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This Offering Memorandum has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of PT Garuda Indonesia (Persero) Tbk., PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas or any person who controls, or is a commissioner, director, officer, employee, agent, representative or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic form and the hard copy version available to you on request from PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas.

Restrictions: The attached Offering Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Memorandum. You are reminded that the information in the attached document is not complete and may be changed. Any investment decision should be made on the basis of a complete final Offering Memorandum.

Nothing in this electronic transmission constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

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OFFERING MEMORANDUM

CONFIDENTIAL



PT GARUDA INDONESIA (PERSERO) Tbk
(incorporated with limited liability under the laws of the Republic of Indonesia)

up to 2,231,669,111 Series B Common Shares in the Placement (as defined herein)

This Offering Memorandum (the "**Offering Memorandum**") has been prepared by PT Garuda Indonesia (Persero) Tbk. (the "**Company**") in connection with the Placement of up to 2,231,669,111 of its Series B common shares, par value Rp459 per share (the "**Placement Shares**"), comprising all of the Rights Shares (as defined herein) issuable upon exercise of the MSOE Rights (as defined herein) (the "**Placement**"). The Placement Shares are being issued by the Company in connection with a rights issue (the "**Rights Issue**") as more fully described herein. This Offering Memorandum is not an offer to purchase or sell any Rights (as defined herein) or Rights Shares (apart from the Placement Shares).

The Placement Shares are being offered and distributed through PT Bahana Securities (Affiliated), PT Danareksa Sekuritas (Affiliated) and PT Mandiri Sekuritas (Affiliated) (each a "**Placement Agent**" and together the "**Placement Agents**"). The Placement Shares are being offered and sold outside the United States in reliance on Regulation S ("**Regulation S**") under the US Securities Act of 1933, as amended (the "**Securities Act**"). The Placement Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Placement consists of the offer and sale of Placement Shares to institutional investors outside of Indonesia and in "offshore transactions" (as such term is defined in Regulation S), including to institutional investors in Singapore or professional investors in Hong Kong, in compliance with Regulation S. The public offer (including an offering to Indonesian institutions and other investors) is being conducted solely in Indonesia (the "**Indonesian Offer**").

The offering memorandum for the Placement consists of (1) this confidential international offering memorandum together with the English translation of the Indonesian Prospectus (the "**English Prospectus**") and (2) the Indonesian Prospectus that has been prepared for the Indonesian Offer (the "**Indonesian Prospectus**"), all of which should be read together prior to making an investment decision to buy the Placement Shares and referred to collectively as the "**Offering Memorandum**". In the event of inconsistency between the Indonesian Prospectus and the English Prospectus, the Indonesian Prospectus will prevail. The Placement Agents are not responsible for the accuracy of the translation of the Indonesian Prospectus to the English Prospectus.

The closing of the Placement is conditional upon the effectiveness of the Rights Issue and certain other conditions. See "Rights Issue" and "Plan of Distribution".

The Company's Series B common shares (the "**Shares**") are listed on the Indonesia Stock Exchange ("**IDX**") under the symbol "GIAA." The Placement price of the Placement Shares may not reflect the market price of the Shares after the closing of the Placement. The closing price per share on the IDX on March 21, 2014 for the Shares was Rp456 per Share.

Investing in the Placement Shares involves risks. See "Risk Factors" beginning on page 75 of the attached English Prospectus to read about the risks you should consider before buying any of the Placement Shares. See also "Risks Relating to Indonesia" beginning on page W-9 of this Offering Memorandum.

Placement Offering Price: Rp465 per Placement Share

On March 21, 2014, the exchange rate between the Indonesian Rupiah and U.S. dollar based as reported by Bank Indonesia on its website at www.bi.go.id was US\$1.00 = Rp11,431.

The final price for the Placement Shares will be determined following a book-building process. It is expected that the Placement Shares will be delivered to purchasers on or about April 8, 2014.

Each purchaser of Placement Shares will be deemed to have made certain acknowledgements, representations and agreements with respect to its purchase. For a description of these acknowledgements, representations and agreements and for certain restrictions on transfers, see "Distribution of Prospectus and Rights Certificates" in Section XVIII of the attached English Prospectus.

This document does not constitute an offer, solicitation or invitation to subscribe for and/or purchase the Placement Shares in any jurisdiction in which such offer, solicitation or invitation is unlawful or is not authorized or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory authorities of Hong Kong, Singapore or any other jurisdiction, except for the registration of the Indonesian Prospectus in Indonesia in order to permit a public offering of the Placement Shares and the public distribution of the Indonesian Prospectus in Indonesia. The distribution of this Offering Memorandum and the Placement of the Placement Shares in jurisdictions other than Indonesia may be prohibited or restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offering Memorandum are required by the Company and the Placement Agents to inform themselves about, and observe and comply with, any such prohibitions or restrictions at their own expense and without liability to the Company and the Placement Agents. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

Placement Agents



PT Bahana Securities (Affiliated)



PT Danareksa Sekuritas (Affiliated)



PT Mandiri Sekuritas (Affiliated)

Offering Memorandum dated March 24, 2014

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You should rely only on the information contained in this Offering Memorandum or to which the Company referred you. The Company has not authorized anyone to provide you with information that differs from that contained in this Offering Memorandum or to which the Company has referred you. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate as of the date of this document.

The attached English Prospectus is an unofficial English translation of the prospectus that has been prepared by the Company to be filed with the Financial Services Authority (*Otoritas Jasa Keuangan*, or “**OJK**”) in connection with the Rights Issue. It is subject to completion and any comments that OJK may have and may not include all of the information in the final prospectus that will be issued by the Company for the purposes of the Rights Issue. **No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or loss is or will be accepted by the Company, the Placement Agents or any of their respective affiliates, representatives or advisors on, the accuracy of the translation of the contents from the prospectus and any liability therefore is hereby expressly disclaimed.**

This Offering Memorandum is strictly confidential and has been prepared by the Company solely for use in connection with the Placement. This Offering Memorandum is personal to each offeree in the Placement and does not constitute an offer to any person or to the public generally to purchase, or otherwise acquire, the Placement Shares. Distribution of this Offering Memorandum to any person other than an offeree in the Placement and those persons, if any, retained to advise such offeree in the Placement with respect thereto is unauthorized and any disclosure of any of its contents, without the Company’s prior written consent, is prohibited. Each prospective purchaser in the Placement, by accepting delivery of this Offering Memorandum, agrees to the foregoing, agrees to make no copies of, and otherwise not to circulate or distribute any information in, this Offering Memorandum and agrees, if the offeree in the Placement does not purchase Placement Shares or the Placement is terminated, to return this Offering Memorandum to the Placement Agents.

In making an investment decision, you must rely on your own examination of the Company and the terms of the Placement, including the merits and risks involved. By receiving this Offering Memorandum, you acknowledge that (i) you have been afforded an opportunity to request from the Company and to review, and have received, all information that you consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Memorandum, (ii) you have not relied on any of the Placement Agents or any person affiliated with any of the Placement Agents in connection with your investigation of the accuracy of any information in this Offering Memorandum or your investment decision and (iii) no person has been authorized to give any information or to make any representation concerning the Company or the Placement Shares other than as contained in this Offering Memorandum and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Company or any of the Placement Agents.

No representation or warranty, express or implied, is made by the Placement Agents as to the accuracy or completeness of the information contained in this Offering Memorandum. Neither the delivery of this Offering Memorandum nor the offer of the Placement Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in the Company’s affairs since the date of this Offering Memorandum or that any information contained herein is correct as of any date subsequent to the date hereof.

Neither the Company nor any of the Placement Agents, nor any affiliate or representative of the Company nor any of them, is making any representation to any purchaser of Placement Shares regarding the legality of any investment by such purchaser under applicable laws. In addition, you should not construe the contents of this Offering Memorandum as legal, tax, business or financial advice. You should be aware that you may be required to bear the financial risks of an investment in the Placement Shares for an indefinite period of time. You should consult with your own advisors as to the legal, tax, business, financial and related aspects of a purchase of Placement Shares.

This Offering Memorandum does not constitute an offer to sell, or an invitation by or on behalf of the Company or the Placement Agents or any affiliate or representative of the Company or the Placement Agents to purchase, any of the Placement Shares, and this Offering Memorandum may not be used for the purpose of an offer to, or a solicitation by, anyone, in each case in any jurisdiction or in any circumstances in which such offer or solicitations is not authorized or is unlawful, further details of which are set out under “Plan of Distribution”. Recipients of this Offering Memorandum are required to

inform themselves about and observe any applicable restrictions.

OJK has not and will not declare its approval or disapproval of the Rights Shares, nor has it or will it declare the accuracy or adequacy of this Offering Memorandum. Any statement to the contrary is a violation of Indonesian law. This Offering Memorandum has not been and will not be registered as a prospectus in Indonesia.

The Placement Shares have not been and will not be registered under the Securities Act or any United States state securities laws and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable United States state securities laws. The Placement is being made outside the United States under Regulation S.

Each purchaser of Placement Shares must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the Placement Shares or possesses or distributes this Offering Memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Placement Shares under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales and none of the Company or the Placement Agents shall have any responsibility therefor.

The information contained in this Offering Memorandum has been provided by the Company and the other sources identified herein. Any reproduction or distribution of this Offering Memorandum in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. Investors agree to the foregoing by accepting delivery of this Offering Memorandum.

NOTICE TO NOMINEES, CUSTODIANS AND FINANCIAL INTERMEDIARIES

Any person, including nominees, custodians and other financial intermediaries who would, or otherwise intends to, or has a contractual or legal obligation to forward this Offering Memorandum or any information relating to the Placement to any jurisdiction outside of Indonesia, should adhere to the restrictions set out above and in the section entitled “Plan of Distribution” of this Offering Memorandum. In connection with any subscriptions or purchases of the Placement Shares, nominees, custodians and financial intermediaries will be deemed to have represented and warranted that they have complied with the terms of the Placement.

CONVENTIONS WHICH APPLY IN THIS OFFERING MEMORANDUM

Market data and certain industry forecasts used throughout this Offering Memorandum have been obtained from market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Company, the Government of Indonesia or the Placement Agents makes any representation as to the accuracy of that information.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, all references to “Indonesia” are references to the Republic of Indonesia. All references to the “Government” herein are references to the Government of Indonesia and, when used in the context of the Government as the Company’s controlling shareholder, the Indonesian Ministry of State-Owned Enterprises (the “MSOE”). All references to “Rupiah” and “Rp” herein are to the lawful currency of Indonesia and all references to “U.S. dollars” or “US\$” herein are to the lawful currency of the United States.

For convenience, certain Rupiah amounts have been translated into U.S. dollar amounts, based on the exchange rate on March 21, 2014 of Rp11,431 = US\$1.00, being the middle exchange rate announced by Bank Indonesia on that date for Rupiah against U.S. dollars. Such translations should not be construed as representations that the Indonesian Rupiah or U.S. dollar amounts referred to could have been, or could be, converted into Rupiah or U.S. dollars, as the case may be, at that or any other rate or at all. See “Exchange Rates and Exchange Controls” for further information regarding rates of exchange between Rupiah and U.S. dollars.

In this Offering Memorandum, unless the context otherwise requires, “the Company” refers to PT Garuda Indonesia (Persero) Tbk. Further, unless the Company specifies otherwise or the context otherwise requires, all references to the “common shares” or the “Shares” refer to the Company’s Series B common shares, par value Rp496 each. “Government-related” means entities which are, directly or indirectly, owned at least 51.0% by the Government or are otherwise controlled by the Government. “Private” or “private sector” means entities, including corporations, in which the Government owns an interest less than 51.0% and which are not otherwise controlled by the Government.

In this Offering Memorandum, references to “2011”, “2012” and “2013” refer to the years ended December 31, 2011, December 31, 2012 and December 31, 2013, respectively. Certain numbers, including percentages, have been rounded for convenience. Any discrepancies in the tables included in this Offering Memorandum between the listed amounts and their totals are due to rounding.

By receiving this Offering Memorandum, prospective purchasers acknowledge that the financial statements included in this Offering Memorandum have been prepared in accordance with Indonesian Financial Accounting Standards (“**Indonesian FAS**” or “**IFAS**”), which differ in certain respects from generally accepted accounting principles in the United States (“**U.S. GAAP**”) and International Financial Reporting Standards (“**IFRS**”), and are subject to auditing standards established by the Indonesian Institute of Certified Public Accountants (“**IICPA**”).

Except as otherwise indicated, comparisons of data between periods expressed in percentages are based on the percentage by which the later value exceeds, or shows a decline from, the earlier value. References to return on equity, return on assets and net interest margin for partial year periods are based on annualized values.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Memorandum constitute “forward-looking statements”, including statements regarding the Company’s expectations and projections for future operating performance and business prospects. The words “believe”, “expect”, “anticipate”, “estimate”, “project”, “will”, “aim”, “will likely result”, “will continue”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “should”, “will pursue” and similar expressions or variations of these expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Memorandum, including, without limitation, those regarding the Company’s financial position and results, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company’s services) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which it will operate in the future.

The important factors that could cause some or all of those assumptions not to occur or cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things, the Company’s ability to successfully implement its strategy, the condition of and changes in the Indonesian, Asian or global economies, the Company’s growth and expansion, including but not limited to whether it succeeds in growing its flight network and developing its fleet, fluctuations in fuel prices, changes in the value of the Rupiah against the U.S. dollar and other currencies, and changes in government regulation. Additional factors that could cause the Company’s actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risks Relating to Indonesia” beginning on page W-9 of this Offering Memorandum and “Risk Factors” beginning on page 75 of the attached English Prospectus. These forward-looking statements speak only as of the date hereof. Each of the Company and the Placement Agents expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement is based.

ENFORCEABILITY OF CIVIL LIABILITIES

The Company is a limited liability company incorporated under the laws of Indonesia. All of the Company's commissioners, and all of its directors and executive officers reside in Indonesia. Most of the Company's assets and most of the assets of the Indonesian-citizen/resident directors and executive officers of the Company are located in Indonesia. As a result, it may be difficult for purchasers to effect service of process upon such persons, or to enforce against the Company or any of them any court judgments obtained in courts outside of Indonesia.

The Company has been advised by its Indonesian legal counsel, Assegaf Hamzah & Partners, that judgments of courts outside Indonesia are not recognized nor are they enforceable in Indonesia, although such a judgment may be offered as evidence with respect to the matter of law of the jurisdiction of that non-Indonesian court and may be given such evidentiary weight as the Indonesian court deems appropriate under such circumstances. A foreign court judgment could be offered and accepted into evidence in a proceeding on the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate in its sole discretion. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. Re-examination of the underlying claim de novo would be required before the Indonesian court.

SUMMARY

INTRODUCTION

The Company is Indonesia's state-owned air carrier and is a provider of air transport for passengers, cargo and airline-related services in Indonesia. The Company has an extensive operating history in Indonesia and has historically been the Indonesian flag carrier providing international, domestic and regional airline services. Some key milestones in the Company's growth and development include:

- a. On January 26, 1949, Indonesia's first commercial flight operator commenced operations under the name of "Indonesian Airways" and on December 28, 1949, the Company's predecessor "Garuda Indonesian Airways" commenced operations.
- b. On March 31, 1950, the Company's predecessor business was incorporated as Garuda Indonesian Airways N.V., a joint venture between the Dutch national airline KLM (51%) and the Government of Indonesia (49%).
- c. In 1954, the Republic of Indonesia, represented by the Government through the Minister of Finance, became the sole shareholder of Garuda Indonesian Airways N.V.
- d. In 1956, the Company introduced flight services to Saudi Arabia for Hajj pilgrimages for the first time.
- e. In 1975, the Company was incorporated as PT (Persero) Perusahaan Penerbangan Garuda Indonesia, a state-owned limited liability company under the laws of the Republic of Indonesia, to assume the operations of Garuda Indonesian Airways N.V.
- f. In 1976, the Company received its first deliveries of DC-10 aircraft, which was also the first wide-body aircraft introduced to its fleet.
- g. In 1985, the Company updated its corporate identity to enhance its brand image and to better represent its future vision.
- h. In 1985, the Company launched flight services to the United States for the first time.
- i. In 1989, the Company acquired its PT Aero Wisata ("**Aerowisata**") subsidiary to provide and develop supporting airline and related services, such as catering services for flights, hotels and resorts, travel agencies and tour and ground transportation services.
- j. In 1995, the Company's PT Abacus Distribution Systems Indonesia ("**Abacus**") subsidiary was established to provide information technology and operating system services, including global distribution services for the Company.
- k. In 2002, the Company's PT Garuda Maintenance Facility Aero Asia ("**GMFAA**") subsidiary, was established to provide maintenance, repair and overhaul ("**MRO**") services, including airframe and engine maintenance and related supporting services.
- l. In December 2005, the Company's PT Aero Systems Indonesia ("**Asyst**") subsidiary was established to provide IT systems specifically designed for the transportation industry.
- m. In September 2008, the Company re-launched its Citilink (under its subsidiary, PT Citilink Indonesia) regional airline operations to meet increasing demand for low-cost carrier ("**LCC**") services in the Indonesian domestic market.
- n. In July 2009, the Company further refreshed its corporate branding and introduced the new generation Boeing 737-800 aircraft and new Airbus A330-200 aircraft into the Company's fleet. The Company also moved to its new management building at Soekarno-Hatta International Airport in Cengkareng, Jakarta.
- o. In June 2010, the Company re-launched flight services to Amsterdam.
- p. In 2011, the Company conducted its Initial Public Offering and listing on the IDX.
- q. In June 2012, the Company separated its Citilink LCC business into a separate subsidiary company, to exclusively provide LCC flight services.
- r. In July 2012, the Company was awarded "The World's Best Regional Airline" and "The Best Regional Airline in Asia" by Skytrax, an independent London-based research company specializing in the air transport industry.
- s. In June 2013, the Company conducted a public offering of Shelf-Registration Bonds I Phase I of Rp2 trillion, with a term of five years at a fixed interest rate of 9.25% per annum.

Currently, the Company has two strategic business units (“**SBUs**”), Garuda Cargo and Garuda Sentra Medika, and five main subsidiaries, Abacus (reservation), Aerowisata (catering, hotel, transport and travel), GMFAA (MRO), Asyst (IT systems) and Citilink (LCC flight services). The Company also has an associated company, PT Gapura Angkasa (“**Gapura**”), which provides ground handling services.

THE COMPANY’S COMPETITIVE STRENGTHS

The Company’s competitive advantages are as follows:

1. Strong Brand Image

In the domestic market, the Company has a good reputation and is known as Indonesia’s most reliable airline. The Company attributes its large market share in Indonesia to several factors including (i) having IOSA (IATA Operational Safety Audit) safety certification, (ii) the Company’s relatively high on-time performance (“**OTP**”) level, (iii) its well known and strong brand image and (iv) its operation as a full service carrier (“**FSC**”). In the international market, the Company’s continuous and consistent improvement of service quality has enabled it to strengthen its brand image. The continuous improvement of the Company’s brand image in the international market is evidenced by the receipt by the Company of 4 star airline recognition from Skytrax at the end of 2009.

2. Highly Skilled Organization and Management

From a management and human resources perspective, the Company has highly skilled employees which are led by a professional management. The Company continues to implement internal program within its organization designed to increase professionalism and build the Company into a high-performing organization. Acceleration of this program will determine how quickly the Company can transform into an airline that is better than its peers. The receipt by the Company as “The World’s Most Improved Airline” by Skytrax is evidence of the Company’s continuing development as a highly skilled organization with experienced management.

3. Reliable IT Systems

The Company currently has sufficient and adequate IT systems for its commercial, operational and financial needs. The Company also has a strong foundation for further development and improvement of its IT systems in the future. For its commercial needs, the Company has implemented the Netline Plan system, which allows the Company to optimize flight network and flight schedules. In addition, the Company’s Asyst and Abacus subsidiaries are specially dedicated to supporting its IT systems.

4. Rapid Economic and Market Growth in Indonesia

In addition to the Company’s competitive advantages listed above, a key strength and investment highlight for the Company results from Indonesia’s recent continued economic growth and positive market conditions. Despite the decline in the economic growth of Indonesia compared to previous years, Indonesia recently has performed relatively well, with its economic growth being higher than for other developing countries, including member countries of the G - 20, having recorded a growth in Gross Domestic Product (“**GDP**”) of 5.8% in 2013. Indonesia’s growth in GDP is occurring across many industries and sectors, with the highest growth of 10.2% recorded by the transportation and communication sector. International airline passenger traffic from Indonesia recorded a 9.5% increase from 11.9 million passengers in 2012 to 13 million passengers in 2013. This increase was due to factors such as the increase of domestic economic activity, increase in income per capita in Indonesia, increase in the number of new aircraft entering the domestic market, affordable ticket prices and the increase in service quality and flight safety.

The International Monetary Fund projected that in 2015, the world’s economic growth will be approximately 4.4%, Association of Southeast Asian Nations (“**ASEAN**”) 5 group’s economic growth will be approximately 5.8%, and Indonesia’s economic growth is expected to be approximately 6.9%. This projected approximately 6.9% growth of Indonesia’s economy in 2015, presents a favourable outlook for the Company, as market growth in the aviation industry is closely linked to the world’s and Indonesia’s economic growth, as usually growth in the aviation industry is adversely affected during an economic crisis. According to projections by Airbus, the Asia-Pacific market is expected to thrive in the long term and will surpass other markets, such as Europe and North America. Within Indonesia, the aviation industry still has many growth opportunities and untapped potential. The geographical structure of Indonesia as an archipelago requires air transportation and it is expected that the long-term growth in demand for air transportation services will surpass the projected growth of flight capacity. This projected growth in demand presents a particularly favorable opportunity to the Company given its competitive advantages and position as a well-known brand for air transportation among business travelers, a customer segment which is relatively insensitive towards price.

THE COMPANY'S STRATEGY

The Company believes that its business strategy positions it favorably to capitalize on the anticipated continuous growth in the Indonesian aviation market. The Company divides its key strategic initiatives designed to achieve its vision and mission into seven main drivers (7 Quantum Leap drivers) as follows:

1. Grow and Dominate the FSC Domestic Market through the Strengthening of the Company's Leading Position.

The Company aims to grow and dominate the FSC domestic market through improving the quality of its service as a whole (before, during and after the flight), and developing the Company's domestic route network. The development of the Company's domestic route network is part of an effort to achieve the Company's target to achieve the "5 star" Skytrax rating and at the same time, to prepare the Company for free trade within the ASEAN region in 2015. As part of its improvement of products offered to customers, the Company has introduced aircraft intended to serve routes with high yield and lower density, particularly at smaller regional airports. By introducing these aircraft, the Company believes that it will increase its ability to match capacity to demand on lower density routes that cannot be served profitably by either a full service carrier or a low-cost carrier.

In addition, to strengthen the Company's network efficiency and be more cost effective, the Company implemented the "Hub & Spoke" concept, which connects various cities in Indonesia. Currently, in addition to its main Jakarta-based operations, the Company has three hubs located in UPG (Makassar), DPS (Denpasar) and KNO (Kualanamu). The presence of these hubs allow the Company to provide increased services to areas with limited airport facilities.

2. Capture the Potential in International Markets by Expanding its Flight Network.

The Company's strategies in expanding its international network, are as follows:

- To increase capacity by adding new routes and/or adding frequency of flights on its international network.
- To enter into code-share arrangements with other well-known airlines based on the mutual benefits afforded to each airline. The Company already has certain existing code-share arrangements, most recently with Etihad Airways PSJC ("**Etihad**"). As part of the code-share arrangement with Etihad, in December 2012, the Company changed the location of its transit station for Europe-bound flights to AUH (Abu Dhabi) from DBX (Dubai). From the code-share arrangement with Etihad, the Company is able to expand its air network through AUH, as well as connecting its flight network with Etihad's, and vice versa.
- To join SKYTEAM, a global alliance of airlines. Currently, SKYTEAM consists of 19 major airlines. By joining SKYTEAM, the Company is able to be connected to a large route network, comprising of 15,000 flights per day, including 1,024 destinations in 178 countries and on average, serving 569 million passengers per year and 530 airport lounges around the world.

3. Make the Company's Citilink subsidiary the "Pioneer of Change and Innovation" in Indonesia's LCC Market.

The Company aims to establish Citilink as the "pioneer of change and innovation" or "ornament of change" in the LCC market, whereby the Citilink brand will serve the LCC market segment which will ultimately strengthen the position of the Company's brand as a recognized and established FSC airline. Citilink's strategy will focus on increasing efficiency and operational effectiveness in order to provide the lowest prices on routes served, with appropriate quality standards. Citilink will focus on the efficient use of fleet, increasing seat capacity and aircraft utilization, low distribution cost and also will focus on flights which are no longer than two hours, both domestic and international.

4. Develop, Simplify and Rejuvenate the Company's Fleet.

The Company's fleet development strategy is to satisfy its growth and expansion opportunities while balancing its other operational requirements and concerns in order to profitably grow its business. The Company aims to have a diverse fleet which can be operated efficiently and in a flexible manner to best serve the various needs of the Company's diverse route network. In general, the Company's fleet consists of six aircraft types:

- Long distance aircraft: B777-300ER
- Medium distance aircraft: A330-200 & A330-300
- Premium short distance aircraft: B737-800
- Short distance LCC aircraft: A320
- Regional aircraft: CRJ-1000
- Very short distance aircraft: ATR 72-600

5. Strengthen the Company's Brand and Improve Product Quality and Services.

The Company's brand development strategies are to continue to develop the "Garuda Indonesia Experience" program, aimed at distinguishing and placing the Company's products at a premium level to be achieved through the focus on and development of three major components:

- Indonesian culture and hospitality
- Excellent quality of customer service
- Modern cabin interiors

In addition to the "Garuda Indonesia Experience" the Company's brand development strategies include its Services and Facilities Development Initiative, and programs emphasizing its IOSA safety certification and technical support improvement.

6. Implement Cost Effectiveness through Fleet Efficiency and Reduce Distribution Cost.

The Company's efforts to improve the quality of its services remain balanced with its focus on continuous cost effectiveness, as a result of which the Company expects to generate lower average cost per unit of production (cost/ASK) than its competitors from other countries. This strategy is implemented through the following two initiatives:

- Transition from an indirect sales agency model to a direct sales model with dedicated internet services and call centers aimed at reducing the cost of sales.
- Operation of new fleet aircraft which can reduce maintenance and fuel cost.

7. Promote the Company's "FLY-HI" Corporate Culture.

The Company has developed and implemented its "FLY-HI" program aimed at promoting its corporate culture and values, including efficiency and effectiveness, loyalty, customer centricity, honesty and openness and integrity. The Company believes that these values will provide guidance to its employees to work towards achieving a common goal for both the Company and each employee. The Company implements its "FLY-HI" corporate culture through the following strategic initiatives aimed at:

- Organizational development
- Improvement of performance management systems
- Building leadership capabilities
- A human resource strategy that is aligned with the Company's global corporate strategies
- Building high-quality, sales and service oriented operations and a learning culture.

By realizing these strategic aims, the Company believes that employee production will increase quantitatively, which will lead to increased profitability for the Company and also result in higher earnings and satisfaction for employees.

SUMMARY OF THE TERMS OF THE PLACEMENT

The following summary contains basic information about the Placement Shares and the Placement and is not intended to be complete. It does not contain all of the information that is important to prospective purchasers. For a more complete understanding of the common shares, please refer to the section entitled “Indonesian Capital Markets” in this Offering Memorandum and “Articles of Association” in the attached English Prospectus.

The Issuer PT Garuda Indonesia (Persero) Tbk.

The Rights Issue The Company is conducting a rights issue in which it proposes to issue to the holders of its issued and outstanding Series B common shares (the “**Existing Shares**”), rights (the “**Rights**”) to subscribe for Rights Shares. Each holder of the Existing Shares as of the Record Date on April 4, 2014 will be credited with 100,000 Rights for every 701,409 Existing Shares held on such date. Each Right will entitle the holder to subscribe for one newly issued Series B common share (each, a “**Rights Share**” and together the “**Rights Shares**”) at a price (the “**Exercise Price**”) of Rp460 per Rights Share. Assuming all of the Rights are exercised, the Company will issue an aggregate of 3,227,930,633 Rights Shares.

The MSOE The Government of Indonesia acting through the Ministry of State-Owned Enterprises (“**MSOE**”). As of the date hereof, the MSOE owns one Special Share (as defined below) and 15,653,127,999 Series B common shares, representing 69.14% of the Existing Shares, which entitles the MSOE to 2,231,669,111 Rights (the “**MSOE Rights**”) under the Rights Issue. The MSOE Rights entitle the holder thereof to subscribe for 2,231,669,111 Rights Shares.

The Placement Offer of 2,231,669,111 Series B common shares, reflecting all of the Rights Shares issuable upon exercise of the MSOE Rights (the “**Placement Shares**”). MSOE will not be exercising the MSOE Rights that will be issued to it in connection with the Rights Issue. Pursuant to a Purchase Agreement dated March 6, 2014 and an addendum to the Purchase Agreement dated March 19, 2014 (collectively, the “**Purchase Agreement**”), entered into between the MSOE, in its capacity as the representative of the Government, and the Placement Agents, all of the MSOE Rights will be sold to the Placement Agents with certain conditions. Upon the exercise of the MSOE Rights by the Placement Agents and the issuance of the related Rights Shares, the Placement Agents will offer and sell these Rights Shares to domestic and foreign investors through a limited private offering. The Placement Agents will distribute these Rights Shares to the securities accounts of investors upon the settlement of the transaction through the IDX concurrently with the exercise of the Government’s Rights by the Placement Agents.

The Placement Offering Price Rp465 per Placement Share.

Shares Outstanding As of the date hereof, the Company’s authorized share capital is Rp13,770,000,000,000, divided into one Special Share (as defined below) and 29,999,999,999 Series B common shares. Its issued and paid-up share capital is Rp10,392,217,164,000, consisting of one Special Share and 22,640,995,999 Series B common shares. Upon completion of the Rights Issue and the Placement, and assuming the exercise of all of the outstanding options issued under the Company’s

Management and Employee Stock Options Program (“MESOP”), which expire between 2016 and 2017, the Company’s issued share capital will be Rp.11,974,641,830,487, consisting of one Special Share and 26,088,544,292 Series B common shares.

Listing of the Shares The Shares are listed on the IDX under the symbol “GIAA”. The Company intends to apply for the listing and quotation of the Rights Shares (including the Placement Shares) on the IDX. It is expected that admission of the Rights Shares for listing and trading on the IDX will become effective on April 8, 2014. The trading of the Rights Shares will commence immediately upon settlement of exercise of the Rights.

Lock-up The MSOE have agreed to certain restrictions on the disposition of the Shares. See “Plan of Distribution — Restrictions on the Disposition of the Shares”.

Use of Proceeds See “Use of Proceeds” of the attached English Prospectus.

Special Share The Special Share is one Series A Dwiwarna Share and gives the Republic of Indonesia, represented by the MSOE, rights such that its approval is required in respect of certain of the Company’s decisions, including with respect to the nomination, election and removal of Commissioners and Directors, amendments to the Company’s Articles of Association, dissolution and liquidation, merger, consolidation and acquisition of the Company. The Special Share also carries the same rights attached to the Series B common shares.

Voting Rights Holders of the Placement Shares will be entitled to the same voting rights as other holders of the Series B common shares.

Dividends The declaration, amount and payment of future dividends on the Shares, if any, is discretionary and will be subject to the recommendation of the Board of Directors and approval of the Company’s shareholders, in a General Meeting of Shareholders. See “Dividend Policy” and “Articles of Association” in the attached English Prospectus.

Payment and Delivery Payment for the Placement Shares is expected to be made on or about April 8, 2014 at the time of exercising the relevant Rights in immediately available funds. It is expected that the Placement Shares will be delivered on or about April 8, 2014.

Delivery of the Placement Shares to successful applicants will be made against payment through the depository facilities of the Indonesian Securities Depository Company, PT Kustodian Sentral Efek Indonesia (“KSEI”). See “Indonesian Capital Markets” and “Plan of Distribution — Delivery of Shares”.

Risk Factors Investment in the Placement Shares involves risks, including those which are described in “Risks Relating to Indonesia” on page W-9 of this Offering Memorandum and “Risk Factors” in the attached English Prospectus.

RIGHTS ISSUE

OVERVIEW OF THE RIGHTS ISSUE

The Company is proposing to issue Rights on a pro rata basis to holders of Existing Shares. Each holder of Existing Shares as of the Record Date on April 4, 2014 will be credited with Rights at a ratio of 701,409 Rights for every 100,000 Existing Shares held on such date. Each Right will entitle the holder to subscribe for one Rights Share at the Exercise Price of Rp460 per Rights Share. The Exercise Price was approved by the Company's shareholders at the EGM (as defined below) on March 24, 2014. Assuming all of the Rights are exercised, the Company will issue an aggregate of 3,227,930,633 newly issued Rights Shares. The Government does not intend to exercise any of the MSOE Rights issued to it, but will instead sell such MSOE Rights to the Placement Agents, which will exercise the MSOE Rights and sell the Rights Shares issued therefor in the Placement.

The Rights Issue is being conducted pursuant to prevailing Indonesian capital markets laws and regulations, which generally require an Indonesian company proposing to increase its issued and paid-up capital by the issue of rights shares to first offer its shareholders the pre-emptive right to subscribe for such rights shares in proportion to their shareholding in that company. Under the Indonesian capital markets laws and regulations, the Rights Issue is subject to the approval of the Company's existing shareholders at an extraordinary general meeting of shareholders ("**EGM**") and the registration statement with respect to the Rights Issue (the "**Registration Statement**") becoming effective. The Rights Issue was approved by the shareholders of the Company at the EGM on March 24, 2014. The Registration Statement was initially submitted to OJK on February 20, 2014 and the chairman of OJK issued a letter on March 21, 2014 declaring that OJK has no further comments on the registration statement, that the registration statement is effective, and that the Company may proceed with the Rights Issue. The Company has also received certain of the approvals that it requires from the Government in the form of a Government regulation concerning the change of the Government's percentage ownership interest in the Company.

On or about April 22, 2014, any Rights Shares relating to the unexercised Rights will be allotted by the Company's share registrar to holders of Rights who have exercised their Rights and applied to purchase additional Rights Shares. The allotment will be in proportion to the Rights exercised by such holders.

LISTING

The Company intends to apply to the IDX for the Rights Shares (including the Placement Shares) to be listed and quoted on the IDX. The Rights Shares, when issued, will rank pari passu with the Existing Shares. It is expected that admission of the Rights Shares for listing and trading on the IDX will become effective on or about April 8, 2014. The trading of the Rights Shares will commence immediately upon settlement of exercise of the Rights.

MARKET PRICE OF THE SHARES

The following table sets forth, for the periods indicated, the highest and lowest closing prices for the Shares and the volume of the Shares traded on the IDX.

	High (Rp.)	Low (Rp.)	Volume of shares traded (Millions)
2011	750	395	4,230
First Quarter	750	500	1,750
Second Quarter	550	510	798
Third Quarter	530	435	851
Fourth Quarter	490	395	831
2012	770	470	5,880
First Quarter	640	470	1,920
Second Quarter	740	600	1,520
Third Quarter	770	590	1,300
Fourth Quarter	730	640	1,150
2013	680	470	4,230
First Quarter	680	630	1,480
Second Quarter	640	480	1,020
Third Quarter	520	470	419
Fourth Quarter	510	475	306
2014	496	456	344
First Quarter	496	456	344

Source: Bloomberg

The last reported closing price of the Shares, as quoted on Bloomberg on March 21, 2014, was Rp456 per Share.

RISKS RELATING TO INDONESIA

The Company is subject to the political, economic, legal and regulatory environment in Indonesia and substantially all of its operations and assets are located in Indonesia. The Company's results of operations and financial condition are affected by changes in Government policies, laws and regulations. Investing in Indonesia and companies located in Indonesia involves many risks, including the following:

Political, economic and social instability in Indonesia could adversely affect the economy, which in turn could affect the Company's business, financial condition and results of operations.

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

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

Separatist movements and clashes between religious and ethnic groups have resulted in social and civil unrest in parts of Indonesia. In the provinces of Aceh and Papua (formerly Irian Jaya), there have been clashes between supporters of those separatist movements and the Indonesian military, although there has been little conflict in Aceh since a memoranda of understanding was signed in August 2005. Political instability in Maluku and Poso, a district in the province of Central Sulawesi, has recently intensified and clashes have resulted in thousands of casualties and displaced persons in Central Kalimantan and Central Sulawesi over the past several years. In recent years, the Government has made progress in negotiations with these troubled regions, but there is no guarantee that the terms of any agreement reached will be upheld. Human rights violators, including those from high-ranking military positions, have recently begun to be more actively prosecuted in Indonesia, most notably with respect to alleged violations occurring in Timor Leste (formerly East Timor), Aceh, Papua and Maluku.

In 2004, Indonesians directly elected the President, Vice-President and representatives in the Indonesian Parliament for the first time, Indonesians have also begun directly electing heads and representatives of local and regional governments. In April 2009, elections were held to elect the representatives in the Indonesian Parliament (including national, regional and local representatives). The Indonesian Presidential elections, held in July 2009, resulted in the re-election of President Yudhoyono. Although the April 2009 and July 2009 elections were conducted in a peaceful manner, political and related social developments in Indonesia have been unpredictable in the past. The next parliamentary and presidential elections will occur in 2014, and President Yudhoyono will not be eligible to stand for reelection, which could lead to further political uncertainty or instability. There can be no assurance that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect the Company's businesses, financial condition, results of operations and prospects.

Domestic, regional or global economic changes may materially and adversely affect the Indonesian economy and the Company's business, financial condition and results of operations.

The Company's performance is significantly dependent on the health of the Indonesian economy. The Company derives substantially all of its revenues from domestic operations, thereby exposing a significant portion of its revenues to domestic economic risk. In addition, adverse economic conditions in Indonesia could cause instability in Indonesia and adversely affect investment and confidence in, and the performance of, the Indonesian economy, and in turn the market price of the Shares.

The economic crisis that affected Southeast Asia, including Indonesia, from mid-1997 was characterized in

Indonesia by, among other effects, currency depreciation, a significant decline in real GDP, high interest rates, social unrest and extraordinary political developments. The economic crisis resulted in the failure of many Indonesian companies to repay their debts when due. These conditions had a material adverse effect on Indonesian businesses, including the Company's business and financial condition. Indonesia entered a recessionary phase with relatively low levels of growth between 1999 to 2002, although the rate of growth has increased in recent years.

Indonesia's economy was also adversely affected by the Asian economic crisis and, more recently, by the global economic crisis that began in late 2007, as evidenced by the decrease in growth to 4.5% in 2008 and 3.2% in 2009 from 4.8% in 2007. The global financial markets have experienced, and may continue to experience, significant turbulence originating from the liquidity shortfalls in the U.S. credit and sub-prime residential mortgage markets since the second half of 2007, which have caused liquidity problems resulting in bankruptcy for many institutions, and resulted in major government bailout packages for banks and other institutions. The global crisis has also resulted in a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in the value of global stock markets, a slowdown in global economic growth and a drop in demand of certain commodities. In addition, civil unrest, such as those that occurred in the Middle East in 2010 and 2011, and natural disasters, such as the earthquake and tsunami off the coast of Japan in March 2011, may contribute to the global economic downturn.

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these European Union ("EU") nations to continue to service their sovereign debt obligations. These conditions impacted the financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations. Certain EU nations continue to experience varying degrees of financial stress, and yields on government-issued bonds in Greece, Ireland, Italy, Portugal and Spain have risen and remain volatile. Despite assistance packages to Greece, Ireland and Portugal, the creation of a joint EU-IMF European Financial Stability Facility in May 2010, and other EU actions aimed at addressing the financial crisis, uncertainty over the outcome of the EU governments' financial support programs and worries about sovereign finances persist.

Indonesia and other member countries of ASEAN have been negatively affected, along with developing market countries globally, by the unprecedented financial and economic conditions in developed markets. Although the Government has taken a number of responses to these unprecedented conditions with the aim of maintaining economic stability and public confidence in the Indonesian economy, continuation of these unprecedented conditions may negatively impact economic growth, the Government's fiscal position, the exchange rate and other facets of the economy.

There can be no assurance that improvements in Indonesia's economic condition will continue or the previous adverse economic conditions in Indonesia and the rest of the Asia Pacific region will not occur in the future. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the international and Indonesian financial markets and inhibit or reverse the growth of the global economy and the Indonesian economy.

The Company's ability to maintain operations and profitability may be dependent to a large extent on factors that are beyond its control, such as the effectiveness of the fiscal measures and other actions taken by the Government. Any continuation or worsening of economic conditions, including significant depreciation of the Rupiah or increase in interest rates, could materially adversely affect the Company's consumer borrowers, commercial and small- and medium-sized business borrowers and other contractual counterparties. This, in turn, could materially and adversely affect the Company's financial condition and results of operations, including its ability to grow its asset portfolio, sell its services and products, the quality of its assets and its ability to implement business strategy.

Terrorist attacks on the United States and responses of the United States and/or its allies thereto, terrorist activities in Indonesia and certain destabilizing events in Southeast Asia have led to substantial and continuing economic and social volatility, which may materially and adversely affect the Company's business financial condition and results of operations and the market price of the Shares.

The terrorist attacks on the United States on September 11, 2001, together with the military response by the United States and its allies in Afghanistan and continuing military activities in Iraq, have resulted in substantial and continuing economic volatility and social unrest in Southeast Asia. Terrorist attacks in Southeast Asia in recent years have exacerbated these conditions. Further developments stemming from these events or other similar events could cause further volatility. Any additional significant military or other response by the United States

and/or its allies or any further terrorist activities could also materially and adversely affect international financial markets and the Indonesian economy.

Since 2002, several bombing incidents with fatalities and injuries have taken place in Indonesia, including most significantly, in Bali in October 2002 and October 2005, at the JW Marriott Hotel in Jakarta in August 2003, at the Australian embassy in Jakarta in September 2004, in the town of Tentena on the island of Sulawesi in May 2005 and at the JW Marriott Hotel and Ritz Carlton Hotel in Jakarta in July 2009. Further terrorist acts may occur in the future. Terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it evaluates responses to the instability and unrest. Demonstrations have also taken place in Indonesia in response to plans for and subsequent to U.S., British and Australian military action in Iraq. The Indonesian authorities are still investigating these incidents, but have suggested that they may be linked to the activities of certain Islamic militant groups.

There can be no assurance that further terrorist acts will not occur in the future. Following the military involvement of the United States and its allies in Iraq, a number of governments have issued warnings to their citizens in relation to a perceived increase in the possibility of terrorist activities in Indonesia, targeting foreign, particularly U.S., interests. Such terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and in turn the Company's business. In addition, future terrorist acts may target the Company's assets or those of the Company's customers and the Company's insurance policies do not cover terrorist attacks. Any terrorist attack, including damage to the Company's infrastructure or that of its customers, could interrupt the Company's business and materially and adversely affect the Company's financial condition, results of operations and prospects.

The Company's financial condition and results of operations could be adversely affected if it or its major commercial customers fail to maintain satisfactory labor relations.

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia. In 2000, the Government issued a labor regulation allowing employees to form unions without employer intervention. On February 25, 2003, a committee of the Indonesian parliament, the People's Representative Council (*Dewan Perwakilan Rakyat*), passed Law No. 13/2003, or the Labor Law, which, among other things, increased the amount of severance, service and compensation payments to terminated employees. The Labor Law took effect on March 25, 2003 and requires further implementation of regulations that may substantively affect labor relations in Indonesia. Under the Labor Law, employees who voluntarily resign are entitled to payments for unclaimed annual leave, relocation expenses (if any), severance pay and other expenses. In addition, the Labor Law requires bilateral forums consisting of both employers and employees, and the participation of more than half of a company's employees in negotiating collective labor agreements. The law also set up more permissive procedures for staging strikes. Although several labor unions challenged the Labor Law on constitutional grounds, the Indonesian Constitutional Court declared it valid, except for certain provisions, such as the procedures for terminating the employment of an employee who commits a serious mistake and criminal sanctions against an employee who instigates or participates in an illegal labor strike. As a result, the Company may not be able to rely on certain provisions of the Labor Law.

Labor unrest and activism in Indonesia could disrupt the Company's operations and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the IDX or other stock exchanges and the value of the Rupiah relative to other currencies. Such events and any significant labor dispute or labor action that the Company experiences could have a material adverse effect on its business, financial condition, results of operations and prospects. In addition, general inflationary pressures or changes in applicable laws and regulations could increase labor cost, which could have a material adverse effect on the Company's operating results or financial condition.

Regional autonomy may adversely affect the Company's business through imposition of local restrictions, taxes and levies.

Indonesia is a large and diverse nation covering a multitude of ethnicities, languages, traditions and customs. During the administration of the former President Suharto, the Government controlled and exercised decision-making authority on almost all aspects of national and regional administration, including the allocation of

revenues generated from extraction of national resources in the various regions. This led to a demand for greater regional autonomy, in particular with respect to the management of local economic and financial resources. In response to such demand, the Indonesian Parliament in 1999 passed Law No. 22 of 1999 concerning Regional Autonomy which has since been revoked and replaced by the provisions of regional autonomy under Law No. 32 of 2004, as amended by Law No. 8 of 2005 and Law No. 12 of 2008 and Law No. 25 of 1999 concerning Fiscal Balance Between the Central Indonesian Government and the Regions (which was revoked and replaced by Law No. 33 of 2004). These regional autonomy laws give the regions greater regional autonomy, powers and responsibilities over the use of “national assets” and to create a balanced and equitable financial relationship between the central and local governments. However, under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies, which may differ from restrictions, taxes and levies put in by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central Indonesian government. The Company’s business and operations are located throughout Indonesia and additional restrictions, taxes or levies imposed by regional authorities may materially adversely affect its business, financial condition, results of operations and prospects.

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

The Company’s financial statements are prepared in accordance with IFAS, which differ in certain material respects from U.S. GAAP or IFRS. As a result, our financial statements and reported earnings could be significantly different from those which would be reported under U.S. GAAP or IFRS. This Offering Memorandum does not contain a reconciliation of the Company’s financial statements to U.S. GAAP IFRS, and there can be no assurance that such reconciliation, if performed, would not reveal material differences.

Indonesia, Indonesian banks or Indonesian companies could face downgrades of their credit ratings, which could adversely affect the Company’s ability to raise additional financing.

In 1997, certain international credit rating agencies, including Moody’s, S&P and Fitch, downgraded Indonesia’s sovereign rating and the credit ratings of various credit instruments of the Government of Indonesia, a large number of Indonesian banks and other companies. Currently, Indonesia’s sovereign foreign currency long-term debt is rated “Baa3” by Moody’s (upgraded from “Ba1” on January 18, 2012), “BB+” by S&P (upgraded from “BB” on April 8, 2011 and affirmed on May 2, 2013) and “BBB-” by Fitch (ungraded from “BB+” on December 15, 2011 and affirmed on November 15, 2013), and its sovereign foreign currency short-term debt is rated “B” by S&P and “F3” by Fitch. Even though the recent trend in Indonesian sovereign ratings has been positive, there can be no assurance that Moody’s, S&P’s, Fitch or any other statistical rating organization will not downgrade the credit ratings of Indonesia, Indonesian banks (including the Company) or other Indonesian companies. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government, Indonesian banks (including the Company) and Indonesian companies to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could have a material adverse effect on the Company’s business, financial condition, results of operations and prospects.

The outbreak of any severe communicable disease in Indonesia or elsewhere may have an adverse effect on the economies of certain Asian countries and may adversely affect the Company’s results of operations.

The outbreak of an infectious disease in Asia, including Indonesia, or elsewhere, or fear of an outbreak, together with any resulting travel restrictions or quarantines could have a negative impact on the economy and business activity in Indonesia and thereby adversely impact the Company’s revenue. In recent years, large parts of Asia experienced unprecedented outbreaks of avian flu. In addition, the World Health Organization (“WHO”) announced in June 2006 that human-to-human transmission of avian flu had been confirmed in Sumatra. As of October 18, 2010, the WHO had confirmed 141 fatalities out of total number of 170 cases in Indonesia reported to the WHO, which only counts laboratory-confirmed cases of avian flu. According to the Indonesian Ministry of Health, between 2005 and 2009, there were 134 fatalities and 1,641 cases of avian flu in Indonesia. In 2003, certain countries in Asia experienced an outbreak of Severe Acute Respiratory Syndrome (“SARS”), a highly contagious form of pneumonia, which seriously interrupted economic activity in the affected regions. More recently, in April 2009, there was a global outbreak of the Influenza A (“H1N1”) virus including confirmed reports in Hong Kong, Japan, Indonesia, Malaysia, Singapore and elsewhere in Asia. There were a number of deaths in Indonesia resulting from H1N1. The H1N1 virus is believed to be highly contagious and may not be easily contained.

An outbreak of avian flu, SARS, the H1N1 virus or another contagious disease or measures taken by the governments of affected countries, including Indonesia, against potential or actual outbreaks, could seriously

interrupt the Company's operations or its distributors, suppliers and customers, which could have a material adverse effect on its business, financial condition, results of operations and prospects. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to the national and local economies of the countries affected. An outbreak of avian flu, SARS, the H1N1 virus or another contagious disease or the measures taken by the governments of affected countries, including Indonesia, against such potential outbreaks, could seriously interrupt the Company's operations which could have a material adverse effect on its business, financial condition, results of operations and prospects. The perception that an outbreak of a contagious disease may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia, and thereby adversely affect the Company's business, financial condition, results of operations and prospects.

EXCHANGE RATES AND EXCHANGE CONTROLS

EXCHANGE RATES

Bank Indonesia is the sole issuer of the Rupiah and is responsible for maintaining its stability. Since 1970, Indonesia has implemented three exchange rate systems: a fixed rate between 1970 and 1978, a managed floating exchange rate system between 1978 and 1997 and a free-floating exchange rate system since August 14, 1997. Under the managed floating rate system, Bank Indonesia maintained the stability of the Rupiah through a trading band policy, pursuant to which Bank Indonesia would enter the foreign currency market and buy or sell Rupiah, as required, when trading in the Rupiah exceeded bid and offer prices announced by Bank Indonesia on a daily basis. On August 14, 1997, Bank Indonesia terminated the trading band policy and instituted the current free-floating exchange rate system, allowing the Rupiah to float without an announced level at which it would intervene, which resulted in a substantial decrease in the value of the Rupiah relative to the U.S. dollar. Under the current system, the exchange rate of the Rupiah is determined by the market, reflecting the interaction of supply and demand in the market. Bank Indonesia may take measures, however, to maintain a stable exchange rate.

The Rupiah middle exchange rate is calculated using the middle average of the bid and offer rates. The Company does not make any representations that the Rupiah or U.S. dollar amounts referred to in this Offering Memorandum could have been or could be converted into U.S. dollars or Rupiah, as the case may be, at the rate indicated or any other rate or at all. The following table sets forth the Rupiah-U.S. dollar exchange rate based on the middle exchange rate at the end of each month or day, as the case may be, during the periods indicated.

	Period end	Average ⁽²⁾	Rupiah low ⁽¹⁾	Rupiah high ⁽¹⁾
			(Rupiah per US\$1.00)	
2009	9,400	10,356	11,980	9,400
2010	8,991	9,078	9,365	8,924
2011	9,068	8,773	9,170	8,508
2012	9,670	9,380	9,707	8,892
2013	12,189	10,451	12,270	9,634
2014				
January	12,226	12,179	12,267	12,047
February	11,634	11,953	12,251	11,620
March (through March 21, 2014)	11,431	11,427	11,272	11,647

Source: Bank Indonesia

Notes:

- (1) For full years, the high and low amounts are calculated based upon the month-end middle exchange rate announced by Bank Indonesia during the year indicated. For each month, the high and low figures are calculated based on the daily middle exchange rates during the month indicated.
- (2) For full years, the average shown is calculated based on the middle exchange rate announced by Bank Indonesia on the last day of each month during the year indicated. For each month, the average shown is calculated based on the daily middle exchange rates during the month indicated.

The middle exchange rate on March 21, 2014, was Rp11,431 = US\$1.00.

EXCHANGE CONTROLS

Currently, Indonesia has limited foreign exchange control restrictions. Foreign currency is generally freely transferable to, from and within Indonesia. However, in order to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-Indonesian residents, Bank Indonesia has introduced regulations to prohibit the movement of Rupiah from banks within Indonesia to banks, legal entities or other offshore institutions domiciled outside Indonesia, or to an offshore branch or office of an Indonesian bank or Indonesian legal entities, or any investment in Rupiah denomination with foreign parties and/or Indonesian citizens domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data

concerning the foreign exchange activities of all persons and legal entities that are domiciled, or plan to be domiciled in Indonesia for at least one year. Bank Indonesia regulations also require companies that have total assets or total annual gross revenues of at least Rp100 billion to report to Bank Indonesia all data concerning their foreign currency activities, if the relevant foreign currency transaction is not conducted through a domestic bank or domestic non-bank financial institution (such as insurance companies, securities companies, finance companies or venture capital companies). If certain transactions are conducted via a domestic bank or domestic non-bank financial institution, such domestic bank or financial institution is required to report the transaction to Bank Indonesia. The transactions that must be reported include receipts and payments through bank accounts outside of Indonesia.

INDONESIAN CAPITAL MARKETS

The following information has been derived from publicly available information and has not been independently verified by the Company, the Placement Agents or any of their respective advisers and should not be unduly relied on.

Background and Development

In 1976, the Government established a regulatory agency, the Capital Market Operations Board, *Badan Pelaksana Pasar Modal*, or Bapepam, and a national investment trust company, PT Danareksa Sekuritas, to reactivate and promote the development of a securities market in Indonesia. In August 1977, the first share issue was listed on the Jakarta Stock Exchange (“**JSX**”). Through 1988, the shares of 24 companies were listed on the JSX and the volume of shares traded was relatively low.

The operational transfer of the exchange from Bapepam to PT Bursa Efek Jakarta commenced effectively as of April 16, 1992. Bapepam is now operating under its new name, the Capital Markets and Financial Institutions Supervisory Agency (*Badan Pengawas Pasar Modal dan Lembaga Keuangan*), or Bapepam and LK, and its principal function is to ensure the orderly and fair operation of the securities exchanges. During the period from 1988 to 2000, a number of reform measures affecting the Indonesian capital markets were announced. These led to the privatization of the JSX and its establishment as a limited liability company, PT Bursa Efek Jakarta, incorporating 221 securities trading companies as its shareholders.

The various reforms have sought to strengthen the operational and supervisory framework of the Indonesian securities market and to improve the Indonesian securities market’s trading environment. The measures also established an over-the-counter market (“**Bursa Paralel**”) and private stock exchanges outside Jakarta, the first of which was established in Surabaya, (the “**SSX**” or “**PT Bursa Efek Surabaya**”). In July 1995, the Bursa Paralel and the SSX were merged to form a single exchange intended to focus on small and medium sized companies. A company could elect to list shares on the JSX, the SSX or both. On November 30, 2007, the JSX and SSX were merged to form a single exchange and changed its name to PT Bursa Efek Indonesia or the Indonesia Stock Exchange (“**IDX**”).

Other reforms were also introduced to provide increased protection for minority shareholders, to improve disclosure requirements and clarify listing procedures. As of August 31, 2012, there were 452 companies listed on the IDX, with a market capitalization of Rp3,844 trillion (US\$402 billion), compared to 24 listed companies with a market capitalization of approximately Rp100 billion in December 1987, just prior to the introduction of the capital market reform measures.

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

Overview of the Indonesia Stock Exchange

As of December 31, 2013, the IDX comprised of 494 listed companies and the total trading volume accounted for transactions involving 1,342,657 million shares for the month ended December 31, 2013. The total trading value accounted for Rp1,522,122 billion in trading for the year ended December 31, 2013.

At present, trading rules on the IDX are in the form of decisions by the IDX. The rules and regulations that governed the JSX are currently applied to the IDX in the same manner. There are currently two daily trading sessions for the regular market. From Monday to Thursday, there is a morning trading session from 9.00 am to 12.00 noon and an afternoon session from 1.30 pm to 3.49.59 pm. On Friday, there is a morning trading session from 9.00 am to 11.30 am and an afternoon session from 2.00 pm to 3.49.59 pm. There is one cash market trading session from Monday to Thursday 9.00 am to 12.00 noon, and on Friday, 9.00 am to 11.30 am. There are currently two daily trading sessions for negotiated market. From Monday to Thursday, there is a morning trading session from 9.00 am to 12.00 noon and an afternoon session from 1.30 pm to 4.15 pm. On Friday, there is a morning trading session from 9.00 am to 11.30 am and an afternoon session from 2.00 pm to 4.15 pm.

Trading of securities is divided into three market segments: regular market, negotiated market and cash market

(except for rights which may only be traded in the cash and first session of negotiated markets). The regular market is the mechanism for trading stock in standard lots on a continuous auction market during exchange hours. Regular market and cash market trading are generally carried out in unit lots of 100 shares. Price movements of traded securities are as follows:

- for shares with previous price of less than Rp500, in multiples of Rp1 and each price movement should be no more than Rp20;
- for shares with previous price between the range of Rp500 up to less than Rp5,000, in multiples of Rp5 and each price movement should be no more than Rp100; and
- for shares with previous price of Rp5,000, in multiples of Rp25 and each price movement should be no more than Rp500.

Auctioning takes place according to price priority and time priority. Price priority refers to the giving of priority to buying orders at a higher price or selling orders at a lower price. If buying or selling orders are placed at the same price, priority is given to the buying or selling order placed first (i.e. time priority).

The negotiated market trading is carried out by (i) direct negotiation between members of IDX, (ii) between clients through one member of the IDX, or (iii) between one client and one member of the IDX. Negotiated market trading does not use round lots.

Transactions on the IDX regular market are required to be settled no later than the third trading day after the transactions, except in the case of cross trading. Transactions on the negotiated market are settled based on agreement between the (selling) exchange member and the (buying) exchange member, and are settled per transaction. In the event that the selling and buying exchange members do not determine the period of settlement, the settlement is required to be completed no later than the third trading day after the transaction. Transactions on the IDX cash market are required to be settled on the trading day of the transactions. In case of a default by an exchange member on settlement, cash market trading takes place, pursuant to which trading of securities by means of direct negotiation on cash and carry terms will be conducted. All cash market transactions must be reported to the IDX. An exchange member is obliged to pay a transaction cost as regulated by the IDX and any delay in payment of the transaction cost will be subject to a fine of 1.0% of the outstanding amount for each day of delay. For any violation of IDX rules, IDX may impose the following sanctions on exchange members: (i) a fine up to Rp500 million; (ii) a written warning; (iii) temporary suspension from trading activities or (iv) revocation of license as an exchange member.

All transactions involving shares listed on the IDX only and which use the services of exchange members, must be conducted through the IDX. In order for a trade (except a block trade) to be made on the IDX, both the cash and securities settlement must be conducted through the facilities of the IDX. Short selling and margin trading are allowed, subject to fulfillment of certain requirements such as: (i) the maintenance of a regular securities account that shows the transaction records of the trader, (ii) the maintenance of a margin trading financing securities account, and (iii) an initial deposit of Rp200,000,000 into the margin trading or short selling financing securities account. Under the prevailing laws, only a member of the IDX that has obtained approval from the IDX can enter into a short selling transaction or margin transaction.

Based on agreements with their clients, members of the IDX charge a brokerage fee for their services up to a maximum of 1.0% of the transaction value. When conducting share transactions on the IDX, exchange members are required to pay a transaction cost in the amount of 0.03% of the transaction value (for transactions in the regular and cash markets) and a transaction cost in the amount of 0.03% of the transaction value or based on the exchange policy (for transactions in the negotiated markets). The minimum transaction cost is Rp.2 million per month as a contribution towards the provision of the stock exchange's facilities (and this continues to apply for exchange members in suspension). Clients are also responsible for paying a 10.0% value-added tax on the brokerage fee and transaction cost. In addition, Indonesian sellers are required to pay a withholding tax of 0.1% (0.6% for founder shares) of the total transaction value. Additionally, stamp duty of Rp3,000 is payable on any transaction with a value between Rp250,000 and Rp1,000,000 and stamp duty of Rp6,000 is payable on any transaction with a value of more than Rp1,000,000. See "Taxation" in the attached English Prospectus.

Shareholders or their appointees may request at any time during working hours that the issuer, or a securities administration bureau appointed by the issuer, to register their shares in the issuer's registry of shareholders. Reporting of share ownership to OJK is mandatory for: (i) members of the board of directors; (ii) members of the

board of commissioners and (iii) shareholders whose ownership has reached 5.0% or more of an issuer's issued and fully paid up capital. Those shareholders must report their ownership to OJK within 10 days of the transaction.

The following table sets forth certain information on the IDX for the yearly periods or as of the dates indicated.

	2009	2010	2011	2012	2013
Market capitalization (Rp. trillions)	2,019	3,247	3,537	4,127	4,219
Trading volume (million shares)	1,467,659	1,330,865	1,203,550	1,053,762	1,342,657
Average daily trading volume (million shares)	6,090	5,432	4,873	4,284	5,503
Trading value (Rp. billions)	975,135	1,176,237	1,223,441	1,116,113	1,522,122
Average daily trading value (Rp. billions)	4,046	4,801	4,953	4,537	6,238
Number of listed companies	398	420	440	459	483

Source: *IDX Yearly Statistics 2009 - 2013*

Offering, Listing and Reporting Regulations

OJK regulates and monitors securities issues, which are publicly offered or listed in Indonesia. Initial securities offering are generally conducted as underwritten public offers for sale by subscription. OJK also regulates allocation procedures.

Unless waived, companies are required to meet certain requirements in order to become listed on the IDX. These requirements are set out in the Decision of the Board of Directors of JSX No. Kep-305/BEJ/ 07-2004 dated July 19, 2004 as amended by Kep-00001/BEI/01-2014 dated January 20, 2014 on Listing of Shares and Securities Convertible into Shares other than Shares issued by Listed Company ("**IDX Listing Regulation**").

Listed companies are required to submit to OJK and the IDX, the following documents:

- An annual report, to be submitted not later than four months after the end of the financial year of the company;
- financial statements consisting of:
 - (1) an annual financial report audited by an accountant registered with OJK, to be submitted not later than three months after the date of such report unless it has been submitted together with the annual report;
 - (2) any of the following mid-year reports: (b) a mid-year report (unaudited), to be submitted not later than one month after the date of such report; (b) a mid-year report with limited review by an accountant registered with OJK, to be submitted not later than two months after the date of such report; or (c) a mid-year report audited by an accountant registered with OJK containing a full opinion on the fairness of such report, to be submitted not later than three months after the date of such report; and
 - (3) quarterly reports, the preparation of which is required by the rules of the IDX, must be submitted to the IDX not later than one month for a non-audited report, two months for a limited audit, and three months for a fully audited, after the date of such report;
- material information that is important and relevant according to OJK regulations and which may affect the value of the security or an investment decision, such as a merger, acquisition, consolidation, stock split, stock dividend, change in management, replacement of a public accountant, replacement of a trustee, material legal claims, and other important information possibly affecting share prices on the exchange; such information must be submitted to OJK and the IDX and announced publicly no later than two business days after such information is revealed;
- a copy of any amendment to the company's articles of association;
- notice of any change in the composition of the company's board of directors or board of commissioners;
- notice of any material deviation from projections published by such companies; and
- in the case of an investment fund company, a monthly report, containing, among other information, its net

asset value, prior to or on the fifth business day of each month.

Based on Circular Letter of the Chairman of Bapepam and LK No. SE-01/BL/2007, a company that owns subsidiaries of which the financial statements are consolidated and that wishes to submit a registration to OJK in relation to a public offering, including any rights issue, must submit:

- a) the consolidated financial statements of the company;
- b) individual/standalone financial statements of the company; and
- c) individual/standalone financial statements of the subsidiaries of which the financial statements are consolidated.

If the subsidiary fulfills one of the following requirements:

- a) it is a public company;
- b) its line of business is related to public fund generating;
- c) it issues an acknowledgement of indebtedness;
- d) it has assets of at least Rp25,000,000,000; or
- e) it is required by a creditor to audit its annual financial statements,

then the annual financial statements submitted to OJK must be audited by a public accountant. Insider trading, fraud, engaging in short selling and market manipulation of securities are each prohibited under Indonesian capital markets laws. In such circumstances, a transaction may be cancelled or suspended by the IDX or OJK may suspend or revoke the license of the supporting institution and the professionals involved. A party engaging in (i) misleading conduct, fraud or falsification in connection with the sale of securities; (ii) other actions to mislead the public regarding trading activities, market conditions or price; or (iii) insider trading, is liable for the loss incurred and could face a fine of up to Rp15 billion and imprisonment of up to ten years.

Developments

Scripless Trading

In 1997, a private limited company, PT Kustodian Sentral Efek Indonesia or KSEI, was established to serve as the central securities depository house. On November 11, 1998, KSEI obtained a license from Bapepam and LK to act as an approved central securities depository and settlement institution. The shareholders of KSEI currently comprise of 27 securities firms, nine custodian banks, four share registrars (*Biro Administrasi Efek*), the IDX and the Indonesian Stock Clearing and Guarantee Company (*PT Kliring dan Penjaminan Efek Indonesia* or “**KPEI**”). In 2000, KSEI introduced the Central Depository and Book Entry Settlement System (“**C-Best**”), which is a computerized system for the registration and settlement of securities.

In 2000, Bapepam and LK implemented regulations to provide for a scripless trading system. Only shares held through KSEI (and which have not been pledged, foreclosed upon based on a court order or seized for the purpose of criminal proceedings) may be traded on the JSX. Under the scripless system, a KSEI participant may deposit certificates in respect of securities with KSEI evidencing ownership of securities and making KSEI the registered holder of those securities. Any institution becoming a KSEI participant is required to open at least one securities account and sub-account with KSEI for deposit, withdrawal or transfer of securities. After KSEI has accepted a deposit of securities, it will hold such securities on behalf of KSEI participants or such participants’ clients. Investors will obtain a beneficial interest in the shares which are convertible into a physical share certificate at the direction of the investor.

In accordance with the KSEI rules, C-Best is the central computer system for depository services and the settlement of securities transactions by book-entry settlement. C-Best is provided by KSEI to parties who have opened securities accounts with KSEI. Parties that are eligible as account holders in KSEI are (i) securities companies, (ii) custodian banks, and (iii) other parties determined in accordance with the prevailing capital market laws and regulations (“**KSEI Account Holders**”). Sales and purchases of securities are settled by offsetting the relevant securities accounts using the C-Best system and at the end of each trading day, KSEI delivers, through C-

Best, a statement to KSEI Account Holders showing the balance of securities held by that KSEI Account Holder.

A company that intends to register its securities in KSEI must enter into an agreement with KSEI and KSEI Account Holders must issue confirmations in the name of KSEI for the entire value of the securities deposited into KSEI.

In order to establish ownership rights, each KSEI Account Holder is obliged to maintain a list of the owners of the securities deposited with it.

Each KSEI participant holding securities accounts with KSEI on behalf of its clients is required to:

- establish a securities sub-account on behalf of each client and record each client's securities account in such sub-account;
- ensure that the balance in the client's security account in the KSEI participant's records is always equivalent with the balance in the client's sub-account with KSEI;
- take measures to ensure that the identity of each client is properly recorded; and
- take measures to ensure that the securities sub-account balance of each client is and remains correct.

Transfer of Shares

Transfer of listed shares on the IDX are governed by the Company Law and IDX rules. Under the Company Law, as a general matter, ownership of shares is based on the registration of ownership in the relevant company's share register. To be valid against the issuing company, a request for an entry of the transfer into a share registry must be received by the company. To be valid against a third party, the entry of the transfer must actually be made into the share register.

Transfer of scripless shares are made by way of appropriate instructions to the relevant brokers, sub-brokers or custodians with whom the transferor and the transferee involved maintain securities accounts in accordance with the individual arrangements with such brokers, sub-brokers or custodians. Upon receipt of such instructions, the relevant brokers, sub-brokers or custodians will, in accordance with such arrangements, effect the relevant changes in the register which they are required to maintain for rights and entitlements purposes.

Effective as of June 30, 2002, only shares held through KSEI (and which have not been pledged or foreclosed upon based on a court order, or seized for the purpose of criminal proceedings) may be traded on the IDX.

Securities transaction settlement services are part of the central depository services provided for the fulfillment of the rights and obligations as the results of stock exchange transactions or over-the-counter transactions by means of the transfer of securities and or funds between securities accounts. The settlement of stock exchange transactions is performed by KSEI based on transfer instructions received from both a selling Clearing Member (defined as a member of stock exchange registered as the KSEI Clearing Member) and a buying Clearing Member. Alternatively, KSEI may settle over-the-counter transactions based on transfer instructions from a selling KSEI Account Holder and acceptance from a buying KSEI Account Holder. Over-the-counter transfer instructions must also state whether the transaction requires a payment or not. When a transfer of securities and/ or funds is completed and settled, KSEI submits a report to the KPEI or the Clearing Member on the settlement of a stock exchange transaction and confirmation is given to the relevant KSEI Account Holder on the settlement of over-the-counter transactions.

KSEI

KSEI is a self-regulating organization and is licensed and regulated by OJK. Under KSEI's rules, securities companies or custodian banks fulfilling certain criteria and authorized by OJK may become KSEI participants. The principal shareholders of KSEI are large custodian banks, securities companies, share registrars, the IDX and the KPEI. In the scripless system, the role of KSEI is to settle the transfer and receipt of securities and to act as the central securities depository, while fund settlement is conducted by KPEI.

KSEI is managed by a Board of Directors as supervised by a Board of Commissioners who is subject to the provisions of the Company Law. KSEI is also a member of several international associations that are related to securities depositories, including the Association of National Numbering Agency, the International Society of

Securities Administrators, the Society for Worldwide Inter-bank Financial Telecommunication and Asia Pacific Central Securities Depositories Group.

OJK sets strict standards for the internal controls of KSEI. These standards call for daily reconciliation of account balances between KSEI and the issuers whose securities are held in the name of KSEI. This daily reconciliation is required to be verified continuously by the head of the audit unit of KSEI who must report this verification to the Internal Control Committee of KSEI, the Board of Directors of KSEI and OJK. Each KSEI participant has the right to send auditors to KSEI to verify the reconciliation of its accounts with those of KSEI and the right to send auditors to verify the registry of the securities on the books of the issuer.

The internal control systems of KSEI are required to be audited annually by an independent auditor with international experience and reputation and to include a review of the protections against fraud, embezzlement, natural disruptions and electronic damage. This report is to be sent to all KSEI shareholders along with the annual report.

The regulations call for a number of fundamental security measures to ensure the integrity of KSEI:

- access to data processing functions, record-keeping functions and customer account service areas of KSEI is required to be restricted;
- KSEI must have a primary computer and back-up computer at different locations that allow continued processing within two hours of a breakdown of the primary computer;
- duplicate electronic records are required to be maintained in repositories that are at least 30 kilometers away from each other;
- software development and maintenance are required to be segregated from data processing operations; and
- a special security division of KSEI's own funds is required to be segregated from data processing operations; all debits and credits to securities accounts must be based on instructions of account holders and controlled by a division that is separate from the data processing division.

In addition to the oversight of internal controls and specific regulations regarding recovery and security, the legal basis for securities accounts permits recovery of an investor's assets even in the event of destruction of all records of KSEI. This is done based on investor's confirmations and statements and records of the issuer, all of which are maintained independently from records of KSEI. With daily reconciliation of key records, strong internal control supervision by major banks, special security measures and legal safeguards, recovery is possible even if there is a catastrophic occurrence.

IDX Listing, Relisting, Delisting and Corporate Governance Rules

The IDX has issued new listing rules for equity securities and regulations aimed at enhancing good corporate governance and clarifying listing, relisting and delisting criteria, sanctions for violation of stock exchange rules and e-reporting and monitoring.

The new listing rules also introduced the two-board system, consisting of the Main Board and the Development Board.

The Main Board serves as the flag-carrier of the IDX and is intended for companies fulfilling regional listing standards relating to size, track record and net tangible assets. The Development Board allows both large and small companies with prospects but who do not qualify to list on the Main Board yet, as well as companies in the recovery phase, to be listed on the IDX.

Under the new listing rules, a company is deemed qualified to undertake an initial listing on the Main Board if it fulfills certain requirements including having:

- been duly incorporated as a limited liability company for at least three consecutive years;
- net tangible assets of at least Rp100,000.000,000;
- audited financial reports covering at least the last three years and unqualified audit opinions from the auditors

covering the financial report for the last two years and the last audited interim report;

- operated in the same core business for the past three consecutive years;
- at least 1,000 shareholders, each holding a securities account with exchange members; and
- shares owned by non-controlling shareholders and non-majority shareholders immediately after the initial listing are at least 300 million shares in number and shall fulfill the following requirement: (i) at least 20% for companies with an equity value before the initial public offering of less Rp500 billion, (ii) at least 15% for companies with an equity value before initial public offering of Rp500 billion to Rp2 trillion, and (iii) at least 10% for companies with an equity value before the initial public offering of more than Rp2 trillion.

Under the new listing rules, a company is deemed qualified to undertake an initial listing on the Development Board if it fulfills certain requirements, including the following:

- having been duly incorporated as a limited liability company for at least the last twelve consecutive months;
- having net tangible assets of at least Rp5 billion;
- having operated for the past twelve consecutive months in the same core area of business activity;
- having an unqualified audit opinion from the auditor covering the financial report for the last twelve months and the last audited interim report (if any);
- if the proposed company to be, listed is a company which has been experiencing loss, has not booked any profit yet, or has been in operation for less than two years, then it must:
 - 1) report net profit at the latest by the end of the second financial year since its listing, based on the financial projection which has been announced in the stock exchange; or
 - 2) if the proposed listed company is a company that engages business in an area which requires an extended period to achieve profitability due to its nature of its business, report net profit at the latest by the end of the sixth financial year based on its financial projection.
- having at least 500 shareholders, each holding a securities account with exchange members;
- shares owned by non-controlling shareholders and non-majority shareholders immediately after the initial listing are at least 150 million shares in number and shall fulfill the following requirement: (i) at least 20% for companies with an equity value before the initial public offering of less Rp500 billion, (ii) at least 15% for companies with an equity value before initial public offering of Rp500 billion to Rp2 trillion, and (iii) at least 10% for companies with an equity value before the initial public offering of more than Rp2 trillion.

The rules allow a company listed in the Development Board, to be promoted to the Main Board if it fulfills the requirement for listing on the Main Board.

A company can be delisted voluntarily or by the stock exchange. A company can be delisted if, among other things, (i) it suffers certain conditions which adversely affects the going concern of the company, either financially or legally, or adversely affect the continuing status of the company as a public listed company and the company has not shown any sufficient remedial actions; or (ii) for the last 24 months, its shares have been suspended from the regular market and the cash market and only been traded in the negotiation market.

Under the IDX regulations, all companies listed on the IDX must have:

- independent commissioners in proportion to the number of shares held by the non-controlling shareholders, provided that the independent commissioners must be at least 30.0% of the total number of members of the commissioners;
- at least one independent director;
- an audit committee;

- a corporate secretary; and
- an internal audit unit.

Based on Decision of Chairman of Bapepam and LK No. Kep.29/PM/2004 on Regulation No.IX.I.5, issued in September 24, 2004 as amended by Decision of Chairman of Bapepam and LK No. Kep. 643/BL/2012 dated December 7, 2012 concerning the Formation and Implementation guidance for Audit Committee (“**Bapepam and LK Regulation No. IX.I.5**”), an independent commissioner in a listed company:

- may not own any shares of the listed company directly or indirectly;
- may not have an affiliated relationship with the listed company, or with any commissioner, director, controlling shareholder, or principal shareholder of the listed company;
- has no business relationship which is directly or indirectly related to the listed company’s business activity; and
- not a person employed or has authority and responsibility to plan, lead, control or supervise the activities of the company within the past 6 months.

The audit committee comprises at least three members, one of whom will be the independent commissioner of the listed company who will serve as chairman of the audit committee. The other members must also be independent persons, at least one of whom must be an expert in the field of accounting and/or finance.

Pursuant to the Bapepam and LK Regulation No.IX.I.5, members of the audit committee must have the following criteria:

1. high level of integrity and competence, sufficient knowledge and experience in line with educational background, and good communications skills;
2. understanding financial statement, company’s business, particularly in relation to the service or business activities of company, audit process, risk management, and capital market and other prevailing rules and regulations;
3. comply with code of ethic of audit committee stipulated by the company;
4. commit to increase his/her knowledge through education and training;
5. one of the members shall have an educational background in the accounting or finance field;
6. familiarity with financial statements and reports;
7. Not an insider in an accountancy firm, law firm, public appraisal, or other institution that provided assurance services, non assurance services, appraisal services and/or other consultancy services to the company within a period of six months prior to appointment;
8. No authority or responsibility for the planning, directing, or controlling the operations of the company within a period of six months prior to appointment, except for Independent Commissioner;
9. No direct or indirect shareholdings in the company. In the event that a member of the Audit Committee acquires shares as the result of a legal action, then within a period of not more than six months subsequent to such acquisition, the said shares must be disposed of;
10. members must not have an affiliated relationship with member of the Board of Commissioners, Board of Directors, or substantial shareholders of the company; and
11. No direct or indirect business relationship with the core business of the company.

A listed company must also have at least one independent director. Based on a IDX regulation, an independent director in a listed company:

- may not have an affiliated relationship with the company's controlling shareholders at least six months before his appointment as a non-affiliated director in a listed company;
- may not have an affiliated relationship with commissioners or other directors of the listed company;
- may not act as a director of another company; and
- may not be an insider at a capital market supporting professional or institution of which his/its service was used by the listed company for six months before his appointment as a director of the listed company.

The function of a corporate secretary is performed by one of the directors of the listed company, or an official of the listed company designated to carry out such function. The corporate secretary acts as a liaison or contact person between the listed company, government authorities including OJK and the public. The corporate secretary must have access to material and relevant information relating to the listed company and must be familiar with all statutory regulations relating to capital markets.

PLAN OF DISTRIBUTION

The Company is proposing to issue Rights on a pro rata basis to holders of its Existing Shares. Each Right will entitle the holder thereof to subscribe for one Rights Share at the Exercise Price. Assuming all of the Rights are exercised, the Company will issue an aggregate of 3,227,930,633 newly issued Series B common shares, which are referred to herein as the “Rights Shares”. See “Rights Issue”. This Offering Memorandum is not an offer to purchase or sell any Rights.

As of the date hereof, the Government of Indonesia acting through the MSOE owns 69.14% of the Existing Shares, which entitles the MSOE to 2,231,669,111 Rights under the Rights Issue.

The Placement

In connection with the Rights Issue, the MSOE and the Placement Agents have entered into the Purchase Agreement, pursuant to which the MSOE has agreed to sell all of the MSOE Rights to the Placement Agents and has acknowledged that all of the Placement Shares will be offered and sold in the Placement. The price paid for each MSOE Right shall equal the offering price for the Placement Shares minus the Exercise Price. The closing of the sale of the MSOE Rights under the Purchase Agreement is conditional upon and will take place simultaneous with the closing under the Placement.

Subject to the terms and conditions of the Purchase Agreement, 743,889,700 Shares will be sold to PT Bahana Securities, 743,889,700 Shares will be sold to PT Danareksa Sekuritas, and the remaining 743,889,711 Shares will be sold to PT Mandiri Sekuritas.

On the settlement date for the Placement Shares, the Placement Agents and the purchasers thereof, will purchase the MSOE Rights from the MSOE, exercise the MSOE Rights and pay the Exercise Price for the Placement Shares in accordance with the Rights Issue procedures.

The obligations of the Placement Agents under the Purchase Agreement, respectively, are subject to the satisfaction of certain conditions precedent. In addition, under the Indonesian capital markets law and regulations, the Rights Issue is subject to the approval of the Company’s existing shareholders at an EGMS and the Registration Statement becoming effective. The Company will also need to obtain the approval of the Government in the form of the Government regulation concerning the change of the Government’s ownership interest in the Company in order for the Rights Issue and Placement to be completed.

Important Dates

The following events have taken place or are expected to take place on the following dates in connection with the Rights Issue and the Placement. Please note that all dates correspond to the time in Jakarta, Indonesia unless otherwise indicated. Future dates are indicative and may change.

Determination of Exercise Price	March 17, 2014
Determination of the offering price for the Placement Shares	March 17, 2014
Effective date of OJK registration statement	March 21, 2014
Extraordinary General Meeting of Shareholders to approve the Rights Issue	March 24, 2014
Record date for Rights Issue	April 4, 2014
Initial trading of Rights Shares on the IDX	April 8, 2014
Settlement of the Placement Shares	April 8, 2014

Delivery of Shares

The Company expects that the delivery of the Placement Shares will be made against payment therefore on or about April 8, 2014.

Cancellation of the Placement

The Placement Agents retain the right to terminate their obligations under the Purchase Agreement, as applicable, including cancellation of the Placement, under certain circumstances specified therein.

Restrictions on the Disposition of the Shares

The MSOE has agreed that it will not, without the prior written consent of the Placement Agents, during the period of six months from the effective date of the Registration Statement from OJK, directly or indirectly: (i) offer, sell, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any of the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Shares or securities of the same class as the Shares or other instruments representing interests in the Shares, (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (iii) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (i), (ii) or (iii) is to be settled by delivery of the Shares or other securities, in cash or otherwise or (iv) announce or otherwise make public an intention to do any of the foregoing.

Registration of the Placement Shares in KSEI

The Placement Shares will be registered into the depository facilities of KSEI in accordance with the Agreement for the Registration of Shares into Central Deposit previously entered into between KSEI and the Company.

By registering the Placement Shares in KSEI, the Company will not issue individual share certificates to successful applicants, but any Placement Shares allotted to an investor will be distributed electronically to securities sub-account in the name of relevant investors at KSEI. In order to submit an application for Placement Shares, each investor must hold a securities account with a securities company or custodian bank which is a KSEI participant to manage and administer any Placement Shares allotted to it on the investor's behalf.

The transfer of shares held with KSEI will be by way of electronic book-entry between securities accounts. A shareholder holding the Shares through KSEI will be entitled to withdraw its Shares from central deposit and receive a share certificate registered in its name. Only those shares which are registered in KSEI will be tradable over the IDX.

Article 60 of the Indonesian Capital Market Law provides that all rights attaching to shares held with KSEI, including dividends, interest bonuses and other ownership entitlements on securities will be automatically distributed by KSEI to a registered shareholder holding through the depository system via its KSEI participant who holds the shares on such registered shareholder's behalf. The KSEI participant is obliged to immediately pass such rights and entitlements onto its customers.

Prior to any corporate action being taken by the Company, KSEI must provide details to the Company concerning the share entitlements of all the registered shareholders on whose behalf shares are held. A KSEI participant is obliged to notify a registered shareholder of the exercise of any pre-emptive rights, delivery of annual reports and other notices by the Company, as well as notices of General Meetings of Shareholders. A registered shareholder, the KSEI participant it holds through, or such registered shareholder's legal representative, has the right to be present and vote at the Company's General Meetings of Shareholders.

KSEI is obliged to give the Company details of the KSEI participants holding shares on behalf of registered shareholders either:

- within one business day after the record date set for the purposes of assessing the identity of the shareholders entitled to a dividend or other such rights attaching to shares which have been declared by the Company; or
- prior to the holding of the Company's General Meeting of Shareholders; or
- at the Company's request based on an instruction from an authorized person or agency to the Company in accordance with the prevailing laws and regulations.

A registered shareholder that wishes to obtain a share certificate may withdraw its shares from the depository once all of those shares have been distributed to the securities account of its KSEI participant. An application for the withdrawal of shares must be forwarded to KSEI by the KSEI participant, on behalf of the registered shareholder, in a specified form. Collective share certificates in the name of a registered shareholder will be issued for any shares that are withdrawn from KSEI no later than five business days from the receipt of the withdrawal request by KSEI, unless KSEI rejects the withdrawal of shares based on written orders from OJK or certain other authorized persons if required for the purposes of civil or criminal court proceedings. Only shares remaining in

KSEI, and which have not been pledged, foreclosed upon based on a court order or seized for the purposes of criminal court investigation, can be traded on the IDX. Investors wishing to trade withdrawn shares on the IDX must deposit them with KSEI. The process of depositing withdrawn shares can take up to five business days.

In addition, an investor which holds 5% or more of the Shares is required to file a report with OJK in accordance with Bapepam and LK Rule No. IX.M.1 as attached to the Decision of the Chairman of Bapepam and LK No. KEP-82/PM/1996 dated January 17, 1996. The report shall at least consist of the following information:

- (a) name, address, citizenship;
- (b) total shares purchased;
- (c) price of acquired shares;
- (d) transaction date;
- (e) purpose of the transaction.

Declaration of Interest

Each Placement Agent and its affiliates have engaged in, and may in the future engage in, investment banking, financing, private banking, commercial banking or financial consulting activities and other commercial dealings in the ordinary course of business with the Company, the MSOE and their affiliates. They have received and expect to continue to receive customary fees and commissions for these activities and dealings. In addition, in the ordinary course of business, each Placement Agent and its affiliates may trade the Company's securities or the securities of the Company's affiliates or derivatives relating to the foregoing securities for its and/or its affiliates' own account and/or for the accounts of customers, and may at any time hold a long or short position in such securities. Further, the Placement Agents and their respective affiliates may make investment recommendations and/or publish or express independent research views in respect of the Company's securities or the securities of the Company's affiliates or derivatives relating to the foregoing securities and may hold or recommend to clients that they acquire long and/or short positions in such securities and instruments.

PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas are Government-related entities and under common control with the Company.

Distribution and Solicitation Restrictions

The distribution of this Offering Memorandum or any offering material and the Placement, sale or delivery of the Placement Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

United States of America

The Placement Shares have not been and will not be registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except, in either case, pursuant to an effective registration statement or in accordance with an applicable exemption from the registration requirements of the Securities Act. Accordingly, the Placement Shares are only being offered and sold by the International Selling Agents outside the United States in reliance upon Regulation S. As used in this paragraph, the terms "United States" and "U.S. person" have the meanings given to them by Regulation S under the Securities Act.

Hong Kong

The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies Ordinance (Cap 32) ("CO") nor has it been authorized by the Securities and Futures Commission ("SFC") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) (the "SFO"). Recipients are advised to exercise caution in relation to the Placement. If recipients are in any doubt about any of the contents of this document, they should obtain independent professional advice.

This document does not constitute an offer or invitation to the public in Hong Kong to acquire any Placement

Shares nor an advertisement of Placement Shares in Hong Kong. This document must not be issued, circulated or distributed in Hong Kong other than:

- (a) to “professional investors” within the meaning of SFO and any rules made under that ordinance (“**Professional Investors**”); or
- (b) in other circumstances which do not result in this document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Placement Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Placement Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Placement Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Placement Shares will only be accepted from such person. No person who has received a copy of this document may issue, circulate or distribute this document in Hong Kong or make or give a copy of this document to any other person. No person allotted Placement Shares may sell, or offer to sell, such Placement Shares to the public in Hong Kong within six months following the date of issue of such Placement Shares.

Indonesia

This Offering Memorandum may not be distributed in Indonesia or to Indonesian nationals (wherever they are domiciled), corporations or residents, in a manner which constitutes a public offering of the Placement Shares under the laws and regulations of Indonesia.

Singapore

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Placement Shares may not be circulated or distributed, nor may the Placement Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Placement Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Placement Shares pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

THIS DOCUMENT IS AN UNOFFICIAL ENGLISH VERSION OF THE INDONESIAN PROSPECTUS, WHICH HAS BEEN PREPARED IN THE INDONESIAN LANGUAGE. THE OFFICIAL DOCUMENT FOR THE RIGHTS ISSUE IS THE INDONESIAN PROSPECTUS DATED MARCH 24, 2014 AND IN THE EVENT OF ANY INCONSISTENCY, THE INDONESIAN PROSPECTUS SHALL PREVAIL OVER THIS DOCUMENT.

SCHEDULE

Effective Date of the Registration Statement relating to the Rights Issue I	March 21, 2014
Date of Extraordinary General Meeting of Shareholders (EGMS)	March 24, 2014
Date of Report of Results of EGMS approving the Rights Issue I to IDX	March 25, 2014
Announcement Date of Results of EGMS	March 25, 2014
Last Date of Trading Shares with Rights (Cum-Rights)	
- Regular and Negotiation Market	April 1, 2014
- Cash Market	April 4, 2014
Commencement Date of Trading of Shares without Rights (Ex-Rights)	
- Regular and Negotiation Market	April 2, 2014
- Cash Market	April 7, 2014
Recording Date	April 4, 2014
Distribution Date of Rights	April 7, 2014
Listing Date on IDX	April 8, 2014
First Trading Date of Rights	April 8, 2014
Last Trading Date of Rights	April 16, 2014
First Exercise Date of Rights	April 8, 2014
Last Exercise Date of Rights	April 16, 2014
Last Payment Date for Applications for Additional Shares	April 21, 2014
First Date for Delivering New Shares	April 10, 2014
Last Date for Delivering New Shares	April 21, 2014
Allotment Date	April 22, 2014
Refund Date for Unfulfilled Applications for Additional Shares	April 24, 2014

OTORITAS JASA KEUANGAN ("OJK") HAS NOT MADE ANY STATEMENTS OF APPROVAL NOR DISAPPROVAL OF THESE SECURITIES, NOR DOES IT CONFIRM THE ACCURACY OR ADEQUACY OF THE CONTENTS OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF THE LAW.

PT GARUDA INDONESIA (PERSERO) TBK (THE "COMPANY") IS FULLY RESPONSIBLE FOR THE ACCURACY OF ALL INFORMATION AND MATERIAL FACTS AS WELL THE FAIRNESS OF THE OPINIONS PRESENTED IN THIS PROSPECTUS.



Garuda Indonesia

PT GARUDA INDONESIA (PERSERO) Tbk.

Line of Business

Commercial Airline Service

Domiciled in Central Jakarta

Head Office :

Jl. Kebon Sirih No. 44
Jakarta 10110, Indonesia
Telp. 62 21 231 1355
Fax. 62 21 231 1223

Management Office :

Management Building
Garuda City
Soekarno-Hatta International Airport
Cengkareng 19120, Indonesia

63 Branch Offices located in:

Medan, Banda Aceh, Pekanbaru, Padang, Batam, Tanjung Karang, Jambi, Palembang, Pangkal Pinang, Tanjung Pinang, Bengkulu, Tanjung Pandan, Bandung, Jakarta, Surabaya, Malang, Jogjakarta, Semarang, Solo, Denpasar, Kupang, Mataram, Makassar, Kendari, Palu, Mamuju, Ambon, Balikpapan, Tarakan, Berau, Pontianak, Banjarmasin, Palangkaraya, Manado, Ternate, Gorontalo, Jayapura, Manokwari, Sorong, Biak, Timika, Singapore, Bangkok, Kuala Lumpur, Penang, Tokyo, Osaka, Seoul, Shanghai, Beijing, Guangzhou, Hong Kong, Taipei, Sydney, Brisbane, Perth, Melbourne, Amsterdam, London, Abu Dhabi and Jeddah.

Email: investor@garuda-indonesia.com

Website: www.garuda-indonesia.com

LIMITED PUBLIC OFFERING TO SHAREHOLDERS OF THE COMPANY ("RIGHTS ISSUE I") IN THE CONTEXT OF THE ISSUANCE OF PRE-EMPTIVE RIGHTS TO PURCHASE SHARES ("RIGHTS")

The Company is offering up to 3,227,930,633 (three billion, two hundred and twenty-seven million nine hundred thirty thousand six hundred and thirty-three) Class B Common Shares or up to 12.48% (twelve point forty eight percent) of the issued and paid-up capital after Rights Issue I but prior to Management Employee Stock Options Plan ("MESOP") exercise and 12.37% (twelve point thirty seven percent) of the issued and paid-up capital after Rights Issue I and MESOP exercise with a nominal value of Rp459 (four hundred and fifty nine Rupiah) per share. Each holder of 701,409 (seven hundred and one thousand four hundred and nine) Existing Shares (as defined herein) whose names are recorded in the Register of Shareholders of the Company on April 4, 2014 at 16:00 PM is entitled to 100,000 (one hundred thousand) Rights, whereby every one (1) Rights shall entitle the holder to buy 1 (one) New Share (as defined herein) at an exercise price of Rp460 (four hundred sixty Rupiah) per share, to be paid in full at the time of submitting the Share Subscription Form ("FPS"). The amount of funds that will be received by the Company in this Rights Issue I is maximum Rp1,484,848,091,180 (one trillion four hundred eighty four billion eight hundred forty eight million and ninety one thousand one hundred eighty Rupiah). The New Shares issued in this Rights Issue I shall rank pari passu in all respect with the Company's other fully paid-up capital, including with respect to the right to receive dividends. Each of the Rights (as defined herein) in the form of fractions will be rounded down.

If the New Shares are not fully subscribed by the holder of Rights (the "Rights Holders"), the remaining New Shares will be allotted to any Rights Holders who apply to subscribe for more than their entitlement, as stated in their Rights Certificate or Additional Share Subscription and Purchase Form in proportion to the Rights that have been exercised by them. If upon the allotment, there are still remaining New Shares that have not been subscribed, then the remaining New Shares will not be issued from the Company's portfolio. The Company will list all of the shares issued from portfolio in this Rights Issue I on IDX.

The Government of Indonesia ("GOI"), as a shareholder of the Company, will not be exercising all of the 2,231,669,111 (two billion, two hundred and thirty one million six hundred sixty nine thousand one hundred and eleven) Rights that will be issued to it in connection with the Rights Issue I. Pursuant to a Purchase Agreement dated March 6, 2014 ("Purchase Agreement") and Addendum to Purchase Agreement ("Addendum to Purchase Agreement") dated March 19, 2014 entered into between the Ministry of State Owned Enterprises, in its capacity as the representative of GOI, and PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas ("Placement Agents"), 2,231,669,111 (two billion, two hundred and thirty one million six hundred sixty nine thousand one hundred and eleven) Rights of GOI will be sold to PT Bahana Securities in the amount of 743,889,700 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred) Rights, PT Danareksa Sekuritas in the amount of 743,889,700 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred) Rights and PT Mandiri Sekuritas in the amount of 743,889,711 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred eleven) Rights, as the appointed Placement Agents. Upon the exercise of these Rights by the Placement Agents and the issuance of the related New Shares (as defined herein) by the Share Registrar, the Placement Agents will offer and sell these New Shares to domestic and foreign investors through a limited private offering. The Placement Agents will distribute these New Shares to the securities accounts of investors upon the settlement of the transaction through the IDX concurrently with the exercise of the GOI's Rights by the Placement Agents.

THIS RIGHTS ISSUE I WILL BE EFFECTIVE AFTER IT IS APPROVED BY AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS ("EGMS") OF THE COMPANY TO BE HELD ON MARCH 24, 2014. IN THE EVENT THAT THE EGMS DOES NOT APPROVE THE ISSUANCE OF THE RIGHTS, ALL OF THE ACTIVITIES AND/OR OTHER ACTIVITIES WHATSOEVER CONDUCTED AND/OR PLANNED BY THE COMPANY IN RELATION TO THE ISSUANCE OF THE RIGHTS IN ACCORDANCE WITH THE AFORESAID SCHEDULE AND IN THIS PROSPECTUS OR OTHER DOCUMENTS IN RELATION TO THE PLANNED RIGHTS ISSUE I, WILL BE DEEMED AS NEVER HAVING CONDUCTED AND CANNOT BE USED AS THE BASIS OR REASON WHATSOEVER BY ANY PERSON WHOMSOEVER TO TAKE ANY LEGAL ACTION WHATSOEVER AGAINST ANY PARTY, INCLUDING THE COMPANY AND THE CAPITAL MARKET SUPPORTING PROFESSIONAL INSTITUTION APPOINTED IN CONNECTION WITH THE RIGHTS ISSUE I.

THE RIGHTS MAY BE TRADED ON OR OUTSIDE THE IDX FOR A PERIOD OF 5 (FIVE) BUSINESS DAYS COMMENCING FROM APRIL 8, 2014 TO APRIL 16, 2014. THE LISTING OF THE NEW SHARES ON THE IDX IS EXPECTED TO OCCUR ON APRIL 8, 2014. THE LAST DAY FOR THE EXERCISE OF THE RIGHTS WILL BE APRIL 16, 2014, AFTER WHICH ANY UNEXERCISED RIGHTS WILL BE NULL AND VOID.

IMPORTANT NOTICE FOR SHAREHOLDERS

ANY EXISTING SHAREHOLDERS WHO DO NOT EXERCISE THEIR RIGHTS TO SUBSCRIBE FOR THE NEW SHARES OFFERED IN THE RIGHTS ISSUE I MAY EXPERIENCE A MATERIAL DILUTION OF UP TO 12.48% BEFORE THE EXERCISE OF ALL OF THE OUTSTANDING OPTIONS ISSUED UNDER THE MANAGEMENT AND EMPLOYEE STOCK OPTIONS PROGRAM ("MESOP") AND UP TO 13.21% AFTER THE EXERCISE OF ALL OF THE OUTSTANDING OPTIONS ISSUED UNDER THE MESOP IN THEIR SHAREHOLDING PERCENTAGE IN THE COMPANY.

THE MAIN RISK FACED BY THE COMPANY IS THE LACK OF INFRASTRUCTURE AND FACILITIES AT SOEKARNO-HATTA INTERNATIONAL AIRPORT AND OTHER AIRPORTS IN INDONESIA, WHICH COULD HAMPER THE COMPANY'S ABILITY TO EXPAND, INCREASE AIRCRAFT UTILIZATION AND IMPROVE THE TIMELINESS OF OUR PERFORMANCE ("ON TIME PERFORMANCE" OR "OTP") TO PROVIDE SAFE, COMFORTABLE AND EFFICIENT AIR TRANSPORTATION SERVICES. OTHER RISK FACTORS CAN BE SEEN IN CHAPTER V OF THIS PROSPECTUS.

THE COMPANY WILL NOT BE ISSUING ANY COLLECTIVE SHARES CERTIFICATES IN THIS RIGHTS ISSUE I. INSTEAD, THE NEW SHARES WILL BE DISTRIBUTED ELECTRONICALLY AND WILL BE ADMINISTERED IN THE COLLECTIVE CUSTODY OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI").

THE RISK FACED BY INVESTORS IS THE SHARES OFFERED IN THIS RIGHTS ISSUE I MAY BE ILLIQUID DUE TO SEVERAL FACTORS, AMONG OTHERS, DUE TO THE LIMITED NUMBER OF THE COMPANY'S SHAREHOLDERS.

The Company has submitted the Registration Statement in relation to the Rights Issue I in the context of the issuance of Pre-emptive Rights (hereinafter "Rights Issue I" or "RI I") to the Financial Services Authority ("OJK") in Jakarta under letter No. GARUDA/JKTDF/20028/14 on February 20, 2014, in accordance with the requirements set out in Regulation No. IX.D.1, Attached to Decree of the Chairman of Bapepam and LK No. Kep-26/PM/2003 dated July 17, 2003 regarding Pre-emptive Rights ("Regulation No. IX.D.1") and Bapepam and LK Regulation No. IX.D.2, Attached to Decree of the Chairman of Bapepam and LK No. Kep-08/PM/2000 dated March 13, 2000 regarding Guidelines Regarding the Form and Content of Registration Statement for Issuance of Pre-emptive Rights ("Regulation No. IX.D.2"), which are the implementation regulations of Law of the Republic of Indonesia No. 8 of 1995 dated November 10, 1995 on Capital Market, which was published in the State Gazette of the Republic of Indonesia No. 64 of 1995, Supplement No. 3608 (hereinafter referred to as the "Capital Market Law") and its implementing regulations.

The Capital Market Supporting Institutions and Professionals appointed in connection with the Rights Issue I are fully responsible for the accuracy of all data, information and material facts as well as the fairness of the opinions presented in this Prospectus, in accordance to their respective duties, in accordance with the prevailing regulations in the territory of the Republic of Indonesia and the code of ethics, norms and and their respective professional standards.

In connection with the Rights Issue I, any affiliated party shall not give an explanation or make any statements on matters which have not been disclosed in this Prospectus without the prior written consent of the Company.

The Capital Market Supporting Institutions and Professionals in this Rights Issue I explicitly state that they are not affiliated with the Company, either directly or indirectly, as defined under the Capital Market Law.

In accordance with Regulation No. IX.D.1, if a shareholder owns any Rights in the form of a fraction, then such Rights will become the property of the Company and will be sold by the Company and the proceeds thereof will be deposited into the account of the Company.

THIS RIGHTS ISSUE I IS NOT AND WILL NOT BE REGISTERED UNDER THE REGULATIONS OR LAWS OF ANY JURISDICTION OTHER THAN THOSE PREVAILING IN INDONESIA. ANY PARTY RESIDING OUTSIDE OF INDONESIA WHO RECEIVES THIS PROSPECTUS, A RIGHTS CERTIFICATE OR ANY OTHER DOCUMENTS RELATED TO THE RIGHTS ISSUE I SHOULD NOTE THAT THESE DOCUMENTS ARE NOT INTENDED AS AN OFFERING DOCUMENT FOR THE PURCHASE OF NEW SHARES OR THE EXERCISE OF RIGHTS IN ANY JURISDICTION, EXCEPT WHERE SUCH OFFERING OR PURCHASE OF NEW SHARES OR EXERCISE OF RIGHTS IS NOT CONTRARY TO OR IN VIOLATION OF THE LAWS OR REGULATIONS PREVAILING IN THE RELEVANT JURISDICTION. IF A FOREIGN RIGHTS HOLDER IS PROHIBITED FROM EXERCISING ITS RIGHTS UNDER THE LAWS OR REGULATIONS PREVAILING IN ITS JURISDICTION, THE COMPANY OR ITS APPOINTEE SHALL BE ENTITLED TO REFUSE THE APPLICATION BY SUCH PERSON TO EXERCISE ITS RIGHTS.

THE COMPANY HAS DISCLOSED ALL INFORMATION WHICH MUST BE KNOWN TO THE PUBLIC AND THERE IS NO OTHER INFORMATION THAT HAS NOT BEEN DISCLOSED WHICH WOULD BE MISLEADING TO THE PUBLIC.

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DEFINITION AND ABBREVIATION

In this Prospectus, the words below shall have the following meanings, except when mentioned otherwise in the sentence:

“Account Holders”	:	Means the person whose name is listed as the account owner in KSEI which includes the custodian bank and/or the securities companies and/or other parties approved by KSEI in accordance with prevailing capital market rules and regulations.
“Affiliation”	:	Means affiliation as referred to in Article 1 of Paragraph 1 of the Capital Market Law, namely: <ol style="list-style-type: none"> Family relationship by marriage and descent to the second degree, both horizontally and vertically; The relationship between a party and the employee(s), directors or commissioners of the said party; The relationship between 2 (two) companies with one or more similar members of the Board of Directors or the Board of Commissioners; Relationship between a company and a party, which directly or indirectly controls or is controlled by the said company; The relationship between 2 (two) companies that are controlled, either directly or indirectly, by the same party, or The relationship between the company and its principal shareholders.
“Affiliated Transaction”	:	Means the transaction as defined in Regulation No. IX.E.1.
“AFTK”	:	Means Available Freight Ton Kilometers, which is the number of kilometers flown multiplied by the number of tons of capacity available for transportation of cargo load.
“Allocation Date”	:	Means the date when the shares are allocated.
“ARAMCO”	:	Means Saudi ARAMCO or Saudi Arabian Oil Company.
“ASK”	:	Means Available Seat Kilometers, which is the number of seats available for passengers multiplied by number of kilometers flown.
“Associated Entity”	:	Means companies, in which the Company has significant influence and are not Subsidiaries or part of participation in a joint venture. Significant influence is presumed to exist when the Company owns, directly or indirectly, 20% or more of voting rights of the company, and or have the power to participate in the financial and operating policy decisions of the company, but not control or joint control over those policies.
“ATK”	:	Means Available Ton per Kilometer, which is the weight capacity of the aircraft available to transport income-generating cargo (passengers, baggage, cargo and postal items) multiplied by the number of kilometers flown.
“Aviation Law”	:	Means Law No. 1 of 2009 on Aviation, State Gazette of the Republic of Indonesia No. 1 of 2009, Supplement No. 4956.
“Banking Day”	:	Means the day when Bank Indonesia holds interbank clearing activities.
“Bapepam and LK”	:	Means the Capital Market Supervisory Agency and Financial Institution as referred by the Decree of Minister of Finance of the Republic of Indonesia No. 184/PMK.01/2010 dated October 11, 2010 on the Organization and Administration of the Ministry of Finance or successors and assignee receiving its rights and obligations.
“Branch Office”	:	Means the Company's sales offices in specific locations which have been granted permission to operate as a Branch Office from the authorities.

“Business Day”	:	Means Monday to Friday, except national holidays specified by the Government of the Republic of Indonesia or any common Business Days that have been set by the Government of the Republic of Indonesia as non-Business Days due to certain situation.
“Calendar Day”	:	Means every day in 1 (one) year in accordance with the Gregorian Calendar without exception, including Saturdays, Sundays and also national holidays specified by the Government of the Republic of Indonesia and any common Business Days that have been set by the Government of the Republic of Indonesia as non-Business Days due to certain situation.
“Capital Market Law”	:	Means Law No. 8 of 1995 dated November 10, 1995 on Capital Market and its implementing regulations.
“CLF”	:	Means Cargo Load Factor, which is RFTK as a percentage of AFTK.
“Code Share”	:	Means an agreement in which two or more airlines agree to utilize the same flight.
“Collective Custody”	:	Means the collective custody of securities held jointly by more than 1 (one) party whose interests are represented by the Custodian, as defined in the Capital Market Law.
“Company”	:	Means PT Garuda Indonesia (Persero) Tbk., a public limited liability company domiciled in Central Jakarta.
“Company Law”	:	Means Law No. 40 of 2007 dated August 16, 2007 regarding Limited Liability Company, State Gazette of the Republic of Indonesia No. 106 of 2007, Supplement No. 4756.
“Custodian”	:	Means the party providing custodian services for Securities and other assets relating to Securities as well as other services including receiving interest payments and other rights, completing Securities transactions and representing Account Holders who are its customer in accordance with the provisions of the Capital Market Law, which includes KSEI, Securities Companies and Custodian Bank.
“Custodian Bank”	:	Means a commercial bank that has obtained the approval of OJK to conduct business activities as Custodian as defined in the Capital Market Law.
“DJPU”	:	Means <i>Direktorat Jenderal Perhubungan Udara</i> or the Directorate General of Civil Aviation, Ministry of Transportation of the Republic of Indonesia.
“Effective Statement”	:	Means the acceptance of the letter from the Chief Executive Capital Market Supervisory of OJK by the Company informing that the OJK does not require any additional information and have no further written comments to the Registration Statement that was submitted by the Company in relation to Rights Issue I, and the EGMS approval for the Rights Issue I have been obtained in accordance with the applicable laws and regulations.
“EGMS”	:	Means the Extraordinary General Meeting of Shareholders to be held by the Company on March 24, 2014 with the agenda among other things to approve the Rights Issue I.
“Exchange Day”	:	Means the days when the IDX holds securities trading activities according to the applicable legislation and the IDX regulations.
“Exercise Price”	:	Means the price offered to the shareholders of the Company in the Rights Issue I to exercise their Rights into 1 (one) New Share, which is Rp460 per share.
“Existing Share”	:	Means the common shares which are issued and fully paid by the shareholders of the Company on the date of this Prospectus.
“Force Majeure”	:	Means floods, earthquakes, volcanic eruptions, fires, wars or riots in Indonesia, which have a material adverse effect to the ability of each party to fulfill its obligations.

“FPPS Tambahan” or “Additional FPPS”	:	Means <i>Formulir Pemesanan Pembelian Saham Tambahan</i> or Additional Share Subscription Form, in connection to the Rights Issue I, which is a form to subscribe shares that exceeds the amount of to the Rights received by 1 (one) shareholder of the Company in this Rights Issue I.
“FSC”	:	Means Full Service Carrier, whereby based on the Aviation Law and Regulation of the Minister of Transportation No. KM No. 26 of 2010 on the Mechanism of Formulation for Calculation and Determination of Rate for Economy Class Passengers for Scheduled Domestic Commercial Flights (“Permenhub No. KM26/2010”), it is specified as a scheduled commercial air transport business entity which carries out its activities with a maximum service standard.
“GMS”	:	Means General Meeting of Shareholders, which is the general meeting of shareholders of the Company that is held in accordance with the provisions of the articles of association of the Company and the Company Law and the Capital Market Law and its implementing regulations.
“Government” “GOI”	or :	Means the Government of the Republic of Indonesia.
“Group”	:	Means the Company and its Subsidiaries.
“IAPI”	:	Means <i>Institut Akuntan Publik Indonesia</i> or the Indonesian Institute of Certified Public Accountant..
“IDX”	:	Means PT Bursa Efek Indonesia or the Indonesia Stock Exchange, which is the institution that organizes and provides the system and/or the means to bring together the purchase and sale of securities from various parties with the purpose of effecting trading between them.
“Initial Public Offering”	:	Means the Initial Public Offering made by the Company in order to publish and offer as much as 4,400,000,000 registered ordinary shares which is the sale of new shares and shares of the Company owned by PT Bank Mandiri (Persero) Tbk as much as 1,935,738,000 Series B registered shares with a nominal value of Rp500, - with the Initial Public Offering price of Rp750, - per share, which was declared effective on February 1, 2011.
“IOSA”	:	Means the IATA Operational Safety Audit, which is an evaluation system that is recognized and accepted internationally that is designed to measure the operational management and control systems of an airline.
“Kemenhub”	:	Means <i>Kementerian Perhubungan Republik Indonesia</i> or the Ministry of Transportation of the Republic of Indonesia.
“Kemenkumham”	:	Means <i>Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia</i> or the Ministry of Law and Human Rights of the Republic of Indonesia (formerly known as the Department of Law and Human Rights of the Republic of Indonesia, Department of Law of the Republic of Indonesia, Department of Justice and Legislation of the Republic of Indonesia or other names).
“KNKT”	:	Means <i>Komite Nasional Keselamatan Transportasi</i> or the National Transportation Safety Committee.
“KSEI”	:	Means PT Kustodian Sentral Efek Indonesia or the Indonesian Central Securities Depository.

“LCC”	:	Means Low Cost Carrier, which is based on Aviation Law and Permenhub No. KM26/2010, is defined as a scheduled commercial air transport business entity conducting its activities with minimum service standards.
“Lessee”	:	Means the party who leases from another party.
“Lessor”	:	Means the party who give lease to another party.
“Menkumham”	:	Means the Ministry of Law and Human Rights of the Republic of Indonesia (formerly known as the Ministry of Law of the Republic of Indonesia, the Minister of Law and Legislation and/or any other name).
“MESOP”	:	Means Management and Employee Stock Options Plan.
“MOPAG”	:	Means Mean of Platts Arab Gulf, which is the index for fuel prices in the Arabian Gulf.
“MOPS”	:	Means Mean of Platts Singapore, which is the index for fuel base price in Singapore.
“MRO”	:	Means Maintenance, Repair and Overhaul, which is maintenance, repair and overhaul operations for aircraft.
“MSOE”	:	Means the Ministry of State-Owned Enterprises of the Republic of Indonesia.
“New Share”	:	Means the Class B common shares which shall be issued by the Company in this Rights Issue I in the amount of maximum 3,227,930,633 (three billion, two hundred and twenty-seven million nine hundred thirty thousand six hundred and thirty-three) Class B common shares with a nominal value of Rp459 (four hundred and fifty nine Rupiah) per share.
“OJK”	:	Means <i>Otoritas Jasa Keuangan</i> or the Financial Services Authority, an agency that is independent and free from interference by other parties, which has the functions, duties, and powers of regulation, supervision, inspection, and investigation as referred to in the Law No. 21 of 2011 on Financial Services Authority (“OJK Law”). Since December 31, 2012, the functions, duties, and powers of regulation and supervision of financial services activities in the capital market sector were transferred from Bapepam and LK to the OJK, or its successors and assignee receiving the rights and obligations, in accordance with Article 55 of the OJK Law.
“Passenger Yield”	:	Means the revenue from scheduled passenger per RPK.
“PDP”	:	Means Pre-delivery Deposit Payment, which is payment of installment of advance for the purchase of aircraft before delivery of such aircraft.
“PLF”	:	Means Passenger Load Factor, which is the number of passengers who paid and transported (revenue passenger) as a percentage of the number of available seats.
“Prospectus”	:	Means any written information in connection with the Rights Issue I as set forth in Article 1 point 26 of the Capital Market Law in conjunction with Regulation No. IX.D.3. regarding Guidelines Regarding the Form and Content of Prospectus for a Pre-emptive Rights Issuance contained in the Attachment of the Decree of Chairman of Bapepam No. Kep-09/PM/2000 dated March 13, 2000.
“Public”	:	Means Indonesian citizens and foreign citizens and/or Indonesian and foreign legal entities, whether legal resident or domiciled in Indonesia and resident or domiciled outside the jurisdiction of the Republic of Indonesia.
“Public Offering of Shelf-Registration Bonds I of Garuda Indonesia Phase 1”	:	Means the Public Offering of Shelf-Registration Bonds I of Garuda Indonesia Phase I in Year 2013 with a principal amount of Rp2,000,000,000,000 (two trillion Rupiah) with a fixed interest rate of 9.25% per annum maturing in 2018, with the effective statement from the OJK dated June 27, 2013, which is a series of Public Offering of Shelf-Registration Bonds I

Year 2013"	of Garuda Indonesia in Year 2013 with total target proceeds to be collected amounting to Rp4,000,000,000,000 (four trillion Rupiah).
"Rights"	: Means Pre-emptive Rights, which is a transferrable right that is attached to a share that allows the holder of Existing Shares to purchase New Shares.
"Register of Shareholders"	: Means the register of shareholder issued by the Share Registrar.
"Registration Statement"	: Means the registration statement filed by the Company to the OJK in connection with Rights Issue I, comprising of documents required to be filed including changes, additions and corrections as well as rectifications.
"Regulation No. IX.D.1"	: Means Bapepam and LK Regulation No. IX.D.1, Attachment to the Decree of the Chairman of Bapepam and LK No.Kep-26/PM/2003 dated July 17, 2003 regarding Pre-emptive Rights.
"Regulation No. IX.D.2"	Means Bapepam and LK Regulation No. IX.D.2, Attachment to the Decree of the Chairman of Bapepam and LK No.Kep-08/PM/2000 dated March 13, 2000 regarding Guidelines for the Form and Content of Registration Statement for Pre-emptive Rights Issuance.
"Regulation No. IX.E.1"	: Means Bapepam and LK Regulation No. IX.E.1, Attachment to the Decree of the Chairman of Bapepam and LK No. Kep-412/BL/2009 dated November 29, 2009 regarding Affiliate Transactions and Conflict of Interest Transactions.
"Regulation No. IX.E.2"	: Means Bapepam and LK Regulation No. IX.E.2, Attachment to the Decree of the Chairman of Bapepam and LK No. Kep-614/BL/2011 dated November 28, 2011 regarding Material Transactions and Change of Primary Business.
"Regulation No. IX.J.1"	: Means Bapepam and LK Regulation No. IX.J.1, Attachment to the Decree of the Chairman of Bapepam and LK No. Kep-179/BL/2008 dated May 14, 2008 regarding Articles of Association of a Company Conducting a Public Offering and Public Companies.
"Regulation No. IX. I.6"	Means Bapepam and LK Regulation No. IX.I.6, Attachment to the Decree of the Chairman of Capital Market Supervisory Agency No. Kep-45/PM/2004 dated November 29, 2004 regarding Director and Commissioner of Issuers and Public Companies
"Regulation No. IX.L.1"	: Means Bapepam and LK Regulation No. IX.L.1, Attachment to the Decree of the Chairman of Bapepam and LK No. Kep-16/PM/2004 dated April 13, 2004, as amended by the Attachment to the Decree of the Chairman of Bapepam and LKNo. Kep-718/BL/2012 dated December 28, 2012 regarding Quasi-Reorganization.
"Regulation No. X.K.4"	: Means Bapepam and LK Regulation No. X.K.4, Attachment to the Decree of the Chairman of Bapepam and LK No. Kep-27/PM/2003 dated July 17, 2003 regarding the Report on the Use of Proceeds from Public Offering.
"RFTK"	: Means Revenue Freight Ton Kilometers, which is the number of kilometers flown multiplied by revenue cargo load in tons.
"Rights Certificate"	: Means the title deed or certificate issued by the Company to shareholders as evidence of their ownership of the Rights that can be traded during the Trading Period.

“Rights Issue I”	:	Means a maximum offering of 3,227,930,633 (three billion, two hundred and twenty-seven million nine hundred thirty thousand six hundred and thirty-three) Class B common shares with a nominal value of Rp459 (four hundred and fifty nine Rupiah) per share. Each holder of 701,409 (seven hundred and one thousand four hundred and nine) Existing Shares whose names are recorded in the Register of Shareholders on April 4, 2014 at 16:00 PM is entitled to 100,000 (one hundred thousand) Rights and every 1 (one) Right entitles the holder to purchase 1 (one) New Share at an exercise price Rp460 (four hundred sixty Rupiah) per share to be paid in full at the time of submitting the Shares Subscription Form.
“Rp”	:	Means Rupiah, the legitimate currency of the Republic of Indonesia.
“RPK”	:	Means Revenue Passenger Kilometers, which is revenue from passengers derived from the number of flights multiplied by the kilometers flown.
“SAP Group”	:	Means the Airline Industry Expert.
“SBU”	:	Means Strategic Business Unit, which is a strategic business unit managed by the Company.
“SBU Garuda Cargo”	:	Means the Company’s SBU that manages cargo business.
“SBU Garuda Sentra Medika (GSM)”	:	Means the Company’s SBU that manages healthcare business.
“Securities Account”	:	Means an account that contains notes on share position and/or shareholder-owned funds administered in KSEI, or Account Holder’s based on the account opening agreement signed by the shareholders with the securities companies or Custodian Bank.
“Securities”	:	Means securities such as debt instruments, commercial papers, shares, bonds, evidence of debt, Collective Investment Agreement Participation Units, Futures Contracts Related to Securities, and any Securities derivatives, as defined in Article 1 point 5 of the Capital Market Law.
“Share Registrar”	:	Means the party appointed by the Company to carry out the administration of shares in this Rights Issue I, which is PT Datindo Entrycom, having its domicile in Jakarta.
“SLF”	:	Means Seat Load Factor, which is the percentage of seating capacity utilized.
“Shareholder”	:	Means the Company’s shareholders listed in the Register of Shareholders.
“Stock Exchange Member”	:	Means Stock Exchange Member as defined in Article 1 Paragraph 2 of the Capital Market Law.
“SOE”	:	Means State-Owned Enterprise.
“SUB-100”	:	Means regional aircraft with less than 100 (one hundred) passenger seats.
“Subsidiaries”	:	Means companies whose financial statements are consolidated with the Company’s in accordance with accounting principles generally accepted in Indonesia.
“Trading Period”	:	Means the period during which the Shareholders and/or holders of Rights may sell or transfer their Rights and exercise their Rights.

- “USD”** : United States Dollar, the legitimate currency of the United States of America.
- “WDP Law”** : Means Law No. 3 of 1982 dated February 1, 1982 regarding Mandatory Company Registration, State Gazette of the Republic of Indonesia No. 7 of 1982, Supplement No. 3214.

ABBREVIATION FOR SUBSIDIARY AND ASSOCIATED ENTITY

“Abacus” or “ADSI”	:	Means PT Abacus Distribution Systems Indonesia, which is a Subsidiary of the Company that is engaged in the computerized reservation system services business.
“AJC”	:	Means PT Aerojasa Cargo, which is a Subsidiary of AJP that is engaged in the freight forwarding services business.
“Aerofood” or “ACS”	:	Means PT Aerofood Indonesia, which is a Subsidiary of Aerowisata that is engaged in catering services, airline catering, laundry and warehousing business.
“AeroGlobe”	:	Means PT Aero Globe Indonesia, which is a Subsidiary of Aerowisata that is engaged in travel agency services business.
“Aerotrans” “ATS”	or :	Means PT Aerotrans Services Indonesia, which is a Subsidiary of Aerowisata that is engaged in the transportation, trade, services, industry, and development business.
“Aerowisata” “AWS”	or :	Means PT Aero Wisata, which is a Subsidiary of the Company that is engaged in the hotel (tourism), flight catering and ticket sales business.
“AHM”	:	Means PT Aero Hotel Management, which is a Subsidiary of Aerowisata that is engaged in the property management services (hotels, apartments, condominiums) business.
“AJP”	:	Means PT Aerojasa Perkasa, which is a Subsidiary of Aerowisata that is engaged in the transport services and supporting facilities business.
“Asyst” or “ASI”	:	Means PT Aero Systems Indonesia, which is a Subsidiary of the Company that is engaged in the business of providing information technology systems for airlines.
“BID”	:	Means PT Bina Inti Dinamika, which is a Subsidiary of Aerowisata that is engaged in the accommodation services business.
“BIP”	:	Means PT Belitung Intipermari, which is a Subsidiary of Aerowisata that is engaged in the accommodation and hospitality services business.
“Citilink” or “CI”	:	Means PT Citilink Indonesia, which is a Subsidiary of the Company that is engaged in low cost scheduled commercial transport business (Low Cost Carrier).
“Gapura”	:	Means PT Gapura Angkasa, which is an Associated Entity where the Company held 37.5% shares ownership that is engaged in the ground operations services business.
“GIH”	:	Means PT GIH Indonesia, which is a Subsidiary of Aerowisata that is engaged in the travel agency services business.
“GIHF”	:	Means Garuda Indonesia Holiday France, which is a Subsidiary of the Company that is engaged in the tourism travel agency business.
“GMF AeroAsia” or “GMFAA”	:	Means PT Garuda Maintenance Facility Aero Asia, which is a Subsidiary of the Company that is engaged in aircraft’s repair and maintenance business.
“GOHA”	:	Means Garuda Orient Holidays Pty, Limited, which is a Subsidiary of Aerowisata that is engaged in the business of selling of travel vacation packages to Indonesia.
“GOHK”	:	Means Garuda Orient Holidays Korea Co., Limited, which is a Subsidiary of Aerowisata that is engaged in the tourism travel agency business.
“GOHJ”	:	Means Garuda Orient Holidays Japan Co., Ltd., which is a Subsidiary of Aerowisata that is engaged in the tourism travel agency business.

- “MHD”** : Means PT Mirtasari Hotel Development, which is a Subsidiary of Aerowisata that is engaged in the accommodation services business.
- “SPI”** : Means PT Senggigi Pratama Internasional, which is a Subsidiary of Aerowisata that is engaged in the accommodation services business.

SUMMARY

The summary below is prepared based on the facts and considerations which considered to be of significance to the Company which is an integral part and should be read in conjunction with the more detailed information and consolidated financial statements and notes contained in this Prospectus. All of the financial information of the Company are prepared in USD and have been prepared in accordance with the Financial Accounting Standards in Indonesia.

GENERAL

The Company was established under the name of Garuda Indonesian Airways N.V., located in Central Jakarta based on Deed No. 137 dated March 31, 1950, made before Raden Kadiman, Notary in Jakarta, and has been ratified by the Ministry of Justice of the Republic of Indonesia based on Decision Letter No. J.A. 05/12/10 dated March 31, 1950, and registered in the register book at the Office of the District Court in Jakarta under No. 327 on April 24, 1950, and was published in the State Gazette of the Republic of Indonesia No. 30 dated May 12, 1950, Supplement No. 136. Furthermore, based on Law No. 9 of 1969 regarding the Amendment of Law No. 1 of 1969 (State Gazette No. 16 of 1969) regarding the Forms of State-Owned Enterprises into Law (State Gazette No. 40 of 1969), Government Regulation No. 12 of 1969 regarding Limited Liability Company (*Persero*) (State Gazette No. 21 of 1969), Government Regulation No. 67 of 1971 (State Gazette No. 87 of 1971) regarding the Amendment of "Garuda Indonesian Airways" from a State-Owned Civil Aviation Company (*Perusahaan Negara*) into a Limited Liability Company (*Persero*), in conjunction with Decree of the Minister of Finance of the Republic of Indonesia No. KEP-2/MK/IV/1/1975 dated January 4, 1975 regarding the Establishment of Capital for Limited Liability Company (*Persero*) "PT Garuda Indonesian Airways", an amendment was made to the legal form of the Company from a State-Owned Civil Aviation Company "Garuda Indonesian Airways" into a Limited Liability Company (*Persero*), and with the amendment, the State-Owned Civil Aviation Company "Garuda Indonesian Airways" is deemed to be liquidated at the time of the establishment of a Limited Liability Company (*Persero*).

