
2012
Annual Report
FAST FORWARD
THE DREAM
FORU
PT FORTUNE INDONESIA Tbk.

FAST FORWARD THE DREAM

“Fast Forward the Dream” derives from the outlook and optimism toward Indonesia’s impressive economic growth in 2012. Considering its positive macroeconomic conditions, FORU believes that the company can accelerate its growth significantly. Like a machine that is driven by a geared mechanism, the faster the movement of the gears, the more powerfully the engine will perform. Henceforth, FORU performance in 2012 was focused on accelerating the realization of the FORU vision.

The mechanism of gears meshing with each other and working together represents five fundamental pillars of FORU performance. In order to achieve massive growth, FORU has a winning formula that consists of five pillars of financial, external, internal, human, and innovative aspects. With an enhanced focus on these aspects, FORU encourages performance in driving the mechanism to reach the dream.

Based on this concept, “Fast Forward the Dream” significantly represents the spirit and commitment of FORU in accelerating the realization of the vision.

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2012 Performance

Financial Highlights

(In million Rupiah, unless otherwise stated)

Comprehensive Income Statement	2012*	2011	2010
Revenues	**480,147**	505,625	489,310
Direct Cost	**394,323**	423,668	427,221
Gross Profit	**85,824**	81,957	62,088
Operating Expenses	**69,312**	64,360	49,912
Operating Profit	**16,512**	17,597	12,176
Other Income (Expenses)	**507**	292	1,352
Income before Income Tax Expense	**17,018**	17,889	13,528
Income Tax Expense	**(4,360)**	(4,935)	(3,884)
Total Comprehensive Income	**12,658**	12,954	9,644
Total Comprehensive Income Attributable to the Owner of the Company	**12,585**	12,925	9,649
Total Comprehensive Income Attributable to Noncontrolling Interest	**74**	29	(5)
Earnings per Share Attributable to the Owner of the Company	**IDR 27,-**	IDR 28,-	IDR 21,-

(In million Rupiah, unless otherwise stated)

Balance Sheet	2012*	2011	2010
Total Assets	**257,253**	265,993	276,011
Total Liabilities	**131,603**	149,707	170,818
Total Equity	**125,649**	116,286	105,193

(In million Rupiah, unless otherwise stated)

Financial Ratio	2012*	2011	2010
Return on Equity Ratio (ROE)	**10.1%**	11.1%	9.2%
Return on Asset Ratio (ROA)	**4.9%**	4.9%	3.5%
Net Profit Ratio	**(2.3%)**	34.3%	46.3%
Current Ratio	**1.9**	1.7	1.6
Debt to Equity Ratio	**1.0**	1.3	1.6
Debt to Asset Ratio	**0.5**	0.6	0.6

*) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012

Shares Highlight

SHARE PRICE INFORMATION (IN RUPIAH)

2012

Period	Lowest	Highest	Closing	Shares Volume
Quarter I	135	189	162	327,921,500
Quarter II	156	197	171	65,655,500
Quarter III	146	178	153	203,729,500
Quarter IV	125	158	131	9,680,000

2011

Period	Lowest	Highest	Closing	Shares Volume
Quarter I	97	118	101	5,148,500
Quarter II	99	133	121	22,725,000
Quarter III	120	190	148	13,338,500
Quarter IV	115	160	145	2,214,500

Share Highlights

DATA OF SECURITIES TRADING IN INDONESIA STOCK EXCHANGE

Month	Exchange Rate			Shares Circulation in Regular Market		
	Highest (IDR)	Lowest (IDR)	Closing (IDR)	Volume (Unit)	Value (Rp)	Frequency
January	180	135	170	2,759,500	416,148,000	452
February	178	140	153	33,636,500	5,418,613,500	3,115
March	189	147	162	291,525,500	52,168,434,500	29,712
April	180	160	173	10,034,500	1,736,163,000	1,704
May	197	156	166	47,351,000	8,826,880,500	7,041
June	174	156	171	8,270,000	1,360,954,000	345
July	174	151	160	7,193,000	1,160,534,000	391
August	168	148	148	1,444,000	227,553,000	207
September	178	146	153	195,092,500	31,595,048,000	19,745
October	158	142	143	8,312,500	1,256,919,000	1,218
November	145	125	138	1,337,000	181,937,000	179
December	138	130	131	30,500	4,045,500	26
Final Exchange Rate	**197**	**125**	**131**			
Total				**606,986,500**	**104,353,230,000**	**64,135**

IHSI	Number of Shares Listed	Market Capitalization	Trading Volume in Negotiation Market (Unit)
130,769	465,224,000	79,088,080,000	3,164,500
117,692	465,224,000	71,179,272,000	0
124,615	465,224,000	75,366,288,000	9,000
133,077	465,224,000	80,483,752,000	10,000
127,692	465,224,000	77,227,184,000	315
131,538	465,224,000	79,553,304,000	352,505
123,077	465,224,000	74,435,840,000	29,000,450
113,846	465,224,000	68,853,152,000	150
117,692	465,224,000	71,179,272,000	0
110,000	465,224,000	66,527,032,000	0
106,154	465,224,000	64,200,912,000	13,885,000
100,769	465,224,000	60,944,344,000	50

2012 Significant Events and Awards

JANUARY

FORU held Kick Off Planning 2012 themed "Fast Forward the Dream"

FEBRUARY

Institute for Early Childhood Education (PAUD) was established in Ragunan by FORU as a part of Fortune Nursery, which is part of FORU's Corporate Social Responsibility (CSR) program

APRIL

FORU was awarded as one of the finalists in Indonesia Enterprise Risk Management Award 2012

Director of PT Fortune Pramana Rancang and Corporate Secretary of FORU, Indira Abidin, received the Anugerah Perempuan Indonesia award in the category of Public Company of Advertising Services

JUNE

Annual General Meeting of Shareholders (AGM), Extraordinary GM, and Public Expose at Hotel Mulia, Jakarta

SEPTEMBER

PT Fortune Pramana Rancang received South-East Asia Consultancy of the Year award from The Holmes Report, an international public relations publication based in the UK

NOVEMBER

Fortune Advertising won Runner-Up for the category of The Best Creative Agency of the Year from the 2012 Pinasthika Creativestival, awarded with three bronzes and seven finalist titles

FORU won the Best Corporation for Corporate Communication award and was ranked third in the category of The Best Corporation for Learning Organization award from 2012 Anugerah Business Review

FORU released majority ownership in a travel marketing business operated by one of its subsidiaries, PT Fortune Travindo (Travindo)

Fortune Advertising has become a Google AdWords Certified Partner

DECEMBER

FORU 2013-2017 five-year work Strategic Planning meeting

PT Fortune Pramana Rancang awarded the Southeast Asia PR Agency of the Year from Campaign Asia-Pacific magazine

Fortune Advertising won two bronzes at 2012 Citra Pariwara event

FORU is listed as one of the public companies of Indonesia Sharia Stock Index (ISSI) in accordance with the decree of the Chairman of the Capital Market and Financial Institutions Supervisory Agency (Bapepam-LK) No. Kep-635/BL/2012 regarding the List of Sharia Securities (DES)

02

Management Report


2012
Annual Report
FAST FORWARD
THE DREAM

DEDI SJAHRIR PANIGORO

President Commissioner and Independent Commissioner

Board of Commissioners Report

Dear shareholders,

Praise to Almighty God. In 2012, the Indonesian economy recorded steady growth of 6.3%. Although it was slightly below APBN target of 6.5%, this is such an achievement amid the global economic slowdown. The stability in economic growth performance directly affects the growth of the marketing and communications industry and it should become the foundation in judging FORU's performance in 2012.

2012 PERFORMANCE

Amid such a challenging economic situation, FORU was able to maintain positive achievements with revenues of more than IDR 480 billion and comprehensive income of more than IDR 12 billion. Both of these numbers, compared with previous year's achievement, have shown a decrease due to financial reporting in fiscal year 2012 and does not include figures for PT Fortune Travindo any longer, as this unit was deconsolidated on 14 November 2012. FORU share movement during 2012 has also shown steady growth as recorded by the Indonesia Stock Exchange. In the future, it is expected that the company's financial and share performance will continue to rise steadily and sustainably.

The Board of Commissioners has concluded that the performance of the Board of Directors is satisfactory and has shown good effort to maintain consistency. The Board of Commissioners also considers that the strategy executed by the Board of Directors was successful in maintaining positive achievements, especially by winning a number of prestigious awards for the first time in the company's history. The Board of Commissioners would like to give deep appreciation and respect to the Board of Directors for the strategy that had been successfully executed; FORU has grown with good creativity in the midst of challenges and intense competition.

THE ROLE OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

Through a process of thorough oversight and review, the Board of Commissioners continues to encourage the implementation of good corporate governance standards thoroughly in all aspects of the company. In carrying out supervisory duty on the course of the company's operations, the Board of Commissioners is assisted by the Audit Committee who worked diligently and excellently and has contributed greatly to the growth of the company. Overall performance of the Audit Committee in 2012 is considered successful in meeting the goals and expectations of the Board of Commissioners.

BUSINESS PROSPECTS IN UPCOMING YEAR

Along with the growing Indonesian economy in 2013, FORU will face a year filled with opportunities and challenges. Although the overall global economic condition is still less promising, both regional and national economic growths are predicted to remain positive. Similarly, the growth of marketing and communications industry will be mainly catalyzed by the preparation of the 2014 General Election. From past experience, a General Election significantly pushed the activities of marketing and communications industry. Obviously this will provide an opportunity for FORU to achieve positive growth and accelerate the realization of the company's vision.

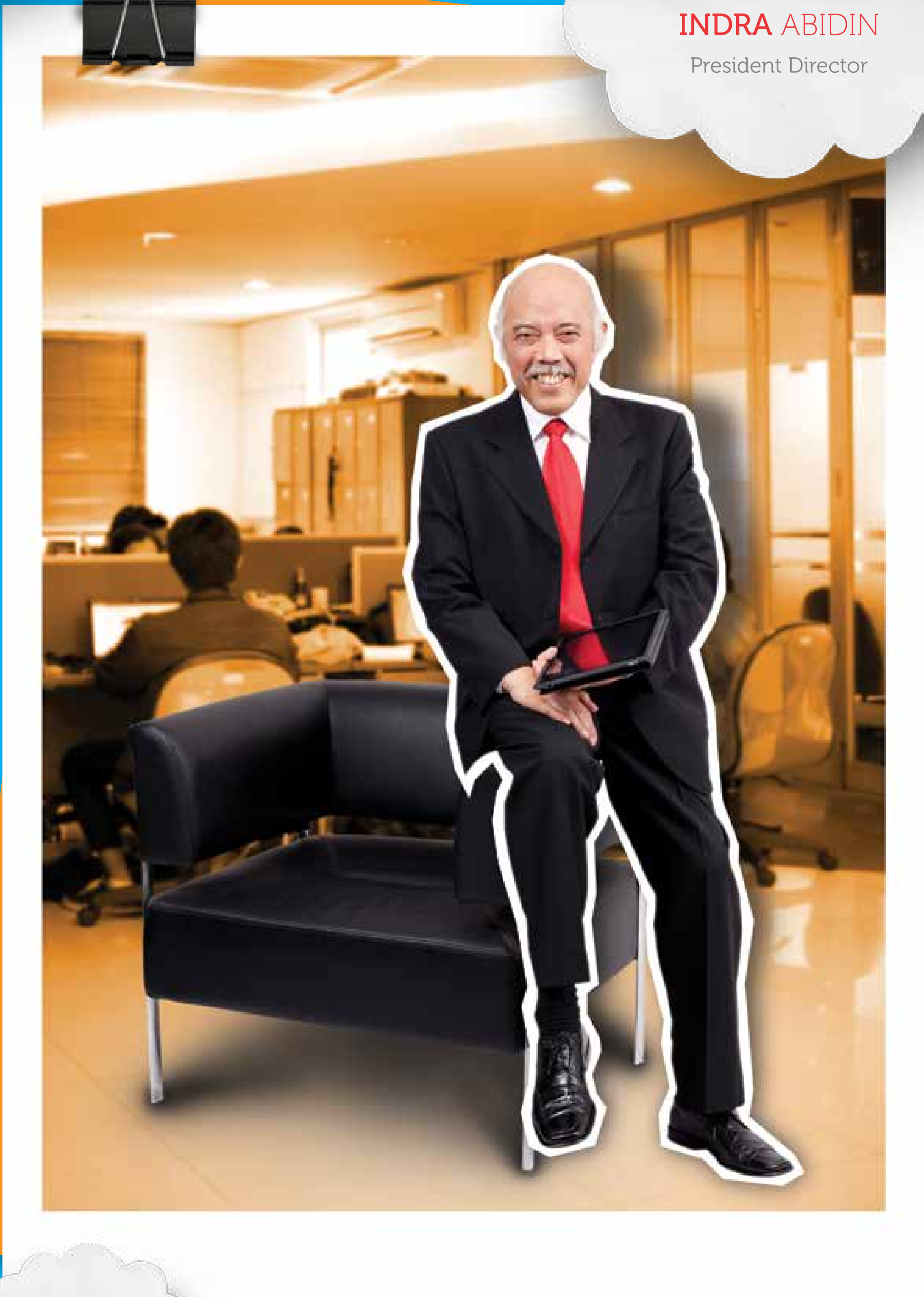
OUR APPRECIATION

Board of Commissioners would like to thank our shareholders, stakeholders, and business partners for their role in helping, guiding, and providing input to improve the company performance. The Board of Commissioners realizes that the success of FORU in improving its performance cannot be separated from the support and guidance to the Board of Commissioners and Directors as well as to all levels of management and Fortuners. Profuse appreciation is especially addressed to all Fortuners who have worked hard to improve the performance against increasingly fierce competition.

On behalf of the Board of Commissioners,

DEDI SJAHRIR PANIGORO

President Commissioner and
Independent Commissioner



INDRA ABIDIN

President Director

Board of Directors Report

Dear shareholders,

In 2012, FORU managed to maintain a positive achievement, as shown through securing more than IDR 480 billion in revenue and more than IDR 12 billion in comprehensive income, as well as the bestowal of several prestigious awards at both national and international levels. This year's achievements gave us confidence to accelerate FORU's growth towards the realization of our dream.

"FAST FORWARD THE DREAM"

"Fast Forward the Dream" derives from the outlook and optimism toward the significant economic growth of Indonesia in 2012. Supported by positive macroeconomic conditions, we consider that the company can accelerate its growth significantly. Based on this consideration, we are optimistic to set targets that are higher compared with those of previous years. In particular, this theme represents the spirit and our commitment to accelerate the realization of FORU's vision. Along with this theme, we encourage our performance to the maximum, in order to realize the target and achieve the dream.

INDUSTRY AND MACROECONOMIC CONDITIONS IN 2012

In 2012, Indonesia's macroeconomic performance sustained growth amid global uncertainties. Growth achievement was in the range of 6.3%, which should be appreciated against a general global slowdown of economic growth. Positive macroeconomic growth would also have a knock-on effect on the marketing and communications industry.

The increasing level of competition, along with the growth of the marketing and communications industry, is considered as a challenge for FORU to innovate continuously. The internal challenge arises from the effort to recruit qualified and competent human capital in line with the acquisition of new business.

2012 PERFORMANCE

Overall, the performance of FORU achieved positive growth. Regarding revenue performance, FORU booked more than IDR 480 billion, achieved comprehensive income of more than IDR 12 billion and reported earnings per share of IDR 27. These achievements have still not met targets set by the company; however we are proud of these results given the difficult conditions: FORU still managed to achieve positive growth.

The targets still unfulfilled were due to the focus in 2012 on investments and efforts to develop new business tools and strengthen existing business areas. FORU released majority ownership of PT Fortune Travindo - one of the subsidiaries operating in the travel marketing business - which has significantly altered the projection of overall revenue. However, FORU expects that this action will improve the business focus on marketing and communication segment - which has been the core business of the company - and should promote more significant and sustainable growth in the future.

Encouraging results in the achievement of performance in 2012 is shown through the acquisition of several prestigious awards. We successfully won two awards at the prestigious advertising events of Pinasthika Creativestival 2012 and Citra Pariwara 2012. Furthermore, PT Fortune Pramana Rancang also won the South-East Asia Consultancy of the Year and Southeast Asia PR Agency of the Year awards, which concluded our performance in 2012 with a happy ending.

FORU'S WINNING FORMULA OF 2012

FORU has a winning formula that consists of five basic pillars that include financial, external, internal, human, and innovation aspects. These five pillars are FORU's foundation to achieve business growth. In 2012, FORU encourages the strategy of focusing not only on the aspect of innovation but also on the human aspect, by implementing strategic measures to develop the quality of human resources.

By utilizing training and competency development, FORU is committed to produce human resources with leadership traits. In addition, FORU also continues to encourage the implementation of Good Corporate Governance (GCG) in all elements of the company. This commitment is realized through the implementation of good corporate governance principles and best practices at all levels of our business. On this occasion, we also wish to confirm that there was no change in the composition of the Board of Directors during 2012.

FORU'S FIVE-YEAR ROADMAP STRATEGY

The year 2012 marks the end of the second five-year roadmap (2008-2012) since FORU became a public company in 2002. This year, FORU is also preparing strategic planning for the third five-year roadmap (2013-2017). Powered by new business tools along with a fully-integrated range of comprehensive marketing and communication services, 2013 is expected to be a time of significant achievement for FORU.

2013 PROSPECTS AND STRATEGY

It is estimated that Indonesia's macroeconomy in 2013 will continue to show improvement and positive growth. As mentioned already, these positive conditions would also exert a positive impact, especially for the marketing and communications industry. Next year will also be a year of preparation for the 2014 national General Election. Obviously, this will open wide opportunities for the marketing and communications industry, including FORU.

Along with increasing competition in the marketing and communications industry, FORU will also show a spirit of optimism for its significant achievements. Armed with the development of new fully integrated business tools, as well as comprehensive range of marketing and communications services, FORU has sufficient momentum to move forward in 2013 and will certainly drive the spirit to continue to grow.

FORU has set targets to achieve positive quantitative growth in 2013. In addition, FORU also focuses on improving its KPI and balanced scorecard as a standardized assessment of growth performance. The Pillar of innovation will be a main focus in developing strategic measures, focused on the development of specialist media services. For a long-term strategy, FORU will continue to focus its efforts on improving existing business tools. By enforcing this strategy, FORU is committed to deliver integrated and comprehensive marketing and communications services for clients.

APPRECIATION

We would like to thank our shareholders and stakeholders for the guidance and trust that have been bestowed on us. Profuse appreciation is also particularly addressed to the Board of Commissioners, relevant committees, as well as all Fortuners who have contributed to the growth and development of FORU. We realize that our achievements are due to the support and loyalty of clients and our business partners. Armed with the full support of all parties, FORU is committed to continue to innovate to achieve significant growth and to realize solid sustainability.

On behalf of the Board of Directors,

INDRA ABIDIN

President Director

Board of Commissioners Profile

DEDI SJAHRIR PANIGORO

President Commissioner and Independent Commissioner

An Indonesian citizen, born in Sumedang on March 19, 1947. Appointed as President Commissioner and Independent Commissioner concurrently since 2007, he began his career as a shareholder and founder of Medco Group. Until now, he has served as President Director of Medco Holdings, President Director of PT Meta Archipelago Hotels and Commissioner of PT Graha Niaga Tata Utama. He holds a Bachelor of Telecommunications Engineering from the Bandung Institute of Technology (ITB) in 1987. He is also active in participating in various domestic and abroad training including SGV Utomo and LPPM.

An Indonesian citizen, born in Banjar on August 15, 1947. Appointed as Commissioner of FORU since 1992 and also Director in Fortune Adwicipta and Fortune Pramana Rancang. He joined FORU as creative manager in 1974 and then worked at PT Kenrose Indonesia and PT Faritex Farmasi as General Manager (1974-1976). Subsequently he served as General Manager at PT Marcon Indonesia (1976-1980) before returning to Fortune Indonesia in 1980 and served as Director. He also served as Director of PT Setya Persada and President Director of PT Sumber Alam Nusantara from 1997 until now. He earned a bachelor's degree from the Department of Graphic Design, Bandung Institute of Technology (ITB) in 1973.

KASMAN ARDAN
Commissioner

MIRANTY ABIDIN
Commissioner

An Indonesian citizen, born in Subang on March 29, 1946. Appointed as Commissioner of FORU since 2001 and also served as President Director for Fortune Pramana Rancang since 1989. She began her career as a writer in several prominent journals such as Cakrawala and ASEAN Trade Journal as Editor in Chief for the Indonesia edition. In addition, she also served as General Manager of PT Kreasi Dinamika and later served as Director of PT Adwitiya Alembana. She holds a Bachelor's Degree in Biology from the Faculty of Mathematics and Natural Sciences, Bandung Institute of Technology (ITB) in 1973 and also graduated from Frank Jefkins School of Public Relations, London, England, in 1985. As one of the founders of Social Marketing Circle, she has been actively involved in various social and community activities.

Board of Commissioners Profile

An Indonesian citizen, born on November 26, 1948. Appointed as Commissioner of FORU since 2011 and joined the company since 1978. She began her career at Astra International in 1974 and later joined the Panorama Travel. In FORU, she had served as media director in 1983 and then held the position of Director at Pelita Alembana (1986-2000), Fortune Travindo (1992-present), and Commissioner at Graha Adhika Fortune (2000-present) as well as in Pelita Alembana (2004-present). She is a graduate of the Institute of Teacher Training and Educational (IKIP) Bandung-English Literature 3rd years, Jakarta Institute of Finance and Prasetya Mulya Institute of Management.

LUCIA NOVENNA BUDIONO
Commissioner

An Indonesian citizen, born in Jakarta on December 26, 1952. Appointed as Independent Commissioner of FORU since 2011 and began her career in 1973 in Public Accounting Firm of Drs. Sidharta. Prior to joining FORU, she was the President Director of PT Indofood Sukses Makmur Tbk (1993-1999). She holds a Bachelor of Economics from the University of Indonesia in 1973 and graduated from the Senior Executive Program at Stanford University, USA, in 1986. She is also a Registered Public Accountant, since 1974, and is active in the National Committee of Good Corporate Governance (1999-2004).

FARIDA EVA RIANTI HUTAPEA
Independent Commissioner

Board of Directors Profile

INDRA ABIDIN
President Director

An Indonesian citizen, born in Jakarta in July 9, 1947. He has served as President Director since 2002 and joined FORU in 1973 as an Account Executive. He is active in the creative industry as the founder of the Asian Federation of Advertising Associations (AFAA) - served as World President - and also Chairman of the International Advertising Association (IAA) (2008-2010). Awards that have been acquired include an Honorary Doctorate from the University of Newcastle, Australia, for his contribution to the development of education in Indonesia (2009), as well as Ernst & Young Special Award for Corporate Social Responsibility in 2005. He holds a Bachelor of Graphic Design from Bandung Institute of Technology (ITB), awarded in 1973.

HERMAN MULJADI SULAEMAN
Director

An Indonesian citizen, born in Bandung in February 13, 1952. Joined with FORU in 1971; he started his career in FORU in the Accounting team and later worked as a Media Buyer, Production Manager, Finance Manager, until he was appointed as Director of Finance and Administration in 1991. He was re-appointed as Director of the company following the success of the IPO held in 2002. Currently, he is also actively serving as Commissioner in PT Pelita Alembana and PT Fortune Travindo. He graduated from the Jayabaya Academy of Accounting in 1977 and the Senior Executive Program at INSEAD, France.

03

Get to Know FORU

FORU at a Glance

FORU is a group of integrated communications development companies founded on May 5, 1970 under the name PT Fortune Indonesia Advertising Company. The birth of FORU was confirmed when Mochtar Lubis - a novelist and prominent Indonesian journalist - established Fortune Advertising and Management Consultants, which was affiliated with Fortune International Australia. At the same time, the birth of FORU also pioneered the presence of a modern advertising agency in Indonesia, which plays an important role in national development. The existence of FORU for more than 42 years in the Indonesian community has provided a competitive edge in its business activities. The range of services now includes advertising, public relations, brand activation, digital solutions, media planning and investment, exhibition, sports marketing, brand consulting as well as marketing insight.

Since the beginning, a firm commitment has been in the heart of FORU to provide the best advertising and marketing communication services to clients. For more than four decades, FORU has shared its passion and desire with hundreds of clients and has held thousands of inspiring campaigns. Along its journey to become the leader in the creative industry, subsidiaries were established to help FORU in sustaining its commitment to deliver comprehensive and integrated solutions as well as to answer the challenges of a creative industry.

Vision

"THE SPOTLIGHTED GLOBAL COMMUNICATIONS NETWORK"

COMMUNICATIONS NETWORK

Network with business focus

GLOBAL

The needs and passion to conquer the world.

SPOTLIGHTED

Always on talk value.

Mission

- BRING VALUE TO GROW AND BECOME AN ACCELERATION MAGNET FOR STAKEHOLDERS
- PROVE AND IMPROVE THE SUCCESS STORY OF PEOPLE, PARTNERS AND THE NATION
- BECOME NUMBER 5 IN THE INDUSTRY

Corporate Values

4P+1I

The values that define mindset, attitude, process and result

MINDSET – POSITIVE

Optimistic spirit
Keep the mind open and open for possibilities

ATTITUDE – PASSIONATE

Fuel of facts
Taking every steps with heart

PROCESS – PROACTIVE

Ahead of service standard
Strong initiative

RESULT – PROGRESSIVE

Excel beyond expectations
Raising the bar

CHARACTER – INTEGRITY

Integrity is the foundation and source of inspiration to work effectively and efficiently in order to increase the benefits for the business and for all stakeholders

Corporate Culture

FLY

FAST FORWARD

- Fast forward the thinking
- Fast forward the doing

LEAP OF CREATIVITY

Leap of attitude
Leap of innovation
Leap of recognition

YIELD OF EXCELLENCE

Business engineering to gain maximum profits/benefits

Business Paradigm

\# WE SEE THE WORLD AS AN OPPORTUNITY TO GROW

\# WE SEE CHANGE AS AN OPPORTUNITY FOR BETTERMENT

\# WE SEE COMPETITION AS AN OPPORTUNITY TO PERFORM

Milestones

It has been four decades since FORU was established to carry the spirit of creativity. During the journey, FORU has grown and obtained many achievements along the way. The following are some glorious moments which are well-engraved in FORU milestones.

1970

Affiliated with Fortune International Australia, Mochtar Lubis establishes an integrated local advertising company under the name of PT Fortune Indonesia Advertising Company. This event becomes the first milestone of FORU in Indonesia.

1978

One FORU stepping-stone in its historical progression was promoting Instant Milk Powder products from Nestlé and R.J. Reynolds Tobacco. These products succeeded in changing domestic consumer tastes and behavior forever. The success of this campaign in the market became a brilliant achievement carved in the track record of FORU.

1985

The first experience for FORU in implementing and executing social marketing campaigns was for the National Population and Family Planning Board (BKKBN), promoting 'Condoms 25' contraception as part of the national family planning program. FORU successfully dismantled the taboo of buying condoms among the people by introducing 2-5 finger gesture.

1986

Indra Abidin took over ownership of FORU with the intention to make FORU as a contributor of national development. The company then developed into a full-service agency with principles based on kinship, universal professionalism and a strong work ethic.

1987

Developed and implemented an integrated social marketing campaign for BKKBN to promote the program of 'Lingkaran Biru KB'. The campaign has made a major contribution to the history of social development in Indonesia and as of today, it is considered by the public as one of the most prominent success stories in social development of this country.

1990

In the early 1990s, FORU developed an integrated communications campaign for Dancow Instant, Nestlé, by using a jingle and a tagline "Aku dan Kau Suka Dancow". The strategies developed by FORU have successfully enabled Dancow to outperform its competitors and become the market leader.

1998

As an expert in the field of social marketing, FORU was involved in the recovery program to mitigate the impact of the Asian financial crisis at the time. FORU launched social programs and campaigns that encouraged the use of Indonesian products, with an emphasis on building morale and confidence, as well as appreciation toward the nation's independence.

2002

FORU once again made history as the first advertising company in Indonesia to go public, by listing its shares on the Jakarta Stock Exchange (now the Indonesia Stock Exchange). FORU continued to prove itself as the client's first choice as an integrated communication developer consultant.

2003

Appointed by the United Nations Development Programme (UNDP) and the General Elections Commission (KPU) to manage a Voter Information Campaign during the pre-election period. In the following year, FORU was once again appointed to be an agency of UNDP and KPU for the 2004 General Election and Presidential Election. The success in designing and implementing a Voter Information Campaign for the 2004 General Election and Presidential Election is recognized in the UNDP evaluation report published the following year.

2008

Redefined its vision to become a world-class Indonesian communications group, driven by sustainable innovative work that will last for 100 years to come.

2010

FORU celebrated its 40th anniversary with the spirit of "Better & Younger" hoping to be a company that continues to grow and mature, professionally and creatively. FORU has positioned itself as an important contributor to national development through a variety of its works that made history and had a major impact on the people of Indonesia.

