and Subsidiary	Singapore	Investment	100.00%	--	--	1,167,460,989,035	3,611,115,954,828
Sigma Trillium Pte Ltd ***	Singapore	Trading	--	100.00%	--	1,676,835,835,980	3,905,137,473,276
Lippo Karawaci Corporation Pte Ltd**** and Subsidiary	Singapore	Investment, Trading and Services	100.00%	--	--	214,762,805,681	107,362,372,788
LK Reit Management Pte Ltd*** and Subsidiary	Singapore	Investment, Trading and Services	--	100.00%	--	214,762,813,588	107,362,379,762
Bowsprit Capital Corporation Ltd***	Singapore	Investment, Trading and Services	--	80.00%	2006	214,762,805,681	107,362,372,788
Jesselton Investment Limited*** and Subsidiary	Malaysia	Investment, Trading and Services	100.00%	--	--	379,770,226,563	174,500,536,785
Peninsula Investment Limited*** and Subsidiary	Malaysia	Investment, Trading and Services	--	100.00%	--	379,770,236,233	174,500,545,853
LMIRT Management Ltd. (formerly Lippo Mappletree Indonesia RTM Ltd)****	Singapore	Investment, Trading and Services	--	100.00%	2007	379,770,245,903	174,500,554,921
PT Primakreasi Propertindo and Subsidiary	Tangerang	Real Estate	100.00%	--	--	3,704,404,935,146	1,573,627,445,922
PT Mujuir Sakti Graha and Subsidiary	Tangerang	Real Estate	--	99.83%	--	64,996,414,745	65,101,800,434
PT Surplus Multi Makmur and Subsidiary	Jakarta	Real Estate	--	90.00%	--	16,900,491,244	16,254,144,933
PT Arta Sarana	Bandung	Investment, Trading and Services	--	81.00%	--	42,047,153,885	41,398,663,274
PT PuriParagon	Tangerang	Development, Trading and Services	--	99.83%	--	583,842,942	585,757,942
PT Menara Tirta Indah (formerly PT PluitParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	89,320,414,276	571,710,942
PT Gempita Sinar Abadi (formerly PT BaliParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	20,124,545,500	20,122,967,000
PT Kuta BeachParagon and Subsidiary	Tangerang	Development, Trading and Services	--	99.83%	--	201,316,485,712	147,583,996,652
PT Graha Buana Utama and Subsidiary	Tangerang	Development, Trading and Services	--	99.83%	--	182,325,029,412	128,591,708,352
PT Berkat Langgeng Jaya and Subsidiary	Tangerang	Development, Trading and Services	--	99.83%	--	182,288,501,412	128,553,127,852
PT Pamor Paramita Utama	Jakarta	Development, Trading and Services	--	80.02%	--	171,947,073,287	118,168,649,427
PT Titian Semesta Raya (formerly PT PejatenParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	2,167,709,689	501,603,012
PT Tatabangun Nusantara (formerly PT CibuburParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	11,085,444,396	6,739,826,051
PT Tirtasari Kencana (formerly PT MedanParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	568,796,441	571,678,441
PT Multiguna Selaras Maju (formerly PT BogorParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	4,677,686,000	3,853,963,634
PT Lintas Lautan Cemerlang (formerly PT ThamrinParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	8,223,476,390	11,358,825,326
PT Nilam Biru Bersinar (formerly PT SurabayaParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	5,000,000,000	5,000,528,000
PT Safira Prima Utama (formerly PT SemarangParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	10,000,000,000	10,000,525,000
PT Kalimaya Pundi Bumi (formerly PT LampungParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	10,001,281,000	10,002,313,000
PT Gloria Mulia (formerly PT Pontianakparagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	5,001,281,000	5,002,313,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation	Total Assets	
						2012 Rp	2011 Rp
PT Graha Solusi Mandiri and Subsidiary	Jakarta	Services	--	99.83%	--	128,464,109,878	124,561,433,312
PT Wijaya Wisesa Propertindo	Jakarta	Development and Services	--	99.83%	--	126,269,155	8,168,101,297
PT Kharisma Ekacipta Persada	Tangerang	Development, Trading and Services	--	99.83%	--	593,000,000	593,000,000
PT Cipta Mahakarya Gemilang	Tangerang	Development, Trading and Services	--	99.83%	--	600,000,000	600,000,000
PT Mandiri Cipta Gemilang	Jakarta	Real Estate	--	99.83%	2003	2,183,814,781,088	1,244,132,370,575
PT Adijaya Pratama Mandiri	Jakarta	Development, Trading and Services	--	99.83%	--	1,000,000,000	--
PT Esatama Lestari Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	--
PT Gumarang Karya Sejati	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	--
PT Bahtera Perkasa Makmur	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	--
PT Gading Makmur Jaya	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	--
PT Bimasakti Jaya Mandiri	Tangerang	Development, Trading, Printing and Services	--	100.00%	2011	58,642,282,909	--
PT Surya Megah Lestari	Tangerang	Development, Trading, Printing, Land Transport, Industry, Agriculture and Services	--	100.00%	--	1,000,000,000	--
PT Jaya Makmur Bersama	Jakarta	Development, Trading and Services	--	100.00%	--	4,067,376,191	3,985,109,782
PT Grand Villa Persada	Tangerang	Real Estate	--	99.83%	--	570,649,250	574,276,250
PT Mega Proyek Pertiwi	Tangerang	Real Estate	--	99.83%	--	15,069,141,657	35,569,756,353
PT Sinar Surya Timur	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	600,000,000
PT Karyabersama Jaya	Tangerang	Development, Trading and Services	--	100.00%	--	19,003,931,942	600,000,000
PT Bayutama Sukses**	Tangerang	Development, Trading and Services	--	100.00%	--	--	600,000,000
PT Manunggal Utama Makmur	Tangerang	Development, Trading and Services	--	100.00%	--	597,750,000	600,000,000
PT Gempita Cipta Bersama	Tangerang	Development, Trading and Services	--	100.00%	--	593,568,750	600,000,000
PT Suryamas Khatulistiwa	Tangerang	Development, Trading and Services	--	100.00%	--	588,868,750	600,000,000
PT Lautan Sinar Abadi and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	--
PT Kreasi Tunas Bangsa and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Grahata Asri Makmur	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Usahatama Kreatif	Tangerang	Development, Trading and Services	--	86.50%	--	100,000,000	--
PT Karimata Putra Alam	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Sentra Dwimandiri and Subsidiary	Jakarta	Real Estate	100.00%	--	--	4,521,966,631,808	3,189,412,809,316
PT Prudential Development	Jakarta	Real Estate	--	100.00%	--	568,556,692	572,206,692
PT Muliasentosa Dinamika (4,48% ownership in PT Lippo Cikarang Tbk)	Tangerang	Real Estate	--	100.00%	1997	474,902,070,190	317,624,311,342
PT Sentra Realindo Development (4,62% ownership in PT Lippo Cikarang Tbk)	Tangerang	Home Improvement	--	100.00%	2001	168,493,089,133	107,060,698,248

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						2012 Rp	2011 Rp
PT Darma Sarana Nusa Pratama and Subsidiary	Tangerang	Real Estate	--	52.70%	1997	179,393,933,290	117,668,635,640
PT Tata Mandiri Daerah Villa Permata	Tangerang	Town Management	--	42.16%	2001	2,932,962,248	23,967,560
PT Golden Pradamas and Subsidiary	Tangerang	Real Estate	--	100.00%	--	322,019,653,699	261,032,873,518
PT Mulia Bangun Semesta and Subsidiary	Jakarta	Real Estate	--	99.98%	2002	340,563,015,154	271,269,481,266
PT Villa Permata Cibodas	Tangerang	Real Estate	--	99.98%	1995	150,620,906,458	158,250,689,885
PT Puncak Resort International and Subsidiary	Cianjur	Real Estate	--	100.00%	1994	76,750,626,160	76,499,537,511
PT Sentosa Seksama	Cianjur	Real Estate	--	100.00%	1994	23,234,047,605	23,234,088,939
PT Purimegah Swarga Buana	Cianjur	Real Estate	--	100.00%	1994	8,778,388,567	8,778,429,901
PT Adigraha Rancang Sempurna	Cianjur	Real Estate	--	100.00%	1994	7,206,247,381	7,206,288,381
PT Pesanggrahan Suripermata Agung	Cianjur	Real Estate	--	100.00%	1994	1,974,569,891	1,974,610,891
PT Dona Indo Prima	Cianjur	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Sukmaprima Sejahtera	Cianjur	Real Estate	--	100.00%	--	50,000,000	50,000,000
PT Sentra Asritama Realty Development	Tangerang	Installation and Water Treatment	--	100.00%	1994	124,980,295,200	92,369,889,767
PT Sentragraha Mandiri	Tangerang	Real Estate	--	100.00%	--	33,317,646,392	33,319,028,392
PT Tata Mandiri Daerah Lippo Karawaci	Tangerang	Town Management	--	100.00%	1999	163,222,272,733	136,880,341,147
PT Saptapersada Jagatnusa	Tangerang	Bowling	--	100.00%	1998	9,418,717,545	9,815,683,386
PT Sejahtera Selaras	Jakarta	Real Estate	--	100.00%	--	13,107,563,451	16,919,391,826
PT Surya Makmur Alam Persada	Jakarta	Real Estate	--	100.00%	--	20,284,264,984	20,286,239,984
PT Bahtera Pratama Wirasakti	Jakarta	Real Estate	--	100.00%	--	15,733,573,862	15,738,278,512
PT Sentra Office Realty	Tangerang	Building	--	100.00%	1998	714,765,952	714,765,952
PT Dinamika Intertrans	Tangerang	Transportation	--	100.00%	1994	535,448,707	307,038,901
PT Imperial Karawaci Golf	Tangerang	Golf	--	100.00%	--	473,633,000	475,441,000
PT Agung Sepadan	Tangerang	Real Estate	--	100.00%	--	2,544,931,804	2,545,963,804
PT Prudential Townhouse Development	Jakarta	Real Estate	--	100.00%	--	23,457,952	37,146,663
PT Wahana Tatabangun Cemerlang Matahari	Jakarta	Real Estate	--	100.00%	--	14,424,708	16,972,808
PT Wahana Tatabangun Cemerlang	Jakarta	Real Estate	--	100.00%	--	15,293,966	17,592,066
PT Paragon City	Tangerang	Real Estate and Trading	--	100.00%	--	7,156,351,316	7,159,209,926
PT Bangun Karya Semesta	Jakarta	Development and Services	--	100.00%	--	2,500,000,000	2,500,000,000
PT Padang Indah City	Tangerang	Trading, Development and Services	--	100.00%	--	2,000,000,000	2,000,000,000
Bridgewater International Ltd***	Seychelles	Investment and Trading	--	100.00%	2006	3,435,522,448,584	2,208,458,541,705
PT Lippo Karawaci Infrastructure & Utility Division	Tangerang	Construction and Services	--	100.00%	--	228,845,000	232,477,000
Brightlink Capital Limited***	Malaysia	Investment, Trading and Services	--	100.00%	--	71,763,571,416	67,341,313,692
Evodia Strategic Investment Limited*** and Subsidiary	Malaysia	Investment, Trading and Services	--	100.00%	--	94,896,035	83,698,615
Great Capital Pte Ltd*** and Subsidiary	Singapore	Investment, Trading and Services	--	100.00%	--	47,449,907	41,850,974
Key Capital Pte Ltd***	Singapore	Investment, Trading and Services	--	100.00%	--	23,728,907	20,928,974
Globalink Investments Pte Ltd*** and Subsidiary	Singapore	Investment, Trading and Services	--	100.00%	--	47,449,907	41,850,974
Fortuna Capital Pte Ltd***	Singapore	Investment, Trading and Services	--	100.00%	--	23,728,907	20,928,974
Sagacity Investments Pte Ltd and Subsidiary**	Singapore	Investment, Trading and Services	--	100.00%	--	--	6,974
Maxi Magna Investments Pte Ltd**	Singapore	Investment, Trading and Services	--	100.00%	--	--	6,974
PT Amanda Cipta Utama**	Tangerang	Development, Trading and Services	--	100.00%	--	--	600,000,000
PT St Moritz Management	Jakarta	Development, Trading and Services	--	100.00%	--	1,540,629,016	600,000,000
PT Kemang Village Management (formerly PT Pesona Indah Lestari)	Jakarta	Hotel	--	80.00%	--	19,265,156,516	11,345,068,695
PT Wisma Jatim Proptertindo and Subsidiary	Jakarta	Services	100.00%	--	--	4,684,268,847,508	3,443,723,178,489
PT Maharama Sakti	Jakarta	Trading	--	100.00%	--	111,240,000	111,240,000
PT KemangParagon Mall and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	1,628,485,997,429	1,245,773,231,077
PT Wahana Usaha Makmur and Subsidiary	Jakarta	Real Estate	--	92.00%	--	1,622,389,802,318	1,291,190,997,714
PT Almaron Perkasa	Jakarta	Real Estate	--	92.00%	2005	2,244,733,704,769	1,341,481,352,448
PT Gelora Raya Semesta	Tangerang	Trading and Development	--	92.00%	--	70,173,024,867	600,000,000

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						2012 Rp	2011 Rp
PT Prima Aman Sarana	Jakarta	Services	--	92.00%	--	113,391,661,791	52,435,913,545
PT Kemang Multi Sarana	Jakarta	Real Estate and Urban Development	--	92.00%	--	65,982,074,527	35,461,406,724
PT Adhi Utama Dinamika	Jakarta	Real Estate	--	92.00%	--	72,418,405,997	62,109,230,226
PT Lipposindo Abadi and Subsidiary	Jakarta	Trading	--	100.00%	--	238,257,418,801	238,260,853,618
PT Kemuning Satatama and Subsidiary (42,20% ownership in PT Lippo Cikarang Tbk)	Jakarta	Trading	--	100.00%	--	233,341,516,983	233,343,919,800
PT Megachandra Karyaalestari	Jakarta	Trading	--	100.00%	1992*	284,918,077	285,428,894
PT Prudential Apartment Development	Jakarta	Services	--	100.00%	1993*	578,302,194	579,334,194
PT Sentra Kharisma Indah	Jakarta	Services	--	80.00%	--	2,180,455,119	2,181,315,119
PT Carakatama Digtantara and Subsidiary	Jakarta	Trading	--	100.00%	--	71,642,502,438	72,542,637,657
PT Prudential Hotel Development	Tangerang	Trading and Services	--	100.00%	1994*	71,618,740,201	72,524,394,153
PT Ariasindo Sejati and Subsidiary	Jakarta	Trading and Services	--	95.00%	--	210,465,190,780	135,893,261,673
PT Unitech Prima Indah and Subsidiary	Jakarta	Real Estate	--	94.68%	2004	192,878,159,877	231,265,606,945
PT Karya Cipta Pesona	Medan	Accommodation Services	--	100.00%	--	93,972,831,145	110,073,526,984
PT Metropolitan Leisure Corporation and Subsidiary	Jakarta	Trading and Services	--	100.00%	--	82,355,966,437	90,050,629,438
PT Kurniasindo Sejahtera	Jakarta	Trading and Services	--	100.00%	--	1,351,279,831	1,353,671,776
PT Graha Tata Cemerlang Makasar (0,34% ownership in PT Lippo Cikarang Tbk)	Makassar	Real Estate	--	100.00%	2002	76,259,524,463	78,314,592,848
PT Guna Tata Carakatama	Makassar	Trading and Services	--	100.00%	2002	147,508,091	141,603,003
PT Lippo Land Cahaya Indonesia	Jakarta	Services	--	100.00%	2003	6,139,563,019	11,738,107,155
PT Karunia Persada Raya (formerly PT Lipposindo) and Subsidiary	Jakarta	Trading	--	100.00%	--	133,336,957,340	114,447,348,358
PT Pendopo Niaga	Jakarta	Real Estate	--	100.00%	--	133,336,957,340	131,953,043,530
PT Larasati Anugerah	Jakarta	Trading	--	100.00%	--	23,084,420	23,858,420
PT Bathara Brahma Sakti	Tangerang	Trading and Services	--	100.00%	1992*	2,453,496,805	2,456,105,746
PT Realty Limaribu	Jakarta	Services	--	100.00%	1998*	357,178,014	358,615,010
PT Dwisindo Jaya	Jakarta	Trading	--	100.00%	--	78,165,768	79,099,268
PT Karunia Alam Damai (formerly PT Lippo Vacation) and Subsidiary	Jakarta	Trading	--	100.00%	--	240,726,750,898	212,396,510,075
PT Jagatpatala Nusantara	Jakarta	Real Estate	--	100.00%	2004	240,726,750,898	212,396,510,075
PT Mulia Mukti Persada Perkasa	Jakarta	Trading	--	100.00%	--	3,385,000	4,417,000
PT Kemang Village and Subsidiary	Jakarta	Trading	--	100.00%	--	138,541,987,393	288,948,127,613
PT Menara Bhumimegah and Subsidiary	Jakarta	Services	--	100.00%	2005	138,456,658,436	288,858,660,388
PT Jaya Usaha Prima and Subsidiary	Jakarta	Real Estate	--	80.00%	--	72,356,029,946	168,221,382,316
PT Persada Mandiri Abadi	Jakarta	Real Estate	--	80.00%	2005	77,784,100,616	168,257,098,666
PT Menara Perkasa Megah and Subsidiary	Jakarta	Real Estate and Urban Development	--	100.00%	2005	393,886,262,687	412,101,648,495
PT Pelangi Cahaya Intan Makmur and Subsidiary	Sidoarjo	Trading	--	85.00%	--	396,523,461,581	414,828,489,629
PT Surya Mitra Jaya and Subsidiary	Sidoarjo	Trading and Services	--	85.01%	2005	399,441,490,323	415,337,276,737
PT Citra Harapan Baru	Surabaya	Accommodation Services	--	99.99%	--	2,000,000,000	2,000,000,000
PT Niaga Utama	Jakarta	Trading	--	100.00%	--	107,403,418	108,235,418
PT Mitra Kasih Karunia	Jakarta	Real Estate	--	100.00%	--	1,887,217,700	1,887,217,700
PT Kreasi Megatama Gemilang and Subsidiary	Tangerang	Development, Agribusiness, Industry, Transportation, Trading and Services	--	100.00%	--	3,571,949,585	28,718,113,114
PT Lippo Malls Indonesia (formerly PT Consulting & Management Service Division) and Subsidiary	Tangerang	Services	--	100.00%	--	411,088,856,968	29,359,776,914
PT Kreasi Gemilang Perkasa (formerly PT BatamParagon Mall)	Tangerang	Development, Trading and Services	--	99.83%	--	3,571,949,585	2,039,667,180
PT Kilau Intan Murni and Subsidiary	Tangerang	Development, Trading and Services	--	100.00%	--	300,042,529,732	--
PT Mulia Citra Abadi	Jakarta	Development, Trading, Printing, Logistic Services, Industry, Agriculture and Services	--	100.00%	2012	186,406,006,422	--
PT Arwana Kreasi Gemilang	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Gayana Sumber Cipta	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Harapan Insan Mandiri	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Semboja Indah Cipta	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Putera Abadi Karya	Tangerang	Development, Trading and	--	100.00%	--	600,000,000	--

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						2012 Rp	2011 Rp
PT Violet Pelangi Indah	Tangerang	Services Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Buana Mediatama	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Nusaindah Bukit Permai	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Lembayung Karya Nirwana	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Inspira Ide Cemerlang	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Irama Karya Megah	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Gaharu Alam Permai	Tangerang	Development, Trading and Services	--	100.00%	--	600,000,000	--
PT Gunung Halimun Elok	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	--
PT Koridor Usaha Maju	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	--
PT Multi Panen Utama	Tangerang	Development, Trading, Printing and Services	--	100.00%	--	100,000,000	--
PT Saputra Karya	Jakarta	Real Estate and Urban Development	--	100.00%	--	71,650,289,846	65,469,347,752
PT Grand Provita and Subsidiary	Tangerang	Real Estate	--	100.00%	--	473,756,900	479,456,900
PT Grand Prima Propertindo	Tangerang	Real Estate	--	65.00%	--	7,948,100	10,798,100
PT Pacific Sejahtera	Tangerang	Real Estate	--	100.00%	--	17,317,400	17,317,400
PT Satriamandiri Idola Utama	Jakarta	Real Estate	--	100.00%	--	36,233,768,493	4,843,952,900
PT Mahakaya Abadi	Jakarta	Real Estate	--	100.00%	--	479,923,100	480,573,100
PT Persada Mandiri Dunia Niaga and Subsidiary	Jakarta	Real Estate	--	100.00%	--	88,314,702,476	135,893,261,673
PT Ekaputra Kencana Abadi	Jakarta	Real Estate	--	100.00%	--	4,950,000,000	--
PT Gapura Sakti Prima and Subsidiary	Jakarta	Real Estate	--	100.00%	--	200,575,909,084	133,938,964,378
PT Menara Megah Tunggal and Subsidiary	Jakarta	Real Estate	--	100.00%	--	194,259,065,395	133,438,964,378
PT Trias Mitra Investama	Jakarta	Real Estate	--	100.00%	--	207,246,171,955	132,938,964,378
PT Permata Agung Propertindo	Jakarta	Real Estate	--	100.00%	--	522,480,130	522,746,791
PT Kencana Mitra Lestari	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	577,800,000	577,800,000
PT Direct Power and Subsidiary	Jakarta	Trading, Real Estate, Industry, Printing, Agribusiness, Transportation and Services	--	100.00%	--	121,272,049,323	114,447,348,358
PT Mitra Mulia Kreasi and Subsidiary	Jakarta	Development, Industry, Mining, Agribusiness, Transportation, Trading and Services	--	80.00%	--	45,281,364,297	47,178,680,129
PT Bellanova Country Mall	Bogor	Development, Transportation, Trading and Services	--	80.00%	--	45,190,712,298	47,083,096,129
PT Sarana Global Multindo and Subsidiary	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	625,778,842,266	260,565,605,117
PT Guna Sejahtera Karya and Subsidiary	Jakarta	Development, Industry, Agribusiness, Park, Trading and Services	--	100.00%	--	625,722,386,092	260,507,319,013
PT Citra Sentosa Raya and Subsidiary	Jakarta	Trading, Real Estate, Industry, Agribusiness, Transportation and Services	--	100.00%	--	626,105,058,716	260,887,854,635

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						2012 Rp	2011 Rp
PT Gading Nusa Utama	Jakarta	Trading, Development, Industry, Park, Agribusiness and Services	--	99.60%	--	27,270,091,977	4,918,659,900
Rosenet Limited**** and Subsidiary	British Virgin Island	Investment	--	100.00%	--	261,187,089,692	259,399,872,209
Sea Pejaten Pte. Ltd**** and Subsidiary	Singapore	Investment	--	100.00%	--	261,187,089,692	259,399,872,209
PT Panca Permata Pejaten**	Jakarta	Trading, Development and Real Estate	--	100.00%	2008	--	259,380,515,745
Continental Investment Ltd****	Malaysia	Investment, Trading and Services	--	100.00%	--	19,974,968	18,891,636
PT Sandiego Hills Memorial Park and Subsidiary	Tangerang	Trading, Development, Transportation and Services	--	100.00%	2006	347,994,959,160	319,685,841,622
PT Pengelola Memorial Park (formerly RiauParagon Mall)	Tangerang	Development, Trading and Services	--	100.00%	2010	39,026,157,221	587,339,941
PT CB Commercial	Tangerang	Development, Trading and Services	--	100.00%	--	584,826,161	585,857,600
PT Kemilau Karyacipta Persada	Tangerang	Development, Trading and Services	--	100.00%	--	2,465,087,000	2,466,119,000
PT Bumi Indah Pertiwi	Tangerang	Development, Trading and Public Services	--	100.00%	--	2,216,817,102	2,216,817,102
PT Galang Karya Usaha	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	--
PT Lippo Cikarang Tbk and Subsidiary	Bekasi	Real Estate	--	54.37%	1989	2,832,000,551,100	2,041,958,524,822
PT Great Jakarta Inti Development	Bekasi	Town Management and Real Estate	--	54.37%	1992	144,997,470,807	139,941,155,922
PT Menara Inti Development	Bekasi	Real Estate	--	54.37%	2012	17,277,325,261	--
PT Tunas Pundi Baru	Bekasi	Town Management	--	54.37%	2010	58,062,039,632	35,503,371,765
PT Erabaru Realindo	Bekasi	Real Estate	--	54.37%	--	16,981,287,500	16,980,287,500
PT Dian Citimarga	Bekasi	Transportation	--	54.37%	1993	211,101,778	57,350,064
PT Kreasi Dunia Keluarga	Bekasi	Recreational Park	--	54.37%	1993	5,992,313,790	4,747,280,213
PT Chandra Mulia Adhidharma	Bekasi	Management of Property	--	54.37%	2011	33,800,394,999	39,513,001,987
PT Tirtasari Nirmala	Bekasi	Water and Waste Treatment	--	54.37%	2011	24,759,842,750	14,534,975,118
PT Waska Sentana	Bekasi	Real Estate	--	54.37%	2011	50,358,326,791	500,000,000
PT Swadaya Tenopolis	Bekasi	Real Estate	--	54.37%	2009	250,000,000	250,000,000
PT Bekasi Mega Power	Bekasi	Power Plant	--	54.37%	2009	100,000,000	100,000,000
PT Dunia Air Indah	Bekasi	Recreation Services	--	54.37%	2009	3,432,732,840	3,432,732,840
Pan Asian Investment Ltd*** and Subsidiary	Vanuatu	Trading	--	100.00%	--	6,790,208,086	6,790,208,086
Crowmwell Investment Ltd***	Vanuatu	Trading	--	100.00%	--	16,930	18,138
Indigo Fund Investment Fund Ltd***	Cook Island	Investment	--	100.00%	--	9,180	9,068
Banksia Holdings Ltd***	Cook Island	Trading	--	100.00%	--	9,180	9,068
PT Megapratama Karya Persada and Subsidiary	Tangerang	Investment, Trading and Services	100.00%	--	--	1,945,420,492,482	1,115,864,133,350
PT Siloam International Hospitals and Subsidiary	Jakarta	Healthcare	--	100.00%	--	1,585,803,660,660	1,116,409,743,520
PT Aritasindo Permaisemesta	Jakarta	Healthcare	--	100.00%	--	321,957,363	313,475,859
PT Perdana Kencana Mandiri	Jakarta	Development, Trading, Industry and Services	--	100.00%	--	139,940,484	139,940,484
PT Multiselaras Anugerah	Tangerang	Development, Trading and Services	--	100.00%	--	118,439,411	118,439,411
PT Nusa Medika Perkasa	Bekasi	Healthcare	--	71.00%	--	880,961,690	849,214,066
PT Siloam Graha Utama and Subsidiary	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	174,600,329,936	175,313,104,094
PT East Jakarta Medika	Bekasi	Healthcare	--	85.50%	2002	174,600,329,936	175,313,104,094
PT Guchi Kencana Emas	Jakarta	Development, and Services	--	100.00%	--	110,183,689,336	104,451,101,043
PT Golden First Atlanta	Jakarta	Healthcare	--	83.00%	2008	108,824,482,220	103,351,555,306
PT Prawira Tata Semesta	Jakarta	Development, and Services	--	100.00%	--	190,424,949,939	151,221,127,479
PT Balikpapan Damai Husada	Balikpapan	Healthcare	--	79.61%	2007	153,184,763,268	113,981,340,136
PT Siloam Emergency Services	Tangerang	Healthcare	--	100.00%	--	1,000,000,000	1,000,000,000
PT Utama Sentosa Abadi	Jakarta	Trading, Development and Services	--	100.00%	--	400,000,000	400,000,000