The Company's status as a Limited Liability Company (*Persero*) PT Garuda Indonesian Airways was established by Deed of Establishment No. 8 dated March 4, 1975, as amended by Deed of Amendment No. 42 dated April 21, 1975, and subsequently amended by Deed of Amendment No. 24 dated June 12, 1975, with all three deeds made before Soeleman Ardjasmita, S.H., Notary in Jakarta, which was approved by the Ministry of Justice of the Republic of Indonesia by virtue of Decree Letter No. Y.A. 5/225/8, dated June 23, 1975, and were registered in Jakarta District Court on July 1, 1975 under No. 2250, 2251, and 2252, and published in the State Gazette of the Republic of Indonesia No. 68, dated August 26, 1975, Supplement No. 434 ("Deed of Establishment").

After the Company conducted its Public Offering of Shelf-Registration Bonds I of Garuda Indonesia Phase I in Year 2013, the Articles of Association of the Company has not been changed, thus the Articles of Association in force at the date of the publication of this Prospectus are as stated in the following deeds:

- (i) Deed of Statement of Extraordinary General Meeting of Shareholders No. 24 dated November 16, 2010, made before Fathiah Helmi, S.H., Notary in Jakarta, which was approved by the Decree of the Kemenkumham No. AHU-54724.AH.01.02 of 2010 dated November 22, 2010, registered in the Company Register of the Kemenkumham No. AHU-0084627.AH.01.09 of 2010 dated November 22, 2010. This deed amended the entire provisions of the Articles of Association of the Company to comply with the provisions of Regulation No. IX.J.1;
- (ii) Deed of Amendment to Articles of Association No. 22 dated September 27, 2011, made before Andalia Farida, S.H., Notary in Jakarta ("Deed No. 22/2011"), which has been notified to the Menkumham as stated in the Letter of Acceptance of Notification to the Amendment to the Articles of Association No. AHU-AH.01.10-33910 dated October 21, 2011 and registered in the Company Register of the Kemenkumham No. AHU-0085337.AH.01.09 of 2011 dated October 21, 2011. Based on Deed No. 22/2011, the Board of Commissioner has restated the capital structure and shareholding composition of the Company after the completion of the Initial Public Offering, and
- (iii) Deed of Amendment to Articles of Association No. 1 dated July 26, 2012, made before Aulia Taufani, S.H., Notary in Tangerang, which was approved by the Menkumham Decree No. AHU-66159.AH.01.02 of 2012 dated December 27, 2012 and registered in the Company Register of the Kemenkumham No. AHU-0111973.AH.01.09 of 2012 dated December 27, 2012 ("Deed No. 1/2012"). Based on Deed No. 1/2012, the shareholders of the Company approved the Company's quasi-reorganization in accordance with the provisions of SFAS 51 (Revised 2003) and Regulation No. IX.L.1, thus changing Article 4 of the Articles of Association of the Company regarding Capital. In connection with the implementation of the quasi-reorganization, the nominal value of the Company's shares was reduced from Rp500.00 to Rp459.00.

Under Article 3 of the Articles of Association of the Company, the purposes and objectives of the Company are to engage in commercial airline services, as well as to optimize the utilization of the Company's resources to produce high quality and

competitive goods and/or services to obtain profit in order to increase the Company's value by applying the principles of a limited liability company.

As of the date of this Prospectus, the Company has engaged in all of the businesses as stated in Article 3 of the Articles of Association of the Company.

As of the date of this Prospectus, the Company has 1 head office and 9 management areas which manage 63 branches, namely:

1. Domestic Area Region – 1, which manages 13 branches located in Medan, Banda Aceh, Pekanbaru, Padang, Batam, Tanjung Karang (two branches), Jambi, Palembang, Pangkal Pinang, Tanjung Pinang, Bengkulu and Tanjung Pandan. Domestic Area Region – 1 also manages the Station & Service Hub in Kuala Namu;
2. Domestic Area Region – 2, which manages two branches located in Bandung and Jakarta;
3. Domestic Area Region – 3, which manages eight branches located in Surabaya, Malang, Jogjakarta, Semarang, Solo, Denpasar, Kupang and Mataram;
4. Domestic Area Region – 4, which manages 20 branches located in Makassar, Kendari, Palu, Mamuju, Ambon, Balikpapan, Tarakan, Berau, Pontianak, Banjarmasin, Palangkaraya, Manado, Ternate, Gorontalo, Jayapura, Manokwari, Sorong, Biak and Timika (two branches);
5. International Area Region – 1, which manages four branches located in Singapore, Bangkok, Kuala Lumpur and Penang;
6. International Area Region – 2, which manages three branches located in Tokyo, Osaka and Seoul;
7. International Area Region – 3, which manages five branches located in Shanghai, Beijing, Guangzhou, Hong Kong and Taipei;
8. International Area Region – 4, which manages four branches located in Sydney, Brisbane, Perth and Melbourne;
9. International Area Region – 5, which manages four branches located in Amsterdam, London, Abu Dhabi and Jeddah.

As of the date of this Prospectus, the Company operates two SBUs, namely SBU Garuda Cargo, which manages cargo business, and SBU Garuda Sentra Medika, which manages healthcare business.

As of the date of this Prospectus, the Company has direct investments in six Subsidiaries as follows:

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
1	PT Abacus Distribution Systems Indonesia	Computerized reservation systems provider	95.00% direct ownership by the Company	1995	In Operation
2	PT Garuda Maintenance Facility Aero Asia	Aircraft repair and maintenance	99.00% direct ownership by the Company 1.00% indirect ownership through Aerowisata	2002	In Operation
3	PT Aero Systems Indonesia	Information technology service provider	51.00% direct ownership by the Company 49.00% indirect ownership through Aerowisata	2005	In Operation
4	PT Citilink Indonesia	Commercial airline	94.27% direct ownership by the Company 5.73% indirect ownership through Aerowisata	2009	In Operation
5	Garuda Indonesia Holiday France	Travel agency	100.00% direct ownership by the Company	2014	In development phase
6	PT Aero Wisata	Hospitality, catering and travel agency	99.99% direct ownership by the Company	1989	In Operation

As of the date of this Prospectus, the Company has indirect investments in 14 Subsidiaries through Aerowisata as follows:

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Mirtasari Hotel Development	Hotel	99.994% indirect ownership through Aerowisata	1979	In Operation
2.	PT Aerofood Indonesia (previously known as PT Angkasa Citra Sarana Catering Service)	Flight catering services	99.9991% indirect ownership through Aerowisata	1982	In Operation
3.	PT Aero Globe Indonesia (previously known as PT Biro Perjalanan Wisata Satriavi)	Travel Agency	99.9995% indirect ownership through Aerowisata	1974	In Operation
4.	PT Aerotrans Services Indonesia (previously known as PT Mandira Erajasa Wahana)	Transportation Service	99.998% indirect ownership through Aerowisata	1988	In Operation

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
5.	PT Aerojasa Perkasa	Ticketing Agency	99.87% indirect ownership through Aerowisata	1998	In Operation
6.	PT Aerojasa Cargo *	Ticketing Agency Freight Forwarding	99.91% indirect ownership through Aerojasa Perkasa	2003	In Operation
7.	PT Senggigi Pratama Internasional	Hotel	99.993% indirect ownership through Aerowisata	1997	In Operation
8.	Garuda Orient Holidays, Pty, Limited	Travel Agency	100.00% indirect ownership through Aerowisata	1981	In Operation
9.	Garuda Orient Holidays Korea Co, Limited	Travel Agency	60.00% indirect ownership through Aerowisata	2008	In Operation
10.	Garuda Orient Holidays Japan Co, Ltd	Travel Agency	60.00% indirect ownership through Aerowisata	2009	In Operation
11.	PT GIH Indonesia	Travel Agency	60.00% indirect ownership through Aerowisata	2012	In Operation
12.	PT Bina Inti Dinamika	Hotel	61.8% indirect ownership through Aerowisata	1987	In Operation
13.	PT Aero Hotel Management	Hotel Management	90.00% indirect ownership through Aerowisata 10.00% indirect ownership through PT Mirtasari Hotel Development	2009	In Operation
14.	PT Belitung Intipermai	Hotel	99.999968% indirect ownership through Aerowisata	1992	In development phase

Note: *) AWS ownership through AJP

As of the date of this Prospectus, the Company has direct or indirect ownership of shares, of less than 50% in Associated Entities as follows:

No	Associated Entities	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Aeronurti	Accommodation Service	45.00% indirect ownership through Aerowisata	1996	In Operation
2.	PT Aeroprima	Accommodation Service	40.00% indirect ownership through Aerowisata	1993	In Operation
3.	PT Bumi Minang Padang	Accommodation Service	10.10% indirect ownership through Aerowisata	1989	In Operation
4.	PT Nusa Dua Graha Internasional	Accommodation Service	6.06% indirect ownership through Aerowisata	1988	In Operation
5.	PT Arthaloka Indonesia	Property Management Service	2.58% indirect ownership through Aerowisata	1988	In Operation
6.	PT Gapura Angkasa	Management of ground operations system and aviation business support	37.50% direct ownership by the Company	1998	In Operation
7.	Pan Asia Pacific Aviation Services Ltd.	Management of ground operations system and aviation business support	17.65% direct ownership by the Company	1998	In operation
8.	Abacus International Pte. Ltd.	Informatics System	2.06% direct ownership by the Company	1997	In Operation
9.	PT Merpati Nusantara Airlines	Aviation	4.21% direct ownership by the Company	1978	In Operation

LATEST CAPITAL AND SHAREHOLDING STRUCTURE

As of the date of this Prospectus, the capital and shareholding structure of the Company and the ownership composition of the Company as of January 31, 2014 based on the Register of Shareholders dated February 6, 2014 issued by PT Datindo Entrycom as the Share Registrar is as follows:

Capital
Consisting of Class A Shares and Class B Common Shares
With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Shareholder	Share Amount	Total Nominal Value (Rp)	%
Authorized Capital			
- Class A <i>Dwiwarna</i> Share	1	459	
- Class B Common Shares	29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital			
- Class A <i>Dwiwarna</i> Share			
Republic of Indonesia	1	459	0.0000
- Class B Common Shares			
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362
Credit Suisse AG Singapore TR AC CL PT Trans Airways	2,466,965,725	1,132,337,267,775	10.8960
Wendy Aritenang Yazid	231,534	106,274,106	0.0010
Emirsyah Satar	1,904,369	874,105,371	0.0084
Handrito Hardjono	97,118	44,577,162	0.0004
Faik Fahmi	166,094	76,237,146	0.0007
Heriyanto Agung Putra	181,829	83,459,511	0.0008
Batara Silaban	285,207	130,910,013	0.0013
Novijanto Herupratomo	123,816	56,831,544	0.0005
Public	4,517,912,308	2,073,721,749,372	19.9547
Total Issued and Fully Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000
Shares in Portfolio			
- Class A <i>Dwiwarna</i> Share	-	-	
- Class B Common Shares	7,359,004,000	3,377,782,836,000	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000	

The Company has obtained the Decree from the Government with respect to the quasi-reorganization as evidenced by Deed No. 1/2012, based on the Government Regulation No. 114 of 2012 dated December 27, 2012 regarding the Reduction of Capital Investments of the Republic of Indonesia on PT Garuda Indonesia (Persero) Tbk., a Limited Liability Company, the State Gazette of the Republic of Indonesia No. 287 of 2012.

RIGHTS ISSUE I OFFERING

Type of Offering	: Pre-Emptive Rights
Nominal Value	: Rp459 (four hundred fifty nine Rupiah) per share
Exercise Price	: Rp460 (four hundred sixty Rupiah) per share
Issuance Ratio	: 100,000 (one hundred thousand) Rights for every 701,409 (seven hundred and one thousand and four hundred and nine) Existing Shares
Dilution of Share Ownership	: 12.48% before the exercise of all of the outstanding options issued under the MESOP and up to 13.21% after the exercise of all of the outstanding options issued under the MESOP in their shareholding percentage in the Company
Rights Trading Period	: April 8, 2014 to April 16, 2014
Rights Exercise Period	: April 8, 2014 to April 16, 2014
Listing Date on the IDX	: April 8, 2014
Stock Exchange	: IDX

Detailed information on the Rights Issue I can be found in Chapter I of this Prospectus.

The Government of Indonesia ("GOI"), as a shareholder of the Company, will not be exercising the 2,231,669,111 (two billion, two hundred and thirty one million six hundred sixty nine thousand one hundred and eleven) Rights that will be issued to it in connection with the Rights Issue I. Pursuant to a Purchase Agreement dated March 6, 2014 ("Purchase Agreement") and Addendum to Purchase Agreement ("Addendum to Purchase Agreement") dated March 19, 2014 entered into between the Ministry of State Owned Enterprises, in its capacity as the representative of GOI, and PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas ("Placement Agents"), 2,231,669,111 (two billion, two hundred and thirty one million six hundred sixty nine thousand one hundred and eleven) Rights of GOI will be sold to PT Bahana Securities in the amount of 743,889,700 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred) Rights, PT Danareksa Sekuritas in the amount of 743,889,700 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred) Rights and PT Mandiri Sekuritas in the amount of 743,889,711 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred eleven) Rights, as the appointed Placement Agents. Upon the exercise of these Rights by the Placement Agents and the issuance of the related New Shares (as defined herein) by the Share Registrar, the Placement Agents will offer and sell these New Shares to domestic and foreign investors through a limited private offering. The Placement Agents will distribute these New Shares to the securities accounts of investors upon the settlement of the transaction through the IDX concurrently with the exercise of the GOI's Rights by the Placement Agents.

If the New Shares are not entirely taken by the holders of the Rights, the remainder will be allocated to the other pre-emptive Rights who have submit order for excess Rights, as stated in the Rights Certificate or Order and Additional Shares Purchase Form proportionately based on the Rights that have been implemented. If after such allocation there are excess New Shares which have not been subscribed, then the Company is not obligated to issue the remaining New Shares. The Company will register all of the shares to be issued from treasury under this Rights Issue I on the IDX.

If all the Rights being exercised by all the shareholders on the Rights Issue I, GOI's rights will be exercised by PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas to be sold to domestic or foreign investor under limited offer, the shareholders of the Company before and after the Rights Issue will be as follow:

Capital
Consisting of Class A Shares and Class B Common Shares
With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Description	Before Rights Issue I			After Rights Issue I Before MESOP		
	Share Amount	Total Nominal Value (Rp)	(%)	Share Amount	Total Nominal Value (Rp)	(%)
Authorized Capital						
- Class A Dwiwarna Share	1	459		1	459	
- Class B Common Share	29,999,999,999	13,769,999,999,541		29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000		30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital						
- Class A Dwiwarna Share						
Republic of Indonesia	1	459	0.0000	1	459	0
- Class B Common Share						
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362	15,653,127,999	7,184,785,751,541	60.5094
Credit Suisse AG Singapore TR AC CL PT	2,466,965,725	1,132,337,267,775	10.8960	2,818,681,446	1,293,774,783,714	10.8960
Trans Airways	231,534	106,274,106	0.0010	264,543	121,425,237	0.0010
Wendy Aritenang Yazid	1,904,369	874,105,371	0.0084	2,175,875	998,726,625	0.0084
Emirsyah Satar	97,118	44,577,162	0.0004	110,964	50,932,476	0.0004
Handrito Hardjono	166,094	76,237,146	0.0007	189,774	87,106,266	0.0007
Faik Fahmi	181,829	83,459,511	0.0008	207,752	95,358,168	0.0008
Heriyanto Agung Putra	285,207	130,910,013	0.0013	325,869	149,573,871	0.0013
Batara Silaban	123,816	56,831,544	0.0005	141,468	64,933,812	0.0006
Novijanto Herupratomo	4,517,912,308	2,073,721,749,372	19.9547	7,393,700,942	3,393,708,732,378	28.5814
Public	22,640,996,000	10,392,217,164,000	100.0000	25,868,926,633	11,873,837,324,547	100.0000
Total Issued and Fully Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000	25,868,926,633	11,873,837,324,547	100.0000
Shares in Portfolio						
- Class A Dwiwarna Share	-	-	-	-	-	-
- Class B Common Share	7,359,004,000	3,377,782,836,000		4,131,073,367	1,896,162,675,453	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000		4,131,073,367	1,896,162,675,453	

Note: *) As of the date of this Prospectus, the remainder of the Option Rights in the MESOP Program that has not been implemented up to the conclusion of this Rights Issue I is 219,617,660 Option Rights. Therefore, after all the Option Rights are exercised, the number of the Company's issued and fully paid shares will be 26,088,544,293 shares.

Existing shareholders who do not exercise their Rights to purchase New Shares offered in this Rights Issue I will experience material decrease in the percentage of their ownership (dilution), of a maximum of 12.48% prior to the exercise of the MESOP Program.

If on the Rights Issue I, only GOI's rights will be exercised by PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas to be sold to domestic or foreign investor under limited offer and the other Shareholders' was not exercised, the shareholders of the Company before and after the Rights Issue will be as follow:

Capital
Consisting of Class A Shares and Class B Common Shares
With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Description	Before Rights Issue I			After Rights Issue I Before MESOP		
	Share Amount	Total Nominal Value (Rp)	(%)	Share Amount	Total Nominal Value (Rp)	(%)
Authorized Capital						
- Class A Dwiwarna Share	1	459		1	459	
- Class B Common Share	29,999,999,999	13,769,999,999,541		29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000		30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital						
- Class A Dwiwarna Share						
Republic of Indonesia	1	459	0.0000	1	459	0.0000
- Class B Common Share						
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362	15,653,127,999	7,184,785,751,541	62.9331
Credit Suisse AG Singapore TR AC CL PT	2,466,965,725	1,132,337,267,775	10.8960	2,466,965,725	1,132,337,267,775	9.9184
Trans Airways						
Wendy Aritenang Yazid	231,534	106,274,106	0.0010	231,534	106,274,106	0.0009
Emirsyah Satar	1,904,369	874,105,371	0.0084	1,904,369	874,105,371	0.0077
Handrito Hardjono	97,118	44,577,162	0.0004	97,118	44,577,162	0.0004
Faik Fahmi	166,094	76,237,146	0.0007	166,094	76,237,146	0.0007
Heriyanto Agung Putra	181,829	83,459,511	0.0008	166,094	76,237,146	0.0007
Batara Silaban	285,207	130,910,013	0.0013	285,207	130,910,013	0.0011
Novjanto Herupratomo	123,816	56,831,544	0.0005	123,816	56,831,544	0.0005
Public	4,517,912,308	2,073,721,749,372	19.9547	6,749,581,419	3,098,057,871,321	27.1366
Total Issued and Fully Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000	24,872,649,376	11,416,546,063,584	100.0000
Shares in Portfolio						
- Class A Dwiwarna Share	-	-				
- Class B Common Share	7,359,004,000	3,377,782,836,000		5,127,350,624	2,353,453,936,416	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000		5,127,350,624	2,353,453,936,416	

Note: *) As of the date of this Prospectus, the remainder of the Option Rights in the MESOP Program that has not been implemented up to the conclusion of this Rights Issue I is 219,617,660 Option Rights. Therefore, after all the Option Rights are exercised, the number of the Company's issued and fully paid shares will be 26,088,544,293 shares.

BRIEF DESCRIPTION OF MESOP

Based on the decision of the Extraordinary General Meeting of Shareholders dated November 15, 2010, the Company has obtained approval to implement the MESOP Program. The number of shares that may be purchased by the participants of the MESOP Program is a maximum of 219,617,660 shares.

The Company has announced the implementation for the MESOP Program as follow:

Phase	Option Rights Expiration	Exercise Price	Total Number of Option Rights
Option Rights Phase I	February 10, 2016	Rp500,-	87,847,064
Option Rights Phase II	November 30, 2016	Rp500,-	65,885,298
Option Rights Phase III	November 30, 2017	Rp500,-	65,885,298

The exercise period is twice each year in accordance with the Securities Listing Regulation No. I-A, Attachment to the Decree of the Board of Directors of PT Bursa Efek Jakarta No. Kep-305/BEJ/07-2004 dated July 19, 2004, as amended by the Decree of the Board of Directors of PT Bursa Efek Jakarta No. Kep-00001/BEI/01-2014 dated January 20, 2014.

The Company has set the exercise period for phase I, II and III according to letter No. GARUDA/JKTDI/2006/12, dated November 30, 2012, regarding the Change of Exercise Period for the Management Employee Stock Option Plan. The exercise period is 30 Exchange Days. The first exercise period will commence on May 15, 2013 and the second exercise period will begin on November 1 of each year until the expiration of each phase of the Option Rights.

If all the Rights being exercised by all the shareholders on the Rights Issue I, GOI's rights will be exercised by PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas to be sold to domestic or foreign investor under limited offer, the shareholders of the Company after the Rights Issue and after the implementation of MESOP will be as follow:

Capital
Consisting of Class A Shares and Class B Common Shares
With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Description	After Rights Issue I			After Rights Issue I After MESOP		
	Share Amount	Total Nominal Value (Rp)	(%)	Share Amount	Total Nominal Value (Rp)	(%)
Authorized Capital						
- Class A Dwiwarna Share	1	459		1	459	
- Class B Common Share	29,999,999,999	13,769,999,999,541		29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000		30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital						
- Class A Dwiwarna Share						
Republic of Indonesia	1	459	0.0000	1	459	0.0000
- Class B Common Share						
Republic of Indonesia	15,653,127,999	7,184,785,751,541	60.5094	15,653,127,999	7,184,785,751,541	60.0000
Credit Suisse AG Singapore TR AC CL PT	2,818,681,446	1,293,774,783,714	10.8960	2,818,681,446	1,293,774,783,714	10.8043
Trans Airways						
Wendy Aritenang Yazid	264,543	121,425,237	0.0010	264,543	121,425,237	0.0010
Emirsyah Satar	2,175,875	998,726,625	0.0084	2,175,875	998,726,625	0.0083
Handrito Hardjono	110,964	50,932,476	0.0004	110,964	50,932,476	0.0004
Faik Fahmi	189,774	87,106,266	0.0007	189,774	87,106,266	0.0007
Heriyanto Agung Putra	207,752	95,358,168	0.0008	207,752	95,358,168	0.0008
Batara Silaban	325,869	149,573,871	0.0013	325,869	149,573,871	0.0013
Novjanto Herupratomo	141,468	64,933,812	0.0006	141,468	64,933,812	0.0006
Public	7,393,700,942	3,393,708,732,378	28.5814	7,613,318,602	3,494,513,238,318	29.1826
Total Issued and Fully Paid-Up Capital	25,868,926,633	11,873,837,324,547	100.0000	26,088,544,293	11,974,641,830,487	100.0000
Shares in Portfolio						
- Class A Dwiwarna Share	-	-		-	-	
- Class B Common Share	4,131,073,367	1,896,162,675,453		3,911,455,707	1,795,358,169,513	
Total Shares in Portfolio	4,131,073,367	1,896,162,675,453		3,911,455,707	1,795,358,169,513	

Note: *) As of the date of this Prospectus, the remainder of the Option Rights in the MESOP Program that has not been implemented up to the conclusion of this Rights Issue I is 219,617,660 Option Rights. Therefore, after all the Option Rights are exercised, the number of the Company's issued and fully paid shares will be 26,088,544,293 shares.

Existing shareholders who do not exercise their rights to purchase New Shares offered under the Rights Issue in accordance with their Rights will experience dilution of shares ownership in a material amount of a maximum of 13.21% after the MESOP Program has been fully exercised.

As of the date of this Prospectus, there are no new shares issued for the MESOP Program.

INFORMATION ON RIGHTS

The New Shares offered in this Rights Issue I will be issued based on Rights which can be traded during the specified Trading Period.

The complete information and the conditions that must be considered and further explanation with respect to information on the Rights can be found in Chapter I of this Prospectus.

USE OF PROCEEDS

The proceeds from the Rights Issue I after deducting all expenses associated with it, will be used for the following purposes:

Scheme I:

Pursuant to the Purchase Agreement dated March 6, 2014, as amended on March 19, 2014, between the Ministry of State Owned Enterprises ("MSOE"), in its capacity as the representative of GOI, and PT Bahana Securities ("Bahana"), PT Danareksa Sekuritas ("Danareksa") and PT Mandiri Sekuritas ("Mandiri"), the MSOE will sell the Rights of GOI amounting to 69.14% of all Rights issued in this Rights Issue I to Bahana, Danareksa, and Mandiri, which will be exercised by Bahana, Danareksa and Mandiri. If the Rights issued in this Rights Issue I is only exercised by Bahana, Danareksa and Mandiri, and other shareholders do not exercise their Rights, then all proceeds from Rights Issue I, after deducting all expenses associated with it will be used for:

Development of new fleet. The planned addition of new fleet consists of aircraft types B737 Series, B777 Series, A330 Series and A320 Series.

The funds are required for the payment of both the Pre-Delivery Payment (PDP) for purchased aircraft, security deposit for leased aircraft, the final payment for purchase of new aircraft, as well as payment of other capital expenditures necessary for

the development of the fleet, such as spare parts and aircraft components, and stock engine / aircraft engines. The final payment for the purchase of aircraft will be made through financing, including by way of sale and lease back.

Scheme II:

Aside from the Rights exercise as described in Scheme I, where the Rights of GOI amounting to 69.14% of all Rights issued in Rights Issue I will be exercised by Bahana, Danareksa and Mandiri, and other shareholders will also exercise their Rights and submit application for additional shares up to 100% of all Rights issued in Rights Issue I, then all proceeds from Rights Issue I, after deducting all expenses associated with it will be used for:

Development of new fleet. The planned addition of new fleet consists of aircraft types B737 Series, B777 Series, A330 Series and A320 Series.

The funds are required for the payment of both the Pre-Delivery Payment (PDP) for purchased aircraft, security deposit for leased aircraft, the final payment for purchase of new aircraft, as well as payment of other capital expenditures necessary for the development of the fleet, such as spare parts and aircraft components, and stock engine / aircraft engines. The final payment for the purchase of aircraft will be made through financing, including by way of sale and lease back.

If there is shortage of proceeds under Scheme II, the Company will fulfill the shortage for the new fleet development funding using operational cash and/or commercial loan facility. Further detail on the use of the proceeds from the Rights Issue I can be found in Chapter II of this Prospectus.

SUMMARY OF IMPORTANT FINANCIAL DATA

The tables below illustrate the summary of important financial data of the Company based on the Company's consolidated financial statements for the years ended December 31, 2013, 2012, 2011, 2010 and 2009.

The Company's consolidated financial statements for the year ended on December 31, 2013, which is entirely presented in this Prospectus have been audited by Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, based on auditing standards established by the Indonesian Institute of Certified Public Accountants ("IAPI"), whose report expressed an unqualified opinion and the Company's consolidated financial statements for the years ended December 31, 2012, January 1, 2012/December 31, 2011, December 31, 2010 and 2009 which are entirely presented in this Prospectus have been audited by Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, based on auditing standards established by the Indonesian Institute of Certified Public Accountants (IAPI), whose report expressed unqualified opinion with an explanatory paragraph regarding the adoption of the Indonesian Statement of Financial Accounting Standards ("SFAS") No. 10 (Revised 2010) regarding the Effect of Changes in Foreign Exchange Rates and restated the consolidated financial statements of previous years as a result of the change as well as a description of the implementation of the quasi-reorganization of the Company on January 1, 2012 in accordance with SFAS No. 51 (Revised 2003) regarding accounting in quasi-reorganization.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in USD)

Description	2013	2012	January 1, 2012/December 31, 2011 Quasi-Reorganization		2010	2009
			Before	After		
Total Assets	2,953,784,952	2,517,997,766	2,127,970,194	2,083,006,809	1,621,597,346	1,661,385,865
Total Liabilities	,836,636,835	,403,037,688	1,160,209,033	1,160,209,033	1,124,936,670	1,226,496,030
Total Equity	1,117,148,117	1,114,960,078	967,761,161	922,797,776	496,660,676	434,889,835

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in USD)

Description	December 31,				
	2013	2012	2011	2010	2009*)
Total Operating Revenues	3,716,076,586	3,472,468,962	3,096,328,405	2,167,823,256	1,732,638,929
Total Operating Expenses	3,709,750,230	3,294,422,707	2,983,117,908	2,139,394,369	1,616,347,178
Total Comprehensive Income	565,520	145,409,308	72,700,616	61,530,419	143,337,230
Earning per Share – Basic and Dilution	0.00049	0.00488	0.0029	0.0022	0.0055

*) Presentation in USD are presented by the management

FINANCIAL RATIOS

Description	2013	2012	2011	2010	2009
GROWTH RATIO					
Operating Revenues	7.02%	12.15%	42.83%	25.12%	-13.59%
Operating Expenses	10.75%	10.00%	42.95%	27.11%	-12.42%
Income from Operations	-66.41%	82.00%	38.94%	-16.40%	-32.41%
Net Income	-89.90%	72.58%	61.13%	-60.54%	17.53%
Total Assets	17.31%	18.33%	28.45%	-2.39%	11.22%
Total Liabilities	30.90%	20.93%	3.14%	-8.28%	-5.99%
Total Equity	0.20%	15.21%	85.80%	14.20%	129.90%
OPERATING RATIO					
Operating Margin	1.52%	4.84%	2.98%	3.07%	4.59%
Net Income Margin	0.30%	3.19%	2.07%	1.84%	5.83%
Income from Operations over Total Equity	5.05%	15.07%	10.01%	13.38%	18.28%
Return on Equity	1.00%	9.94%	6.96%	8.03%	23.22%
Return on Assets	0.38%	4.40%	3.08%	2.46%	6.08%
FINANCIAL RATIO					
Current Ratio	83.25%	84.40%	116.12%	74.00%	60.38%
Total Liabilities over Total Equity	164.40%	125.84%	125.73%	226.50%	282.02%
Total Liabilities over Total Assets	62.18%	55.72%	55.70%	69.37%	73.82%

For more details, please refer to Chapter IV, Chapter IX and Chapter XIV of this Prospectus.

RISK FACTORS

The risks described below are risks which the Company considers to be material and have been arranged based on the likelihood and impact of each risk to the financial performance of the Company, starting from the main risk to the Company.

Risks Related to the Company's Business Activities

1. The lack of infrastructure and facilities at Soekarno-Hatta International Airport and other airports in Indonesia could hamper the Company's ability to expand, increase aircraft utilization and improve its OTP to provide safe, comfortable and efficient air transportation services.
2. The Company's main source of fuel supply is from PT Pertamina (Persero) ("Pertamina").
3. The high level of indebtedness and fixed payment obligations can affect the Company's ability in implementing its strategy.
4. The Company's ability to set fares on certain segments is affected by the restrictions set by the Government.
5. The Company's limitation in recruiting, training, retaining and motivating key employees may affect the Company's business.
6. The Company relies heavily on information technology systems ("IT system") in its business and any failure on the IT system may affect the Company's business.
7. The Company relies on the Ministry of Religious Affairs for its Hajj flight-related business.
8. The Company relies on other institution owned and controlled by the Government for financial support and other important services.
9. Higher interest expenses can have an adverse impact on the Company's profitability.
10. Increasing inflation rate can have an adverse impact on the Company's fleet expansion strategy.

Risks Related to the Airline Industry

1. The airline industry is highly competitive.
2. Increases in fuel expenses can adversely impact the Company's business.
3. The airline business is characterized by high fixed costs.
4. The Company's reputation and business may be adversely affected as a result of an aircraft accident or incident

5. The Company's operation results may fluctuate from time to time due to changes in the airline industry cycles and seasonality.
6. Insurance coverage may be more expensive or difficult to obtain.
7. Additional fuel surcharge applied by the Company had been brought into litigation in Indonesia and several other countries.
8. The Company only has limited number of supplier for its aircraft fleet and engine.

Risks Related to Indonesia

1. Indonesia is located in an active volcanic zone and has high seismic risk which can disturb the Company's business.
2. Depreciation or volatility of the Rupiah may adversely affect the business, financial condition, results of operations and prospects of the Company.

Risks Related to Investment in the Company's Shares

1. The Company's shares trading price may fluctuate.
2. The Company's ability to pay dividends in the future will depend on its future earnings, financial condition, cash flows, working capital requirements and expansion of aircraft fleet.

Further description of the risk factors faced by the Company can be found in Chapter V of this Prospectus.

KEY INVESTMENT FOR THE COMPANY

The primary key investment areas for the Company are as follows:

1. Strong domestic brand recognition.
2. Supported by a reliable organization and management.
3. Good supporting system.
4. Rapid economic and market growth.

BUSINESS STRATEGY

The Company believes that its strategy is able to position the Company to capitalize on continued growth in the Indonesian aviation market. Key initiatives of the Company's strategy to achieve the Company's mission, is divided into seven main drivers (7 Drivers of Quantum Leap):

1. To grow and dominate the domestic full-service market by strengthening its position in the premium class.
2. To capture the potential of a large increase in the international market through expanding its flight network.
3. To make Citilink, which is a Subsidiary, as the 'ornament of change' in the low cost carrier ("LCC") market.
4. To expand, simplify and rejuvenate its fleet.
5. To strengthen its brand and increase the quality of its products and services.
6. To implement cost effectiveness by improving fleet efficiency to reduce the cost of distribution.
7. To conduct Fly-Hi internalization as part of its corporate culture.

Business Prospect

The aviation industry in Asia Pacific has grown rapidly over the last 10 years. RPK in Asia Pacific grew by 6.8%, larger than the RPK in North America and Europe which grew respectively by 3.0% and 6.1%. Total demand for aviation services in Asia Pacific is almost as significant as the demand in North America and about one-third of the total demand for aviation services in the world. Asia Pacific is expected to be the largest market in the world for the aviation industry, with a projected annual growth rate of 6.5% for the period 2012-2032. The combination of socio - economic growth, geography and infrastructure, as well as the liberalization of the aviation industry in Asia Pacific is a major driving factor in the growth of the aviation industry (Source : The Boeing Company, Current Market Outlook Report 2013-2032).

Indonesia is the largest economy in Southeast Asia. As an island nation with 242 million citizens spread over 6,000 islands, supported by GDP growth with a CAGR of 15% from 2007-2012, and is expected to grow at a CAGR of 6% from the year 2012 to 2018, Indonesia has a huge potential market (Source : IMF World Economic Outlook Database, 2013).

With an average population age level at 26 years-old, Indonesia's demographic profile is dominated by a young and productive age group. The total population in the productive age group, between 20-54 years, is reaching 52.6% of the total population. The population in the productive age group will increase the growth of the consumer base, and will contribute to human resources that support economic growth in the future (Source: CEIC, 2013). Indonesia's economic growth in the long term will be supported by strong growth in domestic demand. Most of Indonesia's economic growth is driven by a growing

middle class with progression from 11.7% to 27.9% of the total population in 2007-2012 (Source : Economics Intelligence Unit, 2013).

Compared with other countries, air traffic in Indonesia is still a small part of the population in Indonesia (Source : International Civil Aviation Organization 2012 Annual Report, the IMF's World Economic Outlook). With the increase in income levels and costs become more affordable air transport, air transport is expected to be the substitution of ground transportation. The number of users of air transport has grown much faster than sea transport and rail transport during the years 2003-2011 (Source: Central Bureau of Statistics, 2012).

Air traffic in Indonesia as a whole has been growing at a CAGR of 14.2 % in 2005-2012 (Source: Central Bureau of Statistics, 2013). Growth in domestic demand was a major factor in Indonesian passenger growth, with an increasing number of international visitors and tourists also have contributed to the increase in the number of air passenger flight. Domestic flights are expected to grow in line with GDP growth and will be the main driver of growth in the Indonesian airline.

DIVIDEND POLICY

In accordance to the prevailing laws in Indonesia and the Articles of Association of the Company, the Company's net income may be distributed to shareholders as dividends after setting aside a number of amount for statutory reserve funds required by law. Distribution of dividends must be approved by the shareholders of the Company through the decision of the AGMS based on the recommendation of the Board of Directors of the Company. Dividends may only be distributed if the Company has positive retained earnings.

With regard to the prevailing regulations, the financial condition of the Company and the Company's obligations to creditors, including creditors of the ECA, the Company's management plans a cash dividend policy of maximum of 50% (fifty percent) from the Company's net income for each year. Based on the above, the Company's management intends to distribute dividends at least once a year unless otherwise decided by the AGMS.

A summary of the Company's dividend policy is provided in Chapter XI of this Prospectus.

TAXATION

Taxes on income derived from ownership of shares are taken into account and treated in accordance with the applicable taxation regulations in Indonesia. A summary of taxation is provided in Chapter XII of this Prospectus.

TERMS FOR THE EXERCISE OF RIGHTS AND PURCHASE OF NEW SHARES

The Company has appointed PT Datindo Entrycom as the party conducting the administration of shares (*Pelaksana Pengelola Administrasi Saham*) and as an agent conducting the Rights Issue I of the Company, in accordance with the Deed of Agreement of Shares Administration Management and Execution Agent of the Rights Issue I of PT Garuda Indonesia (Persero), Tbk. (*Akta Perjanjian Pengelolaan Administrasi Saham dan Agen Pelaksanaan*). More information about the requirements of share subscription is provided in Chapter XVI of this Prospectus.

I. RIGHTS ISSUE

The Board of Directors, on behalf of the Company, hereby undertake to issue the Rights Issue I to the Company's shareholders of a maximum of 3,227,930,633 (three billion, two hundred and twenty-seven million nine hundred thirty thousand six hundred and thirty-three) Class B common shares or up to 12.48% (twelve point forty eight percent) of the issued and paid-up capital after Rights Issue I but prior to Management Employee Stock Options Plan ("MESOP") exercise and 12.37% (twelve point thirty seven percent) of the issued and paid-up capital after Rights Issue I and MESOP exercise with a nominal value of Rp459 (four hundred and fifty nine Rupiah) and Exercise Price of Rp460 (four hundred sixty Rupiah) per share, therefore making the total issuance of up to Rp1,484,848,091,180 (one trillion four hundred eighty four billion eight hundred forty eight million and ninety one thousand one hundred eighty Rupiah).

Each holder of 701,409 (seven hundred and one thousand four hundred and nine) Existing Shares whose names are recorded in the Register of Shareholders on April 4, 2014 at 16:00 PM is entitled to 100,000 (one hundred thousand) Rights, whereby every 1 (one) Rights entitles the holder to buy as many as 1 (one) New Share at an Exercise Price of Rp460 (four hundred sixty Rupiah) per share to be paid in full at the time of submitting the Share Subscription Form ("FPPS") through the exercise of the Rights. The New Shares will be issued from portfolio and will be listed on the IDX with regard to the applicable regulations. The New Shares will have equal rights and be equal in all respects including dividend rights, with other shares that have been issued and fully paid. Each of the Rights in the form of fractions will be rounded down.

If the New Shares are not entirely taken by the holders of the Rights, the remainder will be allocated to the other holders of pre-emptive Rights who have submitted order for excess Rights, as stated in the Rights Certificate or Order and Additional FPPS proportionately based on the Rights that have been exercised. If after such allocation there are still excess New Shares which have not been subscribed, then the Company is not obligated to issue the remaining New Shares. The Company will register all of the shares to be issued from portfolio under this Rights Issue I on the IDX.

The Rights can be traded either in or outside the IDX in accordance with Regulation No. IX.D.1 for 5 (five) Business Days from April 8, 2014 to April 16, 2014. The listing of New Shares will be made on the IDX on April 8, 2014. The last date to exercise the Rights is April 16, 2014 so any remaining Rights that are still not exercised after that date will not be valid.



PT GARUDA INDONESIA (PERSERO) Tbk.

Line of Business:
Commercial Airline Service

Located in Central Jakarta

Head Office:
Jl. Kebon Sirih No. 44
Jakarta 10110, Indonesia
Telp. 62 21 231 1355
Fax. 62 21 231 1223

Management Office:
Management Building
Garuda City
Soekarno-Hatta International Airport
Cengkareng 19120, Indonesia

63 Branch Office located in:

Medan, Banda Aceh, Pekanbaru, Padang, Batam, Tanjung Karang, Jambi, Palembang, Pangkal Pinang, Tanjung Pinang, Bengkulu, Tanjung Pandan, Bandung, Jakarta, Surabaya, Malang, Jogjakarta, Semarang, Solo, Denpasar, Kupang, Mataram, Makassar, Kendari, Palu, Mamuju, Ambon, Balikpapan, Tarakan, Berau, Pontianak, Banjarmasin, Palangkaraya, Manado, Ternate, Gorontalo, Jayapura, Manokwari, Sorong, Biak, Timika, Singapore, Bangkok, Kuala Lumpur, Penang, Tokyo, Osaka, Seoul, Shanghai, Beijing, Guangzhou, Hongkong, Taipei, Sydney, Brisbane, Perth, Melbourne, Amsterdam, London, Abu Dhabi and Jeddah

Email: investor@garuda-indonesia.com
Website: www.garuda-indonesia.com

THE MAIN RISK FACED BY THE COMPANY IS THE LACK OF INFRASTRUCTURE AND FACILITIES AT SOEKARNO-HATTA INTERNATIONAL AIRPORT AND OTHER AIRPORTS IN INDONESIA, WHICH COULD HAMPER OUR ABILITY TO EXPAND, INCREASE AIRCRAFT UTILIZATION AND IMPROVE THE TIMELINESS OF OUR PERFORMANCE ("ON TIME PERFORMANCE" OR "OTP") TO PROVIDE SAFE, COMFORTABLE AND EFFICIENT AIR TRANSPORTATION SERVICES. OTHER RISK FACTORS CAN BE SEEN IN CHAPTER V OF THIS PROSPECTUS.

The Company was founded under the name of Garuda Indonesian Airways N.V., which is located in Central Jakarta established Deed No. 137 dated March 31, 1950, made before Raden Kadiman, Notary in Jakarta, and was approved by the Ministry of Justice of Republic of Indonesia by virtue of Decree dated March 31, 1950 with Decision Letter No. J.A. 05/12/10, was registered in the register book at the Office of the District Court in Jakarta under No. 327 on April 24, 1950, and was published in the Official Gazette of the Republic Union of Indonesia No. 30 dated May 12, 1950, Supplement. No.136. Furthermore, based on Law No. 9 Year 1969 concerning Stipulation of Government Regulation in Lieu of Law No. 1 of 1969

(State Gazette No. 16 of 1969) regarding the Forms of State-Owned Enterprise the State into Act (State Gazette No. 1969 No.40) , Government Regulation No. 12 of 1969 regarding Limited Liability Company (Persero) (State Gazette No. 1969 No. 21), Government Regulation No. 67 of 1971 (State Gazette No. 1971 No. 87) regarding the Change from the State Enterprise (P.N.) of Civil Aviation "Garuda Indonesian Airways " into a Limited Liability Company (Persero), in conjunction with the Decree of the Minister of Finance of the Republic of Indonesia, dated January 4, 1975 No. KEP-2/MK/IV/1/1975 regarding the Establishment of Capital for Limited Liability Company (Persero) "PT Garuda Indonesian Airways", adjustment was made to the legal form of the State Enterprise (P.N.) of Civil Aviation "Garuda Indonesian Airways" into a Limited Liability Company (Persero), which with these adjustments, the State Enterprise "Garuda Indonesian Airways" is liquidated at the time of the establishment of a Limited Liability Company (Persero).

The Company's status as a Limited Liability Company (*Persero*) PT Garuda Indonesian Airways was established by Establishment Deed No. 8, dated March 4, 1975, as amended by Amendment Deed No. 42 dated April 21, 1975, and subsequently amended by Amendment Deed No. 24 dated June 12, 1975, with all three made before Soeleman Ardjasmita, S.H., Notary in Jakarta, which was approved by the Ministry of Justice of the Republic of Indonesia by virtue of Decree Letter No. Y.A. 5/225/8, dated June 23, 1975, and was registered in Jakarta District Court on July 1, 1975 respectively under No. 2250 , 2251, and 2252, and published in the State Gazette of the Republic of Indonesia No. 68, dated August 26, 1975, Supplement No. 434 ("Establishment Deed").

After the Company's Public Offering of Shelf-Registration Bond I Garuda Indonesia Phase I in 2013, the Articles of Association of the Company has not changed so that the prevailing Articles of Association at the time of this Prospectus published are as stated in the following deeds:

- (i) The Deed of Extraordinary Shareholders No. 24 dated November 16, 2010, made before Fathiah Helmi, S.H., Notary in Jakarta, which was approved by Minister of Justice and Human Rights Decree No. AHU-54724.AH.01.02 Year 2010 dated November 22, 2010, registered in the Company Register under Ministry of Justice and Human Rights No. AHU-0084627.AH.01.09 Year 2010 dated November 22, 2010, the deed which have changed the entire provisions of the Articles of Association to comply with the provisions of Regulation No. IX.J.1;
- (ii) Deed of Amendment to Articles of Association No. 22 dated September 27, 2011 made before Andalia Farida, S.H., Notary in Jakarta ("Deed No. 22/2011") , which has been notified to Minister of Justice and Human Rights as stated in the Letter of Acceptance Notification to the Amendment to Articles of Association No. AHU-AH.01.10-33910 dated October 21, 2011 and registered in the Company Register under Ministry of Justice and Human Rights No. AHU-0085337.AH.01.09 Year 2011 dated October 21, 2011. Based on the Deed No. 22/2011, the Board of Commissioner has reiterated its capital structure and shareholding after the completion after the conclusion of the initial public offering of the Company, and
- (iii) Deed of Amendment to Articles of Association No. 1 dated July 26, 2012, which was made before Aulia Taufani, S.H., Notary in Tangerang , which was approved by Minister of Justice and Human Rights Decree No. AHU-66159.AH.01.02 Year 2012 dated December 27, 2012 and registered in the Company Register under Ministry of Justice and Human Rights No. AHU-0111973.AH.01.09 Year 2012 dated December 27, 2012 ("Deed No. 1/2012"). Based on the Deed No. 1/2012, the shareholders have approved the Company's quasi-reorganization in accordance with the provisions of SFAS 51 (Revised 2003) and the Regulation No. IX.L.1, thus changing the provisions of Article 4 of the Articles of Association of the Company regarding Capital. In connection with the implementation of the quasi-reorganization, it was approved to reduce of the Company's nominal value of shares from Rp500.00 to Rp459.00.

As of the date of this Prospectus published, The Company has one head office and 9 management areas that manage 63 branches, namely:

1. Domestic Area Region – 1, which manages 13 branches in Medan, Banda Aceh, Pekanbaru, Padang, Batam, Tanjung Karang (2 branches), Jambi, Palembang, Pangkal Pinang, Tanjung Pinang, Bengkulu and Tanjung Pandan. Domestic Area Region – 1 also manage Station & Service Hub Kuala Namu;
2. Domestic Area Region – 2, which manages 2 branches in Bandung and Jakarta;
3. Domestic Area Region – 3, which manages 8 branches in Surabaya, Malang, Jogjakarta, Semarang, Solo, Denpasar, Kupang and Mataram;
4. Domestic Area Region – 4, which manages 20 branches in Makassar, Kendari, Palu, Mamuju, Ambon, Balikpapan, Tarakan, Berau, Pontianak, Banjarmasin, Palangkaraya, Manado, Ternate, Gorontalo, Jayapura, Manokwari, Sorong, Biak and Timika (2 branches);
5. International Area Region – 1, which manages 4 branches in Singapore, Bangkok, Kuala Lumpur and Penang;

6. International Area Region – 2, which manages 3 branches in Tokyo, Osaka and Seoul;
7. International Area Region – 3, which manages 5 branches in Shanghai, Beijing, Guangzhou, Hongkong and Taipei;
8. International Area Region – 4, which manages 4 branches in Sydney, Brisbane, Perth and Melbourne;
9. International Area Region – 5, which manages 4 branches in Amsterdam, London, Abu Dhabi and Jeddah.

As of the date of this Prospectus was published, the Company operates two strategic business units (SBUs), namely Garuda Cargo SBU, which manages cargo business, and Garuda Sentra Medika SBU, which manages healthcare business.

As of the date of this Prospectus, the Company has direct investments in six Subsidiaries as follows:

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
1	PT Abacus Distribution Systems Indonesia	Computerized reservation systems provider	95.00% direct ownership by the Company	1995	In Operation
2	PT Garuda Maintenance Facility Aero Asia	Aircraft repair and maintenance	99.00% direct ownership by the Company 1.00% indirect ownership through Aerowisata	2002	In Operation
3	PT Aero Systems Indonesia	Information technology service provider	51.00% direct ownership by the Company 49.00% indirect ownership through Aerowisata	2005	In Operation
4	PT Citilink Indonesia	Commercial airline	94.27% direct ownership by the Company 5.73% indirect ownership through Aerowisata	2009	In Operation
5	Garuda Indonesia Holiday France	Travel agency	100.00% direct ownership by the Company	2014	In development phase
6	PT Aero Wisata	Hospitality, catering and travel agency	99.99% direct ownership by the Company	1989	In Operation

As of the date of this Prospectus, the Company has indirect investments in 14 Subsidiaries through Aerowisata as follows:

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Mirtasari Hotel Development	Hotel	99.994% indirect ownership through Aerowisata	1979	In Operation
2.	PT Aerofood Indonesia (previously known as PT Angkasa Citra Sarana Catering Service)	Flight catering services	99.9991% indirect ownership through Aerowisata	1982	In Operation
3.	PT Aero Globe Indonesia (previously known as PT Biro Perjalanan Wisata Satriavi)	Travel Agency	99.9995% indirect ownership through Aerowisata	1974	In Operation
4.	PT Aerotrans Services Indonesia (previously known as PT Mandira Erajasa Wahana)	Transportation Service	99.998% indirect ownership through Aerowisata	1988	In Operation
5.	PT Aerojasa Perkasa	Ticketing Agency	99.87% indirect ownership through Aerowisata	1998	In Operation
6.	PT Aerojasa Cargo *	Ticketing Agency	99.91% indirect ownership through Aerojasa Perkasa	2003	In Operation
7.	PT Senggigi Pratama Internasional	Freight Forwarding Hotel	99.993% indirect ownership through Aerowisata	1997	In Operation
8.	Garuda Orient Holidays, Pty, Limited	Travel Agency	100.00% indirect ownership through Aerowisata	1981	In Operation
9.	Garuda Orient Holidays Korea Co, Limited	Travel Agency	60.00% indirect ownership through Aerowisata	2008	In Operation
10.	Garuda Orient Holidays Japan Co, Ltd	Travel Agency	60.00% indirect ownership through Aerowisata	2009	In Operation
11.	PT GIH Indonesia	Travel Agency	60.00% indirect ownership through Aerowisata	2012	In Operation
12.	PT Bina Inti Dinamika	Hotel	61.8% indirect ownership through Aerowisata	1987	In Operation
13.	PT Aero Hotel Management	Hotel Management	90.00% indirect ownership through Aerowisata 10.00% indirect ownership through PT Mirtasari Hotel Development	2009	In Operation

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
14.	PT Belitong Intipermari	Hotel	99.999968% indirect ownership through Aerowisata	1992	In development phase

Note: *) AWS ownership through AJP

As of the date of this Prospectus, the Company has direct or indirect ownership of shares, of less than 50% in Associated Entities as follows:

No	Associated Entities	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Aeronurti	Accommodation Service	45.00% indirect ownership through Aerowisata	1996	In Operation
2.	PT Aeroprime	Accommodation Service	40.00% indirect ownership through Aerowisata	1993	In Operation
3.	PT Bumi Minang Padang	Accommodation Service	10.10% indirect ownership through Aerowisata	1989	In Operation
4.	PT Nusa Dua Graha Internasional	Accommodation Service	6.06% indirect ownership through Aerowisata	1988	In Operation
5.	PT Arthaloka Indonesia	Property Management Service	2.58% indirect ownership through Aerowisata	1988	In Operation
6.	PT Gapura Angkasa	Management of ground operations system and aviation business support	37.50% direct ownership by the Company	1998	In Operation
7.	Pan Asia Pacific Aviation Services Ltd.	Management of ground operations system and aviation business support	17.65% direct ownership by the Company	1998	In operation
8.	Abacus International Pte. Ltd.	Informatics System	2.06% direct ownership by the Company	1997	In Operation
9.	PT Merpati Nusantara Airlines	Aviation	4.21% direct ownership by the Company	1978	In Operation

CAPITAL STRUCTURE

As of the date of this Prospectus, the Company's capital and shareholding structure and the Company's ownership composition on January 31, 2014 by the Company's Register of Shareholding February 6, 2014 issued by PT Datindo Entrycom as the Company's Share Registrar is as follows:

Capital Share Consisting of shares of Series A Common Shares and Series B With Par Value Rp459,- (four hundred and fifty nine Rupiah) Each Stocks

Shareholder	Share Amount	Total Nominal Value (Rp)	%
Authorized Capital			
- Class A <i>Dwiwarna</i> Share	1	459	
- Class B Common Shares	29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital			
- Class A <i>Dwiwarna</i> Share			
Republic of Indonesia	1	459	0.0000
- Class B Common Shares			
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362
Credit Suisse AG Singapore TR AC CL PT Trans Airways	2,466,965,725	1,132,337,267,775	10.8960
Wendy Aritenang Yazid	231,534	106,274,106	0.0010
Emirsyah Satar	1,904,369	874,105,371	0.0084
Handrito Hardjono	97,118	44,577,162	0.0004
Faik Fahmi	166,094	76,237,146	0.0007
Heriyanto Agung Putra	181,829	83,459,511	0.0008
Batara Silaban	285,207	130,910,013	0.0013
Novijanto Herupratomo	123,816	56,831,544	0.0005
Public	4,517,912,308	2,073,721,749,372	19.9547
Total Issued and Fully Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000
Shares in Portfolio			

Shareholder	Share Amount	Total Nominal Value (Rp)	%
- Class A Dwiwarna Share	-	-	
- Class B Common Shares	7,359,004,000	3,377,782,836,000	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000	

The Company has obtained the Government's Decree with respect to the quasi-reorganization as evidenced by the Deed No. 1/2012, based on the Government Regulation No. 114 of Year 2012 dated December 27, 2012 regarding the Reduction of Capital Investments of the Republic of Indonesia On Limited Liability Company PT Garuda Indonesia (Persero) Tbk., the Republic of Indonesia Appendix No. 287 Year 2012.

RIGHTS ISSUE I OFFERING

Type of Offer	: Pre-Emptive Rights
Nominal Price	: Rp459 (four hundred fifty nine Rupiah) per share
Exercise Price	: Rp460 (four hundred sixty Rupiah) per share
Issuance Ratio	: 100,000 (one hundred thousand) Rights for every 701,409 (seven hundred and one thousand and four hundred and nine) Existing Shares
Dilution of Share Ownership	: 12.48% before the exercise of all of the outstanding options issued under the MESOP and up to 13.21% after the exercise of all of the outstanding options issued under the MESOP in their shareholding percentage in the Company
Rights Trading Period	: April 8, 2014 – April 16, 2014
Rights Exercise Period	: April 8, 2014 – April 16, 2014
Listing Date on Stock Exchange	: April 8, 2014
Listing Venue	: IDX

The Government of Indonesia ("GOI"), as a shareholder of the Company, will not be exercising the 2,231,669,111 (two billion, two hundred and thirty one million six hundred sixty nine thousand one hundred and eleven) Rights that will be issued to it in connection with the Rights Issue I. Pursuant to a Purchase Agreement dated March 6, 2014 ("Purchase Agreement") and Addendum to Purchase Agreement ("Addendum to Purchase Agreement") dated March 19, 2014 entered into between the Ministry of State Owned Enterprises, in its capacity as the representative of GOI, and PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas ("Placement Agents"), 2,231,669,111 (two billion, two hundred and thirty one million six hundred sixty nine thousand one hundred and eleven) Rights of GOI will be sold to PT Bahana Securities in the amount of 743,889,700 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred) Rights, PT Danareksa Sekuritas in the amount of 743,889,700 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred) Rights and PT Mandiri Sekuritas in the amount of 743,889,711 (seven hundred forty three million eight hundred eighty nine thousand and seven hundred eleven) Rights, as the appointed Placement Agents. Upon the exercise of these Rights by the Placement Agents and the issuance of the related Rights Shares (as defined herein) by the Share Registrar, the Placement Agents will offer and sell these Rights Shares to domestic and foreign investors through a limited private offering. The Placement Agents will distribute these Rights Shares to the securities accounts of investors upon the settlement of the transaction through the IDX concurrently with the exercise of the GOI's Rights by the Placement Agents.

If the New Shares are not entirely taken by the holders of the Rights, the remainder will be allocated to the other pre-emptive Rights who have submit order for excess Rights, as stated in the Certificate of Rights or Order and Additional Shares Purchase Form proportionately based on the Rights that have been implemented. If after such allocation there are excess New Shares which have not been subscribed, then the Company is not obligated to issue the remaining New Shares. The Company will register all of the shares to be issued from treasury under this Rights Issue I on the IDX.

If all the Rights being exercised by all the shareholders on the Rights Issue I, GOI's rights will be exercised by PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas to be sold to domestic or foreign investor under limited offer, the shareholders of the Company before and after the Rights Issue will be as follow:

Capital
Consisting of Class A Shares Class B Common Shares
With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Description	Before Rights Issue I			After Rights Issue I Before MESOP		
	Share Amount	Total Nominal Value (Rp)	(%)	Share Amount	Total Nominal Value (Rp)	(%)
Authorized Capital						
- Class A Dwiwarna Share	1	459		1	459	
- Class B Common Share	29,999,999,999	13,769,999,999,541		29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000		30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital						
- Class A Dwiwarna Share						
Republic of Indonesia	1	459	0.0000	1	459	0
- Class B Common Share						
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362	15,653,127,999	7,184,785,751,541	60.5094
Credit Suisse AG Singapore TR AC CL PT	2,466,965,725	1,132,337,267,775	10.8960	2,818,681,446	1,293,774,783,714	10.8960
Trans Airways						
Wendy Aritenang Yazid	231,534	106,274,106	0.0010	264,543	121,425,237	0.0010
Emirsyah Satar	1,904,369	874,105,371	0.0084	2,175,875	998,726,625	0.0084
Handrito Hardjono	97,118	44,577,162	0.0004	110,964	50,932,476	0.0004
Faik Fahmi	166,094	76,237,146	0.0007	189,774	87,106,266	0.0007
Heriyanto Agung Putra	181,829	83,459,511	0.0008	207,752	95,358,168	0.0008
Batara Silaban	285,207	130,910,013	0.0013	325,869	149,573,871	0.0013
Novijanto Herupratomo	123,816	56,831,544	0.0005	141,468	64,933,812	0.0006
Masyarakat	4,517,912,308	2,073,721,749,372	19.9547	7,393,700,942	3,393,708,732,378	28.5814
Total Issued and Fully Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000	25,868,926,633	11,873,837,324,547	100.0000
Shares in Portfolio						
- Class A Dwiwarna Share	-	-		-	-	
- Class B Common Share	7,359,004,000	3,377,782,836,000		4,131,073,367	1,896,162,675,453	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000		4,131,073,367	1,896,162,675,453	

Note: *) At the date of this Prospectus, the remainder of the Option Rights in the MESOP Program that has not been implemented up to the conclusion of this Rights Issue I is 219,617 660 Option Rights. Therefore, after all the Option Rights are exercised, the number of the Company's issued and fully paid shares will be 26,088,544,293 shares.

Existing shareholders who do not exercise their Rights to purchase New Shares offered in this Rights Issue I will experience material decrease in the percentage of their ownership (dilution), of a maximum of 12.48% prior to the exercise of the MESOP Program.

If on the Rights Issue I, only GOI's rights will be exercised by PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas to be sold to domestic or foreign investor under limited offer and the other Shareholders' was not exercised, the shareholders of the Company before and after the Rights Issue will be as follow:

Capital
Consisting of Class A Shares Class B Common Shares
With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Description	Before Rights Issue I			After Rights Issue I Before MESOP		
	Share Amount	Total Nominal Value (Rp)	(%)	Share Amount	Total Nominal Value (Rp)	(%)
Authorized Capital						
- Class A Dwiwarna Share	1	459		1	459	
- Class B Common Share	29,999,999,999	13,769,999,999,541		29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000		30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital						
- Class A Dwiwarna Share						
Republic of Indonesia	1	459	0.0000	1	459	0.0000
- Class B Common Share						
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362	15,653,127,999	7,184,785,751,541	62.9331
Credit Suisse AG Singapore TR AC CL PT	2,466,965,725	1,132,337,267,775	10.8960	2,466,965,725	1,132,337,267,775	9.9184
Trans Airways						
Wendy Aritenang Yazid	231,534	106,274,106	0.0010	231,534	106,274,106	0.0009
Emirsyah Satar	1,904,369	874,105,371	0.0084	1,904,369	874,105,371	0.0077
Handrito Hardjono	97,118	44,577,162	0.0004	97,118	44,577,162	0.0004
Faik Fahmi	166,094	76,237,146	0.0007	166,094	76,237,146	0.0007
Heriyanto Agung Putra	181,829	83,459,511	0.0008	166,094	76,237,146	0.0007
Batara Silaban	285,207	130,910,013	0.0013	285,207	130,910,013	0.0011
Novijanto Herupratomo	123,816	56,831,544	0.0005	123,816	56,831,544	0.0005
Masyarakat	4,517,912,308	2,073,721,749,372	19.9547	6,749,581,419	3,098,057,871,321	27.1366
Total Issued and Fully Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000	24,872,649,376	11,416,546,063,584	100.0000
Shares in Portfolio						
- Class A Dwiwarna Share	-	-		-	-	
- Class B Common Share	7,359,004,000	3,377,782,836,000		5,127,350,624	2,353,453,936,416	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000		5,127,350,624	2,353,453,936,416	

Note: *) At the date of this Prospectus, the remainder of the Option Rights in the MESOP Program that has not been implemented up to the conclusion of this Rights Issue I is 219,617 660 Option Rights. Therefore, after all the Option Rights are exercised, the number of the Company's issued and fully paid shares will be 26,088,544,293 shares.

BRIEF DESCRIPTION OF MESOP

Based on the Extraordinary General Meeting of Shareholders decision dated November 15, 2010, the Company has obtained approval to implement the MESOP Program. The number of shares that may be purchased by the MESOP Program's participants is maximum 219,617,660 shares.

The Company has announced the implementation phase for the MESOP Program as follow:

Phase	Option Rights Expiration	Exercise Price	Total Number of Option Rights
Option Rights Phase I	February 10, 2016	Rp500,-	87,847,064
Option Rights Phase II	November 30, 2016	Rp500,-	65,885,298
Option Rights Phase III	November 30, 2017	Rp500,-	65,885,298

The exercise period is twice each year in accordance with the Securities Listing Regulation No. 1A, IDX Board of Directors Decision Appendix No. Kep-305/BEJ/07-2004 dated July 19, 2004, as amended by the IDX Board of Directors Decision No. Kep-00001/BEI/01-2014 dated January 20, 2014. The exercise price of the option is in accordance with the legislation in force, as confirmed by the letter No. IDX. S-02342/BEI.PPJ/04-2011 dated 12 April 2011 concerning the Registration of Shares in the Framework Agreement Implementation Management Employee Stock Option Plan and the Employee Stock Option Plan (MSOP/ESOP). The Company has set the exercise period for Phase I, II and III according to the letter No. GARUDA/JKTDI/2006/12, dated November 30, 2012, concerning the Change of Exercise Period for Management Employee Stock Option Plan. The exercise period is 30 Exchange Days. First exercise period from the date of May 15, 2013 and the second exercise period begins on November 1 each year until the expiration of each phase of the Option Rights.

If all the Rights being exercised by all the shareholders on the Rights Issue I, GOI's rights will be exercised by PT Bahana Securities, PT Danareksa Sekuritas and PT Mandiri Sekuritas to be sold to domestic or foreign investor under limited offer, the shareholders of the Company after the Rights Issue and after the implementation of MESOP will be as follow:

Capital Consisting of Class A Shares Class B Common Shares With Nominal Value of Rp459,- (four hundred and fifty nine Rupiah) per Share

Description	After Rights Issue I			After Rights Issue I After MESOP		
	Share Amount	Total Nominal Value (Rp)	(%)	Share Amount	Total Nominal Value (Rp)	(%)
Authorized Capital						
- Class A Dwiwarna Share	1	459		1	459	
- Class B Common Share	29,999,999,999	13,769,999,999,541		29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000		30,000,000,000	13,770,000,000,000	
Issued and Fully Paid-Up Capital						
- Class A Dwiwarna Share						
Republic of Indonesia	1	459	0.0000	1	459	0.0000
- Class B Common Share						
Republic of Indonesia	15,653,127,999	7,184,785,751,541	60.5094	15,653,127,999	7,184,785,751,541	60.0000
Credit Suisse AG Singapore TR AC CL PT	2,818,681,446	1,293,774,783,714	10.8960	2,818,681,446	1,293,774,783,714	10.8043
Trans Airways						
Wendy Aritenang Yazid	264,543	121,425,237	0.0010	264,543	121,425,237	0.0010
Emirsyah Satar	2,175,875	998,726,625	0.0084	2,175,875	998,726,625	0.0083
Handrito Hardjono	110,964	50,932,476	0.0004	110,964	50,932,476	0.0004
Faik Fahmi	189,774	87,106,266	0.0007	189,774	87,106,266	0.0007
Heriyanto Agung Putra	207,752	95,358,168	0.0008	207,752	95,358,168	0.0008
Batara Silaban	325,869	149,573,871	0.0013	325,869	149,573,871	0.0013
Novjanto Herupratomo	141,468	64,933,812	0.0006	141,468	64,933,812	0.0006
Masyarakat	7,393,700,942	3,393,708,732,378	28.5814	7,613,318,602	3,494,513,238,318	29.1826
Total Issued and Fully Paid-Up Capital	25,868,926,633	11,873,837,324,547	100.0000	26,088,544,293	11,974,641,830,487	100.0000
Shares in Portfolio						
- Class A Dwiwarna Share	-	-		-	-	
- Class B Common Share	4,131,073,367	1,896,162,675,453		3,911,455,707	1,795,358,169,513	
Total Shares in Portfolio	4,131,073,367	1,896,162,675,453		3,911,455,707	1,795,358,169,513	

Note:

*) At the date of this Prospectus, the remainder of the Option Rights in the MESOP Program that has not been implemented up to the conclusion of this Rights Issue I is 219,617 660 Option Rights. Therefore, after all the Option Rights are exercised, the number of the Company's issued and fully paid shares will be 26,088,544,293 shares.

Existing shareholders who do not exercise their Rights to purchase New Shares offered in this Rights Issue I will experience material decrease in the percentage of their ownership (dilution), of a maximum of 13.21% after the MESOP Program has been fully exercised.

INFORMATION REGARDING THE GOVERNMENT'S CAPITAL INVESTMENT

Based on the Extraordinary General Meeting of Shareholders dated June 28, 2012, the Company's shareholders have approved the capital increase of the Company without pre-emptive rights. This decision is a follow-up from the capital investment by the Government in the form of jet engine test cell unit with a capacity of 100,000 pounds of thrust in 1993 amounting to Rp8,401,219,715 or equivalent to USD4,088,185. As long as no Government Regulation has been issued, such

additional capital investment by the Government is recorded in equity as additional paid-in capital. Currently, the government regulation related to the capital investment by the Government Capital is still under discussion.

INFORMATION ON PRE-EMPTIVE RIGHTS ISSUE

The Rights Shares offered in the Rights Issue I will be issued upon exercise of Rights that can be traded during the specified trading period. The Rights Shares from the exercise of the Rights offered in the Rights Issue I can also be traded during this Trading Period.

Several conditions that must be considered in relation to the Rights are as follows:

1. Entitled Rights Holder

The Shareholders of the Company whose names are lawfully registered in the Register of Shareholders of the Company on April 4, 2014 until 16.00 West Indonesia Time will receive Rights to subscribe for Rights Shares in the ratio of 701,409 (seven hundred thousand four hundred and ninety) Rights for every 100,000 (one hundred thousand) Existing Shares that they own. Each Right will entitle the holder to subscribe for 1 (one) Rights Share at the Exercise Price of Rp460 (four hundred and sixty Rupiah) per share.

2. Lawful Rights Holder

The lawful Rights Holders are (i) the Shareholders whose names are lawfully registered in the Register of Shareholders of the Company or who hold Shares in a securities account of a member of Stock Exchange or Custodian Bank on April 4, 2014 until 16.00 West Indonesia Standard Time, and whose Rights have not been sold; or (ii) purchasers/holders of Rights whose names are listed on the Rights Certificate or the endorsement column on the Rights Certificate; and (iii) holders of Rights who are registered in the Collective Depository of KSEI as holders of Rights.

3. Trading of Rights

Rights Holders may trade their Rights during the trading period commencing on April 8, 2014 and ending on April 16, 2014.

The trading of Rights must comply with the prevailing laws and regulations of the Republic of Indonesia, including but not limited to, taxation and capital market regulations, rules of the stock exchange where the Rights are traded, namely IDX, as well as KSEI regulations. If Rights Holders are unsure of to any such laws, regulations or rules, they are advised to consult with their investment adviser, investment manager or other professional consultants.

Rights which are held through the Collective Depository of KSEI may be traded on IDX, whereas Rights in the form of Rights Certificates may only be traded outside the stock exchange. The settlement of Rights transactions that are conducted through stock exchange shall be by way of book entry settlement of the relevant securities account under the name of the Custodian Bank or member of Stock Exchange in KSEI. All expenses and taxes that may be incurred with respect to the trading and transfer of Rights shall be borne by Rights Holders or the transferees of such Rights.

In accordance with the Circular Letter of PT Bursa Efek Jakarta No. Kep-00071/BEI/11-2013, the Rights are tradable in multiples of 100 (one hundred) Rights. Transactions in odd lots can only be effected in the negotiated market with reference to the negotiated price of Rights. Rights can be traded on every Exchange Day from 09.00 to 12.00 Jakarta Automated System time ("JATS"), except for Friday, from 09.00 to 11.30 JATS. Settlement for the transfer of Rights will be effected on the same Exchange Day as the transaction (T+0) no later than 16.00 West Indonesia Standard Time.

Rights Holders who hold their Rights through the Collective Depository of KSEI and who intend to transfer their Rights may effect such transfer through a Member of Stock Exchange or Custodian Bank.

4. Form of Rights

Rights issued by the Company will be available in two forms:

- For Shareholders who do not hold their Existing Shares through the Collective Depository of KSEI, the Company shall issue a Rights Certificate which state the name and address of such Rights Holder, the total number of Shares owned and the amount of Rights which may be exercised to purchase Rights Shares and columns on the amount of Rights Shares to be purchased, the Exercise Price that must be paid and the amount of Additional Shares, endorsement columns and other necessary information.
- For Shareholders who hold their Existing Shares through the Collective Depository of KSEI, the Company shall not issue a Rights Certificate; instead the Company shall credit Rights to the securities account in the name of the Custodian Bank or Member of Stock Exchange appointed by the relevant Shareholder in KSEI.

5. Application for Splitting of Rights Certificate

Holders of Rights Certificates who intend to sell or transfer a portion of the Rights set forth in their Rights Certificate may apply to split the Rights Certificate by submitting an application to the Share Registrar from April 8, 2014 until April 16, 2014.

6. Value of Rights

The value of the Rights may fluctuate based on the prevailing supply and demand forces in the market. The following calculation of the value of Rights is a theoretical method to calculate the value of Rights, but it is not a guarantee that the result of the calculation of the value of Rights will represent the value of Rights actually prevailing at any time in the market.

Assumptions:

Assumed Market Price per share	: Rp a
Exercise Price	: Rp r
Number of shares outstanding prior to Rights Issue	: A
Number of shares offered in Rights Issue	: R
Number of shares outstanding after Rights Issue	: A + R

Theoretical Value of Rights Shares ex-Rights :

$$\frac{(Rp\ a \times A) + (Rp\ r \times R)}{(A + R)} = Rp\ X$$

The value of Rights shall then = $Rp\ X - Rp\ r$

7. Use of Rights Certificate

The Rights Certificate is evidence of Rights granted by the Company in scrip form to the holders thereof for the subscription of Rights Shares. Rights Certificates will only be issued to Shareholders who have not converted their shares into scripless form and it shall be used to subscribe for Rights Shares. Rights Certificates may not be converted into cash or any other manner and form of securities of the Company, and copies may not be traded. Evidence of Rights that are held in scripless form through the collective depository of KSEI will be provided by KSEI through a Member of Stock Exchange or Custodian Bank.

8. Fractional Rights

In accordance with Regulation No. IX.D.1, in the event that a Shareholder is entitled to a number of Rights which includes a fraction of a Right, such number will be rounded down to the nearest whole number and the fraction of the Right will not be credited to such Shareholder's account. Such fractional Rights will be aggregated and sold by the Company and the proceeds from such sale will be retained by the Company in accordance with Indonesian law.

9. Others

The terms and conditions of Rights shall be consistent and subject to the prevailing law of the Republic of Indonesia. Any costs incurred in the transfer of Rights shall be borne by Rights Holders or their transferees

IN THE PERIOD OF 12 (TWELVE) MONTHS AFTER THE REGISTRATION STATEMENT FOR THIS RIGHTS ISSUE I IS EFFECTIVE, THE COMPANY WILL NOT ISSUE OR RECORD NEW SHARES OR OTHER SECURITIES THAT MAY BE CONVERTED INTO SHARES OTHER THAN THOSE OFFERED IN THIS RIGHTS ISSUE I, EXCEPT WITH RESPECT TO THE OPTION EXERCISED IN THE MANAGEMENT OPTION AND EMPLOYEE STOCK OPTION PLAN AND IN RELATION TO THE ADDITIONAL GOVERNMENT CAPITAL INVESTMENTS IN WHICH THE COMPANY HAS ACQUIRED THE APPROVAL OF THE COMPANY'S SHAREHOLDERS AS OF JUNE 26, 2012 AS DISCLOSED IN THE PROSPECTUS.

II. USE OF PROCEEDS

A. Scheme I:

Pursuant to the Purchase Agreement dated March 6, 2014, as amended on March 19, 2014, between the Ministry of State Owned Enterprises ("MSOE"), in its capacity as the representative of GOI, and PT Bahana Securities ("Bahana"), PT Danareksa Sekuritas ("Danareksa") and PT Mandiri Sekuritas ("Mandiri"), the MSOE will sell the Rights of GOI amounting to 69.14% of all Rights issued in this Rights Issue I to Bahana, Danareksa, and Mandiri, which will be exercised by Bahana, Danareksa and Mandiri. If the Rights issued in this Rights Issue I is only exercised by Bahana, Danareksa and Mandiri, and other shareholders do not exercise their Rights, then all proceeds from Rights Issue I, after deducting all expenses associated with it will be used for:

Development of new fleet. The planned addition of new fleet consists of aircraft types B737 Series, B777 Series, A330 Series and A320 Series.

The funds are required for the payment of both the Pre-Delivery Payment (PDP) for purchased aircraft, security deposit for leased aircraft, the final payment for purchase of new aircraft, as well as payment of other capital expenditures necessary for the development of the fleet, such as spare parts and aircraft components, and stock engine / aircraft engines. The final payment for the purchase of aircraft will be made through financing, including by way of sale and lease back.

B. Scheme II:

Aside from the Rights exercise as described in Scheme I, where the Rights of GOI amounting to 69.14% of all Rights issued in Rights Issue I will be exercised by Bahana, Danareksa and Mandiri, and other shareholders will also exercise their Rights and submit application for additional shares up to 100% of all Rights issued in Rights Issue I, then all proceeds from Rights Issue I, after deducting all expenses associated with it will be used for:

Development of new fleet. The planned addition of new fleet consists of aircraft types B737 Series, B777 Series, A330 Series and A320 Series.

The funds are required for the payment of both the Pre-Delivery Payment (PDP) for purchased aircraft, security deposit for leased aircraft, the final payment for purchase of new aircraft, as well as payment of other capital expenditures necessary for the development of the fleet, such as spare parts and aircraft components, and stock engine / aircraft engines. The final payment for the purchase of aircraft will be made through financing, including by way of sale and lease back.

If there is shortage of proceeds under Scheme II, the Company will fulfill the shortage for the new fleet development funding through operational cash and/or commercial loan facility.

If the Company conduct a transaction deemed as affiliated and conflict of interest and/or material using the proceeds from Rights Issue I, the Company will comply with the provisions as stipulated in Regulation No. IX.E.1 dan/atau Regulation No. IX.E.2.

In accordance with the Circular Letter issued by Bapepam and LK No. SE-05/BL/2006 dated September 29, 2006 regarding Disclosure of Information Concerning Costs Incurred In Rights Issue dan PP No. 11 Tahun 2014 regarding OJK Collection, the costs in connection with this Rights Issue I is 2.508% (two point five zero eight percent), of all of the gross receipts of this Rights Issue I, and is further broken down as follows:

1. Financial Advisory Services costs around 2,30%
2. Costs of Professional Services and Capital Market Supporting Institutions
 - a. Legal Consultants around 0,04%
 - b. Public Accounting Firm around 0,05%
 - c. Notary approximately 0,01%
 - d. Share Registrar around 0,01%
3. The cost of printing, newspaper announcements and others, including the cost of listing on the IDX, KSEI and OJK of approximately 0,098%

The Company will be responsible for the realization of the use of proceeds from this Rights Issue I to the Company's shareholders in the Company's Annual General Meeting of Shareholders and periodically to OJK in accordance with Bapepam and LK Regulation No. X.K.4.

If the Company intends to change the planned use of proceeds from this Rights Issue I, the Company first need to (i) report to the OJK along with the reasons and considerations for the change and (ii) request the approval of the the Company's Annual General Meeting of Shareholders in accordance with Bapepam and LK Regulation No. X.K.4.

The Company has conducted an Initial Public Offering, which has been deemed effective by the OJK on February 1, 2011. The Company has submitted the report for use of proceeds from the Initial Public Offering on a periodic basis to the OJK in accordance with letter No.GARUDA/JKTDF/20005/14 dated January 8, 2014.

The last corporate action conducted by the Company is the Initial Public Offering and Public Offering of Shelf-Registration Bonds I Phase I in 2013, in which has been reported to the OJK in accordance with letter No. GARUDA/JKTDF/20005/14 dated January 8, 2014. Proceeds from the Initial Public Offering of the Company after deducting issuance costs remain at Rp171,280 million. Meanwhile, all proceeds from the Public Offering Shelf-Registration Bonds I Phase I in 2013 had been fully used as previously disclosed in the Prospectus Shelf-Registration Bonds I Phase I in 2013.

III. STATEMENT OF INDEBTEDNESS

The following statement of indebtedness is taken from the consolidated financial statements of the Company and its Subsidiaries for the year ended on December 31, 2013 which has been audited by the Public Accountant Office Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited) with an unqualified opinion.

Specifically for Chapter III regarding Statement of Indebtedness, all references to the Company means the Company and its Subsidiaries.

On December 31, 2013, the Company and its Subsidiaries have total liabilities of USD1,836,636,835 consisting of current liabilities amounting to USD983,890,767 and non current liabilities amounting to USD852,746,068, with the following breakdown:

		(in USD)
Description		Amount
Current Liabilities		
Loan from banks and financial institution		45,222,668
Trade account payables		
Related parties		122,293,726
Third parties		83,892,550
Other payables		16,271,886
Taxes payables		17,037,776
Accrued expenses		160,967,081
Unearned revenues		169,265,396
Advances received		20,534,373
Current maturities of long term liabilities		
Long-term loans		280,075,641
Lease liabilities		53,268,680
Estimated liability for aircraft return and maintenance cost		15,060,990
Total Current Liabilities		983,890,767
Non Current Liabilities		
Non current maturities of long-term liabilities:		
Long-term loans		324,619,850
Lease liabilities		138,482,264
Estimated liability for aircraft return and maintenance cost		55,191,260
Bonds payable		162,850,383
Deferred tax liabilities		16,987,753
Employment benefit obligation		128,743,051
Other non current liabilities		25,871,507
Total Non Current Liabilities		852,746,068
TOTAL LIABILITIES		1,836,636,835

CURRENT LIABILITIES

Loans From Banks and Financial Institution

On December 31, 2013, the Company and its Subsidiaries have loan from banks and financial institution amounting to USD45,222,668.

		(in USD)
Description		Jumlah
Bank Negara Indonesia		40,222,668
Indonesia Infrastructure Finance		5,000,000
Total		45,222,668

Bank Negara Indonesia ("BNI")

- The Company

On June 28, 2012, the Company obtained a credit facility from Bank Negara Indonesia, herein referred to as *Surat Kredit Berdokumen Dalam Negeri* ("SKBDN") BNI. Under the credit facility, the maximum credit limit is USD15 million.

The purpose of the BNI SKBDN is for purchase of fuel from Pertamina. The Company is required to maintain deposits or checking account balances with BNI during the 2 business days before the due date of repayment amounting to the principal amount plus interest.

On April 19, 2013, in accordance with Deed No. 16 made before Wenda Taurista Anindya, S.H., the maximum credit has been amended from USD15 million to USD40 million with interest rate at 3.5% per annum. The facility is to be used for jet fuel purchase and operating activities.

The outstanding balance as of December 31, 2013 amounted to USD39,618,118.

- PT Aerotrans Services Indonesia ("ATS")

On November 29, 2012, ATS obtained Working Capital Loans (KMK) BNI with maximum limit of Rp7.500.000.000, with an effective interest rate of 11% per annum, and a maturity date of November 28, 2014. This loan is guaranteed by all of ATS's receivables from PT Garuda Maintenance Facility Aero Asia ("GMFAA").

The outstanding balance as of December 31, 2013 amounted to Rp7,368,853,033 (equivalent to USD604,550).

PT Indonesia Infrastructure Finance ("IIF")

- GMFAA

On December 23, 2013, GMFAA, a subsidiary entered into a working capital facility agreement with IIF amounting to USD5,000,000 with interest rate of LIBOR 3 months + margin at 3.5%. This facility is valid for 1 year from the date of signing of the agreement. This loan is used to finance the development of a new hangar in Batam/Bintan and/or the procurement of machine and equipment.

The outstanding balance as of December 31, 2013 amounted to USD5,000,000.

Trade Accounts Payable

On December 31, 2013, the Company has trade account payable amounting to USD206,186,276. The following is the breakdown of trade account payable by creditor:

		(in USD)
Description		Amount
Related parties		
PT Pertamina (Persero)		108,911,066
PT Garuda Angkasa		3,706,367
Perum LPPNI		3,568,602
PT Angkasa Pura II (Persero)		3,133,425
PT Angkasa Pura I (Persero)		2,279,948
PT Telekomunikasi Indonesia (Persero) Tbk.		694,318
PT Abacus Internasional Pte Ltd		-
Subtotal		122,293,726
Third parties		
Airline services		
Fuel		21,865,753
General and administrative		10,281,904
User charges and station		7,432,440
Maintenance and overhaul		1,574,181
Catering		1,438,306
Airline		498,079
Aircraft leasing		-
Subtotal		43,090,663
Non airline services		40,801,887
Subtotal		83,892,550
Total		206,186,276

The following is the breakdown of trade account payable by currency:

<i>(in USD)</i>	
Description	Amount
Rupiah	111,253,893
US Dollar	76,983,171
Japanese Yen	3,444,371
Singapore Dollar	2,847,791
Arabian Riyal	1,066,898
Euro	1,030,500
Australian Dollar	891,930
Korean Won	543,720
Other currencies	8,124,002
Total	206,186,276

Other Payables

The Company and its Subsidiaries' other payables on December 31, 2013 was USD16,271,886, consisting of foreign airport retribution amounting to USD13,374,631, passenger ticket insurance USD677,884, insurance and healthcare USD56,208 and others USD2,163,163.

Accrued Expenses

Accrued expenses of the Company and its Subsidiaries on December 31, 2013 was USD160,967,081, consisting of:

<i>(in USD)</i>	
Description	Amount
General and administrative	56,701,745
Maintenance and overhaul	25,210,421
User charges and station	19,969,586
Flight operations	18,357,595
Ticketing sales and promotion	17,634,954
Passenger services	5,743,449
Interest	5,560,750
Hangar IV construction	3,790,416
Others	7,998,165
Total	160,967,081

Unearned Revenues

The Company and its Subsidiaries' unearned revenues on December 31, 2013 was USD169,265,396, consisting of:

<i>(in USD)</i>	
Description	Amount
Traffic scheduled flight	168,012,509
Others	1,252,887
Total	169,265,396

NON CURRENT LIABILITIES

Non Current Maturities of Long-Term Liabilities

The Non Current Maturities of Long-Term Liabilities of the Company and Subsidiaries as of December 31, 2013 was USD681,143,757, consisting of:

<i>(in USD)</i>	
Description	Jumlah
Long-term loans	324,619,850
Lease liabilities	138,482,264
Estimated liability for aircraft return and maintenance cost	55,191,260
Bonds payable	162,850,383
Total	681,143,757

Long-Term Loans

	(in USD)
Description	Amount
Related Parties	
Bank Negara Indonesia	42,803,615
PT Pertamina (Persero)	43,137,490
Bank Rakyat Indonesia	40,198,427
PT Angkasa Pura II (Persero)	16,104,859
PT Angkasa Pura I (Persero)	5,798,472
Subtotal	148,042,863
Third Parties	
Syndicated loan II	119,708,057
Bank Pan Indonesia	74,105,017
BCA Club Deal – Syndicated loan	73,488,690
Bank Permata	69,591,334
Syndicated loan III	
US Dollar	45,640,043
Rupiah	34,620,710
Floating Rate Notes	
US Dollar	30,418,159
Rupiah	3,385,111
Bank CIMB Niaga	4,542,238
PT Mandiri Tunas Finance	1,099,859
Bringin Indotama Sejatera	53,409
Subtotal	456,652,628
Total long term liabilities	604,695,491
Less current maturities	280,075,641
Long term loans portion	324,619,850

BNI

a. GMFAA

On March 31, 2010, GMFAA, a subsidiary, obtained a Rp100 billion loan facility, which will mature on December 30, 2015 with a floating interest rate from BNI. The term of credit facility is 5 years and 9 months and the purpose of this facility is for the financing of new facilities and infrastructure and also for machine and equipment amounting to 52.32% from the value of the asset financing. This credit facility is secured by the assets financed by the facility.

On June 25, 2012, GMFAA obtained an additional investment credit facility with maximum amount of Rp55 billion, which will mature on May 25, 2018 with a floating interest rate. The facility has a term of 6 years and the purpose of this facility is to finance the development of the capability and increase of capacity for aircraft maintenance.

On May 31, 2013, GMFAA obtained additional investment credit facility with maximum amount of Rp490 billion and USD6 million, which will mature on November 30, 2025 with a floating interest rate from BNI. The facility has a term of 12 years and the purpose of this facility is to finance the building of hangar IV and hangar equipment. The loan facility is secured with the assets financed by this facility.

Interest is payable on the 25th day of each month starting in June 2013. The principal of this facility is payable in quarterly installment of Rp11.112.500.000 starting on August 25, 2014.

The major covenant of this facility include the following:

- Current ratio of a minimum of 1x
- Debt to equity ratio of a maximum of 2.5x
- Debt service coverage ratio of a minimum of 100%

On December 31, 2013, GMFAA has met the financial ratio requirement based on the agreement.

As of December 31, 2013, the outstanding balance under the facility amounted to Rp403,285,640,026 (equivalent to USD33,086,032).

b. PT Aerofood ACS

On June 20, 2012, PT Aerofood ACS, a subsidiary, obtained a loan from BNI with maximum credit of Rp110 billion which will be mature on June 19, 2018. This loan is used for project development of kitchen facilities in Denpasar, Medan and Balikpapan. The loan is secured by fiduciary right over the related kitchen facility.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp90,302,457,964 (equivalent to USD7,408,521).

c. Aerowisata

In March 2013, Aerowisata obtained loan from BNI with a maximum amount of Rp18 billion with a maturity date on March 3, 2021. The loan is used to finance the renovation of Hotel Grand Preanger.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp28,145,161,200 (equivalent to USD 2,309,062).

PT Pertamina (Persero)

Based on an agreement dated October 19, 2009, Pertamina agreed to convert the Company's trade payable for fuel purchase transactions amounting to USD76,484,911 into a long-term loan payable with installment terms. The maturity date for this loan is December 31, 2015.

As of December 31, 2013, the outstanding balance of the loan amounted to USD43,137,490.

Bank Rakyat Indonesia

a. The Company

On May 29, 2013, the Company has signed a credit facility with PT Bank Rakyat Indonesia (Persero) Tbk. ("BRI"), with a total facility of USD40,000,000 with a term of 24 months. The purpose of this facility is for general purposes including pre-delivery financing of aircraft purchases in 2013.

As of December 31, 2013 the Company has complied with the financial covenant stipulated in the agreement. Major covenant of the agreement includes, among others, the debt-to equity ratio not to exceed 5x.

As of December 31, 2013, the outstanding balance of the loan amounted to USD39,870,262.

b. PT Aerofood ACS

ACS, a subsidiary of AWS, obtained loan from BRI with a maximum amount of Rp40 billion, due in June 28, 2014. This loan is secured by inventory and account receivables of ACS.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp4 billion (equivalent to USD328,165).

PT Angkasa Pura II (Persero)

Based on an agreement dated May 27, 2009, PT Angkasa Pura II (Persero) ("Angkasa Pura II") agreed to convert the Company's trade payables of Rp195,910,872,304 or equivalent to USD21,052,103 into a long-term loan payable with installment terms. This loan will mature on December 30, 2015 and as of December 31, 2013, the outstanding balance of the loan amounted to USD16,104,859.

PT Angkasa Pura I (Persero)

Based on an agreement dated May 27, 2009, PT Angkasa Pura I (Persero) ("Angkasa Pura I") agreed to convert the Company's trade payables amounting to Rp91,465,097,646 or equivalent to USD8,872,465 into a long-term loan with installment terms. This loan will mature on December 30, 2015. As of December 31, 2013, the outstanding balance of the loan amounted to Rp70,677,575,510 (equivalent to USD5,798,472).

Syndicated Loan II

On November 6, 2012, the Company entered into a Syndicated Loan Facility which was facilitated by Citicorp International Limited with eight other banks: Citigroup Global Markets Singapore Pte Ltd, PT Bank Panin Tbk., PT Bank ICBC Indonesia, First Gulf Bank PJSC, Singapore Branch, Korea Development Bank, KDB Asia Limited, Standard Chartered Bank, Jakarta Branch and Bank of China Limited, Jakarta Branch. The maximum amount of the credit facility is USD120 million with term of 24 months. Payments of the principal of the loan will be made at month 15, 18, 21 and 24 of USD30 million each. The purpose of this facility is for general purposes. The loan is secured by an existing USD bank account held with Citibank NA, Jakarta Branch, Account No. 0100193574.

The major covenants of the agreement include the following:

- Coverage ratio of not less than 1.05.
- Debt ratio not to exceed 5.75x.
- The minimum cash percentage of the Group shall not be less than 5%.

As of December 31, 2013 the Company has complied with the financial covenants in the agreement.

As of December 31, 2013, the outstanding balance of the loan amounted to USD119,708,057.

Syndicated Loan III

On February 21, 2013, the Company entered into a USD90 million syndicated loan III facilitated by Citibank. Syndicated loan III is a ceiling increased of Syndicated Loan II. This syndicated loan is raised from four banks, namely: PT Bank Panin Tbk., amounting to USD20 million and Rp213,378,000,000 (equivalent to USD24 million), PT Bank ICBC Indonesia amounting to USD6 million, PT Bank Central Asia Tbk., amounting to Rp213,378,000,000 (equivalent to USD24 million) and Emirates NBD PJSC, Singapore Branch for USD20 million.

The loan has a term of 24 months from November 7, 2012 with principal payments to be made at month 15, 18, 21 and 24.

The outstanding balance of the loan at December 31, 2013 amounted to USD45,640,043 for syndicated loan III in U.S Dollar currency and Rp421,991,834,190 (equivalent to USD34,620,710) for syndicated loan III in Rupiah.

PT Bank Pan Indonesia

On August 2, 2013, the Company entered into a commercial loan agreement with PT Bank Pan Indonesia Tbk. The total loan facility amounted to USD75 million with term of 36 months.

The outstanding balance of the loan at December 31, 2013 amounted to USD74,105,017.

BCA Club Deal – Syndicated Loan

On December 2, 2013, the Company entered into a Syndicated Loan Agreement facilitated by PT Bank Central Asia Tbk., along with five other banks:

- Lembaga Pembiayaan Ekspor Indonesia
- PT Bank Central Asia Tbk.
- PT Bank Internasional Indonesia Tbk.
- PT Bank CTBC Indonesia
- Bank of China Limited

The syndicated loan facility amounted to USD100 million and Rp1,193,000,000,000 and the purpose of the loan is for general purpose of the Company.

The loan has a term of 36 (thirty six) months and will mature on December 2, 2016. The principal of the loan will be repaid every 3 (three) months and the first repayment will be made 12 (twelve) months from the signing date.

The loan is secured by an interest reserve account in which the balance is to be kept sufficient for 3 (three) months of interest payments. The account is held with PT Bank Central Asia Tbk., as the Facility Agent as well as the Security Agent.

As of December 31, 2013, the Company has utilized USD75 million of the loan facility.

The major covenants include maintaining certain financial covenants as follows:

- Debt ratio not to exceed 5.75x
- Coverage ratio of not less than 1.00
- The minimum cash percentage of the Group shall not be less than 5.00%

As of December 31, 2013, the Company has complied with the financial covenants in the agreement.

As of December 31, 2013 the outstanding balance of the loan amounted to USD73,488,690.

PT Bank Permata Tbk

On February 18, 2013, the Company entered into a commercial loan agreement with PT Bank Permata Tbk. The total loan facility amounted to USD70 million with a term of 24 months. The loan principal will be paid on the 24th month and will mature on February 18, 2015.

The outstanding balance of the loan as of December 31, 2013 amounted to USD69,591,334.

Floating Rate Note Payable

The Company issued Floating Rate Notes payable ("FRN") in U.S. Dollar and Rupiah currencies. The Chase Manhattan Bank - London Branch acted as Trustee in the issuance of the FRN. The FRN will mature in 2007.

Based on deed of changes and buyback agreement dated January 21, 2010, the remaining unsettled FRN which amounted to USD75 million and Rp108 billion respectively, was restructured and will be due in 2018.

The outstanding balance of FRN at December 31, 2013 amounted to USD30,418,159 and Rp41,261,123,098 (equivalent to USD3,385,111).

Bank CIMB Niaga

a. PT Aerowisata

On October 6, 2009, PT Aerowisata, a Subsidiary, obtained an investment credit loan facility from Bank CIMB Niaga with a maximum credit of Rp 20 billion. The purpose of the loan is to finance the renovation of Irian Biak Hotel. The term of the loan is 8 years, which includes a grace period of 18 months and will mature on October 6, 2017. The loan is secured by three landright certificates on the land area where the hotel is located.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp9,499,000,022 (equivalent to USD 779,309).

b. Aerotrans

Aerotrans obtained investment loan facility from Bank CIMB Niaga to finance the purchase of new vehicle for operations with term of 3 to 4 years per annum.

Such loan agreement includes certain terms and conditions which restrict Aerotrans to distribute dividends and change its organizational structure without giving written notification to the bank.

Aerotrans obtained a loan facility to be used as bridging financing for liquidity gap arising from investment activities. This loan has a maximum term of one year or the period of leased agreement whichever is shorter, with interest rate per annum at 1.25% plus the interest rate of time deposits guaranteed by the government. This loan is secured by a time deposit.

On June 24, 2010, Aerotrans restructured its loan. The agreed restructured terms are as follows:

- a. Reduce interest rate from 13% - 16% per annum to 11% - 12.25% per annum.
- b. Change in allocation of loan facility as follows:
 - Investment loan transaction (PTK) No. 2 and partial Novation from fixed back to back loan in the amount of Rp7 billion was combined into PTK investment No. 5.
 - PTK investment No. 3 and partial Novation from fixed back to back loan in the amount of Rp4 billion was combined into PTK investment No. 6.

These facilities have a term of 36 months to 42 months.

The restructured loan is secured by related vehicles purchased with a minimum amount of Rp175,124,150,000, accounts receivable from rental of vehicles with minimum amount of Rp10,504,404,158 and opening of escrow account and a comfort letter from Aerowisata.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp40,199,683,876 (equivalent with USD 3,298,030).

c. PT Aerofood ACS ("ACS")

In October 2011, ACS, subsidiary of AWS obtained loan from CIMB Niaga with maximum limit of Rp10 billion with a maturity date on October 24, 2016. The loan is secured by a fiduciary right over Hi Lift Truck amounting to Rp12.5 billion.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp5,666,666,673 (equivalent to USD464,900).

PT Mandiri Tunas Finance

This loan was obtained by AeroTrans, a Subsidiary, for the purchase of 27 vehicles with a term of 36 months. This loan is secured by the financed vehicles.

As of December 31, 2013, the outstanding balance of the loan amounted to Rp13,406,183,732 (equivalent to USD1,099,859).

Bringin Indotama Sejahtera

In 2012, ATS entered into a vehicle purchase financing with Bringin Indotama Sejahtera for the purchase of vehicles. The finance lease has a term of 3 years and a fixed interest rate of 12.25% per annum.

The outstanding balance of this loan as of December 31, 2013 amounted to Rp651,008,040 (equivalent to USD53,409).

Lease Liabilities

The Company entered into lease transactions for the lease of aircraft Airbus type A-330 which were financed by Lloyd (ECA), with lease period of 1996 – 2016 and Export Development Canada (EDC) for lease of aircraft CRJ1000 with lease period of 2012 – 2022.

The Group also entered into lease agreements with PT Hewlett-Packard Finance Indonesia and PT Orix Indonesia for the lease of software and hardware with lease period of 3 years.

The minimum lease payments based on the lease agreements are as follows:

		(in USD)
Description		USD
Within one year		58,814,443
Over one year but not longer than five years		98,416,610
Over five years		58,290,805
Total future lease payment		215,521,858
Less future finance charges		23,770,914
Present value of minimum lease payments		191,750,944
Presented in consolidated statement of financial position as:		
Current maturities		53,268,680
Non current maturities		138,482,264
Total		191,750,944

Export Credit Agency (ECA)

On December 21, 2010, the Company completed the restructuring of the ECA debt. The restructuring clarified the following matters:

- The outstanding ECA debt balance as of December 21, 2010 consisting of debt to commercial lenders amounting to USD78,782,738 and ECA amounting to USD175,461,456 was rescheduled and will now mature on each month up until December 2016. The interest on the ECA loan is LIBOR + 0.9/0.95%, while the interest rate on loans to commercial lenders is LIBOR + 1.75%. The debt with ECA and Commercial Lenders is secured by 6 (six) Airbus A330-300 aircraft and three 3 (three) Rolls Royce model Trent 768 engines. Additional collateral for a portion of ECA debt (Tranche A and B1) amounting to USD50 million is 7 Boeing 737-400 aircraft. All collateral has been released based on Deed of Release dated March 2, 2011.
- On December 21, 2010, the Company repurchased USD15,546,270 of its loan through reverse dutch auction process, for USD11 million, generating a gain of USD4,546,270.

The major covenants in the finance lease agreement include the following:

- The Company will not, and will ensure that no companies in the Group, have any financial liabilities except for:
 - Financial liabilities arising from this agreement, supplementary rental agreements, other rental documents, and liabilities to creditors already existing on the effective date and disclosed in the Deed Poll.
 - Financial liabilities incurred from operating leases in which the lessee is a company in the Group.
 - From the effective date of the agreement until June 30, 2011, the total financial liabilities incurred by the companies in the Group may not exceed USD80 million, thereafter (starting from July 1, 2011) until the termination of the agreement, such restriction will be waived.
 - The Group shall meet the financial covenant restrictions required in the agreement, such as:
 - Coverage ratio of not less than 1.3.

- Debt ratio not to exceed 5x.
- For the years 2010 – 2016, the maximum capital expenditure of each year shall be 2.5% of the total operating revenue.
- The Company also agreed to settle the abovementioned loans to the creditors using the excess cash of the Company as stipulated in the Cash Sweep Deed of Covenant.

In the ECA debt restructuring agreement, there is a negative covenant that does not allow the Company to pay or announce any dividend or other distribution, except in the event that:

- The dividend does not exceed: (i) 10% of the distributable profit for such financial year prior to an IPO or (ii) 50% of the distributable profit for such financial year after an IPO.
- Dividend is distributed if the Company has excess cash in the year concerned as defined in the agreement.
- It is allowed by law for the Company to make payment or announcement.
- There is no outstanding balance that has fallen due and has not been paid for any rental agreement and no other balances that have fallen due and have not been paid for other debt borrowings.
- There are no event occurring relating to bankruptcy and inability to pay existing liabilities.

On December 15, 2010, the Company has paid the tax security deposit tranche A and security deposit tranche B, of EUR 7 million and EUR 1 million, respectively, as one of the conditions to be met by the Company in the ECA debt restructuring process.

As of December 31, 2013, the Company's coverage ratio is 1.13 and Debt Ratio is 6.28x. The management of the Company has reviewed the terms of the ECA agreement and concluded that exceeding the limit of such financial covenant does not cause the loan to become immediately due and payable.

As of December 31, 2013, the outstanding balance of ECA finance lease obligation amounted to USD83,743,135.

Export Development Canada (EDC)

On July 27, 2012, the Company obtained financing facility from EDC related to CRJ1000 Next-Generation with a maximum credit of USD135 million valid until November 30, 2014. As of December 31, 2013, the used facility amounted to USD112,678,853 from the maximum amount available.

Significant covenants of the financing facility are as follows:

- Debt ratio of the Group shall not be equal to or more than 5.75x.
- Coverage ratio of the Group shall not be equal to or less than 1.05x
- Minimum cash percentage of the Group shall not be equal to or less than 5% for more than two (2) consecutive quarters.

As of December 31, 2013, the Company is in compliance with the required covenants.

No security deposit is issued for this financing. As of December 31, 2013, the outstanding balance of EDC financing facility amounted to USD105,784,435.

PT Hewlett-Packard Finance Indonesia and PT Orix Indonesia

The Company obtained loans from PT Hewlett-Packard Finance Indonesia and PT Orix Indonesia for the purpose of the purchase of hardware and software with term of 36 months and interest rate per annum of 7% and 8% in 2013 and 2012, respectively.

As of December 31, 2013, the outstanding balance of the loan amounted to USD2,223,374.

Estimated Liability For Aircraft Return and Maintenance Cost

		(in USD)
		Amount
Balance at beginning of year		52,331,790
Provision during the year		33,946,760
Amount utilized		(19,509,300)
Amortized discount		3,483,000
Balance at end of year		70,252,250
Presentation		
Current Maturities		15,060,990
Non current maturities		55,191,260
Total		70,252,250

Bonds Payable

In July 2013, the Company conducted a public offering of "Shelf Registration Bonds I of Garuda Indonesia". The Company is aiming to raise Rp4,000,000,000,000 from the public offering. In the first phase, the Company offered Garuda Indonesia 2013 bonds amounting to Rp2,000,000,000,000 (equivalent to USD200,724,972). About 80% of the proceeds will be used as advance payment for the purchase of aircraft and the remaining 20% will be used as working capital to pay for aircraft lease rentals.

The principal of the bonds is to be paid in full (bullet payment) on maturity. Interest on the bonds is fixed at 9.25% per annum, payable every three months starting on October 5, 2013 up to July 5, 2018. Buy-back of the bonds can be made one year after allotment date at market price.

The trustee for the bonds is PT CIMB Niaga Tbk. The bonds received IdA rating from Fitch and are listed on the IDX on July 8, 2013. The bonds are not secured by any collateral and are not guaranteed by any party.

The balance of the bonds as of December 31, 2013 amounted to USD162,850,383.

Other Non Current Liabilities

The Company's other non current liabilities as of December 31, 2013 amounted to USD25,871,507, consisting of:

(in USD)	
Description	Amount
Deferred income from sale and leaseback	22,720,707
Advances from agent	2,742,732
Others	408,068
Total	25,871,507

Post-Employment Benefits Obligation

a. Post-employment Benefits

Defined Contribution Plan

The Company and GMFAA, a subsidiary, established a defined contribution pension plan for all of its permanent employees. The pension plan is managed by Garuda Indonesia Pension Fund (*Dana Pensiun Garuda Indonesia* or "DPGA"), whose deed of establishment was approved by the Minister of Finance of the Republic of Indonesia in Decision Letter No. KEP-403/KM.17/1999 dated November 15, 1999. The pension fund contributions are equivalent to 7.5% of the employees' basic salaries, wherein 2% are assumed by the employees and the difference is assumed by the Company and GMFAA.

Based on the Annual General Meeting of Shareholders of the Company dated April 26, 2013, the change in pension fund contributions from 7.5% of the employees' basic salary to 10% was agreed and approved, wherein the contribution ratio as borne by an employee was changed from 2% to 3%, with the remaining portion to be borne by the Company.

PT Abacus Distribution Systems Indonesia ("ADSI"), a subsidiary, established an insurance program covering post-retirement benefits for all qualified permanent employees. This program provides post-retirement benefits based on the participants' latest salaries. This program is managed by PT Asuransi Jiwasraya (Persero). This program is funded by contributions from the subsidiary and its employees at 7.5% and 2.5% of the employees' basic salaries, respectively.

Pension expense was recorded as part of operating expense and for the year ended December 31, 2013 amounted to USD7,432,668.

Defined Benefit Plan

Aerowisata, a Subsidiary, established a benefit pension plan for all its permanent employees. The plan is managed by Aero Wisata Pension Fund (*Dana Pensiun Aero Wisata*) whose deed of establishment was approved by the Minister of Finance of Republic of Indonesia in Decision Letter No. KEP-044/KM.10/2007 dated March 26, 2007. The pension fund is funded by contribution from Aerowisata and its employees at 11.40% and 5%, respectively, of the employees' gross salaries. At retirement age, the employees will obtain a benefit amounting to 2.5% multiplied by the total working time multiplied by the basic pension income.

The GMFAA, ADSI, ASI and AWS also provide benefits to their qualifying employees in accordance with the Company's policies based on Law No. 13 of 2003 regarding Labor. No funding has been made to this benefit plan.

b. Other long-term benefit

The GMFAA, ADSI, ASI and AWS provide long service awards to their employees who have already rendered 20 years of service in accordance with their policies. No funding has been made to this long-term benefit.

Post employment benefits obligation for the year ended December 31, 2013 amounted to USD128,748,051.

COMMITMENT AND CONTINGENCIES

COMMITMENT

a. Purchase of Aircraft

(i) Boeing 777-300ER Aircraft

Based on a Purchase Agreement No. 1938 dated June 4, 1996, which had been amended several times, most recently by Supplemental Agreement No. 4 dated December 29, 2005, the Company entered into a contract to purchase six Boeing 777- 200ER with aircraft basic price of USD198,192,610. The price of the aircrafts will be determined at the time of delivery by calculating the price adjustments in accordance with the agreement. Delivery was scheduled to be within the period of June 2010 up to August 2011.

However, based on confirmation No. 6-1176-DJH-1049R-1 dated March 30, 2007, from the Boeing Company ("Boeing"), the purchase of six Boeing 777-200ER was replaced with purchase of 10 Boeing 787 and will be delivered within the period of April 2014 up to July 2015. The confirmation is preceded by an offer by Boeing to renew the Purchase Agreement No. 1938 into purchase of 10 B 777- 200ER/300ER/200LR aircraft.

In response to the offer, the Company plans to increase the number of units purchased from 6 B777-200ER aircraft to 10 B777-300ER aircraft by submitting Supplemental Agreement No. 5 to Purchase Agreement No. 1938. Through Supplemental Agreement No. 9 to Purchase Agreement No. 1938, the schedule for aircraft delivery was revised from an original commencement date of August 2012 and amended to May 2013 up to January 2016. The aircraft basic price for 10 B777-300ER aircrafts is USD251,397,000.

Subsequently, the addition of additional rows of seats in first class on B777 aircraft caused a change in the delivery schedule of the first B777 aircraft from May 2013 to June 2013. On April 23, 2012, the Company signed Supplemental Agreement No. 10 to Purchase Agreement No. 1938 with Boeing.

On May 23, 2012, the Company and Boeing executed Supplemental Agreement No. 11 to Purchase Agreement No. 1938 regarding the finalization of B777 aircraft configuration. On July 6, 2012, the Company and Boeing executed Supplemental Agreement No. 12 to Purchase Agreement No. 1938 regarding the acceleration of the delivery of B777 aircraft from January 2014 to October 2013, revision of the pricing table and change to the calculation formula. The Company entered into a sale and leaseback with Alafco and Gugenheim for four aircrafts. The selling price is to be determined at the time of arrival of aircraft.

In 2013, four Boeing 777-300ER aircraft under sale and leaseback agreement have been delivered, with 12 years lease period which are classified as operating leases.

Advance payments for the acquisition of aircraft were made in stages starting from the signing of the memorandum of understanding until the signing of the agreement, i.e., 30 or 24 months or up to 6 months prior to aircraft delivery. As of December 31, 2013 and 2012, the amount of advances for purchase of aircraft that have been paid amounted to USD219,297,500 and USD279,424,180, respectively.

(ii) Boeing 737-800 Aircraft

The Company also entered into a Purchase Agreement No. 2158 dated June 19, 1998 for the purchase of 18 Boeing 737-800 aircrafts, which had been amended several times, most recently by Supplemental Agreement No. 8 dated January 18, 2010, whereby the Company increased the number of units purchased into 25 Boeing 737-800 aircraft with aircraft basic price of USD67,518,600. The price of the aircraft will be determined at the time of delivery by calculating the price adjustments in accordance with the agreement. Delivery of the aircraft is within June 2009 up to February 2016. In relation to these scheduled deliveries, during 2009 and 2010, the Company entered into sale and leaseback agreements with Dubai Aerospace Enterprise ("DAE") for eight aircrafts, Mitsubishi Capital ("MCAP") for three aircraft and Pembroke Lease Finance SAS for nine aircrafts. The selling price is determined at the time of arrival of aircrafts.

In 2013, one Boeing 737-800 aircraft under sale and leaseback agreement has been delivered, with 10 years lease period and classified as operating lease.

In 2012, four units of Boeing 737-800 aircrafts under sale and leaseback agreement have been delivered, with 10 years lease period and classified as operating lease.

Advanced payments for the purchase of aircraft were made in stages starting from the signing of a memorandum of understanding until signing of the agreement, i.e., 30 or 24 months or up to 6 months prior to aircraft delivery. As of December 31, 2013 and 2012, the amounts of advance for purchase of aircraft that have been paid amounted to USD9,664,720 and USD14,771,356, respectively.

(iii) Airbus A-330-300 Aircraft

On November 4, 1989, the Company entered into a Purchase Agreement with Airbus Industrie ("Airbus") for the purchase and delivery of nine Airbus A-330-300 aircrafts. The Company has received six of the aircrafts and has sought rolling extension for the delivery of the final three aircrafts, and based on a side letter dated December 21, 1995, the final delivery of the three aircrafts was scheduled to occur in July 1998, August 1998 and January 1999.

These deliveries have not taken place because the Company has not reached any subsequent formal agreement with Airbus in relation to its obligation under the Purchase Agreement for the delivery of the remaining three Airbus A-330-300 aircrafts. Based on a side letter dated November 9, 2009, delivery of the remaining three Airbus A-330-300 aircrafts was to be replaced with delivery of six Airbus A-330-200 aircrafts with delivery scheduled to occur starting in October 2012 up to October 2014. The aircraft basic price for six A-330-200 aircrafts amounted to USD173,949,317.

In July 2011, the Company and Airbus signed Amendment No. 3 related to the Purchase Agreement. Under this agreement, the Company replaced three out of the remaining six Airbus A330-200 aircrafts into A330-300 aircrafts and purchased additional four Airbus A330-300 aircrafts.

On December 19, 2011, the Company and Airbus signed Amendments No. 4, 5 and 6 to the Purchase Agreement. Under those agreements, the Company purchased 11 Airbus A330-300 aircrafts and 3 A330-200F aircrafts.

The Company entered into a sale and leaseback agreement with Airastle for four aircrafts. The selling price is determined at the time of the delivery of the aircraft.

In 2013, two Airbus A-330-200 aircrafts and one Airbus A-330-300 aircraft have been delivered under sale and leaseback agreements, with a lease term of 12 years and are classified as operating leases.

Advanced payments for purchase of aircraft were made in stages starting from the signing of the memorandum of understanding until the signing of the agreement, i.e., 30 or 24 months or up to 6 months prior to aircraft delivery. As of December 31, 2013 and 2012, the amounts of advance for purchase of aircraft that have been paid amounted to USD189,873,807 and USD151,389,855, respectively.

(iv) Purchase of Airbus A320-200 Aircraft

On August 2, 2011 The Company and Airbus signed a Purchase Agreement of A320-200 aircraft on the purchase of 25 Airbus A320-200 aircrafts. Delivery schedule will start in 2014 until 2018. The base price of each aircraft amounted to Rp83,041,000. Associated with this purchase, the Company also signed agreement with CFM International for procurement of type CFM56-5B4 machines for 15 A320-200 aircrafts and type Leap-X1A26 machines for 10 A320 NEO aircrafts.

In July 2012, the Company and Airbus SAS signed Amendment No.1 to the Purchase Agreement A320 regarding exercise of the option to increase the number of aircraft purchased as many as 25 aircrafts.

Advanced payments for purchase of aircrafts were made in stages starting from the signing of the memorandum of understanding until the signing of the agreement, i.e., 30 or 24 months or up to 6 months prior to aircraft delivery. As of December 31, 2013 and 2012, the amounts of advance for purchase of aircraft that have been paid amounted to USD73,273,288 and USD44,217,895.

(v) Purchase of Bombardier CRJ1000 NextGen Series Aircraft

On December 18, 2011, the Company and Bombardier Aerospace signed a proposal for a firm commitment to purchase 6 aircrafts and an option to purchase 18 aircrafts under the CRJ1000 NextGen Series.

On February 13, 2012, the Company and Nordic Aviation Capital A/S signed a letter of intent regarding the lease of 12 CRJ1000 NextGen aircraft.

The Aircraft Lease Agreements which form the basis for the implementation of the lease of such 12 Bombardier CRJ1000 NextGen aircraft was signed between the Company and Nordic Aviation Capital A/S on June 19 and June 25, 2012.

Advanced payments for the purchase of aircraft were made in stages starting from the signing of the memorandum of understanding, i.e. 30 or 24 months or up to 6 months prior to aircraft delivery. As of December 31, 2013 and 2012, the amount of advanced payments for the purchase of aircraft that have been paid amounted to USD4,467,371 and USD7,354,133, respectively.

(vi) Purchase of ATR 72-600 Aircraft

On February 7, 2013, CI and Avions De Transport Regional G.I.E ("ATR") signed Letter of Intent ("LOI") regarding the purchase of 25 new ATR 72-600 aircraft and an option to purchase up to 25 new ATR 72-600 aircraft. Delivery is scheduled to begin in September 2013 up to December 2015 for purchased aircraft, and in February 2016 up to August 2018 for option aircraft. The aircraft base price of each aircraft is USD19,180,000. As of February 15, 2013, CI had paid USD 2,418,000 as pre-delivery payment.

On September 6, 2013, the aircraft purchase agreement was transferred to the Company.

b. Component Pooling Agreement with SR Technics Switzerland ("SR Technics")

The Company entered into a A-330 component pooling agreement with SR Technics. As a participant to the A-330 pool, the Company is allowed to use A-330 components which are available in the main storage located at Zurich. The Company also has the right to ask SR Technics to provide temporary services, field assistance team or other special services, as well as technical and administrative training in the Company's maintenance facility in Jakarta or in its line station.

This agreement has been extended several times by way of the latest amendment. After that date, each party may terminate the agreement by giving a six months' notice to the other party. The corresponding pooling expense is determined according to the tariff applied to the components used.

The Company also entered into a critical spare component agreement for Boeing 737-800 aircraft component with SR Technics by way of a memorandum of understanding dated February 25, 2011.

The Company also has the right to ask SR Technics to perform test repair, overhaul and modification of the component.

c. Service Agreement for Passenger Service Systems

On April 20, 2012, the Company and Amadeus IT Group, S.A, signed a Service Agreement for Passenger Service Systems for Amadeus Altéa Passenger Services Systems ("PSS"). This system is a platform system which is used by airlines which are members of the Sky Team global alliance, so that the Company's system shall be connected with other Sky Team members' systems.

d. Agreements with Rolls Royce

In July 2012, the Company and Rolls Royce executed the following agreements:

- (i) Product Agreement relating to Trent 772B and Trent 772C engines DEG 6159.
- (ii) Supplementary Financial Assistance Agreement relating to Trent 772B and Trent 772C engines DEG 6734.
- (iii) Total Care Service Agreement relating to Trent 772B engines DEG 6584.
- (iv) Thrust Upgrade Offer for Garuda Indonesia in relation to an offer to upgrade thrust.

The abovementioned agreements are related to engine maintenance with prognostic maintenance concept for TRENT 700 type engines (Airbus A330 engine), where the engine treatment method is performed in its entirety from the monitoring of the engine during operation (On-wing Health Monitoring) to engine overhaul planning and execution overhaul.

e. Agreement for Installation of Galley in A330-200 Aircraft

The Company entered into an agreement with BE Aerospace in relation to galley installation on Airbus 330-200 aircraft. The Company also entered into General Terms Agreement for the Purchase of Aircraft Galley Installation for 3 X A330 BFE Program with Driessen Aircraft Interiors Systems (Europe) BV in relation to the purchase of aircraft galley for three Airbus 330 aircraft with a value of EUR938,050 per aircraft. The period for the installation of galley for A330-200 aircraft is up to and prior to the on dock date as determined by Airbus, which is 2013.

f. Agreement with General Electric ("GE")

In June 2012, the Company executed a General Terms Agreement with GE in relation to spare part, tooling, publication and training regarding engine model GE90-115B and CF34-8C.

g. The Sub-Distribution Agreement with Abacus International Pte., Ltd

ADSI, a Subsidiary, entered into a subdistribution agreement with Abacus International Pte., Ltd (formerly Abacus Distribution Systems Pte., Ltd), Singapore ("AIPL") effective since April 11, 1995. Under this agreement, AIPL grants ADSI an exclusive sub-license to operate its own marketing and distribution of computer reservation systems (Abacus System) within the Republic of Indonesia territory. This system incorporates a software package which performs various function, including real-time airline seat reservation, schedules/booking for a variety of airlines, car and hotel service, automated ticketing and fare display. The agreement shall remain valid, except if terminated earlier as provided under the agreement.

In return for each net booking made by a subscriber through the Abacus System for any travel product offered in the system, AIPL shall pay a certain fee to ADSI as stipulated in the agreement.

Effective from February 1, 2009, such fee is amended to be 25% of the 2009 basic rates payable by airline per net segment for air bookings made by subscribers after deducting certain expenses as stipulated in the agreement.

h. GMFAA entered into Long Term Contracts for the Maintenance and Repair of Aircraft with several airlines

GMFAA entered into long-term agreements for maintenance and repair of aircraft with PT Sriwijaya Air, Hellenic Imperial Airways, Yemen Airways, International Air Parts Pty Ltd, Gatewick Aviation Service and Southern Air. GMFAA earns revenue for these services according to rates agreed in the agreements.

i. Agreement with Bank Syariah Mandiri

On December 16, 2013, GMFAA entered into an agreement with PT Bank Syariah Mandiri regarding *Ijarah Muntahia Bit - Tamlik* facility with a term of eight years. This facility is used for the rental of test cell equipment for maintenance and overhaul of Industrial Gas Turbine Engine (IGTE) Oil Company. GMFAA obtained a facility with a maximum amount of USD9,562,955.

j. Commodity Call Option for Flight Fuel

The Company uses hedging to minimize the risk of increased fuel price for regular flight and Hajj flight in 2013 consistent with its risk management objective and strategy to protect highly probable purchase of jet fuel for regular flight and Hajj flight in 2013 against unfavorable movements in jet fuel price.

The type of hedge relationship is cash flow hedge with the nature of risk being hedge is for regular flight and Hajj fuel price hedge, by setting fuel price of USD121-122 for regular flight and USD115-119 for Hajj flight.

The items being hedged are regular flights for the period of April to December 2013 and Hajj flight for the period of September to November 2013.

The hedge instrument used by the Company is Platts Jet/Kero Sing – Asian Close.

The Company realized the derivative value amounting to USD6,528,600 and USD5,361,580 in 2013 and 2012, respectively.

k. Operating Rental Payments

As of December 31, 2013, the total operating rental payments are as follows:

Description	USD
Within one year	581,065,537
Over one year but not longer than five years	2,108,428,274
Over five years	2,333,773,641
Total	5,023,267,452

I. Other lease commitments

As of December 31, 2013, total other lease commitments are as follows:

Description	USD
Within one year	1,940,614
Over one year but not longer than five years	4,997,221
Over five years	7,583,167
Total	14,521,002

CONTINGENCIES

- a. On August 6, 2004, the Company and PT World Simulator Technology ("WST") entered into a Rental Agreement on Area for Simulator and Support Facilities whereby the Company agreed to rent its simulator area and support facilities located at SBU Garuda Indonesia Training Center to be used as space for Full Flight Simulator B 737-200 Level D Six Axis owned by WST.

WST considered the Company not to be in compliance with the agreement, and on December 19, 2006, WST filed a lawsuit with the Central Jakarta District Court against the Company for breach of contract and for committing illegal act.

On June 4, 2007, the Central Jakarta District Court issued a verdict accepting WST's claim and ordered the Company to pay to WST USD1,360,800 and Rp1,590,000,000. On August 21, 2008, the High Court of Central Jakarta decided to uphold the verdict of the District Court of Central Jakarta and ordered the Company to pay USD1,984,500 and Rp1,590,000,000.

The Company filed a request for cassation dated November 7, 2008. On March 4, 2010, the Supreme Court issued a decision rejecting the request for cassation filed by the Company. On January 28, 2011, the Company paid to WST Rp590,000,000 and USD1,984,500, based on an agreement between the Company and WST. On July 15, 2011, the Company paid the remaining claim amounting to Rp1,000,000,000.

Although the Company has complied with some of the obligations provided in the decision of the Supreme Court, the Company still filed a judicial review to the Supreme Court that was registered with the Central Jakarta District Court on November 19, 2010. On March 20, 2013, the Company received the judicial review Decision No. 267 PK/PDT/2011 dated March 20, 2013 under which the judicial review from the Company was rejected.

- b. On December 17, 2007, the Company received a Notice to Furnish Information and Produce Document from the Australian Competition and Commerce Commission ("ACCC") related to an allegation of price fixing cartel on Cargo Fuel Surcharge with other international carriers. Currently, the case is still under examination by the Federal Court of Australia.
- c. On November 16, 2009, the Company received Notice of Advance Proceeding (Commercial List) from the Indonesian Business Competition Supervisory Commission (*Komisi Pengawas Persaingan Usaha* or "KPPU") related to allegations of price fixing cartel on Fuel Surcharge of domestic airline tickets.

On May 4, 2010, the KPPU issued a verdict and ordered the Company to pay a fine amounting to Rp25 billion and compensation in the amount of Rp162 billion.

On June 17, 2010, the Company filed an objection to the Central Jakarta District Court. On February 28, 2011, the Central Jakarta District Court accepted the request for an objection by the Company and cancelled the KPPU's decision dated May 4, 2010 and ordered the KPPU to pay for legal costs.

The KPPU has filed a cassation of the verdict to the Supreme Court of the Republic of Indonesia. The Company has also filed a statement of counter cassation on April 27, 2011. On May 29, 2013, the Company received decision No. 613 K/pdt. Sus/2011 dated February 27, 2012, under which the Supreme Court of the Republic of Indonesia rejected the KPPU cassation. This decision is binding and have a permanent legal effect.

- d. On August 8, 2008, GMFAA, a Subsidiary, the Company and the MSOE faced a lawsuit claim from PT Metro Batavia ("MB") for: (1) unused cycles amounting to USD73,215,579 (or equivalent to Rp673,583,333,330), (2) material loss amounting to Rp500,000,000 per day and USD50,000 (or equivalent to Rp460,000,000) each month starting from October 23, 2007 until the aircraft is able to be operated, (3) immaterial loss amounting to USD10 million (or equivalent to Rp92 billion) and (4) repairs on engine failure. The lawsuit arises due to the declaration that GMFAA had breached a contract in relation to a warranty given by GMFAA regarding the replacement and installation of five ESN 857854 aircraft engines owned by MB.