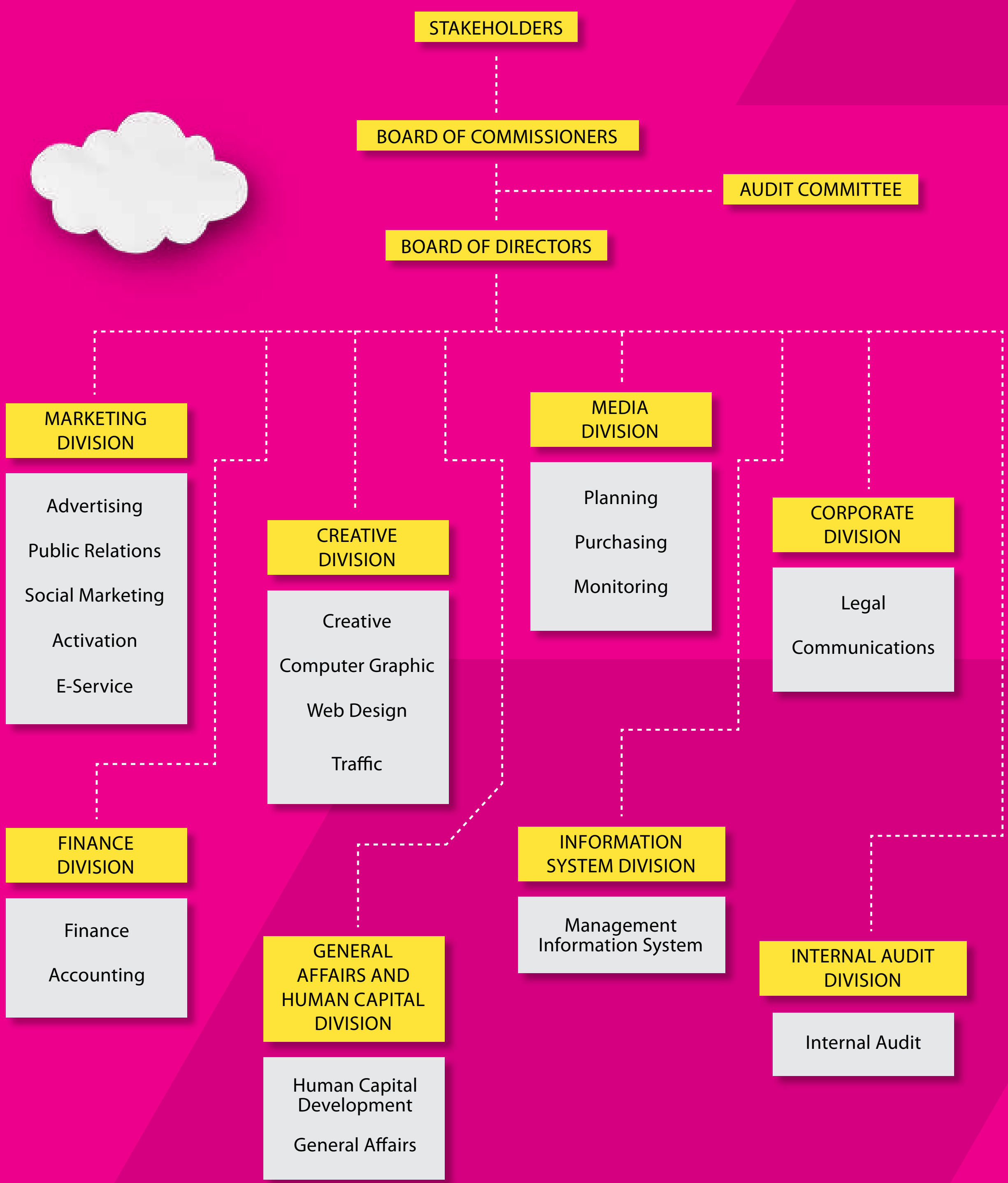
2011

Established two new business units, namely, Plan B and FSports, to enhance FORU's competitive advantage. Plan B was founded as a specialist in brand activation, whereas FSports, as implied in its name, specialized in sports marketing services.

2012

FORU redefined its vision to become a spotlighted global communications network. The initial step taken was by releasing majority control of the travel services business that had been operated by one of its subsidiaries, PT Fortune Travindo (Travindo). FORU further positioned itself as a developer of integrated marketing communications services business, with business activities covering advertising services, public relations, digital and media specialist, exhibitions, design, sports marketing, and marketing insight.

Organizational Structure



Subsidiaries

FORTUNE ADVERTISING

With a focus on the field of advertising, Fortune has become a leading communication and advertising consulting company in Indonesia. Business activities include advertising, brand activation, digital solutions, media planning and investment, exhibitions, sports marketing, as well as brand consulting. In accordance with the vision and mission of the company, Fortune holds unwavering commitment to serve clients in meeting their needs of marketing communications services, which include corporate communications and advertising. Armed with the experience of more than 40 years in the communications and marketing industry, Fortune has built robust relationships with loyal clients who grew together decades ago. Certainly, this competitive advantage will continue to be fostered and maintained for years to come.

PT FORTUNE PRAMANA RANCANG

Established on March 31, 1989, PT Fortune Pramana Rancang (Fortune PR) sustains the mission to complement the services provided by FORU. As a leading public relations consulting firm in Indonesia, Fortune PR has specialized in the field of marketing communications and corporate strategy through a series of comprehensive services. Establishing trends, administering vital issues, and building engagement between people have become competitive advantages that Fortune PR built continuously. Fortune PR business activities generally include relationships with the media, public, investors, financial institutions, non-governmental organizations, the crisis management and litigation communications.

Prof

PT PELITA ALEMBANA

The presence of PT Pelita Alembana (Pelita Alembana) has become an extension of FORU in reaching out and enhancing further the relationship between clients and the consumers. Established on April 7, 1982, Pelita Alembana serves a series of integrated marketing and advertising services to corporate and commercial clients. Armed with a blend of creativity and strong strategy, Pelita Alembana activities include the planning, buying and placement of advertising space in the media.

PT FORTUNE ADWICIPTA

Established on April 27, 1985, PT Fortune Adwicipta (FACT) is dedicated to organizing events, which includes the overall process of developing, designing, constructing, and managing events. The unique strengths of FACT are translated into concepts of solid and communicative events. In addition, FACT's solid reputation in the creative industry also includes graphic design and brand activation services. The presence of FACT contributes greatly to the growth of FORU and also complements FORU's strength as a one-stop solution in communication services.

Capital Market Supporting essionals and Institutions

SECURITIES ADMINISTRATION

PT Bursa Efek Indonesia
Gedung Bursa Efek Indonesia, Tower 1
Jl. Jendral Sudirman Kav. 52-53,
Jakarta 12190
Tel: +62 21 515 0515
Fax: +62 21 515 0220

SECURITIES COLLECTIVE CUSTODY

PT Kustodian Sentral Efek Indonesia
Gedung Bursa Efek Indonesia, Tower 1, Lt. 5
Jl. Jendral Sudirman Kav. 52-53,
Jakarta 12190
Tel: +62 21 529 91099
Fax: +62 21 529 91199

SHARE REGISTRAR OFFICE

PT Sinartama Gunita
Plaza BII, Menara I, Lt. 9
Jl. M.H. Thamrin No. 51,
Jakarta 10350
Tel: +62 21 392 2332
Fax: +62 21 392 3003

PUBLIC ACCOUNTANT FIRM

Kosasih, Nurdiyaman, Tjahjo & Rekan
Gedung Jaya, #L04
Jl. M.H. Thamrin No. 12,
Jakarta 10340
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RATING AGENCY

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04

One Team One Dream


PT FORTUNE
INDONESIA Tbk.
PT FORTUNE
PRAMANA RANCANG
PT PELITA
ALEMBANA
PT FORTUNE
ADWICIPTA

Fortune Advertising

Fortune divides its business activities into three main categories, namely, communications, content, and channel. In the category of communications, our business segments include brand consulting, advertising campaigns, political marketing, and social marketing, whereas the content category includes brand activation, branded entertainment, trade marketing, and CRM. In the channel category, our business segments include media planning and media investment as well as digital communication. In general, our business activities include brand management, strategic planning, brand auditing and brand development, the selection of suitable mass media, public relations as well as an activation program and product loyalty and client services.

Performance of Fortune in 2012 showed positive growth, due to a business strategy that is focused on growth acceleration, especially through investment in new business development. Through this effort, we hope to be able to achieve significant growth in the coming year. In addition to focusing on investments aimed at new business development, another key strategy that we implemented in 2012 is to strengthen some areas of business, especially in the digital sector.


Scoopy
Uniquely Happy
Ini Scoopy-ku, Mana Scoopy-mu?
One HEART.
Ini Scoopy-ku, Mana Scoopy-mu?
One HEART.
PERTAMAX FASTRON GO TO MONZA
Beli Pertamax,
menangkan nonton Rio di GP2 dan F1 Monza, Italia
Ayo dukung Rio Haryanto menuju F1
bersama Pertamax & Fastron
Kartini Sobat Bumi,
Untuk Menghijaukan Negeri
DJARUM foundation
BAGUSNYA!
SEMEN TIGA RODA


Daihatsu
Cerita tentang Sahabat
super slider
AVENGERS
super slider
chefseries
Like a Chef
Buka mata hati menyambut hari fitri
OPTIK MELAWAI
TGIF
Think Green! It's Fun
Jumat - Minggu
15 - 17 Juni 2012
Cilandak Town Square
Campina
Es Krim
Hula Hula
Selalu bikin seru!
105 DAIHATSU
Daihatsu Sahabatku
Dulu, kini, hingga masa akan datang
DAIHATSU
BAGUSNYA KEKUATAN CINTA
BAGUSNYA!
TIGA RODA
INDOCEMENT
SEMEN TIGA RODA
KOKOH · TERPERCAYA

From a financial aspect, some units improved, especially in brand activation, media, and digital. Through these improvements, the revenues of Fortune in 2012 showed positive results, since they are largely supported by better advertising unit returns.

Our performance in 2012 was also highlighted by the achievement of several significant awards. Fortune successfully won awards at the prestigious 2012 Pinasthika Creativestival, 2012 Citra Pariwara, and the 2012 Anugerah Business Review award advertising events, where FORU was awarded a first in The Best Corporation for Corporate Communications and ranked third in the category of The Best Corporation for Learning Organization. These achievements have encouraged our passion to perform better in the coming year.

There are external and internal challenges faced by Fortune in order to meet the target. On the external aspect, the challenge arises from the complicated flow of bureaucracy both in private and SOE clients which affected our cash flow. Fortune is fortunate because in addressing this challenge we are supported and assisted by Bank Mandiri that provided credit loan facility so that Fortune was able to manage the cash flow well. In terms of internal challenges, we were facing obstacle in recruiting qualified human capitals. Our efforts to address such challenge were to recruit capable human capitals as well as to develop the quality of human capitals by increasing budget allocation for trainings.

By strengthening the business activity and developing new business, Fortune is confident to achieve even greater growth in 2013. Moreover, supported by a prediction of Indonesian economic growth, Fortune will always support the spirit to continue to innovate and grow.

Fortune Pramana Rancang

PT Fortune Pramana Rancang (Fortune PR) is a subsidiary that provides Integrated Communications Solutions services based on Public Relations (PR) as its primary service. As a pioneer in the public relations industry in Indonesia, Fortune PR has managed to build strong brand equity in the Indonesian market, and also maintained positive company performance in 2012.

Fortune PR considered year 2012 as the year of opportunities for rapid growth. Driven by rapid economic growth in Indonesia, the transition of consumer interest to the digital world as well as consumer demands in developing trust and credibility of a brand, the need for PR services has increased rapidly this year.

The increasing economic appeal of Indonesia – which is remarkable in 2012 – has drawn international brand owners to this country. Business partners from various countries have contacted Fortune PR to support their needs for PR services in Indonesia.

Fortune PR strengthens its services by developing new business units, namely:

- Headline, specializing in media relations and training
- Dibe, specializing in digital communication
- Prodev, specializing in social marketing and development communication
- Mocca, specializing in advertising and below-the-line activities
- Verbrand, specializing in research, brand strategy and brand identity development
- Fortune Technology, specializing in technology industries
- Fortune Healthcare and Consumer, specializing in healthcare and consumer industries
- Fortune Investor Relations and Finance, specializing in the financial industry


Words On Wheels
PUSTAKA KELILING
UBS


INDONESIA FURNITUR
DESIGN COMPETITIO
AWARDS & EXHIBITIO
May 9th 2012


TATA


FINAL NASIONAL 2012

In addition to the development of specialization in the formation of business units, Fortune PR has also built expertise in the field of tourism communications and has invested in media monitoring and analysis services, including traditional and social media. This service has been a very vital tool in strengthening innovative public relations services and has been able to answer the demands of the digital age that are increasingly common in Indonesia and Asia Pacific in general.

In terms of creativity, Fortune PR continues to enhance its creative team, producing campaigns that are nominated for the best campaign in Asia Pacific, according to the Holmes Report, among others:

- Campaign of BTN Cermat as a nominee in the category of best public education campaign
- Campaign of BTN Cermat as a nominee in the category of Asia Pacific's best campaign
- Campaign of Tupperware as a nominee in the category of Asia Pacific's best B2C marketing campaign

From a financial aspect, the financial performance of Fortune PR has managed to achieve targets as set. The revenue acquisition has showed a significant result.

Remarkable growth in terms of operational and financial performance has brought Fortune PR to achieve two significant awards. The first was the South-East Asia Consultancy of the Year from The Holmes Report in September. The second was the Southeast Asia PR Agency of the Year from Campaign Asia-Pacific magazine in December. Both awards have become a major milestone in 2012 for FORU and for Fortune PR in particular.

Fortune PR believes that by continuing the strategy that has been developed and implemented in 2012, the company will also able to achieve good results in 2013. Surely this belief is also accompanied by a strong commitment to implement these strategies with greater intensity and passion to be able to realize significant achievements. Fortune PR will never cease to grow amid a strong competitive atmosphere.

Pelita Alembana

Pelita offers a series of integrated marketing and advertising services for corporate and commercial clients. Pelita business activities are divided into three business lines, which include media specialists, a creative agency and sports marketing. In particular, Pelita business activities cover planning, purchasing and placement of advertising space in mass media. In 2012 Pelita has exhibited tremendous growth and substantial revenue contribution.

In 2012, the company's growth strategy is focused on the development of sports marketing as well as on strengthening the creative agency. If in previous years more than 70% of revenues were contributed by media, in 2012 the creative agency has also made a strong contribution.

From a financial aspect, the performance of Pelita has shown a fairly good achievement by successfully meeting set targets. Revenue acquisition showed significant results. The increase in business revenue is largely driven by income from media specialist units that managed to exceed their target. Another increase occurred at the end of the year with the acquisition of Pertamina and Love Juice of Kalbe as blue chip clients from the creative unit – and that directly impacted on the increase of corporate earnings.


Membangun bangsa
Menjadi energi bagi Asia
PERTAMINA
Semangat Terbarukan
Ayo nikmati pameran seru
dan hiburan asik bersama keluarga
7-9 Desember 2012
Parkir Timur Senayan
PERTAMINA Days
Dimeriahkan oleh:
PERTAMINA
Semangat Terbarukan
Tunas berprestasi
Tumbuh berinovasi
Sekolah Sobat Bumi
Beasiswa Sobat Bumi
Energizing Asia 2025


IKPII
IKATAN KONSULTAN PENDIDIKAN INTERNASIONAL INDONESIA
Welcome to
ONE STOP TO START
The 15th IKPII International Education Expo
RISK-TAKER
WORK HARD
are you REVEL enough?
OVERTIME
REVEL INDONESIA
@REVEL_ID
www.revel.co.id
REVEL
the rebel side of you
Original Love Juice
Love Pome,
Love Your Health
KALBE
Stay Young & Confident with Ollum
Roadshow
BANDUNG
UNISBA, Okt 18
PVJ, Okt 19-21
@ Plaza Puerta Valarta

Furthermore, the sports marketing unit, Fsports–which was only 2 years old–has shown positive growth and is appointed to be the representative of ESPN in Indonesia. These achievements are considered as a morale-booster to continue to innovate and to give the best.

In 2012, Pelita did not encounter significant challenges and the company's management is optimistic that business prospects in 2013 will be even better. This is because in 2013, the three business units of Pelita, namely, the media specialist, creative agency, and sports marketing are all optimally operated. Certainly this confidence is also supported by a commitment to continue to grow and develop in a creative and innovative manner.

Fortune Adwicipta

FACT is dedicated to the implementation of event management, which includes the process of developing, designing, building, finishing and managing overall events. FACT business activities in the creative industry also include brand activation, branded entertainment, trade activation and CRM services. In the year 2012 the company's main activities include the strategy of rebranding, which delivers the birth of FACT with a new brand and a new spirit. FACT is now officially used as the name of a new trading brand and stands for "For Action", or it could also mean FAC Team. Along with these efforts, certainly FACT's main strategy in 2012 has also focused on the process of reorganization, with the aim to build optimal performance.

The overall performance of FACT in 2012–in terms of both financial and operational–shows quite encouraging achievements. Targets successfully achieved include success in organizing the activation program of Indonesia Mengoper Bola (IMB) for Dua Kelinci. This program brought a star player from Real Madrid, Xabi Alonso, who tried to break the world record in the category of the most participants in passing the ball. This event also became a major milestone for FACT in 2012.


BE A PART OF IT!
Dua Kelinci
presents
INDONESIA MENGOPER BOLA
Bersama Xabi Alonso
Jadilah bagian dari Sejarah
Sepakbola Indonesia dengan memecahkan
Guinness World Record
bersama 20.000 peserta lainnya!
Jakarta, 8 Juli 2012 pukul 06:00 - 10:00 WIB
Silang Barat Daya Monas
DKRM Legend Ball parade, Fun Futsal Exhibition
Band performance by
dancer, Door prize*
10
5 Motor
10
25
Sponsored by:
GRATIS untuk setiap Peserta
START / FINISH
Terima Kasih
Atas dukungan dan keikutsertaan Anda dalam
Dua Kelinci
presents
INDONESIA MENGOPER BOLA
Bersama Xabi Alonso
Para pemain sepakbola nasional
Lebih dari 60.000 partisipan
Guinness World Records
Sampai jumpa di event selanjutnya!


55
PERTAMINA
Days
PERTAMINA Day


55
PERTAMINA
Days
27 – 30 September 2012
Atrium Utama Mall
Sun Plaza Medan
Live Performance
ALEXA
Break Dance Performance
Edutainment
Minyak & Gas
Job Fair
Augmented Reality
Pameran Mobil GP2
Virtual Racing Car
Lomba Menggambar
Energi Hijau
Follow twitter @PTPERTAMINA, bikin 2 tweet bertema lingkungan dan
mention @PTPERTAMINA untuk mendapatkan
hadiah langsung boneka horta*
fastron
PERTAMAX
PERTAMINA
Semangat Terbarukan


pesta sahabat
Daihatsu


pesta sahabat
Daihatsu
DAIHATSU


pesta sahabat

The challenges faced by FACT in 2012 arise from the internal aspect, especially from the aspect of human capital. Reorganization was carried out in this year and resulted in new formations in FACT, which impacted the readiness of the team in running the business. These challenges were overcome by focusing on the main task of recruiting a leader who is able to bring this new team to success. The main task was successfully completed at the end of the year by the appointment of a leader who was considered competent in the field and was thus able to bring FACT to achieve significant growth in coming years.

FACT considers that business prospects in 2013 will be much more promising. Hence, FACT is committed to develop services and is optimistic to be the largest profit contributor for FORU.

05

Management and Analysis

Discussion

MACROECONOMIC OVERVIEW

In 2012 the Central Statistics Agency (BPS) recorded that the Indonesian economy grew by 6.3%. Although slightly below the 2012 APBN target of 6.5%, this achievement is to be appreciated, since it was achieved amidst a global economic slowdown. Taking into account the positive trend recorded in each quarter, the growth performance of the Indonesian economy is categorized as stable.

The solid growth of Indonesia's economy amid a global economic slowdown, driven by domestic demand, derives from domestic consumption and investment. Investment has become one of the main components in driving economic growth in 2012, replacing export performance, which is currently experiencing a slowdown. The Investment Coordinating Board (BKPM) has disclosed that foreign and domestic investment have reached IDR 313 trillion in 2012, exceeding its target of IDR 290 trillion. However both investment and household consumption have contributed equally in maintaining stable macroeconomic conditions, primarily due to the improved market perception and increased purchasing power.

BPS also revealed that during 2012, the inflation rate was 4.30%. Over the last three years, the inflation rate for 2012 was the second-lowest percentage, under 5%. The Bank Indonesia interest rate is also relatively stable, fixed at 5.75%. This interest rate is considered consistent with low and controlled inflation. The stable macroeconomic conditions have also created a good business climate and supported FORU performance in 2012.

Review of Operation per Business Segment

As a company in the creative industry, FORU divides its business into three segments, which include advertising, public relations and graphic design. In 2011, FORU had 4 business segments, which included travel marketing services. The change occurred in November 2012 when FORU decided to divest majority ownership in the business of travel marketing services that had been operated by one of its subsidiaries, PT Fortune Travindo (Travindo). Thus FORU can be more focused on the business of communication services, which has always been its competitive advantage.

ADVERTISING SERVICES

FORU business activities in advertising services specifically include content, communications, and channels. The channel service is a segment that contributes most to the overall revenue of FORU. In 2012, FORU managed to book revenue from advertising services amounting to IDR 429 billion, revealing a decrease of 4.9% compared to the achievements of 2011, which amounted to IDR 452 billion.

Several factors that affect revenue acquisition in this segment are the expenditure of channel services (which has not met the expected target) and clients still holding onto their advertising budgets. For 2013, FORU looks forward to book revenue of more than IDR 460 billion from its advertising services.

PUBLIC RELATIONS SERVICE

FORU business activities in public relations services include corporate and marketing communications. In 2012, FORU managed to book revenue from PR services amounting to IDR 92 billion, and successfully meet the set target, representing an increase of 202.6% compared to the achievement in 2011, which amounted to IDR 30.5 billion.

Among the several factors that drove the revenue increase in this segment there is growing client demand for public relations services, compared to previous years. For the year 2013, FORU expects to book revenue of IDR 100 billion from public relations services.

GRAPHIC DESIGN SERVICES

FORU business activities in graphic design services include activation creative concepts and events. In 2012, FORU managed to book revenue from this segment amounted to IDR 17 billion and successfully meet the set target. This represents an increase of more than 199.4% when compared to the achievement in 2011 of IDR 5.6 billion.

Several factors that drive the revenue increase in this segment include an increasing client demand for these services. For 2013, FORU has set a revenue target from this segment for IDR 18 billion.

Financial Review

I. REVENUES

During 2012 FORU successfully booked revenues of IDR 480 billion.

REVENUES — in Million Rupiah

Description	2012*	2011
Revenues	480,147	505,625
TOTAL	**480,147**	**505,625**

II. EXPENSES

Total direct cost of FORU in 2012 amounted to IDR 394.3 billion.

EXPENSES — in Million Rupiah

Description	2012*	2011
Direct Cost	394,323	423,668
Operating Expenses	69,311	64,360
Financing Cost	1,165	989
Income Tax Expense	4,359	4,934

*) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012

III. INCOME

The total comprehensive income of FORU in 2012 amounted to more than IDR 12 billion.

PROFIT

in Million Rupiah

Description	2012*	2011
Gross Profit	85,824	81,957
Operating Profit	16,511	17,597
Income Before Income Tax Expense	17,018	17,889
Comprehensive Income	12,658	12,953

IV. ASSETS

Total assets of FORU in 2012 amounted to IDR 257.3 billion.

ASSETS

in Million Rupiah

Description	2012*	2011
Current Assets	224,696	245,994
Noncurrent Assets	32,557	19,999
TOTAL	**257,253**	**265,993**

V. LIABILITIES

Total liabilities of FORU in 2012 amounted IDR 131.6 billion.

LIABILITIES

in Million Rupiah

Description	2012*	2011
Current Liabilities	121,397	141,277
Noncurrent Liabilities	10,206	8,430
TOTAL	**131,603**	**149,707**

*) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012

VI. EQUITY

The balance of equity in 2012 amounted to IDR 125.6 billion.

STOCKHOLDERS' EQUITY

in Million Rupiah

Description	2012*	2011
Equity Attributable to the Owner of the Company	125,349	116,021
Noncontrolling Interest	300	265
TOTAL	**125,649**	**116,286**

VII. CASH FLOWS

Cash position of FORU by the end of 2012 amounted to IDR 24.8 billion.

CASH FLOWS

in Million Rupiah

Description	2012*	2011
Cash Flows from Operating Activities	(22,020)	(11,983)
Cash Flows from Investing Activities	(10,495)	(5,148)
Cash Flows from Financing Activities	30,676	3,549
TOTAL	**(1,839)**	**(13,582)**
Cash and Cash Equivalents at Beginning of the Year	**29,259**	**42,841**
Cash and Cash Equivalents of PT Fortune Travindo at Beginning of the Year	**(2,631)**	**-**
Cash and Cash Equivalents at the End of the Year	**24,789**	**29,259**

*) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012

VIII. SOLVENCY

The solvency level of the company is shown by the ratio of liabilities to equity in 2012, which amounted to 1.0 times, experiencing a decrease compared to 2011, which amounted to 1.3 times.

IX. ACCOUNT RECEIVABLE COLLECTABILITY

By the end of 2012, the collection period of FORU was relatively stable, thanks to the commitment of FORU and third parties toward FORU.

X. CAPITAL STRUCTURE

By the end of December 31, 2012 the details of FORU shareholders, along with ownership based on records maintained by PT Sinartama Gunita as Securities Registrar, are as follows:

Shareholders	Issued and Fully Paid Capital	Ownership Percentage (%)	Total of Share Capital
PT Grhaadhika Fortune	180,600,000	38.82	18,060,000,000
PT Fortune Daksa Pariwara	29,400,000	6.32	2,940,000,000
Public (Ownership under 5%)	255,224,000	54.86	25,522,400,000
TOTAL	**465,224,000**	**100.00**	**46,522,400,000**

XI. MATERIAL TIES FOR CAPITAL GOODS INVESTMENT

Throughout the year 2012 FORU did not have any bond for capital investments.

XII. SUBSEQUENT EVENTS

On January 14, 2013, PT Fortune Pramana Rancang received tax assesments for fiscal year of 2010 amounting to IDR 93,907,935. The tax assessments received by PT Fortune Pramana Rancang stated an overpayment of IDR 110,838,365 and underpayment of income tax article 4 paragraph 2 of IDR 30,254, 725, income tax article 21 of IDR 48,401,145, income tax article 23 of IDR 53,005,982, Value Added Tax of IDR 518,000, and the tax collection letter of IDR 46,478,735 with totaling IDR 178,658,587. PT Fortune Pramana Rancang plans to compensate the underpayment with the overpayment, however the realization is still in the discussion process within PT Fortune Pramana Rancang management.

In 2012, PT Fortune Adwicipta, a subsidiary of FORU, was involved in a lawsuit in South Jakarta District Court with PT Pahala Kencana, recorded as case No. 140/Pdt.G/2012/PN.Jkt.Sel. PT Fortune Adwicipta is the Defendant and PT Pahala Kencana is the Plaintiff.

As of the date of this annual report, there has yet to be any binding decision regarding this court case.

XIII. MATERIAL INFORMATION AND FACTS AFTER THE REPORTING PERIOD

During 2013 there is no material information or facts after the reporting period.

XIV. DIVIDEND POLICY

Since FORU lists its shares on the Indonesia Stock Exchange, FORU has fulfilled its appointment as contained in the Prospectus. Details of FORU dividend policy in recent years can be seen in the table below.

No.	Fiscal Year	GMS Year	Net Income	Total Shares	Dividend per Share	Total Dividen	Dividend to Profit Percentage (%)
1.	2007	2008	7,282,334,767	465,224,000	3	1,395,672,000	19.17
2.	2008	2009	9,102,037,790	465,224,000	4	1,860,896,000	20.44
3.	2009	2010	6,579,909,457	465,224,000	4	1,860,895,998	28.28
4.	2010	2011	9,648,825,265	465,224,000	4	1,860,895,998	19.29
5.	**2011**	**2012**	**12,925,046,128**	**465,224,000**	**7**	**3,256,568,000**	**25.20**

Note: Appointment in Prospectus
1. If net income ≤ 15 billion then the dividend is 15% of Net Income
2. If net income > 15 billion then the dividend is 20% of Net Income

XV. MATERIAL INFORMATION

In accordance with the Decision of the Chairman of Bapepam-LK No. Kep-431/BL/2012 dated August 1, 2012, the disclosure of significant information includes the company's investment, expansion, divestment, merger/amalgamation of business, acquisitions, restructuring debt/equity, affiliate transactions and conflict of interest transactions. For the last point, the Board of Commissioners and Directors of FORU have given assurances they are complying with all company rules and regulations in general and stated that they have no conflict of interest toward FORU.