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation	Total Assets	
						2012 Rp	2011 Rp
PT Medika Harapan Cemerlang Indonesia	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	600,000,000
PT Perisai Dunia Sejahtera	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	600,000,000
PT Primakarya Dunia Sentosa	Tangerang	Trading, Industry and Services	--	100.00%	--	2,410,550,000	2,400,000,000
PT Pancawarna Semesta	Tangerang	Trading, Industry and Services	--	100.00%	--	68,339,862,485	--
PT Diagram Healthcare Indonesia	Jakarta	Healthcare	--	80.00%	2006	44,450,915,455	--
PT Adamanisa Karya Sejahtera	Jakarta	Trading, Industry and Services	--	100.00%	--	1,000,000,000	--
PT Agung Cipta Raya	Tangerang	Trading, Industry and Services	--	100.00%	--	1,000,000,000	--
PT Bina Cipta Semesta	Jakarta	Trading, Industry and Services	--	100.00%	--	1,000,000,000	--
PT Brenada Karya Bangsa	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Harmoni Selaras Indah	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Krisolis Jaya Abadi	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Kusuma Bhakti Anugerah	Tangerang	Trading, Industry and Services	--	100.00%	--	7,000,000,000	--
PT Kusuma Primadana	Tangerang	Trading, Industry and Services	--	100.00%	--	85,235,136,940	--
PT Adjaya Buana Sakti	Tangerang	Trading, Industry and Services	--	80.00%	--	15,496,627,911	--
PT Siloam Sumsel Kemitraan	Tangerang	Trading, Industry and Services	--	100.00%	--	16,000,000,000	8,000,000,000
PT RS Siloam Hospital Sumsel (formerly PT Karyatama Indah Sentosa)	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	101,823,764,995	600,000,000
PT Mega Buana Bhakti	Tangerang	Trading, Industry and Services	--	100.00%	--	6,000,000,000	--
PT Optimum Karya Persada	Jakarta	Trading, Industry and Services	--	100.00%	--	1,000,000,000	--
PT Rosela Indah Cipta	Jakarta	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Sembada Karya Megah	Jakarta	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Taruna Perkasa Megah	Jakarta	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Tataka Bumi Karya	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Tataka Karya Indah	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Trijaya Makmur Bersama	Tangerang	Trading, Industry and Services	--	100.00%	--	600,000,000	--
PT Visindo Galaxi Jaya	Tangerang	Trading, Industry and Services	--	100.00%	--	5,000,000,000	--
PT Danisa Indah Cipta	Tangerang	Trading, Industry, Printing and Services	--	100.00%	--	100,000,000	--
PT Fajarindo Sinar Sakti	Tangerang	Trading, Industry, Printing and Services	--	100.00%	--	100,000,000	--
PT Eramulia Pratamajaya and Subsidiary	Jakarta	Healthcare	99.99%	0.01%	--	361,262,088,745	268,376,731,130
PT Siloam Karya Sejahtera	Jakarta	Trading and Services	--	100.00%	--	106,351,287,064	62,287,906,142

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Subsidiary	Domicile	Main Business	Direct Ownership Percentage	Indirect Ownership Percentage	Year of Start of Operation	Total Assets	
						2012 Rp	2011 Rp
PT Siloam Dinamika Perkasa	Jakarta	Trading, Development, Transportation and Services	--	100.00%	--	35,204,745,782	55,213,997,644
PT Siloam Sarana Karya	Jakarta	Healthcare	--	100.00%	2005	3,239,776,633	3,189,898,140
PT Siloam Tata Prima	Surabaya	Development, Transportation, Trading and Services	--	100.00%	--	4,635,197,087	26,575,516,545
PT Mahaduta Purnama	Jakarta	Development, Transportation, Trading and Services	--	100.00%	--	7,396,814,370	7,396,814,370
PT Buana Mandiri Selaras	Jakarta	Development and Services	--	100.00%	--	179,408,758,287	88,657,298,288
PT Serasi Adikarsa	Jakarta	Healthcare	0.01%	99.99%	--	19,805,000	19,805,000
PT Kalanusa Intan Cemerlang and Subsidiary	Tangerang	Trading, Development, Printing and Services	--	100.00%	--	100,000,000	--
PT Garuda Asa Kencana	Tangerang	Development, Trading and Services	--	100.00%	--	100,000,000	--
PT Abadi Jaya Sakti and Subsidiary	Tangerang	Investment, Trading and Services	100.00%	--	--	577,031,300	579,931,300
PT Tigamitra Ekamulia and Subsidiary	Jakarta	General	0.01%	99.99%	1998*	984,420	2,051,420
PT Shimatama Graha	Jakarta	Restaurant, Bar, Catering, Etc	--	100.00%	1989	5,907,311,936	2,249,806,899
PT Aryaduta International Management and Subsidiary	Jakarta	Hotel Management	--	100.00%	1998	11,094,632,111	15,464,850,352
PT Aryaduta Surabaya Management	Surabaya	Services	--	100.00%	--	589,587,563	590,029,245
PT Aryaduta Medan Management	Medan	Services	--	100.00%	--	589,385,500	589,859,500
PT Aryaduta Karawaci Management	Tangerang	Services	--	100.00%	--	582,248,000	589,973,562
PT Aryaduta Makassar Management	Makassar	Services	--	100.00%	--	594,116,500	594,590,500
PT Aryaduta Residences	Jakarta	Services	--	100.00%	--	2,702,832,803	2,244,228,877
PT Aryaduta Hotels & Resorts	Jakarta	Services	--	100.00%	--	582,248,000	583,472,000
PT Graha Jaya Pratama and Subsidiary	Tangerang	Real Estate	100.00%	--	--	971,388,173,838	571,510,521,441
PT Tataguna Cemerlang	Jakarta	Trading, Real Estate and Development	--	100.00%	--	100,000,000	100,000,000
PT Aresta Amanda Lestari (0,31% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--	743,498,251	559,220,103
PT Aresta Permata Utama (3,45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--	8,080,302,415	6,043,179,631
PT Fajar Usaha Semesta (4,73% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--	11,077,388,689	8,283,682,209
PT Fajar Raya Cemerlang (4,58% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--	10,732,191,046	8,025,821,704
PT Fajar Abadi Aditama (3,45% ownership in PT Gowa Makassar Tourism Development Tbk)	Jakarta	Trading	--	99.99%	--	8,077,822,179	6,041,037,578
PT Nuansa Indah Lestari and Subsidiary	Jakarta	Trading	--	100.00%	--	95,838,364,973	73,879,520,428
PT Metropolitan Permaisemesta and Subsidiary	Jakarta	Trading	--	89.74%	--	95,343,074,073	73,708,288,528
PT Makassar Permata Sulawesi and (32,5% ownership in PT Gowa Makassar Tourism Development Tbk)	Makassar	Trading	--	88.66%	--	108,056,074,695	73,723,382,150
PT Gowa Makassar Tourism Development Tbk	Makassar	Real Estate	4.92%	45.33%	1997	901,079,490,979	487,193,845,496

* Liquidated

** Transferred

*** The Functional Currency is USD

**** The Functional Currency is SGD

PT Bangun Karya Semesta was established under deed No. 1 dated March 3, 2011 made in the presence of Imam Wahyudi, S.H., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-22454.AH.01.01.Tahun 2011 dated May 4, 2011.

On March 11, 2011, PT Megapratama Karya Persada (MKP) acquired the entire ownership in PT Kencana Guchi Gold (GKE) (through direct ownership of 0.2% and 98.8% indirect ownership of PT Siloam International Hospitals (SIH)), for a total consideration of Rp 27,506,252,496. GKE has 83% ownership in PT Golden First Atlanta. The transaction is a business combination (see Note 45).

On March 11, 2011, PT Megapratama Karya Persada (MKP) acquired the entire ownership in PT Prawira Tata Semesta (PTS) (through direct ownership of 0.2% and 98.8% indirect ownership of SIH), for a total consideration of Rp 45,699,000,000. PTS has a 79.61% stake in PT Balikpapan Damai Husada. The transaction is a business combination (see Note 45).

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PT Siloam Emergency Services was established under deed No. 18 dated March 25, 2011 made in the presence of Unita Christina Winata, S.H., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-19053.AH.01.01.Tahun 2011 dated April 15, 2011.

On March 31, 2011, the entire ownership in PT PalembangParagon Mall, a subsidiary, was transferred at a value of Rp 300,000,000. Upon transfer, the entity recorded loss on disposal amounting to Rp 287,122,942 and this subsidiary transferred its major assets amounting to Rp 587,672,942, cash and bank, other assets and liabilities amounted to Rp 2,240,000, Rp 585,432,942 and Rp 550,000, respectively.

On March 31, 2011, the entire ownership in PT Sentra Star Dinamika, a subsidiary, was transferred at a value of Rp 12,500,000,000. Upon transfer, the entity recorded loss on disposal amounting to Rp 1,200,000 and this subsidiary transferred its major assets amounting to Rp 18,700,000, cash and bank, other assets and liabilities amounted to Rp 5,000,000, Rp 13,700,000 and Rp 14,500,000, respectively.

PT Karyatama Indah Sentosa was established under deed No. 2 dated April 1, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-23018.AH.01.01.Tahun 2011 dated May 6, 2011.

PT Sinar Surya Timur was established under deed No. 10 dated April 22, 2011 made in the presence of Linda Hapsari Yuwono, S.H., a notary in Jakarta. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-33972.AH.01.01.Tahun 2011 dated July 7, 2011.

PT Padang Indah City was established under deed No. 3 dated June 10, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-30298.AH.01.01.Tahun 2011 dated June 16, 2011.

On June 16, 2011, Peninsula Investments Limited, the subsidiary purchased 40% ownership in Lippo Malls Indonesia RTM Ltd. for a total consideration of SGD 31,900,000 or the equivalent to Rp 221,067,000,000, which increased the ownership of the subsidiary to 100%.

PT Perisai Dunia Sejahtera was established under deed No. 6 dated July 21, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-38099.AH.01.01.Tahun 2011 dated July 28, 2011.

PT Primakarya Dunia Sentosa was established under deed No. 8 dated July 27, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-38968.AH.01.01.Tahun 2011 dated August 2, 2011.

PT Karyabersama Jaya was established under deed No. 3 dated August 5, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-40998.AH.01.01.Tahun 2011 dated August 12, 2011.

PT Bayutama Sukses was established under deed No. 4 dated August 5, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-40887.AH.01.01.Tahun 2011 dated August 12, 2011.

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PT Manunggal Utama Makmur was established under deed No. 5 dated August 5, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-41064.AH.01.01.Tahun 2011 dated August 12, 2011.

PT Siloam Sumsel Kemitraan was established under deed No. 7 dated August 5, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-41373.AH.01.01.Tahun 2011 dated August 15, 2011.

PT Medika Harapan Cemerlang Indonesia was established under deed No. 1 dated September 5, 2011 which was made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-51717.AH.01.01.Tahun 2011 dated October 24, 2011.

On September 12, 2011, SIH acquired all interest in PT Utama Sentosa Abadi (USA) (through direct ownership of 0.25% and 99.75% indirect ownership of PT Siloam Emergency Services) with acquisition cost of Rp 400,000,000. At the acquisition date, the USA has not yet started operation and therefore, recorded as an asset acquisition.

PT Amanda Cipta Utama was established under deed No. 27 dated October 14, 2011 made in the presence of Unita Christina Winata, S.H., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-62509.AH.01.01.Tahun 2011 dated December 19, 2011.

PT Gelora Raya Semesta was established under deed No. 20 dated October 17, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-51939.AH.01.01.Tahun 2011 dated August 15, 2011.

PT Gempita Cipta Bersama was established under deed No. 1 dated November 2, 2011 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-60465.AH.01.01.Tahun 2011 dated December 8, 2011.

PT St Moritz Management was established under deed No. 11 dated November 8, 2011 made in the presence of Unik Setyawati S.H., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-61805.AH.01.01.Tahun 2011 dated December 14, 2011.

PT Suryamas Khatulistiwa was established under deed No. 31 dated November 17, 2011 made in the presence of Unik Setyawati S.H., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-01920.AH.01.01.Tahun 2012 dated January 12, 2012.

On March 26, 2012, MKP, a subsidiary, acquired all ownership in PT Pancawarna Semesta (PWS) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp 100,000,000. At the acquisition date, PWS has not yet started operation and therefore, recorded as an asset acquisition.

As of March 31, 2012, PWS acquired 80% ownership in PT Diagram Healthcare Indonesia (DHI), with a transaction value of Rp 58,752,000,000. This transaction is a business combination (see Note 45).

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PT Kusuma Bhakti Anugerah was established under deed No. 28 dated April 24, 2012 made in the presence of Emilia Retno Trahutami Sushanti, SH., MKn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-26321.AH.01.01.Tahun 2012 dated May 15, 2012.

Theta Capital Pte Ltd and Theta Kemang Pte Ltd were established on April 30, 2012 in Singapore.

On May 30, 2012, MKP, a subsidiary, acquired all ownership in PT Bina Cipta Semesta (BCS) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp 1,000,000,000. At the acquisition date, BCS has not yet started operation and therefore, recorded as an asset acquisition.

On May 31, 2012, MKP, a subsidiary, acquired all ownership in PT Mega Buana Bhakti (MBB) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp 7,000,000,000. At the acquisition date, MBB has not yet started operation and therefore, recorded as an asset acquisition.

On May 31, 2012, MKP, a subsidiary, acquired all of the ownership in Jaya PT Visindo Galaxi Jaya (VGJ) (through direct ownership of 0.01% and 99.99% indirect ownership of SIH) with acquisition cost of Rp 5,000,000,000. At the acquisition date, VGJ has not yet started operation and therefore, recorded as an asset acquisition.

On May 31, 2012, MKP, a subsidiary, acquired all of the ownership in PT Agung Cipta Raya (ACR) (through direct ownership of 0.1% and 99.9% indirect ownership of SIH) with acquisition cost of Rp 1,000,000,000. At the acquisition date, ACR has not yet started operation and therefore, recorded as an asset acquisition.

On May 31, 2012, MKP, a subsidiary, acquired all of the ownership in PT Adamanisa Karya Sejahtera (AKS) (through direct ownership 0.1% and 99.9% indirect ownership of SIH) with acquisition cost of Rp 1,000,000,000. At the acquisition date, AKS has not yet started operation and therefore, recorded as an asset acquisition.

PT Krisolis Jaya Mandiri was established under deed No. 1 dated June 1, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32835.AH.01.01. Tahun 2012 dated June 15, 2012.

PT Taruna Perkasa Megah was established under deed No. 2 dated June 1, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32836.AH.01.01.Tahun 2012 dated June 15, 2012.

PT Trijaya Makmur Bersama was established under deed No. 3 dated June 1, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32448.AH.01.01.Tahun 2012 dated June 14, 2012.

On June 4, 2012, MKP, a subsidiary, acquired all ownership in PT Optimum Karya Persada (OKP) (through direct ownership of 0.1% and 99.9% indirect ownership of SIH) with acquisition cost of Rp 1,000,000,000. At the acquisition date, OKP has not yet started operation and therefore, recorded as an asset acquisition.

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PT Brenada Karya Bangsa was established under deed No. 9 dated June 4, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32744.AH.01.01.Tahun 2012 dated June 15, 2012.

PT Sembada Karya Megah was established under deed No. 8 dated June 4, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32890.AH.01.01.Tahun 2012 dated June 15, 2012.

PT Tataka Bumi Karya was established under deed No. 10 dated June 4, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32745.AH.01.01.Tahun 2012 dated June 15, 2012.

PT Tataka Karya Indah was established under deed No. 11 dated June 4, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32573.AH.01.01.Tahun 2012 dated June 14, 2012.

PT Rosela Indah Cipta was established under deed No. 12 dated June 4, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32746.AH.01.01.Tahun 2012 dated June 15, 2012.

PT Harmoni Selaras Indah was established under deed No. 13 dated June 4, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by the Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-32893.AH.01.01.Tahun 2012 dated June 15, 2012.

On June 21, 2012, MKP, a subsidiary, acquired all of the ownership in PT Kusuma Primadana (KP) (through direct ownership of 0.01% and 99.9% indirect ownership of SIH) with acquisition cost of Rp 100,000,000. KP has a 80% stake in PT Adijaya Buana Sakti (ABS). At the acquisition date, KP has not yet started operation and therefore, recorded as an asset acquisition.

On July 12, 2012, MKP, a subsidiary, acquired all ownership in PT Adijaya Pratama Mandiri (APM) (through 80% indirect ownership of KP and 20% indirect ownership of PT Bumi Andalas Permai) with acquisition cost of Rp 1,000,000,000. At the acquisition date, APM has not yet started operation and therefore, recorded as an asset acquisition.

On July 12, 2012, PT Lippo Malls Indonesia and PT Kreasi Megatama Gemilang, both subsidiaries, acquired respectively, 75% and 25% ownership in PT Kilau Intan Murni (KIM) with acquisition cost of Rp 100,000,000. At the acquisition date, KIM has not yet started operation and therefore, recorded as an asset acquisition.

PT Arwana Kreasi Gemilang was established under deed No. 16 dated July 12, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42186.AH.01.01.Tahun 2012 dated August 3, 2012.

On July 19, 2012, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired all of the ownership in PT Galang Karya Usaha (GKU) (through direct ownership of 99.99% and 0.01% indirect ownership of PT Maharama Sakti) with the acquisition cost of Rp 100,000,000. GKU has not yet started operation and therefore, recorded as an asset acquisition.

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PT Gayana Sumber Cipta was established under deed No. 38 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42189.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Harapan Insan Mandiri was established under deed No. 39 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42188.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Semboja Indah Cipta was established under deed No. 40 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42364.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Putera Abadi Karya was established under deed No. 41 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42228.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Violet Pelangi Indah was established under deed No. 42 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-43789.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Buana Mediatama was established under deed No. 43 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42187.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Irama Karya Megah was established under deed No. 44 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42704.AH.01.01.Tahun 2012 dated August 7, 2012.

PT Gaharu Alam Permai was established under deed No. 45 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-43319.AH.01.01.Tahun 2012 dated August 9, 2012.

PT Lembayung Karya Nirwana was established under deed No. 46 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-43216.AH.01.01.Tahun 2012 dated August 8, 2012.

PT Nusaindah Bukit Permai was established under deed No. 47 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-42391.AH.01.01.Tahun 2012 dated August 3, 2012.

PT Inspira Ide Cemerlang was established under deed No. 48 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-44917.AH.01.01.Tahun 2012 dated August 16, 2012.

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PT Kreasi Tunas Bangsa was established under deed No. 50 dated July 30, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-43220.AH.01.01.Tahun 2012 dated August 8, 2012.

PT Grahata Asri Makmur was established under deed No. 12 dated August 10, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-47459.AH.01.01.Tahun 2012 dated September 6, 2012.

On August 15, 2012, PT Persada Mandiri Dunia Niaga and PT Wisma Jatim Propertindo, both subsidiaries, acquired respectively, 75% and 25% ownership in PT Ekaputra Kencana Abadi (EKA) with acquisition cost of Rp 20,000,000,000. EKA is the owner of 29.97% and 0.08% share in PT Menara Megah Tunggal and PT Trias Mitra Investama, both subsidiaries, respectively. This transaction is a business combination (see Note 45).

On August 27, 2012, PT Eramulia Pratamajaya (ERA), a subsidiary, acquired the entire ownership in PT Kalanusa Intan Cemerlang (KIC) (through direct ownership of 99.99% and 0.01% indirect ownership of PT Serasi Adikarsa) with acquisition cost of Rp 100,000,000. At the acquisition date, KIC has not yet started operation and therefore, recorded as an asset acquisition.

On August 28, 2012, ERA, subsidiaries, acquired the entire ownership in PT Garuda Asa Kencana (GAK) (through direct ownership of 40% and 40% indirect ownership of PT Kalanusa Intan Cemerlang) with acquisition cost of Rp 100,000,000. At the date of acquisition, GAK has not yet started operation and therefore, recorded as an asset acquisition.

PT Karimata Putra Alam was established under deed No. 27 dated Aug 28, 2012 made in the presence of Sriwi Bawana Nawaksari, S.H., M.Kn., a notary in Tangerang. The deed of establishment was approved by Minister of Law and Human Rights Republic of Indonesia with Decree No. AHU-48813.AH.01.01. Tahun 2012 dated September 14, 2012.

On September 11, 2012, PKP, a subsidiary, acquired all ownership PT Lautan Sinar Abadi (LSA) (through direct ownership of 99.99% and 0.01% indirect ownership of PT Grand Villa Persada) with acquisition cost of Rp 100,000,000. LSA is the owner of 86.5% stake in PT Usahatama Creative. At the acquisition date, LSA has not yet started operation and therefore, recorded as an asset acquisition.

On September 21, 2012, the entire ownership in PT Bayutama Sukses, a subsidiary, was transferred at a cost of Rp 600,000,000. Upon transfer, no gain (loss) on disposal of investments was recognized and the subsidiary transferred its major assets of Rp 600,000,000.

On September 21, 2012, PT Lippo Malls Indonesia (LMI), a subsidiary, acquired the entire stake in PT Gunung Halimun Elok (GHE) (through 75% direct ownership and 25% indirect ownership of PT Kilau Intan Murni (KIM)) with acquisition cost of Rp 100,000,000. At the acquisition date, GHE has not yet started operation and therefore, recorded as an asset acquisition.

On October 8, 2012, PKP, a subsidiary, acquired all ownership in PT Esatama Lestari Jaya (ELJ) (through 25% direct ownership and 75% indirect ownership of MCG) with the acquisition amounted to Rp 100,000,000, each. At the acquisition date, ELJ has not yet started operation and therefore, recorded as an asset acquisition.

On October 9, 2012, GHE and the MCG, both subsidiaries acquired respectively, 75% and 25% ownership in PT Koridor Usaha Maju (KUM) with acquisition cost of Rp 75,000,000 and Rp 25,000,000, respectively. At the acquisition date, KUM has not yet started operation and therefore, recorded as an asset acquisition.

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On October 9, 2012, PT GHE and the MCG, both subsidiaries acquired respectively, 75% and 25% ownership in PT Multi Panen Utama (MPU) with acquisition cost of Rp 75,000,000 and Rp 25,000,000, respectively. At the acquisition date, MPU has not yet started operation and therefore, recorded as an asset acquisition.

On October 17, 2012, MCG and PKP, both subsidiaries acquired respectively, 75% and 25% ownership in PT Gumarang Karya Sejati (GKS) with acquisition cost of Rp 75,000,000 and Rp 25,000,000, respectively. At the acquisition date, GKS has not yet started operation and therefore, recorded as an asset acquisition.

On October 25, 2012, PKP, a subsidiary, acquired the entire ownership in PT Bahtera Perkasa Makmur (BPM) (through 25% direct ownership and 75% indirect ownership of MCG) with acquisition cost of Rp 100,000,000. At the acquisition date, the BPM has not yet started operation and therefore, recorded as an asset acquisition.

On October 25, 2012, MKP, a subsidiary, acquired all ownership in PT Danisa Indah Cipta (DIC) (through 0.01% direct ownership and 99.99% indirect ownership of SIH) with acquisition cost of Rp 100,000,000 and Rp 1,000, respectively. At the acquisition date, DIC has not yet operated and recorded as an asset acquisition.

On November 8, 2012, DIC and PKP, both subsidiaries acquired respectively, 70% and 30% ownership in PT Fajarindo Sinar Sakti (FSS) with acquisition cost of Rp 70,000,000 and Rp 30,000,000, respectively. At the acquisition date, FSS has not yet started operation and therefore, recorded as an asset acquisition.

On November 16, 2012, PKP, a subsidiary, acquired the entire ownership in PT Gading Makmur Jaya (GMJ) (through 0.01% direct ownership and 99.99% indirect ownership of MCG) with acquisition cost of Rp 100,000,000. At the acquisition date, GMJ has not yet started operation and therefore, recorded as an asset acquisition.

On December 20, 2012, PT Lippo Malls Indonesia (d/h PT Consulting & Management Services Division) acquired the entire ownership in PT Mulia Citra Abadi (through 25% direct ownership and 75% indirect ownership of PT Kilau Intan Murni) with acquisition cost of Rp 300,000,000,000. This transaction is a business combination (see Note 45).

On December 20, 2012, PT Primakreasi Propertindo acquired all ownership in PT Bimasakti Jaya Abadi (through 25% direct ownership and 75% indirect ownership of MCG), with acquisition cost of Rp 125,000,000. This transaction is a business combination (see Note 45).

On December 20, 2012, PT Primakreasi Propertindo acquired all ownership in PT Surya Megah Lestari (through 25% direct ownership and 75% indirect ownership of MCG), with acquisition cost of Rp 10,000,000,000. This transaction is a business combination (see Note 45).

On December 20, 2012 the entire ownership of Sea Pejaten Pte Ltd and PT Gading Nusa Utama in PT Panca Permata Pejaten has been transferred at a value Rp 731,364,917,779. Upon transfer, this subsidiary recorded Rp 341,410,567,126 gain on disposal of investments and transferred cash and bank, other assets and liabilities amounting to Rp 9,828,189,726, Rp 242,962,165,659 and Rp 44,547,239,532, respectively.