In relation to this case, GMFAA has filed counterclaims lawsuit against MB for failure to fulfill the obligation to pay GMFAA for such engine replacement and installation services of USD256,266 and interest amounting to 6% per annum starting from July 15, 2008 until the judgment is final and binding.

On March 11, 2009, the District Court of Central Jakarta rejected MB's claims against GMFAA and accepted the counterclaim from GMFAA amounting to USD256,266 with interest of 6% per annum to be calculated from November 17, 2007.

On May 18, 2009, MB filed a statement of appeal to the High Court of Central Jakarta. As a response, on July 16, 2009, GMFAA filed a statement of counter appeal. On January 15, 2010, the High Court rejected MB's appeal. MB then filed an appeal to the Supreme Court of the Republic of Indonesia dated March 25, 2010. GMFAA filed a counter appeal dated May 17, 2010. On April 15, 2013, GMFAA received the decision letter dated February 22, 2013 under which the Supreme Court of the Republic of Indonesia rejected MB's appeals.

The management believes that the demand for compensation does not materially affect the financial statements and activities of GMFAA.

- e. On September 25, 2008, GMFAA filed claims against MB for: (1) payment of MB's debt to GMFAA amounting to USD1,191,615, (2) interest on MB's debt amounting to 6% per annum on debts starting July 15, 2008 until the judgment is final and binding and (3) payment of loss amounting to USD200 million.

On April 22, 2009, the District Court of Central Jakarta decided to accept the claim from GMFAA amounting to USD1,191,615 with interest of 6% per annum, calculated since July 15, 2008 and loss amounting to USD 500,000. The Court also seized four airplanes owned by MB.

On April 28, 2009, MB has filed a statement of appeal to the High Court of Central Jakarta. As a response, on August 19, 2009, GMFAA filed a statement of counter appeal. On October 30, 2009, the High Court rejected MB's appeal.

On March 25, 2010, MB has filed a statement of cassation to the Supreme Court of the Republic of Indonesia for the Appeal Verdict No. 504. As a response, GMFAA filed a statement of counter cassation on July 29, 2010. This case has been decided by Supreme Court in favor of GMFAA. GMFAA has received the notification of the decision of the Supreme Court on April 15, 2013.

- f. On August 4, 2010, Hutomo Mandala Putera ("Tommy Suharto") submitted a claim against several defendants, including the Company (the "Defendants"), in relation to an article published by an in-flight magazine, Majalah Garuda, on its December 2009 edition.

Tommy Suharto submitted a claim to the South Jakarta District Court and demanded payment for material and immaterial damages, as well as an apology from the Defendants, to be published in Majalah Garuda and several other national media. The Company has filed an objection to the High Court of DKI Jakarta on June 1, 2011. The Company has also filed an objection to the South Jakarta District Court on August 19, 2011.

On March 11, 2013, the Company received a notice of from the High Court of DKI Jakarta dated October 24, 2012 which upheld the verdict from the District Court South Jakarta, which was in favor of Tommy Suharto over the Company.

On March 22, 2013, the Company submitted an appeal to the Supreme Court of the Republic of Indonesia through the District Court of South Jakarta and has also submitted a cassation on April 3, 2013. The case is currently in the review process at the Supreme Court of the Republic of Indonesia.

- g. On January 2012, Al-Azhar Hotel submitted an amended statement of claim against the Company which had been filed on June 14, 2009 at the Jeddah District Court, Saudi Arabia, in relation to an allegation of breach of contract on accommodation for Hajj pilgrimages in the event of irregular flight. Al-Azhar Hotel claimed the payment of its invoice together with the loss against the Company in the amount of SAR750,040 plus the legal cost in the amount of SAR100,000.

In its amended statement of claim, Al-Azhar Hotel amended the amount of the claim to SAR10,905,355 plus the legal cost in the amount of SAR100,000. Currently, the case is still under examination by the Jeddah District Court, Saudi Arabia.

ALL OF THE COMPANY'S LIABILITIES AS OF DECEMBER 31, 2013 HAS BEEN DISCLOSED IN THIS PROSPECTUS. AS OF THE DATE OF THIS PROSPECTUS, THE COMPANY HAS REPAID ALL OF ITS LIABILITIES WHICH HAS BECOME DUE.

FROM DECEMBER 31, 2013 TO THE DATE OF THE INDEPENDENT AUDITOR REPORT DATED JANUARY 30, 2014 AND FROM THE DATE OF INDEPENDENT AUDITED REPORT TO THE DATE OF EFFECTIVE STATEMENT OF THE REGISTRATION, THE COMPANY DOES NOT HAVE OTHER SIGNIFICANT LIABILITIES OR COMMITMENT OTHER THAN THOSE OCCURRING DUE TO OPERATIONAL ACTIVITIES OF THE COMPANY AND THE LIABILITIES THAT HAVE BEEN DISCLOSED ABOVE AND IN THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND THIS PROSPECTUS.

THE COMPANY SYSTEMATICALLY MANAGES ITS ASSETS AND LIABILITIES TO IMPROVE ITS FUTURE OPERATIONAL RESULT AND TO CERTIFIES ITS ABILITY TO RESOLVE ALL OF ITS LIABILITIES IN ACCORDANCE TO THEIR REQUIREMENTS.

THE COMPANY HAS MET ALL OF THE FINANCIAL RATIOS REQUIRED BY ALL OF THE COMPANY'S LOAN AGREEMENTS AS OF DECEMBER 31, 2013, EXCEPT FOR THE COVERAGE RATIO AND DEBT RATIO REQUIRED BY ECA. THE COMPANY HAS REVIEWED THE ECA AGREEMENT AND CONCLUDED THAT THE VIOLATION OF ITS FINANCIAL COVENANTS WILL NOT RESULT IN THE LIABILITY BECOMES DUE AND PAYABLE.

AS FOR EACH OF LIABILITIES ABOVE THERE IS NO NEGATIVE COVENANTS THAT WILL PREJUDICE THE INTEREST OF SHAREHOLDERS.

IV. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management Discussion and Analysis section should be read in conjunction with the Summary of Financial Data, the consolidated financial statements of the Company and their notes and other financial information, which is entirely contained in this Prospectus. The information presented here have been prepared based on the consolidated financial statements of the Company for the year ended December 31, 2013, which has been audited by Public Accountant Firm Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, in accordance with auditing standards established by the IAPI, whose report expressed an unqualified opinion and the consolidated financial statements of the Company for the years ended December 31, 2012 and January 1, 2012/December 31, 2011, which have been audited in its entirety by Public Accountant Firm Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, in accordance with auditing standards established by the IAPI, whose report expressed an unqualified opinion with an explanatory paragraph regarding the adoption of the SFAS No. 10 (Revised in 2010), regarding the Effect of Changes in Foreign Exchange Rates and restatement of the consolidated financial statements of previous years as a result of the changes, and a description of the Company's quasi-reorganization implementation on January 1, 2012 in accordance with SFAS No. 51 (Revised in 2003) accounting quasi-reorganization.

A. Overview

The Company was established in 1975 under the name of PT Garuda Indonesian Airways, with its domicile in Cental Jakarta and its main business activities in commercial air transport services.

As of December 31, 2013, the Company has 1 head office and 9 management areas that manage 63 branch offices, namely:

1. Domestic Area Region – 1, which manages 13 branches located in Medan, Banda Aceh, Pekanbaru, Padang, Batam, Tanjung Karang (two branches), Jambi, Palembang, Pangkal Pinang, Tanjung Pinang, Bengkulu and Tanjung Pandan. Domestic Area Region – 1 also manages the Station & Service Hub in Kuala Namu;
2. Domestic Area Region – 2, which manages two branches located in Bandung and Jakarta;
3. Domestic Area Region – 3, which manages eight branches located in Surabaya, Malang, Jogjakarta, Semarang, Solo, Denpasar, Kupang and Mataram;
4. Domestic Area Region – 4, which manages 20 branches located in Makassar, Kendari, Palu, Mamuju, Ambon, Balikpapan, Tarakan, Berau, Pontianak, Banjarmasin, Palangkaraya, Manado, Ternate, Gorontalo, Jayapura, Manokwari, Sorong, Biak and Timika (two branches);
5. International Area Region – 1, which manages four branches located in Singapore, Bangkok, Kuala Lumpur and Penang;
6. International Area Region – 2, which manages three branches located in Tokyo, Osaka and Seoul;
7. International Area Region – 3, which manages five branches located in Shanghai, Beijing, Guangzhou, Hong Kong and Taipei;
8. International Area Region – 4, which manages four branches located in Sydney, Brisbane, Perth and Melbourne;
9. International Area Region – 5, which manages four branches located in Amsterdam, London, Abu Dhabi and Jeddah

The Company has two SBUs, namely SBU Garuda Cargo which is managing freight business and SBU Garuda Sentra Medika (GSM) which is managing health business.

As of December 31, 2013, the Company and Citilink own and/or operate 140 passenger aircraft fleet, which consists of 116 narrow-body aircraft and 24 wide-body aircraft used for domestic and international flights.

B. Factors Which Affect Financial and Operation Results of the Company

The factors which affect the financial and operation results of the Company are as follows:

▪ **General Economic Conditions**

The global economic growth in 2013 has been slowing down, which is influenced by the weakening of economic growth in several developing countries. Although the U.S. economy is starting to strengthen and the European economy is likely to escape from the crisis, slowing expansion in developing countries such as Brazil, China and India, restrains the pace of global growth. Despite the decline, China still recorded the highest economic growth of 7.7% in 2013. This triggers the demand for aviation services, either for passenger or cargo, to support trading activities.

The international airline passenger traffic in Asia Pacific, as reported by the airlines who are members of the Association of Asia Pacific Airlines ("AAPA"), reached 220 million people in 2013, which indicated an increase of 12 million or 6% compared to the previous year. In addition, RPK increased by 5.2% to 813 billion, reflecting the strong demand for regional routes fueled by economic growth in the Asia Pacific region and the increase of ASK capacity by 4.8%.

Although there is a decline in the domestic economy as a result of the global crisis, the domestic economy has experienced higher growth compared to other developing countries, recording a Gross Domestic Product ("GDP") of 5.8% in 2013. The GDP growth is reflected by growth in all sectors, with the highest growth recorded by the transportation and communication sector, which amounted to 10.2%. Indonesia's international airline passenger traffic departs from Indonesia recorded a 9.5% increase from 11.9 million people in 2012 to 13 million people by 2013. This is the result of the increasing of national economy activity, the increasing of income per capita, the addition of aircraft to the market, affordable ticket prices and better service quality and flight safety. The Company's financial performance will materially remain steady and is expected to be continually affected by the Indonesian economic developments, the level of expenditure, conditions in Indonesia's tourism industry and global economic conditions.

▪ **Revenue Management**

The Company's business activities are affected by the number of passengers and tariffs imposed on domestic and international routes operated by the Company. Revenue management is an integrated set of business processes that are used to calculate the price policies and availability of seats to maximize the revenue that can be generated from ticket sales based on the estimated behavior of the demand for each market. The Company uses management processes and systems to maximize seat utilization rate and revenue per flight and the ability of the Company to manage the revenue management successfully will determine the Company's business results. The Company is currently in the process of updating its revenue management system including passenger service system in line with the construction of a new data center.

In general, the airline industry has a low profit margin and high liabilities or fixed operating expenses, particularly for aircraft and engine lease expenses, maintenance and overhaul expenses, fuel expenses, landing expenses, interest rate and liabilities. Flight operating expenses do not have a significant effect to the number of passengers and tons of cargo weight carried by the aircraft. As a result of the high liabilities and expense, which has relatively small effect in respect of the number of passengers and price, this could have a significant impact on the financial operation result of the Company.

Revenue from scheduled airline services amounted to 83.3%, 83.1% and 85.3% of the operating revenues of the Company for the years ended December 31, 2011, 2012 and 2013. A number of factors affecting the revenue from scheduled airline services include ASK levels, number of passengers, RPK, passenger load factor and passengers yield:

- Revenue from passenger scheduled airline services amounted to USD2,403,955,183 in 2011, USD2,687,450,057 in 2012 and USD2,955,288,708 in 2013.
- ASK amounted to 32,473.7 million in 2011, which then increased to 36,013.8 million in 2012 and to 43,133.0 million in 2013, which reflects the increase of fleet, utilization and seating capacity on the frequency and domestic and international flight routes.
- The number of passengers increased from approximately 17.1 million in 2011, to 20.4 million in 2012 and to 25.0 million in 2013, while RPK increased from 24,434.7 million in 2011, to 27,342.1 million in 2012 and to 31,950 million in 2013.
- Passenger load factor increased from 75.2% in 2011, to 75.9% in 2012 and to 74.1% in 2013, in line with the increase in the number of passengers.
- Passenger Yield, calculated as passenger revenue divided by RPK, USCent (USC) per kilometer amounted to 9.6 per kilometer USc in 2011, 9.7 per kilometer USc in 2012 and 9.1 per kilometer USc in 2013.

Revenues from international scheduled airline services amounted to 43.6%, 42.8% and 41.3% of the total revenue passenger flights for the years ended December 31, 2011, 2012 and 2013. Passenger Yield and passenger load factor for international passenger flights are adversely affected by competition from LCCs on short-haul international routes and low levels of market penetration in the international long-haul service in the Middle East and Europe, which is partly compensated

for by high levels of market penetration for international routes in Asia and Australia. Revenue from domestic scheduled airline services amounted to 56.4%, 57.2% and 58.7% of the total revenue passenger flights for the years ended December 31, 2011, 2012 and 2013. Revenue from domestic and international passenger and passenger yields are historically related to the Company's ability to implement the additional fuel surcharge which was recorded as part of the Company's operating revenues and reflected in fluctuations of aircraft fuel price.

▪ **Fuel Price**

Aircraft fuel expense is an important component in the cost structure of the Company, where changes in the fuel price would significantly affect the Company's operating result. Aircraft fuel surcharge represented approximately 38.8% of the Company's operating expenses in 2013. Aircraft fuel prices in the past, and also in the future, will depend on the price fluctuations as well as changes in demand and supply.

Average price of jet fuel in 2011 was at US\$ 89.7/liter, which then increased to US\$ 91.0/liter in 2012 and decreased to US\$ 87.6/liter in 2013. The Company partially mitigate the burden of fuel price increases to its passenger by applying a fuel surcharge. However, mitigation through this method is limited by regulations set out by the Government as this practice is considered as anti-competitive. This restriction is done by the Government through DJPU by setting an upper limit fuel surcharge that may be imposed by the Company. Besides fuel surcharge, the Company may also mitigate the increase in aircraft fuel prices through hedging.

▪ **Fleet Expansion and Simplification**

Most of the capital expenditure, commitment to pay PDP and aircraft rental expense are associated with the Company's fleet expansion and simplification plan. As of December 31, 2013, the Company and Citilink operated 140 aircraft and plans to increase its fleet to approximately 194 aircraft in 2015. The size, age and composition of the Company's aircraft fleet have a significant impact on the Company's financial and operation condition. Increase in fleet number is expected to increase the flow of passengers through the opening of new routes and increasing flight frequencies. The purpose of the Company's fleet simplification program is to improve the standardization of training, maintenance and inventory, along with the increase in service cost and fuel efficiency through the operation of a new aircraft type.

The Company believes that its fleet expansion needs to be done in anticipation of rising passenger flow, increasing flight frequency, improving fuel efficiency and lowering maintenance cost. In 2013, the average age of the Company aircraft is five years old and with reduced average age of aircraft in the future, the fleet expansion is expected to reduce the maintenance and overhaul expenses compared to the Company's other competitors.

The Company and Citilink is currently operating 116 narrow-body aircraft, consisting of Boeing 737-300, 737-400, 737-500, 737-800 NG, Bombardier CRJ-1000 and ATR72-600 aircrafts and 24 Airbus A320-200 aircrafts. A total of 86 aircrafts are operated by the Company and a total of 30 aircrafts are operated by Citilink. The Company is currently operating 24 wide-body aircraft, consisting of Boeing 747-400, Boeing 777-300 and Airbus A330-200 and A330-300 aircrafts.

▪ **Aircraft Utilization**

One of the key elements to the Company's growth strategy is the increase of aircraft utilization. High aircraft utilization will increase the Company's capacity to generate revenue from its fleet. High aircraft utilization can be achieved partly by reducing turnaround times at airports, so that more hours are used to fly. Aircraft utilization is influenced by a number of factors, most of which are beyond the Company's control, including air traffic, the queues at the airport (especially in Soekarno-Hatta International Airport and Ngurah-Rai Airport in Bali), adverse weather conditions, security requirements, mechanical problems of the aircraft and delay caused by third party in ground handling and refueling services. The average utilization of aircraft flying hours per day of the Company is 10 hours 40 minutes, 10 hours 44 minutes and 10 hours 44 minutes, respectively, for the years ended December 31, 2011, 2012 and 2013.

▪ **Interest Rate Fluctuation**

The Company's revenue are affected by interest expense which is affected by changes in interest rates for both short-term and long-term loans, as well as interest payments for lease of aircrafts. Interest rate reference that is used is the floating London Interbank Offered Rate ("LIBOR") for loans denominated in U.S. Dollars and the average of interest rates offered by the Government and Jakarta Interbank Rate ("JIBOR") for loans denominated in Rupiah. The movement of interest rates affects the interest expenses to be paid by the Company. The Company's policy is to manage interest rate exposure on floating rate loans by way of an interest rate hedging strategy. Agreements to hedge transactions until December 31, 2011 have not been applied, although a policy of hedging interest rate risk has been approved by the Company's management, as the management estimates that the floating interest rate on the market up to the end of 2013 will still be low and expected a significant increase in early 2014 due to the weakening global economy, so that the Company can take advantage of low

interest rates and can reduce the interest expenses. As for funding of new aircraft, the Company mostly uses fixed interest rate benchmark.

▪ **Exchange Rate Fluctuation**

Since 2012, the Company changed its functional currency from Rupiah (IDR) to U.S. Dollar (USD) retrospectively. In its daily activities, the income and expenses of the Company used a different structure of currencies composition. The cost of the Company is denominated in U.S. Dollar, while the income of the Company has a relatively balanced composition between the U.S. Dollar and other currencies. The Company's costs incurred in USD is greater than its revenues in USD, so it is necessary to do foreign exchange transactions of other currencies (other than USD) to meet the Company's USD liabilities, both for debt and operational costs. Additionally, fluctuations in operating results and financial condition of the Company are also caused by the different currencies used in the composition of expenses and revenues, and fluctuations in exchange rates of foreign currencies against the U.S. Dollar significantly affect the Company's financial performance.

In managing exchange rate fluctuations, the Company does not undertake hedging transactions related to foreign currency as the Company is taking advantage of opportunities in other currency exchange rates to cover possible risks of the weakening of USD and vice versa, so naturally the risk of exchange rate movements of foreign currencies eliminate each other. Foreign exchange transactions can be done by considering the favorable exchange rate of the Company. In addition, the Company aligns the characteristics of loans acquired with the assets it finances to achieve a balance between assets and liabilities in the Company's financial position, evaluate and negotiate the loan for which the agreement has been up and running in a foreign currency (especially in USD) into IDR and harmonize the earnings and payments for each currency.

▪ **Revenue Cycle**

Passenger revenue and profitability of the Company are affected by cycles in the Indonesian aviation industry. In general, the peak of the passenger revenue cycle is generated in the middle of the year following the holiday season and year-end season. Besides school holidays and year-end season, the Company's revenue is also affected by Hajj business, and the Hajj pilgrimage represents 93.5%, 91.8% and 90.4% of the total operating revenue for the Company's non-scheduled airline services in 2011, 2012 and 2013. In 2013, the Company's revenue from Hajj business decreased as a result of the Hajj quota restrictions of 20% imposed by the Government of Saudi Arabia.

▪ **Sales Distribution**

Along with the development of technology and communication, the Company's distribution channels is growing and is becoming increasingly varied. Through direct and indirect channels, the Company seeks to get closer to customers. In order to enhance the ease of public access to the Company and to reduce sales cost, the Company continues to develop direct sales distribution channels through the Internet (E-Commerce) and call centers. The Company is also developing new website design and website stabilization, increasing the ease of sales agents and sales sub-accounts of the Company through the website, as well as strengthening its call center via multiple channels (phone and websites).

▪ **Pricing**

Pricing strategy is determined by market conditions and competition, consumer behavior and profit targets. The number of airlines operating in Indonesia and consumer sensitivity to price present challenges for the Company in determining its pricing. To get a competitive price, the Company has developed and used an auto-pricing system. This system is expected to improve efficiency and reduce pricing errors caused by human error. In addition, the Company has designed programs such as early-bird pricing, advanced purchase, special pricing through exhibition (Garuda Travel Fair) and entering into partnership, which had been running well in 2013 and gave positively affect to the Company's sales.

▪ **Demographic Condition**

The market for passenger flights continued to rise in 2013, primarily for domestic flights which were driven by the rapid growth of middle class in Indonesia in the recent years. The growth of the middle class is spread throughout all cities in Indonesia. The Company responded to the growth and the population distribution by expanding its domestic network with the addition of Medan and Makassar hub to support the operation of the CRJ-1000 aircrafts, increasing the frequency of flights in Batam, Pekanbaru, Makassar, Surabaya-Balikpapan and adding a new route from Surabaya to Kupang and from Surabaya to Bandung. The Company also strengthens the international sector through increased flight frequency on the Jakarta to Kuala Lumpur and Denpasar to Incheon routes, the addition of a new route to Haneda and Taipei, as well as the preparation to be a member of Sky Team.

▪ **Government Policies Related to the Aviation Industry**

Since 2000, the Government has imposed various deregulation in the airline industry which has lead to the presence of several new airline operators thus increasing competition in the domestic airline industry. Higher levels of competition could threaten business prospects and operating results of the Company in the future as new operators will offer competitive price, schedule, route network, quality of service and the type and age of aircrafts used.

In addition to the effects of deregulation, other important factors that affect the performance of the Company related to government regulation are environmental and operational regulations applied to the general aviation industry in each country and/or in the location where the Company operates its aircraft.

▪ **Monetary and Fiscal Policy**

In general, fiscal and monetary policies implemented by the Government will affect the Company's business activities. Monetary policy has a direct impact on interest rates movements, and the Company currently has debt with floating interest rates. The Government policy through an increase in BI rate will impact on the Company's interest rate loans, which will increase the cost of funds of the Company.

Similarly, fiscal policy can adversely or positively impact the performance of the Company. Since the enactment of the fiscal-free stimulus policy on international flight passengers, there has been an increase in passengers for international destinations, which in turn, increased the Company's revenues for international routes.

Besides the factors which has been said above, the Company experienced abnormal and infrequent events that affect the Company's revenue:

- In 2013, the Government of Saudi Arabia issued a policy to limit the Indonesia Hajj pilgrims quota by 20% and Umrah visa restrictions by 50%. Quota reduction is expected to occur until 2016, where this is due to the proces of renovating Masjidil Haram in Saudi Arabia. The quota reduction would reduce the number of Hajj and Umrah pilgrims that will be transported by the Company. The impact will be deflation in the Company's revenue from scheduled and non-scheduled airlines.
- In February 2014, the eruption of Mount Kelud in Kediri, East Java. The Kelud eruption has disrupted flights. Six airports are not operating due to the runway covered in volcanic ash. Hundreds service flights can not fly because it can jeopardize the performance of aircrafts engines. In relation with this event, the Directorate General of Air Transportation had issued a notice to the 6 affected airports by Mount Kelud volcano activity to close the airports operations temporarily. As a result, the Company terminated the operation of 129 flights from airports that suffered the closure. The Company also took the policy of not charging any fees towards the passengers who rescheduled their flights or requested a ticket refund, which would normally be charged under normal flight circumstances.

C. Significant Accounting Policies

1. Revenue and Expense Recognition

Passenger ticket and cargo waybill sales are initially recorded as unearned transportation revenue. Revenue is recognized when transportation service is rendered. Revenue also includes recoveries from surcharges during the period.

Revenue from short-term aircraft maintenance and overhaul contract is recognized when the service is rendered. Revenue from long-term aircraft maintenance and overhaul contracts is recognized using the percentage-of-completion method.

Revenues from hotels, catering, travel agency services, reservation system services and other services related to flight operations are recognized when the services are rendered.

Interest revenue is accrued on time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investment in shares is recognized when the shareholders' rights to receive such dividend have been established.

Expenses are recognized when incurred.

2. Foreign Currency Transactions and Translations

The books of accounts of each entity in the Company, except AWS and its subsidiaries are maintained in U.S. Dollar (USD), the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the period involving nonfunctional currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in non-functional currency are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit and loss.

The books of accounts of AWS and its subsidiaries except GOHA, GOHK and GOHJ are maintained in Rupiah, while GOHA in Australian Dollars, GOHK in Korean Won and GOHJ in Japan Yen. For consolidation purposes, assets and liabilities of these subsidiaries at reporting date are translated into USD using the exchange rates at reporting date, while revenues and expenses are translated using the average rates of exchange for the year. Resulting translation adjustments are shown as part of other comprehensive income.

The main exchange rates used, based on the mid rates published by Bank Indonesia are as follows (in full USD):

	2013	2012
	USD	USD
Currencies		
IDR 1	0.0001	0.0001
EUR 1	1.3801	1.3247
YEN 1	0.9531	1.1579
SGD 1	0.7899	0.8177
AUD 1	0.8923	1.0368
GBP 1	1.6488	1.6111

3. Frequent Flyer Program

The Company operates a frequent flyer program called “Garuda Frequent Flyer” that provides travel awards to its members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits, estimated based on expected utilization of these benefits, is deferred until they are utilized. These deferrals of revenue are recorded as unearned revenue. Any remaining unutilized benefits are recognized as revenue upon expiry.

4. Fixed Asset

Aircraft, land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Any revaluation increase arising on the revaluation of such aircraft, land and buildings is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus, except to the extent that it reverses a revaluation decrease, for the same asset which was previously recognized in profit or loss, in which case the increase is credited to profit and loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such aircraft, land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of such aircraft, land and buildings.

The revaluation surplus in respect of aircraft, land and buildings is directly transferred to retained earnings when the asset is derecognized.

Aircraft assets are depreciated using the straight-line method to an estimated residual value based on their estimated useful lives, as follows:

Aircraft Assets

	Year
Airframe	18-22
Engine	18-22
Simulator	10
Rotable Parts	12
Maintenance Assets	
Airframes Inspection	Next inspection period
Engine Overhaul	Next overhaul period

In 2013, the Company changed the estimated useful life of Boeing 747-400 aircraft from 20 to 22 years. Such change in estimate was accounted prospectively resulting to reduction in depreciation expense by USD 3,214,148 in 2013.

Non aircraft assets except for land and buildings are stated at cost less accumulated depreciation and impairment, if any, and depreciated using the straight-line method over the useful lives of the asset, as follows:

Non aircraft assets

	Year
Building and infrastructure	40
Vehicles	3-5
Other fixed assets (equipment, hardware, and installation)	2-10

Land is not depreciated.

Assets held under finance lease are depreciated based on the same estimated useful life with owned assets or over the lease period which ever is shorter.

The estimated useful lives, residual values and depreciation method are reviewed at least each year end and the effect of any changes in estimate is accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying amount is removed from the consolidated financial statement and the resulting gains or losses are recognized in profit or loss.

Construction in progress is stated at cost which includes borrowing costs during construction on debts incurred to finance the construction. Construction in progress is transferred to the respective property and equipment account when complete and ready to use.

For borrowings that are not specific to the acquisition of a qualifying asset, the amount capitalized is determined by applying a capitalization rate to the expenditures on qualifying asset. The capitalization rate is the weighted average of the borrowing costs applicable to the total borrowings outstanding during the period, excluding borrowings directly attributable to financing other qualifying assets.

Properties under BOT (build, operate and transfer) are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over 20 - 30 years.

5. *Investment Properties*

Investment properties are properties (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation or both.

Investment properties are recorded initially at cost. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value are recognized in profit or loss in the period in which they arise.

Investment properties shall be derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

6. *Impairment of Non-Financial Asset*

At reporting dates, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell or value in use. In assessing value in use, the estimated 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings unless the relevant asset is carried at revaluation amount, in which the impairment loss is treated as revaluation decrease.

7. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, which do not meet these criteria, are classified as operating leases.

As Lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate amount of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Sale and Leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

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

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value is recognized immediately.

For finance leases, no such adjustment is necessary unless there has been impairment in value, in which case the carrying amount is reduced to recoverable amount.

8. Post-Employment Benefits and Long-Term Benefits

Post-Employment Benefits

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

The employee benefits obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and reduced by the fair value of plan assets.

Long-Term Benefits

Long-term benefits are determined using the Projected Unit Credit Method. Past service cost and actuarial gains (losses) are recognized immediately in the current operations.

The long-term employee benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

9. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Company financial assets are classified as follows:

- Fair Value through profit or loss (FVTPL)

Financial derivatives are classified in this category unless designated as hedging derivatives. Gain or loss on non-hedging derivative is recognized in profit or loss.

- Available for Sale (AFS)

Long-term investments in shares, except investments in associates, are classified in this category. As there is no active market for these investments and the fair value cannot be reliably measured, these investments are measured at cost, less impairment.

Dividends on AFS equity instruments, if any, are recognised in profit or loss when the Company's right to receive the dividends is established.

- Loans and receivables

Cash and cash equivalents, maintenance reserve funds and security deposits on operating leases, trade and other receivables that have fixed or determinable payments that are not quoted in active market, are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less impairment.

Interest is recognized by applying the effective interest method, except for short term receivable where the recognition or interest would be immaterial.

Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments other than those financial instruments assessed as at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss (FVTPL), are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets original effective interest rate.

For financial asset carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to profit or loss. Impairment losses previously recognized in profit and loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Netting of Financial Assets and Financial Liabilities

The Company only offsets financial assets and liabilities and presents the net amount in the statement of financial position where it:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

10. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instruments is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Bank loans and financial institution, long-term loans, bonds payable and trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Company derecognized financial liabilities when, and only when, their obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

11. Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognized as part of other comprehensive income and the ineffective portion is recognized immediately in earnings. If the hedged transaction results in the recognition of an asset or liability, the accumulated gains and losses under other comprehensive income are reclassified into earnings in the same period in which the related asset or liability affects earnings. For hedges that do not result in the recognition of an asset or liability, amounts deferred in other comprehensive income are recognized in earnings in the same period in which the hedged item affects profit or loss.

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged and such changes are recognized immediately in earnings.

12. Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

13. Heavy Maintenance Costs of Aircraft

Major airframe inspection cost relating to heavy maintenance visit and engine overhauls for owned aircraft and those held on finance lease is capitalized and amortized over the period until the next expected major inspection or overhaul.

If there is a commitment related to maintenance of aircraft held under operating lease arrangements, a provision is made during the lease term for the lease return obligations specified within those lease agreements. The provision is made based on historical experience, manufacturers' advice and if relevant, contractual obligations, to determine the present value of the estimated future major airframe inspections cost and engine overhauls.

All other repair and maintenance costs are expensed as incurred.

14. Quasi-Reorganization

As of January 1, 2012, the Company carried out a quasi-reorganization in accordance with the Statement of Financial Accounting Standards (SFAS) No. 51 (revised 2003), "Accounting for Quasi-Reorganization".

The quasi-reorganization was carried out using the accounting reorganization method, wherein assets and liabilities are revalued at their fair values using market value and discounted cash flows model. The revaluation surplus of asset and liabilities is recognized as difference in revaluation of assets and liabilities and used for eliminating deficit. Details of the elimination of deficit are discussed in Note 52. In addition, the fair value of those assets and liabilities as used in the quasi-reorganization becomes their initial carrying amount in the consolidated financial statements commencing January 1, 2012 and are subsequently measured using the relevant accounting policies.

Description on Significant Account:

a. Flight Operating Revenue

Operating revenues principally consists of revenue derived from scheduled and non-scheduled airline services. The following table shows the details of an important component of the Company's revenues and the percentage of total operating revenues of the Company for the period as follows:

(in USD)						
Description	December 31,					
	2013	(%)	2012	(%)	2011	(%)
Scheduled airline services:						
Passenger	2,955,288,708	79.53%	2,687,450,057	77.39%	2,403,955,183	77.64%
Cargo	195,952,040	5.27%	184,889,000	5.32%	164,501,388	5.31%
Excess baggage	10,081,118	0.27%	7,029,768	0.20%	7,584,589	0.24%
Mail and document	8,764,325	0.24%	7,881,919	0.23%	4,497,804	0.15%
Sub total	3,170,086,191	85.31%	2,887,250,744	83.15%	2,580,538,964	83.34%
Non-scheduled airline services:						
Hajj	195,192,932	5.25%	247,262,921	7.12%	230,398,551	7.44%
Charter	20,772,955	0.56%	21,828,656	0.63%	16,060,670	0.52%
Sub total	215,965,887	5.81%	269,091,577	7.75%	246,459,221	7.96%
Others	330,024,508	8.88%	316,126,641	9.10%	269,330,220	8.70%
Total	3,716,076,586	100.00%	3,472,468,962	100.00%	3,096,328,405	100.00%

b. Other Income

Other income is the income derived from services related to the Company's flight service, such as aircraft maintenance and overhaul, travel agency, catering, hotels, health services, training, and other services.

The following table shows the details of other income components and the percentage of total operating revenues for the year ended December 31, 2011, 2012 and 2013 is as follows:

(in USD)

Description	December 31,					
	2013	(%)	2012	(%)	2011	(%)
Travel agent	81,964,385	2.21%	79,878,710	2.30%	52,001,124	1.68%
Aircraft maintenance and overhaul	68,308,243	1.84%	67,362,378	1.94%	52,922,525	1.71%
Catering	60,461,986	1.63%	50,136,002	1.44%	43,758,469	1.41%
Airline related	47,393,619	1.28%	47,575,662	1.37%	56,094,403	1.81%
Facilities	22,873,959	0.62%	21,204,424	0.61%	19,659,130	0.63%
Hotel	22,218,301	0.60%	21,357,575	0.62%	17,999,375	0.58%
Transportation	5,818,113	0.16%	5,874,813	0.17%	7,251,259	0.23%
Information technology	4,869,580	0.13%	3,892,417	0.11%	3,214,144	0.10%
Healthcare service	2,874,851	0.08%	2,409,227	0.07%	3,094,119	0.10%
Training service	499,477	0.01%	898,822	0.03%	1,210,610	0.04%
Others	12,741,994	0.34%	15,536,611	0.45%	12,125,062	0.39%
Total	330,024,508	8.88%	316,126,641	9.10%	269,330,220	8.70%

Maintenance and Repairs

Maintenance and repairs consists of revenue earned from a Subsidiary, GMF AeroAsia, which provides aircraft maintenance and repair services to other operators.

Travel Agency Services

Travel Agency Services consist of revenue earned from Aerowisata's subsidiary, AeroGlobe, GOHK, GOHJ, GIH and GOHA which operates travel agencies in Indonesia, South Korea, Japan and Australia.

Catering

Catering consists of revenue earned from Aerowisata's subsidiary, Aerofood, which provides catering services to third party airlines operating in Indonesia.

Health Services

Health services consist of revenue earned from clinics and pharmacy operated by the Company's SBU.

Hotel Services

Hotel services consist of revenue earned from Aerowisata's subsidiaries, MHD, SPI and BID which operate seven hotels in Surabaya, Biak, Bali, Lombok and Bandung.

Other Services

Other services consist of revenue earned from the administration of code-sharing flights operations which are operated by third party airlines or cargo rental to third party shipping companies, warehouse rental, reservation system and information technology services to third party.

Operating Expense

The table below shows the details of the Company's operating expense and the percentage of operating expense for the years ended December 31, 2011, 2012 and 2013:

(in USD)

Description	December 31,					
	2013	(%)	2012	(%)	2011	(%)
Flight operations	2,244,840,144	61.34%	1,908,975,113	57.77%	1,750,918,352	58.29%
Ticketing, sales and promotion	335,842,135	9.18%	317,443,935	9.61%	265,239,707	8.83%
Maintenance and overhaul	288,213,715	7.88%	288,853,664	8.74%	248,166,721	8.26%
Passenger services	283,500,861	7.75%	263,949,418	7.99%	261,326,123	8.70%
User charges and station	266,998,356	7.30%	240,479,502	7.28%	222,389,175	7.40%
General and administrative	218,772,364	5.98%	213,737,827	6.47%	198,258,565	6.60%
Hotel operation	33,758,910	0.92%	25,809,070	0.78%	6,957,658	0.23%
Transportation operation	19,816,371	0.54%	18,290,868	0.55%	16,282,577	0.54%
Network operation	18,007,374	0.49%	16,883,310	0.51%	13,579,030	0.45%
Other expense (revenue)	(50,121,919)	(1.37%)	9,974,151	0.30%	20,862,909	0.69%
Total Operating Expenses	3,659,628,311	100.00%	3,304,396,858	100.00%	3,003,980,817	100.00%

Flight Operations

Flight operations consist of expenses incurred for fuel, aircraft rental and charter, salaries and allowances, depreciation expenses, insurance and employee expenses. Aircraft rental and charter consist of aircraft rental and aircraft charter for Hajj pilgrimages, business, government, education and tourism group flights.

(in USD)

Description	December 31,					
	2013	(%)	2012	(%)	2011	(%)
Fuel	1,420,139,208	63.26%	1,255,126,779	65.75%	1,137,745,428	64.98%
Aircraft rental and charter	592,251,660	26.38%	448,601,352	23.50%	403,237,944	32.03%
Salaries and allowances	144,911,938	6.46%	116,443,700	6.10%	120,805,043	6.90%
Depreciation expenses	62,155,939	2.77%	51,501,031	2.70%	48,765,968	2.79%
Insurance	16,691,989	0.74%	24,561,135	1.29%	26,659,184	1.52%
Employee benefit expenses	6,950,541	0.31%	10,438,528	0.55%	11,893,475	0.68%
Others	1,738,869	0.08%	2,302,588	0.12%	1,811,310	0.10%
Flight Operations Expense	2,244,840,144	100.00%	1,908,975,113	100.00%	1,750,918,352	100.00%

Maintenance and Overhaul

Maintenance and overhaul consists of expenses incurred as operating expense by GMF AeroAsia, which in turn consists of maintenance and overhaul, spareparts, salaries and allowances, rental, fuel and insurance expenses. For the years ended December 31, 2011, 2012 and 2013 maintenance and overhaul amounted to USD248,166,721, USD288,853,664 and USD288,213,715 from total expense and was composed of maintenance and overhaul expense for the Company's aircrafts and the maintenance and overhaul expense from GMF AeroAsia to third parties.

Maintenance and overhaul excludes expenses for major maintenance inspection to aircrafts' body and machine, which requires a certificate of air worthiness or as required in the lease agreement. Expenditure associated with major maintenance inspections are capitalized and depreciated until the next inspection.

User Charge and Station

User charge and station consists of expenses incurred for aircraft and flight services, salaries and allowances, rental, employee benefit expenses and depreciation.

Passenger Service

Passenger service consists of expenses incurred for catering services, inflight entertainment, executive lounges, salaries and allowances, and general inventories consumption.

Ticketing, Sales and Promotion

Ticketing, sales and promotion consists of expenses incurred for commissions, reservations, salaries and allowances, sales and marketing, as well as promotions expenses.

General and Administrative Expenses

General and administrative expenses consists of expenses incurred for salaries and allowances, utilities, rental, tax, depreciation expenses, professional services and training, maintenance and repairs, healthcare services, office supplies, insurances, and membership dues and subscription.

Transportation Operation

Transportation expense consists of expenses incurred from AeroTrans, a subsidiary of Aerowisata.

Network Operation

Network expense consists of expenses incurred from information technology services and network system operation from Asyst and Abacus.

Hotel Operation

Hotel operation consists of expenses incurred from Aerowisata's hotel operation.

D. Business Performance Comparison

Description	For the year ended December 31		
	2013	2012	2011
Operating Revenues	3,716,076,586	3,472,468,962	3,096,328,405
Operating Expenses	3,659,628,311	3,304,396,858	3,003,980,817
Income From Operations	56,448,275	168,072,104	92,347,588
Income Before Tax	8,815,603	151,530,554	96,933,268
Tax Benefits (Expense)	2,384,777	(40,687,981)	(32,707,732)
Net Income For The Year	11,200,380	110,842,573	64,225,536
Other Comprehensive	(10,634,860)	34,566,735	8,475,080
Total Comprehensive Income	565,520	145,409,308	72,700,616

The Company's financial performance in 2013 decreased compared to 2012. It is shown by the decrease of the Company's operating revenue and net profit in 2013 which respectively amounted to USD56.4 million and USD11.2 million or equals to decrease of 66.4% and 89.9% compare to 2012.

The decreased caused by internal and external factors, such as:

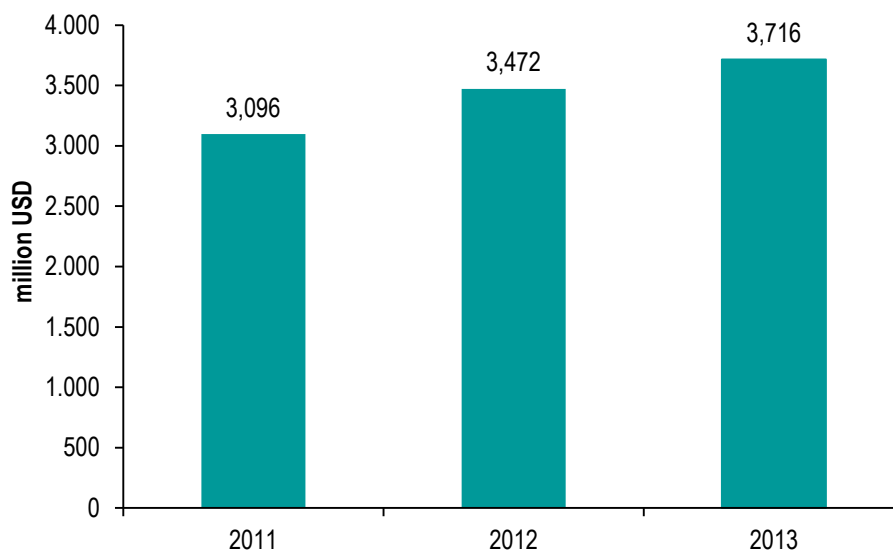
External factors that affect the Company's financial performance in 2013 are:

- Indonesia's economic growth in Indonesia of 5.8%, decreased compared to 2012 of 6.2%
- Rupiah, Yen and Won depreciation compare to US Dollar
- Indonesia's inflation rate reach 8.38%
- Increased competition in airlines industry
- Limited slot, traffic right and runway especially CGK and DPS

Internal factors that affect the Company's financial performance in 2013 are:

- Development of new routes as the initial manifestation of the Company's investment
- PT Citilink Indonesia is still in the development stage of the domestic market share

OPERATING REVENUES



Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Operating revenues increased by 7.02% to USD3,716,076,586 for the year ended December 31, 2013 from USD3,472,468,962 for the year ended December 31, 2012 due to the increase in scheduled passenger revenues by 9.97% along with the increasing number of passengers by 22.54% from 20.4 million passengers in 2012 to 25.0 million passengers in 2013. The increase in the number of passengers is in line with the increase in the fleet, frequencies and routes that are operated by the Company in an effort to achieve its business expansion step.

a. Scheduled Airline Services

Scheduled airline services increased by 9.80% to USD3,170,086,191 for the year ended December 31, 2013 from USD2,887,250,744 for the year ended December 31, 2012. This revenue dominates the Company's operating revenues in 2013 and represents 85.31% of the total operating revenues due to the increase in the number of passengers for scheduled airlines and cargo revenue, in line with the Company's move to expand service capacity for both passenger and cargo to respond to the growing market in Asia and Indonesia which are more potential along with economic growth in Asia that higher than other region.

Passenger revenue. Passenger revenue increased by 9.97% to USD2,955,288,708 for the year ended December 31, 2013 from USD2,687,450,057 for the year ended December 31, 2012 due to the increased number of passenger by 25 million or 22.54% from 20.4 million of passengers in 2012. Increased revenue in 2013 was also due to the success of Garuda Travel Fair (GATF) program, early bird promotion program, E-commerce improvement and the opening of new routes and hubs. The direct impact of an increase in the number of passengers on passenger revenue are reflected in the increase of the number of indicators Revenue Passenger Kilometers (RPK) from 27.34 million in 2012 to 31.95 million in 2013.

Cargo revenue. Cargo revenue increased by 5.98% to USD195,952,040 for the year ended December 31, 2013 from USD184,889,000 for the year ended December 31, 2012 due to an increase of cargo carriage of 346 million kg for the year ended December 31, 2013 compared to 280 million kg for the year ended December 31, 2012. This increase is caused by a new reservation program called "Sky Chain" and the implementation of cargo service center in the domestic market.

Mail and documents revenue. Mail and documents revenue increased by 10.97% to USD8,746,325 for the year ended December 31 2013 from USD7,881,919 for the year ended December 31, 2012 due to increased cargo production capacity to 1,497 million ton kilometer for the year ended December 31, 2013 from 1,201 million ton kilometer for the year ended December 31, 2012. The increase in capacity is in line with the Company's fleet expansion, given the need for cargo transportation by air is increasing, especially for the transport in the domestic area.

b. Non-Scheduled Airline Services

Non-scheduled airline services decreased by 19.74% to USD215,965,887 for the year ended December 31, 2013 from USD269,091,577 for the year ended December 31, 2012 due to the decrease of revenues from Hajj pilgrimage and charter flights.

Hajj revenue. Hajj revenue decreased by 21.06% to USD195,192,932 for the year ended December 31, 2013 from USD247,262,921 for the year ended December 31, 2012 due to the impact of quota restriction for Hajj pilgrimages by 20% from the Government of Saudi Arabia.

Charter revenue. Charter revenue decreased by 4.84% to USD20,772,955 for the year ended December 31, 2013 from USD21,828,656 for the year ended December 31, 2012, in line with the decrease of chartered domestic and international flights to 32 flights from 35 flights in 2012.

c. Others

Other revenue increased by 4.40% to USD330,024,508 for the year ended December 31, 2013 from USD316,126,641 from the year ended December 31, 2012 due to an increase of revenue from travel agent, aircraft maintenance and overhaul, catering and facilities revenue.

Travel agent revenue. Travel agent revenue increased by 2.61% to USD81,964,385 for the year ended December 31, 2013 from USD79,878,710 for the year ended December 31, 2012. Travel agency's revenue is revenue generated through Subsidiary namely Aerowisata. This increase is in line with the increasing number of pax tour served by Garuda Orient Holidays Japan Co. Ltd. as a subsidiary of Aerowisata by 23.88% from 20,477 people in 2012 to 25,367 people in 2013. In addition, it is also caused by the average price per pax tour which has increased primarily due to increased demand for travel agency services through Garuda Orient Holidays Co. Ltd. The increase in travel agent revenue was the major contributor for other revenue in 2013, representing 24.84%.

Aircraft maintenance and overhauling revenue. Aircraft maintenance and overhauling revenue increased by 1.40% to USD68,308,243 for the year ended December 31, 2013 from USD67,362,378 for the year ended December 31, 2012 due to an increase in aircraft maintenance work for other airlines and an increase in GMF's capabilities in doing aircraft maintenance and repair.

Catering. Catering revenue increased by 20.60% to USD60,461,986 for the year ended December 31, 2013 from USD50,136,002 for the year ended December 31, 2012 due to an increase of meal uplift to other flights operator catering which are serviced through subsidiaries of Aerowisata, namely PT Aerofood Indonesia ("ACS"), especially for the service areas of Jakarta and Balikpapan. In addition the average price per meal also increased by 64.94% from Rp22,588 in 2012 to Rp37,256 in 2013, especially the increase occurs for the service area in Denpasar and Surabaya. The increasing demand for meal uplift is inseparable from the rise of the aviation industry in Indonesia, so the demand for catering services through ACS from airlines other than the Company is increasing.

Year Ended December 31, 2012 Compared to Year Ended December 31, 2011

Operating revenues increased by 12.15% to USD3,472,468,962 for the year ended December 31, 2012 from USD3,096,328,405 for the year ended December 31, 2011 due to an increase of scheduled airline services, non-scheduled airline services and others.

a. Scheduled Airline Services

Scheduled airline services revenue increased by 11.89% to USD2,887,250,744 for the year ended December 31, 2012 from USD2,580,538,964 for the year ended December 31, 2011. Scheduled airline services revenue dominated the total revenue of the Company for 2012, which represented 83.1% of the total operating revenues due to an increase in scheduled airline passenger and cargo revenues, in line with the Company's move to expand the capacity of both passenger and cargo services given the growing markets in Asia and Indonesia.

Passenger revenue. Passenger revenue increased by 11.79% to USD2,687,450,057 for the year ended December 31, 2012 from USD2,403,955,183 for the year ended December 31, 2011 due to an increase in the number of passengers by 20.4 million or 19.6% compared to 17.1 million passengers in 2011. The increase in revenues in 2012 was due partly to the success of Garuda Travel Fair (GATF), early bird promotion programs, e-commerce improvement and the opening of new routes and hubs. The increase in passenger revenue was also due to an increase in the selling price of the average ticket per kilometer (passenger yield) mainbrand to 10.0 USc in 2012 from 9.8 USc in the year 2011 due to an increase in the price of aviation fuel mainbrand in 2012 to 91.1 USc/liter compared with 89.7 USc/liter in 2011, which was partially charged to the passengers.

Cargo revenue. Cargo revenue increased by 12.39% to USD184,889,000 for the year ended December 31, 2012 from USD164,501,388 for the year ended December 31, 2011, due to an increase in the amount of cargo transported to 280 million kilograms for the year ended December 31, 2012 from 229 million kilograms for the year ended December 31 2011.

Mail and documents revenue. Mail and documents revenue increased by 75.24% from USD7,881,919 for the year ended December 31, 2012 from USD4,497,804 for the year ended December 31, 2011, along with the increase in production capacity to 532.9 million ton kilometers of cargo for the year ended December 31, 2012 from 465 million ton kilometers for the year ended December 31, 2011.

b. Non-Scheduled Airline Services

Non-scheduled airline services increased by 9.18% to USD269,091,577 for the year ended December 31, 2012 from USD246,459,221 for the year ended December 31, 2011 due to an increase in Hajj and charter flights revenue.

Hajj revenue. Hajj revenue increased by 7.32% to USD247,262,921 for the year ended December 31, 2012 from USD230,398,551 for the year ended December 31, 2011, due to an increase in the average rate of Hajj pilgrimages to USD2,188 USD2,019 in 2011. Hajj revenue represents 91.89% of the total non-scheduled revenue.

Chartered revenue. Chartered revenue increased by 35.91% to USD21,828,656 for the year ended December 31, 2012 from USD16,060,670 for the year ended December 31, 2011, in line with an increase of chartered flights to international destinations to 66 in 2012 from 52 in 2011, which was due to an increase in frequency of presidential flight in 2012.

c. Other Revenues

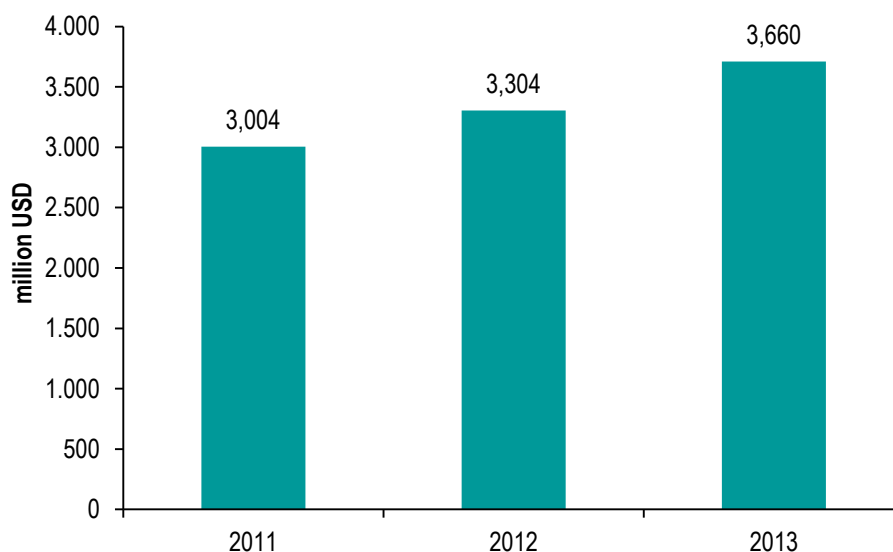
Other revenues increased by 17.38% to USD316,126,641 for the year ended December 31, 2012 from USD269,330,220 for the year ended December 31, 2011 due to an increase in revenues generated from travel agent services, aircraft maintenance and overhaul, catering and facilities.

Travel agent revenue. Travel agent revenue increased by 53.61% to USD79,878,710 for the year ended December 31, 2012 from USD52,001,124 for the year ended December 31, 2011. Travel agent revenue was the largest contributor to other revenues, representing 25.26% of other revenues.

Aircraft maintenance and overhaul revenue. Aircraft maintenance and overhaul revenue increased by 27.28% to USD67,362,378 for the year ended December 31, 2012 from USD52,922,525 for the year ended December 31, 2011, due to an increase in aircraft maintenance work, from, among others, Sriwijaya Air, increase in customers and increase in the capabilities of GMF in conducting maintenance and repair of aircraft.

Catering revenue. Catering revenue increased by 14.57% to USD50,136,002 for the year ended December 31, 2012 from USD43,758,469 for the year ended December 31, 2011, due to an increase in the number of meal uplift to other operators and an increase in industrial catering.

OPERATING EXPENSES



Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Operating expenses increased by 10.75% to USD3,659,628,311 for the year ended December 31, 2013 from USD3,304,396,858 for the year ended December 31, 2012 due to an increase of flights operations expense.

a. Flights Operations Expense

Flights operations expense increased by 17.59% to USD2,244,840,144 for the year ended December 31, 2013 from USD1,908,975,113 for the year ended December 31, 2012 due to an increase in fuel expenses and aircraft rental and chartered expenses.

Fuel expense. Fuel expense is a major component of flights operations expense, representing 63.26% of the total flights operations expense in 2013. Fuel expense increased by 13.15% to USD1,420,139,208 for the year ended December 31, 2013, from USD1,255,126,779 for the year ended December 31, 2012, due to increased fuel consumption, which in turn was due to an increase in flying hours, as block hour in 2013 increased by 23.86% compared to the block hour in 2012, although the average price of aviation fuel decreased from 91.0 USc / liter in 2012 to 87.6 USc / liter in 2013. Fuel burned / block hours decreased by 3.1% to 3856.8 liters / bh for the year ended December 31, 2013, from 3,981.4 liters / bh for the year ended December 31, 2012, which indicates that the Company has been successful in achieving fuel efficiency through a more efficient fleet utilization and fuel conservation program.

Aircraft rental and chartered expense. Aircraft rental and chartered expense increased by 32.02% to USD592,251,660 for the year ended December 31, 2013 from USD448,601,352 for the year ended December 31, 2012 due to an addition of rental fleet in 2013 of 26 aircrafts consisting of 4 B777-300 aircrafts, 1 A330-300 aircraft, 2 A330-200 aircrafts, 10 B737-800NG aircrafts, 7 CRJ-1000 aircrafts and 2 ATR72-600 aircrafts and an addition to Citilink aircraft of 24 units of A320 aircrafts, in line with the Company's strategy to grow its business through fleet development in meeting the diverse needs of the network. With the operation of new fleet which are more efficient, the Company is able to decrease maintenance and fuel expense. Other efforts has been done to increase cost efficiency and profit margins and the Company also do sale and leaseback of the fleet of new aircraft to reduce the financial burden and depreciation expense.

b. Ticketing, Sales and Promotion Expense

Ticketing, sales and promotion expense increased by 5.80% to USD 335,842,135 for the year ended December 31, 2013 from USD317,443,935 for the year ended December 31, 2012 due to an increase in reservations expense.

Reservations expense. Reservations expense increased by 15.84% to USD 111,457,235 for the year ended December 31, 2013 from USD96,216,046 for the year ended December 31, 2012 due to an increase in the number of passengers by 22.3%, to 24,965,236 passengers in 2013 from 20,415,285 passengers in 2012 and the implementation and development of the reservation system.

Promotions expense. Promotions expense decreased by 0.15% to USD41,504,898 for the year ended December 31, 2013 from USD41,566,759 for the year ended December 31, 2012 due to a decrease in media advertising promotion expense as part of the Company's efficiency.

c. Passenger Service Expenses

Passenger service expenses increased by 7.41% to USD283,500,861 for the year ended December 31, 2013 from USD263,949,418 for the year ended December 31, 2012 due to the Company's attempt to improve service quality to its passengers. Efforts to improve the service quality is accompanied with a focus on the use of cost effectively and continuously. It is reflected from the cost / ASK, which decreased by 3.8%, from 7.85 USc in 2012 to 7.55 USc in 2013.

d. User Charge and Station Expenses

User charge and station expenses increased by 11.03% to USD266,998,356 for the year ended December 31, 2013 from USD240,479,502 for the year ended December 31, 2012. User charge and station expenses represented 7.20% of total operating expenses, and the increase was due to an increase in the number of flights to 196,403 in 2013 from 153,266 in 2012 and the opening of new branch offices and new routes in 2013.

e. General and Administrative Expenses

General and administrative expenses increased by 2.36% to USD218,772,364 for the year ended December 31, 2013 from USD213,737,827 for the year ended December 31, 2012, due to an increase in tax expense, depreciation and insurance. Efforts to improve the service quality still going along with a focus on the use of cost-effective and continuously. It is reflected from the cost / ASK, which fell by 3.8%, from 7.85 USc in 2012 to 7.55 USc in 2013.

f. Maintenance and Repair Expenses

Maintenance and repair expenses decreased by 0.22% to USD288,213,715 for the year ended December 31, 2013 from USD288,853,664 for the year ended December 31, 2012.

Maintenance and repair expense. Maintenance and repair expense decreased by 13.22% to USD91,000,588 for the year ended December 31, 2013 from USD104,868,442 for the year ended December 31, 2012, due to the decrease in the average age of aircrafts owned by the Company, which decreased the burden of maintenance and repairs to third parties.

Depreciation expenses. Depreciation expenses increased by 20.49% to USD67,952,167 for the year ended December 31, 2013 from USD56,396,134 for the year ended December 31, 2012, due to an increase in the number of engines from asset maintenance and lease assets in 2013.

Insurance expense. Insurance expense increased by 140.15% to USD1,220,779 for the year ended December 31, 2013 from USD508,342 for the year ended December 31, 2012.

Other expenses. Other expenses decreased by 65.52% to USD329,898 for the year ended December 31, 2013 from USD956,845 for the year ended December 31, 2012.

g. Transportation Operating Expenses

Transportation operating expenses increased by 8.34% to USD19,816,371 for the year ended December 31, 2013 from USD18,290,868 for the year ended December 31, 2012, due to an increase in personnel costs.

h. Network Operation Expenses

Network operation expenses increased by 6.66% to USD18,007,374 for the year ended December 31, 2013 from USD16,883,310 for the year ended December 31, 2012, in line with the Company's efforts in updating its system information related to the revenue management and reservation.

i. Hotel Operation Expenses

Hotel operation expenses increased by 30.80% to USD33,758,910 for the year ended December 31, 2013 from USD25,809,070 for the year ended December 31, 2012, due to an increase in operating expenses and food ingredients.

j. Other Expense (Income) – Net

For the year ended December 31, 2013, the Company acquired other income amounting to USD50,121,919 mainly due to foreign exchange gains in 2013. Meanwhile, for the year ended December 31, 2012 the Company acquired other expenses amounting to USD9,974,151 due to foreign exchange losses in 2012.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011.

Operating expenses increased by 10.00% to USD3,304,396,858 for the year ended December 31, 2012 from USD3,003,980,817 for the year ended December 31, 2011, due to an increase in flights operating expense.

a. Flights Operating expense

Flights operating expense increased by 9.03% to USD1,908,975,113 for the year ended December 31, 2012 from USD1,750,918,352 for the year ended December 31, 2011, due to an increase in fuel expense and rental and chartered aircrafts expense.

Fuel expense. Fuel expense is the largest contributor of flight operating expenses, which represented 65.75% of the total cost of operating expenses in 2012. Fuel expense increased by 10.32% to USD1,255,126,779 for the year ended December 31, 2012, from USD1,137,745,428 for the year ended December 31, 2011, due to an increase in fuel consumption, which in turn was due to an increase in flight hours as shown by an increase in block hour in 2012 by 14.87% compared to block hour in 2011. Another factor is the increase in the average price of aviation fuel from 89.7 USc / liter in 2011 to 91.0 USc / liter in 2012. However, the increase in fuel expense is less than the increase in flight hours and fuel prices, which indicates that the Company is able to achieve fuel efficiency through a more efficient fleet utilization and a successful implementation of its fuel conservation program.

Rental expense and aircraft charter. Rental expense and aircraft charter expense increased by 11.25% to USD448,601,352 for the year ended December 31, 2012 from USD403,237,944 for the year ended December 31, 2011, due to an increase by way of an addition of aircrafts to rental fleet in 2012, namely the addition of eight aircrafts consisting of two A332 aircrafts, four B738 aircrafts and two CRJ-1000 aircrafts and an addition of aircrafts to the Citilink's fleet unit to 14 A320 aircrafts, in line with the Company's strategy to support its business growth through the development of the Company's fleet to meet the diverse needs of the network.

Salaries and allowances. Salaries and allowances, as one of the operating expenses component, decreased by 3.61% to USD116,443,700 for the year ended December 31, 2012 from USD120,805,043 for the year ended December 31, 2011, due to the termination of employment agreements for foreign pilots at the end of December 2011.

b. Ticketing, Sales and Promotion expense

Ticketing, sales and promotion expense increased by 19.68% to USD317,443,935 for the year ended December 31, 2012 from USD265,239,707 for the year ended December 31, 2011 due to an increase in reservations, salaries and allowances and promotional expenses.

Reservation expense. Reservation expense increased by 36.38% to USD96,216,046 for the year ended December 31, 2012 from USD70,550,390 for the year ended December 31, 2011 due to an increase in the number of passengers by 14% to 20,415 thousand in 2012 from 17,074 thousand in the year 2011, as well as due to the implementation and development of the reservation system.

Salaries and allowances. Salaries and allowances increased by 43.88% to USD42,678,492 for the year ended December 31, 2012 from USD29,663,123 for the year ended December 31, 2011, due to the opening of a new branch offices and new routes, namely DPS - HND, SUB - BDO, UPG - GTO, UPG - KDI, and CGK – TPE routes.

Promotional expense. Promotional expense increased by 30.24% to USD41,566,759 for the year ended December 31, 2012 from USD31,915,747 for the year ended December 31, 2011, due to an increase in promotional expenses for new routes, the arrival of a new CRJ 1000 aircraft type and the program to increase in brand recognition, especially for new international routes.

c. Passenger Service Expenses

Passenger service expenses increased by 1.00% to USD263,949,418 for the year ended December 31, 2012 from USD261,326,123 for the year ended December 31, 2011, in line with the Company's efforts to improve the quality of service to its passengers.

d. User Charge and Station Expenses

User charge and station expenses increased by 8.13% to USD240,479,502 for the year ended December 31, 2012 from USD222,389,175 for the year ended December 31, 2011, due to an increase in the number of flights to 153,266 in 2012 from 130,043 in 2011 and the opening of new branch office and new routes in 2012. User charge and station expenses accounted for 7.3% of the total operating expenses.

e. General and Administrative Expenses

General and administrative expenses increased by 7.81% to USD213,737,827 for the year ended December 31, 2012 from USD198,258,565 for the year ended December 31, 2011, due to an increase in tax, insurance, professional services, and maintenance and repair expenses.

f. Maintenance and Repair Expenses

Maintenance and repair expenses increased by 16.40% to USD288,853,664 for the year ended December 31, 2012 from USD248,166,721 for the year ended December 31, 2011, due to an increase in the maintenance and repairs and spare parts.

Maintenance and repair expense. Maintenance and repairs expense increased by 33.22% to USD104,868,442 for the year ended December 31, 2012 from USD78,715,684 for the year ended December 31, 2011, in line with the addition of aircraft and increased in production. Mainbrand flight flying hours in 2012 increased by 10.6 % to 289 thousand hours. Maintenance and repair expense accounts for 3.17% of the total operating expenses. This increase as a result of the addition and improvement of flight hours flying hours in 2012, which increased by 14.87% compared to 2011 flying hours, the addition of B738 Engine Care program to improve aircraft availability and reliability and expense incurred for maintenance program in relation to Cabin Recondition of 14 of B738 aircrafts as part of a service improvement to the passengers.

Spare parts expense. Spare parts expense increased by 29.90% to USD60,142,618 for the year ended December 31, 2012 from USD46,297,964 for the year ended December 31, 2011 due to the addition of a new fleet.

Rental expense. Rental expense increased by 112.27% to USD5,042,888 for the year ended December 31, 2012 from USD2,375,649 for the year ended December 31, 2011.

Fuel expense. Fuel expense increased by 68.61% to USD1,527,369 for the year ended December 31, 2012 from USD905,841 for the year ended December 31, 2011.

g. Transportation Operating Expenses

Transportation operating expenses increased by 12.33% to USD18,291,868 for the year ended December 31, 2012 from USD16,282,577 for the year ended December 31, 2011, due to an increase in personnel costs in line with adjustments made in accordance with the required minimum wage in Indonesia and vehicle maintenance costs.

h. Network Operating Expenses

Network operating expenses increased by 24.33% to USD16,883,310 for the year ended December 31, 2012 from USD13,579,030 for the year ended December 31, 2011, due to the Company's efforts in updating its information system relating to revenue management and reservation.

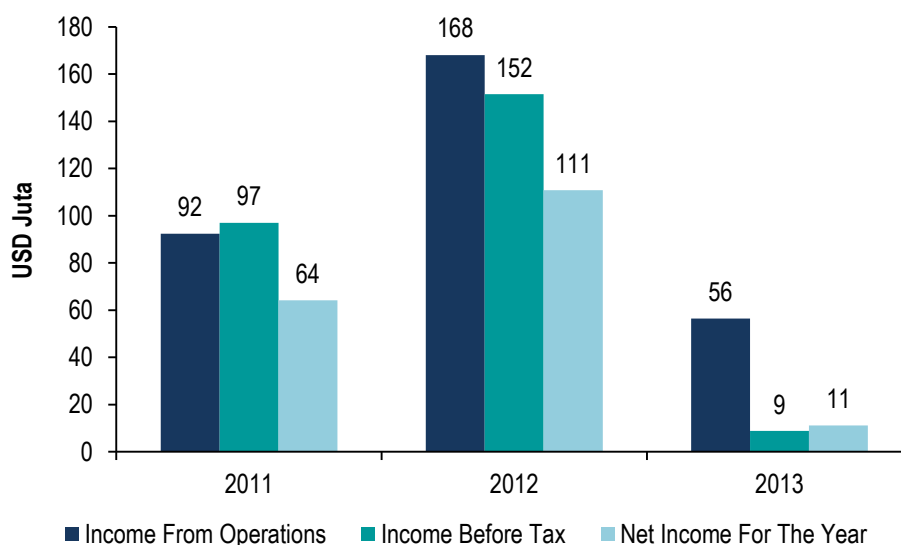
i. Hotel Operation Expenses

Hotel operation expenses increased by 270.94% to USD25,809,070 for the year ended December 31, 2012 from USD6,957,658 for the year ended December 31, 2011, due to an increase in operating expenses and food ingredients.

j. Other Expenses - net

Other expenses - net decreased by 52.19% to USD9,974,151 for the year ended December 31, 2012 from USD20,862,909 for the year ended December 31, 2011, due to a foreign exchange gain in 2012.

PROFITABILITY



Year Ended December 31, 2013 Compared to the Year Ended December 31, 2012.

a. Income from Operations

Income from operations decreased to USD56,448,275 for the year ended December 31, 2013 from USD168,072,104 for the year ended December 31, 2012, due to the depreciation of the Rupiah, Japanese Yen and Korean Won against the U.S. Dollar, high inflation, limited slots, traffic right and runway on several major domestic airports and the development of new routes as the Company's initial investment.

b. Income before Tax

Income before tax decreased to USD8,815,603 for the year ended December 31, 2013 from USD151,530,554 for the year ended December 31, 2012.

c. Net Income for the Year

Net income for the year decreased by 89.90% to USD11,200,380 for the year ended December 31, 2013 from USD110,842,573 for the year ended December 31, 2012.

Year Ended December 31, 2012 Compared to the Year Ended December 31, 2011.

a. Income from Operations

Income from operations increased by 82.00% to USD168,072,104 for the year ended December 31, 2012 from USD92,347,588 for the year ended December 31, 2011, due to an increase in revenues and operating expenses.

b. Income before Tax

Income before tax increased by 56.32% to USD151,530,554 for the year ended December 31, 2012 from USD96,933,268 for the year ended December 31, 2011.

c. Net Income for the Year

Net income for the year increased by 72.58% to USD110,842,573 for the year ended December 31, 2012 from USD64,225,536 for the year ended December 31, 2011.

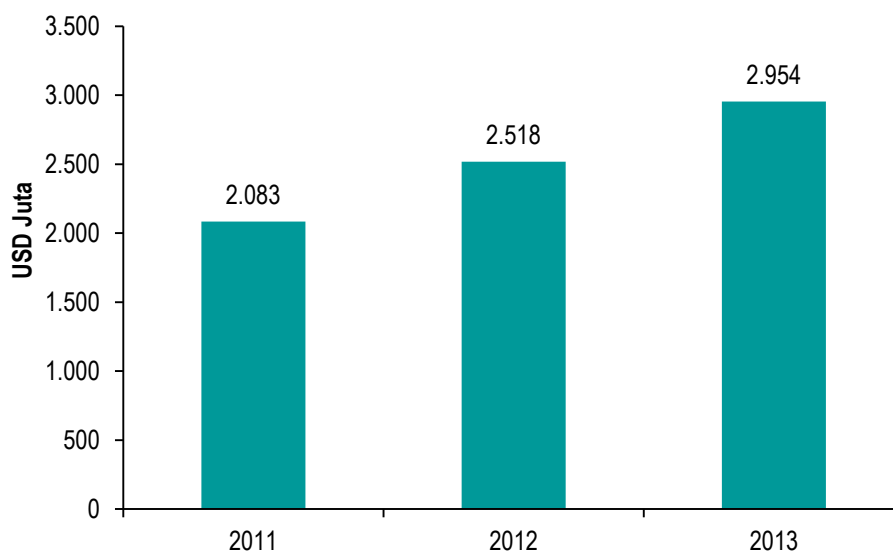
Growth of Assets, Liabilities and Equity

The following table presents the composition of most of the Company's Consolidated Statements of Financial Position:

(in USD)

Description	Position per			
	December 31, 2013	December 31, 2012	1 January 2012	December 31, 2011
Current Assets	819.133.923	636.566.218	757.266.770	749.951.148
Non Current Assets	2.134.651.029	1.881.431.548	1.370.703.424	1.333.055.661
Total Assets	2.953.784.952	2.517.997.766	2.127.970.194	2.083.006.809
Current Liabilities	983.890.767	754.207.052	645.834.604	645.834.604
Non Current Liabilities	852.746.068	648.830.636	514.374.429	514.374.429
Total Liabilities	1.836.636.835	1.403.037.688	1.160.209.033	1.160.209.033
Equity	1.117.148.117	1.114.960.078	967.761.161	922.797.776
Total Liabilities and Equity	2.953.784.952	2.517.997.766	2.127.970.194	2.083.006.809

ASSETS



*) Assets data and calculations are presented based on assets data dated December 31, 2011 before the quasi-reorganization

As of December 31, 2013 Compared to as of December 31, 2012.

Assets of the Company increased by 17.31% to USD2,953,784,952 as of December 31, 2013 from USD2,517,997,766 as of December 31, 2012.

Current Assets

Current assets of the Company increased by 28.68% to USD819,133,923 as of December 31, 2013, compared to USD636,566,218 as of December 31, 2012, due to an increase in cash and cash equivalents of 45.88% to USD475,260,630 in 2013, which in turn was primarily due to receipt of an refund of advanced payment paid for the purchase of aircraft and acquisition of long-term loans in 2013 to support the expansion of the Company's business. Accounts receivable also increased by 8.12% to USD139,981,363 as of December 31, 2013, due to an increase in receivables from third parties.

a. Cash and Cash Equivalents

Cash and cash equivalents of the Company increased by 45.88% to USD475,260,630 as of December 31, 2013 compared to USD325,784,942 as of December 31, 2012, primarily due to the receipt of refund of advanced payment paid for the purchase of aircraft in 2013 and the acquisition of long-term loans to support the Company's business expansion through operation of new fleet which prepared to decrease maintenance and fuel expenses.

b. Trade Account Receivables – Third Parties

Trade account receivables to third parties increased by 9.29% to USD135,946,397 as of December 31, 2013 from USD124,385,955 as of December 31, 2012, primarily due to an increase in passenger trade accounts receivable and non-flight services trade accounts receivable which mainly received through receivable of maintenance and overhaul from the Company and its subsidiaries at the end of period.

c. Other Receivables

Other receivables to related parties of the Company increased by 11.01% to USD8,745,081 as of December 31, 2013 from USD7,877,613 as of December 31, 2012, primarily due to an increase in accrued income which is an incentive given by Abacus International Pte Ltd to the Company for achievement of reservation system. The incentive is used as invoice reduction.

d. Prepaid Taxes

Prepaid taxes increased by 200.72% to USD15,574,946 as of December 31, 2013 from USD5,179,146 as of December 31, 2012, due to the estimated overpayment of corporate income tax in 2013 by the Company and its subsidiaries which amounted to USD7,521,917 and USD1,667,804, as well as an increase in value added tax related to an increase in sales of USD1,641,128 as of December 31, 2012 to USD3,311,498 as of December 31, 2013.

Non-Current Assets

a. Maintenance Reserve Fund and Security Deposit

Maintenance reserve funds and security deposits increased by 33.70% to USD617,623,057 as of December 31, 2013 compared to USD 461,933,812 as of December 31, 2012. Aircraft maintenance funds increased by 34.93% from USD 350,678,928 for the year ended December 31, 2012 to USD 473,179,589 for the year ended December 31, 2013, while security deposit increased by 29.83% from USD 111,254,884 as of December 2012 to USD144,443,468 as of December 31, 2013, due to the increasing number of leased aircrafts, from 84 aircrafts as of December 31, 2012 to 117 aircrafts as of December 31, 2013.

b. Advances for the Purchase of Aircraft

Advances for the purchase of aircraft increased by 0.65% to USD 500,366,436 as of December 31, 2013 compared to USD 497,157,419 as of December 31, 2012, due to the payment of advances for the purchase of B777 - 300ER, B737 - 800, A330 - 300, A320 - 200, CJR-1000NG and ATR 72-600 aircrafts.

c. Deferred Tax Assets

Deferred tax assets increased by 28.64% to USD 26,209,085 as of December 31, 2013 from USD11,462,857 as of December 31, 2012, due to:

- an increase in aircraft maintenance funds in connection with fleet expansion in 2013, which had the effect of deferred tax expense (add Deferred Tax liabilities) of USD5,621,770;
- a decrease in the value of post-employment benefit obligation for USD19,559,059 due to the foreign exchange effects resulting from the depreciation of the Rupiah against the U.S. Dollar. This decrease has the effect of Deferred Tax Expense (add Deferred Tax liabilities) of USD4,889,765; and
- tax losses amounting to USD38,123,574, which has the effect of deferred tax (add Deferred Tax assets) of USD9,530,893.

d. Property and Equipment

Property and equipment increased by 8.15% to USD 863,098,897 as of December 31, 2013 from USD 798,079,135 as of December 31, 2012, due to the addition of fixed assets such as rotatable parts, simulators, finance lease assets and lease assets development, in line with the expansion of the Company's fleet.

e. Other Assets

Other assets increased by 7.26% to USD73,830,432 as of December 31, 2013 from USD 68,831,805 as of December 31, 2012, due to an increase in manufacturer's incentives of 62.21% to USD 9,039,498 as of December 31, 2013 from USD 5,572,643 as of December 31, 2012.

As of December 31, 2012 compared to as of January 1, 2012.

Assets of the Company increased by 18.33% to USD 2,517,997,766 as of December 31, 2012 from USD 2,127,970,194 as of January 1, 2012. Changes in the amount of assets of the Company as of December 31, 2011 to January 1, 2012 resulted from the impact of quasi - reorganization.

Current Assets

Current assets of the Company decreased by 15.94% to USD636,566,218 as of December 31, 2012 from equal USD757,266,770 as of January 1, 2012. The decrease was due to a decrease in cash and cash equivalents of 21.92% to USD 325,784,942 in 2012, which in turn was primarily due to the advance payments made related to purchase of additional aircrafts in 2012. Accounts receivable also declined by 26.19% to USD129,471,098 as of December 31, 2012 due to a decrease in both billing to related parties and third parties.

a. Cash and Cash Equivalents

Cash and cash equivalents decreased by 21.92% to USD 325,784,942 as of December 31, 2012 from USD 417,252,577 as of January 1, 2012, due to expenditures related to investment activities, in particular maintenance expenditures for aircraft, aircraft purchase advances and fixed assets expenditures related to the acquisition of additional fleet to support the expansion of the Company's business.

b. Trade Accounts Receivables – Related Parties

Trade accounts receivables to related parties of the Company decreased by 82.75% to USD7,109,221 as of December 31, 2012 from USD41,207,537 as of January 1, 2012, due to a decrease in receivables from the Ministry of Religious Affairs of USD32,734,421 as of January 1, 2012 to USD102,417 as of December 31, 2012. The decrease is related to payment of receivables related to the organization of the Hajj pilgrimages in 2012.

c. Other Receivables

Other receivables to related parties of the Company increased by 129.59% to USD7,877,613 as of December 31, 2012 from USD3,431,179 as of January 1, 2012, primarily due to an increase in accrued income related to rebates of PT Abacus.

d. Prepaid Taxes

Prepaid taxes increased by 92.10% to USD5,179,146 as of December 31, 2012 from USD2,696,115 as of January 1, 2012, due to the estimated overpayment of corporate income tax of the subsidiaries in 2012, which amounted to USD1,752,097 and an increase in tax relating to an increase in sales from USD206,579 as of January 1, 2012 to USD1,641,128 as of December 31, 2012.

Non-Current Assets

Non-current assets of the Company as of December 31, 2012 increased by 37.26% to USD1,881,431,548 compared to non-current asset balance of the Company as of January 1, 2012 of USD 1,370,703,424, due to an increase in the aircraft maintenance fund and a deposit of 35.53% to USD 340,844,829 in 2011 to USD461,933,812 in 2012, as well as an increase in advances for the purchase of aircrafts by 118.57% from USD227,454,292 in 2011 to USD497,157,419 in 2012.

a. Maintenance Reserve Fund and Security Deposits

Maintenance reserve funds and security deposits increased by 35.53% to USD 461,933,812 as of December 31, 2012 from USD 340,844,829 as of January 1, 2012. Maintenance reserve funds increased by 43.54% from USD244,302,147 for the year ended January 1, 2012 to USD350,678,928 for the year ended December 31, 2012, while on security deposit increased by 11.52% from USD96,542,682 as of 1 January 2012 to USD111,254,884 as of December 31, 2012.

b. Advance for Purchase of Aircraft

Advance for purchase of aircraft increased by 118.57% to USD 497,157,419 as of December 31, 2012 from USD227,454,292 as of January 1, 2012, due to the advance payments made for the purchase of 24 A-330 aircrafts, 25 A-320 aircrafts, 10 B 777 - 300ER aircrafts, 25 B 737-800 aircrafts and 6 CRJ NextGen Series 1000 aircrafts.

c. Deferred Tax Assets

Deferred tax assets of the Company decreased by 57.95% to USD11,462,857 as of December 31, 2012 from USD27,260,144 as of January 1, 2012, due to:

- Increase in prepayment PBTH in 2012 amounted to USD36,837,514, which has the effect of deferred tax expense (reduces the Deferred Tax Assets / add Deferred Tax Liabilities) of USD9,209,379.

- The revaluation of Fixed Assets (Aircraft & Building) in 2012 amounted to USD24,297,394, which has the effect of deferred tax expense (reduces the Deferred Tax Assets / add Deferred Tax Liabilities) of USD6,074,348.
- Difference of Fixed Asset NBV between the Commercial and Fiscal (NBV of Commercial > NBV of Fiscal) of USD31,928,002, which has the effect of deferred tax expense (reduces the Deferred Tax assets / adds Deferred Tax liabilities) of USD7,982,000.

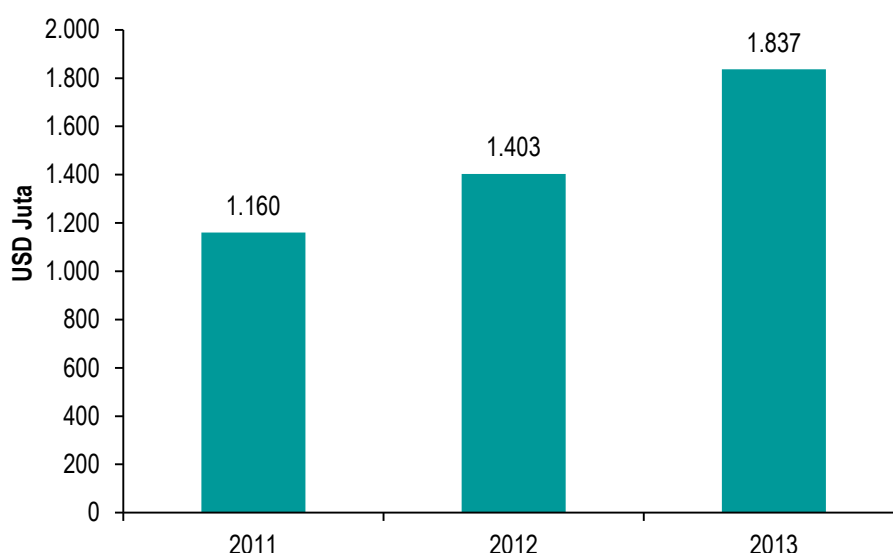
d. Property and Equipment

Property and equipment increased by 19.53% to USD798,079,135 as of December 31, 2012 from USD667,662,863 as of January 1, 2012, due to the addition of fixed assets such as rotatable parts, asset maintenance, finance lease assets and lease assets development, in line with the Company's fleet expansion.

e. Intangible Assets

Intangible assets increased by 85.70% to USD7,217,106 as of December 31, 2012 from USD3,886,349 as of January 1, 2012, primarily due to the addition of software in completion of USD3,391,595, which is a deferred expense for the implementation of the ERP application system and Revenue Management System (RMS).

LIABILITIES



As of December 31, 2013 compared to as of December 31, 2012.

Liabilities of the Company increased by 130.90% to USD1,836,636,835 as of December 31, 2013 compared to USD1,403,037,688 as of December 31, 2012, due to an increase in short-term and long-term liabilities.

Current Liabilities

Current liabilities increased by 30.45% to USD983,890,767 as of December 31, 2013, compared to USD754,207,052 as of December 31, 2012, due to an increase in loan from banks and financial institution of USD5,651,251 as of December 31, 2012 to USD45,222,668 as of December 31, 2013. Current maturities of long-term liabilities also increased from USD186,053,166 as of December 31, 2012 to USD348,405,312 as of December 31, 2012, along with several maturities of long-term liabilities of the Company.

a. Loan from Banks and Financial Institution

Loan from banks and financial institution increased by 700.22% to USD 45,222,668 as of December 31, 2013 from USD5,651,251 as of December 31, 2012, due to a loan from BNI for USD 40,222,668, which is a credit facility from BNI to be used for aircraft fuel purchases and other operational needs with an interest rate of 3.5% and a loan from Indonesia Infrastructure Finance ("IIF"), which is a working capital facility provided to GMF in the amount of USD5,000,000 as of December 23, 2013 with interest rate of LIBOR + margin of 3.5%.

b. Trade Accounts Payable - Related Parties

Trade accounts payable - related parties increased by 45.98% to USD122,293,726 as of December 31, 2012 from USD83,773,489 as of December 31, 2012, due to an increase in loans to PT Pertamina in relation to the operations of the Company.

c. Trade Accounts Payable - Third Party

Trade accounts payable - third parties decreased by 6.47% to USD83,892,550 as of December 31, 2013 from USD89,696,142 as of December 31, 2012, due to a decrease in liabilities related to non-flight service by 27.59%.

d. Tax Payable

Tax payable decreased by 16.51% to USD17,037,776 as of December 31, 2013 from USD20,407,652 as of December 31, 2012, due to the Company's corporate income tax.

e. Current Maturities of Long Term Liabilities

Current Maturities of Long Term Liabilities increased by 163.91% to USD280,075,641 as of December 31, 2013 from USD106,125,048 as of December 31, 2012, due to the maturity of some of the Company's long-term loans.

f. Estimated liability for aircraft return and maintenance cost

Estimated liability for aircraft return and maintenance cost decreased by 30.9% to USD15,060,990 as of December 31, 2013 from USD21,795,528 as of December 31, 2012, due to aircraft engine overhaul and returns to lessor in 2013.

Non-Current Liabilities

Non-current liabilities increased by 31.43% to USD 852,746,069 as of December 31, 2013 from USD 648,830,636 as of December 31, 2012, due to an increase of 10.11% in the long-term loans in 2013 as additional loan for the purpose of the Company's business development, was entered into specifically for the addition of new armadas. The Company's strategic plan in relation to the addition of new armadas is to reach the targets which is set by the Company in its Quantum Leap expansion program. Through the Quantum Leap program, the Company has set a target to operate approximately 190 armadas. The Company considers that if this Quantum Leap program could be implemented well, the Company will grow in accordance with the market development and demands and at the same time synergizing with the Government in supporting the development of the Republic of Indonesia, especially the implementation of the MP3EI connectivity program.

a. Non Current Maturities Of Long Term Liabilities – Long-Term Loans

Non current maturities of long term liabilities – long term loans increased by 10.11% to USD324,619,850 as of December 31, 2013 from USD294,822,442 as of December 31, 2012, due to the addition of long term loans related to the Company's business expansion.

b. Deferred Tax Liabilities

Deferred tax liabilities increased by 13.1% to USD16,987,753 as of December 31, 2013 from USD15,019,898 as of December 31, 2012, due to increases in the Company's deferred tax liabilities related to asset maintenance.

c. Other Non-Current Liabilities

Other non-current liabilities increased by 257.1% to USD25,871,507 as of December 31, 2013 from USD7,244,913 as of December 31, 2012, due to deferred income on sale and lease back aircraft. As of December 31, 2013, deferred income amounted to USD22,720,707.

As of December 31, 2012 compared to as of January 1, 2012.

Liabilities of the Company increased by 20.93% to USD1,403,037,688 as of December 31, 2012 compared to USD1,160,209,033 as of January 1, 2012, due to an increase in current and non-current liabilities.

Current Liabilities

Current liabilities increased by 16.78% to USD754,207,052 as of December 31, 2012, compared to USD645,834,604 as of December 31, 2011, due to an increase in accounts payable of USD115,161,120 in 2011 to USD173,469,631 in 2012 and an increase over the non-current liabilities due within one year of USD163,844,345 in 2011 to USD186,053,166 in 2012, along with several maturities of long-term loans of the Company.

a. Loan from Banks and Financial institution

Loan from banks and financial institution increased by 783.85% to USD 5,651,251 as of December 31, 2012 from USD 639,391 as of January 1, 2012, mainly due to the credit facility from BNI, obtained by the Company on June 28, 2012 and on December 28, 2012, the Company has used the facility for USD4,957,664, which will mature on March 4, 2013.

b. Trade Accounts Payable - Related Parties

Trade accounts payable - related parties increased by 60.72% to USD83,773,489 as of December 31, 2012 from USD52,124,703 as of January 1, 2012, primarily due to an increase in loans to PT Pertamina, Gapura and PT Telekomunikasi Indonesia related to the Company's operations.

c. Trade Accounts Payable - Third Party

Trade account payable - third party increased by 42.29% to USD89,696,142 as of December 31, 2012 from USD63,036,417 as of January 1, 2012, due to an increase in debt -related to flight services such as fuel cost, user charge and station, catering and aircraft rental, which amounted to an increase of 83.81%, as well as non- flight services liabilities amounted to 25.51% increase.

d. Tax Payable

Tax payable increased by 61.57% to USD20,407,652 as of December 31, 2012 from USD12,630,711 as of January 1, 2012, due to an increase in debt related to the Company's corporate income tax and VAT and tax debt related subsidiaries income tax, corporate income tax and other taxes.

e. Current Maturities of Long Term Liabilities

Current maturities of long term liabilities increased by 32.07% to USD 106,125,048 as of December 31, 2012 from USD 80,354,353 as of January 1, 2012, due to the maturity of some of the long-term loans of the Company.

f. Estimated liability for aircraft return and maintenance cost

Estimated liability for aircraft return and maintenance cost decreased by 24.68% to USD21,795,528 as of December 31, 2012 from USD28,937,597 as of January 1, 2012, related to overhaul engine and returned aircraft to the lessor in 2012.

Non-Current Liabilities

Non-current liabilities increased by 26.14% to USD 648,830,636 as of December 31, 2012 compared to total current assets of the Company as of December 31, 2011 in the amount of USD514,374,429, due to an increase of 58.63% in long-term loans in 2012, as well as the addition of long term loans related to the Company's business development which focusing on fleet expansion. The Company's strategic plan in fleet expansion is plan to complete the Company's target on Quantum Leap program. Through Quantum Leap program, the Company plan to operate 190 aircrafts. The Company evaluate that if the Quantum Leap program runs well, the Company will grow in line with growing and demand of the market and at the same time in synergies with the Government to support Republic of Indonesia, especially MP3EI connection program.

a. Non Current Maturities Of Long Term Liabilities – Long-Term Loans

Non-current maturities of long term liabilities – long term loans increased by 58.63% to USD294,822,442 as of December 31, 2012 from USD185,858,816 as of January 1, 2012, due to the addition of long term loans related to the Company's business expansion.

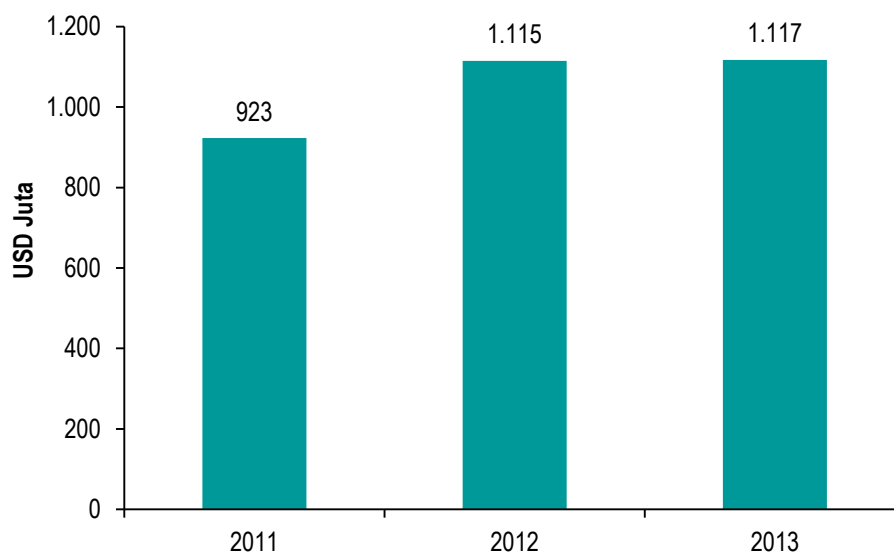
b. Deferred Tax Liabilities

Deferred tax liabilities increased by 321.93% to USD15,019,898 as of December 31, 2012 from USD 3,559,838 as of January 1, 2012, due to increases in the Company's deferred tax liabilities related to asset maintenance.

c. Other Non-Current Liabilities

Other non-current liabilities increased by 187.36% to USD7,244,913 as of December 31, 2012 from USD2,521,236 as of January 1, 2012, due to deferred income on sale and lease back aircraft. As of December 31, 2012, the amount of deferred income is USD5 million and was amortized by USD0,2 million.

EQUITY



*) Assets data and calculations presented are based on the data assets dated December 31, 2011 before the quasi-reorganization

As of December 31, 2013 compared to as of December 31, 2012.

Equity increased by 0.20% to USD1,117,148,117 as of December 31, 2013 from USD 1,114,960,078 as of December 31, 2012, due to the Company's net income in 2013.

As of December 31, 2012 compared to as of January 1, 2011.

Equity increased by 15.21% to USD1,114,960,078 as of December 31, 2012 from USD 967,761,161 as of January 1, 2012, due to the increase in net income and revaluation surplus in 2012.

Return on Assets

Return on Assets ("ROA") is used to measure the Company's ability to generate productive assets, operating income, which is calculated from the ratio of net income to total assets.

ROA for the years ended December 31, 2013, 2012 and 2011 was 0.38%, 4.40% and 3.08%, respectively.

Return on Equity

Return on Equity ("ROE") is used to measure the ability of the Company's equity to generate profit, which is calculated from the ratio of net income to total equity.

ROE for the years ended December 31, 2013, 2012 and 2011 were 1.00%, 9.94% and 6.96%, respectively.

Liquidity

Liquidity reflects the Company's ability to meet its current liabilities. The level of liquidity is measured by comparing current assets to current liabilities, primarily derived from the Company's cash flow operating activities on a specific date.

The level of liquidity of the Company as of December 31, 2013, 2012 and 2011 are as follows:

(in USD)

Description	December 31,		January 1, 2012/December 31, 2011	
	2013	2012	Quasi-Reorganization	
			Before	After
Current Assets	819,133,923	636,566,218	757,266,770	749,951,148
Current Liabilities	983,890,767	754,207,052	645,834,604	645,834,604
Liquidity	83.25%	84.40%	117.25%	116.12%

Solvency

Solvency ratio reflects the Company's ability to meet its short-term and long-term liabilities, which can be calculated from the ratio of liabilities to total assets.

The level of solvency of the Company and its Subsidiaries as of December 31, 2013, 2012 and 2011 are as follows:

(in USD)

Description	December 31,		January 1, 2012/December 31, 2011	
			Quasi-Reorganization	
	2013	2012	Before	After
Total Liabilities	1,836,636,835	1,403,037,688	1,160,209,033	1,160,209,033
Total Assets	2,953,784,952	2,517,997,766	2,127,970,194	2,083,006,809
Solvency	62.18%	55.72%	54.52%	55.70%

E. Liquidity and Source of Capital

The primary source of capital is to fund the Company's business activities. The Company's main source of liquidity is cash generated from operating activities and financing facilities from third parties. Currently, the Company relies on cash generated from operations, as well as the Company's normal trade with suppliers, in terms of the need to finance capital expenditure.

(in USD)

Description	December 31,		
	2013	2012	2011
Cash Flows From Operating Activities			
Cash receipts from customers	3,828,013,062	3,303,464,135	2,796,651,611
Cash paid to suppliers	(3,204,353,979)	(2,520,504,898)	(2,125,758,229)
Cash paid to employees	(425,242,885)	(390,157,600)	(398,700,186)
Interest and financial charges paid	(35,040,542)	(13,655,445)	(13,405,715)
Income taxes paid	(24,349,733)	(14,460,638)	(14,521,529)
Net Cash Provided from Operating Activities	139,025,923	364,685,555	244,265,953
Cash Flows From Investing Activities			
Interest received	9,892,089	7,003,496	19,547,233
Dividend received	1,739,459	1,897,701	1,395,933
Proceeds from disposal of property and equipment	10,314,619	3,893,794	27,098,561
Proceeds from disposal of investment property	-	-	1,478,011
Refund of advance payments for purchase of aircraft	398,739,049	73,495,873	13,618,068
Receipts of aircraft maintenance reimbursements	41,931,995	17,143,158	17,823,908
Receipts of security deposit	1,101,734	3,974,307	6,956,927
Payments for aircraft maintenance reserve fund	(235,312,053)	(180,440,276)	(135,674,590)
Advance payments for aircraft	(442,858,026)	(373,812,834)	(126,434,521)
Advance payments for property and equipment	(14,259,993)	(27,265,181)	(9,216,334)
Payments for aircraft maintenance asset and aircraft leased asset	(55,864,432)	(3,096,135)	(2,207,332)
Acquisition of property and equipment	(54,121,268)	(29,335,992)	(43,856,509)
Payments for security deposit	(43,814,936)	(18,183,897)	(31,658,102)
Increase (decrease) in other investment	(324,902)	327,042	402,193
Net Cash Used in Investing Activities	(382,836,665)	(524,398,946)	(260,726,555)
Cash Flows From Financing Activities			
Proceeds of long-term loan	431,112,338	206,260,009	88,626,720
Proceeds of bank loans and finance institutions	181,946,307	39,759,949	21,177,510
Proceeds of bonds - net	200,259,361	-	-
Payments of long-term loan	(228,479,260)	(124,540,535)	(95,327,587)
Payments of bank loans and financial institutions	(142,398,200)	(37,336,500)	(54,111,386)
Proceeds of IPO - net	-	-	351,880,484
Payment for aircraft return and maintenance	(6,677,864)	(6,559,941)	(18,491,510)
Dividend Payment to minority shareholders	-	-	-
Increase in restricted cash	(1,710,965)	(933,748)	(1,079,357)

Payments for other financing activities	(1,776,784)	(1,191,279)	-
Net Cash Provided from Financing Activities	432,274,934	75,457,956	292,674,875
Net Increase (Decrease) in Cash And Cash Equivalents	188,464,192	(84,255,435)	276,214,273

Net Cash Provided from Operating Activities

For the year ended December 31, 2013, net cash provided from operating activities were USD139,025,923, primarily derived from cash receipts from customers of USD3,828,013,062, cash paid to suppliers of USD3,204,353,979 and cash paid to employees of USD425,242,885. This is in line with the increased production of the Company, which in turn caused an increase in cash receipts from customers and increased brand recognition from customers and awards from third party.

For the year ended December 31, 2012, net cash provided from operating activities were USD364,685,555, primarily derived from cash receipts from customers of USD 3,303,464,135, cash paid to suppliers of USD2,520,504,898 and cash paid to employees of USD390,157,600. This is due to the improved financial performance in 2012, and in line with the increased production of the Company, cash receipts from customers were also increased.

For the year ended December 31, 2011, net cash provided from operating activities were USD244,265,953, primarily derived from cash receipts from customers of USD2,796,651,611, cash paid to suppliers of USD2,125,758,229 and cash paid to employees of USD398,700,186. This is due to the improved financial performance in 2011, in line with the increased production of the Company, cash receipts from customers was also increased.

Net Cash Used in Investing Activities

For the year ended December 31, 2013, net cash used in investing activities were USD382,836,665, primarily used for advanced payments for purchase of aircrafts of USD442,858,026 and payments for aircraft maintenance of USD235,312,053, whereas refunds were primarily from refund of advanced payments for the purchase of aircrafts delivered in 2013 of USD398.739.049 and refund of aircraft maintenance of USD41.931.995. This is in line with the Company's fleet expansion.

For the year ended December 31, 2012, net cash used in investing activities were USD524,398,946, primarily used for advanced payments for purchase of aircrafts of USD373,812,834 and payments for aircraft maintenance of USD180,440,276, whereas refunds were primarily from refund of advanced payments for the purchase of aircrafts of USD17,143,158. This is in line with the Company's fleet expansion.

For the year ended December 31, 2011, net cash used in investing activities were USD260,726,555, primarily used for advanced payments for purchase of aircrafts of USD126,434,521 and payments for aircraft maintenance of USD 135,674,590, whereas refunds were primarily from receipt of interest income of USD 19,547,233, proceeds from the sale of fixed assets of USD27,098,561 and refund of aircraft maintenance of USD17,823,908. This is in line with the Company's fleet expansion.

Net Cash Provided by Financing Activities

For the year ended December 31, 2013, net cash provided by financing activities were USD 432,274,934, primarily consisting of receipt of long-term loan of USD813,318,006, of which USD 431,112,338 were long-term loans, USD181,946,307 were bank loans and loans from financial institutions and USD200,259,361 were proceeds received from bonds, while the repayment of long-term loans of the Company as of December 31, 2013 was USD370,877,460, of which USD 228,479,260 were used for payment of long-term loans and debt payments and USD 142,398,200 were used for payment to banks and financial institutions.

For the year ended December 31, 2012, net cash provided by financing activities were USD75,457,956, primarily consisting of payment of long-term loans of USD124,540,535 and receipt of long-term loans and bank loans of USD246,019,958, of USD39,759,949 were bank loans and USD 206,260,009 were receipt long-term loans.

For the year ended December 31, 2011, net cash provided by financing activities were USD 292,674,875, primarily consisting of repayment of long-term loans of USD95,327,587, of which USD21,177,510 were receipt of loans from banks, USD88,626,720 were receipt from long-term loans and USD351,880,484 were the net proceeds from the Initial Public Offering.

F. Working Capital

In general, due to the nature of the Company's business, the Company's current liabilities exceeds its current assets. As of December 31, 2013, the Company's current liabilities exceeded its current assets by USD164,756,844. Current liabilities is mainly derived from accrued expenses, deferred revenue for scheduled flights and Hajj pilgrimages and current portion of long-term debt and capital lease debt incurred for aircraft fleet development. Part of the loan repayment and lease liabilities

are due within the next 12 months from the date of Consolidated Financial Statements, and presented as current liabilities on the Company's Consolidated Statements of Financial Position.

For the years ended 2011, 2012 and 2013, the Company had net cash flow from operating activities of USD244,265,953, USD364,685,555 and USD139,025,923, respectively, and unearned revenue of scheduled flight services and others at USD158,862,887, USD162,270,578 and USD169,265,396.

G. Capital Expenditure

As of December 31, 2013, capital expenditures which has already incurred by the Company were USD 203,228,299, excluding aircraft fleet purchase commitments based on purchase agreements with aircraft manufacturers. The capital expenditures include capitalized costs for airframe, lease asset development and asset maintenance. In the future, the Company may adjust its capital expenditure plan based on the operating results in the future, cash flow and overall financial condition, as well as considerations such as financing costs, financial market conditions, the Indonesian economy and the airline industry in general, the availability of suppliers or other financing with terms acceptable to the Company, technical or other problems in obtaining or installing equipment, changes in business plans and strategies and changes in the exchange rate between the U.S. Dollar and Rupiah. Capital expenditures of the Company are generally subject to the necessary approval from the Government and DJPU, and creditors of the Company. Source of fund for capital expenditure are from Rights Issue I in 2014, commercial loan and the Company's retained earning. With capital expenditure (new aircrafts), it is expected to increase cost efficiency for maintenance and fuel resulting in increase profitability of the Company.

H. Quasi-reorganization

As a result of adverse economic condition in Indonesia since in the middle of 1997 and other negative factors, the Company has accumulated deficit totaling to USD1,385,459,977. The Company's shareholders had approved to carry out a quasi-reorganization in order to eliminate the accumulated losses as of January 1, 2012, in accordance with SFAS No. 51 (revised 2003). Moreover, the Company proposed a reduction of par value per share from Rp500 to Rp459, without reducing the number of shares; thereby creating additional paid-in capital of USD459,852 as of January 1, 2012.

In accordance with prevailing regulations, both the quasi-reorganization and reduction of par value of shares of the Company must be approved by the Company's shareholders and Menkumham prior to becoming effective. Based on the Deed of the Shareholders' Extraordinary General Meeting Deed of Shareholders No. 1 dated June 28, 2012 made before Aulia Taufani, S.H., Notary in Tangerang, the shareholders of the Company approved the quasi-reorganization as of January 1, 2012 and the reduction of par value per share to effect the quasi-reorganization. This deed was approved by the Menkumham in his decision letter No. AHU-66159.AH.01.02. of 2012 dated December 27, 2012. Further, the Company had obtained approval from the President of the Republic of Indonesia as stated in the Government Regulation No. 114 of 2012 dated December 27, 2012, which is published in the State Gazette of the Republic of Indonesia No. 287 in 2012.

Accordingly, the Company revalued its consolidated statements of financial position as of January 1, 2012, to fair value which was determined by an independent appraiser. The fair value adjustment resulted in USD44,963,385 revaluation increase of assets. The assets principally affected by the fair value adjustments and the amount of such adjustments are as follows:

<i>(in USD)</i>		
Asset	Appraisal	Revaluation Increase
Inventories	KJPP Doli Siregar & Rekan	7,315,622
Maintenance reserve funds and securities deposits	KJPP Doli Siregar & Rekan	11,923,653
Investment in associates	KJPP Doli Siregar & Rekan	522,676
Other financial assets	KJPP Doli Siregar & Rekan	1,141,984
Property and equipment	KJPP Doli Siregar & Rekan	23,989,249
Other assets – net	KJPP Doli Siregar & Rekan	70,201
Total		44,963,385

No adjustment was made to the value of liabilities as of January 1, 2012, because the carrying amount prior to quasi-reorganization has already reflected their fair value.

Through the quasi-reorganization, the Company eliminated the balance of its accumulated losses as of January 1, 2012 of USD 1,385,459,977, against the following equity components:

(in USD)	
Asset	Revaluation Increase
Accumulated losses	(1,385,459,977)
Difference on revaluation assets and liabilities	44,963,385
Share option	2,278,677
Other component of equity revaluation surplus	83,793,914
Additional paid-in capital	108,518,998
Issued and paid-up capital	1,145,905,003
Total	-

I. Risk management

The Company is exposed to market risk in particular aircraft fuel price risk, currency exchange rate risk and interest rate.

The Company entered into Fuel Call Option derivative financial instruments hedging transaction to manage its exposure to aircraft fuel price risk for Hajj pilgrimages flight in 2012, as well as Hajj pilgrimages flight and regular flight in 2013. There are no derivatives hedging outstanding as of December 31, 2013 and 2012 because all fuel hedging transactions in one-year period has matured at the end of the year (December 31).

1. Aircraft Fuel Price Risk

Aircraft fuel price risk is defined as decline in the value of assets/revenue or increase in the value of liabilities/expenditures caused by changes in the prices of fuel commodities.

The Company's exposure to aircraft fuel price risk uses market references with 100% floating prices, with the result that any upward price fluctuations will have a significant impact on achievement of the Company's targets. Aircraft fuel expenditure is a major cost component of the Company's cost structure, as well as the costs of aircraft leasing and maintenance. Fuel cost accounts for around 30% to 40% of the Company's overall operational expense.

Strategy implemented by the Company to minimize the risk of fluctuations in the price increase in the current year is to use cash flow hedge with a hedge instruments "plain vanilla call option", especially for Hajj pilgrimages flight. Such risk is anticipated by monitoring the monthly Mark to Market at maturity date.

Apart from these efforts to reduce price fluctuation risk through hedging transactions, the Company also constantly strives to ensure that costs are controlled by using fuel efficiently in all flight operations through effective and efficient use of alternative aircraft and evaluation of current contracts. These efficiency efforts are set forth in the Company's work programs.

2. Non-Functional Currency Exchange Rate Risk

Non-functional currency exchange rate risk is defined as decline in the value of assets/revenue or increase in the value of liabilities/expenditures caused by fluctuation in non-functional currency exchange rates.

As a world-class airline, the Company requires significant amounts of funds, expenses and investment, involving both domestic and foreign customers and creditors, with situations in which transactions are denominated in certain currencies (transactions per currency). Movements in the non-functional exchange rate against other currencies strongly affect the consolidated financial statements.

The policy currently applied in connection with exchange rate risk is natural (i.e. without hedging), as follows:

- The Company takes advantage of opportunities in the market prices of other currencies (multi currency) to cover possible risk of weakening value of the functional currency, and vice versa; thus, in a natural way, the risks of nonfunctional currency exchange rate movements will be mutually eliminated/ reduced. Currency transactions are always done with consideration to the exchange rate favorable to the Company.
- The Company helps manage the risk by matching receipt and payment in each individual currency.

3. Interest Rate Risk

Interest rate risk is defined as decline in value of assets/revenue or increase in value of liabilities/expenditures caused by changes in interest rates.

The Company earnings are affected by changes in interest rate, such as changes on interest of short-term and long-term borrowings, including interest payments for aircraft leasing.

The interest rate references used are floating, i.e. LIBOR for USD loans and the average interest of government banks for loans in Rupiah. Interest rate movements strongly affect the total amount of interest expense that must be paid by the Company.

The Group's Company's policy regarding interest rate risk is to manage exposure in loans with floating interest rates through an interest rate hedging strategy. As of December 31, 2013, no hedging transaction contract is yet in effect, although the interest rate risk hedging policy has been approved by the Group's Company's management. This is because in 2013/2012, the rate of LIBOR market is very low as a result of the weakening world economy. Thus, the Group can take advantage of low interest rates that reduce the burden of interest charges.

4. Liquidity Risk

Liquidity risk is defined as the Company's inability to fulfill its financial liabilities, which in turn makes the Company unable to take advantage of investment opportunities or unable to meet its short-term financial liabilities, ultimately leading to default, excessive borrowing, or unfavorable interest rates.

To manage liquidity risk, the Company monitors and maintains a level of cash and cash equivalents that is considered adequate to finance the Company's operations.

The Group also routinely evaluates the projected and actual cash flow, including scheduled maturity of long-term debts, and continually reviews conditions in the financial markets to take initiatives to seek funds for working capital. This activity may include obtaining bank loans.

5. Credit Risk

The credit risk faced by the Company is the risk of inability of debtors to fulfill their financial obligations in accordance with the terms of the agreement.

This exposure derives mainly from:

- risk of customers failing to fulfill their obligations,
- risk that funds or financial instruments are not transferred by counterparties.

Transaction counterpart credit risk from investments and derivative financial instruments, arising from failure to make payments as per the contract, is relatively low because such transactions are only conducted with parties with a high credit rating.

The Company's strategy to mitigate credit risk is by entering into business relationships only with credible third parties. All transaction counterparts must be approved in advance by the management before an agreement is made. Restrictions on transaction counterparts (amounts and periods of loans) must be stipulated for each transaction counterpart and are reviewed annually by the management of the Company. In addition, the outstanding receivables are continually monitored to reduce exposure to bad debts.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

J. Economic Conditions and Inflation Effects

The Indonesian economy during 2013 grew by 5.8%, lower than the realization in 2012 of 6.2%. It is caused by an increase in inflation rate and weakening of Rupiah due to large current account deficits and reverse flow of capital into the United States related to the issue of the elimination/reduction of Fed stimulus program during the year 2013. Despite the decline, the overall performance of the Indonesian economy is still the best after China among G-20 countries. On the monetary side, Bank Indonesia has raised BI rate to 7.5% or by 175 basis points since June 2013 in the attempt to keep the inflation rate, stabilize the value of the Rupiah and reduce the current account deficit.

In the future, the Company remains optimistic about the economic outlook in which growth is projected in the range of 5.8% to 6.1% in 2014. Indonesia, with a population base of young and productive, is still one of the most attractive investment destinations by foreign investors.

V. RISK FACTORS

In conducting its business activities, the Company realized that risk is an integral part in any operations and could affect the Company's results of operations and performance. These risks are divided into four groups: risks related to the Company's business activities, risks related to the airline industry, risks related to Indonesia and risks related to investment in the Company's shares. The following is an explanation of each material risk factor faced by the Company, which has been prepared based on the weight of each risk to the financial performance of the Company, starting with the Company's primary risk.

Risk Related to the Company's Business Activities

1. Lack of infrastructure and facilities at Soekarno-Hatta International Airport and other airports in Indonesia could hamper the Company's ability to expand, increase aircraft utilization and improve OTP to provide safe, comfortable and efficient air transportation services.

Although commercial airlines Indonesia has experienced significant progress the last few years, the resources of several segments in the airline industry, including airport facilities and air traffic control systems, has reached its maximum capacity usage as a result of a significant increase in air traffic volume. To reduce the flight density at Soekarno-Hatta International Airport, on January 10, 2014, Halim Perdanakusuma Airport has restarted its operation of scheduled flight for domestic routes. However, since Halim Perdanakusuma Airport is still catering to military and VIP flights, its runway capacity is still limited.

The Company's ability to expand, increase utilization, improve its OTP, as well as to provide safe and efficient air transportation in the future depends on several factors, including factors which are beyond the Company's control, including:

- capacity of landing slots in airports served by the Company, especially at Soekarno-Hatta International Airport in Jakarta and Ngurah-Rai International Airport in Denpasar, Bali;
- capacity of passenger at terminals in all airports served by the Company, in particular at Soekarno-Hatta International Airport in Jakarta;
- passenger service facilities at Soekarno-Hatta International Airport in Jakarta;
- air traffic density at several major airports served by the Company, in particular Ngurah Rai International Airport in Denpasar, Bali and Soekarno-Hatta International Airport in Jakarta;
- quality of national air traffic controllers;
- quality of navigation systems and air traffic control at airports in Indonesia, and
- limitation on the length and/or strength of the runways, which will affect the plane's load capacity.

If any of the above factors is inadequate, the Company's ability to expand or to increase the frequency of flights on routes that are available, improve its OTP and to provide safe, comfortable and efficient air transportation will be reduced and the Company's business prospects and results of operations may be materially and adversely affected.

2. The Company's main source of fuel supply is from Pertamina.

Aircraft fuel expenses represented 38%, 38% and 39% of the Company's operating expenses in 2011, 2012 and 2013, respectively. The Company procures approximately 72% of its fuel pursuant to agreements made with Pertamina, including all fuel needed for its domestic flights. The Company has a five-year fuel supply agreement with Pertamina and two-year fuel supply agreements with several international suppliers. If the fuel supply agreements with international suppliers have expired, the Company may conduct a tender to get the best price. Payments to international fuel suppliers are made using U.S. Dollars and local currency. Fuel supply agreement with Pertamina is reviewed periodically and payment is made in Rupiah for domestic routes and U.S. Dollars for international routes. International fuel prices are generally determined by reference to the average price of oil traded in Singapore (MOPS), Arabian Gulf (MOPAG), Saudi Arabia (ARAMCO) and the Netherlands (Rotterdam), which is published by Platts. Domestic fuel prices are set by reference to the posting price determined by Pertamina based on its sole discretion. In addition, based on the fuel supply agreement, Pertamina also gives fixed discounts for Pertamina's domestic production posting price.

It is uncertain whether the Company will continue to have the ability to obtain competitive prices from Pertamina, and the inability to do so may materially and adversely affect the businesses, financial condition, results of operations, and prospects of the Company. Some of the Company's international fuel supply agreements require payment in advance of the delivery of the fuel, while the domestic fuel supply agreement with Pertamina currently allows the Company to make payment within two weeks after delivery of the fuel. In the past, the Company has incurred significant unpaid amounts due to Pertamina for the delivery of the fuel, which were then converted into long-term subordinated debt in the Company's current debt restructuring.

There is no certainty that the Company will be able to meet the payment for fuel supply to Pertamina or if Pertamina plans to restructure the obligations that have matured. Both of this uncertainty may materially and adversely affect the business, financial condition, results of operations and prospects of the Company.

3. *The high level of indebtedness and fixed payment obligations can affect the ability of the Company in implementing its strategy.*

The Company has a relatively high level of indebtedness and other fixed payment obligations. In addition, the Company will also need to increase the amount of debt and other fixed payment obligations to support the implementation of its growth strategy.

The high level of indebtedness and fixed payment obligations may affect the Company as follows:

- impact the Company's ability to obtain additional funding to support its expansion plans and for working capital and other purposes;
- divert significant cash flow from its operations and expansion plans in order to meet the Company's fixed obligations;
- require the Company to incur significantly more interest or rent expense than the Company currently incur, since substantially all of the Company's debt has floating interest rates;
- put the Company at a competitive disadvantage compared to its other competitors who have lower levels of debt or have better access to capital resources; and
- require the Company to comply with financial and other c, including restrictions on the ability to declare dividends or acquire additional loans.

The Company's ability to make scheduled payments on its debt and other fixed payment obligations will depend on its operating performance and cash flow, which in turn, will depend on economic conditions and political and financial factors, competition, regulations business, and other factors, many of which are beyond the Company's control. For example, political instability, deteriorating economic condition, social instability or changes in regulations could increase the Company's borrowing costs or limit its ability to obtain loans. It cannot be assured that the Company can generate significant cash flow from its business operations, and the failure to do so may materially and adversely impact the business, financial condition, and result of operations of the Company.

In addition to payment of existing debt, the Company may need additional loans in the future, which may result in the Company being restricted by additional restrictions and covenants. Such restrictions may reduce the flexibility of the Company to implement its desired strategy. Additional loans may also be required by the Company to refinance its existing debt. However, it cannot be assured that the Company will be able to refinance at a lower cost and/or refinancing will be obtained on time.

4. *The Company's ability to set fares on certain segments is affected by the restrictions set by the Government.*

As an airline company, the Company is regulated by the Government through, among others, the Ministry of Transportation through the DJPU. The Ministry of Transportation is an authority that is responsible for regulating the aviation sector in Indonesia. Among others, it issues permits required for flight operations, sets price determination for economy class fares on domestic routes sold in Indonesia, regulates additional fuel surcharge for domestic passengers and cargo services and approves international agreements relating to bilateral air transport with other countries.

Prior to April 2010, the Company was allowed to impose additional passenger fuel surcharge on top of its economy class fares. However, since April 2010, the Company has not been allowed to add additional fuel surcharge on top of its economy class fares that have been set. The current cap on economy class fares can only be adjusted when fuel prices or the value of the Rupiah against the U.S. Dollar exceeds a certain benchmark set by the DJPU for a period of three consecutive months, after which the Company may apply to the DJPU for an increase in the cap on economy class fares. Any such increase must first be reviewed and approved by the DJPU in its discretion and may only be approved if there was an increase in the price of fuel or an increase in the value of the Rupiah against the U.S. Dollar. There may be substantial delays in obtaining such approvals, during which time, the Company will remain subject to the existing cap on economy class fares.

The Company will continue to have significant fuel expenses, which are subject to price fluctuations and fixed payment obligations denominated in U.S. Dollars. The continued requirements to obtain DJPU's approval in relation to an increase of the cap on economy class fare or delays in obtaining such approval, or an adverse change in this policy, or to the cap on economy class fare or additional fuel surcharge, in addition to other rules and policies which govern flight operations, could materially and adversely affect the business, financial condition and operation result of the Company.

5. The Company's limitation in recruiting, training, retaining and motivating key employees may affect the Company's business.

There is a shortage of key personnel including pilots, cabin crew and MRO engineers in both the Indonesian and global airline industry. The Company expects this labor shortage to increase as the Company and its competitors, especially in the Indonesian airline industry, continues to increase the number of their fleets. Although the Company believes that the salary and other allowances for its pilots, cabin crew, and MRO engineers are generally competitive compared to those offered by its competitors, the increased demand for pilots, cabin crew and MRO engineers in the Indonesian airline industry may push the Company and its competitors to increase salaries and other benefits in order to recruit, train, retain and motivate these key employees. In addition, the Company also needs to improve training for its key employees to ensure that sufficient new employees are available to meet the growing needs of the Company. In addition, because the Company currently trying to increase the size of its fleet, the Company will need to recruit, train and retain some of the pilots and cabin crew to maintain and improve its level of aircraft utilization and OTP. The inability of the Company to recruit, train, retain and motivate key personnel could materially and adversely affect the business, financial condition and results of operations of the Company.

6. The Company relies heavily on Information Technology (IT) system in its business and any failure on the IT system may affect the Company's business.

The Company relies on IT system to run its business, including:

- PSS, which provides reservations, ticketing, seat inventory and departure control, which allow the Company to manage flight schedule and passenger seating, as well as providing the Company with a distribution and ticketing platform;
- online ticket booking system and payment system (Internet Booking Engine or "IBE"), which provides reservations, e-ticketing and online payment;
- revenue management system, which provides analysis of market data (including changes in partners' and competitors' airline fares) to assist the Company to establish segmented pricing for its airfares and allocate the Company's seat inventory across all price segments in order to maximize passenger revenue; and
- data storage system, to effectively retrieve and integrate information from the financial, market and operating data of the Company.

Currently, the Company has fully implemented its electronic ticket (e-ticket) system. The Company's website and reservation system must be able to accommodate high volume of traffic and deliver reliable flight information. Significant and continuous interference with the PSS system or telecommunications system could reduce the attractiveness of the Company's services and may cause the Company's customers to purchase tickets from other airlines. Any disruption to this system may result in the loss of customer data and increase our expenses and materially and adversely affect the business, financial condition and results of operations of the Company.

The Company's IT system involves the transfer of important information to public networks. Advances in computer capabilities, new discovery in the field of cryptography, threat from hackers or other events or developments could harm or violate the security of the Company's IT system and personal data stored on that system. Anyone who can retrieve important information or disrupt the service or business of the Company may compromise the security of the Company's IT system. The Internet is a public network and data is transmitted through this network from several sources.

In the past, computer virus or software program that can result in computer malfunction have been distributed or disseminated through the Internet. Computer virus can enter into the Company's IT system or other system belonging to a third party, which could disrupt the Company's business activities or result in the inaccessibility of the Company's system by a third party. The Company may be required to raise significant capital and other resources to protect against security breaches or to reduce problems arising from security breaches. The security of the Company's IT system may not be adequate to protect from security breaches and the business activities of the Company may be materially and adversely affected by cancellation of ticket purchase if security violations are not prevented.

7. The Company relies on the Ministry of Religious Affairs for its Hajj flight-related business.

Revenues from Hajj flight operations dominate the Company's non-scheduled airline service revenue. The Ministry of Religious Affairs is responsible for the implementation of the Hajj, including the travel for the Hajj pilgrims to and from Saudi Arabia. Airfares for Hajj pilgrims are paid to the Company by the Ministry of Religious Affairs under an agreement signed by the Company and the Ministry of Religious Affairs.

Travel arrangements for Hajj pilgrims is no longer exclusive to the Company as currently, the Company is required to join the tender process for Hajj travel (from Indonesia to Saudi Arabia) organized by the Ministry of Religious Affairs. Such tender is open to the public for all airlines companies operating in Indonesia. The winner of the tender process is announced by the Ministry of Religious Affairs.

The Hajj airfare rate submitted to the Ministry of Religious Affairs is highly dependent on several airfare cost components, especially fuel and aircraft leasing cost. The Hajj airfare rate will then be determined after a negotiation process.

In 2013, the Saudi Arabia's Ministry of Hajj issued a policy to reduce 20% of the Hajj pilgrim quota for all member countries of the Organization of the Islamic Conference ("OIC"), including Indonesia. This quota reduction is expected to apply in the next three years, with occurred due to the renovation of the Grand Mosque in Saudi Arabia. The quota reduction would reduce the number of Hajj pilgrims transported by the Company from all determined embarkation, and would decrease the Company's non-scheduled airline service revenue.

There can be no assurance that the quota reduction of Hajj pilgrims will apply for longer period or if the Saudi Arabia's Ministry of Hajj will issue other policies regarding quota restriction for Hajj pilgrims in the future, which could materially and adversely affect the business, prospects, financial condition and results of operations of the Company.

8. *The Company relies on other institutions owned and controlled by the Government for financial support and other important services.*

The Company operates substantially most of its flights from Soekarno-Hatta International Airport and Ngurah-Rai International Airport, which is operated by state-owned enterprises, PT Angkasa Pura II (Persero) ("Angkasa Pura II") and PT Angkasa Pura I (Persero) ("Angkasa Pura I"), respectively. The Company received a monthly invoice related to the use of airport facilities and services at any airport in Indonesia where the Company operates, including lease of ticketing and office space, air traffic control services, ground services and other flight services.

In 2007, some of the Company's trade accounts payable to Angkasa Pura I and Angkasa Pura II have been converted into equity of the Company and recently, some of the Company's accounts payable to Pertamina, Angkasa Pura I and Angkasa Pura II has been converted into long-term subordinated debt, in each case assisting the Company in improving its financial position.

It cannot be assured that the Company will continue to receive financial support and key services from the Government and other institutions owned and controlled by the Government. If financial support and key services are not provided to the Company or are not provided to the Company on favourable terms, it may materially and adversely affect the business, prospects, financial condition, liquidity and results of operations of the Company, which would limit the Company's ability to compete effectively and expand its business.