In the event of any conflict of interest involving all members of the Board of Directors, the company will be represented by the Board of Commissioners or by one who is appointed by the Board of Commissioners. If there is no Board of Commissioners, the GMS may appoint one or more persons to represent the company.

XVI. IMPACT OF ACCOUNTING POLICY CHANGES

The Company adopted new and revised Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK), effective from January 1, 2012. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions of each standard. Indonesian Institute of Accountants has issued the revised PSAK, ISAK, and Financial Accounting Standards Revocation Statement (PPSAK). These financial accounting standards will be effective on or after January 1, 2012:

1. PSAK No. 38 (revised in 2011), "Business Combination under Common Control".
2. ISAK No. 21, "Agreements for the Construction of Real Estate".
3. PPSAK No. 10, "Revocation of PSAK No. 51: Accounting for Quasi-Reorganization".

FORU is still assessing the impact of PSAK, ISAK and PPSAK above and the impact on the consolidated financial statements from the adoption of PSAK, ISAK and PPSAK are yet to be determined.

XVII. IMPACT OF REGULATION CHANGES

In 2012 there were no changes in regulations or legislation that had a significant impact on the revenues of FORU.

Marketing **Aspects**

Based on the scope of marketing, activities of FORU include the segments of tender/public sector markets (government market) and regular markets. The Government market segment includes clients from the public sector while the public market segment includes clients in general. Both the government and the public market continue to grow in line with the growth of society and the economy.

In the government market sector, an increase in the allocation of government spending and central government in the field of communications and marketing will be of particular support to be developed since FORU has had long experience in dealing with clients from this sector. On the other hand, general market growth is strongly influenced by economic growth and purchasing power. Therefore, the Indonesia's rising economic growth projections would become one of positive expectations for business prospects of marketing and communications.

MARKETING STRATEGY

Marketing strategy of FORU in 2012 is based on the strategy of growth acceleration. This strategy is aimed at producing factors that enable FORU to expand and increase its market share as well as maximizing existing opportunities and market potential. In realizing this strategy, marketing activities are intensively implemented and involve the following:

- Addition and improvement of marketing team quality;
- Improving marketing activities toward potential targets in every marketing segment;

Business Prospects

Indonesia is one of the most desirable investment destinations, for the majority of its population is quite young and productive, in addition to their increasing level of disposable income. This opportunity is certainly not being wasted by national and multinational companies, as they conduct aggressive promotions. Currently, national advertising transactions are dominated more by the business sector, such as telecommunications, fast moving consumer goods, banking, automotive, etc.

Following a prosperous 2013, the political climate is expected to start heating up, related to the General Election, which is going to be held in 2014. This will certainly lead to an increase in revenue of FORU due to the organizing implementation that is always encouraging marketing and communications industry activity. In connection with this, it is also estimated that national advertising spending in 2013 will reach IDR 124 trillion or increase by 16% compared to the period of 2012.

Along with the growth of the Indonesian economy in 2013, the communications and marketing industry is also expected to achieve positive growth. Favorable economic indicators, such as the increase of domestic consumption, an inflation rate below 5%, and low interest rates primarily drove this. In addition, there are three other factors, among others, that also contribute to the growth of the marketing and communications industry in years to come:

- The increase in middle-class internet users
- A Population dominated by young people
- Attractive opportunities opportunity in digital industries

In 2012 there was an increase in the purchasing power of middle-class people, amounting to IDR 769.5 billion. The middle-class accounts for some 56% of the Indonesian population, numbering some 135 million people. In addition to the young, middle-class people are also considered as consumers familiar with digital media.

One also needs to take into consideration how internet users in Indonesia are estimated at 55 million people; social networking reaches 43.8 million, while 270 million mobile phones are registered. Half of Indonesia's population is under 25 years of age, and 30% under 14. In addition, the younger generation in Indonesia now considers social media as a daily necessity. In 2012 the total user accounts of Facebook and Twitter in Indonesia surged 400% in one year. With more than 43 million Facebook accounts and 19 million active Twitter users, Indonesia is the country with the second highest social media penetration in Asia. Based on this information, it can be seen that the share of the market for communications and the marketing industry continues to increase and is still wide open.

The increasing prospect for the marketing and communications industry is also accompanied by an increase in business competition. In this regard, FORU will always show a spirit of optimism to achieve significant accomplishments and stay ahead. Through the development of fully-integrated new business tools, a comprehensive range of marketing and communications services, as well as the readiness of human resources and organization, currently FORU is optimistic to be able to evolve continuously, to serve the needs of clients in designing and developing strategic marketing communications and advertising.

Based on these considerations and supported by a strong corporate image in the domestic marketing and communications industry, FORU is confident it may achieve sustainable growth in the coming year. Certainly FORU will also uphold its commitment to achieve this goal.

06

Human Capit
Development


tal

FORU regards human capital as the key to performance and growth of the company. In the creative industry that is always dynamic, certainly the optimal utilization of human capital will encourage the competitive advantage of the company. Therefore, it has become the foundation of FORU's commitment to develop quality human capital, as far as possible, in order to sustain ongoing growth of the company. The total work force of FORU as of December 31, 2012 numbered 298 people. The following is a comparison of the number and composition of the human capital at FORU, based on age, educational level and position.

GROUP OF AGE

Description (Year)	2012	2011
21 - 30	158	109
31 - 40	93	89
41 - 50	29	36
51 - 60+	18	22
TOTAL	**298**	**256**

21 - 30 years old : 53%
41 - 50 years old : 10%
31 - 40 years old : 31%
51 - 60+ years old : 6%

EDUCATIONAL LEVEL

Description	2012	2011
Junior High	9	9
Senior High – Diploma 3	80	90
Strata I	197	148
Strata II	12	9
TOTAL	**298**	**256**

Junior High : 3%

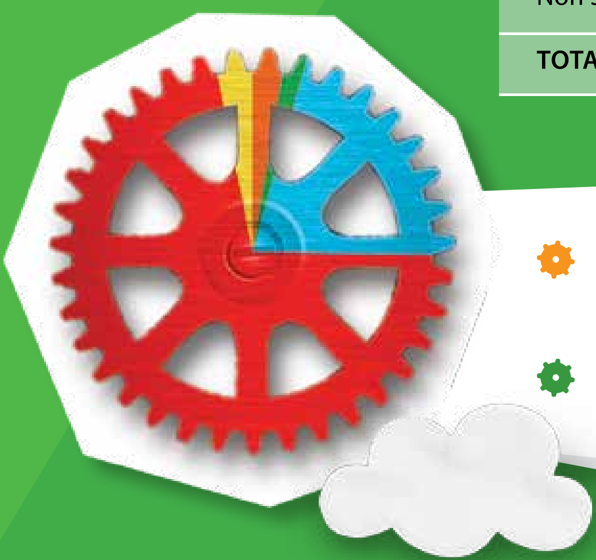
Senior High – Diploma 3 : 27%

Strata I : 66%

Strata II : 4%

POSITION

Description	2012	2011
Board of Directors	9	9
Senior Management	5	5
Middle Management	64	54
Staff	208	171
Non Staff	12	17
TOTAL	**298**	**256**



Board of Directors : 3%

Senior Management : 2%

Middle Management : 21%

Staff : 70%

Non Staff : 4%

In order to measure the level of satisfaction of Fortuners in all lines of organization, FORU runs a survey of Employee Engagement Index (EEI) thoroughly and regularly. In 2011, the index showed satisfaction levels above 70 as an indicator of a good working satisfaction level. This is expected to significantly boost the performance and creativity of all Fortuners.

EDUCATION AND TRAINING

FORU is the best place to learn, considering all the Fortuners, including the leaders, do not hesitate to share knowledge. President Director of FORU Indra Abidin, for example, always shares information to all Fortuners about important events that happen in the creative world. FORU even has one unit responsible for regularly sending emails with information on the creative world every morning. FORU expects that by establishing a culture of knowledge-sharing, the Fortuners will be encouraged to have a thirst for knowledge and have a strong desire to learn, so that they can constantly grow.

The knowledge-sharing spirit is also captured by FORU in the book entitled Hajar!!. This book contains the history of the company since its establishment as an advertising agency in 1970 through 2010. The book is distributed freely so that the Fortuners can learn the story of FORU's struggle through time, emulate success stories of FORU in packaging various campaigns, and adopt FORU's tactics in facing challenges in different eras.

The learning efforts for Fortuners are also brought up online through Galaktika portal (internal portal). This portal is also designed as the internal social media, where Fortuners can exchange information with other Fortuners, including sharing photos, videos, links, and so on. In this portal, Fortuners can freely read and download all kinds of company rules, e-books, and many others.

As the embodiment of its efforts to increase capability and potential, FORU also encourages every Fortuner to participate in the implementation of development programs that include courses/training and seminars. The participation in a competency development program is supported by both the internal and external organization and cooperation with other parties. In 2012, FORU has allocated an investment cost of IDR 410,250,304.03 for this initiative.

The following list includes training held in 2012

Type of Training	Organizer	Speaker
Creative Seminar	Pinasthika Creativestival 2012	Djito Kasilo, Adi S. Noegroho, Saptuari Sugiharto
Seminar of "How to Build an Engaging Multi-Channel Campaign through Digital Media"	Marketing Magazine	Henky Prihatna, Yansen Kamto
Google Adwords Development Training	Google Adwords	Google Adwords Team
Citra Pariwara Advertising Seminar	Citra Pariwara 2012	Anton Wirjono, Eric Yeo, Jonathan Daly, Lo Sheung Yan, Merlee Jayme
Inhouse Course Web Programming	Digital Studio Workshop	Digital Studio Workshop Teaching Team
Workshop Social Media-Digital Advertising	International Design School	Kevin Mintaraga, Shafiq Pontoh, Leonard Agustinus
Mini Workshop "Advanced Storytelling"	Persatuan Perusahaan Periklanan Indonesia (P3I)	Prof. Richard Krovelin
Workshop "Idea"	Imago School	Zafrul Yanni Sjahrial
Digital Imaging Training	RGB	RGB Teaching Team
One Day Workshop "How to Take Client's Brief"	Persatuan Perusahaan Periklanan Indonesia (P3I)	Paramita Muhammad
One Day Training Telephone Courtesy	Proaktif Network	Ituk Herarindri
Seminar QB Leadership Series	QB Leadership Center	Betti Alisjahbana, Zulkifli Zainuddin
Training Balance Scorecard	PQM Consultant	Consultant PQM Team
Conquering the Butterflies - 3 Steps into Dazzling Presentation Workshop	Imago	Riadi Sugihtani
Leadership Series: Recognizing, Celebrating, Appreciating	QB Leadership Center	Betti Alisjahbana, Teddy P. Rachmat

FORTUNERS WELFARE

FORU always consders Fortuners as valuable assets in ensuring business sustainability. Based on this understanding, FORU considers that welfare of the Fortuners is the main thing that must be focused to support sustainability. In addition, FORU is also always committed to ensure equal treatment of all Fortuners and equality of opportunity, both in terms of education and training as well as concerning a position in the hierarchy.

FORTUNER ACTIVITIES

FORU supports all activities conducted by Fortuners - both religious and sports activities. In improving the spirituality of Fortuners in the midst of hectic activities, FORU conducts religious activities such as prayer gathering which are held regularly.

As for sports activities, FORU's initiative is realized by establishing a number of internal sports clubs. For example the futsal club (Fortune Futsal Community/Kosaltun), basketball club (Fortune Basketball Community/ Kobatun), badminton club (Fortune Badminton Association/Fortune PB), table tennis club, and aerobics club known as Aerotun (Fortune Aerobic Community). The clubs also function as an escape to neutralize fatigue after work, as well as restoring morale for the next day. Each club has a regular exercise schedule and often holds events such as interagency sparring or annual events such as badminton championships between Fortuners.

07

Good Corpor
Governance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Implementation of Good Corporate Governance

FORU considers that the implementation of good corporate governance (GCG) not as an obligation, but as a necessary requirement to achieve business continuity. Commitment, consistency, and success have become major foundation in realizing the vision and mission set forth in the Articles of Association. Based on this insight, FORU is aware of the importance of the implementation of GCG in every aspect of its business. This awareness is fully supported by the Board of Commissioners, assisted by the Audit Committee to oversee the implementation of the activities of GCG. The GCG implementation itself is conducted thoroughly in all aspects of the organization and operation level and fully supported by all Fortuners.

In order to implement good corporate governance, FORU refers to five key principles of transparency, accountability, responsibility, independence and fairness.

a. Transparency
   Always provide information on financial statements, annual reports and other relevant information accurately, clearly, timely and transparently to shareholders and stakeholders.
b. Accountability
   Ensure that all decisions are strategic actions that can be accounted for and clearly stated in the report, reports on performance measurement accountability and internal control reports, as a form of accountability.
c. Responsibility
   Carry out responsibility by holding on the basis of compliance with applicable legislation, in order to allow more attention to the community and the environment.
d. Independency
   Carry out any activities independently, without coercion or pressure from any party.
e. Fairness
   Provide a fair and equal share in terms of fulfilling each right of the stakeholders.

The objective of the implementation of good corporate governance is to:

- Control and guide the relationship between the Shareholders, the Board of Commissioners, Board of Directors, Fortuners, clients, partners, and society and the environment.
- Encourage and support the development of the company.
- Manage resources better.
- Manage risks better.
- Increase accountability to stakeholders.
- Prevent the occurrence of irregularities in the management of the company.
- Improve corporate culture.
- Improve company image.

Structure of Corporate Governance

GENERAL MEETING OF SHAREHOLDERS (GMS)

General Meeting of Shareholders (GMS) as the highest authority in the management structure has the authority that is not owned by the Board of Commissioners and Directors. On this occasion, the Board of Commissioners and Directors are accountable for the results of company management that have been implemented during the year. GMS is entitled to take decisions based on the exposure of the Board of Commissioners and Directors including changing the articles of association, to appoint and dismiss members of the Board of Directors and the Board of Commissioners as well as other things according to the provisions set out in the regulation and the Company's Articles of Association.

Throughout 2012, FORU has organized 1 (one) Annual GMS (AGM) and 1 (one) Extraordinary GMS (EGM) with the process of implementation in accordance with the Act No. 40 of 2007 on Limited Liability Companies and Bapepam-LK No. IX.J.1 on The Main Substances of Articles of Association of Company Performing a Public Offering and Public Company.

Annual General Meeting of Shareholders

On June 13, 2012, FORU has held an AGM, with the following decisions:

1. To accept and approve the Board of Directors Annual Report for the fiscal year ended December 31, 2011 and 2012 Work Plan.

2. To ratify the Company's Financial Consolidated Statements of Financial Position and Statement of Consolidated Comprehensive Income per December 31, 2011, and give acquit et de charge to the Board of Directors and the Board of Commissioners for management and supervisory actions undertaken for and on behalf of the Company in fiscal year ended December 31, 2011, as far as the actions of the management and supervisory activity is reflected in the Consolidated Statements of Financial Position and Statement of Consolidated Comprehensive Income.
3. To determine the use of Company net profits for fiscal year 2011, as follows:
   a. An amount of IDR 3,256,568,000 (three billion two hundred and fifty-six million five hundred and sixty-eight thousand rupiah) shall be distributed as cash dividends to shareholders, equivalent to IDR 7 (seven rupiah) for each share.
   b. An amount of 15% (fifteen percent) of the profits shall be used as a reserve fund of the Company.
   c. The rest of the profits earned by the Company after deducting dividends and reserve fund shall be recorded as retained earnings for working capital purposes and development of the Company's business in the future.

   And to authorize the Board of Directors to take all necessary actions in connection with the distribution of dividends.
4. To authorize the Board of Directors to determine and appoint the Company's Registered Public Accounting Firm at Bapepam-LK to audit the financial of the Company for the fiscal year ended on December 31, 2012, including determining the honorarium and other appointments requirement.
5. a. To approve no change in the composition of the Board of Directors and Board of Commissioners until their term ends in 2016, so the composition of the Board of Directors and Board of Commissioners until the term expires are as follows:

President Director	: Indra Abidin
Director	: Herman Muljadi Sulaeman
President Commissioner and Independent Commissioner	: Dedi Sjahrir Panigoro
Commissioner	: Kasman Ardan
Commissioner	: Miranty Abidin
Commissioner	: Lucia Novenna Budiono
Independent Commissioner	: Farida Eva Rianti Hutapea

b. To give authority and power to the Board of Commissioners on behalf of the General Meeting of Shareholders, to determine the remuneration as well as the duties and authority of the Board of Directors for the remaining term as of the Meeting.
c. To determine an increase in the remuneration of the Board of Commissioners of the Company of a maximum of 10% (ten percent), effective as of July 2012, until the remaining term of office as of the closing of the Meeting.

Extraordinary General Meeting of Shareholders

On June 13, 2012, FORU held its EGM, with the following decisions:

a. To give approval to the Board of Directors to conduct the transfer of the majority shares of the Company, resulting in a change in the percentage ownership of Company Shares of PT Fortune Travindo as proposed by the Board of Directors.
b. To give approval to the Board of Directors to not use the right to buy shares in accordance with the first issuance of shares of PT Fortune Travindo deposits, resulting in a change in the percentage ownership of Company Shares of PT Fortune Travindo as proposed by the Board of Directors.
c. To give authority and power to the Board of Directors to do all necessary acts in connection with the implementation of the transfer of some shares and a waiver of the right to take a share in the increase in the issued capital of PT Fortune Travindo.

BOARD OF COMMISSIONERS

Board of Commissioners of FORU consists of a President Commissioner who serves concurrently as Independent Commissioner, 4 Commissioners with one being an Independent Commissioner. The Board of Commissioners shall supervise management policies, general maintenance of the Company or the Company's business, as well as giving advice to the Board of Directors.

Composition of the Board of Commissioners

Throughout 2012 there is no change to the composition of the Board of Commissioners. Until December 31, 2012, the composition of the Board of Commissioners of FORU is as follows:

President Commissioner and Independent Commissioner	: Dedi Sjahrir Panigoro
Commissioner	: Kasman Ardan
Commissioner	: Miranty Abidin
Commissioner	: Lucia Novenna Budiono
Independent Commissioner	: Farida Eva Rianti Hutapea

The composition is in accordance with the Decree of the Board of Directors of PT Bursa Efek Indonesia No. Kep-305/BEJ/07-2004 about Rule Number I-A Concerning the Listing of Shares (Stock) and Equity Securities other than Shares Issued by a Listed Company, which stipulates that every public company must have an independent commissioner at least 30% of the total membership of the Board of Commissioners. In response, FORU adheres to such provisions by nominating 2 of the total of 5 members of the Board of Commissioners as Independent Commissioners.

Duties and Responsibilities of the Board of Commissioners

Duties and responsibilities of the Board of Commissioners stated in the Articles of Association include:

a. Overseeing the strategic and operational decisions of Directors as well as the effectiveness of the company's management.
b. Conducting oversight on the management of the company by the Board of Directors, and approve the annual work plans of the Company no later than before the start of the year to come
c. Carrying out the tasks that are specifically given to in accordance with the Articles of Association, the prevailing legislation, and/or by the resolution of the GMS
d. Performing duties, powers and responsibilities in accordance with the Articles of Association and resolutions of the GMS
e. Researching and reviewing the annual report prepared by the Board of Directors and sign the report
f. Complying with the Articles of Association and regulations, and shall implement the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness

Recommendation of the Board of Commissioners

As in 2012, the recommendations made by the Board of Commissioners to the Board of Directors are as follows:

a. Focus on key areas of Company's core business
b. Reduce participation in business activities that are not directly related to the main business areas of FORU.
c. Control overhead.

Remuneration of the Board of Commissioners

The granting of remuneration and allowances as well as other facilities to the Board refers to the decision of the GMS in accordance with the Articles of Association of the Company. In 2012, the company's shareholders through the AGM have decided that such fees for all members of the Board of Commissioners revenues are increased by 10% from the previous year. In 2012, the remuneration of the entire Board of Commissioners amounted to IDR 1,800,750,000.

Board of Commissioners Meeting

In accordance with the terms set forth in the Articles of Association, the Board of Commissioners meeting is held at least once in every month. The meeting of Board of Commissioners serves as a forum for members to take collective decisions. This meeting can also serve as a mechanism to discuss the performance of the Board of Directors in dealing with the company. Throughout 2012, the Board of Commissioners has conducted 12 meetings with the frequency and level of attendance that can be seen in the following table.

BOARD OF COMMISSIONERS MEETING FOR THE PERIOD OF 2012

Name	Position	Meeting Frequency	
		Total Meeting	Total Attendance
Dedi Sjahrir Panigoro	President Commissioner	12	10
Kasman Ardan	Commissioner	12	10
Miranty Abidin	Commissioner	12	10
Lucia Novenna Budiono	Commissioner	12	9
Eva Rianti Hutapea	Independent Commissioner	12	10

BOARD OF COMMISSIONERS AND DIRECTORS JOINT MEETING FOR THE PERIOD OF 2012

Name	Position	Meeting Frequency	
		Total Meeting	Total Attendance
Dedi Sjahrir Panigoro	President Commissioner	5	5
Kasman Ardan	Commissioner	5	5
Miranty Abidin	Commissioner	5	5
Lucia Novenna Budiono	Commissioner	5	5
Farida Eva Rianti Hutapea	Independent Commissioner	5	5
Indra Abidin	President Director	5	5
Herman Muljadi Sulaeman	Director	5	5

Competency Improvement

Throughout 2012, the members of the Board of Commissioners independently attended various training programs in order to improve the competence of the Board of Commissioners, including those organized by the Indonesian Association of Listed Companies, Indonesia Stock Exchange, the Financial Services Authority and so on.

BOARD OF DIRECTORS

The Board of Directors acts as an internal organ, which play a full role in managing the company. Each member of the Board of Directors is responsible for the duties and roles respectively with the coordination management based in the hands of the President Director. Every member of the Board of Directors shall legally share any decisions coming out of the Board of Directors with the final determinant in the hands of the President Director as primus inter pares.

Composition of the Board of Directors

Duties and responsibilities of the Board of Directors in accordance with those stated in the Articles of Association include:

President Director	: Indra Abidin
Director	: Herman Muljadi Sulaeman

Duties and Responsibilities of the Board of Directors

Duties and responsibilities of the Board of Directors in accordance with those stated in the Articles of Association include:

a. Directing the company's operations strategy in conducting business
b. Leading, managing and controlling the company in accordance with company objectives and constantly trying to improve the efficiency and effectivity
c. Taking control, maintaining, and administering the assets of the Company
d. Preparing annual work plan, which includes the annual budget of the Company, and shall submit it to the Board of Commissioners for approval, prior to the coming financial year

In addition, the Board of Directors are also entitled to represent the Company, within and outside the court, on all matters and in all events that bind the Company by other parties, and other parties with the Company.

Remuneration Stipulation Procedure

Granting of remuneration and allowances as well as other facilities to the Board of Directors refers to the decision of the AGM, in accordance with Article 23, Paragraph 10 of the Articles of Association of the Company. On June 13, 2012, GMS has taken a decision stating that the determination of the remuneration of Directors is submitted to the Board of Commissioners and the Board of Commissioners decided the adjustment to the income of the Board of Directors for the period of 1 year. In 2012, the remuneration received by Directors amounted to IDR 8,942,660,000.

Board of Directors Meeting

A Board of Directors meeting is held at least once in every month. The Board of Directors meeting serves as the forum and also a mechanism for members to take collective decisions regarding the performance of the company. Throughout 2012, the Board of Directors has conducted 12 meetings with the frequency and level of attendance as seen in the following table.

BOARD OF DIRECTORS MEETING FOR THE PERIOD OF 2012

Name	Position	Meeting Frequency	
		Total Meeting	Total Attendance
Indra Abidin	President Director	12	12
Herman Muljadi Sulaeman	Director	12	12

Board of Directors Competence Improvement

In order to make improvements and the development of competencies to support the task of managing the company, during 2012, each member of the Board of Directors has independently attended various seminars, workshop, conference or a talk show that deals with the respective role and duties associated with the status of FORU as a public company listed on the Stock Exchange.

CORPORATE SECRETARY

In accordance with Regulation No. IX.I.4 in the Attachment Decision of Chairman of Bapepam Number: Kep-63/PM/1996 dated January 17, 1996, FORU appoints the Corporate Secretary as one who serves to facilitate communication between the company and the public as well as maintaining disclosure. The Corporate Secretary also plays an important role to ensure the Board of Directors and the Board of Commissioners or other stakeholders that the company has complied with the principles of good corporate governance. On this basis, FORU has appointed Indira Ratna Dewi Abidin as Corporate Secretary since 2002.

In performing its duties, the Corporate Secretary is supported by the Legal Division and Communications Division and is responsible for:

a. Ensuring the implementation of the financial disclosure in published financial statements and other information required by the Capital Market
b. Ensuring transparency of information on the results of AGM has been implemented in accordance with prevailing regulations and received by all stakeholders
c. Ensuring the compliance with GCG has been implemented by the company
d. Ensuring the company has complied with all Capital Market regulations and other regulations and laws related to the company
e. Receiving and follow up complaints from external party and complaints or feedback from internal party acting as a whistleblower
f. Following the development of capital market, particularly the prevailing regulations in capital market
g. Providing the public with any information needed by investors relating to the condition of the Company

h. Providing input to the Board of Directors to comply with the provisions of Act No. 8 of 1995 on Capital Market and its implementing regulations
i. Acting as a liaison or contact person between the company and Bapepam and public

Corporate Secretary Profile

Indira Ratna Dewi Abidin has been the Corporate Secretary since 2002. Born in Bandung in October 29, 1969 and earned a degree in Economics from the University of Indonesia (1995) and Master of Education from Boston University (2001). In addition to serving as Corporate Secretary for FORU, she also served as Managing Director for Fortune PR since 2005. Other positions held since she joined FORU among others, as PR Consultant (2002-2004) and Assistant CEO for New Business Development (1996-1998). Previously, she also served as a Research Assistant at Boston Medical Center (1999-2001) and coordinator in HarborCov Women Empowerment Center (1999). She has beeing actively involved in the Association of Indonesian Company Secretary since 2002 and joined AIESEC Indonesia (1989-1993). In addition to actively participate in various trainings and seminars, she is also active as a lecturer and speaker.

AUDIT COMMITTEE

FORU established an Audit Committee in accordance with the Decree of the Board of Commissioners No. KEP-001/VI/2011 dated June 16, 2011. The establishment of the Audit Committee is also in accordance with the provisions of the Chairman of Bapepam No. Kep-29/PM/2004 dated September 24, 2004.

Composition of Audit Committee

In accordance with these provisions, FORU has approved and appointed members of the Audit Committee, with the composition as follows:

COMPOSITION OF AUDIT COMMITTEE

Name	Position	Function
Dedi Sjahrir Panigoro	Chairman	Concurrently served as Independent Commissioner and responsible for the finance sector
Alexander Ronald Sindhika	Member	Responsible for the finance sector
Dharmawan Sutanto	Member	Responsible for the finance sector

Duties and Responsibilities of Audit Committee

Referring to the Audit Committee Charter, the duties and responsibilities of the Audit Committee are as follows:

a. Monitoring the company's performance and provide input to the Board of Commissioners
b. Preparing a number of procedures and other administrative including reporting which should be prepared for the effective activities implementation of the Audit Committee
c. Overseeing all financial information, in addition, the Audit Committee also serves to resolve all disputes between the management, external auditors and/or internal auditors on financial reporting
d. Evaluating the planning and implementation of internal control of the company, overseeing the implementation of risk management
e. Participating in appoint and/or dismiss, as well as overseeing the work, the Head of Internal Audit Division and Internal Audit unit, became the main liaison and provide an appropriate forum to deal with all matters relating to audit or inspection of the regulator, if any
f. Participating in appoint and/or dismiss and supervise the work of the Public Accounting Firm to conduct audit or other audit tasks outside the audit of Financial Statements in accordance with the existing agreement, attest to the financial statements and other audit conducted by the Public Accounting Firm requires the approval of the Audit Committee
g. Ensuring company's compliance with the prevailing legislation in order to achieve Good Corporate Governance
h. Directly receiving, or through management reports, grievances/complaints from internal and external parties of the Company; establish and maintain a mechanism of grievance/complaints such as embezzlement, fraud and other inappropriate activities

In addition to the above duties, the Audit Committee also received a special assignment from the Board of Commissioners; this task is completed in accordance with the objectives required by the Board of Commissioners.

Audit Committee Charter

The Board also has established Audit Committee Charter as a guideline for the Audit Committee in carrying out its duties and responsibilities in a transparent, competent, objective and independent manner, so that it can be accounted for and be accepted by all parties concerned. The Audit Committee Charter has been manifested in a guidebook which was published on the website of FORU.

Audit Committee Independency

A Regulation of Bapepam-LK regarding Audit Committee requires that the Audit Committee consists of at least three members, one of whom is the Commissioner - in this case Dedi Sjahrir Panigoro - unaffiliated and serving as Chairman. Meanwhile, two other members must be independent, at least one of who must have expertise in accounting and/or finance.