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

Based on the Deed of Annual General Meeting of Stockholders No. 3 dated April 5, 2012 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, and based on the Deed of Annual General Meeting of Stockholders No. 11 dated March 9, 2011 made in the presence of Unita Christina Winata S.H., a notary in Tangerang, the composition of the Board of Commissioners and Directors as of December 31, 2012 and 2011 are as follows:

Board of Commissioners:

President Commissioner	: Theo L. Sambuaga
Vice President Commissioner	: Surjadi Soedirdja*
Independent Commissioner	: Tanri Abeng
Independent Commissioner	: Agum Gumelar
Independent Commissioner	: Farid Harianto
Independent Commissioner	: Jonathan Limbong Parapak
Independent Commissioner	: Gouw Viven (Viven G. Sitiabudi)

* also as Independent Commissioner

The composition of the Directors as December 31, 2012 and 2011 are as follows:

Directors:	2012	2011
President Director	: Ketut Budi Wijaya	Ketut Budi Wijaya
Director	: Tjokro Libianto	Tjokro Libianto
Director	: Jopy Rusli	Jopy Rusli
Director	: Elia Yudhistira Susiloputro	Elia Yudhistira Susiloputro
Director	: Djoko Harjono	Djoko Harjono
Director	: Roberto Fernandez Feliciano	Roberto Fernandez Feliciano
Director	: Ivan Setiawan Budiono	Ivan Setiawan Budiono
Unaffiliated Director	: Jenny Kuistono	--

The audit committee composition as of December 31, 2012 and 2011 are as follows:

	2012	2011
Chairman	: Farid Harianto	Jonathan Limbong Parapak
Member	: Siswanto Pramono	Isnandar Rachmat Ali
Member	: Jeffrey Turangan*	Lie Kwang Tak

* Has passed away on December 7, 2012.

The Company's corporate secretary as of December 31, 2012 and 2011 is Jenny Kuistono.

As of December 31, 2012 and 2011, the Company and subsidiaries have 6,705 and 5,000 permanent employees, respectively (unaudited).

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2. New Financial Accounting Standards

Indonesian Financial Accounting Standards (SAK) are Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants (DSAK-IAI) and the regulation of capital market regulator, that is the Indonesia Financial Services Authority (OJK) (or formerly called Bapepam-LK), for the entity under its supervision. The following are new SAK effective in the current year:

2.a. New Ruling of Bapepam-LK

The Chairman of Bapepam-LK has issued Decree No. KEP-347/BL/2012 dated June 25, 2012, regarding Financial Statements Presentation and Disclosure of the Issuers and or Public Companies as set forth in the Regulation No. VIII.G.7 effective for financial statements on or after December 31, 2012. By this decree, the previous decrees of the Chairman of Bapepam-LK Nos. KEP 554/BL/2010 and KEP 06/PM/2000 and Circulars of Chairman of Bapepam-LK No. SE 03/BL/2011, SE-02/PM/2002 and SE-02/BL/2008 are revoked and no longer applicable since December 31, 2012.

Following the implementation of this regulation, the Company has made adjustments to accounts in the consolidated financial statements, accounts grouping in the consolidated financial statements of the same main components as well as adjustments to the disclosures and presentation of the consolidated financial statements.

2.b. Statements and Interpretations Issued by DSAK-IAI

The following are the Statement (PSAK), Interpretation (ISAK) and Statement of Revocation (PPSAK) that have been issued by DSAK-IAI applied to the financial statements which begins on or after January 1, 2012:

• PSAK No. 10 (Revised 2010)	: The Effects of Changes in Foreign Exchange Rates
• PSAK No. 13 (Revised 2011)	: Investment Property
• PSAK No. 16 (Revised 2011)	: Property, Plant and Equipment
• PSAK No. 18 (Revised 2010)	: Accounting and Reporting by Retirement Benefit Plans
• PSAK No. 24 (Revised 2010)	: Employee Benefits
• PSAK No. 26 (Revised 2011)	: Borrowing Costs
• PSAK No. 28 (Revised 2012)	: Accounting for Losses on Insurance Contract, revision effective since December 11, 2012
• PSAK No. 30 (Revised 2011)	: Leases
• PSAK No. 33 (Revised 2010)	: Stripping Activities and Environmental Management in General Mining
• PSAK No. 34 (Revised 2010)	: Construction Contracts
• PSAK No. 36 (Revised 2012)	: Accounting for Life Insurance, revision effective since December 11, 2012
• PSAK No. 45 (Revised 2010)	: Financial Reporting for Non-Profit Entity
• PSAK No. 46 (Revised 2010)	: Income Taxes
• PSAK No. 50 (Revised 2010)	: Financial Instruments: Presentation
• PSAK No. 53 (Revised 2010)	: Share-based Payment
• PSAK No. 55 (Revised 2011)	: Financial Instruments: Recognition and Measurement
• PSAK No. 56 (Revised 2010)	: Earnings per Share
• PSAK No. 60	: Financial Instruments: Disclosures
• PSAK No. 61	: Accounting for Government Grants and Disclosure of Government Assistance
• PSAK No. 62	: Insurance Contract
• PSAK No. 63	: Financial Reporting in Hyperinflationary Economies
• PSAK No. 64	: Exploration and Evaluation Activities in the Mining and Mineral Resources

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• ISAK No. 13	: Hedges of Net Investment in a Foreign Operation
• ISAK No. 15	: PSAK No. 24 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
• ISAK No. 16	: Service Concession Arrangements
• ISAK No. 18	: Government Assistance - No Specific Relation to Operating Activities
• ISAK No. 19	: Applying the Restatement Approach under PSAK No. 63: Financial Reporting in Hyperinflationary Economies
• ISAK No. 20	: Income Taxes-Change in the Tax Status of an Entity or its Stockholders
• ISAK No. 22	: Service Concession Arrangements: Disclosure
• ISAK No. 23	: Operating Leases – Incentives
• ISAK No. 24	: Evaluating the Substance of Transactions in the Legal Form of a Lease
• ISAK No. 25	: Land Rights
• ISAK No. 26	: Reassessment of Embedded Derivatives
• PPSAK No. 7	: Revocation of PSAK No. 44: Accounting for Real Estate Development Activity paragraph 47-48 and 56-61
• PPSAK No. 8	: Revocation of PSAK No. 27: Accounting for Cooperatives
• PPSAK No. 9	: Revocation ISAK No. 5: Interpretation of Paragraph 14 on PSAK No. 50 (1998) regarding the Reporting of Fair Value Changes in Equity Investment – Available-for-Sale
• PPSAK No. 11	: Revocation of PSAK No. 39: Accounting for Joint Ventures

The changes of the above new standards which are relevant or have effect to the consolidated financial statements are as follows:

PSAK No. 13 (Revised 2011): “Investment Property”

The revised standard introduces a new requirement to account for properties under construction or development as investment properties. Previously, properties under construction were accounted for as property and equipment until construction or development was completed (except for those properties recognized as inventory), regardless of the intentions for future use as either own-use property or investment property.

Property under construction that is intended to be used as investment property after construction is completed should now be accounted for as investment property. The investment property under construction should be accounted for consistently with the entity’s existing accounting for other investment properties, which uses either the fair value model or the cost model. There is a requirement to re-measure property under construction at fair value each period if the fair value model is applied.

Where fair value of investment property under construction could not be reliably measured, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value can be reliably measured.

PSAK No. 24 (Revised 2010): “Employee Benefits”

Several notable revisions relevant to the Company are as follows:

1. Recognition of actuarial gains and losses
 The revised standard introduces a new alternative method to recognize actuarial gains and losses, that is to recognize all actuarial gains and losses through other comprehensive income.

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2. Disclosures items

The revised standard introduces a number of disclosure requirements including disclosure of: the amounts for the current annual period and the previous four annual periods of present value of the defined benefit obligation and fair value of plan assets.

PSAK No. 60: "Financial Instruments: Disclosures"

This standard requires more extensive disclosure of the entity's financial risk management compared to PSAK No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures". The requirements consist of the following:

- The significance of financial instruments for an entity's financial position and performance. These disclosures are in line with PSAK No. 50 (Revised 2010).
- Qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk. The qualitative disclosures describe management's objectives, policies and processes for managing those risks. The quantitative disclosures provide information about the extent to which the entity is exposed to risk, based on information provided internally to the entity's key management personnel.

PPSAK No. 7, "Revocation of PSAK No. 44: Accounting for Real Estate Development Activity paragraphs 47- 48 and 56-61"

This statements changes the presentation of the Consolidated Statement of Financial Position by classifying assets and liabilities into current and non-current to comply with PSAK No. 1 (Revised 2009) "Presentation of Financial Statements".

In relation to the implementation of the said PPSAK and to be in line with PSAK No. 1 (Revised 2009) regarding "Presentation of Financial Statements" the consolidated statements of financial position as of December 31, 2011 and January 1, 2011 / December 31, 2010 have been restated for comparative purposes.

3. Summary of Significant Accounting Policies

3.a. Compliance with Financial Accounting Standards (SAK), Measurement and Preparation of Consolidated Financial Statements

The Company's consolidated financial statements have been prepared and presented in accordance with the Indonesian Financial Accounting Standards which include the Statements and the Interpretations issued by DSAK-IAI and Regulation of Bapepam-LK No. VIII.G.7 regarding the "Guidance of Financial Statements Presentation" as set forth in Decree No. KEP-347/BL/2012 regarding the amendment to Regulation No. VIII.G.7 and other accounting policies prevailing in the Capital Market.

The consolidated financial statements have been prepared on the going concern assumption and on the accrual basis, except for the consolidated statements of cash flows which used the cash basis. The basis of measurement in the preparation of these consolidated financial statements is the historical cost principle, except for certain accounts that were measured using other basis, as described in the respective accounting policy.

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

Functional currency of the Company and its subsidiaries is Rupiah, unless some subsidiaries as disclosed in Note 1.c. Transactions are recorded using the functional currency. The reporting currency used in the preparation of these consolidated financial statements is Rupiah.

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3.b. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries (including special purpose entity) either directly or indirectly controlled as presented in Note 1.c.

Control also exists when the parent entity owns half or less of the voting power of an entity when there is:

- power over more than half of the voting rights by virtue of an agreement with other investors;
- power to govern the financial and operating policies of the entity under a statute or an agreement;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- power to cast the majority of votes in the meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The existence and effect of potential voting rights that can be implemented or converted on the date of the reporting period should be considered when assessing whether an entity has the power to govern financial and operating policies of another entity.

The entities are consolidated from the date on which effective control was transferred to the Company and are no longer consolidated when the Company ceases to have effective control. Control exists when the entity has the power to govern the financial and operating policies of the entity and get benefits from the activities of the said entity.

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.

The changes in the Company's ownership interest in a subsidiary that do not result to a loss of control are accounted for as equity transactions and attributed to the owners of the parent.

All major transactions and inter-company account balances (including significant unrealized gain or loss) has been eliminated.

Non-controlling interest reflects equity in net earnings or losses and net assets of Subsidiaries which are not directly or indirectly attributable to parent company, and is presented under consolidated statement of comprehensive income and equity in the consolidated statement of financial position, separated from portion which are attributable to parent company.

3.c. Foreign Currency Transactions and Translation of Consolidated Financial Statements

Foreign currency is a currency other than the functional currency. Transactions involving foreign currencies are recorded at the exchange rates prevailing at the time the transactions are made.

At the reporting date, monetary assets and liabilities denominated in foreign currencies were adjusted to reflect the exchange rates prevailing at the time, with the following conversion rates:

	December 31, 2012	December 31, 2011
	Rp	Rp
1 USD	9,670	9,068
1 SGD	7,907	6,974
1 EUR	12,810	11,379
100 JPY	11,197	11,680
1 AUD	10,025	9,203

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Gains and losses from foreign exchange differences arising from foreign currency transactions into Rupiah, charged to profit and loss.

Whereas the non-monetary assets and liabilities denominated in foreign currencies were measured using the exchange rate on transaction date and monetary assets and liabilities denominated in foreign currencies were measured at fair value using the exchange rate on the date of fair value measurement.

The financial statements of subsidiaries which presented in currency other than Rupiah were translated into Rupiah using closing rate at reporting date for assets and liabilities accounts and the average rate during the period for income and expense accounts. All differences resulting from the translations were recognized as part of other comprehensive income.

3.d. Cash Equivalent

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

3.e. Investment in Associates

An associate is an entity in which the investor (i.e., the Company or subsidiary, which acts as an investor) has a significant influence to participate in decision making on financial and operational policies of the investee, but does not control or jointly control those policies. Significant influence is presumed to exist if the investor owns 20% or more of the voting rights of the investee, either directly or indirectly.

Investment in associates are initially recognized at cost. The carrying amount is increased or decreased by the share in the profit or loss of the investee after the date of acquisition in proportion with the percentage of ownership and reduced by dividends received (equity method).

The carrying amount is also adjusted if there is a change in the investor's proportionate interest in the investee arising from the investee's other comprehensive income. Those changes are recognized in other comprehensive income of the investor.

3.f. Transaction with Related Parties

In a normal business transaction, the Company has transactions with related parties. Related party is the person or entity that is related to the Company (referred to as the "reporting entity"), which includes:

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to the reporting entity if any of following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

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3.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, apartments and buildings (houses) under construction, are carried at the lower of cost and net realizable value (NRV). 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.

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

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

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs. Allowance for inventories using determined based on a review of the condition of the inventories at the end of the 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 appropriate.

3.h. Prepaid Expenses

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

3.i. Investment Property

Investment property is 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 property is carried at cost less its accumulated depreciation and any accumulated impairment losses. Land is not depreciated and is presented at acquisition cost. Building is depreciated using straight line method based on its estimated useful life of 20 years. The cost of repairs and maintenance is charged to the consolidated statements of comprehensive income as incurred while significant renovations and additions are capitalized.

Investment property is derecognized in, or disposed from the statement of financial position when it is permanently derecognized or retired and does not have any future economic benefit in which can be expected at its disposal. Gains or losses on derecognition or disposal of investment property is recognized in operation in the year derecognition or disposal.

Transfer to investment properties when, and only when, there is a change in use, evidenced by the end of the use by the owner, commencement of an operating lease to another party or completion of construction or development. Transfer from investment properties when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development for sale.

For a transfer from investment property to property that is used alone, the Company uses the cost method at the date of change in use. If the property is used by the Company to investment property, the Company recorded such property in accordance with the policy of property and equipment up to the date of change in use.

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3.j. Property and Equipment

Property and equipment in initial recognition is measured at cost.

Property and equipment after initial recognition is accounted using cost mode. Property and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Land is carried at cost and is 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 while 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 comprehensive income for the year.

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

The carrying amount of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is credited or charged to operations in the asset is derecognized.

At the end of each financial year, residual values, useful lives and methods of depreciation are reviewed, and if appropriate, adjusted prospectively.

3.k. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Leases that transfer to the lessee substantially all of the risks and rewards incidental to ownership of the leased item are classified as finance leases. Leases which do not transfer substantially all of the risks and rewards incidental to ownership of the leased item are classified as operating leases.

The Company as lessees:

At the commencement of the lease term under finance lease, the Company recognized assets and liabilities in their statement of financial position at amounts equal to the fair value of the leased property 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 rate

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implicit in the lease, if this is practical to determine, if not, the lessee's incremental borrowing rate is used. Initial direct cost of the lessee are added to the amount recognized as an asset. The depreciation policy of leased asset is consistent with depreciable assets that are owned.

Under an operating lease, the Company recognizes lease payments as an expense on a straight-line basis over the lease term.

The Company as lessors:

The Company is required to recognize assets held under a finance lease in their statement of financial position and present them as a receivable at an amount equal to the net investment in the lease. Lease payments received are treated as repayments of principal and finance lease income. The recognition of finance lease income is based on a pattern reflecting a constant periodic rate of return on the Company's net investments in the finance lease.

The Company is required to present assets subject to operating leases in their statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as operating rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized as income on a straight-line basis over the lease term.

Sale and Leaseback:

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 is not immediately recognized as income in the financial statements of a seller (lessee) but is 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 or loss is recognized immediately. If the sales price is below fair value, any profit or loss is recognized immediately except if the loss is compensated by future lease payments below market price where it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sales price is above fair value, the excess over fair value is deferred and amortized over the period for which the asset is expected to be used.

3.l. 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 when the assets are ready for their intended use.

3.m. Impairment of Non-Financial Assets

Recoverable of assets value shall be estimated whenever events and changes of circumstances indicate that the carrying value may not be recoverable. Impairment of non-financial asset is recognized as loss for the year.

Impairment loss been recognized in prior periods is reversed if and only if there is a change in the estimates used to determine the assets recoverable amount since the last impairment loss is recognized. Recoverable amount can be recognized only by reversing an impairment loss has been recognized.

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3.n. Business Combination

The Company accounts for each business combination by applying the acquisition method (includes measurement of non-controlling interest).

The consideration transferred for an acquisition is measured at the aggregate of the fair values of assets given-up, liabilities assumed and equity instruments issued by the Company. Acquisition-related costs are recognized in the profit or loss as incurred.

The Group recognizes the identifiable assets acquired and liabilities taken over at their fair value on acquisition date, except for the following:

- Deferred tax assets or liabilities that are related to assets acquired and liabilities taken over in business combination are recognized and measured in accordance with PSAK No. 46 (Revised 2010), "Income Taxes".
- Liabilities (or assets, if any) related to employee benefit arrangement from the acquiree are recognized and measured in accordance with PSAK No. 24 (Revised 2010), "Employee Benefits".
- Liabilities or equity instruments related to the replacement of an acquiree's share-based payment awards are measured in accordance with PSAK No. 53 (Revised 2010), "Share-based Payment".
- Non-current assets (or disposal groups) acquired which classified as held for sale are measured in accordance with PSAK No. 58 (Revised 2009), "Non-current Assets Held for Sale and Discontinued Operations".

3.o. Intangible Assets

Goodwill

Goodwill arising in a business combination is recognized as an asset on the date that the control is acquired.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities taken over.

Goodwill is not amortized but is reviewed for impairment at least annually or more frequently when there is an indication that the goodwill may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorated on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in the subsequent period.

The negative goodwill that resulted from bargain purchases is recognized as gain in profit or loss. The gain is attributed to the acquirer.

If goodwill has been allocated to a cash-generating unit and certain operations on the cash-generating unit is stopped, the goodwill associated with discontinued operations are included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill removed is measured based on the relative value of discontinued operations and share of the cash-generating unit retained.

Cost of Software

Software costs are initially recognized at cost or amounts attributable to these assets in the first one recognized.

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

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3.p. Bond Issuance Cost

Bond issued is classified into the category of financial liabilities measured at amortized cost (see Note 3.x). Therefore, bond issuance cost is deducted directly from the 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 using the effective interest rate method.

3.q. Employee Benefit

The Company recognizes provisions for post-employment benefits in accordance with Labor Law No. 13/2003 and PSAK No. 24 (Revised 2010) "Employee Benefits". No funding is provided for this plan.

Short-term employee benefits

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

Post-employment Benefits

Post-employment benefits are 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. Past service cost recognized in profit or loss when the benefit become vested and recognized as expense with straight-line method for the average period of vested benefit. Accumulated unrecognized actuarial gain and loss that are more than 10% of the present value of defined benefit liabilities are amortized using the straight line method over the remaining projected average service period of employees in the programme.

3.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, do not represent changes of ownership in terms of economic substance, and thus, should not result in a gain or loss for the group of companies as a whole or for the individual entity in the groups.

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 the account "Difference in Value from Restructuring Transactions between Entities under Common Control" and is presented as a component of equity.

3.s. Derivative Financial Instruments

In implementing risk management to the volatility of foreign currency, the Company has entered into several derivative agreements with third parties.

Derivative Instruments are recognized based on its fair value and classified as financial asset and/or financial liabilities. Changes in the fair value are recognized as gain or loss in the current year.

3.t. 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 is fully recognized if the following conditions for each type of sale are met:

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For the 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 collectibility of the selling price can be 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 and 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 on the part of the seller to construct a building on the land sold.

For the 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 collectibility of the selling price can 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 which represents a sale in substance and the seller does not have substantial continuing involvement with such property.

If a real estate sale fails to meet all the 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 are fulfilled.

The revenue from shopping centers and apartments are recognized based on the 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 a percentage of actual activities accomplished to total development activities that need to be accomplished. Cost of land lots sold is determined based on the 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 in the "Accrued Expenses" account which is presented in the consolidated statements of financial position. 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.

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 benefit.

Expenses are recognized when incurred.

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3.u. Income Tax

Final Income Tax

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

Non-Final Income Tax

Current income tax is calculated from taxable income, the earnings that have been adjusted to the appropriate tax rules.

Amendments to taxation liabilities are recorded when an assessment is received or, if appealed against, when the results of the appeal is determined.

Current tax assets dan current tax liabilities are offset if, and only if, the entity:

- 1) has a legally enforceable right to set off the recognised amount; and
- 2) intends to settle in net basis, or realises and settles the asset and liability simultaneously.

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

Deferred tax assets dan deferred tax liabilities are offset if, and only if, the entity:

- 1) has a legally enforceable right to set off current tax asset against current tax liability; and
- 2) the deferred tax asset and the deferred tax liability relate to income taxes levied by the same tax authority on the same taxable entity.

3.v. Earnings per Share

Basic earnings per share (EPS) is calculated by dividing profit attributable to ordinary shares holder of the parent entity by the weighted average number of common stocks in the one (1) reporting period.

Diluted EPS accounted for other securities potentially have dilutive effect to ordinary shares which are outstanding during the reporting period.

3.w. Segment Information

Segment information of the Company and subsidiaries are presented based on operating segment.

Operating segment is a component of an entity that engages in business activities whose operating results are regularly reviewed by the management and for which discrete financial information is available.

The Company organized its business into six (6) operating segments:

- (i) Urban development, which comprises, among others, activities in real estate, urban development, land acquisition and clearing, land development and excavation and infrastructure development.
- (ii) Large scale integrated development, which comprises, among others, activities in real estate in large scale integrated development project and its infrastructure development.
- (iii) Retail malls, which comprises among others, activities in real estate in development and management of shopping center.
- (iv) Healthcare, which comprises activities in health services.
- (v) Hospitality and infrastructure, which comprise, among others, activities in hotels, restaurants, town management and water and sewage treatment, recreation center, transportation and maintenance services.
- (vi) Property and portfolio management, which comprises, among others, activities in management services.

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The above operating segments are strategic business units that offer different products and services. Products and services are managed separately because each business requires market strategies and different resources. The accounting policies for operating segments are the same as described in this summary of significant accounting policies.

3.x. Financial Instruments

Financial Assets

Financial assets are classified into four (4) categories, as follows (i) financial assets measured at fair value through profit or loss (FVTPL), (ii) loans and receivables, (iii) held-to-maturity financial assets (HTM financial assets) and (iv) available-for-sale financial assets (AFS financial assets). The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of its financial assets at initial recognition.

(i) Financial assets measured at FVTPL

Financial assets measured at FVTPL are financial assets which are held for trading. Financial asset is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

At the time of initial recognition, financial assets at fair value through profit or loss are recognized at fair value plus transaction costs and subsequently measured at fair value.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost using the effective interest rate method.

(iii) HTM financial assets

HTM financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity, other than:

- a. Those that are designated as financial assets measured at FVTPL upon initial recognition;
- b. Those that are designated as AFS financial assets; and
- c. Those that meet the definition of loans and receivables.

These are initially recognized at fair value including transaction costs and are subsequently measured at amortized cost, using the effective interest rate method.

(iv) AFS financial assets

AFS financial assets are non-derivative financial assets that are intended to be held for an indefinite period of time, which might be sold in response to needs for liquidity or changes in interest rates, exchange rates or that are not classified as loans and receivables, HTM financial assets or financial assets measured at FVTPL.

AFS financial assets are initially recognized at fair value, plus transaction cost, and are measured subsequently at fair value with gains and losses being recognized in the consolidated statements of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial assets is derecognized. If AFS financial assets are determined to be impaired, the cumulative gain or loss previously recognized as other comprehensive income will be recognized as gain in the current year. Interest income is calculated using the effective interest method and foreign exchange gains or losses on monetary assets classified as AFS financial assets is recognized as gain or loss in the current year.

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Impairment of Financial Assets

Financial assets, other than measured at FVTPL, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For listed and unlisted equity investments classified as AFS financial assets, a significant or prolonged decline in the fair value of the security below its cost is considered to be an objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganization.

For certain categories of financial asset, such as receivables, the impairment value of assets are assessed individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written-off against the allowance account. Subsequent recoveries of amounts previously written-off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized as gain or loss in the current year.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to the consolidated statements of comprehensive income.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed as profit to the extent that the carrying amount of the investment on the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized as loss are not reversed through profit for the year. Any increase in fair value subsequent to an impairment loss is recognized directly to other comprehensive income.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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Financial Liabilities

Financial liabilities are classified into the category of (i) financial liabilities measured at FVTPL and (ii) financial liabilities measured at amortized cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL are financial liabilities which are held for trading. A financial liability is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing it in the near term and for which there is evidence of a recent actual pattern of short term profit taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments.

(ii) Financial liabilities measured at amortized cost

Financial liabilities that are not classified as financial liabilities at FVTPL are categorized and measured at amortized cost using effective interest rate method.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

Equity Instruments

Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The equity instruments issued by the Company are recognized at net proceeds after deducting the cost of its issuance.

Reacquisition of the Company's own equity instruments are recognized as treasury stock at cost and deducted from capital stock.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

PSAK No. 60, "Financial Instruments: Disclosures" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (ii) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price, while financial liabilities use ask price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as minimum as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

3.y. Assumptions and Sources of Estimation Uncertainty

The preparation of financial statements in accordance with the Indonesian Financial Accounting Standards requires the management to make assumptions and estimates that could affect the carrying amounts of certain assets and liabilities at end of reporting period.

In the preparation of these consolidated financial statements, accounting assumptions have been made in the process of applying accounting policies that may affect the carrying amounts of assets and liabilities in financial statements. In addition, there are accounting assumptions about the sources of estimation uncertainty at end of reporting period that could materially affect the carrying amounts of assets and liabilities in the subsequent reporting period.

The management periodically reviews them to ensure that the assumptions and estimates have been made based on all relevant information available on the date in which the consolidated financial statements have been prepared. Because there is inherent uncertainty in making estimates, the value of assets and liabilities to be reported in the future might differ from those estimates.

At the reporting date, the management has made significant assumptions and estimates which have the most significant impact to the carrying amount recognized in the consolidated financial statements, as follows:

Allowance for Doubtful Accounts

In general, the management analyzes the adequacy of the allowance for doubtful accounts based on several data, which include analyzing historical bad debts, the concentration of each customer's accounts receivable, credit worthiness and changes in a given period of repayment. The analysis is carried out individually on a significant amount of accounts receivable, while the insignificant group of accounts receivable is carried on the collective basis. At the reporting date, the carrying amount of accounts receivable has been reflected at fair value and the carrying value may change materially in the subsequent reporting period, but the change, however, will not be attributable to the assumptions and estimates made as of this reporting date.