9. *Higher Interest expenses could adversely impact the Company's profitability.*

Most of the Company's debt bear floating interest rates, which has resulted, and will continue to result in fluctuating interest expense with respect to interest rate changes. Accordingly, the Company's profitability is affected by changes in the interest reference rate such as LIBOR and JIBOR, due to the impact such changes have on the Company's interest income and interest expenses from short-term deposits and interest-bearing assets and liabilities. In addition, the Company is also subject to risk of refinancing at higher interest rates. Floating interest rates on the Company's outstanding debt may increase in the future and thereby increase the Company's interest expense, which could decrease the Company's profit margin and have a material and adverse effect to the business, financial condition, results of operations and liquidity of the Company.

10. *Increasing inflation rate could adversely impact the Company's fleet expansion strategy.*

Under the terms of the purchase agreements with aircraft manufacturing companies (such as Boeing, Airbus, Bombardier and ATR), the acquisition price is subject to adjustment for, among others, inflation and wage index, as determined in accordance with pre-agreed methods in the respective agreements. In the event of a significant increase in inflation, the Company's capital expenditure and advance payments for purchase of aircraft may increase, which may materially and adversely affect the Company's ability to take delivery of aircraft in line with the Company's fleet expansion strategy.

Risk related to Airline Industry

1. *The airline industry is highly competitive.*

The Company faces various levels of competition in the full service carrier ("FSC") markets served by the Company and LCC market served by Citilink, the Company's Subsidiary. Key competitive factors include price, schedule, route network, service quality, the type and age of aircraft used. Many of the Company's international competitors have broader route network, stronger brand recognition and greater financial resources, as well as better technology. Many of the Company's competitors also have larger sales network and more comprehensive reservation system that can be accessed anywhere, or engage in promotional activities, such as marketing alliance programs, or enjoy public perception as superior safety and service.

From time to time, certain of the Company's domestic and international routes also face significant fare discounting or promotional pricing, which reduces the Company's passenger yield. The entry of new airlines, both FSC and LCC, has

increased passenger seat capacity and price competition on existing routes served by the Company. There can be no assurance that existing or future competitors will not participate in discounting or promotional pricing in an effort to gain market share from the Company's FSCGaruda Indonesia brand and LCC Citilink brand, which could materially and adversely affect the Company's financial condition and results of operations.

2. *Increases in fuel expenses would adversely impact the Company's business.*

In the past, fuel expenses depend on fluctuation of fuel price, which in general are affected by geopolitical issues and supply and demand. Fuel availability also depends on periods of market surplus and shortage and can be affected by demand for both kerosene and gasoline. The Company purchases the majority of its aircraft fuel, including all of the fuel needed for the Company's domestic flights, from one source, namely Pertamina. Because of the variety of factors that can affect the price and availability of fuel, the increase of fuel expenses and availability of fuel in the future cannot be predicted with certainty. The Company has sought to reduce exposure to this risk by fuel hedging transaction starting in 2009. The purpose of hedging is to ensure certainty in fuel prices as protection against risks in the future. Hedging policy is part of the implementation of the Company's Good Corporate Governance in implementing risk management policy. However, the Company may not be able to completely pass future increase of fuel cost to customers in the future because of the competitive nature of the airline industry. Any of the foregoing may materially and adversely impact the business, financial condition and results of operations of the Company.

3. *The airline business is characterized by high fixed costs.*

The airline business is generally characterized by high fixed costs, including lease and finance payments for aircraft and engines. The costs associated with the Company's flight operations are not directly related to the number of passengers, while the revenue generated from flight operations are directly related to the number of passengers and fares structure. Relatively small change in the number of passengers or the price of flight operation may materially and adversely affect the Company's financial and operational condition.

4. *The Company's reputation and business may be adversely affected as a result of an aircraft accident or incident.*

An aircraft accident or incident involves not only the cost of repair or replacement of the damaged aircraft or loss of service, which can be temporary or permanent, but can also result in significant potential claims from injured or deceased passengers. Although the Company believes that the Company has been maintaining sufficient insurance coverage compared to other Indonesian airlines, the level of insurance coverage may be inadequate and the Company may be forced to bear substantial losses arising from an accident or incident. Significant claims resulting from aircraft accidents or incidents that exceed the value of the insurance protection may have an adverse impact that is material to the results of operations and financial condition of the Company. Moreover, any aircraft accident or incident, even if fully insured, could create a public perception that the Company is less secure or less reliable than other airlines, which could threaten the Company's business, reputation and operational result.

5. *Operation results may fluctuate from time to time due to changes in the airline industry cycles and seasonality.*

As a result of the nature of the airline industry that are vulnerable to economic cycle, during periods of past economic crisis and political and social instability, the airline industry suffered significant financial losses. Any reduction in airline passenger market in the future, which may be due to economic, political and social which are beyond the Company's control, may adversely affect the Company's financial condition and operational results. In addition, the airline industry tends to be seasonal. The Company generates most of its revenue from scheduled flights in the second half of each year, with the highest service demand from passengers in mid-June to mid-September and late December to early January, consistent with a high season for the school holidays and year end holidays. For domestic flights, there is usually a decrease in passenger during the month of Ramadan. The Company's revenues from its Hajj operation that dominate its non-scheduled airline service revenues, also varies annually depending on the Muslim lunar calendar. Seasonality in the airline industry could materially and adversely affect the revenue and profitability of the Company's passenger service from quarter to quarter.

6. *Insurance may become more expensive or difficult to obtain.*

Since the September 11, 2001 terrorist attacks in the United States, airline insurers have significantly increased premiums, applied per passenger insurance surcharges and significantly reduced the maximum amount of third-party war liability insurance coverage for claims resulting from acts of terrorism, war or similar events. In line with aviation insurance in general, the Company leave some business risks uninsured, including the risk of business interruption, loss of profits or income and loss of businesses as a result of mechanical failure. If the uninsured risk has material value, the Company could be materially and adversely affected. There is no assurance that the Company's insurance may cover the actual losses. If the losses incurred by the Company exceed the amount insured, the Company may be liable for losses which could materially and adversely impact the Company's business activities.

As a result of terrorist attacks and other events, certain airline insurance can be more expensive, unavailable or available only for a small insurance coverage that does not comply with the coverage level required by the aircraft lessor or applicable government regulations. The Company's inability to obtain commonly acceptable insurance or not at all, related to the general liability or certain asset could materially and adversely impact the Company's financial condition and operational results.

7. *Additional fuel surcharge applied by the Company had been brought into litigation in Indonesia and several other countries.*

The KPPU had imposed financial penalties against the Company amounting to Rp187 billion for unfair competition practices associated to additional fuel surcharge in violation of Article 5 and Article 21 of Law No. 5 of 1999 regarding the Prohibition of Monopolistic Practices and Unfair Business Competition ("Competition Law"). The Company filed an objection to the KPPU's decision to the District Court of Central Jakarta and an appeal to the Supreme Court.

On May 29, 2013, the Company received Decision No.613 K/pdt.Sus/2011 dated February 27, 2012, which stated that the Supreme Court rejected the appeal of the KPPU. This ruling was binding and legally enforceable.

In September 2009, the KPPU and the ACCC filed a lawsuit against the Company together with other international airlines for alleged participation in a global cargo fuel surcharge cartel. In October 2009 and June 2010, preliminary hearings were held regarding the allegations against the Company and on June 2, 2010, the Federal Court of Australia, New South Wales District Registry rejected the motion by the Company to dismiss. Currently, our appeal against the dismissal is currently pending review by the court.

If the Company is found to have violated antitrust or competition law in Indonesia, Australia, or any other jurisdiction, the Company may be subject to, among other things, the imposition of large fines, administrative sanctions and restitution to the harmed consumer group representatives or class action consumer group, restrictions on the Company's business activities in the relevant jurisdictions, cancellation or suspension of certain licenses required to operate the Company's business in such jurisdiction, or other sanctions. If this occurs, or if any material restriction is imposed on the Company's ability to implement additional fuel surcharge, it may materially and adversely affect the Company's business, prospects, profitability, financial condition and operational result.

8. *The Company only has limited number of suppliers for its aircraft fleet and engine.*

The Company's business strategy is to increase the synergy and minimize fleet costs through standardization and modernization of its fleet. Currently, the Company operates two types of wide-bodied aircraft, the Boeing 747 and Airbus 330. The Company intends to terminate operation of the Boeing 747 fleet gradually and replace them with Boeing 777-300 ER fleet starting from 2013 up to 2016. The Company also operates five types of narrow-bodied aircraft, the Boeing 737-300, 737-500, 737-800, CRJ1000 and ATR 72-600. In the future, the Company intends to replace its fleet of Boeing 737-300 and 737-500, and operate only three types of narrow-body aircraft, the Boeing 737-800, CRJ1000 and ATR 72-600.

The Boeing 777-300ER and 737-800 aircraft are produced by Boeing, the A330 aircraft are manufactured by Airbus, the CRJ 1000 aircraft are manufactured by Bombardier and the ATR 72-600 aircraft are manufactured by ATR. The engines used by the Company's fleet of aircraft are produced by CFM International, S.A (a joint venture between Snecma (SAFRAN Group) of France and General Electric of the United States), Rolls-Royce Plc and Pratt & Whitney. The Company currently intends to continue to rely on the previously mentioned aircraft manufacturers to supply aircraft in the future for the Company's flight operations, and has entered into a purchase agreement with Boeing, Airbus, Bombardier and ATR for the purchase of additional aircraft. The Company is currently reviewing its requirements for aircraft and the arrival of the new aircraft in accordance with the existing purchase agreement. If the Company is required to renegotiate with the aircraft manufacturer and is unable to complete the renegotiation in good terms, or ultimately fail to meet contractual obligations under the purchase agreement, then the aircraft manufacturer may refuse to supply the fleet of aircraft that still pending for delivery. Moreover, if one among these aircraft manufacturers cannot meet their contractual obligations, or if the Company is not able to buy or rent a new aircraft or engine from the aircraft or engines manufacturer or lessor under terms and conditions which are acceptable to the Company, then the Company must seek other suppliers for the same type of aircraft fleet or engines.

If the Company is required to purchase aircraft from other suppliers, then the Company may lose the benefits derived from the composition of the existing fleet and may not get the synergies and other expected benefits derived from the composition of the fleet in the future. There is no certainty that the replacement aircraft would have the same operational advantages such as the aircraft provided by Boeing, Airbus and Bombardier, which is the main part of the fleet of the Company, or that any replacement aircraft will be reliable and efficient. The Company may also bear substantial costs as a result of these changes, including costs associated with retaining employees, replacing any manual system and adjustment to facilities, to the extent that such costs are not provided by alternative suppliers. The Company may be harmed by the failure or inability of Boeing, Airbus, Bombardier, CFM International S.A., Rolls-Royce Plc or Pratt & Whitney to provide sufficient spare parts or support services in a timely manner.

The Company's business will also be significantly disturbed if defective design or mechanical problems were found in the Boeing, Airbus, Bombardier or ATR aircraft or CFM International S.A., Rolls-Royce or Pratt & Whitney engines, which may cause the Company's aircraft to be temporarily grounded while such defect or problem is being repaired, assuming that the defect or problem could be repaired at all. The use of aircraft could be suspended or barred when there is an actual or perceived mechanical problem or a design flaw, while investigations are being conducted. The Company's business will also be materially and adversely affected if the public avoids flying the Company's aircraft due to an adverse perception of such aircraft models or engines because of safety concerns or other problems, whether real or perceived, or in the event of an accident involving any of these aircraft models or engines.

Risks Related to Indonesia

1. *Indonesia is located in active volcanic zone and has high seismic risk which can disturb the Company's business.*

The Indonesian archipelago is one of several regions that have the most active volcanic activity in the world. Because Indonesia is located in the convergence zone of three major tectonic plates, it has significant risk of seismic activity that can cause volcanic eruptions, earthquakes and tsunamis. On December 26, 2004, an undersea earthquake off the coast of Sumatra resulted in a tsunami that struck residents near the shoreline in Indonesia, Thailand and Sri Lanka. Indonesia estimated that more than 220,000 people died or were listed as missing in the disaster. After the December 2004 tsunami, and additional high-magnitude earthquakes have occurred in Indonesia, causing casualties and significant damage. For example, an earthquake struck Yogyakarta in May 2006, off the South Coast of Java in July 2006, Solok in West Sumatra in March 2007 and South Sumatra in September 2007. There were also several earthquakes in Sulawesi with a magnitude ranging from 4.6 to 7.7 on the Richter richter scale in 2008 and 2009, with the last occurring in February 2009 when an earthquake measuring 7.0 on the Richter richter scale struck Sulawesi. The quake was followed by two aftershocks but did not cause a tsunami and there were no reports of casualties or damage. In January 2009, an earthquake measuring 7.6 on the Richter richter scale struck about 95 miles North of Manokwari, followed by a massive earthquake and a series of aftershocks. The disaster killed at least four people and injuring at least 37 people. Electricity was cut off in the city with the population of about 160,000 people. In September 2009, an earthquake measuring 6.0 on the Richter richter scale struck Tasikmalaya, West Java, which killed at least 72 lives and earthquake measuring 7.6 on the Richter richter scale hit Padang, Sumatra, which killed at least 400 people and buried thousands of people under the rubble.

In November and December 2010, a volcanic eruption of Mount Merapi and Mount Bromo, two of the most active volcanoes in Indonesia, occurred, resulted in restrictions on flights in Indonesia. This requires the Company to cancel about 190 round-trip flights to and from several destinations including Yogyakarta, Jakarta and other destinations in Central Java. The Company also had to divert the flight route and increase flight distance to several destinations in Indonesia and abroad to avoid volcanic ash. The flight cancellations adversely impact the Company's revenue and passenger volume and transfer of passenger service flights increased the Company's cost of fuel and other flight costs for the year ended December 31, 2010.

In February 2014, Mount Kelud in Kediri, East Java, erupted and disrupted flights. Six airports were not able to operate due to volcanic ash covering the runways. Hundreds of flight routes could not operate as volcanic ash could harm the performance of aircraft engines. In connection with this, the DJPU had issued a notice to the six airports affected by Mount Kelud's volcanic activity to temporarily suspend their operations. As a result of Mount Kelud's eruption, the Company terminated the operation of 129 flights from airports that suffered the closure. The Company also implemented a fee-waiver policy for the passengers who had to change their flight schedule or refund ticket.

There can be no assurance that existing insurance coverage will be sufficient to protect the Company from potential losses due to natural disasters and other events which are beyond the Company's control. In addition, the Company cannot ensure that the premium to be paid for such insurance after the extension will not increase significantly, which may adversely affect the Company's financial condition and results of operations. In addition, the Company cannot assure that the geological events in the future will not have an impact on the Indonesian economy. A significant earthquake or other geological disturbance in any city in Indonesia may significantly disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affect the business, financial condition, results of operations and prospects of the Company.

2. *Depreciation or volatility of the Rupiah may adversely affect the business, financial condition, results of operations and prospects of the Company.*

Almost all of the debt obligations, lease payment obligations, the maintenance and overhaul and fuel expenses of the Company are denominated in U.S. Dollars, while about half of the Company's revenues are denominated in Rupiah and the rest in other foreign currencies. The consolidated financial statements of the Company are reported in U.S. Dollars. Accordingly, the Company has exchange rate risk, in particular, the exchange rate risk associated with fluctuations in the U.S. Dollar against the Rupiah. The Company does not currently conduct hedging against the risk of foreign currency exchange rates.

One of the direct causes of the economic crisis that began in Indonesia in mid-1997 was the depreciation and volatility of the Rupiah, as measured against other currencies, such as the U.S. Dollar. Although the Rupiah has appreciated considerably from its low point of approximately Rp17.000 per U.S. Dollar in January 1998, the Rupiah continues to experience significant volatility. There can be no assurance that the Rupiah will not depreciate and continue to fluctuate, whether current exchange rate policy will remain the same, or whether the Government will, or be able, to act when necessary to stabilize, maintain or increase the value of the Rupiah, and will not act to devalue Rupiah, or that any such action, if taken, will be successful.

Modification of the current floating exchange rate policy could lead to higher domestic interest rates, liquidity shortages, capital or exchange controls or withholding of additional financial assistance by multinational lenders. This can lead to a reduction in economic activity, economic recession and a decline in passenger volumes, and as a result, the Company will also face difficulties in funding for expansion of aircraft fleet and in implementing the Company's business strategy. Each of these consequences could materially and adversely affect the business, financial condition, operational result and prospects of the Company.

Risks Related to Investment in the Company's Shares

1. The Company's shares trading price may fluctuate.

The trading price of the Company's shares may continue to fluctuate. The price of the Company's shares, including the New Shares, may increase or decrease in response to a number of events and factors, including perceptions towards the Company's business prospects, operational results, factors affecting the Indonesian airline industry generally or the Company in particular, government regulations, economic conditions in Indonesia, changes in accounting policies and other factors discussed in this Prospectus.

2. The Company's ability to pay dividends in the future will depend on its future earnings, financial condition, cash flows, working capital requirements and expansion of aircraft fleet.

The amount of future dividend payments of the Company in the future, if any, will depend on the Company's retained earnings in the future, financial condition, cash flow and working capital requirements and capital expenditures of the Company, contractual commitments and aircraft rental expense incurred as a result of expansion of the Company's aircraft fleet. There can be no assurance that the Company will be able to pay dividends or that the Board of Directors will declare dividends. Existing provisions in the ECA loan agreement and commercial loan limit the amount of dividends that may be paid by the Company up to 50% of the Company's net income for each reporting period, and in addition, the Company may have restrictions set forth in the provisions of any future financing agreement in relation to payment of dividends after a certain period as approved by the lender. The Company may also enter into similar financing arrangements in the future which could limit the Company's ability to pay dividends, and may increase expense or liability, which could reduce the cash available to pay dividends.

<p>THE COMPANY HAS DISCLOSED ALL RISKS IT FACED AND HAS BEEN ORGANIZED BASED ON THE WEIGHT OF THE IMPACT OF EACH RISKS TOWARD THE FINANCIAL PERFORMANCE OF THE COMPANY.</p>
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VI. SUBSEQUENT EVENT AFTER THE DATE OF INDEPENDENT AUDITOR'S REPORT

There has been no material and important event, which materially affect the Company's financial condition and operational result occurring after the date of the Independent Auditors' report dated March 10, 2014 on the consolidated financial statements for the year ended December 31, 2013 audited by Public Accountant Office Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited) with an unqualified opinion.

VII. DESCRIPTION OF THE COMPANY AND ITS SUBSIDIARIES

A. Brief History of The Company

The Company was established under the name of Garuda Indonesian Airways N.V., located in Central Jakarta based on Deed No. 137 dated March 31, 1950, made before Raden Kadiman, Notary in Jakarta, and was approved by the Ministry of Justice of the Republic of Indonesia based on Decision Letter No. J.A. 05/12/10 dated March 31, 1950, and registered in the register book at the Office of the District Court in Jakarta under No. 327 on April 24, 1950, and was published in the State Gazette of the Republic of Indonesia No. 30 dated May 12, 1950, Supplement. No. 136. Furthermore, based on Law No. 9 of 1969 regarding the Amendment of Law No. 1 of 1969 (State Gazette No. 16 of 1969) regarding the Forms of State-Owned Enterprises into Law (State Gazette No. 40 of 1969), Government Regulation No. 12 of 1969 regarding Limited Liability Company (*Persero*) (State Gazette No. 21 of 1969), Government Regulation No. 67 of 1971 (State Gazette No. 87 of 1971) regarding the Amendment of "Garuda Indonesian Airways" from a State-Owned Civil Aviation Company (*Perusahaan Negara*) into a Limited Liability Company (*Persero*), in conjunction with Decree of the Minister of Finance of the Republic of Indonesia No. KEP-2/MK/IV/1/1975 dated January 4, 1975 regarding the Establishment of Capital for Limited Liability Company (*Persero*) "PT Garuda Indonesian Airways", an amendment was made to the legal form of the Company from a State-Owned Civil Aviation Company "Garuda Indonesian Airways" into a Limited Liability Company (*Persero*), and with the amendment, the State-Owned Civil Aviation Company "Garuda Indonesian Airways" is deemed to be liquidated at the time of the establishment of a Limited Liability Company (*Persero*).

The Company's status as a Limited Liability Company (*Persero*) PT Garuda Indonesian Airways was established by Deed of Establishment No. 8 dated March 4, 1975, as amended by Deed of Amendment No. 42 dated April 21, 1975, and subsequently amended by Deed of Amendment No. 24 dated June 12, 1975, with all three deeds made before Soeleman Ardjasmita, S.H., Notary in Jakarta, which was approved by the Ministry of Justice of the Republic of Indonesia by virtue of Decree Letter No. Y.A. 5/225/8, dated June 23, 1975, and were registered in Jakarta District Court on July 1, 1975 under No. 2250, 2251, and 2252, and published in the State Gazette of the Republic of Indonesia No. 68, dated August 26, 1975, Supplement No. 434 ("Deed of Establishment").

The Company conducted its Initial Public Offering in order to publish and offer as much as 4,400,000,000 registered ordinary shares which is the sale of new shares and shares of the Company owned by PT Bank Mandiri (*Persero*) Tbk as much as 1,935,738,000 Series B registered shares with a nominal value of Rp500, - with the Initial Public Offering price of Rp750, - per share, which was declared effective on February 1, 2011.

Afterwards, the Company conducted its Public Offering of Shelf-Registration Bonds I Garuda Indonesia Phase I in 2013 with a principal amount of Rp2,000,000,000,000 (two trillion Rupiah) with a fixed interest rate of 9.25% per annum maturing in 2018, with the effective statement from the OJK dated June 27, 2013, which is a series of Public Offering of Shelf-Registration Bonds I of Garuda Indonesia in 2013 with total target proceeds to be collected amounting to Rp4,000,000,000,000.

After the Company conducted its Public Offering of Shelf-Registration Bonds I Garuda Indonesia Phase I in 2013, the Articles of Association of the Company has not been changed, thus the Articles of Association in force at the date of the publication of this Prospectus are as stated in the following deeds:

- (i) Deed of Statement of Extraordinary General Meeting of Shareholders No. 24 dated November 16, 2010, made before Fathiah Helmi, S.H., Notary in Jakarta, which was approved by the Decree of the Kemenkumham No. AHU-54724.AH.01.02 of 2010 dated November 22, 2010, registered in the Company Register of the Kemenkumham No. AHU-0084627.AH.01.09 of 2010 dated November 22, 2010, and this deed amended the entire provisions of the Articles of Association of the Company to comply with the provisions of Regulation No. IX.J.1;
- (ii) Deed of Amendment to Articles of Association No. 22 dated September 27, 2011, made before Andalia Farida, S.H., Notary in Jakarta ("Deed No. 22/2011"), which has been notified to the Menkumham as stated in the Letter of Acceptance of Notification to the Amendment to the Articles of Association No. AHU-AH.01.10-33910 dated October 21, 2011 and registered in the Company Register of the Kemenkumham No. AHU-0085337.AH.01.09 of 2011 dated October 21, 2011. Based on Deed No. 22/2011, the Board of Commissioner has restated the capital structure and shareholding composition of the Company after the completion of the initial public offering of the Company, and
- (iii) Deed of Amendment to Articles of Association No. 1 dated July 26, 2012, made before Aulia Taufani, S.H., Notary in Tangerang, which was approved by the Menkumham Decree No. AHU-66159.AH.01.02 of 2012 dated December 27, 2012 and registered in the Company Register of the Kemenkumham No. AHU-0111973.AH.01.09 of 2012 dated December 27, 2012 ("Deed No. 1/2012"). Based on Deed No. 1/2012, the shareholders of the

Company approved the Company's quasi-reorganization in accordance with the provisions of SFAS 51 (Revised 2003) and Regulation No. IX.L.1, thus changing Article 4 of the Articles of Association of the Company regarding Capital. In connection with the implementation of the quasi-reorganization, the nominal value of the Company's shares was reduced from Rp500.00 to Rp459.00.

Under Article 3 of the Articles of Association of the Company, the purpose and objective of the Company is to engage in the business of commercial air transport services, as well as the optimization of the Company's resources to produce high quality and competitive goods and/or services to obtain profit in order to increase the Company's value by applying the principles of a limited liability company.

To achieve the objectives mentioned above, the Company may carry out the following main business activities:

- a. Scheduled domestic and international commercial air transport of passengers, goods and mail;
- b. Non-scheduled domestic and international commercial air transport for passengers, goods and mail;
- c. Repair and maintenance of aircraft, either for the Company's own needs or for third parties;
- d. Supporting services for commercial air transport operations, including catering services and ground operations services either for the Company's own needs or for third parties;
- e. IT system services related to the aviation industry, either for the Company's own needs or for third parties;
- f. Consultancy services relating to the airline industry;
- g. Education and training services related to the aviation industry, either for the Company's own needs or for third parties;
- h. Personnel health services, either for the Company's own needs or for third parties.

Aside from the aforementioned main businesses, the Company may engage in other supporting businesses in order to optimize the utilization of the Company's resources for:

- a. Warehousing;
- b. Office;
- c. Tourism facilities; and
- d. Rental and management of facilities and infrastructure related to airline industry.

As of the date of this Prospectus, all of the businesses that the Company is currently engaged in are in accordance with the Company's purposes and objectives set forth in the provision of Article 3 of the Company's Article of Association.

B. Development of the Company's Shareholding Structure as from the Initial Public Offering

The Changes in the shareholding structure of the Company as from the Initial Public Offering until the publication of this Prospectus is as follows:

Year 2011

The Company received approval to conduct Initial Public Offering according to privatization approval from House of Representatives of Republic of Indonesia under the Letter of House of Representatives of Indonesia No.PW.01/5972/DPRRI/IX/2009 date 16 September 2009 and approval of EGMS under Deed No. 24/2010. In addition, it has been stipulated by the Government as stated in the Indonesian Government Regulation No. 4 Year 2011 on State Shareholding Structure Change Through the Issuance and Sale of New Shares In Company (*Persero*) PT Perusahaan Penerbangan Garuda Indonesia. The capital structure and shareholdings after the Initial Public Offering of the Company are as follows:

Capital Share Consisting of Class A Dwiwarna Share and Class B Common Shares With Par Value of Rp500,- (five hundred Rupiah) Per Share

Shareholder	Share Amount	Nominal Value Rp 500,00 per share	%
A. Authorized Capital	30,000,000,000	15,000,000,000,000.00	
Class A Dwiwarna Share	1	500,00	
Class B Common Shares	29,999,999,999	14,999,999,999,500.00	
B. Issued and Paid-Up Capital			
Class A Dwiwarna Share			
Republic of Indonesia	1	500.00	0.000000004
Class B Common Shares			
Republic of Indonesia	15,653,127,999	7,826,563,999,500.00	60.983787492
PT Angkasa Pura II (Persero)	403,634,000	201,817,000,000	1.572537456

Shareholder	Share Amount	Nominal Value Rp 500,00 per share	%
PT Angkasa Pura I (Persero)	248,496,000	124,248,000,000	0.968127729
Public	9,362,429,500	4,681,214,750,000	36.475547320
C. Total Issued and Paid-Up Capital	25,667,687,500	12,833,843,750,000.00	100.000000000
D. Shares in Portfolio	4,332,312,500	2,166,165,250,000.00	
Class A Dwiwarna Share	0	0	
Class B Common Shares	4,332,312,500	2,166,165,250,000.00	

Year 2012

The Company has obtained the stipulation of the Government according to the quasi-reorganization as proved by the Deed No.1/2012, based on Government Regulation No. 114 of 2012 dated December 27, 2012 on the Reduction of Capital Participation of the Republic of Indonesia in Limited Liability Company (*Persero*) PT Garuda Indonesia Tbk, State Gazette of the Republic of Indonesia No. 287 of 2012, therefore the capital structure and the Company's shareholders pursuant to the Deed No.1/2012 are as follows:

Capital Share
Consisting of Class A Dwiwarna Share and Class B Common Shares
With Par Value of Rp459,- (four hundred and fifty nine Rupiah) Per Share

Shareholder	Share Amount	Nominal Value Rp 459,00 per share	%
A. Authorized Capital	30,000,000,000	13,770,000,000,000.00	
Class A Dwiwarna Share	1	459.00	
Class B Common Shares	29,999,999,999	13,769,999,999,541.00	
B. Issued and Paid-Up Capital			
Class A Dwiwarna Share			
Republic of Indonesia	1	459.00	0.000000004
Class B Common Shares			
Republic of Indonesia	15,653,127,999	7,184,785,751,541.00	69.136216441
Public	6,987,868,000	3,207,431,412,000.00	30.863783555
C. Total Issued and Paid-Up Capital	22,640,996,000	10,392,217,164,000.00	100.000000000
D. Shares in Portfolio	7,359,004,000	3,377,782,836,000.00	
Class A Dwiwarna Share	0	0	
Class B Common Shares	7,359,004,000	3,377,782,836,000.00	

Year 2013

Pursuant to the Register of Shareholders as of December 31, 2013 issued by PT Datindo Entrycom as the Share Registrar of the Company, the capital structure and shareholding composition of the Company was as follows:

Capital Share
Consisting of Class A Dwiwarna Share and Class B Common Shares
With Par Value of Rp459,- (four hundred and fifty nine Rupiah) Per Share

Shareholder	Share Amount	Total Nominal Value (Rp)	%
Authorized Capital			
- Class A Dwiwarna Share	1	459	
- Class B Common Shares	29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000	
Issued and Paid-Up Capital			
- Class A Dwiwarna Share			
Republic of Indonesia	1	459	0.0000
- Class B Common Shares			
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362
Credit Suisse AG Singapore TR AC CL PT Trans Airways	2,466,965,725	1,132,337,267,775	10.8960
Wendy Aritenang Yazid	231,534	106,72,106	0.0010
Emirsyah Satar	1,904,369	874,105,371	0.0084
Handrito Hardjono	97,118	44,577,162	0.0004
Faik Fahmi	166,094	76,237,146	0.0007

Shareholder	Share Amount	Total Nominal Value (Rp)	%
Heriyanto Agung Putra	181,829	83,459,511	0.0008
Batara Silaban	285,207	130,910,013	0.0013
Novijanto Herupratomo	123,816	56,831,544	0.0005
Public	4,517,912,308	2,073,721,749,372	19.9547
Total Issued and Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.00
Shares in Portfolio			
- Class A Dwiwarna Share	-	-	-
- Class B Common Shares	7,359,004,000	3,377,782,836,000	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000	

Year 2014

Pursuant to the Register of Shareholders dated February 6, 2014 issued by PT Datindo Entrycom as the Share Registrar of the Company, the capital structure and shareholding composition of the Company as of 31 January 2014 was as follows:

Capital Share
Consisting of Class A Dwiwarna Share and Class B Common Shares
With Par Value of Rp459,- (four hundred and fifty nine Rupiah) Per Share

Shareholder	Share Amount	Total Nominal Value (Rp)	%
Authorized Capital			
- Class A Dwiwarna Share	1	459	
- Class B Common Shares	29,999,999,999	13,769,999,999,541	
Total Authorized Capital	30,000,000,000	13,770,000,000,000	
Issued and Paid-Up Capital			
- Class A Dwiwarna Share			
Republic of Indonesia	1	459	0.0000
- Class B Common Shares			
Republic of Indonesia	15,653,127,999	7,184,785,751,541	69.1362
Credit Suisse AG Singapore TR AC CL PT Trans Airways	2,466,965,725	1,132,337,267,775	10.8960
Wendy Aritenang Yazid	231,534	106,274,106	0.0010
Emirsyah Satar	1,904,369	874,105,371	0.0084
Handrito Hardjono	97,118	44,577,162	0.0004
Faik Fahmi	166,094	76,237,146	0.0007
Heriyanto Agung Putra	181,829	83,459,511	0.0008
Batara Silaban	285,207	130,910,013	0.0013
Novijanto Herupratomo	123,816	56,831,544	0.0005
Public	4,517,912,308	2,073,721,749,372	19.9547
Total Issued and Paid-Up Capital	22,640,996,000	10,392,217,164,000	100.0000
Shares in Portfolio			
- Class A Dwiwarna Share	-	-	-
- Class B Common Shares	7,359,004,000	3,377,782,836,000	
Total Shares in Portfolio	7,359,004,000	3,377,782,836,000	

C. Management and Supervisory Board

Based on (i) Deed No. 20 dated February 6, 2012, made before Aryanti Artisari S.H., M.Kn., Notary in Jakarta ("Deed No. 20/2012"), (ii) Deed No. 33 dated April 27, 2012, made before Andalia Farida S.H., M.H., Notary in Jakarta ("Deed No. 33/2012"), (iii) Deed No. 2, dated June 28, 2012, made before Aulia Taufani, S.H., Notary in Tangerang ("Deed No. 2/2012") and (iv) Deed No. 129 dated April 26, 2013, made before Aryanti Artisari, S.H., Notary in Jakarta ("Deed No. 129/2013"), the Board of Directors and Board of Commissioners of the Company at the date of the publication of this Prospectus are as follows:

Board of Commissioners:

President Commissioner	: Bambang Susantono
Commissioner	: Bagus Rumbogo *
Commissioner	: Wendy Aritenang Yazid

Independent Commissioner	: Peter F. Gontha
Independent Commissioner	: Chris Kanter
Independent Commissioner	: Betti S. Alisjahbana

* Note: Bagus Rumbogo has resigned as of November 26, 2013 but the resignation has not been confirmed in the AGMS.

Based on Deed No. 20/2012, Deed No. 2/2012 and Deed No. 129/2013, the Company's shareholders has appointed Betti S. Alisjahbana, Peter F. Gontha and Chris Kanter as Independent Commissioners in order to comply with Bapepam and LK and IDX regulation No. KEP.305/BEJ/07-2004, as amended by the IDX Board of Directors Decree No. Kep-00001/BEI/01-2014 dated January 20, 2014.

Bambang Susantono's and Wendy Aritenang Yazid's tenures are effective up to the fifth Annual General Meeting since April 27, 2012. Betti S. Alisjahbana's tenure is effective up to the fifth Annual General Meeting since February 6, 2012. Peter F. Gontha's tenure is effective up to the fifth Annual General Meeting since June 28, 2012. Bagus Rumbogo's and Chris Kanter's tenures are effective up to the fifth Annual General Meeting since April 26, 2013.

Board of Directors :

President Director	: Emirsyah Satar
Director	: Handrito Hardjono
Director	: Faik Fahmi
Director	: Heriyanto Agung Putra
Director	: Batara Silaban
Director	: Judi Rifajantoro
Director	: Novianto Herupratomo
Independent Director	: Meijer Frederik Johannes

With the exception of Emirsyah Satar's and Meijer Frederik Johannes' tenures, the tenures of the abovementioned members of Board of Directors are effective up to the fifth Annual General Meeting since April 27, 2012. Based on Deed No. 33/2012, Emirsyah Satar's tenure is effective up to the fifth Annual General Meeting since October 15, 2012. Based on Deed No. 129/2012, Meijer Frederik Johannes' tenure is effective up to the fifth Annual General Meeting since April 26, 2013.

The Board of Directors and the Board of Commissioners as stated above has been notified to the Menkumham based on (i) Letter of Acceptance Notice of Change of Company's Data No. AHU-AH.01.10-10784 dated March 28, 2012, and registered in the Company Register maintained by the Kemenkumham No. AHU-0026961.AH.01.09 of 2012 dated March 28, 2012, (ii) Letter of Acceptance Notice of Change of Company's Data No. AHU-AH.01.10-21 523 dated June 14, 2012, and registered in the Company Register maintained by the Kemenkumham No. AHU-0053797.AH.01.09 of 2012 dated June 14, 2012 and (iii) Letter of Acceptance Notice of Change of Company's Data No. AHU-AH-01.10-29331, dated August 8, 2012 and registered in the Company Register maintained by the Kemenkumham No. AHU-0072294.AH.01.09 of 2012 dated August 8, 2012.

The following are brief information regarding the members of the Board of Commissioners and Board of Directors:

Board of Commissioners

Bambang Susantono, President Commissioner

Indonesian Citizen, 50 years old.



Born in Yogyakarta on November 4, 1963. Mr. Susantono obtained a Bachelor degree in Civil Engineering from Bandung Institute of Technology in 1987 and subsequently obtained a MCP in City and Regional Planning in 1996, a MSCE in Transportation Engineering in 1998 and a PhD in Infrastructure Planning in 2000, all from the University of California, Berkeley, USA.

He has served as the President Commissioner of the Company since April 2012. Currently, he also serves as Deputy Minister of Transport of the Republic of Indonesia (2009 – present). Previously, he served as Deputy Minister of Economic Affairs, Infrastructure and Regional Development (2007 – 2009), Expert Advisor of the Coordinating Ministry of Economic Affairs (2005 – 2006) and Head of Telecommunications Infrastructure of the Coordinating Ministry of Economic Affairs (2001 – 2005).

Wendy Aritenang Yazid, Commissioner

Indonesian Citizen, 59 years old.



Born in Jakarta on December 15, 1954. Mr. Yazid obtained a Bachelor degree in Civil Engineering from Bandung Institute of Technology in 1979 and a Master of Science and Diploma in 1986 and a PhD in Structural Engineering in 1989, both from the University of London at the Imperial College of Science & Technology.

He has served as Commissioner of the Company since June 2007. Currently, he also serves as Inspector General of Transportation for the Ministry of Transportation (2014 – present). Previously, he served as an Expert Advisor to the Minister of Transportation (2009 – 2013), Director General of Railways (2007 – 2009), General Secretary of the Department of Transportation (2005 – 2007), Deputy Minister of Research and Technology Sector Reforms and Correctional Science (2003 – 2005), Deputy Administration and Planning of Batam Authority (1998 – 2003), Commissioner of PT PLN (2000 – 2003).



Bagus Rumbogo, Commissioner*

Indonesian Citizen, 59 years old.

Born in Solo on June 17, 1954. Mr. Rumbogo obtained a Bachelor degree in Economics majoring in Accounting from the University of Indonesia in 1982 and obtained the title of Professional Accountant from the Ministry of Finance in 1982.

He has served as Commissioner of the Company since April 2013. Currently, he also serves as Senior Advisor Relations between the Ministry of State-Owned Enterprises (2010 – present). Previously, he served as a Principal Inspector at the Ministry of National Development Planning / Head of Bappenas (2005 – 2010) and the Office of the State Minister for Administrative Reform (1999 – 2001).



Betti S. Alisjahbana, Independent Commissioner

Indonesian Citizen, 53 years old.

Born in London on August 2, 1960. Ms. Alisjahbana obtained a Bachelor of Architecture from the Bandung Institute of Technology in 1984.

She has served as Independent Commissioner of the Company since February 2012. Currently, she also serves as Independent Commissioner of PT Sigma Cipta Caraka (2010 – present), Chairman and Founder of PT Quantum Business International (2008 – present). Previously, she served as President Director of PT IBM Indonesia (1999 – 2007).



Peter F. Gontha, Independent Commissioner

Indonesian Citizen, 65 years old.

Born in Semarang on May 4, 1948. Mr. Gontha was educated in Finance Accounting and Business Administration and Computer System Design in Praehap Institute, the Netherlands in 1973.

He has served as Independent Commissioner of the Company since June 2012. Currently, he also serves as Founder and President of Sun Yeng Engineering Singapore (1983 – present). Previously, he served as Founder and Advisor of of Berita Satu TV (2011 – 2013), President Commissioner of PT Linknet (2009 – 2013), Founder and Executive Chairman of First Media (1996 – 2013), Founder and Director of Indovision (1994 – 2000), Founder and Director of PT Surya Citra Televisi Indonesia (1990 -1998), Director of PT Karimun Granite Indonesia (1988 – 1996), Founder and Member of the Board Osprey Maritime Singapore (1989 – 1995), Founder and Director of Rajawali Citra Televisi Indonesia (1988 – 1995), Founder and Member of Plaza Indonesia (1988 – 1995), Director of Indonesia Air Transport (1983 – 1995), Director of Bimantara Citra (1983 – 1993), Member of the Board German Motors Indonesia (1985 – 1989), Member of the Board German Engine Indonesia (1985 – 1989), Asia Pacific and Sub Continent and Australia Regional Operation Head American Express (1980 – 1983), Assistant Vice President Citibank (1977).



Chris Kanter, Independent Commissioner

Indonesian Citizen, 61 years old.

Born in Manado on April 25, 1952. Mr. Kanter obtained a Bachelor of Electrical Engineering from Trisakti University, Jakarta, in 1977.

He has served as Independent Commissioner of the Company since April 2013. Previously, he served as Vice Chairman of the Indonesia Employers Association (APINDO) (2013 – 2018), Chairman of Apindo (2008 – 2013), Vice Chairman of the Chamber of Commerce and Industry (Kadin) (2013 – present), the Board of Commissioners of PT Bank BNP Paribas Indonesia (2011 – present), Expert Team of Ministry of Trade of the Republic of Indonesia, Economic Committee of the National Government of Indonesia (2010 – present), Investment Committee of the Business Relations of Investment Coordinating Board (2010 – present), Board of Commissioner of PT Indosat Tbk (2009 – present), Founder and Chairman of Sigma Semada Group (1987 – present), Chairman of FIATA Asia Pacific (2009 – present), Chairman of Swiss german university Foundation (2000 – present), Industry and Trade Barriers Coordination Team of Ministry of Economy (2009 – present), External Monitoring Team of Implementation Development acceleration of Real Sector policy and the Empowerment of Micro, Small and Medium Enterprises of Coordinating Ministry for the Economy RI (2007 – present), External Monitoring Implementation Team Improvement of Investment Climate Policy Package (2007 – 2009), Chairman of Presidential Lecturing Featuring Bill Gates, Republic of Indonesia Organizing Committee (2008), External Monitoring Implementation Team Improvement of Investment Climate Policy Package (2006 – 2007), Chairman of the Organizing Committee Indonesia Infrastructure Government of Indonesia (2006), Coordination Team of Flow improvement of Export and Import (2005), Chairman of the Organizing Committee Asia Africa Summit of Government of Indonesia (2005), EKONID Advisory Council (2009 - present), President of EKONID (2007-2009), Member of the Constitutional Committee of Government of Republic Indonesia (1989-2002), INFA, GAFEKSI Board of Trustees (2003 – present), Chairman of INFA, GAFEKSI (1989 – 2003),

Honor Council Executive Committee of the Board, Indonesian Young Entrepreneurs Association (HIPMI) (1992 – 1995), the Board of Trustees Executive Committee of the Board (1989 – 1992), Chairman of the Executive Committee of HIPMI (1983 – 1989), Vice Chairman of the Investment, Transportation, Informatics & Telecommunications and Tourism, KADIN Indonesia (2004-2009), Vice Chairman of the Division of Transportation KADIN Indonesia (1999 – 2004), Vice Chairman of the Division of Transportation KADIN Indonesia (1994 – 1999), Regional Development Board Compartment, KADIN Indonesia (1983 – 1994).

** Note: Bagus Rumbogo has resigned as of November 26, 2013 but the resignation has not been confirmed in the AGMS.*

Board of Directors



Emirsyah Satar, President Director

Indonesian Citizen, 54 years old.

Born in Jakarta on June 28, 1959. Mr. Satar obtained a Diploma in French Literature - Cours de Civilisation Francais from the Sorbonne University, Paris in 1978 and a Bachelor of Economics in Accounting from the University of Indonesia in 1985.

He has served as a Director of the Company since March 2005. Previously, he served as Deputy Director of Bank Danamon (2003 – 2005), Finance Director of the Company (1998 – 2003), the CEO/Managing Director of Niaga Finance in Hong Kong (1996 – 1998), the CEO/Managing Director of PT Niaga Leasing Corporation in Jakarta (1994 – 1996), President/CEO of PT Niaga Leasing Corporation in Jakarta (1994 – 1996), General Manager-Corporate Finance Jan Darmadi Group (1990 – 1994), Assistant VP Corporate Banking Group of Citibank NA (1985 – 1990), and Auditor for Coopers & Lybrand Audit Firm (1983 – 1985).

Handrito Hardjono, Director

Indonesian Citizen, 58 years old.



Born in Malang on July 18, 1955. Mr. Hardjono obtained a Bachelor of Electrical Engineering from Bandung Institute of Technology in 1980, a Masters in Management from the University of Indonesia, Jakarta, in 1991, a Master of Public Administration from Harvard University in 1992, USA and a Master of Science in Management from the Massachusetts Institute of Technology, USA in 1993.

He has served a Finance Director of the Company since April 2012. Previously, he served as EVP of Finance and Human Capital (2012 – 2013), CFO PT Aerowisata (2011 – 2012), Executive Project Manager IPO of Garuda Indonesia 2010 – 2011), Board of Commissioners PT Angkasa Citra Sarana (2009 – sekarang), Executive Project Manager Debt Restructuring (2006 – 2010), Board of Commissioners PT GMF AeroAsia (2004 – 2005), Acting EVP Finance (2003 – 2005), VP Treasury, Finance Division (2001 – 2003), VP Material Department Technical Division (2000 – 2001), Executive Project Manager Debt Restructuring (1999 – 2000), VP Corporate Finance (1998 – 1999), VP Budget & Controller, Finance Division (1997 – 1998), VP Operation Support, Operations Division (1996 – 1997), VP Operations Planning, Operations Division (1994 – 1996), Director Corporate Planning (1993 – 1994), Director Technical R&D, Technical Division (1990 – 1991), Manager Budget & Cost Control, Technical Division (1989 – 1990), Manager Administration Support, Technical Division (1985 – 1988), Avionics Engineer, Technical Division (1981 – 1985).

Faik Fahmi, Director

Indonesian Citizen, 46 years old.



Born in Purbalingga on December 12, 1967. Mr. Fahmi obtained a Bachelor of Economics majoring in Management from Gadjah Mada University, Yogyakarta in 1993.

He has served as a Service Director of the Company since April 2012. He is also currently serving as President Commissioner of PT Abacus Distributions System Indonesia (2013 – present). Previously, he served as the President Director of Garuda Orient Holidays Japan Co., Ltd. (a company with a partnership or joint venture commission in Japan with a local firm and Aerowisata Japan) (2010 – 2012), VP region of Japan-Korea-China-USA (2008 – 2012), Senior Manager for Osaka, Japan (2005 – 2008), Senior Manager for Pekanbaru, Riau (2002 – 2005), Manager of Corporate Service line Replenishment (2001 – 2002), Manager of Procurement, Commercial Directorate (2000 – 2001), Sales Management Specialist (1998 – 2000), Staff Marketing Analysis & Development (1996 – 1998), Staff Marketing System, Marketing Division (1995 – 1996).



Heriyanto Agung Putra, Director

Indonesian Citizen, 48 years old.

Born in Bandung on November 23, 1965. Mr. Putra obtained a Bachelor of Financial Management from STIM YPLG Jakarta in 1991 a Masters in Management from IPWI Jakarta in 1998 and a Masters in Business Administration from the University of Indonesia, Jakarta, in 2004.

He has served as the a Human Capital & Corporate Affairs Director of the Company since April 2012. Previously, he served as VP of Human Capital Management (2009 – 2011), VP of Business Support (2005 – 2009), General Manager of Strategic Sourcing (2002 – 2004), General Manager of Corporate Services (2001 – 2002), General Manager of Cost Controlling (2000 – 2001), Head of General Secretary (1994 – 1998), and Head of Procurement and General Services (1993 – 1994).



Batara Silaban, Director

Indonesian Citizen, 50 years old.

Born in Mataram on June 24, 1963. Mr. Silaban obtained a Bachelor of Mechanical Engineering from Bandung Institute of Technology in 1988 and a Master of Professional Line Management from the University of Indonesia, Jakarta, in 1992.

He has served as a Maintenance & Fleet Management Director of the Company since April 2012. Previously, he served as VP Aircraft Maintenance Management (2007 – 2012), VP Asset & Counter Trade Management (2003 – 2007), Vice President Material (2001 – 2003), GM Technical System Development (2000 – 2001), Kabid Aircraft Maintenance Planning & Control (1996 – 1998), GM Aircraft Maintenance Planning & Control (1994 – 1996), Senior Manager Maintenance Planning (1996 – 1998), Manager Maintenance Planning & Method (1994), Staff Dinas Perawatan Pesawat (1990 – 1994) dan Capeg (1989 – 1990).



Judi Rifajantoro, Director

Indonesian Citizen, 54 years old.

Born in Bandung on November 27, 1959. Mr. Rifajantoro obtained a Bachelor's degree in Telecommunication Engineering from the Bandung Institute of Technology in 1985 and a Master of Business Telecommunications from the University of Delft Netherlands in 1996.

He has served as a Strategy, Business Development & Risk Management Director of the Company since April 2012. Previously, he served as VP of IT Strategy and Governance - Directorate ITSS PT TELKOM Bandung (2011 – 2012), Head of Information System Center – ISC Bandung PT TELKOM (2007 – 2010), Head of Business Unit – Kandatel Semarang PT TELKOM (2005 – 2007), Deputy Head of Business Unit – Kandatel Jakarta Timur PT TELKOM (2004 – 2005), Deputy Head of Business Unit – Kandatel Tangerang PT TELKOM (2002 – 2003), IT Gnr Mgr – SISFO Divre2 Jakarta PT TELKOM (1999 – 2002), IT Snr Mgr – SISFO Divre5 Surabaya PT TELKOM (1996 – 1999), IT Mgr – Unit SISFO Divre2 PERUMTEL Jakarta (1996), IT Ast. Manager – PUSTEKSI PERUMTEL Bandung (1991 – 1995), IT Programmer and System Analyst – SubditData PERUMTEL Bandung (1986 – 1990) and Junior Engineer PT Agung Teknik Bandung (1985 – 1986).



Novianto Herupratomo, Director

Indonesian Citizen, 54 years old.

Born in Malang on November 25, 1959. Mr. Herupratomo graduated from Institutions of Civil Aviation (*Lembaga Pendidikan Perhubungan Udara* or LPPU) in Curug in 1981.

He has served as an Operations Director of the Company since April 2012. Previously, he served as VP of Corporate Quality, Safety & Environment Management (2010-2012); VP Corporate Quality, Safety & Aviation Security (2006-2010); VP Flight Safety, Aviation Security & Environment (2005-2006); GM Incident Management (2005); GM Incident Investigation (2003-2005); GM Flight Standard (2000-2003); Company Check Pilot B-737 Strata III (2000); Fasilitator Chime (2000-2001); Penanggung Jawab Tim Penyusun Chime FOO (2000-2001); Penanggung Jawab Tim Penyusun FOO Training (2000); Head of Flight Standardisation (1999-2000); Head of Sub-Team Company Operating Procedure (1997-1999); Kasi Company Operating Procedure; Team N2130 Airline Working Group (1997); Kasi Dept.Chief Pilot for Line Ops.B-737 (1996-1999); Flight Instructor B727/400-300 TK.II (1997); Simulator Instructor B-737/400-300 TK.I (1996); PJS. Kasi Technical Pilot B-737 (1995-1996); Caretaker Kasi Technical Pilot BB-737 (1994-1995); Simulator Instructor B-737 (1994-1995); Captain Narrow Body (1993-1994); Senior Flight Officer MD-11 (1992-1993); Senior Flight Officer Wide Body II (1988-1992); Copilot DC-9 (1982-1988) and Junior Copilot DC-9 (1981-1982).



Meijer Frederik Johannes, Independent Director
Netherland Citizen, 43 years old.

Born in Hoogezand-Sappemeer, Netherlands on September 6, 1970. Mr. Johannes obtained a Bachelor of International Business Studies from the International Business School, Groningen Netherlands in 1991 and a Master of International Marketing from Middlesex Polytechnic University, London, in 1992.

He has served as a Marketing & Sales Director of the Company (Non-Affiliated Director) since June 2013. Previously, he served as Director and Chief Commercial Officer of PT Indosat Tbk (2012), President Director PT Bakrie Connectivity (2010-2012), Chief Executive Officer PT VIVA Media Baru (VIVAnews) (2009), Chief Commercial Officer PT Visi Media Asia (the media holding company of ANTV, tvOne & Vivanews) (2008-2010), Deputy President Director PT Bakrie Telecom Tbk (2007), Vice President Marketing & CRM PT Telkom Indonesia (2005-2006), Vice President Marketing & Mobile Data PT Telkom Indonesia (2004), Head of CRM Project PT Telkom Indonesia (2002), Acting General Manager Mobile Data PT Telkom Indonesia (2001-2002), General Manager Marketing PT Telkom Indonesia (1998-2004), Manager Sales Support PT Telkom Indonesia (1995-1997), Project Manager Business Development & Manager Marketing & Public Relations PTT Telecom Netherlands (Asia)/KPN (Asia) (1993-1995), Assistant Project Manager Business Development Unisource NV (Joint Venture of PTT Telkom Netherlands, Telia Sweden and Swiss PTT Telecom in Hoofddorp & The Netherlands) (1992-1993), and Management Trainee PTT Telecom Netherlands UK Ltd (1991-1992).

The appointment of Board of Directors and Board of Commissioners members has been conducted in accordance with Regulation No. IX.I.6.

Fulfillment of the Qualification for Management and Supervisory Board

Under the provisions of the Articles of Association Article 5, paragraph 2, the Ministry of State-Owned Enterprises as Series A *Dwiwarna* Shareholder has the privilege to approve the appointment and dismissal of the members of the Board of Commissioners and Board of Directors, so that the nomination process of candidates for the Board of Directors and Board of Commissioners is under the discretion of the Ministry of State-Owned Enterprise.

Procedures related to the implementation of the fit and proper test for the Company's prospective Directors and Commissioners conducted by the Ministry of State-Owned Enterprise are regulated in the following regulations:

1. Regulation of the Minister of State-Owned Enterprises State No. PER-01/MBU/2012 dated January 20, 2012 regarding Conditions and Procedures for Appointment and Dismissal of Board of Directors Members of a State-Owned Enterprise;
2. Regulation of the Minister of State-Owned Enterprises State No. PER-06/MBU/2012 dated May 21, 2012 regarding the First Amendment to the Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2012 regarding the Requirements and Procedures for Appointment and Dismissal of Board of Directors Members of a State-Owned Enterprise;
3. Regulation of the Minister of State-Owned Enterprises State No. PER-16/MBU/2012 dated October 1, 2012 regarding the Second Amendment to Regulation of the Minister of State Owned Enterprises No. PER-01/MBU/2012 regarding the Requirements and Procedures for Appointment and Dismissal of Board of Directors Members of a State-Owned Enterprise.

Up until the date of publication of this Prospectus, the Company has obtained all of the letters from the Ministry of State-Owned Enterprise to the Company's Chairman of the Shareholder's General Meeting regarding the changes to the Board of Directors and Board of Commissioners of the Company. These letters are confidential and are only submitted to the Chairman of the Shareholder's General Meeting at the time of the EGMS.

Commissioners' and Directors' Compensation

For the years ended December 31, 2011, 2012 and 2013, the total compensation paid to the Commissioners were USD979,628, USD1,127,729 and USD682,464, respectively, while the amount of salary and benefits paid to the Directors were USD3,267,247, USD3,870,391 and USD2,409,614. The members of the Board of Commissioners and Board of Directors may be given a salary and/or allowance which are determined by the AGMS. The AGMS may delegate the authority to determine salary and/or benefits to the Board of Commissioners.

Corporate Secretary

In accordance with Bapepam and LK regulation No. KEP-63/PM/1996 dated January 17, 1996, Attachment Regulation No. IX.I.4 regarding the Appointment of Corporate Secretary, in conjunction with the IDX Board of Directors Decree No. Kep.305/BEJ/07-2004 dated July 19, 2004, as amended by the IDX Board of Directors Decree No. Kep-00001/BEI/01-2014 dated January 20, 2014, and based on the Company's Board of Directors Decree No. JKTDZ/SKEP/50056/09 dated October

2, 2009 regarding the Appointment and Dismissal of Officials in PT Garuda Indonesia (Persero), the Company has appointed Ike Andriani as the Company's VP Corporate Secretary.

The Corporate Secretary's duties include, among others:

1. To follow and be updated on the development in capital markets, especially the capital market regulations that are in force;
2. To provide any information needed by investors related to the Company's condition;
3. To provide input to the Board of Directors to comply with the provisions of the Capital Market Law and its implementation regulations; and
4. To act as a liaison or contact person between the Company and OJK and the public.

Audit Committee

The Company has established an Audit Committee through (i) the Board of Commissioners Decree No. JKTDW/038/2012 dated June 1, 2012, (ii) the Board of Commissioners Decree No. JKTDW/SKEP/071/2012 dated October 1, 2012, (iii) the Board of Commissioners Decree No. JKTDW/SKEP/089/2012 dated December 14, 2012 and (iv) the Board of Commissioners Decree No. JKTDW/SKEP/011/2014 dated March 13, 2014. The composition of the Audit Committee is as follows:

- a. Betti S. Alisjahbana, the Company's Independent Commissioner, as Chairman of the Audit Committee, to serve until her term as a member of the Board of Commissioners has ended, which is the fifth Annual General Meeting of Shareholders after February 6, 2012;
- b. Chaerul D. Djakman, as a member of the Audit Committee, to serve until September 30, 2015;
- c. Prasetyo Suhardi, as a member of the Audit Committee, to serve until December 31, 2015.

The Audit Committee is a committee established by the Board of Commissioners in order to assist and strengthen the function of the Board of Commissioners in exercising its oversight over the financial reporting process, auditing, internal control and implementation of corporate governance by the Board of Directors in managing the Company.

The following is a brief description of each member of the Audit Committee:

Betti S. Alisjahbana

Chairman of Audit Committee

Please refer to the section on Board of Commissioners.

Chaerul D. Djakman

Member of the Audit Committee

Indonesian citizen, born on January 28, 1962 (52 years old). Mr. Djakman was appointed as Member of the Audit Committee on October 2012. He also serves as Chairman of Development Center Accounting (Pusat Pengembangan Akuntansi or PPA) UI (2009 – present), Technical Specialist Banking on ISO 9001:2008 for SAI Global, Bank Mandiri, NISP, BNI, Bank Muamalat, and BPR Karya Jatnika (2005 – present). Previously, he served as Head of the Department of Accounting at Universitas Indonesia Economy Faculty (2005 – 2009) and Vice Chairman Vocational Program at Universitas Indonesia Economy Faculty (2003 – 2005).

He obtained a Doctorate in Accounting at the University of Indonesia, Master from the University of Colorado, USA and a certificate of the National Valuers Accreditation of Higher Education of the Republic of Indonesia.

Prasetyo Suhardi

Member of the Audit Committee

Indonesian citizen, born on February 6, 1951 (63 years). Mr. Suhardi was appointed as Member of the Audit Committee in 2010. He also serves as a Partner at TASS Consulting. Previously, he served as an Associate Director at Price Waterhouse Consulting Indonesia (1990-2002), Manager at SGV Utomo/Andersen Consulting (1984-1990), Metropolitan Facilities/Stopha Corporation (1976-1984), and Fincode International and Associates (1975 - 1976).

He obtained a Bachelor of Industrial Engineering from Bandung Institute of Technology in 1975 and Business Process Management Program from the Asian Institute of Management in 1985.

Based on the Audit Committee Charter, dated June 25, 2013, the Audit Committee in carrying out its functions have duties and responsibilities as follows:

1. Perform a review of the financial information of the Company issued to the public and/or authorities relating to the Company's financial information;
2. Perform a review of procedures evaluation in addition to financial expenses of the Company;
3. Perform a review of the compliance with laws and regulations relating to the activities of the Company;
4. Give a review of the compliance with laws and regulations relating to the activities of the Company;
5. Provide recommendations to the Board regarding the appointment of an accountant that is based on independence, and the scope of the assignment fee.
6. Perform a review of the examination of the implementation of internal audit and oversee the implementation of the follow-up to the Board of Directors on the findings of the internal auditors;
7. Perform a review of the implementation of risk management activities undertaken by the Board of Directors, if the Company does not have a risk monitoring function under the Board of Commissioners;
8. Examine complaints relating to accounting and financial reporting processes of the Company;
9. Perform a review of the effectiveness of internal control systems;
10. Provide recommendations for improvement of management control systems and their implementation;
11. Maintain confidentiality of documents, data and information of the Company.

Internal Audit Unit

In accordance with the Regulation. IX.1.7, Attachment to the Decision of Chairman of Bapepam-LK No. Kep-496/BL/2008 dated 28 November 2008 on the Establishment and Charter Drafting Guidelines for the Internal Audit Unit, the Company has Internal Audit Charter dated December 23, 2010 and by Decree No. JKTDZ/BA-SKDM/SEKR/006/12 dated May 29, 2012, the Board of Directors of the Company has appointed Sri Mulyati as VP of Internal Audit.

D. Human Resources

The composition of the Company and its Subsidiaries' employees based on position, level of education and age as of December 31, 2013, 2012 and 2011 are as follows:

The Company and its Subsidiaries' Employee Composition Based On Position Level

Position	December 31,		
	2013	2012	2011
The Company:			
1 Directors	8	8	6
2 Vice President	47	37	37
3 Senior Manager & GM Branch Office	189	189	191
4 Manager Branch Office and Head Office	328	313	291
5 Duty Manager	114	98	102
6 Supervisor Branch Office and Head Office	273	261	258
7 Ground Employee Staffs	2,278	2,410	2,316
8 Captain	565	444	443
9 First Officer	461	372	369
10 Flight Service Manager	397	334	298
11 Flight Attendant	2,531	1,861	1,960
12 Students (FA / Cockpit / MT)	670	681	437
Total Company	7,861	7,008	6,708
Subsidiaries:			
Abacus			
1 Directors	1	1	1
2 Vice President	-	-	-
3 Senior Manager	1	2	2
4 Manager	10	11	14
5 Supervisor	10	7	7
6 Staff	64	55	45
Total Abacus	86	76	69
Aerowisata			
1 Directors	4	2	3
2 Vice President	4	6	5
3 Senior Manager	9	3	4
4 Manager	13	15	19
5 Supervisor	58	-	-

Position	December 31,		
	2013	2012	2011
6 Staff	21	78	71
Total Aerowisata	109	104	102
Asyst			
1 Directors	2	2	3
2 Vice President	-	-	-
3 Senior Manager	14	10	11
4 Manager	52	51	49
5 Supervisor	-	-	-
6 Staff	183	181	177
Total Asyst	251	244	240
Citilink			
1 Commissioners and Directors	7	5	4
2 Vice President	11	8	-
3 Senior Manager	13	51	-
4 Manager	77	9	-
5 Supervisor	23	-	-
6 Staff	188	458	-
7 Captain	92	-	-
8 First Officer	165	-	-
9 Flight Attendant I	91	-	-
10 Flight Attendant II	284	-	-
Total Citilink	951	531	4
GMF AeroAsia			
1 Directors	6	6	6
2 Vice President	17	15	16
3 Senior Manager	94	73	71
4 Manager	225	212	221
5 Supervisor	-	-	-
6 Staff	3,112	3,044	2,566
Total GMF AeroAsia	3,454	3,350	2,880
Total	12,712	11,313	10,003

The Company and its Subsidiaries' Employee Composition Based On Education Level

Education Level	December 31,		
	2013	2012	2011
The Company:			
Master & PhD (S2/S3)	312	316	311
Bachelor (S1)	2,654	2,356	2,377
Diploma	1,656	802	669
Elementary/Junior High /High School	3,239	3,534	3,351
Total Company	7,861	7,008	6,708
Subsidiaries:			
Abacus:			
Master & PhD (S2/S3)	5	6	8
Bachelor (S1)	49	39	39
Diploma	21	18	10
Elementary/Junior High /High School	11	13	12
Total Abacus	86	76	69
Aerowisata:			
Master & PhD (S2/S3)	18	18	18
Bachelor (S1)	71	68	67
Diploma	10	9	8
Elementary/Junior High /High School	10	9	9
Total Aerowisata	109	104	102
Asyst:			
Master & PhD (S2/S3)	28	27	35
Bachelor (S1)	149	147	152
Diploma	30	27	20
Elementary/Junior High /High School	44	43	33

Education Level	December 31,		
	2013	2012	2011
Total Asyst	251	244	240
Citilink:			
Master & PhD (S2/S3)	28	7	2
Bachelor (S1)	217	57	2
Diploma	288	341	-
Elementary/Junior High /High School	418	126	-
Total Citilink	951	531	4
GMF AeroAsia:			
Master & PhD (S2/S3)	83	92	84
Bachelor (S1)	677	717	705
Diploma	809	448	463
Elementary/Junior High /High School	1,885	2,093	1,628
Total GMF AeroAsia	3,454	3,350	2,880
Total	12,712	11,313	10,003

The Company and its subsidiaries' Employee Composition Based on Age Group

Age Group (Years)	December 31,		
	2013	2012	2011
The Company:			
> 50	1,043	938	896
41 – 50	2,566	2,476	2,419
31 – 40	806	946	1,236
21 – 30	2,934	2,198	1,595
< 21	512	450	562
Total Company	7,861	7,008	6,708
Subsidiaries:			
Abacus:			
> 50	5	4	2
41 – 50	16	12	16
31 – 40	30	28	31
21 – 30	32	29	18
< 21	3	3	2
Total Abacus	86	76	69
Aerowisata:			
> 50	15	15	14
41 – 50	34	30	30
31 – 40	30	27	26
21 – 30	30	32	32
< 21	-	-	-
Total Aerowisata	109	104	102
Asyst:			
> 50	28	34	32
41 – 50	51	52	55
31 – 40	70	72	79
21 – 30	90	81	74
< 21	12	5	-
Total Asyst	251	244	240
Citilink:			
> 50	68	37	1
41 – 50	95	63	3
31 – 40	272	123	-
21 – 30	457	251	-
< 21	59	57	-
Total Citilink	951	531	4
GMF AeroAsia:			
> 50	762	611	601

Age Group (Years)	December 31,		
	2013	2012	2011
41 – 50	1,146	1,291	1,227
31 – 40	210	190	202
21 – 30	1,326	1,097	775
< 21	10	161	75
Total GMF AeroAsia	3,454	3,350	2,880
Total	12,712	11,313	10,003

The Company and its Subsidiaries' Employee Composition Based on Working Status

Status	December 31.		
	2013	2012	2011
The Company			
Contract	2,106	1,506	1,591
Permanent	5,085	4,821	4,680
Student	670	681	437
Total Company	7,861	7,008	6,708
Subsidiaries:			
Abacus:			
Contract	26	22	9
Permanent	60	54	60
Total Abacus	86	76	69
Aerowisata:			
Contract	16	-	-
Permanent	93	104	102
Total Aerowisata	109	104	102
Asyst:			
Contract	160	95	142
Permanent	91	149	98
Total Asyst	251	244	240
Citilink:			
Contract	950	-	-
Permanent	1	531	4
Total Citilink	951	531	4
GMF AeroAsia:			
Contract	252	198	187
Permanent	3,202	3,152	2,693
Total GMF AeroAsia	3,454	3,350	2,880
Total	12,712	11,313	10,003

At the date of the publication of this Prospectus, the Company's employment payroll is in accordance with the applicable Provincial Minimum Wage (*Upah Minimum Provinsi* or UMP).

The Company has a Collective Labor Agreement set out in Jakarta on October 15, 2012 by the Decree of Director General of Industrial Relations and Labor Social Security of the Ministry of Manpower and Transmigration of the Republic of Indonesia No. KEP.165/PHIJSK-PKKAD/PKB/X/2012 dated October 15, 2012 on the Registration of Collective Labor Agreement between PT Garuda Indonesia (Persero) Tbk., and the Company's Labor Unions, which is valid for two years from August 28, 2012 up to August 27, 2014. Matters set out in the company regulations of the Company are, among others: the employer-employee relationship, such as matters regarding transfer, promotion, demotion, rotation of duty, working time, such as holidays, leave and license, remuneration, social security and welfare, employee development, safety and health, regulations and work rules, settlement complaints and termination of employment.

Currently, the Company has recruited 306 foreign workers as its cockpit crew and cabin crew. Foreign workers who are employed by the Company are as follows:

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO. KITAS	KITAS EXPIRATION	NATIONALITY
1	MEIJER FREDERIK JOHANNES	MARKETING AND SALES DIRECTOR	KEP. 30825/MEN/P/IMTA/2013	7/11/2014	JDGAA63875	7/11/2018	NETHERLAND
2	KURIZAKI KEN	MARKETING AND SALES EXECUTIVE	KEP. 49847/MEN/B/IMTA/2013	20/10/2014	JEGAA99002	20/10/2014	JAPAN

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO. KITAS	KITAS EXPIRATION	NATIONALITY
3	NASR KARIMA	PROJECT EXPERT	KEP. 16549/MEN/P/IMTA/2013	30/10/2014	J1U1KDU18699	30/10/2014	MAROCOCCO
4	LUIGI JOHN D'ALESSIO	VP INFLIGHT SERVICES	KEP. 02785/MEN/P/IMTA/2013	08/03/2014	2C21JB357-M	3/8/2014	AUSTRALIA
5	DE MARIA MURILLO ANTONIO	CAPTAIN PILOT	KEP. 16091/MEN/P/IMTA/2013	19/09/2014	IM2LAJ42896	19/09/2014	SPAIN
6	PENDLETON DANIEL	CAPTAIN PILOT	KEP. 16654/MEN/P/IMTA/2013	19/09/2014	IM2LAJ37295	19/09/2014	USA
7	MC MAHON MICHAEL CHRISTOPHER	CAPTAIN PILOT	KEP. 16092/MEN/P/IMTA/2013	19/09/2014	E1U1JFU23526	19/09/2014	USA
8	BARRERA VALOR MIGUEL ANGEL	CAPTAIN PILOT	KEP. 16093/MEN/P/IMTA/2013	19/09/2014	IM2LAJ42918	19/09/2014	SPAIN
9	RAGA TENIAS VICENTE ANTONIO	CAPTAIN PILOT	KEP. 16094/MEN/P/IMTA/2013	30/10/2014	IM2LAJ05950	30/10/2014	VENEZUELA
10	VICARIA HERNANDEZ ALEJANDRO	FIRST OFFICER	KEP. 26483/MEN/P/IMTA/2013	26/12/2014	J1U1LHW87020	26/12/2014	SPAIN
11	BARRON ROMERO ANTONIO	FIRST OFFICER	KEP. 26485/MEN/P/IMTA/2013	07/01/2015	IM2LAK31844	1/7/2015	SPAIN
12	ARENAS GIL EDUARDO ALFONSO	FIRST OFFICER	KEP. 26366/MEN/P/IMTA/2013	13/01/2015	IM2LAK31867	13/01/2015	SPAIN
13	SANCHEZ IGLESIAS FRANCISCO JAVIER	PILOT INSTRUCTOR	KEP. 26474/MEN/P/IMTA/2013	26/12/2014	J1U1LHW87050	26/12/2014	SPAIN
14	PEREZ BELMONTE GUILLERMO BENJAMIN	CAPTAIN PILOT	KEP. 26475/MEN/P/IMTA/2013	13/01/2015	IM2LAK31928	13/01/2015	SPAIN
15	ALVEAR PEREZ IGNACIO	CAPTAIN PILOT	KEP. 26473/MEN/P/IMTA/2013	01/07/2015	IM2LAK31904	7/1/2015	SPAIN
16	ABAD PASTOR JOAQUIN	FIRST OFFICER	KEP. 26487/MEN/P/IMTA/2013	26/12/2014	J1U1LHW87006	26/12/2014	SPAIN
17	SERGIO PLANELL'S PEREZ	FIRST OFFICER	KEP. 26484/MEN/P/IMTA/2013	26/12/2014	J1U1LHW86983	12/26/2014	SPAIN
18	ALBERTO GALERA GARCIA	FIRST OFFICER	KEP. 00402/MEN/P/IMTA/2014	14/04/2015	2C21JD0850-N	4/14/2015	SPAIN
19	CARLOS LUCENA REYES	FIRST OFFICER	KEP. 06562/MEN/B/IMTA/2013	4/1/2014	IM2MAK67547	4/1/2014	SPAIN
20	CONRADO LAHOZ ASPAS	CAPTAIN PILOT	KEP. 00836/MEN/P/IMTA/2014	17/02/2015	2C21JD0646-N	2/17/2015	SPAIN
21	ELOY JOSE RODRIGUEZ CARRASCO	FIRST OFFICER	KEP. 00406/MEN/P/IMTA/2014	17/02/2015	2C21JD0318-N	2/17/2015	SPAIN
22	JOSE IGNACIO FERNANDEZ BASSABER	CAPTAIN PILOT	KEP. 00835/MEN/P/IMTA/2014	07/03/2015	2C21JD0792-N	3/7/2015	SPAIN
23	AGUSTIN ANDRES FOLLE	FIRST OFFICER	KEP. 00412/MEN/P/IMTA/2014	20/03/2015	2C21JD0684-N	3/20/2015	ITALY
24	ALBERTO JAVIER LOPEZ	CAPTAIN PILOT	KEP. 00411/MEN/P/IMTA/2014	20/03/2015	2C21JD0685-N	3/20/2015	ITALY
25	ALEJANDRO ALVARO OLIVERA LABRUZ	FIRST OFFICER	KEP. 00404/MEN/P/IMTA/2014	24/03/2015	2C21ID0317-N	3/24/2015	ANDORRA
26	BENJAMIN LEVY VIDELA	CAPTAIN PILOT	KEP. 00413/MEN/P/IMTA/2014	20/03/2015	2C21JD0970-N	3/20/2015	URUGUAY
27	BRUNO MARIO VIOLA PEREYRA	FIRST OFFICER	KEP. 00407/MEN/P/IMTA/2014	20/03/2015	2C21JD0321-N	3/20/2015	URUGUAY
28	CHARLES JOSEPH HYDE	CAPTAIN PILOT	KEP. 00416/MEN/P/IMTA/2014	04/03/2015	JCU1LAA43418	4/3/2014	USA
29	DIEGO MARCELO GUELLA COUAYRAHOURCQ	FIRST OFFICER	KEP. 00409/MEN/P/IMTA/2014	24/03/2015	IM2MAL66434	3/24/2014	URUGUAY
30	EDUARDO ROBERTO LOPEZ LEON	CAPTAIN PILOT	KEP. 00393/MEN/P/IMTA/2014	20/03/2015	IM2MAL61641	3/20/2014	URUGUAY
31	FEDERICO ZYLBERGLAJT	CAPTAIN PILOT	KEP. 00397/MEN/P/IMTA/2014	20/03/2015	2C21JD1191-N	3/20/2015	FRANCE
32	GEORGE LUIS KETZELMAN	CAPTAIN PILOT	KEP. 00410/MEN/P/IMTA/2014	03/04/2015	2C21JD0824-N	3/20/2015	USA
33	GUILLERMO ALBERTO LAWLOR GARCIA	CAPTAIN PILOT	KEP. 00415/MEN/P/IMTA/2014	24/03/2015	2C21JD0795-N	3/24/2015	SPAIN
34	JAN MORTEN LEDANG	CAPTAIN PILOT	KEP. 00401/MEN/P/IMTA/2014	03/04/2015	2C21JD0791-N	4/3/2015	NORWEGIA
35	JULIEN PIERRE CHARLES HOCQUETTE	FIRST OFFICER	KEP. 00398/MEN/P/IMTA/2014	24/03/2015	2C21JD0822-N	3/24/2015	FRANCE
36	DANIEL EDUARDO MARSHALL	CAPTAIN PILOT	KEP. 00400/MEN/P/IMTA/2014	03/04/2015	2C21JD1200-N	4/3/2015	ARGENTINA
37	MARTIN JAVIER RENOVALES ARAUJO	FIRST OFFICER	KEP. 00405/MEN/P/IMTA/2014	24/03/2015	2C21JD0793-N	3/24/2015	URUGUAY
38	MICHEL FREDERIC THUBERT	FIRST OFFICER	KEP. 00392/MEN/P/IMTA/2014	24/03/2015	2C21JD0849-N	3/24/2015	FRANCE
39	MILTON GERARDO LEIVA CHRISTY	CAPTAIN PILOT	KEP. 00414/MEN/P/IMTA/2014	20/03/2015	2C21JD1015-N	3/20/2015	URUGUAY
40	PABLO GUIGOU	FIRST OFFICER	KEP. 00396/MEN/P/IMTA/2014	24/03/2015	2C21JD0823-N	3/24/2015	ITALY
41	PERCY JAMES HOWARD BEERS	CAPTAIN PILOT	KEP. 00408/MEN/P/IMTA/2014	03/04/2015	2C21JD0320-N	4/3/2015	CANADA
42	RAMON DE LA CABADA	FIRST OFFICER	KEP. 00395/MEN/P/IMTA/2014	24/03/2015	2C21JD0851-N	3/24/2015	USA
43	VIRGIL RYAN TRISTAN REFOS	FIRST OFFICER	KEP. 00394/MEN/P/IMTA/2014	20/03/2015	2C21JD0861-N	3/20/2015	NETHERLAND
44	ALVARO JAVIER VENDRELL FIRPI	FIRST OFFICER	KEP. 28617/MEN/B/IMTA/2013	09/06/2014	IM2MAN43030	6/9/2014	URUGUAY
45	JABER DANNY	CAPTAIN PILOT	KEP. 16655/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98661	29/10/2014	USA
46	GONZALES CANETO PEDRO FELIPE	CAPTAIN PILOT	KEP. 16042/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98563	29/10/2014	ITALY
47	MARSIGLIA LALINDE DIEGO	FIRST OFFICER	KEP. 16043/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98685	29/10/2014	URUGUAY
48	IRIARTE FERNANDO	FIRST OFFICER	KEP.	29/10/2014	IM2LAJ98526	29/10/2014	ITALY

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO. KITAS	KITAS EXPIRATION	NATIONALITY
			15951/MEN/P/IMTA/2013				
49	MIGUEL KOCZWAR FERNANDO	FIRST OFFICER	KEP. 15953/MEN/P/IMTA/2013	30/10/2014	IM2LAJ11952	30/10/2014	SPAIN
50	ALVAREZ GUTIERREZ MARTIN	CAPTAIN PILOT	KEP. 31144/MEN/B/IMTA/2013	17/07/2014	IM2MAN95696	17/07/2014	SPAIN
51	KOGER MARGUS	FIRST OFFICER	KEP. 31149/MEN/B/IMTA/2013	11/3/2014	IM2MAN95657	11/3/2014	ESTONIA
52	ARGUELLO ALVES LUIS ALBERTO	FIRST OFFICER	KEP. 31147/MEN/B/IMTA/2013	23/07/2014	IM2MAN95566	23/07/2014	URUGUAY
53	FITZGERALD KEVIN LAMAR	FIRST OFFICER	KEP. 31150/MEN/B/IMTA/2013	7/3/2014	IM2MAN95603	7/3/2014	USA
54	DE ANDRES ESTRADA JOSE ANGEL	CAPTAIN PILOT	KEP. 31145/MEN/B/IMTA/2013	17/07/2014	IM2MAN95671	17/07/2014	SPAIN
55	MESEGUER SANCHIS JAIME	FIRST OFFICER	KEP. 31146/MEN/B/IMTA/2013	17/07/2014	IM2MAN95580	17/07/2014	SPAIN
56	SENA CABRERA HERNAN DANIEL	CAPTAIN PILOT	KEP. 31138/MEN/B/IMTA/2013	7/7/2014	J1U1MKA47043	7/7/2014	URUGUAY
57	GARCIA TATO GABRIEL	FIRST OFFICER	KEP. 31151/MEN/B/IMTA/2013	22/08/2014	IM2MAN95529	22/08/2014	SPAIN
58	BIDEAU FERNANDEZ FERNANDO JOSE	CAPTAIN PILOT	KEP. 31140/MEN/B/IMTA/2013	7/7/2014	IM2MAN95718	7/7/2014	URUGUAY
59	BORJA DIEZ EMILIO JOSE	CAPTAIN PILOT	KEP. 31143/MEN/B/IMTA/2013	17/07/2014	IM2MAN95755	17/07/2014	SPAIN
60	DOGLIOTTI AUGUSTO JOSE	CAPTAIN PILOT	KEP. 31139/MEN/B/IMTA/2013	17/07/2014	IM2MAN95779	17/07/2014	URUGUAY
61	ZABALA ZACHARY ANDREW	FIRST OFFICER	KEP. 28615/MEN/B/IMTA/2013	6/9/2014	IM2MAN22437	6/9/2014	USA
62	DIAZ BRU SALVADOR JOSE	FIRST OFFICER	KEP. 28622/MEN/B/IMTA/2013	6/12/2014	IM2MAN42509	6/12/2014	SPAIN
63	MARKOVIC ROK	FIRST OFFICER	KEP. 28631/MEN/B/IMTA/2013	15/09/2014	IM2MAN35107	15/09/2014	SLOVENIA
64	LEENART ROALD ELROY	FIRST OFFICER	KEP. 28623/MEN/B/IMTA/2013	6/9/2014	IM2MAN20512	6/9/2014	NETHERLAND
65	ECHAVARRIA BASY PABLO JAVIER	FIRST OFFICER	KEP. 28621/MEN/B/IMTA/2013	6/9/2014	IM2MAN20536	6/9/2014	URUGUAY
66	HAIDARAH MOHANAD ABDUL WAHAB	FIRST OFFICER	KEP. 28618/MEN/B/IMTA/2013	6/9/2014	IM2MAN19863	6/9/2014	BRITISH
67	RAKUN MATJAZ	FIRST OFFICER	KEP. 28628/MEN/B/IMTA/2013	15/09/2014	IM2MAN35084	15/09/2014	SLOVENIA
68	KOROSEC MARTIN	CAPTAIN PILOT	KEP. 28629/MEN/B/IMTA/2013	7/3/2014	IM2MAN35175	15/09/2014	SLOVENIA
69	MAERT SOPLEPMANN	FIRST OFFICER	KEP. 28630/MEN/B/IMTA/2013	23/07/2014	IM2MAN20408	23/07/2014	ESTONIA
70	SAAR MARI LIIS	FIRST OFFICER	KEP. 28619/MEN/B/IMTA/2013	6/9/2014	IM2MAN19758	6/9/2014	ESTONIA
71	SANCHO TELLO VALLS LUIS MARIA	CAPTAIN PILOT	KEP. 28620/MEN/B/IMTA/2013	6/6/2014	IM2MAN19698	6/6/2014	SPAIN
72	GUTIERREZ BENGOCHEA LUIS	CAPTAIN PILOT	KEP. 31141/MEN/B/IMTA/2013	7/2/2014	IM2MAN97838	7/2/2014	SPAIN
73	VENDRELL FIRPI ALVARO JAVIER	FIRST OFFICER	KEP. 28617/MEN/B/IMTA/2013	6/9/2014	IM2MAN43030	6/9/2014	URUGUAY
74	YOSEFFI DOS SANTOS GUILLERMO	FIRST OFFICER	KEP. 15952/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98648	29/10/2014	URUGUAY
75	PADRON CARDONA NICOLAS	FIRST OFFICER	KEP. 16044/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98587	29/10/2014	URUGUAY
76	CAMACHO MARQUEZ RODRIGO LUIS	FIRST OFFICER	KEP. 16045/MEN/P/IMTA/2013	30/10/2014	IM2LAJ11892	30/10/2014	SPAIN
77	DE JONG PEREZ ALVARO	CAPTAIN PILOT	KEP. 26472/MEN/P/IMTA/2013	1/13/2015	IM2LAJ05890	1/13/2015	SPAIN
78	PARRILLA MONTERO ANTONIO	CAPTAIN PILOT	KEP. 16046/MEN/P/IMTA/2013	30/10/2014	J1U1LHG56230	30/10/2014	SPAIN
79	PINTO PAVON CARLOS	CAPTAIN PILOT	KEP. 16047/MEN/P/IMTA/2013	30/10/2014	J1U1LHG56284	30/10/2014	SPAIN
80	CURRAS PEREZ FRANCISCO JAVIER	CAPTAIN PILOT	KEP. 18933/MEN/P/IMTA/2013	11/12/2014	E1U1LKA61853	11/12/2014	SPAIN
81	COLOMBAS CANELLAS PEDRO MIGUEL	CAPTAIN PILOT	KEP. 18934/MEN/P/IMTA/2013	11/12/2014	IM2LAJ05913	11/12/2014	SPAIN
82	GUTIERREZ CAMPOS JOSE ENRIQUE	FIRST OFFICER	KEP. 18948/MEN/P/IMTA/2013	11/12/2014	IM2LAJ05876	11/12/2014	SPAIN
83	MUNOZ LOPEZ VICTOR	FIRST OFFICER	KEP. 15954/MEN/P/IMTA/2013	30/10/2014	J1U1LHG56179	30/10/2014	SPAIN
84	GOMIS MARTINEZ MARTIN DOUGLAS	FIRST OFFICER	KEP. 18950/MEN/P/IMTA/2013	11/12/2014	IM2LAJ17865	11/12/2014	SPAIN
85	TREMAINE JEREMY PETER	CAPTAIN PILOT	KEP. 15955/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98540	29/10/2014	NEW ZEALAND
86	SMADI MAHMOUD SALAMEH	CAPTAIN PILOT	KEP. 15956/MEN/P/IMTA/2013	30/10/2014	J1U1LHG81988	30/10/2014	USA
87	RAMSEY WILLIAM GEORGE	CAPTAIN PILOT	KEP. 18932/MEN/P/IMTA/2013	19/11/2014	IM2LAJ05852	19/11/2014	USA
88	CARRION JR JOSE LUIS	FIRST OFFICER	KEP. 18947/MEN/P/IMTA/2013	19/11/2014	IM2LAJ05785	19/11/2014	USA
89	PAUL WALTER PLACK	FIRST OFFICER	KEP. 18946/MEN/B/IMTA/2013	19/11/2014	E1U1KCX96255	19/11/2014	USA
90	STABERG PER AKE	FIRST OFFICER	KEP. 15950/MEN/P/IMTA/2013	30/10/2014	J1U1LHG82268	30/10/2014	SWEDIA
91	RITEH THAKER	FIRST OFFICER	KEP. 16048/MEN/P/IMTA/2013	29/10/2014	IM2LAJ98600	29/10/2014	NAMIBIA
92	BRUNDAGE WILLIAM PERCIVAL	CAPTAIN PILOT	KEP. 18935/MEN/P/IMTA/2013	19/11/2014	IM2LAJ17842	19/11/2014	USA
93	HUERTAS BARTOLOME JOSE LUIS	FIRST OFFICER	KEP. 16108/MEN/P/IMTA/2013	27/09/2014	IM2LAJ43327	27/09/2014	SPAIN

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO. KITAS	KITAS EXPIRATION	NATIONALITY
94	WEEKS DONALD MALCOLM	FIRST OFFICER	KEP. 16106/MEN/P/IMTA/2013	19/09/2014	IM2LAI37318	19/09/2014	USA
95	SHAN CHING SEONG HERALD	FIRST OFFICER	KEP. 18951/MEN/P/IMTA/2013	19/11/2014	IM2LAJ05998	19/11/2014	FRANCE
96	ROEBUCK JOHN KEIICHIRO	FIRST OFFICER	KEP. 16107/MEN/P/IMTA/2013	19/09/2014	IM2LAI37379	19/09/2014	USA
97	CALDERARO RIOS RICARDO	PILOT INSTRUCTOR	KEP. 26367/MEN/P/IMTA/2013	1/8/2015	IM2LAK31881	1/8/2015	SPAIN
98	PLANELLS PEREZ SERGIO	FIRST OFFICER	KEP. 26484/MEN/P/IMTA/2013	26/12/2014	J1U1LHW86983	26/12/2014	SPAIN
99	RUSHING JAMES BRENT	CAPTAIN PILOT	KEP. 12382/MEN/B/IMTA/2013	4/3/2014	IM2MAL61627	4/3/2014	USA
100	KOROSEC MARTIN	CAPTAIN PILOT	KEP. 28629/MEN/B/IMTA/2013	7/3/2014	IM2MAN35175	15/09/2014	SLOVENIA
101	GUTIERRAZ CABRERA ROBERT	FIRST OFFICER	KEP. 31148/MEN/B/IMTA/2013	7/7/2014	IM2MAN95634	7/7/2014	URUGUAY
102	LEMUET RENE LIONEL	PILOT INSTRUCTOR	KEP. 54159/MEN/B/IMTA/2013	6/6/2014	IM2HAL36953	6/6/2014	FRANCE
103	ABHILASH MENON THULASIDAS	COPILOT	KEP. 28741/MEN/B/IMTA/2013	14/05/2014	IM2JAD17669	14/05/2014	INDIA
104	PULICS MILAN	COPILOT	KEP. 28738/MEN/B/IMTA/2013	20/05/2014	J1U1JDC24843	20/05/2014	FRANCE
105	NAEMI MUHAMMAD REZA	COPILOT	KEP. 28739/MEN/B/IMTA/2013	27/05/2014	J1U1MJE38945	27/05/2014	IRAN
106	SAHFINAJAFI NEJAD SEYED ALIREZA	COPILOT	KEP. 28740/MEN/B/IMTA/2013	27/05/2014	J1U1JCD27978	27/05/2014	IRAN
107	NOORDHOFF MAIKEL RUDOLF	FIRST OFFICER	KEP. 37524/MEN/B/IMTA/2013	21/08/2014	J1U1JDC76060	21/08/2014	NETHERLAND
108	WONG OTMAR DWIGHT	FIRST OFFICER	KEP. 37527/MEN/B/IMTA/2013	21/08/2014	J1U1MKI42797	21/08/2014	NETHERLAND
109	KOCSONYA PETER PAL	FIRST OFFICER	KEP. 37525/MEN/B/IMTA/2013	9/1/2014	JCU1LAA39330	9/1/2014	HUNGARIA
110	HAMED AHMED MAGDY SALEH	FIRST OFFICER	KEP. 52228/MEN/B/IMTA/2013	25/11/2014	J1U1MKD88232	25/11/2014	USA
111	MORALES RODRIGUES JUAN	FIRST OFFICER	KEP. 52229/MEN/B/IMTA/2013	14/11/2014	J1U1KDF01789	14/11/2014	SPAIN
112	JUN HO LEE	FIRST OFFICER	KEP. 52231/MEN/B/IMTA/2013	15/11/2014	IM2HAJ70475	15/11/2014	SOUTH KOREA
113	ROB DE HOOP	FIRST OFFICER	KEP. 52230/MEN/B/IMTA/2013	15/11/2014	J1U1KCL61755	15/11/2014	NETHERLAND
114	MARTIN WARREN CRAIG	PILOT INSTRUCTOR	KEP. 49848/MEN/B/IMTA/2013	11/3/2014	E1U1KEC23752	11/3/2014	AUSTRALIA
115	COURTIN MICHEL YVON	PILOT INSTRUCTOR	KEP. 28635/MEN/B/IMTA/2013	7/7/2014	J1U1MJC54262	7/7/2014	FRANCE
116	NUNEZ RIERA VICTOR	CAPTAIN PILOT	KEP. 43585/MEN/B/IMTA/2013	15/10/2014	IM2MAP69862	15/10/2014	SPAIN
117	COUCH MARK EDWARD	CAPTAIN PILOT	KEP. 43588/MEN/B/IMTA/2013	10/8/2014	J1U1KDB23101	10/8/2014	USA
118	MARTINEZ NUNEZ PEDRO ALEJANDRO	CAPTAIN PILOT	KEP. 43642/MEN/B/IMTA/2013	16/10/2014	IM2MAP69947	16/10/2014	VENEZUELA
119	HYDE JOSEPH LEE	CAPTAIN PILOT	KEP. 43644/MEN/B/IMTA/2013	10/8/2014	IM2MAP70029	10/8/2014	USA
120	STEDMAN JESSE RUSSELL	CAPTAIN PILOT	KEP. 43584/MEN/B/IMTA/2013	22/09/2014	IM2MAP69984	22/09/2014	USA
121	MASSE MARTIN	CAPTAIN PILOT	KEP. 43586/MEN/B/IMTA/2013	16/10/2014	IM2MAP69923	16/10/2014	CANADA
122	MORTON CHRISTOPHER JAMES	CAPTAIN PILOT	KEP. 43583/MEN/B/IMTA/2013	22/09/2014	IM2MAP69909	22/09/2014	CANADA
123	MC CANN HEATHER ELAINE	FIRST OFFICER	KEP. 43640/MEN/B/IMTA/2013	16/09/2014	J1U1MKV51862	16/09/2014	USA
124	WALKER JR ROBERT THOMAS	CAPTAIN PILOT	KEP. 43646/MEN/B/IMTA/2013	16/10/2014	IM2MAP69849	16/10/2014	USA
125	MC COY JAMES EARL	CAPTAIN PILOT	KEP. 43582/MEN/B/IMTA/2013	22/09/2014	IM2MAP69788	22/09/2014	USA
126	RIVAS AZCUETA CARLOS DANIEL	CAPTAIN PILOT	KEP. 48719/MEN/B/IMTA/2013	15/10/2014	IM2MAQ23057	15/10/2014	SPAIN
127	VITTO GIANNUZZI	FIRST OFFICER	KEP. 43641/MEN/B/IMTA/2013	1/22/2015	2C11JD0427-N	1/22/2015	ITALY
128	IGNACIO PEREZ JIMENEZ CERVANTEZ	CAPTAIN PILOT	KEP. 48718/MEN/B/IMTA/2013	1/22/2015	2C11JD0428-N	1/22/2015	SPAIN
129	ALFRED MALDONADO	CAPTAIN PILOT	KEP. 16089/MEN/P/IMTA/2013	19/09/2014	IM2MAI37332	19/09/2014	USA
130	LU JIANGZHOU	FLIGHT CREW	KEP.01800/MEN/P/IMTA/2014	28/04/2015	IM2JAB54822	28-Apr-14	CHINA
131	LU JINZHI	FLIGHT CREW	KEP.01796/MEN/P/IMTA/2014	27/04/2015	IM2JAB54974	27-Apr-14	CHINA
132	YI ZHU	FLIGHT CREW	KEP.01795/MEN/P/IMTA/2014	27/04/2015	IM2JAB54998	27-Apr-14	CHINA
133	YUAN JINGJING	FLIGHT CREW	KEP.01797/MEN/P/IMTA/2014	27/04/2015	IM2JAB54890	27-Apr-14	CHINA
134	ZHENG JI	FLIGHT CREW	KEP.01799/MEN/P/IMTA/2014	27/04/2015	IM2JAB54950	27-Apr-14	CHINA
135	ARISA TAWADA	FLIGHT CREW	KEP.01801/MEN/P/IMTA/2014	04/04/2015	IM2JAB53287	4-Apr-14	JAPAN
136	HARUMI TAKENAKA	FLIGHT CREW	KEP.01802/MEN/P/IMTA/2014	04/04/2015	2C21JD0282-N	4-Apr-15	JAPAN
137	KANADE ICHIKAWA	FLIGHT CREW	KEP.01806/MEN/P/IMTA/2014	25/04/2015	IM2JAB53505	25-Apr-14	JAPAN
138	KUMIKO IINO	FLIGHT CREW	KEP.01803/MEN/P/IMTA/2014	04/04/2015	IM2JAB53476	4-Apr-14	JAPAN
139	MINAMI WATANABE	FLIGHT CREW	KEP.01808/MEN/P/IMTA/2014	25/04/2014	IM2JAB53361	25-Apr-14	JAPAN
140	MIYA OKUBO	FLIGHT CREW	KEP.01804/MEN/P/IMTA/2014	04/04/2015	IM2JAB53354	4-Apr-14	JAPAN
141	REMI KAWACHI	FLIGHT CREW	KEP.01805/MEN/P/IMTA/2014	04/04/2015	IM2JAB53392	4-Apr-14	JAPAN

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO.KITAS	KITAS EXPIRATION	NATIONALITY
142	YURI ITO	FLIGHT CREW	KEP.01807/MEN/P/IMTA/2014	04/04/2015	IM2JAB53446	4-Apr-14	JAPAN
143	CHIE NAKAYAMA	FLIGHT CREW	KEP.01784/MEN/P/IMTA/2014	29/05/2015	J1U1JAC98965	29-May-14	JAPAN
144	ERINA TANAKA	FLIGHT CREW	KEP.01815/MEN/P/IMTA/2014	29/05/2015	IM2JAB88232	29-May-14	JAPAN
145	KEIKO TASHIRO	FLIGHT CREW	KEP.01780/MEN/P/IMTA/2014	29/05/2015	IM2JAB88188	29-May-14	JAPAN
146	MARIKO SHIMADA	FLIGHT CREW	KEP.01783/MEN/P/IMTA/2014	29/05/2015	IM2JAB88262	29-May-14	JAPAN
147	MASUMI KAMATA	FLIGHT CREW	KEP.01814/MEN/P/IMTA/2014	29/05/2015	IM2JAB88195	29-May-14	JAPAN
148	RIE IGAMI	FLIGHT CREW	KEP.01812/MEN/P/IMTA/2014	29/05/2015	IM2JAB88286	29-May-14	JAPAN
149	RISA KATAOKA	FLIGHT CREW	KEP.01810/MEN/P/IMTA/2014	29/05/2015	IM2JAB88103	29-May-14	JAPAN
150	RISA MORII	FLIGHT CREW	KEP.01781/MEN/P/IMTA/2014	29/05/2015	IM2JAB88279	29-May-14	JAPAN
151	SAYAKA KIMURA	FLIGHT CREW	KEP.01782/MEN/P/IMTA/2014	29/05/2015	J1U1JAC98570	29-May-14	JAPAN
152	TOSHIMI ATA	FLIGHT CREW	KEP.01811/MEN/P/IMTA/2014	29/05/2015	J1U1JAC98837	29-May-14	JAPAN
153	YUKA ONO	FLIGHT CREW	KEP.01813/MEN/P/IMTA/2014	29/05/2015	IM2JAB88110	29-May-14	JAPAN
154	BAE EUNJI	FLIGHT CREW	KEP.01791/MEN/P/IMTA/2014	28/04/2015	IM2JAB54323	28-Apr-14	SOUTH KOREA
155	BO YOUNG KIM	FLIGHT CREW	KEP.01790/MEN/P/IMTA/2014	28/04/2015	IM2JAB54232	28-Apr-14	SOUTH KOREA
156	EUNYOUNG LEY	FLIGHT CREW	KEP.01793/MEN/P/IMTA/2014	28/04/2015	IM2JAB54353	28-Apr-14	SOUTH KOREA
157	JO JIHYUN	FLIGHT CREW	KEP.01789/MEN/P/IMTA/2014	28/04/2015	IM2JAB54438	28-Apr-14	SOUTH KOREA
158	JUYEON SONG	FLIGHT CREW	KEP.01792/MEN/P/IMTA/2014	28/04/2015	IM2JAB54542	28-Apr-14	SOUTH KOREA
159	CHENG YAO	FLIGHT CREW	KEP.20528/MEN/P/IMTA/2013	26/12/2014	J1U1JCY17940	26-Dec-14	SOUTH KOREA
160	WANG SHUJUAN	FLIGHT CREW	KEP.20527/MEN/P/IMTA/2013	26/12/2014	J1U1JCY15958	26-Dec-14	CHINA
161	SHU HAN	FLIGHT CREW	KEP.20529/MEN/P/IMTA/2013	26/12/2014	J1U1JCY15972	26-Dec-14	CHINA
162	KAIRA ANZAI	FLIGHT CREW	KEP.20070/MEN/P/IMTA/2013	26/12/2014	IM2JAE72230	26-Dec-14	JAPAN
163	MAKIKO YAKANO	FLIGHT CREW	KEP.20067/MEN/P/IMTA/2013	26/12/2014	IM2JAE72722	26-Dec-14	JAPAN
164	MOTOKO FUKUOKA	FLIGHT CREW	KEP.20072/MEN/P/IMTA/2013	26/12/2014	IM2JAE72375	26-Dec-14	JAPAN
165	MAYA ENDO	FLIGHT CREW	KEP.20071/MEN/P/IMTA/2013	26/12/2014	IM2JAE72368	26-Dec-14	JAPAN
166	MINAKO ITO	FLIGHT CREW	KEP.20299/MEN/P/IMTA/2013	26/12/2014	IM2JAE72277	26-Dec-14	JAPAN
167	NAO ANDO	FLIGHT CREW	KEP.20295/MEN/P/IMTA/2013	26/12/2014	J1U1JDD47920	26-Dec-14	JAPAN
168	RUI SAEKI	FLIGHT CREW	KEP.20296/MEN/P/IMTA/2013	26/12/2014	IM2JAE72443	26-Dec-14	JAPAN
169	YUKINA ASANO	FLIGHT CREW	KEP.20294/MEN/P/IMTA/2013	26/12/2014	IM2JAE72570	26-Dec-14	JAPAN
170	AKIKO OTSUKI	FLIGHT CREW	KEP.20297/MEN/P/IMTA/2013	26/12/2014	IM2JAE72436	26-Dec-14	JAPAN
171	KIM MUNUI	FLIGHT CREW	KEP.20531/MEN/P/IMTA/2013	28/12/2014	E1U1JGF70097	28-Dec-14	KOREA
172	YOON JI HYE	FLIGHT CREW	KEP.20530/MEN/P/IMTA/2013	28/12/2014	E1U1JGF69356	28-Dec-14	KOREA
173	CHUNG SO YEON	FLIGHT CREW	KEP.20525/MEN/P/IMTA/2013	28/12/2014	E1U1JGF66592	28-Dec-14	KOREA
174	BINGRUN WEN	FLIGHT CREW	KEP.00986/MEN/P/IMTA/2014	28/02/2015	J1U1KCV71096	28-Feb-14	CHINA
175	LI LI	FLIGHT CREW	KEP.00989/MEN/P/IMTA/2014	28/02/2015	2C21JD0826-N	28-Feb-15	CHINA
176	LUYI LI	FLIGHT CREW	KEP.00987/MEN/P/IMTA/2014	28/02/2015	2C21JD0910-N	28-Feb-15	CHINA
177	LIU SHAN	FLIGHT CREW	KEP.01116/MEN/P/IMTA/2014	28/02/2015	2C21JD0909-N	28-Feb-15	CHINA
178	SHIMENG ZHANG	FLIGHT CREW	KEP.00992/MEN/P/IMTA/2014	28/02/2015	2C21JD0814-N	28-Feb-15	CHINA
179	ZIWEI XU	FLIGHT CREW	KEP.01115/MEN/P/IMTA/2014	28/02/2015	2C21JD0912-N	28-Feb-15	CHINA
180	YI LIU	FLIGHT CREW	KEP.00988/MEN/P/IMTA/2014	28/02/2015	2C21JD0911-N	28-Feb-15	CHINA
181	YI XIE	FLIGHT CREW	KEP.00990/MEN/P/IMTA/2014	28/02/2015	2C21JD0811-N	28-Feb-15	CHINA
182	YINGCHAO HE	FLIGHT CREW	KEP.00991/MEN/P/IMTA/2014	23/03/2015	2C21JD0794-N	23-Mar-15	CHINA
183	A RA SIL SONG	FLIGHT CREW	KEP.01110/MEN/P/IMTA/2014	12/03/2015	2C21JD1255-N	12-Mar-15	SOUTH KOREA
184	BO YUN KIM	FLIGHT CREW	KEP.01064/MEN/P/IMTA/2014	12/03/2015	2C21JD1075-N	12-Mar-15	SOUTH KOREA
185	BORAM YOON	FLIGHT CREW	KEP.01062/MEN/P/IMTA/2014	12/03/2015	2C21JD0969-N	12-Mar-15	SOUTH KOREA
186	EUNYOUNG GO	FLIGHT CREW	KEP.01065/MEN/P/IMTA/2014	12/03/2015	2C21JD1016-N	12-Mar-15	SOUTH KOREA
187	JEEHYUN SHIN	FLIGHT CREW	KEP.01119/MEN/P/IMTA/2014	12/03/2015	2C21JD0810-N	12-Mar-15	SOUTH KOREA
188	JEONGWON SHIN	FLIGHT CREW	KEP.01114/MEN/P/IMTA/2014	12/03/2015	2C21JD1064-N	12-Mar-15	SOUTH KOREA
189	JI YEON LEE	FLIGHT CREW	KEP.01059/MEN/P/IMTA/2014	24/03/2015	2C21JD1044-N	24-Mar-15	SOUTH KOREA
190	JUNGHWA LEE	FLIGHT CREW	KEP.01066/MEN/P/IMTA/2014	12/03/2015	JEKAA08866	12-Mar-14	SOUTH KOREA
191	KEUMHEE LEE	FLIGHT CREW	KEP.01117/MEN/P/IMTA/2014	12/03/2015	2C21JD1046-N	12-Mar-15	SOUTH KOREA
192	MIN JI DO	FLIGHT CREW	KEP.01479/MEN/P/IMTA/2014	12/03/2015	2C21JD0812-N	12-Mar-15	SOUTH KOREA
193	MIRA AHN	FLIGHT CREW	KEP.01118/MEN/P/IMTA/2014	12/03/2015	2C21JD1045-N	12-Mar-15	SOUTH KOREA
194	OHWEOLUIDANBEE CHO	FLIGHT CREW	KEP.01108/MEN/P/IMTA/2014	12/03/2015	2C21JD0813-N	12-Mar-15	SOUTH KOREA
195	SO HYUN KWON	FLIGHT CREW	KEP.01109/MEN/P/IMTA/2014	12/03/2015	2C21JD1254-N	12-Mar-15	SOUTH KOREA
196	SONGHEE KIM	FLIGHT CREW	KEP.01061/MEN/P/IMTA/2014	12/03/2015	JEKAA08934	12-Mar-14	SOUTH KOREA

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO. KITAS	KITAS EXPIRATION	NATIONALITY
197	SOYOUNG SONG	FLIGHT CREW	KEP.01111/MEN/P/IMTA/2014	12/03/2015	2C21JD0825-N	12-Mar-15	SOUTH KOREA
198	KIM YOUNGJEONG	FLIGHT CREW	KEP.01112/MEN/P/IMTA/2014	12/03/2015	2C21JD0968-N	12-Mar-15	SOUTH KOREA
199	YURI EUN	FLIGHT CREW	KEP.01113/MEN/P/IMTA/2014	12/03/2015	2C21JD0848-N	12-Mar-15	SOUTH KOREA
200	LUMING CONG	FLIGHT CREW	KEP.18451/MEN/P/IMTA/2013	14/11/2014	J1U1LFL01016	14-Nov-14	CHINA
201	HUANG DANGFEI	FLIGHT CREW	KEP.18408/MEN/P/IMTA/2013	14/11/2014	J1U1LFFK96201	14-Nov-14	CHINA
202	LING LI	FLIGHT CREW	KEP.18409/MEN/P/IMTA/2013	15/11/2014	JDLAA25488	15-Nov-14	CHINA
203	LIU YANG	FLIGHT CREW	KEP.18411/MEN/P/IMTA/2013	13/11/2014	J1U1LFFK95142	13-Nov-14	CHINA
204	MA HUIFEN	FLIGHT CREW	KEP.18452/MEN/P/IMTA/2013	14/11/2014	J1U1LFFK90427	14-Nov-14	CHINA
205	MAO XIAOYUN	FLIGHT CREW	KEP.18453/MEN/P/IMTA/2013	15/11/2014	J1U1LFL00949	15-Nov-14	CHINA
206	SUN XIAOZHOU	FLIGHT CREW	KEP.18410/MEN/P/IMTA/2013	13/11/2014	J1U1LFFK96164	13-Nov-14	CHINA
207	XIONG WEIYUAN	FLIGHT CREW	KEP.18407/MEN/P/IMTA/2013	14/11/2014	J1U1LFFK94068	14-Nov-14	CHINA
208	ZHOU LI	FLIGHT CREW	KEP.18412/MEN/P/IMTA/2013	13/11/2014	J1U1LFFK92479	13-Nov-14	CHINA
209	CHEN I HSUAN	FLIGHT CREW	KEP.16593/MEN/P/IMTA/2013	31/10/2014	IM2LAF85137	31-Oct-14	TAIWAN
210	HO CHIA MIN	FLIGHT CREW	KEP.16381/MEN/P/IMTA/2013	31/10/2014	IM2LAF85150	31-Oct-14	TAIWAN
211	CHIEH RU TU	FLIGHT CREW	KEP.16382/MEN/P/IMTA/2013	04/11/2014	IM2LAF60787	4-Nov-14	TAIWAN
212	CHU LI HSUEH	FLIGHT CREW	KEP.16383/MEN/P/IMTA/2013	31/10/2014	IM2LAF85167	31-Oct-14	TAIWAN
213	HAN HUEI CHEN	FLIGHT CREW	KEP.16384/MEN/P/IMTA/2013	31/10/2014	IM2LAF60861	31-Oct-14	TAIWAN
214	HAN WEN CHENG	FLIGHT CREW	KEP.16385/MEN/P/IMTA/2013	31/10/2014	OYLAA18827	31-Oct-14	TAIWAN
215	HSUAN YUN WANG	FLIGHT CREW	KEP.16387/MEN/P/IMTA/2013	31/10/2014	IM2LAF85181	31-Oct-14	TAIWAN
216	KUAN YI LI	FLIGHT CREW	KEP.16386/MEN/P/IMTA/2013	31/10/2014	IM2LAF60848	31-Oct-14	TAIWAN
217	SZU-YING LIN	FLIGHT CREW	KEP.16592/MEN/P/IMTA/2013	31/10/2014	IM2LAF85174	31-Oct-14	TAIWAN
218	MEI-YIN LU	FLIGHT CREW	KEP.16591/MEN/P/IMTA/2013	31/10/2014	IM2LAF60885	31-Oct-14	TAIWAN
219	MENG-TING WU	FLIGHT CREW	KEP.16587/MEN/P/IMTA/2013	31/10/2014	IM2LAF85198	31-Oct-14	TAIWAN
220	CHEN NING	FLIGHT CREW	KEP.16594/MEN/P/IMTA/2013	31/10/2014	IM2LAF60800	31-Oct-14	TAIWAN
221	WEI-SHIN CHOU	FLIGHT CREW	KEP.16589/MEN/P/IMTA/2013	31/10/2014	IM2LAF60763	31-Oct-14	TAIWAN
222	CHEN YI LING	FLIGHT CREW	KEP.16588/MEN/P/IMTA/2013	31/10/2014	E1U1KDH53755	31-Oct-14	TAIWAN
223	AIRI HONDA	FLIGHT CREW	KEP.18816/MEN/B/IMTA/2013	03/05/2014	IM2MAM25001	3-May-14	JAPAN
224	AYAKA INAGAKI	FLIGHT CREW	KEP.18818/MEN/B/IMTA/2013	03/05/2014	IM2MAM24859	3-May-14	JAPAN
225	AYAMI TOMINAGA	FLIGHT CREW	KEP.19018/MEN/B/IMTA/2013	03/05/2014	IM2MAM25025	3-May-14	JAPAN
226	AYANO SAIKA	FLIGHT CREW	KEP.19001/MEN/B/IMTA/2013	03/05/2014	IM2MAM24768	3-May-14	JAPAN
227	CHINAMI ISHII	FLIGHT CREW	KEP.18891/MEN/B/IMTA/2013	03/05/2014	IM2MAM24873	3-May-14	JAPAN
228	ERI NAKAMURA	FLIGHT CREW	KEP.21357/MEN/B/IMTA/2013	03/05/2014	IM2MAM24653	3-May-14	JAPAN
229	ERINA HASUIKE	FLIGHT CREW	KEP.18894/MEN/B/IMTA/2013	03/05/2014	IM2MAM24630	3-May-14	JAPAN
230	HARUNA HORI	FLIGHT CREW	KEP.18821/MEN/B/IMTA/2013	03/05/2014	IM2MAM24579	3-May-14	JAPAN
231	JUNKO KONNO	FLIGHT CREW	KEP.19017/MEN/B/IMTA/2013	03/05/2014	IM2MAM24593	3-May-14	JAPAN
232	MAHO TAKEDA	FLIGHT CREW	KEP.19012/MEN/B/IMTA/2013	03/05/2014	IM2MAM24903	3-May-14	JAPAN
233	MANA MINAMISAKO	FLIGHT CREW	KEP.18890/MEN/B/IMTA/2013	03/05/2014	IM2MAM24677	3-May-14	JAPAN
234	MARI KAMADA	FLIGHT CREW	KEP.19003/MEN/B/IMTA/2013	03/05/2014	IM2MAM24714	3-May-14	JAPAN
235	MAYA KUMAGAI	FLIGHT CREW	KEP.18999/MEN/B/IMTA/2013	03/05/2014	IM2MAM24691	3-May-13	JAPAN
236	MAYU USAMI	FLIGHT CREW	KEP.18998/MEN/B/IMTA/2013	03/05/2014	IM2MAM24738	3-May-14	JAPAN
237	MEGUMI KAWAKUBO	FLIGHT CREW	KEP.19000/MEN/B/IMTA/2013	03/05/2014	IM2MAM24971	3-May-14	JAPAN
238	MIKA NAKAE	FLIGHT CREW	KEP.19015/MEN/B/IMTA/2013	03/05/2014	IM2MAM24616	3-May-14	JAPAN
239	MIKI WATABE	FLIGHT CREW	KEP.18822/MEN/B/IMTA/2013	03/05/2014	IM2MAM24805	3-May-14	JAPAN
240	MIKU KANZAKI	FLIGHT CREW	KEP.19014/MEN/B/IMTA/2013	03/05/2014	IM2MAM24836	3-May-14	JAPAN
241	MISA MINAMI	FLIGHT CREW	KEP.19013/MEN/B/IMTA/2013	03/05/2014	E1U1LPA96883	3-May-14	JAPAN
242	MISAO OTA	FLIGHT CREW	KEP.19016/MEN/B/IMTA/2013	03/05/2014	IM2MAM24555	3-May-14	JAPAN
243	NAHO OKUDA	FLIGHT CREW	KEP.18893/MEN/B/IMTA/2013	03/05/2014	E1U1LMA77454	3-May-14	JAPAN
244	SACHIKO NOMOTO	FLIGHT CREW	KEP.18815/MEN/B/IMTA/2013	03/05/2014	IM2MAM25214	3-May-14	JAPAN
245	YUKI MINAMI	FLIGHT CREW	KEP.18892/MEN/B/IMTA/2013	03/05/2014	J1U1LECF3320	3-May-14	JAPAN
246	YURIE SHIMBO	FLIGHT CREW	KEP.19002/MEN/B/IMTA/2013	03/05/2014	IM2MAM24782	3-May-14	JAPAN
247	REINA TAKAHASHI	FLIGHT CREW	KEP.57257/MEN/B/IMTA/2013	13/12/2014	IM2MAR35644	13-Dec-14	JAPAN
248	REI KOJIMA	FLIGHT CREW	KEP.57250/MEN/B/IMTA/2013	13/12/2014	IM2MAR35772	13-Dec-14	JAPAN
249	TOMOMI TAGO	FLIGHT CREW	KEP.57248/MEN/B/IMTA/2013	13/12/2014	IM2MAR35546	13-Dec-14	JAPAN
250	NATSUMI ENDO	FLIGHT CREW	KEP.57247/MEN/B/IMTA/2013	13/12/2014	E1U1MWG09495	13-Dec-14	JAPAN
251	YURI YAMAMOTO	FLIGHT CREW	KEP.57249/MEN/B/IMTA/2013	15/12/2014	J1U1LFE28582	15-Dec-14	JAPAN

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO.KITAS	KITAS EXPIRATION	NATIONALITY
252	YOKO ERIGUCHI	FLIGHT CREW	KEP.57219/MEN/B/IMTA/2013	13/12/2014	IM2MAR35667	13-Dec-14	JAPAN
253	YUKA KISHIZAKI	FLIGHT CREW	KEP.57220/MEN/B/IMTA/2013	13/12/2014	E1U1KAT68357	13-Dec-14	JAPAN
254	YUKI EZAKI	FLIGHT CREW	KEP.57221/MEN/B/IMTA/2013	13/12/2014	IM2MAR35479	13-Dec-14	JAPAN
255	YUKI KIMURA	FLIGHT CREW	KEP.57222/MEN/B/IMTA/2013	13/12/2014	IM2MAR35425	13-Dec-14	JAPAN
256	AIRI FUJIEDA	FLIGHT CREW	KEP. 57225/MEN/B/IMTA/2013	13/12/2014	EIU1MRQ57246	13-Dec-14	JAPAN
257	HIGUCHI AYANO	FLIGHT CREW	KEP. 57224/MEN/B/IMTA/2013	13/12/2014	IM2MAR35711	13-Dec-14	JAPAN
258	AZUSA AOKI	FLIGHT CREW	KEP. 57227/MEN/B/IMTA/2013	13/12/2014	G1U1JAD25608	13-Dec-14	JAPAN
259	CHIAKI YONEYAMA	FLIGHT CREW	KEP. 57216/MEN/B/IMTA/2013	13/12/2014	IM2MAR35681	13-Dec-14	JAPAN
260	EMI HASHIMOTO	FLIGHT CREW	KEP. 57215/MEN/B/IMTA/2013	13/12/2014	E1U1LOR33495	13-Dec-14	JAPAN
261	ERIKO SUGIMOTO	FLIGHT CREW	KEP. 57217/MEN/B/IMTA/2013	13/12/2014	IM2MAR35870	13-Dec-14	JAPAN
262	TSUGUMI ISHIZUKA	FLIGHT CREW	KEP. 57258/MEN/B/IMTA/2013	13/12/2014	IM2MAR35620	13-Dec-14	JAPAN
263	HITOMI MIYOSHI	FLIGHT CREW	KEP. 57218/MEN/B/IMTA/2013	13/12/2014	IM2MAR35796	13-Dec-14	JAPAN
264	KAORI MIURA	FLIGHT CREW	KEP. 57214/MEN/B/IMTA/2013	13/12/2014	E1U1JBV17531	13-Dec-14	JAPAN
265	KOTOMI YAMASHITA	FLIGHT CREW	KEP. 57212/MEN/B/IMTA/2013	13/12/2014	E1U1MSS38891	13-Dec-14	JAPAN
266	KANA SHIMAMOTO	FLIGHT CREW	KEP. 57211/MEN/B/IMTA/2013	13/12/2014	E1U1MVC23260	13-Dec-14	JAPAN
267	MAI NAKANO	FLIGHT CREW	KEP. 57256/MEN/B/IMTA/2013	13/12/2014	IM2MAR35401	13-Dec-14	JAPAN
268	MADOKA ISHII	FLIGHT CREW	KEP. 57255/MEN/B/IMTA/2013	13/12/2014	IM2MAR35819	13-Dec-14	JAPAN
269	MARI HANAFUSA	FLIGHT CREW	KEP. 57223/MEN/B/IMTA/2013	13/12/2014	IM2MAR35388	13-Dec-14	JAPAN
270	MAYUKA FUJITANI	FLIGHT CREW	KEP. 57254/MEN/B/IMTA/2013	13/12/2014	IM2MAR35310	13-Dec-14	JAPAN
271	MIKA YASUOKA	FLIGHT CREW	KEP. 57253/MEN/B/IMTA/2013	13/12/2014	IM2MAR35449	13-Dec-14	JAPAN
272	MIKI TAKAKURA	FLIGHT CREW	KEP. 57252/MEN/B/IMTA/2013	13/12/2014	IM2MAR35735	13-Dec-14	JAPAN
273	MITSUMI KONDO	FLIGHT CREW	KEP. 57251/MEN/B/IMTA/2013	13/12/2014	IM2MAR35583	13-Dec-14	JAPAN
274	NAO AKAHO	FLIGHT CREW	KEP. 57226/MEN/B/IMTA/2013	13/12/2014	E1U1KBP30747	13-Dec-14	JAPAN
275	CHANG MENGJU	FLIGHT CREW	KEP. 34075/MEN/B/IMTA/2013	16/06/2014	J1U1MIP26494	16-Jun-14	CHINA
276	LAN DINGYU	FLIGHT CREW	KEP. 34076/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26419	17-Jun-14	CHINA
277	LIU SHUANG	FLIGHT CREW	KEP. 34081/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26668	17-Jun-14	CHINA
278	LIU XUOXIN	FLIGHT CREW	KEP. 34077/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26949	17-Jun-14	CHINA
279	LIU YINGXIA	FLIGHT CREW	KEP. 34078/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26901	17-Jun-14	CHINA
280	REN YUANYUAN	FLIGHT CREW	KEP. 34082/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26335	17-Jun-14	CHINA
281	SUN MIAOTING	FLIGHT CREW	KEP. 34074/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26766	17-Jun-14	CHINA
282	WANG HUI	FLIGHT CREW	KEP. 34084/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26918	17-Jun-14	CHINA
283	XIA LU	FLIGHT CREW	KEP. 34080/MEN/B/IMTA/2013	16/06/2014	J1U1MIP26470	16-Jun-14	CHINA
284	WANG LEI	FLIGHT CREW	KEP. 34085/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26986	17-Jun-14	CHINA
285	WU XIXI	FLIGHT CREW	KEP. 34086/MEN/B/IMTA/2013	16/06/2014	J1U1MIP26841	16-Jun-14	CHINA
286	XING YUSHAN	FLIGHT CREW	KEP. 34087/MEN/B/IMTA/2013	16/06/2014	J1U1MIP26614	16-Jun-14	CHINA
287	YAN MENGJUN	FLIGHT CREW	KEP. 34083/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26712	17-Jun-14	CHINA
288	ZHANG XIAOJUN	FLIGHT CREW	KEP. 34079/MEN/B/IMTA/2013	17/06/2014	J1U1MIP26342	17-Jun-14	CHINA
289	KANAOUCHI AYA	FLIGHT CREW	KEP. 18447/MEN/P/IMTA/2013	02/11/2014	E1U1KAV69947	2-Nov-14	JAPAN
290	SADAIKE IZUMI	FLIGHT CREW	KEP. 18446/MEN/P/IMTA/2013	02/11/2014	IM2LAG94349	2-Nov-14	JAPAN
291	YAMAMOTO KUMIKO	FLIGHT CREW	KEP. 18445/MEN/P/IMTA/2013	02/11/2014	IM2LAG93703	2-Nov-14	JAPAN
292	MAI BUJO	FLIGHT CREW	KEP. 18448/MEN/P/IMTA/2013	02/11/2014	IM2LAG93923	2-Nov-14	JAPAN
293	NOKA SOEJIMA	FLIGHT CREW	KEP. 18405/MEN/P/IMTA/2013	02/11/2014	IM2LAG94143	2-Nov-14	JAPAN
294	KITAJIMA SAORI	FLIGHT CREW	KEP. 18404/MEN/P/IMTA/2013	02/11/2014	IM2LAG94271	2-Nov-14	JAPAN
295	WATANABE SATOMI	FLIGHT CREW	KEP. 18406/MEN/P/IMTA/2013	02/11/2014	IM2LAG95044	2-Nov-14	JAPAN
296	TAKAHASHI SHIKIHO	FLIGHT CREW	KEP. 18449/MEN/P/IMTA/2013	02/11/2014	IM2LAG94581	2-Nov-14	JAPAN
297	NAKATA YUI	FLIGHT CREW	KEP. 18450/MEN/P/IMTA/2013	02/11/2014	E1U1KGN90160	2-Nov-14	JAPAN
298	WOO RI CHO	FLIGHT CREW	KEP. 53684/MEN/B/IMTA/2013	04/12/2014	IM2MAR01931	4-Dec-14	SOUTH KOREA

NO	NAME	POSITION	NO. IMTA	IMTA EXPIRATION	NO. KITAS	KITAS EXPIRATION	NATIONALITY
299	EUN JEONG JEON	FLIGHT CREW	KEP. 53683/MEN/B/IMTA/2013	04/12/2014	IM2MAR01917	4-Dec-14	SOUTH KOREA
300	SO HE KIM	FLIGHT CREW	KEP. 53689/MEN/B/IMTA/2013	04/12/2014	IM2MAR01735	4-Dec-14	SOUTH KOREA
301	GISEON KWEON	FLIGHT CREW	KEP. 53688/MEN/B/IMTA/2013	04/12/2014	IM2MAR01765	4-Dec-14	SOUTH KOREA
302	SHINHYE LEE	FLIGHT CREW	KEP. 53685/MEN/B/IMTA/2013	04/12/2014	IM2MAR01870	4-Dec-14	SOUTH KOREA
303	SHI EUN SHIN	FLIGHT CREW	KEP. 53682/MEN/B/IMTA/2013	04/12/2014	IM2MAR01833	4-Dec-14	SOUTH KOREA
304	JIYOUNG SONG	FLIGHT CREW	KEP. 53687/MEN/B/IMTA/2013	04/12/2014	IM2MAR01704	4-Dec-14	SOUTH KOREA
305	SONG MIJIN	FLIGHT CREW	KEP. 53691/MEN/B/IMTA/2013	04/12/2014	IM2MAR01789	4-Dec-14	SOUTH KOREA
306	JIEUN YANG	FLIGHT CREW	KEP. 53681/MEN/B/IMTA/2013	04/12/2014	IM2MAR01894	4-Dec-14	SOUTH KOREA

Education and Training

The Company's program to develop its human resources is made by way of investment through staff training and improving the quality of its employees' lives. The three main pillars underlying the Company's human capital strategy is talent management, corporate culture to encourage the creation of a conducive working environment and improvement and development of the role of *people manager*.