To fulfill the independence requirement in accordance with prevailing regulations in Indonesia, a member of the Audit Committee is not appointed from executive officer of the Public Accounting Firm providing audit services and/or non-audit services to the company within a period of six months. On this basis, FORU has appointed three members of the Audit Committee, which meets the independence requirements and does not have any conflict of interest with the company, especially in terms of not having a family relationship, financial, management or ownership of the company.

Audit Committee Meeting

Audit Committee has held four (4) meetings that took place from January to December in 2012. During the last period, the attendance of the Audit Committee members reached 100%. A commitment based on the dedication of the Audit Committee is shown in the achievement of attendance of all members. The meeting agenda includes the following matters:

AUDIT COMMITTEE MEETING

Month	Meeting Agenda
March	Evaluation of Financial Statements Quarter I
June	Evaluation of Financial Statements Quarter II
September	Evaluation of Financial Statements Quarter III
December	Evaluation of Annual Financial Statements

The meeting attendance list of members and Chairman of the Audit Committee during the above period are as follows:

AUDIT COMMITTEE MEETING

Name	Position	Meeting Frequency	
		Total Meeting	Total Attendance
Dedi Sjahrir Panigoro	Chairman	4	4
Alexander Ronald Sindhika	Member	4	4
Dharmawan Sutanto	Member	4	4

Implementation of Audit Committee Activities

Throughout 2012, the Audit Committee has conducted various activities to assist the Board of Commissioners in conducting oversight over the activities and operations of the company. Brief report of activities of the Audit Committee during 2012 is as follows:

1. To evaluate the internal financial statements quarter 1-3 and internal annual financial statements
2. Evaluating the implementation of EGM resolution in accordance with PT Fortune Travindo

Audit Committee Profile

Chairman of Audit Committee – Dedi Sjahrir Panigoro

Dedi Sjahrir Panigoro is appointed as Independent Commissioner and served as the Chairman of Audit Committee since 2007.

Member of Audit Committee– Alexander Ronald Sindhika

Alexander Ronald Sindhika is appointed as the Member of Audit Committee of the company since 2007.

Member of Audit Committee – Dharmawan Sutanto

Dharmawan Sutanto is appointed as the Member of Audit Committee of the company since 2007.

NOMINATION AND REMUNERATION COMMITTEE

FORU shall form a Nomination and Remuneration Committee in 2013 in accordance with the prevailing rules and regulations.

INTERNAL AUDIT

The Internal Audit Division was established in 2010 to ensure that the implementation of GCG has been well implemented in order to achieve company objectives. In the organizational structure, the Internal Audit is independent and responsible to report its activities to the Board of Directors. Internal Audit Division is in charge to ensure that the implementation of the operations carried out in conformity with generally accepted corporate operations, operational audits and compliance audits to ensure that operational standards are adhered to by all operations sector, as well as investigative audit if necessary.

Composition of Internal Audit

As stipulated in the Decree of Bapepam-LK No IX.I.7 on the Establishment and Development Guidelines for Internal Audit Charter (Decree of the Chairman of Bapepam-LK No. Kep-496/BL/2008 dated November 28, 2008), the President Director has appointed M.M Lanasastri Setiadi as Head of Internal Audit Unit based on the approval from the Board of Commissioners on July 26, 2011. Under these provisions, the company also has approved and appoints members of the Internal Audit Division, with the following composition:

Chairman	: M.M Lanasastri Setiadi

Internal Audit Charter

Internal Audit plays the role in the process of ensuring the passage of an audit of the company's operational systems based on Internal Audit Charter that was made in 2011. Internal Audit Charter was made in accordance with the provisions of Bapepam-LK No. IX.I.7 on the Establishment and Development Guidelines for Internal Audit Charter (Decree of Chairman of Bapepam-LK No. Kep-496/BL/2008 dated November 28, 2008). Internal Audit Charter is established by the Board of Directors and approved by the Board of Commissioners of the Company on July 26, 2011. Internal Audit Charter guidelines that govern the Internal Audit Unit has been created in the guide book and posted on the FORU's website.

EXTERNAL AUDIT

The external auditor is appointed to conduct financial audits as well as to provide an independent and objective opinion about the fairness, and appropriateness of company's financial statements with the Indonesia Financial Accounting Standards and prevailing legislation. In needs of the fiscal year 2012 audit purposes, the Board of Commissioners is assisted by the Audit Committee and has appointed directly the Public Accounting Firm of Kosasih, Nurdiyaman, Tjahjo, & Rekan to be an external auditor for the reporting of financial performance for the fiscal year 2012. 2012 is the second year for the appointed external auditor in auditing the annual financial statements of the Company. The audit results of fiscal year 2012 stated that the company's financial statements are fairly stated based on generally accepted accounting principles in Indonesia.

Internal Control System

The activities of the Internal Audit Division in 2012 are focused on evaluating FORU's performance in handling problems of systems and procedures. The audit plan that had been developed is for the purpose of managing and controlling any risks that have occurred so that the negative impacts can be reduced to the minimum. Each internal audit finding is reviewed and discussed in the Board of Directors meeting and followed up thoroughly to ensure negative findings will not re-occur and follow up on positive findings.

Throughout fiscal year 2012, the Internal Audit Division did not find things that can pose a significant risk to the company's operations. The description of the Internal Audit Report for 2012 is as follows:

- Operational Audit: audit of internal financial statements quarter I, II, II and year 2012
- Compliance Audit: audit of Standard Operating Procedure (SOP) in the division of Finance, Accounting, Human Capital Development, Corporate and Business Unit

Risk Management

In overcoming the challenges of marketing and communications industry, FORU puts forward the management principle of risk management based on risk aversion, risk transfer, reduction of risk negative effects of and gathering of some or all of the consequences of a particular risk.

Risk management is implemented through systematic, integrated, optimized and sustainable management procedures. Procedures for the implementation of risk management are started from a risk identification process, which aims to identify the various risk factors that may arise and hamper the operational and managerial processes of the company. The next step is controlling the risk, which is reflected in the implementation of risk management. FORU made various efforts required to minimize the probability of risks occurrence and improvement effort that reflects the restoration act in tackling the negative implications of those risks. Risk control efforts are always conducted and improved to prevent a significant decline in the value of the company while maintaining competitiveness in the midst of marketing and communications industry.

Company Risk Identification

In a meeting with the Board of Commissioners and/or the Division of Internal Audit and the Audit Committee, there were relevant discussions of business risks and risk mitigation. These risks are business risks that are material and have an impact on company performance. As for some of the risks identified in 2012 are as follows:

Credit Risk

Credit risk occurs when the debtor does not fulfill its liabilities in consumer contracts, which led to financial losses. FORU manages the credit risk of customers by conducting prudent credit analysis and approval, and also monitoring the outstanding amounts continuously to minimize bad debts.

FORU only conducts business with recognized and credible third parties. The Company has policy for all customers who wish to trade on credit terms then they should perform credit verification procedures. In addition, the amount of receivables is monitored continuously to reduce the risk of impairment of receivables.

Market Risk

Market risk occurs when the fair value of future cash flows from one financial instrument will fluctuate because of changes in market prices. The Company is affected by market risk, primarily by the interest rate risk.

a. Foreign Currency Exchange Risk

   Foreign currency exchange risk is the risk in terms of fair value or future cash flows from one financial instrument due to changes in exchange rates of foreign currencies. The Group is exposed to the risk of foreign currency exchange rates, which mainly arise from assets/liabilities of net monetary that are different from the functional currency of FORU. FORU closely monitors the fluctuations of foreign currency exchange rates so as to take the most beneficial step at the right time.

b. Interest Rate Risk

   Interest rate risk is the risk in terms of fair value or future cash flows from one financial instrument that fluctuates due to changes in market interest rates. The effect of changes in market interest rate risk is associated with loans from FORU that bears floating interest rate. FORU closely monitors fluctuations in market interest rates and market expectations so that they can take the most profitable measures in a timely manner. Management does not consider the need for any interest rate swap at this time.

Liquidity Risk

Liquidity risk is the risk in terms of FORU could not meet the maturing liabilities. Management evaluating and monitoring cash flows (cash-in) and cash outflow (cash-out) to ensure the availability of funds to meet the payment needs of maturing liabilities. In general, the need to repay the maturing short-term and long-term liabilities derived from sales to customers.

Capital Management Risk

FORU is faced with the capital risk to ensure that it will be able to continue its business sustainability, in addition to maximizing the profits of the shareholders, through the optimization of the debt and equity balance. FORU capital structure consists of debt, which includes loans and equity owners of the parent entity, comprising of issued capital, retained earnings and other equity components.

FORU directors periodically perform a detailed review of FORU capital structure. One aspect of this review is a study by the Directors of the cost of capital, and associated risks. FORU as the parent entity manages this risk by monitoring the ratio of debt to equity. FORU manages the capital structure and makes adjustments based on changes in economic conditions to maintain and adjust the capital structure. FORU may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There is no change in the objectives, policies and processes in the year ended December 31, 2012 and 2011.

Company Code of Conduct

In order to improve the implementation of GCG, FORU has formulated guidelines and ethical guidelines called 'Fortuner Guidelines' as the foundation for every Fortuner in interacting with stakeholders and fellow Fortuner. FORU is confident that by implementing the GCG gradually and consistently, it will improve and influence the mindset, attitudes, and behavior of every Fortuner. Fortuner Guideline has been in effect since 2002. In order to realize good and sustainable implementation of GCG, the guideline should be adhered to by every Fortuner, which covers the entire Board of Directors, as well as employees.

Fortuners Guideline consists of 9 items covering:

1. Initiative – Do not wait for orders – Take initiative on your own
2. Plan – Execute, Once initiated, finish it
3. Ideas – Be the fount of ideas
4. Cooperator – Establish cooperation with others
5. Open – Prepared listener finds a better way
6. Principled – Willing to find the most correct opinion
7. Lead – Take a pole position
8. Take the hard task – Likes challenge
9. Integrity – His word can be marked

Legal Disputes

In 2012, PT Fortune Adwicipta, a subsidiary of FORU, had a lawsuit in South Jakarta District Court with PT Pahala Kencana. The lawsuit is recorded under case No. 140/Pdt.G/2012/PN.Jkt.Sel. PT Fortune Adwicipta is the Defendant and PT Pahala Kencana is the Plaintiff.

Until the date of this annual report was prepared, there has been no binding decision for this court case.

Information Disclosure

FORU continues to provide the latest information that can be accessed easily and quickly by the stakeholders through the company's official website www.foru.co.id or through the Indonesia Stock Exchange, available at www.idx.co.id. FORU has presented important information that can be used by stakeholders to analyze the performance of the company, such as position, condition, financial performance and prospects available in the Annual Reports, Periodic Reports, Finance and Interim as well as press releases and other information disclosure to the public. The information continues to be updated regularly, so that the public always receives the latest information about FORU.

In addition, FORU also provides a means of internal communication for the Fortuners that consists of electronic and printed media. Through the portal of Galaktika, Fortuners can share everything from photos, blogs, news, and others. In addition to its function as networking services, it also serves as a forum of introductions for new Fortuners; through this portal the Fortuners manuals dedicated to the Fortuners can also be downloaded. A Blog of informational activities is managed by a team of corporate communications which also became an active communication means in the form of news and photos. Other means of communication is through utilizing an internal mailing list in addition to other mailing lists; in particular there is a religious mailing list where people can post religious news/ information.

In print media, the Fortuners use posters as one means of internal communication. The poster can be an invitation to help flood victims, the design competition among Fortuners and so forth. In additional, FORU also published the Hajar!! book which is a story of the 40-year struggle of Fortune since its establishment. This book is also serves as an introduction to the company, such as the values upheld by Fortune - also success stories of the company.

The effort of information dissemination is a commitment of FORU to meet the needs of the public's right regarding the information about the company as well as to apply the principles of good corporate governance, especially in terms of transparency and accountability.

Whistleblowing Policy

A Whistleblowing policy is a system to manage complaints/disclosures about illegal behavior as well as a high commitment to implement good corporate governance in accordance with its principles. As a public company, FORU protects all internal and external parties who wish to submit a complaint to the Audit Committee for any information deemed inappropriate or inaccurate. Particularly, the disclosure of information related to important areas such as annual or financial reports, press releases, and so on. This policy is also made so that any violations found externally or internally can be followed up immediately without disrupting ongoing business stability, affect the image and reputation of the company, as well as to create the climate of openness on all the company's resources while still ensuring that the whistleblower with the proper complaint will not experience losses due to FORU commitment to uphold ethical, moral, and legal.

Submission Procedures

1. By letter containing a description of the complaint addressed to: Audit Committee, Galaktika Building 2nd floor, Jalan Harsono RM No. 2, Ragunan, South Jakarta 12550
2. By email containing a description of the complaint addressed to: komiteaudit@foru.co.id

Admission of Report

1. The entire complaint submitted to the Audit Committee in the form of the letter shall be opened by at least two members of the Audit Committee, while complaints via email will be forwarded to all members of the Audit Committee. Letters that have been opened must be reported to the other members of the Audit Committee.

2. After the acceptance of letter, the appointed member of Audit Committee makes a list of complaints that contains:
   - Description of complaint
   - Actions taken related to the complaint as a result of the investigation
   - Result of review
   - Decision taken by the Audit Committee based on, but not limited to the recommendation of Commissioner, etc.
3. Access to the List of Complaints and related files is limited to members of the Audit Committee and other parties designated or approved by the Audit Committee.
4. The internal or external parties that intend to send a complaint may follow the procedures that have been mentioned by:
   - States the name without special request
   - States the name but with special request to keep the confidentiality of identity
   - As anonymous

The complaint is entered in full, either signed or anonymously, and will be studied, discussed and processed, according fair consideration to the evidence and contents of the complaint. When possible, the complainant is advised to include his or her identity for the sake of facilitating the investigative process. While the complainant is not required to appear, he or she needs to present a convincing case in order to prove his or her allegations.

Handling of and Response to the Complaint

1. Once a complaint is received, the Audit Committee will establish ways of handling. The Audit Committee may delegate the handling of the complaint to the appointed special team.
2. A complainant will receive follow-up information, dealing with the specifics of his or her complaints, unless he or she decides to remain anonymous, or does not wish to receive any such follow-up information. The follow-up information is in the form of:

- Notification of the acceptance of complaint
- Indication of the measures taken to deal the complaints
- Notification about the process of initial investigation
- Notification about whether or not further investigation is conducted and the reasons

3. The Whistleblower will be informed the results of the investigation by considering the legal aspects.
4. A Special team appointed by the Audit Committee reports the status of the investigation and all steps that have been taken at regular meetings of the Audit Committee.
5. All files related to the investigation will be treated confidentially and retained by the Audit Committee or other parties designated by the Audit Committee for five years.

Retaliation Prohibition

Company and all its employees are not allowed to take detrimental action to the party who has good intent in conveying the complaint according to the procedure, such as harassing, threatening, suspend, dismiss, or other discriminatory actions.

Baseless Accusations

Any complaints or allegations that have no basis, especially those that can damage the reputation of the company or certain employees, shall be considered as serious offense and may be subject to sanctions up to and including the termination of employment. Protection for whistleblowers as described in "Retaliation Prohibition" does not apply to the whistleblower that already knows the complaint and evidence are not valid or the truth is doubtful.

08

Our Social Responsibility

Along with a strong commitment to conduct a business based on good governance and best practices, FORU realizes that the company sustainability cannot be separated from external factors such as social and environmental ones. On this basis, FORU is also committed to fulfill its social responsibility towards the community and the surrounding environment. The commitment is based on the understanding that the company's existence cannot be separated from the role to contribute to society and the environment.

Some of the elements underlying this commitment are:

- CSR is part of the implementation of good corporate governance
- Global demands toward the implementation of good and equitable CSR
- Increase public attention towards business ethics and accountability
- Expectation that the company and the surrounding environment can grow together side by side

In terms of regulation, the implementation of corporate social responsibility (CSR) for public companies has been governed by Bapepam-LK through Bapepam Rule No. X.K.6 regarding the Submission of Annual Report for Public Company. The regulation becomes the foundation as well as guideline for FORU in realizing good and equitable social responsibility in all aspects. Under the Attachment of Chairman of Bapepam-LK No. Kep-431/BL/2012 dated August 1, 2012; the implementation of corporate social responsibility must meet the following aspects:

- Social and community development
- Environment
- Practices of employment and occupational health and safety
- Responsibility for the product or service

From these four aspects, the implementation of FORU's CSR places more emphasis on the aspects of social and community as well as the environment. However, this does not mean that FORU sets aside the vital role of other aspects. To realize a sustainable business, FORU is fully committed to promote the four aspects equally in coming years.

Social and Community Development

The CSR program of FORU for social and community development is focused on improving the quality of education and community development. Through these two efforts, FORU has a goal to improve the quality of life so as to create a better society. This objective has become the foundation of the establishment of Fortune Nursery in Pondok Pinang in 2008 Pendidikan Anak Usia Dini/PAUD , focused on early childhood education (2-4 years).

After the success of Fortune Nursery in Pondok Pinang, in 2012 FORU decided to open another Fortune Nursery in Ragunan. Inaugurated on May 15, 2012, Fortune Nursery has operated from February 2012 and already has 9 teachers and 57 students as of this writing. Throughout 2012, FORU has executed Fortune Nursery program in accordance with the approved provisions and program. The total funds that have been spent amounted to more than IDR 100.5 million.

In addition to focusing on the implementation of early childhood education, other CSR activities in the field of education also include scholarships for the children of non-staff Fortuners who excel in learning. The scholarship amounts to IDR 15 million in totals and given to 4 children of Fortuners (FORU employees), who earn the best grade among the other applicants in primary and secondary schools.

From a philanthropic aspect, FORU routinely conducts a CSR program that includes an annual blood donation, cataract surgery donation, as well as regular donations to celebrate Eid-al Adha. Every year, FORU has Eid-al Adha traditions of choosing the name of sacrificial animal donors via lottery to be the sohibul qurban for underprivileged people. FORU considers that the people should feel the benefits of the company's presence in their neighborhood. This has become the main concern of the company and an honor for the Fortuners.

Environment

Although the business activities of FORU do not interact directly with the environment, a commitment to environmental management remains a major concern of the company. This commitment is motivated by the concept that highlights the three pillars of sustainability (people, profit, and planet). As the embodiment of the planet pillar, FORU has implemented a paperless office system in company operations. It is expected that this effort can inspire the environmental conservation to each party from both internal and external aspects of the company.

In addition to the conversion of operational performance to digital media in order to minimize the use of paper, business units of FORU are also actively involved in the environmental conservation effort through green campaigns that developed with the clients. For example, Tupperware Green Living campaign of using reusable plastic containers in order to reduce the use of styrofoam, PET, and plastic waste. There is also the Ciliwung River restoration project that aims to streamline the efforts to river restoration and management in order to realize the desired goals of water quality from upstream to downstream. This project is part of collaboration between the Ministry of Environment, Republic of Indonesia, Korea Environmental Industry and Technology Institute (KEITI), and the Korea International Cooperation Agency (KOICA).

Other green initiative is undertaken jointly with the World Toilet Organization through the World Toilet Day annual campaign which aims at building global awareness on the importance of toilets and sanitation facilities for health. Together with Australian Aid (AusAID), the company also participated in the campaign about the importance of clean water for people in rural areas of the country as well as to provide clean water facility.

Employment and Occupational Health and Safety

In an effort to maintain the safety of Fortuners and protect company assets, FORU held a simulation of fire emergency response on October 21, 2012. This event was held at Gedung Galaktika, and followed by a FORU support team consisting of security, office boy, technician, general affairs, and housekeeping. In collaboration with Yayasan Aksesindo as the outsourced provider for FORU security services, this activity also aimed to establish the support team as the fire emergency response teams for Fortuners.

This is not the first example of implementation of this kind of simulation, since previously it was also done in 2010. In 2012, fire emergency response simulation activity was held to support the team and especially to refresh procedures, because this is the team that would become the vanguard of Fortuners when an emergency occurs. In the fire emergency response simulation, the support team is trained to deal with fire hazards using a burlap sack and a fire extinguisher (APAR). The technical information about fire fighting is also disseminated in written form to all Fortuners.

09

Corporate Information

Fortune Indonesia

Date of Establishment	May 05, 1970
Listed with Bappepam	December 27, 2001
Listed on the Jakarta Stock Exchange	January 17, 2002
Securities Administrative Bureau	PT Sinartama Gunita
Authorized Capital	IDR 100,000,000,000
Nominal Value per Share	IDR 100 per share
Issued and Paid Up Shares	465,224,000 shares
Stakeholders Composition	PT Fortune Daksa Pariwara : 29,400,000 shares (6.32%)
	PT Grha Adhika Fortune : 180,600,000 shares (38.82%)
	Public : 255,224,000 shares (54.86%)

Fortune Indonesia

BOARD OF COMMISSIONERS

Dedi S. Panigoro
Concurrently, President Commissioner and Independent Commissioner

Kasman Ardan
Commissioner

Miranty Abidin
Commissioner

Lucia N. Budiono
Commissioner

Eva Rianti Hutapea
Independent Commissioner

BOARD OF DIRECTORS

Indra Abidin
President Director

Herman Muljadi Sulaeman
Director

Gedung Galaktika
Jalan Harsono R.M. No. 2, Ragunan
Jakarta Selatan 12550
Indonesia
Tel. : +6221 782 7989
Fax. : +6221 7884 7524
Email : corsec@foru.co.id
Website : www.foru.co.id
www.fortuneindo.com

Fortune Pramana Rancang

BOARD OF COMMISSIONERS

Kasman Ardan
President Commissioner

Teddy Kharsadi
Commissioner

BOARD OF DIRECTORS

Miranty Abidin
President Director

Indira Ratna Dewi Abidin
Director

STAKEHOLDERS COMPOSITION

PT Fortune Indonesia Tbk
99%

Miranty Abidin
1%

Gedung Galaktika
Jalan Harsono R.M. No. 2, Ragunan
Jakarta Selatan 12550
Indonesia
Tel. : +6221 765 8506-07
Fax. : +6221 7884 5497
Email : manager@fortunepr.com
Website : www.fortunepr.com

Pelita Alembana

BOARD OF COMMISSIONERS

Indra Abidin
President Commissioner

Herman Muljadi Sulaeman
Commissioner

BOARD OF DIRECTORS

Aris Boediharjo
President Director

Charlie Pramudya Lesmana
Director

STAKEHOLDERS COMPOSITION

PT Fortune Indonesia Tbk
99%

Herman Muljadi Sulaeman
1%

Gedung Galaktika
Jalan Harsono R.M. No. 2, Ragunan
Jakarta Selatan 12550
Indonesia
Tel. : +6221 782 7989
Fax. : +6221 7884 47524
Email : secretary@pelitaalembana.com
Website : www.ihaveplanb.com

Fortune Adwicipta

BOARD OF COMMISSIONERS

Kasman Ardan
President Commissioner

Miranty Abidin
Commissioner

BOARD OF DIRECTORS

Aris Boediharjo
President Director

Yuliana Leonarda
Director

STAKEHOLDERS COMPOSITION

PT Fortune Indonesia Tbk
99%

Kasman Ardan
1%

Gedung Galaktika
Jalan Harsono R.M. No. 2, Ragunan
Jakarta Selatan 12550
Indonesia
Tel. : +6221 789 0491
Fax. : +6221 789 0512
Email : sekretaris@factinaction.com
Website : www.factinaction.com

Board of Commissioners and Dire

DEDI S. PANIGORO

KASMAN ARDAN

TEDDY KHARSADI

MIRANTY ABIDIN

LUCIA N. BUDIONO

EVA RIANTI HUTAPEA

ctors

INDRA ABIDIN

HERMAN MULJADI SULAEMAN

ARIS BOEDIHARJO

INDIRA RATNA DEWI ABIDIN

CHARLIE PRAMUDYA LESMANA

YULIANA LEONARDA

Responsibility Statement

We hereby declare that all information in the 2012 annual report of PT Fortune Indonesia Tbk has been comprehensively disclosed and fully responsible for the content accuracy of the company's annual report.

Thus, the statement was made truthfully.

Jakarta, April 30, 2013,

BOARD OF COMMISSIONERS

DEDI SJAHRIR PANIGORO
President Commissioner
and Independent Commissioner

KASMAN ARDAN
Commissioner

MIRANTY ABIDIN
Commissioner

LUCIA N. BUDIONO
Commissioner

EVA RIANTI HUTAPEA
Independent Commissioner

BOARD OF DIRECTORS

INDRA ABIDIN
President Director

HERMAN M. SULAEMAN
Director

Financial Statements

PT FORTUNE INDONESIA Tbk

AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AND INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2012 AND 2011

(INDONESIAN RUPIAH)

PT FORTUNE INDONESIA Tbk
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2012 AND 2011

(INDONESIAN CURRENCY)

These consolidated financial statements are originally issued in Indonesian language.

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2012 AND 2011

Table Of Contents

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This report is originally issued in Indonesian language.

Independent Auditors' Report

Report No.KNT&R-C2/0046/13

The Stockholders, Board of Commissioners and Directors
PT FORTUNE INDONESIA Tbk

We have audited the consolidated statements of financial position of PT Fortune Indonesia Tbk (the "Company") and Subsidiaries (collectively referred to as the Group) as of December 31, 2012 and 2011, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended. 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 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2012 and 2011, and the consolidated results of their operations, and cash flows for the years then ended in conformity with financial accounting standards in Indonesia.

As disclosed in Note 2c to the consolidated financial statements, effective on January 1, 2012, the Group has implemented certain revised "Pernyataan Standar Akuntansi Keuangan" (PSAKs/statement of financial accounting standards in Indonesia) and "Interpretasi Standar Akuntansi Keuangan" (ISAKs/interpretation of financial accounting standards in Indonesia) which became effective on January 1, 2012.