Deferred Tax Assets Estimation

Management considerations are needed to determine the amount of deferred tax recognized in the profit or loss and the amount recorded as deferred tax assets. Recognition is performed only if it is probable that the asset will be recovered in the form of economic benefits to be received in future periods, in which the temporary differences and tax losses can still be used. Management also considers the future estimated taxable income and strategic tax planning in order to evaluate its deferred tax assets in accordance with applicable tax laws and its updates. As a result, related to its inherent nature, it is likely that the calculation of deferred taxes is related to a complex pattern where assessment requires a judgment and is not expected to provide an accurate calculation.

Useful Lives of Property and Equipment Estimation

The Company makes a periodic review of the useful lives of property and equipment based on several factors such as physical and technical conditions and development of medical equipment technology in the future. The results of future operations will be materially influenced by the change in estimate as caused by changes in the factors mentioned above. Changes in estimated useful life of property and equipment, if any, are prospectively treated in accordance with PSAK No. 25 (Revised 2010), "Accounting Policies, Changes in Accounting Estimates and Errors".

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Post-employment Benefits

The present value of post-employment benefits liability depends on several factors that are determined by actuarial basis based on several assumptions. Assumptions used to determine the cost (income) include the discount rate. Changes in these assumptions will affect the carrying amount of post-employment benefits.

The Company determines the appropriate discount rate at the end of the reporting period by the interest rate used to determine the present value of future cash outflows expected to settle an estimated liability. In determining the appropriate level of interest rates, the Company considers the interest rate of government bonds denominated in Rupiah that has a similar period to the corresponding period of liability.

Other key assumption is partly determined by current market conditions, during the period in which the post-employment benefits liability is resolved. Changes in the employee benefits assumption will impact on recognition of actuarial gains or losses at the end of the reporting period.

Revenue Recognition - Percentage of Completion Method

Revenue from the sale of shopping centers and apartment units are recognized using the percentage of completion method. By this method, revenue is recognized proportionately with the amount of load that generates revenue. As a consequence, the sales proceeds that can not be recognized as revenue are recognized as a liability until the sale have met the criteria for revenue recognition.

To determine the percentage of completion of the development activities of shopping centers and apartment units, the management uses physical progress approach that is determined based on the survey report for each project or the part of project (e.g., for each tower of apartment). The management conducted a review of the determination of the estimated percentage of completion and it realized that a negligence in determining the percentage of completion at the reporting date can result in revenue recognition errors for the subsequent reporting period, in which the material error correction will be carried out retrospectively.

Fair Value of Financial Instruments

If the fair value of financial assets and liabilities recorded in the statement of financial position is not available in active market, it is determined using valuation techniques including the use of mathematical model. Input for this model derived from observable market data throughout the available data. When observable market data is not available, management judgment is required to determine the fair value. The considerations include liquidity and input models such as volatility for long-term derivative transactions and discount rates, prepayments, and default rate assumptions.

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4. Cash and Cash Equivalent

	2012 Rp	2011 Rp
Cash on Hand		
(including 2012: USD 3,250, SGD 500, EUR 4,800, JPY 113,800, AUD 6,376; 2011: USD 8,000, SGD 632, EUR 4,805, JPY 113,800, AUD 6,376)	9,307,779,111	5,001,649,939
Bank		
Third Parties		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	129,707,798,230	47,605,432,497
PT Bank Negara Indonesia (Persero) Tbk	80,223,863,725	41,338,333,344
PT Bank Central Asia Tbk	40,050,618,165	20,571,533,773
PT Bank Mandiri (Persero) Tbk	34,886,669,598	17,891,440,435
PT Bank Permata Tbk	18,791,733,654	9,724,401,592
PT Bank Pan Indonesia Tbk	18,319,316,504	14,872,730,013
PT Bank Rakyat Indonesia (Persero) Tbk	12,333,502,387	8,130,484,892
PT Bank Mega Tbk	11,194,542,012	7,556,527,894
PT Bank Danamon Indonesia Tbk	9,848,253,087	12,819,849,124
PT Bank OCBC NISP Tbk	4,548,033,988	2,845,986,453
PT Bank Internasional Indonesia Tbk	3,115,268,104	2,566,745,760
PT Bank Tabungan Negara (Persero) Tbk	1,199,769,407	3,015,178,358
PT Bank Artha Jasa	406,968,408	3,242,979,052
Others (each below Rp 1 billion)	8,231,695,695	1,956,922,188
<u>Foreign Currencies</u>		
PT Bank CIMB Niaga Tbk		
USD	27,145,353,240	6,616,185,092
SGD	295,514,138,459	112,982,830,919
DBS Bank, Singapore		
USD	299,218,810	280,591,124
SGD	50,263,035,739	1,165,210,059
OCBC Bank, Singapore - SGD	28,267,161,278	20,433,510,633
Credit Suisse, Singapore		
USD	18,127,072,560	1,028,991,300
SGD	2,692,942,339	2,146,629,600
Deutchbank, Singapore		
USD	8,677,055,390	24,293,172
EUR	15,295,140	141,483,577
PT Bank Mega Tbk		
USD	381,365,460	282,858,124
SGD	3,482,361,405	4,039,679,040
PT Bank OCBC NISP Tbk		
USD	2,353,813,380	1,527,531,804
SGD	75,788,595	69,203,002
EUR	49,213,168	73,020,589
Others (each below Rp 1 billion)	783,712,505	492,112,644
Related Party		
<u>Rupiah</u>		
PT Bank Nationalnobu	98,581,620,560	26,229,260,153
	909,567,180,992	371,671,936,207

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	2012 Rp	2011 Rp
Time Deposits		
Third Parties		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	518,524,424,084	1,032,601,026,587
PT Bank Mega Tbk	188,912,845,253	67,600,000,000
PT Bank Negara Indonesia (Persero) Tbk	127,292,560,884	344,799,694,493
PT Bank Mandiri (Persero) Tbk	120,459,344,960	17,739,853,072
PT Bank Permata Tbk	47,832,276,000	14,656,126,000
PT Bank ICBC Indonesia	40,915,867,706	--
PT Bank Rakyat Indonesia (Persero) Tbk	25,292,443,862	2,915,654,720
PT Bank Danamon Indonesia Tbk	16,202,900,000	--
PT Bank Internasional Indonesia Tbk	8,900,000,000	--
PT Bank Mayapada International Tbk	5,289,606,244	4,803,657,456
PT Bank Central Asia Tbk	--	1,016,752,500
Others (each below Rp 1 billion)	5,580,079,999	520,700,000
<u>Foreign Currencies</u>		
PT Bank OCBC NISP Tbk - USD	467,216,209,399	18,136,000,000
PT Bank CIMB Niaga Tbk - USD	324,053,264,767	181,468,264,767
PT Bank ICBC Indonesia - USD	293,807,631,270	90,680,000,000
BNP Paribas, Singapore - USD	204,393,392,370	--
OCBC Bank, Singapore - SGD	23,809,601,018	20,949,381,598
	<u>2,418,482,447,816</u>	<u>1,797,887,111,193</u>
Total Cash and Cash Equivalent	<u>3,337,357,407,919</u>	<u>2,174,560,697,339</u>

Interest rates and maturity period of the time deposits are as follows:

	2012	2011
Interest Rates		
Rupiah	3.00% - 6.50%	4.00% - 7.75%
Foreign Currencies	0.50% - 3.00%	2.50% - 3.00%
Maturity Period	0 - 3 Months	0 - 3 Months

5. Trade Accounts Receivable

	2012 Rp	2011 Rp
Third Parties		
Urban Development:		
Land Lots	47,118,798,821	85,200,032,683
Memorial Park	26,217,649,551	24,912,639,872
Residential Houses and Shophouses	19,077,568,342	10,691,599,536
Asset Enhancements	9,636,491,706	7,237,479,346
Subtotal	<u>102,050,508,420</u>	<u>128,041,751,437</u>
Large Scale Integrated Development:		
Apartments	47,602,891,467	66,428,182,633
Asset Enhancements	11,785,585,241	6,064,792,643
Subtotal	<u>59,388,476,708</u>	<u>72,492,975,276</u>

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	2012 Rp	2011 Rp
Retail Malls:		
Asset Enhancements	42,368,048,834	23,005,756,720
Shopping Centers	22,622,841,440	106,377,164,473
Subtotal	64,990,890,274	129,382,921,193
Healthcare:		
Inpatient and Outpatient	208,658,013,118	125,560,907,484
Hospitality and Infrastructure:		
Town Management and Water Treatment	102,204,239,435	81,590,444,252
Hotels and Restaurants	19,629,084,137	22,374,490,783
Recreations and Sports	109,368,310	120,317,651
Others	2,396,541,858	10,416,338,478
Subtotal	124,339,233,740	114,501,591,164
Property and Portfolio Management:		
Management Fee	78,242,646,521	36,607,289,272
Total Trade Accounts Receivable from Third Parties	637,669,768,781	606,587,435,826
Less : Allowance for Impairment in Value	(46,463,775,446)	(44,731,336,807)
Trade Accounts Receivable from Third Parties - Net	591,205,993,335	561,856,099,019
Related Parties		
Healthcare:		
Inpatient and Outpatient	3,171,020,453	2,779,461,708
Total Trade Accounts Receivable - Net	594,377,013,788	564,635,560,727

The movements in allowance for impairment are as follows:

	2012 Rp	2011 Rp
Third Parties		
Beginning Balance	44,731,336,807	44,734,119,179
Addition (Reversal)	1,732,438,639	(2,782,372)
Ending Balance	46,463,775,446	44,731,336,807

Additional (reversal) of allowance for impairment of accounts receivable is based on the review of the status of debtors at the end of the year.

Trade accounts receivable of PT Golden First Atlanta Corporation and PT Lippo Cikarang Tbk, subsidiaries, are pledged as collateral for the loans obtained from PT Bank Central Asia Tbk and PT Bank ICBC (see Notes 20 and 22).

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

Trade accounts receivable denominated in Rupiah currency and foreign currencies. Trade accounts receivable in foreign currencies are presented in Notes 42 and 44.

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6. Other Current Financial Assets

	2012 Rp	2011 Rp
Third Parties		
Available-for-Sale Financial Assets	4,158,569,472,925	2,312,900,505,000
Other Accounts Receivable	287,579,069,808	193,692,261,551
Call Spread Option (See Note 40.c)	101,878,348,847	27,231,624,872
Dividend	55,409,100,016	106,258,709,139
Promissory Notes (2011: USD 3,500,000)	--	31,738,000,000
Total Other Current Financial Assets	4,603,435,991,596	2,671,821,100,562

Available-for-Sale Financial Assets

	2012 Rp	2011 Rp
Acquisition Cost		
Lippo Malls Indonesia Retail Trust (LMIRT)		
(2012: 661,994,507 units; 2011: 641,866,183 units)	2,239,947,255,131	1,930,847,872,352
First REIT (2012: 190,148,936 units; 2011: 140,780,294 units)	1,021,397,175,693	593,433,528,789
Foreign Exchange Translation	4,919,478,581	5,420,100,928
Accumulated Unrealized Gain (Loss):		
Charged to Consolidated Statements of Comprehensive Income	(1,949,311,917)	(1,949,311,917)
Charged to Other Comprehensive Income	894,254,875,437	(214,851,685,152)
Total Available-for-Sale Financial Assets	4,158,569,472,925	2,312,900,505,000

Available-for-Sale Financial Assets is an investment in REIT's units which are listed on the Singapore Stock Exchange (SGX). The quoted market price of REIT units as of December 31, 2012 and 2011 are SGD 1.06 and SGD 0.76, respectively, for First REIT units and SGD 0.49 and SGD 0.35, respectively, for LMIR Trust units.

Other Accounts Receivable

	2012 Rp	2011 Rp
PT Bayutama Sukses	70,390,133,700	--
PT Bina Bangun Bersama	35,594,938,918	--
PT Palembangparagon Mall	25,163,567,059	25,163,567,059
PT Amanda Cipta Utama	14,789,445,540	--
Tenant Association for Apartments, Condominium and Shopping Centers	2,122,579,847	15,295,556,730
PT Graha Pilar Sejahtera	--	22,976,633,104
PT Simpruk Arteri Realty	--	15,358,489,712
Others	145,871,698,706	121,251,308,908
Subtotal	293,932,363,770	200,045,555,513
Less: Allowance for Impairment	(6,353,293,962)	(6,353,293,962)
Total Other Accounts Receivable - Net	287,579,069,808	193,692,261,551

Receivables from PT Bayutama Sukses arisen from the sale of land and building of Siloam Hospitals Makassar (see Note 40.b).

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Receivables from PT Bina Bangun Bersama represents loan for capital expenditures.

Receivables from PT Amanda Cipta Utama, are receivables incurred from the sale of shopping center (Mall Binjai) to PT Amanda Cipta Utama, a subsidiary of Lippo Malls Indonesia Retail Trust (LMIRT).

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

Dividend Receivable

This account represents dividend receivable of Bridgewater International Ltd., Bowsprit Capital Corporation Ltd. and LMIRT Management Ltd, all subsidiaries, from their investments in REIT.

Promissary Notes

Promissory notes represent non-interest bearing promissory notes received from PT Makassar Hotel Network for sale of Aryaduta Hotel Makassar in 2008. The notes were issued by PT Makassar Capital (MC) with a total amount of USD 6,000,000. On March 3, 2012 MC had settled all of these promissory notes.

7. Inventory

	2012	2011
	Rp	Rp
Urban Development:		
Land under Development	4,441,343,827,753	3,827,524,803,604
Residential Houses and Shophouses	1,321,841,687,126	751,455,916,266
Apartments	145,422,589,589	89,550,197,029
Others	7,793,803,941	6,032,140,133
Subtotal	<u>5,916,401,908,409</u>	<u>4,674,563,057,032</u>
Large Scale Integrated Development:		
Apartments	1,014,367,240,165	830,134,588,109
Land under Development	956,703,559,877	844,071,788,492
Shopping Centers	1,490,437,382,066	440,173,966,821
Subtotal	<u>3,461,508,182,108</u>	<u>2,114,380,343,422</u>
Retail Malls:		
Shopping Centers	866,024,872,411	847,326,543,760
Land under Development	180,405,712,678	207,196,599,373
Subtotal	<u>1,046,430,585,089</u>	<u>1,054,523,143,133</u>
Healthcare:		
Medical and Non Medical Supplies	<u>75,351,731,878</u>	<u>44,083,509,282</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	4,465,066,863	3,736,784,881
Recreation and Sports	357,549,757	447,730,985
Others	434,054,980	475,528,785
Less: Allowance for Decline in Inventory Value	<u>(39,505,683)</u>	<u>(39,505,683)</u>
Subtotal	<u>5,217,165,917</u>	<u>4,620,538,968</u>
Total Inventory - Net	<u>10,504,909,573,401</u>	<u>7,892,170,591,837</u>

In 2012, property and equipment amounting to Rp 285,353,263,373 was reclassified to inventory (see Note 13).

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In 2011, inventory amounting to Rp 4,522,904,605 was reclassified to investment property (see Notes 12) and property and equipment was reclassified to inventory amounting to Rp 36,336,951,904 (see Note 13).

Interests and other borrowing costs from bonds (see Note 23), loans obtained from PT Bank ICBC Indonesia and PT Bank Negara Indonesia (Persero) Tbk (see Notes 20) have been capitalized into land under development for the years ended December 31, 2012 and 2011 amounting to Rp 373,269,545,889 and Rp 314,005,561,818, respectively.

As of December 31, 2012, land under development consisted of land covering a net area of approximately 33 hectares in Kelapa Dua and Bencongan Village, 11 hectares in Jalan Lingkar Luar Barat - Puri Kembangan, 15 hectares in Mampang Prapatan District, 20 hectares in West Panunggangan Village, 28 hectares in Binong Village, 2 hectares in Kelapa Indah Village, 10 hectares in Bonang Village, 20 hectares in Sukanagalih Village, 98 hectares in Margakaya Village, Telukjambe, Karawang, 122 hectares in Cibatua Village, 40 hectares in Serang Village, 32 hectares in Sukaresmi Village, 54 hectares in Cicau Village, 3 hectares in Kuta, Bali, 49 hectares in Jaya Mukti Village, 28 hectares in Tanjung Merdeka Village, 23 hectares in Macini Sombala Village, 14 hectares in Tamanyeleng Village, 32 hectares in Barombong Village and 14 hectares in Mariso District.

Medical supplies and consumables of PT Golden First Atlanta, subsidiary, are pledged as collateral for the loan obtained from PT Bank Central Asia Tbk (see Notes 20 and 22).

Land under development owned by PT Lippo Cikarang Tbk, a subsidiary, with a total area of 22.1 hectares and 12.7 hectares are pledged as collateral for the loans obtained from PT Bank ICBC Indonesia and PT Bank Negara Indonesia (Persero) Tbk (see Note 20).

The amount of inventory charged to cost of sales amounted to Rp 3,262,098,191,629 and Rp 1,342,729,486,702, respectively as of December 31, 2012 and 2011.

The Company and subsidiaries' management is in the opinion that there is no impairment in the carrying value of inventories as of December 31, 2012 and 2011.

The Company's and subsidiaries' inventories have been insured against all risks, based on a certain insurance policy package to PT Lippo General Insurance Tbk, related party and PT Asuransi Bintang Tbk, third party with the insured amount of Rp 6,186 billion as of December 31, 2012 and 2011, respectively. The Company and subsidiaries' management believe that the insured amount is adequate to cover any possible losses.

8. Prepaid Expenses

	2012 Rp	2011 Rp
Rental	92,532,188,011	68,852,386,075
Others	16,682,708,705	27,204,484,019
Total Prepaid Expenses	109,214,896,716	96,056,870,094

Prepaid expenses mainly represent rental of hospital and hotel properties leased from First REIT (see Note 40.b).

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9. Other Non-Current Financial Assets

	2012 Rp	2011 Rp
Restricted Funds	344,302,236,769	194,881,192,421
Other Investments	58,329,023,011	58,329,023,011
Total Other Non-Current Financial Assets	402,631,259,780	253,210,215,432

Restricted Funds

Restricted fund represents the Company's and subsidiaries' time deposits placement in relation to mortgages agreements (KPR and KPA) entered by the Company and subsidiaries with their respective banks. These deposits earn an equal interest to the Rupiah's denominated time deposits owned by the Company and subsidiaries (see Note 4).

Other Investments

	Domicile	2012 Rp	2011 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	--	29,384,011	29,384,011
Total Other Investments		58,329,023,011	58,329,023,011

This account represents investment in shares of the stake below 20% in some companies which do not have quoted market prices.

10. Transactions and Balances with Related Parties

The details of the account balances with related parties are as follows:

	2012 Rp	2011 Rp	Percentage to Total Assets/Liabilities	
			2012 %	2011 %
Cash and Cash Equivalent				
Bank				
PT Bank Nationalnobu	98,581,620,560	26,229,260,153	0.40	0.14
Investments in Associates				
PT Surya Citra Investama	62,584,037,469	36,320,138,263	0.25	0.20
PT Hyundai Inti Development	14,404,600,538	12,555,431,753	0.06	0.07
PT Menara Inti Development	--	6,350,753,227	--	0.03
PT Medika Sehat Lestari	4,999,994,000	4,999,994,000	0.02	0.03
PT Tritunggal Sentra Utama	2,368,153,241	2,368,153,241	0.01	0.01
PT Lippo Indorent	1,026,853,442	1,026,853,442	0.00	0.01
Others (below Rp 1 billion each)	400,000,000	400,000,000	0.00	0.00
Total Investments in Associates	85,783,638,690	64,021,323,926	0.34	0.35

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	2012 Rp	2011 Rp	Percentage to Total Assets/Liabilities	
			2012 %	2011 %
Due from Related Parties Non-trade				
PT Bumi Lemahabang Permai	9,919,451,291	9,919,451,291	0.04	0.05
PT Duta Mas Kharisma Indah	4,891,935,451	4,891,935,451	0.02	0.03
Directors and Key Management	4,251,241,489	2,623,728,985	0.02	0.01
Others (below Rp 1 billion each)	4,402,722,149	4,672,521,521	0.02	0.03
Total	23,465,350,380	22,107,637,248	0.09	0.12
Less : Allowance for Impairment	(12,004,700,338)	(12,004,700,338)	(0.05)	(0.07)
Due from Related Parties Non-trade - Net	11,460,650,042	10,102,936,910	0.05	0.06
Due to Related Parties Non-trade				
PT Tirta Graha Sentana	2,215,692,479	2,215,692,479	0.02	0.03
Others (below Rp 1 billion each)	973,301,917	2,231,654,779	0.01	0.03
Total Due to Related Parties Non-trade	3,188,994,396	4,447,347,258	0.03	0.06
Deferred Income				
PT Matahari Putra Prima Tbk	576,888,263,544	791,891,898,867	4.31	8.95
Long-Term Post-Employment Benefits Liability				
Directors and Key Management	8,604,807,526	8,429,185,161	0.06	0.10
	2012 Rp	2011 Rp	Percentage to Total Net Sales/ Operating Expense	
			2012 %	2011 %
Revenues				
PT Matahari Putra Prima Tbk	15,596,091,603	15,431,882,945	0.25	0.37
Short-Term Post-Employment Benefits Liability				
Directors and Key Management	36,044,707,147	31,661,568,613	2.68	3.27

Nature of transactions with related parties is as follows:

Related Parties	Relationship with the Company	Transactions
PT Matahari Putra Prima Tbk	Under Common Control	Deferred income and net sales
PT Bumi Lemahabang Permai	Under Common Control	Non-interest bearing intercompany charges, advances in connection with the cancellation of land
PT Surya Cipta Investama	Associate	Investment in shares of stock
PT Lippo Indorent	Associate	Investment in shares of stock
PT Hyundai Inti Development	Associate	Investment in shares of stock
PT Tritunggal Sentra Utama	Associate	Investment in shares of stock
PT Bank Nationalnobu	Under Common Control	Placement of cash and cash equivalent
PT Medika Sehat Lestari	Associate	Investment in shares of stock
PT Duta Mas Kharisma Indah	Under Common Control	Non-interest bearing intercompany charges
PT Tirta Graha Sentana	Under Common Control	Non-interest bearing intercompany charges

Receivable from PT Bumi Lemahabang Permai (BLP) represents receivable of PT Lippo Cikarang Tbk (LC), a subsidiary, which is mainly consist of non-interest bearing intercompany accounts from operational cost which are unsecured and has no fixed repayment period.

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11. Investments in Associates

	2012					
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Carrying Value
		%	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	29,619,053,973	--	62,584,037,469
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	89,834,051,030	(81,584,873,862)	14,404,600,538
Others (each below Rp 5 billion)			25,143,494,000	(16,348,493,317)	--	8,795,000,683
Total			64,263,900,866	103,104,611,686	(81,584,873,862)	85,783,638,690

	2011					
	Domicile	Percentage of Ownership	Acquisition Cost	Accumulated Share in Profit (Loss) of Associates	Accumulated Dividend Received	Carrying Value
		%	Rp	Rp	Rp	Rp
PT Surya Cipta Investama	Bekasi	49.81	32,964,983,496	3,355,154,767	--	36,320,138,263
PT Hyundai Inti Development	Bekasi	45.00	6,155,423,370	83,484,882,245	(77,084,873,862)	12,555,431,753
PT Menara Inti Development	Bekasi	40.00	100,000,000	7,762,753,227	(1,512,000,000)	6,350,753,227
Others (each below Rp 5 billion)			25,143,494,000	(16,348,493,317)	--	8,795,000,683
Total			64,363,900,866	78,254,296,922	(78,596,873,862)	64,021,323,926

The following is a summary of financial information on associates as of December 31, 2012 and 2011:

	2012 Rp	2011 Rp
Total Agregat of Assets	185,839,876,551	219,828,013,404
Total Agregat of Liabilities	27,307,308,499	50,374,329,158
Total Agregat of Net Sales and Revenues	91,237,087,559	74,900,291,166
Total Agregat of Income for the Year	26,763,975,647	16,625,151,937

There was no fair value information available based on quoted market prices of the investment in associates.

12. Investment Property

	2012				Balance as of December 31 Rp
	Balance as of January 1 Rp	Addition Rp	Deduction Rp	Reclassification Rp	
Acquisition Cost					
Land	109,240,988,060	--	54,027,135,328	--	55,213,852,732
Building	490,646,909,910	10,981,513,930	201,260,939,559	--	300,367,484,281
Total Acquisition Cost	599,887,897,970	10,981,513,930	255,288,074,887	--	355,581,337,013
Accumulated Depreciation					
Building	71,487,590,028	14,828,838,505	32,480,948,401	--	53,835,480,132
Total Accumulated Depreciation	71,487,590,028	14,828,838,505	32,480,948,401	--	53,835,480,132
Carrying Value	528,400,307,942				301,745,856,881

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	2011			
	Balance as of January 1 Rp	Addition Rp	Deduction Rp	Reclassification Rp
Acquisition Cost				
Land	104,497,432,432	--	--	4,743,555,628
Building	459,734,537,752	11,103,158,806	--	19,809,213,352
Total Acquisition Cost	564,231,970,184	11,103,158,806	--	24,552,768,980
Accumulated Depreciation				
Building	46,246,106,530	24,528,746,750	--	712,736,748
Total Accumulated Depreciation	46,246,106,530	24,528,746,750	--	712,736,748
Carrying Value	517,985,863,654			528,400,307,942

Decrease of investment properties in 2012 due to selling of equity investment in PT Panca Permata Pejaten to LMIR Trust (see Note 1.c).

In 2011, the Company reclassified inventories and property and equipment to investment property amounting to Rp 4,522,904,605 (see Note 7) and Rp 19,317,127,627 (see Note 13), respectively. Those inventories and property and equipment were reclassified to investment property with the intension of generating rental revenue.

Rental revenue earned and direct operating expenses from investment property in the consolidated statements of comprehensive income for the years ended December 31, 2012 and 2011 are as follows:

	2012 Rp	2011 Rp
Rental Income	101,125,103,568	97,745,846,141
Direct Operating Cost Arises from Rental Generated Investment Properties	49,873,198,986	42,149,435,880

Depreciation charges that were allocated in the consolidated statements of comprehensive income are as follows:

	2012 Rp	2011 Rp
Cost of Sales and Services	3,201,413,898	13,546,521,712
Selling Expense	11,627,424,607	10,982,225,038
Total	14,828,838,505	24,528,746,750

The Company's investment property has been insured against fire damage and other risks to PT Lippo General Insurance Tbk, related party, with an insured amount of Rp 614.8 billion and USD 2,000,000 as of December 31, 2012 and Rp 341.7 billion 2011, respectively. The Company and subsidiaries' management is in the opinion that the insured amount is adequate to cover any possible losses.