The Company continues its human resources management strategy to support its Quantum Leap Program 2015 and the implementation of its "Seven Drivers", consisting of Human Capital with the Right Quantity and Quality, the Human Capital Management has established its unit as a partner in the Company's business development, which includes among others:

- Support human resources aspects to meet the pilots' needs that are tailored to the growth of aircraft by working with domestic flying schools, recruit experienced pilots through direct entry method, while also doing a strategic partnership with agents to meet the 100-seaters aircraft pilots.
- Meet the needs of regular cabin crew and Hajj cabin crew in Jakarta and several major cities throughout Indonesia.
- Making Garuda Indonesia into a High Performance Organization supported by people who have a high-performance engagement to the Company.

Based on the above, the three main pillars underlying the Company's human capital strategy are:

- Management of talent that will ensure the availability of the Company's future leaders.
- Creating a corporate culture that will encourage the creation of a conducive working environment, which in turn will encourage the best and sustainable performance from employees.
- Improve and expand the role of people manager, who is able to become a mentor and competent coach so that employees can develop their competence and maintain productivity and performance.

The employees training program that have been implemented by the Company are as follows:

Talent Management

One of the input for management talent is talent acquisition process both from within the organization (including its subsidiaries) or from outside the organization to ensure long-term sustainability leadership in accordance with the business development and to anticipate future business needs. Preparation of the Company's strategy in managing talent search starts from the search for potential employee and talent that are able to compete, not only regionally but also globally. The Company aims to ensure its competitiveness and aggressiveness in the face of the challenges in the industry today and in the future, including by way of setting out criteria for talent, leadership success profile and mapping company employees who were identified as potential candidates for the leadership of the Company.

The purpose of the talent management process is to retain employees, supports necessary change, develop best teams, obtain a replacement candidate for a key position, meet the future skill requirements, helping resource planning organization, ensuring opportunities for high-potential employees and build a culture that encourages employees in achieving their maximum performance.

The process includes among others:

- Determination of the critical/key position in the Company's.
- Identify the needs of the talent that is consistent with the Company's strategy
- Select the talent by considering performance aspect and potential critical/key position from a position required by the Company. In selecting the talent, the Company needs to consider the availability of internal talent by performing a review and evaluation process, or the availability of external talent by searching for candidates from outside the

Company through recruitment process for critical positions such as middle management positions and executive management.

- Develop talent, to include three aspects, namely assignment, mentoring and leadership development. One of the program that has been implemented is a cooperation with GE. As a follow up of the MoU between Garuda Indonesia and GE, a Change Acceleration training has been conducted by GE at the Garuda Indonesia Training Centre ("GITC") in March 2012, followed by Global Customer Summit in Crotonville, United States, in July 2012, for selected executive leader. As an extension from the initial MoU, Garuda Indonesia and GE have agreed to establish an institution, "Garuda Indonesia and GE institute", to develop leadership and management.
- Retain talent with employee assessment methods and mechanisms "Talent Review" (performance vs. potential), ensuring the availability of key people and key position through talent management strategies and methods that are integrated with strategic planning and long-term corporate targets and in accordance with laws and regulations, availability strategy acceleration development programs aligned with corporate strategy procurement management trainee program ("MT").
- Develop leadership for each people manager in the Company, especially in terms of coaching and mentoring, to enhance the capabilities of each people manager in developing and preparing talents for their subordinate to the next level position in the organization.

Talent management is done systematically using a single source of data, historical talent stored in the system with a retention period as required. Talent management conducted jointly between units of human capital by line managers in their work unit so that the accuracy of the information can be measured. Talent development is integrated with the Learning & Development unit so its management becomes more directional. Talent development can be carried out with rotation/temporary placement as it is known in the system unit associated with its development. Monitoring is assisted systematically, which will provide a report as needed.

Transformation of the Company's Culture

Internalization of the value of work culture in Garuda Indonesia the Company is FLY-HI (eFficient & effective, Loyalty, customer centricity, Honesty & openness, Integrity), which is an integral part of a strategy to support the Cultural Transformation Strategy to support Business Transformation - with the aim of achieving High Performance People who apply cultural values in all aspects of the organization, which will make the Company Garuda Indonesia into a High Performance Organization and achieve Operational Excellence Result.

With these objectives, the internalization program and implementation of FLY-HI culture that has been going since 2007 is continued to be run in all elements in the Company in terms of the various aspects of the organization. In line with the direction from the President Director that the Company should be able to build a culture that continue to push the performance, the Company has prepared and carried out various initiatives and implement and internalize programs aimed at continuing to drive the implementation of FLY-HI in all of its units and branches, to standardize implementation of program and behavior corresponding to the FLY-HI values at the Company the company level, as well as expanding the buy-in (all units involved) so as to encourage optimal and sustainable performance for the Company.

Kick Off Program and FLY-HI Expo

As an illustration of the FLY-HI values implementation is the predetermined Corporate Program in 2013 with three programs, namely the Innovation Culture, Culture and Service Learning Program as well as a Supporting Program, which is Risk Culture. Corporate and supporting programs became a reference cultural programs throughout the unit in order to have a positive impact on behavior change, conducive working environment that encourages the achievement of the performance and productivity of individuals, units and the Company as a whole.

FLY-HI The implementation of the FLY-HI Expo also acts as an internal comparison tool or benchmark between work units, encompassing those units who have been successful in consistently running the FLY-HI program and those units who have not been able to execute the FLY-HI program.

The Kick Off Program and FLY-HI and Expo is implemented by involving all of the Company's working unit and Domestic Branch Offices to present representatives from the FLY-HI implementation team (TIF) in these units in the expo, so that these representatives became a benchmark for the other working units.

Sharing Forum FLY-HI Internalization Team (TIF)

The Company is now entering the seventh year of its value internalization phase and one of the main point is the "implementation of evidence", both to show how FLY-HI program affected behavior change, provide added value to the

working unit and impact the performance of the unit and to continue to drive the FLY-HI program to show the implementation of FLY-HI implementation in order to encourage other units to do the same.

The Company continues to drive the FLY-HI program using various media and one of those media used is the sharing forum, which is where employees can share their various experiences and to give inspiration on effective culture implementation.

Sharing forums acts as an internal and external media for best practices sharing enable employees to get insight on how a unit can implement FLY-HI (process), the outcome achieved (result), the role of Team Leader and FLY-HI Implementation Team (TIF) to encourage consistent implementation and always *walk the talk* which will encourage employees in its ranks to apply them in their daily work.

The purpose of FLY-HI Acceleration Sharing Forum is:

- As a mean to share between TIF in all units
- As a mean to communicate on the implementation FLY-HI in each work unit
- As a mean to monitor the progress of implementation FLY-HI
- As a mean to implement the Company's corporate culture that is considered strong

Induction Program

Induction Workshop for employees are periodically done in line with the arrival of new employees in the Company. Participants consisted of employees in Head Office and Branch Office, as well as cabin crew and pilots (ab initio). Workshop is held for a period of one day with experiential learning method, where participants can learn about FLY-HI and 10 key behaviors with a set of simulations which require the employees to participate and experience. In addition, there is also a group discussion held regarding everyday values and behaviour that the employees must show in their daily work, in accordance with FLY-HI values and in class method FLY-HI.

The material provided is a message from the CEO regarding the Implementation of FLY-HI, GA Group CEO Message, exposure to the importance of culture within an organization, discussions on stop-start-continue behaviour, as well as the presentation of the results of the group discussions. The workshop concludes with a wrap-up and signing of the commitment from all participants.

Customized Workshop

In connection with the Company's effort to provide awareness and reminders in all of its worklines, various workshop can be organized and tailored to the needs of a specific unit, such as: Directorate Workshop, GA Workshop and GA Group.

Communication Program

In an effort to continually remind employees of the application of FLY-HI values and as a media for sharing FLY-HI implementation units, the Company will use some of its internal media periodically as a mean of publication and communication.

Survey and Work Culture Monitoring

Periodic measurements are done to assess the progress of the culture transformation process in the Company and whether there has been behavioral changes in line with the expected demands and business strategy.

The measurement method is done through internal surveys, and in addition, in each semester, the unit that handles the internationalization program will monitor and assess all work units.

Monitoring also aims to ensure the FLY-HI implementation in all work unit and the branch office, implement and validate evidence and to look into as well as to provide feedback about things which need to be improved. The program consists of direct observation of the conditions in the field, interviews with people managers, focus group discussions with FLY-HI Internalization Team (TIF) Work Unit and distributing questionnaires to employees in the unit.

FLY-HI Award

In an effort for continuous improvement of the cultural values implementation, the Company gives out special appreciation to units who are able to build a consistent and optimal FLY-HI culture.

Increase the Role of People Manager

At this time, the human resources function has been directed to create the best contribution from each employee. In this case, the organization needs to be triggered by each leadership where leadership in this organization is currently the head unit and

the head unit has been migrated into people manager who has the responsibility to monitor and ensure that the performance of the unit he leads in line with the corporate performance.

Leadership Training Program

Development programs in order to prepare future leaders is an investment made by the Company to high potential employees in the form of Management Development Program ("MDP"). This program is intended as an effort to align with the Company's long-term plan and as part of a succession plan. MDP has been implemented in several levels, namely:

- Leaders Forum, intended for employees one level below the Board of Directors, which is held every month;
- Operational Leaders Development Program ("OLDP"), which is applied to a two-level employees under the Board of Directors, has been implemented one time, with a course lasting for a period of six months, while the second OLDP course is currently still in progress;
- Emerging Leaders Development Program (ELDP), which is applied to the three-level employees under the Board of Directors, has been implemented one time, with a course lasting for a period of six months.

Cabin Crew Training Program

To maintain flight crew (pilot and cabin crew) qualification and competence, the Company requires recurrent training to be done periodically. Recurrent training requires each pilot to undergo qualifying inspections twice within a 12-month period, which consisted of proficiency testing/flying skills for the purpose of maintaining pilot proficiency level and health checkup. In addition, each pilot must also undergo training in the class as a requirement to ensure the pilot's qualification and competence. Each crew cabin must undergo qualification inspection once in a 12-month period, which consisted of a check of the qualifications in flight safety, service aspects and health checkup.

Training for the Frontliners

To improve service to customers, the Company provides service attitude training to all of its frontliners. This training aims to establish a professional image frontliners who will create the image of the Company. The training is provided in the form of service behavior, manners and professional dressing which reflects the FLY-HI culture. The Company's service attitude training for frontliners has also been implemented to the ground service operators, which has been performed in 54 courses, while the Development Leadership for Assistant Manager and Supervisor has been running in 5 courses.

Training for the Marketing Staffs

To provide knowledge in terms of marketing and business sense, the Company provides training for General Manager ("GM") and Branch Office Manager of Sales in the form of *Salespreneurship*, which has been done four times for managers and supervisors and twice for GM Branch Office.

Training Program for Engineer, Inspector and Aircraft Maintenance Planner

To maintain the qualifications and competence of personnel Maintenance and Fleet Management, namely Engineer, Inspector and Aircraft Maintenance Planner, the Company requires recurrent training done periodically. Recurrent training requires every Engineer, Inspectors and Aircraft Maintenance Planner who are licensed to undergo qualifications inspection once in a 24-month period, which consisted of a test of skills for the purpose of maintaining proficiency level Engineer, Inspectors and Aircraft Maintenance Planner and health checkup conducted once in a 12-month period. In addition, each Engineer, Inspectors and Aircraft Maintenance Planner should also undergo training on Company Maintenance Manual procedures in class twice in 12 months, as a requirement to ensure the qualifications and competence of an Engineer, Inspector and Aircraft Maintenance Planner and understanding the regulatory or procedural changes.

Employee Welfare Facilities

The Company believes that compensation and benefits strategy will improve the performance of the Company to be able to adapt to change in the business cycle in accordance with the Company's sustainable growth by giving priority to attract and retain employees that have high performance and high potential.

The Company's employees receive cash remuneration consisting of salary and other cash subsidies. In general, employees' salaries are determined based on the qualifications of employees, positions, seniority and performance; cash subsidies may include living expense subsidies, and may vary depending on conditions. The Company also provide non-cash benefits, including health insurance, early retirement and social welfare, as required by prevailing laws in Indonesia.

Compensation and benefits scheme consisting of fixed and variable salary/incentives, as well as religious holiday allowance, mid-year allowance and annual leave. The Company also provide welfare facilities for employees while always paying

attention to rules and regulations in the field of labor and adjust these facilities accordingly to support the Company's business. These facilities include:

- Social Security to *Jamsostek* in the form of contributions to the Pension Social Security, Accident Insurance and Life Insurance.
- Annual leave is granted to employees based on the length of their employment.
- Employee health maintenance program.
- Retirement health program.
- Pension plan.
- Fly Concession facilities given to the employees and families.
- Uniform and Representative Apparel according to the Company's business needs.
- Death benefits, severance pay, severance or gratuity for service year in the event of termination of employment.
- *Garuda Bakti Award*, for employees who have been employed by the Company for 20 years.
- Retirement Award to employees who retire.
- Facility for the employee's income tax to be paid by the Company.

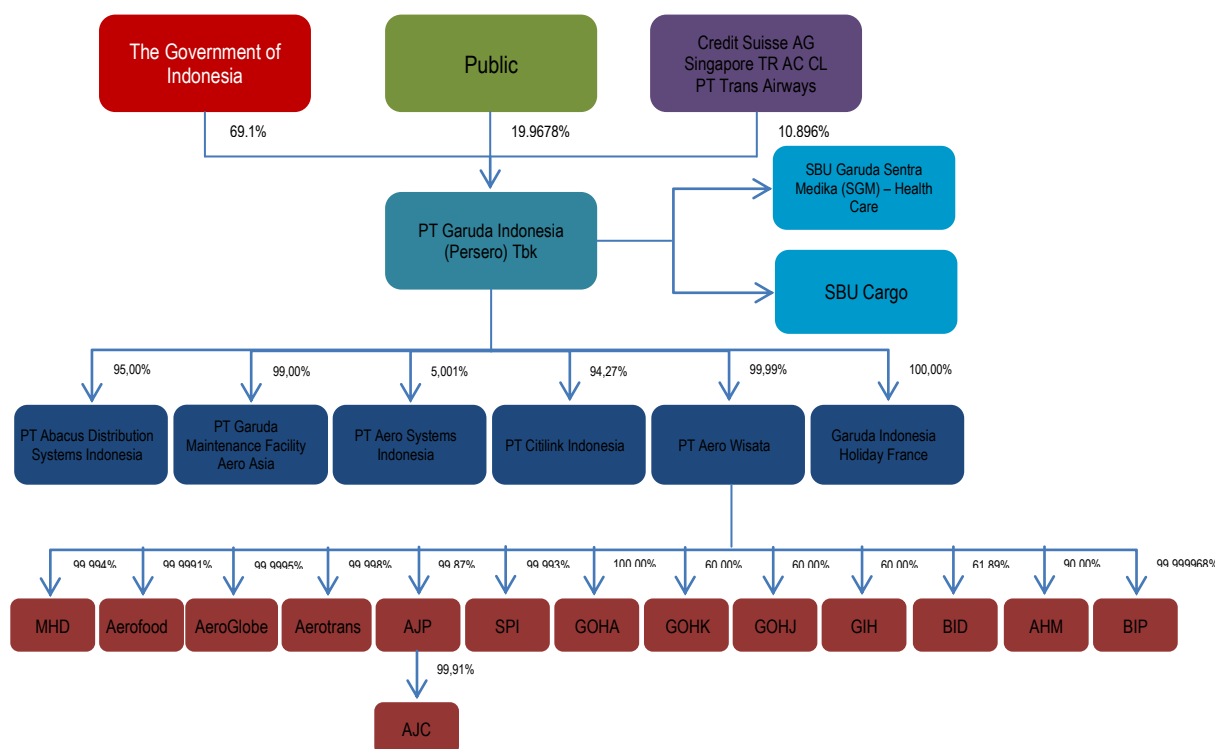
Labor Union

The Company's Collective Labour Agreement (*Perjanjian Kerja Bersama* or PKB) is valid from August 28, 2012 until August 27, 2014, which has been approved by the Decree of Director General of Industrial Relations and Social Security of the Ministry of Labor Manpower and Transmigration Republic of Indonesia No. KEP.165/PHIJSK-PKKAD/PKB/X/2012 dated October 15, 2012. There are three labor unions in the Company, each of which represents the interests of the cabin crew, cockpit crew, flight attendants and other employees (Garuda Employees Union).

The three labor unions mentioned above are as follows:

1. Garuda Pilot Association (*Asosiasi Pilot Garuda* or APG)
2. Garuda Indonesia Cabin Crew Union (*Ikatan Awak Kabin Garuda Indonesia* or IKAGI)
3. Garuda Employees Union (*Serikat Karyawan Garuda* or SEKARGA)

E. Organizational Structure



F. Description of the Subsidiaries and Associated Entities

At the date of the publication of this Prospectus, the Company operates two SBUs, namely Garuda Cargo SBU and Garuda Sentra Medika SBU, and five main Subsidiaries, namely Aerowisata (catering, hotels, transport and travel), Abacus (reservations), GMFAA (aircraft repair and maintenance/MRO), Asyst (IT system) and Citilink (low cost scheduled airline). The Company also has an associated entity, Gapura, which provides the Company with ground operation services. The following table shows the structure of the Company's business including major business units, Subsidiaries and other significant affiliated companies.

As of the date of the publication of this Prospectus, the Company has direct investments in six Subsidiaries as follows:

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
1	PT Abacus Distribution Systems Indonesia	Computerized reservation systems provider	95.00% direct ownership by the Company	1995	In Operation
2	PT Garuda Maintenance Facility Aero Asia	Aircraft repair and maintenance	99.00% direct ownership by the Company 1.00% indirect ownership through Aerowisata	2002	In Operation
3	PT Aero Systems Indonesia	Information technology service provider	51.00% direct ownership by the Company 49.00% indirect ownership through Aerowisata	2005	In Operation
4	PT Citilink Indonesia	Commercial airline	94.27% direct ownership by the Company 5.73% indirect ownership through Aerowisata	2009	In Operation
5	Garuda Indonesia Holiday France	Travel agency	100.00% direct ownership by the Company	2014	In development phase
6	PT Aero Wisata	Hospitality, catering and travel agency	99.99% direct ownership by the Company	1989	In Operation

As of the date of this Prospectus, the Company has indirect investments in 14 Subsidiaries through Aerowisata as follows:

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Mirtasari Hotel Development	Hotel	99.994% indirect ownership through Aerowisata	1979	In Operation
2.	PT Aerofood Indonesia (previously known as PT Angkasa Citra Sarana Catering Service)	Flight catering services	99.9991% indirect ownership through Aerowisata	1982	In Operation
3.	PT Aero Globe Indonesia (previously known as PT Biro Perjalanan Wisata Satriavi)	Travel Agency	99.9995% indirect ownership through Aerowisata	1974	In Operation
4.	PT AeroTrans Services Indonesia (previously known as PT Mandira Erajasa Wahana)	Transportation Service	99.998% indirect ownership through Aerowisata	1988	In Operation
5.	PT Aerojasa Perkasa	Ticketing Agency	99.87% indirect ownership through Aerowisata	1998	In Operation
6.	PT Aerojasa Cargo *	Ticketing Agency Freight Forwarding	99.91% indirect ownership through Aerojasa Perkasa	2003	In Operation
7.	PT Senggigi Pratama Internasional	Hotel	99.993% indirect ownership through Aerowisata	1997	In Operation
8.	Garuda Orient Holidays, Pty, Limited	Travel Agency	100.00% indirect ownership through Aerowisata	1981	In Operation
9.	Garuda Orient Holidays Korea Co, Limited	Travel Agency	60.00% indirect ownership through Aerowisata	2008	In Operation
10.	Garuda Orient Holidays Japan Co, Ltd	Travel Agency	60.00% indirect ownership through Aerowisata	2009	In Operation
11.	PT GIH Indonesia	Travel Agency	60.00% indirect ownership through Aerowisata	2012	In Operation
12.	PT Bina Inti Dinamika	Hotel	61.8% indirect ownership through Aerowisata	1987	In Operation
13.	PT Aero Hotel Management	Hotel Management	90.00% indirect ownership through Aerowisata 10.00%	2009	In Operation

No	Subsidiaries	Business Activities	Ownership	Participation Year	Operational Status
14.	PT Belitung Intiparmai	Hotel	indirect ownership through PT Mirtasari Hotel Development 99.999968% indirect ownership through Aerowisata	1992	In development phase

Note: *) AWS ownership through AJP

As of the date of this Prospectus, the Company has direct or indirect ownership of shares, of less than 50% in Associated Entities as follows:

No	Associated Entities	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Aeronurti	Accommodation Service	45.00% indirect ownership through Aerowisata	1996	In Operation
2.	PT Aeroprime	Accommodation Service	40.00% indirect ownership through Aerowisata	1993	In Operation
3.	PT Bumi Minang Padang	Accommodation Service	10.10% indirect ownership through Aerowisata	1989	In Operation
4.	PT Nusa Dua Graha Internasional	Accommodation Service	6.06% indirect ownership through Aerowisata	1988	In Operation
5.	PT Arthaloka Indonesia	Property Management Service	2.58% indirect ownership through Aerowisata	1988	In Operation
6.	PT Gapura Angkasa	Management of ground operations system and aviation business support	37.50% direct ownership by the Company	1998	In Operation
7.	Pan Asia Pacific Aviation Services Ltd.	Management of ground operations system and aviation business support	17.65% direct ownership by the Company	1998	In operation
8.	Abacus International Pte. Ltd.	Informatics System	2.06% direct ownership by the Company	1997	In Operation
9.	PT Merpati Nusantara Airlines	Aviation	4.21% direct ownership by the Company	1978	In Operation

1. PT Abacus Distribution Systems Indonesia

Establishment and Business Activities

Abacus is domiciled in South Jakarta and was established based on Deed of Establishment No. 1 dated March 1, 1995, which was later amended by Amendment Deed No. 53 dated June 28, 1995, both made before Anna Sunarhadi, S.H., Notary in Jakarta, which has been approved by the Minister of Justice of the Republic of Indonesia by virtue of Decree No. C2-8542.HT.01.01.TH '95 dated July 13, 1995, and was registered in the Registry Office in the Central Jakarta District Court under No. 1156/1995 dated July 21, 1995, and published in the State Gazette of the Republic of Indonesia No. 9 dated January 30, 1996, Supplement No. 123 ("Deed of Establishment").

The last amendment to Abacus's Article of Associations is as stipulated in the Deed of Company's Shareholders No. 3 dated November 5, 2008, made before Suryati Moerwibowo, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue Decree No. AHU-14409.AH.01.02.Year 2009 dated April 22, 2009 and registered in the Company Register maintained by the Kemenkumham under No. AHU-0018384.AH.01.09.Year 2009 dated April 22, 2009 ("Deed No. 3/2008"). Deed No. 3/2008 changed Abacus's Article of Associations to comply with the provisions of the Company Law.

Under the provisions of Article 3 of the Articles of Association of Abacus, Abacus' purpose and objective is to engage in the field of management consulting and information technology services. To achieve the objectives mentioned above, Abacus may carry on businesses in the field of management consulting and information technology services, with the provision of:

1. Improvement of human resources associated with transport business effectively and efficiently, and
2. Development of reservation systems in business activity.

At the date of the publication of this Prospectus, Abacus has been conducting business activities in accordance with the provisions of Article 3 of the Articles of Association of Abacus.

Abacus is headquartered at Abacus Indonesia Building, Jl. Mampang Prapatan Raya No. 93, Jakarta, No. telephone (021)-27535399 and No. fax (021)-27535346, with representative offices located in Surabaya and Medan.

Management and Supervisory

The Board of Commissioners of Abacus based on Shareholders Deed No. 1 dated November 1, 2013, made before Denny Kurniawan, S.H., M.Kn., Notary in Bogor, which has been notified to Menkumham as stated in the Letter of Acceptance Notification Regarding Changes to the Company's Data No. AHU-AHA01.10-51361 dated November 28, 2013 and registered in the Company Register maintained in the Kemenkumham under No. AHU-0113489.AH.01.09. Year 2013 dated November 28, 2013, is as follows:

Board of Commissioners

President Commssioner : Faik Fahmi
Commssioner : Peter John Gammon
Commssioner : Mega Satria

The Board of Directors of Abacus based on Deed of Shareholders' Resolutions No. 1 dated April 26, 2012, which was made before Denny Kurniawan, S.H., M.Kn., Notary in Bogor which has been notified to Menkumham as stated in the Letter of Acceptance Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-16379 dated May 7, 2012 and registered in the Company Register maintained in the Kemenkumham under No. 0040812.AH.01.09. Year AHU-2011 dated May 7, 2012, is as follows:

Board of Directors (sole director)

President Director : Iswandi Said

Capital and Shareholding Structure

Based on Deed No. 3/2008, the capital and shareholding structure of Abacus at the date of the publication of this Prospectus is as follows:

Shareholder	Nominal Value of Rp1,099,500 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	10,000	10,995,000,000	
Issued and Paid-Up Capital			
The Company	2,375	2,611,312,500	95.00
Abacus International Pte. Ltd.	125	137,437,500	5.00
Total Issued and Paid-Up Capital	2,500	2,748,750,000	100.00
Shares in Portfolio	7,500	8,246,250,000	-

Summary of Financial Statements

Abacus' Financial Statements for the year ended December 31, 2013 have been audited, with an unqualified opinion and for the years ended December 31, 2012 and 2011 with an unqualified opinion with an explanatory paragraph regarding the adoption of SFAS 10 (Revised 2010), the Effects of Changes in Foreign Exchange Rates and restated financial statements for the previous years for the changes, by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), is as follows:

Description	(in USD)		
	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	2,547,017	2,621,387	2,775,808
Non Current Assets	3,018,939	3,607,513	2,671,324
TOTAL ASSETS	5,565,956	6,228,900	5,447,132
Current Liabilities	200,445	663,100	374,572
Non Current Liabilities	348,324	332,422	459,254
TOTAL LIABILITIES	548,769	995,522	833,826
Capital Stock	1,250,000	1,250,000	1,250,000
Surplus Revaluate	1,180,300	1,521,606	973,024
General Contingent	73,844	73,844	73,844
Retained Earnings	2,513,043	2,387,928	2,316,438
TOTAL EQUITY	5,017,187	5,233,378	4,613,306
TOTAL LIABILITIES AND EQUITY	5,565,956	6,228,900	5,447,132

Description	December 31,		
	2013	2012	2011
<i>(in USD)</i>			
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	3,082,209	2,840,466	2,800,440
Operating Expenses	2,684,529	2,744,524	2,935,290
Income (Loss) Before Tax	197,538	86,625	(38,381)
NET INCOME (LOSS)	125,115	71,490	(99,557)

Total assets as of December 31, 2013 decreased by 10.6% compared to December 31, 2012 primarily due to non-current asset impairment on property and equipment. Total Liabilities as of December 31, 2013 decreased by 44.9% compared to the liabilities on December 31, 2012 due to payment of short-term provision for employment benefits. Total Equity as of December 31, 2013 was decreased by 4.1% compared to December 31, 2012 due to a decrease in Re-valuation of Land and Buildings.

Total assets as of December 31, 2012 increased by 14.4% compared to total assets as of December 31, 2011 due to an increase in non-current assets, especially property and equipment. Total Liabilities as of December 31, 2012 increased by 19.4% compared to total liabilities as of December 31, 2011 due to the short-term provision for employment benefits. Total Equity as of 31 December 2012 increased by 13.4% compared to total equity as of December 31, 2011 due to a increase in Re-valuation of Land and Buildings.

Abacus operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to USD 3,082,209, USD 2,840,466 and USD 2,800,440, which shows a 4.1% increase from 2011 to 2012 and 8.5% growth from year 2012 to 2013.

Abacus operating expenses for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to USD 2,684,529, USD 2,744,524 and USD 2,935,290, showing a decrease of 6.5% from 2011 to 2012 and a decrease of 2.2% from the year 2012 to 2013.

Abacus profit (Loss) Before Tax for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD 197,538, USD 86,625 and USD (38,381), showing an increase of 325.7% from 2011 to 2012 and an increase of 128.0% from 2012 to 2013. Growth of Income (Loss) Before Tax from 2011 to 2012 was due to a decrease in operating costs and general and administrative costs, as efficiencies were made and from year 2012 to year 2013 due to 5.6% increase in the Company's main business and a decrease in operating costs and general and administrative costs as efficiencies were made.

Abacus' profit (loss) for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD 125,115, USD 71,490 and USD (99,557), showing an increase of 171.8% from the year 2011 to the year 2012 and an increase of 75.0% from 2012 to 2013.

2. PT Garuda Maintenance Facility Aero Asia ("GMF AeroAsia")

Establishment and Business Activities

GMF AeroAsia is domiciled in Tangerang and was established based on Deed of Establishment No. 93 dated April 26, 2002, made before Arry Supratno, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. C-11685.HT.01.01.TH.2002 dated June 28, 2002, and was registered in the Company Register in the Companies Registration Office in the District/City of Tangerang No. 0455/BH.30.06/VIII/2002 dated August 2, 2002, and published in the State Gazette of the Republic of Indonesia No. 78 dated September 27, 2002, Supplement No. 11677 ("Deed of Establishment").

The last amendment to GMF AeroAsia's Article of Associations is as stipulated in the Deed of Statement of Shareholders' Resolution No. 308 dated July 31, 2008, made before Arry Supratno, S.H., Notary in Jakarta, which has been approved by Menkumham by virtue of Decree No. AHU-53074.AH.01.02. Year 2008 dated August 20, 2008 and registered in the Companies Register maintained in the Kemenkumham under No. 0455/BH 3006/VIII/2002 on October 7, 2008, and has been announced on the State Gazette of the Republic of Indonesia ("Deed No.308/2008"). Deed No. 308/2008 amended GMF AeroAsia's Article of Associations to comply with the provisions of the Company Law.

Under the provision of Article 3 of the GMF AeroAsia's Articles of Association, GMF AeroAsia's purpose and objective is to carry out maintenance services, repairs and overhauls of aircraft and supporting equipments; with the highest quality work standards in a timely manner at competitive costs for aircraft belonging to its customers as well as conducting other businesses related to its field and as a Human Resources professional actualization in the aircraft maintenance business and

to seek profits by applying the principles of limited liability company. To achieve the aforementioned objectives, GMF AeroAsia can carry out the following business activities:

- a. Integrated maintenance and provision of aircraft;
- b. Maintenance and calibration of components;
- c. Maintenance of aircraft and industrial engines;
- d. Establishment and Maintenance of supporting facilities;
- e. Engineering Services;
- f. Material services, logistics, warehousing and consignment;
- g. Consulting services, training and provision of experts in the field of aircraft maintenance, components and machinery; and
- h. Other activities to support the objectives of GMF AeroAsia, focusing on the optimization of its resources.

As of the date of the publication of this Prospectus, GMF AeroAsia has conducted its operations in accordance with the provisions of Article 3 of the Articles of Association of GMF AeroAsia.

GMF AeroAsia is headquartered at Management Building PT Garuda Indonesia (Persero) Tbk., 3rd Floor Soekarno Hatta Airport Office Area, Pajang, Benda, Tangerang, Telephone No. (021)-5508609 and Fax No. (021)-5502489.

Management and Supervisory

GMF AeroAsia's Board of Commissioners which has been notified to Menkumham as stated in the Letter of Acceptance Notification of Changes to Company Data No. AHU.AH.01.10-45.728 November 1, 2013, and was registered in the register of the Company in the Kemenkumham under No. AHV. 0101399.AH.01.09 Year 2013 dated 1 November, 2013, based on GMF AeroAsia's Deed of Statement of Shareholders' Resolution No. 72 dated October 10, 2013, made before Arry Supratno, S.H., Notary in Jakarta, is as follows:

Board of Commissioners

President Commissioner	: Heriyanto Agung Putra
Commissioner	: Batara Silaban
Commissioner	: Djoko Murjatmodjo

Based on the Deed of Statement of Shareholders' Resolution No. 61 dated November 6, 2009, which was made before Arry Supratno, S.H., Notary in Jakarta which has been notified to Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10.21989 dated December 4, 2009 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0081154.AH.01.09.Year 2009 dated December 4, 2009 in conjunction with Deed of Statement of Meeting's Resolution No. 305 dated October 25, 2012 made before Arry Supratno, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-41428 dated November 23, 2012 and in the Companies Register maintained in the Kemenkumham under No. No. AHU-0100970.AH.01.09.Year 2012 dated November 23, 2012 in conjunction with Deed of Statement of Shareholders' Resolution No. 159 dated December 17, 2012, made before Arry Supratno, S.H., Notary di Jakarta which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU.AH.01.10-44876 dated December 18, 2012 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0109604.AH.01.09.Year 2012 dated December 18, 2012, GMF AeroAsia's Board of Directors is as follows:

Board of Directors

President Director	: Richard Budihadianto
Director	: Gatot Satriawan
Director	: Setijo Awibowo
Director	: Harkandri
Director	: Iwan Joeniarto
Director	: Agus Sulistyono

Capital and Shareholding Structure

Based on the Deed No. 308/2008, as of the date of the publication of this Prospectus, the capital and shareholding structure of GMF AeroAsia is as follows:

Shareholder	Nominal Value of Rp250,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	1,467,200	366,800,000,000	
Issued and Paid-Up Capital			
The Company	658,944	164,736,000,000	99.00
PT Aero Wisata	6,656	1,664,000,000	5.00
Total Issued and Paid-Up Capital	665,600	166,400,000,000	100.00
Shares in Portfolio	801,600	200,400,000,000	-

Summary of Financial Statements

GMF AeroAsia's Financial Statements for the year ended December 31, 2013 has been audited, with an unqualified opinion, and for the years ended December 31, 2012 and 2011, with an unqualified opinion with an explanatory paragraph on the adoption of SFAS 10 (2010 Revision), the Effects of Changes in Foreign Exchange Rates and restated the financial statements of the previous years to reflect the changes, by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), is as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	141,608,395	150,677,075	126,756,849
Non Current Assets	66,246,441	28,996,170	24,652,835
TOTAL ASSETS	207,854,836	179,673,245	151,409,684
Current Liabilities	56,081,862	64,448,724	57,582,729
Non Current Liabilities	63,565,912	45,577,587	34,926,701
TOTAL LIABILITIES	119,647,774	110,026,311	92,509,430
Capital Stock	19,214,846	19,214,846	19,214,846
Revaluation Surplus	1,194,236	1,210,213	1,185,115
General Reserve	3,169,426	2,827,602	2,465,469
Retained Earnings	64,628,554	46,394,273	36,034,824
TOTAL EQUITY	88,207,062	69,646,934	58,900,254
TOTAL LIABILITIES AND EQUITY	207,854,836	179,673,245	151,409,684
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	230,294,144	211,637,715	185,859,458
Operating Expenses	212,481,455	197,201,215	174,528,683
Income from Operation	17,812,689	14,436,500	11,330,775
NET INCOME (LOSS)	19,127,169	11,021,269	7,291,970

Total assets as of December 31, 2013 increased by 15.68% compared to total assets as of December 31, 2012 due to increase in inventories and property and equipment. Total Liabilities as of December 31, 2013 increased by 8.74% compared with total liabilities as of December 31, 2012 due to an increase in short and long term loans. Total Equity as of December 31, 2013 increased by 26.65% compared with Total Equity as of December 31, 2012 due to an increased performance.

Total assets as of December 31, 2012 increased 18.67% compared to total assets as of December 31, 2011 due to an increase in cash and cash equivalents, accounts receivables and fixed assets. Total Liabilities as of December 31, 2012 increased by 18.94% when compared to total liabilities as of December 31, 2011 due to an increase in other account payable and shareholder loans. Total Equity as of 31 December 2012 increased by 18.25% compared with Total Equity as of December 31, 2011 in line with the increasing of company performance.

GMF AeroAsia operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to USD 230,294,144 , USD 211,637,715 and USD 185,859,458, showing an increase of 13.87% from 2011 to 2012 and 8.82% from year 2012 to 2013.

GMF AeroAsia operating expenses for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD212,481,455, USD197,201,215 and USD174,528,683, showing an increase of 12.99% 2011 to 2012 and 7.75% from the year 2012 to the year 2013.

GMF AeroAsia income from operations for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD17,812,689, USD14,436,500 and USD11,330,775, showing an increase of 27.41% growth from 2011 to 2012 and an increase of 23.39% from 2012 to 2013. Growth of income (loss) before tax from 2011 to 2012 and from 2012 to 2013 was due to an increase in operating revenues.

GMF AeroAsia net income from operations for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD 19,127,169, USD 11,021,269 dan USD 7,291,970 showing an increase of 51.14% from the year 2011 to the year 2012 and an increase of 73.55% from 2012 to 2013.

3. PT Aero Systems Indonesia (“Asyst”)

Establishment and Business Activities

Asyst is domiciled in Central Jakarta and was established based on the Deed of Establishment No. 7 dated June 9, 2005, made before Adrian Djuaini, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. C-21017.HT.01.01.TH.2005 dated July 29, 2005, and published in the State Gazette of the Republic of Indonesia No. 66 Supplement No. 8827 dated August 19, 2005.

The last amendment to Asyst’s Article of Associations is as stipulated in the Deed of Statement of Meeting Resolution No. 36 dated October 2, 2009, made before Aulia Taufani, substitute Notary to Sutjipto, S.H., Notary in Jakarta, which has been approved by Menkumham by virtue of Decree No. AHU-51439.AH.01.02.Year 2009 dated October 23, 2009 and registered in the Companies Register No. AHU-0071027.AH.01.09.Year 2009 dated October 28, 2009, and registered in the Companies Register at the Companies Registration Office under Registration Agenda No. 14374/RUB.09-05/iii/2010 dated March 15, 2010 (“Deed No. 36/2009”). Deed No. 36/2009 amended Asyst’s Article of Associations to comply with the developments on Asyst’s management needs and others.

Under the provision of Article 3 of the Asyst’s Articles of Association, Asyst’s purpose and objective is to engage in consulting services; engineering of information technology systems; maintenance and operation of information technology systems in the travel industry, transportation and other industries; as well as to seek profits through the application of the principles of a limited liability company. To achieve the aforementioned objectives, Asyst can carry out the following business activities:

- a. Development of systems and softwares;
- b. Provision of services related to information technology systems; services related to provision and maintenance of data, operating service, management, storage and maintenance of data centers as well as consultancy;
- c. Provision of development service for applications used in scheduling, planning of transport routes, pricing and revenue management systems;
- d. Development of sales, reservations, ticketing, inventory, check-in, help desk systems, as well as the provision of hardware for check-in counters at the airport;
- e. Provision of systems and solutions for human resources improvement related to information technology and consulting services;
- f. Provision of information technology services to airline companies, agents, general sales agents and handling agents on a case by case basis;
- g. Provision of telecommunication network;
- h. Other business activities in the field of information technology in industries other than airline;
- i. Provision of hardware including application/system/softwares created, developed or supplied by Asyst;
- j. Carry out trading activities;
- k. Act as a distributor, agent and/or representative of other local or foreign companies; and
- l. Import and export and trading of informatics and multimedia equipments.

As of the date of the publication of this Prospectus, Asyst has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

Asyst is headquartered at Gedung Ratu Plaza, Floors 28 and 29, Jl. Jend. Sudirman Kav. 9, Jakarta, Indonesia, Telephone No. (021)-7255670 and Fax No. (021)-7256062.

Management and Supervisory

Based on Asyst's Deed of Statement of Shareholders' Resolution No. 15 dated December 6, 2013, made before Aryanti Artisari, S.H., M.Kn., Notary in Jakarta, which has been notified to Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-54240 dated December 13, 2013 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0119856.AH.01.09.year 2013 dated December 13, 2013 ("Deed No. 15/2013"), Asyst's Board of Commissioners is as follows:

Board of Commissioners

President Commissioner : Judi Rifajantoro
 Commissioner : Heriyanto
 Commissioner : Jeny Mustopha
 Commissioner : Alexander Maria Tae Maneklaran

Based on Circular Resolution of Shareholders in lieu of General Meeting of Shareholders dated 24 February 2014, Asyst's Board of Directors is as follows:

Board of Directors

President Director : Tulus Danardono
 Director : Mohammad Ismed Arifin
 Director : Krisna Nugraha

Capital and Shareholding Structure

Based on Deed No. 36/2009, as of the date of the publication of this Prospectus, the capital and shareholding structure of Asyst is as follows:

Shareholder	Nominal Value of Rp9,495 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	18,585,840	176,472,550,800	
Issued and Paid-Up Capital			
The Company	2,369,695	22,500,254,025	51.00
PT Aero Wisata	2,276,765	21,617,883,675	49.00
Total Issued and Paid-Up Capital	4,646,460	44,118,137,700	100.00
Shares in Portfolio	13,939,380	132,354,413,100	-

Summary of Financial Statements

Summary of Asyst's Financial Statements for the year ended December 31, 2013 have been audited with an unqualified opinion and for the years ended December 31, 2012 and 2011, with an unqualified opinion with an explanatory paragraph on the adoption of SFAS 10 (2010 Revision), the Effects of Changes in Foreign Exchange Rates and restated the financial statements of the previous years to reflect the changes, by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), is as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	19,953,064	19,613,450	18,436,928
Non Current Assets	9,461,790	10,025,175	6,447,123
TOTAL ASSETS	29,414,854	29,638,625	24,884,051
Current Liabilities	13,080,098	13,792,461	10,198,644
Non Current Liabilities	3,204,788	3,500,081	2,849,742
TOTAL LIABILITIES	16,284,886	17,292,542	13,048,386
Capital Stock	4,646,460	4,646,460	4,646,460
Other Equity			
Retained Earnings	8,483,508	7,699,623	7,189,205
TOTAL EQUITY	13,129,968	12,346,083	11,835,665
TOTAL LIABILITIES AND EQUITY	29,414,854	29,638,625	24,884,051
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	22,078,793	19,413,420	14,102,926

(in USD)

Description	December 31,		
	2013	2012	2011
Operating Expenses	19,653,863	18,176,178	13,250,041
Income from Operations	2,424,930	1,237,242	852,885
NET INCOME	783,885	510,418	520,220

Total assets as of December 31, 2013 decreased by 0.75% compared to December 31, 2012 due to a decrease in non-current assets especially intangible assets. Total Liabilities as of December 31, 2013 decreased by 5.83% when compared with total liabilities as of December 31, 2012 due to the decrease in accounts payables caused by payment of payables in 2013. Total Equity as of December 31, 2013 increased by 6.35% when compared with Total Equity as of December 31, 2012.

Total assets as of December 31, 2012 increased by 19.11% when compared to total assets as of December 31, 2011 due to an increase in current assets, specifically intangible assets. Total Liabilities as of December 31, 2012 increased by 32.53% compared to total liabilities as of December 31, 2011 due to an increase accounts payables and accrued expenses. Total Equity as of 31 December 2012 increased by 4.31% compared with Total Equity as of December 31, 2011.

Asyst operating revenues for the years ended as of December 31, 2013, 2012 and 2011 respectively amounted to

USD 22,078,793, USD 19,413,420 and USD 14,102,926, showing an increase of 37.66% from 2011 to 2012 and 13.73% from 2012 to 2013.

Asyst operating expenses for the years ended December 31, 2013, 2012 and 2011 respectively amounted to

USD 19,653,863, USD 18,176,178 and USD 13,250,041, showing an increase of 37.18% from 2011 to 2012 and 8.13% from 2012 to 2013. Growth of operating expenses from 2011 to 2012 was mainly due to the increase in rent expense, maintenance and communication, whereas the increase from 2012 to 2013 was mainly due to a termination penalty.

Asyst income from operation for the years ended December 31, 2013, 2012 and 2011 respectively amounted to

USD 2,424,922, USD 1,237,242 and USD 852,885, showing an increase of 45.07% growth from 2011 to 2012 and an increase of 95.99% from 2012 to 2013. Growth of income (loss) before tax from 2011 to 2012 and from 2012 to 2013 was due to an increase in operating revenues.

Asyst net income from operation for the years ended December 31, 2013, 2012 and 2011 respectively amounted to

USD 783,885, USD 510,418 and USD 520,220 with a 1.88% decrease from the year 2011 to the year 2012 and a 53.58% increase from 2012 to 2013. The decrease in profit from 2011 to 2012 was due to an increase in other expenses driven by increase in interest expense and profit (loss) on exchange rates, whereas the growth from 2012 to 2013 was caused by increased operating revenues in 2013.

4. PT Citilink Indonesia ("Citilink")

Establishment and Business Activities

Citilink was established based on the Deed of Establishment No. 01 dated January 6, 2009, made before Arikanti Natakusumah S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-0014555.AH.01.01.Year 2009 dated April 22, 2009, and was registered in the Companies Register maintained in the Kemenkumham under No. AHU-0018562.AH.01.09.Year 2009 dated April 22, 2009, and published in the State Gazette of the Republic of Indonesia No. 1 dated January 3, 2012.

The last amendment to Citilink's Article of Associations is as stipulated in the Deed of Statement of Shareholders' Resolution No. 91 dated August 10, 2012, made before Aryanti Artisari, S.H., M.Kn., Notary in Jakarta, which has been approved by Menkumham by virtue of Decree No. AHU-47100.AH.01.02.Year 2012 dated September 4, 2012 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0079412.AH.01.09.Year 2012 dated September 4, 2012 ("Deed No. 91/2012"). The deed approved (i) additional investment by the Company into Citilink in the form of five aircraft, and (ii) the increase in Citilink's authorized capital from Rp300,000,000,000 to Rp1,700,000,000,000 and increase in Citilink's fully paid-up capital from Rp185,000,000,000 to Rp431,710,000,000.

Citilink is domiciled at Komplek Ruko Juanda Business Centre Block C1 No. 2, Sawotratap, Gedangan, Sidoarjo and has branch offices in Jakarta, Surabaya, Balikpapan, Lombok, Batam, Padang, Medan, Bandung, Denpasar, Banjarmasin, Yogyakarta, Semarang, Ujungpandang, Kupang, Jambi, Pangkal Pinang, Pekanbaru, Palembang, Malang, Bengkulu and Tanjung Pandan.

Under the provision of Article 3 of the Citilink's Articles of Association, Citilink's purpose and objective is to carry out low cost commercial air transport services as well as to optimize the usage of resources owned by Citilink to produce high quality

and competitive goods and/or services in order to achieve profits to increase the value of Citilink through the application of Limited Liability Company Principles.

To achieve the aforementioned objectives, Citilink can carry out the following business activities:

- a. Local and International scheduled commercial air transport of passengers, goods and mails
- b. Local and International non-scheduled commercial air transport of passengers, goods and mails
- c. Air transport operational supporting services
- d. Information system services related to airline industry, for internal and third parties
- e. Airline industry consulting services
- f. Education and training services for airline industry, for internal and third parties
- g. Tour package services
- h. Other business activities which support the optimalization of Citilink's resources

As of the publication of this Prospectus, Citilink has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

Citilink is headquartered at Komplek Ruko Juanda Business Centre Blok C1 No. 2, Desa Sawotratap, Kecamatan Gedangan, Sidoarjo, Telephone No (031) 8553887.

Management and Supervisory

Based on Deed of Statement of Meeting's Resolution No. 27 dated August 29, 2012, made before Jose Dima Satria, S.H., M.Kn., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-34590 dated September 24, 2012 and registered in the Companies Register maintained in the Kemenkumham under No. 0084570.AH.01.09.Year 2012 dated September 24, 2012, the Board of Directors of Citilink is as follows:

Board of Directors

President Director : Muhammad Arif Wibowo
 Director : Albert Burhan
 Director : Hadinoto Soedigno

Based on Deed of Statement of Shareholder's Resolution No. 40 dated October 21, 2013, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-00253 dated January 3, 2014 and registered in the Companies Register maintained in the Kemenkumham under AHU-0000473.AH.01.09 Year 2014 dated January 3, 2014, the Board of Commissioners of Citilink is as follows:

Board of Commissioners

President Commissioner : Handrito Hardjono
 Commissioner : Meijer Frederik Johannes
 Commissioner : Daryatmo

Capital and Shareholding Structure

Based on Deed No. 91/2012, the capital and shareholding structure of Citilink is as follows:

Shareholder	Nominal Value of Rp1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	1,700,000	1,700,000,000,000	
Issued and Fully Paid-Up Capital			
The Company	406,960	406,960,000,000	94.27
PT Aero Wisata	24,750	24,750,000,000	5.73
Total Issued and Fully Paid-Up Capital	431,710	431,710,000,000	100.00
Shares in Portfolio	1,268,290	1,268,290,000,000	-

Summary of Financial Statements

Summary of GMF Citilink's Financial Statements for the year ended December 31, 2013 have been audited with an unqualified opinion and for the years ended December 31, 2012 and 2011 with an unqualified opinion with an explanatory paragraph on the adoption of SFAS 10 (2010 Revision), the Effects of Changes in Foreign Exchange Rates and restated the financial statements of the previous years to reflect the changes, by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), is as follows:

(in USD)

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	27,005,117	32,034,655	22,154,930
Non Current Assets	79,049,485	41,109,664	-
TOTAL ASSETS	106,054,602	73,144,319	22,154,930
Current Liabilities	73,308,897	45,254,079	-
Non Current Liabilities	57,725,891	4,901,468	-
TOTAL LIABILITIES	131,034,788	50,155,547	-
Capital Stock	44,901,104	44,901,104	6,787,330
Other Equity	1,438,826	3,211,385	12,081,274
Retained Earnings (deficit)	(71,320,116)	(25,123,717)	3,286,326
TOTAL EQUITY	(24,980,186)	22,988,772	22,154,930
TOTAL LIABILITIES AND EQUITY	106,054,602	73,144,319	22,154,930
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	273,398,829	73,397,953	-
Operating Expenses	333,603,745	104,943,071	54,955
Loss from Operations	(60,204,916)	(31,545,118)	(54,955)
NET INCOME (LOSS)	(48,480,179)	(28,410,043)	683,603

Total assets as of December 31, 2013 amounted to USD 106,054,602, showing an increase of 44.99% from December 31, 2012 which amounted to USD 73,144,319, which was caused by the increase in aircraft maintenance reserve fund and security deposits as well as predelivery payment.

Total assets as of December 31, 2012 amounted to USD 73,144,319 showing an increase of 230.15% from December 31, 2011 which amounted to USD 22,154,930, because since in 2011 Citilink was then a Strategic Business Unit hence it was still part of the Company's operations.

Total liabilities as of December 31, 2013 amounted to USD 131,034,788, showing an increase of 161.26% from December 31, 2012 which amounted to USD 50,155,547, which was due to the long term loan to Garuda and increase in estimated liability for aircraft return and maintenance cost.

Total liabilities as of December 31, 2012 amounted to USD 50,155,547, showing an increase of 100.00% from December 31, 2011, where total liabilities figure was nil since in 2011 Citilink was then a Strategic Business Unit hence it was a part of the Company's operations.

Total equity (deficit) as of December 31, 2013 amounted to USD (24,980,186) decreased by 208.66% from December 31, 2012, which amounted to USD 22,154,930 due to an accumulation of loss from the previous period.

Total equity as of December 31, 2012 amounted to USD 22,988,772 showing an increase of 3.76% over December 31, 2011, which amounted to USD 22,154,930 due to an equity injection in the form of 5 aircrafts amounting to USD 26,032,500.

Citilink's operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to USD 273,398,829, USD 73,397,953 and Nil, showing an increase of 100.00% from 2011 to 2012 and 272% from year 2012 to 2013.

Citilink's operating expenses for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD 333,603,745, USD 104,943,071 and USD 54,955, showing an increase of 190.862% from 2011 to 2012 and 218% from the year 2012 to the year 2013.

Citilink's loss before tax for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD 60,204,916, USD 31,545,118 and USD 54,955, showing an increase of 57.302% from 2011 to 2012 and 91% from 2012 to 2013.

Citilink's profit (loss) for the years ended December 31, 2013, 2012 and 2011 respectively amounted to USD (48.480.179), USD (28.410.043) and USD 683.603, showing an increase of 4,256% in losses from the year 2011 to the year 2012 and 71% from 2012 to 2013.

5. Garuda Indonesia Holiday France S.A.S. ("GIHF")

Establishment and Business Activities

GIHF is domiciled in France.

The establishment of GIHF has been registered on the local Trade and Companies Register on January 23, 2014 as stipulated in *Extrait Kbis – Extrait D'Immatriculation au Registre du Commerce et Des Societes* issued on January 26, 2014.

GIHF registered address is at 6 Place de la Madeleine, 75008 Paris.

Based on GIHF's Articles of Association, its purpose and objective is to engage in the following business activities in France and in other countries:

1. Travel Agency services;
2. Marketing agent of air travel tickets;
3. Aircraft rental services;
4. Every financial transactions, commercial, civil, fixed or non-fixed assets, which are directly or indirectly related to the above objectives, or can contribute to the achievement of the above objectives

As of the date of the publication of this Prospectus, GIHF has not started its operations in accordance with the business objectives set out in its Articles of Association.

Management and Supervisory

GIHF is headed by a President Director who is responsible over the management of GIHF. As of the date of the publication of this Prospectus, GIHF's President Director is Harold Rudolph Tobing.

Capital and Shareholding Structure

Based on GIHF's Articles of Association, as of the date of the publication of this Prospectus, the capital and shareholding structure of GIHF is as follows:

Shareholder	Nominal Value of EUR 1 per share		
	Number of Shares	Total Nominal Value (EUR)	%
Authorized Capital	1,000,000	1,000,000	
Issued and Paid-Up Capital			
The Company	500,000	500,000	100.00
Total Issued and Paid-Up Capital	500,000	500,000	100.00
Shares in Portfolio	500,000	500,000	-

6. PT Aero Wisata ("Aerowisata")

Establishment and Business Activities

Aerowisata is domiciled in Central Jakarta and was established based on Deed of Establishment No. 85 dated June 30, 1973, made before Soeleman Ardjasmita, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. Y.A. 5/32/18 dated February 2, 1974, and published in the State Gazette of the Republic of Indonesia No. 20 Supplement No. 320 dated March 11, 1983 ("Deed of Establishment").

The last amendment to Aerowisata's Article of Associations is as stipulated in Deed of Statement of Shareholders' Resolution No. 1 dated September 2, 2009, made before Rismalena Kasri, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-52981.AH.01.02.Year 2009 dated November 2, 2009 and registered in the Companies Register No. AHU-0072095.AH.01.09.Year 2009 dated November 2, 2009 ("Deed No. 1/2009"). Deed No. 1/2009 revised the whole Articles of Association of Aerowisata and added 12 new articles.

Under the provision of Article 3 of the Aerowisata's Articles of Association, Aerowisata's purpose and objective is to provide high quality and goods and/or services and to optimize the utilization of hotel business and to optimize the utilization of

Aerowisata's resources, in order to achieve profits to increase the value of Aerowisata through the application of Limited Liability Company Principles. In order to achieve the aforementioned objectives, Aerowisata can engage in the following business activities:

1. Operates a business in tourism services, such as travel agents, business travel agents services, provision of guides, convention services, exhibition and incentive travel, impresario services, consulting services in tourism, tourism education and training services, and information tourism services;
2. Operates a business in tourism facilities, such as hotel business, provision of food and drink, provision of travel transportation, provision of tourism facilities and tourist areas;
3. Operates a business in cultivation of objects and attractions, such as cultivation of objects and natural tourist attraction, cultivation and utilization of cultural tourist attraction and utilization of objects and attractions of special interest;
4. Operates a business in air transport supporting services, such as catering concessions, provision of catering equipment, infrastructure and facilities management and cargo, warehousing and cargo management, ground handling, management of customer loyalty programs as well as managing a single agent services for foreign airlines as well as domestic flights; and
5. Conducting business activities in order to optimize the utilization of its resources for warehousing and offices.

As of the date of the publication of this Prospectus, Aerowisata has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

Aerowisata is headquartered at Jl. Prapatan No. 32, Central Jakarta, Telephone No. 021-2310002, Fax 021-2310003.

Management and Supervisory

Based on Aerowisata's Deed of Statement of Shareholders' Resolution No. 12 dated November 3, 2009, made before Rismalena Kasri, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-20994 dated November 23, 2009 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0077876.AH.01.09.Year 2009 dated November 23, 2009 in conjunction with Deed of Statement of Shareholders' Resolution No. 4 dated February 10, 2012, made before Rismalena Kasri, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-05802 dated February 20, 2012 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0014596.AH.01.09.Year 2012 dated February 20, 2012, Aerowisata's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner : Abdulgani
 Commissioner : Abdul Anshari Ritonga
 Commissioner : Agus Priyanto

Board of Directors

President Director : Alexander Maria Tae Maneklaran
 Director : Mig Andamara*

*Based on Statement Letter No. 07/ALR/ROT/11/2014 dated 12 February 2014 No. 93/2013 which was issued by Ariani Lakhsmijati Rachim, S.H., Notary in Jakarta, Deed No. 43/2013 is still in the process of notification to Kemenkumham.

Capital and Shareholding Structure

Based on Deed No. 1/2009, as of the date of the publication of this Prospectus, the capital and shareholding structure of Aerowisata is as follows:

Shareholder	Nominal Value of Rp1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	400,000	400,000,000,000	
Issued and Paid-Up Capital			
The Company	249,999	249,999,000,000	99.99
Pension Fund of the Employees of Aero Wisata	1	1,000,000	0.01
Total Issued and Paid-Up Capital	250,000	250,000,000,000	100.00
Shares in Portfolio	150,000	150,000,000,000	-

Summary of Financial Statements

Aerowisata's Financial Statements for the year ended December 31, 2013 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), and is as follows:

(in Rupiah)

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	1,039,733,562,618	830,060,831,742	790,011,559,569
Non Current Assets	1,420,892,740,215	1,183,075,782,028	1,009,137,361,013
TOTAL ASSETS	2,460,626,302,833	2,013,136,613,770	1,799,148,920,582
Current Liabilities	615,261,660,112	465,508,034,663	427,909,985,596
Non Current Liabilities	288,861,206,897	217,939,440,408	194,039,382,106
TOTAL LIABILITIES	904,122,867,047	683,447,475,071	621,949,367,702
Capital Stock	250,000,000,000	250,000,000,000	250,000,000,000
Other Equity	721,791,076,559	560,423,214,527	453,014,193,108
Retained Earnings	569,781,559,948	503,679,048,225	461,366,304,675
Non-controlling Interest	14,930,799,317	15,586,875,947	12,819,055,097
TOTAL EQUITY	1,556,503,435,786	1,329,689,138,699	1,177,199,552,880
TOTAL LIABILITIES AND EQUITY	2,460,626,302,833	2,013,136,613,770	1,799,148,920,582
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	2,826,093,102,303	2,499,346,882,872	2,024,332,934,093
Operating Expenses	2,726,418,689,678	2,434,309,088,689	1,918,332,600,042
Gross Income	560,641,362,892	480,401,363,120	435,918,769,454
NET INCOME	66,010,354,343	55,160,247,269	73,917,521,091

Total assets as of December 31, 2013 increased by 22.23% compared to total assets as of December 31, 2012 due to an increase in trade accounts receivables, other receivables, advances, deferred tax assets, other current assets and property and equipment. Total Liabilities as of December 31, 2013 increased by 32.29% when compared with total liabilities as of December 31, 2012 due to the increase in trade accounts payables accrued expenses, unearned revenues and loans from banks. Total Equity on December 31, 2013 increased by 17.06% compared with Total Equity on December 31, 2012.

Total assets as of December 31, 2012 increased by 11.89% compared to total assets as of December 31, 2011 due to the increase in property and equipment. Total Liabilities as of December 31, 2012 increased by 9.89% compared to total liabilities as of December 31, 2011 due to an increase trade accounts payables and other non current liabilities. Total Equity as of 31 December 2012 increased by 12.95% compared with Total Equity as of December 31, 2011.

Aerowisata operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp 2,826,093,102,303, Rp 2,499,346,882,872 and Rp 2,024,332,934,093, showing an increase of 23.47% from 2011 to 2012 and 13.07% from 2012 to 2013.

Aerowisata operating expenses for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp 2,726,283,375,878, Rp 2,434,309,088,689 and Rp 1,918,332,600,042, showing an increase of 26.90% 2011 to 2012 and 11.99% from the year 2012 to the year 2013.

Aerowisata Income from Operation for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp 560,649,362,892, Rp 480,401,363,120 and Rp 435,918,769,484, showing an increase of 10.20% from 2011 to 2012 and an increase of 16.70% from the year 2012 to the year 2013. The growth of gross profit for the years ended December 31, 2013 and 2012 was caused by the increase in operating revenues.

Aerowisata net income for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp 66,010,354,343, Rp 55,160,247,269 dan Rp 70,732,228,330, showing a decrease of 25.38% from the year 2011 to the year 2012 and 19.67% from 2012 to 2013.

G. Brief Description of the Indirect Subsidiaries of the Company

At the date of the publication of this Prospectus, the Company holds indirect ownership over 14 subsidiaries of Aerowisata:

No	Subsidiary	Business Activities	Ownership	Participation Year	Operational Status
1.	PT Mirtasari Hotel Development	Hotel	99.994% indirect ownership through Aerowisata	1979	In Operation
2.	PT Aerofood Indonesia (previously known as PT Angkasa Citra Sarana Catering Service)	Airline catering service	99.9991% indirect ownership through Aerowisata	1982	In Operation
3.	PT Aero Globe Indonesia (previously known as PT Biro Perjalanan Wisata Satriavi)	Travel agency	99.9995% indirect ownership through Aerowisata	1974	In Operation
4.	PT Aerotrans Services Indonesia (previously known as PT Mandira Erjasa Wahana)	Transportation services	99.998% indirect ownership through Aerowisata	1988	In Operation
5.	PT Aerojasa Perkasa	Ticket sales	99.87% indirect ownership through Aerowisata	1998	In Operation
6.	PT Aerojasa Cargo	Freight Forwarding	99.91% indirect ownership through Aerojasa Perkasa	2003	In Operation
7.	PT Senggigi Pratama Internasional	Hotel	99.993% indirect ownership through Aerowisata	1997	In Operation
8.	Garuda Orient Holidays, Pty, Limited	Travel Agency	100.00% indirect ownership through Aerowisata	1981	In Operation
9.	Garuda Orient Holidays Korea Co, Limited	Travel Agency	60.00% indirect ownership through Aerowisata	2008	In Operation
10.	Garuda Orient Holidays Japan Co, Ltd	Travel Agency	60.00% indirect ownership through Aerowisata	2009	In Operation
11.	PT GIH Indonesia	Travel Agency	60.00% indirect ownership through Aerowisata	2012	In Operation
12.	PT Bina Inti Dinamika	Hotel	61.89% indirect ownership through Aerowisata	1987	In Operation
13.	PT Aero Hotel Management	Hotel Management	90.00% indirect ownership through Aerowisata 10.00% indirect ownership through PT Mirtasari Hotel Development	2009	In Operation
14.	PT Belitung Intipermi	Hotel	99.999968% indirect ownership through Aerowisata	1992	In Development phase

Note: *) AWS ownership through AJP

1. PT Mirtasari Hotel Development ("MHD")

Establishment and Business Activities

MHD is domiciled in Central Jakarta and was established under the name PT Mirtasari Hotel Development Corporation, based on Deed of Establishment No. 83 dated December 12, 1972 ("Deed No. 83 of 1972"), made before Mohamad Said Tadjoeidin, S.H., Notary in Jakarta, under the status of a foreign investment company based on Law No. 1 Year 1967 regarding Foreign Investment Companies. Deed No. 83 of 1972 has been amended with Amendment Deed No. 269 dated October 24, 1978 and Amendment Deed No. 105 dated March 8, 1979, both made before Mohamad Said Tadjoeidin, S.H., Notary in Jakarta, all of which has been approved by the Menkumham by virtue of Decree No. Y.A. 5/134/24 dated March 19, 1979, registered in the register book of the State Court of Jakarta under No. 1305, 1306 and 1307 dated March 22, 1979 and published in the State Gazette of the Republic of Indonesia No. 37 Supplement No. 208 dated May 8, 1979 ("Deed of Establishment").

The last amendment to MHD's Article of Associations is as stipulated in the Deed of Statement of Meeting's Resolution No. 33 dated November 20, 2008, made before Siti Rayhana, S.H., as substitute for Bando Raden Ayu Mahyastoeti Notonagoro, S.H., Notary di Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-066365.AH.01.02.Year 2009 dated March 5, 2009 and registered in the Companies Register No. AHU-0000051.AH.01.09.Year 2006 dated March 5, 2009 and published in the State Gazette of the Republic of Indonesia No. 82 Supplement No. 25577 dated October 13, 2009 ("Deed No. 33/2008"). The deed changed MHD's Articles of Association to comply with the provisions of the Company Law.

Under the provision of Article 3 of the MHD's Articles of Association, MHD's purpose and objective is to provide high quality goods and/or services, to be highly competitive in accommodation services and to optimize the utilization of MHD's resources, in order to achieve profits to increase the value of MHD through the application of Limited Liability Company Principles. In order to achieve the aforementioned objectives, MHD can engage in the following business activities:

1. The provision of hotel services and other supporting services;
2. The provision food and beverage services;
3. The provision of accommodation services and other services required for the running of a hotel;

As of the date of the publication of this Prospectus, MHD has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

MHD is headquartered at Aerowisata Building, Jl. Prapatan No. 32, Central Jakarta, Telephone No. 021-2310002, Fax 021-2310003 with a branch office at Denpasar. MHD's current website: www.sanurbeach.aerowisata.com and Email: info@sanurbeach.aerowisata.com

Management and Supervisory

Based on (i) Deed No. 33/2008 in conjunction with Deed of Statement of Shareholders' Resolution No. 8 dated October 19, 2009, made before Rismalena Kasri, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-20155 dated November 11, 2009 and registered in the Companies Register maintained by the Kemenkumham under No. AHU-0074832.AH.01.09.Year 2009 dated November 11, 2009, MHD's Board of Commissioners is as follows:

Board of Commissioners

President Commissioner : Achirina
Commissioner : Dobby Virgianto

Based on Deed of Statement No. 65 dated February 22, 2013, made before Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-12462 dated April 5, 2013, MHD's Board of Directors is as follows:

Board of Directors (sole director)

Director : Sugeng Saptono

Capital and Shareholding Structure

Based on Deed No. 33/2008, as of the date of the publication of the Prospectus, the capital and shareholding structure of MHD is as follows:

Shareholder	Nominal Value of Rp 1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	60,000	60,000,000,000	
Issued and Paid-Up Capital			
PT Aero Wisata	17,625	17,265,000,000	99.99
Pension Fund of the Employees of Aero Wisata	1	1,000,000	0.01
Total Issued and Paid-Up Capital	17,266	17,266,000,000	100.00
Shares in Portfolio	42,734	42,734,000,000	-

Summary of Financial Statements

MHD's Financial Statements for the year ended December 31, 2013 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), and are as follows:

(in Rupiah)

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	69,741,684,564	46,374,387,997	50,017,287,511
Non Current Assets	219,482,584,954	194,148,954,758	168,222,638,375
TOTAL ASSETS	289,224,269,518	240,523,342,755	218,239,925,886
Current Liabilities	25,336,384,066	14,529,129,707	21,198,640,280
Non Current Liabilities	18,851,356,430	17,966,586,208	16,235,483,257
TOTAL LIABILITIES	44,187,740,496	32,495,715,915	37,434,123,537
Capital Stock	17,266,000,000	17,266,000,000	17,266,000,000

(in Rupiah)

Description	December 31,		
	2013	2012	2011
Other Equity	163,925,453,686	140,304,516,441	118,502,812,536
Retained Earnings	63,845,075,336	50,457,110,399	45,036,989,813
TOTAL EQUITY	245,036,529,022	208,027,626,840	180,805,802,349
TOTAL LIABILITIES AND EQUITY	289,224,269,518	240,523,342,755	218,239,925,886

STATEMENTS OF COMPREHENSIVE INCOME

Operating Revenues	128,535,984,988	113,454,681,962	104,323,265,274
Operating Expenses	93,587,451,845	86,270,366,238	75,428,708,518
Income from Operation	34,948,533,143	27,184,315,724	28,894,556,756
NET INCOME (LOSS)	28,382,049,347	21,420,120,586	21,127,097,988

As of December 31, 2013, total assets increased by 20.25% compared to as of December 31, 2012, due to an increase in fixed assets from asset revaluation, trade account receivables and cash and equivalents. As of December 31, 2013, total liabilities increased by 35.98% compared to as of December 31, 2012, due to the increase in unearned revenues. As of December 31, 2013, total equity increased by 17.79% compared to as of December 31, 2012.

As of December 31, 2012, total assets increased by 10.21% compared to as of December 31, 2011, due to the increase in fixed assets from revaluation of assets. As of December 31, 2012, total liabilities decreased by 13.19% compared to as of December 31, 2011, due to the decrease in taxes payable and unearned income. As of December 31, 2012, total equity increased by 15.06% compared to as of December 31, 2011.

For the years ended on December 31, 2013, 2012 and 2011, operating revenues were Rp128,535,984,988, Rp113,454,681,962 and Rp104,323,265,274, respectively, representing an increase of 8.75% from 2011 to 2012 and an increase of 13.29% from 2012 to 2013.

For the years ended December 31, 2013, 2012 and 2011, income (loss) before tax were Rp34,948,533,143, Rp27,184,315,724 and Rp28,894,556,756, respectively, representing a decrease of 5.92% from 2011 to 2012 and an increase of 28.56% from 2012 to 2013.

For the years ended December 31, 2013, 2012 and 2011, net (income) loss were Rp28,382,049,347, Rp21,420,120,586 and Rp21,127,097,988, respectively, representing an increase of 1.39% from 2011 to 2012 and an increase of 32.50% from 2012 to 2013. The increase from 2011 to 2012 and from 2012 to 2013 was primarily due to an increase in operating revenues.

2. PT Aerofood Indonesia ("Aerofood")

Establishment and Business Activities

Aerofood is domiciled in Central Jakarta and was established under the name PT Angkasa Citra Sarana Catering Service, based on Deed of Establishment No. 193 dated December 23, 1974, as amended by (i) Amendment Deed No. 98 dated December 12, 1979, (ii) Amendment Deed No. 115 dated December 12, 1980, (iii) Amendment Deed No. 130 dated January 16, 1981, (iv) Amendment Deed No. 16 dated March 2, 1982 and (v) Amendment Deed No. 304 dated November 29, 1982, all made before Mohamad Said Tadjoeidin, S.H., Notary di Jakarta, which has been approved by the Menkumham by virtue of Decree No. C2-2878.HT.01.01.TH.82 dated December 7, 1982, registered in the register book of the State Court of Jakarta under No. 4892, 4893, 4894, 4895, 4896 and 4897, all dated December 10, 1982, and published in the State Gazette of the Republic of Indonesia No. 22 dated March 18, 1983, Supplement No. 351 ("Deed of Establishment").

The last amendment to Aerofood's Article of Associations is as stipulated in the Deed of Statement of Meeting's Resolution as substitute to EGMS No. 50 dated September 22, 2011 made before Rismalena Kasri, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-55711.AH.01.02.Year 2011 dated November 15, 2011 and registered in the Companies Register maintained by the Kemenkumham under No. AHU-0092415.AH.01.09.Year 2011 dated November 15, 2011. The deed amended Article 1 paragraph 1 of the Articles of Association of Aerofood regarding the name Aerofood from PT Angkasa Citra Sarana Catering Service to PT Aerofood Indonesia.

Under the provision of Article 3 of Aerofood's Articles of Association, Aerofood's purpose and objective is to provide high quality goods and/or services, to be highly competitive in catering, laundry, warehousing, and optimize the utilization of Aerofood's resources, in order to achieve profits to increase the value of Aerofood through the application of Limited Liability Company Principles. In order to achieve the aforementioned objectives, Aerofood can engage in the following business activities:

1. Airline catering;
2. Bakery;

3. Ice & cold storage;
4. Airport restaurant and outside catering;
5. Laundry; and
6. Bounded stores.

As of the date of the publication of this Prospectus, Aerofood has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

Aerofood is headquartered at Aerowisata Building, Jl. Prapatan No. 32, Kelurahan Senen, Kecamatan Senen, Central Jakarta, Telephone No. (021)-83705076 and Fax (021)-83705012 with operational office located in Jl. Prof. Soepomo S.H. No. 45 RT 014/RW 06, Kelurahan Tebet Barat, Kecamatan Tebet, South Jakarta. Aerofood's current website: www.aerofood.co.id and Email: info@aerofood.co.id.

Management and Supervisory

Based on Circular Deed of Statement of the Shareholders in substitution of EGMS No. 10 dated September 22, 2010 made before Rismalena Kasri, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-25288 dated October 6, 2010 and Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-25289 dated October 6, 2009 and registered in the Companies Register maintained by the Kemenkumham under No. AHU-0072588.AH.01.09.Year 2010 dated October 6, 2010 and under No. AHU-0072589.AH.01.09.Year 2010 dated October 6, 2010 ("Deed No. 10/2010"), Aerofood's Board of Commissioners is as follows:

Board of Commissioners

President Commissioner : Alexander Maria Tae Maneklaran
 Commissioner : Rudy A. Hardono
 Commissioner : Handrito Hardjono

Based on: (i) Circular Deed of Statement of the Shareholders in substitution of EGMS No. 29 dated December 22, 2011, made before Rismalena Kasri, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-42602 dated December 28, 2011 and has been registered in the Companies Register maintained by the Kemenkumham under No. AHU-0106949.AH.01.09.Tahun 2011 dated December 28, 2011 *juncto* (ii) Deed of Statements Off Meeting No. 32 dated October 9, 2012 made before Bandoro Raden Ayu Mahyastotetri Notonagoro, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. No. AHU-AH.01.10-39695 dated November 7, 2012 has been registered in the Companies Register maintained by the Kemenkumham under No. AHU-0096766.AH.01.09.Tahun 2012 dated November 7, 2012 *juncto* (iii) Deed of Statement of Meeting No. 63 dated February 22, 2013 made before Bandoro Raden Ayu Mahyastowti Notonagoro, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. No. AHU-AH.01.10-09838 dated March 18, 2013 has been registered in the Companies Register maintained by the Kemenkumham under No. AHU-0023546.AH.01.09.Tahun 2013 dated March 18, 2013, *juncto* (iv) Deed of Shareholders Resolution of Aerofood No. 19 dated 24 February 2014 made before Ariani Lakhsmijati Rachim, S.H., Notary in Jakarta, Aerofood's Board of Directors is as follows:

Board of Directors:

President Director : Bendady Hindom Pramono
 Director : Bambang Sujatmiko
 Director : Febiantori
 Director : Budi Santoso

Capital and Shareholding Structure

Based on the Deed No. 10/2010, as of the date of the publication of this Prospectus, the capital and shareholding structure of Aerofood is as follows:

Shareholder	Nominal Value by Rp1.000.000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	375,000	375,000,000,000	
Issued and Paid-Up Capital			

Shareholder	Nominal Value by Rp1.000.000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
PT Aero Wisata	111,369	111,369,000,000	99.99
Pension Fund of the Employees of Aero Wisata	1	1,000,000	0.01
Total Issued and Paid-Up Capital	111,370	111,370,000,000	100.00
Shares in Portfolio	263,630	263,630,000,000	-

Summary of Financial Statements

Aerofood's Financial Statements for the year ended December 31, 2013 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), and are as follows:

(in Rupiah)

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	678,156,417,461	505,617,281,833	457,422,001,096
Non Current Assets	361,836,218,490	278,687,676,286	186,343,934,415
TOTAL ASSETS	1,039,992,635,951	784,304,958,119	643,765,935,511
Current Liabilities	387,519,338,628	269,083,642,237	246,283,466,291
Non Current Liabilities	143,040,546,516	93,989,289,769	53,133,707,507
TOTAL LIABILITIES	531,559,885,141	363,072,932,006	299,417,173,798
Capital Stock	111,370,000,000	111,370,000,000	111,370,000,000
Other Equity	125,157,363,915	91,389,600,290	53,126,725,903
Retained Earnings	272,905,386,772	218,472,425,823	179,852,035,810
TOTAL EQUITY	509,432,750,687	421,232,026,113	344,348,761,713
TOTAL LIABILITIES AND EQUITY	1,039,992,635,951	784,304,958,119	643,765,935,511
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	1,697,585,478,913	1,303,407,754,494	1,135,143,483,065
Operating Expenses	1,627,383,348,751	1,256,731,002,582	1,051,068,520,679
Income from Operation	70,202,130,162	46,676,751,912	84,074,962,386
NET INCOME	54,432,961,072	38,620,390,013	62,696,957,805

As of December 31, 2013, total assets increased by 32.60% compared to as of December 31, 2012 due to an increase in accounts receivable and fixed assets. As of December 31, 2013, total liabilities increased by 46.41% compared to as of December 31, 2012, due to an increase in accounts payable and bank loans. As of December 31, 2013, total equity increased by 20.94% compared to as of December 31, 2012.

As of December 31, 2012, total assets increased by 21.83% compared to as of December 31, 2011, due to an increase in inventories and fixed assets. As of December 31, 2012, total liabilities increased by 21.26% compared to as of December 31, 2011, due to the increase in accounts payable. As of December 31, 2012, total equity increased by 22.33% compared to as of December 31, 2011.

For the years ended on December 31, 2013, 2012 and 2011, operating revenues were Rp1,697,585,478,913, Rp1,303,407,754,494 and Rp1,135,143,483,065, respectively, showing an increase of 14.82% from 2011 to 2012 and an increase of 30.24% from 2012 to 2013.

For the years ended on December 31, 2013, 2012 and 2011, operating expenses were Rp1,627,383,348,751, Rp1,256,731,002,582 and Rp1,051,068,520,679, respectively, showing an increase of 19.57% from 2011 to 2012 and an increase of 29.49% from 2012 to 2013.

For the years ended on December 31, 2013, 2012 and 2011, income (loss) before tax were Rp70,202,130,162, Rp46,676,751,912 and Rp84,074,962,386, respectively, showing a decrease of 44.48% from 2011 to 2012 and an increase of 50.40% from 2012 to 2013, due to the addition of flight frequencies for Garuda and non-Garuda flights.

For the years ended on December 31, 2013, 2012 and 2011, net income (loss) were Rp54,432,961,072, Rp38,620,390,013 and Rp62,696,957,805, respectively, showing a decrease of 38.40% from 2011 to 2012 and an increase of 40.94% from 2012 to 2013.

3. PT Aero Globe Indonesia (“AeroGlobe”)

Establishment and Business Activities

AeroGlobe which is domiciled in Central Jakarta was established under the name PT Satriavi Travel Service based on the Deed of Establishment No. 22 dated December 14, 1967, that has been amended with Amendment Deed No. 26 dated August 10, 1973, both made before Soerojo Wongsowidjojo, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. Y.A. 5/300/21 dated September 5, 1973 (“Deed of Establishment”).

The last amendment to AeroGlobe’s Article of Association Associations is as stipulated in the Deed of Shareholders No. 07 dated February 4, 2013 made before Hadijah, S.H., Notary in Jakarta, which has been approved by the Menkumham by Acceptance Letter for Article of Association Amendment No. AHU-AH.01.10-09372 dated March 14, 2013, and registered in the Companies Register maintained by the Kemenkumham No. AHU-0022449.AH.01.09.Year 2013 dated March 14, 2013 (“Deed No. 07/2013”). Deed No. 07/2013 revised article 4 of AeroGlobe’s Articles of Association regarding the issued and paid-up capital AeroGlobe from Rp20,399,700,000.00 to Rp21,411,900,000.00.

Under the provision of Article 3 of the AeroGlobe’s Articles of Association, AeroGlobe’s purpose and objective is to provide the travel agency business services. In order to achieve the aforementioned objectives, AeroGlobe can engage in travel agency business services as follows:

1. Planning and packaging travel components including tourism facilities, objects and attractions and tourism services located in Indonesia in form of tour packages;
2. Organizing and selling travel packages by passing through a travel agent and/or sell directly to tourists or consumers;
3. Provision of tour guide services related to the sold tour packages;
4. Provision of tourist transport services;
5. Booking of accommodation, restaurants, convention centers and performing arts ticket as well as visits to cultural objects and attractions;
6. Travel documents, such as passports and visas or other equivalent document;
7. Organizing religious pilgrimage and incentives trip; and
8. Organizing meeting, incentive, convention and exhibition.

As of the publication of this Prospectus, AeroGlobe has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

AeroGlobe is headquartered at Aerowisata Building, Jl. Prapatan No. 32, Kelurahan Senen, Kecamatan Senen, Central Jakarta, Telephone No. (021)-2310006/2310002 and Fax (021)-2310003/23102777 with branch offices in Denpasar, Surabaya, Mataram, Balikpapan, Bandung, and Yogyakarta. AeroGlobe’s current website: www.aerotravel.co.id and Email: info@aerotravel.co.id.

Management and Supervisory

Based on the Circular Deed of Shareholders as Substitute to EGMS No. 11 dated January 24, 2011 made before Rismalena Kasri, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company’s Data No. AHU-AH.01.10-03590 dated February 2, 2011 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0009130.AH.01.09.Year 2011 dated February 2, 2011, AeroGlobe’s Board of Commissioners is as follows:

Board of Commissioners

President Commissioner : Muhammad Arif Wibowo
Commissioner : Devi Yanti

Based on Deed of Statement Off Meeting No. 31 dated October 9, 2012, made before Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company’s Data No. AHU-AH.01.10-41079 dated November 21, 2012 and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0100188.AH.01.09.Year 2012 dated November 21, 2012, AeroGlobe’s Board of Directors is as follows:

Board of Directors (sole director)

Director : Sugeng Saptono

Capital and Shareholding Structure

Based on Deed No. 07/2013, as of the date of the publication of the Prospectus, the capital and shareholding structure of AeroGlobe is as follows:

Shareholder	Nominal Value of Rp 100,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	815,988	81,598,800,000	
Issued and Paid-Up Capital			
PT Aero Wisata	214,118	21,411,800,000	99.99
Pension Fund of the Employees of Aero Wisata	1	100,000	0.01
Total Issued and Paid-Up Capital	214,119	21,411,900,000	100.00
Shares in Portfolio	601,869	60,186,900,000	-

Summary of Financial Statements

AeroGlobe Indonesia's Financial Statements for the years ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), and are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	57,627,514,618	48,734,622,955	39,675,098,910
Non Current Assets	18,369,930,567	10,006,004,834	8,584,532,140
TOTAL ASSETS	75,997,445,185	58,740,627,789	48,259,631,050
Current Liabilities	41,188,191,997	31,642,976,859	24,258,885,910
Non Current Liabilities	2,713,767,202	2,190,770,634	1,787,927,216
TOTAL LIABILITIES	43,901,959,199	33,833,747,493	26,046,813,126
Capital Stock	21,411,904,731	20,399,700,000	8,045,000,000
Other Equity	11,622,501,574	7,236,478,145	17,952,771,881
Retained Earnings	(938,920,319)	(2,729,297,849)	(3,784,953,957)
TOTAL EQUITY	32,095,485,986	24,906,880,296	22,212,817,924
TOTAL LIABILITIES AND EQUITY	75,997,445,185	58,740,627,789	48,259,631,050
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	147,889,183,220	126,485,637,527	94,639,386,333
Operating Expenses	147,829,190,581	126,525,317,046	94,031,318,837
Income from Operation	59,992,639	(39,679,519)	608,067,496
NET INCOME	1,790,377,530	1,055,656,108	430,516,280

Total Assets of AeroGlobe dated December 31, 2013 increased by 29.38% when compared to that of December 31, 2012 due to an increase in its Bank balances, total accounts receivable, land purchase in Yogyakarta and several operational vehicles in Bali, Yogyakarta, Surabaya and Bandung and advanced deposit payment for Hajj to DEPAG. Total liabilities dated December 31, 2013 increased by 29.76% when compared to that of December 31, 2012 due to working capital loans to BNI 46 through PT Aerowisata, payables to Hotel, Deposit from GOHJ, GOH HKG and third party for Hajj Deposit. Total equity as of December 31, 2013 increased by 28.86% when compared to that of December 31, 2012.

Total Assets of AeroGlobe dated December 31, 2012 increased by 26.72% when compared to that of December 31, 2011 due to an increase in cash and cash equivalents. Total liabilities dated December 31, 2012 increased by 29.90% when compared to that of December 31, 2011 due to an increase of unearned revenues. Total equity as of December 31, 2012 increased by 12.13% when compared to that of December 31, 2011.

AeroGlobe's operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp147,889,183,220, Rp126,485,637,527 and Rp94,639,386,333, increasing by 33.65% from 2011 to 2012 due to an increase in tourist revenue and 16.92% from 2012 to 2013 due to an increase in the number of tourists from GOH Japan, revenue from Hajj&Umroh and International Ticket commission.

AeroGlobe's profit (loss) before tax for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp 59,992,639, Rp(39,679,519) and Rp608,067,496, with a 106.52% decline from 2011 to 2012 due to higher operating cost growth than revenue growth and increased by 251.19% from 2012 to 2013 due to an increase of profit from MICE and international ticket commission.

AeroGlobe's profit (loss) for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp1,790,377,530, Rp1,055,656,108 and Rp430,516,280, with a 145.21% growth from the year 2011 to the year 2012 due to net effect of foreign exchange and a 69.60% growth from 2012 to 2013 due to foreign exchange gains and other income in form of sale of vehicles which book value has been fully depreciated.

4. PT Aerotrans Services Indonesia ("Aerotrans")

Establishment and Business Activities

Aerotrans which is based in Tangerang was established under the name PT Mandira Erajasa Wahana based on the Deed of Establishment No. 71 dated April 25, 1988 that has been amended with Amendment Deed No. 67 dated November 24, 1988, both made before Anna Sunarhadi, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. C2.4513.HT.01.01-Th'89 dated May 20, 1989 registered in the register book of the State Court of Central Jakarta under No. 791/1995 dated May 12, 1995, and published in the State Gazette of the Republic of Indonesia No. 48 dated June 15, 2001, Supplement No. 3806 ("Deed of Establishment").

The last amendment to Aerotrans' Article of Associations is as stipulated in the Deed of Statement of Shareholder's Resolution No. 51 dated October 25, 2013, made before Ariani Lakhsmitjati Rachim, S.H., Notary in South Jakarta which has been approved by the Menkumham by virtue of Decree No.AHU-60820.AH.01.02.Year 2013 dated November 22, 2013 and registered in the Companies Register in the Kemenkumham under No. AHU-0111207.AH.01.09.Year 2013 dated November 22, 2013, ("Deed No. 51/2013"). The deed changed Aerotrans' Articles of Association No.3 regarding Aerotrans' purpose and objective.

Under the provision of Article 3 of the Aerotrans' Articles of Association, Aerotrans' purpose and objective is to engage in the business of transportation, trade, services, industry, and development. In order to achieve the aforementioned objectives, Aerotrans can conduct business in the following areas:

1. Land transportation services, either as an owner, manager or agent/representative of company transport services, both within and outside the country.
2. Trade, including suppliers, wholesalers, distributors and suppliers, import, export, interinsular and local of all kinds of goods traded both with self-calculations and with other tax calculation on commission basis.
3. Management, except for legal and tax services.
4. Industries, including setting up industrial plants, such as garment industry, handicraft industry and market the products.
5. Business activities such as contractor, managing and supervising the manufacturing of buildings, roads, bridges, fields, irrigation, installation of electricity, water, gas and telecommunications, and other work related to the constructions, which includes acting as developer includes planning, implementation, supervision of construction and their related facilities, including development planning, land clearance and opening, infrastructure development, planning, developing, leasing, selling and build offices, buildings, apartments, real estate, integrated area, industry, shopping malls, sports center facilities and supporting facilities.

As of the publication of this Prospectus, Aerotrans has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

Aerotrans is headquartered at Jalan Husein Sastranegara No. 02 Kelurahan Jurumudi, Kecamatan Benda, Kota Tangerang. Telephone No. (021)-5412272/5412280 and Fax (021)-5412276/5412276 with branch offices in Bali, Muara Enim, and Cilegon. Aerotrans's current website: www.aerotrans.co.id and Email: info@aerotrans.co.id.

Management and Supervisory

Based on (i) Deed of Statement Off Meeting No.108 dated October 18, 2005, made before Siti Sayhana, S.H., substitutes for Bandoro Raden Ayun Mahyastoeti Notonagoro, S.H., Notary in Jakarta ("Akta No.108/2005") from juncto (ii) Deed of Statement beyond Meeting No.44 dated April 21, 2009 made before Siti Rayhana, S.H., substitutes Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been notified to the Minister of Law and Human Rights as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-17956 dated October 16, 2009 and registered in the Companies Register No. AHU-0068010.AH.01.09.Year 2009 dated October 16, 2009 ("Deed No.44/2009"), Aerotrans' Board of Commissioners is as follows:

Board of Commissioners

President Commissioner	: Ari Sapari
Commissioner	: Suhasril Samad

Based on Deed of Shareholders No. 56 dated December 20, 2013, made before Ariani Lakhsmijati Rachim, S.H., Notary in South Jakarta, which has been notified to Menkumham as stated in the Letter of Acceptance of Notification on Changes to Company Data No. AHU-AH.01.10-05670 dated 20 February 2014 and registered in the Company Register No. AHU-0012884.AH01.09. Year 2014 dated 20 February 2014 ("Deed No. 56/2013"), AeroTrans' Board of Directors is as follows:

Board of Directors

President Director : Doddy Virgianto
Director : Daan Darmawan Raihin

Capital and Shareholding Structure

Based on the Circular Deed of Shareholders as Substitute to EGMS No. 5 dated February 10, 2012, made before Rismalena Kasri, S.H., Notary in Jakarta, which has been approved by the Minister of Law and Human Rights as stated in the Decree under No. AHU-0017780.AH.01.09. Year 2012 dated February 28, 2012, the capital and shareholding structure of AeroTrans as of the publication of this Prospectus are as follows:

Shareholder	Nominal Value of Rp 1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	228,064	228,064,000,000	
Issued and Paid-Up Capital			
PT Aero Wisata	57,015	57,015,000,000	99.98
Pension Fund of the Employees of Aero Wisata	1	1,000,000	0.02
Total Issued and Paid-Up Capital	57,016	57,016,000,000	100.00
Shares in Portfolio	171,048	171,048,000	-

Summary of Financial Statements

Summary of AeroTrans' Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	48,991,499,265	53,597,629,574	50,023,083,356
Non Current Assets	238,265,824,892	178,759,396,823	174,321,291,954
TOTAL ASSETS	287,257,324,157	232,357,026,397	224,344,375,310
Current Liabilities	95,588,260,581	79,506,560,104	79,716,466,781
Non Current Liabilities	75,447,408,633	75,098,116,748	76,112,862,401
TOTAL LIABILITIES	171,035,669,214	154,604,676,852	155,829,329,182
Capital Stock	57,016,000,000	30,000,000,000	30,000,000,000
Other Equity	108,588,213,954	54,519,268,103	63,882,974,640
Retained Earnings	(49,382,559,013)	(33,782,918,558)	(12,506,376,047)
TOTAL EQUITY	116,221,654,943	77,752,349,545	68,515,046,128
TOTAL LIABILITIES AND EQUITY	287,257,324,157	232,357,026,397	224,344,375,310
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	224,503,366,126	187,131,579,855	162,572,442,439
Operating Expenses	229,636,354,720	198,807,848,523	167,177,494,059
Loss from Operation	(5,132,988,594)	(11,676,268,668)	(4,605,051,620)
NET LOSS	(15,599,640,455)	(8,414,990,046)	(12,861,552,465)

Total assets of AeroTrans dated December 31, 2013 increased by 23.63% when compared to December 31, 2012 due to an increase in accounts receivable to third party and increase in fixed assets. Total liabilities dated December 31, 2013 increased by 10.63% compared to that of December 31, 2012 due to an increase in liabilities to related parties, third party, and loans for vehicle purchase. Total equity on December 31, 2013 increased by 49.48% compared to that of December 31, 2012 due to asset revaluation surplus.

Total assets of Aerotrans dated December 31, 2012 increased by 3.57% when compared to December 31, 2011 due to increase in cash and cash equivalents and fixed assets. Total liabilities dated December 31, 2012 declined by 0.78% compared to liabilities dated December 31, 2011 due to decrease in long-term debt. Total equity dated December 31, 2012 increased by 13.48% when compared to December 31, 2011 due to increase in comprehensive income.

Aerotrans' operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp224,503,366,126, Rp187,131,579,855 and Rp162,572,442,439, increasing by 15.11% from 2011 to 2012 and 19.97% from 2012 to 2013.

Aerotrans' operating loss before tax for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp(5,132,988,594), Rp(11,676,268,668) and Rp31,532,985,500, with a 71.75% decline from 2011 to 2012 due to higher operating costs growth than operating revenues growth and a 56.04% decline from 2012 to 2013 due to decrease in operating loss due to increase in revenue from tariff adjustment based on UMK 2013 and the presence of new customers.

Aerotrans' net operating loss for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp(15,599,640,453), Rp(8,414,990,046) and Rp(12,861,552,465), where net operating loss from 2011 to 2012 declined by 34.57% and increased by 85.38% from 2012 to 2013.

5. PT Aerojasa Perkasa ("AJP")

Establishment and Business Activities

AJP which is based in South Jakarta was established under Deed of Establishment No. 50 dated December 13, 1986 that has been amended with Amendment Deed No. 31 dated August 10, 1988, both made before Anna Sunarhadi, S.H., Notary in Jakarta, has been approved by the Menkumham by virtue of Decree No. C2-7739.HT.01.01.th.'88 dated August 29, 1988 ("Deed of Establishment").

The last amendment to AJP's Articles of Associations is as stipulated in the Deed of Shareholders Meeting No. 27 dated November 20, 2008 made before Siti Rayhana, S.H., substitutes Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-41962.AH.01.02.Year 2009 dated August 28, 2009 and registered in the Companies Register in the Minister of Law and Human Rights under No. AHU-0056067.AH.01.09.Year 2009 dated August 28, 2009, published in the State Gazette of the Republic of Indonesia No. 82 dated October 13, 2009, Supplement No. 25576 ("Akta No. 27/2008"). The deed changed Aerojasa's Articles of Association to comply with the provisions of the Company Law.

Under the provision of Article 3 of the AJP's Articles of Association, AJP's purpose and objective is to provide high quality and competitive goods and/or services, in the field of services and optimizing the utilization of resources owned by Aerojasa to get profit to increase the value of Aerojasa by applying the principles of limited liability companies. In order to achieve the aforementioned objectives, Aerojasa can carry out business activities in the areas of transportation services, either as an owner, manager or as a representative agent of a transport company both from within and outside the country and its supporting facilities.

As of the publication of this Prospectus, AJP has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

AJP is headquartered at Jl. Prof. Dr. Soepomo, S.H. No. 45, RT 014 RW 006, Kel. Tebet Barat, Kec. Tebet, South Jakarta, Telephone No. (021)-83702573 and Fax (021)-83702574/83702635. AJP's email : ajp@aerowisata.com.

Management and Supervisory

Based on Circular Deed of Shareholders as Substitute to EGMS No. 1 dated February 7, 2012 made before Rismalena Kasi, S.H., Notary in Jakarta ("Deed No. 1/2012") which has been notified to the Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-05355 dated February 15, 2012 and registered in the Companies Register in the Kemenkumham under No. AHU-0013401.AH.01.09.Year 2012 dated February 15, 2012, AJP's Board of Commissioners and Directors are as follows:

Board of Commissioners

Commissioner : Ryanto Adi Winarso

Board of Directors (sole director)

Director : Bambang Sunan

Capital and Shareholder Structure

Based on the Deed No. 27/2008, as of the date of the publication of the Prospectus, the capital and shareholding structure of AJP are as follows:

Shareholder	Nominal Value of Rp 1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	3,000	3,000,000,000	
Issued and Paid-Up Capital			
PT Aero Wisata	749	749,000,000	99.87
Pension Fund of the Employees of Aero Wisata	1	1,000,000	0.13
Total Issued and Paid-Up Capital	750	750,000,000	100.00
Shares in Portfolio	2,250	2,250,000,000	-

Summary of Financial Statements

Summary of AJP' Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	(in Rupiah)		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	25,368,819,861	16,466,135,424	17,778,090,281
Non Current Assets	6,249,277,990	3,433,393,942	2,702,473,661
TOTAL ASSETS	31,618,097,851	19,899,529,366	20,480,563,942
Current Liabilities	17,868,115,275	9,431,912,690	11,854,317,531
Non Current Liabilities	971,033,196	759,078,396	619,710,717
TOTAL LIABILITIES	18,839,148,471	10,190,991,086	12,474,028,248
Capital Stock	750,000,000	750,000,000	750,000,000
Other Equity	(8,699,966)	(8,599,573)	(8,934,780)
Retained Earnings	12,037,649,346	8,967,137,853	7,265,470,474
TOTAL EQUITY	12,778,949,380	9,708,538,280	8,006,535,694
TOTAL LIABILITIES AND EQUITY	31,618,097,851	19,899,529,366	20,480,563,942
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	20,270,896,521	30,808,091,369	38,780,549,279
Operating Expenses	18,435,802,091	29,372,168,028	36,672,822,592
Income from Operation	1,835,094,430	1,435,923,341	2,107,726,687
NET INCOME	3,070,411,100	1,702,002,586	1,626,170,947

Total assets of AJP dated December 31, 2013 increased by 58.89% when compared to Assets as of December 31, 2012 due to an increase in cash and cash equivalents, administrative costs, and restricted deposits. Total liabilities dated December 31, 2013 increased by 84.86% when compared to liabilities as per December 31, 2012. Total Equity on December 31, 2013 increased by 31.63% when compared with Equity on December 31, 2012.

Total assets of AJP dated December 31, 2012 declined by 2.84% when compared to Assets as of December 31, 2011 due to a decrease in cash and cash equivalents. Total liabilities as per December 31, 2012 declined by 18.30% when compared to liabilities on December 31, 2011. Total equity on December 31, 2012 increased by 21.26% when compared to Equity on December 31, 2011.

AJP's operating revenue for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp20,270,896,521, Rp30,808,091,369 and Rp38,780,549,279, with a 20.56% decline from 2011 to 2012 due to decrease in packages sales and 34.20% decline from 2012 to 2013 due to the spin-off of Garuda Indonesia Holidays (GIH) from Aerojasa Perkasa in July 2012.

AJP's income before tax for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp1,835,094,430, Rp1,435,923,341 and Rp2,107,726,687, with a 7.85% decline from 2011 to 2012 and 27.80% increase from 2012 to 2013. Decrease of income before tax from 2011 to 2012 was due to higher general and administrative costs from 2012 to 2013 due to decrease in direct personnel GIH costs as a result of the spin-off GIH from Aerojasa Perkasa.

AJP's net income for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp3,070,411,100, Rp1,702,002,586 and Rp1,626,170,947, with a 4,66% increase from 2011 to 2012 and 80,40% from 2012 to 2013 due to foreign exchange.

6. PT Aerojasa Cargo ("AJC")

Establishment and Business Activities

AJC which is based in South Jakarta was established under Deed of Establishment No. 34 dated August 11, 2003 made before Siti Rayhana, S.H., substitutes for Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. C-01062 HT.01.01.TH.2004 dated January 14, 2004, registered in the register book of Company Registration Office of South Jakarta No. 388/BH.09.03/II/2004 dated February 27, 2004 published in the State Gazette of the Republic of Indonesia dated June 11, 2004, Supplement No. 5487 ("Deed of Establishment").

The last amendment to AJC's Article of Associations is as stipulated in the Deed of Statement of Shareholder's Resolution No.14 dated June 15, 2012 made before Rismalena Kasri, S.H., Notaris di Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-37112.AH.01.02.Year 2012 dated July 9, 2012 and registered in the Companies Register under No. AHU-0062117.AH.01.09.Year 2012 dated July 9, 2012 ("Deed No. 14/2012"). The deed changed AJC's Articles of Association to increase its authorized capital, issued capital and paid-up capital.

Under the provision of Article 3 of the AJC's Articles of Association, AJC's purpose and objective is to conduct business in freight forwarding. In order to achieve the aforementioned objectives, AJC can conduct business in the following areas:

1. Transportation management services, including efforts aimed at representing the interests of the owner of the goods to take care of the activities necessary for the reception of goods, storage, marking, measuring, weighing, sorting, packing and delivery of goods and documents, organizing courier services for goods and documents via ground, sea and air transportation;
2. Insurance claims, including insurance claim for delivery of goods as well as settlement charges and other costs relating to the delivery of the goods until receipt of the goods;
3. Survey ships, including surveying over ship and its cargo;
4. Examination of the quality and quantity of goods/cargo, including running activities in the field of inspection and assess the quality and quantity of any goods/cargo either on board or to be loaded into the ship, and
5. Processing transport document, including the processing and completion of documents, issuance of transport documents and freight cost calculation.

As of the publication of this Prospectus, AJC has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

AJC is headquartered at Aerowisata Building, Jl. Prof Dr. Soepomo, S.H. No. 45 RT 014 RW 006 Kel. Tebet Barat, Kec. Tebet, Administrative Office in South Jakarta, Telephone No. (021)-83702563/83702573 and Fax (021)-83702570/83702574. AJC's current website: www.aerowisata.com.

Management and Supervisory

Based on Deed of Shareholders Resolution No. 43 dated October 10, 2013 made before Ariani Lakhsmijati Rachim S.H., Notary in Jakarta. The amendment has been approved by the Menkumham by virtue of Decree No. AHU- AH.01.10.46420 dated November 4, 2013 and registered in the Companies Register in the Kemenkumham under No. AHU-0102671.AH.01.09 Year 2013 dated November 4, 2013, AJC's Board of Commissioners is as follows:

Board of Commissioners

Commissioner : Rajendra Kartawira

Based on Deed of Statement Off Meeting No. 33 dated March 8, 2012 made before B.R.A.Y. Mahyastoeti Notonagoro, S.H., Notary in Jakarta which has been notified to the Minister of Law and Human Rights as stated in Decree No. AHU-AH.01.10-12710 dated April 16, 2012 and registered in the Companies Register in the Kemenkumham under No. AHU-0031883.AH.01.09.Year 2012 dated April 16, 2012, AJC's Board of Directors is as follows:

Board of Directors (sole director)

Director : Bambang Sunan

Capital and Shareholding Structure

Based on the Deed No. 14/2012, as of the date of the publication of the Prospectus, the capital and shareholding structure of AJC is as follows:

Shareholder	Nominal Value Rp 1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	12,000	12,000,000,000	
Issued and Paid-Up Capital			
PT Aerojasa Perkasa	3,297	3,297,000,000	99.91
Aerowisata Company Cooperative	3	3,000,000	0.09
Total Issued and Paid-Up Capital	3,300	3,300,000,000	100.00
Shares in Portfolio	8,700	8,700,000,000	-

Summary of Financial Statements

Summary of AJC's Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	December 31,		
	2013	2012	2011
<i>(in million Rupiah)</i>			
STATEMENT OF FINANCIAL POSITION			
Current Assets	7,037,332,630	6,278,627,368	4,419,605,481
Non Current Assets	455,849,904	336,006,582	345,885,170
TOTAL ASSETS	7,493,182,534	19,899,529,366	4,765,490,651
Current Liabilities	5,117,438,507	4,133,047,617	5,658,968,615
Non Current Liabilities	10,926,330	6,336,233	-
TOTAL LIABILITIES	5,128,364,837	4,139,383,850	5,658,968,615
Capital Stock	3,300,000,000	3,300,000,000	300,000,000
Other Equity	(935,182,303)	(824,749,900)	(1,193,477,964)
TOTAL EQUITY	2,364,817,697	2,475,250,100	(893,477,964)
TOTAL LIABILITIES AND EQUITY	7,493,182,534	19,899,529,366	4,765,490,651
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	12,358,023,342	13,533,667,549	7,712,353,651
Operating Expenses	12,394,746,751	13,039,163,056	7,388,376,108
Income (Loss) from Operation	(36,723,409)	494,504,493	323,977,543
NET INCOME (LOSS)	(110,432,403)	368,728,064	190,646,288

Total assets of AJC dated December 31, 2013 increased by 13.28% when compared to assets in December 31, 2012 due to increase in accounts receivables and administrative costs. Total liabilities dated December 31, 2013 increased by 23.89% when compared to liabilities in December 31, 2012 due to increase in payables to Aerojasa Perkasa as related party. Total equity dated December 31, 2013 decreased by 4.46% when compared to equity in December 31, 2012 due to loss in 2013.

Total assets of AJC dated December 31, 2012 increased by 13.28% when compared to assets in December 31, 2011 due to increase in accounts receivables. Total liabilities dated December 31, 2012 declined by 23.89% when compared to liabilities in December 31, 2011 due to decrease in accounts payable and other payables. Total equity per December 31, 2012 increased by 377.03% compared with equity dated December 31, 2011 due to capital injections because of debt conversion of Aerojasa to capital.

AJC's operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp12.358.023.342, Rp13.533.667.549 and Rp7.712.353.651, with a 75.48% increase from 2011 to 2012 due to increase in cargo express delivery revenue and regular delivery revenue and a 8.69% decrease from 2012 to 2013 due to decrease in cargo express delivery revenue and regular delivery revenue.

AJC's operating income (loss) before tax for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp(36.723.409), Rp494.504.493 and Rp323.977.543, with a 52.63% growth in 2011 to 2012 and a 107.43% decline in 2012 to 2013. Operating income growth from 2011 to 2012 was due to increase in revenue and decrease from 2012 to 2013 was due to declining revenues and rising personnel costs in the effect of rising minimum wage for workers in 2013.

Net income (loss) for AJC for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp (110,432,403), Rp368,728,064 and Rp190,646,288, with a 93.41% increase from 2011 to 2012 and a 129.95% decrease from 2012 to 2013.

7. PT Senggigi Pratama Internasional ("SPI")

Establishment and Business Activities

SPI which is based on Central Jakarta was established under Deed of Establishment No. 383 dated June 30, 1997 made before Dedeh Hamidah, S.H., substitutes for Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, has been approved by the Menkumham by virtue of Decree No. C2-12.057 HT.01.01.Th.97 dated November 20, 1997, registered in the register book of Company Registration Office of Central Jakarta No. 012/BH.09.05/I/2001 dated January 8, 2001, and published in the State Gazette of the Republic of Indonesia No. 33 Supplement No. 2648 dated April 24, 2001 ("Deed of Establishment").

The last amendment to SPI's Article of Associations is as stipulated in the Deed of Statement of Meeting's Resolution No. 34 dated November 20, 2008 made before Siti Rayhana, S.H., substitutes for Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-05592.AH.01.02. Year 2009 dated February 27, 2009 and registered in the Companies Register No. AHU-0006660.AH.01.09.Year 2009 dated February 27, 2009 ("Deed No. 34/2008"). The deed changed and/or added several provisions in SPI's Articles of Association to comply with the provisions of the Company Law.

Under the provision of Article 3 of the SPI's Articles of Association, SPI's purpose and objective is to provide high quality and competitive goods and/or services in accommodation services, and to optimize the utilization of SPI's resources, in order to earn profits to increase SPI's value through the application of Limited Liability Company. In order to achieve the aforementioned objectives, MHD can engage in the following business activities:

1. Conduct business in the hospitality industry and supporting infrastructure;
2. Provide services and place for food and beverages;
3. Provide accomodation facility and other services necessary for hotel operations; and
4. Conduct business in laundry.

As of the publication of this Prospectus, SPI has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

SPI is headquartered at Aerowisata Building, Jl. Prapatan No. 32 Kelurahan Senen, Kecamatan Senen, Central Jakarta, Telephone No. (021)-021-2310002 and Fax (021)-34831976/2310003, with a branch office in West Lombok.

Management and Supervisory

Based on Deed of Statement Off Meeting No. 17 dated August 8, 2008, made before Siti Rayhana, S.H., substitutes for Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta, SPI's Board of Commissioners is as follows:

Board of Commissioners

President Commissioner : Ari Sapari
Commissioner : Achirina

Based on Deed of Statement Off Meeting No. 64 dated February 22, 2013 made before Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta which has been pproved by the Menkumham by virtue of Decree No. AHU-AH.01.10-14598 dated April 18, 2013 and registered in the Companies Register in the Kemenkumham under No.AHU-0035388.AH.01.09.Year 2013 dated April 18, 2013, SPI's Board of Directors is as follows:

Board of Directors (sole director)

Director : Doddy Virgianto

Based on the Articles of Association of SPI, the term of the Board of Commissioners is 5 years period, thus the Board of Commissioners of SPI appointed by Deed No. 17/2008 had ended on July 2, 2013.

Capital and Shareholding Structure

Based on the Deed No. 34/2008, as of the date of the publication of the Prospectus, the capital and shareholding structure of SPI is as follows:

Shareholder	Nominal Value of Rp 1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	50,000	50,000,000,000	
Issued and Paid-Up Capital			
PT Aerowisata	14,856	14,856,000,000	99.99
Pension Fund of Aerowisata Employees	1	1,000,000	0.01
Total Issued and Paid-Up Capital	14,857	14,857,000,000	100.00
Shares in Portfolio	35,143	35,143,000,000	-

Summary of Financial Statements

Summary of SPI's Financial Statements for the year ended December 31, 2013, 2012, and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	9,382,615,091	8,782,600,163	13,646,276,391
Non Current Assets	107,846,202,066	100,866,107,513	96,557,932,718
TOTAL ASSETS	117,228,817,157	109,648,707,676	110,204,209,109
Current Liabilities	6,319,042,963	6,222,170,532	4,548,233,633
Non Current Liabilities	5,486,666,933	5,048,430,396	4,489,013,945
TOTAL LIABILITIES	11,805,709,896	11,270,600,928	9,037,247,578
Capital Stock	14,857,000,000	14,857,000,000	14,857,000,000
Other Equity	80,578,152,439	75,579,329,713	72,317,053,247
Deficit	9,987,954,822	7,941,777,035	13,992,908,284
TOTAL EQUITY	105,423,107,261	98,378,106,748	101,166,961,531
TOTAL LIABILITIES AND EQUITY	117,228,817,157	109,648,707,676	110,204,209,109
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	35,979,965,967	29,031,701,940	27,917,127,290
Operating Expenses	33,379,407,775	27,826,319,681	26,486,742,390
Income	2,602,558,192	1,205,382,259	1,430,384,900
NET INCOME	2,046,177,787	948,868,751	1,146,988,964

Total assets dated December 31, 2013 increased by 6.91% when compared to Assets dated December 31, 2012 due to increase in fixed asset because of asset and cash and cash equivalents revaluation. Total liabilities as of December 31, 2013 increased by 4.75% when compared to December 31, 2012 due to an increase in deferred tax and post-employment benefits. Total equity dated December 31, 2013 increased by 7.16% when compared to Equity dated December 31, 2012.

Total assets dated December 31, 2012 decreased by 0.5% when compared to Assets as of December 31, 2011 due to decrease in cash and cash equivalents. Total liabilities dated December 31, 2012 increased by 24.71% when compared to liabilities dated December 31, 2011 due to increase in accounts payable and dividend payable. Total equity in December 31, 2012 decreased 2.76% when compared to Equity dated December 31, 2011.

Operating revenues for the years ended on December 31, 2013, 2012 and 2011 respectively amounted to Rp35.979.965.967, Rp29.031.701.940 and Rp27.917.127.290, with a 3.99% increase in 2011 to 2012 and 23.93% from 2012 to 2013.

Profit before tax for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp2.602.558.192, Rp1,205,382,259 and Rp1,430,384,900, with a 15.73% decline from 2011 to 2012 and 115.91% growth in 2012 to 2013. Decrease in profit before tax from 2011 to 2012 was due to administrative and general cost increases and growth from 2012 to 2013 was due to an increase in operating revenues.

Net profit for the years ended December 31, 2013, 2012 and 2011 respectively amounted to Rp2,046,177,787, Rp948,868,751 and Rp1,146,988,964, with a 17.27% decline in 2011 to 2012 due to increase of administrative and general costs and a 115.64% increase from 2012 to 2013 was due to increase of operating revenue.

8. Garuda Orient Holidays Pty, Limited ("GOHA")

Establishment and Business Activities

GOHA was established by the Deed of Establishment No. ACN002275372 on the year of 1981 with the purpose of business as a general travel agency to Indonesia.

GOHA is located at 221 Miller St., North Sydney, New South Wales, Australia, with telephone No +61299595041 and fax No +61299556927.

Management and Supervisory

As of the date of the publication of the Prospectus, based on GOHA's statement to Australian Securities and Investments Commission (ASIC) dated October 22, 2012, GOHA's Board of Directors is as follows:

Board of Directors:

Director : Bagus Y. Siregar
 Director : Arya Respati Suryono
 Director : Aryo Wijoseno

Capital and Shareholding Structure

As of the date of the publication of the Prospectus, based on Deed of Deed of Establishment No. ACN002275372, the capital and shareholding structure of GOHA is as follows:

Shareholder	Nominal Value of AUD1 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	5,507,260	5,507,260	
Issued and Paid-Up Capital			
PT Aerowisata	5,507,260	5,507,260	100.00
Total Issued and Paid-Up Capital	5,507,260	5,507,260	100.00
Shares in Portfolio	-	-	-

Summary of Financial Statements

Summary of GOHA's Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by HALL CHADWICK Chartered Accountants & Business Advisers, are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	3,588,803	4,557,891	5,469,187
Non Current Assets	2,981,287	2,503,224	3,288,984
TOTAL ASSETS	6,570,090	7,061,115	8,758,171
Current Liabilities	2,201,424	2,687,937	3,783,753
Non Current Liabilities	570,448	437,567	554,184
TOTAL LIABILITIES	2,771,872	3,125,504	4,337,937
Capital Stock	5,507,260	5,507,260	5,507,260
Surplus Revaluate	1,797,599	1,437,902	1,437,902
Deficit	(3,506,641)	(3,009,551)	(2,524,928)
TOTAL EQUITY	3,798,218	3,935,611	4,420,234
TOTAL LIABILITIES AND EQUITY	6,570,090	7,061,115	8,758,171
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	16,024,503	19,461,887	25,817,959
Operating Expenses	16,053,140	19,133,788	24,658,491
Income (Loss) Before Tax	(28,637)	328,099	1,159,468
NET INCOME (LOSS)	(497,090)	(484,623)	81,600

GOHA's total assets on December 31, 2013 fell 6.95% when compared to the total assets dated December 31, 2012 primarily due to a decrease in cash and cash equivalents. Total liabilities dated December 31, 2013 fell 11.31% compared with total liabilities dated December 31, 2012 due to a decrease in accounts payable and revenue uneraned. Total equity at December 31, 2013 decreased 3.49% compared to equity dated December 31, 2012 due to an increase in accumulated losses .

GOHA's total assets at December 31, 2012 dropped 19.38% as compared to December 31, 2011 assets was primarily due to a decrease in cash and cash equivalents. Total Liabilities dated December 31, 2012 dropped 27.95% as compared to December 31, 2011 liabilities due to a decrease in accounts payable. Total equity at December 31, 2012 decreased 10.96% compared with the equity dated December 31, 2011 due to an increase in accumulated losses .

GOHA operating revenues for the years ended December 31, 2013, 2012 and 2011 respectively amounted AUD16,024,503, AUD19,461,887 and AUD25,817,959, with a decrease from 2011 to 2012 by 21% and decrease of the 2012 to 2013 by 32% .

GOHA's net income (loss)for the years ended December 31, 2013, 2012 and 2011 respectively is AUD (28,673), and AUD1,159,468 and AUD328,099, with a decrease from 2011 to 2012 amounted to 71.70% , triggered by a decline in revenue and a decrease from the year 2012 to the year 2013 amounted to 1245.72% due to a decrease in efficiency.

GOHA's net income (loss) for the years ended December 31, 2013 , 2012 and 2011 respectively is AUD (497,090), AUD(484,623), AUD81,600, with a decrease from 2011 to 2012 amounted to 693,90% and growth from 2012 to 2013 at 3%.

9. Garuda Orient Holidays Korea Co., Limited ("GOHK")

Establishment and Business Activities

GOHK was established based on Notarial Certificate Registration No. 2009-4508 on December 9, 2008 under the law of the Korean Republic with the purpose of business as a general and international travel agency.

GOHK is located at 7th Floor, Shin-a Building, 39-1, Seosomun-Dong, Jung-Ku, Seoul, South Korea, with telephone No telepon +820237890831and fax No +820237890835.

Management and Supervisory

As of the date of the publication of the Prospectus, based on Legal Office Certificate No. 2011-14614 GOHK's Board of Directors is as follows:

Board of Directors:

President Director : Dewa Kadek Rai
 Director : Sung Kyung Min
 Director : Arya Respati Suryono

Capital and Shareholding Structure

As of the date of the publication of the Prospectus, based on Notarial Certificate Registration No. 2009-4508, the capital and shareholding structure of GOHK is as follows:

Pemegang Saham	Nominal Value of KRW 25.000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	141,920	3,548,000,000	
Issued and Paid-Up Capital			
PT Aerowisata	21,288	532,200,000	60.00
Prime Freight Korea	14,192	354,800,000	40.00
Total Issued and Paid-Up Capital	35,480	887,000,000	100.00
Shares in Portfolio	106,440	2,661,000,000	-

Summary of Financial Statements

Summary of GOHK's Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by ILSHIN ACCOUNTING CORPORATION, are as follows:

(in KRW)

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	791,747,654	802,018,530	824,727,340
Non Current Assets	63,293,354	73,026,364	85,016,316
TOTAL ASSETS	855,041,008	875,044,894	909,743,656
Current Liabilities	440,938,937	424,752,304	444,171,447
Non Current Liabilities	26,999,923	39,009,812	30,660,280
TOTAL LIABILITIES	467,938,860	463,762,116	474,831,727
Capital Stock	887,000,000	887,000,000	887,000,000
Surplus Revaluate	17,858,400	17,858,400	17,858,400
Deficit	(517,756,252)	(493,575,622)	(469,946,471)
TOTAL EQUITY	387,102,148	411,282,778	434,911,929
TOTAL LIABILITIES AND EQUITY	855,041,008	875,044,894	909,743,656
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	442,775,318	588,737,842	544,286,359
Operating Expenses	502,424,636	693,189,715	496,817,583
Income (Loss) Before Tax	(59,649,318)	(104,451,873)	47,468,776
NET INCOME (LOSS)	(24,180,630)	(23,629,151)	154,677,794

GOHK's total assets on December 31, 2013 decreased 2.29% compared to total assets on December 31, 2012 due to a decrease in cash and equivalents. Total liabilities dated December 31, 2013 increased by 0.90% when compared to total liability date of December 31, 2012 due to the increase in trade payables. Total equity at December 31, 2013 decreased 5.88% compared to equity dated December 31, 2012 .

GOHK's total on December 31, 2012 decreased 3.81% compared to total assets on December 31, 2011 due to no decrease in cash and cash equivalents. Total liabilities dated December 31, 2012 decreased 2.33% compared to total liabilities dated December 31, 2011 due to a decrease in accrued expenses and advances. Total equity on December 31, 2012 decreased 5.43% compared to equity dated December 31, 2011 .

GOHK operating revenues for the years ended December 31, 2013, 2012 and 2011 respectively amounted KRW442,775,318, KRW588,737,842 and KRW544,286,359, with growth from 2011 to 2012 amounted to 8.17% and from year 2012 to the year 2013 decreased by 24.79 % due to a decrease in operating revenue effect of decreasing the amount of traffic from 2013 to 2012 by 15% (4,087 pax traffic in 2012 , the year 2013 traffic 3,465 pax)

GOHK Operating revenue for the years ended December 31, 2013, 2012 and 2011 respectively amounted to KRW(59,649,318), KRW(104,451,873) and KRW47,468,776 to decline from 2011 to 2012 amounted to 320.04% and growth from 2012 to 2013 amounted to 42.89% due to lower general and administrative costs from the effects of a reduced number of employees as well as reduced cost and reduced marketing costs. The decrease in operating revenue from the year 2011 to the year 2012 due to higher business costs, especially administrative and general expenses as well as sales and growth from 2012 to 2013 due to the decrease in general and administrative costs from the effects of a reduced number of employees as well as reduced cost and reduced marketing costs .

GOHK net income for the years ended December 31, 2013, 2012 and 2011 respectively amounted to KRW(24,180,630), KRW(23,629,151) and KRW154,677,794, with a decrease from 2011 to 2012 amounted to 115.28% and decreased from 2012 to 2013 by 2% .

10. Garuda Orient Holidays Japan Co., Ltd ("GOHJ")

Establishment and Business Activities

GOHJ was established based on Certificate of Full Registry Record No. 0100-01-129155 in 2009 under Japan's law with the purpose of business as a general and international travel agency.

GOHJ is located at 2/F Kokusai Building 3-1-1, Marunouchi, Chiyoda-Ku, Tokyo, 100-0005, Japan, with telephone No +81-03-5288-5672, fax No +81-03-5288-5673.

Management and Supervisory

As of the date of the publication of the Prospectus, based on Article of Incorporation dated November 24, 2009, GOHJ's Board of Directors is as follows:

Board of Directors:

President Director : Risnandi
 Director : M. Reza Yunardi
 Director : Tomizono

Capital and Shareholding Structure

Based on Article of Incorporation dated November 24, 2009, as of the date of the publication of the Prospectus, the capital and shareholding structure of GOHJ is as follows:

Shareholder	Nominal Value of JPY 10.000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	6,000	60,000,000	
Issued and Paid-Up Capital			
PT Aerowisata	3,600	36,000,000	60.00%
Orient Holidays Japan	2,400	24,000,000	40.00%
Total Issued and Paid-Up Capital	6,000	60,000,000	100.00%
Shares in Portfolio	-	-	-

Summary of Financial Statements

Summary of GOHJ's Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by Uematsu & Co, are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	595,352,295	596,834,442	348,220,704
Non Current Assets	50,985,782	41,178,135	32,276,151
TOTAL ASSETS	646,338,077	638,012,577	380,496,855
Current Liabilities	486,043,996	494,819,387	292,058,598
Non Current Liabilities	1,917,535	1,307,086	1,647,924
TOTAL LIABILITIES	487,961,531	496,126,473	293,706,522
Capital Stock	60,000,000	60,000,000	60,000,000
General Contingent	98,376,546	81,886,104	26,790,333
TOTAL EQUITY	158,376,546	141,886,104	86,790,333
TOTAL LIABILITIES AND EQUITY	646,338,077	638,012,577	380,496,855
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	2,987,433,316	2,370,254,249	1,941,695,623
Operating Expenses	2,851,371,322	2,235,628,375	1,885,468,226
Income (Loss) Before Tax	136,061,994	134,625,874	56,227,397
NET INCOME (LOSS)	55,900,442	64,575,771	18,961,869

GOHJ's total assets on December 31, 2013 decreased 0.25 % compared to total asstes on December 31, 2012 due to a decrease in accounts receivable and prepaid expenses. Total Liabilities dated December 31, 2013 decreased 1.64% compared to liabilities dated December 31, 2012 due to a decrease in tax debt and unearned income. Total Equity at December 31, 2013 increased by 11.62 % when compared to total Equity dated December 31, 2012 as an increase in performance .

GOHJ's total assets on December 31, 2012 increased by 67.68% when compared to total assets on December 31, 2011 because there is an increase in cash and cash equivalents and advances. Total Liabilities dated December 31, 2012 increased by 68.92 % when compared to liabilities dated December 31, 2011 due to the increase in trade payables and unearned income. Total Equity at December 31, 2012 increased by 63.48% when compared to December 31, 2011 Equity line performance improvement .

GOHJ operating revenues for the years ended December 31, 2013, 2012 and 2011 respectively amounted JPY2,987,433,316, JPY2,370,254,249 and JPY1,941,695,623, with growth from 2011 to 2012 amounted to 22.08% and from 2012 to 2013 amounted to 26,04 % due to increase in total traffic/passengers/tourists in 2013.