KOSASIH, NURDIYAMAN, TJAHJO & REKAN

Drs. Emanuel Handojo Pranadjaja, Ak.,CPA
Public Accountant Registration Number AP.0929

March 18, 2013

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

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011
(Expressed in Rupiah, unless otherwise stated)

	Notes	2012*)	2011
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2d, 2u, 4, 33	24,788,912,492	29,258,977,257
Trade receivables - third parties - net of provision for impairment of receivable of Rp 5,526,088,713 in 2012 and Rp 4,333,344,612 in 2011	2e, 2u, 5, 14, 27, 33	132,164,956,278	149,615,054,647
Other receivables - third parties	2e, 2u, 33	4,359,317,818	5,508,237,555
Service in progress	2f, 6	47,458,958,751	45,330,682,069
Advance and other current assets	2g, 7	15,923,351,752	16,281,428,697
Total Current Assets		224,695,497,091	245,994,380,225
NONCURRENT ASSETS			
Restricted time deposits	2d, 2u, 8, 14, 33	12,000,530,000	2,865,530,000
Employees receivables	2h, 2u, 9a, 33	1,661,387,270	2,433,674,795
Due from related party	2h, 2u, 9b, 33	1,168,007,910	-
Investment in Associate Company	2i, 10	4,053,807,590	-
Other long-term investment	2j, 2u, 11, 33	500,000,000	500,000,000
Fixed assets-net of accumulated depreciation of Rp 11,685,353,412 in 2012 and Rp 13,463,071,310 in 2011	2k, 2l, 2m, 12, 14, 16, 17, 27	8,799,589,739	10,092,896,159
Refundable deposits	2u, 13, 33	-	108,382,700
Deferred tax assets	2r, 18d	4,279,858,402	3,904,123,720
Claim for tax refund	2r, 18c	93,907,935	93,907,935
Total Noncurrent Assets		32,557,088,846	19,998,515,309
TOTAL ASSETS		**257,252,585,937**	**265,992,895,534**

**) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012 (Note 1c).*

The accompanying Notes to The Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
DECEMBER 31, 2012 AND 2011
(Expressed in Rupiah, unless otherwise stated)

	Notes	2012*)	2011
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Short-term bank loans	2u, 14, 33	41,018,957,787	6,464,962,385
Trade payables	2u, 15, 33		
Third parties		66,690,306,955	117,496,121,252
Related party	2h, 9c	163,326,343	-
Other payables - third parties	2u, 33	1,193,770,542	3,430,637,903
Taxes payable	2r, 18a	11,804,287,086	13,258,075,206
Accrued expenses	2u, 33	183.505.892	246,348,382
Current maturities of long-term liabilities			
Financing payable	2u, 16, 33	311,558,090	380,643,473
Lease payable	2m, 2u, 17, 33	31,481,328	-
Total Current Liabilities		121,397,194,023	141,276,788,601
NONCURRENT LIABILITIES			
Due to related party	2h, 2u, 9d, 33	200,000,000	-
Employees' benefits liabilities	2n, 19, 27	9,945,604,000	8,118,440,000
Long-term liabilities - net of current maturities			
Financing payable	2u, 16, 33	-	311,558,090
Lease payable	2m, 2u, 17, 33	60,339,228	-
Total Noncurrent Liabilities		10,205,943,228	8,429,998,090
TOTAL LIABILITIES		**131,603,137,251**	**149,706,786,691**

**) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012 (Note 1c).*

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)
DECEMBER 31, 2012 AND 2011
(Expressed in Rupiah, unless otherwise stated)

	Notes	2012*)	2011
EQUITY			
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY			
Capital stock - Rp 100 par value per share			
Authorized - 1,000,000,000 shares			
Issued and fully paid - 465,224,000 shares	20	46,522,400,000	46,522,400,000
Other components of equity	21		
Additional paid-in capital - net	2o	3,595,872,896	3,595,872,896
Difference in value of restructuring transaction entities under common control	2b	3,553,096,441	3,553,096,441
Retained earnings			
Appropriated	22	9,022,320,754	7,083,563,835
Unappropriated		62,655,557,991	55,265,880,861
Total Equity attributable to Owner of the Company		125,349,248,082	116,020,814,033
NONCONTROLLING INTEREST	2b, 23	300,200,604	265,294,810
TOTAL EQUITY		**125,649,448,686**	**116,286,108,843**
TOTAL LIABILITIES AND EQUITY		**257,252,585,937**	**265,992,895,534**

**) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012 (Note 1c).*

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2012 AND 2011
(Expressed in Rupiah, unless otherwise stated)

	Notes	2012*)	2011
REVENUES	2p, 25, 34	480,147,066,931	505,625,250,158
DIRECT COST	2p, 26	394,323,412,730	423,668,212,017
GROSS PROFIT		**85,823,654,201**	**81,957,038,141**
OPERATING EXPENSES	2p, 5, 12, 19, 27	69,311,996,531	64,360,320,237
OPERATING PROFIT		**16,511,657,670**	**17,596,717,904**
OTHER INCOME (EXPENSES)	2p, 34		
Interest income	28	1,175,388,132	1,175,301,553
Income from investment in the Associate Company	2i, 10	219,412,561	-
Gain on sale of fixed assets	2k, 12	93,632,250	119,581,818
Gain on foreign exchange - net	2q	81,537,326	91,492,433
Financing cost	29	(1,165,799,369)	(989,194,821)
Others	12, 30	102,385,980	(105,123,061)
Total Other Income - Net		506,556,880	292,057,922
INCOME BEFORE INCOME TAX EXPENSE		**17,018,214,550**	**17,888,775,826**
INCOME TAX EXPENSE	2r, 18b, 34	(4,359,602,717)	(4,934,815,832)
INCOME FOR THE YEAR		**12,658,611,833**	**12,953,959,994**
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		**12,658,611,833**	**12,953,959,994**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owner of the Company		12,585,002,049	12,925,046,128
Noncontrolling Interest	2b, 23	73,609,784	28,913,866
TOTAL		**12,658,611,833**	**12,953,959,994**
EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNER OF THE COMPANY	2t, 24	**27**	**28**

**) Excluded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012 (Note 1c).*

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2012 AND 2011
(Expressed in Rupiah, unless otherwise stated)

			Other Components of Equity		Retained Earnings				
	Notes	**Capital Stock**	**Additional Paid-in Capital - Net**	**Difference In Value Of Restructuring Transaction Entities Under Common Control**	**Appropriated**	**Unappropriated**	**Total Equity Attributable to Owner of the Company**	**Noncontrolling Interest**	**Total Equity**
Balance January 1, 2011		**46,522,400,000**	**3,595,872,896**	**3,553,096,441**	**5,636,240,045**	**45,649,054,521**	**104,956,663,903**	**236,380,944**	**105,193,044,847**
General reserve	22	-	-	-	1,447,323,790	(1,447,323,790)	-	-	-
Dividend	22	-	-	-	-	(1,860,895,998)	(1,860,895,998)	-	(1,860,895,998)
Comprehensive Income for 2011		-	-	-	-	12,925,046,128	12,925,046,128	28,913,866	12,953,959,994
Balance December 31, 2011		**46,522,400,000**	**3,595,872,896**	**3,553,096,441**	**7,083,563,835**	**55,265,880,861**	**116,020,814,033**	**265,294,810**	**116,286,108,843**
Dilutive effect	1c	-	-	-	-	-	-	(38,703,990)	(38,703,990)
General reserve	22	-	-	-	1,938,756,919	(1,938,756,919)	-	-	-
Dividend	22	-	-	-	-	(3,256,568,000)	(3,256,568,000)	-	(3,256,568,000)
Comprehensive Income for 2012		-	-	-	-	12,585,002,049	12,585,002,049	73,609,784	12,658,611,833
Balance December 31, 2012		**46,522,400,000**	**3,595,872,896**	**3,553,096,441**	**9,022,320,754**	**62,655,557,991**	**125,349,248,082**	**300,200,604**	**125,649,448,686**

The accompanying Notes to The Consolidated Financial Statements form an integral part of these Consolidated Financial Statements.

PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011
(Expressed in Rupiah, unless otherwise stated)

	2012*)	**2011**
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	495,652,453,834	516,349,274,677
Cash paid to suppliers and employees	(499,734,281,425)	(520,037,172,778)
Received from (payment for):		
Interest income	1,175,388,132	1,175,301,553
Financing cost	(1,165,799,369)	(989,194,821)
Income taxes	(6,406,562,884)	(1,253,474,415)
Other operating activities	(11,541,537,229)	(7,227,563,625)
Net cash used for operating activities	(22,020,338,941)	(11,982,829,409)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	740,425,000	119,581,818
Receive from insurance claim	133,300,000	-
Placement of restricted deposits	(9,135,000,000)	(2,865,530,000)
Acquisition of fixed assets	(2,234,228,782)	(2,402,372,078)
Net cash used for investing activities	(10,495,503,782)	(5,148,320,260)
CASH FLOW FROM FINANCING ACTIVITIES		
Received from bank loans	34,553,995,402	4,717,243,622
Payment of cash dividends	(3,256,568,000)	(1,860,895,998)
Addition (payment) of financing payable	(380,643,473)	692,201,563
Payment of due to related party	(133,544,794)	-
Received from due from related party	(63,760,600)	-
Payment of lease payable	(43,099,444)	-
Net cash provided by financing activities	30,676,379,091	3,548,549,187
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(1,839,463,632)**	**(13,582,600,482)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**29,258,977,257**	**42,841,577,739**
CASH AND CASH EQUIVALENTS OF PT FORTUNE TRAVINDO AT BEGINNING OF THE YEAR	**(2,630,601,133)**	**-**
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**24,788,912,492**	**29,258,977,257**

**) Excuded PT Fortune Travindo which deconsolidated by the Company on November 14, 2012 (Note 1c).*

1. GENERAL INFORMATION

a. The Company's Establishment

PT Fortune Indonesia Tbk (the "Company"), was established in Indonesia based on Notarial Deed No. 5 dated May 5, 1970 of Dian Paramita Tamzil, S.H., with the name of PT Fortune Indonesia Advertising Company. The Deed of Establishment was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. JA 5/67/21 dated September 12, 1970 and published in the State Gazette No. 83, Supplement No. 389 dated October 17, 1972. The Company's name changed from PT Fortune Indonesia Advertising Company to PT Fortune Indonesia based on the amendment of its Article of Association No. 51 of Mrs. Toety Juniarto, S.H., dated September 21, 2001 and was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. C-08991.HT.01.04. TH.2001 and published in the State Gazette No. 98, Supplement No. 8029 dated December 7, 2001.

The Company's articles of association has been amended several times, most recently by Notarial Deed No. 10, dated October 31, 2008, of Leolin Jayayanti, S.H., to conform with Corporate Law No. 40 year 2007. The latest amendment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia through its Decision Letter No. AHU 98038.HT.01.02. Year 2008 dated December 18, 2008 and was published in the State Gazette No. 28, Supplement No. 9716 dated April 7, 2009.

According to Article 3 of the Company's articles of association, the scope of activities of the Company is marketing communication services which consists of advertising services, public relation services, travel marketing, and multimedia. The Company is domiciled at Galaktika Building, Jl. Harsono R.M. No. 2 Ragunan, South Jakarta.

The Company started its comercial operations since 1970.

b. Initial Public Offering

On December 27, 2001, the Company obtained effective notification approval from the Chairman of the Capital Market Supervisory Agency (BAPEPAM) in its letter No. S-4067/PM/2001 for conducting an initial public offering of 205,000,000 shares with par value of Rp 100 at offering price of Rp 130 per share, with the issuance of 102,500,000 Warrant Seri I. On January 17, 2002, the Company has already listed all its shares and warrant in the Indonesia Stock Exchange.

c. The Consolidated Subsidiaries

As of December 31, 2012 and 2011, the Company has investment in shares of stocks in Subsidiaries as follows:

		2012			
Subsidiaries	**Domicile**	**Commercial Operation**	**Percentage Of Ownership**	**Total Assets (Rp 000)**	**Scope of Activities**
PT Pelita Alembana (PA)	Jakarta	1981	99%	37,287,884	Advertising
PT Fortune Pramana Rancang (FPR)	Jakarta	1980	99%	48,256,427	Public Relation
PT Fortune Adwicipta (FAC)	Jakarta	1985	99%	10,621,074	Graphics Design

1. GENERAL INFORMATION (continued)

c. The Consolidated Subsidiaries (continued)

2011					
Subsidiaries	**Domicile**	**Commercial Operation**	**Percentage Of Ownership**	**Total Assets (Rp 000)**	**Scope of Activities**
PT Pelita Alembana (PA)	Jakarta	1981	99%	37,913,665	Advertising
PT Fortune Pramana Rancang (FPR)	Jakarta	1980	99%	22,323,954	Public Relation
PT Fortune Adwicipta (FAC)	Jakarta	1985	99%	10,250,985	Graphics Design
PT Fortune Travindo (FT)	Jakarta	1989	99%	7,619,674	Travel Marketing

Dilution of shares of stock of PT Fortune Travindo (FT)

On October 17, 2012, based on the result of Extraordinary Shareholders' General Meeting (Rapat Umum Pemegang Saham Luar Biasa/RUPSLB) of FT which was notarized by Notarial Deed of Leolin Jayayanti, SH No. 30 on the same date, the shareholders approved changes in authorized capital, issued and paid-up capital, approval of investment plans and approval of getting new loan. The result of RUPSLB was confirmed in deed of Statement of Shareholders' Resolution of FT notarized by Leolin Jayayanti, S.H., No. 16 dated November 14, 2012, which stated that all shareholders of FT agreed to:

- Increase the authorized capital of FT from Rp 9,000,000,000 became Rp 40,000,000,000.
- Increase the issued and paid-up capital of FT from Rp 2,272,700,000 became Rp 11,250,000,000.
- Conduct issuance of shares in portfolio amounted to Rp 8,977,300,000 or 8,977,300 shares, with nominal Rp 1,000.

The deed amendments was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-64967.AH.01.02.Th.2012 dated December 20, 2012.

In the Extraordinary Shareholders' General Meeting notarized by Leolin Jayayanti, S.H., No. 5 dated June 13, 2012, the Company's shareholders approved not to use its preemptive rights related with the issuance of FT shares in portfolio. As a result, the Company investment portion in the FT was diluted from 99% to 20% and lead to the deconsolidation of FT financial statements from the Group's consolidated financial statements as of December 31, 2012.

d. Boards of Commissioners, Directors, Audit Committee, and Total Employees

As of December 31, 2012 and 2011, the members of the Company's boards of commissioners and directors based on Notarial Deed No. 16 dated July 21, 2011, of Leolin Jayayanti, S.H., are as follows:

Board of Commissioners

President and Independent Commissioner	:	Dedi Sjahrir Panigoro
Independent Commissioner	:	Farida Eva Rianty Hutapea
Commissioner	:	Kasman Ardan
Commissioner	:	Miranty Abidin
Commissioner	:	Lucia Novenna Budiono

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL INFORMATION (continued)

d. Boards of Commissioners, Directors, Audit Committee, and Total Employees (continued)

Directors

President Director	:	Indra Abidin
Director	:	Herman Muljadi Sulaeman

The composition of the Company's audit committee, as of December 31, 2012 and 2011, are as follows :

Audit Committee

Chairman	:	Dedi Sjahrir Panigoro
Member	:	Alexander Ronald Sindhika
Member	:	Dharmawan Sutanto

On December 31, 2012 and 2011, the Company appointed Indira Ratna Dewi Abidin as the Corporate Secretary of the Company.

As of December 31, 2012 and 2011, the Group have 318 and 257 permanent employees (unaudited), respectively.

e. Completion of The Consolidated Financial Statements

The management of the Company are responsible for the preparation of these consolidated financial statements that were completed and authorized for issued on March 18, 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been presented in accordance with "Standar Akuntansi Keuangan" (SAK/financial accounting standards), which comprise "Pernyataan Standar Akuntansi Keuangan" (PSAK/statements financial accounting standards) and "Interpretasi Pernyataan Standar Akuntansi Keuangan" (ISAK/interpretations of financial accounting standards) issued by Board of the Financial Accounting Standards of the Indonesian Institute of Accountants (DSAK) and the Regulations No. VIII.G.7 about "Financial Statement Presentation and Disclosure of Public Listed Company" which are attached in the Decision Letter of the Chairman of Capital Market and Financial Institutions Supervisory Board (BAPEPAM dan LK) No. KEP-347/PM/2000 dated June 25, 2012. As disclosed further in the relevant succeeding Notes, several amended and published accounting standards were adopted effective January 1, 2012.

The consolidated financial statements are prepared in accordance with PSAK No. 1 (revised 2009), "Presentation of Financial Statements".

PSAK No. 1 (revised 2009) regulates the presentation of financial statements as to, among others, the objective, components of financial statements, fair presentation, materiality and aggregation, offsetting, distinction between current and non-current assets and short-term and long-term liabilities, comparative information and consistency, and introduces new disclosures such as, among others, key estimations and judgements, capital management, other comprehensive in departures from accounting standards and statement of compliance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of the Consolidated Financial Statements (continued)

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the years ended December 31, 2011, except for the adoption of several amended PSAK effective January 1, 2012 as disclosed in this notes.

The consolidated financial statements have been prepared on the accrual basis using the historical cost concept, except for certain accounts which are measured by the measurement as described in the accounting policy for each account.

The consolidated statements of cash flows have been prepared using the direct method, presenting cash receipts and payments classified into operating, investing and financing activities.

The reporting currency used in the preparation of the consolidated financial statements is Indonesian Rupiah, which is the functional currency of the Group. .

b. Principles of Consolidation

The Group retrospectively adopted PSAK No. 4 (revised 2009), “Consolidated and Separate Financial Statements”, except for the following items that were applied prospectively: (i) losses of a Subsidiary that result in a deficit balance to non-controlling interests (“NCI”); (ii) loss of control over a Subsidiary; (iii) change in the ownership interest in a Subsidiary that does not result in a loss of control; (iv) potential voting rights in determining the existence of control; (v) consolidation of a Subsidiary that is subject to long-term restriction.

PSAK No. 4 (revised 2009) provides for the preparation and presentation of consolidated financial statements for a group of entities under the control of the parent company, and the accounting for investments in Subsidiaries, jointly controlled entities and associated entities when separate financial statements are presented as additional information.

The financial statements of the Subsidiaries are prepared for the same reporting period as the Parent Company. The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the Group, unless otherwise stated.

The consolidated financial statements includes PA, FPR, FAC, Subsidiaries, as mentioned in Note 1c, in which the Company owns more than 50% share ownership for the year 2012, while the 2011 consolidated financial statements includes financial statements of PA, FPR, FAC and FT.

All significant intercompany transactions and account balances including the related significant unrealized gains or losses, if any, have been eliminated to reflect the financial position and operating results of the Group as one business entity.

Subsidiaries are fully consolidated from the date of acquisitions, being the date on which the Company obtained control, and continue to be consolidated until the date such control ceases. Control is presumed to exist if the Company owns, directly or indirectly through Subsidiary, more than a half of the voting power of an entity.

Losses of non-fully owned Subsidiaries are attributed to the NCI even if that results in a deficit balance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

In case of loss of control over a Subsidiary, the Company:

- derecognizes the assets (including goodwill) and liabilities of the Subsidiary;
- derecognizes the carrying amount of any NCI;
- derecognizes the cumulative translation differences, recorded in equity, if any;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in the statement of comprehensive income; and
- reclassifies the Company's share of components previously recognized in other comprehensive income to statement of comprehensive income or retained earnings, as appropriate.

NCI represents the portion of the profit or loss and net assets of the Subsidiaries not attributable directly or indirectly to the Company, which are presented in the consolidated statement of comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the owner of the Company.

Difference in Value of Restructuring Transaction Entities Under Common Control

In accordance with PSAK No. 38, "Accounting for Restructuring Under Common Control", the difference between the transfer value with net book value of assets, liabilities, shares or other ownership instrument among under common control entities are not presented as profit and loss. The difference are presented as "Difference in Value of Restructuring Transaction Entities Under Common Control" as part of equity in the consolidated statements of financial position.

c. Adoption of Other PSAK and ISAK Revision

Other than the revised accounting standards previously mentioned, efective on January 1, 2012, the Group also adopted the following revised PSAK and ISAK, efective on January 1, 2012, which are considered relevant:

PSAK

- PSAK No. 10 (revised 2010), "The Effects of Changes in Foreign Exchange Rates".
- PSAK No. 16 (revised 2011), "Fixed Assets".
- PSAK No. 24 (revised 2010), "Employee Benefits".
- PSAK No. 26 (revised 2011), "Borrowing Costs".
- PSAK No. 30 (revised 2011), "Leases".
- PSAK No. 46 (revised 2010), "Accounting for Income Taxes".
- PSAK No. 50 (revised 2010), "Financial Instruments: Presentation".
- PSAK No. 55 (revised 2011), "Financial Instruments: Recognition and Measurement".
- PSAK No. 56 (revised 2011), "Earnings per Share".
- PSAK No. 60, "Financial Instruments: Disclosures".

ISAK

- ISAK No. 23, "Operating Leases – Incentives".
- ISAK No. 24, "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".
- ISAK No. 25, "Land Rights".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Adoption of Other PSAK and ISAK Revision (continued)

The following are revised accounting standards and interpretations which effective on January 1, 2012, but considered irrelevant to the Group's consolidated financial statements:

PSAK

- PSAK No. 13 (revised 2011), "Investment Property".
- PSAK No. 18 (revised 2010), "Accounting and Reporting by Retirement Benefit Plans".
- PSAK No. 28 (revised 2011), "Accounting for Insurance Losses Contracts".
- PSAK No. 33 (revised 2011), "Accounting for General Mining".
- PSAK No. 34 (revised 2010), "Construction Contract".
- PSAK No. 36 (revised 2011), "Accounting for Life Insurance Contracts".
- PSAK No. 45 (revised 2011), "Financial Reporting for Non-profit Organization".
- PSAK No. 53 (revised 2010), "Share based Payment".
- PSAK No. 61, "Accounting of Government Grants and Disclosure of Government Assistance".
- PSAK No. 62, "Insurance Contracts".
- PSAK No. 63, "Financial Reporting in Hyperinflationary Economies".
- PSAK No. 64, "Exploration and Evaluation of Mineral Resources".

ISAK

- 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 with Operating Activities".
- ISAK No. 19, "Applying the Restatement Approach under PSAK No. 63: Financial Reporting in Hyperinflationary Economies".
- ISAK No. 20, "Income Taxes - Changes in the Tax Status of an Entity or its Shareholders".
- ISAK No. 22, "Service Concession Arrangements: Disclosures".
- ISAK No. 26, "Reassessment of Embedded Derivatives".

PPSAK

- PPSAK No. 7, Withdrawal of PSAK No. 44: "Accounting for Real Estate Development Activities".
- PPSAK No. 8, Withdrawal of PSAK No. 27: "Accounting for Cooperatives".
- PPSAK No. 9, Withdrawal of ISAK No. 5: "Interpretation on Par.14 PSAK No. 50 (1998) Regarding Reporting of Changes in Fair Value of Available for Sale Investment Securities".
- PPSAK No. 11, Withdrawal of PSAK No. 39: "Accounting for Joint Venture".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Cash and Cash Equivalents and Restricted deposits

Cash and cash equivalents include cash on hand and cash in banks and time deposits with maturities of three months or less from the time of placement and not pledged as collateral and not restricted.

Time deposits with maturities of more than 3 (three) months from the date of placement, used as collateral and restricted used is recorded as "Restricted Deposits" in the consolidated statements of financial position.

e. Provision for Impairment of Receivables

The Group determined provision for impairment based on PSAK No. 55 (revised 2011) (Notes 2u).

f. Service-in Progress

All the expenses disbursed in relation to the advertising services, graphics design, and certain programming services are accumulated and charged to direct cost at the time revenue are recognized, which is, at the completion of the services and has already been approved by the customers.

While all the expenses disbursed in relation to the public relation and exhibition sevices are accumulated and charged to direct cost at the time revenue are recognized, which is, determined by the percentage of job completion.

g. Prepaid expenses

Prepaid expenses are amortized over their beneficial periods in the consolidated statements of comprehensive income by straight-line method.

h. Transactions with Related Parties

The Group applied PSAK No. 7 (revised 2010), “Related Party Disclosures”. The revised PSAK requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated financial statements.

A party is considered to be related to the Group if:

a. Directly, or indirectly through one or more intermediaries, the party (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives its significant influence over the Group; or, (iii) has joint control over the Group.
b. The party is an associate of the Group;
c. The party is a joint venture in which the Group is a venturer;
d. The party is a member of the key management personnel of the Group or its parent;
e. The party is a close member of the family of any individual referred to in (a) or (d);
f. The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
g. The party is a post employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

The transactions are made based on terms agreed by the parties in which such terms may not be the same as those of the transactions between unrelated parties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h. Transactions with Related Parties (continued)

All significant transactions and balances with related parties are disclosed in the relevant notes herein.

i. Investment in Associate Company

The Group applied PSAK No. 15 (revised 2009), “Investments in Associate Companies”. The revised PSAK is applied retrospectively and prescribes the accounting for investments in associate companies as to determination of significant influence, accounting method to be applied, impairment in value of investments and separate financial statements. The adoption of the said revised PSAK has no significant impact on the consolidated financial statements.

The Group’s investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the cost of investment is increased or decreased by the Group’s share in net earnings or losses of, and dividends received from the investee since the date of acquisition. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of an associate is shown on the face of the profit or loss. This is the profit attributable to equity holders of the associate and therefore is profit after tax NCI in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines whether it is necessary to recognize an additional impairment loss on the Group’s investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value, and recognizes the amount in the consolidated statements of comprehensive income.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j. Other Long-Term Investments

Investments in shares of stock with ownership interest of less than 20% that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost. The carrying amount of the investments is written down to recognise a permanent decline in value of the individual investments. Any such write-down is charged directly to the consolidated statements of comprehensive income.

k. Fixed Assets

Effective January 1, 2012, the Group adopted PSAK No. 16 (revised 2011), “Fixed Assets”. The revised PSAK prescribes the accounting treatment for fixed assets that users of the financial statements can understand information about an entity's investment in its fixed assets and the changes in such investment. The principal issues in accounting for fixed assets are the recognition of the assets, the determination of their carrying amounts, the depreciation charges and impairment in fixed assets.The adoption of this revised PSAK has no significant impact on the consolidated financial statements.

The Group has chosen cost model as the accounting policy for its fixed assets.

Fixed assets are stated at cost less accumulated depreciation and any impairment loss. Such cost includes the cost of replacing part of the fixed assets when the cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the assets as a replacement if the recognition criteria are met. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred.

Depreciation is computed, using the straight-line method over the estimated useful lives of the assets as follows:

	Years
Building and improvements	20
Machinery and installations	10
Studio equipments	5 - 10
Office equipment	5 - 10
Motor vehicles	4

The carrying value of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets is is recognized in the consolidated statements of comprehensive income in the year the asset is derecognized.

The residual values, estimated useful lives, and depreciation method are reviewed and adjusted, at year end, if necessary.

l. Impairment of Nonfinancial Assets

The Group prospectively adopted PSAK No. 48 (revised 2009), “Impairment of Assets”, including goodwill and assets acquired from business combinations before January 1, 2011. PSAK No. 48 (revised 2009) superseded PSAK No. 48 (revised 1998), “Impairment of Assets”.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l. Impairment of Nonfinancial Assets (continued)

PSAK No. 48 (revised 2009) prescribes the procedures to be employed by an entity to ensure that its assets are carried at no more than their recoverable amounts. An asset is carried at more than its recoverable amount if its carrying amount exceeds the amount to be recovered through use or sale of the asset. If this is the case, the asset is described as impaired and this revised PSAK requires the entity to recognize an impairment loss.

The Group assesses at each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, The Group make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of the asset's or its CGU's fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the consolidated statements of comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses of continuing operations, if any, are recognized in the consolidated statements of comprehensive income under expense categories that are consistent with the functions of the impaired assets.

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss for an asset other than goodwill is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the consolidated statement of comprehensive income. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Management believes that there is no indication of potential impairment in values of non-financial assets as of December 31, 2012 and 2011.

m. Leases

Effective January 1, 2012, the Group adopted PSAK No. 30 (revised 2011), "Leases". The revised PSAK prescribes, for lessees and lessors, the appropriate accounting policies and disclosure to apply in relation to leases which applies to agreements that transfer the right to use assets even though substantial services by the lessor may be called for in connection with the operation or maintenance of such assets. The adoption of this revised PSAK has no significant impact on the consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m. Leases (continued)

The Group applied PSAK No. 30 (revised 2011) “Leases”, the classification of leases is based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee, and the substance of the transaction rather than the form.

A lease is classified as a finance lease if it transfer substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

At the commencement of the lease term, lessees shall recognize finance leases as assets and liabilities in their statements 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. Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Depreciation expense for depreciable assets as well as finance expense for each accounting period shall be consistent with that for depreciable assets that are owned. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

n. Employee’s Benefits Liabilities

Effective January 1, 2012, the Group adopted PSAK No. 24 (revised 2010), “Employee Benefits”. In addition, the Group also applied ISAK No. 15, “PSAK No. 24: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction”.

PSAK No. 24 (revised 2010) provides guidance for the calculation and additional disclosures for employee benefits with some transitional provisions. It provides an option for recognition of actuarial gains or losses in addition to using the corridor approach, that is, the immediate recognition of actuarial gains or losses in the period in which such gains or losses occur as part of other comprehensive income.

The adoption of PSAK No. 24 (revised 2010) did not have significant impact on the consolidated financial statements, except for the required disclosures. The Group chose to retain the existing policy for recognizing actuarial gains or losses, which is using the corridor approach. The adoption of ISAK No. 15 did not have significant impact on the consolidated financial statements.

Short-term employee benefits are recognized when they accrue to the employees.

Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 (“Law 13/2003”).

The Company is required to provide a minimum amount of pension benefits in accordance with Law 13/2003. The Group’s pension plan based on the calculation of the benefit obligation performed by the actuaries provides that the expected benefits under the Group’s pension plan will exceed the minimum requirements of the Labor Law.

The cost of providing post-employment benefits is determined using the Projected Unit Credit method. The accumulated unrecognized actuarial gains or losses that exceed 10% of the present value of the defined benefit obligations at the beginning of the reporting period is recognized on a straight-line basis over the expected average remaining working lives of the participating employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Employee's Benefits Liabilities (continued)

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the fair value of plan assets or 10% of the present value of the defined benefit obligations at the beginning of the period are amortized and recognized as expense or gain over the expected average remaining service periods of qualified employees.

Past-service costs are recognized as an expense on a straight line basis over the average period until the benefits become vested. If the benefits have already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognized immediately.

The Group recognized gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprise change in the present value of the defined obligation and any related actuarial gains and losses and past service cost that had not previously been recognized.

o. Additional Paid-in Capital - Net

Additional paid-in capital - net represents the difference between the proceeds from initial public offering of the Company's shares with par value per share, less expenses incurred in relation with that initial public offering.

p. Recognition of Revenue and Expenses

The Group adopted PSAK No. 23 (revised 2010), "Revenue". The revised PSAK identifies the circumstances in which the criteria on revenue recognition will be met and, therefore, revenue may be recognized, and prescribes the accounting treatment of revenue arising from certain types of transactions and events, and also provides practical guidance on the application of the criteria on revenue recognition.

Revenue arise from services of:

- Advertising production and graphics design are recognized at the completion of the services and has already been approved by the customers.
- Media, are recognized when the advertisement has been performed and has already been approved by the customers.
- Ticketing, travel, hotel reservation, cargo and document administration are recognized when the services has been renderred to the customers.
- Public relations and exhibition, are recognized based on the percentage of completion or in accordance with the requirements stated in the contract.

Expenses are recognized when incurred or in accordance with their beneficial periods (accrual method).

q. Foreign Currency Transactions and Balances

Effective January 1, 2012, the Group adopted PSAK No. 10 (revised 2010), "The Effects of Changes in Foreign Exchange Rates". The adoption of this PSAK No. 10 (revised 2010) has no significant impact on the financial reporting.