Based on the valuation report of Kantor Jasa Penilai Publik Willson and Rekan (Knight Frank) dated June 15, 2012, an independent appraiser, the fair value of all inventories (Note 7), investment property, and property and equipment (Notes 12 and 13) as of December 31, 2011, except for the assets resulting from acquisition, amounted to Rp 36,384,700,139,268. The appraiser is a member of MAPPI and has appropriate qualifications and experience in the property valuation. The valuation is conducted using the market data approach and in accordance with the Indonesian Valuation Standard 2007 and the code of ethics of Indonesian valuation.

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The approach used by the appraiser are:

1. For land appraisal, using the market value approach, and
2. For the building, using the cost approach.

Management believes that the fair value as of December 31, 2012 was not impaired as compared to 2011.

The Company's and subsidiaries' management is in the opinion that there is no impairment in the carrying value of investment property as of December 31, 2012.

13. Property and Equipment

	2012				Balance as of December 31 Rp
	Balance as of January 1 Rp	Addition Rp	Deduction Rp	Reclassification Rp	
Acquisition Cost					
Direct Ownership					
Land	303,476,462,831	32,009,194,572	--	--	335,485,657,403
Building, Infrastructure and Renovations	639,722,467,352	13,394,850,797	116,409,170,833	175,090,472,621	711,798,619,937
Parks and Interiors	20,850,624,055	6,016,278,833	--	--	26,866,902,888
Golf Course and Club House	169,084,438,910	2,209,452,680	--	--	171,293,891,590
Transportation Equipment and Vehicles	30,384,351,083	6,434,524,398	--	--	36,818,875,481
Furniture, Fixtures and Office Equipment	423,032,955,603	17,023,960,979	13,300,397,426	--	426,756,519,156
Tools and Medical Equipment	524,877,127,570	381,899,939,504	1,210,274,586	--	905,566,792,488
Machinery and Project Equipment	155,551,054,736	60,511,312,302	1,050,630,216	--	215,011,736,822
Bowling Machinery	14,397,991,861	--	--	--	14,397,991,861
Playground Areas	3,135,746,092	2,602,957,199	--	--	5,738,703,291
	<u>2,284,513,220,093</u>	<u>522,102,471,264</u>	<u>131,970,473,061</u>	<u>175,090,472,621</u>	<u>2,849,735,690,917</u>
Construction in Progress	<u>239,102,987,052</u>	<u>762,074,062,164</u>	<u>--</u>	<u>(460,443,735,994)</u>	<u>540,733,313,222</u>
Total Acquisition Cost	<u>2,523,616,207,145</u>	<u>1,284,176,533,428</u>	<u>131,970,473,061</u>	<u>(285,353,263,373)</u>	<u>3,390,469,004,139</u>
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	151,771,574,603	31,063,570,604	--	--	182,835,145,207
Parks and Interiors	18,299,327,948	1,336,132,055	--	--	19,635,460,003
Golf Course and Club House	123,826,915,440	9,813,252,835	--	--	133,640,168,275
Transportation Equipment and Vehicles	22,347,773,749	2,274,594,578	--	--	24,622,368,327
Furniture, Fixtures and Office Equipment	301,884,200,445	25,909,707,147	13,206,767,013	--	314,587,140,579
Tools and Medical Equipment	235,936,433,368	106,093,635,684	1,290,958,111	--	340,739,110,941
Machinery and Project Equipment	95,984,965,261	39,400,398,543	825,821,911	--	134,559,541,893
Bowling Machinery	14,304,450,908	32,571,060	--	--	14,337,021,968
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
Total Accumulated Depreciation	<u>967,491,387,814</u>	<u>215,923,862,506</u>	<u>15,323,547,035</u>	<u>--</u>	<u>1,168,091,703,285</u>
Carrying Value	<u><u>1,556,124,819,331</u></u>				<u><u>2,222,377,300,854</u></u>

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	2011				Balance as of December 31 Rp
	Balance as of January 1 Rp	Addition Rp	Deduction Rp	Reclassification Rp	
Acquisition Cost					
Direct Ownership					
Land	289,359,411,869	10,737,049,747	--	3,380,001,215	303,476,462,831
Building, Infrastructure and Renovations	501,468,320,680	140,980,025,880	1,058,513,765	(1,667,365,443)	639,722,467,352
Parks and Interiors	20,870,163,890	593,251,265	612,791,100	--	20,850,624,055
Golf Course and Club House	168,182,844,789	901,594,121	--	--	169,084,438,910
Transportation Equipment and Vehicles	27,472,340,628	2,996,973,818	276,793,363	191,830,000	30,384,351,083
Furniture, Fixtures and Office Equipment	328,807,744,262	93,647,385,400	737,754,223	1,315,580,164	423,032,955,603
Tools and Medical Equipment	403,939,873,178	125,506,503,658	1,186,440,733	(3,382,808,533)	524,877,127,570
Machinery and Project Equipment	152,774,839,260	3,322,707,901	804,907,503	258,415,078	155,551,054,736
Bowling Machinery	14,385,991,861	--	--	12,000,000	14,397,991,861
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	<u>1,910,397,276,509</u>	<u>378,685,491,790</u>	<u>4,677,200,687</u>	<u>107,652,481</u>	<u>2,284,513,220,093</u>
Assets under Finance Lease	191,830,000	--	--	(191,830,000)	--
Construction in Progress	104,213,945,447	196,860,589,197	--	(61,971,547,592)	239,102,987,052
Total Acquisition Cost	<u>2,014,803,051,956</u>	<u>575,546,080,987</u>	<u>4,677,200,687</u>	<u>(62,055,725,111)</u>	<u>2,523,616,207,145</u>
Accumulated Depreciation					
Direct Ownership					
Building, Infrastructure and Renovations	111,055,091,073	44,296,839,960	966,882,337	(2,613,474,093)	151,771,574,603
Parks and Interiors	17,043,115,891	1,458,349,744	202,137,687	--	18,299,327,948
Golf Course and Club House	115,303,326,467	8,523,588,973	--	--	123,826,915,440
Transportation Equipment and Vehicles	19,264,052,975	3,154,651,635	263,218,363	192,287,502	22,347,773,749
Furniture, Fixtures and Office Equipment	252,332,706,809	50,605,601,624	345,984,256	(708,123,732)	301,884,200,445
Tools and Medical Equipment	191,782,402,984	48,607,717,894	1,186,440,733	(3,267,246,777)	235,936,433,368
Machinery and Project Equipment	84,048,201,964	11,882,284,291	131,549,271	186,028,277	95,984,965,261
Bowling Machinery	14,272,033,272	31,704,392	--	713,244	14,304,450,908
Playground Areas	3,135,746,092	--	--	--	3,135,746,092
	<u>808,236,677,527</u>	<u>168,560,738,513</u>	<u>3,096,212,647</u>	<u>(6,209,815,579)</u>	<u>967,491,387,814</u>
Assets under Finance Lease	191,830,000	--	--	(191,830,000)	--
Total Accumulated Depreciation	<u>808,428,507,527</u>	<u>168,560,738,513</u>	<u>3,096,212,647</u>	<u>(6,401,645,579)</u>	<u>967,491,387,814</u>
Carrying Value	<u>1,206,374,544,429</u>				<u>1,556,124,819,331</u>

In 2012, the Company reclassified property and equipment to inventory amounting to Rp 285,353,263,373 (see Note 7).

In 2011, the Company reclassified property and equipment to investment property amounting to Rp 19,317,127,627 (see Note 12) and to inventories amounting to Rp 36,336,951,904 (see Note 7).

In 2012, the additions to property and equipment above include assets acquired by non-cash transaction by way of realization of advances amounting to Rp 8,271,743,937.

In 2012, the addition of property and equipment includes assets from the acquired Company (see Note 1.c) with the acquisition cost amounting to Rp 335,173,270,871 and accumulated depreciation amounting to Rp 21,476,460,307.

In 2011, the addition of property and equipment includes assets from the acquired Company (see Note 1.c) with the acquisition cost amounting to Rp 162,193,197,898 and accumulated depreciation amounting to Rp 38,581,535,938.

Construction in progress includes hospitals and mall buildings. As of December 31, 2012, Construction in progress has reached 9% - 91% and estimated the completion within April 2013 until September 2013. Management believes there is no other matter which will hinder the completion.

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Depreciation charges that were allocated in the consolidated statements of comprehensive income are as follows:

	2012 Rp	2011 Rp
General and Administrative Expenses	102,723,861,970	96,605,170,349
Cost of Sales and Services	88,386,221,967	30,073,620,935
Selling Expenses	3,337,318,262	3,300,411,291
Total	194,447,402,199	129,979,202,575

Details of the disposal on property and equipment of the Company and subsidiaries as of December 31, 2012 and 2011 are as follows:

	2012 Rp	2011 Rp
Acquisition Cost	131,970,473,061	4,677,200,687
Accumulated Depreciation	15,323,547,035	3,096,212,647
Carrying Value	116,646,926,026	1,580,988,040
Carrying Value from subsidiaries sold	(281,981,539)	--
Carrying Value - Net	116,364,944,487	1,580,988,040
Selling Price	467,759,850,643	1,590,421,400
Gain on Sale of Property and Equipment	351,394,906,156	9,433,360
Deferred Gain on Sale and Lease Back Transactions (Note 27)	342,161,558,000	--
Gain Credited to the Consolidated Statement of Comprehensive Income	9,233,348,156	9,433,360

Disposal on property and equipment of the Company and its subsidiaries mainly from the sale of land and building of Siloam Hospitals Makassar with carrying value of Rp 116,409,170,833 on November 30, 2012 and then leased back those assets (see Note 40.b).

Land and building, infrastructure, machinery and tools and medical equipment of PT Balikpapan Damai Husada, a subsidiary, are pledged as collateral for loan obtained from Bank Pembangunan Daerah Kalimantan Timur (see Note 22).

Land and building, vehicles, furniture, fixtures and office equipment and tools and medical equipment of PT Golden First Atlanta, a subsidiary, were pledged as collateral for loan obtained from PT Bank Central Asia Tbk (see Notes 20 and 22).

There is no borrowing cost capitalized into property and equipment.

All of the Company's and subsidiaries' property and equipment have been insured to PT Lippo General Insurance Tbk, related party, PT Asuransi Bintang Tbk and PT Maskapai Asuransi Sonwelis, third parties, against fire damage and other risks, with insured amount of Rp 2,357.8 billion, SGD 11,250,344 and USD 37,749,246 as of December 31, 2012 and amounting to Rp 2,309 billion, SGD 41,411,117 and USD 20,349,623, as of December 31, 2011. The Company and subsidiaries' management is in the opinion that the insured amount is adequate to cover any possible losses.

The Company's and subsidiaries' management is in the opinion that there is no impairment in the carrying value of property and equipment as of December 31, 2012.

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14. Intangible Assets

	2012			
	Balance as of January 1 Rp	Addition Rp	Deduction Rp	Balance as of December 31 Rp
Acquisition Cost				
Goodwill	209,541,539,862	59,737,725,458	61,000,000,000	208,279,265,320
Software	12,046,610,389	7,007,302,857	--	19,053,913,246
Total Acquisition Cost	221,588,150,251	66,745,028,315	61,000,000,000	227,333,178,566
Accumulated Amortization (Impairment)				
Impairment of Goodwill	9,099,999,902	--	--	9,099,999,902
Amortization of Software	2,211,654,497	1,383,950,059	--	3,595,604,556
Total Accumulated Amortization (Impairment)	11,311,654,399	1,383,950,059	--	12,695,604,458
Carrying Value	210,276,495,852			214,637,574,108

	2011			
	Balance as of January 1 Rp	Addition Rp	Deduction Rp	Balance as of December 31 Rp
Acquisition Cost				
Goodwill	103,374,170,307	106,167,369,555	--	209,541,539,862
Software	2,534,088,887	9,512,521,502	--	12,046,610,389
Total Acquisition Cost	105,908,259,194	115,679,891,057	--	221,588,150,251
Accumulated Amortization (Impairment)				
Impairment of Goodwill	--	9,099,999,902	--	9,099,999,902
Amortization of Software	1,284,702,353	926,952,144	--	2,211,654,497
Total Accumulated Amortization (Impairment)	1,284,702,353	10,026,952,046	--	11,311,654,399
Carrying Value	104,623,556,841			210,276,495,852

The details of goodwill are as follows:

Acquirer Entity	Share Acquisition in	Year of Acquisition	Net Value	
			2012 Rp	2011 Rp
PT Lippo Malls Indonesia	PT Mulia Citra Abadi	2012	20,247,679,428	--
PT Persada Mandiri Dunia Niaga	PT Ekaputra Kencana Abadi	2012	15,050,000,000	--
PT Primakreasi Proptindo	PT Bimasakti Jaya Abadi	2012	9,509,000,000	--
PT Pancawarna Semesta	PT Diagram Healthcare Indonesia	2012	9,251,046,030	--
PT Primakreasi Proptindo	PT Surya Megah Lestari	2012	5,680,000,000	--
PT Prawira Tata Semesta	PT Balikpapan Damai Husada	2011	27,480,578,103	27,480,578,103
PT Siloam International Hospitals	PT Prawira Tata Semesta	2011	14,146,465,217	55,146,465,217
PT Siloam International Hospitals	PT Guchi Kencana Emas	2011	3,540,326,235	23,540,326,235
PT Berkat Langgeng Jaya	PT Pamor Paramita Utama	2008	9,770,787,707	9,770,787,707
PT Wahana Usaha Makmur	PT Adhi Utama Dinamika	2008	8,774,146,934	8,774,146,934
PT Primakreasi Proptindo	PT Graha Solusi Mandiri	2007	9,560,604,416	9,560,604,416
PT Graha Jaya Pratama	PT Nuansa Indah Lestari	2004	38,110,462,048	38,110,462,048
PT Graha Jaya Pratama	PT Fajar Usaha Semesta	2004	8,186,375,658	8,186,375,658
PT Graha Jaya Pratama	PT Fajar Raya Cemerlang	2004	7,929,625,658	7,929,625,658
PT Graha Jaya Pratama	PT Aresta Permata Utama	2004	5,971,083,992	5,971,083,992
PT Graha Jaya Pratama	PT Fajar Abadi Aditama	2004	5,971,083,992	5,971,083,992
Goodwill - Net			199,179,265,418	200,441,539,960

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The management believes that the impairment that occurred for the years ended December 31, 2012 and 2011 have been assessed adequately.

Decrease in goodwill is due to the obligation of the PT Metropolis Propertindo Utama (MPU) to pay compensation to the Company since the respective Net Profit After Tax (NPAT) of PT Guchi Kencana Emas and PT Prawira Tata Semesta as set forth in the purchase agreement of both companies was not achieved.

Based on Agreement dated November 2, 2010, between PT Siloam International Hospitals (SIH) and MPU on the acquisition of PT Prawira Tata Semesta (PTS), MPU guaranteed that Net Profit After Tax (NPAT) of PT Balikpapan Damai Husada (BDH), a subsidiary of PTS, would amount to Rp 17,000,000,000 in 2011, and if the said NPAT does not materialize, which this is the case, MPU will provide compensation amounting to Rp 41,000,000,000 to SIH. This compensation was fully paid on May 30, 2012 and recorded as a reduction of goodwill.

Based on Agreement dated October 26, 2010, between PT Siloam International Hospitals (SIH), a subsidiary, and MPU on the acquisition of PT Guchi Kencana Emas (GKE), MPU guaranteed that Net Profit After Tax (NPAT) of PT Golden First Atlanta (GFA), a subsidiary of GKE, would amount to Rp 6,400,000,000 in 2011, and if the said NPAT does not materialize, which is the case, MPU will provide compensation amounting to Rp 20,000,000,000 to SIH. This compensation was fully paid on May 30, 2012 and recorded as a reduction of goodwill.

15. Advances

	2012 Rp	2011 Rp
Advances for Investments:		
PT Anugerah Bahagia Abadi	502,400,000,000	312,400,000,000
PT Menara Abadi Megah	--	25,000,000,000
Subtotal	502,400,000,000	337,400,000,000
Advances for Land Acquisition	342,033,328,425	98,195,801,641
Advances for Acquisition of Property and Equipment	141,743,826,536	11,205,812,335
Advances for Construction	32,311,222,654	201,018,870,661
Others	61,348,786,168	90,944,607,867
Total Advances	1,079,837,163,783	738,765,092,504

On December 2, 2010, based on Sale and Purchase of Shares Agreements, PT Satria Mandiri Idola Utama, subsidiary, purchased the shares of PT Anugerah Bahagia Abadi of Rp 549,686,500,000. Up to December 31, 2012, the advanced payment amounted to Rp 502,400,000,000.

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16. Land for Development

	2012		2011	
	Area sqm	Value Rp	Area sqm	Value Rp
The Company	1,001,010	203,350,714,722	1,001,010	203,350,714,722
Subsidiaries:				
PT Lippo Cikarang Tbk	2,297,717	285,398,871,143	3,452,178	399,314,565,060
PT Gowa Makassar Tourism Development Tbk	2,119,315	229,202,303,471	2,095,956	169,496,202,116
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	84,162	12,817,939,795	110,617	16,882,272,105
PT Bahtera Pratama Wirasakti	83,405	15,699,340,352	83,405	15,699,340,352
PT Surya Makmur Alam Persada	71,303	20,283,623,533	71,303	20,283,623,533
Total Land for Development	7,392,166	929,483,420,264	8,549,723	987,757,345,136

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; Sukaesmi, Cibat, 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.

Interest expense and other borrowing cost of loan obtained from PT Bank Agroniaga Tbk have been capitalized into land for development amounting to Rp 291,877,317 for the year ended December 31, 2011.

Land for development of PT Erabaru Realindo, a subsidiary, with an area of 65.6 hectares is pledged by PT Lippo Cikarang Tbk, a subsidiary, as collateral for loan obtained from PT Bank Negara Indonesia Tbk (Persero) (see Note 20).

17. Accrued Expenses

	2012 Rp	2011 Rp
Estimated Cost for Construction	273,238,175,833	144,149,248,228
Interest	55,525,085,171	54,997,293,683
Endowment Care Fund	42,696,987,047	30,696,987,047
Transfer of Ownership Tax	15,233,896,173	17,124,030,804
Professional Fees	10,093,610,971	8,392,303,687
Electricity, Water and Telephone	9,227,267,696	6,932,657,118
Hedging Premium	9,016,108,427	9,961,650,962
Others	72,304,694,960	53,539,691,473
Total Accrued Expenses	487,335,826,278	325,793,863,002

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18. Taxation

a. Income Tax Benefit (Expense)

	2012 Rp	2011 Rp
Current	(253,214,887,801)	(175,560,142,390)
Deferred	(1,026,379,646)	4,844,186,258
Total Tax Expense	(254,241,267,447)	(170,715,956,132)

The reconciliation between profit before tax expense as presented in the consolidated statements of comprehensive income, and the Company's estimated tax loss is as follows:

	2012 Rp	2011 Rp
Profit before Tax as Presented in the Consolidated Statements of Comprehensive Income	1,577,088,286,385	984,810,305,058
<i>Deduct:</i> Income of Subsidiaries	(1,791,034,868,168)	(1,109,843,392,790)
The Company's Commercial Loss - Net <i>Deduct:</i>	(213,946,581,783)	(125,033,087,732)
Profit before Tax from Sale of Land and Buildings Subject to Final Tax	142,529,121,041	114,771,859,464
Rental Income Subject to Final Tax	(24,472,417,595)	(24,302,253,584)
The Company's Commercial Loss Net of Final Tax	(95,889,878,337)	(34,563,481,852)
Temporary Differences		
Salaries and Employee Benefits	4,999,571,144	5,479,479,315
Depreciation of Direct Ownership of Property and Equipment	(3,640,988,052)	(4,007,616,777)
Deferred Gain on Sale and Leaseback Transactions	(7,303,446,744)	(7,303,446,744)
Subtotal	(5,944,863,652)	(5,831,584,206)
Permanent Differences		
Interest Income Subjected to Final Tax	(39,151,509,572)	(78,277,549,816)
Donation and Representation	271,280,933	1,105,089,876
Subtotal	(38,880,228,639)	(77,172,459,940)
Estimated Tax Loss	(140,714,970,628)	(117,567,525,998)

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

	2012 Rp	2011 Rp
The Company		
Estimated Tax Loss	<u>(140,714,970,628)</u>	<u>(117,567,525,998)</u>
Tax Expense of Land and Buildings Subject to Final Tax	<u>5,892,906,623</u>	<u>6,831,012,974</u>
Subsidiaries		
Tax Expense of Land and Buildings Subject to Final Tax	<u>198,459,943,625</u>	<u>103,302,821,778</u>
Taxable Income - Non Final	<u>184,630,468,560</u>	<u>403,864,491,014</u>
Current Tax	48,862,037,553	65,426,307,638
Tax Credit	<u>(5,111,852,102)</u>	<u>(35,057,745,862)</u>
Income Tax Payable Article 29 Consolidated		
- Current Year	43,750,185,451	30,368,561,776
Previous Income Tax Payable Article 29 Consolidated	--	7,754,008,153
Income Tax Payable Article 29 Consolidated	<u>43,750,185,451</u>	<u>38,122,569,929</u>

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

	2012 Rp	2011 Rp
Profit before Tax as Presented in the Consolidated Statements of Comprehensive Income	1,577,088,286,385	984,810,305,058
<i>Deduct:</i>		
Income of Subsidiaries	(1,791,034,868,168)	(1,109,843,392,790)
Profit before Tax from Sale of Land and Buildings Subject to Final Tax	142,529,121,041	114,771,859,464
Rental Income Subject to Final Tax	<u>(24,472,417,595)</u>	<u>(24,302,253,584)</u>
The Company's Commercial Loss - Net	<u>(95,889,878,337)</u>	<u>(34,563,481,852)</u>
Income Tax Expense at Effective Tax Rate 25%	(23,972,469,584)	(8,640,870,463)
Interest Income Subject to Final Tax	9,787,877,393	19,569,387,454
Donation and Representation	(67,820,233)	(276,272,468)
Tax Loss	<u>(35,178,742,657)</u>	<u>(29,391,881,500)</u>
Tax Expense of the Company	(1,486,215,913)	(1,457,896,051)
Final Tax Expense of the Company	<u>(5,892,906,623)</u>	<u>(6,831,012,974)</u>
Total Tax Expense of the Company	<u>(7,379,122,536)</u>	<u>(8,288,909,025)</u>
Tax Expense of the Subsidiaries		
Deferred Tax of the Subsidiaries	459,836,267	6,302,082,309
Current Tax of the Subsidiaries	(48,862,037,553)	(65,426,307,638)
Final Tax Expense of the Subsidiaries	<u>(198,459,943,625)</u>	<u>(103,302,821,778)</u>
Total Tax Expense of the Subsidiaries	<u>(246,862,144,911)</u>	<u>(162,427,047,107)</u>
Total Tax Expense	<u>(254,241,267,447)</u>	<u>(170,715,956,132)</u>

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Calculation of Taxable Income (Tax Loss) for the year ended December 31, 2011 as mentioned above are in accordance with the Annual Tax Return (SPT) of 2011 that the Company has reported to the tax office. Calculation of taxable income (tax loss) for the year ended December 31, 2012 as stated above will be the basis for filing SPT in 2012.

b. Deferred Tax Asset – Net

Details of the Company's and subsidiaries' deferred tax assets and liabilities are as follows:

	January 1, 2012	Credited (Charged) to Consolidated Statements of Comprehensive Income	Additions from Business Combination	December 31, 2012
	Rp	Rp	Rp	Rp
The Company				
Amortization of Deferred Income from Sale and Lease Back Transactions	18,153,201,373	(1,825,861,686)	--	16,327,339,687
Estimated Liabilities on Employee Benefits	6,886,898,085	1,249,892,786	--	8,136,790,871
Allowance for Impairment in Value	2,965,626,608	--	--	2,965,626,608
Depreciation	(8,432,141,835)	(910,247,013)	--	(9,342,388,848)
	19,573,584,231	(1,486,215,913)	--	18,087,368,318
Subsidiaries	57,907,408,068	459,836,267	--	58,367,244,335
Deferred Tax Assets	77,480,992,299	(1,026,379,646)	--	76,454,612,653
Deferred Tax Liabilities	--	--	6,653,250,000	6,653,250,000

	January 1, 2011	Credited (Charged) to Consolidated Statements of Comprehensive Income	December 31, 2011
	Rp	Rp	Rp
The Company			
Amortization of Deferred Income from Sale and Lease Back Transactions	19,979,063,059	(1,825,861,686)	18,153,201,373
Estimated Liabilities on Employee Benefits	5,517,028,256	1,369,869,829	6,886,898,085
Allowance for Impairment in Value	2,965,626,608	--	2,965,626,608
Depreciation	(7,430,237,641)	(1,001,904,194)	(8,432,141,835)
	21,031,480,282	(1,457,896,051)	19,573,584,231
Subsidiaries	51,605,325,759	6,302,082,309	57,907,408,068
Deferred Tax Assets	72,636,806,041	4,844,186,258	77,480,992,299

c. Prepaid Taxes

	2012 Rp	2011 Rp
Income Taxes		
Article 4 (2)	235,817,814,312	146,301,323,166
Article 22	587,969,915	519,796,955
Article 25/29	6,960,555,520	11,143,081,130
Value Added Tax	86,789,618,527	51,195,603,326
Total Prepaid Taxes	330,155,958,274	209,159,804,577

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d. Taxes Payable

	2012 Rp	2011 Rp
Income Tax		
Final	86,883,944,714	60,676,319,990
Article 21	16,835,483,173	19,481,044,493
Article 25/29	43,750,185,451	38,122,569,929
Article 26	335,505,100	270,805,571
Value Added Tax	47,511,028,869	43,959,233,572
Hotel and Restaurant Tax	607,121,645	2,666,859,492
Entertainment Tax	3,154,889,156	913,810,132
Total Taxes Payable	199,078,158,108	166,090,643,179

The Company received Underpayment of Tax Assessment Letters (SKPKB) for Income Tax Article 23 and Income Tax Article 26 amounting to Rp 16.7 billion and Rp 73.2 billion, respectively, for fiscal year 2007. The Company objected for all SKPKBs.

On October 25, 2010, the Company received a Decision Letters No. KEP-1037/WPJ.07/2010 and No. KEP-1039/WPJ.07/2010 from the tax office which rejected the Company's objection to SKPKBs. The Company filed a tax appeal.