GOHJ operating revenue for the years ended December 31, 2013, 2012, and 2011 respectively amounted JPY136,061,994, JPY134,625,874 and JPY56,227,397, with growth from 2011 to 2012 amounted to 139,43% and growth from 2012 to 2013 is 1,07%. Operating revenue increased from 2011 to 2012 rose due to the rise in operating revenue was higher than the increase in operating expenses from 2012 to 2013 due to the increase in operating revenue, in addition, also in 2013 there was an increase in the cost of staffing and office expansion

GOHJ net income for the years ended December 31, 2013, 2012 and 2011 respectively amounted JPY55,900,442,, JPY64,575,771 and JPY18,961,869, with growth from 2011 to 2012 amounted to 240,56% and a decrease from the year 2012 to the year 2013 amounted to 13.43%.

11. PT GIH Indonesia, ("GIH")

Establishment and Business Activities

GIH which based in Central Jakarta, was established with the name PT Belitung Alam Permai based on Deed of Establishment No.29 dated June 26, 2013 which made before Rismalena Kasri, S.H., notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. AHU-41007.AH.01.01.Tahun 2012 dated July 27, 2012, and registered in the Companies Register maintained in the Kemenkumham under No. AHU-0068855.AH.01.09.Tahun 2012 dated July 27, 2012 ("Deed of Establishment").

GIH's Articles of Association is as stated in Deed of Establishment.

Under the provision of Article 3 of the BIP's Articles of Association, purpose and objective GIH is to engage in the business of travel agency services. To achieve the objectives mentioned above, GIH can carry out the following activities:

1. Planning and packaging components which includes tour of tourism facilities, objects and attractions and tourism services contained in the Indonesian region and internationally in the form of tour packages;
2. Organizing and selling travel packages by passing through a travel agent and / or sell directly to tourists or consumers;
3. Booking of accommodation, restaurants, convention and show tickets as well as visits to cultural art objects and attractions, and
4. Tourist transport service provision

When this Prospectus was published, GIH has been conducting business activities in accordance with the provisions of Article 3 of the Articles of Association of GIH.

GIH is headquartered at Gedung Garuda – Graha Sejahtera, Jl. Gunung Sahari Raya, Lt. 3, Kelurahan Gunung Sahari Selatan, Kecamatan Kemayoran, Central Jakarta, with telephone number (021)-29553100 and fax number (021)-29553101.

Management and Supervisory

Based on Deed of Establishment, the Board of Commissioners and the Board of Directors of GIH are as follows:

Boad of Commissioners:

President Commissioner : Alexander Maria Tae Maneklaran
 Commissioner : Devi Yanti
 Commissioner : Saut Mangapul Davy Batubara

Board of Directors:

President Director : Anthony Akili
 Director : Rosmaria Indriati Tanamas
 Director : Widjaya Hadinukarto

Capital and Shareholding Structure

Based on the Deed of Establishment, the capital and shareholding structure of GIH at the date of the publishment of the Prospectus is as follows:

Shareholder	Nominal Value of Rp 1.000.000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	10,000	10,000,000,000	
Issued and Paid-Up Capital			
PT Aero Wisata	3,000	3,000,000,000	60.00
PT Smiling Tours & Travel Service	2,000	2,000,000,000	40.00
Total Issued and Paid-Up Capital	5,000	5,000,000,000	100.00
Shares in Portfolio	5,000	5,000,000,000	-

Summary of Financial Statements

Summary of GIH's Financial Statements for the year ended December 31, 2013 and 2012 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	13,906,605,717	3,262,119,573	-
Non Current Assets	4,186,340,226	2,187,322,009	-
TOTAL ASSETS	18,092,945,943	5,449,441,582	-
Current Liabilities	19,951,380,992	3,181,554,190	-
Non Current Liabilities	288,569,501	63,890,055	-
Total Liabilities	20,239,950,493	3,245,444,245	-
Capital Stock	5,000,000,000	5,000,000,000	-
Deficit	(7,147,004,551)	(2,796,002,663)	-
Total Equity	(2,147,004,551)	2,203,997,337	-
TOTAL LIABILITIES AND EQUITY	18,092,945,943	5,449,441,582	-
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	68,455,724,777	1,575,866,310	-
Operating Expenses	73,706,456,746	5,335,511,283	-
Less from Operations	(5,250,731,969)	(3,759,644,973)	-
NET LOSS	(4,351,001,888)	(2,796,002,663)	-

GIH's total assets on December 31, 2013 amounted to Rp18,092,945,943 with current assets of Rp13,906,605,717 and non-current assets amounted to Rp4,186,340,226. Total Liabilities dated December 31, 2013 at Rp20,239,950,493 while the amount of equity on December 31, 2013 amounting to Rp(2,147,004,551).

GIH's total assets on December 31, 2012 amounted to Rp5,449,441,582 with current assets of Rp3,262,119,573 and non-current assets amounted to Rp2,187,322,009. Total Liabilities dated December 31, 2012 at Rp3,245,444,245 while the amount of equity on December 31, 2012 by Rp2,203,997,337.

Operating revenues of GIH for the year ended December 31, 2013 at Rp68,455,724,777 while operating expense amounted to Rp73,706,456,746. The loss from operations in 2013 amounted Rp5,250,731,969 and GIH loss for the year ended December 31, 2013 amounted to Rp 4.351.001.888.

Operating revenues GIH for the year ended December 31, 2012 by Rp1,575,866,310 while business costs for Rp5,335,511,283. Achievement of income from operations in 2012 amounted to minus Rp3,759,644,973 and GIH loss for the year ended December 31, 2012 amounted to Rp2,796,002,663.

12. PT Inti Dinamika, ("BID")

Establishment and Business Activities

BID which is domiciled in Bandung, was established based on the Deed of Establishment No.93 dated July 30, 1981 which made before Wiranti Ahmadi, S.H., notary in Bandung, as amended by (i) Deed of Amendment No.7 dated March 1, 1982 made before Wiratni Ahmadi, S.H., notary in Bandung; (ii) Deed of Amendment No.29 dated November 8, 1982 made before Tetty Suriati, S.H., notary in Bandung; (iii) Deed of Amendment No. 1 dated November 1984 made before Wiratni Ahmadi, S.H., notary in Bandung; and (iv) Deed of Amendment No. 55 dated June 26, 1982 made before Wiratni Ahmadi, S.H., notary in Bandung, which has been notified to the Minister of Law and Human Rights as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. C2-4812-HT.01.01.th.85 dated August 3, 1985 and in Companies Registration Office in Bandung under No. 546, 547, 548, 549, 550 and 551 and published in the State Gazette of the Republic of Indonesia No. 92 dated November 18, 1986, Supplement No. 1394 ("Deed of Establishment").

The last amendment of BID's Article of Associations is as stipulated in the Deed of Statement of Shareholders Circular Resolutions as substitute of EGMS No.7 dated January 12, 2012 which made before Rismalena Kasri, S.H., notary in Jakarta, which has been approved by Minister of Justice of the Republic of Indonesia by virtue of Decree No. AHU-AH.01.10-05289 dated February 21, 2011 and registered in the Companies Register in the Kemenkumham under No. AHU-0013947.AH.01.09.Tahun 2011 on February 21, 2011 ("Deed No. 7/2011"). The deed modifies BID's Article of Association in order to change and add provisions to be adjusted with the development of management needs.

Under provision of Article of the BID Article of Association, BID's objective and purpose is to provide goods and / or services of high quality and strong competitiveness, field services and accommodation optimizing the utilization of resources owned by the BID for profit in order to increase the value of BID by applying the principles of limited liability companies. To achieve the objectives mentioned above, BID may engage out the following business activities:

1. Conducting a business in the hospitality industry and supporting infrastructure;
2. Conducting business in the provision and services of food and beverages;
3. Conducting businesses in the service sector of clothing / laundry;
4. Conducting a business in the provision of accommodation and other services necessary for the operation of the hotel business activity; and
5. Conducting laundry business.

As of the date of the publication of this Prospectus, BID has conducted its operations in accordance with the provisions of Article 3 of the Articles of Association of BID.

BID is headquartered at Jl. Asia Afrika No. 81, Bandung, with telephone No (022)-4231631 and fax No (022)-4230034.

Management and Supervisory

Based on the Deed No.7/2011 *juncto* Deed of Statement of Shareholder's Resolution No. 2 dated January 10, 2014, which made before Ariani Lakhsmijati Rachim, S.H., notary in South Jakarta which has been notified to Menkumham as stated in the Letter of Acceptance of notification on changes to the Company Data No. AHU-AH.01.01-07855 dated 4 March 2014 and registered in the Company Register in Menkumham under No. AHU-0017038.AH.01.09 Year 2014 dated 4 March 2014 ("Deed No.2/2014"), BID's Board of Commissioners is as follows:

Board of Commissioners:

President Commissioner : Dedi Sjahrir Panigoro
 Commissioner : Doddy Virgianto

Based on the Deed No. 7/2011, BID's Board of Directors is as follows:

Board of Directors:

President Director : Anton Partono
 Director : Putu Swasti

Capital and Shareholding Structure

Based on the Deed No. 7/2011, as of the date of the publication of the Prospectus, the capital and shareholding structure of BID is as follows:

Shareholder	Nominal Value Rp500,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	30,000	15,000,000,000	
Issued and Paid-Up Capital			
PT Aero Wisata	17,310	8,655,000,000	61.89
PT Martel	10,659	5,329,500,000	38.11
Total Issued and Paid-Up Capital	27,969	13,984,500,000	100.00
Shares in Portfolio	2,031	1,015,500,000	-

Summary of Financial Statements

Summary of BID's Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	13,895,964,801	13,600,931,557	19,680,428,115
Non Current Assets	41,781,325,896	38,385,790,638	27,170,253,170
TOTAL ASSETS	55,677,290,697	51,986,722,195	46,850,681,285
Current Liabilities	13,047,664,178	15,930,487,626	9,276,752,349
Non Current Liabilities	24,883,946,046	18,057,810,899	18,155,621,047

(in Rupiah)

Description	December 31,		
	2013	2012	2011
Total Liabilities	37,931,610,224	33,988,298,525	27,432,373,396
Capital Stock	13,984,500,000	13,984,500,000	13,984,500,000
Retained Earnings	3,761,180,474	4,013,923,670	5,433,807,889
Total Equity	17,745,680,474	17,998,423,670	19,418,307,889
TOTAL LIABILITES AND EQUITY	55,677,290,697	51,986,722,195	46,850,681,285
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	48,175,662,399	43,525,575,846	42,626,150,639
Operating Expenses	45,479,331,795	40,211,943,981	37,073,209,918
Income from Operations	2,696,330,604	3,313,631,865	5,552,940,721
NET INCOME (LOSS)	(252,743,196)	1,524,045,915	4,878,719,943

BID's total assets on December 31, 2013 increased by 7.10 % compared to total assets in December 31, 2012 caused by an increase in fixed assets. Total Liabilities dated December 31, 2013 increased by 11.60 % compared to total liability as of December 31, 2012 due to an increase in related parties long-term accounts payable related party long term. Total Equity at December 31, 2013 decreased 1.40 % compared to Equity dated December 31, 2012 .

BID's total asset on December 31, 2012 increased by 10.96 % compared total asset in December 31, 2011 as there is an increase in fixed assets. Total Liabilities dated December 31, 2012 increased by 19.29 % when compared to liabilities dated December 31, 2011 due to the increase in accounts payable and other payables. Total Equity at December 31, 2012 decreased by 7.89% compared to Equity dated December 31, 2011.

BID's operating revenues for the years ended December 31, 2013, 2012 and 2011 respectively amounted Rp48,175,662,399, Rp43,525,575,846 and Rp42,626,150,639, with growth from 2011 to 2012 amounted to 2.11% and from 2012 to 2013 was 10.68 % .

BID's Income from Operations for the years ended December 31, 2013 , 2012 and 2011 respectively amounted Rp2,696,330,604, Rp3,313,613,865 and Rp5,552,940,721 , with a decrease from 2011 to 2012 amounted to 40.33% and a decrease from 2012 to 2013 was 18.63%. The decrease in operating revenue from the year 2011 to the year 2012 due to higher business costs higher than the increase in revenue and a decrease from 2012 to 2013 due to increased revenue higher than the operating expenses .

BID's Net Income (Loss) for the years ended December 31, 2013 , 2012 and 2011, respectively are Rp(252,743,196), Rp1,524,045,915 and Rp4,878,719,943 , with a decrease from 2011 to 2012 amounted to 68.76% due to a rise in interest expense and from 2012 to 2013 by 2% due to an increase in the final tax expense on corporate income tax audits in 2009-2011.

13. PT Aero Hotel Management ("AHM")

Establishment and Business Activities

AHM which is domiciled in Central Jakarta was established based on the Deed of Establishment No. 05 dated December 15, 2009 made before Aida Amir, S.H., notary in Jakarta, which has been approved by Menkumham by virtue of Decree No. AHU-04600.AH.01.01.Tahun 2010 dated January 28, 2010 and registered in the Companies Register in the Kemenkumham under No. AHU-0006818.AH.01.09.Tahun 2010 dated January 28, 2010 ("Deed of Establishment")

AHM's Articles of Association is as stipulated in the Deed of Establishment.

Under the provision of Article 3 of the AHM's Articles of Associations, AHM's objective and purpose is property management services (hotels, apartments, condominiums). To achieve the objectives mentioned above, AHM may conduct business activities in the form of management, maintenance, care, and provision of facilities or support facilities for hotels, apartments, condominiums, offices, plate, flats, and other related business activities.

As of the date of the publishment of this Prospectus, AHM has conducted its operations in accordance with the provisions of Article 3 of its Articles of Association.

AHM is headquartered at Gedung AWS, Jl. Prapatan No. 32, Kelurahan Senen, Kecamatan Senen, Central Jakarta with operating office in Wisma Bumiputera Lantai 14, Jalan Jenderal Sudirman Kav. 75, South Jakarta, telephone no (021)-5276854 and fax no (021)-5276855.

Management and Supervisory

Based on AHM's Deed of Statement of Shareholders' Resolution No 22 dated April 16, 2010, which made before Aida Amir, S.H., M.Kn., notary in Jakarta, which has been notified to Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-17669 date July 14, 2010 and registered in the Companies Register in the Kemenkumham under No. AHU-0052978.AH.01.09.Tahun 2010 dated July 14, 2010, AHM's Board of Commissioners is as follows:

Board of Commissioner:

President Commissioner : Anton Partono
Commissioner : Sugeng Saptono

Based on (i) Deed of Statement Off Meeting No. 66 dated February 22, 2013, which made before Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta, which has been notified to Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-09294 dated March 14, 2013 and registered in the Companies Register in the Kemenkumham under No. AHU-0022294.AH.01.09.Tahun 2013 dated March 14, 2013 juncto (ii) Deed of Statement of Circular Resolutions No.65 dated March 26, 2013, made before Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notart in Jakarta which has been notified to Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-15017 dated April 19, 2013 and registered in the Companies Register in the Kemenkumham under No. AHU-0036322.AH.01.09.Tahun 2013 dated April 19, 2013, AHM's Board of Directors is as follows:

Board of Directors:

Director : Francis Maria Caesar Dick Dehnhardt

Capital and Shareholding Structure

Based of the Deed of Establishment, as the date of the publication of the Prospectus, the capital and shareholding structure of AHM is as follows:

Shareholder	Nominal Value of Rp 1,000,000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	2,000	2,000,000,000	
Issued and Paid-Up Capital			
Aerowisata	450	450,000,000	90.00
MHD	50	50,000,000	10.00
Total Issued and Paid-Up Capital	500	500,000,000	100.00
Shares in Portfolio	1,500	1,500,000,000	-

Summary of Financial Statements

Summary of AHM's Financial Statements for the year ended December 31, 2013, 2012 and 2011 have been audited with an unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	(in Rupiah)		
	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	5,720,569,238	5,853,302,106	6,847,050,490
Non Current Assets	2,678,969,950	1,318,356,773	1,118,492,627
TOTAL ASSETS	8,399,539,188	7,171,658,879	7,965,543,117
Current Liabilities	4,085,497,098	3,672,475,102	4,374,734,649
Non Current Liabilities	2,749,848,522	2,073,799,930	1,993,393,707
Total Liabilities	6,835,345,620	5,746,275,032	6,368,128,356
Capital Stock	500,000,000	500,000,000	500,000,000
Retained Earnings	1,064,193,568	925,383,847	1,097,414,761
Total Equity	1,564,193,568	1,425,383,847	1,597,414,761
TOTAL LIABILITES AND EQUITY	8,399,539,188	7,171,658,879	7,965,543,117

STATEMENTS OF COMPREHENSIVE INCOME

(in Rupiah)

Description	December 31,		
	2013	2012	2011
Operating Revenues	12,522,568,697	9,836,069,799	8,559,648,621
Operating Expenses	(12,362,824,193)	(10,035,366,963)	(8,095,977,562)
Income (Loss) from Operations	159,744,504	(242,925,988)	414,816,436
NET INCOME (LOSS)	138,809,721	(172,030,914)	791,510,028

Total assets AHM dated December 31, 2013 increased by 17.12% when compared to Assets on December 31, 2012 because there is an increase in cash and cash equivalents. Total Liabilities dated December 31, 2013 increased by 18.95% when compared to the liability date of December 31, 2012 due to an increase in employee benefit liabilities. Total Equity at December 31, 2013 increased by 9.74% when compared to Equity dated December 31, 2012 due to an increase in accumulated earnings .

Total assets AHM dated December 31, 2012 decreased 9.97% compared to Assets on December 31, 2011 due to a decrease in accounts receivable. Total Liabilities on December 31, 2012 decreased by 9.77% compared to December 31, 2011 liabilities due to a decrease in accounts payable. Total Equity at December 31, 2012 decreased by 10.77% compared with the Equity dated December 31, 2011 due to a decrease in accumulated earnings .

AHM operating revenues for the years ended December 31, 2013 , 2012 and 2011, respectively are Rp12.522.568.697, Rp9.836.069.799 and Rp8.559.648.621, with growth from 2011 to 2012 by 12.98% due to an increase in management fee income and from the year 2012 to the year 2013 amounted to 27.31% due to an increase in technical fee income .

AHM's Income from Operations for the years ended December 31, 2013, 2012 and 2011, respectively amounted to Rp159,744,504, Rp(242,925,988,) and USD414,816,436, with a decrease from 2011 to 2012 amounted to 158.56% for no increase in general and administrative expenses and growth from 2012 to 2013 amounted to 165.76 % due to the increase in operating revenue .

AHM's Net Income for the years ended December 31, 2013 , 2012 and 2011 respectively amounted Rp138,809,719, Rp(172,030,914) and Rp791,510,028 with a decrease from 2011 to 2012 amounted to 121.73 % and growth from 2012 to 2013 was 180.69% .

14. PT Belitung Intipermai ("BIP")

Establishment and Business Activities

BIP domiciled in Central Jakarta, was established with the name PT Belitung Alam Permai based on the Deed of Establishment No. 284 dated May 23, 1990 made before Mohamad Said Tadjoeidin S.H., Notary in Jakarta, which was later amended by Deed of Amendment No. 44 dated August 10, 1992 made before Bando Raden Ayu Mahyastoeti Notonagoro, S.H, notary in Jakarta, which has been approved by the Menkumham by virtue of Decree No. C2-7251.HT.01.01.TH.92 dated September 2, 1992 and was registered in the Registry Office in South Jakarta under No. 690/A.P.T/Wapan/1992.PNJS and No. 691/A.P.T/Wapan/1992/PNJS, both dated July 14, 1992, and published in the State Gazette of the Republic of Indonesia No. 86 dated May 27, 1992, Supplement No. 5327 ("Deed of Establishment").

The last amendment to BIP's Article of Associations is as stipulated in the Deed of Statement of Shareholder's Resolution No.308 dated November 20, 2009 made before Siti Rayhana, S.H., substitute to Bando Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta, which has been approved by Menkumham by the virtue of Decree No. AHU-05872.AH.01.02.Tahun2009 dated March 5, 2009, registered in the Companies Register in the Kemenkumham under No. AHU-0007070.AH.01.09.Tahun2009 dated March 5, 2009, Supplement No. 25573 ("Deed No. 29/2008"). The deed changed BIP's Article of Associations to comply with the provisions of the Company Law.

Under the provision of Article 3 of the BIP's Articles of Association, BIP's purpose and objective is to provide high quality and competitive goods and / or services, in the area of accomodation services and optimize the utilization of BIP's resources to gain profit in order to increase the value of BIP by applying the principles of limited liability companies. To achieve the objectives mentioned above, BIP may engage in the following activities:

1. Conducting a business in the hospitality industry and supporting infrastructure;
2. Conducting business in the provision of services and food and beverages;
3. Conducting businesses in the service sector of clothing / laundry;
4. Conducting a business in the provision of accommodation and other services necessary for the operation of the hotel business activity; and
5. Conducting laundry business.

As of the date of the publication of this Prospectus, BIP has conducted its operations in accordance with the provisions of Article 3 of the Articles of Associations of BIP.

BIP is headquartered at Aerowisata Building, Jl. Prapatan No. 32, Kelurahan Senen, Kecamatan Senen, Central Jakarta, with telephone No (021)-2310002 and fax No (021)-3459874/23102777.

Management and Supervisory

Based on the Deed of Statement of Shareholders' Resolution No. 44 dated July 24, 2009, which was made before Siti Rayhana, S.H., substitute to Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta, which has been notified to Minister of Law and Human Rights of the Republic of Indonesia as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-15987 dated September 15, 2009 and registered in Companies Register in the Kemenkumham under No. AHU-0061424.AH.01.09.Tahun 2009, BIP's Board of Commissioners is as follows:

Board of Commissioners:

Commissioner : Doddy Virgianto

Based on BIP's Deed of Statement of Shareholders' Resolution No 02 dated December 3, 2013 which made before Rismalena Kasri, S.H., notary in South Jakarta, which has been notified to Menkumham as stated in the Letter of Acceptance for the Notification Regarding Changes to the Company's Data No. AHU-AH.01.10-01668 dated January 16, 2014 and registered in the Company's Register in the Kemenkumham under No. AHU-0003716.AH.01.09.Tahun 2014 dated January 16, 2014, BIP's Board of Directors is as follows:

Board of Directors (sole director):

Director : Syahrizal Harris

Capital and Shareholding Structure

Based on the Deed No 29/2008, as of the date of the publication of the Prospectus, the capital and shareholding structure of Asyst is as follows:

Shareholder	Nominal Value Rp1.000 per share		
	Number of Shares	Total Nominal Value (Rp)	%
Authorized Capital	12,000,000	12,000,000,000	
Issued and Paid-Up Capital			
PT Aero Wisata	3,116,467	3,116,467,000	99.99
PT Mirtasari Hotel Development	1	1,000	0.01
Total Issued and Paid-Up Capital	3,116,468	3,116,468,000	100.00
Shares in Portfolio	8,883,532	8,883,532,000	-

Summary of Financial Statements

Summary of BIP's financial statement for the year ended December 31, 2013, 2012 and 2011 have been audited with unqualified opinion by the Public Accounting Firm of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), are as follows:

Description	(in Rupiah)		
	December 31,		
	2013	2012	2011
STATEMENT OF FINANCIAL POSITION			
Current Assets	32,584,377	32,890,531	33,191,297
Non Current Assets	25,879,384,680	22,393,934,680	20,000,198,400
TOTAL ASSETS	25,911,969,057	22,426,825,211	20,033,389,697
Current Liabilities	455,065,656	6,409,058,902	5,800,640,646
Non Current Liabilities	6,133,418,768	-	-
Total Liabilities	6,588,484,422	6,409,058,902	5,800,640,646
Capital Stock	3,116,468,000	3,116,468,000	3,116,468,000
Other Equity	18,737,754,256	15,252,304,256	13,419,876,257
Deficit	(2,530,737,623)	(2,351,005,947)	(2,303,595,206)
Total Equity	19,323,484,633	16,017,766,309	14,232,749,051
TOTAL LIABILITIES AND EQUITY	25,911,969,057	22,426,825,211	20,033,389,697

(in Rupiah)

Description	December 31,		
	2013	2012	2011
STATEMENTS OF COMPREHENSIVE INCOME			
Operating Revenues	-	-	-
Operating Expenses	41,322,405	24,672,640	505,227,432
Income from Operations	-	(24,672,640)	(505,227,432)
NET INCOME (LOSS)	(179,731,675)	(47,410,741)	(2,979,666,112)

Total assets BIP dated December 31, 2013 increased by 15.54% when compared to December 31, 2012 Assets due to an increase in fixed assets due to revaluation of assets. Total Liabilities dated December 31, 2013 increased by 2.8% when compared to the liability date of December 31, 2012 due to an increase in other payables to related parties. Total Equity at December 31, 2013 rose 20.64% when compared to equity December 31, 2012 due to the increase in revaluation surplus .

Total assets BIP December 31 2012 increased by 11.95% when compared to December 31, 2011 Assets as no increase in fixed assets due to revaluation of assets . Total Liabilities dated December 31, 2012 rose 10.49% when compared to December 31, 2011 liabilities as other payables to related parties rose . Total Equity at December 31, 2012 rose 12.54% compared with the Equity dated December 31, 2011 because no increase in revaluation surplus .

BIP Operating expenses which include licensing fees, electricity, water and telephone costs, project development and property tax.

BIP operating loss for the years ended December 31, 2013, 2012 and 2011 respectively amounted to nil, and Rp505,227,432 Rp24,672,640.

BIP Net loss for the years ended December 31, 2013, 2012 and amounted 2011 each amounted to Rp (179,731,675), Rp(47,410,741) and Rp (2,979,666,112).

H. Ownership, Management and Supervisory Relationship of the Company and its Subsidiaries

Name	Perseroan	Aerowisata	Abacus	GMF AeroAsia	Asyst	Citilink
Bambang Susantono	PC	-	-	-	-	-
Bagus Rumbogo*	C	-	-	-	-	-
Chris Kanter	IC	-	-	-	-	-
Peter F. Gontha	IC	-	-	-	-	-
Betti S. Alisjahbana	IC	-	-	-	-	-
Wendy Aritenang Yazid	C	-	-	-	-	-
Emirsyah Satar	D	-	-	-	-	-
Handrito Hardjono	D	-	-	-	-	PC
Faik Fahmi	D	-	PC	-	-	-
Batara Silaban	D	-	-	C	-	-
Novianto Herupratomo	D	-	-	-	-	-
Judi Rifajantoro	D	-	-	-	PC	-
Heriyanto Agung Putra	D	-	-	PC	-	-
Meijer Frederik Johannes	D	-	-	-	-	C

* Note: Has resigned on November 26, 2013 but has not been confirmed at AGM

Description:

PC: President Commissioner, IC:Independent Commissioner, C: Commissioner, PD: President Director, D: Director

I. Transaction with Affiliated Parties

As of December 31, 2012, transactions between the Company and its affiliated parties are as follows:

(in USD)

Financial Statement Items	Affiliated Parties	Balance per December 31, 2013
Cash and Cash Equivalents	Bank Negara Indonesia	55,816,521
	Bank Mandiri	37,336,951
	Bank Rakyat Indonesia	54,179,461
	Bank Syariah Mandiri	8,204,118
	Bank Rakyat Indonesia Syariah	6,563,295
Total		162,100,346
Trade Accounts Receivable	PT Jiwasraya	1,966,795
	PT Abacus International Ltd	410,871
	PT Gapura Angkasa	920,503
	PT POS Indonesia	532,813
	PT Bukit Asam (Persero) Tbk.	113,915
	Kementrian Agama	26,672
	Others	63,397
Total		4,034,966
Other Assets	PT Merpati Nusantara	16,845,647
Bank Loans	Bank Negara Indonesia	(40,222,668)
Trade Accounts Payable	PT Pertamina (Persero)	(108,911,066)
	PT Gapura Angkas	(3,706,367)
	Perum LPPNPI	(3,568,602)
	PT Angkasa Pura II (Persero)	(3,133,425)
	PT Angkasa Pura I (Persero)	(2,279,948)
	PT Telekomunikasi Indonesia (Persero) Tbk.	(694,318)
Total		(122,293,726)
Long term Liabilities	Bank Negara Indonesia	(42,803,615)
	PT Pertamina (Persero)	(43,137,490)
	Bank Rakyat Indonesia	(40,198,427)
	PT Angkasa Pura II (Persero)	(16,104,859)
	PT Angkasa Pura I (Persero)	(5,798,472)
Total		(148,042,863)

The Company entered into transactions with affiliated parties in accordance with the Capital Market Law. These transactions are as follows:

No	Parties	Affiliate Relations	Nature and Type of the Transaction	Period	Terms and Conditions of the Transaction
1.	PT Gapura Angkasa	Associated Entity	Lease Agreement of Ground Power Unit (GPU) for Fuel Conservation Program	3 years from the availability of additional 6 (six) GPU units which are ready to be used at Soekarno Hatta Airport or as of September 30, 2012	The Company paid rental fee for GPU to Soekarno Hatta Airport and other Domestic Airport which includes operating expenses but does not include value added tax (VAT). The rental fee shall be paid by the Company monthly based on the usage of Ground Support Equipment by the Company.
2.	Aerofood	Has a common shareholder with the Company	The Company appointed Aerofood to operate and manage in-flight services	Valid for 5 years effective from November 1, 2009.	The Company agrees to hand over the management and operation of in-flight services and laundry services for scheduled flights to Aerofood with the conditions required under the Agreement, which, among others, the Company reserves the right to obtain a quality audit conducted by Aerofood to third parties, the Company reserves the right to check the performance of the work, and the Company shall pay for work performed by Aerofood.

No	Parties	Affiliate Relations	Nature and Type of the Transaction	Period	Terms and Conditions of the Transaction
3.	AJC	Has a common shareholder with the Company	Domestic cargo sales agency agreement	May 22, 2012 to March 31, 2015	AJC will conduct the sales of Cargo Air Transport Document (Airwaybill) of Garuda, where AJC is required to open a representative office with fixed and easily accessible address, as defined in Regulation of Cargo Agency in Garuda Indonesia. Every branch that AJC opens must be in accordance with the provisions and requirements set forth in Regulation of Cargo Agency of Garuda Indonesia. AJC will get commission for the sale of Domestic Cargo Flight Document by 7% or a certain percentage defined later, of the announced tariff.
4.	PT Pertamina (Persero)	Affiliate due to Government ownership	Procurement for aviation fuel for domestic route in Jakarta, Denpasar, Yogyakarta, Medan, Pekanbaru, Semarang and Surabaya	October 1, 2010 to September 30, 2015	The Company will make a purchase plan for aviation fuel within the next 3 months, in which PT Pertamina (Persero) is required to fulfill the request. Any information disclosed in the agreement is confidential, except in order to support the implementation of the agreement and with a written consent of the other party.
5.	PT Sang Hyang Seri (Persero)	Affiliate due to Government ownership	Partnership Agreement between the Company and Sang Hyang Seri, the Company provides and gives Fund Partnership Program	December 20, 2012 to December 20, 2014	PT Sang Hyang Seri (Persero) pay a fixed administrative service fee at 6% per annum of the Partnership Program Fund and is paid according to the schedule. Negligence or failure to pay the Company according to the schedule will affect to PT Sang Hyang Seri must agree to pay fines to the Company.
6.	PT Bank Mandiri (Persero) Tbk.	Affiliate due to Government ownership	Agreement of e-ticket payments using internet banking facility self-payment	Valid until the June 21, 2012. Based on the Minutes dated June 21, 2012, this agreement remains in effect until the issuance of the agreement to extend the validity period	Company servers will be connected with Bank Mandiri servers using the network. Implementation of this agreement is based on certain conditions specified in the agreement which among others, that states the Company shall be responsible for data accuracy and payment code given by ticket purchaser, the Company shall reconcile payment data recorded in the Company with the Bank payment report, Bank Mandiri reserves the right to credit the payment to the Company's account, the bank must submit a report payment data on a daily basis via email to the Company.
7.	PT Angkasa Pura II (Persero)	Affiliate due to Government ownership	The Company rented room from PT Angkasa Pura II (Persero) for the executive lounge room.	5 years since 2006. At the date of this Prospectus, the Company is in the process to extend this agreement	The Company reserves the right to obtain services for passengers with best efforts and proceed to payment according to the amount specified in the agreement. PT Angkasa Pura II (Persero) is entitled to receive payments from the Company and is obliged to carry out services to the passengers in the executive lounge.
8.	PT Angkasa Pura II (Persero)	Affiliate due to Government ownership	Agreement of services and facilities as well as the arrangement of 2E and 2F terminal in Soekarno-Hatta International Airport	June 21, 2012 to June 21, 2014	-
9.	PT Bank Rakyat Indonesia (Persero) Tbk.	Affiliate due to Government ownership	Agreement on Garuda Airline Ticket Payment Receipt via BRI Facility	August 6, 2011 to September 30, 2012. Based on the Minutes dated September 30, 2012, this agreement remains in effect until the issuance of the agreement to extend the validity period	The parties agreed to use the connection network to connect the Company's server to second party's server. If there is any difference in payment data resulting from the difference between the payment data and amount that must be paid or earned by the ticket purchaser to the Company will be completed by the Company. If the ticket buyers ask for refund ticket, only the Company that is able to complete, not only the second party
10.	PT Bank Negara Indonesia (Persero) Tbk.	Affiliate due to Government ownership	Cooperation in immigration inspection and management of Non Tax State Revenue over Visa on Arrival Fee	Valid for 2 years from January 21, 2013 to January 20, 2015	-
11.	Investment Coordinating	Government Institution	Agreement with Investment	This agreement is valid for 2 years since November 12,	The Parties are required to maintain the confidentiality of all data and information obtained

No	Parties	Affiliate Relations	Nature and Type of the Transaction	Period	Terms and Conditions of the Transaction
	Board (<i>Badan Koordinasi Penanaman Modal</i>)		Coordinating Board which includes product promotion and services of each party and the provision of special facilities such as special pricing for corporations.	2012, and will end in November 12, 2014	during the execution of this agreement
12.	Presidential Household (<i>Rumah Tangga Kepresidenan</i>)	Government Institution	Aircraft charter agreement for state activities	Adjusted with presidency operational activity	The Company shall provide a special aircraft for charters, insuring risks that may arise, and resolve charter rental bills. The Presidential Household is obliged to pay the rental fee, to help the Company in the preparing relevant permit, and shall notify the Company in writing if the trip is cancelled and bear all the costs
13.	Gapura	Associated Entity	Ground Handling Agreement for location in Cengkareng, Denpasar, Surabaya, Medan, Balikpapan, Makassar, Solo, Semarang, Yogyakarta, Palembang, Padang, Pekanbaru, Banjarmasin, Manado, Biak, Jayapura, Mataram, Banda Aceh	June 30, 2015	The Company and Ground Handling Company agree that the provisions of the Main Agreement and the Attachment of the Standard Ground Handling Agreement in 1998, 2004, and 2008, as published by the International Air Transport Association (IATA) shall apply to the parties.
14.	Gapura	Associated Entity	Ground Handling Agreement for location in Supadio, Pontianak	Valid from October 28, 2007 until the unspecified time limit in the agreement	The Company and Ground Handling Company agree that the provisions of the Main Agreement and the Attachment of the Standard Ground Handling Agreement in 1998, 2004, and 2008, as published by the International Air Transport Association (IATA) shall apply to the parties.
15.	Gapura	Associated Entity	Ground Handling Agreement for location in Biak	Valid from January 1, 2001 until the unspecified time limit in the agreement	The Company and Ground Handling Company agree that the provisions of the Main Agreement and the Attachment of the Standard Ground Handling Agreement in 1998, 2004, and 2008, as published by the International Air Transport Association (IATA) shall apply to the parties.
16.	Gapura	Associated Entity	Ground Handling Agreement for Hang Nadim International Airport	Remains valid until the unspecified time limit in the agreement	The Company and Ground Handling Company agree that the provisions of the Main Agreement and the Attachment of the Standard Ground Handling Agreement in 1998, 2004, and 2008, as published by the International Air Transport Association (IATA) shall apply to the parties.
17.	Gapura	Associated Entity	Ground Handling Agreement for location in Pangkal Pinang (PGK)	Valid from February 29, 2012 until the unspecified time limit in the agreement	The Company and Ground Handling Company agree that the provisions of the Main Agreement and the Attachment of the Standard Ground Handling Agreement in 1998, 2004, and 2008, as published by the International Air Transport Association (IATA) shall apply to the parties.
18.	Gapura	Associated Entity	Ground Handling Agreement for Soekarno Hatta Cengkareng	Valid from January 1, 2001 until the unspecified time limit in the agreement	The Company and Ground Handling Company agree that the provisions of the Main Agreement and the Attachment of the Standard Ground Handling Agreement in 1998, 2004, and 2008, as published by the International Air Transport Association (IATA) shall apply to the parties.
19.	GIH	Has a common shareholder with the Company	Room Lease Agreement	3 years since October 1, 2012 to September 30, 2015	GIH rented an area of 800 m ² located in Garuda-Griha Sejahtera Building, Jl. Gunung Sahari Raya, Fl. 3, Kel. Gunung Selatan, Kemayoran, Jakarta Pusat.
20.	Asyst	Has a common shareholder with the Company	Main Customer Agreement of Information Technology Services	June 21, 2005 to June 21, 2015	Asyst will provide information technology services to the Company, in form of hardware installed in all branch offices of the Company (the town office and domestic airport). The Company will pay for any information technology services provided by Asyst

No	Parties	Affiliate Relations	Nature and Type of the Transaction	Period	Terms and Conditions of the Transaction
21.	Asyst	Has a common shareholder with the Company	Procurement Agreement on Server Lease for Application, Database, Reporting and Revenue Management	October 16, 2013 to October 16, 2016	Asyst will provide server for application, database, and reporting revenue management to the Company. The Company will pay each server for application, database, and reporting revenue management provided by Asyst.
22.	Asyst	Has a common shareholder with the Company	Data Center Services Agreement for PT Lufthansa Systems Indonesia	June 21, 2005 to June 21, 2015	The Company shall provide the Limited Hosting Services to Asyst. Asyst will make payments to the Company for all costs incurred by providing Limited Hosting Services.
23.	Asyst	Has a common shareholder with the Company	Cooperation Agreement of Information Technology Services	October 28, 2010 to October 28, 2015	Asyst and the Company agreed to cooperate in information technology to support the Company's activity, which include applications needed to carry out its operational activity, including but not limited to providing hosting services application for Passenger Service Solution, providing rental services airport operating management for hardware, providing or managing the Disaster Recovery Center facility
24.	Asyst	Has a common shareholder with the Company	Agreement on Information Technology Services	October 28, 2010 to October 28, 2015	This agreement was the derivative of the Information Technology Cooperation Agreement between the Company and Asyst. Asyst is required to provide management services to the applications that have been provided by Asyst to the Company

All transactions with affiliates stated above are transactions which support the Company's business activities. The management of the Company stated that all transactions with affiliates are conducted at arm's length terms and conditions, as those transactions entered into with a third party. By entering into transactions with affiliates, the Company expects a synergy between State-Owned Enterprises, which in turn can provide benefits not only to the Company, but also to contribute to the economic development in Indonesia.

J. Material Agreements with Third Parties

All transactions entered into with third parties described below are transactions which supports the Company's business activities. The management of the Company stated that all transactions entered into with third parties are conducted on arm's length terms and conditions.

As of the date of the publication of this Prospectus, the Company has entered into the following transactions with third parties:

1. Aircraft Purchase Agreement

a. Aircraft Purchase Agreement No. 1938 dated June 4, 1996 between the Company and Boeing as amended from time to time ("PA 1938")

On June 4, 1996, the Company entered into Aircraft Purchase Agreement No. 1938 whereby the Company agreed to purchase and Boeing agreed to deliver six units of Boeing Model 777-200 aircraft. Between 1998 - 2010, the Company and Boeing agreed on several amendments to the Agreement in form of Supplemental Agreement on the type of aircraft, aircraft price, payment by the Company and the date of delivery of the aircraft. Below are the description of the Agreement as amended by: (i) Supplemental Agreement No. 1 dated June 19, 1998; (ii) Supplemental Agreement No. 2 in 2000; (iii) Supplemental Agreement No. 3 dated December 24, 2002; (iv) Supplemental Agreement No. 4 dated December 29, 2005; (v) Supplemental Agreement No. 5 dated February 19 2008; (vi) Supplemental Agreement No. 6 dated June 27, 2008; (vii) Supplemental Agreement No. 7 dated May 4, 2009; (viii) Supplemental Agreement No. 9 dated September 3, 2010; (ix) Supplemental Agreement No. 10 dated April 23, 2012; and (x) Supplemental Agreement No. 11 dated May 24, 2012.

Number of Aircraft:

10 units of 777-300ER aircraft, with rights to purchase additional 10 (ten) units of 777-2U3LR or 777-3U3ER aircraft.

Price and Payment:

Aircraft purchase price will be determined at the time of delivery of each aircraft, which is the sum of the base price of the aircraft (which is specified in the PA 1938), the adjustment is calculated based on the formula in PA 1938 and other adjustments agreed by the parties from time to time.

The Company will pay the price of aircraft parts in advance (pre-delivery payments) which will be carried out in stages with the amount and terms and conditions specified in PA 1938.

Delivery:

Each one unit of 777-300ER aircraft in: (i) 2013: in June, July and October; (ii) in 2014: in January, May and September; (iii) 2015: in January, May and September and (iv) in January 2016. Delayed delivery of aircraft that have been ordered may result in additional payment obligations or penalties on the Company.

Warranty and Indemnity:

Boeing as the manufacturer has guaranteed that the aircraft at the time of delivery will be in compliance with the agreed specifications and without defects in materials, workmanship or design flaws, but does not include equipment that is ordered by the Company. Such guarantees are limited to those specified in the agreement and does not include aircraft engines or other material purchased and are not produced by Boeing. The warranty period is 48 (forty eight) months from the delivery of aircraft. Exclusion of guarantees including losses resulting from the agreement, tort, (including negligence), loss of profits or other damages caused by defects or unsuitability of aircraft.

Certification:

Boeing will obtain Certificate from the Federal Aviation Authority and certificate of airworthiness, but will not be obliged to obtain any other certificates. The Company will pay the costs associated with the certificate /validation from the Directorate General of Civil Aviation to Boeing.

Assignment:

The Company may assigns its rights over the agreement before delivery for financing purpose with conditions that Boeing will retain its rights to aircraft until the delivery and payment is settled.

Termination of agreement:

The agreement can be terminated at any time by written notice with respect to aircraft that have not been delivered if one of the parties ceases its business, delays its business activities, becomes insolvent or bankrupt or defers payment of its debt obligations. In the event of termination of the agreement, Boeing will refund to the Company all payments that have been received in advance for aircraft that have not been delivered.

Confidentiality:

The Company as purchaser is aware that certain commercial and financial information contained in the PA 1938 is confidential and is therefore committed to limit the disclosure to its employees on a need to know basis to comply with the Company's obligations. If the Company is required by law to disclose the related confidential information, the Company will make an attempt to retain the confidentiality of the information.

The Board of Directors of the Company has obtained the approval from the Board of Commissioners of the Company and shareholders of the Company to amend PA 1938, as follows:

- i. Approval of the Board of Commissioners No. 009/DEKOM/NIA-02/II/08, dated February 12, 2008;
- ii. Approval of the Minister of State-Owned Enterprises in S-127/MBU/2008, dated February 13, 2008.

Affiliation:

Not an affiliated party.

b. Aircraft Purchase Agreement No. 2158 dated June 19, 1996 between the Company and Boeing, as amended from time to time ("PA 2158")

On June 19, 1998, the Company entered into Aircraft Purchase Agreement No. 2158 whereby the Company agreed to purchase and Boeing agreed to deliver 18 units of Boeing Model 737-700 aircraft. Between 1998 - 2018, the Company and Boeing agreed on several amendments to the Agreement in form of Supplemental

Agreement on the type of aircraft, aircraft price, payment methods by the Company and the date of delivery of the aircraft. Below are the description of the Agreement as amended by: (i) Supplemental Agreement No. 1 in 2000; (ii) Supplemental Agreement No. 2 dated December 24, 2002; (iii) Supplemental Agreement No. 3 dated December 29, 2005; (iv) Supplemental Agreement No. 4 dated May 31, 2007; (v) Supplemental Agreement No. 5 dated February 19, 2008; (vi) Supplemental Agreement No. 6 dated June 27, 2008; (vii) Supplemental Agreement No. 7 dated May 4, 2009; (viii) Supplemental Agreement No. 8 dated January 18, 2010.

Number of Aircraft:

25 of B 737-800 aircraft with rights to purchase additional 25 (twenty five) of B 737-8U3 aircraft.

Price and Payment:

Aircraft purchase price will be determined at the time of delivery of each aircraft, which is the sum of the base price of the aircraft (which is specified in the PA 2158). The adjustment is calculated based on the formula in PA 1938 and other adjustments agreed by the parties from time to time.

The Company will pay the price of aircraft parts in advance (pre-delivery payments) which will be carried out in stages with the amount and terms and conditions specified in PA 2158.

Delivery:

Each one unit of 737-800 in: (i) 2009: in May, September, October, November and December; (ii) 2010: in January, February, March, April, May, June, July, August, September, October and December; (iii) 2012: in January, February, March, April and May; (iv) 2015: in August and December; (v) 2016: in January and February.

Warranty and Indemnity:

Boeing as the manufacturer has guaranteed that the aircraft at the time of delivery will be in compliance with the agreed specifications and without defects in materials, workmanship or design flaws, but does not include equipment ordered by the Company. Such guarantees are limited to those specified in the agreement and does not include aircraft engines or other material purchased and are not produced by Boeing. The warranty period is 48 (forty eight) months from the delivery of aircraft. Exclusion of guarantees including losses resulting from the agreement, tort, (including negligence), loss of profits or other damages caused by defects or unsuitability of the aircraft.

Certification:

Boeing will obtain the Certificate from the Federal Aviation Authority and certificate of airworthiness, and will not be obliged to obtain any other certificates. The Company will pay the costs associated with the certificate /validation from the Directorate General of Civil Aviation to Boeing.

Assignment:

The Company may assign its rights over the agreement before delivery for financing purpose with conditions that Boeing will retain its rights to the aircraft until the delivery and payment is settled.

Termination of agreement:

The agreement can be terminated at any time by written notice with respect to aircraft that have not been delivered if one of the parties ceases its business, delays its business activities, becomes insolvent or bankrupt or defers payment of its debt obligations. In the event of termination of the agreement, Boeing will refund to the Company all payments that have been received in advance for aircraft that have not been delivered.

Confidentiality:

The Company as purchaser is aware that certain commercial and financial information contained in the PA 2158 is confidential and is therefore committed to limit the disclosure to its employees on a need to know basis to comply with the Company's confidentiality obligations. If the Company is required by law to disclose the related confidential information, the Company will make an attempt to retain the confidentiality of the information.

The Board of Directors of the Company has obtained the approval from the Board of Commissioners of the Company and shareholders of the Company to amend PA 2158, as follows:

- i. Approval of the Board of Commissioners No. 032/DEKOM/KEU-08/XII/06, dated 1 December 2008;
- ii. Approval of the Minister of State-Owned Enterprises in S-631/MBU/2006, dated 27 December 2008.

Affiliation:

Not an affiliated party.

c. A330 Purchase Agreement between the Company and Airbus dated November 4, 1989, as amended from time to time

On November 4, 1989, the Company entered into A330 Purchase Agreement whereby the Company agreed to purchase and Airbus agreed to deliver nine units of Airbus A330 ("Agreement 1989"). Between 1994-2009, the Company and Airbus agreed on several amendments to the Agreement in form of amendments or letter of agreement on the type and amount of aircraft, aircraft price, payment by the Company and the date of delivery of the aircraft. Below are the summary of the Agreement as amended by:

- i) Amendment No. 1 dated October 7, 1994;
- (ii) Side Letter No. 1 dated February 23, 1995;
- (iii) Side Letter No. 2 dated December 21, 1995;
- (iv) Side Letter No. 3 dated November 26, 1996;
- (v) Side Letter No. 4 dated April 28, 1998;
- (vi) Amendment No. 2 in July 2009 which replaces the entire provisions of the Agreement 1989 along with its Amendment No. 1 and Side Letter No. 1 - 4 overall with the provisions of the Amendment No. 2, and Amendment No. 3 dated July 1, 2011 and Amendment No. 7 No. DS/PERJ/DE-3498/2012 in October 2012 ("PA Airbus").

Below is the summary of PA Airbus.

Parties:

- i. The Company as the purchaser; and
- ii. Airbus as the seller

Scope:

The Company agreed to purchase and Airbus agreed to deliver:

- i. 10 units of Airbus A330 (has been delivered to the Company and has been a part of the Company's fleet, hereinafter referred to "Delivered Aircraft");
- ii. 3 units of Airbus A330-200 ("Additional A330-200");
- iii. 4 units of Airbus A330-300 ("Converted Option Aircraft");
- iv. 3 units of A330-300 ("Converted Aircraft"); and
- v. 1 unit of A330-300 ("Additional Aircraft").

Object:

Delivered Aircraft, Additional A330-200, Converted Option Aircraft, Converted Aircraft and Additional Aircraft ("Aircraft").

Price and Payment:

Consists of base price (airframe) and engine where the final price will be determined at the time of delivery based on formula specified in the Agreement. Payments are made by (i) predelivery payments, including commitment fee at the time and amount as stated on the formula specified in the Agreement; and (ii) the remainder upon delivery of aircraft.

Delivery:

Prior to delivery, Airbus will hold a technical acceptance process and the Company will sign the certificate of acceptance on or before the date of submission. Airbus will prepare the aircraft to be ready at Airbus manufacturing plant according to delivery schedule, namely:

- i. Additional A330-200
1 aircraft each at (i) 4th quarter of 2012; (ii) 2nd quarter of 2013; and (iii) 4th quarter of 2013.
- ii. Converted Option Aircraft
1 aircraft each at (i) 2nd quarter of 2015; (ii) 3rd quarter of 2015; (iii) 2nd quarter of 2016; and (iv) 3rd quarter of 2016.
- iii. Converted Aircraft
1 aircraft each at (i) 3rd quarter of 2013; (ii) 3rd quarter of 2014; and (iii) 4th quarter of 2014.
- iv. Additional Aircraft

1 aircraft at 3rd quarter of 2014.

The aircraft will be considered to have been delivered to the Company after certificate of acceptance is issued and Airbus receives the final settlement price. If the Company fails to deliver the certificate of acceptance or pay off the rest of the aircraft payment, the Company is deemed to have rejected the submission and Airbus reserves retain title over the aircraft.

The Company understands that the delivery schedule above assumes that there are no delays and Airbus are not responsible for delays caused by matters beyond its control.

Option to Purchase Additional Aircraft:

Based on Amendment No. 3, the Company has the option to order up to 2 units of A330-200, which can be converted to A350-XWB or A330-200F. The Company is obliged to pay a deposit amounting to USD400,000 for each additional aircraft.

Certification:

The aircraft has obtained a type certificate from the European Aviation Safety Agency (EASA) and the aircraft will be delivered to the Company along with Export Airworthiness Certificate for export from the authority where the aircraft will be handed over. Airbus will try to obtain a certificate validation of Export Airworthiness Certificate.

Manufacturer's Warranty:

Airbus guarantees the aircraft and its parts which are made and designed by Airbus and Airbus sub-contractors are without defects in materials, workmanship, design and defects arising from non-compliance with the design, but does not include equipment that is ordered directly by the Company or engine. The warranty period is 36 (thirty six) months from the delivery and in accordance with the procedures set forth in the agreement. Compensation rights is limited to cost of repair or replacement of defective parts or free repair by Airbus. Airbus is not responsible for, and the Company shall exempt Airbus from claims of third parties with respect to disability or non-compliance arising out of or in connection with repairs or other actions undertaken by the Company.

Termination:

Termination occurs in conditions stated below: (i) if one party is declared bankrupt or a designated administrator/curator is appointed over its assets, in which the other party may terminate the agreement or (ii) if the Company fails to pay PDP or receive the delivery of aircraft, then Airbus may terminate the agreement.

Assignment:

The Company may assign its rights in order to guarantee the PDP financing and payment of the final price and assign aircraft or novate its rights and obligations under the agreement by way of a notice to Airbus.

Affiliation:

Not an affiliated party.

d. A320 Purchase Agreement between the Company and Airbus dated 2 August 2011, as amended from time to time and the last amendment with Amendment Agreement to A320 Purchase Agreement No. DS/PERJ/DE-3760/2012 dated December 2012

Parties:

- i. The Company as the purchaser; and
- ii. Airbus as the seller

Scope:

The Company agrees to purchase 15 units of A320-200 aircraft and will have an option to purchase 10 A320-200 equipped with new engine that is still currently being developed by Airbus, whereby purchase will be carried out by Citilink, provided that the ownership of shares in Citilink by the Company has not changed. The Company must notify Airbus within 10 working days if (i) the Company is no longer the majority shareholder in Citilink; or (ii) the Company no longer controls Citilink.

Price and Payment:

Consists of base price (airframe) and engine where the final price will be determined at the time of delivery based on formula specified in the Agreement. Payments are made by (i) predelivery payments, including commitment fee and deposit which has been paid by the Company amounting to USD1,500,000 at the time and amount as stated on the formula specified in the Agreement; and (ii) the remainder upon delivery of aircraft.

Delivery:

Prior to delivery, Airbus will hold a technical acceptance process and the Company will sign the certificate of acceptance on or before the date of submission. Airbus will prepare the aircraft to be ready at Airbus plant according to delivery schedule, namely:

- i. 2 units of A330-200 at 3rd quarter 2014;
- ii. 3 units of A330-200 at 4th quarter 2014;
- iii. 2 units of A330-200 at 1st quarter 2015;
- iv. 1 units of A330-200 at 2nd quarter 2015;
- v. 1 units of A330-200 at 3rd quarter 2015;
- vi. 1 units of A330-200 at 4th quarter 2015;
- vii. 2 units of A330-200 at 1st quarter 2016;
- viii. 1 units of A330-200 at 2nd quarter 2016;
- ix. 1 units of A330-200 at 3rd quarter 2016;
- x. 1 units of A330-200 at 4th quarter 2016;
- xi. 5 units of A330-200 with new aircraft engine option in 2017;
- xii. 5 units of A330-200 with new aircraft engine option in 2018.

The aircraft will be considered to have been delivered to the Company after certificate of acceptance is issued and Airbus aircraft get the final settlement price. If the Company fails to deliver the certificate of acceptance or pay off the rest of the aircraft payment, the Company is deemed to have rejected the submission and reserves the right to hold the title above Airbus aircraft.

The Company understands that the delivery schedule above assumes that there are no delays and that Airbus is not responsible for delays caused by matters beyond its control.

Certification:

The aircraft has obtained a type certificate from the European Aviation Safety Agency (EASA) and the aircraft will be delivered to the Company along with Export Airworthiness Certificate for export from the authority where the aircraft will be handed over. Airbus will try to obtain a certificate validation of Export Airworthiness Certificate.

Manufacturer's Warranty:

Airbus guarantees the aircraft and its parts made and designed by Airbus and Airbus sub-contractors are without defects in materials, workmanship, design, and defects arising from non-compliance with the design, but does not include equipment that is ordered directly by the Company or engine. The warranty period is 36 (thirty six) months from the delivery and in accordance with the procedures set forth in the agreement. Compensation rights is limited to cost of repair or replacement of defective parts or free repair by Airbus. Airbus is not responsible for, and the Company shall be exempt Airbus from claims of third parties with respect to disability or non-compliance arising out of or in connection with repairs or other actions undertaken by the Company.

Termination:

Termination occurs in conditions stated below: (i) if one party is declared bankrupt or designated administrator/curator over its assets, which the other party may terminate the agreement, (ii) if the Company fails to pay PDP or receive the delivery of aircraft, Airbus may terminate the agreement.

Assignment:

The Company may divert its rights in order to guarantee the PDP financing and payment of the final price and divert aircraft or novate its rights and obligations under the agreement by notice to Airbus.

Affiliation:

Not an affiliated party.

e. Bombardier CRJ1000 Purchase Agreement between the Company and Bombardier Inc. ("Bombardier") dated January 31, 2012 (PA 0812)

Parties:

1. The Company as the purchaser
2. Bombardier as the seller

Scope:

6 units of Bombardier CRJ1000 NextGen ("CRJ1000") which is prepared in accordance with the specifications agreed upon by the parties.

Price and Payment:

The base price of each CRJ1000 aircraft is based on price list as of January 1, 2011 amounted to USD47,785,500. The price of the additional feature of the Company as of January 1, 2011 amounted to USD1,747,212. The total price for one CRJ1000 aircraft amounted to USD49,532,712 before tax ("Aircraft Price").

For each aircraft, payments are made in the following way:

- i. 1% from Aircraft price paid at the purchase agreement signing of CRJ1000;
- ii. 2% from Aircraft price paid at 24 months prior to delivery;
- iii. 2% from Aircraft price paid at 18 months prior to delivery;
- iv. 2,5% from Aircraft price paid at 12 months prior to delivery;
- v. 2,5% from Aircraft price paid at 9 months prior to delivery;
- vi. 5% from Aircraft price paid at 6 months prior to delivery.

Aircraft Price will be increased until the end of the month in which the flight is being offered to the Company for inspection and acceptance using the increasing price percentage of 3.5% per year.

Delivery:

The Company will be given offers by Bombardier to conduct inspection and acceptance at the Bombardier facility at Mirabel, Quebec, Canada in accordance with the agreed delivery schedule, namely:

- i. 2 units of CRJ1000 in October 2012;
- ii. 1 units of CRJ1000 in November 2012;
- iii. 1 units of CRJ1000 in August 2013;
- iv. 1 units of CRJ1000 in September 2013;
- v. 1 units of CRJ1000 in June 2014.

Certification:

Bombardier has or will acquire (a) transport category type certificate; (b) the type certificate from the U.S. Federal Aviation Administration (FAA), (c) the type certificate from the European Aviation Safety Agency (EASA).

Bombardier will deliver to the Company (export certificate Airworthiness) for export of CRJ1000 aircraft to Indonesia on the delivery date.

Termination:

The Agreement may be terminated by either party, in whole or in part, in connection with any or all CRJ1000 prior to the date of delivery by giving written notice to the other party, if:

- i. the other party divert for the benefit of creditors or acknowledge in writing of its inability to pay its debts or is generally not paying its debts as they fall due;
- ii. receiver or the party which is appointed for the other party or assets of other party and, if appointed without the consent of the other party, such appointment is not dismissed for 30 calendar days;
- iii. legal proceedings based on any law in connection with bankruptcy, insolvency or reorganization filed against the other party, and if opposed by the other party, not dismissed or remain lasted for 30 days, or

- iv. execution or similar process is issued against the other party or a significant portion of the property and not dismissed, removed or released within 30 days.

Bombardier may terminate the agreement prior to the date of delivery of CRJ1000 aircraft that have not been delivered, if:

- i. The Company violated ongoing payment obligations during 10 days from the maturity date of the payment obligation, or
- ii. The Company violated the terms/conditions which are material and such breach is not remedied within 10 days.

Assignment:

The Company may not divert, sell, transfer, encumber or dispose of any rights or obligations hereunder without the consent of Bombardier.

Affiliation

Not an affiliated party.

2. **Aircraft Lease Agreement**

As of the date of this due diligence report, the Company has signed an Aircraft Lease Agreement with different Lessors. Below is the Aircraft Lease Agreement which is classified by the Lessor:

a. **Alberta SAS ("Alberta")**

The Company has entered into three (3) sub-lease agreement with Alberta for 3 units of CRJ1000. The agreement is part of the financing structure of the purchase of 3 units of CRJ1000 which the Company acts as Sub-lessee, lease from Alberta, as the Sub-Lessor as described in the table below and Alberta lease the aircraft to the Company. The terms and conditions of the agreements in general are as follows:

Lease:

The Company lease a plane from Alberta for 10 years from the date of delivery until the end of the period, subject to the terms and conditions of the lease agreement.

Company's Obligation:

The Company is obliged to:

- i. Pay for aircraft lease payments including security deposit as guarantee for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Caring for and maintaining the aircraft at its own expense;
- iv. Insuring the aircraft;
- v. Bear all risks associated with any loss, damage, piracy, confiscation, or expropriation of aircraft.

Manufacturer Warranty:

If the lease term has expired, the Company hereby divert and agree to assign to Alberta or the party appointed by Alberta the benefit of the entire collateral provider and the compensation.

Promises:

The Company promises to:

- i. maintain financial ratios under the lease agreements;
- ii. not distribute dividends as long as the earnings is retained at the relevant time which is equal to or less than zero and ensure that, as soon as the dividend is paid and distributed to its shareholders, the minimum percentage of cash of not less than 6%;
- iii. not make aircraft as collateral;
- iv. not sell or divert the aircraft without consent of Alberta;

- v. issue a letter of authority to deregister the aircraft;
- vi. comply with the regulations;
- vii. pay taxes.

Below is the breakdown of each Aircraft Lease Agreement:

No.	Model and Aircraft Serial Number and Engine	Title	Lease Term
1.	CRJ1000 with manufacturer serial number 19025	Aircraft Lease Agreement	120 months since Delivery Date on December 7, 2012
2.	PK-GRA CRJ1000 with manufacturer serial number 19026	Aircraft Lease Agreement	120 months since Delivery Date on December 7, 2012
	PK-GRC		
3.	CRJ1000 with manufacturer serial number 19027	Aircraft Lease Agreement	120 months since Delivery Date on December 7, 2012
	PK-GRE		

Affiliation

Not an affiliated party.

b. NAC Aviation France 1 SAS ("NAC")

The Company has ratified 12 (twelve) operating lease agreement with NAC for 12 units of CRJ1000 where the agreements stipulated the Company as tenant or lessee, leases from NAC, as the lessor of aircraft as described in the table below and NAC lease the aircraft to the Company. The terms and conditions of the agreements in general include the following:

Company's Rights and Obligations:

Company's Rights and Obligations are as follows:

- i. Pay for aircraft lease payments including security deposit as guarantee for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Caring for and maintaining the aircraft at its own expense;
- iv. Insuring the aircraft;
- v. Bear all risks associated with any loss, damage, piracy, confiscation, or expropriation of aircraft.

Events of Default:

- i. Lessee fails to make a payment that has been scheduled and specified in the lease agreement.
- ii. Lessee fails to insure the aircraft or negligent to always keep the aircraft insured.
- iii. Lessee neglect to receive aircraft delivery as agreed, negligent to provide aircraft maintenance status or renew insurance certificate or return the aircraft at the time of lease expiry under conditions agreed between parties.
- iv. Lessee fails to perform its obligations under the lease agreements.
- v. Inaccurate or untrue statements or warranties leads to a state that is not true materially at the time the statements or warranties is made.
- vi. Approval, licenses, certificates or registration on lease agreements obtained by the tenant, or the terms that is required to be obtained by the Lessee related to the lease agreement that is revoked, canceled, suspended, withdrawn, terminated or not renewed or stop behaving lawfully or changed in a manner which in the opinion of lessor brings material impact on the ability of Lessee to meet their obligations under the lease agreements.
- vii. Lessee suspend its activities temporarily or onwards.
- viii. Change of control in the Company with written consent from NAC.

- ix. The Company postpone its obligation to make a payment or fulfill every liability or claim, when it matures.
- x. Any changes that occurs results in material losses and based on Lessor's assessment, it may negatively affect the Company's financial condition.

Country of Aircraft Registry:
Indonesia

Sublease:
Lessee must not sublease the Aircraft without written consent from NAC.

Aircraft Maintenance:
During the lease term, Lessee shall, at its own expense, to maintain, repair, perform service, overhaul, test, and modify the Aircraft and Aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:
Lessee during the lease term is obliged to cover its insurance over the Aircraft and its engines.

Risk:
Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Affiliation:
Not an affiliated party.

Below is the Aircraft operating lease agreement between the Company and NAC:

No.	Model and Aircraft Serial Number and Engine	Title	Lease Value	Lease Term
1.	CRJ1000 with manufacturer serial number 19028 or P0001- 12-2012 PK-GRF	Aircraft Lease Agreement No. DS/PERJ/DE- 3285/2012 dated June 19, 2012	Lease amounting USD250,152 per month.	Starts from December 7, 2012
2.	CRJ1000 with manufacturer serial number 19029 or P0002- 12-2012 PK-GRG	Aircraft Lease Agreement No. DS/PERJ/DE- 3296/2012 dated June 19, 2012	Lease amounting USD250,152 per month	Starts from December 12, 2012
3.	CRJ1000 with manufacturer serial number 19030 or P0003- 12-2012 PK-GRH	Aircraft Lease Agreement No. DS/PERJ/DE- 3297/2012 dated June 19, 2012	Lease amounting USD250,152 per month	Starts from March 7, 2013
4.	CRJ1000 with manufacturer serial number P0004-12-2012 PK – GRI	Aircraft Lease Agreement No. DS/PERJ/DE- 3298/2012 dated June 19, 2012	Lease amounting USD250,152 per month	Starts from April 2013
5.	CRJ1000 with manufacturer serial number P0005-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3299/2012 dated June 19, 2012	Lease amounting USD250,152 per month	Starts from May 2013 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>
6.	CRJ1000 with manufacturer serial number P0006-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3300/2012 dated June 19, 2012	Deposit amounting USD249,500. USD250,152 per month.	Starts from June 2013 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>
7.	CRJ1000 with manufacturer serial number P0007-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3301/2012 dated June 19, 2012	Deposit amounting USD249,500. USD250,152 per month.	Starts from July 2013 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>

No.	Model and Aircraft Serial Number and Engine	Title	Lease Value	Lease Term
8.	CRJ1000 with manufacturer serial number P0008-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3302/2012 dated June 19, 2012	Deposit amounting USD249,500. USD250,152 per month.	Starts from April 2014 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>
9.	CRJ1000 with manufacturer serial number P0009-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3303/2012 dated 19 June 2012	Deposit amounting USD249,500. USD250,152 per month.	Starts from May 2014 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>
10.	CRJ1000 with manufacturer serial number P0010-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3304/2012 dated June 19, 2012	Deposit amounting USD249,500. USD250,152 per month.	144 months since Delivery Date, starts from March 2015 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>
11.	CRJ1000 with manufacturer serial number P0011-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3305/2012 dated June 19, 2012	Deposit amounting USD249,500. USD250,152 per month.	Starts from April 2015 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>
12.	CRJ1000 with manufacturer serial number P0012-12-2012	Aircraft Lease Agreement No. DS/PERJ/DE- 3306/2012 dated June 19, 2012	Deposit amounting USD249,500. USD250,152 per month.	144 months since Delivery Date, starts from May 2015 <i>Note:</i> <i>The Aircraft has not been delivered so the registration code is not available.</i>

c. **ALS France S.A.R.L. ("ALS")**

The Company has entered into 2 (two) operational lease agreements with ALS for 2 aircraft where in the agreements it is arranged that the Company as Lessee, lease from ALS, as the aircraft Lessor as described in the table below and ALS lease the aircraft to the Company. The terms and conditions of the agreements in general are as follows:

Company's Rights and Obligations:

Company's Rights and Obligations are as follows:

- Pay for aircraft lease payments including security deposit as guarantee for the fulfillment of the Company's obligations;
- Bear all costs associated with the operation of the aircraft during the lease term;
- Maintaining the aircraft at its own expense;
- Insuring the aircraft;
- Bear all risks associated with any loss, damage, piracy, confiscation, or expropriation of aircraft.

Events of Default:

- Lessee fails to make a payment that has been scheduled and specified in the lease agreement.
- Lessee fails to insure the aircraft or negligent to always keep the aircraft insured.
- Lessee neglect to receive aircraft delivery as agreed, negligent to provide aircraft maintenance status or renew insurance certificate or return the aircraft at the time of lease expiry under conditions agreed between parties.
- Lessee fails to perform its obligations under the lease agreements.
- Inaccurate or untrue statements or warranties leads to a state that is not true materially at the time the statements or warranties is made.
- Approval, licenses, certificates or registration on lease agreements obtained by the tenant, or the terms that is required to be obtained by the Lessee related to the lease agreement is revoked, canceled, suspended, withdrawn, terminated or not renewed or stop behaving lawfully or changed in a manner which in the opinion of lessor brings material impact on the ability of Lessee to meet their obligations under the lease agreements.

- vii. Lessee suspend its activities temporarily or onwards.
- viii. Change of control in the Company with written consent from ALS.
- ix. The Company postpone its obligation to make a payment or fulfill every liability or claim, when it matures.
- x. Any changes that occurs results in material losses and based on Lessor's assessment, it may negatively affect the Company's financial condition.

Country of Aircraft Registry:
Indonesia

Manufacturer's Warranty:

During the lease term, and as long as there is no event of default, ALS will be made available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to ALS by the manufacturer, supplier, custodians, or other contractors over the aircraft to the extent permitted by ALS.

Sublease:

Lessee must not sublease the Aircraft without written consent from ALS.

Aircraft Maintenance:

During the lease term, Lessee shall, at its own expense, to maintain, repair, perform service, overhaul, test, and modify the Aircraft and Aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

Lessee during the lease term is obliged to cover its insurance over the Aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Affiliation:

Not an affiliated party.

Below is the Aircraft operating lease agreement between the Company and ALS:

No.	Model and Aircraft Serial Number and Engine	Title	Lease Value	Lease Term	Aircraft Owner
1.	30876 Engine Type CFM56-7B27 SAC Serial Number 88173 and 888188 PK-GER		USD305,000 per month paid in advance	From 11 August 2009 to 10 August 2015	Eden Irish Aircraft Leasing MSN 30876 Limited
2.	B737-300 with manufacturer serial number 25039 Engine Type CFM56-3B2 No. Serial 724892 and 725897 PK-GHW	Aircraft Operating Lease Agreement MSN 25039 No. DS/PERJ/DN- 3004/2008 dated January 23, 2008	USD170.000 per month paid in advance added by the maintenance cost		ALS Irish Aircraft Leasing MSN 25039 LTD

d. Aircraft Lease Agreement B737-300 MSN 26440 No. DS/PERJ/DN-3006/2008 dated January 23, 2008

Parties:

- i. The Company as Lessee;
- ii. AerCo France S.A.R.L. as Lessor ("Aerco")

Scope:

Lessee agree to lease Aircraft from Aerco and Aerco agree to lease Aircraft to the Lessee.

Lease Object:

1 unit of Boeing 737-300 with manufacturing serial No. 26440 and 2 engines type CFM56-3B2 with serial number 726422 and 726649, PK-GHX.

Lease Payment per Month:

As set forth in the agreement.

Late Interest Payment:

As set forth in the agreement.

Lease Term:

72 months since the delivery of aircraft to the Lessee or starts from April 2, 2008 to April 1, 2014.

Owner:

Aerco Limited.

Company's Rights and Obligations:

Company's Rights and Obligations are as follows:

- i. Pay for aircraft lease payments including security deposit as guarantee for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Caring for and maintaining the aircraft at its own expense;
- iv. Insuring the aircraft;
- v. Bear all risks associated with any loss, damage, piracy, confiscation, or expropriation of aircraft.

Termination of Agreement:

- i. On the date of expiry of the lease.
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given.
- iii. If there is a total loss after the delivery of aircraft, on the date on when full payment is given to and received by the Lessor.
- iv. If Aerco, terminate the agreement with respect to default by Lessee.

Manufacturer's Warranty:

During the lease term, and as long as there is no event of default, Aerco will be made available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to Aerco by the manufacturer, supplier, custodians, or other contractors over the aircraft to the extent permitted by Aerco.

Sublease:

Lessee must not sublease the Aircraft without written consent from Aerco.

Aircraft Maintenance:

During the lease term, Lessee shall, at its own expense, to maintain, repair, perform service, overhaul, test, and modify the Aircraft and Aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

Lessee during the lease term is obliged to cover its insurance over the Aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Confidentiality:

All the information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisers) without prior written consent of the other party. If the

disclosure is required by the regulation provisions, the parties will enforce the provisions of a commercial nature as the information that is treated with confidentiality.

Affiliation:

Not an affiliated party.

e. Aircraft Lease Agreement No. DS/PERJ/DZ-3351/2010

Parties:

1. The Company as Lessee;
2. ILFC France SARL as lessor ("ILFC France").

Lease Object:

1 unit of Boeing 737-800

Lease Term:

10 years starts from June 21, 2011 to June 20, 2021

Company's Rights and Obligations:

Company's Rights and Obligations are as follows:

- i. Pay for aircraft lease payments including security deposit as guarantee for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Caring for and maintaining the aircraft at its own expense;
- iv. Insuring the aircraft;
- v. Bear all risks associated with any loss, damage, piracy, confiscation, or expropriation of aircraft.

Termination of Agreement:

- i. On the date of expiry of the lease.
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given.
- iii. If there is a total loss to the Aircraft before the delivery date.
- iv. If there is a total loss after the delivery of aircraft, on the date on when full payment is given to and received by ILFC France.
- v. If ILFC France, terminate the agreement with respect to default by Lessee.
- vi. After the lease term ends, Lessor takes over the aircraft or ILFC France terminate the agreement and take possession and control of the aircraft with respect to events of default.

Manufacturer's Warranty:

During the lease term, and as long as there is no event of default, ILFC France will be made available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to ILFC France by the manufacturer, supplier, custodians, or other contractors over the aircraft which may be diverted by ILFC France to the Company.

Aircraft Operational Cost:

Lessee will pay for all costs incurred related to aircraft operation during the lease period to the date of termination of the lease, including but not limited to expenses related to the flight crew, cabin personnel, fuel, oil, lubricants, maintenance, insurance, storage, landing and navigational charges, airport charges, passenger service and all costs of any kind, either directly or indirectly related to the use, movement and aircraft operations.

Sublease:

Lessor will not sublease or part with the aircraft (except related to the maintenance and repair of aircraft) without the prior written consent from ILFC France.

Insurance:

During the lease term, Lessee is obliged to cover its insurance over the Aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Restriction:

- i. Lessee will not sell or hand over substantially all the assets and properties or merge or consolidate with another party if (a) there is an ongoing default, (b) default related to selling, mergers and consolidation is about to take place, or (c) immediately after the sale, merger, or consolidation, enterprise value (net worth) of the Lessee becomes smaller than the net worth of Lessee.
- ii. Lessee will not without the consent of ILFC France, assign, transfer or relinquish possession of the aircraft.
- iii. Lessee will not burden the aircraft with guarantee except with the guarantee that is allowed by ILFC France with respect to the airplane, rights over the aircraft, and the interests that are associated therein.

Confidentiality:

All the information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisers) without prior written consent of the other party. If the disclosure is required by the regulation provisions, the parties will enforce the provisions of a commercial nature as the information that is treated with confidentiality.

Affiliation:

Not an affiliated party.

f. International Lease Finance Corporation ("ILFC")

The Company has entered to 4 operational lease agreement with ILFC for 4 aircraft where in the agreements stipulated that the Company lease aircraft from ILFC as described in the table below and ILFC leases the aircraft to the Company. The terms and conditions of the agreements in general are as follows:

Company's Rights and Obligations:

Company's Rights and Obligations are as follows:

- i. Pay for aircraft lease payments including security deposit as guarantee for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Caring for and maintaining the aircraft at its own expense;
- iv. Insuring the aircraft;
- v. Bear all risks associated with any loss, damage, piracy, confiscation, or expropriation of aircraft.

Termination of Agreement:

- i. On the date of expiry of the lease.
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given.
- iii. If there is a total loss to the Aircraft before the delivery date.
- iv. If there is a total loss after the delivery of aircraft, on the date on when full payment is given to and received by ILFC.
- v. If ILFC, terminate the agreement with respect to default by Lessee.
- vi. After the lease term ends, Lessor takes over the aircraft or ILFC terminate the agreement and take possession and control of the aircraft with respect to events of default.

Manufacturer's Warranty:

During the lease term, and as long as there is no event of default, ILFC will be made available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to ILFC by the

manufacturer, supplier, custodians, or other contractors over the aircraft which may be diverted by ILFC of the Company.

Aircraft Operational Cost:

Lessee will pay for all costs incurred related to aircraft operation during the lease period to the date of termination of the lease, including but not limited to expenses related to the flight crew, cabin personnel, fuel, oil, lubricants, maintenance, insurance, storage, landing and navigational charges, airport charges, passenger service and all costs of any kind, either directly or indirectly related to the use, movement and aircraft operations.

Sublease:

Lessor will not sublease or part with the aircraft (except related to the maintenance and repair of aircraft) without the prior written consent from ILFC.

Insurance:

Lessee during the lease term is obliged to cover its insurance over the Aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Restriction:

- i. Lessee will not sell or hand over substantially all the assets and properties or merge or consolidate with another party if (a) there is an ongoing default, (b) default related to selling, mergers and consolidation is about to take place, or (c) immediately after the sale, merger, or consolidation, enterprise value (net worth) of the Lessee becomes smaller than the net worth of Lessee.
- ii. Lessee will not without the consent of ILFC, assign, transfer or relinquish possession of the aircraft.
- iii. Lessee will not burden the aircraft with guarantee except with the guarantee that is allowed by ILFC with respect to the airplane, rights over the aircraft, and the interests that is associated therein.

Confidentiality:

All the information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisers) without prior written consent of the other party. If the disclosure is required by the regulation provisions, the parties will enforce the provisions of a commercial nature as the information that is treated with confidentiality.

Affiliation:

Not an affiliated party.

Below is the Aircraft operating lease agreement between the Company and ILFC:

No.	Model and Aircraft Serial Number and Engine	Title	Lease Term	Aircraft Owner
1.	PK-GEH	Aircraft Lease Agreement MSN 30643 No. DS/PERJ/DZ-3132/2008 dated June 27, 2008	8 years since delivery date starts from July 10, 2008 to July 9, 2016	International Lease Finance Corporation
2.	PK-GEG	Aircraft Lease Agreement MSN 30033 No. DS/PERJ/DZ-3131/2008 dated June 27, 2008 as equipped with Side Letter No. DS/PERJ/DZ-3134/2008 dated June 27, 2008	8 years since delivery date starts from September 2, 2008 to September 1, 2016	International Lease Finance Corporation
3.	PK-GPJ	Aircraft Lease Agreement MSN 988 No. DS/PERJ/DZ-3074/2009 dated April 6, 2009 as amended in Amendment 1 over Aircraft Lease Agreement No. DS/PERJ/AMEND-1/DZ-3074/2009 in April 2009	86 months since delivery date starts from April 24, 2009 to June 23, 2016	International Lease Finance Corporation
4.	PK-GPK	Aircraft Lease Agreement MSN 1028 No. DS/PERJ/DZ-3075/2009 dated April 6, 2009 as	7 years since delivery date starts from July 21, 2009 to July 20,	International Lease Finance Corporation

No.	Model and Aircraft Serial Number and Engine	Title	Lease Term	Aircraft Owner
		amanded in Amandment 1 over Aircraft Lease Agreement dated July 21, 2009	2016	

g. Aircraft Lease Agreement MSN 1020 No. 05/PERJ/DZ-3126/2009 dated June 3, 2009.

Parties:

- i. The Company as Lessee;
- ii. Nice Location S.A.R.L as Lessor.

Scope:

Lessee agrees to lease the aircraft from Lessor and Lessor agree to lease aircraft to the Lessee.

Lease Object:

1 unit of Airbus 330-200 MSN 1020.

Late Interest Payment:

As set forth in the agreement.

Lease Term:

84 months since the delivery date, starts from June 29, 2009 to June 28, 2016.

Aircraft Delivery Schedule:

June 2009 in Blagnac, Perancis.

Owner:

Jet Stream Aircraft Leasing Limited.

Termination of Agreement:

- i. On the date of expiry of the lease.
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given.
- iii. If there is a total loss after the delivery of aircraft, on the date on when full payment is given to and received by the Lessor.
- iv. If Lessor terminates the agreement with respect to default by Lessee.

Manufacturer's Warranty:

During the lease term, and as long as there is no event of default, Aerco shall make available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to Aerco by the manufacturer, supplier, custodians, or other contractors over the aircraft to the extent permitted by Aerco.

Sublease:

Lessee must not sublease the Aircraft without written consent from Lessor.

Aircraft Maintenance:

During the lease term, Lessee shall, at its own expense, to maintain, repair, perform service, overhaul, test, and modify the Aircraft and Aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

Lessee during the lease term is obliged to cover its insurance over the Aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Assignment:

Lessee is not allowed to divert, novate, assign, sell or transfer or charge as guarantee for all the rights and obligations under the lease agreements.

Confidentiality:

All the information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisers) without prior written consent of the other party. If the disclosure is required by the regulation provisions, the parties will enforce the provisions of a commercial nature as the information that is treated with confidentiality.

Affiliation:

Not an affiliated party.

h. Aircraft Lease Agreement MSN 1052 No. DS/PERJ/DZ-3138/2009 dated June 12, 2009

Parties

- i. The Company as Lessee;
- ii. Biarritz Location S.A.R.L as Lessor.

Lease Object

1 unit of Airbus 330-200 MSN 1052.

Late Interest Payment:

As set forth in the agreement.

Lease Term:

84 months since the delivery date, starts from October 30, 2009 to October 29, 2016.

Aircraft Delivery Schedule:

October 2009 in Blagnac, France.

Owner:

Jet Stream Aircraft Leasing Limited, leased to Streamline Aircraft Leasing Limited, and leased through intermediate lease to Biarritz Location S.A.R.L

Termination of Agreement:

- v. On the date of expiry of the lease.
- vi. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given.
- vii. If there is a total loss after the delivery of aircraft, on the date on when full payment is given to and received by the Lessor.
- viii. If Lessor terminates the agreement with respect to default by Lessee.

Manufacturer's Warranty:

During the lease term, and as long as there is no event of default, Lessor will be made available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to Lessor by the manufacturer, supplier, custodians, or other contractors over the aircraft as long as agreed by Lessor.

Sublease:

Lessee must not sublease the Aircraft without written consent from Lessor.

Aircraft Maintenance:

During the lease term, Lessee shall, at its own expense, to maintain, repair, perform service, overhaul, test, and modify the Aircraft and Aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

Lessee during the lease term is obliged to cover its insurance over the Aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Assignment:

Lessee are not allowed to divert, novate, assign, sell or transfer or charge as guarantee for all the rights and obligations under the lease agreements.

Confidentiality:

All the information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisers) without prior written consent of the other party. If the disclosure is required by the regulation provisions, the parties will enforce the provisions of a commercial nature as the information that is treated with confidentiality.

Affiliation:

Not an affiliated party.

i. CIT Group Location (France) SAS ("CIT") and Centennial Aviation (France) 2 SARL ("CA2")

The Company has entered into 6 operational lease agreement with CIT for 6 aircraft and 1 operational lease agreement with CA2 for 1 aircraft, where in the agreements stipulated that the Company lease aircraft from CIT and CA2 as described in the table below and CIT and CA2 lease the Aircraft to the Company. The terms and conditions of the agreements in general are as follows:

Aircraft Delivery:

Aircraft must be delivered to the Company at Delivery Date according to the terms. Prior to the delivery of the aircraft, the Company reserves the right to inspect the aircraft and ensure that the aircraft that will be delivered meet the requirements of the Company (pre-delivery inspections). Aircraft lessor obligation to deliver to the Company subject to the following:

- i. The aircraft has met the requirements of the Company;
- ii. No events of default; and
- iii. No material changes to the Company's financial condition or the Company's condition from the signing date of the agreement until the date of delivery.

Aircraft Maintenance:

During the lease term, Lessee shall, at its own expense, to maintain, repair, perform service, overhaul, test, and modify the Aircraft and Aircraft engines in accordance with the terms and conditions set forth in the Manufacture Repair Manuals.

The Company's Obligations:

- i. Submit the annual financial statements within 180 days since the end of financial statements period;
- ii. Submit the mid-year financial statements within 60 days since the end of financial statements period;
- iii. Proclaim the existence of litigation or dispute before the competent government agencies that may affect the ownership of the owner or Lessee over the plane, and
- iv. Submit aircraft usage reports.
- v. The Company is obliged to operate the aircraft in accordance with the regulation and use the aircraft in accordance with the license;
- vi. Not use equipment that is contrary to the usage manual or instruction, or Airworthiness certificate;
- vii. Ensure that all employees who deal directly with the aircraft has the qualifications and licenses in accordance with the regulations;
- viii. Using aircraft solely for transporting passengers and operate cargo operate based on the laws and regulations;
- ix. Obtain and maintain all licenses required to conduct its business;
- x. The Company is obliged to repair and maintain aircraft, along with its equipment in accordance with Maintenance Program and Manufacture's Repair Manual;

- xi. Keep and maintain aircraft, with the following equipment in a good condition;
- xii. Submit the mid-year financial statements and annual financial reports to the Lessor, and
- xiii. Submit aircraft usage reports.

Registration:

At the time of delivery, the Company is obliged to register the aircraft in the Republic of Indonesia for the benefit of the Lessor. The Company is obliged to pay the necessary expenses to maintain the registration during the lease term.

Restriction:

Lessee is not allowed to stop either temporarily or onwards of its business activities as a passenger and cargo commercial airline.

Insurance :

During the lease term, the Company is obliged to cover insurance over the aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Confidentiality:

Lessee will undertake best effort to maintain the confidentiality of commercial information in the agreement except with the prior consent of the Lessor.

Affiliation:

Not an affiliated party.

The agreement below contains provisions that are similar as the above in general:

No.	Model and Aircraft Serial Number and Engine	Title	Lease Term	Aircraft Owner
1.	Airbus 330-200	Aircraft Lease Agreement No. DS/PERJ/DZ-3305/2009 dated November 24, 2009	10 years since delivery date, starts from December 15, 2010 to December 14, 2020	CIT Aerospace International
2.	PK-GPL Boeing B737-800	Aircraft Lease Agreement No. DS/PERJ/DZ-3196/2008 dated December 5, 2008 as last amended by Aircraft Lease Amendment in Agreement No. 2 dated October 1, 2009	8 years since delivery date, starts from January 22, 2009 to January 21, 2017	CIT Aerospace International
3.	PK-GEL Boeing B737-800	Aircraft Lease Agreement No. DS/PERJ/DZ-3197/2008 dated December 5, 2008 as last amended by Lease Novation and Amendment Agreement dated February 2, 2011 <i>Note:</i> <i>Lessor changes from CIT to Centenial Aviation (France) 1 SARL</i>	8 years since delivery date, starts from March 23, 2009 to March 22, 2017	CIT Aerospace International
4.	PK-GEM manufacture No. 29929	Aircraft Lease Agreement No. DS/PERJ/DZ-3193/2008 August 2008 as last amended with Lease Novation and Amendment Agreement dated February 2, 2011 <i>Note:</i> <i>Lessor changes from CIT to Centenial Aviation (France) 1 SARL</i>	8 years since delivery date, starts from April 27, 2009 to April 26, 2017	CIT Aerospace International
5.	PK-GEN	Aircraft Lease Agreement	8 years since delivery date,	CIT Aerospace

No.	Model and Aircraft Serial Number and Engine	Title	Lease Term	Aircraft Owner
	PK-GEO	No.DS/PERJ/DZ-3194/2008 dated December 5, 2008 as last amended by Amendment Agreement No. 2 dated October 1, 2009	starts from May 19, 2009 to May 18, 2017	International
6.	PK-GEP	Aircraft Lease Agreement No. DS/PERJ/DZ-3195/2008 dated December 5, 2008 as last amended by Lease Novation and Amendment Agreement No. DS/PERJ/DE-3091/2013 <i>Note:</i> <i>Lessor changes from CIT to La Victoire 3 Holding SARL</i>	8 years since delivery date, starts from February 9, 2009 to February 8, 2017	CIT Aerospace International
7.	Airbus A330-200	Aircraft Lease Agreement No. DS/PERJ/DZ-3643/2010 in December 2010 with CA2	10 years since delivery date, starts from November 10, 2011 to November 9, 2021	CIT Aerospace International
	PK-GPN			

j. GECAS (France) SARL (“GECAS”)

The Company has entered to 14 operational lease agreement with GECAS for 14 aircrafts where in the agreements stipulated that the Company lease aircraft from GECAS as described in the table below and GECAS leases the aircraft to the Company. The terms and conditions of the agreements in general are as follows:

Habitual Base of the Leased Aircraft:
Jakarta, Indonesia.

Annual Principal Usage of the Aircraft:
3.000 Flight Hours each year assuming a ratio of 2 flight hours to 1 cycle ratio where if the actual usage exceeds the assumed usage, Lessee shall pay additional fee as specified in the agreement.

Penalties for Late Payment:
3% (three percent) above the prime lending rate of Citibank, N.A.

Manufacturer’s Warranty:
During the lease term, and as long as there is no event of default, Lessor shall make available to the Lessee all existing warranties and any supporting products with respect to the Aircraft given to Lessor by the manufacturer of the aircraft to the extent permitted by Lessor.

In the event of continuing default, Lessor is entitled to request for refund from the Lessee in respect of all claim related to manufacturer’s warranty paid to the Lessee regarding the defect on aircraft that have not been fully repaired by Lessee.

Sublease:
Lessee must not sublease the Aircraft without written consent from Lessor.

Aircraft Maintenance:
During the lease term, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, for the aircraft in accordance with the maintenance program of the Lessee so that aircraft is in an acceptable condition for operations and meet all regulations and Airworthiness qualifications in accordance with the other terms and conditions set forth in the agreement. If the sum of additional lease fee is insufficient to cover the cost of aircraft maintenance, Lessee shall also bear the maintenance cost as defined in the Agreement.

Insurance:
Lessee during the lease term is obliged to cover insurance over the Aircraft in accordance with best practice in the industry and terms and conditions set forth in the Agreement.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of Aircraft.

Terms and Conditions:

The Agreement covers terms and conditions of the Lessee which includes:

- i. Lease and interest coverage ratio (as defined in the agreement) over 1.0:1 for the year 2008 and onwards;
- ii. Lessee will not declare himself as the owner of Aircraft or have similar economic interests with the ownership of the Aircraft for tax purposes or other purposes;
- iii. In connection with the financing facilities from ECA, FRN, Export Development Canada Loan, BNI, and Bank Mandiri including restructuring, the position of the Lessor is not as the subordinated creditors compared to other creditors and Lessor shall notify the general content of the restructuring agreement.

Early Termination Option :

Without overruling other terms set forth in the agreement, the Company has rights to terminate the lease over Leased Aircraft that on or after the 5th year since Delivery Date ("Early Termination Date"), with the following conditions:

- i. The Company will provide a written notice ("Termination Notice") to the Lessor related to Early Termination Date in a period of at least nine (9) months prior to the date of the Early Termination Date.
- ii. Within 3 (three) working days after submitting the Termination Notice as mentioned above, Lessee shall pay Early Termination Fee to the Lessor as agreed.
- iii. There are no Events of Default which occurs and takes place.

Letter of Quiet Enjoyment:

Prior to the delivery date of the Leased Aircraft, Lessor shall provide the Company with a letter of Quiet Enjoyment from the Owner stating that as long as there is no Event of Default, Owner will not interfere with the rights of the Company to control and use the Leased Aircraft throughout the lease term.

Redelivery Location:

Jakarta, Indonesia, or other place agreed upon between the Company and the Lessor in writing, provided at the time of redelivery, the United States or the European Community issued a ban on visits to Jakarta, then in this case the redelivery location is in Singapore (The lease cost of transporting aircraft to Singapore will be borne by Lessor).

Interchange of Engines and Parts:

Besides the engine replacement by Lessee as agreed in Clause 8.11 Common Terms Agreement, Lessee is allowed during Lease Term to replace the aircraft engine with the engine with similar type (and the same year and usability) that are owned by Owner and operated by Lessee or companies that are directly or indirectly owned by General Electric Company, and put back the old engine on the Aircraft on the date of termination of this agreement.

Default:

In the event of default, Lessor reserves the right to terminate the deal, filed a lawsuit to ensure the Lessee to perform its obligations or to ask for compensation for retracting the Aircraft. Lessee is required to deregister the Aircraft at the request of Lessor.

Events of default, among others, includes: (i) cross default, the Lessee defaults on the financing agreement over USD5,000,000 (five million United States Dollars) at the due date or any time faster than that; and (ii) insolvency, including Lessee requests for voluntary scheme of arrangement.

Affiliation:

Not an affiliated party.

The agreement below contains provisions that are similar as the above in general:

No.	Model and Aircraft Serial Number and Engine		Title		Lease Term		Aircraft Owner
1.	Boeing 29883	B737-800 No.	No.	Aircraft Specific Lease Agreement dated December 4, 2008	84 months since Rent Commencement Date, starts from March 12, 2009 to March 11, 2016		Celestial Aviation Trading 14 Limited
2.	PK-GEI Boeing 737-800 No. 33003			Aircraft Specific Lease Agreement dated December 4, 2008	84 months since Rent Commencement Date, starts from May 5, 2009 to May 4, 2016		Celestial Aviation Trading 14 Limited
3.	PK-GEJ Boeing 737-800 No. 32659			Aircraft Specific Lease Agreement dated February 18, 2009	84 months since Rent Commencement Date, starts from May 8, 2009 to March 11, 2016		Celestial Aviation Trading 28 Limited
4.	PK-GEQ Boeing 737-800 No. 39390			Aircraft Specific Lease Agreement dated August 19, 2009 as last amended by Aircraft Lease Novation and Amendment Agreement dated March 15, 2011	144 months since Rent Commencement Date, starts from July 27, 2010 to July 26, 2022		Charlie Aircraft Management Limited
	PK-GFC			<u>Note:</u> Lessor changes from GECAS to BBAM Aircraft Holdings 130 SARL			
5.	Boeing 36804	B737-800 No.	No.	Aircraft Specific Lease Agreement dated August 19, 2009 as last amended by Aircraft Lease Novation and Amendment Agreement dated March 15, 2011	144 months since Rent Commencement Date, starts from August 20, 2010 to August 19, 2022		Alpha Aircraft Management Limited
	PK-GFE			<u>Note:</u> Lessor changes from GECAS to BBAM Aircraft Holdings 130 SARL			
6.	Boeing 36549	B737-800 No.	No.	Aircraft Specific Lease Agreement dated August 3, 2009	144 months since Rent Commencement Date, starts from July 14, 2010 to July 13, 2022		Celestial Aviation Trading 1 Limited
	PK-GFA						
7.	Boeing 37885	B737-800 No.	No.	Aircraft Specific Lease Agreement dated August 19, 2009	144 months since Rent Commencement Date, starts from October 28, 2010 to October 27, 2022		Celestial Aviation Trading 57 Limited
	PK-GFJ						
8.	Boeing 36805	B737-800 No.	No.	Aircraft Specific Lease Agreement dated August 19, 2009	144 months since Rent Commencement Date, starts from October 21, 2010 to October 20, 2022		Celestial Aviation Trading 62 Limited
	PK-GFI						
9.	Boeing 38033	B737-800 No.	No.	Aircraft Specific Lease Agreement dated July 5, 2010	144 months since Rent Commencement Date, starts from April 15, 2011 to April 14, 2023		Celestial Aviation Trading 17 Limited
	PK-GFN						
10.	Boeing 39403	B737-800 No.	No.	Aircraft Specific Lease Agreement dated July 5, 2010	144 months since Rent Commencement Date, starts from June 15, 2011 to June 14, 2023		Celestial Aviation Trading 17 Limited
	PK-GFO						
11.	Boeing 36830	B737-800 No.	No.	Aircraft Specific Lease Agreement dated July 5, 2010	144 months since Rent Commencement Date, starts from December 9, 2011 to December 8, 2023		Celestial Aviation Trading 18 Limited
	PK-GFS						
12.	Boeing 38032	B737-800 No.	No.	Aircraft Specific Lease Agreement dated July 5, 2010	144 months since Rent Commencement Date, starts from December 16, 2011 to December 15, 2023		Celestial Aviation Trading 18 Limited
	PK-GFT						
13.	Boeing 737-800 No. 37887			Aircraft Specific Lease Agreement dated August 3, 2009 as last amended by Aircraft Lease Novation and	144 months since Rent Commencement Date, starts from November 17, 2010 to November 16, 2022		Aptree Aviation Trading 3 Limited Co.
	PK-GFK						

No.	Model and Aircraft Serial Number and Engine	Title	Lease Term	Aircraft Owner
14.	Boeing B737-800 No. 36808 PK-GFL	Amendment Agreement dated March 14, 2013 <u>Note:</u> Lessor changes from GECAS to GY Aviation Lease (France) SARL Aircraft Specific Lease Agreement dated August 3, 2009 as last amended by Aircraft Lease Novation and Amendment Agreement dated March 15, 2011 <u>Note:</u> Lessor changes from GECAS to GY Aviation Lease (France) SARL	144 months since Rent Commencement Date, starts from December 22, 2010 to December 21, 2022	Aptree Aviation Trading 3 Limited Co.

k. AWAS (France) Two SARL ("AWAS")

The Company has entered into 4 operating lease agreements with AWAS; in these agreements the Company is subject to the following general terms and conditions:

Aircraft Maintenance:

The Company will, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the Manufacturer's Maintenance Programs and Repair Manuals.

Registration:

At the time of delivery, the Company is obligated to register the aircraft in the Republic of Indonesia for the benefit of AWAS. The Company is obligated to bear the necessary expenses to maintain such registration during the term of the lease.

Insurance:

During the term of the lease, the Company is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee shall bear all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Assignment:

The Company may not assign, renovate, pledge or transfer of similar interest in the Aircraft Lease Agreement.

Events of Default:

- i. The Company fails to make scheduled payment within a period of 2 days from the payment due date
- ii. The above negligence continues 5 days since the date of notification from AWAS.
- iii. The Company neglected to insure the aircraft.
- iv. The Company fails to comply with the terms of payment of Security Deposit;
- v. The Company fails to return the aircraft at the time of expiry of the lease in a condition that has been agreed upon by the parties.
- vi. The Company substantially suspended flights operation or franchise, concession, permit, right or benefit if the normal course of business is revoked, canceled or terminated.
- vii. The Company provides representations and warranties that are not true.
- viii. The Company is bankrupt or in the process of bankruptcy whether voluntarily or not.
- ix. The Company failed to maintain the aircraft in accordance with the prevailing regulation.
- x. The Company fails or neglects to fulfill its obligations under the agreement.

Upon occurrence of events of default, AWAS is entitled to:

- i. To terminate its obligation to lease aircraft to the Company with prior written notice to the Company if the default occurred before delivery;
- ii. To propose bringing the events of default to the court;

- iii. To terminate the aircraft lease agreement and take over the aircraft where it is located;
- iv. To perform all the necessary actions to correct the default;
- v. To request the Company to pay the due amounts under the agreement, and
- vi. To request the Company to provide compensation.

Confidentiality:

As long the Lease Agreement is still in effect all the information relating to this Lease Agreement shall be kept confidential and the parties and affiliates will maintain the non-disclosure of information to any other party without the written consent of the other party. Except for:

- i. Directors, officers, employees, assignee and agent from AWAS, the Company or its affiliates (directly or indirectly);
- ii. Auditor, accountant or legal counsel of AWAS, lessee or its affiliate (directly or indirectly);
- iii. Creditor / financing party, the purchaser or assignee of AWAS, the Company or its affiliates, including but not limited to the provision of financial information about the Company;
- iv. Rating agencies in connection with a top rating AWAS or Owner;
- v. Parties which AWAS or the Company may be required by law, governmental regulation or court decision or other legal process.

Affiliation:

Not an affiliated party

Below are details of the Company's aircraft that are leased from AWAS:

No.	Aircraft Model and Serial Number	Agreement	Lease Period
1.	Airbus A330-200 No.1214	Aircraft Lease Agreement dated 14 December 2009	12 years since the delivery date, which is April 14, 2009 until April 13, 2021
	PK-GPM		
2.	Boeing B737-800 No. 39416	Amended and Restated Aircraft Lease Agreement dated September 12, 2011	12 years since the delivery date, which is September 19, 2011 until September 18, 2023
	PK-GFQ		
3.	Boeing B737-800 No. 39417	Amended and Restated Aircraft Lease Agreement dated October 11, 2011	12 years since the delivery date, which is October 17, 2011 until October 16, 2023
	PK-GFR		

I. G.I.E. SULAWESI (Sulawesi)

The Company has entered into several operating lease agreements with Sulawesi; in these agreements the Company leases a group of aircraft as described in the table below and Sulawesi leases out the aircraft to the Company. The terms and conditions of the agreements in general include the following:

The Company's Rights and Obligations:

- i. During the Lease Term, the Company shall pay to Sulawesi lease payable by way of installments in U.S. Dollars for each leased aircraft on each Payment Date and Additional Payment Date as well as the Expire Date with the outstanding amount calculated in accordance to the provisions in Schedule 3 of the agreements. If the Company fails to pay each due amounts on the specified date, the Company is required to pay interest on the owed amount based on Relevant Rate of Interest;
- ii. Obligated to immediately pay all costs and expenses associated with the leased aircraft and the implementation of the Company's obligations;
- iii. Obligated to pay the tax charged or levied against or associated with the leased aircraft, any payments made based on the Lessee Documents or any transactions arranged under the Lessee Documents;
- iv. During the Lease Term, the Company is obligated to maintain, repair and overhaul of the leased aircraft in accordance with approved maintenance program by qualified personnel acceptable to the aviation authority;
- v. Obligated to immediately replace any installed Engine or Part on the Airframe or any engine that can not be used anymore, lost, destroyed, seized, unrepairable or worn out or not appropriate, with repairable parts and the same type as the original approved by the aviation authority to be attached to the Airframe;

- vi. Obligated to ensure that any installed Engine or Part on the Airframe or any Engine will not at any time be moved apart from all associated with maintenance, repair, overhaul or trial, or modifications, changes or replacement for the Airframe or Engine as permitted by the agreement;
- vii. Obligated to perform any act as needed to prove the existence of Sulawesi's and/or the Security Trustee's interest over the leased aircraft or to protect those interests from third -party claims, by making a name plate not less than 10 cm x 7 cm in an acceptable place in the leased aircraft's cockpit which state that " the leased aircraft is the property of Sulawesi and pledged to the Security Trustee", and also a name plate not less than 10 cm x 7 cm in an acceptable place by the Engine which state that " this Engine is the property of Sulawesi and pledged to the Lenders " and not covered by paint;
- viii. Obligated to ensure that : (a) The leased aircraft is registered by the name of Sulawesi with the aviation authority under the laws of Indonesia by recording the Company's interests as the operator of the leased aircraft and the Security Trustee's interest as the insured, and (b) Mortgage has been recorded with the aviation authority based on the State's laws and regulations and the Company will not, and with best efforts prevent any third party to do anything that may harm or cancel the registration;
- ix. During the Lease Term, obligated to cover the insurance cost which includes the All - Risk Hull and War Risks Hull insurance with coverage of not less than 115% of the maximum amount of Termination Sum as well as All- Risk (including War and Allied Risk) with full insurance coverage matching the replacement value, for the interest of Sulawesi and the Security Trustee, including insurance against third party aircraft, passengers, baggage, cargo, mail and airline general third party liability (including products liability) with coverage amount of USD750,000,000 (seven hundred and fifty million United States Dollars) for each accident;
- x. Obligated to bear the entire risk of each loss, destruction, hijacking, theft, confiscation, arrest or prosecution, or damage to the leased aircraft and for each occurrence of any nature that would preclude the Company or the operator of the leased aircraft during the use or possession of the leased aircraft;
- xi. Obligated to return the leased aircraft at the expiration of the Lease Term on the Company's own expense to Sulawesi at a Western European airport that has been designated by Sulawesi, and the Company shall provide the necessary assistance to Sulawesi in connection with the registration's revocation and the delivery of the leased aircraft from the state of registration.

Implementation Procedures for Achievement:

All parties' achievement implementations are as follows:

- i. On the Delivery Date, the Manufacturer delivers the leased aircraft to Sulawesi and soon after, the leased aircraft is delivered and received by the Company;
- ii. A Rent and Additional A Rent payment
 - On each Payment Date that falls on or after the Effective Date during the Lease Term, the Company shall pay to Sulawesi in installments over British A Rent, French A Rent and German A Rent, which for each Payment Date, each such installment's amount is according to that stipulated in the agreement. According to the agreement, the "**Effective Date**" is the date of the agreement by written confirmation from Sulawesi to the Company stating that the whole condition specified in Section 4.1 the agreement have been fulfilled by the Company, provided that the Effective Date is not later than November 30, 2001;
 - On each Additional Payment Date, the Company shall pay to Sulawesi in installments over Additional British A Rent, Additional French A Rent and Additional German A Rent; the amount for each installment on every Additional Payment Date is in accordance with that set out in this agreement.
- iii. During the Lease Term, the Company shall pay to Sulawesi for each Payment Date that falls on or after the Effective Date and any Additional Payment Date, installments over British B Rent, French B Rent, German B Rent, Commercial Rent and ECA Premia Rent that are calculated based on the provisions of paragraph 3.3 of Schedule 3 of the agreement;
- iv. On the Expiry Date, the Company shall pay to Sulawesi the installments for *Expire Date Rent* which is equal to Commercial Termination Sum on Expiry Date.

The Company's Promises (General Undertakings):

- i. To immediately notify Sulawesi of any event which the Company knows would materially and adversely affect its ability to to perform its obligations based on each Lessee Documents;
- ii. Will acquire or cause to acquire, maintain to remain effective and to comply with all material association with the requirements and restrictions imposed on, or in connection with the approval, authorization, licensing of agencies or government or public authority or court, and perform or cause to be done, whole and everything that every time the action required under applicable regulations to continue the implementation of the obligations of the Company pursuant to the Lessee Documents;
- iii. As soon as possible to convey to Sulawesi, financial and other information relating to the Company and its relationship (including the consolidated financial statements which have been audited for each financial year as of the year 2001 in Indonesian and English and non-consolidated financial statements that have not been audited for every 6 months in Indonesian and English, as Sulawesi may need it at any time and the information is not confidential;
- iv. Will notify in writing to Sulawesi as soon as possible for any changes to the Board of Directors and Commissioners of the Company;
- v. Submit all required application based on the State's applicable to ensure that all payments made by the Company to Sulawesi under the agreement can be free and clear of any deduction associated with taxation;
- vi. Deliver to Sulawesi the status report over leased aircraft and engines every 6 months during the Lease Term and at any time when required by Sulawesi;
- vii. Provide immediately to Sulawesi with any information regarding the location, operation, usage, insurance, maintenance and condition of the leased aircraft at any time required by Sulawesi;
- viii. During the Lease Term, grant permission to Sulawesi and / or agents and / or representatives and provide all necessary facilities to carry out the inspection or supervision of the leased aircraft;
- ix. Within 90 days of the Effective Date and from time to time based on a written request from Sulawesi, to copy all manuals and technical records into the CD-ROM and to send that CD-ROM copies to Sulawesi together with a certificate regarding that from the Company;
- x. Lufthansa Consulting GmbH will be appointed (or another company approved in writing by Sulawesi) as an operational consultant of the Company in connection with its business activities for a period of at least 3 years from January 1, 2001 with the terms and conditions that are acceptable to Sulawesi;
- xi. In the event that the Company was about to take over an aircraft either by way of purchase or lease with a duration of more than 1 year, the Company must notify the Sulawesi.

The Company's Promises (Negative Covenants):

- i. Obligated to take all necessary actions that result in the leased aircraft not to be used for purposes that are not in line or out of tolerance and limits as defined and will operate the leased aircraft in accordance with manuals and technical records;
- ii. Not going to change, withdraw or cancel, or give any waiver or consent based on each Lessee Document without obtaining prior written consent from Sulawesi, with the provision that the Deed Poll can be changed in accordance with its provisions;
- iii. Will result in the leased aircraft not to be operated in, on or over each jurisdiction that violates any embargo or sanction given by the United Nations or EU;
- iv. Will not focus and operate the leased aircraft in jurisdictions other than the State for a period of more than 6 months, except for a time when the leased aircraft is outside the State for maintenance, modification or repair;
- v. Will not conduct or consider itself to have the authority to sell, pledge, lease or or transfer in any other way over the leased aircraft or make, cause or result in other pledge over the leased aircraft (other than the permitted liens);
- vi. The Company will not (and will make the members of the Company Group) cause capital expenditure which the total amount of the capital expenditure of the Company's Group in the financial year in excess of that has been specified for the financial year;
- vii. The Company will not make an agreement where one or more third parties will provide debt of over USD15,000,000 overall for Borrowed Money to the Company without the consent of Sulawesi, except those resulting from business activities of the Company;

- viii. The Company will not provide a loan or otherwise make an investment or contribution in Subsidiaries when these subsidiaries have the adequate funds necessary to run their operations from time to time and the Company shall with best efforts ensure that its Subsidiaries will not withhold funds exceeding the adequate amount necessary to run their operations from time to time.

Engine's Maintenance and Replacement:

During the term of the lease, the Company will maintain, service, repair, and overhaul the aircraft in accordance with the Approved Maintenance Programme with qualified personnels.

The Company will replace any engine part that is attached to the aircraft or aircraft engines that have been damaged, destroyed, or have expired, in a timely manner.

The Company is obligated to make sure every part of the engine that is attached to the aircraft or aircraft engines installed at any time, except during maintenance or repair or testing.

The Company shall ensure that no engine or part that is attached to the aircraft as a replacement unless (i) the replacement engines or parts belong to the Owner, (ii) the replacement engines or parts are also the part of the collateral to the lender.

Sublease:

The Company at any time will not sub-lease, charter, lease or otherwise part of the control or operational control over the leased aircraft at any time, without prior written consent from Sulawesi.

Assignment:

The Company may not assign or otherwise surrender any rights and obligations under the agreement to another party.

Privatization:

If during the Lease Term, any competent Government Entity of the State or the Company announced a transaction that may result in the Company no longer being a State-Owned Enterprise (Subsidiary of the State), the Company shall give notice in writing to Sulawesi, with the Company's best estimation on when the privatization may occur, in which Sulawesi has the right to terminate the Lease Term, except Sulawesi provide its approval to the Company to no longer be a State-Owned Enterprise (Subsidiary of the State). If Sulawesi ended the Lease Term, the Company is obligated to pay the entire amount of lease and other payments due under the agreement and relevant documents and the amount must be as much the amount of the prevailing Termination Sum for the period.

Choice of Law and Jurisdiction:

The prevailing law is English Law.

Affiliation:

Not an affiliated party.

Dispute resolution will be done in accordance with rule and regulation of English law. Both parties agreed to choose the legal position in the courts of England.

The agreements below have provisions that are generally similar to the above provisions:

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Value	Lease Period	Aircraft Owner	Negative Covenants
1.	Airbus A330-300 No. MSN 140 PK-GPC	An Agreement Amending and Restating Aircraft Lease Agreement No. 2 dated February 29, 1996 and amended and restated November 14, 1997 and October 1, 2001 relating to one Airbus Model A 330-300 Aircraft Manufacturers serial number 140 Indonesian registration	N/A	Until December 31, 2016	G.I.E Sulawesi	Privatization

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Value	Lease Period	Aircraft Owner	Negative Covenants
		mark PK-GPG dated December 21, 2010				
2.	Airbus A330-300 No. MSN 165 PK-GPG	An Agreement Amending and Restating Aircraft Lease Agreement No. 2 dated February 29, 1996 and amended and restated November 14, 1997 and October 1, 2001 relating to one Airbus Model A 330-300 Aircraft Manufacturers serial number 165 Indonesian registration mark PK-GPG dated December 21, 2010	N/A	Until December 31, 2016	G.I.E Sulawesi	Privatization
3.	Airbus A330-300 No. MSN 153 PK-GPF	An Agreement Amending and Restating Aircraft Lease Agreement No. 5 dated February 29, 1996 relating to One Airbus Model A330-300 Aircraft MSN 153 Indonesian Registration Mark PK-GPF dated October 1, 2001 ("Sulawesi Aircraft Lease Agreement No. 2")	N/A	Until December 31, 2016	G.I.E Sulawesi	Privatization

m. G.I.E. Sumatera ("Sumatera")

The Company has entered into several operating lease agreements with Sumatera where the Company agreed to lease a set of aircraft from Sumatera as described in the table below and Sumatra leases the aircraft to the Company. The terms and conditions of the agreements generally include the following:

Lease Term:

Valid since the date Sumatera acquired the aircraft from Yamasa Co. Big Lease. Ltd., as the owner of the old aircraft, until December 31, 2010.

Note:

The Company has not obtained documents showing the transfer of rights over the aircraft from Yamasa Co. Big Lease. Ltd to Sumatera

Termination Events:

- i. The Company fails to pay obligations which have matured as set forth in the Agreement or relevant documents as stipulated in the agreement as well.
- ii. The Company does not provide and maintain insurance on the aircraft as specified in the Agreement.
- iii. The Company is unable to pay its obligations on the debt worth more than USD5,000,000 that has matured.
- iv. Approval, permit or registration obtained by the Company from the authorized authority, which the Company requires for to the implementation of this Agreement and the documents related to this Agreement, amended in a manner unacceptable to Sumatera, or not issued, revoked, validity period has expired, not extended or terminated enforceability by the authorized authority.
- v. Company releases or threatened to release all or a material portion part of its assets, either through a single or series of transactions, whether related or not, other than for the purpose of reconstruction or merger which the terms have been approval by Sumatera.
- vi. Plane detained, seized or taken over from the Company's control and the Company fails to release or to regain control of the aircraft within 14 days or agreeable time with Sumatera.
- vii. Aircraft registration canceled without the consent of Sumatera.
- viii. Occurrence of an event that has a material effect on Sumatera, security trustee or other parties whose rights and interests related to the aircraft or the ability of the Company to pay the rent aircraft

at the specified time or the ability of the Company to implement its material obligations under the Agreement and other related documents.

- ix. The Company takes any action or legal proceedings initiated in connection with the bankruptcy, dissolution and the appointment of a liquidator, custodian, curator, administrator, or other equivalent government officials.

The Company's Obligations:

- i. During the Lease Term, the Company shall pay aircraft lease payment to Sumatera on each payment date and additional payment date with amount as specified in Schedule 3 of the Agreement. If the Company fails to pay any amounts due on the specified date, the Company is required to pay interest on the amount payable on the date that is based on the relevant interest rate.
- ii. During the Lease Term, the Company is obliged to maintain, repair and inspection (overhaul) in accordance with the approved aircraft maintenance program with qualified personnels acceptable to the authorities in the field of aviation.
- iii. Shall immediately replace any engine or part that is installed each engine or part of the aircraft fuselage that can not be used anymore, lost, destroyed, seized, unrepairable or worn out, or does not match the specifications, with parts that can be repaired and the same type as originally approved by the authority in the field of aviation to be attached to the fuselage.
- iv. Obligated to ensure that every engine or part that is attached to each section of the engine and fuselage would not be removed at any time except when associated with maintenance, repair, inspection or test, or modifications, changes or replacement of any aircraft fuselage or engine as permitted by this agreement.
- v. Obligated to ensure that : (a) the aircraft is registered under the name Sumatera with the authorized authority in the aviation field based on Indonesian law by recording the interests of the Company as operator of the aircraft and the security trustee as the insured, and (b) guarantees have been recorded with the authority authorities in the field of aviation and the Company with best efforts will ensure that no third party will do anything which could harm or cancel the registration.
- vi. Obligated to return the aircraft at the time of expiry of the lease with its own cost to Sumatera in Western European airports designated by the Sumatera and the Company shall provide the necessary assistance to Sumatera in connection with return shipping and aircraft registration revocation of the competent authority.
- vii. Obligated to return the leased aircraft at the expiration of the Lease Term on the Company's own expense to Sumatera at a Western European airport that has been designated by Sumatera, and the Company shall provide the necessary assistance to Sumatera in connection with the aircraft return delivery and revocation of aircraft registrations by the relevant authority.
- viii. Appoint Lufthansa Consulting GmbH (or another company approved in writing by the Sumatera) as the Company's operational consultant in connection with its business activities for a period of at least 3 years from January 1, 2001.

Sublease:

The Company at any time will not sub-lease, charter, lease or otherwise part of the control or operational control over the leased aircraft at any time, without prior written approval from Sumatera, except for maintenance, repair or overhaul as permitted in the Agreement.

Privatization:

The Company shall obtain prior approval from Sumatera if the Company intends to conduct privatization to the effect that it will no longer be a State-Owned Enterprise during the lease term.

If during the lease term there is no announcement by the Government or the Company that there would be any transaction that may result the Company to cease to be a State-Owned Enterprise, the Company shall give notice in writing to Sumatera following the Company's best estimation of when the privatization will be executed; Sumatera has the right to terminate the Lease term except if Sumatera approved the Company to cease to be a State-Owned Enterprise.

Affiliation:

Not an affiliated party.

No.	Lessor	Aircraft Model and Serial Number	Title of Agreement	Lease Period	Aircraft Owner	Negative Covenants
1.	G.I.E Sumatera	Airbus A330-300 No. MSN 138	Second Aircraft Lease Agreement No. 1 dated October 1, 2001	Until December 31, 2016	G.I.E Sumatera	Privatization
2.	G.I.E Sumatera	PK-GPA Airbus A330-300 No. MSN 144	Second Aircraft Lease Agreement No. 3 dated October 1, 2001	Until December 31, 2016	G.I.E Sumatera	Privatization
3.	G.I.E Sumatera	PK-GPD Airbus model A330-300 with manufacturer serial number (MSN) 148	Second Aircraft Lease Agreement No. 3 dated October 1, 2001	Until December 31, 2016	G.I.E Sumatera	Privatization
		PK-GPE				

n. Aircraft Lease Agreement MSN 29666 No. DS/PERJ/CZ-3237/2009 dated July 24, 2009

The Parties:

- i. The Company as the Lessee;
- ii. BBAM Aircraft Holdings 121 S.A.R.L as the Lessor.

Lease Object:

One (1) unit of Boeing 737-800 MSN 29666 aircraft.

Interest on Delay of Payment:

As set forth in the agreement.

Lease Period:

120 months since the aircraft delivery to the Lessee, which is February 10, 2010 until February 9, 2020.

Aircraft Delivery Schedule:

February 2010, in Seattle, Washington.

Owner:

Babcock & Brown Aviation Finance Limited, leased to BBAM 121 Aircraft Holdings SARL, and leased back to the Company.

Date of Termination:

- i. On the date of the lease expiration.
- ii. In the event of termination of the agreement as set forth in the agreement, on the date when the written notice is given.
- iii. If there is a total loss to the aircraft after the delivery, on the date in which full payment is given to and received by the Lessor.
- iv. If Lessor, terminates the agreement with respect to default committed by the Lessee.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, Lessor shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to the Lessor by the Manufacturer, supplier, custodians, or other contractors over the aircraft to the extent permitted by Lessor.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Aircraft Maintenance:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, vandalism, theft, piracy, confiscation, expropriation and damage to the aircraft.

Assignment:

Lessee is not allowed to assign, renovate, assign, sell or transfer or pledge as security over all its rights and obligations under the lease agreements.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without the prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Affiliation:

Not an affiliated party.

- o. MSN 30140 Leasing (France) SARL, MSN 30141 Leasing (France) SARL, MSN 30142 Leasing (France) SARL, MSN 30143 Leasing (France) SARL, MSN 30151 Leasing (France) SARL, MSN 30155 Leasing (France) SARL, MSN 30156 Leasing (France) SARL, and MSN 30157 Leasing (France) SARL**

The Company has leased eight (8) aircrafts under 8 (eight) operating lease agreements with eight (8) different lessors but with similar terms and conditions for all eight agreements. In the agreements, it is set out that the Company is the Lessee, leasing from:

- i. MSN 30140 Leasing (France) SARL,
- ii. MSN 30141 Leasing (France) SARL,
- iii. MSN 30142 Leasing (France) SARL,
- iv. MSN 30143 Leasing (France) SARL,
- v. MSN 30151 Leasing (France) SARL,
- vi. MSN 30155 Leasing (France) SARL,
- vii. MSN 30156 Leasing (France) SARL, and
- viii. MSN 30157 Leasing (France) SARL.

(All together is referred as "**Lessor**").

respectively, as the party that leases the aircraft as described in the table below and the Lessor leases the aircraft to the Company. The terms and conditions of the agreements generally include the following:

The Company's Rights and Obligations:

The Company's Rights and Obligations are as follows:

- i. Make aircraft lease payments including security deposit as collateral for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Maintain the aircraft at their own expense;
- iv. Insuring the aircraft;
- v. Bear all risks associated with any loss, damage, loss, piracy, confiscation, or expropriation of the aircraft;
- vi. Maintain more than 50% ownership by the Government of the Republic of Indonesia.

Events of Default:

- i. Lessee fails to make a scheduled lease payment as specified in the lease agreement.
- ii. Lessee fails to insure the aircraft or to neglect to maintain the insurance on the aircraft.

- iii. Lessee fails to perform its obligations under the lease agreement other than the payment and insurance obligation.
- iv. The existence of outstanding debt with predetermined limits for the Lessee that become collectible, but not and or can not be paid.
- v. Lessee are in the process of bankruptcy, suspension of payment of debt, moratorium, dissolution.
- vi. Changes in the line of business to no longer as a scheduled commercial flight business.
- vii. Negligence in the event of another agreement (cross default) where the Lessee's control over any aircraft end.
- viii. Lessee operates an aircraft without a Certificate of Airworthiness or mandatory permits to operate an aircraft that is issued by an authorized authority.
- ix. Plane seized, detained by the authorities.
- x. Any changes occur that result in material losses and based on the Lessor's assessment, it may adversely affect the Company's financial condition.

Country of Aircraft Registration:
Indonesia.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, Lessor shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to the Lessor by the Manufacturer, supplier, custodians, or other contractors over the aircraft to the extent permitted by Lessor.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Aircraft Maintenance:

During the term of the lease, the Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Assignment:

The Company at any time will not assigned, novate, deliver, sell or transfer or place as security all of its rights, and obligations pursuant to the lease agreement without prior written consent of the Lessor.

Confidentiality:

The parties shall not disclose information with respect to the commercial provisions of the agreement without the written consent of the counter party.

Affiliation:

Not an affiliated party.

The following is the aircraft lease operational agreements between the Company and the Lessor:

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Period	Aircraft Owner
1.	B737-800 No. 30140 Engine Type CFM56-7B26/3 SAC PK-GMF	Aircraft Lease Agreement MSN 30140 No. DS/PERJ/DZ-3001/2009 dated January 6, 2009	12 years since Delivery Date, or since December 23, 2009 until December 22, 2021	MSN 30140 Leasing B.V
2.	B737-800 No. 30141 Engine Type CFM56-	Aircraft Lease Agreement MSN 30141 No. DS/PERJ/DZ-3002/2009	12 years since Delivery Date, or since February 5, 2010 until February 4, 2022	MSN 30141 Leasing B.V

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Period	Aircraft Owner
	7B26/3	dated January 6, 2009		
3.	PK-GMG B737-800 No. 30142 Engine Type CFM56-7B26/3	Aircraft Lease Agreement MSN 30142 No. DS/PERJ/DZ-3004/2009 dated January 6, 2009	12 years since Delivery Date, or since March 22, 2010 until March 21, 2022	MSN 30142 Leasing B.V
4.	PK-GMH B737-800 No. 30143 Engine Type CFM56-7B26/3	Aircraft Lease Agreement MSN 30143 No. DS/PERJ/DZ-3004/2009 dated January 6, 2009	12 years since Delivery Date, or since April 19, 2010 until April 18, 2022	MSN 30143 Leasing B.V
5.	PK-GMI B737-800 No. 30151 Engine Type CFM56-7B26/3	Aircraft Lease Agreement MSN 30151 No. DS/PERJ/DZ-3005/2009 dated January 6, 2009	12 years since Delivery Date, or since June 29, 2009 until June 28, 2021	MSN 30151 Leasing B.V
6.	PK-GMA B737-800 No. 30155 Engine Type CFM56-7B26/3	Aircraft Lease Agreement MSN 30155 No. DS/PERJ/DZ-3006/2009 dated January 6, 2009	12 years since Delivery Date, or since November 3, 2009 until November 2, 2021	MSN 30155 Leasing B.V
7.	PK-GMC B737-800 No. 30156 Engine Type CFM56-7B26/3	Aircraft Lease Agreement MSN 30156 No. DS/PERJ/DZ-3007/2009 dated January 6, 2009	12 years since Delivery Date, or since November 30, 2009 until November 29, 2021	MSN 30156 Leasing B.V
8.	PK-GMD B737-800 No. 30157 Engine Type CFM56-7B26/3	Aircraft Lease Agreement MSN 30157 No. DS/PERJ/DZ-3008/2009 dated January 6, 2009	12 years since Delivery Date, or since December 17, 2009 until December 16, 2021	MSN 30157 Leasing B.V
	PK-GME			

p. Mitsubishi France S.A.S.

The Company entered into 3 aircraft lease agreements with Mitsubishi France S.A.S. with the terms and conditions that are generally the same as described below, while the details of each lease objects are described in the table below.