The accounting record of the Group are maintained in Rupiah. Transactions during the period involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At the consolidated statements of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted using the Bank Indonesia's middle rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to current consolidated statements of comprehensive income.

(Expressed in Rupiah, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

q. Foreign Currency Transactions and Balances (continued)

Transactions denominated in foreign currencies are converted into Rupiah at the exchange rate prevailing at the date of transactions. At the consolidated statements of financial position date, monetary assets and liabilities in foreign currencies are translated into Rupiah to reflect the last published prevailing rate of exchange by Bank of Indonesia for the current period. Exchange gains or losses arising are credited or charged to the consolidated statements of comprehensive income.

As of December 31, 2012 and 2011, the exchange rate used are as follows:

	2012	2011
1 Euro (EUR)	12,810	11,739
1 Australian Dollar (AUD)	10,025	9,203
1 United States Dollar (USD)	9,670	9,068
1 Singapore Dollar (SGD)	7,907	6,974
1 China Yuan (CNY)	1,537	1,439
1 Hongkong Dollar (HKD)	1,247	1,167

r. Taxation

Effective January 1, 2012, the Group applied PSAK No. 46 (revised 2010), “Income Taxes”. Moreover, the Group also applied ISAK No. 20, “Income Taxes - Changes in the Tax Status of an Entity or its Shareholders”. The adoption of these standards did not have material impact on the consolidated financial statements.

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current tax expense is provided based on the estimated taxable income for the year.

Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, and the carry forward of unused tax losses can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the benefit of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

r. Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted at the end of reporting period. The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are included in the consolidated statement of comprehensive income of the current year.

Deferred tax assets and liabilities are offset when a legally enforceable right exists to offset current tax assets against current tax liabilities, or the deferred tax assets and the deferred tax liabilities relate to the same taxable entity, or the Group intends to settle its current assets and liabilities on a net basis.

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

s. Segment Information

The Group applied PSAK No. 5 (revised 2009), “Operating Segments”. The revised PSAK requires disclosures that will enable users of financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates.

Segment is a special part of the Group which is involved either in providing products and services (business segment), or in providing products and services within a particular economic environment (geographical segment), which are subject to risks and returns that are different from other segments.

Revenues, expenses, results, assets and liabilities segment include items directly attributable to the segment as well as things that can be allocated using the appropriate basis to the segment. Segments determined before balances and transactions between the Group, are eliminated as part of the consolidation process.

Geographical segment are not presented since all business activities of the Company and Subsidiaries are performed in Jakarta.

t. Earnings per Share

Effective January 1, 2012, the Group adopted PSAK No. 56 (revised 2011), “Earnings Per Share”. The revised PSAK prescribes principles for the determination and presentation of earnings per share, so as to improve performance comparisons between different entities in the same period and between different reporting periods for the same entity. The adoption of this revised PSAK has no significant impact on the consolidated financial statements.

Earnings per share is computed by dividing net income by the weighted average number of shares outstanding in the year. Weighted average shares outstanding for the years ended December 31, 2012 and 2011 is amounting to 465,224,000 shares.

u. Financial Assets and Financial Liabilities

Effective January 1, 2012, the Group has adopted PSAK No. 50 (revised 2010), “Financial Instruments: Presentation”, PSAK No. 55 (revised 2011), “Financial Instruments: Recognition and Measurement”, and PSAK No. 60, “Financial Instruments: Disclosures”. These PSAKs were applied prospectively.

PSAK No. 50 (revised 2010) “Financial Instruments: Presentation”, establishes the principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial Assets and Financial Liabilities (continued)

PSAK No. 55 (revised 2011), “Financial Instruments: Recognition and Measurement”, establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

PSAK No. 60 introduces new disclosures to improve the information about financial instruments. It requires extensive disclosures about the significance of financial instruments for an entity’s financial position and performance, and quantitative and qualitative disclosures on the nature and extent of risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, as well as sensitivity analysis to market risk. It also requires disclosures relating to fair value measurements using a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values and provides more direction in the form of quantitative disclosures about fair value measurements and requires information to be disclosed in a tabular format unless another format is more appropriate.

The adoption of PSAK No 50 and PSAK No. 55 have no significant impact on the consolidated financial statements.

The adoption of PSAK No. 60 has an impact on the disclosures in the consolidated financial statements.

<u>Classification</u>

i. Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition.

The Group's financial assets consist of cash and cash equivalents, trade receivable - third parties, other receivables - third parties, resricted deposits, employees receivables, due from related party, other long-term investment, and refundable deposits.

ii. Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss and financial liabilities measured at amortized cost. The Group determines the classification of its financial liabilities at initial recognition.

The Group financial liabilities consist of short-term bank loans, trade payables third parties and related parties, other payables - third parties, accrued expenses, due to related party, financing payable and lease payables.

<u>Recognition and measurement</u>

i. Financial assets

Financial assets are recognized initially at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The subsequent measurement of financial assets depends on their classification.

All regular way purchases and sales of financial assets are recognized on the trade date - the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial Assets and Financial Liabilities (continued)

Recognition and measurement (continued)

i. Financial assets (continued)

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, such financial assets are carried at amortized cost using the effective interest rate method less impairment, except for those assets in which the interest calculation is not material. Gains or losses are recognized in profit or loss when the financial assets are derecognized or impaired, as well as through the amortization process.

ii. Financial liabilities

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

- Financial liabilities measured at amortized cost

  Financial liabilities measured at amortized cost are measured, subsequent to initial recognition, at amortized cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost.

  The related interest expense is recognized within “Finance Costs” in profit or loss. Gains and losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the amortization process.

Offsetting of financial instuments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Fair value of financial instruments

The fair values of financial instruments that are actively traded in organized financial markets, if any, are determined by reference to quoted market bid or ask prices at the close of business at the end of the reporting period.

For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis; or other valuation models.

Amortized cost of financial instruments

Amortized cost is computed using the effective interest rate method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u. Financial Assets and Financial Liabilities (continued)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Derecognition

i. Financial assets

The Group derecognizes a financial asset if, and only if, the contractual rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii. Financial liabilities

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in consolidated statements of comprehensive income.

3. USE OF JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts herein, and the related disclosures, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3. USE OF JUDGEMENTS, ESTIMATES, AND ASSUMPTIONS (continued)

Judgements

The following judgements are made by the management in implementing accounting policies the Group has significant influence are recognized in the consolidated financial statements:

Classification of financial instruments

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK No. 55 (revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2u.

Allowance for Impairment of Trade Receivables

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgement, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts thatthe Group expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivables. The carrying amount of the Group's trade receivables before allowance for impairment as of Desember 31, 2012 and 2011 amounting to Rp 137,691,044,991 and Rp 153,948,399,259, respectively. Futher explanation is disclosed in Note 5.

Determination of functional currency

The functional currencies of the Group are the currency of the primary economic environment in which each entity operates. It is the currency that mainly influences the revenue and cost of rendering services. Based on the Group management assessment, the Group functional currency is in Rupiah.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Employee's Benefits Liabilities

The determination of the Group's obligations and cost for pension and employee benefits liabilities is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase, annual employee turn-over rate, disability rate, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognized immediately in the profit or loss as and when they occurred. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the Group's estimated liabilities for employee benefits as of December 31, 2012 and 2011 amounting to Rp 9,945,604,000 and Rp 8,118,440,000, respectively. Futher explanation is disclosed in Note 19.

3. USE OF JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Depreciation of fixed assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 4 to 20 years. These are common life expectancies applied in the industries where the Group conducts its businesses. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net carrying amount of the Group’s fixed assets as of December 31, 2012 and 2011 amounting to Rp 8,799,589,739 and Rp 10,092,896,159, respectively. Futher explanation is disclosed in Note 12.

Financial Instruments

Group records certain assets and financial liabilities at fair value, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group profit or loss. The carrying amount of financial assets carried at fair values in the consolidated statement of financial position was amounting to Rp 176,643,111,768 and Rp 190,289,856,954 as of December 31, 2012 and 2011, respectively. While the carrying amount of financial liabilities was amounting to Rp 109,853,246,165 and Rp 128,330,271,485 as of December 31, 2012 and 2011, respectively.

Income tax

Significant judgement is involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due.

Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(Expressed in Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2012	2011
Cash		
Rupiah	20,802,880	107,160,010
United States Dollar (USD 17,868 in 2011)	-	162,027,024
Euro (EUR 3,520 in 2011)	-	41,320,992
Other currencies	-	51,839,117
Subtotal	20,802,880	362,347,143
Banks		
Rupiah		
PT Bank Mandiri (Persero) Tbk	19,110,088,902	10,563,925,068
PT Bank Danamon Indonesia Tbk	1,552,563,872	1,516,666,657
PT Bank Tabungan Negara (Persero) Tbk	1,253,752,774	256,578,196
PT Bank Central Asia Tbk	385,810,809	1,605,630,852
PT Bank Negara Indonesia (Persero) Tbk	253,497,651	251,631,851
PT Bank Pan Indonesia Tbk	159,479,016	970,247
PT Bank Mega Tbk	106,212,015	105,286,540
PT Bank Rakyat Indonesia (Persero) Tbk	66,025,797	31,560,336
PT Bank Permata Tbk	65,638,444	65,874,089
PT CIMB Niaga Tbk	59,076,652	59,979,113
Lain-lain (below Rp30 milions)	14,676,710	15,565,992
United States Dollar		
PT Bank Negara Indonesia (Persero) Tbk (USD 52,794 in 2012 and USD 52,803 in 2011)	510,515,659	478,815,700
Standard Chartered Bank, Jakarta (USD 17,273 in 2012 and USD 130,235 in 2011)	167,032,811	1,180,974,426
Citibank, N.A., Jakarta (USD 49,446 in 2011)	-	448,376,328
PT Bank Central Asia Tbk (USD 1,684 in 2011)	-	15,269,605
Singapore Dollar		
PT Bank Mandiri (Persero) Tbk (SGD 38,323 in 2012 and SGD 38,383 in 2011)	303,020,606	267,682,614
Hongkong Dollar		
PT Bank Mandiri (Persero) Tbk (HKD 83,708 in 2012 and HKD 84,420 in 2011)	104,423,520	98,518,451
Subtotal	24,111,815,238	16,963,306,065

(Expressed in Rupiah, unless otherwise stated)

4. CASH AND CASH EQUIVALENTS (continued)

	2012	2011
Cash equivalents - Time deposits		
Rupiah		
PT Bank Mandiri (Persero) Tbk	575,656,395	11,175,656,395
PT Bank Danamon Indonesia Tbk	80,637,979	77,567,654
United States Dollar		
PT Bank Central Asia Tbk (USD 75,000 in 2011)	-	680,100,000
Total cash equivalents	656,294,374	11,933,324,049
Total	**24,788,912,492**	**29,258,977,257**

The annual interest rate on time deposits in Rupiah currency are ranging from 4.25% to 5.00% in 2012 and from 6.25% to 7.00% in 2011, and for US Dollar currency 0.20% in 2011.

There are no cash and cash equivalents placement to related parties, on December 31, 2012 dan 2011.

5. TRADE RECEIVABLE - THIRD PARTIES

This account represents third parties trade receivables, with the details as follows:

	2012	2011
PT Citilink Indonesia	28,660,536,211	-
PT Ultrajaya Milk Industry and Trading Tbk	26,687,551,686	18,258,447,929
PT Campina Ice Cream Industry	10,455,301,135	3,233,331,999
PT Taman Impian Jaya Ancol	9,185,273,960	4,257,494,796
PT Astra Daihatsu Motor	8,199,900,278	-
PT Tupperware Indonesia	7,787,851,600	5,792,249,378
PT Pertamina (Persero)	4,965,232,302	6,962,265,210
PT Astra Honda Motor	3,643,615,404	10,616,759,402
PT Indocement Tunggal Prakarsa Tbk	2,887,898,299	5,443,443,824
PT Tetra Pak Indonesia	2,509,083,584	-
PT Dua Kelinci	1,874,204,562	-
PT Agung Podomoro Land Tbk	1,801,796,113	1,174,332,188
Bendahara Panitia Daerah SEA Games XXVI	1,485,257,113	-
PT Multimedia Prasetya Karya	1,382,929,960	1,382,929,960
PT Mustika Ratu Tbk	1,193,778,198	1,632,150,670
PT Kalbe Farma Tbk	1,177,970,149	-
PT Jaya Real Property Tbk	1,111,777,956	-
PT Hale International	1,049,827,002	1,503,796,917
PT Kompas Media Nusantara	1,040,366,404	-
PT Putra Adhi Prima	1,002,872,790	-
PT Kencana Unggul Sukses	892,217,682	2,491,149,998
PT Garuda Indonesia (Persero) Tbk	846,647,086	3,333,945,607
World Toilet Organization	634,782,779	-
PT Alam Hijau Teduh	634,516,008	-

(Expressed in Rupiah, unless otherwise stated)

5. TRADE RECEIVABLE - THIRD PARTIES (continued)

	2012	2011
PT Bank Mandiri (Persero) Tbk	599,450,836	60,534,465,756
PT Metranet	479,160,416	1,267,603,710
PT Bank Rakyat Indonesia (Persero) Tbk	216,186,984	945,284,100
PT Bank Tabungan Negara (Persero) Tbk	177,185,223	2,117,232,934
PT Cakrawira Bumimandala	171,805,232	1,412,072,392
PT Mustika Ratu Buana Internasional	132,608,460	683,608,413
PT Piaggio Indonesia	125,254,507	670,009,429
PT Askes (Persero)	94,392,985	645,490,909
PT Indomo Mulia	200,000	2,055,522,679
PT Johnson & Johnson Indonesia	-	1,180,412,851
PT Buana Surya Makmur	-	806,576,359
PT Ithaca Resources	-	657,753,995
PT Banteng Pratama Rubber	-	579,487,500
PT Merah Putih Pariwara	-	257,814,697
Others (below Rp 500 millions)	14,583,612,087	14,052,765,657
Total	137,691,044,991	153,948,399,259
Less allowance for impairment losses	(5,526,088,713)	(4,333,344,612)
Net	**132,164,956,278**	**149,615,054,647**

The aging schedule of third parties trade receivables are as follows:

	2012	2011
Current	59,129,515,909	42,681,264,180
Overdue:		
1 - 30 days	44,624,832,889	46,133,093,749
31 - 60 days	14,899,934,129	33,626,347,468
61 - 91 days	2,623,251,867	6,137,255,224
More than 90 days	16,413,510,197	25,370,438,638
Total	137,691,044,991	153,948,399,259
Less provision for impairment	(5,526,088,713)	(4,333,344,612)
Net	**132,164,956,278**	**149,615,054,647**

The movement of provision for impairment are as follows:

	2012	2011
Beginning balance	4,333,344,612	1,557,640,440
Less beginning balance of PT Fortune Travindo that deconsolidated (Note 1c)	(18,242,218)	-
Addition during the year (Note 27)	1,210,986,319	2,775,704,172
Ending balance	**5,526,088,713**	**4,333,344,612**

(Expressed in Rupiah, unless otherwise stated)

5. TRADE RECEIVABLE - THIRD PARTIES (continued)

The Group's management believe that the provision for impairment is adequate to cover possible loss from uncollectible accounts balance. Management also believes that there are no significant concentration of credit risk in third parties receivables.

Account receivables of the Company and PT Fortune Pramana Rancang (FPR), a Subsidiary, are used as collateral for bank loan obtained from PT Bank Mandiri (Persero) Tbk (Note 14).

6. SERVICES IN PROGRESS

This account represents accumulated expenses incurred to fund a project. When the project is completed, this account will be charged to direct cost. The details of services-in-progress accounts based on the type and the job process are as follows:

	2012	2011
Television programs	12,458,185,353	10,906,362,664
Printing materials	10,075,760,634	9,326,410,732
Art materials	5,955,856,670	4,934,525,157
Room exhibition equipment	4,889,574,861	5,336,719,875
Promotion and marketing	4,394,260,526	5,255,881,605
Studio program	3,764,409,510	3,253,958,647
Others	5,920,911,197	6,316,823,389
Total	**47,458,958,751**	**45,330,682,069**

7. ADVANCES AND OTHER CURRENT ASSETS

This account consist of:

	2012	2011
Advance payment:		
Media	10,118,396,354	5,338,808,357
Production	2,943,156,662	7,398,466,118
International package	-	402,378,921
International hotel	-	10,755,060
Others	-	301,806,043
Other current assets:		
Equipment	1,524,686,457	1,828,839,211
Prepaid expenses	1,216,298,086	861,788,527
Office supplies	120,814,193	119,300,683
Tour bag supplies	-	19,285,777
Total	**15,923,351,752**	**16,281,428,697**

(1) Advances for media represent payment in advance to the suppliers of electronic and printing media pertinent to the advertisement performance.

(2) Advances for production represent payment in advance in relation to the production of advertisement activities and program placements in electronic media.

(3) Prepaid expenses represent building lease and insurance for the Group' property and equipment.

8. RESTRICTED DEPOSITS

This account represent time deposit denominated in Rupiah placed in PT Bank Mandiri (Persero) Tbk amounted to Rp 12,000,530,000 and Rp 2,865,530,000 as of December 31, 2012 and 2011, respectively, with an interest rate ranging from 5.00% - 5.75% per year in 2012 and 7.00% per year in 2011. This time deposits used as collateral for short - term bank loan from PT Bank Mandiri (Persero) Tbk (Note 14).

9. NATURE, TRANSACTIONS, AND BALANCES WITH RELATED PARTIES

In the normal course of the business, the Group were conducting transactions with related parties relating to sale and purchase of services performed at the level of prices and terms on an arms' length basis. The details of transactions and balances with related parties are as follows:

a. Employees' receivable

The Group give non interest bearing loan to their employees which will be paid through monthly salaries deduction. The employees receivables reperesent 0.65% and 0.91% of the total consolidated assets in December 31, 2012 and 2011, respectively.

b. Due from related party

The Company and PT Pelita Alembana, a Subsidiary, engaged in transactions outside the main business with related party. The nature of transactions outside the main business on December 31, 2012 are loans without interest, unsecured and maturity date to FT, Associate Company. On December 31, 2012, the receivable amounted to 0.45% of total consolidated assets.

c. Trade payables

The purchasing of Group to PT Fortune Travindo (FT), Associate Company, is approximately 0.04% of total purchase for the year 2012. Payable arising from the transaction presented as "Accounts Payable - Related Party" (Note 15).

d. Due to related party

PT Fortune Adwicipta, Subsidiary, conduct transactions outside the main business with related parties. The nature of transactions outside the main business on December 31, 2012 are non interest bearing loan, no collateral and no maturity date from FT, Associated Company. On December 31, 2012, the balance of the payable is amounted to 0.15% of total consolidated liabilities.

e. Salaries and compensation benefits of Commissioners and Directors

Total aggregate salaries and compensation benefits paid by the Group to Commissioners amounted to Rp 1,800,750,000 and Rp 1,500,900,000 for the years ended December 31, 2012 and 2011, respectively. Total aggregate salaries and compensation benefits paid by the Group to Directors amounted to Rp 8,942,660,000 and Rp 17,456,542,000 for the years ended December 31, 2012 and 2011, respectively.

10. INVESTMENT IN ASSOCIATE COMPANY

As of December 31, 2012, this is an investment in PT Fortune Travindo (FT) amounted to 20% or 2,272,000 shares with acquisition cost of Rp 2,798,445,633. The mutations in investments in FT are as follows:

(Expressed in Rupiah, unless otherwise stated)

10. INVESTMENT IN ASSOCIATE COMPANY (continued)

	2012
Begining balance	3,834,395,029
Portion of current year net income	219,412,561
Ending balance	**4,053,807,590**

In 2012, the Company recorded FT portion of net income of Rp 219,412,561 and presented as "Income from investment in the Associate Company" as a part of "Other Income (expense)", in the consolidated statement of comprehensive income.

At the end of each reporting period, the Company evaluate whether there is objective evidence that investments in Associate Company impaired.

FT is domiciled at Jakarta and business activities travel services.

11. OTHER LONG - TERM INVESTMENT

As of December 31, 2012 and 2011, this accounts represent investment of one (1) share of PT Usaha Kita Makmur Indonesia (UKMI) with the percentage of ownership of 2.38% with par value of Rp 500,000,000 per shares. The equity instruments are not quoted in an active market and cannot be measured reliably, so the fair value of this instruments are recorded at cost.

UKMI was established based on Notarial Deed No. 71 dated June 28, 2004 of Singgih Susilo, S.H., and amended by Notarial Deed No. 20 dated November 5, 2004 from the same Notary, domiciled in Jakarta and engaged in general trading with the mission to help business partner and/or small-medium business; such as to extend and develop market, increase productivity, efficiency, and synergy, as well as innovation.

12. FIXED ASSETS

This account consists of:

2012	Beginning Balance	Addition	Deduction	Deductions of PT Fortune Travindo Balances	Ending Balance
Cost					
Direct ownership:					
Building and improvements	10,777,459,041	-	-	2,244,400,949	8,533,058,092
Machinery and installations	15,899,768	-	-	-	15,899,768
Studio equipments	147,638,345	-	8,369,909	530,000	138,738,436
Office equipments	7,589,173,904	840,553,781	767,352,501	259,680,226	7,402,694,958
Motor vehicles	5,025,796,411	1,393,675,001	1,933,079,615	226,759,900	4,259,631,897
Lease asset:					
Office equipments	-	134,920,000	-	-	134,920,000
Total	23,555,967,469	2,369,148,782	2,708,802,025	2,731,371,075	20,484,943,151

(Expressed in Rupiah, unless otherwise stated)

12. FIXED ASSETS (continued)

This account consists of:

2012	Beginning Balance	Addition	Deduction	Deductions of PT Fortune Travindo Balances	Ending Balance
Accumulated depreciation					
Direct ownership :					
Building and improvements	5,578,572,547	476,488,907	-	1,269,777,266	4,785,284,188
Machiner and instalations	3,474,400	2,675,000	-	-	6,149,400
Studio equipments	130,646,702	1,154,100	8,369,909	530,000	122,900,893
Office equipments	5,665,404,562	726,871,024	767,352,501	248,159,185	5,376,763,900
Motor vehicles	2,084,973,099	612,578,307	1,187,969,321	122,073,054	1,387,509,031
Lease asset:					
Office equipments	-	6,746,000	-	-	6,746,000
Total	13,463,071,310	1,826,513,338	1,963,691,731	1,640,539,505	11,685,353,412
Net Book Value	**10,092,896,159**				**8,799,589,739**

2011	Beginning Balance	Addition	Deduction	Ending Balance
Cost				
Direct ownership :				
Building and improvements	10,777,459,041	-	-	10,777,459,041
Machinery and installations	254,604,558	-	238,704,790	15,899,768
Studio equipments	177,094,345	7,694,000	37,150,000	147,638,345
Office equipments	6,714,093,426	982,967,578	107,887,100	7,589,173,904
Motor vehicles	3,845,831,411	1,411,710,500	231,745,500	5,025,796,411
Total	21,769,082,781	2,402,372,078	615,487,390	23,555,967,469
Accumulated depreciation				
Direct ownership:				
Bulding and improvements	4,989,863,591	588,708,956	-	5,578,572,547
Machinery and installations	239,452,940	2,726,250	238,704,790	3,474,400
Studio equipments	166,795,536	1,001,166	37,150,000	130,646,702
Office equipments	5,115,739,246	657,552,416	107,887,100	5,665,404,562
Motor vehicles	1,810,502,509	506,216,090	231,745,500	2,084,973,099
Total	12,322,353,822	1,756,204,878	615,487,390	13,463,071,310
Net Book Value	**9,446,728,959**			**10,092,896,159**

The detail of gain on sale of fixed assets are as follows:

	2012	2011
Cost	2,556,568,410	615,487,390
Accumulated depreciation	1,909,775,660	615,487,390
Net book value of fixed assets	646,792,750	-
Proceed from sale or disposal	740,425,000	119,581,818
Gain on sale of fixed assets	**93,632,250**	**119,581,818**

(Expressed in Rupiah, unless otherwise stated)

12. FIXED ASSETS (continued)

Income of replacement of lost fixed assets from the insurance company are as follows:

	2012	2011
Cost	152,233,615	-
Accumulated depreciation	53,916,071	-
Net book value of fixed assets	98,317,544	-
Claim from insurance	133,300,000	-
Income from insurance claims	**34,982,456**	**-**

Depreciation charged to operating expenses amounted to Rp 1,826,513,338 ans Rp 1,756,204,878 in 2012 and 2011, respectively (Note 27).

Land and building of PT Fortune Pramana Rancang (FPR), a Subsidiary, which located in Plaza 3 Pondok Indah Blok D-03, Jl. Maria Walanda Maramis, South Jakarta, are used as collateral for the loan obtained by FPR from PT Bank Mandiri (Persero) Tbk (Note 14).

Motor vehicle amounted to Rp 1,152,642,500 owned by the Company, acquired through credit facility form PT Pan Indonesia Tbk and PT BII Finance Center, was used as collateral to related liability. Related liability is disclosed as “Financing payable for purchase of fixed assets” in the consolidated statement of financial position as of December 31, 2012 and 2011 (Note 16).

Office equipments amounted to Rp 134,920,000 owned by FPR, Subsidiary, acquired through finance lease facility from PT Orix Indonesia Finance, was used as collateral to related liability. Related liability is disclosed as “Lease payable” in the consolidated statement of financial position as of December 31, 2012 (Note 17).

As of December 31, 2012 dan 2011, the fixed assets of the Group are insured against fire risk, riot risk, the risk of damage, and other risks under certain blanket policies with the sum insured amounting to Rp 6,908,225,234 and Rp 4,742,778,000. The Group’s management believe that the sum insured is adequate to cover possible losses on insured assets.

Based on a review of the recoverable value of the fixed assets, the Group's management believes that there are no events or changes indicate an impairment of assets as of December 31, 2012 and 2011.

13. REFUNDABLE DEPOSITS

The details of refundable deposits are as follows:

	2012	2011
Local airlines guarantee	-	103,382,700
Others	-	5,000,000
Total	**-**	**108,382,700**

14. SHORT-TERM BANK LOAN

This account consist of:

	2012	2011
Company		
PT Bank Mandiri (Persero) Tbk	39,121,239,024	4,567,243,622
Subsidiary		
PT Fortune Pramana Rancang (FPR)		
PT Bank Mandiri (Persero) Tbk	1,897,718,763	1,897,718,763
Total	**41,018,957,787**	**6,464,962,385**

(Expressed in Rupiah, unless otherwise stated)

14. SHORT-TERM BANK LOAN (continued)

The Company

As stated in the Letter of Credit Agreement No. CBG.CB3/SPPK/MN1.179/2011 dated June 13, 2011, the Company obtain working capital credit facility from PT Bank Mandiri (Persero) Tbk which used for working capital with maximum limit of Rp 20 billion and will be due on July 14, 2012. This loan facility secured by trade receivable (Note 5) and time deposits under the Company's name which placed in PT Bank Mandiri (Persero) Tbk amounted to Rp 2,865,530,000 (Note 8), and bear interest at 9.25% per year.

Furthermore, based on Credit Agreement No. CRO.KP/205/KMK/11 on November 22, 2012, the Company received additional working capital credit facility with maximum amount of Rp 20 billion, then the maximum facilities become Rp 40 billion and with maturity date on July 14, 2013. This loan facility is secured by accounts receivable (Note 5) and time deposits on behalf of the Company which placed in PT Bank Mandiri (Persero) Tbk amounted to Rp 12,000,530,000 (Note 8), and bear interest at 9.25% per year.

Subsidiary

As stated in the Letter of Credit Agreement No. RCO.JSD/PK-KMK/096/2008 dated March 3, 2008, PT Fortune Pramana Rancang (FPR), a Subsidiary, obtained overdraft credit facility from PT Bank Mandiri (Persero) Tbk which used for working capital with total maximum limit of Rp 1.5 billion.

The facility have been amended several times, the latest were amended based on Credit Facility Agreement No. SBDC.JSD./1526/T2/2009 dated November 12, 2009, whereby the facilities has increase with maximum facility of Rp 2 billion. The loan bears interest of 14% per year and can be changed in accordance with the requirements from PT Bank Mandiri (Persero) Tbk. This loan is secured by trade receivables (Note 5), land and building (Note 12) owned by Subsidiary and will be due on November 12, 2010.

The loan was changed and extended several times; recently by Letter of Credit Agreement No. BBC.ML/TL1.3389/2012 dated December 26, 2012. Working capital loan facility was extended until July 14, 2013 and bear interest at 12% per year.