Based on Decision Letter No. Put.39604/PP/M.III/12/2012 and No. Put.39604/PP/M.III/13/2012 dated August 3, 2012, the Tax Court issued several decisions on the appeals by the Company to the Directorate General of Tax as follows:

- Granted the Company's appeal for SKPKB Income Tax Article 23 for the year of 2007 amounting to Rp 16,732,920,154.
- Granted the Company's appeal for SKPKB Income Tax Article 26 for the year of 2007 amounting to Rp 73,154,175,323.

On October 11, 2012 and October 15, 2012, the Company has received tax refund amounting to Rp 89,887,095,477.

19. Trade Accounts Payable

	2012 Rp	2011 Rp
Third Parties		
Supplier	421,657,758,986	300,400,818,032
Contractor	121,119,404,575	105,662,948,004
Others	32,924,103,900	10,806,798,888
Total Trade Accounts Payable - Third Parties	575,701,267,461	416,870,564,924

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20. Short-Term Bank Loans

	2012 Rp	2011 Rp
Third Parties		
PT Bank Central Asia Tbk (lihat Catatan 22)	4,853,583,896	4,930,951,280
PT Bank ICBC	--	90,000,000,000
PT Bank Negara Indonesia (Persero) Tbk	--	50,000,000,000
Total Short-Term Bank Loan	4,853,583,896	144,930,951,280

PT Bank ICBC

The Company

Based on Deed of Credit Agreement No. 85 dated October 20, 2010 made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, which was amended several times with the latest renewal by the Credit Agreement No. 143/ICBC-MK/PTD/X/2011/P2 dated November 29, 2012, the Company obtained an on Demand Fixed Loan credit facility at a maximum amount of Rp 70,000,000,000 with annual interest rate of 11%. The loan was used for working capital and will mature on October 25, 2013. As of April 2012, the Company has fully paid this loan.

This facility is secured by collaterals as follows:

- One (1) parcel of land with an area of 94,500 sqm, as a part of HGB No. 56/Sukaesmi which is registered under the name of PT Waska Sentana.
- One (1) parcel of land with an area of 2,500 sqm with HGB No. 2012/Sukaesmi which is registered under the name of PT Waska Sentana.

Interests and other borrowing costs capitalized into inventories for the years ended December 31, 2012 and 2011 amounted to nil and Rp 988,425,575, respectively (see Note 7).

PT Lippo Cikarang Tbk (LC), a subsidiary

Based on Deeds of Credit Agreement No. 86, dated October 20, 2010, made in the presence of Mellyani Noor Shandra, S.H., a notary in Jakarta, which was amended several times with the latest renewal by Credit Agreements Nos. 144/ICBC-MK/PTD1/X/2011/P2 and 145/ICBC-MK/PTD/2011 (no longer extended) dated November 30, 2012, LC obtained an on Demand Fixed Loan credit facility at a maximum amount of Rp 30,000,000,000 with annual interest rate of 11%. The loan was used for working capital and will mature on October 25, 2013. As of April 2012, LC, a subsidiary, has fully paid this loan.

This facility is secured by collaterals as follows:

- One (1) parcel of land with an area of 38,901 sqm with HGB No. 178/Sukaesmi which is registered under the name of PT Waska Sentana.
- One (1) parcel of land with an area of 85,180 sqm, as a part of HGB No. 56/Sukaesmi which is registered under the name of PT Waska Sentana.

PT Bank Negara Indonesia (Persero) Tbk

The Company

- Based on Deed of Credit Agreement No. 34 dated October 30, 2006, which was made in the presence of H. Zamri, S.H., a notary in Jakarta and 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 at a maximum amount of Rp 250,000,000,000 which bears an annual interest rate of 11%. This loan was used to finance property and other businesses, except for land acquisitions. This loan matured on October 29, 2007. Furthermore, based on Deed of Credit Agreement No. 44 dated March 29, 2007 made in the presence of H. Zamri, S.H., a notary in Jakarta, the Company obtained additional Working Capital Credit facility at a maximum of Rp 20,000,000,000 resulting to a total Working Capital Credit facility of Rp 270,000,000,000.

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This loan bears an annual interest rate of 11% and matured on October 29, 2007. The facility has been extended several times to the latest extension through changes in the Credit Agreements Nos. (7) 34 and (6) 44 dated December 19, 2012 and will mature on June 12, 2013. This loan bears an annual interest rate of 10%.

- Based on Deed of Credit Agreement No. 45 dated March 29, 2007 which was made in the presence of H. Zamri, S.H., a notary in Jakarta, the Company obtained a term loan credit facility at a maximum of Rp 270,000,000,000. This loan bears an annual interest rate of 12%. 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 matured on March 29, 2011.

These loans have been fully paid by the Company on March 10, 2011. As of December 31, 2012, the Company did not renew this loan facility.

Interests and other borrowing costs capitalized into inventories for the years ended December 31, 2012 and 2011 amounted to Rp 3,321,992,009 and Rp 10,477,825,011, respectively (see Note 7).

PT Lippo Cikarang Tbk (LC), a subsidiary

- Based on Deed of Credit Agreement No. 32 dated March 29, 2011 which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, then changed by the Approval PK No. (1) 32 dated May 25, 2013, LC obtained a working capital credit facility at a maximum amount of Rp 50,000,000,000 with an annual interest rate of 11%. This loan was used to finance the property and other business, except for land acquisition. Based on credit extension agreement No. (1) 32 dated May 25, 2012, this loan has been extended to March 28, 2013. This loan had been fully paid on April 20, 2012.
- Based on Deed of Credit Agreement No. 33 dated March 29, 2011 which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, LC obtained a working capital credit facility at a maximum amount of Rp 432,782,000,000 with an annual interest rate of 11%. This loan was used to refinance the Company's loan and will mature on March 28, 2016. As of December 31, 2012, LC has not used and extended this facility.

Both facilities are secured by collaterals as follows:

- Ten (10) parcels of land with an area of 655,945 sqm, consist of HGB Nos. 37, 38, 39, 40, 2002, 2003, 2004, 2005, 2006, and 5981 which are registered under the name of PT Erabaru Realindo, a subsidiary.
- One (1) parcel of land with an area of 127,404 sqm, consist of HGB No. 8302 which is registered under the name of LC.
- Property trade accounts receivable (excluding accounts receivable from land sold) amounted to Rp 62.5 billion.

21. Other Current Financial Liabilities

	2012 Rp	2011 Rp
Third Parties		
Unidentified Payments	89,907,922,121	42,265,726,817
Other Payable	89,635,914,295	48,964,868,315
Total Other Current Financial Liabilities	179,543,836,416	91,230,595,132

Unidentified payments represent receipt of collection not yet identifiable by the Company.

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22. Long-Term Bank Loans

	2012 Rp	2011 Rp
Third Parties		
Bank Pembangunan Daerah Kalimantan Timur	40,035,765,926	44,258,018,807
PT Bank Central Asia Tbk	25,935,451,960	29,202,600,115
	65,971,217,886	73,460,618,922
Current Portion	11,218,103,420	7,489,401,044
Non-Current Portion	54,753,114,466	65,971,217,878

Bank Pembangunan Daerah Kalimantan Timur

Based on Deed of Credit Agreement No. 005/870/9200/KI.59/BPDKP/2008 dated February 25, 2008, PT Balikpapan Damai Husada (BDH), a subsidiary, obtained an investment credit facility (Non-PRK) at a maximum amount of Rp 50,000,000,000 with an annual interest rate of 11.5%. This loan was used to increase the investment fund for financing the development of hospitals and paying its loan obtained from PT Bank Mandiri Tbk. This loan will mature on February 25, 2019.

This facility is secured by collaterals as follows:

- One (1) parcel of land with an area of 12,562 sqm including healthcare building and hospital with an area 8,024 sqm with HGB No. 2069 located at Jl. MT. Haryono RT. 35, Balikpapan which is registered under the name of PT Putra Adi Perkasa.
- Supporting infrastructure, tools and machinery and medical equipment with the estimated value of Rp 8,665,020,000.

There is no restrictive financial ratio which should be maintained by BDH.

PT Bank Central Asia Tbk

Based on Deed of Credit Agreement No. 1 dated April 1, 2003 made in the presence of Yandes Effriady, S.H., a notary in Jambi, and the letter No. 0242/JAM/2010 dated February 3, 2010, as amended by Credit Agreement No. 54 dated July 19, 2010 in the presence of Hasan S. H., a notary in Jambi and the latest by Credit Agreement No. 0036/ADD/119/II/12 dated February 2, 2012, PT Golden First Atlanta (GFA), a subsidiary, obtained several credit facilities as follows:

- Local Credit Facility (Current Account) at a maximum amount of Rp 5,000,000,000.
- Investment Credit Facility at a maximum amount of Rp 32,419,314,946.

Both facilities bear an annual interest rate of 11% and will mature on February 5, 2013 and December 20, 2016, respectively.

Both facilities are secured by collaterals as follows:

- Three (3) parcels of land with an area of 7,132 sqm and building with HGB Nos. 840, 841 and 842/Paal Merah which are registered under the name of GFA, a subsidiary.
- Medical equipment, furniture fixtures and office equipment, trade accounts receivable and inventory of medicine and consumable goods, and machinery and medical equipments.

Based on the loan agreement, GFA has to maintain maximum debt to equity ratio of 3.2 times.

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23. Bonds Payable

	2012 Rp	2011 Rp
Nominal (2012: USD 642,535,000; 2011: USD 395,608,000)	6,213,313,450,000	3,587,373,344,000
Premium	56,504,998,004	71,920,687,353
Bond Issuance Cost - Net	(326,288,811,569)	(124,587,207,152)
Total	5,943,529,636,435	3,534,706,824,201
Premium (net of discount)	70,049,479,998	90,680,000,000
Less: Accumulated Amortization	(13,544,481,994)	(18,759,312,647)
Unamortized Premium	56,504,998,004	71,920,687,353
Bond Issuance Costs	363,491,007,676	171,074,648,567
Less: Accumulated Amortization	(37,202,196,107)	(46,487,441,415)
Unamortized Bond Issuance Cost	326,288,811,569	124,587,207,152

The Company initiated several fund raising by issuing bonds to support the business of the Company and subsidiaries.

On March 9, 2006, Lippo Karawaci Finance B.V., a subsidiary, issued unsecured bonds with nominal value of USD 250,000,000 and annual fixed interest rate of 8.875% in Singapore Stock Exchange. The bonds have 5 years maturity period and became due on March 9, 2011. Payments of interest is conducted every 6 months. On May 11, 2010, part of bonds amounting to USD 183,754,000 was exchanged with bonds issued by Sigma Capital Pte. Ltd., a subsidiary. These bonds have been fully paid by the Company on March 9, 2011.

In relation to exchange offer of bonds, on May 11, 2010, Sigma Capital Pte. Ltd. (SC), a subsidiary, issued unsecured bonds with a nominal value of USD 270,608,000, and subsequently, on February 17, 2011, SC issued unsecured bond with a nominal value of USD 125,000,000, both bonds bear an annual fixed interest rate of 9% and are listed on Singapore Stock Exchange and will be due on April 30, 2015. Payment of interest will be conducted every 6 months. As of December 31, 2012 and 2011, accrued interest expense amounted to USD 1,417,606 and USD 5,934,120 (equivalent to Rp 13,708,254,081 and Rp 53,810,600,160), respectively.

On May 16, 2012, Theta Capital Pte. Ltd. (TC), a subsidiary, issued unsecured bonds with nominal value of USD 150,000,000 and subsequently, on October 22, 2012, TC issued unsecured bond with a nominal value of USD 100,000,000 both bonds bear an annual fixed interest rate of 7% and are listed on Singapore Stock Exchange. The bond have 7 years maturity period and will due on May 16, 2019. Payment of interest is conducted every 6 months. As of December 31, 2012 and 2011, accrued interest expense amounted to USD 1,355,945 and USD 903,963 (equivalent to Rp 13,111,988,150 and Rp 8,741,322,210), respectively.

In relation to exchange offer program of bonds, on November 14, 2012, Theta Capital Pte. Ltd., a subsidiary, issued unsecured bonds with nominal value of USD 273,306,000 in exchange with bond of Sigma Capital Pte. Ltd. for a nominal value of USD 253,713,000 and paid USD 22,666,000. This bonds bears an annual fixed interest rate of 6.125% and are listed on Singapore Stock Exchange and will due on November 14, 2020. Payment of interest is conducted every 6 months. As of December 31, 2012, accrued interest expense amounted to USD 2,064,480 (equivalent to Rp 19,963,520,730).

Interest expense and other borrowing cost capitalized into inventories for the years ended December 31, 2012 and 2011 amounted to Rp 369,947,553,880 and Rp 302,214,145,933, respectively (see Note 7).

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These bonds have been rated BB- by Standard & Poor's and Fitch and B1 by Moody's.

The Company has to comply with certain restrictions under bond covenants as stipulated in the Offering Circular.

The Company entered into Non-Deliverable USD Call Spread Option facility agreements with certain third parties to hedge foreign exchange fluctuation risk on these foreign currency denominated bonds (see Note 40.c).

24. Long-Term Post-Employment Benefits Liability

Post-Employment Benefit – No Funding Defined Benefit Plan

The Company and subsidiaries appointed independent actuaries to determine and recognize post-employment liability in accordance with the existing manpower regulations. Post-employment benefits liability as of December 31, 2012 was calculated by PT Mega Jasa Aktuaria and PT Dayamandiri Dharmakonsilindo with reports, respectively dated February 1, 2013. Post-employment benefits liability as of December 31, 2011 was calculated by PT Jasa Aktuaria Japa and PT Dayamandiri Dharmakonsilindo with reports dated February 8, 2012 and February 15, 2012, respectively. The management believes that the estimate of post-employment benefits is sufficient to cover such liabilities.

Post-employment benefits recognized in the consolidated statements of financial position are as follows:

	2012 Rp	2011 Rp
Present Value of Defined Benefit Obligation	201,016,264,584	148,435,574,952
Unrecognized Actuarial Loss	(38,149,032,370)	5,008,177,669
Total	161,333,982,735	143,171,484,230

The details of post-employment benefits expense recognized in the consolidated statements of comprehensive income are as follows:

	2012 Rp	2011 Rp
Current Service Cost	30,229,708,612	20,532,897,648
Interest Expense	10,034,995,031	11,972,907,861
Past Service Cost (Non-Vested)	1,616,075,060	1,357,469,711
Recognized Actuarial Loss	(1,371,572,550)	(2,004,398,525)
Adjustment	234,529,015	339,831,753
Total	40,743,735,168	32,198,708,448

Post-employment benefits expense is recorded as part of the cost of salaries and employee benefits (see Note 36).

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Reconciliation of changes in liabilities recognized in the consolidated statements of financial position is as follow:

	2012 Rp	2011 Rp
Balance on January 1	143,171,484,230	117,089,448,839
Payment of Employees' Benefits in the Current Year	(9,353,997,281)	(5,248,736,637)
Adjustment	803,012,572	(867,936,420)
Company's Contribution	(14,030,251,954)	--
Expense During the Year	40,743,735,168	32,198,708,448
Balance as of December 31	161,333,982,735	143,171,484,230

Reconciliation of changes in present value of defined benefit obligation is as follows:

	2012 Rp	2011 Rp
Present Value of Defined Benefit Obligation in January 1	148,435,574,952	119,920,794,970
Past Service Cost (Non-Vested)	(13,409,610,768)	(684,137,924)
Current Service Cost	30,229,708,612	20,532,897,648
Interest Expense	10,034,995,031	11,972,907,861
Benefits Payment	(9,353,997,281)	(5,248,736,637)
Unrecognized Actuarial Loss	35,079,594,038	1,941,849,034
Present Value of Defined Benefit Obligation as of December 31	201,016,264,584	148,435,574,952

Total of present value of employee benefits liabilities, fair value of asset and deficit program for the year ended December 31, 2012 and previous four annual periods are as follows:

	2012 Rp	2011 Rp	2010 Rp	2009 Rp	2008 Rp
Present Value of Defined Benefit Liabilities	201,016,264,584	148,435,574,952	119,920,794,970	112,089,553,025	74,940,862,614
Asset Program	--	--	--	--	--
Total Deficit	201,016,264,584	148,435,574,952	119,920,794,970	112,089,553,025	74,940,862,614

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

	2012	2011
Interest Rates	8%	8%
Salary Increase Projection Rates	8%	8%
Mortality Rates	Indonesia – II	Indonesia – II
Permanent Disability Rates	10% x TMI – II	10% x TMI – II
Resignation Rates	1% for age 18 – 44, 0% for age 45 – 54	1% for age 18 – 44, 0% for age 45 – 54

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25. Advances from Customers

	2012 Rp	2011 Rp
Third Parties		
Apartment	1,574,320,252,270	950,373,788,045
Residential Houses and Shophouses	1,422,626,683,122	673,799,694,280
Land Lots	801,004,988,760	385,751,428,993
Shopping Centers	195,634,112,567	361,344,581,975
	3,993,586,036,719	2,371,269,493,293
Less : Current Portion	1,850,726,035,076	963,300,544,347
Non-Current Portion	2,142,860,001,643	1,407,968,948,946

Details of the percentage of advances from customer to sales price are as follows:

	2012 Rp	2011 Rp
100%	3,018,924,963,244	1,291,877,781,227
50% - 99%	612,732,634,474	680,112,029,036
20% - 49%	218,273,422,038	254,791,397,835
Under 20%	143,655,016,963	144,488,285,195
Total	3,993,586,036,719	2,371,269,493,293

26. Deferred Income

	2012 Rp	2011 Rp
Related Party		
Rent (see Notes 10 dan 40.b)	576,888,263,544	791,891,898,867
Third Parties		
Rent	148,589,134,911	100,815,403,612
Others	17,120,522,172	10,640,683,368
Subtotal	165,709,657,083	111,456,086,980
Total Deferred Income	742,597,920,627	903,347,985,847
Less : Current Portion	79,696,900,858	76,366,842,057
Non-Current Portion	662,901,019,769	826,981,143,790

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27. Deferred Gain on Sale and Leaseback Transaction

	2012 Rp	2011 Rp
Acquisition Cost	590,890,086,932	474,480,916,099
Accumulated Depreciation	127,538,766,701	127,538,766,701
Carrying Value	463,351,320,231	346,942,149,398
Proceeds	1,714,252,775,595	1,246,965,217,595
Less: Gain Credited to the Consolidated Comprehensive Income Statement	14,666,752,836	5,949,923,669
Deferred Gain on Sale and Leaseback Transaction	1,236,234,702,528	894,073,144,528
Foreign Exchange Translation	28,513,578,716	(2,980,432,096)
Accumulated Amortization	(320,893,545,117)	(251,541,092,020)
Deferred Gain on Sale and Leaseback - Net	943,854,736,127	639,551,620,412
Current Portion	84,727,362,523	58,313,426,875
Non-Current Portion	859,127,373,604	581,238,193,537

Deferred gain on sale and leaseback transactions is amortized over 15 years of lease period using the straight line method (see Note 40.b).

28. Capital Stock

The Company stockholders' composition as of December 31, 2012 and 2011 is as follows:

Stockholders	2012		
	Total Shares	Percentage Ownership %	Issued and Fully Paid Rp
Pacific Asia Holdings Ltd	4,126,619,908	18.12	412,661,990,800
Others (less than 5% each)	18,644,965,211	81.88	1,864,496,521,100
Sub Total	22,771,585,119	100.00	2,277,158,511,900
Treasury Stocks	306,104,500		30,610,450,000
Total	23,077,689,619		2,307,768,961,900

Stockholders	2011		
	Total Shares	Percentage Ownership %	Issued and Fully Paid Rp
Pacific Asia Holdings Ltd	4,126,619,908	17.96	412,661,990,800
Ivan Setiawan Budiono (Director)	937,500	0.00	93,750,000
Others (less than 5% each)	18,853,902,711	82.04	1,885,390,271,100
Sub Total	22,981,460,119	100.00	2,298,146,011,900
Treasury Stocks	96,229,500		9,622,950,000
Total	23,077,689,619		2,307,768,961,900

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On 31, 2012 and 2011, the acquisition cost of treasury stocks amounted to Rp 154,792,655,006 and Rp 61,731,458,788, respectively.

The following is the reconciliation of the number of outstanding shares at the beginning and end of period:

	2012 (shares)	2011 (shares)
Outstanding shares on January 1	22,981,460,119	21,627,689,619
Non-Preemptive Rights Issuance of Capital Stock	--	1,450,000,000
Treasury Stocks	(209,875,000)	(96,229,500)
Outstanding shares	22,771,585,119	22,981,460,119

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

From November 17, 2011 to December 21, 2011, the Company has repurchased (buyback) 96,229,500 shares at the prices ranged between Rp 620 – Rp 660 per share for the total consideration of Rp 61,731,458,788 and has reported to Bapepam-LK in its letter No. 005/LK-COS/II/2012 dated January 13, 2012.

The buyback of the outstanding shares was approved by the Deed of Extraordinary General Meeting of Stockholders dated November 15, 2011, as covered by deed No. 19 made in the presence of Unita Christina Winata, S.H., a notary in Jakarta.

From January 1, 2012 to June 30, 2012, the Company has repurchased (buyback) 209,875,000 shares at the prices ranged between Rp 670 – Rp 840 per share for the total consideration of Rp 154,844,896,875 and has reported to Bapepam-LK in its letter No. 175/LK-COS/VII/2012 dated July 13, 2012.

29. Additional Paid in Capital - Net

	Rp
Premium - Net	4,043,613,274,615
Difference in Value from Restructuring Transactions between Entities Under Common Control - Net	19,535,347,265
Total	4,063,148,621,880

Premium-Net

	Rp
Rights Issue I	
Premium on Stock	87,283,750,000
Stock Issuance Cost	(11,844,180,664)
Subtotal	75,439,569,336
Rights Issue II	
Premium on Stock	485,048,197,150
Stock Issuance Cost	(7,442,812,013)
Subtotal	477,605,385,137
Premium on Exercising Warrant Series I	659,475,970,000
Excess of Market Value Over Par Value of Stock Issued in Business Combination Exercised under Purchase Method	91,701,282,075

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	<u>Rp</u>
Rights Issue III	
Premium on Stock	1,946,492,065,800
Stock Issuance Cost	(18,495,197,733)
Subtotal	<u>1,927,996,868,067</u>
Issuance of Capital Stock - Non-Preemptive Rights Issuance	
Premium on Stock	812,000,000,000
Stock Issuance Cost	(605,800,000)
Subtotal	<u>811,394,200,000</u>
Net	<u>4,043,613,274,615</u>

On June 6, 2011, the Company issued new 1,450,000,000 shares through issuance of non-preemptive rights capital stock (see Note 1.b).

The excess of market value over the par value of stock issued during the 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.

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

	<u>Rp</u>
Transaction 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	(84,027,724,260)
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	(45,581,021,356)
Difference in Value, Net of Realization	<u>114,096,054,144</u>
Net	<u>19,535,347,265</u>

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

Difference in value from restructuring transactions between entities under common control from business combination amounting to Rp 190,663,253,676, (Rp 196,519,120,943) and Rp 159,677,075,500, respectively, were 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.

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30. Difference in Transactions with Non-Controlling Interest

In 2012, LK Reit Management Pte Ltd (LK Reit), a subsidiary, acquired shares of Bowsprit Capital Corporation Ltd. from Battery Road Limited and Golden Decade International Limited, both third parties and therefore, LK Reit ownership increased from 80% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp 45,889,312,357 was recorded as changes in non-controlling interest transaction.

In 2012, PT Wisma Jatim Propertindo (WJP), a subsidiary, acquired shares of PT Gapura Sakti Prima (GSP) from Mr Abdul Wahid, a third party, and thus the ownership in GSP increased from 78.60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp 7,525,000,000 was recorded as changes in non-controlling interest transaction.

In 2011, Peninsula Investment Limited (Peninsula), a subsidiary, acquired shares of LMIRT Management Ltd (formerly Lippo Mappletree Indonesia RTM Ltd.) from Mappletree LM Pte. Ltd., a third party, and thus the ownership of Peninsula to LMIR TM increased from 60% to 100%. The excess of acquisition cost over the subsidiaries' net assets amounted to Rp 177,677,727,750 was recorded as changes in non-controlling interest transaction.

The following is the calculation of the difference in transactions with non-controlling interest transactions:

	2012 Rp	2011 Rp
Acquisition Cost	296,163,642,857	221,067,000,000
Net Asset Value of Acquired	(74,380,954,358)	(52,872,732,796)
Difference from Foreign Currency Translations	21,105,562,928	9,483,460,546
Total	242,888,251,427	177,677,727,750

31. Cash Dividend and Reserved Fund

Based on Deed of Annual General Meeting of Stockholders No. 13 dated February 23, 2011 which was made in the presence of Unita Christina Winata, S.H., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp 150 billion (including the interim dividend of Rp 50 billion which was paid on December 1, 2010) and increase the reserved fund amounting to Rp 1 billion from retained earnings of 2010.

Based on Deed of Annual General Meeting of Stockholders No. 2 dated April 5, 2012 which was made in the presence of Sriwi Bawana Nawaksari, S.H. M.Kn., a notary in Tangerang, the Company's stockholders approved the payment of dividend amounting to Rp 177,5 billion and increased the reserved fund amounting to Rp 1 billion from retained earnings of 2011.