The Parties:

- The Company as Lessee;
- Mistubishi France S.A.S. ("Lessor").

Scope:

The Company leases an aircraft from the Lessor as set forth below.

Aircraft Owner:

MCAP Europe Limited or other parties as informed by the Lessor to the Company,

Lease Period:

One hundred forty four (144) months since the Delivery Date of the aircraft.

Country of Aircraft Registration:

Indonesia, or other countries as agreed by the Parties.

Leasing Cost:

The Company shall pay base lease with the formula specified in the agreement each month prior to the commencement of the lease term beginning with the provisions of the first installment on the Delivery Date

and any payment made on the same date or the date of the end of the month. The Company is also required to pay an additional leasing fee in the amount and time as specified in the Agreement. The Company shall deliver to the Lessor a security deposit in the amount and on time as specified in the agreement. In the event of termination of the agreement, the Lessor may be compensated for the Company's due payment to the Lessor with the security deposit. The Lessor shall return the security deposit 30 days after the Company return the aircraft to the Lessor.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Aircraft Maintenance and Operation:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the prevailing law and regulation regarding the airworthiness for the Head Lessor, Lessor, the Company as well as the aircraft.

Insurance:

During the term of the lease, Lessee is obligated to cover the insurance on the aircraft in accordance with the terms and conditions of Lloyds Forms AVN67B on the risks and with the coverage as set forth in the Agreement where insurance claim is transferred as collateral to the Lessor and Head Lessor.

Lease Termination:

Lease expires during the occurrence of any of the following, whichever is earlier: (i) the total loss as set forth in the Agreement, (ii) the Company shall return the aircraft on the expiration date of the lease, or (iii) termination of the Agreement.

Return of the Aircraft:

The Company shall return the aircraft along with its documentation on termination date of the lease to the Lessor at the time and location and under conditions specified in the Agreement which the Lessor must ensure the aircraft has airworthiness certificate and to pay any duties in connection with the delivery. If the Company does not return the aircraft as above, then the Company's obligation will continue until the aircraft's return date.

Lease Termination:

The Agreement ends if, among others, the following events occur: (i) the Company does not pay lease and security deposits and other amounts payable by the Company at maturity, (ii) insurance becomes invalid, (iii) the Company does not return the aircraft in time; (iv) the Company declared bankruptcy, delaying payment obligations, insolvent, (v) the Company fails to pay its debt obligations amount of USD5,000,000 or more, (vi) the Company terminated its business, (vii) the Company transferred part of its material business; (viii) receive unfavorable court verdict that is uninsured for more than USD5,000,000.

Confidentiality:

All information in the agreement is confidential and shall not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without written consent of the counter party. If disclosure is required by the provisions of laws and regulations, the parties shall only enforce the provisions of commercial nature as the information that needs to be kept confidential.

Lease Objects:

No.	Manufacturer Serial Number	Lease Period
1.	30144 (PK-GMJ)	April 26, 2010 to –April 25, 2022
2.	30145 (PK-GMM)	May 28, 2010 to –May 27, 2022
3.	30146 (PK-GMN)	June 15, 2010 to June 14, 2022

These agreements signed in connection with the transfer of the aircraft sale contracts between the Company and The Boeing Company No. 2158 dated June 9, 1998 as amended from time to time when the Company ordered a number of Boeing 737-8U3. Under the transfer agreement, the Company transferred its right to receive the ordered aircraft to Head Lessor, which MCAP Europe Limited, which then leases aircraft to the Lessor who will rent it back to the Company pursuant to the terms and conditions of this Agreement.

q. Aircraft Lease Agreement MSN 31763 No. DS/PERJ/DZ-3238/2009 date July 24, 2009.

The Parties

- i. The Company as Lessee;
- ii. BBAM Aircraft Holdings 122 S.A.R.L. as the Lessor.

Scope:

Lessee agrees to lease the aircraft from the Lessor and the Lessor agrees to lease the aircraft to the Lessee.

Lease Object:

1 aircraft type Boeing 737-800 Manufacturer Serial Number: 31763.

Interest on Delay of Payment:

Interest per annum equal to, based Lessor's option, (i) the interest rate expressed as a interest for lateness with respect to the debt secured by the Security Documents, or (ii) three percent (3%) over 1 year USD LIBOR interest.

Lease Period:

120 months since the aircraft delivery to Lessee.

Aircraft Delivery Date:

February 16, 2010.

Owner:

Flashdell Limited.

Manufacturer's Warranty:

The Lessor agrees to provide assurance with respect to the aircraft made by the Manufacturers, subcontractors, suppliers, sellers, engine manufacturers, and the organizers of aircraft maintenance, repair and modification of aircraft. The Lessee may submit a claim to the Lessor, and the Lessor will forward to the manufacturer. In the event of default or termination of the agreement, the rights of which are owned by the Lessee for the Manufacturer's warranty will transfer to the Lessor.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

After the delivery is done, the aircraft, including the aircraft documents, engine and each of its part became the sole risk of the Lessee. And the Lessee will bear all risk of loss, theft, damage or destruction of aircraft due to any cause.

Restriction:

- i. The Lessee will not sell or hand over substantially all the assets and properties or merge or consolidate with another party unless immediately after the sale, the company resulted from the merger / consolidation (Surviving Entity) has a tangible enterprise value (tangible net worth) equal to or greater than Lessee's tangible value, and (a) Lessee is Surviving Entity, (b) Surviving Entity bears all the rights and obligations of the Lessee by law, in this case, the Lessee and Surviving Entity must give notice to the Lessor at least 30 days in advance;
- ii. The Lessee will not sublease, lease, unite, exchange, in whole or in part of the ownership of an aircraft or engine or parts thereof, except for certain things that are allowed in the agreement;
- iii. The Lessee will not burden the plane with a warranty.

Events of Default:

- i. The Lessee fails to make a scheduled payment within a period of 2 days from the payment due date;
- ii. The Lessee fails to insure the aircraft;

- iii. The Lessee fails to accept delivery of the aircraft or provide a monthly report on aircraft maintenance;
- iv. The Lessee fails to return the aircraft when such obligation arises as set forth in the agreement;
- v. The Lessee neglect to perform its obligations under this agreement and can not be restored to its original state after a warning by the lessor for negligence;
- vi. If there is a guarantor who takes ownership of all or a material part of the entire business or assets of the Lessee;
- vii. If the permits and approvals that are owned by Lessee in operating its business as a provider of commercial airline services changed, withdrawn, withheld, withdrawn, terminated or expires and is not renewed;
- viii. The Lessee temporarily or permanently discontinues or result in the termination of (temporarily or permanently) Lessee's business as a provider of commercial airline services;
- ix. The Lessee is bankrupt or in the process of bankruptcy either voluntarily or not insolvent or liquidated.

Affiliation:

Not an affiliated party.

- r. **Aircraft Lease Agreement B737-800 MSN 30568 No. DS/PERJ/DZ-3027/2009 dated January 23, 2009 as amended with Letter No. DS/PERK/AMAND-I/DZ-3027/09 dated 21 August 2009**

The Parties:

- i. The Company as Lessee;
- ii. MASC (France) SARL as the Lessor ("**MASC**")

Scope:

The Lessee agrees to lease aircraft from MASC and MASC agreed to lease aircraft to the Lessee.

Lease Object:

One (1) aircraft Boeing 737-800 Manufacturer Serial Number: 30568 and 2 engines type CFM56-7B26 with serial number 889245 and 888250, PK-GEK.

Delivery Location:

PT GMF AeroAsia Facility in Jakarta Indonesia.

Lease Period:

7 years since aircraft delivery to the Lessee or from February 19, 2009 until February 18, 2016.

Aircraft Delivery Schedule:

February 2009.

Owner:

Well Fargo Bank Northwest, NA.

The Company's Rights and Obligations:

The Company's Rights and Obligations among other things are as follow:

- i. Perform aircraft lease payments including security deposit as security for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Maintain the aircraft at their own expense;
- iv. Insuring plane;
- v. Bear all risks associated with any loss, damage, loss, piracy, confiscation, expropriation or aircraft;
- vi. Submitting financial reports each semester to the Lessor.

Termination Date:

- i. On the date of expiry of the lease;
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given;

- iii. If there is a total loss after the delivery of aircraft in flight, on the date on which full payment is given to and received by the Lessor;
- iv. If MASC, terminate the agreement with respect to default committed by Lessee.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, MASC shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to MASC by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as MASC is allowed to do so.

Aircraft Maintenance:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without the prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Restriction:

The Company is restricted from conducting merger or consolidation with another party, it will not sell, exchange, assign or in other way transfer (whether in a single or more related transactions) all or significant part of the property, assets, revenues, which is either currently owned or will be owned by the Company.

Sublease:

Lessee will not sublease or otherwise convey, assign or transfer control on the aircraft or any part of it, or transfer any rights and obligations under the agreement without the prior written consent of Lessor.

Affiliation:

Not an affiliated party.

s. Aircraft Lease Agreement B737-800 MSN 32361 dated October 27, 2005 lastly amended with Lease Amendment No. DS/PERJ/AMAND-IV/DE-3195/05/11 dated May 5, 2011

The Parties:

- i. The Company as the Lessee.
- ii. MASA (France) SARL as the Lessor ("MASA").

Scope:

The Lessee agrees to lease aircraft from MASA and MASA agrees to lease the aircraft to the Lessee.

Lease Object:

One (1) aircraft Boeing 737-800 Manufacturer Serial Number: 32361 and 2 engine type CFM56-7B26 with registration number PK-GEE.

Delivery Location:

THY Facility at Istanbul Turkey.

Lease Period:

From December 9, 2005 until February 28, 2014.

Aircraft Delivery Schedule:

Latest January 30, 2006.

Owner:

Well Fargo Bank Northwest, NA.

The Company's Rights and Obligations:

The Company's Rights and Obligations among other things are as follow:

- i. Perform aircraft lease payments including security deposit as security for the fulfillment of the Company's obligations;
- ii. Bear all costs associated with the operation of the aircraft during the lease term;
- iii. Maintain the aircraft at their own expense;
- iv. Insuring plane;
- v. Bear all risks associated with any loss, damage, loss, piracy, confiscation, expropriation or aircraft;
- vi. Submitting financial reports each semester to the Lessor.

Termination Date:

- i. On the date of expiry of the lease;
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given;
- iii. If there is a total loss after the delivery of aircraft in flight, on the date on which full payment is given to and received by the Lessor;
- iv. If MASA, terminates the agreement with respect to default committed by Lessee.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, MASA shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to MASA by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as MASA is allowed to do so.

Aircraft Maintenance:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without the prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Restriction:

The Company is restricted from conducting merger or consolidation with another party, it will not sell, exchange, assign or in other way transfer (whether in a single or more related transactions) all or significant part of the property, assets, revenues, which is either currently owned or will be owned by the Company.

Affiliation:

Not an affiliated party.

t. Bank of UTAH

The Parties:

- i. The Company as Lessee.
- ii. Bank of Utah as the Lessor.

Lease Period:

120 months since the aircraft delivery date, which is August 2010.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Aircraft Maintenance:

During the term of the lease, the Lessee shall, at its own expense, maintain, repair, perform services, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default has occurred, the Lessor shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to the Lessor by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as the Lessor is allowed to do so.

Sublease:

Lessee are not allowed to assign, renovate, relinquish, sell or transfer or pledge all the rights and obligations it has under the lease agreements without prior written consent of Lessor.

Events of Default:

- i. Lessee fails to make lease payment as scheduled within 2 days since the due date;
- ii. Lessee fails to insure the aircraft or to neglect to maintain the insurance on the aircraft;
- iii. The Company fails to accept delivery of aircraft as agreed, neglect to provide aircraft maintenance status report or renewal of insurance certificate or return the aircraft at the time of the lease expiration date in a condition that has been agreed upon by the parties;
- iv. The Company fails to perform its obligations under the lease agreement, which in the opinion of the Lessor such negligence can be corrected within the time stipulated in the agreement since the time the notification of such negligence is notified to the Company;
- v. There is any incorrect and inaccurate representations or warranties that leads to a condition that materially incorrect at the time the statement or warranty was made;
- vi. There are approvals, licenses, certificates or registration on the lease agreements obtained by the Lessee, or required to be obtained by the Lessee in relation to any lease agreement which is revoked, canceled, terminated, withdrawn, ended or not extended or not renewed or no longer valid or amended in a manner that to the Lessor's opinion may have material impact on the Company's ability to meet its obligations under the lease agreements;
- vii. Each recipient of imposition, trustee, liquidator, administrator, custodian or designated authorized official, take action to control all or a significant part of the Company's business or assets;
- viii. The Company becomes insolvent or can not pay its debts when they are due or admits the inability to pay its debts when they are due;
- ix. There is an imposition of the Company's assets or the leased aircraft (with the exception of imposition that is excluded by the Lessor) which is not removed within the time frame specified in the agreement since the occurrence of such imposition;
- x. The Lessee (a) ceases or threatens to cease on performing all or the majority of its business activities or (b) sell or transfer in other ways transfer or assign all or majority of its assets;
- xi. The Company is bankrupt or in the process of bankruptcy either voluntarily or not;
- xii. There is cross negligence to the Company's debt obligations exceeding USD 500,000;
- xiii. There is a change of control without the written consent of Lessor;

- xiv. There is an occurrence that in the Lessor's opinion may result in a material impact on the Lessee's financial condition or operations or ability to comply with the regulations.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without the prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Lease Objects:

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Period	Aircraft Owner
1.	Boeing B737-800 MSN 36436 (PK-GFF)	Aircraft Lease Agreement MSN 36436 dated August 7, 2009	August 17, 2010 to August 16, 2020	Inishbrophy Leasing Limited
2.	Boeing B737-800 MSN 36850 (PK-GFH)	Aircraft Lease Agreement MSN 36850 dated August 7, 2009	September 8, 2010 to September 7, 2020	Inishbrophy Leasing Limited

Affiliation:

Not an affiliated party.

u. Pembroke Lease France SAS

Parties:

- i. The Company as Lessee.
- ii. Pembroke Lease France SAS as the Lessor.

Scope:

Lessee agrees to lease the aircraft from the Lessor and the Lessor agrees to lease the aircraft to the Lessee.

Manufacturer's Warranty:

Lessor will authorize the Lessee to exercise the rights which are owned by Lessor for any warranty, relating to aircraft, based on the terms and conditions set forth in the Warranty Agreement Aircraft Frame and Engines.

The Lessee are required to provide written notice to the Lessor for any warranty claims settled by the Lessee on the basis of cash payment whether for all or part of the settlement, and must use the payment to repair the damage on the aircraft that was the basis for the warranty claim. Any cash payments to Lessee that has no connection with the warranty claims are not subject to aircraft damage repair and is the Lessor's right.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Confidentiality:

The parties agreed that the transaction documents and the information provided in accordance with the transaction documents are confidential and neither party will disclose any information from or in connection with the transaction documents without the consent of the other party or to use the information for any purpose other than from the intended purpose of the transaction in the transaction documents.

The Lessor grants consent to the Lessee, its officers and agents to disclose from time to time the details of this Aircraft Lease Agreement and other transactional documents and the transaction stipulated in the documents to any of the following parties who need to know such information and have the knowledge on the confidential nature of such information:

- i. Professional advisors and service providers from authorized parties that have the obligation of confidentiality to the authorized parties;
- ii. As required by law (including authorities that regulate banks or insurance companies) or legal process;
- iii. Any court or tribunal or the authorities that regulate, supervise, govern or quasi-government with jurisdiction over the authorized parties.

Promises:

The Lessee will:

- i. Notify the Lessor on the occurrence of events of default or other events which may have adverse impact to the Lessee's ability to fulfill its obligations as set forth in the transactional documents and, upon written request of the Lessor, confirms to the Lessor that except as provided in such confirmation that there is no other negligence that is occurring or continuing in this Aircraft Lease Agreement;
- ii. Provide the Lessor with:
 - Unaudited Lessee's joint accounts not later than 60 days after the last day of each financial year;
 - Audited consolidated balance sheet and profit and loss statement not later than 120 days after the last day of each of the Lessee's financial year;
 - A copy of each notice or circular issued by the Lessee's creditors in general;
 - Other information about the Lessee, aircraft, and the transactions as meant therein as reasonably requested by Lessor.
- iii. (i) No significant changes over the business in which the Lessee and / or its subsidiaries are involved;
- (ii) Maintain its existence (other than with respect to the terms of debt repayment restructuring that has been approved by the Lessor and security trustee).
- iv. Ensure there will be no change in the habitual base or aircraft registration country without the written consent of the lessor;
- v. Seek that no party (including sublessee or wet-lessee) who will act not in accordance with its obligations based on the transaction documents and that all parties (including sublessee or wet-lessee) will fulfill the obligation on behalf of the Lessee;
- vi. Ensure that its obligations under the transaction documents will be ranked at all times and will at any time have ranking at least *pari passu* with all the existing and future debt;
- vii. Perform and carry out other actions and continue to sign and deliver documents and others as may be required by law or reasonably requested by the Lessor and / or the financier; Retains ownership of at least 5 aircraft registered in Indonesia and control of at least 5 aircraft registered in Indonesia;
- viii. Obtain and maintains the required permits and regulatory approvals and prevailing regulations in the Country of Registration to allow the Lessee to fulfill its obligations as set forth in the transaction documents, such as to report its foreign transactions and financial obligations as required by the prevailing laws; and
- ix. Deliver copies of the licensing or approval, permit, license, exemption, registration, recording, filing or notarization as may be necessary to ensure the validity, enforceability or the deferral priority of the Lessee's obligations and rights, owner and financier based on the transaction and financing documents.

Affiliation:

Not an affiliated party.

The following is the aircraft lease agreements between the Company and Pembroke Lease France (SAS):

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Period	Aircraft Owner
1.	Boeing B737-800 Manufacturer's Serial Number: 30147 PK-GMO	Lease of one Boeing B737-800 Aircraft MSN 30147	July 9, 2010 to July 8, 2020	Inishbrophy Leasing Limited
2.	Boeing B737-800 Manufacturer's Serial Number: 30148 PK-GMP	Lease of one Boeing B737-800 Aircraft MSN 30148	August 11, 2010 to August 10, 2020	Inishbrophy Leasing Limited
3.	Boeing B737-800 Manufacturer's Serial Number: 30149 PK-GMQ	Lease of one Boeing B737-800 Aircraft MSN 30149	September 21, 2010 to September 20, 2022	Inishbrophy Leasing Limited

No.	Aircraft Model and Serial Number	Title of Agreement	Lease Period	Aircraft Owner
4.	Boeing B737-800 Manufacturer's Serial Number: 30150 PK-GMR	Lease of one Boeing B737-800 Aircraft MSN 30150	October 22, 2010 to October 21, 2020	Inishbrophy Leasing Limited
5.	Boeing B737-800 Manufacturer's Serial Number: 38071 PK-GMS	Lease of one Boeing B737-800 Aircraft MSN 38071	December 6, 2011 to December 5, 2021	Pembroke Aircraft Leasing 2 Limited
6.	Boeing B737-800 Manufacturer's Serial Number: 38073 PK-GMU	Lease of one Boeing B737-800 Aircraft MSN 38073	February 21, 2012 to February 20, 2022	Pembroke Aircraft Leasing 2 Limited
7.	Boeing B737-800 Manufacturer's Serial Number: 38074 PK-GMV	Lease of one Boeing B737-800 Aircraft MSN 38074	March 14, 2012 to March 13, 2022	Pembroke Aircraft Leasing 2 Limited
8.	Boeing B737-800 Manufacturer's Serial Number: 38069 PK-GMW	Lease of one Boeing B737-800 Aircraft MSN 38069	May 7, 2012 to April 11, 2022	Pembroke Aircraft Leasing 2 Limited
9.	Boeing B737-800 Manufacturer's Serial Number: 38070 PK-GMX	Lease of one Boeing B737-800 Aircraft MSN 38070	April 12, 2012 to April 11, 2022	Pembroke Aircraft Leasing 2 Limited

v. Aircraft Lease Agreement MSN 39920 dated July 22, 2010 as novated by Aircraft Lease Novation and Amendment Agreement dated December 12, 2012

The Parties:

- i. The Company as Lessee.
- ii. Pembroke Lease France S.A.S as new Lessor (replacing SMBC Aviation Capital Paris Leasing 1 SARL (formerly known as RBS Paris Leasing 1 SARL)).

Lease Object:

1 aircraft Boeing 737-400 MSN 39920, PK-GFM, engine CFM56-7B26.

Late Interest:

Interest per annum equals to LIBOR plus 2 percent per annum.

Lease Period:

8 years since aircraft delivery to the Lessee, which is January 14, 2011 until January 13, 2019.

Owner:

Pembroke Capital Limited (previously owned by SMBC Aviation Capital Limited (formerly known as RBS Aerospace Limited))

Termination Date:

- i. On the date of expiry of the lease;
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given;
- iii. If there is a total loss after the delivery of aircraft in flight, on the date on which full payment is given to and received by the Lessor;
- iv. If the Lessor, terminate the agreement with respect to the event of default committed by the Lessee.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Aircraft Maintenance:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation, acquisition and damage to the aircraft.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, Lessor shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to the Lessor by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as the Lessor is allowed to do so.

Assignment:

The Company at any time will not assign, novate, deliver, sell or transfer or place as security all of its rights and obligations pursuant to the lease agreement without prior written consent from the Lessor.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without the prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Affiliation:

Not an affiliated party.

w. ***Aircraft Lease Agreement MSN 40807 No. DS/PERJ/DZ-3445/2010 dated July 15, 2010 as novated with Aircraft Lease Novation and Amendment Agreement dated December 12, 2012***

Parties:

- i. The Company as Lessee.
- ii. ICIL Paris as the new Lessor (replacing SMBC Aviation Capital Paris Leasing 1 SARL (formerly known as RBS Paris Leasing 1 SARL)).

Lease Object:

1 aircraft Boeing 737-800 MSN 40807 aircraft, PK-GFD, CFM56-7B26 engine.

Late Interest:

Interest per annum equals to LIBOR plus 2 percent per annum.

Lease Period:

8 years since aircraft delivery to the Lessee, which is July 16, 2010 until July 15, 2018.

Owner:

Sky High V Leasing Company Limited (previously owned by SMBC Aviation Capital Limited (formerly known as RBS Aerospace Limited))

Termination Date:

- i. On the date of expiry of the lease;
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given;
- iii. If there is a total loss after the delivery of aircraft in flight, on the date on which full payment is given to and received by the Lessor;
- iv. If the Lessor, terminate the agreement with respect to default committed by Lessee.

Sublease:

The Lessee is prohibited from subleasing the aircraft without written approval from the Lessor.

Aircraft Maintenance:

During the term of the lease, the Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

The Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, Lessor shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to the Lessor by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as the Lessor is allowed to do so.

Sublease:

The Company at any time will not sub-lease, charter, lease or otherwise part of the control or operational control over the leased aircraft at any time, without prior written consent from the Lessor.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without the prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Affiliation:

Not an affiliated party.

x. Aircraft Lease Agreement No. DS/PERJ/DF-3563/2012 dated October 29, 2012

Parties:

- i. The Company as Lessee.
- ii. Java Aircraft Leasing (France) SARL as Lessor

Scope:

The Company agrees to lease A330-200 aircraft from Lessor and Lessor agrees to lease the aircraft to the Company.

Lease Object:

1 aircraft Airbus A330-200 Manufacturer Serial Number: 1364 with registration number PK-GPP.

Owner:

Air Knight 7 Leasing Limited

Lease Period:

144 months since delivery date, which is November 20, 2012 until November 29, 2024.

The Company's Rights and Obligations:

The Company's Rights and Obligations, among other things, are as follows:

- i. Perform aircraft lease payments including security deposit as collateral for the fulfillment of the Company's obligations
- ii. Bear all costs associated with the operation of the aircraft during the lease term.
- iii. Maintain the aircraft at its own expense.

- iv. Insuring the aircraft.
- v. Bear all risks associated with any loss, damage, loss, piracy, confiscation, or expropriation of the aircraft.
- vi. Deliver semi-annual financial report to the Lessor.

The Company's Rights:

The Company has the option to purchase the aircraft at the end of the lease term by signing the Purchase Agreement Assignment.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, Lessor shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to the Lessor by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as the Lessor is allowed to do so.

Aircraft Maintenance:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

Lessee during the term of the lease is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Affiliation:

Not an affiliated party.

- y. **Aircraft Lease Agreement B737-800 MSN 32363 No. DS/PERJ/DE-3196/2005 dated October 27, 2005 as amended from time to time and lastly amendment with Lease Amendment No. DS/PERJ/AMEND-I/DE-3003/08/11**

Parties:

- i. The Company as Lessee.
- ii. MASB (France) SARL as Lessor ("**MASB**").

Scope:

Lessee agrees to lease aircraft from MASB and MASB agrees to lease the aircraft to the Lessee.

Lease Object:

1 Boeing 737-800 aircraft Manufacturer Serial Number: 32363 and 2 engines type CFM56-7B26 with registration number PK-GEF.

Lease Period:

5 years since the delivery date, which is on April 15, 2007 until April 15, 2014.

Owner:

Well Fargo Bank Northwest, NA.

The Company's Rights and Obligations:

The Company's Rights and Obligations, among other things, are as follows:

- i. Perform aircraft lease payments including security deposit as collateral for the fulfillment of the Company's obligations
- ii. Bear all costs associated with the operation of the aircraft during the lease term.
- iii. Maintain the aircraft at its own expense.
- iv. Insuring the aircraft.

- v. Bear all risks associated with any loss, damage, loss, piracy, confiscation, or expropriation of the aircraft.
- vi. Deliver semi-annual financial report to the Lessor.

Termination Date:

- i. On the date of expiry of the lease;
- ii. In the event of cancellation of the agreement as set forth in the agreement, on the date written notice is given;
- iii. If there is a total loss after the delivery of aircraft in flight, on the date on which full payment is given to and received by the Lessor;
- iv. If MASB, terminate the agreement with respect to default committed by Lessee.

Manufacturer's Warranty:

During the term of the lease, and as long as there is no event of default, MASB shall make available to Lessee all existing warranties and any supporting products with respect to the aircraft given to MASB by the Manufacturer, supplier, custodians, or other contractors over the aircraft as long as MASB is allowed to do so.

Aircraft Maintenance:

During the term of the lease, Lessee shall, at its own expense, maintain, repair, perform service, overhaul, test, and modify aircraft and aircraft engines in accordance with the terms and conditions set forth in the agreement.

Insurance:

During the term of the lease, the Lessee is obligated to cover the insurance for the aircraft and its engines.

Risk:

Lessee bears all risk of loss, destruction, theft, piracy, confiscation, expropriation and damage of aircraft.

Events of Default:

- i. The Lessee fails to make a scheduled lease payment within 3 days since the due date;
- ii. The Lessee fails to insure the aircraft or to neglect to maintain the insurance on the aircraft;
- iii. The Company neglects to perform its obligations under the lease agreement and did not remedy it within 15 business days since the Lessor has notified such remedy to the Lessee;
- iv. There is incorrect and inaccurate representations or warranties that leads to a condition that materially incorrect at the time the statement or warranty was made;
- v. The Lessee fails to return the aircraft at the expiry of the lease period in a condition that has been agreed upon the parties;
- vi. Aircraft registration has been revoked due the reasons other than caused by MASB;
- vii. The Lessee loses control of the aircraft or the Lessee stop operating the aircraft, except as permitted in the lease agreement;
- viii. There are approvals, licenses, certificates or registration on the lease agreements obtained by the Lessee, or required to be obtained by the Lessee in relation to any lease agreement which is revoked, canceled, terminated, withdrawn, ended or not extended or not renewed or stop being legal or changed in a manner that to the MASB's opinion may have material impact on the Company's ability to meet its obligations under the lease agreements;
- ix. There is encumbrance to the Lessee's assets or to the leased aircraft;
- x. The Lessee is bankrupt or in the process of bankruptcy either voluntarily or not;
- xi. The Lessee conducts merger or consolidation or there is change in control to the Lessee without prior written consent from MASB;
- xii. There is cross negligence to the Company's debt obligations exceeding USD 500,000;
- xiii. There is an occurrence that materially impact the Lessee's financial condition or operation or to the Lessee's ability to fulfill its obligations in the lease agreement;
- xiv. The Lessee transfer all or a significant portion of its assets, rights or revenues.

Confidentiality:

All information herein is confidential and must not be disclosed to other parties (except to auditors, legal advisors or as required in connection with legal advisors) without prior written consent of the counter party. If the disclosure is required by the provisions of the laws, the parties will enforce only the provisions of a commercial nature as the information that needs to be kept confidential.

Restriction:

The Company can not conduct merger or consolidation with another party, it will not sell, exchange, assign or in other way transfer (whether in single or more related transactions) all or significant part of the property, assets, revenues, which are either currently owned or will be owned by the Company.

Sublease:

The Lessee will not sublease or otherwise convey, assign or transfer possession of the aircraft or any part of it, or transfer any rights and obligations under the agreement without the prior written consent of Lessor.

Affiliation:

Not an affiliated party.

3. **Ground Handling Agreement**

In order to procure aircraft ground handling technical services ("**Ground Handling**"), the Company has made covenants with respect to Ground Handling services with some of the ground handling services company ("**Ground Handling Company**"). In these agreements, the Company and Ground Handling Company agrees that the provisions of the Main Agreement ("**Main Agreement**") and attachment (as described below) on the Standard Ground Handling Agreement in 1998, 2004 and 2008, as published by the International Air transport Association ("**IATA**") applies to the parties. The terms and conditions governing the Main Agreement are as follows:

Objects of the Ground Handling service agreement:

Scheduled Flight

The Ground Handling Company agreed to provide to the Company in the locations agreed separately, the services as set out in the Appendix separate from the Main Agreement and will be described in a separate table. The Company agreed to inform the Ground Handling Company as soon as possible regarding changes of schedule and / or frequency and / or type of aircraft.

Extra Flight

Ground Handling Company will also provide the Company, in addition to the services of scheduled flights at the same location, with reasonable advance notice and without prejudice provisions to the agreed commitments.

Services During Emergency

In an emergency, including but not limited to emergency landings, accidents or acts of violence, Ground Handling Company will take all necessary actions without delay in order to help the passengers and crew and to maintain and protect from loss or damage to baggage, cargo and mail carried on board the aircraft.

Additional Services

Ground Handling Company will upon request provide additional services to the Company and in other locations that have not been previously agreed, upon request, at the location where the Ground Handling Company has a Ground Handling organization.

Payment:

As compensation for the services rendered by the Ground Handling Company, the Company agreed to pay to the Ground Handling Company, in the amount agreed by the parties as described in the table below.

Period:

The period of the Ground Handling agreements are agreed in each agreement as further described in the table below. Main Agreement shall apply continuously until it is terminated with all parties' agreement with prior notice of 60 days in advance.

Termination:

Termination of all or part of the services rendered by the Ground Handling Company in certain locations require 60 days prior notice by the party that terminates the agreement to the other party. In connection with the termination of service agreements, payment obligations adjustment consideration will be provided.

Restriction:

The parties shall not disclose the information contained in the agreement to another party without the consent of the other party, unless such information is specifically required by the provisions of the prevailing laws, in which the disclosing party must notify the other party.

Services provided by Ground Handling Company:

- a. Accommodation and Representation;
- b. Load Control System & Communication and Departure Control Systems;
- c. Unit Load Device Control;
- d. Passengers and Luggages;
- e. Cargo and Post Office;
- f. Ramp (Marshalling, Parking, Ramp to Flight Deck Communication, Loading/Embarking and Unloading/Disembarking, Safety);
- g. Aircraft Servicing (Exterior Cleaning, Interior Cleaning, Toilet Service, Water Service, Cooling and Heating, De-icing/Anti Icing Service, Cabin Equipment and In-flight Entertainment Material, Storage and Cabin Material);
- h. Fuel and Oil (Fuelling and/or Defueling, Replenishing of Oils and Fluids);
- i. Aircraft Maintenance (Routine service, Non routine services, Material handling, Parking and Hangar space);
- j. Flight Operations and Crew Administration (Flight Preparation at the Airport of Departure, Flight Preparation at a Point Different from the Airport Departure, In-flight assistance, Post Flight Activity, Crew Administration).
- k. Surface Transport (passengers, baggage and cargo/mail);
- l. Catering Service;
- m. Supervision and Administration Function of Services Provided by Others (pre flight, on-flight, and post flight); and
- n. Security (Aircraft security, Catering, Cargo and Post Office Mail, Passenger and Baggage Screening and Reconciliation).

Prevailing Law:

Not regulated.

Disputes Settlement:

Not regulated.

The Company has signed Ground Handling service agreements with the following parties:

No.	Ground Handling Company	Location	Period	Affiliation
1.	PT Gapura Angkasa ("Gapura")	Banda Aceh, Solo, Ujung Pandang, Balikpapan, Medan, Cengkareng, Banjarmasin, Palembang, Padang and Surabaya	Valid until the time not specified in the agreement	Associated company
2.	PT Mulio Citra Angkasa	Tjilik Riut, Palangkaraya	Valid since August 1, 2007 until the time not specified in the agreement	Not affiliated

No.	Ground Handling Company	Location	Period	Affiliation
3.	PT Lahand Air Service	Husein Sastranegara, Bandung	Valid since February 10, 2012 until February 9, 2013	Not affiliated
4.	PT Pratitha Titian Nusantara ("PTN")	Raden Inten II Airport, Tanjung Karang (TKG)	Note: Based on the Company's explanation, this agreement is in the process of being extended Valid since December 1, 2012 until November 30, 2014	Not affiliated
5.	PTN	Sultan Thaha, Jambi (DJB)	Valid since May 1, 2011 until April 30, 2014	Not affiliated
6.	PTN	Eltari, Kupang (KOE)	Valid since May 1, 2011 until April 30, 2014	Not affiliated
7.	PT Langgang Buana Perkasa	Sultan Babullah, Ternate (TTE)	Valid since May 5, 2012 until May 4, 2014	Not affiliated
8.	PTN	Pattimura Airport -Ambon (AMQ)	Valid since June 3, 2012 until June 2, 2014	Not affiliated
9.	PTN	Mutiara, Palu (PLW)	Valid since July 1, 2012 until June 30, 2014	Not affiliated
10.	PT Citra Dunia Angkasa	Bandar Udara Juwata, Tarakan	Valid since December 1, 2012 until November 30, 2015	Not affiliated
11.	PT Mulio Citra Angkasa	Tjilik Riwt, Palangkaraya	Valid since August 1, 2007 until the time not specified in the agreement	Not affiliated

The following is Ground Handling agreements for international flight that have been signed by the Company:

No.	Ground Handling Company	Location	Period	Affiliation
1.	Guangzhou Baiyun International Airport Company Ltd	Guangzhou Baiyun International Airport	Valid since September 1, 2012 until the time not specified in the agreement	Not affiliated
2.	Jardine Air Terminal Services Limited	Hongkong International Airport	Valid since August 6, 2011 until the time not specified in the agreement	Not affiliated
3.	DNATA Airport Operation	Dubai	Valid since May 1, 2010 until the time not specified in the agreement	Not affiliated
4.	Malaysian Airlines System Berhad	Kuala Lumpur (KUL) all airport in Malaysia	Valid since June 1, 2001 until the time not specified in the agreement	Not affiliated
5.	Changi International Airport Services Private Limited	Singapore (SIN)	Valid since November 25, 2004 until the time not specified in the agreement	Not affiliated
6.	Korean Airlines Co., LTD	Incheon International Airport - Seoul (SEL)	Valid since March 29, 2001 until the time not specified in the agreement	Not affiliated
7.	Japan Airlines International Company, Ltd ("JAL")	Kansai International Airport - Osaka (KIX)	Valid since June 1, 2003 until the time not specified in the agreement	Not affiliated
8.	Shanghai International Airport Co., LTD	Shanghai (SHA)	Valid since October 31, 2002 until the time not specified in the agreement	Not affiliated
9.	Attar Ground Handling Co. Ltd	King Abdul Azis International Airport (Jeddah)	Valid since May 8, 2010 until the time not specified in the agreement	Not affiliated
10.	Dnata Singapore Pte Ltd	Changi Airport, Singapore	Valid since January 1, 2010 until the time not specified in the agreement	Not affiliated
11.	Abu Dhabi Airport Services LLC	Abu Dhabi International Airport	Valid since December 1, 2012 until December 1, 2015	Not affiliated
12.	All Nippon Airways Co. Ltd	Tokyo International Airport	Valid since April 27, 2012 until the time not specified in the agreement	Not affiliated
13.	Saudi Ground Services	King Abdulaziz International	Valid since June 1, 2011 until	Not affiliated

No.	Ground Handling Company	Location	Period	Affiliation
	Company ("SGSC")	Airport (Jeddah)	the time not specified in the agreement	
14.	SGSC	Prince Mohammad Bin Abdulaziz International Airport (Madinah)	Valid since June 1, 2011 until the time not specified in the agreement	Not affiliated
15.	Menzies Aviation (Australia) Pty. Ltd	Melbourne International Airport, Sydney International Airport	Valid since October 1, 2011 until the time not specified in the agreement	Not affiliated
16.	Air China International Corporation	Beijing Capital International Airport, Tianjin Binhai International Airport	Valid since October 1, 2003 until the time not specified in the agreement	Not affiliated
17.	Toll Dnata Airport Services Pty Ltd	Perth	Valid since October 1, 2011 until the time not specified in the agreement	Not affiliated
18.	China Airlines Ltd	Taoyuan International Airport	Valid since May 24, 2012 until the time not specified in the agreement	Not affiliated
19.	Swissport Loach GmbH Co. OHG	Munchen	Valid since October 1, 2012 until the time not specified in the agreement	Not affiliated
20.	Tokyo International Air Cargo Terminal Ltd	Haneda International Airport	Valid since April 27, 2012 until the time not specified in the agreement	Not affiliated
21.	Japan Airlines Co. Ltd	Haneda International Airport	Valid since April 27, 2012 until April 27, 2015	Not affiliated
22.	Abu Dhabi Aircraft Technologies	Abu Dhabi International Airport	Valid since December 2, 2012 until December 31, 2015	Not affiliated
23.	MIASCOR Ground Handling Corporation	Manila, Cebu	Valid since May 1, 2012 until the time not specified in the agreement	Not affiliated
24.	CELEBI Ground Handling Hungary	Budapest Liszt Ferenc Airport	Valid since July 15, 2012 until the time not specified in the agreement	Not affiliated
25.	Swissport France S.A.S	Paris, Charles de Gaulle	Valid since August 1, 2012 until the time not specified in the agreement	Not affiliated

4. **Fuel Supply Agreement**

To meet the need of aircraft fuel, the Company has entered into a fuel supply agreement with several parties, as outlined below:

Parties:

- The Buyer ("**Company**"); and
- Seller, which is the supplier of fuel stated in the fuel supply agreement table below.

Quality:

Aviation fuel supplied under the following specifications:

- ASTM Standard Specification D 1655 - 12 for Aviation Turbine Fuels Jet A/Jet A-1;
- British Ministry of Defence Standard DEF STAN 91-91 /Issue 7 Amendment 2. December 1, 2012 for Turbine Fuel, Aviation "Kerosene Type" Jet A-1 NATO Code F-35, Joint Services Designation AVTUR;
- IATA Guidance Material for Aviation Turbine Fuels Specification, Jet A/Jet A-1.

Fuel specification may vary from each Seller, but still follows one of the specifications mentioned above. For instance, the fuel supply agreement with APSCO, the Company had requested an additional specification other than those mentioned above, which is Saudi Aramco Product Specification A-418 latest issue.

Quantity:

The Buyer will put together a purchase plan containing the amount of aviation fuel which will be procured from the Seller for the upcoming 3 months period. The Seller is required to meet the aviation fuel requirement for the 3 months period. Sellers are not required to fulfill excess fuel requirement, outside of the plan.

There is also a Fuel Requirement of Buyer agreement which stipulates the amount of aviation fuel that is going to be purchased by the Buyer and the Buyer is required to pay 100% of the stipulated amount.

Termination:

May happen if:

- a. The Seller or the Buyer terminates their operations at any location for any cause, the agreement can be terminated by giving a 30 days notice prior to the termination of the agreement;
- b. Substantial change of ownership occurs, the party concerned shall immediately notify the counterparty of such changes. Afterwards, the counterparty shall have a chance to decide out of its own discretion, on the concerned location through a written notice no later than 30 days prior to the termination;
- c. The occurrence of on of the following:
 - i. One of the party does not provide a remedy to any breach of the contract, within a 10 day period after receiving a written notice concerning the breach;
 - ii. One of the party changes its business strategy in the future due to changes in the business environment;
 - iii. One of the party is dissolved, transferred its assets for the benefit of its creditors or filed for bankruptcy or when there is a petition to reorganize or restructure its debts.

Confidentiality:

The information contained within the agreement is of confidential nature, The parties are only allowed to disclose the content of the Agreement to other parties outside of their respective organisations to support the implementation of the agreement and with a prior written consent from the counterparty. However each parties is allowed to disclose certain information to Government Authorities.

Prevailing Law

Not regulated.

Dispute Settlement

Not regulated.

No.	Parties	Locations	Period	Affiliation
1.	PT Pertamina (Persero); the Company	International: Kuala Lumpur, Hongkong, Seoul Incheon, Penang, Los Angeles, Mumbai, Learmonth, Doha, Bucharest, Amman, Istanbul, Phoenix, San Diego, Naha Okinawa, Cebu, Brunei Darussalam, Busan, Seoul Gimpo, Jeju. Domestic: Jakarta, Medan, Makassar, Surabaya, Denpasar	Until March 31, 2015 October 1, 2010 to September 30, 2015	Affiliated through the Government
2.	The Company; and Singapore Petroleum Co. Ltd	Singapore Changi International Airport	April 1, 2013 to March 31, 2015	No Affiliations
3.	The Company; and BP Singapore Pte. Limited	Sydney, Melbourne, Auckland, Brisbane, BFI Seattle Boeing Field, Adelaide, Alice Springs, Broome, Karratha, Darwin, Kalgoorlie, Calcutta, Berlin – Tegel, Hamburg, Muenchen, Charles De Gaulle, Brussels, Budapest Ferihegy, Fiumicino, Athens, Larnaca.	April 1, 2013 to March 31, 2015	No Affiliations
4.	Cosmo Oil Co. Ltd; and Perseroan	Narita, Haneda, Kansai, Nagoya, Fukuoka, Beijing, Shanghai, Guangzhou, Nanjing, Tianjin, Hangzhou, Dalian, Fuzhou, Xiamen, Wuhan.	April 1, 2013 to March 31, 2015	No Affiliations
5.	The Company; and Shell Malaysia Trading SDN BHD	Australia (Perth International Airport), Thailand (Suvarnabhumi International Airport), Jerman (Flughafen Frankfurt), Malaysia (Kota Kinabalu International Airport and Kuching International Airport), Oman (Muscat International Airport), Republik Czech (Prague Ruzyně)	April 1, 2013 to March 30, 2015	No Affiliations

No.	Parties	Locations	Period	Affiliation
6.	The Company; and Chevron USA, Inc.	International Airport). Taiwan Taoyuan International Airport, Ninoy Aquino International Airport, and Kaohsiung International Airport.	April 1, 2013 to March 31, 2015	No Affiliations
7.	The Company; and Arabian Petroleum Supply Company (APSCO)	Jeddah, Madinah and Riyadh	April 1, 2013 to March 31, 2015	No Affiliations
8.	The Company; and PT Freeport Indonesia	Timika	Until June 30, 2013	No Affiliations
9.	The Company; and Kuwait Petroleum International Aviation Company Limited	Amsterdam, London Heathrow, and London Gatwick.	April 1, 2013 to March 31, 2015	No Affiliations

5. Aircraft Maintenance Agreement

a. Ground Support Equipment Maintenance Agreement No. GMF/PERJ./DT-3007/2002 dated August 19, 2002 between the Company and GMF

Parties:

- i. The Company; and
- ii. GMF

Agreement Period:

The Agreement is valid for 15 (fifteen) years from August 1, 2002 until August 15, 2017, and is re-evaluated each year through the agreement of both parties.

Scope of Agreement:

The Company mandates GMF, as GMF receives the mandate from Gapura for the following works:

- i. Preventive Maintenance Inspection work on the following equipments: Aerial platform, Air starter unit, Air starter unit (portable), Air conditioning unit truck, Aircraft towing tractor, Cabin cleaning truck, forklift, Ground power unit, Hand pallet lift, Lavatory service truck, Maintenance working truck, order picker lift, self propelled scissors lift, water service truck;
- ii. Overhaul Maintenance; and
- iii. Finding.

Subcontractor:

In the event GMF is unable to deliver a certain type of work, GMF can hand over the work to a subcontractor, which has been approved by both GMF and the Company. The costs associated with the work of the subcontractor shall be borne by the Company and adjusted to the fee that GMF would typically charge for the type of work.

Termination:

Should one of the party be in breach of the contract and has received a written notice from the other party of at least 3 times, the aggrieved party is entitled to unilaterally terminate the agreement without going to the Courts through a written notice to the party in breach 60 days prior to the termination of the agreement.

Prevailing Law

Laws of the Republic of Indonesia.

Dispute Settlement

Not regulated.

Affiliation:

An affiliated company.

b. Master Agreement for Power By The Hour (PBTH) Aircraft Maintenance No. DS/PERJ/DE-3293/08 dated April 6, 2009 between the Company and GMF

Parties:

- i. The Company; and
- ii. GMF.

Agreement Period:

The agreement is valid since January 1, 2008 until June 1, 2018.

Scope of Agreement:

The Company appoints GMF for the maintenance of aircraft operated by the Company, including:

- i. Maintenance of airframe and cabin;
- ii. Maintenance of class A and B components;
- iii. Engine maintenance;
- iv. Auxiliary Power Unit maintenance;
- v. The supply of spare parts;
- vi. Engineering service;
- vii. Quality Insurance service, GMF guarantees the quality of the maintenance of aircraft according to the Civil Aviation Safety and regulation (CASR), regulation of international civil aviation authorities as well as technical manual and/or other regulations issued by the Company's Quality Assurance;
- viii. Production Planning and Maintenance Control service, GMF proposes aircraft maintenance plan and schedule for long, medium and short term; and
- ix. Handling and shipment works as well as other services.

Rights and Obligations of each party:

Rights and obligation of the Company:

- i. Check on the work of GMF;
- ii. Monitor the maintenance done on leased aircraft;
- iii. Include GMF on the engineering and maintenance work in the event of the Company adds more aircraft;
- iv. Provide written approval on the aircraft maintenance schedule to be conducted by GMF in accordance to the prevailing maintenance program;
- v. Bear the cost of business trips of GMF employees related to the maintenance of the Company's aircraft, in the event the Company adds new routes or new type of aircraft;
- vi. Bear the maintenance costs of the Company's outstation aircraft;
- vii. Try and secure a seat for GMF employees who are doing outstation maintenance work; and
- viii. Bear the traveling cost for sending GMF engineers to do maintenance work in places where there are no GMF representative offices.

Rights and obligations of GMF:

- i. Take responsibility over the Company's assets and aircraft while the items are in possession of GMF;
- ii. To conduct maintenance on the Company's leased aircraft in accordance to the lease agreement executed by the Company;
- iii. To provide the personnels who are qualified and possesses the required authorisation;
- iv. Right to demand the Company to put into writing all additional work to be done by GMF;
- v. GMF to provide the machinery, APU or other replacement components and/or bear full lease cost, should GMF be responsible for rendering the aircraft to be not air worthy (in Aircraft on the Ground (AOG) condition;
- vi. Conduct maintenance in accordance with the Maintenance Program owned by the Company; and
- vii. Conduct "On Condition" maintenance of aircraft.

Subcontractor:

In the event GMF is unable to deliver a certain type of work, GMF can hand over the work to a subcontractor, which has been approved by both GMF and the Company. The costs associated with the work of the subcontractor shall be borne by the Company and adjusted to the fee that GMF would typically charge for the type of work.

Time and Material cost basis:

- i. Labor costs:
 - Line and Base Maintenance USD32/Mhr.
 - Engine/APU Maintenance USD42/Mhr.
 - Component, landing gear/ Wheel and Brake Maintenance USD40/Mhr.
- ii. Spare parts:

Final purchase price from the factory plus handling charges to the amount of:

 - 7% (seven percent) for Line and Base Maintenance work.
 - 10% (ten percent) for Engine/APU Maintenance work.
 - 7% (seven percent) for Component Maintenance work.

Maximum handling charges:

 - USD3,000 (three thousand US dollars) per item
 - USD6,000 (six thousand US dollars) per line item
- iii. Overhaulparts price to the amount of 75% (seventy five percent) from the factory price
- iv. Subcontract work cost:

The billing cost from the Subcontractor plus 5% (five percent) handling charges to a maximum of:

 - USD1,000 (one thousand US dollars) per item
 - USD2,500 (two thousand and five hundred US dollars) per line item
 - USD5,000 (five thousand US dollars) per module
 - USD25,000 (twenty five thousand US dollars) per engine

The above prices are valid until December 31, 2009.

Termination:

Should one of the party be in breach of the contract and has received a written notice from the other party of at least 3 times, the aggrieved party is entitled to unilaterally terminate the agreement by giving a written notice to the party in breach 60 days prior to the termination of the agreement.

Governing Law:

Law of the Republic of Indonesia.

Dispute Settlement

Not regulated.

Affiliation:

An affiliated company

- c. **Agreement For Provision of Maintenance for the Top-Series In-Flight Entertainment Equipment No. DS/PERJ/DE-3264/2010 dated March 30, 2010 between the Company with Thales Avionics, Inc.**

Parties:

- i. The Company; and
- ii. Thales Avionics, Inc. (“**Thales**”).

Agreement Period:

The Agreement is valid for 5 (five) years since March 30, 2010 and goes hand in hand with supply and repair agreement. Should the supply and repair agreement terminates, this agreement shall terminate as well.

Scope of Agreement:

The Company has appointed Thales to provide maintenance service on the In-Flight Entertainment ("IFE") equipment on A330 aircraft operated by the Company with MSN No. 988, 1020, 1028, and 1052. The scope of maintenance work included are as follows:

- i. On-Board Maintenance which includes problem diagnosis, failure identification of Line Replaceable Unit ("LRU"), replacement of LRU, coordination with the Company's maintenance team, reporting of equipment maintenance, the supply of all equipments needed for on-board maintenance and the uploading of entertainment programs;
- ii. To upload media files, which includes videos, *audio*, html pages, text, and/or pictures for every month;
- iii. IFE systems check during heavy maintenance to ensure that IFE equipments are functioning on the desired level; and
- iv. Logistic arrangement.

In the event the equipments require maintenance work other than those agreed in this agreement. Thales holds the option to conduct or not to conduct the required maintenance. Should Thales choose to conduct maintenance on the equipment, the work will be valued on a time and material basis. Based on the agreement of both parties, the maintenance work will be started by Thales 4 months after March 30, 2010. However Thales still holds the option to start work as soon as a team is formed and trained.

Rights and Obligations of each party:

Rights and obligation of the Company:

- i. The Company is obliged to accept and ensure the equipment and obliged to prepare all payment evidence and other required documents to enable Thales to perform its obligations;
- ii. The Company gives permission to Thales access to available spare parts and equipments based on Supply and Repair Agreement;
- iii. Assist employees of Thales to procure the required permits to conduct maintenance work;
- iv. The Company is obliged to give Thales access to the maintenance system;
- v. The Company is obliged to give Thales access to aircraft and to ensure sufficient AOG for Thales to conduct maintenance work;
- vi. The Company is responsible for moving equipments inside the aircraft to help Thales in conducting maintenance work;
- vii. The Company is obliged to provide other supporting facilities for the maintenance work by Thales; and
- viii. The Company is obliged to keep the confidentiality of information received in relation to the implementation of the agreement.

Rights and Obligations of Thales:

- i. Thales is obliged to conduct maintenance work as agreed in the agreement;
- ii. Thales reserves the right to receive payment on the work performed;
- iii. Thales reserves the right to delay its work if the Company has done two consecutive late payments for a period of 45 (forty five) days after the billing date;
- iv. In the case of late payments mentioned above, Thales reserves the right to propose an alternative payment method; and
- v. Thales is obliged to keep the confidentiality of information received in relation to the implementation of the agreement.

Termination:

The agreement can be terminated before the expiry date upon the occurrence of the following events:

- i. Either party fails to meet its obligation as stipulated in this agreement; or
- ii. The Company issues a written notice on the reason for terminating the agreement due to the degradation of maintenance work quality. If the degradation of maintenance work only occurs to one aircraft, the termination only applies to that specific aircraft.

Governing Law

Not regulated.

Dispute Settlement

Not regulated.

Affiliation:

Not an affiliated party

d. **Agreement For Provision of Spares and Consumable and Repair Services For the Top-Series In-Flight Entertainment Equipment No. DS/PERJ/DE-3265/2010 dated March 30, 2010 between the Company with Thales Avionics, Inc.**

Parties:

- i. The Company; and
- ii. Thales Avionics, Inc. ("**Thales**").

Agreement Period:

The Agreement is valid for 5 (five) years since March 30, 2010 and goes hand in hand with maintenance service agreement. Should the maintenance service agreement terminates, this agreement shall terminate as well. Should Thales choose to conduct maintenance on the equipment, the work will be valued on a time and material basis.

Scope of Agreement:

The Company has appointed Thales to provide maintenance service on the In-Flight Entertainment ("**IFE**") equipment on A330 aircraft operated by the Company with MSN No. 988, 1020, 1028, and 1052. The scope of maintenance work included are as follows:

- i. Maintenance and repair of LRU equipment.
- ii. *Airline Operations Center comprised of technical help, escalations of events for required actions, 24 hours emergency assistance, work management, system oversight, maintenance of work schedule & flow, supply management, configurations, and network development as well as regulatory compliance;*
- iii. Management for the supply and use of equipment;
- iv. Modification of equipments.

In the event the repair work to be done on the equipment is not included in the agreement, Thales may elect to conduct or not to conduct the required repair work. Should Thales choose to repair the equipment, the work shall be valued on a time and material basis.

Rights and Obligations of each party:

Rights and obligations of the Company:

- i. The Company is obliged to service fee for the work done by Thales; and
- ii. The Company is obliged to keep the confidentiality of information received in relation to the implementation of the agreement.

Rights and obligation of Thales:

- iii. Thales is obliged to conduct maintenance work as agreed in the agreement;
- iv. Thales reserves the right to receive payment on the work performed;
- v. Thales reserves the right to delay its work if the Company has done two consecutive late payments for a period of 45 (forty five) days after the billing date;
- vi. In the case of late payments mentioned above, Thales reserves the right to propose an alternative payment method; and
- vii. Thales is obliged to keep the confidentiality of information received in relation to the implementation of the agreement.

Termination:

The agreement can be terminated before the expiry date upon the occurrence of the following events:

- i. Either party fails to meet its obligation as stipulated in this agreement; or
- ii. The Company issues a written notice on the reason for terminating the agreement due to the degradation of maintenance work quality. If the degradation of maintenance work only occurs to one aircraft, the termination only applies to that specific aircraft.

Governing Law

Not regulated.

Dispute Settlement

Not regulated.

Affiliation:

Not an affiliated party.

e. Maintenance Service Agreement No. DS/PERJ/DE-3339/2010 dated May 18, 2010 between the Company with Panasonic Aviation Corporation

Parties:

- i. The Company; and
- ii. Panasonic Aviation Corporation ("**Panasonic**").

Agreement Period:

The Agreement is in effect on the first day when Panasonic starts its work and continues for 60 months.

Note:

Based on a confirmation the Company, The Agreement is still in effect.

Scope:

Panasonic designs, produces and maintains in-flight entertainment systems currently installed in the Company's aircraft and all of the equipments are combined to form a system. Panasonic is to provide maintenance service for the systems.

Rights and Obligations:

Rights and obligations of the Company:

- i. The Company is obliged to make on-time payments for the maintenance work;
- ii. The Company is obliged to pay all taxes and duties;
- iii. The Company is obliged to notify any force majeure condition that it is experiencing immediately after the occurrence of the force majeure condition.

Termination:

- i. The Agreement can be terminated if one of the party makes a material breach of the contract and cannot provide a remedy to the breach within 30 calendar days.
- ii. The Company can also terminate the agreement if the implementation of the agreement is deemed impossible to be performed by Panasonic for a period of 3 months out of force majeure reason.
- iii. Either party can terminate the agreement on or after the submission of appeal by or to the other party for reorganisation, liquidation, dissolution or other similar efforts, or court ruling.

Governing Law

Not regulated.

Dispute Settlement

Not regulated.

Affiliation:

Not an affiliated party.

f. Component Pooling Agreement No. DS/PERJ/DZ-3423/97 dated December 4, 1997 between the Company with Koninklijke Luchtvaart Maatschappij NV

Parties:

- i. The Company; and
- ii. Koninklijke Luchtvaart Maatschappij NV ("KLM").

Agreement Period:

The Agreement is valid since October 1, 1997 until October 1, 1999 and automatically renews unless terminated by the Company by giving a notice 6 months prior to the termination date.

Based on a confirmation the Company, The Agreement is still in effect.

Scope of Agreement:

In this agreement, KLM has agreed to conduct maintenance on the Company's aircraft, conduct repairs, overhaul, tests and modification, send mechanic representative to the Company to accompany the Company conducting maintenance of aircrafts, and provide free trainings for the Company's mechanics in Jakarta.

Rights and Obligations:

Rights and obligations of the Company:

- i. The Company is obliged to pay aircraft maintenance fees;
- ii. The Company is obliged to fulfill terms and conditions issued by the flight authority of Indonesia;
- iii. The Company is obliged to obtain prior written approval from KLM if it wants to make modifications on the aircraft maintained by KLM.

Termination:

The agreement terminates due to:

- i. Terminated by either parties with a written notice issued 6 months prior to the desired termination date;
- ii. If the agreed aircraft is no longer operational;
- iii. If either party is declared bankrupt.

Governing Law:

Not regulated.

Dispute Settlement:

Not regulated.

Affiliation:

Not an affiliated party.

g. Engine Maintenance Agreement No. DS/PERJ/DE-3033/2009 dated October 1, 2008 between the Company with Evergreen Aviation Technologies Corp.

Parties:

- i. The Company; and
- ii. Evergreen Aviation Technologies Corp. ("EGAT").

Agreement Period:

This agreement valid for 5 (five) years since October 1, 2008. This agreement can be renewed for 5 (five) years with written notice 90 (ninety) days prior to the expiration date.

Scope of Agreement:

The Company has appointed EGAT for the maintenance, modification, repair and checking on CF6-80C2B1F engine that are leased or owned by the Company. All services will be done in EGAT's place or EGAT's subcontractor. Costs related to the transport of engines to and from EGAT will be borne by EGAT. Work done by EGAT that is outside the agreement will be valued on a time and material basis.

Rights and obligations of each party:

The Company's rights and obligations:

- i. The Company has to conduct line maintenance repairs to support flight operations and maintain equipments that currently under maintenance;
- ii. The Company is obliged to make payments for maintenance fees

Rights and obligations of EGAT:

- i. EGAT is obliged to pursue all the necessary work to provide the best possible maintenance service;
- ii. EGAT is obliged to provide advice on engineering as well as to provide 24 hours and 7 days support; and
- iii. EGAT is responsible to ensure that within the engine repair contract period, there should be time allocated to conduct an engine shop visit to the Company.

Termination:

This agreement can be terminated if one of the party breaches its responsibility and has been given a 60 day prior written notice outlining the breaches of the other party and the obligation to remedy the problem in a period of 60 days, and the breach continues for a period of 60 days.

Governing Law:

Not regulated.

Dispute Settlement:

Not regulated.

Affiliation:

Not an affiliated party..

- h. **A330 Component Pooling Agreement No. IL/PERJ/DE-3076/99 between The Company and SR Technics Zurich Switzerland as the last amended with Amended No. 05 No. DS/PERJ/AMEND-V/DE-3076/99/09**

Parties:

- i. The Company; and
- ii. SR Technics Zurich Switzerland ("**SR Technics**").

Term of Agreement:

5 (five) years since May 27, 2008.

Based on the Company's information, at this time, this agreement is still valid.

Scope of Agreement:

The Company can access the reserve components in Zurich. The Company requires SR Technics services to provide technical assistance in the Company's maintenance location. The Company also appointed SR Technics to provide technical and administrative training to the Company's personnel. This agreement includes the component pooling for A330 aircraft owned and leased by the Company.

The Parties' Rights and Obligations:

Company's Rights and Obligations:

- i. The Company is obliged to complete all the license requirement in Indonesia regarding to the implementation of this agreement;
- ii. The Company and SR Technics shall prepare manuals related to this agreements implementation;
- iii. The Company shall report the flight hour from the ongoing month;
- iv. The Company shall make payment for the SR Technics' Services.

SR Technics Rights and Obligations:

- i. SR Technics is obliged to complete all the license requirement regarding to the Swiss authority;
- ii. SR Technics shall get the DGAC approval and accept all the requirements issued by DGAC;
- iii. SR Technics and the Company shall prepare manuals related to this agreements implementation;
- iv. SR Technics has the right to approve a third-party to work execution.

Termination of Agreement:

The Agreement may be terminated, if one of the parties insolvent, bankrupt, revokes its business license, if one of the parties breach its obligations, or if one of the parties violate their agreement and this agreement do not allow to terminate.

Governing Law

Not regulated.

Dispute Settlement

Not regulated.

Affiliation:

Not an affiliated party.

- i. ***Transfer of Maintenance Service Agreement No. GMF/PERJ/TM-3088/2004 No. DS/PERJ/DE-3190/2006 dated September 21, 2006 jo. Maintenance Service Agreement No. GMF/PERJ/TM-3088/2004 dated February 25, 2004 as the last amended with amended No. 1 to GTCP 331-350 Maintenance Service Agreement No. DS/PERJ/AMEND-I/DE-3190/06/09 dated February 26, 2009 between the Company and Honeywell (Singapore) Pte., Ltd.***

Parties:

- i. The Company; and
- ii. Honeywell (Singapore) Pte., Ltd. ("Honeywell").

Term of Agreement:

February 26, 2009 to February 26, 2014.

Scope of Agreement:

In this agreement, Honeywell has agreed to conduct aircraft maintenance services consisting of analyzing and repairing the damage, provide and replace damaged components, maintain the aircraft components, do the documentation of aircraft maintenance activities, provide a representative to be summoned at any time by the Company to conduct aircraft maintenance, including allow the Company to do the inspection through its personnel. Maintenance meant here is the Auxiliary Power Unit (APU).

Rights and Obligations:

The Company's rights and obligations:

- i. The Company is obliged to make on-time payments for the services;
- ii. The Company is obliged to give an required access to the Honeywell's personel to conduct maintenance services;
- iii. The Company is obliged to inform the Honeywell about leased aircraft.

Honeywell rights and obligations:

- i. Provide aircraft maintenance, consisting of analyze and repair the damage;

- ii. Provide and replace the damaged components;
- iii. Provide maintenance to the aircraft's components;
- iv. Provide documentation to the aircraft maintenance activities;
- v. Assigned a representative to be summoned at any time by the Company to conduct aircraft maintenance, including allow the Company to do the inspection through its personnel.

Termination:

Besides the expiration of the agreement, agreements can be terminated by negligence, bankruptcy or one of the party change its business strategy. To terminate the agreement, the parties shall give a written notice to the other party.

Governing Law:

Not regulated.

Dispute Settlement:

Not regulated.

Affiliation:

Not an affiliated party.

- j. ***Agreement for Boeing 737NG Rotable Components Maintenance and Pooling Services No. DS/PERJ/DE-3056/2006 dated December 20, 2005 as lastly amended with Annex A Change Order No. DS/PERJ/AMAND- XXVII/DE-3056/06/10 dated August 23, 2010 between the Company and Koninklijke Luchtvaart Maatschappij NV***

Parties:

- i. The Company; and
- ii. Koninklijke Luchtvaart Maatschappij NV ("KLM").

Agreement Period:

This agreement is valid since December 20, 2005 until December 20, 2010. and automatically renews unless terminated by the Company by giving a notice 6 months prior to the termination date.

Scope of Agreement:

In this agreement, the Company assigned KLM to conduct aircraft maintenance for B737NG. Maintenance scope including provision of rotatable components, installation of rotatable components on the aircraft, and maintenance, inspection, repair and B737NG rotatable components modifications.

Rights and Obligations:

The Company's rights and obligations:

- i. The Company is entitled to appoint a third party to provide rotatable component by giving prior written notice to the KLM, in terms of KLM can not provide the required rotatable components;
- ii. The Company is obliged to sending unserviceable rotatable components to the transfer point on-time;
- iii. The Company is obliged for all the risk and all rotatable components transportation of aircraft to the transfer point and vice versa;
- iv. The Company is obliged to report flight hour to KLM;
- v. The Company will bear the non-repairable LRU cost;
- vi. The Company entitles KLM to transfer the job to other parties with prior written notice; and
- vii. The Company helps KLM to get the necessary documents that can only be accessed by the Company.

KLM's rights and obligations:

- i. Ensuring the availability of rotatable components for the B737NG aircraft maintenance;
- ii. Conduct maintenance as agreed;
- iii. KLM is entitled to the agreed payment for the work done.

Termination:

Besides the expiration of the agreement, agreements can be terminated by the following situations:

- i. One of the party is in insolvency or bankrupt, or reorganization, or restructuring;
- ii. One of the party's license is revoked that causes the execution of the agreement is not possible
- iii. In the event that the Company is no longer lease or owned B737NG aircraft; or
- iv. One of the party conducts repeated violation and failure to meet its obligations or not fulfill its obligation as it should.

Governing Law:

Not regulated.

Dispute Settlement:

Not regulated.

Affiliation:

Not an affiliated party

- k. **Agreement No.DS/PERJ/DZ-3383/2010 dated June 29, 2010 between Rolls-Royce Total Care Service Limited and the Company as amended by second amended agreement No. DS/PERJ/AMAND-II/DZ-3383/10/11 dated February 24, 2011**

Parties:

- i. The Company; and
- ii. Rolls-Royce Total Care Service Limited ("**Rolls-Royce**").

Agreement Period:

Valid until the Company stops its operations.

Scope of Agreement:

Rolls-Royce is giving *Total Care Service* to the Company for the Company for aircraft Trent 772B engine with serial number 41681, 41682, 41639, 41640, 41839, 41840, 41892, and 41894.

Lessor:

- i. CIT Group Location (France) S.A.S;
- ii. AWAS (France) Two S.A.R.L; and
- iii. Centennial Aviation (France) Two S.A.R.L.

Termination:

The termination shall be accompanied by written notice and the Company shall pay a cash payment within 10 (ten) days from the date of termination.

Governing Law:

English Law

Dispute Settlement:
Not regulated.

Affiliation:
Not an affiliated party.

I. Rolls Royce No. DS/PERJ/DZ-3384/2010 dated June 29, 2010 between the Company and Rolls-Royce Total Care Services Limited as amended by Amendment agreement No. DS/PERJ/AMEND-I/D-3384/10/11 dated February 24, 2011

Parties:
i. The Company; and
ii. Rolls-Royce Total Care Services Limited (“**Rolls-Royce**”).

Agreement Period:
This agreement is valid until the Company ceased operating A330-200 MSN 988 and 1028
Based on the Company's information, this agreement is still valid.

Scope:
The Company appoints Rolls Royce for the provision of related services to engine and aircraft spare parts for A330-200 include aircraft engine maintenance Trent 772C with serial number 41 594, 41 595, 41 645, and 41 646. The Company has the obligation to pay the service fee.

Termination:
Rolls-Royce can terminate the agreement with written notice to the Company if:

- i. The Company does not meet the payment schedule as arranged in the agreement, and the delay lasted for 10 days after the Company had a written notice about the late payment;
- ii. The Company does not meet the payment schedule as requested, and the delay lasted for 10 days after the Company had a written notice about the late payment;
- iii. The Company bankrupt or insolvency;
- iv. The Company violated the provisions of the agreement include but not limited to making agreements with other parties for the provision of the same services and do not indemnify the Rolls-Royce.

Governing Law:
English Law

Dispute Settlement
Rules of Arbitration of International Chamber of Commerce.

Affiliation:
Not an affiliated party

There are no restrictions (negative covenants) relating to the agreements with third parties as described above.

K. Licenses

The Company has obtained necessary licenses from the authorities in order to run its business, among others as follows:

1. Aircraft License

In connection with the aircraft, the Company has obtained licenses with respect to the aircraft, such as the license type (validation) for each type of aircraft, the license of registration and license of airworthiness, noise control and radio

permits license for each of the aircraft. As of the date of this Prospectus, some of the license owned by the Company had expired in June 2013 and the longest validity of the certificate is up to January 2015. The Company will extend certificate that has been expired.

2. Scheduled Aircraft Service License

Scheduled Aircraft Service License No.SKEP/01/I/2007 dated January 2, 2007, issued by DJPU on behalf of Minister of Transportation as amended by letter from DJPU Director No. AU/35/DAU.35/09 dated January 14, 2009 and letter from DJPU Director No. AU/752/DAU.85/09 dated January 28, 2009 and as amended by Scheduled Aircraft Service License No.SIAU/NB-002 dated July 26, 2012. Scheduled Aircraft Service License valid as long as the Company still operating.

3. Non-scheduled Aircraft Service License

Non-scheduled Aircraft Service License No. SKEP/02/I/2007 dated January 2, 2007, issued by DJPU on behalf of Minister of Transportation as amended by letter from DJPU Director No. AU/752/DAU.85/09 dated January 28, 2009 and as amended by Non-scheduled Aircraft Service License No. SIAUAU/NTB-037. Non-Scheduled Aircraft Service License valid as long as the Company still operating

4. Air Operator Certificate

The Company has obtained *Air Operator Certificate* No.121-001 dated June 10, 2009, issued by DJPU.

To operate international routes, the Company has obtained the aircraft operator certificate or similar document as follows:

- a. Air Operator's Certificate AOC # F503122-30 dated July 29, 2010 issued by Civil Aviation Safety Authority, Australia for Adelaide, Brisbane, Melbourne, Perth and Kingsford Smith (Sydney) international airports. This certificate expired on January 31, 2014 and can be extended.
- b. *China Operations Specifications* based on *China Civil Aviation Regulation* ("CCAR") 129. OS No GIA-F-040-ZN stated that the Company holds *Economic Permit* valid since April 1, 2012 until March 31, 2015 and *Foreign Air Carrier State's Operating Certificate or Permit* No.AOC/121-001 valid since June 11, 2013 until June 11, 2015 for Beijing, Guangzhou Baiyun, and Shanghai Pudong international airports regular flight. While alternate airport is Shanghai, Hongqiao, Wuhan Tianhe, Dalian Zhoushuizi, Fuzhou Changde, Hangzhou Xiaoshan, Tanjin Binhai and Xiamen Gaoqi.
- c. *Foreign Operator Authorization for Commercial Operations within the Kingdom of Saudi Arabia* issued for 9 aircraft operated for Saudi Arabia route, this certificate valid until an unspecified time, issued by *Aviation Standards & Safety Department, General Authority of Civil Aviation, Saudi Arabia Kingdom*. This license does not have any validity period.

5. IATA Operational Safety Audit Program Operator Certificate

The Company has obtained IOSA Certificate which is valid until September 8, 2014 issued by the Senior Vice President of Safety, Operations & Infrastructure and Senior Vice President of Member & Government Relations IOSA. This certificate is proof that the Company, as a member of IATA, has been audited by IATA for compliance with IATA safety standards set forth in the Manual IOSA Program and registered as IOSA operator.

6. Route license

The Company has obtained the necessary license to serve domestic and international route flights based on (i) Letter of DJPU No.AU.004/13/16/DJPU/DAU-2013 dated October 24, 2013 regarding Domestic Flight Schedule for Winter 2013/2014 Period which is valid until March 29, 2013, and (ii) Letter of DJPU No. AU.004/13/17/DJPU/DAU.2013 dated October 25, 2013 regarding Domestic Flight Schedule for Winter 2013/2014 Period which is valid until March 29, 2014; (iii) Letter of DGAT on Domestic Flight Schedule for Winter 2013-2014 Period No. AU.004/13/21/DJPU.DAU-2013 dated 28 October 2013 which is valid until March 29, 2014; and (iv) Letter of DJPU on Domestic Flight Schedule Period Winter 2013-2014 No. AU008/17/25/DJPU.DAU.2013 dated October 11, 2013 which is valid until March 29, 2014. In addition, the Company has also obtained a license or right to fly across the airspace of another country or land and conduct operations in countries that became international flight destinations.

7. License and compliance related to Garuda Sentra Medika (the Company Sub-Business Unit)

In conducting business activities, the Company has obtained necessary license to run its business such as, medical doctor license, specialist doctor license, license for pharmacy. The Company has 5 units of health clinics, namely (i) Klinik Satelit Cikokol, (ii) Klinik Utama Kemayoran, (iii) Klinik Satelit Garuda Sentra Operasi / GSO, (iv) Klinik Satelit Bekasi, and (v) Klinik Satelit Bintaro.

L. Fixed Assets

The Company has fixed assets such as aircraft, land and buildings with right to build certificate (“*Sertipikat Hak Guna Bangunan* or *Sertipikat HGB*”) entirely on behalf of the Company, as follows:

a. Land and Building

The Company has 47 land registered under the name of the Company based on land title certificate & sale and purchase deed located in Jakarta, Batam, Maluku, Riau, Padang Palembang, Yogyakarta, Solo, Semarang, Surabaya, Denpasar, Pontianak, Banjarmasin, Balikpapan, Makassar, Manado, Papua and Bangkok.

At the date of this Prospectus, there are 22 lands that according to its function materially affect the Company's business as follows:

No.	Proof of land ownership	Location	Land Size (M2)	No and date of blueprint	Expired Date	Description
1.	Sertipikat Hak Guna Bangunan (“HGB”) No. 106 dated February 21, 2005 Usage: Education and Training Center	Jl. Duri Kosambi, Cengkareng, Jakarta Barat	64,643	Surat Ukur No. 105/B/1984 dated September 18, 1984	January 6, 2025	
2.	Sertipikat HGB No. 4805 dated September 25, 2003 Usage: Dormitory/ idle land	Duri Kosambi, Cengkareng, Jakarta Barat	104,270	Surat Ukur No. 87/2003 dated June 18, 2003	September 24, 2033.	
3.	Sertipikat HGB No. 4806 dated September 17, 2003 Usage: Education and Training Center	Jl. Duri Kosambi Raya RT. 006/01, Cengkareng, Jakarta Barat	3,590	Surat Ukur No. 66/2003 dated September 10, 2003	September 16, 2033	
4.	Sertipikat HGB No. 1113 dated March 2, 2004 Usage: Office	Jl. Komplek GIA RT.016/RW.04, Kalibata, Pancoran, Jakarta Selatan	356	00941/2004 dated February 24, 2004	March 1, 2014	
5.	Sertipikat HGB No. 4816 dated December 24, 2003 Usage: Education and Training Center	Jl. Pondok Randu RT. 0011/03, Duri Kosambi, Kec. Cengkareng, Jakarta Barat	2,647	234/2003 dated December 9, 2003	December 23, 2023	
6.	Sertipikat HGB No. 1567 dated July 24, 2008 Usage: Office	Jl. Gunung Sahari Raya No. 52, Kel. Gunung Sahari Selatan, Kec. Kemayoran, Jakarta Pusat	2,890	00045/2007 dated December 27, 2007	July 23, 2028	
7.	Sertipikat HGB No. 923 dated April 26, 1994 Usage: Office and Medical Clinic	Jl. Angkasa Komp. Kemayoran Blok B-15 Kav No. 1, Kel. Gunung Sahari Selatan, Kec. Kemayoran, Jakarta Pusat	6,390	1908/1993 dated November 16, 1993	April 25, 2019	
8.	Sertipikat HGB No. 4677 dated June 25, 2002 Usage: Education and Training Center	Jl. Pondok Randu RT.005/02, Kel. Duri Kosambi, Kec. Cengkareng, Jakarta Barat	754	62/2001 dated June 11, 2002	June 24, 2022	
9.	Sale and Purchase, Tansfer and Delivery of Rights Deed No. 51 dated July 30, 1990, made before Anna Sunarhadi S.H., Notary in Jakart Parties: i. The Company ii. PT Danareksa Usage: Office	Jalan Kebon Sirih No 44, Gambir Jakarta Pusat	3,655	-	Based on Company Letter No. Ref 001/GIA-BPN/S&P/IX/2012 dated September 5, 2012, the Company inform Central Jakarta national land agency administrative Office (BPN Kantor Administrasi Jakarta Pusat) to process certification of land and building	note: This land is the process of certification based on letter No. 08/N/XII/04 dated December 11, 2004 from Harun Kamil S.H., notary in Jakarta regarding certification process to Chief of Land Office Central Jakarta
10.	Sertipikat HGB No. 92 dated October 13, 2008 Usage: Office & ex lodging	Jl. Ahmad Yani, Kel. Ahusen, Kec. Sirimau, Ambon	723	00016/Ahusen/2008 dated May 22, 2008	October 12, 2038	
11.	Sertipikat HGB No. 161 dated October 23, 2000 Usage: Office	Kel. Sumahilang, Kec. Pekanbaru Kota, Pekanbaru	757	20/Sumahilang/2000 dated August 7, 2000	October 23, 2020	

No.	Proof of land ownership	Location	Land Size (M2)	No and date of blueprint	Expired Date	Description
12.	Sertipikat HGB No. 50 dated June 12, 1997 Usage: Office	Kel. 20 Ilir III, Kec. Ilir Timur I, Palembang	1,382	2257/1997 dated April 23, 1997	June 11, 2017	
13.	Sertipikat HGB No. B.129/Gwn dated August 27, 1997 Usage: Office	Kel. Gowongan, Kec. Jetis, Yogyakarta	383	2271 dated August 7, 1997	August 24, 2017	Building on this land was burned down; currently the land is vacant.
14.	Sertipikat HGB No. 596 dated August 29, 2006 Usage: Office	Jl. Tunjungan No. 29, Kel. Genteng, Kec. Genteng, Surabaya	485	266/Genteng/2006 dated May 10, 2006	July 6, 2026	
15.	Sertipikat HGB No. 102 dated October 27, 2005 Usage: Office	Jl. Sugianyar No. 5, Desa Dauh Puri Kangin, Kec. Denpasar Barat, Denpasar	1,621	00123/Dauh Puri Kangin/2005 dated October 26, 2005	October 17, 2025	
16.	Sertipikat HGB No. 103 dated October 27, 2005 Usage: Archives Building	Jl. Kapt. Mudita No. 2, Desa Dauh Puri Kangin, Kec. Denpasar Barat, Denpasar	558	00124/Dauh Puri Kangin/2005 dated October 26, 2005	October 27, 2025	
17.	Sertipikat HGB No. 4220 dated October 13, 1997 Usage: Office	Jl. Tanjungpura Nomor 8, Kel. Darat Sekip, Kec. Pontianak Barat, Pontianak	709	76/1997 dated August 26, 1997	October 12, 2017	
18.	Sertipikat HGB No. 1437 dated September 20, 1996 Usage: Office	Kel. Kerta Baru Ulu, Kec. Banjar Barat, Banjarmasin	897	2994/1996 dated September 9, 1996	September 24, 2016	
19.	Sertipikat HGB No. 860 dated August 27, 2013 Usage: Office	Kel. Klandasan Ilir, Kec. Balikpapan Timur, Balikpapan	117	1061/1991 dated November 12, 1991	August 27, 2033	At the date of this Prospectus, the certificate is in the process of being extended by local notary administered by the relevant branch.
20.	Sertipikat HGB No. 462 dated February 16, 1995 Usage: Office	Jl. Slamet Riadi No. 6, Kel. Baru, Kec. Ujung Pandang, Ujung Pandang	1,073	381 dated November 11, 1967	-	
21.	Sertipikat HGB No. 03 dated April 25, 2002 Usage: Office	Kel. Titiwungan Selatan, Kec. Sario, Manado	763	03/Titiwungan Selatan/2001 dated October 26, 2001	April 25, 2022	
22.	Title of Condominium Unit Deed No.606, 3086, Sub district: Sathon (Bang Rak). Province: Bangkok Metropolis, Condominium Unit No. 1168/77, Lumpini Tower 27th Floor Building No.1 based on Title of Condominium Unit dated June 8, 1992 authorized by the Indonesian Consulate in Bangkok No. 259/KONS/N/159/2003 dated May 22, 2003 Usage: Bangkok Branch	Lumpini Tower Building No.1, Condominium Unit No.1168/77 27th Floor, Bangkok	416.82		-	

As of the date of this Prospectus, the book value after revaluation of fixed assets of 22 land and buildings amounted to USD125,495,536.

b. Aircraft

Currently, the Company has 16 aircrafts consisting of 9 financial lease aircrafts and 7 owned aircrafts based on the ownership documents.

Information of the leased aircraft can be seen in Material Agreements with third parties section. The information of the aircraft ownership document fully owned by the Company is as follows:

No.	Aircraft Type	Registration Number	MSN	Delivery Date	Ownership Document
1.	Boeing 747-400	PK-GSG	25704	January 14, 1994	Bill of Sale dated January 14, 1994
2.	Boeing 747-4U3	PK-GSH	25705	May 27, 1994	Bill of Sale dated May 27, 1994
3.	Boeing 737-300	PK-GGG	28731	December 31, 1997	Bill of Sale dated January 21, 2000

No.	Aircraft Type	Registration Number	MSN	Delivery Date	Ownership Document
4.	Boeing 737-500	PK-GGC	28727	December 26, 1997	Bill of Sale dated January 21, 2000
5.	Boeing 737-500	PK-GGD	28728	December 27, 1997	Bill of Sale dated January 21, 2000
6.	Boeing 737-5U3	PK-GGE	28729	December 31, 1998	Bill of Sale dated January 21, 2000
7.	Boeing 737-500	PK-GGF	28730	December 27, 1997	Bill of Sale dated January 21, 2000

M. Insurance

The Company has several insurance policy to cover its business from possible risk that may disrupt its business activities as follows:

No.	Insurance Type	Insurance Object	Insurer	Policy Number	Validity Period	Total Coverage
1	Airline Hull and Spares "All Risk" and Liability (Including Personal Accident)	Aircraft owned by the Company and / or Citilink and / or GMF and / or its affiliates ("the Insured") or are in the responsibility of the Insured	PT Asuransi Jasa Indonesia (Persero) ("Jasindo")	201.301.110.13.00041	December 1, 2013 up to November 30, 2014	<p><i>Hull:</i> according to the amount specified in the policy, where the maximum insured on the aircraft is USD 275 million</p> <p><i>Total loss:</i> The maximum amount of USD 40,000,000</p> <p>Spare parts and equipment: a maximum of USD 275 million</p> <p>In-flight entertainment systems: a maximum of USD 40,000,000</p> <p>Flight Responsibility USD 1,750,000,000, except for Citilink aircraft USD 750,000,000</p> <p>Personal Accident: USD 100,000 per death</p>
2	Airline Hull and Spares War and Allied Perils Insurance	Aircraft owned by the Insured or are in the responsibility of the Insured	Jasindo	201.302.110.13.00042	December 1, 2013 up to November 30, 2014	<p><i>Hull:</i> according to the amount specified in the policy, where the maximum insured on the aircraft is USD 250 million</p> <p><i>Total loss:</i> maximum amount of USD 40,000,000</p> <p>Spare parts and equipment: a maximum of USD 250 million</p> <p>In-flight entertainment systems: a maximum of USD 2,500,000</p>

3	Aviation Hull and Spares Deductible	Aircraft owned by the Insured or are in the responsibility of the Insured	Jasindo	201.301.110.13.00043	December 1, 2013 up to November 30, 2014	<p>USD 1,000,000 for the Boeing 747 / Airbus 330 and USD 250,000 for the engine</p> <p>USD 750,000 for the Boeing 737-800 / 500/400/300 / Airbus 320 and U.S. \$ 250,000 for the engine</p> <p>USD 500,000 for CRJ 1999/2000 and USD 250,000 for the engine</p>
4	Aviation War, Hijacking and Other Perils Liability	Aircraft owned by the Insured or are in the responsibility of the Insured	Jasindo	201.301.110.13.00044	December 1, 2013 up to November 30, 2014	USD 1,000,000,000
5	Insurance for accident	Aircraft passenger including Hajj passenger	PT Jasa Raharja (Persero)	P/30.1/SP/2011 or DS/PERJ/DF-3189/2011	June 1, 2011 up to May 31, 2014	<p>Death: Rp50,000,000;</p> <p>Permanent Disability: A maximum of Rp50,000,000;</p> <p>Medical care: Rp.25,000,000.</p> <p>Cost of Burial Rp 2,000,000</p>
6	Travel Insurance – Airlines liability	Baggage, Delay, Cargo	PT Citra Nasional Underwriters	00.110.525.13.003	March 1, 2013 up to February 29, 2016	<p>Cabin Baggage: for the value of the damaged or missing baggage:</p> <p>a. Lost: The maximum Rp 4,000,000 per passenger in economy class and Rp 6,000,000 per passenger in business class</p> <p>b. Destroyed: maximum Rp 4,000,000 per passenger of economy class and Rp 6,000,000 per passenger of business class</p> <p>c. Damage: maximum Rp 2,000,000</p> <p>Flight delay of more than 4 hours: maximum Rp 300,000 per passenger</p> <p>Passenger does not transported due to capacity reasons: reimbursement for meal and drink a maximum of Rp 105,000 and Rp 400,000 maximum for accommodation</p> <p>Cancellation of flights: a maximum of Rp 150,000</p> <p>Cargo: maximum of U.S. \$ 5,000 per occurrence</p>

7	Personal Accident Crew and Loss of License	Pilot, co-pilot, cabin crew	Jasindo	201.733.200.13.00028	August 1, 2013 up to August 1, 2014	Personal Accident Crew Insurance: USD 411,250,000 Loss of License Insurance: USD 110,400,000
8	Travel Accident & Travel Inconvenience	All "Executive Card + Garuda Indonesia" card holder	Jasindo	201.705.200.12.0031	November 20, 2012 up to February 20, 2014	USD 20,000,000,000
9	Cash in Safe	Money amounting to U.S. \$ 468,649 or Rp 5,779,523,195	PT Asuransi Parolamas	JKT/CIS/00005/12 and extended with Policy Schedule No. JK00.VGA.CS.D.13.0001-0	April 15, 2013 up to April 15, 2014	USD 506,352 or Rp 5,995,338,924
10	Cash in Transit	The sum of USD 1,000,000 or Rp 1,000,000,000	PT Asuransi Parolamas	JKT/CIT/00011/12 and extended with Policy Schedule No. K.JK00.MCCT.D.13.00001-0	April 15, 2013 up to April 15, 2014	USD 9,696,045 or Rp73,517,871,395
11	Personal Accident	20 people of company staff	PT Asuransi Parolamas	JKT/PA/00006/12 and extended with Policy Schedule No. JKT00.PPAPA.P.13.00006-0	April 15, 2013 up to April 15, 2014	Death – Rp 25,000,000 per person Reimburse medical care due to accident Rp2,500,000 per person
12	Property All Risks (excluding earthquake, volcanic eruption and tsunami)	Main office and Branch	Jasindo (50%) PT Asuransi Central Asia (25%) PT Tugu Pratama Indonesia (25%)	201.297.200.13.00086	April 15, 2013 up to April 15, 2014	Rp1,355,598,541,539
13	Indonesian Standard Earthquake	Office building, factory, Hangar, Equipment, Furniture	- Jasindo (50%) - PT Asuransi Central Asia (25%) - PT Tugu Pratama Indonesia (25%)	201.203.200.13.00087	April 15, 2013 up to April 15, 2014	Rp1,355,598,541,539
14	Machinery Breakdown	Machine for Company Building	- Jasindo (50%) - PT Asuransi Central Asia (25%) - PT Tugu Pratama Indonesia (25%)	201.404.200.13.00017	April 15, 2013 up to April 15, 2014	Rp65,047,230,000
15	Electronic Equipment	EDP Equipment (Non Simulator)	- Jasindo (50%) - PT Asuransi Central Asia (25%) - PT Tugu Pratama Indonesia (25%)	201.406.200.13.00015	April 15, 2013 up to April 15, 2014	Rp190,105,500,000
16	Electronic Equipment	EDP Equipment (Non Simulator)	- Jasindo (50%) - PT Asuransi Central Asia (25%) - PT Tugu Pratama Indonesia (25%)	201.406.200.13.00016	April 15, 2013 up to April 15, 2014	Rp151,228,644,259
17	Contractors' Plant and Machinery	Ground Support Equipment	- Jasindo (50%) - PT Asuransi Central Asia (25%) - PT Tugu Pratama Indonesia (25%)	201.412.200.13.00014	April 15, 2013 up to April 15, 2014	Rp39,633,632,825
18	Directors and Officers Liability	To bear the compensation of all claims for errors made by the Board of Directors and management in carrying out their duties	Jasindo	201.777.200.13.00020	March 18, 2013 up to March 18, 2014	USD30,000,000

There is no affiliation between the Company and the Insurance companies mentioned above, except between the Company, Jasindo and PT Jasa Raharja which are affiliated due to the government ownership therein. There are no distinctions on the conditions and treatment in the insurance agreement between the affiliates and other third parties.

The Company management hereby stated that all insurance premiums stated above which have been paid by the Company is sufficient for the aircrafts, passengers, assets and human resources of the Company.

In addition to insurance that covers losses on the assets of the Company, the Company also has third parties liability insurance to cover the liabilities of passengers, pilot, co-pilot, cabin crew and staff.

Indonesia is a party involved in the Warsaw Convention, which establishes the principle of limited liability to airlines companies based on the presumption of fault. As a member of IATA, the Company is a party to the IATA intercarrier Agreement on Passenger Liability and Agreement on Measures to Implement the IATA intercarrier Agreement. Pursuant to those agreement airlines companies agreed that injured or deceased passenger can receive compensation up to 100,000 Special Drawing Rights ("SDR"). The SDR is an artificial currency unit that was created by the International Monetary Fund and 100,000 SDR is equivalent to about USD153,692 on December 31, 2013.

The Company believes that the Company has adequate insurance coverage for the maximum civil liability that may be imposed in the event of injury of passengers under Indonesian law, the Warsaw Conference or other applicable bilateral agreement.

N. Good Corporate Governance

The Company believes that good corporate governance (GCG) is essential to support long-term company growth.

The Company has successfully implemented phase "Good Garuda Governance" from 2005 to 2008 that focus on the fulfillment of prevailing law and regulation. During this phase the Company managed to established structure and mechanism for its main organ which consist of Shareholders, Board of Commissioners and Board of Directors. The next phase which is "Good Governed Garuda" has been completed on 2009 to 2010, where the Company successfully introduce a new corporate value namely "Fly Hi" which stand for eEfficient & effective, Loyalty, customer centricity, Honesty & openness and Integrity. The Company also countinuously improve its Enterprise Risk Management.

Phase "Garuda Good Citizen" objective is to build a good corporate governance culture through approach on three (3) important aspects, namely 'Leadership, Systems & Members'.

In Leadership aspect, workshops have been conducted with regard to the function and role of the leader as a 'role model' in developing good corporate governance culture. Board of Commissioners and the Board of Directors has held the AGMS, presented Company's long-term plans, annual work plans and budgets as well as management contract, the implementation of which has been in accordance with the procedures and time limits set by the rules and regulations. The commitment of the Board of Commissioners and Board of Directors to GCG is also demonstrated by consistently implementing GCG assessment and continuously improves GCG implementation based on recommended action from the assessment.

In System aspect, the Company implements accountability principle in which the Company has to make sure that each individual understand their roles, tasks, performance measures and targets. In order to fulfill that objective, the Company has set up a structured and systematic performance management system starting from execution of management contract between the Board of Directors and Board of Commissioners that includes Key Performance Indicators as well as Company objectives. These objectives then translated into key performance indicator, unit target and individual target. In building the system, the Company has been formulating and disseminating business ethics and code of conduct to all employees. This indicates that the Company is not only attempting to comply with the rules and regulations, but also seeks to establish a business ethics and code of conduct that upholds high moral values. Gratification control system as a part of neat business ethics has been implemented consistently. In order to monitor and uphold business ethics, the Company implements whistleblowing system which enables stakeholders to report any suspected fraud or ethics violation committed by employee.

O. Corporate Social Responsibility / CSR

Along with the expansion of the Company's flight route, in 2013 the widespread route stimulates positive impact on the Company's degree of social, economic and community's environment. This is line with the Company's mission to grow and develop with the community and the surrounding environment.

The Company's initiative towards CSR is implemented through Garuda Indonesia Cares Program, CSR program designed to support continuous society and enviromental development. The program covers 3 aspects i.e economic, social and enviromental aspects and frequently run in synergy with government efforts and other institutions both domestic and international.

CSR program serves as bonding instrument between the Company and consumers, customers, employees, communities, institutions and other stakeholders in an effort to foster a sense of belonging to the Company as well as a tool to align Company's business dynamics with environment.

The Company as a State-Owned Enterprises, implement CSR program in accordance with Regulation of the Minister of State Enterprises PER-05/MBU/2007 and PER-08/MBU/2013 regarding Partnership Program of State-Owned Enterprises for Small Business and Community Development program. In addition, the Company also runs other CSR program in addition to compulsory community development program and CSR program. In implementation of these programs, the Company often works together with the Government, SOEs, private companies, academics and Non Governmental Organization (NGO) which continuously and consistently empower Indonesian citizens and repair the environment for the future of the nation.

The Company distribute fund for CSR program amounting to Rp33.43 billion, Rp45.87 billion and Rp18.47 billion for year 2011, 2012, and 2013 respectively. Lower fund distribution for CSR program in 2013 was due to changes in PER-05/MBU/2007 regarding fund distribution for partnership program and community development program (in accordance with Letter from Deputy strategic planning and restructuring of Ministry of State Owned Enterprises No.S-92/D5.MBU/2013).

Partnership Program

Partnership Program is intended to enhance the ability of small businesses to be resilient and self-reliant through the use of funds from the profits of SOEs. The Company as a SOE Trustee has distribute Partnership Program fund through partnerships and development programs, the Company also monitor development of the SME or Partners. Partnership Program consists of two components, namely soft loans to finance working capital or the purchase of fixed assets in order to increase production and sales, as well as grants and guidance that is intended for education, training, apprenticeship, promotion and others to improve partners's productivity.

In 2013 the Company has disbursed partnership loans amounting to Rp955 million to 11 partners that are spread in the region of West Java (4 Partners), Bali (6 Partners), and Lombok (1 Partners). By the end of 2013, the Company had 4,157 partners who have fostered through the synergy between SOEs and other Governmental Agency across wide area coverage. Meanwhile, at the end of the same period, the Company directly supervised 744 partners.

Partnership loan has proven to be effective to help SME in developing their business and improves the community's economy. The Company also provides guidance for partners through education, training, apprenticeship and promotion. During 2013, the Company has distributed partnership fund amounting to Rp264 million. The Company also help its partners to promote their products through several exhibition during 2013, such as

1. 6th Adiwastra Indonesia 2013
2. Ramadhan Bazaar 2013
3. Garuda Indonesia Travel Fair (GATF) 2013
4. APEC Exhibition in Bali
5. IIP-SOE Anniversary Exhibition and Mother's day

The Company constantly monitor and supervise the development of the partners in an effort to maintain the quality of the partners business. The level of effectiveness of the Company's CSR disbursements stood at 14.45% or a score of 3 (in accordance with Minister of State Enterprises of the Republic of Indonesia letter number S-723/MBU/2013 dated December 3, 2013, regarding Performance Partnership Program in 2013), and collectability performance from partners's loan receivables also earned a score of 3, with the achievement of 77.96%.

Community Development Program

Community Development Program is governed by the Regulation of the Minister of State Owned Enterprises No. Per-08/MBU/2013 regarding the Fourth Amendment to the Regulation of the Minister of State Owned Enterprises No. PER-05/MBU/2007 regarding Partnership Program of State-Owned Enterprises for the Small Business and Community Development Program Article 11, paragraph 2, point E, which defines the scope of the SOE role as Community Development Trustees as follows:

1. Aid for victims of natural disasters, provides emergency relief to disaster through the provision of basic needs for disaster victims.
2. Education and / or training Aid; provides assistance aimed to improve quality of education.
3. Health improvement Aid to improve quality of public health.
4. Aid for development of infrastructure and / or public facilities; provides restoration to public facilities and infrastructure as part of efforts to improve the welfare of society.
5. Aid for worship facilities; provides restoration for public worship facilities and support religious activities
6. Conservation Aid; provides aid and efforts to conserve environment.

7. Social Aid; provides aid to alleviate poverty, and support government's poverty alleviation program

Company through the "Garuda Indonesia Cares" has participated in community development programs with a total aid amounting to Rp 3.7 billion.

Corporate Social Responsibility Program

The Company are committed to fulfill its corporate social responsibility to the community not only through Partnership and Community Development Program but also through its Corporate Social Responsibility Program. In 2013, total portfolio of Company's CSR Program reached Rp13,5 billion.

Throughout 2013, the Company has implemented several CSR activities as follows:

1. Notebook Recycling Program, a program to recycle ticket paper into Recycled Notebook. Currently the program has produced more than 1,5 million notebook and distributed to various school in Indonesia
2. Garuda Indonesia Cervical Cancer Care Program with Indonesian Cancer Foundation (Yayasan Kanker Indonesia), this program has been carried out in three provinces in Indonesia, which are Jayapura, Ambon and Manado.
3. Bali Beach Clean Up, the Company in cooperation with Coca-Cola Amatil and Quicksilver set up a program that aims to clean up the beaches of Bali from the trash. The Company donated two cleaning tool / scraper or a Barber Surf Rake trash to haul trash on the sand.
4. The Company's participation in the program IBCSD titled Vision 2050 as a working group member. The program aims to transform business practices BAU (Business as Usual) to become more sustainable through a series of dialogue and comparative studies that involve IBCSD member companies, government agencies, NGOs, and academics.
5. Phase II of Java – Bali Native Plant Arboretum Development Program at Eco Park Cibinong Science Centre – LIPI, a program to plant 10.000 native trees from Java and Bali region. Through the same program the Company has planted 10.000 trees for the Phase I, in total currently the Company has planted 20,000 trees.
6. Garuda Indonesia Tennis Masters Tennis Open and Junior an annual tennis tournament held to develop, refine and nurture young talented athletes in Indonesia to become outstanding tennis player in the international arena. The tournament formerly known as "Garuda Indonesia Tennis Masters" and has been implemented since 2008.

P. Litigation and Other Legal Proceedings Involving the Company, the Subsidiaries, the Board of Commissioners and the Board of Directors of the Company, as well as the Board of Commissioners and the Board of Directors of the Subsidiaries

At the date of this Prospectus, the Company, the Subsidiary, the Board of Commissioners and Board of Directors, as well as the Board of Commissioner and Board of Directors of the Subsidiary is not currently involved in any material litigation or other regulatory action, and/or are facing the subpoena which in the judgment of Company's management has a significant impact on operating results Company or the financial condition except as follows:

Alleged Cartel Case for Cargo Fuel Surcharge in Australia by the ACCC

As a consequence of Appeal related to the Company's rights Immunity (immunity as a foreign entity) based on State Immunity Act, the appeal was rejected by the High Court of Australia through their verdict on September 7, 2012, therefore the Company must re-enter the case related to alleged cartel Fuel Surcharge (FS) and Security Surcharge (SS) in the Federal Court of New South Wales, Australia.

The legal proceeding of this case in the federal Court of New South Wales, Australia, commenced from October 22, 2012 until May 15, 2013 with various agenda including revision of the claim from ACCC, defense from the Company, collection of evidence and witnesses. Final hearing was held on May 15, 2013 with delivery of conclusion form each party as the agenda.

In the Final Hearing, the Company has submitted a defense based on terms in the Aviation Laws, International Treaty Law through the Air Service Agreement (ASA) and International Competition Law related to the relevant market. Currently, the Company is waiting for decision from the Federal Court of New South Wales, Australia, which according to estimates will be decided within 3 (three) to 6 (six) months after the Final Hearing date of May 15, 2013.

In the event that the Company is proven guilty, the risk that will be faced by the Company will depends on several factors such as the Company's market share in Australia, the Company's level of cooperation during the proceedings, the level of violation committed by the Company, and the Company's revenues from Fuel Surcharge (FS) and Security Surcharge (SS) for the transport of cargo to Australia. The financial penalty that may be imposed to the Company if it is proven guilty estimated to be around AUD 10 - 15 million. However, the Company still has the right to appeal to the High Court (Full Federal Court) Australia for this case.

The Company believes that this case will not cause any material impact or disrupt the Company and its Subsidiaries business and the Rights Issue Offering.

VIII. THE COMPANY'S BUSINESS ACTIVITY AND PROSPECTS

A. General

The Company is the state-owned air carrier of Indonesia and a provider of air transport for passengers, cargo and airline-related services in Indonesia. The Company has an extensive operating history in Indonesia and have historically been the Indonesian flag carrier providing international, domestic and regional airline services. Some key milestones of the Company are as follow:

- a. In January 26, 1949 Indonesia's first commercial flight operator commenced operations under the name of "Indonesian Airways". On December 28, 1949, "Garuda Indonesian Airways" commenced operations.
- b. In March 31, 1950, the Company immediate predecessor business was incorporated as Garuda Indonesian Airways N.V., a joint venture between the Dutch national airline KLM (51%) and the Government of Indonesia (49%).
- c. In 1954, the Republic of Indonesia, represented by the Government through the Minister of Finance, became the majority shareholder of Garuda Indonesian Airways N.V.
- d. In 1956, the Company introduced travel to Saudi Arabia for Hajj pilgrimages for the first time.
- e. In 1975, the Company was incorporated as PT (Persero) Perusahaan Penerbangan Garuda Indonesia, a state-owned limited liability company under the laws of the Republic of Indonesia, to assume the operations of Garuda Indonesian Airways N.V.
- f. In 1976, the Company received its first deliveries of DC-10 aircraft, which was also the first wide-body aircraft introduced to its fleet.
- g. In 1985, the Company changed its corporate identity to enhance its image and to fulfill its vision in the future.
- h. In 1985, the Company launched flight services to the United States.
- i. In 1989, the Company acquired Aerowisata, to provide and develop supporting services, such as catering services for flights, hotels and resorts, travel agencies and tour and land transportation.
- j. In 1995, the Company's Subsidiary, Abacus, was established to provide information technology and operation system services, including global distribution services for the Company.
- k. In 2002, the Company's Subsidiary, GMFAA, was established to provide MRO services, including airframe and engine maintenance and related supporting services.
- l. In December 2005, the Company's Subsidiary, Asyst, was established to provide IT system specifically for the transportation industry.
- m. In September 2008, the Company re-launched Citilink's operations to meet increasing demand for LCC services in the domestic markets.
- n. In July 2009, The Company refreshed its corporate branding and launched its new generation Boeing 737-800NG aircraft and new Airbus A330-200 aircraft. The Company also moved to a new management building at Soekarno-Hatta International Airport in Cengkareng.
- o. In June 2010, the Company re-launched flight services to Amsterdam.
- p. In 2011, the Company conducted its Initial Public Offering.
- q. In June, 2012, the Company separated the business of SBU Citilink into a separate subsidiary, to exclusively provide LCC services
- r. In July 2012, the Company was awarded "The World's Best Regional Airline" and "The Best Regional Airline in Asia" by Skytrax, an independent research company based in London.
- s. In June 2013, the Company has conducted Public Offering of Shelf-Registration Bonds I Phase I in 2013 amounted to Rp2.000.000.000.000,- (two trillion Rupiahs) with fixed interest rate of 9.25% per annum for a period of 5 years.

Currently the Company has two SBUs: Garuda Cargo and Garuda Sentra Medika, and five main Subsidiaries: Abacus (reservation), Aerowisata (catering, hotel, transport and travel), GMF AeroAsia (MRO), Asyst (IT system) and Citilink (LCC flight service). The Company also has an associated company, Gapura, which provides ground handling services.

At the date of this Prospectus, The Company has 1 head office and 9 management areas which manage 63 branches, namely:

1. Domestic Area Region – 1, which manages 13 branches located in Medan, Banda Aceh, Pekanbaru, Padang, Batam, Tanjung Karang (two branches), Jambi, Palembang, Pangkal Pinang, Tanjung Pinang, Bengkulu and Tanjung Pandan. Domestic Area Region – 1 also manages the Station & Service Hub in Kuala Namu;
2. Domestic Area Region – 2, which manages two branches located in Bandung and Jakarta;
3. Domestic Area Region – 3, which manages eight branches located in Surabaya, Malang, Jogjakarta, Semarang, Solo, Denpasar, Kupang and Mataram;

4. Domestic Area Region – 4, which manages 20 branches located in Makassar, Kendari, Palu, Mamuju, Ambon, Balikpapan, Tarakan, Berau, Pontianak, Banjarmasin, Palangkaraya, Manado, Ternate, Gorontalo, Jayapura, Manokwari, Sorong, Biak and Timika (two branches);
5. International Area Region – 1, which manages four branches located in Singapore, Bangkok, Kuala Lumpur and Penang;
6. International Area Region – 2, which manages three branches located in Tokyo, Osaka and Seoul;
7. International Area Region – 3, which manages five branches located in Shanghai, Beijing, Guangzhou, Hong Kong and Taipei;
8. International Area Region – 4, which manages four branches located in Sydney, Brisbane, Perth and Melbourne;
9. International Area Region – 5, which manages four branches located in Amsterdam, London, Abu Dhabi and Jeddah.

B. Key Investment Highlights

The Company's competitive advantages are as follows:

1. Strong Domestic Brand Recognition

In the domestic market, the Company has a good reputation and is known as the most reliable airline. Besides having the IOSA (IATA Operational Safety Audit) safety certification, the Company's relatively high OTP level, strong brand image and its operation as a FSC are the main reasons why the Company has a large market share in Indonesia. In the international market, continuous and consistent improvement of quality by the Company enable the Company to strengthen its brand image. The continuous improvement to the Company's brand image in the international market is evidenced by the receipt of the Company as a 4 star airline from Skytrax at the end of 2009 whereby the higher level, i.e. 5 star airline, only being given to 6 airlines.

2. Supported by a Highly Skilled Organization and Experienced Management

From management and human resources point of view, the Company has highly skilled employees which are led by a professional management. The Company continues to implement internal program within its organization designed to increase professionalism and build the Company into a high-performing organization. Acceleration of this program will determine how quickly the Company can transform into an airline that is better than its peers. The receipt by the Company as "The World's Most Improved Airlines" by Skytrax, a research company and owner of a website specializing in the air transport industry, confirmed the Company as having a highly skilled organization and experienced management in managing the Company.

3. Having a Reliable IT System

Currently, the Company has relatively complete IT system for its commercial, operational and financial needs. The Company also has a strong foundation for development of its IT system in the future. For its commercial needs, the Company has implemented the Netline Plan system, which allows the Company to optimize flight network and flight schedules. In addition, the Company currently has two Subsidiaries which support its IT system, Asyst and Abacus.

Besides the Company's competitive advantages, key investments for the Company are also based on the economic growth and market conditions:

1. Rapid Economic and Market Growth

The growth of the world's economy and market after 2009 experienced a decline due to the global financial crisis. Although in 2010 there were some positive outlook for the economy, the Greece economic crisis which begun in August 2010, again threatened the world's economy and market. Countries around the world attempted to anticipate further financial crisis, in order to stop its spread throughout the world and such attempt to localize the financial crisis has continued up to the present day. Despite the decline in the economic growth of Indonesia compared to previous years, Indonesia has performed fairly well, with its economic growth being higher than other developing countries, including member countries of the G - 20, having recorded a growth in GDP of 5.8%. This growth in GDP is occurring in all field of business, with the highest growth of 10.2% recorded by the transportation and communication sector. International airline passenger traffic from Indonesia recorded a 9.5% increase from 11.9 million passengers in 2012 to 13 million passengers in 2013. This increase was due to the increase of economic activities in the domestic market, in income per capita in Indonesia and increase in the number of aircraft entering the market, affordable ticket prices and the fulfillment of the quality of service and flight safety.

The International Monetary Fund projected that in 2015, the world's economic growth will be approximately 4.4%, ASEAN 5 group's economic growth will be approximately 5.8%, and Indonesia's economic growth is expected to be approximately 6.9%. It is expected that Indonesia's economy will continue growing approximately 6% up to 2015, which presents a favourable outlook for the Company, as market growth in the aviation industry is closely linked to the world's

economic growth, as usually the aviation industry growth is adversely affected during an economic crisis. In line with the recovery of the world's economy in 2009, the growth of the airline market also has been recovered. Airbus, in its long-term projections, expects the Asia-Pacific market to be thriving in the long term and it will surpass other market, such as Europe and North America. Within Indonesia, the aviation industry still has many opportunities and potential. The geographical structure of Indonesia as an archipelago requires air transportation. Therefore, it is expected that the growth in demand for air transportation service will surpass the growth of capacity. For the Company, this opportunity presents an advantage, considering the Company's position as a well known air transportation operator among business travelers, the customer segment who is relatively insensitive towards price.

C. Business Strategy

The Company believes that its business strategy positions the Company's to capitalize on continuous growth in the Indonesian aviation market. Key initiatives of the Company's strategy to achieve the vision and mission of the Company, are divided into seven main drivers (7 drives of Quantum Leap) and are as follows:

1. *Grow and Dominate the FSC Domestic Market by the strengthening the Company's position in premium class*

The Company aims to grow and dominate the FSC domestic market through improving the quality of its service as a whole (before, during and after the flight), and developing the Company's domestic route network. The development of the Company's domestic route network is part of an effort to achieve the Company's target to achieve 5 star Skytrax rating and at the same time, to prepare the Company for the free trade in the ASEAN region in 2015. As part of the improvement of products offered to the customers, the Company introduced aircraft intended to serve routes with high yield and lower density, using CRJ 1000 and turboprop aircraft ATR72-600.

In addition, to strengthen the Company's network efficiency and be more cost effective, the Company implemented the "Hub & Spoke" concept, which connects various cities in Indonesia. As of the date of the publication of this Prospectus, the Company has three hubs, namely UPG (Makassar), DPS (Denpasar) and MES (Medan). The presence of these hubs allow the Company to provide services to areas with limited airport facilities.

2. *Capture the Potential in International Market by Expanding Flight Network*

Some of the Company's strategies in expanding its international network, are as follows:

- To increase sales by adding new routes and/or adding frequency of flights on international network.
- To enter into code-share arrangements, with other airlines of equal footing, based on mutualism. The Company has entered into some code-share arrangements and the latest code-share arrangement that the Company entered into was with Etihad. As part of the code-share arrangement, in December 2012, the Company moved the location of its transit location for Europe-bound flights to AUH (Abu Dhabi) from DBX (Dubai). From the code-share arrangement with Etihad, the Company is able to expand its air network through AUH, as well as connecting its flight network with Etihad, and vice versa.
- To join SKYTEAM, a global alliance of airlines. Currently, SKYTEAM consists of 19 major airlines. By joining SKYTEAM, the Company is able to be connected to a large route network, comprising of 15,000 flights per day, including 1,024 destinations in 178 countries and on average, serving 569 million passengers per year and 530 airport lounges around the world.

3. *Make Citilink, which is a Subsidiary of the Company as the "ornament of change" in the LCC market*

The Company expects Citilink to be the "ornament of change" in the LCC market, whereby Citilink is expected to emphasize the market segmentation between LCC and FSC, which will ultimately strengthen the position of the Company as an FSC airline. Citilink's strategy focuses on increasing efficiency and operational effectiveness in order to provide the lowest prices on routes served, with appropriate quality standards. Citilink will focus on efficient use of aircraft fleet, increasing seat capacity, utilization aircraft, low distribution cost and also focus on flights which are no longer than two hours, both domestic and international.

4. *Develop, Simplify and Rejuvenate the Company's Fleet*

The Company's strategy to develop its fleet is to balance the need to grow its fleet against the various purpose to be catered by the Company's fleet, in order to support the growth of the Company's business. Therefore, the Company aims to have a diverse fleet which can be operated efficiently and in a flexible manner to best serve the various needs of the Company's diverse route network.

In general, the Company's fleet consist of six types, namely:

- Long distance aircraft: B777-300ER

- Medium distance aircraft: A330-200 & A330-300
- Premium short distance aircraft: B737-800
- Short distance LCC: A320
- Regional aircraft: CRJ-1000
- Very short distance aircraft: ATR 72-600

5. Strengthen the Company's brand, improving product and services quality

The Company's strategies on brand development is continue to develop the "Garuda Indonesia Experience" program. This program aims to distinguish and place the Company's products at a premium level and is achieved through the development of four major components:

- Indonesian culture and hospitality
- Excellent quality of customer service
- Modern cabin interiors
- New fleets

The Company also has two other strategies besides "Garuda Indonesia Experience" which are significant to develop the Company's brand, namely: Services and Facilities Development Initiative, and IOSA and improvement on technical support.

6. Implement Cost Effectiveness Through Fleet Efficiency and Reduce Distribution Cost

The Company's efforts to improve the quality of service remains coupled with a focus on continuous cost effectiveness, which the Company expects to generate lower average cost per unit of production (cost/ASK) than its competitors from the other countries. In this case, the strategy is implemented through the following two initiatives:

- Transition from indirect sales model (agent) into direct sales model (internet, call centers), to reduce the cost of sales.
- Operation of new fleets which can reduce maintenance and fuel cost.

7. Internalization of Fly-Hi program as part of the Company's Corporate Culture

The Company's strategy for its human resource development is focused on the internalization of FLY-HI as a corporate culture. This strategy is implemented through the following strategic initiatives:

- Organization development
- Improve the performance management system
- Build leadership capabilities
- Human resource strategy that aligns with the Company's strategy
- Build culture, sales, service, high performance operations and learning culture.

By realizing those strategy, the employee's production will increase quantitatively, which is expected to increase the profitability of the Company. At the end, it will also have a positive impact on increasing the level of income per employee.

D. Business Activities

The Company provides air passenger and cargo services and related aviation services including ground handling, MRO services and flight catering services. The Company's aviation services is the largest contributor to revenue, accounting for approximately 90.6%, 91.6%, 91.3%, 90.9% and 91.1% of the Company's total operating revenues in 2009, 2010, 2011, 2012 and 2013, respectively.

The Company's revenues in the last five years along with changing the percentage as follows:

(in USD)									
Airline Revenue	December 31,								
	2013	%	2012	%	2011	%	2010	%	2009
Scheduled airline services									
- Passenger	2,955,288,708	9.97	2,687,450,057	11.79	2,403,955,183	48.87	1,620,089,628	31.28	1,230,049,236
- Cargo	195,952,040	5.98	184,889,000	12.39	164,501,388	19.86	137,241,219	69.44	80,999,260
- Others	18,845,443	26.38	14,911,687	23.42	12,082,393	17.07	10,320,336	7.07	9,639,244
Total scheduled airline service	3,170,086,191	9.80	2,887,250,744	11.90	2,580,538,964	46.42	1,767,651,183	33.45	1,320,687,740
Non-schedule airline service									
- Hajj	195,192,932	-21.06	247,263,921	7.32	230,399,551	12.16	205,416,133	-12.60	235,043,011
- Charter	20,772,955	-4.84	21,829,656	35.92	16,060,670	-13.52	18,571,988	26.23	14,713,372
Total non-scheduled airline service	215,965,887	-19.74	269,091,577	9.18	246,459,221	10.03	223,988,121	-10.32	249,756,384
Total Airline Revenue	3,386,052,078	7.28	3,156,342,321	11.65	2,826,998,185	42.32	1,986,387,665	26.49	1,570,444,124

Source: The Company's consolidated financial statements for the year ended December 31, 2013

Other revenue that is not included in the above table is comprised of revenue from additional airline related services provided by the Company, such as aircraft maintenance and overhaul services, travel agency services, catering services, hotel services, health care, training and other services.

Airline Services

Scheduled Airline Services

The Company provides FSC passenger airline service, while LCC passenger airline service is provided by the Company's Subsidiary, Citilink. The Company also provides cargo, excess baggage and delivery of mail and documents and non-scheduled airlines service such as Hajj and chartered aircraft. Scheduled airline services represented 76.2%, 81.3%, 83.3%, 83.1% and 85.3% of the Company's total operating revenues in 2009, 2010, 2011, 2012 and 2013, respectively.

The table below sets forth detailed information about the performance of the Company's and Citilink's scheduled airline services in the last five years:

Description	2013	%	2012	%	2011	%	2010	%	2009
Passenger									
Total passenger (in thousand)	24,965.2	22.29	20,415.3	19.57	17,074.0	36.21	12,535.0	14.98	10,901.8
International	3,770.6	5.13	3,586.5	11.12	3,227.6	21.48	2,656.9	14.31	2,324.2
Domestic	21,194.7	25.94	16,828.8	21.54	13,846.4	40.17	9,878.0	15.16	8,577.7
RPK (in million) (1)	31,950	-99.88	27,342.1	11.90	24,434.7	32.32	18,465.8	16.27	15,882.5
International	14,319.7	9.77	13,045.2	4.64	12,466.2	23.98	10,055.0	17.97	8,523.4
Domestic	17,630.3	23.32	14,296.9	19.45	11,968.5	42.30	8,410.8	14.29	7,359.1
ASK (in million) (2)	43,133.0	19.77	36,013.8	10.90	32,473.7	26.00	25,772.2	18.69	21,713.9
International	20,362.1	13.52	17,937.6	3.36	17,354.8	20.16	14,442.6	18.33	12,205.2
Domestic	22,770.9	25.97	18,076.2	19.56	15,118.9	33.45	11,329.5	19.15	9,508.7
PLF (%) (3)	74.1	-2.37	75.9	0.93	75.2	4.88	71.7	-1.92	73.1
International	70.3	-3.30	72.7	1.25	71.8	3.16	69.6	-0.29	69.8
Domestic	77.4	-2.15	79.1	-0.13	79.2	6.74	74.2	-4.13	77.4

Description	2013	%	2012	%	2011	%	2010	%	2009
Passenger Yield (USc per RPK)	9.06	-5.62	9.6	0.00	9.6	11.63	8.6	14.67	7.5
International	8.3	-3.49	8.6	4.88	8.2	13.89	7.2	9.09	6.6
Domestic	9.7	-8.49	10.6	-4.50	11.1	8.82	10.2	17.24	8.7
Scheduled revenue per ASK (in USc) (4)	7.4	-8.64	8.1	0.00	8.1	17.39	6.9	9.52	6.3
International	6.5	-7.14	7.0	6.06	6.6	17.86	5.6	7.69	5.2
Domestic	8.3	-10.75	9.3	-5.10	9.8	13.95	8.6	11.69	7.7
Cost per ASK (in USc) (5)	7.6	-3.80	7.9	1.28	7.8	11.43	7.0	12.90	6.2
International	7.1	-2.74	7.3	2.82	7.1	14.52	6.2	10.71	5.6
Domestic	8.0	8.11	7.4	-14.94	8.7	10.13	7.9	11.27	7.1
Cost per ASK excluding fuel (in USc) (6)	44.0	856.52	4.6	0.00	4.6	2.22	4.5	4.65	4.3
International	40.9	873.81	4.2	5.00	4.0	2.56	3.9	0.00	3.9
Domestic	46.8	836.00	5.0	-3.85	5.2	-1.89	5.3	10.42	4.8
Kilometers flown (in million)	231.4	19.83	193.1	12.79	171.2	27.00	134.8	15.12	117.1
Block hours (in thousand)	401.9	23.85	324.5	14.87	282.5	28.76	219.4	14.99	190.8
International	126.0	11.21	113.3	9.36	103.6	25.58	82.5	18.71	69.5
Domestic	275.9	30.63	211.2	18.05	178.9	30.58	137	12.94	121.3
Daily aircraft utilization (block hours per day)	10:44	-	10:44	-	10:40	-	9:23	-	9:00

Source: The Company 2013

Description	31 Desember								2009
	2013	%	2012	%	2011	%	2010	%	
Number of scheduled flights	62	16.98	53	10.42	48	0.00	48	4.35	46
International	42	23.53	34	100.00	17	-5.56	18	0.00	18
Domestic	20	5.26	19	-38.71	31	3.33	30	7.14	28
Total flights	196,403	28.15	153,266	17.86	130,043	26.59	102,724	10.81	92,701
International	27,131	10.82	24,482	13.02	21,662	23.16	17,588	6.57	16,504
Domestic	169,272	31.44	128,784	18.83	108,381	27.30	85,136	11.73	76,197

Source: The Company 2013

Notes:

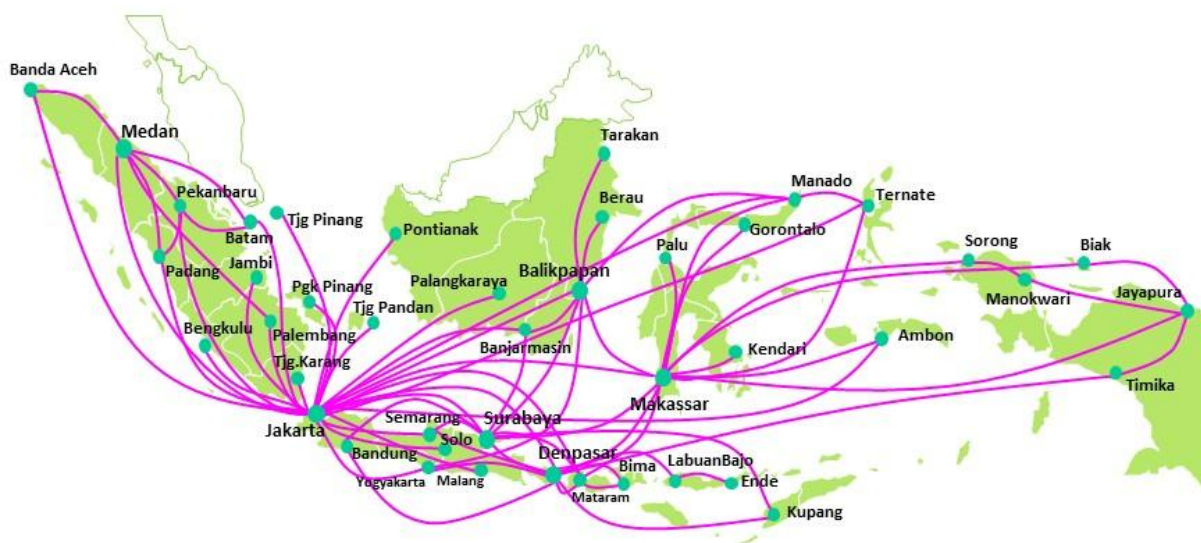
- (1) Calculated as number of passengers carried multiplied by distance flown (in kilometers) for each flights.
- (2) Calculated as number of available seats multiplied by distance flown (in kilometers) for each flights.
- (3) Calculated as RPK divided by ASK and expressed as a percentage.
- (4) Calculated as revenue from airline services divided by ASK.
- (5) Calculated as total cost related to the Company's passenger flight activities (including direct cost and indirect cost, overhead and fleets) as reflected in the the Company's accounting records] divided by ASK.
- (6) Calculated as [total cost related to the Company's passenger flight operation (including direct cost and indirect cost, overhead and fleets) reflected in the the Company's accounting records] minus fuel cost divided by ASK.

The Company operates its flights from four main hubs located at Soekarno-Hatta International Airport in Jakarta, Ngurah - Rai International Airport in Denpasar, Bali, Sultan Hasanuddin International Airport in Makassar and Kuala Namu International Airport in North Sumatera. As Indonesia's capital, Jakarta is the center of political and administrative activities. Jakarta is one of Indonesia's economic center and the base of many state-owned enterprises, large domestic companies and multinational corporations. Soekarno-Hatta International Airport is Indonesia's busiest airport as measured by passenger throughput, aircraft landings and take-offs and is Indonesia's most important international gateway and domestic transit hub. The second principal base is located in Denpasar, Bali. Denpasar is the capital of Bali, which is Indonesia's leading tourist destination and one of Indonesia's key cultural centers. Denpasar is Indonesia's second busiest airport measured by passenger throughput, aircraft landings and take-offs. The third location of the Company's main hub is located in Makassar. The addition of Makassar as the third "hub" of the Company is intended to increase services by expanding network and flight routes, especially in the eastern part of Indonesia and to support the acceleration of the national economy. As of December 31, 2013, the Company serves 42 destinations in Indonesia and 20 international destinations.