15. TRADE PAYABLES

This account represents liabilities to the following suppliers, third parties, with the details are as follows:

	2012	2011
Third parties		
PT Kompas Media Nusantara	8,729,076,980	21,237,192,212
PT Rajawali Citra Televisi Indonesia	7,930,396,001	10,836,804,000
PT Sebelas April Lian Mipro	2,473,856,416	1,208,545,063
PT Jawa Pos Media Televisi	2,439,371,550	2,072,923,371
PT Global Informasi Bermutu	2,244,988,000	926,112,000
PT Media Nusantara Informasi	1,980,258,210	3,000,649,330
PT Duta Visual Tivi Tujuh	1,457,500,000	3,728,589,552
PT Media Televisi Indonesia	1,400,815,207	1,148,248,009
PT Dwi Mitra Komunika	1,261,690,430	-
PT Bali Pos	1,208,880,750	343,343,000
PT Republika Media Mandiri	1,109,354,400	380,303,000
PT Televisi Transformasi Indonesia	1,063,700,000	2,895,491,999
PT Samindra Utama	769,507,200	1,122,179,712
PT Sumber Karya Film	727,950,410	1,187,307,410

(Expressed in Rupiah, unless otherwise stated)

15. TRADE PAYABLES (continued)

	2012	2011
PT Duta Manuntung	690,690,000	1,209,714,000
PT Radio Moderato	588,870,755	1,707,065,577
PT MNC SkyVision	555,666,309	1,229,907,844
PT Surya Citra Televisi	512,820,000	11,265,504,000
PT Media Nusantara Citra Tbk	363,000,000	5,392,926,000
PT Focus Media Indonesia	317,790,000	1,449,588,800
PT Suara Merdeka Press	290,829,000	1,550,587,500
PT Citra Media Nusa Purnama	255,063,600	1,473,041,625
PT Lativi Media Karya	71,500,002	819,500,002
PT Indosiar Visual Mandiri Tbk	2,956,800	2,466,934,800
Others (below Rp1 billion)	28,243,774,935	38,843,662,446
Total third parties	66,690,306,955	117,496,121,252
Related party (Note 9a)		
PT Fortune Travindo	163,326,343	-
Total	**66,853,633,298**	**117,496,121,252**

The aging schedule of trade payables based on invoices date are as follows:

	2012	2011
Third parties		
Current	43,560,790,232	65,926,038,280
Overdue:		
1 - 30 days	9,259,587,876	15,846,498,558
31 - 60 days	1,414,949,184	9,275,180,127
61 - 90 days	2,445,807,436	6,896,900,462
More than 90 days	10,009,172,227	19,551,503,825
Subtotal	66,690,306,955	117,496,121,252
Related party		
Overdue:		
1 - 30 days	85,684,400	-
31 - 60 days	1,114,060	-
More than 90 days	76,527,883	-
Subtotal	163,326,343	-
Total	**66,853,633,298**	**117,496,121,252**

16. FINANCING PAYABLE

This account represents financing payable for purchase of fixed aset with fiduciary by the Company from PT Pan Indonesia Tbk and PT BII Finance Center in connection with the purchase of vehicles with the following details:

	2012	2011
Financing payable for purchase of fixed assets	311,558,090	692,201,563
Less current maturities	311,558,090	380,643,473
Long Term Portion – Net	**-**	**311,558,090**

Financing payable guaranted by related assets (Note 12).

(Expressed in Rupiah, unless otherwise stated)

17. LEASE PAYABLE

In 2012, PT Fortune Pramana Rancang, Subsidiary, obtained lease facility from PT Orix Indonesia Finance for the purchase of office equipment that will expire in 2015, the details are as follows:

	2012	2011
2013	39,750,000	-
2014	39,750,000	-
2015	36,437,516	-
Total minimum lease	115,937,516	-
Less interest expense	24,116,960	-
Present value of minimum lease payments	91,820,556	-
Less current maturities	31,481,328	-
Long Term Portion – Net	**60,339,228**	**-**

Lease payable guaranted by related assets (Note 12).

18. TAXATION

a. Tax Payable

This acount consists of:

	2012	2011
Company:		
Income taxes:		
Article 21	2,409,810,436	3,525,034,253
Article 23	877,678,146	780,056,045
Article 29	20,701,445	4,866,287
Value Added Taxes	985,110,743	4,931,393,285
Subtotal Company	4,293,300,770	9,241,349,870
Subsidiaries:		
Income taxes:		
Article 21	1,125,373,875	542,884,058
Article 23	789,102,549	482,906,392
Article 25	251,803,867	265,635,667
Article 29	989,091,916	125,122,323
Value Added Taxes	4,149,212,474	2,487,709,913
STP (Note 18e)	93,934,652	-
SKPKB (Note 18f)		
In 2011	64,182,480	64,182,480
In 2010	48,284,503	48,284,503
Subtotal Subsidiaries	7,510,986,316	4,016,725,336
Total	**11,804,287,086**	**13,258,075,206**

(Expressed in Rupiah, unless otherwise stated)

18. TAXATION (continued)

b. Income Taxes

	2012	2011
Company:		
Current tax expenses	(2,120,115,500)	(2,749,759,000)
Deferred tax benefit (expenses)	313,933,990	(585,333,324)
Subsidiaries:		
Current tax expenses	(2,869,300,750)	(1,506,828,909)
Deferred tax benefit (expenses)	315,879,543	(92,894,599)
Total	**(4,359,602,717)**	**(4,934,815,832)**

c. Current Tax

A reconciliation between income before income tax benefit (expense), as shown in the consolidated statements of comprehensive income with estimated taxable income for the years ended December 31, 2012 and 2011, are as follows:

	2012	2011
Income before income tax benefit (expense) per consolidated statements of comprehensive income	17,018,214,550	17,888,775,826
Income of subsidiaries before tax expense	(9,914,399,616)	(4,491,110,138)
Income from investment in the Associate Company	(219,412,561)	-
Income before income tax benefit (expenses) attributable to the Company	6,884,402,373	13,397,665,688
Timing difference:		
Provision for employees' benefit	949,264,210	(4,070,539,315)
Depreciation of fixed assets	218,312,298	(94,333,818)
Provision for impairment	88,159,450	1,823,539,836
Permanent difference:		
Employees' welfare	903,263,076	389,461,396
Tax expense	194,427,187	311,442,034
Representation and donation	185,571,552	215,254,386
Interest income already subjected to final tax	(942,937,302)	(973,453,816)
Estimated taxable income - Company	**8,480,462,844**	**10,999,036,391**

The computation of current tax expenses, corporate income tax payables and estimated claim for tax refund of the Group are as follows:

	2012	2011
Estimated taxable income (rounded):		
Company	8,480,462,000	10,999,036,000
Subsidiaries	13,043,373,000	6,270,274,000
Current tax expenses:		
Company	2,120,115,500	2,749,759,000
Subsidiaries	2,869,300,750	1,506,828,909
Total current tax expenses	**4,989,416,250**	**4,256,587,909**

(Expressed in Rupiah, unless otherwise stated)

18. TAXATION (continued)

c. Current Tax (continued)

	2012	2011
Less prepaid tax:		
Company		
Article 23	1,827,934,055	2,013,758,513
Article 25	271,480,000	731,134,200
Subsidiaries		
Article 23	984,632,634	473,560,986
Article 25	895,576,200	908,145,600
Total	3,979,622,889	4,126,599,299
Corporate tax payable:		
Company	20,701,445	4,866,287
Subsidiaries	989,091,916	125,122,323
Total corporate tax payable	**1,009,793,361**	**129,988,610**
Estimated claim for tax refund		
Subsidiaries		
Prior year		
Article 23	51,030,735	51,030,735
Article 25	42,877,200	42,877,200
Total estimated claim for tax refund	**93,907,935**	**93,907,935**

The Group will report the estimated taxable income for the year 2012 mentioned above, in their Annual Tax Return (SPT) that will be submitted to Tax Office (KPP).

The amount of estimated taxable income for the year of 2011 mentioned above are in accordance with the amount which reported in SPT that were reported to Tax Office (KPP).

d. Deferred Tax

Details of deferred tax benefit (expense) are as follows:

	2012	2011
Company		
Provision for employees' benefit	237,316,053	(1,017,634,829)
Depreciation of fixed assets	54,578,074	(23,583,454)
Provision for impairment	22,039,863	455,884,959
Deferred tax benefit (expense) - Company	313,933,990	(585,333,324)
Subsidiaries		
Provision for employees' benefit	423,744,264	153,748,577
Provision for impairment	280,706,717	238,041,083
Depreciation of fixed assets	1,940,445	8,945,450
Financial lease	1,030,640	-
Fiscal loss	(391,542,523)	(493,629,709)
Deferred tax benefit (expense) - Subsidiaries	315,879,543	(92,894,599)
Total deferred tax benefit (expenses)	**629,813,533**	**(678,227,923)**

(Expressed in Rupiah, unless otherwise stated)

18. TAXATION (continued)

d. Deferred Tax (continued)

On September 23, 2008, the President of the Republic of Indonesia and the Minister of Law and Human Rights signed Law No. 36 of 2008 on “Fourth Amendment of Law No. 7 of 1983 on Income Taxes”. This revised Law stipulates change in the corporate tax rates from progressive tax rates to a single rate of 28% for fiscal year 2009 and 25% for fiscal years 2010 onwards. The revised Law will be effective January 1, 2009. Accordingly, deferred tax assets and liabilities has been adjusted to the tax rates that are expected to apply at the period when the asset is realized or liability is settled, based on the tax rates that will be enacted.

Details of deferred tax assets (liabilities) - net are as follows:

	2012	2011
Company		
Provision for employees’ benefit	974,715,402	737,399,349
Provision for impairment	732,558,410	710,518,547
Depreciation of fixed assets	(6,338,756)	(60,916,830)
Deferred tax assets - Company	1,700,935,056	1,387,001,066
Subsidiaries		
Provision for employees’ benefit	1,511,685,597	1,292,210,650
Provision for impairment	648,963,769	372,817,606
Depreciation of fixed assets	339,549,660	382,858,195
Accumulated fiscal loss	77,693,680	469,236,203
Financial lease	1,030,640	-
Deferred tax assets - Subsidiaries	2,578,923,346	2,517,122,654
Total	**4,279,858,402**	**3,904,123,720**

e. Tax Collection Letter

During the year of 2012, PT Fortune Pramana Rancang (FPR), Subsidiary, received tax collection letter (STP/”Surat Tagihan Pajak”) for Value Added Tax for the years 2006 until 2012 amounting to Rp 392,266,947 and record as a part of “Taxes and Penalties” as part of “Operating Expenses” in the consolidated statement of comprehensive income in 2012. The tax collection has been paid by the FPR amounted to Rp 298,332,295, therefore the outstanding amount of tax that should be paid by FPR is Rp 93,934,652 as of December 31, 2012.

f. Tax Assesment

On November 21, 2011, PT Fortune Adwicipta (FA), a Subsidiary, received tax assessment for 2009 corporate income tax amounted to of Rp 279,258,403. The taxes examination result stated that the Subsidiary has an overpayment amounted to Rp 279,258,402 and an underpayment of income tax article 4 paragraph 2 of Rp 100,875,419, income tax article 21 of Rp 20,187,499, income tax article 23 of Rp 118,779,468 and Value Added Tax amounting to Rp 15,165,000 with total amount of Rp 255,007,386. Based on Directorate General of Taxation Decision Letter No. KEP 00093.PPH/WPJ.04/KP.1003/2011 concerning restitution of overpayment to FA, the Subsidiary, which decided to compensate the overpayment amounting to Rp 279,258,402 with the underpayment amounted to Rp 190,824,906 from 2009 claim for tax refund, Rp 44,955,907 from 2008 claim for tax refund, Rp 41,677,589 from 2007 claim for tax refund and Rp 1,800,000 from 2010 claim for tax refund, therefore the tax amount of 2009 corporate income tax should be paid by the Subsidiary amounted to Rp 64,182,480. Based on those result, the Subsidiary expensed income tax expense in 2009 amounting to Rp 255,007,386 as part of "Tax expenses and penalties" as part of "Operating Expenses" in the consolidated statement of comprehensive income for 2011.

(Expressed in Rupiah, unless otherwise stated)

18. TAXATION (continued)

f. Tax Assesment (continued)

On July 20, 2010, FA, a Subsidiary, received tax assessment for 2008 corporate income tax amounted to Rp 252,506,449. The taxes examination result stated that the Subsidiary has an overpayment amounted to Rp 252,506,449 and an underpayment of income tax article 4 paragraph 2 of Rp 72,210,116, income tax article 21 of Rp 45,685,057, income tax article 23 of Rp 253,368,629 and Value Added Tax amounting to Rp 21,103,262 with total amount of Rp 392,367,064. In accordance with the Tax Assessment Letter (SKP) KPPPMB No. 00022/406/08/017/10, the Subsidiary compensated the overpayment amounted to Rp 252,506,449 with the underpayment amounted to Rp 392,367,064, therefore the tax amount should be paid by the Subsidiary amounted to Rp 139,860,615. Based on those result, the Subsidiary expensed income tax expense in 2008 and an underpayment of income tax article 4 paragraph 2, income tax article 21, income tax article 23 and Value Added Tax amounting to Rp 392,367,064 as part of "Tax expenses and penalties" as part of "Operating Expenses" in the consolidated statement of comprehensive income for 2010. Then in 2011, Subsidiary paid 2008 underpayment amounted to Rp 46,620,205 and compensate 2009 income tax overpayment with 2008 underpayment amounted to Rp 44,955,907, therefore the tax amount should be paid by the Subsidiary amounted to Rp 48,284,503 on December 31, 2012 and 2011.

g. Administration and Changes in Tax Regulation

Under the taxation laws of Indonesia, the Company and Subsidiary submits tax returns on the basis of self assessment. The Director General of Tax (“DGT”) may assess or amend taxes within ten years of the time the tax becomes due, or until the end of 2013, whichever is earlier. There are new rules applicable to fiscal year 2008 and subsequent years stipulating that the DGT may assess or amend taxes within five years of the time the tax becomes due.

19. EMPLOYEES’ BENEFITS LIABILITIES

The Group recognizes retirement benefits liability in 2012 and 2011 based on the actuary’s calculation of PT Dayamandiri Dharmakonsilindo, an independent actuary, dated March 1, 2013 and March 2, 2012, using the “Projected Unit Credit” method. The main assumptions used in the actuarial calculation are as follows :

	2012	2011
Discounted rate	4.8%	5.5%
Salary increase projection rate	10%	12.5%
Mortality rate	Tabel CSO – 1980	Tabel CSO – 1980
Pension age	55	55

Amount of employees benefits liablity should be recognized in consolidated statements of financial position are as follows:

	2012	2011
Present value of employees’ benefits obligation	14,621,853,000	15,054,005,000
Unrecognized past service cost – unvested	(95,655,000)	(126,051,000)
Unrecognized actuarial loss	(4,580,594,000)	(6,809,514,000)
Total	**9,945,604,000**	**8,118,440,000**

(Expressed in Rupiah, unless otherwise stated)

19. EMPLOYEES' BENEFITS LIABILITIES (continued)

Movement of the net liability recognized in the consolidated statements of financial position are as follows:

	2012	2011
Beginning balance	8,118,440,000	11,573,985,000
Less beginning balance of PT Fortune Travindo that deconsolidated (Note 1c)	(817,077,268)	-
Current cost recoqnized in the consolidated statements of comprehensive income	3,177,256,268	5,913,542,000
Actual post-employment benefit payment	(533,015,000)	(9,369,087,000)
Ending balance	**9,945,604,000**	**8,118,440,000**

The detail of employee benefit expense recognized in the consolidated statement of comprehensive income are as follows:

	2012	2011
Current service expense	1,136,352,000	1,138,600,000
Amortization of actuarial losses	865,044,268	805,990,000
Interest cost	804,083,000	966,221,000
Payment during the year	371,777,000	97,096,000
Curtailment gain	-	(1,366,084,000)
Settlement loss	-	4,271,719,000
Total	**3,177,256,268**	**5,913,542,000**

Employees' benefits liability is determined based on Labor Law No. 13/2003 dated March 25, 2003.

Employees' benefits expense is presented in "Operating Expenses" account in the consolidated statements of income (Note 27). Employees' benefits liability is presented in "Employees' Benefits Liability" account in the consolidated statements of financial position.

20. CAPITAL STOCK

The details of shareholders with their ownership as of December 31, 2012 and 2011 based on the record maintained by PT Sinartama Gunita, the Securities Administration Agency, are as follows :

Stockholders	Capital Stock - Issued and Fully Paid	Persentage of Ownership (%)	Total Capital Stock
PT Grhaadhika Fortune	180,600,000	38.82	18,060,000,000
PT Fortune Daksa Pariwara	29,400,000	6.32	2,940,000,000
Public (ownership less than 5%)	255,224,000	54.86	25,522,400,000
Total	**465,224,000**	**100.00**	**46,522,400,000**

As of December 31, 2012 and 2011, there is no Company's shares owned by the Company's Commissioners and Directors.

(Expressed in Rupiah, unless otherwise stated)

21. OTHER COMPONENTS OF EQUITY

As of December 31, 2012 and 2011, details of this account are as follows:

	2012	2011
Additional Paid-in Capital		
Initial Public Offering	6,150,000,000	6,150,000,000
Additional paid-in capital from exercise warrant	613,440,000	613,440,000
Stock issuance costs	(3,167,567,104)	(3,167,567,104)
	3,595,872,896	3,595,872,896
Difference arising from restructuring transaction between under common control	3,553,096,441	3,553,096,441
Total	**7,148,969,337**	**7,148,969,337**

Additional paid-in capital amounting to Rp 613,440,000 represents paid-in capital coming from exercise of Warrant Seri I of 10,224,000 shares until the end of excercise period January 14, 2005 with the preliminary exercise price of Rp 160 per share.

22. GENERAL RESERVE AND DIVIDEND

Based on the Shareholders' General Meeting held on June 13, 2012 as notarized by Notarial Deed No. 4 Leolin Jayayanti, S.H., on the same date, the shareholders agreed to make an additional general reserve of Rp 1,938,756,919 or 15% of the 2011 net income and distribute cash dividend at Rp 7 per share or total of Rp 3,256,568,000.

Based on the Shareholders' General Meeting held on June 24, 2011 as notarized by Notarial Deed No. 42 Leolin Jayayanti, S.H., on the same date, the shareholders agreed to make an additional general reserve of Rp 1,447,323,790 or 15% of the 2010 net income and distribute cash dividend at Rp 4 per share or total of Rp 1,860,895,998.

23. NONCONTROLING INTEREST

Details of the noncontrolling interests of equity and net portion of the consolidated Subsidiaries are as follows:

	2012			
	Beginning Balance	**Noncontrolling Interest Portion in Net Income**	**Effect of Dilution on Investment**	**Ending Balance**
PT Pelita Alembana	158,876,099	30,578,885	-	189,454,984
PT Fortune Pramana Rancang	95,179,297	41,613,366	-	136,792,663
PT Fortune Adwicipta	(27,464,576)	1,417,533	-	(26,047,043)
PT Fortune Travindo	38,703,990	-	38,703,990	-
Total	**265,294,810**	**73,609,784**	**38,703,990**	**300,200,604**

(Expressed in Rupiah, unless otherwise stated)

23. NONCONTROLING INTEREST (continued)

	2011		
	Beginning Balance	**Noncontrolling Interest Portion in Net Income**	**Ending Balance**
PT Pelita Alembana	132,247,716	26,628,383	158,876,099
PT Fortune Pramana Rancang	78,822,577	16,356,720	95,179,297
PT Fortune Adwicipta	(12,152,352)	(15,312,224)	(27,464,576)
PT Fortune Travindo	37,463,003	1,240,987	38,703,990
Total	**236,380,944**	**28,913,866**	**265,294,810**

24. EARNING PER SHARE

Earnings per share is computed by dividing net income in the current year weighted average number of shares issued and paid during the year:

	2012	**2011**
Comprehensive income attributable to Equity holders of the Company	12,585,002,049	12,925,046,128
Weighted average number of shares issued and paid	465,224,000	465,224,000
Earning per share	**27**	**28**

25. REVENUE

Details of revenue are as follows:

	2012	**2011**
Media:		
Television	204,380,558,732	239,011,635,008
Printing	102,928,570,862	91,644,597,660
Radio	6,250,899,327	17,345,829,623
Digital	3,235,650,074	-
Advertising production	125,397,360,716	114,190,024,627
Public relations	27,719,865,408	12,443,856,376
Graphic design and exhibition	10,234,161,812	852,670,600
Tickets, hotel and tour	-	29,908,411,231
Document	-	228,225,033
Total	**480,147,066,931**	**505,625,250,158**

In 2012, customers with revenue more than 10% of total revenues during the year 2012 were PT Astra Honda Motor, PT Tupperware Indonesia dan PT Ultrajaya Milk Industry and Trading Company Tbk with a total approximately of Rp 172 billion.

In 2011, customers with revenue more than 10% of total revenues during the year 2011 were PT Astra Honda Motor, PT Bank Mandiri (Persero) Tbk, PT Tupperware Indonesia and PT Ultrajaya Milk Industry and Trading Company Tbk with a total approximately of Rp 289 billion.

In 2012 dan 2011, there is no sales to related parties.

(Expressed in Rupiah, unless otherwise stated)

26. DIRECT COST

	2012	2011
Media:		
Television	180,649,852,830	211,815,657,111
Printing	91,907,847,838	84,336,170,103
Radio	5,304,013,096	15,372,768,375
Digital	2,186,503,704	-
Advertising production	90,979,857,496	77,843,067,789
Public relations	17,047,591,496	5,828,241,537
Graphic design and exhibition	6,247,746,270	717,632,980
Tickets, hotel and tour	-	27,565,593,884
Document administration	-	189,080,238
Total	**394,323,412,730**	**423,668,212,017**

Suppliers with a purchase value more than 10% of total purchases during the year 2012 were PT Duta Visual Nusantara Tivi Tujuh with a total value of Rp 54 billion.

Suppliers with a purchase value more than 10% of total purchases during the year 2011 were PT Rajawali Citra Televisi Indonesia and PT Surya Citra Televisi with a total value of Rp 93 billion.

In 2012 there were purchases from related parties, PT Fortune Travindo, Associate Company in the amount of Rp 348 billion. In 2011, there were no purchases from related parties.

27. OPERATING EXPENSE

Details of operating expenses are as follows:

	2012	2011
Salaries, wages and employees welfare	53,256,953,260	44,616,520,507
Employees' benefits (Note 19)	3,177,256,268	5,913,542,000
Rent	2,895,832,579	2,806,782,701
Depreciation (Note 12)	1,826,513,338	1,756,204,878
Transportation and travel	1,524,414,162	1,279,364,680
Representation and donation	1,258,791,085	1,287,281,640
Provision for impairment (Note 5)	1,210,986,319	2,775,704,172
Professional fees	1,045,564,751	972,517,836
Telephone, facsimile, electricity and internet	1,016,194,252	931,264,014
Tax expense and penalties	716,381,111	854,725,348
Office administration	601,776,762	487,408,488
Others (below Rp 100 million)	781,332,644	679,003,973
Total	**69,311,996,531**	**64,360,320,237**

28. INTEREST INCOME

The details of this account are as follows:

	2012	2011
Interest income	589,548,930	632,303,287
Time deposits	585,839,202	542,998,266
Total	**1,175,388,132**	**1,175,301,553**

(Expressed in Rupiah, unless otherwise stated)

29. FINANCING COST

This account consists of:

	2012	2011
Interest expense:		
Bank loan	694,344,227	553,083,835
Financing payable	24,017,723	31,207,507
Lease payable	689,056	-
Bank charges and provisions	446,748,363	404,903,479
Total	**1,165,799,369**	**989,194,821**

30. OTHER INCOME (EXPENSE)

The details of this account are as follows:

	2012	2011
Profit from insurance claim (Note 12)	34,982,456	-
Advertising bonus	-	36,722,765
Ticket refund	-	55,970,283
Penalty for late payment of trade receivables	-	39,928,579
Others - net	67,403,524	(237,744,688)
Total	**102,385,980**	**(105,123,061)**

31. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCY

As of December 31, 2012, Group have monetary assets with the details as follows:

	Foreign Currency		Equivalent in Rupiah
Assets:			
Cash and cash equivalents	USD	70,067	677,548,470
	SGD	38,323	303,020,606
	HKD	83,708	104,423,520
Total monetary assets in foreign currency			**1,084,992,596**

If the net assets in foreign currencies at December 31, 2012 are translated into Rupiah currency using the middle rates on March 18, 2013, the total net monetary assets denominated in foreign currencies above will increase by Rp 1,502,659.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In its daily business activities, the Group is exposed to risk. The main risk force by the Group arising from its financial instrument are credit risk, market risk (i.e foreign exchange currency risk and interest risk), liquidity risk and capital management risk. The core function of the Group risk management is to identify all key risks for the Group, measure these risk and manage the risk positions in accordance with its policies. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and best markets practice.

a. Credit Risk

Credit risk is the risk that the Group will incur a loss arising from the customer, client or other party who failed to meet their contractual obligations. The Group manage and control credit risk by setting limits of acceptable risk for individual customers and monitor the exposure associated with these restrictions.

(Expressed in Rupiah, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a. Credit Risk (continued)

	2012					
	Neither Past Due nor Impaired	Past Due but not impaired			Past due and impaired	Total
		1 - 30 days	31 - 60 days	61 - 90 days		
Cash and cash equivalents	24,788,912,492	-	-	-	-	24,788,912,492
Trade receivables	59,129,515,909	44,624,832,889	14,899,934,129	2,623,251,867	10,887,421,484	132,164,956,278
Total	**83,918,428,401**	**44,624,832,889**	**14,899,934,129**	**2,623,251,867**	**10,887,421,484**	**156,953,868,770**

	2011					
	Neither Past Due nor Impaired	Past Due but not impaired			Past due and impaired	Total
		1 – 30 days	31 - 60 days	61 - 90 days		
Cash and cash equivalents	29,258,977,257	-	-	-	-	29,258,977,257
Trade receivables	42,681,264,180	46,133,093,749	33,626,347,469	6,137,255,224	21,037,094,025	149,615,054,647
Total	**71,940,241,437**	**46,133,093,749**	**33,626,347,469**	**6,137,255,224**	**21,037,094,025**	**178,874,031,904**

The Group conduct business relationships only with recognized and credible third parties. The Group have policy to go through customer credit verification procedures. In addition, the amount of receivables are monitored continuously to reduce the risk for impairment.

As of December 31, 2012 and 2011, trade receivables were impaired and provided provision with details as follows:

	2012		
	Individually Impaired	Collectively Impaired	Total
As of 1 Januari 2012	121,277,534,794	16,413,510,197	137,691,044,991
Provision for impairment	-	(5,526,088,713)	(5,526,088,713)
As of 31 Desember 2012	**121,277,534,794**	**10,887,421,484**	**132,164,956,278**

	2011		
	Individually Impaired	Collectively Impaired	Total
As of 1 Januari 2011	128,577,960,621	25,370,438,638	153,948,399,259
Provision for impairment	-	(4,333,344,612)	(4,333,344,612)
As of 31 Desember 2011	**128,577,960,621**	**21,037,094,026**	**149,615,054,647**

b. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group is exposed to market risks, in particular, interest rate risk and foreign currency exchange risk.

(Expressed in Rupiah, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b. Market Risk (continued)

Foreign Exchange Currency Risk

Foreign exchange currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group exposed to the risk of foreign currency exchange rates which mainly arise from net monetary assets / liabilities that are different from the functional currency of the Group.

The Group closely monitors the foreign exchange rate fluctuation and market expectation so it can take necessary actions benefited most to the Group in due time.

The following table demonstrates the sensitivity that reasonably possible change in the exchange rate against foreign currencies, with all other variables held constant, with the profit before tax ended on December 31, 2012 and 2011:

	Increase (Decrease) in Foreign Currencies		Effect on Income Before Tax
Desember 31, 2012	USD	5%	33,877,424
		-5%	(33,877,424)
	SGD	5%	15,151,021
		-5%	(15,151,021)
	HKD	5%	5,221,176
		-5%	(5,221,176)
December 31, 2011	USD	5%	148,278,154
		-5%	(148,278,154)
	SGD	5%	14,123,409
		-5%	(14,123,409)
	HKD	5%	5,470,424
		-5%	(5,470,424)
	EURO	5%	2,066,050
		-5%	(2,066,050)
	AUD	5%	1,239,600
		-5%	(1,239,600)
	CNY	5%	68,576
		-5%	(68,576)

The Group has assets and liabilities denominated in foreign currencies as of December 31, 2012 and are presented in Note 31.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The influence of market interest rate risk associated with the Group's loan which bear with floating interest rate.