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32. Other Comprehensive Income

	2012 Rp	2011 Rp
Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	894,254,875,437	(214,851,685,152)
Gain from Translations Financial Statements in Foreign Currency	60,134,221,651	9,540,001,087
Total	954,389,097,088	(205,311,684,065)

Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets

	2012 Rp	2011 Rp
<u>Investment in FREIT (see Note 6)</u>		
Bridgewater International Ltd	447,188,306,071	134,661,302,830
Bowsprit Capital Corporation Ltd	64,467,009,632	14,603,724,841
PT Menara Tirta Indah	57,694,769,690	--
<u>Investment in LMIRT (see Note 6)</u>		
Bridgewater International Ltd	249,830,662,375	(356,700,624,896)
LMIRT Management Ltd	75,074,127,669	(7,416,087,927)
Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets	894,254,875,437	(214,851,685,152)

33. Non-Controlling Interest

Details of non-controlling interests in the equity and share of results of consolidated subsidiaries are as follows:

	2012 Rp	2011 Rp
PT Lippo Cikarang Tbk	560,550,472,618	374,826,375,862
PT Gowa Makasar Tourism Development Tbk	116,392,851,679	86,286,814,849
PT Dama Sarana Nusa Pratama	58,955,610,504	47,930,022,698
PT Wahana Usaha Makmur	37,027,712,625	28,076,917,830
PT Pelangi Cahaya Intan Makmur	17,840,270,249	18,357,599,313
PT Siloam International Hospitals	11,461,117,213	(4,082,869,358)
PT Surplus Multi Makmur	4,161,673,443	4,143,720,415
PT Mitra Mulia Kreasi	5,445,102,970	4,706,350,134
Bowsprit Capital Corporation Ltd	--	12,102,898,486
Others (each below Rp 1 Billion)	2,154,842,410	2,973,164,359
Total Non-Controlling Interest	813,989,653,710	575,320,994,588

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34. Revenues

	2012 Rp	2011 Rp
Urban Development:		
Land Lots	731,553,008,716	758,859,902,132
Residential Houses and Shophouses	709,224,710,958	384,178,560,728
Memorial Park	166,839,725,914	103,928,360,240
Asset Enhancements	19,262,594,065	18,796,654,312
Others (see Note 1.c)	731,364,917,779	--
Sub Total	<u>2,358,244,957,432</u>	<u>1,265,763,477,412</u>
Large Scale Integrated Development:		
Apartments	1,014,606,874,722	748,043,853,748
Asset Enhancements	31,549,821,351	25,649,741,753
Sub Total	<u>1,046,156,696,073</u>	<u>773,693,595,501</u>
Retail Malls:		
Asset Enhancements	117,245,779,131	137,654,850,502
Shopping Centres	26,746,001,306	9,695,644,615
Sales Returns of Shopping Centres	--	(3,625,131,517)
Subtotal	<u>143,991,780,437</u>	<u>143,725,363,600</u>
Healthcare:		
Inpatient Department		
Medical Support Services and Professional Fees	400,301,613,801	276,775,088,485
Drugs and Medical Supplies	402,551,213,913	262,741,869,423
Ward Fees	136,165,709,933	89,143,074,456
Administration Fees	43,219,865,135	31,435,091,796
Operating Theater	25,831,931,415	17,370,159,619
Delivery Fees	1,603,312,271	767,567,175
Others	67,272,698,003	43,813,368,997
Outpatient Department		
Medical Support Services and Professional Fees	439,214,832,259	355,709,360,918
Drugs and Medical Supplies	220,624,606,988	164,789,503,962
Registration Fees	22,481,988,088	17,078,776,365
Others	28,814,750,357	--
Subtotal	<u>1,788,082,522,163</u>	<u>1,259,623,861,196</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	263,136,789,314	223,538,206,818
Town Management	126,271,277,241	97,895,233,519
Water and Sewage Treatment	92,689,306,206	76,013,325,038
Recreation and Sports	60,556,562,749	50,660,578,454
Others	31,854,565,872	31,321,423,330
Subtotal	<u>574,508,501,382</u>	<u>479,428,767,159</u>
Property and Portfolio Management:		
Management Fees	249,229,565,717	267,345,289,987
Total Revenues	<u>6,160,214,023,204</u>	<u>4,189,580,354,855</u>

Management fees revenue represents revenue of shopping centers from management services and as manager of REIT. Revenue from asset enhancement represents revenue from rental of the Company's assets. Disposal of PT Panca Permata Pejaten amounting to Rp 731,364,917,779 to Lippo Malls Indonesia Retail Trust, is constituted of 11.87% of consolidated net sales for the year ended December 31, 2012 (see Note 1.c). For the year ended December 31, 2011, there are no sales to customer with sales amount above 10% of net revenues.

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35. Cost of Sales

	2012 Rp	2011 Rp
Urban Development:		
Land Lots	308,178,214,666	408,239,877,115
Residential Houses and Shophouses	416,335,577,492	227,350,078,339
Memorial Park	29,628,783,022	19,449,378,060
Asset Enhancements	745,299,708	--
Others (see Note 1.c)	389,954,350,653	--
Subtotal	<u>1,144,842,225,541</u>	<u>655,039,333,514</u>
Large Scale Integrated Development:		
Apartments	476,952,792,318	382,302,155,777
Asset Enhancements	19,770,548,506	16,641,013,565
Subtotal	<u>496,723,340,824</u>	<u>398,943,169,342</u>
Retail Malls:		
Asset Enhancements	5,304,044,492	31,761,431,458
Shopping Centres	8,309,022,210	3,730,951,278
Sales Return of Shopping Centres	(4,932,655,285)	(1,278,230,283)
Subtotal	<u>8,680,411,417</u>	<u>34,214,152,453</u>
Healthcare:		
Inpatient Department		
Salaries and Employee Benefits	395,954,128,978	271,364,961,219
Drugs and Medical Supplies	280,972,888,278	193,961,350,779
Clinical Supplies	36,973,906,620	31,404,051,066
Depreciation	26,302,409,797	15,282,048,083
Food and Beverages	57,286,209,082	19,059,836,713
Repair and Maintenance	5,648,447,777	6,185,466,623
Others	30,173,578,117	18,751,972,487
Outpatient Department		
Salaries and Employee Benefits	272,787,817,492	206,596,612,919
Drugs and Medical Supplies	159,228,912,194	108,984,091,930
Clinical Supplies	27,254,684,779	21,742,739,695
Depreciation	31,100,012,885	11,013,784,222
Repair and Maintenance	3,353,644,758	4,131,612,060
Others	16,231,365,138	17,526,665,399
Subtotal	<u>1,343,268,005,895</u>	<u>926,005,193,195</u>
Hospitality and Infrastructure:		
Hotels and Restaurants	82,344,171,828	74,458,586,010
Town Management	87,845,336,944	61,414,617,011
Water and Sewage Treatment	34,232,147,881	28,717,493,130
Recreation and Sports	18,668,051,610	16,722,600,100
Others	27,243,408,486	18,549,752,767
Subtotal	<u>250,333,116,749</u>	<u>199,863,049,018</u>
Property and Portfolio Management:		
Management Fees	95,420,369,801	79,195,359,224
Total Cost of Sales	<u>3,339,267,470,227</u>	<u>2,293,260,256,746</u>

There are no purchases above 10% of net revenues for both periods.

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36. Operating Expenses

	2012 Rp	2011 Rp
Selling Expenses		
Marketing and Advertising	303,562,421,382	96,821,917,601
Salaries and Employee Benefits	62,218,434,808	42,859,023,452
Repairs and Maintenance	30,119,962,464	25,043,153,036
Management Fees	15,816,612,706	16,000,807,534
Depreciation (see Notes 12 and 13)	14,964,742,869	14,282,636,329
Rent	6,691,500,945	5,263,950,592
Transportation and Accommodation	5,202,114,013	4,961,200,963
Office Supplies	4,853,741,824	6,167,832,062
Electricity and Water	4,383,113,178	3,664,291,286
Communication	1,824,319,010	1,724,760,598
Others	5,030,786,739	991,900,881
Sub Total	454,667,749,938	217,781,474,334
General and Administrative Expenses		
Salaries and Employee Benefits	363,692,290,505	275,958,556,932
Depreciation (see Note 13)	102,723,861,970	96,605,170,349
Rent	95,083,457,885	121,512,686,891
Water and Electricity	88,917,717,969	64,031,371,634
Professional Fees	54,421,076,557	44,149,216,869
Transportation and Accommodation	47,438,565,392	32,619,081,670
Repairs and Maintenance	34,982,024,404	26,054,244,135
Office Supplies	23,683,519,082	19,895,502,395
Communication	12,422,123,039	10,442,495,616
Membership and Subscription Fees	9,366,831,356	4,879,128,214
Training and Seminar	8,871,591,678	8,163,273,426
Insurance	8,797,693,691	5,129,524,250
Others	38,870,193,431	41,102,239,302
Sub Total	889,270,946,959	750,542,491,683
Total Operating Expenses	1,343,938,696,897	968,323,966,017

37. Financial Income (Expense) - Net

	2012 Rp	2011 Rp
Interest Income	81,486,812,047	104,572,396,647
Interest Expense	(79,854,084,131)	(105,348,943,376)
Total Financial Income (Expense) - Net	1,632,727,916	(776,546,729)

Interest income represents interest income from bank accounts, time deposits and restricted funds (see Notes 4 and 9), while interest expense represents interest on loans (see Notes 20, 22 and 23).

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38. Other Income (Expenses) - Net

	2012 Rp	2011 Rp
Other Income		
Dividend Income	129,803,588,315	71,398,263,601
Gain on Foreign Exchange	107,990,516,101	--
Gain on Sale of Property and Equipment	516,518,989	9,433,360
Gain from Sale and Leaseback	8,716,829,167	--
Others	--	55,029,572,467
Total Other Income	247,027,452,572	126,437,269,428
Other Expenses		
Loss on Foreign Exchange	--	6,727,591,726
Amortization Expense	119,535,372,546	50,258,372,845
Others	55,306,692,399	14,226,966,562
Total Other Expenses	174,842,064,945	71,212,931,133

Dividend Income

Dividend income represents dividend from LMIR Trust and First REIT by Bridgewater International Ltd., Bowsprit Capital Corporation Ltd., LMIRT Management Ltd. (formerly Lippo Mapletree Indonesia RTM Ltd.) and PT Menara Tirta Indah, all subsidiaries.

Amortization Expense

Amortization Expense represents amortization of bonds issuance cost in Sigma Capital Pte Ltd and Theta Capital Pte Ltd, both subsidiaries.

39. Basic Earnings Per Share

The calculation of basic earnings per share is as follows:

	2012	2011
Profit for the Year Attributable to Owners of the Parent Company (Rupiah)	1,060,221,934,429	708,282,328,610
Weighted Average Number of Common Stocks (Share)	22,812,143,338	22,445,796,783
Basic Earnings per Share (Rupiah)	46.48	31.56

40. Commitments

a. Operational and Management Agreement

- 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 while the Riau Government agreed to provide Right to Use No. 466 with a land area of 21,360 sqm at Jl. Diponegoro, Simpang Empat, Pekanbaru. The Government receive 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

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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 amounted to Rp 166,666,500 as of December 31, 2012 and 2011.

- On August 20, 2004, the Company entered into an agreement with PT Untaian Rejeki Abadi (URA) whereby the Company will provide technical and marketing services to URA's business property with an area of 10,568 sqm up to May 27, 2034, which can be extended. URA shall pay a certain amount as specified in the agreement.
- On April 9, 2006, PT Lippo Malls Indonesia (formerly PT Consulting & Management Service Division (LMI), a subsidiary, entered into shopping centers management agreement with their main stockholders to manage, to sell and maintain the shopping centers' facilities. LMI shall receive certain management service fee as stipulated in the agreement. Total management fee earned for the years ended December 31, 2012 and 2011 amounted to Rp 71.3 billion and Rp 28.4 billion, respectively.
- Lippo-Malls Indonesia Retail Trust Management Ltd. (LMIR TM), a subsidiary, entered into an agreement with HSBC Institutional Trust Services (Singapore) Limited, as a trustee of Lippo-Malls Indonesia Retail Trust (LMIR Trust) effective from the 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 recommendations. For such services, LMIR TM shall receive certain compensation as stated in the agreement.
- The Company and subsidiaries entered into several agreements with contractors for the development of their projects. As of December 31, 2012 and 2011 total outstanding commitment amounted to Rp 1,631 billion and Rp 1,703 billion, respectively. Several of unrealized significant contracts as of as of December 31, 2012 are as follows:

Subsidiaries	Contractor	Contract Value (Rp billion)	Unrealized Contract Value (Rp billion)
PT Mandiri Cipta Gemilang	Trilogi Suryawisesa	1,028	319
PT Lippo Cikarang Tbk	PT Hutama Karya (Persero)	423	232
PT Mandiri Cipta Gemilang	Lampiri - Tsw Jo	135	58
PT Lippo Cikarang Tbk	PT Djasa Ubersakti	92	56
PT Almaron Perkasa	Surya Bangun Persada Indah	45	19
PT Mulia Sentosa Dinamika	PT Pembangunan Perumahan (Persero) Tbk	183	19
PT Lippo Cikarang Tbk	PT Pangkal Multi Karya	46	16
PT Lippo Cikarang Tbk	PT Indonesia Pondasi Raya	58	13
PT Mandiri Cipta Gemilang	PT Prima Rezeki Pertiwi	21	12
PT GMTD Tbk	PT Pangkal Multi Karya	36	11
PT GMTD Tbk	Harmoni Jaya Sejahtera	18	7
PT Mandiri Cipta Gemilang	PT Cahaya Teknindo Majumandiri	29	7
PT Lippo Cikarang Tbk	PT Pelitamaju Multiswakarsa	33	6
PT GMTD Tbk	PT Cahaya Teknindo Majumandiri	38	5
PT Mandiri Cipta Gemilang	Yesaya Ekasarana	27	5
PT Almaron Perkasa	PT Pembangunan Perumahan (Persero) Tbk	115	5
PT Mandiri Cipta Gemilang	PT Pelitamaju Multiswakarsa	34	5
PT Mandiri Cipta Gemilang	Karya Inti Prima Mandiri	17	4

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b. Rental Agreements

- Based on Deed of Lease Agreement No. 6 dated November 12, 2008 which was made in the presence of Julijanti Sundjaja, S.H., a notary in Tangerang, PT Mandiri Cipta Gemilang (MCG), subsidiary, entered into a lease agreement with PT Matahari Putra Prima Tbk (MPPA) for a period of 20 years starting from the opening date of St. Moritz with a total rental income of Rp 324,259,600,000.

Based on the amendment of the lease agreement on December 2010, due to the delay of the handover of the store until June 2013, the MPPA will receive compensation for the additional lease period of 5 years and promotion allowance for the opening of the store amounting to Rp 9,700,000,000. Up to December 31, 2012, the store has not opened yet.

- 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 an 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. The total value of lease amounted to Rp 16,560,000,000.
- Based on Deeds 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 of which were made in the presence of Unita Christina, S.H., a notary in Tangerang, Deeds of Sale and Purchase Agreements Nos. 135, 136, 137, 138, 139, 140, 141, 142 and 143 dated December 11, 2006, all of which were made in the presence of Rusdi Muljono, S.H., a notary in Surabaya; and Deed of Sale and Purchase Agreement No. 41 dated December 11, 2006, which was made in the presence of Wenda Taurusita Amidjaja, S.H., a notary in Jakarta, the Company and PT Prudential Hotel Development, a subsidiary, transferred the 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 are 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.

Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 27).

Rental expense for the years ended December 31, 2012 and 2011 amounted to Rp 159,933,500,044 and Rp 155,419,803,749, respectively.

- On December 31, 2010, based on Deed of Sale and Purchase Agreement No 146/2010, PT East Jakarta Medika (EJM), subsidiary, sold the land and building of Siloam Cikarang Hospital (the Property) to PT Graha Pilar Sejahtera (GPS), a wholly owned subsidiary of First Real Estate Investment Trust (First REIT) at the selling price of SGD 33,333,333 and leasedback the Property.

Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with GPS for 15 years. The Company shall pay certain amount as stipulated in the agreement.

Sale and lease-back transaction above meets the classification of operating lease and the transaction price is above its fair value, then the difference is recognized as deferred gain (see Note 27).

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For the years ended December 31, 2012 and 2011, rental expense for sale and lease-back transaction amounted to Rp 22,333,390,630 and Rp 24,868,800,000, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated November 8, 2010, the Company entered into a lease agreement with PT Primatama Cemerlang (PC), the owner of land and building of "Mochtar Riady Comprehensive Cancer Centre" for 15 years. PC is wholly owned by First REIT. The Company shall pay certain amount as stipulated in the agreement.

For the years ended December 31, 2012 and 2011, rental expense amounting to Rp 125,816,977,103 and Rp 123,339,474,500, respectively.

- Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement with PT Menara Abadi Megah (MAM), the owner of land and building of "Hotel Aryaduta dan Rumah Sakit Siloam Manado" for 15 years. The Company shall pay certain amount as stipulated in the agreement.

For the year ended December 31, 2012, rental expense amounting to Rp 1,814,400,000.

- Based on the Deed of Sale and Purchase No. 091/2012, dated November 30, 2012, made before Maria Josefina Grace Kawi Tandiari S. H., a Notary in Makassar, PT Siloam Karya Sejahtera (SKS), a subsidiary, sold the land and buildings Siloam Hospitals Makassar (property) to PT Bayutama Sukses (BS), where BS is a subsidiary owned 100% by First Real Estate Investment Trust (First REIT). The selling price of the property amounted to Rp 467,287,558,000 and the property is leased back.

Based on the rental agreement of Allen & Gledhill Advocates & Solicitors dated September 21, 2012, the Company entered into a lease agreement for 15 years. The Company shall pay certain amount as stipulated in the agreement.

The sale and lease-back meets the classification of an operating lease and the transaction price in the fair value so that profits are recognized as deferred income (see Note 27).

For the year ended December 31, 2012, rental expense for sale and lease-back transaction amounted to Rp 1,242,400,000.

c. Hedging Facility Agreements

- On June 7, 2010, the Company entered into Non-Deliverable USD Call Spread Option facilities with J.P. Morgan (S.E.A.) Limited, Singapore branch, amounting to USD 60,000,000, with spread between Rp 8,500; Rp 9,000 and Rp 12,000 with an annual premium rate of 1.5% from notional amount. On November 1, 2012, the Company terminate (unwind) this facility.
- On July 5 and September 2, 2010, the Company entered into Non-Deliverable USD Call Spread Option facilities with Morgan Stanley & Co amounting to USD 50,000,000 with spread between Rp 8,500; Rp 9,000 and Rp 12,000 and USD 4,600,000 with spread between Rp 8,000; Rp 9,000 and Rp 11,500 with an annual premium rate of 1.78% and 2%, respectively, from notional amount. Premium will be paid every April 30 and October 31.

These facilities will due on April 30, 2015. As of December 31, 2012, the fair value of these facilities amounted to USD 4,055,827.44 (equivalent to Rp 39,219,851,345) and USD 2,095,477.63 (equivalent to Rp 20,263,268,682), respectively.

- On September 7, 2010, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 25,000,000 for spread between Rp 8,000; Rp 9,000 and Rp 11,500 with an annual premium rate of 1.95% from notional amount. On November 1, 2012, the Company terminate (unwind) this facility.

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- On April 5, 2011, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co amounting to USD 40,000,000 for spread between Rp 8,500; Rp 9,200 and Rp 11,500 with an annual premium rate of 1.95% from notional amount. Premium will be paid every April 30 and October 31. This facility will due on April 30, 2015. As of December 31, 2012, the fair value of this facility amounted to USD 301,406.36 (equivalent to Rp 2.914.599.501).
- On April 12, 2011, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 30,000,000 for spread between Rp 8,000; Rp 9,200 and Rp 11,500 with an annual premium rate of 1.97% from notional amount. The Company terminate (unwind) this facility.
- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, amounting to USD 50,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2012, the fair value of this facility amounted to USD -133,633.81 (equivalent to Rp -1,292,238,943).
- On May 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Deutsche Bank, Singapore branch, amounting to USD 50,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 1.26% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2012, the fair value of this facility amounted to USD -193,538.19 (equivalent to Rp -1,871,514,300).
- On June 5, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 25,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 1.18% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2012, the fair value of this facility amounted to USD 128,611.70 (equivalent to Rp 1.243.675.167).
- On June 26, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Nomura International plc, United Kingdom branch, amounting to USD 25,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 1.125% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on May 16, 2019. As of December 31, 2012, the fair value of this facility amounted to USD -163,842.00 (equivalent to Rp -1,584,352,140).
- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with BNP Paribas, Singapore branch, amounting to USD 115,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 0.69% from notional amount. Premium will be paid every May 16 and November 16. This facility will due on November 16, 2020. As of December 31, 2012, the fair value of this facility amounted to USD 1,034,924.80 (equivalent to Rp 10.007.722.816).
- On October 29, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with J.P Morgan (S.E.A) Limited, Singapore branch, amounting to USD 140,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 0.69% from notional amount. Premium will be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2012, the fair value of this facility amounted to USD 2,979,111.00 (equivalent to Rp 28,808,003,370).
- On November 8, 2012, the Company entered into Non-Deliverable USD Call Spread Option facility with Morgan Stanley & Co, England branch, amounting to USD 21,000,000 for spread between Rp 9,500 and Rp 11,500 with an annual premium rate of 0.685% from notional amount. Premium will

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be paid every May 14 and November 14. This facility will due on November 14, 2020. As of December 31, 2012, the fair value of this facility amounted to USD 431,161.67 (equivalent to Rp 4,169,333,350).

41. Segment Information

	2012 (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
Revenues	2,358,254,614	1,046,156,696	143,991,780	1,788,082,522	574,508,501	249,229,566	6,160,214,023
Gross Profit	1,213,412,388	549,433,355	135,311,369	444,814,516	324,175,385	153,809,196	2,820,946,553
Selling Expenses	(157,868,089)	(224,972,700)	(51,362,440)	(11,595,567)	(7,398,932)	(1,479,678)	(454,667,750)
General and Administrative Expenses	(370,008,040)	(35,419,968)	(22,260,886)	(242,136,865)	(139,501,070)	(79,944,118)	(889,270,947)
Interest Income	66,158,845	3,842,961	431,506	9,894,239	848,440	310,821	81,486,812
Interest Expenses	(25,746,568)	(12,556,998)	(106,086)	(38,761,605)	(2,661,456)	(21,371)	(79,854,084)
Other Income (Expenses) - Net	127,017,584	(4,589,524)	(17,348,345)	(37,372,725)	(20,955,370)	25,433,768	72,185,388
Share in the Profit of Associates	4,978,020	--	--	--	21,284,295	--	26,262,315
Profit Before Tax	857,944,140	275,737,126	44,665,118	124,841,993	175,791,292	98,108,618	1,577,088,287
Tax Expense							
Current	(139,821,540)	(53,885,326)	(11,491,416)	(24,117,756)	(8,727,992)	(15,170,858)	(253,214,888)
Deferred	(2,362,669)	--	--	(944,223)	(31,968)	2,312,480	(1,026,380)
Profit for The Year	715,759,931	221,851,800	33,173,702	99,780,014	167,031,332	85,250,240	1,322,847,019
Profit for the period attributable to:							
Owner of the Parent Company	470,769,785	212,439,596	32,184,716	99,780,015	167,031,331	78,016,491	1,060,221,934
Non-Controlling Interest	244,990,146	9,412,204	988,986	--	--	7,233,749	262,625,085
	715,759,931	221,851,800	33,173,702	99,780,015	167,031,331	85,250,240	1,322,847,019
Segment Assets	14,600,985,970	4,746,870,463	1,340,183,586	2,411,921,144	649,615,066	1,033,935,865	24,783,512,094
Investment in Associates	78,387,514	--	--	7,393,145	2,980	--	85,783,639
Total Assets	14,679,373,484	4,746,870,463	1,340,183,586	2,419,314,289	649,618,046	1,033,935,865	24,869,295,733
Segment Liabilities	9,267,247,138	2,505,243,218	495,560,360	928,350,392	76,902,507	125,885,728	13,399,189,343
Capital Expenditures	463,553,963	45,413,343	7,122,278	435,207,075	416,374	--	951,713,033
Depreciation	23,071,431	5,636,252	1,226,007	127,671,188	50,288,166	1,383,197	209,276,241
Non-Cash Expenses Other than Depreciation	116,438,615	3,096,758	--	--	--	--	119,535,373

	2011 (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
Revenues	1,265,763,477	773,693,596	143,725,364	1,259,623,861	479,428,767	291,078,616	4,189,580,355
Gross Profit	610,724,144	374,750,426	109,511,211	333,618,668	279,565,718	211,883,257	1,896,320,098
Selling Expenses	(107,007,684)	(54,655,464)	(49,299,338)	(2,325,722)	(4,406,990)	(23,819,602)	(217,781,474)
General and Administrative Expenses	(324,345,544)	(19,752,367)	(14,332,204)	(193,549,816)	(130,926,541)	(67,636,019)	(750,542,491)
Interest Income (Expenses) - Net	23,322,584	(8,623,335)	(532,938)	(13,283,419)	(1,993,188)	333,749	(776,547)
Other Income (Expenses) - Net	84,534,612	(16,048,058)	7,579,632	(28,963,313)	(4,195,450)	12,316,915	55,224,338
Share in the Profit (Loss) of Associates	10,958,642	(4,428,458)	(9,889,391)	--	5,725,588	--	2,366,381
Profit Before Tax Expense	298,186,754	271,242,744	43,036,972	95,496,398	143,769,137	133,078,300	984,810,305
Tax Expense							
Current	(92,346,973)	(37,892,429)	(12,398,732)	(23,146,312)	(1,629,975)	(8,145,721)	(175,560,142)
Deferred	3,849,494	--	--	3,285,615	(1,349,149)	(941,774)	4,844,186
Profit for The Year	209,689,275	233,350,315	30,638,240	75,635,701	140,790,013	123,990,805	814,094,349
Profit for the period attributable to:							
Owner of the Parent Company	83,650,283	225,420,494	30,060,880	75,635,701	140,790,013	152,724,958	708,282,329
Non-Controlling Interest	126,038,992	7,929,821	577,360	--	--	(28,734,153)	105,812,020
	209,689,275	233,350,315	30,638,240	75,635,701	140,790,013	123,990,805	814,094,349

42. Monetary Asset and Liabilities Denominated in Foreign Currencies

In relation with liability balances denominated in foreign currencies, the Company has entered into several contracts derivatives with other parties to manage the risk of foreign currency exchange rates (see Note 40.c).

43. Contingencies

- Based on the Legal Case Register No. 79/PDTG/2005/PN.TNG dated April 12, 2005, Silvia Sunardi sued the Company (ex Lippo Land). Based on the case, it was stated that the compensation was demanded due to the allegation that kiosks at Depok Town Square was sold to the abovementioned party at the point where the land status was still under dispute (court case). In 2005, the legal case Register was rejected by Tangerang District Court's. Upon the judgments to the aforementioned case, the plaintiffs are pursuing remedy either by cessation through Supreme Court of the Republic of 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 is built.

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- On March 27, 2009, dr Doro Soendoro, dr Liem Kian Hong and dr Hardi Susanto as the plaintiffs filed a lawsuit to the Company as defendant regarding the termination of plaintiff's work contract. All claims were declined through decision of District Court Jakarta Barat No. 147/Pdt.G/2009/PN.JKT.BAR dated July 23, 2009 and was upheld on June 29, 2010, through the decision of the High Court of Jakarta No. 626/PDT/2009/PT.DKI.

On September 24, 2010, the plaintiffs filed an appeal against the decision to the Supreme Court. Up to reporting date, this case is still in process.

- On July 9, 2009, Alfonsus Budi Susanto, SE, MA, the plaintiff, filed a lawsuit to the Company as first defendant and four other defendants in connection with malpractice suffered by plaintiff. All claims were declined through decision of District Court Jakarta Utara No. 237/Pdt.G/2009/PN.Jkt.Ut dated March 11, 2010 and was upheld on May 18, 2011, through the decision of the High Court of Jakarta No. 548/PDT/2010/PT.DKI.