The Group closely monitors the market interest rate fluctuation and market expectation so it can take necessary actions benefited most to the Company in due time. The management currently does not consider the necessity to enter into any interest rate swaps

The following table is the carrying amount, by maturity, the Group's financial assets and liabilities related to interest rate risk:

(Expressed in Rupiah, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

b. Market Risk (continued)

Interest Rate Risk (continued)

	2012					
	Effective Interest Rate	Maturities in One (1) Year	Maturity in the year - 2	Maturity in the year - 3	Maturity in the year - 4	Total
Aset						
Fixed Interest						
Cash and cash equivalents	4.25% - 5.00%	24,788,912,492	-	-	-	24,788,912,492
Restricted time deposits	5.00% - 5.75%	12,000,530,000	-	-	-	12,000,530,000
Liabilities						
Fixed Interest						
Short-term bank loan	9.25% - 12.00%	41,018,957,787	-	-	-	41,018,957,787
Financing payable	4.95% - 9.67%	311,558,090	-	-	-	311,558,090
Lease payable	8.75%	28,857,884	31,481,328	31,481,344	-	91,820,556

	2011					
	Effective Interest Rate	Maturities in One (1) Year	Maturity in the year - 2	Maturity in the year - 3	Maturity in the year - 4	Total
Assets						
Fixed Interest						
Cash and cash equivalents	0.20% - 7.00%	29,258,977,257	-	-	-	29,258,977,257
Restricted time deposits	7.00%	2,865,530,000	-	-	-	2,865,530,000
Liabilities						
Fixed Interest						
Short-term bank loan	9.25% - 14.00%	6,464,962,385	-	-	-	6,464,962,385
Financing payable	4.95% - 9.67%	380,643,473	311,558,090	-	-	692,201,563

c. Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its liabilities when they fall due. The management evaluates and monitors cash - in flows and cash - out flows to ensure the availability of fund to settle the due liabilities.

In general, the need to fund the repayment of short-term liabilities and long-term maturities derived from sales to customers.

The tables below summarize the maturity profile of the Company's financial liabilities based on undiscounted contractual payments as of December 31, 2012 and 2011:

(Expressed in Rupiah, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c. Liquidity Risk (continued)

	2012				
	< 1 month	**1 - 3 months**	**3 – 12 months**	**> 12 months**	**Total**
Financial liabilities					
Short-term bank loan	22,080,894,298	17,440,344,726	1,297,718,763	200,000,000	41,018,957,787
Trade payables					
Third parties	50,038,469,058	1,815,136,058	12,065,057,866	2,771,643,973	66,690,306,955
Related party	92,674,613	-	-	70,651,730	163,326,343
Other payable - third parties	642,194,300	36,333,763	11,678,710	503,563,769	1,193,770,542
Accrued expenses	183,505,892	-	-	-	183,505,892
Financing payable	32,878,125	65,756,250	98,634,375	114,289,340	311,558,090
Lease payable	4,175,000	8,350,000	37,575,000	41,720,556	91,820,556
Due to related party	-	-	-	200,000,000	200,000,000
Total Financial Liabilities	**73,074,791,286**	**19,365,920,797**	**13,510,664,714**	**3,901,869,368**	**109,853,246,165**

	2011				
	< 1 month	**1 - 3 monhts**	**3 - 12 months**	**> 12 months**	**Total**
Financial liabilities					
Short-term bank loan	4,775,992,686	360,566,565	1,043,745,320	284,657,814	6,464,962,385
Trade payables - third parties	79,044,571,022	16,748,116,565	19,624,832,602	2,078,601,063	117,496,121,252
Other payable - third parties	353,247,992	1,868,205,233	611,217,792	597,966,886	3,430,637,903
Accrued expenses	246,348,382	-	-	-	246,348,382
Financing payable	32,878,125	65,756,250	212,923,715	380,643,473	692,201,563
Total Financial Liabilities	**84,453,038,207**	**19,042,644,613**	**21,492,719,429**	**3,341,869,236**	**128,330,271,485**

d. Capital Management Risk

The Group are faced with capital risk which ensure that the Group will continue as a going concern, other than maximizing returns for shareholders, through the optimization of the debt and equity balance.

The capital structure of the Group consists of debt, which includes loans as described in Note 14 and owner's equity, which consists of issued capital, retained earnings and other equity component.

The Board of Directors of the Group periodically review their capital structure. As part of this review, the Board of Directors consider the cost of capital and related risk. The Group manage the risk through monitoring debt to equity ratio.

The Group manage its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or raise debt financing. No changes were made in the objectives, policies or processes for the years ended December 31, 2012 and 2011.

(Expressed in Rupiah, unless otherwise stated)

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d. Capital Management Risk (continued)

The debt to equity as of December 31, 2012 and 2011 are as follows:

	2012	2011
Loan	41,018,957,787	6,464,962,385
Equity	125,649,448,686	116,286,108,843
Net debt to equity ratio	**33%**	**6%**

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial assets and liabilities are the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's-length transaction, other than in a forced or liquidation sale situation.

These are the method and assumption used to estimate the fair value of each class of Group's financial instrument:

1. Cash and cash equivalent, trade receivables - third parties, other receivables - third parties, short-term bank loan, trade payables - third parties, other payables - third parties and accrued expenses approximate to their carrying amounts largely due to their short-term maturities.
2. Carrying value of long term liabilities such as financing payable and lease payable approximate to its fair value because floating interest rate from financial statement depends on adjustment from bank or creditors.
3. Fair value of restricted time deposit, loan to employees, due from related party, other long term investment, refundable deposit, and due to related party recorded as historical cost because its fair value can not be reliably estimated. It is not practical to estimate the fair value of these assets because there is no definite time period even though payment is not expected to be completed within 12 months after the date of the consolidated statements of financial position.

The table below is a comparison by class of the carrying amounts and fair value of the Group's financial instrument that are carried in the financial statement as of December 31, 2012 and 2011:

	2012	
	Carrying Value	**Fair Value**
Financial Assets		
Cash and cash equivalent	24,788,912,492	24,788,912,492
Trade receivables - third parties	132,164,956,278	132,164,956,278
Other receivables - third parties	4,359,317,818	4,359,317,818
Restricted time deposits	12,000,530,000	12,000,530,000
Employees receivables	1,661,387,270	1,661,387,270
Due from related party	1,168,007,910	1,168,007,910
Other long term investment	500,000,000	500,000,000
Total	**176,643,111,768**	**176,643,111,768**

(Expressed in Rupiah, unless otherwise stated)

33. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	2012	
	Carrying Value	**Fair Value**
Financial Liabilities		
Short-term bank loan	41,018,957,787	41,018,957,787
Trade payables		
Third parties	66,690,306,955	66,690,306,955
Related party	163,326,343	163,326,343
Other payables - third parties	1,193,770,542	1,193,770,542
Accrued expenses	183,505,892	183,505,892
Financing payable	311,558,090	311,558,090
Lease payable	91,820,556	91,820,556
Due to related party	200,000,000	200,000,000
Total	**109,853,246,165**	**109,853,246,165**

	2011	
	Carrying Value	**Fair Value**
Financial Assets		
Cash and cash equivalent	29,258,977,257	29,258,977,257
Trade receivables - third parties	149,615,054,647	149,615,054,647
Other receivables - third parties	5,508,237,555	5,508,237,555
Restricted time deposits	2,865,530,000	2,865,530,000
Employees receivables	2,433,674,795	2,433,674,795
Other long term investment	500,000,000	500,000,000
Refundable deposits	108,382,700	108,382,700
Total	**190,289,856,954**	**190,289,856,954**
Financial Liabilities		
Short-term bank loan	6,464,962,385	6,464,962,385
Trade payables - third parties	117,496,121,252	117,496,121,252
Other payables - third parties	3,430,637,903	3,430,637,903
Accrued expenses	246,348,382	246,348,382
Financing payable	692,201,563	692,201,563
Total	**128,330,271,485**	**128,330,271,485**

34. SEGMENT INFORMATION

In 2011, Group classify their business into four (4) business segment, as follows:

- Advertising services in planning and advertisement media and integrated marketing communication arrangement.
- Travel services in ticketing, hotel voucher and tour arrangement.
- Public relation focusing services on corporate public relation, litigation public relation and crisis management.
- Graphics design covering producing and provide graphics designing which consists of logo, corporate identity, product and trade mark, package and social service advertisement, exhibition services and audio visual or multi media services.

(Expressed in Rupiah, unless otherwise stated)

34. SEGMENT INFORMATION (continued)

In 2012, the segments of the Group into 3, there are advertising services, public relations services, and graphic design services, because PT Fortune Travindo (FT) was deconsolidated (Note 1c) which is bussines activity in travel services.

In accordance with PSAK No. 5 (revised 2009), “Segment Reporting”, the following segment information is prepared based on the information used by management in evaluating the performance of each business segment and in determining the allocation of resources.

2012	Advertising	Public Relations	Graphics Design	Elimination	Total
Segment Information					
Revenue					
External	374,599,274,870	92,201,183,238	13,346,608,823	-	480,147,066,931
Inter segment	54,768,655,134	127,137,500	3,407,390,132	(58,303,182,766)	-
Total Revenue	**429,367,930,004**	**92,328,320,738**	**16,753,998,955**	**(58,303,182,766)**	**480,147,066,931**
Operating income	10,669,899,333	5,653,447,182	188,311,155	-	16,511,657,670
Interest income	1,127,808,958	38,321,451	9,257,723	-	1,175,388,132
Financing cost	(1,000,429,835)	(161,693,384)	(3,676,150)	-	(1,165,799,369)
Other income (expense)	7,658,216,762	89,568,072	36,551,908	(7,287,368,625)	496,968,117
Income before income tax benefit (expense)	**18,455,495,218**	**5,619,643,321**	**230,444,636**	**(7,287,368,625)**	**17,018,214,550**
Income tax expense	**(2,812,604,664)**	**(1,458,306,758)**	**(88,691,295)**	**-**	**(4,359,602,717)**
Net comprehensive income (loss)	**15,642,890,554**	**4,161,336,563**	**141,753,341**	**(7,287,368,625)**	**12,658,611,833**
Segment assets	**271,015,634,858**	**48,256,426,590**	**10,621,074,376**	**(72,640,549,887)**	**257,252,585,937**
Segment liabilities	**126,718,588,415**	**34,574,460,295**	**13,225,578,619**	**(42,915,490,078)**	**131,603,137,251**
Capital expenditures	**1,911,408,895**	**442,064,886**	**15,675,001**	**-**	**2,369,148,782**
Depreciation	**1,441,657,681**	**295,468,719**	**89,386,938**	**-**	**1,826,513,338**

2011	Advertising	Travel *Marketing*	Public Relations	Graphics Design	Elimination	Total
Segment Information						
Revenue						
External	438,038,179,221	31,478,159,552	30,513,922,335	5,594,989,050	-	505,625,250,158
Inter segment	13,480,447,683	-	-	-	(13,480,447,683)	-
Total Revenue	**451,518,626,904**	**31,478,159,552**	**30,513,922,335**	**5,594,989,050**	**(13,480,447,683)**	**505,625,250,158**
Operating income (loss)	16,441,175,943	260,396,230	2,257,094,609	(1,361,948,878)	-	17,596,717,904
Interest income	1,129,474,275	8,620,215	30,290,015	6,917,048	-	1,175,301,553
Financing cost	(764,034,925)	(17,965,328)	(39,322,839)	(167,871,729)	-	(989,194,821)
Other income (expense)	3,029,065,386	(69,743,902)	(5,294,531)	14,397,000	(2,862,472,763)	105,951,190
Income before income tax benefit (expense)	**19,835,680,679**	**181,307,215**	**2,242,767,254**	**(1,508,506,559)**	**(2,862,472,763)**	**17,888,775,826**
Income tax expense	**(4,247,796,321)**	**(57,208,509)**	**(607,095,224)**	**(22,715,778)**	**-**	**(4,934,815,832)**
Net comprehensive income (loss)	**15,587,884,358**	**124,098,706**	**1,635,672,030**	**(1,531,222,337)**	**(2,862,472,763)**	**12,953,959,994**
Segment assets	**274,546,048,765**	**7,619,674,306**	**23,525,013,735**	**10,250,985,464**	**(49,948,826,736)**	**265,992,895,534**
Segment liabilities	**142,674,183,307**	**3,746,575,290**	**14,004,384,001**	**12,997,243,046**	**(23,715,598,953)**	**149,706,786,691**
Capital expenditures	**2,038,628,206**	**14,614,100**	**237,845,772**	**111,284,000**	**-**	**2,402,372,078**
Depreciation	**1,247,812,513**	**168,631,988**	**237,129,312**	**102,631,065**	**-**	**1,756,204,878**

(Expressed in Rupiah, unless otherwise stated)

35. CONTINGENCY

PT Fortune Adwicipta (FAC), Subsidiary, become the defendant in case No. 140/Pdt.G/2012/PN.Jkt.Sel filed by PT Pahala Kencana (the litigant) on March 8, 2012 to Pengadilan Negeri Jakarta Selatan, on the issue of shipping costs print/ brochures and banners promo Fastron product of PT Pertamina (Persero) in all area of Indonesia as totaling to 4,151 points / places with delivery point to SPBU of PT Pertamina (Persero) (Note 38b).

36. NONCASH TRANSACTION

Investing activities which not affecting cash and cash equivalents are as follows:

	2012	2011
Additions of fixed asset through finance payable	134,920,000	-
Additions of fixed asset through lease payable	-	789,075,000

37. NEW ACCOUNTING STANDARDS ISSUE

The Indonesian Institute of Accountants has issued the following revised PSAK, ISAK and Revocation Statements of Financial Accounting Standards (PPSAK). These standards will be applicable to financial statements with annual periods beginning on or after January 1, 2013:

1. PSAK No. 38 (revised 2011), "Business Combinations of Entities Under Common Control".
2. ISAK No. 21, "Agreements for Construction for Real Estate".
3. PPSAK No. 10, "Withdrawal of PSAK 51: Quasi-Reorganization Accounting".

Group Management is still evaluating the impact of PSAK, ISAK and PPSAK above and the impact on the consolidated financial statements from the application of PSAK, ISAK and PPSAK not yet be determine.

38. SUBSEQUENT EVENT

a. On January 14, 2013, PT Fortune Pramana Rancang (FPR), a Subsidiary, received tax assessments for fiscal year of 2010 amounting to Rp 93,907,935. The tax assessments received by FPR stated an overpayment of Rp 110,838,365 and underpayment of income tax article 4 paragraph 2 of Rp 30,254,725, income tax article 21 of Rp 48,401,145, income tax article 23 of Rp 53,005,982, Value Added Tax of Rp 518,000, and the tax collection letter of Rp 46,478,735 with totaling Rp 178,658,587. The Subsidiary plans to compensate the underpayment with the overpayment, however the realization is still in process.

b. On March 4, 2013, for case No. 140/Pdt.G/2012/PN.Jkt.Sel against PT Fortune Adwicipta (FAC), a Subsidiary, Pengadilan Tinggi Jakarta Selatan has given the decision as follows:

   1. Partially fulfill the litigant claim.
   2. Stated that the defendant was in default (broken promise).
   3. Cancel the agreement of delivery package between the litigant and the defendant dated May 16, 2011.
   4. Penalized the defendant to pay the shipping costs of pertamina package to the litigant amounting to Rp 311,000,000.
   5. Penalized the defendant to pay compensation to the litigant amounting to Rp 100,000,000.
   6. Refused part and remaining litigant claim.

   Until the completion date of the consolidated financial statements, FAC has not yet decide whether to accept or appeal the decision.

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SUBJECT & EXPLANATION		PAGE
I.	General	
1.	In good and correct Indonesian, it is recommended to present the report also in English.	√
2.	Printed on light-colored paper so that the text is also clear easy to read.	√
3.	Should state clearly the identity of the company. Name of the company and year of the Annual report is placed on: 1. The front cover; 2. Sides; 3. Back cover; and 4. Each page.	√
II.	Summary of Key Financial Information	
1.	Result of the Company information in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years. The information contained includes: 1. Operating sales/Revenue; 2. Gross profit (loss); 3. Profit (loss) 4. Net profit attributable to owners of the parent and non-controlling interest; 5. Net comprehensive profit; 6. Net comprehensive profit attributable to owners of the parent and non-controlling interest; 7. Profit (loss) per share; 8. Total assets; 9. Total liabilities; 10. Total equity; 11. Profit (loss) ratio to total assets; 12. Profit (loss) ratio to equity; 13. Profit (loss) ratio to revenue; 14. Current ratio; 15. Liabilities ratio to equity; 16. Liabilities ratio to total assets; and 17. Other relevant financial ratio and information about the company.	8
2.	The annual report must contain information regarding share price published for every quater in 2 (two) fiscal years (if any), at least include: a) the number of issued shares; b) market capitalization; c) highest, lowest, and closing price; and d) transaction volume.	9

SUBJECT & EXPLANATION	PAGE
3. In case of corporate actions, such as stock split, reverse stock, shares dividend, bonus shares, and reduction in nominal share prices, the share price information referred in point 2), shall be added explanations which included: a) the execution date of corporate action; b) rasio stock split, reverse stock, share dividend, bonus share, and reduction in share price; c) share volume issued before and after corporate actions; and d) share price before and after corporate actions.	N/A
4. In case of suspended stock trading in the fiscal year, the annual report must include an explanation of the reason for the suspension.	N/A
5. In case of suspension referred to item 4) has continued until the date of issuance of annual reports, the Issuer or Public Company must also explained the actions of the company to resolve the issue.	N/A
III. Board of Commissioners' and Board of Directors' Report	
1. Board of Commissioners' Report. Contains the following items: 1. Assessment on the performance of the Board of Directors in managing the company; 2. View on the prospects of the company's business as established by the Board of Directors; and 3. Changes in the composition of the Board of Commissioners (if any).	17-19
2. Board of Directors' Report. Contains the following items: 1. The company's performance, encompassing among others strategic policies, comparison between achievement of results and targets, and challenges faced by the company; 2. Business prospects; 3. Implementation of Good Corporate Governance by the company; 4. Changes in the composition of the Board of Directors (if any).	21-25
IV. Company Profile	
1. Name and address of the company. Includes information on name and address, zip code, telephone and/or facsimile, email, and website from the company and/or branch office or representative office, which allows the public to obtain information about the company.	119-120
2. Brief history of the company. Includes among others: date/year of establishment, name and change in the company name, if any.	31
3, Field of business. Includes the types of products and or services produced as well as business activities of the company according to recent Statutes, as well as the types of products and/or services produced.	31

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4.	Organizational structure. In the form of a chart, giving the names and titles and at least up to the one level below the Board of Directors.	40
5.	Company Vision and Mission. Includes the explanation on the company vision and mission.	32
6.	Name, title, and brief curriculum vitae of the members of the Board of Commissioners. The information should contain: 1. Name; 2. Title history, work experience, and legal basis of first designation in Issuer or Public Company, as set out in the minutes of GMS; 3. Educational history; 4. Brief description of the type of training in order to improve the competence of the Board of Commissioners in the financial year (if any), and 5. Disclosure of affiliate relationships with members of the Board of Directors and another member of the Board of Commissioners, and shareholders (if any).	26-28
7.	Name, title, and brief curriculum vitae of the members of the Board of Directors. The information should contain: 1. Name and brief description of the performed tasks and functions; 2. Title history, work experience, and legal basis of first designation in Issuer or Public Company, as set out in the minutes of GMS; 3. Educational history; 4. Brief description of the type of training in order to improve the competence of the Board of Directors in the financial year (if any), and 5. Disclosure of affiliate relationships with another member of the Board of Directors and shareholders (if any).	29
8.	In case of a change in the composition of the Board of Commissioners and/or the Board of Directors that occurred after the fiscal year ends until the deadline for submission of the annual report referred to the item 1 letter a, then the structure set out in the annual report is the composition of the Board of Commissioners and/or Directors of the recent and before.	-
9.	Number of employees and description of competence building such as, the aspect of education and training of employees that has been conducted.	80-85
10.	A description of the names of shareholders and percentage of ownership at the end of the financial year consists of: 1. shareholders owning 5% (five percent) or more shares of the Issuer or Public Company; 2. Commissioners and Directors who hold shares publicly listed companies, and 3. Public shareholders, a group of shareholders who each own less than 5% (five percent) of the shares of Issuer or Public Company.	119-121

	SUBJECT & EXPLANATION	PAGE
11.	Information about major shareholders and issuers controller or Public Company, that directly or undirectly up to the individual owner that presented in a form of scheme or diagram.	-
12.	Name of subsidiaries entities, associates, joint venture company in which the Issuer or Public Company has joint controlled entities, along with shareholding percentage, line of bussiness and company operation status (if any). For subsidiary entities, please add information about the address.	120-121
13.	Chronology of share listing and share volume changes from the beginning until the end of financial year and stock exchange name where the company share is listed (if any).	38
14.	Chronology of other Securities listing and Securities rating (if any) .	-
15.	Name and address of Securities rating company (if any)	43
16.	Name and address of capital market institutions and/or supporting professions. For the capital market supporting professions that gave periodic service to the Issuer or Public Company, have to reveal information about the service, fee, and assignment period that has been done; and	43
17.	Award and certification received by the company, both on a national scale and international scale, in the financial year (if any).	12-13
V.	Management Discussion and Analysis	
1.	Operational review per business segment in accordance with the type of industry conducted by the Issuers or Public Company. Contains description of: 1. Production,which include the process, capacity, and development; 2. Income; and 3. Profitability.	65-66
2.	Comprehensive financial performance analysis which includes a comparison between the last 2 (two) financial year, explanation about the cause of changes and the impact, among others concerning: 1. Current assets, non-current assets, and total assets; 2. Short-term liabilities, long-term liabilities, and total liabilities; 3. Equity; 4. Income, expense, profit/loss, other comprehensive income, and total of comprehensive profit/loss; and 5. Cash flow.	67-69
3.	Capacity to pay debts by presenting relevant ratio calculation.	70
4.	Collectable accounts receivable by presenting relevant ratio calculation.	70
5.	Capital structure and capital structure policies.	70

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6.	Discussion on material ties for the investment of capital goods with explanation about the purpose of the ties, source of funds expected to fulfill the said ties, currency of denomination, steps taken by the company to protect the position of related foreign currency against risks.	70
7.	Significant information and fact subsequent to the accountant's report date.	71
8.	Business prospects of the company in connection with the condition of industry, economy in general, and the international market, which can be accompanied with supporting quantitative data if there is a reliable data source.	75-77
9.	Comparison between target/projection in the beginning of financial year and the result which include income, profit, capital structure, or others that considered important for the company.	22
10.	Company's target/projection in one year which include income, profit/loss, capital structure, dividend policy, or others that considered important for the company.	65-66
11.	Marketing aspect for company product and service, such as: marketing strategy and market segment.	74
12.	Date and dividend policy along with the amount of dividend per share (cash/non-cash) and amount of dividend per year that announce or paid for the last two financial year.	72
13.	Realization of used funds obtained from the public offering: 1. In financial year, the Issuer has the obligation to report realization of the use of funds, and it must be disclosed in a cumulative manner until the last financial year; and 2. Changes in use of fund that regulated in Regulation No X.K.4, Issuers have to explain the changes.	-
14.	Significant information about investation, expansion, divestation, merger/takeover attempt, acquisition, restructuring debt/equity, afilitation transaction, and conflict of interest that happen in financial year (if any), such as: 1. Date, value, and transaction object 2. Name of the behalf transaction 3. Nature of affiliation (if any) 4. Explanation about transaction fairness; and 5. Relevant compliance	72
15.	Changes in regulation which have a significant effect on the company and the impact on financial report (if any); and	73
16.	Changes in the accounting policy, reason and its impact on financial report (if any).	73

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VI. Corporate Governance	
1. Board of Commissioners. The information contain: 1. Description of the tasks implemented by the Board of Commissioners. 2. Disclosing the procedure for determining remuneration, and the amount of remuneration for the Board of Commissioners;and 3. Disclosing company policy and the implementation, frequency of Board of Commissioners meetings, including meeting with Board of Directors, and attendance of the Board of Commissioners in the meetings.	92-95
2. Board of Directors. The information include: 1. Scope of work and responsibility of each member of the Board of Directors. 2. Disclosing the procedure for determining remuneration, basis of stipulation, and the amount of remuneration for the member of the Board of Directors, as well as the relation between remuneration and company performance; 3. Disclosure of company policy and the implementation, frequency of meetings, including meeting with Board of Commissioners, and attendance of the Board of Directors in the meetings; 4. Previous GMS decision and the realization in the financial year and the reasons for the decisions which are not yet realized; and 5. Disclosure of company policy about the assesment for Board of Directors performance (if any)	95-97
3. Audit Committee, among others include: 1. Name; 2. Curriculum vitae, work experience, and legal basis for the appoinment; 3. Educational history; 4. Term of office as the member of Audit Committee; 5. Independency of the members of the Audit Committee; 6. Disclosure of company policy and the implementation, frequency of meetings and the attendance of the Audit Committee in said meetings; 7. Brief report on the activities carried out by the Audit Committee in financial year and in accordance with the Audit Committee Charter	98-101
4. Other commitees that the issuers or public company have in order to support Board of Directors/Commissioners function and duty, such as nomination and remuneration commitee, which include: 1. Name; 2. Brief curriculum vitae, work experience, and legal basis for the appoinment; 3. Educational history; 4. Term of office; 5. Disclosure of company policy regarding the independency of the committee; 6. Job description and responsibility; 7. Disclosure of company policy and the implementation, frequency of meetings and the attendance of the committee in said meetings; and 8. Brief report on the activities carried out by the committee in the financial year	101

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5. Description of tasks and function of the Corporate Secretary; 1. Name; 2. Curriculum vitae, work experience and legal basis for the appoinment; 3. Educational history; 4. Term of office of corporate secretary; 5. Brief description about corporate secretary task implementation in the financial year	97-98
6. Description of the company's internal audit unit which include: 1. Name; 2. Curriculum vitae, work experience and legal basis for the appoinment; 3. Qualification and certification as internal auditor (if any); 4. Structure and position of the internal audit unit; 5. Job description and responsibility of the internal audit unit in accordance with the internal audit charter; and 6. Brief description about internal audit unit task implementation in the financial year	102
7. Description about internal control system implemented by the company, at least include: 1. Financial and operational control, compliance toward other regulations; and 2. Review on the effectiveness of internal control system	103-104
8. Risk management system implemented by the company, at least include: 1. General description about the company's risk management system; 2. Risk type and the management method; and 3. Review on the effectiveness of company risk management	104-106
9. Important case that faced by Issuer or Public Company, subsidiary entities, Board of Commissioners and Directors, among others include: 1. Material of the case/claim; 2. Status of settlement of case/claim; and 3. Potential impacts on the financial condition of the company	107
10. Information about administrative sanctions for Issuer or Public Company, Board of Commissioners and Directors, by the capital market authority and others in the last financial years (if any)	-
11. Information about corporate culture and code of conduct (if any) which include: 1. Principles of the code of conduct; 2. Principles of the corporate culture; 3. Code of conduct sosialization and enforcement effort; and 4. Disclosing that the code of conduct applicable to the Board of Commissioners, Directors, and company employee	107
12. Description about share ownership program by employee and/or management that implemented by the Issuer or Public Company, including total, time period, employee or management requirement, and exercise price (if any); and	-

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13.	Disclosure about whistleblowing system in the Issuer and Public Company that could risk the company or stakeholders (if any), among others include: 1. Mechanism of whistleblowing system; 2. Protection for the reporter; 3. Handling the complaint; 4. Party that manage the complaint; and 5. Result of handling the complaint	**109-111**
VII.	Corporate Social Responsibility	
1.	Disclosure about corporate social responsibility including policies, kinds of program, and expenses incurred, among others covering the aspects of: 1. Environmental, such as the use of material and energy that is environmentally friendly and can be recycled, waste treatment system, certificate on environmental, and etc; 2. Labor practices, health and work safety, such as the equality of gender and work opportunity, facility and work safety, employee turnover, accident rate, training, and etc; 3. Community and social development, such as local worker recruitment, community empowerment, social facility repairement, other donations, and etc; and 4. Product responsibility, such as customer health and safety, product information, facility, total and customer complaint control, and etc.	**114-117**
2.	Issuer or Public Company could reveal information from point 1) in the annual report or separated report that delivered along with the annual report to Bapepam-LK, such as in the form of sustainability report or corporate social responsibility report.	-
VIII.	Audited Financial Report	
1.	The Annual Financial Report contained in the annual report must compiled in accordance with Financial Accounting Standard in Indonesia that has been audited by Accountant. Financial report must contained statement about financial report accountability as regulated in Regulation Number VIII.G.11 or Regulation Number X.E.1.	√
IX.	Signatures of the Board of Commissioners and Directors	√
1.	Annual report should be signed by all incumbent Board of Commissioners and Directors.	√
2.	Signature refers in point 1 is appended in separated sheet in the annual report and it should contain statement that Board of Commissioners and Directors are fully responsible for the authenticity of the annual report, in accordance with Form No. X.K.6-1.	√

SUBJECT & EXPLANATION	PAGE
3. If any member of the Board of Commissioners or Directors didn't sign the annual report, he/she is obligated to give written statement in separate letter that attached in the annual report.	-
4. If any member of the Board of Commissioners or Directors didn't sign the annual report and he/she didn't give written statement, another member of the Board of Commissioners or Directors that signed the annual report should give written statement in separate letter that attached in the annual report.	-

FAST FORWARD
THE DREAM

2012
Annual Report

FORU

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FAST FORWARD THE DREAM

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