On February 23, 2012, the plaintiffs filed an appeal against the decision to the Supreme Court. Up to reporting date, this case is still in process.

- On October 1, 2012, Wahyu Indrawan, the plaintiff, filed a lawsuit No 71/Pdt.G/2012/PN.JBI to SIH, a subsidiary, as first defendant and two other defendants in connection with malpractice suffered by plaintiff's spouse. Up to the reporting date, the case is in the process of court.
- Based on the Legal Case Register Nos. 126 and 219, PT Gowa Makassar Tourism Development Tbk (GMTD), a subsidiary, is a Defendant on a land area of 67.613 sqm located in Tanjung Merdeka. Up to the reporting date, the case is in the process of appeal and judicial review in the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 234 and 104, GMTD, a subsidiary, is a Appellant on a land area of 44.258 sqm located in Maccini Sombala. Up to the reporting date, the case is in the process of appeal and judicial review in the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 129 and 167, GMTD, a subsidiary, is a Second Defendant on a land area of 14.335 sqm located in Tanjung Merdeka. Up to the reporting date, the case is in the process of appeal and judicial review in the Supreme Court of the Republic of Indonesia.
- Based on the Legal Case Register Nos. 215 and 243, GMTD, a subsidiary, is a First Defendant on a land area of 510,610 sqm located in Tanjung Merdeka and area of 81.200 sqm located in Maccini Sombala. Up to the reporting date, the case is in the process of court.
- Based on the Legal Case Register Nos. 51, 64 and 245, GMTD, a subsidiary, is a Appellant on a land area on a land area of 50.134 sqm located in Tanjung Merdeka. Up to the reporting date, the case is in the process of court.
- Based on the Legal Case Register No. 219, GMTD, a subsidiary, is a Second Defendant on a land area of 600 sqm located in Maccini Sombala. Up to the reporting date, the case is in the process of court.

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44. Financial Instruments and Financial Risks Management

The main financial risks faced by the Company and Subsidiaries are credit risk, foreign exchange rate risk, interest rate risk, liquidity risk and price risk. Attention of managing these risks has significantly increased in light of the considerable change and volatility in Indonesian and international markets.

(i) Credit Risk

Credit risk is the risk that the Company and subsidiaries will incur a loss arising from their customers, clients or counterparties that fail to discharge their contractual obligations. The Company and Subsidiaries' financial instruments that potentially contain credit risk are cash and cash equivalent, trade accounts receivable, other accounts receivable and investments. The maximum total credit risks exposure is equal to the amount of the respective accounts.

The Company and Subsidiaries manage and control this credit risk by setting limits on the amount of risk they are willing to accept for respective customers and being more selective in choosing banks and financial institutions that they deal with, which includes choosing only the reputable and creditworthy banks and financial institutions.

The following table analyzes the financial assets based on maturity:

	2012					
	Not Yet Due	Overdue			Total	
		0 - 90 Days	91 - 180 Days	> 181 Days	Total	
	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets						
Fair value through profit or loss Derivative	101,878,348,847	--	--	--	--	101,878,348,847
Loans and Receivables						
Cash and Cash Equivalent	3,337,357,407,919	--	--	--	--	3,337,357,407,919
Trade Accounts Receivable	274,382,513,505	180,003,365,507	64,597,353,595	75,393,781,181	319,994,500,283	594,377,013,788
Other Current Financial Assets	342,988,169,824	--	--	--	--	342,988,169,824
Due from Related Parties Non-trade	11,460,650,042	--	--	--	--	11,460,650,042
Other Non-Current Financial Assets	344,302,236,769	--	--	--	--	344,302,236,769
Available-for-Sale						
Available-for-Sale Financial Assets	4,216,898,495,936	--	--	--	--	4,216,898,495,936
Total Financial Assets	8,629,267,822,842	180,003,365,507	64,597,353,595	75,393,781,181	319,994,500,283	8,949,262,323,125

	2011					
	Not Yet Due	Overdue			Total	
		0 - 90 Days	91 - 180 Days	> 181 Days	Total	
	Rp	Rp	Rp	Rp	Rp	Rp
Financial Assets						
Fair value through profit or loss Derivative	27,231,624,872	--	--	--	--	27,231,624,872
Loans and Receivables						
Cash and Cash Equivalent	2,174,560,697,339	--	--	--	--	2,174,560,697,339
Trade Accounts Receivable	349,140,095,941	115,913,362,070	23,243,636,096	76,338,466,620	215,495,464,786	564,635,560,727
Other Current Financial Assets	331,688,970,690	--	--	--	--	331,688,970,690
Due from Related Parties Non-trade	10,102,936,910	--	--	--	--	10,102,936,910
Other Non-Current Financial Assets	194,881,192,421	--	--	--	--	194,881,192,421
Available-for-Sale						
Available-for-Sale Financial Assets	2,371,229,528,011	--	--	--	--	2,371,229,528,011
Total Financial Assets	5,458,835,046,184	115,913,362,070	23,243,636,096	76,338,466,620	215,495,464,786	5,674,330,510,970

(ii) Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rates. The Company and subsidiaries' financial instrument that potentially contain foreign exchange rate risk are cash and cash equivalent, investments and loans.

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To manage foreign exchange rate risk, the Company has entered into several derivative agreements with certain third parties.

The following tables show total financial assets and liabilities in foreign currencies as of December 31, 2012 and 2011:

	2012					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalent	5,977,148	113,800	7,306,380	9,836	6,376	438,301,058,054
Trade Accounts Receivable	3,091,364	--	8,546,257	--	--	97,468,745,402
Other Current Financial Assets	10,535,507	--	532,942,782	--	--	4,315,856,921,772
Total Assets	19,604,019	113,800	548,795,419	9,836	6,376	4,851,626,725,228
Liabilities						
Trade Accounts Payable	--	--	340,888	--	--	2,695,401,416
Accrued Expenses	5,741,994	--	1,878,791	--	--	70,380,688,375
Bonds Payable	642,535,000	--	--	--	--	6,213,313,450,000
Total Liabilities	648,276,994	--	2,219,679	--	--	6,286,389,539,791
Net Assets (Liabilities)	(628,672,975)	113,800	546,575,740	9,836	6,376	(1,434,762,814,563)

	2011					
	Foreign Currencies					Equivalent in
	USD	JPY	SGD	EUR	AUD	Rupiah
Assets						
Cash and Cash Equivalent	33,140,523	113,800	23,212,211	23,078	6,376	462,743,104,675
Trade Accounts Receivable	4,986,298	--	1,205,939	--	--	53,625,966,833
Other Current Financial Assets	14,831,148	--	609,266,551	--	--	4,386,636,638,034
Total Assets	52,957,969	113,800	633,684,701	23,078	6,376	4,903,005,709,542
Liabilities						
Trade Accounts Payable	--	--	1,380,884	--	--	10,806,798,888
Accrued Expenses	5,736,055	--	1,196,966	--	--	67,145,149,581
Bonds Payable	395,608,000	--	--	--	--	3,587,373,344,000
Total Liabilities	401,344,055	--	2,577,850	--	--	3,665,325,292,469
Net Assets (Liabilities)	(348,386,086)	113,800	631,106,850	23,078	6,376	1,237,680,417,073

Sensitivity analysis

A hypothetical 10% decrease in the exchange rate of the Rupiah against the USD currency would decrease profit before tax by Rp 123,799,383,686 (2011: Rp 140,971,299,473).

A hypothetical 10% decrease in the exchange rate of the Rupiah against the SGD currency would increase profit before tax by Rp 90.317.155.838 (2011: Rp 25.200.446.464).

The analysis above is based on assumption that Rupiah weakened or strengthened against all of the currencies in the same direction and magnitude, but it may not be necessarily true in reality.

(iii) Interest Rate Risk

Interest rate risk is the risk that fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company and Subsidiaries are exposed to interest rate risk because they have loans with floating interest rates.

The Company and Subsidiaries manage this interest rate risk through an appropriate combination of loans in fixed and floating interest rate and monitoring interest rate movement effect to minimize negative effect to the Company. As of December 31, 2012, more than 95% of the Company's loans are with fixed interest rate.

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Sensitivity analysis

A hypothetical 1% increase in the interest rate of the debt would cut profit before tax by Rp 708,248,018 (2011: Rp 598,457,670).

The analysis above is based on assumption that interest rate increased or decreased against all of the bank loans in the same direction and magnitude, but it may not be necessarily true in reality.

(iv) Liquidity Risk

Liquidity risk is a risk when the cash flow position of the Company indicates that the short-term revenue is not enough to cover the short-term expenditure.

The Company and Subsidiaries manage this liquidity risk by maintaining an adequate level of cash and cash equivalent to cover Company's commitment in normal operation and regularly evaluates the projected and actual cash flow, as well as maturity date schedule of their financial assets and liabilities.

The following table analyzes the breakdown of financial liabilities based on maturity:

	2012				
	Will Due On			Maturity not	Total
	Less Than 1 Year	1 - 5 Years	More than 5 Years	Determined	
	Rp	Rp	Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	575,701,267,461	--	--	--	575,701,267,461
Accrued Expenses	487,335,826,278	--	--	--	487,335,826,278
Short-Term Post-Employment Benefits Liability	6,326,397,455	--	--	--	6,326,397,455
Other Current Financial Liabilities	--	--	--	179,543,836,416	179,543,836,416
Short-Term Bank Loan	4,853,583,896	--	--	--	4,853,583,896
Long-Term Bank Loan	11,218,103,420	54,753,114,466	--	--	65,971,217,886
Due to Related Parties Non-trade	--	--	--	3,188,994,396	3,188,994,396
Bonds Payable	--	1,141,954,363,699	4,801,575,272,736	--	5,943,529,636,435
Other Long-Term Financial Liabilities	--	--	--	85,634,498,079	85,634,498,079
Total	1,085,435,178,510	1,196,707,478,165	4,801,575,272,736	268,367,328,891	7,352,085,258,302
	2011				
	Will Due On			Maturity not	Total
	Less Than 1 Year	1 - 5 Years	More than 5 Years	Determined	
	Rp	Rp	Rp	Rp	Rp
Measured at amortized cost					
Trade Accounts Payable - Third Parties	324,527,408,772	92,343,156,152	--	--	416,870,564,924
Accrued Expenses	325,793,863,002	--	--	--	325,793,863,002
Short-Term Post-Employment Benefits Liability	3,704,922,933	--	--	--	3,704,922,933
Other Current Financial Liabilities	--	--	--	91,230,595,132	91,230,595,132
Short-Term Bank Loan	144,930,951,280	--	--	--	144,930,951,280
Long-Term Bank Loan	7,489,401,044	65,971,217,878	--	--	73,460,618,922
Due to Related Parties Non-trade	--	--	--	4,447,347,258	4,447,347,258
Bonds Payable	--	3,534,706,824,201	--	--	3,534,706,824,201
Other Long-Term Financial Liabilities	--	--	--	31,576,305,817	31,576,305,817
Total	806,446,547,031	3,693,021,198,231	--	127,254,248,207	4,626,721,993,469

(v) Price Risk

Price risk is a risk of fluctuation in the value of financial instruments as a result of changes in market price. The Company and Subsidiaries are exposed to price risk because they own an investment classified as AFS financial assets.

The Company and Subsidiaries manage this risk by regularly evaluating the financial performance and market price of their investment and continuously monitor the global market developments.

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Sensitivity analysis

A hypothetical 1% decrease in the AFS price in the market would cut Unrealized Gain (Loss) on Changes in Fair Value of Available-for-Sale Financial Assets (Equity section) by Rp 41,585,694,729 (2011: Rp 32,341,335,091).

Fair Value Estimation

The schedule below presents the carrying amount of the respective categories of financial assets and liabilities as of December 31, 2012 and 2011:

	2012		2011	
	Carrying Value Rp	Fair Value Rp	Carrying Value Rp	Fair Value Rp
Financial Assets				
Fair value through profit or loss	101,878,348,847	101,878,348,847	27,231,624,872	27,231,624,872
Loans and Receivable				
Cash and Cash Equivalent	3,337,357,407,919	3,337,357,407,919	2,174,560,697,339	2,174,560,697,339
Trade Accounts Receivable	594,377,013,788	594,377,013,788	564,635,560,727	564,635,560,727
Other Current Financial Assets	342,988,169,824	342,988,169,824	331,688,970,690	331,688,970,690
Due from Related Parties Non-trade	11,460,650,042	11,460,650,042	10,102,936,910	10,102,936,910
Other Non-Current Financial Assets	344,302,236,769	344,302,236,769	194,881,192,421	194,881,192,421
Available-for-Sale				
Available-for-Sale Financial Assets	4,216,898,495,936	4,216,898,495,936	2,371,229,528,011	2,371,229,528,011
Total Financial Assets	8,949,262,323,125	8,949,262,323,125	5,674,330,510,970	5,674,330,510,970
Financial Liabilities				
Measured at amortized cost				
Trade Accounts Payable - Third Parties	575,701,267,461	575,701,267,461	416,870,564,924	416,870,564,924
Accrued Expenses	487,335,826,278	487,335,826,278	325,793,863,002	325,793,863,002
Other Current Financial Liabilities	179,543,836,416	179,543,836,416	91,230,595,132	91,230,595,132
Short-Term Post-Employment Benefits Liability	6,326,397,455	6,326,397,455	3,704,922,933	3,704,922,933
Short-Term Bank Loan	4,853,583,896	4,853,583,896	144,930,951,280	144,930,951,280
Due to Related Parties Non-trade	3,188,994,396	3,188,994,396	4,447,347,258	4,447,347,258
Long-Term Bank Loan	65,971,217,886	65,971,217,886	73,460,618,922	73,460,618,922
Bonds Payable	5,943,529,636,435	6,469,503,625,028	3,534,706,824,201	3,544,787,343,298
Other Long-Term Financial Assets	85,634,498,079	81,118,451,632	31,576,305,817	30,857,359,675
Total Financial Liabilities	7,352,085,258,302	7,873,543,200,448	4,626,721,993,469	4,636,083,566,424

As of December 31, 2012 and 2011, management estimates that the carrying value of short-term financial assets and liabilities and those which maturity not determined have reflect their fair value.

The fair value of derivative instruments and other long-term liabilities are estimated using valuation techniques with unobservable input portion (level 2). The fair value of investments available for sale and bonds payable was quoted in an active market (level 1). The following are fair value hierarchy for financial assets at year end were recorded using their fair value.

	December 31, 2012 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Financial Assets Measured at fair value through profit or loss				
Derivative	101,878,348,847	--	101,878,348,847	--
Available-for-Sale				
Other Current Financial Assets	4,158,569,472,925	4,158,569,472,925	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

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	December 31, 2011 Rp	Level 1 Rp	Level 2 Rp	Level 3 Rp
Financial Assets Measured at fair value through profit or loss				
Derivative	27,231,624,872	--	27,231,624,872	--
Available-for-Sale				
Other Current Financial Assets	2,312,900,505,000	2,312,900,505,000	--	--
Other Non-Current Financial Assets	58,329,023,011	--	--	58,329,023,011

45. Business Combination

PT Mulia Citra Abadi (MCA)

On December 20, 2012, the Company acquired the entire shares of MCA indirectly 75% through PT Lippo Malls Indonesia (formerly PT Consulting & Management Services Division) and 25% through PT Kilau Intan Murni from the third party, in line with the strategic business expansion which support the Company's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of MCA:

	Rp
Cash and Cash Equivalent	9,000,000
Property and Equipment	279,686,000,000
Due to Related Parties Non-trade	(185,805,000,000)
Total Net Assets	93,890,000,000

Goodwill arising from the acquisition amounted to Rp 20,247,679,428 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements of MCA from the date of acquisition have been consolidated into the financial statements of the Company.

Total revenue and profit before tax of MCA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and nil.

Revenues and profit of MCA for the year ended December 31, 2012, the date as if MCA had been consolidated from January 1, 2012 amounted to nil and nil.

PT Bimasakti Jaya Abadi (BJA)

On December 20, 2012, the Company acquired the entire shares of BJA indirectly 25% through PT Primakreasi Propertindo and 75% through PT Mandiri Cipta Gemilang from the third party, in line with the strategic business expansion which support the Company's business activities.

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The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of BJA:

	2012
	Rp
Cash and Cash Equivalent	6,124,000,000
Other Current Financial Assets	36,000,000
Inventory	148,485,000,000
Prepaid Taxes and Expenses	6,991,000,000
Property and Equipment	131,000,000
Trade Accounts Payable - Third Parties	(127,000,000)
Other Short-Term Financial Liabilities	(911,000,000)
Taxes Payable	(4,341,000,000)
Due to Related Parties Non-trade	(18,632,000,000)
Advances from Customers	(40,896,000,000)
Total Net Assets	96,860,000,000

Goodwill arising from the acquisition amounted to Rp 9,509,000,000 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements from the date of acquisition have been consolidated into the financial statements of the Company.

Total revenue and profit before tax of BJA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and nil.

Revenues and profit of BJA for the year ended December 31, 2012, the date as if BJA had been consolidated from January 1, 2012 amounted to nil and nil.

PT Surya Megah Lestari (SML)

On December 20, 2012, the Company acquired the entire shares of SML indirectly 25% through PT Primakreasi Propertindo and 75% through PT Mandiri Cipta Gemilang from the third party, in line with the strategic business expansion which support the Company's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of SML:

	Rp
Cash and Cash Equivalent	2,000,000
Property and Equipment	4,318,000,000
Due to Related Parties Non-trade	(3,000,000,000)
Total Net Assets	1,320,000,000

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Goodwill arising from the acquisition amounted to Rp 5,680,000,000 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements from the date of acquisition have been consolidated into the financial statements of the Company.

Total revenue and profit before tax of SML since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and nil.

Revenues and profit of SML for the year ended December 31, 2012, the date as if SML had been consolidated from January 1, 2012 amounted to nil and nil.

PT Ekaputra Kencana Abadi (EKA)

On August 15, 2012, the Company acquired the entire shares of EKA, indirectly 75% through PT Persada Mandiri Dunia Niaga and 25% through PT Wisma Jatim Propertindo from the third party, in line with the strategic business expansion which support the Company's business activities.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of EKA:

	Rp
Due from Related Parties Non-trade	349,000,000
Other Non-Current Financial Assets	2,016,000,000
Total Net Assets	2,365,000,000

Goodwill arising from the acquisition amounted to Rp 15,050,000,000 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements from the date of acquisition have been consolidated into the financial statements of the Company.

Total revenue and profit before tax of EKA since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to nil and Rp 7,128,993,641.

Revenues and profit of EKA for the year ended December 31, 2012, the date as if EKA had been consolidated from January 1, 2012 amounted to nil and Rp 8,431,839,194.

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PT Diagram Healthcare Indonesia (DHI)

On March 31, 2012, PT Pancawarna Semesta acquired 80% shares of DHI from the third party, in line with the strategic business expansion which support the Company's business activities.

Non-controlling interest is measured by the percentage of non-controlling ownership of the fair value of net assets DHI.

The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of DHI:

	<u>Rp</u>
Cash and Cash Equivalent	8,498,000,000
Trade Accounts Receivable	2,088,000,000
Other Current Financial Assets	3,557,000,000
Inventory	5,211,000,000
Prepaid Expenses	8,352,000,000
Property and Equipment	54,334,000,000
Other Non-Current Financial Assets	4,979,000,000
Trade Accounts Payable - Third Parties	(1,854,000,000)
Accrued Expenses	(234,000,000)
Taxes Payable	(140,000,000)
Due to Related Parties Non-trade	(27,792,000,000)
Other Short-Term Financial Liabilities	(15,000,000)
Advances from Customers	(28,000,000)
Total Net Assets	<u>56,956,000,000</u>

Goodwill arising from the acquisition amounted to Rp 9,251,046,030 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The balance of non-controlling interest on this acquisition is Rp 11,391,200,000.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements from the date of acquisition have been consolidated into the financial statements of the Company.

Total revenue and profit before tax of DHI since the date of acquisition which is included in the consolidated statement of comprehensive income for the year ended December 31, 2012 amounted to Rp 26,076,661,740 and Rp 5,860,131,989, respectively.

Revenues and profit of DHI for the year ended December 31, 2012, the date as if DHI had been consolidated from January 1, 2012 amounted to Rp 34,134,147,413 and (Rp 6,487,148,864).

PT Guchi Kencana Emas (GKE)

On March 11, 2011, PT Megapratama Karya Persada acquired the entire shares of GKE directly 0.02% and indirectly 99.98% through PT Siloam International Hospitals from the third party, in line with the strategic business expansion which support the Company's business activities.

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The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of GKE:

	Rp
Cash and Cash Equivalent	464,367,390
Trade Accounts Receivable	2,587,043,864
Other Current Financial Assets	1,400,050,969
Inventory	813,777,307
Prepaid Expenses	201,480,332
Due from Related Parties Non-trade	17,917,219,085
Other Non-Current Financial Assets	123,328,500
Property and Equipment	77,078,672,091
Trade Accounts Payable - Third Parties	(1,869,959,327)
Accrued Expenses	(1,377,969,131)
Due to Related Parties Non-trade	(33,553,021,116)
Bank Loan	(35,444,504,311)
Other Non-Current Financial Assets	(20,395,809,792)
Other Long-Term Non-Financial Assets	(238,913,973)
Total Net Assets	7,705,761,888

Goodwill arising from the acquisition amounted to Rp 23,540,326,235 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements of GKE from the date of acquisition have been consolidated into the financial statements of the Company.

On the acquisition of GKE, former owner, guaranteed certain conditions to be achieved by GKE. If these conditions can not be fulfilled, then a refund will be made by the former owner to SIH, subsidiary (see Note 14).

On May 30, 2012, SIH obtain a refund of Rp 20 billion.

PT Prawira Tata Semesta (PTS)

On March 11, 2011, PT Megapratama Karya Persada acquired the entire shares of PTS directly 0.02% and indirectly 99.98% through PT Siloam International Hospitals from the third party, in line with the strategic business expansion which support the Company's business activities.

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The following table summarises the identifiable assets acquired and the liabilities taken over at the acquisition date of PTS:

	<u>Rp</u>
Cash and Cash Equivalent	2,450,122,146
Trade Accounts Receivable	4,195,833,122
Other Current Financial Assets	32,303,710,700
Inventory	1,242,461,120
Due from Related Parties Non-trade	10,650,000,000
Property and Equipment	43,432,600,786
Intangible Assets	27,640,947,894
Other Non-Current Financial Assets	66,913,900
Trade Accounts Payable - Third Parties	(1,265,031,469)
Accrued Expenses	(1,731,573,364)
Bank Loan	(48,656,100,504)
Taxes payable	(38,923,795)
Due to Related Parties Non-trade	(79,828,160,000)
Long-Term Post-Employment Benefits Liability	(203,724,591)
Total Net Assets	<u>(9,740,924,055)</u>

Goodwill arising from the acquisition amounted to Rp 55,146,465,217 (see Note 14) represents subsidiary business results that support and synergy with the core business of the Company and its subsidiaries.

The Company through subsidiaries acquired 100% ownership so there is no non-controlling interest.

Acquisition related expenses are not calculated in this business combination since it is not material but have been charged to the current year statement of comprehensive income.

In connection with the acquisition, the financial statements of PTS from the date of acquisition have been consolidated into the financial statements of the Company.

On the acquisition of PTS, former owner, guaranteed certain conditions to be achieved by PTS. If these conditions can not be fulfilled, then a refund will be made by the former owner to SIH, subsidiaries (see Note 14).

On May 30, 2012, SIH obtain a refund of Rp 41 billion.

Management believes that all business combination transactions undertaken by the Company and Subsidiaries, are in accordance with ruling of Bapepam-LK.

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46. Capital Management

	2012 Rp	2011 Rp
Net Liabilities:		
Total Liabilities	13,399,189,342,618	8,850,153,220,430
Less: Cash and Cash Equivalent	<u>(3,337,357,407,919)</u>	<u>(2,174,560,697,339)</u>
Net Liabilities	<u>10,061,831,934,699</u>	<u>6,675,592,523,091</u>
Total Equity	11,470,106,390,475	9,409,018,194,454
Less: Other Components of Equity	<u>(1,545,025,846,636)</u>	<u>(211,866,930,038)</u>
Adjusted Equity	<u>9,925,080,543,839</u>	<u>9,197,151,264,416</u>
Net Liability Ratio to Adjusted Equity	<u><u>1.01</u></u>	<u><u>0.73</u></u>

The objective of capital management is to safeguard the Company's ability as a going concern, maximize the returns to stockholders and benefits for other stockholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company regularly reviews and manages the capital structure to ensure that the return to stockholders is optimal, by considering the capital needs in the future and the Company's capital efficiency, profitability in the current period and the future, projected operating cash flows, projected capital expenditures and projected opportunities of strategic investment.

47. Events After Reporting Date

- On January 14, 2013, Theta Capital Pte. Ltd., a subsidiary, issued unsecured bonds with a nominal value of USD 130 million with a fixed interest rate of 6.125% per annum and is listed on the Singapore Stock Exchange. The bonds will mature on November 14, 2020 and payments of interest is conducted every 6 months.
- On March 5, 2013, Sigma Capital Pte Ltd, a subsidiary, announced plans for redemption of the remaining bonds (unsecured bonds) with a nominal value of USD 119,229,000 at a price of 104.5%, which will be executed on April 30, 2013.

48. Latest Development in Financial Accounting Standards

The following are the PSAK, ISAK and PPSAK that have been issued by DSAK-IAI, but not yet effective, to be implemented for the period of financial statements which begins on or after January 1, 2013:

- PSAK No. 38 (Revised 2011): "Business Combination for Entities Under Common Control"
- ISAK No. 21 *): "Real Estate Construction Contracts"
- PPSAK No. 7 *): "Revocation of PSAK No. 44: Accounting for Real Estate Development Activity paragraphs 1-46, 49-55 and 62-64"
- PPSAK No. 10: "Revocation of PSAK No. 51: Accounting for Quasi-Reorganization"

**)Postponed until a date determined later, according to the announcement letter of DSAK-IAI No. 0643/DSAK/IAI/IX/2012 dated September 21, 2012.*

The Company's management has not yet determined the adoption effects of the abovementioned PSAK, ISAK and PPSAKs to the consolidated financial statements.

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49. Responsibility and Issuance of the Consolidated Financial Statements

The management of the Company is responsible for the preparation and presentation of the consolidated financial statements. The consolidated financial statements were authorized for issuance by Directors on March 25, 2013.

2012



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