Domestic Passenger Services

The Company has the longest operating history and currently has the most extensive domestic route network in the country compared to any other Indonesian airlines. As of December 31, 2013, The Company operated an average of approximately 3,045 domestic flights per week and serves 42 domestic destinations.

The diagram below sets forth an overview of the Company's domestic route network:



Sources: The Company 2013

Domestic passenger services accounted for approximately 53.2%, 54.5%, 56.4%, 57.2% and 58.7% of the Company's revenue from scheduled airline services in 2009, 2010, 2011, 2012 and 2013, respectively.

The Company currently operates domestic flights using a "hub-and-spoke" system, with the main hub located at Soekarno-Hatta International Airport in Jakarta. The Company intends to further optimize the Company's route network by incorporating up to 18 CRJ1000 aircraft into the Company's fleet and expanding the number of the domestic destinations that are served by the Company. This will be achieved by building out the Company's domestic route network and developing a point-to-point route network to provide direct flights between cities that today require stopovers in hub cities. For domestic flights, The Company typically use Boeing 737, Airbus A330 and Bombardier CRJ1000 and ATR 72-600 aircraft.

The table below sets forth the main destinations for domestic passenger flight in the last five years:

Route	Major Competitors Serving Route	Flights Frequency (per week)									
		December 31									
		2013	%	2012	%	2011	%	2010	%	2009	
Jakarta-Surabaya	Batavia Air, Lion Air, Sriwijaya Air	112	-	112	1.82	110	27.91	86	-8.51	94	
Jakarta-Denpasar	Batavia Air, Lion Air, Indonesia AirAsia	98	19.51	82	18.84	69	15.00	60	-1.64	61	
Jakarta-Jogyakarta	Batavia Air, Lion Air, Indonesia AirAsia	70	-	70	18.64	59	28.26	46	-16.36	55	
Jakarta-Semarang	Batavia Air, Mandala, Sriwijaya Air	63	-	63	6.78	59	40.48	42	-20.75	53	
Jakarta-Medan	Batavia Air, Lion Air, Sriwijaya Air	56	-	56	3.70	54	54.29	35	-7.89	38	
Jakarta-Palembang	Batavia Air, Lion Air, Sriwijaya Air	77	-	77	24.19	62	47.62	42	5.00	40	
Jakarta-Balikpapan	Batavia Air, Lion Air, Sriwijaya Air	56	-9.68	62	16.98	53	39.47	38	5.56	36	
Surabaya-Denpasar	Batavia Air, Lion Air, Sriwijaya Air	42	31.25	32	14.29	28	33.33	21	-	21	
Jakarta-Pekanbaru	Batavia Air, Lion Air, Mandala	42	-	42	20.00	35	29.63	27	28.57	21	
Jakarta-Makassar*	Batavia Air, Lion Air, Merpati	73	421.43	14	-	14	-	14	-33.33	21	

Source: The Company, 2013

*) including all routes via Jakarta-Makassar

**) Batavia air has stopped its operations in 2012

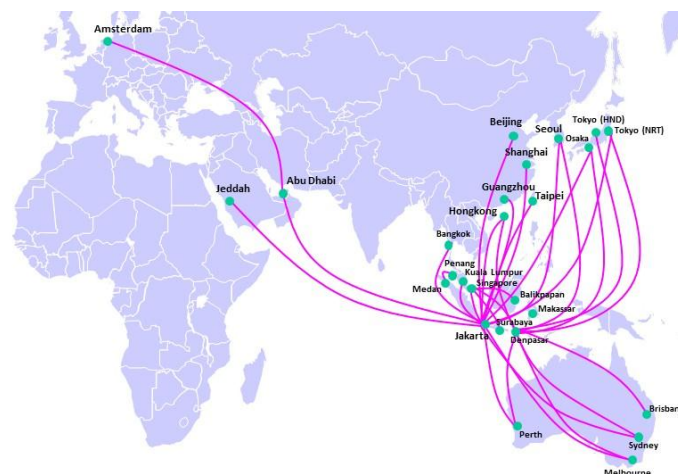
***) Mandala operates on the entire route in 2008, 2009 and 2010. Mandala stopped its operations in January, 2011 and started its operation again in April 2012 at Jakarta- Yogyakarta and Jakarta - Padang route

****) Indonesia Air Asia can be a potential main competitor

International Passenger Services

The Company has the longest operating history and currently have the most extensive international route network compared to any other Indonesian airline. As of December 31, 2013, the Company operated approximately 602 international round-trip flights every week, and served 20 international destinations, focusing on main cities in Asia, Australia, Middle East and Europe. The cities served by the Company are considered as the main international destination for Indonesians. The Company consistently expand its international routes and our current international routes include: Medan-Penang, Denpasar – Brisbane, Surabaya-Singapore, and Jakarta-Osaka.

The diagram below sets forth a graphic representation of the Company's international network, excluding route served through code-share arrangement:



Source: The Company, 2013

The Company continuously strives to expand its international network in the next five years by introducing the service to travel to and from Indonesia, and at the same time, the Company intends to increase the international routes frequency. The Company introduced international passenger services to Brisbane and Penang in 2013, and London in 2014.

Currently, the Company's objective to become a member of a global airline alliance. Becoming a member of global airline alliance is in line with the Company's strategy to expand its international network, including continents currently not served by the Company and increasing the Company's passenger revenue.

The table below sets forth nine of the Company's main route for international passenger services:

International Route	Major Competitors Serving Route	2013	%	2012	%	December 31		2010	%	2009
						2011	%			
International:						Frequency Per Week				
Jakarta-Singapura	Singapore Airline, Value Air, Lion Air, Indonesia Air Asia, Mandala, Tiger, Batavia, Lufthansa, Philippines Airline	63	12.50	56	-1.75	57	16.33	49	28.95	38
Jakarta-Jeddah	Saudi Arabia Air, Lion Air, Batavia, Al wafeer	12	-7.69	13	-	13	18.18	11	83.33	6
Denpasar-Perth	Virgin Blue, Jetstar, Indonesia Air Asia, Strategic Air	14	100.00	7	-50.00	14	27.27	11	-26.67	15
Denpasar-Singapura	Singapore Airline, Value Air, Indonesia Air Asia, KLM, Qatar, Jetstar	14	100.00	7	-	7	-	7	-12.50	8
Jakarta-Kuala Lumpur	Malaysia Airlines, Indonesia Air Asia, Air Asia, KLM	14	-	14	-	14	133.33	6	-14.29	7
Jakarta-Bangkok	Thai Airline, Indonesia Air Asia	21	-	21	50.00	14	100.00	7	40.00	5
Jakarta-Hongkong	Cathay Pacific, China Airline	14	-	14	-	14	100.00	7	-	7
Jakarta- Perth	Jetstar	7	-	7	-	7	-	7	-	-
Jakarta-Guangzhou	China Southern, Batavia	7	-	7	-	7	-	7	-	-

Source: The Company, 2013

*) Batavia air has stopped its operations in 2012

International passenger services accounted for approximately 49.5%, 46.8%, 45.6%, 42.8% and 41.3% of the Company's revenue from scheduled passenger services in 2009, 2010, 2011, 2012 and 2013, respectively.

The table below sets forth the Company's international passenger performance in the last five years based on geographic locations of flight destination:

Description	December 31								2009
	2013	%	2012	%	2011	%	2010	%	
RPK (in million) (1)	14,319.7	9.77	13,045.2	4.64	12,466.2	23.98	10,055.0	19.37	8,423.4
Asia (ex Japan, Korea, China)	1,541.6	2.87	1,498.6	19.79	1,251.0	42.97	875.0	12.06	780.8
Japan, Korea, China	6,874.1	16.30	5,910.6	18.15	5,002.6	21.91	4,103.4	16.72	3,515.7
Australia	2,327.7	-9.73	2,578.6	10.20	2,339.9	25.52	1,864.1	10.37	1,689.0
Middle East	2,666.5	21.25	2,199.1	-	2,575.2	2.39	2,515.0	-0.90	2,537.9
Europe	909.8	6.01	858.2	-	1,297.4	86.01	697.5	-	-
ASK (in million) (2)	20,362.1	13.52	17,937.6	3.36	17,354.8	20.16	14,442.6	18.33	12,205.2
Asia (ex Japan, Korea, China)	2,454.1	19.26	2,057.8	18.66	1,734.2	25.98	1,376.6	21.12	1,136.6
Japan Korea China	9,632.6	13.48	8,488.7	16.39	7,293.5	26.21	5,778.9	10.04	5,251.7
Australia	3,635.5	1.28	3,589.4	7.75	3,331.1	24.42	2,677.3	10.51	2,422.6
Middle East	3,277.2	26.97	2,581.1	-	3,114.1	-	3,530.2	4.00	3,394.4
Europe	1,362.8	11.64	1,220.7	-	1,882.0	74.31	1,079.7	-	-
PLF (%) (3)	70.3	-3.30	72.7	1.25	71.8	3.16	69.6	-0.29	69.8
Asia (ex Japan, Korea, China)	62.8	-	72.8	0.97	72.1	13.36	63.6	-7.42	68.7
Japan Korea China	71.4	2.59	69.6	1.46	68.6	-3.38	71.0	6.13	66.9
Australia	64.0	-	71.8	2.28	70.2	0.86	69.6	-0.14	69.7
Middle East	81.4	-4.46	85.2	3.02	82.7	16.15	71.2	-4.81	74.8
Europe	66.8	-4.98	70.3	2.03	68.9	6.66	64.6	-	-
Passenger Yield (USc per RPK)(4)	8.3	-3.49	8.6	4.88	8.2	13.89	7.2	9.09	6.6
Asia (ex Japan, Korea, China)	12.1	2.54	11.8	1.72	11.6	10.48	10.5	11.70	9.4
Japan Korea China	7.8	-	8.8	-	10.8	50.00	7.2	18.03	6.1
Australia	9.9	10.00	9.0	-	10.1	16.09	8.7	17.57	7.4
Middle East	7.2	2.86	7.0	18.64	5.9	5.36	5.6	-3.45	5.8
Europe	5.2	-1.89	5.3	-	5.3	3.92	5.1	-	-

Source: The Company 2013

Notes:

(1) Calculated as passenger carried multiply by distance flown (in kilometers) for each flights.

(2) Calculated as number of available seats multiplied by distance flown (in kilometers) for each flights.

(3) Calculated as RPK divided by ASK and expressed as a percentage.

(4) Calculated as passenger revenue from scheduled transfer divided by RPK.

Japan, Korea and China

In 2013, Japan, Korea and China accounted for approximately 48.0% of the Company's total international RPK and 39.3% of total international passengers. The Company has flights from Denpasar to Osaka, Tokyo (Narita and Haneda), Seoul and Hong Kong. The Company also operates flights from Jakarta to Tokyo (Narita), Seoul, Shanghai, Beijing, Guangzhou, Hong Kong and Taipei. The Company also offers passenger air services to Guangzhou, Taipei and Seoul through codeshare agreements with China Southern Airlines, China Airlines and Korean Air.

Asia (excluding Japan, Korea and Cina)

In 2013, Asia (excluding Japan, Korea and China) accounted for approximately 10.8% of the Company's total international RPK and 33.2% of the Company's total international passengers. The Company operates flights from Jakarta to Bangkok, Kuala Lumpur and Singapore. The Company also operates flights from Denpasar to Singapore, from Surabaya to Singapore, from Balikpapan to Singapore and from Medan to Penang. The Company also offer passenger services to several cities in Asia, such as Manila, Bandar Seri Begawan, Mumbai, Delhi, and Chennai through codeshare agreements with Philippine Airlines, Royal Brunei Airlines and Jet Airways.

Middle East

In 2013, Middle East accounted for approximately 18.6% of the Company's total international RPK and 9.0% of the Company's total international passengers (excluding Hajj flight operations). The Company operates flights from Jakarta to Jeddah.

Australia

In 2013, Australia accounted for approximately 16.3% of the Company's total international RPK and 16.0% of the Company's total international passengers. The Company operates flights from Jakarta to Melbourne, Sydney and Perth and from Denpasar to Melbourne, Perth, Sydney, and Brisbane.

Europe

Following the lifting of the European Union ban on Indonesian airlines, the Company recommenced its flight services between Jakarta and Amsterdam. In 2013, Europe accounted for approximately 6.4% of the Company's total international RPK and 2.5% of total international passengers. The Company also offer passenger services to London, Frankfurt, Rome, Madrid, Milan, Munich, Paris, Manchester, Athena, Brussel and Istanbul through codeshare agreements with Etihad, KLM and Turkish Airlines.

Citilink

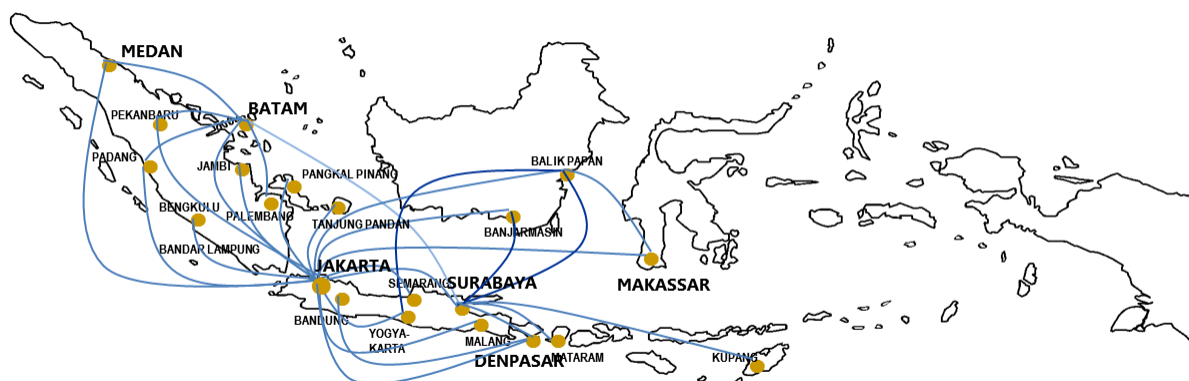
Domestic airlines industry continues to record positive growth in terms of capacity and numbers of passenger carried amid high economic growth, Rupiah weakened against USD and the density of major airports. Addition to capacity is derived from the addition of aircraft fleet operators in turn encourage increased domestic passenger numbers of 2.1% of the 54.5 million people in 2012 to 55.7 million in 2013 as reported by Central Bureau of Statistics (BPS) at the beginning year of 2014. The economy recorded a GDP growth of 5.78%, which increases the purchasing power of people. Nevertheless, the exchange rate fell 10.8% from Rp9,368 per USD in 2012 to Rp10,380 per USD in 2013 has increased the costs of flight operations for a number of U.S. dollar-based costs such as rent and maintenance of aircraft. While density (congestion) optimization restricts the addition of a major airport and the flight frequency from the carrier.

PT Citilink Indonesia ("Citilink") implementing strategies aimed at developing the market, taking market share large enough budget traveler and support of the Company to maintain its dominance in all segments. Given the new Citilink established in 2012, then this strategy is executed in stages. Citilink run Network Penetration strategy to develop Batam hub and opening these new routes and destinations that are supported by the addition of aircraft, ground support and improve service ticketing office at the airport as well as the safety and aviation security. Thus the market share Citilink is still at 5.3% in 2012 will be increased.

Citilink added 10 units of new Airbus A320-200 to its fleet by way of leasing. Meanwhile, a unit of Boeing 737-300 with registration number PK-GGN owned by Citilink experienced a total loss in Padang. Therefore, the number of aircraft increased from 21 units as of December 31, 2012, to 30 units as of December 31, 2013. As of December 31, 2013, Citilink managed 24 leased units of Airbus A320-200, owned four units of Boeing 737-300, leased one unit of Boeing 737-400 and leased one unit of Boeing 737-300. The average age of aircraft used is also decreasing from 9.0 years as of December 31, 2012, to 6.7 years as of December 31, 2013.

Network penetration is realized by make Batam as a third hub after Jakarta and Surabaya, opening 14 new routes, add to the town served and increase the number of flight frequencies. The frequency of flights from Batam increased from 6 times a day on December 31, 2012 to 13 times a day on December 31, 2013. These new routes from Jakarta consist Jakarta - Bengkulu, Jakarta - Jambi, Jakarta - Yogyakarta, Jakarta - Malang, Jakarta - Louth, Pekanbaru - Jakarta, Jakarta - Semarang and Jakarta - Tanjung Pandan. Other new routes are the Batam - Pekanbaru, Batam, Palembang, Balikpapan - Yogyakarta, Balikpapan - Makassar, Kupang and Surabaya - Makassar - Ambon. Number of cities / new destinations served by 12 pieces, namely Bengkulu, Jambi, Yogyakarta, Malang, Louth, Pekanbaru, Semarang, Tanjung Pandan, Palembang, Kupang, Solo and Ambon. The number of times the daily direction of the flight by the end of 2013, up from 98 times on December 31, 2012 to 134 times a day on December 31, 2013. Nonetheless airline service - Denpasar route Balikpapan, Balikpapan - Makassar, Balikpapan - Solo, Surabaya - Makassar, Makassar - Ambon and Bandung - Denpasar stopped because economic considerations. These routes and destinations Solo and Ambon are not shown in the figure because it is not served Network priced at the end of December 2013.

Routes



Source: Citilink, 2013

Citilink aircraft utilization recorded 7 hours 23 minutes per day, relatively stable compared with the previous year 7:24 hours per day. Compared with regional low-cost carrier (low cost carrier) which has a regional international routes and long-distance flight segment, utilization is not optimal, especially since the average distance flight segment (stage length) is relatively short, 789 kilometers, and the density of main airports.

With the sharp rise in the scale of production, which extends the range of destinations and the fulfillment of the basic flight services, Citilink adding adequate resources in all lines, both operational and administrative management. Citilink adds to the cockpit crew, cabin crew, sales and marketing and other professions so that the number of personnel on December 31, 2013 was 951 people compared to 531 people on 31 December 2012.

Important Indicators of Citilink Flight

Description	2013	2012	2011	Changes in 2012-2013
Number of aircraft in December 31,	30	21	9	42.9%
Average number of aircraft	22.5	13.2	7.0	70.5%
Fleet utilization (hour/day)	7:23	7:24	8:24	-0.2%
Number of employee - December 31,	951	531	301	79.1%
Total route	28	19	10	47.4%
Total Cities served	23	11	8	109.1%
Number of aircraft in December 31,	30	21	9	42.9%
Financial Indicators:				
Passenger Yield (USc)	6.1	5.8	5.8	5.4%
Cost per ASK (USc)	6.3	6.5	6.4	-1.7%
Fuel cost per litre (USc)	87.4	92.3	90.5	-5.3%

Source: Citilink, 2013

The number of passengers transported customers and sales volume revenue passenger kilometers (RPK) increased significantly thereby increasing the market share of domestic passengers. The number of passengers increased by 86.9% to 5,347 thousand people and RPKs increased by 87.7% to 4,201 million. Citilink's market share in the domestic market increased by 4.3 digit (percentage point) to 9.6%. This increase was driven by increased capacity and field level seating (seat load factor ; SLF).

Citilink won two awards and a record average ontime performance (OTP) in 2013 amounted to 80.5%. This award is Service to Care Award received from Marketeers in March 2013 based on reader surveys and industry experts marketplus Magazine and Indonesia Leading Low Cost Airline of the program The Indonesian Travel and Tourism Awards (ITTA) in December 2013.

Citilink can increase revenue from passengers by increasing the selling price of the average ticket per kilometer (passenger yield) and the increase in SLF. The selling price of the average ticket increased 5.4% from 5.8 USCent be USCent 6.1 in 2013. SLF increased by 5.3 points from 71.7% in 2012 to 77% in 2013. This increase is supported by a network penetration,

increased brand awareness and application of revenue management is carried out under conditions must seize market share and new routes to market.

Cost unit / ASK can be reduced to 1.7 % from 6.5 USCent in 2012 to 6.3 in 2013. This decrease was primarily due to a decrease in the price of aviation fuel per liter of 5.3 % to 87.4 USCent per liter, the use of the type Airbus A320 - 200 aircraft with a capacity of 180 seats and cost reduction efforts.

Citilink's Operational Flights Statistic

Description	Unit	2013	2012	2011	Changes in 2012-2013
Frequency	(000)	39	24.1	13.9	61.8
Weekly frequency in December	1	938	620	376	51.3
Available seats	(000)	6.896	3.964	2.104	74.0
Available Seats - Kilometers (ASK)	(million)	5.465	3.121	1.778	75.1
Average distance per flight segment	km	789	781	841	1.0
Flight hours	(000)	60	36	21	68.0
Number of passenger carried	(000)	5.347	2.861	1.626	86.9
RPK	(million)	4.201	2.238	1.354	87.7
Seat load factor		77	71.7	76.1	5.3pp.
Passenger market share *)		9.6	5.3	3.2	4.3pp.
Tonnage of cargo carried	(000 ton)	77	48	28	60.2
RTK	(million)	468	239	145	95.7

Source: Citilink, 2013

*) Flight with AOC PT Citilink Indonesia.

Citilink's Business strategy designed to gain advantages and drive sustainable growth includes:

- Ensuring availability of aircraft by way of entering into commitments with various aircraft manufacturers.
- Adding new fleet by way of leases.
- Developing domestic flight hubs, both in the medium-high-density markets and secondary market.
- Regional expansion.
- Brand penetration in the LCC market.
- Develop non-flight services to generate revenue other than ticket sales.
- Adding human resources and enhancing infrastructure.
- Conduct continuous initiatives to reduce cost.

Citilink has received several awards such as:

- Leading Low Cost Airline 2011/2012 from the Indonesia Travel and Tourism Awards (ITTA).
- Best Overall Marketing Campaign 2012 from the Budgies and Travel Awards 2012 in Singapore.
- Service To Care Award 2012 for Airlines category from Markplus Insight.
- Indonesian Best Airline 2012 from Adhikarya Wisata Award 2012.

Non-Scheduled Passenger Services

The Company provide non-scheduled international and domestic passenger services to Saudi Arabia for Hajj pilgrimages (Hajj services) and charter flight services. Non-scheduled passenger services accounted for approximately 14.4%, 10.4%, 8%, 7.7% and 5.8% of the Company's total operating revenues in 2009, 2010, 2011, 2012 and 2013, respectively.

Hajj Services

The Company operated 302, 308, 298, 295, and 234 group flight and carried a total of 263,993, 239,244, 226,720, 224,946 and 177,892 passengers on round trips from Indonesia to Jeddah for annual Hajj pilgrimage in 2009, 2010, 2011, 2012 and 2013, respectively.

The Company's Hajj services are provided at the request of the Government at the rates negotiated with the Government based on a variety of factors, including the Rupiah — U.S. Dollar exchange rate, aircraft charter rates and the price of jet fuel. The Ministry of Religious Affairs is responsible for travel arrangements for Hajj pilgrims, including flight arrangements to and from Saudi

Arabia. Airfares for Hajj pilgrims are paid to the Company by the Ministry of Religious Affairs pursuant to agreements entered into between the Company and the Ministry of Religious Affairs, and are renegotiated annually. The Hajj flight services accounted for approximately 13.6%, 9.5%, 7.4%, 7.1% and 5.3% of the Company's total operating revenues for 2009, 2010, 2011, 2012 and 2013, respectively, and approximately 94.1%, 91.7%, 93.5%, 91.9% and 90.4% of the Company's revenues from non-scheduled passenger services in 2009, 2010, 2011, 2012 and 2013, respectively. Currently, the Company is one of the airline in Indonesia contracted by the Ministry of Religious Affairs for annual Hajj travel.

Charter Services

In 2013, The Company operated charter flights for business, government, educational or tourist groups. The Company determine charter flight arrangements primarily in accordance with market demand and aircraft availability. The Company typically seek to determine its charter schedule two weeks to one month prior to implementing such schedule, but the Company also arranges charter flights on shorter notice. The operation of charter flights may at times involve the redeployment of aircraft away from regularly scheduled passenger flights. The Company believes that increases of charter flight frequency will increase aircraft utilization, reduce operation cost and increase the Company's profitability.

Charter services accounted for approximately 6.1%, 8.3%, 6.5%, 8.1% and 9.6% of the Company's revenues from non-scheduled passenger services in 2009, 2010, 2011, 2012 and 2013, respectively.

Cargo Services

In 2013, the Company transported approximately 345.9 tons of cargo and generated USD195,952,040. The Company's cargo services accounted for approximately 4.7%, 6.3%, 5.3%, 5.3% and 5.3% of the Company's total operating revenue in 2009, 2010, 2011, 2012 and 2013, respectively.

The table below sets forth the Company's cargo services in the last five years:

Description	December 31								
	2013	%	2012	%	2011	%	2010	%	2009
Cargo Services:									
RFTK (in thousand) (1)	630.7	18.35	532.9	14.60	465.0	6.60	436.2	54.63	282.1
International	374.4	14.36	327.4	9.83	298.1	2.16	291.8	79.79	162.3
Domestic	256.3	24.78	205.4	22.99	167.0	15.65	144.4	20.53	119.8
AFTK (in thousand) (2)	1,496.7	24.59	1,201.3	14.52	1,049.0	27.09	825.4	30.09	634.5
International	889.3	21.16	734.0	5.38	696.5	24.93	557.5	36.58	408.2
Domestic	607.4	29.98	467.3	32.57	352.5	31.58	267.9	18.38	226.3
Cargo and mail carried (in million kilograms)	345.9	23.40	280.3	22.19	229.4	10.82	207.0	31.,76	157.1
CLF (3)	42.1	0.00	44.4	0.23	44.3	-16.10	52.8	18.65	44.5
International	42,1	-5.61	44.6	4.21	42.8	-18.16	52.3	31.41	39.8
Domestic	42,2	-4.09	44.0	-6.98	47.3	-12.24	53.9	1.70	53.0
Cargo yield (USc) (4)	32,6	-9.70	36.1	-0.82	36.4	17.80	30.9	3.00	30.0

Source: The Company 2013

Notes:

(1) Calculated as cargo and mail load carried (in tons) multiplied by distance flown (in kilometers) for each flight.

(2) Calculated as total cargo capacity (in tons) multiplied by distance flown (in kilometers).

(3) Calculated as cargo and mail load carried (in tons-kilometers) divided by total available payload (in tons-kilometers) per aircraft type per flight and expressed as a percentage.

(4) Calculated as revenue from cargo services divided by RFTK.

The Company's cargo services include general air cargo services and special cargo services for goods and materials that require special handling, including perishables, live animals, valuables and hazardous goods. The Company also offer mail and express services, including a 24-hour express mail service and an express cargo transfer service. The Company intends to shift its focus to primarily deliver special cargo services, which usually generate higher margins.

The Company's primary cargo terminal is a 23,000 sqm facility leased by the Company at Soekarno-Hatta International Airport, which can handle approximately 350,000 tons of cargo each year. The Company believes that with improved management and conditions for cargo traffic, the annual cargo handling capacity of the Company is also expected to increase in the future. The Company plans to implement a 24-hour cargo tracking system to trace the shipment of goods handled by the Jakarta terminal.

Other Airline-Related Services

The Company provides airline-related services such as ground handling, MRO services and in-flight catering services. Other airline-related services accounted for approximately 9.4%, 8.2%, 8.1%, 9.1% and 8.9% of the Company's total operating revenues in 2009, 2010, 2011, 2012 and 2013, respectively.

E. The Company's Fleet

Aircraft Procurement and Disposal Policy (Returns and/or Sale) Aircraft

The Company seeks to provide a rationalized, streamlined and modern fleet to serve the Company's route network. When evaluating the Company's aircraft procurement and disposition plan, the Company consider many factors, including demand forecasts for the aviation industry, current fleet capacity, current and future aircraft requirements, capital structure, cash flows, purchase and leasing costs, prevailing interest rates and other market conditions which may impact financing costs. The Company evaluates on a case-by-case basis the retirement or disposal of a particular aircraft based on a number of factors, including operating and safety efficiency and market demand for a particular aircraft type. Moreover, the Company carefully balances jet fuel consumption and maintenance costs of ageing aircraft against financing costs and depreciation expenses which may be incurred by acquiring new replacement aircraft. The Company typically purchases or leases new aircraft.

Fleet Composition

As of December 31, 2013, the Company and Citilink operated a total of 140 passenger aircraft.

The table below sets forth certain information regarding the Company's fleet as of December 31, 2013:

Description	Number of Aircraft			Fleet	Seats Configuration* (Standard)
	Owned	Finance Lease	Operating Lease		
Passenger aircraft:					
Narrow-body:					
B737-300	1	-	2	3	16 C + 94 Y
B737-500	4	-	-	4	12 C + 84 Y
B737-800	-	-	65	65	12 C + 150 Y
CRJ1000	-	5	7	12	12C + 84 Y
ATR 72-600	-	-	2	2	70 Y
Sub-total	5	5	76	86	
Wide-body:					
B777-300	-	-	4	4	8 F + 38 C + 268 Y
B747-400	2	-	-	2	42 C + 386 Y
A330-300	-	6	1	7	42 C + 215 Y
A330-200	-	-	11	11	36 C + 186 Y
Sub-total	2	6	16	24	
Citilink Aircraft:					
Narrow-body:					
B737-300	4	-	1	5	148 Y
B737-400	-	-	1	1	170 Y
A320	-	-	24	24	180 Y
Sub-total	4	-	26	30	
Total	11	11	118	140	

Source: The Company 2013

*Notes: F = First Class, C = business class, Y = economy class

The Company's total fleet size was 70, 89, 87, 106 and 140 aircraft for the years ended December 31, 2009, 2010, 2011, 2012 and 2013, respectively. The average age of the Company's fleet was 10.4, 8.1, 6.5, 5.8 and 5.1 years for the years ended December 31, 2009, 2010, 2011, 2012 and 2013, respectively. According to industry standards, the actual operating life of an aircraft ranges from 20 to 40 years, depending on its aircraft type, maintenance record, utilization rate and operating environment. Ageing aircraft typically require higher maintenance, repair and overhaul services to maintain safe and efficient operations.

Aircraft Delivery and Disposal Schedule (Returns and/or Sale) Aircraft

As of December 31, 2012, The Company had aircraft purchase commitments to purchase 63 additional aircraft, of which will be delivered in 2013 to 2018, which consists of five Boeing 737-800, two Airbus A330-200, 18 Airbus A330-300, 10 Boeing 777, 25 Airbus A320-200 and three Bombardier CRJ1000 NextGen. The pre-delivery payments for these purchases are typically financed initially through operating cash flows and debt financings, which will be converted to operating lease arrangements under sale and leaseback transactions with aircraft leasing companies, which allows the Company to recover its pre-delivery payments and should reduce its total capital expenditure commitments.

The table below sets forth, as of December 31, 2013, certain information relating to the expected delivery schedule (including aircraft through operating lease):

Expected Delivery Schedule	Aircraft Model	Number	Number of Seats (Standard)
2013	B737-800	10	12 C + 150 Y
	A330-200	2	36 C + 186 Y
	A330-300	1	36 C + 215 Y
	B777-300ER	4	8 F + 38 C + 268 Y
	CRJ 1000	7	12 C + 84 Y
	ATR72-600	2	70 Y
2014	B737-800	12	12 C + 150 Y
	A330-300	4	36 C + 215 Y
	B777-300ER	2	8 F + 38 C + 268 Y
	CRJ 1000	3	12 C + 84 Y
	ATR72-600	6	70 Y
	A320-200	8	180 Y
2015	B737-800	9	12 C + 150 Y
	A330-300	2	36 C + 215 Y
	B777-300ER	3	8 F + 38 C + 268 Y
	CRJ 1000	3	12 C + 84 Y
	ATR72-600	3	70 Y
	A320-200	5	180 Y
2016	B737-800	2	12 C + 150 Y
	ATR72-600	9	70 Y
	A330-300	5	36 C + 215 Y
	B777-300ER	1	8 F + 38 C + 268 Y
	A320-200	7	180 Y
	ATR72-600	5	70 Y
2017	A330-300	6	36 C + 215 Y
	A320-200	6	180 Y
	A320-200	5	180 Y

Source: The Company 2013

The table below sets forth, as of December 31, 2013, certain information relating to expected disposal schedule (including sales and returns at the end of operating schedule):

Expected Disposal Schedule	Aircraft Model	Number	Number of Seats (Standard)
2013	B737-500	1	12C + 84Y
	B737-300	-	16C + 94Y
2014	B747-400	-	42C + 386Y
	B737-300	2	16C + 98Y
	B737-800	2	12C + 144Y
2015	B737-800	1	12C + 150Y
2016	A330-200	2	36C + 186Y
	B737-800	6	12C + 150Y/148Y
2017	A330-300	6	42C + 215Y
	B737-800	5	12C + 150Y
2018	B737-800	1	12C + 150Y

Source: The Company 2013

As of December 31, 2013, The Company operated an addition of 29 operating lease aircraft and seven sales and lease back aircraft. The Company intends to expand the fleet around 190 aircrafts in 2015.

F. Aircraft Purchase and Leasing Agreements

Finance Lease

Under the finance lease agreement, the Company makes lease payments to a special purpose company ("SPC") that finance repayment of the Export Credit Agency and Commercial Loans that funded most of the purchase price of six units of A330-300. The SPC bears substantially all of the economic risks and rewards of owning the aircraft. Under the finance leases, the Company may also purchase the aircraft from the SPC upon the expiration of such lease and obtain title to the aircraft upon payment of all amounts owed. The terms of the Company's finance leases vary depending on the financing structures and commercial agreements reached by the parties concerned. Generally, the lenders provide the SPC with floating rate financing. Lease payments are generally paid on a semi-annual basis. The terms of the Company's finance leases are typically 12 years. Under certain leases, the Company is given an option to terminate the lease early on a voluntary basis, if certain conditions are satisfied.

Circumstances under which a lessor may have the right to terminate a lease early and require the Company to surrender the aircraft include the occurrence of an event of default such as non-payment of rent, failure to maintain insurance coverage for the aircraft and insolvency. To date, the Company's lessors have not early-terminated any finance leases or required the Company to return any aircraft as a result of a default or non-payment rent by the Company.

Finance lease transactions are also made to finance the purchase of six units of Bombardier CRJ1000 NextGen aircraft, where Bombardier has made five aircraft delivery to the Company. Finance lease transactions are financed by the Export Development Canada ("EDC") whereby the Company paid the EDC through the SPC. Each aircraft lease term is 10 years per aircraft with quarterly payment. The interest rate applied to each aircraft can be selected (fixed rate or floating rate) by the Company prior to the delivery of the aircraft from the manufacturer to the Company. At the end of the lease, ownership of the six units of CRJ1000 NextGen aircraft will be transferred from the SPC to the Company.

Operating Lease

The Company operating leases generally have original terms ranging from one to 12 years from the aircraft's delivery. Under operating leases, the Company is entitled to use the aircraft and is obligated to make rental payments according to the relevant lease agreements. The lessor bears the economic benefits and risks of ownership, including the risk of the residual value of the aircraft at the end of the lease term. The Company is required to return the aircraft in the agreed condition at the end of the lease term. The Company operating leases require the Company to maintain and make contributions to maintenance and repair reserve funds during the term of the lease. Maintenance and repair reserve fund contributions are based on the use of the aircraft during the lease term and include reserves for airframe structure maintenance, engine performance restoration maintenance, engine life limited parts maintenance, landing gear maintenance, and auxiliary power unit maintenance. The Company is required to maintain the aircraft to agreed standards during the term of the lease and is entitled to reimbursement by the lessor from the maintenance and repair reserve fund upon presentation of documentation of completion of required maintenance work, provided that no default has occurred. Depending on the specific operating lease agreements, the lessor may or may not retain the remaining balance in the maintenance and repair funds upon termination of the lease. Under certain of the Company's operating leases, the lessor has the right to terminate a lease early and require the Company to surrender the aircraft upon the occurrence of an event of default, such as the non-payment of rent, failure to make contributions to the maintenance and repair fund and failure to maintain insurance coverage for the aircraft or insolvency. To date, the Company's lessors have not early-terminated any finance leases or required the Company to return any aircraft as a result of a default or non-payment rent by the Company.

Aircraft Purchases

The Company may from time to time purchase aircraft directly from aircraft manufacturers. Typically, the pre-delivery payments for these purchases are typically financed initially through operating cash flows and debt financings, which the Company will then convert to operating lease arrangements under sale and leaseback transactions with aircraft leasing companies, which allows the Company to recover pre-delivery payments and should reduce the Company's total capital expenditure commitments. Under the terms of the Company aircraft purchase agreements, the acquisition price is subject to escalation adjustments for, among others, inflation and wage-related increases, as determined in accordance with pre-agreed formulas set out in each purchase agreement.

G. Operational Activity

Route Planning

The Company's growth strategy includes the identification of business opportunities that have not been served by other airlines, increasing the number of routes served and increasing the frequency of flights. The Company serves four new international routes and 22 new domestic routes as of December 31, 2013, two new international routes and five new domestic routes as of December 31, 2012, one new international route and seven new domestic routes as of December 31, 2011, four new international routes and five new domestic routes as of December 31, 2010 and three new international routes and four new domestic routes as of December 31, 2009.

The Company constantly reviews and seeks to optimize route network by identifying opportunities to offer direct international flights to and from Indonesia on routes that are primarily served through third-country hubs, as well as opportunities to increase flights frequencies on domestic flights within Indonesia. The Company also intends to utilize its LCC Citilink business to exploit opportunities to serve price-sensitive budget passengers on domestic and regional routes with low yield and high density in a manner that protects the profitability of the Company's FSC Garuda Indonesia business. The Company intends to utilize LCC platform to be a price taker for LCC budget passengers on domestic routes with low yield and high density, thereby defending against price erosion among the Company's FSC premium and budget passengers on the same routes. The Company also intends to utilize its LCC Citilink business to open new international routes with low yield and high density that cannot be profitably served by the Company's FSC Garuda Indonesia business. Developing and exploiting profitable routes and flight frequencies depends on a number of factors including the Company's ability to obtain accurate market data for evaluation purpose, aircraft availability and landing rights at airports.

To maximize the Company's fleet utilization rates and enhance its competitiveness, the Company carefully evaluates and plans its route network and flight schedule. The Company's route planning department prepares and periodically updates rolling one year and five year route plans based on a number of factors, including business strategies, market projections and analyses and competition. The Company also evaluates each route's profitability and adjust its flight schedule and frequency to maximize profitability. The Company has several management information systems, including a network and schedule management system, to improve its market analysis, network planning and hub operations. Based on the Company's route plans, the Company may seek DJPU's approval for additional routes or modify flight frequency on certain routes to continuously improve its route network. The Company cooperates closely with the regulatory authorities in seeking additional route rights under new or existing bilateral air services agreements and may assist the Government in its negotiations with foreign governments on such agreements.

Flight Scheduling

The Company's marketing and sales department formulates flight schedules, based on market demand for various routes. Consistent with market practice and with IATA guidelines, the Company publishes summer and winter flight schedules each year. From time to time, the Company also varies the flight frequency and type of aircraft utilized on scheduled routes based on anticipated seasonal demand.

Flight Operations

The Company's operations control center ("OCC") at Soekarno-Hatta International Airport in Jakarta supervises and controls its flight activities in accordance with the Company's flight operation schedules that operates 24 hours. OCC collects and analyses information relating to the projected payload, the weather condition and status of aircraft equipment, approves flight dispatches, and coordinates necessary ground services. The Company's OCC monitors flights by radio communications, satellite and ACARS (Aircraft Communication Addressing and Reporting System). The Company expects to implement Air-to-Ground Data Link communications in the future. In the event of irregularities, OCC may adjust flight schedules, combine flights and, if necessary, cancel flights.

On-time departure and arrival is important to customer satisfaction, the Company's brand reputation and cost control. According to the Company's internal reports, in 2013, average on-time departure rate was 84%, with 5% of the Company's flights being irregular due to factors within the Company's control (such as airworthiness of aircraft, flight scheduling, system, airport facilities and passenger services) and 11% of the Company's flights being irregular due to factors beyond the Company's control (such as airport congestion, air traffic control, limitations of airport facilities and weather factor).

Ground Services

At domestic airports in Indonesia, the Company's associated company, Gapura, provides ground services for the Company's domestic flights, and also on a contract basis for other airlines. At airports in foreign countries, the Company used third party ground service providers or the principal airlines based at such airports provide ground services to the Company's flights, typically based on pre-set contractual fees. Ground services include check-in service, boarding service, premium class lounge service, ramp service, luggage handling, loading and unloading services, cabin cleaning and transit services.

Jet Fuel

In 2011, 2012, and 2013, jet fuel costs represented 38%, 38%, and 39% of the Company's total operating expenses, respectively. Jet fuel prices have been historically, and will in the future continue to be, subject to price volatility and fluctuations in supply and demand.

The Company procures approximately 72% of jet fuel, including all of the jet fuel required for the Company's domestic operations, pursuant to agreements with Pertamina. The Company typically enters into five-year supply agreements with Pertamina and two year supply agreements with each of its international jet fuel suppliers. In terms of the Company's international jet fuel supply agreements, if the agreements is about to expire, the Company will re-tender to get best price and provide for payment in U.S. dollars and local currency. International jet fuel prices are generally set at a premium to the mean price of oil traded through Singapore, the Arab Gulf, Saudi Arabia and Netherlands as published by Platts under Mean of Platts Singapore (MOPS), Mean of Platts Arab Gulf (MOPAG), ARAMCO or Rotterdam. Domestic jet fuel prices are generally set in Rupiah typically at a discount to a production posting price established by Pertamina, excluding Timika, where jet fuel prices are set in U.S dollars and provide for payment in Rupiah. Moreover, the Company's new fuel supply agreement with Pertamina incorporated a fixed discount to the production posting price, while historically Pertamina provided the Company with a percentage discount to the production posting price. As a result, the Company believes that, when compared to its prior fuel supply agreement with Pertamina, its new agreement will result in lower discounts (and higher fuel price) align with the increase of production price which has been determined domestically.

Several international jet fuel supply agreements such as Sydney, Melbourne and Taipei require payment in advance, otherwise in other several agreements the payment can be done in credit such as letter of credit. On the other side, domestic jet fuel supply agreement with Pertamina, currently allows the Company to make payment within two weeks following delivery.

The Company have in the past incurred significant unpaid amounts due to Pertamina for the delivery of jet fuel, which amounts have been converted to long-term subordinated debt in its most recent debt restructuring. There is no certainty that the Company will be able to fulfil the fuel payment to Pertamina or that Pertamina plans to restructure the obligations that have matured, which both can materially and adversely impact to the Company's business, financial condition, results of the Company's operations and prospects.

In November 16, 2009, the Company has received a Notice of Continued Examination from the KPPU regarding aircraft jet fuel alleged price-fixing cartel for domestic airfare tickets.

In May 4, 2010, the KPPU found the Company to be at fault and ordered the Company to pay a fine of Rp25 billion and compensation of Rp162 billion. In June 17, 2010, the Company filed an appeal to the District Court of Central Jakarta. In February 28, 2011, the District Court of Central Jakarta granted the Company's appeal and cancelled the KPPU's decision and the KPPU was ordered to pay court costs.

The KPPU has filed an appeal based on the District Court of Central Jakarta's decision to the Supreme Court of the Republic of Indonesia. The Company has also filed a counter claim against the cassation in April 27, 2011. In February 27, 2012, the Supreme Court of the Republic of Indonesia rejected the KPPU's appeal.

For international return flight to Indonesia, the Company purchases jet fuel from international suppliers at prevailing international market prices. The Company's principal international fuel suppliers include Kuwait Petroleum, Singapore Petroleum, Adnoc, The Arabian Petroleum Supply Co. SA, British Petroleum Plc dan Shell Trading SDN BHD.

In-Flight Catering

A Subsidiary of the Company, Aerofood, which is a subsidiary of AeroWisata, provides in-flight catering for flights originating at Jakarta and Denpasar hubs, as well as other domestic airports. For flights originating from international airports, the Company generally contracts with local airlines or local catering companies for in-flight catering, generally on a annual basis and otherwise on terms that are customary in the industry.

Revenues from the Company's in-flight catering operations consist of revenues earned by Aerofood from provision of in-flight catering services to third party airlines operating out of the Soekarno-Hatta International Airport.

MRO

MRO is critical to the safety and comfort of passengers, the efficient use and maintenance of the Company's aircraft and the optimization of the Company's fleet utilization. The schedule and cycle of MRO services for the Company's fleet varies depending on certain factors, including the age and type of aircraft and the manufacturers' specifications.

In 2002, the Company incorporated GMF AeroAsia as a Subsidiary, in order to consolidate and integrate the Company's maintenance engineering operations. GMF AeroAsia provides MRO services to the Company in Indonesia using facilities leased by the Company, as well as to third party airlines.

GMF AeroAsia is certified by the Directorate of the Air Worthiness and Aeroplanes Operations (Direktorat Kelaikan Udara dan Pengoperasian Pesawat Udara or "DKUPPU"), the Federal Aviation Administration ("FAA") as the competent authority in the United States and the European Aviation Safety Agency ("EASA"). GMF AeroAsia provides the Company with most of the airframe maintenance services for the Company's aircraft. Engine maintenance is provided by GMF AeroAsia on the Company's Boeing 737-300/400/500 aircraft under the Power by the Hour Program and by third parties, including Rolls Royce under the Total Care Program on the Company's Airbus A330 aircraft, General Electric under the OnPoint Program for the Company's B737-700 engines and EGAT under on the Maintenance Cost per Hour Program for its Boeing 747-400 aircraft.

Hotel Services

The Company's Subsidiary, Aerowisata and its Hotels & Resorts division conducts business in the hotel management service business and management of hotel service and business consultant. Aerowisata has several subsidiaries through majority ownership, and also entered into joint venture with third parties to establish companies in order to expand the hospitality service business through minority ownership.

In total, Aerowisata owned and managed 11 hotels and three villas, consisting of five hotels and two villas owned and managed by Aerowisata Hotel Management and six hotels and one villa without ownership portion. Aerowisata's hotel portfolio is spread out around Jakarta, Bali, Lombok, Surabaya, Magelang, Makassar and Biak.

Travel Agency Services

The Company's subsidiaries, AeroWisata, Aeroglobe, AJP, GOHA, GOHJ and GOHK, promote holiday packages and operate travel agencies located in Indonesia, Korea, Japan and Australia and also act as general sales agent for other airlines.

Transportation Services

The Company's subsidiary, Aerotrans, provides transportation operations for flight crews and group travelers.

Information Technology Services

The Company's subsidiary, Asyst, provides information technology engineering systems, including consultation and maintenance services, to air carriers as well as other industries. Abacus provides computerized reservation systems and solutions, including leasing computer equipment and providing technical support to travel bureau that utilize the computerized reservation systems.

H. Revenue Management

The Company's business is impacted by the number of passengers flown and the fares charged. The Company has implemented a revenue management system to maximize revenues by flight, by market and across the Company's entire operations. Revenue management is an integrated set of business processes used to calculate the optimal pricing and seat inventory for premium and budget passengers to maximizing revenue generated by the sale of tickets based on forecasting of demand behavior for each market. Through revenue management system, the Company seeks to maximize revenue per flight by optimizing allocation of seat inventory in the different fare classes.

Similar to other airlines, the Company has a multiple pricing structure to meet the varying demands of each market segment. The Company's aircraft cabins are physically divided into executive and economy cabins. The Company determines the number of seats offered at each fare through a continual process of competitive analysis, being one of the most critical processes in revenue management, forecasting and optimization. Generally, booking history and seasonal trends are used to forecast anticipated demand. The Company uses historical forecasts, combined with current bookings, upcoming events, competitive pressures and other factors, to establish a fare structure to maximize revenues.

The Company uses PROS Revenue Management System, software system used by certain other airlines. This system uses forecasting and optimization models to rapidly analyze the economic tradeoffs required to determine the number of seats offered at each fare, which enables us to maximize revenues from existing capacity.

The Company has implemented this system with respect to all of the Company's international and domestic routes since 2006 (by using REMBRANDT software system in and renewing it with PROS system in December 2012). PROS has additional advantages, among others, capability to be used for GROUP and O&D.

The Company's revenue from international and domestic passenger services and passenger yield has historically correlated to its ability to apply fuel surcharges, which reflect fluctuations in the price of jet fuel. Since April 2010, the Company is no longer permitted to add a fuel surcharge on top of the domestic economy class fare cap. The domestic economy class fare cap can now only be adjusted when fuel prices or the Rupiah — U.S. dollar exchange rate exceed certain thresholds established by the DJPU for a prescribed period. As a result of this new domestic regulatory regime, the Company has shifted the focus of its revenue management particularly for domestic flights to allocation of seat inventory in the different fare classes.

The Company is currently in the process of upgrading revenue management software and passenger services relating to new data headquarter development. The Company believes the upgrading passenger services will increase the Company's direct sales to passenger and upgrading revenue management system will increase the Company's ability to improve its ability to manage seat inventory by origin and destination, allocate seat inventory among the different fare classes and better forecast demand.

I. Marketing, Sales and Reservations

Passenger Services

Marketing

The Company's marketing strategy is to leverage the Company's strong brand name to expand market share in Indonesia's growing passenger market and improve awareness of the "Garuda Indonesia" brand in the international market. The Company believes that, as the national flag carrier, the "Garuda Indonesia" brand is widely recognized in Indonesia (based on Indonesia Top Brand Survey by Marketing Magazine and Frontier Consulting Group) and in Southeast Asia (based on survey's result in three countries, Singapore, Malaysia and Thailand by Nielsen Indonesia). Moreover, the Company believes that providing chartered flight services to national leaders and VIP delegations enhances its prestige and reputation.

The Company advertises mainly through its internet website, outdoor billboards, newspapers and magazines and television and radio commercials. The Company also engages in numerous promotional activities, including sponsorship of important cultural and sporting events and serving as the designated airline of special Indonesian cultural and sporting delegations.

The Garuda Frequent Flyer program ("GFF"), established in 1999, was the first such program established by an Indonesian airline. As of December 31, 2013, the Company had approximately 919,607 members enrolled and GFF members collectively accounted

for 30% of total passengers for the year ended December 31, 2013. The Company believes GFF program promotes loyalty, particularly among business travelers, by offering award redemption for continued patronage. Members can earn mileage credits on the Company's flights, or by using services of other program participants, including credit card issuers, hotels and telecommunications service providers. Mileage credits can be redeemed for free, discounted or upgraded travel on the Company's flights or exchanged for certain goods sold through in-flight sales (sales on board).

Sales and Distribution

The Company maintains a network of 41 domestic and 20 international and regional branch offices staffed by the Company's personnel. The Company operates regional sales offices in most major cities in Indonesia, including Jakarta, Surabaya, Denpasar, Medan and Makassar. The Company also maintains international sales offices in, among other cities, Singapore, Tokyo, Jeddah, Sydney and Amsterdam. For the year ended December 31, 2013, approximately 28.21% of the Company's passenger revenues were derived from the Company's sales offices

As of December 31, 2013, the Company has a network of 7,829 travel agents (673 IATA agents and 7,829 sub-agents) to domestic sales, and to support its international routes, a network of 8,306 IATA agents and the Company has appointed 16 general sales agents in 15 countries, including the United States, Canada, England and New Zealand. The commission structure of agent sales varies depending on a number of factors, including whether the sale is for domestic or international flights and the fare structure of a particular route. For the year ended December 31, 2013, ticket sales from travel agents generated approximately 59.52% of total passenger net sales.

The Company also makes online direct sales through call center or website, which provides direct payment facilities. The Company launched its online booking and ticketing services for domestic routes in early 2009 and for international routes at the end of May 2010. For the year ended December 31, 2013, ticket sales from online direct sales generated approximately 7.43% of total passenger net sales.

Air Cargo Services

The Company's cargo SBU is responsible for sales and marketing activities with respect to air cargo services. Although the Company enters into direct sales with customers, the Company's primary sales and marketing channel is through independent cargo agents in 23 branches. The primary sales and marketing channel is through independent cargo agents. Agents track available air cargo space among all airlines and act as an intermediary between the customer and the cargo service provider. The Company typically pays such agents a commission based on a percentage of the cargo freight rate.

The Company engages three types of agents:

- a. Global transport and logistics companies with extensive overseas sales networks to serve the needs of multinational companies and import/export companies;
- b. domestic conglomerates with extensive domestic sales networks; and
- c. local agents (both Indonesian and abroad) that typically have large market shares in their local markets and are knowledgeable of local regulatory requirements and customs procedures

The Company's principal competitors for cargo services are Lion Air in the domestic cargo market and Singapore Airlines, Malaysian Airlines, EVA Air, Korean Air and China Airlines in the international cargo market.

J. Code-Share Agreements

Code-sharing agreements is a marketing arrangement whereby the non-operating airline sells seats and/or space on flights operated by its code-share partner as its own product using its own two-letter airline designator code. Code-share typically allows free-sale, seat swap or space blocks for code-sharing partners.

The Company has successfully established code-share partnerships with various international airlines including Royal Brunei Airlines Sdn. Bhd., China Airlines Limited, China Eastern Airlines, China Southern Airlines, Etihad Airways PJSC, Jet Airways, Kenya Airways Limited, Korean Air, Koninklijke Luchtvaart Maatschappij N.V. (KLM Royal Dutch Airlines), SilkAir (Singapore) Private Limited, Philippine Airlines, Inc., Singapore Airlines, Turkish Airlines Inc., Vietnam Airlines Company Limited and Xiamen Airlines. The Company believes that the Company has one of the most extensive code-share arrangements among Indonesian airlines. The Company typically seeks code-share arrangements to service important markets outside its current international route network that cannot be profitably served due to low passenger volumes. The Company believes that code-share arrangements are a cost-effective means to expand the scope of its passenger services, increase its revenues and enhance its image in the international market.

As of December 31, 2013, the Company had 846 scheduled code-share round-trip flights every week operated by the Company's code-share partners, and operated 499 scheduled code-share round-trip flights every week.

K. Management Information Systems

The Company believes that management information systems are critical to the Company's business. Therefore, the Company has developed and implemented the Company's primary plans to strengthen the information technology's foundation and IT development is aligned with business strategy in order to support the sustainable the Company growth business.

The Company has implemented the following management information systems including:

- Passenger Service Solution ("PSS") system providing reservations, ticketing, seat inventory and departure control functions to to manage flight scheduling and passenger seating, as well as provide distribution and ticketing platform. PSS system will be integrated with member of Skyteam flight alliance that will provide cheapest route recommendation to the Company's passenger.
- Provides the information technology needed to join the Skyteam airline alliance to facilitate business processes between members of SkyTeam in customers management incorporated with the GFF and other Skyteam customers.
- Internet booking system or internet ordering system and online payment system, a system that provides facilities to online ticket order and electronic ticket (e-ticket), both for the individual customer (B2C), customer agents (B2T) and corporate customers (B2B).
- a network and schedule management system for development and management of route networks and flight scheduling in order to reduce operating expenses and maximize revenues.
- a revenue management system providing market data analysis, including changes in the airfares of the Company's partners and competitors, to enable the Company to establish segmented pricing for airfares and allocate seat inventory across price segments in order to effectively maximize passenger yield.
- a finance system, designed to help the Company to prepare consolidated accounts and financial statements and reports, including airline standard forms and government report forms, manage cash flows, and prepare various financial statements.
- a human resources system, automation of core human resources processes including employee administration, payroll and legal reporting to increase efficiency and support the Company's compliance with evolving global and local regulations.
- a logistics system including a module-Auction, e-procurement and goods and services procurement within the Company to ensure the procurement process in accordance with efficiency and transparency *Good Corporate Governance* (GCG) principle.
- Aircraft maintenance system, MRO, is an application to meet the needs of maintenance services, aircraft MRO Garuda in accordance with the standards of aircraft maintenance including parts inventory management system aircraft, a system designed to assist the Company in minimizing inventory levels while maintaining a stock of spare parts adequate.
- Integrated Operations Control Systems / IOCS, a system that aims to optimally manage the operational cost including rotation flight and manage scheduling air crew.
- On-fuel Garuda Application ("FOGA") in all of the branch office in order to facilitate to manage and control aircraft fuel per flight.
- Communications infrastructure with IP-based technologies for both domestic and international networks that can improve the cost-efficiency of communication networks.
- Enterprise Service Bus ("ESB"), a system to support the integration process between systems for improving the reliability, integrity and flexibility of the Company's system.
- Data Recovery Center ("DRC"), a data center backup ("DCB"), a system which aims to protect the Company's data and information technology infrastructure from damage and destruction in the event of circumstances that disrupt a system such as explosions, floods, earthquakes, sabotage and other natural disasters or incidents caused by human actions.
- Information Security Management System (ISMS) is a corporate information management. The Company is committed to the information systems security management with the ISMS signed by the Managing Director. In information management based on ISMS, the Company will adhere to Company's regulations and international standards in communications and information technology.
- Integrated cargo solutions, a system which provides facilities to cargo services reservation, billing by airway bill, inventory, search / control system to manage the flight, capacity, cargo inventory and financial management of cargo revenue.
- a data warehouse system, designed to effectively extract and integrate information from the Company's financial, market.

The Company also intends to implement a customer relationship management system in order to better manage the Company's relationship with GFF members, who collectively accounted for 30% of total passengers for the year ended December 31, 2013.

L. Business Competition

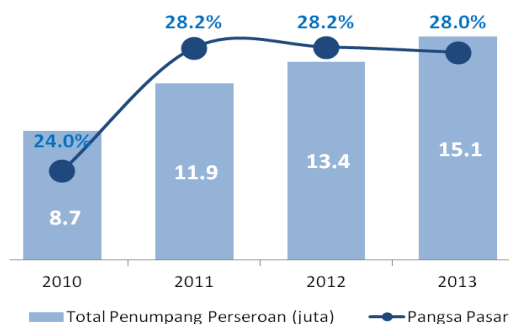
The airline industry is an intensely competitive industry. The Company faces various degrees of competition from FSCs and LCCs in each of the markets which the Company serves.

From time to time, the Company faces tighter competition. Management's ability to implement a wide range of prices at the right time both for the domestic and international flights, to get maximum revenue at the optimal level, supported by revenue optimization system, are expected to be able to realize committed revenue target.

The Company, in a market that is increasingly dominated by LCC airline operators, is also facing competition from these LCC operators, which requires the Company to continue to provide superior service as a FSC operator, while at the same time, ensuring that it is operating in an efficient and effective manner so that the Company continues its existence and positive performance.

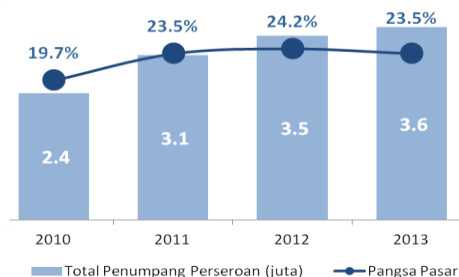
One of the Company's strategies to face the increasing competition in the airline industry is through the operation of Citilink. Citilink and the Company work as a team and Citilink's function as a LCC operator is aimed to address competition and pressure from other LCC flight operators.

Based on the number of domestic passengers on these routes flown by the Company from and to the Gengkareng airport, Denpasar, Surabaya, and Makassar until the end of 2013, the Company had a market share of 28% by number of passengers as many as 15.1 million passengers in the same period in which the in 2012 and 2011, the Company's market share amounted to 28.2% with the number of passengers from 13.4 million passengers and 28.2% by number of passengers as many as 11.9 million passengers.



Source: PT Angkasa Pura I & II (CGK, DPS, SUB, UPG) and the Company, 2014

Based on the number of international passengers on these routes flown by the Company from and to the Gengkareng airport, Denpasar, Surabaya, and Makassar until the end of 2013, the Company had a market share of 23.5% in passenger numbers by 3.6 million passengers in the same period in which the in 2012 and 2011, the Company's market share amounted to 24.2% in passenger numbers of 3.5 million passengers and 23.5% by number of passengers as many as 3.1 million passengers.



Source: PT Angkasa Pura I & II (CGK, DPS, SUB, UPG) and the Company, 2014

a. Scheduled Flight Services for Passenger – International Route

The Company competes with many other well-established international airlines, both FSCs and LCCs, on the Company's international routes. The Company competes in the international market with a variety of airlines, which vary on each route. The Company competes with Japan Airlines, Korean Air and China Southern Airlines in the Japan, China and Korea region. The Company competes with Singapore Airlines, Malaysia Airlines and Thai Airways in the Singapore, Malaysia and Thailand routes. The Company competes with Qantas and Jetstar in the Australian market. The Company competes with Saudi Airlines, Emirates, Etihad and Qatar Airways in the Middle East. The Company competes with a variety of airlines in the European market, both from

airlines which operate direct flights like KLM, and those which operate indirect flight such as Singapore Airlines and Emirates. The intensity of competition varies from route to route, depending on the number and nature of the competitors. Compared with the Company, many of the Company's international airline competitors may have longer operating histories, substantially greater financial and technological resources, larger sales networks, greater name recognition and more widely accessible reservation systems. Moreover, the Company may face additional competition as a result of global airline alliances. Members of global airline alliances enjoy certain benefits such as code-sharing, shared airport lounge facilities, shared benefits of frequent flyer programs and increased brand enhancement.

International flight routes which are highly competitive include routes among others, Jakarta — Singapore, Jakarta — Kuala Lumpur, Jakarta — Jeddah and Denpasar — Perth.

b. Scheduled Flight Services for Passenger – Domestic Route

The Company is the only FSC with IOSA safety certification serving the domestic passenger market. As the only FSC, the Company believes that it has a strong brand position in Indonesia and enjoys strong brand loyalty among premium passengers in the domestic market, particularly among GFF members that are loyal to the Company's brand (based on LIST IOSA registered Airlines by IATA (www.iata.org)). For the LCC segment, the Company through Citilink competes with other Indonesian airlines including Lion Air, Air Asia and Sriwijaya Air. The intensity of competition on the Company's domestic routes varies from route to route, depending on the number and nature of the competitors. For the Company's FSC Garuda Indonesia business, the Company believes that, given the lower operating cost structure for LCCs, the economy class fare caps applicable to LCCs versus FSCs can result in higher profitability for LCCs on economy class fares for domestic routes during peak periods when the fares the Company seeks to charge to FSC Garuda Indonesia passengers are most often limited by price caps to which we are subject to. The Company has and will continue to face competition from other forms of transport for domestic travel, including rail and coach services. However, the level of competition with other modes of ground transport is relatively small given that approximately 90% of the Company's route require the domestic inter-island (passing through the territorial waters).

Domestic flight routes which are highly competitive such as Jakarta — Denpasar, Jakarta — Surabaya, Jakarta — Medan, Jakarta — Balikpapan and Jakarta — Ujung Pandang.

c. Air Cargo Services

The Indonesian air cargo sector is highly competitive. The Company competes in the international and domestic air cargo sectors with other passenger airlines, including Singapore Airlines, Malaysian Airlines, Korean Air and China Airlines, which offer air cargo services in connection with scheduled passenger services as well as with dedicated air cargo airlines. The Company also competes with existing air cargo carriers and integrated air cargo carriers such as DHL and UPS that have their own ground transport and offer door-to-door air cargo services.

M. Pilots and Flight Attendants

The Company hires most of the Company's pilots directly from Sekolah Tinggi Penerbangan Indonesia and Bali International Flying Academy (BIFA), the premier pilot training institute in Indonesia. The Company also hire pilots from other sources, including through occasional lateral hires from other airlines. The Company has, in the past, sent recruits to foreign pilot schools for additional training before they join the Company. As of December 31, 2013, the average experience of the Company's pilots was 15 years.

The Company provides additional training as a job requirement and training for the Company's pilots at the Company's training centers in Learning and Development unit in Jakarta, which are equipped with full flight simulators for various aircraft such as B737-300/400, B737-800, A330-200 simulator. The Company combines classroom instruction with flight simulation training. The Company intends to send some of the pilots to attend the training programs of the Company's airline affiliates. When a new aircraft type is introduced into the Company's fleet, Airbus or Boeing typically offers training for the pilots. All pilots of Indonesian airlines, including the Company's, are licensed by the DKUPPU, which requires Indonesian pilots to undergo an annual recertification examination.

The Company also recruits flight attendants from all provinces in Indonesia as part of the Company's strategy to develop "Garuda Indonesia Experience" to provide Indonesian passengers with a familiar onboard culture and to introduce foreign passengers to Indonesian culture and hospitality. In order to meet the demands of the Company's international passengers, the Company also recruits trainee flight attendants from Japan, Korea and China. The Company's flight attendants participate in periodic training programs and are licensed by the DKUPPU.

There is currently a shortage of experienced pilots in the Indonesian aviation sector and the Company intends to increase the proportion of pilots recruited overseas. Since 2009, the Company had an approval to hire foreign pilots on one year (extendable) contracts. In addition, the Company also intends to address the shortage of pilots by internal promotion of co-pilots to pilots through its captaincy program and by external hiring of pilots in Indonesia.

The Company's strategy for external hiring includes recruiting Indonesian pilots with experience from other international aircraft operators, hiring foreign nationals on a short-term basis and hiring pilots on a short-term basis from other Indonesian carriers, subject to the regulators' requirements qualifications and the Company's internal requirement.

N. Flight Safety

The Company is subject to the safety standards promulgated by the Minister of Transport through the DJPU. The DJPU is a member of International Civil Aviation Organization (ICAO), which establishes global safety standards for the airline industry. The civil aviation administration authority of the country in which the airline is incorporated implements related regulations and is responsible for ensuring that the aircraft and flight crew meet such standards. Members of ICAO typically recognize the certification of compliance issued by the country of registry.

The DKUPPU has jurisdiction over operational safety, maintenance and training standards for all Indonesian airlines. The DKUPPU also issues rules and regulations relating to, among other things, aircraft maintenance and operations, equipment, dispatch, communications, flight personnel and other matters affecting air safety. The DKUPPU requires each Indonesian airline to provide flight safety records to the DKUPPU periodically, including the reports of flight incidents or accidents involving its aircraft during the relevant reporting period and other safety-related problems. To ensure compliance with its regulations, the DKUPPU conducts periodic safety inspections on each Indonesian airline. Failure to meet the safety standards may result in fines or other administrative penalties even revocation of Air Operator Certificate. The Company is in compliance with directives and measures of the DKUPPU and have not incurred any material fines or penalty for failure to comply with safety standards in effect.

In addition to safety standard certifications and compliance with DKUPPU safety regulations, the Company is required to comply with safety standards promulgated by the aviation regulatory authority of each international destination to which the Company operates flights, as well as international safety standards issued by associations such as the IATA. The Company is required to obtain certification from the appropriate authorities in each international destination to which it operates flight routes. Because airlines have responsibility for passenger and goods safety, the Company is also subject to risks that may arise as a result of safety failures by airports.

The Company is dedicated to ensuring the safety of passengers and maintaining strict compliance with all laws and regulations applicable to flight safety. The Company has established a safety committee consisting of members of its senior management to formulate safety policies and monitor the implementation of safety-related requirements. The Company prepares and distribute to its employees DJPU-approved safety manuals and training guidelines. The Company periodically evaluates the skills, experiences and safety records of the Company's pilots.

The Company has taken several steps to eliminate factors that may impair the flight safety. The Company had 0.25 flight incidents per 1,000 departures in 2013. This is the best safety performance achievement within a decade. A "flight incident" is defined by the DKUPPU as an occurrence, other than an accident, associated with the operation of an aircraft that affects or could affect the safety of its operations. The DKUPPU does not set standards for acceptable flight incident ratios.

The Company's various code-share agreements, including agreements with Etihad Airways PJSC, Silk Air, China Airlines, China Southern Airlines, Korean Air, Malaysian Airlines, KLM Royal Dutch Airlines, Philippine Airlines, Singapore Airlines, Turkish Airlines, Saudi Arabian Airlines and Vietnam Airlines, typically require code-share partners to audit each other's safety management system. These safety audits are typically conducted prior to the implementation of the code-share arrangements. The reciprocal recognition of the other party's safety standards is important to the successful implementation of code-share agreements. The Company's code-share agreements typically provide that each party's audit obligations shall be deemed to be satisfied for such time as that party is registered as an operator under the IATA Operational Safety Audit (IOSA) program. Pursuant to the registration requirements of the IOSA program, airlines are required to renew their registration on a bi-annual basis through the conduct of a renewal audit certificate through audit process conducted by appointed audit agency by the IATA. The Company is the first Indonesian airline registered as an operator under the IOSA program since 2008, and the latest registration has been renewed on April 2012. Such registration is valid until September 2014.

The following is a summary of the Company's other major flight accidents in the past fifteen years:

- On January 16, 2002, GA Flight 421 on a Boeing 737-300 aircraft flying from Ampanan to Yogyakarta, crashed when both of its engines caught flame while encountering severe turbulence during the flight. The flight crew was unable to restart the engines and the aircraft was crashed on Bengawan Solo River. Of the 60 passengers and crew members on board the flight, one crew member died, while 13 passengers and crew members suffering severe injuries. The Company paid approximately USD1.4 million in compensation to passengers and the family of the deceased, and incurred losses of USD21.5 million relating to the write-off of the aircraft. The Company received an aggregate of USD22.9 million in compensation under its insurance policies
- On March 7, 2007, Garuda Indonesia Flight GA200 overran the runway on landing at Adisucipto International Airport in Yogyakarta. Of the 133 passengers and crew on board the flight, 21 passengers and crew members died. The NTSC accident investigation determined that the cause of the accident was pilot's negligence, and that the pilot ignored multiple automated

warnings of excessive landing speed and is not complied with the Company's procedures to abort the landing. The pilot was subsequently convicted of criminal negligence, although this conviction was later overturned on appeal. Until December 31, 2012, the Company has paid approximately of USD82.4 million in compensation to passengers and the families of the deceased passengers, and incurred losses of USD21.6 million relating to the write-off of the aircraft, and the Company has received an aggregate of USD104.0 million in compensation under its insurance policies.

All claims made in relation to the abovementioned accidents have been settled.

O. Facility and Building

The Company's headquarters is located at Garuda City at Soekarno-Hatta International Airport in Cengkareng and includes hangars, food preparation centers and other related services. The Company also owns certain properties located in various destinations to which the Company operates routes for the housing of crew, as well as certain buildings for training of pilots and flight attendants and housing certain flight equipment such as simulators. The Company also owns certain properties in connection with its hotel operations.

P. Compliance to Environmental Regulation

The Company is subject to Indonesian noise regulations and its aircraft noise levels are certified by the DJPU. The Indonesian airports where the Company operates are subject to regulations relating to discharges to surface and subsurface waters, the management of hazardous substances, oils and waste materials, and noise levels. Management of hazardous materials is broadly contained in the Occupational Safety, Health and Environment Management ("OSH&E") Manual in chapter 4.1.3. Noise regulation is also contained in the OSH&E Manual in chapter 4.3.1. The Company is also subject to the environmental and noise regulations in each country where it flies. The Company is in compliance with the relevant Indonesian environmental and noise regulations.

Regarding the Health and Work Safety and the Environment Policy that has been published and signed by the President of the Republic of Indonesia and CEO of Garuda Indonesia in November 2013, it is stated that the entire personnel of the Company, business partners, contractors, and suppliers are required to seek the highest level of a healthy and safe working environment, while continuously maintaining safe operations for the environment by reducing emissions and waste, saving energy and conserving natural resources. As part of its implementation, the Company has obtained a building permit (IMB) for the construction of Garuda City Center Building at Soekarno-Hatta International Airport, Cengkareng, which includes afforestation, catchment wells, waste management and fire safety. In addition, GMFAA also has a license from the Environment Management Agency, Tangerang City, relating to Environmental Evaluation Document of Maintenance and Repair Aircraft Activity.

As of the date of the publication of this Prospectus, the Company through its subsidiaries, GMFFA, has submitted the Statement of Environmental Management Implementation Plan (RKL) and Environmental Monitoring Plan (EMP) for 2012 to the Regional Environmental Agency of Banten Provincial Government on June 14, 2012, as provided in letter No. GMF/DCF/2060/2012.

As stakeholders in the aviation industry, the Company has actively participated to implement programs to preserve the environment. The programs are conducted in line with IATA Four Pillar Strategy (Improved Technology, Effective Operations, Efficient infrastructure, Positive Economic Measures). The strategy was formulated in 2007 and aimed to reduce environmental impacts generated by the aviation industry.

The Company also has a long-term plan called the Quantum Leap Program. As a drive to achieve the Quantum Leap Program, the Company has seven driver strategy, which consists of:

- | | |
|--------------------|---|
| 1. Domestic | →Grow and dominate full service market. |
| 2. International | →Enormous upside potential. |
| 3. LCC | →Citilink to address the LCC opportunity. |
| 4. Fleet | →Expand, simplify and rejuvenate fleet. |
| 5. Brand | →Stronger brand, better product and services. |
| 6. Cost Discipline | →Efficient in cost structure compared to peers. |
| 7. Human Capital | →Right quality and right quantity. |

Environmental programs conducted by the Company is included in the three main drivers, fleet upgrade, cost efficiency, and image strengthening which are the basis of the Company's Green Strategy.

Fleet Renewal

The Company is conducting fleet renewal program through simplification and significant renewal airplane with new fleet such as Airbus A330s, Boeing 737-800NG, Boeing 777-300 ER, CRJ1000 and ATR72-600. It aims to improve the quality of

services, increase cost-efficiency, reduce level of emissions and level of noise generated from the flight. The Company is targeting an average aircraft age under six years old in 2015.

In line with the environmentally friendly concept, which focus on society, environment and profitability as the three main focus, it is also the Company's concern to develop environmentally friendly strategy that consists of eco-friendly campaigns, eco-friendly action and environmental responsibility. The Earth Hour program, replanting of forests in Sebangau National Park, conservation of turtles in Gili Trawangan, Lombok, and Jalak Bali Mynah in Bali, creating holes biopore infiltration and encouraging water and energy conservation in the headquarters office area, are some examples of activities or programs which the Company has conducted in order to maintain and preserve the environment. In addition, the Company also supports the National Action Plan for Greenhouse Gases Decline program, promoted by the Ministry of Transportation in the use of biofuel trial that is planned to be conducted in 2014.

Q. Intellectual Property Rights

The Company has various intellectual property rights related to the Company's business activities. These rights are obtained in relation to the Company's and Subsidiaries' businesses and serve as additional value to the Company. These rights are not exclusive in nature and may not be transferred.

As of the date of the publication of this Prospectus, the Company and its Subsidiaries have intellectual property rights as sets forth in the table below:

No.	No. And Date of Registration/Application	Date of Receipt of Right	Brand / Creation	Class of Goods / Services	Owner / Applicant	Period
1.	021268	April 11, 2001	Copyright	Art Pattern "Flora Dasar Biru"	The Company	50 years
2.	021269	April 11, 2001	Copyright	Art Pattern "Flora Dasar Hijau"	The Company	50 years
3.	022676	July 29, 2002	Copyright	Painting "Stilasi Bunga Daerah Iklim Tropis Pada Pesawat"	The Company	50 years
4.	029343	February 20, 2006	Copyright	Computer Program "Online Payment Garuda Indonesia"	The Company	50 years
5.	IDM000025157	December 29, 2004	Trademark Right "Garuda Indonesia" White, Dark Blue, Green	Flight	The Company	10 years
6.	IDM000025158	December 29, 2004	Trademark Right "Garuda Indonesia" Dark Blue, Green, Light Green, White	Flight	The Company	10 years
7.	IDM000024226	December 22, 2004	Trademark Right "Garuda Indonesia" White, Dark Blue, Dark Aqua	Flight	The Company	10 years
8.	IDM000024227	December 22, 2004	Trademark Right "Garuda Indonesia" Dark Blue, Light Aqua & Green	Flight	The Company	10 years
9.	IDM000039596	November 4, 2003	Trademark Right "Aero Cargo" Black, White, Black	Transportation services, cargo services	PT Aero Jasa Cargo	10 years

Source: The Company, 2013

Based on the Company's receipt dated April 17, 2013, which has been stamped by the Directorate General of Intellectual Property of the Ministry of Law and Human Rights of the Republic of Indonesia, the Company has submitted a request for extension of a trademark registration for all trademarks owned by the Company.

R. Human Resources Development

In order to maintain sustainable growth, the Company also implements talent management strategies which include talent acquisition and talent pool development. The Company's talent management strategies include building and developing talent, recruiting or temporarily employing experienced talent or expertise through cooperation with other aircraft operators.

The Company has also introduced measures to benchmark each position and employee with a view to improving productivity characterized by transparency and meritocracy. The Company has also developed and implemented the FLY-HI program aimed at promoting the Company's corporate culture and values, including efficiency and effectiveness, loyalty, customer centricity, honesty and openness and integrity. The Company believes that these values will provide guidance to its employees to work towards achieving the Company's common goals.

The Company's strategy to develop human resources is implemented through its Human Capital Management System, which cover the various stages of human resources development including planning, talent acquisition, learning and development, performance management and rewards, employee relations and talent management and organizational development. The Human Capital Management System allows the Company to monitor and allocate resources to manage the development of employees. For example, the Company provides training programs based on the needs of the Company's employees in order to support their development and improve their performance and career. In addition, development programs for future leaders are prepared through management development programs. The Company also implemented an integrated reward and performance management system to motivate employees to deliver their full potential and competence to support the Company's performance.

The Company's employee training can be divided into four categories: business aviation training, crew training, operator flight training and flight operations officer training.

Airline Business Training

Airline business training is the training unit with the following main scope:

1. Provide training requirements for personnel development in all units with various scope of training, including:
 - Commercial training
 - Cargo training
 - Management and financial training
 - General training
2. Integrated training with Subsidiaries or complete the Company's and Subsidiaries' personnel training.
3. Provide training for travel agents and cargo agents or any other institutions related to the Company's business.

Broadly, the scope of the training is categorized according to the needs of the training with the following classifications:

1. Regulators' mandatory training and IOSA requirements
2. The Company's mandatory training
3. Additional training
4. Ad-Hoc training

The business plan of the Company in 2012, in reference to assessment standards in the Learning & Development unit and in line with the Company's business strategy include:

- Annual training
- Marketing and sales training
- Implementation of general training, management, financial, and other services related to *IOSA Certification*
- Facilitate training needs related to the corporate change management.
- Expert training assignment as a business partner in the directorate and / or consultants
- Instructor & training analyst assignment as consultant partners.

In 2013, the Company conducted training relating to the aviation industry, consisting of 10 different types of training based on requests made by the employees and/or unit and 48 different types of new training through Training Need Analysis 2012.

Meanwhile, to implement the Company's program and fulfill personality training in the Employee Development Plan 2012, the Company conducted training relating to the Employee Development Plan 2012.

In 2013, the training program relating to the aviation industry was attended by 12,331 participants.

Aircraft Crew Training

In order to support the Quantum Leap program in 2015, the Company expects a significant increase in airline crew, both for cockpit crew and cabin crew, that may cause a demand not only for an increase in the number of personnel, but also in terms of quality of such personnel.

With this in mind, the Company's airline crew training unit has conducted a series of learning activities in order to ensure that its graduates consist of reliable and professional future employees. The learning process in this unit is focused on the need and strategy of the Company, mainly the 7 Drivers of the Company's strategy. All of the learning material must be suitable with the Mandatory Program from the Regulator and Mandatory Program from the Company. In addition, personality training is also needed to form positive mental attitudes.

The Training Department conducts these training and education and its main focus is to provide and fulfill, as well as execute, the Company's needs for airline crew, with excellence in service, as well as safety, by reference to Civil Aviation Safety Regulation ("CASR") part 121.

In order to carry out the effective learning process, the role of human resources that manage and run these activities would have a very significant effect, starting from the role and function of the Senior Manager, Expert Training, Instructor, and Training Analyst Training Officer which are maximized and aligned with management functions within the organization.

Continuous coordination and cooperation with cabin unit services user must be improved considering nearly 80% of the instructors are field instructors, which are tied to their flight schedules.

In 2013, the Company has implemented 52 types of training related to aircraft crew training, divided into 481 classes and attended by 15,552 participants.

Flight Operator Training

Through flight operator training, the Company aims to achieve the following strategic objectives: Excellent Training Delivery for Flight Operation Training Program, Support Corporate University in LMS, Improve Customer Satisfaction Index, All Training Product & Training Media Certified, Alignment for Individuals in Understanding the Company's Strategies and Accelerating the Understanding of the FLY-HI Culture.

The program associated with flight operations training includes Internalization –of FLY-HI Program, Conduct Effective Training Need Analysis, Cost Budget Match to Unit's Program, Development of Learning Modules, Simulator, Training Media & Facilities Improvement, Development of Associate Instructors, Development of Multi Competence Instructor, Development of Standard Learning Material, Optimizing Roles & Functions of Solution Partner, Training product & Training media compliance program, Effective Coaching & EDP realization and Sharing & Discipline.

The Company has recruited 10 pilot instructor training to facilitate the training and to anticipate the possibility of deterioration due to lack of training instructor. Moreover, in terms of availability of instructors, flight operator training also support the training location availability with the expansion and cooperation with several training place both within and outside of Indonesia.

Initiatives of the Flight Operators Training Program as follows:

1. TNA Effectiveness

Analyze the training needs, oriented to personality skill and technical competence to support the Company's human resources professionalism. The results of this analysis will be described in the form of curriculum, syllabus, and student materials. The material can be delivered using learning methods in the classroom or e-Learning or even through seminars.

2. Alignment Budget Cost per Unit Program

In conducting any training, flight operator training refers to the training cost to match the predetermined budget.

3. E-Learning Modules Development

In order to reduce training costs and reduce inefficiencies of time learning of the pilots, flight operators training to innovate by developing learning modules based on e-Learning. E-learning methods can change the students' way of study to be more active. Students can download their own training modules needed in the Garuda Indonesia Training Center's website. At the website, each module uploaded separately in accordance with each training. The modules will be updated if there is a subject or the material development. So the quality of the module-Learning is maintained in accordance with the standards held.

4. Simulator

In order to maintain the training through simulators, flight operators training continuesly make efforts in order to maintain the simulator's reliability, so the training requirements in the corporate level can be done. In the case of the addition of the simulator in accordance with the Company's plan to adding the fleet, flight operators training is rely heavily on corporate policies. Simulator that has been added and Ready for Training (RFT) in 2013 are Simulator Boeing 737-800 NG and Airbus A320-200, while the CRJ-1000 simulator is still in the installment process and the simulator that will be added in 2014 is Simulator ATR 76-200.

5. Training Media and Development Facility

To maintain the high quality of training, flight operators training provide training media and training facilities In accordance with the Company's training needs. Computer-based training is one of the media that is always maintained and followed its development to support the Company's development.

6. Senior Instructor Development

In order to prevent the occurrence of resistance in sustainability training due to insufficient number of instructors, the flight operators training took the initiative to develop a senior instructor. That conducted by assist the instructor availability by recruit back pilot instructor who had been active.

7. Instructor Development with Various Competency

In order to reduce the pilot inefficiencies that teach ground training, the Company implemented non-pilot instructor competency development training, so that the pilot instructor can focus on they main job as an aviator.

8. Learning Materials Development

Material development in e-Learning based, presentation materials, student worksheet in accordance with (IATA, CASR, IOSA) requirements.

9. Optimization of Solution Partner's Role and Function

To assist the Company in providing an expertise in the particular field that can not be facilitated by the Company, the flight operators training made an cooperation with a competent consultant (DKUPPU).

10. Product Training and Training Media Compliance Program

The flight operator training's feasibility tools are always maintained, so the flight operator training's tool can be used in training activities. This is made in order to provide the best quality training .

11. Effective Teaching and EDP Realization

In order to improve the employees' performance, the Company gave directions to the employees in tasks implementation and responsibilities. The directions was given so that the employees can continue to improve its performance. While the EDP realization is a form of embodiment of the EDP that has been filled by each employee according to their respective needs.

12. Unity and Discipline

Sharing knowledge is conducted to inform the knowledge to each other within the flight operator training's scope as well as other operators. Sharing knowledge topics may cover emerging topics discussed or the knowledge that can support jobs performance.

In 2013, the Company has implemented 39 types of training related to the flight operator training, which divided into 637 classes, and attended by 5,642 participants.

Flight Operator Officer Training

Flight Operations Officer Training is a unit which carry out training in Flight Operations Officers (FOO) areas, for participants from the Company, the Subsidiary and external parties. Based on the management assignment in 2012, the FOO unit also accommodate requests for training needs in the Ground Operations and the Company's Engineering Directorate in order to support the achievement of corporate objectives in accordance to the rules and regulations and the principles of Good Corporate Governance.

In 2013, several initiatives conducted by this units, namely:

- Conduct more intensive discussion with *Subject Matter Expert* (SME).
- Conduct meeting with all the associated units related to the preparation and finalization of e-learning programs implementations in 2013.
- Participate in TPM 142 *workshop* to maintain and upgrading the TPM 142.
- Ensure full evidence of the audit findings in the previous years.
- Coordinate with related unit in the audit preparation fot the TPM 142 extention.
- As a spoke person

In 2013, total training that has been conducted by the Company are:

- Training conducted by the Calendar of Training (COT): 107 training programs.

- Training conducted outside the Calendar of Training (COT): 11 training programs.
- Total training programs: 118.

This training attended by 886 participants from the Company, Subsidiaries, and external parties.

E-Learning

E-Learning is executed in Learning & Development unit as one of effective learning methods to support the fulfillment of the Garuda Indonesia Corporate University's (CU) criteria. E-Learning is focused on build a learning organization with implement learning paradigm, oriented to Learner. E-Learning is intended to allow the learning process to be effective and efficient to support the Quantum Leap program 2015.

In the implementation, one of the efforts made to achieve these objectives is interactive modules development so that the trainees gain flexible and independent learning experience without reducing the quality of the contents of any material submitted to the objective of a well-maintained learning. In 2013, total modules that have been generated, accounted as 227 modules, increasing compared with the 77 modules in 2012.

Knowledge Management

The Company is implementing Knowledge Management (KM) as an effort to fulfill the Garuda Indonesia Corporate University's (CU) development criteria. Focus on build a learning organization, KM is intended to eliminate knowledge gaps required in the achievement of Quantum Leap 2015 through required knowledge analysis and knowledge that is currently owned by the Company. In addition the number of employees who currently retire also increase the Company's need for implementing KM, in order to acquire the knowledge that is easily understood that the employee owned as an asset to the Company.

In the implementation, one of the efforts to achieve these objectives is sharing the culture development. The employees, in particular who has had a lot of experience and knowledge, share experiences and knowledge through knowledge sharing session which was attended by other employees. Experiences and knowledge are then documented in the form of knowledge documentation to be distributed to all employees via email or corporate information in the form of knowledge magazine. Through this program, the experience and knowledge expected to be known and understood by all employees and then applied in daily work.

In addition to the experience and knowledge owed during employment period, an employee can also share the knowledge gained from seminars, study tours, and training. In addition to the knowledge-sharing session, the Company's efforts to acquire the employees' knowledge is also done through the implementation of Knowledge Management System ("KMS"). As one of the information technology application, KMS aimed to acquiring employees' knowledge via online so an employee with a tight working schedule will be able to easily acquire and share knowledge.

Overall, the Company's knowledge management is already supported by the KM system development. Besides preparing the system, infrastructure and policy manual has also been prepared properly so that all the activities of KM runs perfectly in the Company. Good cooperation between units drive an important role in the course of KM in the Company, particularly when faced certain activities.

S. Business Prospect

The aviation industry in Asia Pacific has grown rapidly over the last 10 years. RPK in Asia Pacific grew by 6.8%, larger than the RPK in North America and Europe which grew respectively by 3.0% and 6.1%. Total demand for aviation services in Asia Pacific is almost as big as the demand in North America and about one-third of the total demand for aviation services in the world. Asia Pacific is expected to be the largest market in the world for the aviation industry, with a projected annual growth rate of 6.5% for the period 2012-2032. The combination of socio - economic growth, geography and infrastructure, as well as the liberalization of the aviation industry in Asia Pacific is a major driving factor in the growth of the aviation industry (Source : The Boeing Company, Current Market Outlook Report 2013-2032).

Indonesia is the largest economy in Southeast Asia. As an island nation with 242 million citizens spread over 6,000 islands, supported by GDP growth with a CAGR of 15% from 2007-2012, and is expected to grow at a CAGR of 6% from the year 2012 to 2018, Indonesia has a huge potential market (Source : IMF World Economic Outlook Database, 2013) .

With a population average age level of 26 years-old, Indonesia's demographic profile is dominated by a young and productive age group. The total population in the productive age group, between 20-54 years, is reaching 52.6%. The population in the productive age group will increase the growth of the consumer base, and will contribute to human resources that support economic growth in the future (Source: CEIC, 2013). Indonesia's economic growth in the long term will be supported by

strong growth in domestic demand. Most of Indonesia's economic growth is driven by a growing middle class with progression from 11.7% to 27.9% of the total population in 2007-2012 (Source : Economics Intelligence Unit, 2013).

Compared with other countries, air traffic in Indonesia is still a small part of the population in Indonesia (Source : International Civil Aviation Organization 2012 Annual Report, the IMF's World Economic Outlook). With the increase in income levels and costs become more affordable air transport, air transport is expected to be the substitution of ground transportation. The number of users of air transport has grown much faster than sea transport and rail transport during the years 2003-2011 (Source: Central Bureau of Statistics, 2012).

Air traffic in Indonesia as a whole has been growing at a CAGR of 14.2 % in 2005-2012 (Source: Central Bureau of Statistics, 2013). Growth in domestic demand was a major factor in Indonesian passenger growth, with an increasing number of international visitors and tourists also have contributed to the increase in the number of air passenger flight. Domestic flights are expected to grow in line with GDP growth and will be the main driver of growth in the Indonesian airline.

IX. SUMMARY OF IMPORTANT FINANCIAL DATA

The tables below illustrate the financial highlights of the Company based on the Company's consolidated financial statements for the year ended December 31, 2013, 2012, 2011, 2010 and 2009.

The Company's consolidated financial statements for the year ended on December 31, 2013 which is entirely contained in this prospectus and have been audited by Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, based on auditing standards established by the IAPI, with unqualified opinion and the consolidated financial statements of the Company for the years ended December 31, 2012, January 1, 2012/December 31, 2011, December 31, 2010 and 2009 are entirely contained in this prospectus and have been audited by Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, based on auditing standards established by the IAPI, with unqualified opinion with an explanatory paragraph regarding the adoption of SFAS No. 10 (Revised 2010), the Effects of Changes in Foreign Exchange Rates and restated the consolidated financial statements of previous years of the change as well as a description of the implementation of the quasi-reorganization of the Company on January 1, 2012 in accordance with SFAS No. 51 (Revised 2003) accounting for quasi-reorganization.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in USD)

Description	2013	2012	January 1, 2012/December 31, 2011 Quasi-Reorganization		2010	2009
			Before	After		
CURRENT ASSETS						
Cash and cash equivalents	475,260,630	325,784,942	417,252,577	417,252,577	130,951,315	183,243,777
Short-term investment	-	-	-	-	-	1,170,213
Trade accounts receivables						
Related parties	4,034,966	5,085,143	41,207,537	41,207,537	31,621,930	25,063,244
Third parties	135,946,397	124,385,955	134,212,244	134,212,244	107,797,712	88,406,329
Other receivables	8,745,081	7,877,613	3,431,179	3,431,179	6,252,917	1,680,585
Inventories - net	90,328,457	83,443,877	86,580,138	79,264,516	67,408,623	36,776,964
Advances and prepaid expenses	89,243,446	84,809,542	71,886,980	71,886,980	70,416,120	68,069,562
Prepaid taxes	15,574,946	5,179,146	2,696,115	2,696,115	7,612,898	14,408,315
Total Current Assets	819,133,923	636,566,218	757,266,770	749,951,148	422,061,515	418,818,989
NON CURRENT ASSETS						
Maintenance reserve fund and security deposits	617,623,057	461,933,812	340,844,829	328,921,176	244,361,189	174,663,607
Advances for purchase of aircraft	500,366,436	497,157,419	227,454,292	227,454,292	118,832,859	190,546,379
Investments in associates	17,459,916	16,517,489	15,509,391	14,986,715	14,138,616	13,074,595
Deferred tax assets	26,209,085	11,462,857	27,260,144	27,260,144	40,311,170	33,465,818
Property and equipment net of accumulated depreciation of USD1,026,833,500 in December 31, 2013, USD948,246,186 in December 31, 2012, USD845,526,138 in December 31 2011, USD838,014,106 in January 1, 2011/ December 31, 2010, and USD906,371,542 in January 1, 2010/December 31, 2009	863,098,897	798,079,135	667,662,863	643,008,375	682,630,571	717,129,518
Investment properties	22,020,790	18,912,898	18,230,877	18,230,877	19,200,175	18,044,239
Intangible assets - net	6,822,881	7,217,106	3,886,349	3,886,349	1,271,320	1,504,214
Deferred charges - net	7,219,535	1,319,027	1,900,685	2,565,924	5,764,998	41,925,501
Other assets - net	73,830,432	68,831,805	67,953,994	66,741,809	73,024,933	52,213,005
Total Non Current Assets	2,134,651,029	1,881,431,548	1,370,703,424	1,333,055,661	1,199,535,831	1,242,566,876
TOTAL ASSETS	2,953,784,952	2,517,997,766	2,127,970,194	2,083,006,809	1,621,597,346	1,661,385,865
CURRENT LIABILITIES						
Loan from banks and financial institution	45,222,668	5,651,251	639,391	639,391	35,226,303	23,258,997
Trade accounts payables						
Related parties	122,293,726	83,773,489	52,124,703	52,124,703	52,299,031	68,352,831
Third parties	83,892,550	89,696,142	63,036,417	63,036,417	76,062,105	66,427,698
Other payables	16,271,886	16,669,543	26,550,366	26,550,366	30,948,255	27,871,841
Taxes payables	17,037,776	20,407,652	12,630,711	12,630,711	9,883,820	8,065,378
Accrued expenses	160,967,081	169,268,165	159,392,656	159,392,656	131,011,042	146,734,466

(in USD)

Description	2013	2012	January 1, 2012/December 31, 2011 Quasi-Reorganization		2010	2009
			Before	After		
Unearned revenues	169,265,396	162,270,578	158,862,887	158,862,887	100,400,165	78,350,731
Advances received	20,534,373	20,417,066	8,753,128	8,753,128	2,026,319	5,207,017
Current maturities of long term liabilities						
Long-term liabilities	280,075,641	106,125,048	80,354,353	80,354,353	31,515,310	136,780,561
Lease liabilities	53,268,680	58,132,590	54,552,395	54,552,395	60,388,440	90,481,458
Estimated liability for aircraft return and maintenance cost	15,060,990	21,795,528	28,937,597	28,937,597	40,574,018	42,060,267
Total Current Liabilities	983,890,767	754,207,052	645,834,604	645,834,604	570,334,808	693,591,245
NON CURRENT LIABILITIES						
Non current maturities of long term liabilities:						
Long-term loans	324,619,850	294,822,442	185,858,816	185,858,816	179,869,018	108,071,155
Lease liabilities	138,482,264	148,220,008	139,707,314	139,707,314	194,422,982	251,783,851
Estimated liability for aircraft return and maintenance cost	55,191,260	30,536,262	26,490,740	26,490,740	23,383,434	30,311,879
Bonds payable	162,850,383	-	-	-	-	-
Deferred tax liabilities	16,987,753	15,019,898	3,559,838	3,559,838	1,246,717	1,806,277
Employment benefits obligation	128,743,051	152,987,113	156,236,485	156,236,485	154,070,790	133,782,032
Other non current liabilities	25,871,507	7,244,913	2,521,236	2,521,236	1,608,921	7,149,591
Total Non Current Liabilities	852,746,068	648,830,636	514,374,429	514,374,429	554,601,862	532,904,785
EQUITY						
Capital stock – issued and paid-up capital	1,146,031,889	1,146,031,889	1,146,031,889	2,291,936,892	2,049,030,852	2,049,030,852
Additional paid-in capital	4,548,037	4,548,037	4,548,037	113,067,035	4,088,301	4,088,301
Stock option	2,770,970	1,148,451	-	2,278,677	-	-
Retained earnings						
- Appropriated	5,529,919	-	-	-	-	-
- Unappropriated	118,391,074	110,598,370	-	(1,385,459,977)	(1,449,327,706)	(1,490,739,031)
Other comprehensive revenue	(161,593,912)	(149,237,597)	(183,804,332)	(100,010,418)	(108,485,498)	(128,316,048)
Equity attributable to owners of the Company	1,115,677,977	1,113,089,150	966,775,594	921,812,209	495,305,949	434,064,074
Non controlling interest	1,470,140	1,870,928	985,567	985,567	1,354,727	825,761
Total Equity	1,117,148,117	1,114,960,078	967,761,161	922,797,776	496,660,676	434,889,835
TOTAL LIABILITIES AND EQUITY	2,953,784,952	2,517,997,766	2,127,970,194	2,083,006,809	1,621,597,346	1,661,385,865

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in USD)

Description	December 31,				
	2013	2012	2011	2010	2009*)
OPERATING REVENUES					
Scheduled airline services	3,170,086,191	2,887,250,744	2,580,538,964	1,767,651,183	1,320,687,740
Non-scheduled airline services	215,965,887	269,091,577	246,459,221	223,988,121	249,756,384
Others	330,024,508	316,126,641	269,330,220	176,183,952	162,194,805
TOTAL OPERATING REVENUES	3,716,076,586	3,472,468,962	3,096,328,405	2,167,823,256	1,732,638,929
OPERATING EXPENSES					
Flight operations	2,244,840,144	1,908,975,113	1,750,918,352	1,166,717,224	832,941,839
Ticketing, sales and promotion	335,842,135	317,443,935	265,239,707	196,343,216	160,057,420
Maintenance and overhaul	288,213,715	288,853,664	248,166,721	227,925,347	181,557,521
Passenger services	283,500,861	263,949,418	261,326,123	180,527,733	137,937,471
User charges and station	266,998,356	240,479,502	222,389,175	168,479,572	140,360,206
General and administrative	218,772,364	213,737,827	198,258,565	172,197,597	141,575,109
Hotel operation	33,758,910	25,809,070	6,957,658	5,969,631	4,914,832
Transportation operation	19,816,371	18,290,868	16,282,577	11,458,940	9,076,373
Network operation	18,007,374	16,883,310	13,579,030	9,775,109	7,926,407
Total Operating Expenses	3,709,750,230	3,294,422,707	2,983,117,908	2,139,394,369	1,616,347,178
OTHER (INCOME) CHARGES					
Gain on foreign exchange	(47,928,641)	(9,449,819)	3,749,339	280,457	12,349,474

(in USD)

Description	December 31,				
	2013	2012	2011	2010	2009*)
Others	(2,193,278)	19,423,970	17,113,570	(38,318,856)	24,433,677
Net	(50,121,919)	9,974,151	20,862,909	(38,038,399)	36,783,151
INCOME FROM OPERATIONS	56,448,275	168,072,104	92,347,588	66,467,286	79,508,600
Equity in net income of associates	1,860,416	1,927,546	1,648,960	1,858,620	1,211,747
Finance income	10,347,000	6,755,823	22,738,090	6,320,849	8,721,517
Finance cost	(59,840,088)	(25,224,919)	(19,801,370)	(18,160,905)	(25,805,265)
INCOME BEFORE TAX	8,815,603	151,530,554	96,933,268	56,485,850	63,636,599
Tax benefits (Expense)	2,384,777	(40,687,981)	(32,707,732)	(16,627,510)	37,364,925
NET INCOME FOR THE YEAR	11,200,380	110,842,573	64,225,536	39,858,340	101,001,525
OTHER COMPREHENSIVE INCOME					
Gain on revaluation of property and equipment – net	14,647,651	46,729,409	10,145,598	20,361,421	32,231,531
Exchange differences on translating foreign operations	(26,863,018)	(3,845,700)	(1,167,245)	5,127,912	15,037,467
Unrealized revenue over hedging transaction	-	-	-	-	984,725
Related income tax	1,580,507	(8,316,974)	(503,273)	(3,817,254)	(5,918,019)
Total other comprehensive income (loss)	(10,634,860)	34,566,735	8,475,080	21,672,079	42,335,705
TOTAL COMPREHENSIVE INCOME	565,520	145,409,308	72,700,616	61,530,419	143,337,230
NET INCOME ATTRIBUTABLE TO:					
Owner of the Company	11,038,843	110,598,370	63,867,730	39,569,795	100,916,029
Non controlling interest	161,537	244,203	357,806	288,545	85,496
NET INCOME FOR THE YEAR	11,200,380	110,842,573	64,225,536	39,858,340	101,001,525
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company	966,308	144,523,947	73,069,776	61,001,453	142,987,773
Non controlling interest	(400,788)	885,361	(369,160)	528,966	349,457
TOTAL COMPREHENSIVE INCOME	565,520	145,409,308	72,700,616	61,530,419	143,337,230
EARNING PER SHARE – BASIC AND DILUTED	0.00049	0.00488	0.0029	0.0022	0.0055

*) Presentation in USD are presented by the management

FINANCIAL RATIOS

Description	2013	2012	2011	2010	2009
GROWTH RATIO					
Operating Revenues	7.02%	12.15%	42.83%	25.12%	-13.59%
Operating Expenses	10.75%	10.00%	42.95%	27.11%	-12.42%
Income From Operations	-66.41%	82.00%	38.94%	-16.40%	-32.41%
Net Income	-89.90%	72.58%	61.13%	-60.54%	17.53%
Total Assets	17.31%	18.33%	28.45%	-2.39%	11.22%
Total Liabilities	30.90%	20.93%	3.14%	-8.28%	-5.99%
Total Equity	0.20%	15.21%	85.80%	14.20%	129.90%
OPERATING RATIO					
Operating Margin	1.52%	4.84%	2.98%	3.07%	4.59%
Net Income Margin	0.30%	3.19%	2.07%	1.84%	5.83%
Income From Operations over Total Equity	5.05%	15.07%	10.01%	13.38%	18.28%
Return on Equity	1.00%	9.94%	6.96%	8.03%	23.22%
Return on Assets	0.38%	4.40%	3.08%	2.46%	6.08%

Description	2013	2012	2011	2010	2009
FINANCIAL RATIO					
Current Ratio	83.25%	84.40%	116.12%	74.00%	60.38%
Total Liabilities over Total Equity	164.40%	125.84%	125.73%	226.50%	282.02%
Total Liabilities over Total Assets	62.18%	55.72%	55.70%	69.37%	73.82%

Financial Ratios for Credit Agreement Or Other Liabilities and Its Fulfillment

1. Financial Ratios Based On Funding Agreement for 6-unit A330-300 with Export Credit Agencies and Commercial Lenders

Required Financial Ratio	Company's Financial Ratios on December 31, 2013
Debt Ratio ^{a)} not exceeding 5.00x	6.28x
Coverage Ratio ^{b)} not less than 1.30x	1.13x
Capex Ratio ^{c)} not exceeding 2.5%	1.2%

- a) *Debt Ratio* means (a) Company's Financial Debt and 8x Lease Payment Divided by (b) Company's EBITDAR
b) *Coverage Ratio* means (a) Company's EBITDAR divided by (b) Payment of Principal, Interest and Lease Payment
c) *Capex Ratio* is (a) Unconsolidated Company's Capital Expenditures divided by (b) Unconsolidated Company's Income from Operations

2. Financial Ratios Based On Funding Agreement with Bank Rakyat Indonesia

Required Financial Ratio	Company's Financial Ratios on December 31, 2013
DER not exceeding 500%	165%

DER means (a) Book Value of Company's Debt divided by (b) Book Value of Company's Equity

3. Financial Ratios Based on the Syndicated Credit Agreement and Other Creditors

Required Financial Ratio	Company's Financial Ratios on December 31, 2013
Debt Ratio ^{a)} not exceeding 5.75x	5.55x
Coverage Ratio ^{b)} not less than 1.05x	1.13x
Cash Ratio ^{c)} not less 5.00%	12.80%

- a) *Debt Ratio* means (a) Company's Financial Debt minus Cash and Cash Equivalent plus 8x Lease Payment divided by (b) Company's EBITDAR
b) *Coverage Ratio* means (a) Company's EBITDAR divided by (b) Payment of Principal, Interest and Lease Payment
c) *Cash Ratio* means (a) Cash and Cash Equivalent divided by (b) Company's Income from Operations

Lease payments in this case means the total number of rental and lease payments paid on all of the Company's leased aircraft assets, including aircraft operating leases, however, does not include (a) Finance Lease payments and (b) payments made based on the short-term operating leases with respect to (i) the Company's Hajj leased-operating aircraft (ii) "VVIP flight".

THE COMPANY HAS MET ALL OF ITS REQUIRED FINANCIAL RATIOS UNDER THE COMPANY'S DEBT AGREEMENTS ON DECEMBER 31, 2013, EXCEPT FOR THE COMPANY'S DEBT AND COVERAGE RATIOS REQUIRED BY ECA. THE COMPANY HAS REVIEWED THE ECA AGREEMENT AND CONCLUDED THAT VIOLATION OF THE FINANCIAL COVENANTS WILL NOT CAUSE THE DEBT TO BECOME PAYABLE ON DEMAND.

X. EQUITY

The following table below illustrates the Company's equity position is based on the Company's consolidated financial statements for the year and ended on December 31, 2013 which is provided in this prospectus and have been audited by Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited) independent public accountants, based auditing standards established by the Indonesian Institute of Certified Public Accountants ("IAPI"), with unqualified opinion and the Company's consolidated financial statements for the years ended December 31, 2012, January 1, 2012/December 31, 2011, December 31, 2010 and 2009 which are provided in this Prospectus have been audited by Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), independent public accountants, based on auditing standards established by the Indonesian Institute of Certified Public Accountants (IAPI), with unqualified opinion with an explanatory paragraph regarding the adoption of the Indonesian Statement of Financial Accounting Standards ("SFAS") (Revised 2010) regarding the Effect of Changes in Foreign Exchange Rates and restated the consolidated financial statements of previous years as a result of the change as well as a description of the implementation of the quasi-reorganization of the Company on January 1, 2012 in accordance with SFAS No. 51 (Revised 2003) accounting quasi-reorganization.

Description	(in USD)			
	December, 31			
	2013	2012	2011 After Quasi	2011 Before Quasi
Issued and paid up capital	1,146,031,889	1,146,031,889	1,146,031,889	2,291,936,892
Additional paid-in capital	4,548,037	4,548,037	4,548,037	113,067,035
Stock option	2,770,970	1,148,451	-	2,278,677
Retained earnings (deficit)				
Appropriated	5,529,919			
Unappropriated	118,391,074	110,598,370	-	(1,385,459,977)
Other comprehensive revenue	(161,593,912)	(149,237,597)	(183,804,332)	(100,010,418)
Equity attributable to owners of the Company	1,115,677,977	1,113,089,150	966,775,594	921,812,209
Non controlling interest	1,470,140	1,870,928	985,567	985,567
Total equity	1,117,148,117	1,114,960,078	967,761,161	922,797,776

There is no change in the Company's capital structure that occurred after the latest financial statements of the Company.

XI. DIVIDEND POLICY

In accordance to the prevailing laws in Indonesia and the Articles of Association of the Company, the Company's net income may be distributed to shareholders as dividends after allowance for statutory reserve funds required by law. Distribution of dividends must be approved by the Shareholders through the decision of Annual General Meeting of Shareholders on the recommendation of the Board of Directors. Dividends may only be distributed if the Company has positive retained earnings.

With regard to the prevailing regulations, the financial condition of the Company and the Company's obligations to creditors, including creditors of the ECA, the Company's management plans a cash dividend policy of maximum of 50% (fifty percent) from the Company's net income for each year with the following provisions: (i) there is excess cash for the Company in the year as required by the Debt Restructuring dated December 21, 2010, (ii) there is no balance due and unpaid on the rental agreement and no other balances due and unpaid debts of other borrowing, and (iii) there are no events in connection with a bankruptcy and the inability to pay existing obligations. Based on the above, the Management Company intends to distribute dividends at least once a year unless otherwise decided by the AGM.

Net income available for dividend payments can be reduced by the liabilities of the Company to allocate reserves. Legislation in Indonesia requires reserves of at least 20% of the issued and paid-up capital of the Company periodically.

New shareholders from this Rights Issue will acquire the same and equal rights to the Company's existing shareholders, including the right to receive the dividend.

On Negative Covenant, the Company does not have any restrictions to third party which may affect the distribution of dividend by the the Company.

XII. TAXATION

Income tax on share dividends is levied under the prevailing laws and regulations in Indonesia. Under Law of the Republic of Indonesia No. 36 of 2008 regarding the Fourth Amendment to Law No. 7 of 1983 regarding Income Tax, dividends or distributions of profit earned by limited liability companies as resident taxpayers, cooperative, state-owned or regional government-owned enterprises, as a result of equity investment in any business entity established and domiciled in Indonesia, shall not be liable for income tax provided that:

1. the dividend is derived from retained earnings; and
2. for a limited liability company, state owned enterprise and regional owned enterprise receiving dividend, the ownership in the entity paying the dividend must not be less than 25% (twenty-five percent) of the total paid-up capital.

In accordance with Regulation of the Minister of Finance Republic of Indonesia No. 234/PMK-03/2009 dated December 29, 2009 regarding Certain Investment Sector Providing Income to Pension Funds Which Are Excluded as Income Tax Object, the income received or obtained from Pension Funds which establishment has been approved by the Minister of Finance of the Republic of Indonesia shall not be included as Income Tax Object if such income is received or earned from investments in the form of dividends from shares in a limited liability company listed on the IDX.

In accordance with Government Regulation No. 14 of 1997 regarding Amendment to Government Regulation No. 41 of 1994 regarding Income Tax on Income from Sale Transactions of Shares on Stock Exchange, the followings have been stipulated:

1. On any income received or earned by an individual or corporate taxpayer from a sale of shares transaction on the IDX, a final income tax of 0.1% of the gross value of the transactions will be imposed. Payment of the payable income tax will be by tax deduction performed by the Stock Exchange organized through the securities trading broker at the time of settlement of the sale transaction.
2. Founding shareholders are liable for an additional Income Tax of 0.5% of the total value of all shares held by the founding shareholders at the time of initial public offering of a company.
3. Payment of the additional payable Income Tax may be made by the Company on behalf of each founding shareholders within a period of not later than 1 (one) month after the shares are traded on a Stock Exchange. Nevertheless, if the founding shareholders do not choose to pay based the 0.5% final Income Tax, their Income Tax assessment will be performed based on a generally applicable Income Tax rate in accordance with Article 17 of Law No. 36 of 2008.
4. Under Article 23.a.1 of Law No. 36 of 2008, dividends from shares, whether or not traded in the Capital Market, payable or paid to a resident taxpayer or permanent business entity, shall be subject to withholding income tax of 15% of the gross value of the dividends.
5. Under Article 17.2.c of Law No. 36 of 2008, dividends distributed to individual resident taxpayers shall be subject to final withholding Income Tax of Article 4 (2) at 10%.

The Government Regulation on income from sale of shares transaction on abovementioned stock exchange shall also be applicable to the Pension Fund which establishment has been ratified by the Minister of Finance of the Republic of Indonesia.

In accordance with Law No. 36 of 2008 and Government Regulation No. 19 of 2009 regarding Income Tax on Dividend received or earned by Individual Resident Taxpayer, income in the form of dividends received or earned by a individual resident taxpayer shall be subject to final income tax of 10%.

Dividends received or earned by resident shareholder taxpayers, except for those who fulfill the above requirements and foreign tax payer with permanent establishment shall be subject to income tax in accordance with Article 23 of Law No. 36 of 2008. The company paying the dividends shall deduct the income tax of 15% of the gross amount in accordance with Article 23 of the Income Tax Law. The deduction of this income tax of article 23 is a tax credit for annual income tax payable by the individual resident taxpayer and a foreign tax payer with permanent establishment.

Dividends paid or payable to foreign taxpayers shall be subject to tax rate of 20% (twenty percent) of the cash payment (in case of cash dividends) or 20% (twenty percent) of the par value (in case of share dividends). Foreign taxpayers who are residents of a country that have entered into Agreement for Double Tax Avoidance (P3B) with Indonesia, in compliance with Circular Letter of Director General of Tax No. SE-03/PJ.101/1996 dated March 29, 1996 on P3B may receive lower rate facility if they deliver an original Residence Certificate issued by the Tax Office of their country of origin. This certificate is only valid for 1 (one) year and is subject to renewal. However, for a bank, as long as the bank has never changed its address as stated in the certificate, the certificate shall remain valid.

In accordance with Government Regulation No. 24 of 2000, stamp duty is payable for documents in relation to the sale of shares. Currently, the stamp duty is charged at Rp.6,000 for any transaction above Rp1,000,000 and at Rp3,000 for any transactions below Rp1,000,000. This stamp duty is payable at the time the document is used.

The Company has paid and reported its corporate income tax in accordance with the prevailing tax regulations in Indonesia based on the self-assessment principle. The tax authority may determine or change the taxes within a certain period in accordance with the prevailing regulations.

The Company's Tax Obligations

As a taxpayer, the Company has tax obligations for income tax (PPh), value added tax (VAT) and land and building tax (PBB). The Company has fulfilled its tax obligations in accordance with the prevailing laws and regulations. As of the date of this Prospectus, the Company has no tax arrears. The corporate income tax assessment for a year shall be a temporary assessment made for the purpose of accounting and subject to change at the time the Company submits its annual tax return (SPT).

Fulfillment of Tax Obligations

As of December 31, 2013, the Company's has paid and reported its tax liabilities as follows:

Description	<i>(Rp in billions)</i> Amount
Income Tax of Article 29	-
Income Tax of Article 4 paragraph 2	8.080.042.918
Income Tax of Article 21	228.102.812.095
Income Tax of Article 25	41.030.613.869

PROSPECTIVE PURCHASERS OF RIGHTS SHARES IN THE RIGHTS ISSUE ARE EXPECTED TO CONSULT WITH THEIR TAX CONSULTANTS IN RESPECT OF THE TAXATION CONSEQUENCES ARISING FROM THE PURCHASE, OWNERSHIP AND SALE OF RIGHTS OBTAINED THROUGH THE RIGHTS ISSUE.

XIII. CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS

The institutions and capital market supporting professionals Rights Issue are as follows:

Legal Consultant : Assegaf Hamzah & Partners

Menara Rajawali 16th Floor
Jl. Dr. Ide Anak Agung Gde Agung Lot 5.1 Kawasan Mega Kuningan,
Jakarta 12950 - Indonesia

Phone : +62-21-2555 7800
Facsimile : +62-21-2555 7899

STTD Number : No. 43/BL/STTD-KH/2007 dated September 13, 2007 on behalf of Bono Daru Adji

Association Member : Capital Market Legal Consultants Association (Himpunan Konsultan Hukum Pasar Modal / HKHPM) No. 200720

Work Guidelines : Capital Market Legal Consultants Professional Standard, the Exhibit of Decree of Association of Capital Market Legal Consultants No. KEP.01/HKHPM/2005 dated February 18, 2005 as amended by Decree of Capital Market Legal Consultants Association No. Capital Market. KEP.04/HKHPM/XI/2012 dated December 6, 2012.

Appointed by the Company pursuant to Letter No : GARUDA/TIM-PRIVATISASI/2006/2013 dated December 19, 2013.

Main Duties : Providing Legal Opinion regarding the Company in regards to this Rights Issue offering. Legal consultant performs legal due diligence based on the facts regarding the Company and other related information provided by the Company. The results of the legal due diligence have been published in Legal Due Diligence Report, which is the basis of the Legal Opinion contained in the Prospectus. Another is to examine the information contained in the Prospectus as far as the legal aspect.

**Public Accountant : Osman Bing Satrio & Eny
(member of Deloitte Touche Tohmatsu Limited)**

The Plaza Office Tower – 32nd Floor
Jalan MH Thamrin Kav 28 – 30
Jakarta 10350

Phone : +62-21-2992 3100
Facsimile : +62-21-2992 28200

Association Member : Indonesian Institute of Certified Public Accountants (Ikatan Akuntan Publik Indonesia / IAPI)

Association Membership Number : 1010 on behalf of Muhammad Irfan

STTD Number : 344/PM/ STTD-AP/2003 dated August 8, 2003

- Work Guidelines : The Financial Accounting Standard in Indonesia and the Professional Standard of Public Accountant (*Standar Akuntansi Keuangan di Indonesia dan Standar Profesional Akuntan Publik / SPAP*)
- Appointed by the Company pursuant to Letter No : DS/PERJ/WA-3575 dated July 24, 2013
- Main Duties : The main function of the Public Accountant in this Rights Issue offering was to carry out the audit in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require Public Accountants to plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement and are responsible for the opinion given on the financial statements based on the audit conducted. Public Accountant task includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Notary : Notary Office of Fathiah Helmi, S.H.

Graha Irama, 6th floor Ruang 6C
Jl. H.R. Rasuna Said X-1 Kav. 1&2 Kuningan
Jakarta 12950

Phone : +62-21-5290 7304
Facsimile : +62-21-526 1136

- Indonesian Notary Association (Ikatan Notaris Indonesia) Membership Number : 011.003.027.260958 on behalf of Fathiah Helmi, S.H.
- STTD Number : 02/STTD-N/PM/1996 dated 12 Februari 1996
- Work Guidelines : Statement of Law No. 30 of 2004 regarding Profession of Notary and Code of Conduct of Indonesian Notary Association.
- Appointed by the Company pursuant to Letter No : GARUDA/TIM-PRIVATISASI/20021/2014 dated 19 February 2014
- Main Duties : To prepare deeds of agreement and to prepare Minutes of Extraordinary General Meeting of Shareholders with respect to the Rights Issue pursuant to the Regulation on Profession of Notary and Code of Conduct of Notary.

Share Registrar : PT Datindo Entrycom

Puri Datindo – Wisma Sudirman
Jl. Jend. Sudirman Kav. 34-35
Jakarta 10220 – Indonesia

Phone : +62-21-570 9009
Facsimile : +62-21-570 9026

- STTD Number : Kep 16/PM/1991 dated April 19, 1995
- Association Member : Association of Securities Administration Bureau
(Asosiasi Biro Administrasi Efek Indonesia / ABI)
- Work Guidelines : Capital Market and Bapepam and LK Regulations
- The Company has appointed Datindo Entrycom pursuant to the Letter No. : GARUDA/TIM-PRIVATISASI/20027/2013 dated December 19, 2013.
- Main Duties : Duties and responsibilities of the Share Registrar in the Rights Issue, according to Capital Market Regulation, among others, are to determine the Company's Shareholders Registers which are entitled to the Rights, distribute of Rights Certificate or Rights in electronic form in the Collective Custody at Indonesian Central Securities Depository (PT Kustodian Sentral Efek Indonesia / KSEI), receive a request for rights subscription, and reconciliation of funds for payment of the rights subscription with the Company's designated bank, allotment process for the additional shares purchase order, carry out the process of issuance and distribution of shares in script form or in electronic form in collective custody in KSEI, implement the distribution process of the Allotment Confirmation Form and refund the Buyer's shares purchase as well as to prepare an allotment report for the Rights Issue in accordance with the applicable regulations.

Capital Market Supporting Institutions and Professionals involved in this Rights Issue hereby certify that they are not affiliated with the Company, either directly or indirectly as specified by the Capital Market Law.

XIV. INDEPENDENT AUDITOR'S REPORT AND THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS

Public Accountant Office of Osman Bing Satrio & Eny (member of Deloitte Touche Tohmatsu Limited), Independent Public Accountants, based on auditing standards established by the Indonesian Institute of Certified Public Accountants (IAPI), with an unqualified opinion.



Garuda Indonesia

SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB
ATAS LAPORAN KEUANGAN KONSOLIDASIAN
PER 31 DESEMBER 2013 DAN 2012 SERTA UNTUK
TAHUN YANG BERAKHIR PADA 31 DESEMBER 2013
DAN 2012

DIRECTOR'S STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON THE
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2013 AND 2012 AND FOR
YEARS ENDED DECEMBER 31, 2013 AND 2012

**PT GARUDA INDONESIA (PERSERO) Tbk DAN ENTITAS ANAK/
PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES**

Kami yang bertanda tangan di bawah ini/ *We the undersigned:*

- | | | |
|---|---|---|
| 1. Nama/ <i>Name</i> | : | Emirsyah Satar |
| Alamat kantor/ <i>Office address</i> | : | Garuda Indonesia Building
Jl. Kebon Sirih No. 44
Jakarta 10110 Indonesia |
| Alamat domisili sesuai KTP atau kartu identitas lain/
<i>Domicile as stated in ID card</i> | : | Jl. Mutiara Blok A29 RT009/RW09
Kelurahan Grogol Utara - Kecamatan Kebayoran Lama
Jakarta Selatan |
| Nomor telepon/ <i>Phone number</i> | : | +62-21-55915671 |
| Jabatan/ <i>Position</i> | : | Direktur Utama/ <i>President & CEO</i> |
| 2. Nama/ <i>Name</i> | : | Handrito Hardjono |
| Alamat kantor/ <i>Office address</i> | : | Garuda Indonesia Building
Jl. Kebon Sirih No. 44
Jakarta 10110 Indonesia |
| Alamat domisili sesuai KTP atau kartu identitas lain/
<i>Domicile as stated in ID card</i> | : | Bona Indah VII B.7/ 22
Lebak Bulus - Cilandak
Jakarta Selatan |
| Nomor telepon/ <i>Phone number</i> | : | +62-21-25601307 |
| Jabatan/ <i>Position</i> | : | Direktur Keuangan/ <i>EVP Finance</i> |

menyatakan bahwa/ *state that:*

- | | |
|--|--|
| 1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian; | 1. <i>Responsible for the preparation and presentation of the consolidated financial statements;</i> |
| 2. Laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan (SAK) di Indonesia; | 2. <i>The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards (SAK);</i> |
| 3. a. Semua informasi dalam laporan keuangan konsolidasian dan informasi tambahan telah dimuat secara lengkap dan benar; | 3. a. <i>All information contained in the consolidated financial statements and supplementary information is complete and correct;</i> |
| b. Laporan keuangan konsolidasian dan informasi tambahan tidak mengandung informasi atau fakta material yang tidak benar; dan tidak menghilangkan informasi atau fakta material; | b. <i>The consolidated financial statements and supplementary information do not contain misleading material information or facts, and do not omit material information and facts;</i> |
| 4. Bertanggung jawab atas sistem pengendalian intern dalam Perusahaan. | 4. <i>Responsible for the Company's internal control system.</i> |

Demikian pernyataan ini dibuat dengan sebenarnya.

This statement letter is made truthfully.

Atas nama dan mewakili Direksi/ *For and on behalf of the Board of Directors*
Jakarta, 10 Maret / March 10, 2014

014027		140383
Emirsyah Satar		Handrito Hardjono
Direktur Utama/ <i>President & CEO</i>		Direktur Keuangan/ <i>EVP Finance</i>

fms

Laporan Auditor Independen

No. GAR114 0105 GIA OS

Pemegang Saham, Dewan Komisaris dan Direksi

PT. Garuda Indonesia (Persero) Tbk

Kami telah mengaudit laporan posisi keuangan konsolidasian PT. Garuda Indonesia (Persero) Tbk dan entitas anak tanggal 31 Desember 2012 serta laporan laba rugi komprehensif konsolidasian, laporan perubahan ekuitas konsolidasian dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut. Laporan keuangan adalah tanggung jawab manajemen Perusahaan. Tanggung jawab kami terletak pada pernyataan pendapat atas laporan keuangan konsolidasian berdasarkan audit kami.

Kami melaksanakan audit berdasarkan standar auditing yang ditetapkan Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami merencanakan dan melaksanakan audit agar kami memperoleh keyakinan memadai bahwa laporan keuangan bebas dari salah saji material. Suatu audit meliputi pemeriksaan, atas dasar pengujian, bukti-bukti yang mendukung jumlah-jumlah dan pengungkapan dalam laporan keuangan. Audit juga meliputi penilaian atas prinsip akuntansi yang digunakan dan estimasi signifikan yang dibuat oleh manajemen, serta penilaian terhadap penyajian laporan keuangan secara keseluruhan. Kami yakin bahwa audit kami memberikan dasar memadai untuk menyatakan pendapat.

Menurut pendapat kami, laporan keuangan konsolidasian yang kami sebut di atas menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT. Garuda Indonesia (Persero) Tbk dan entitas anak tanggal 31 Desember 2012 dan konsolidasian hasil usaha, serta arus kas untuk tahun yang berakhir pada tanggal tersebut sesuai dengan Standar Akuntansi Keuangan Indonesia.

Efektif 1 Januari 2012, Perusahaan dan entitas anak telah menerapkan Pernyataan Standar Akuntansi Keuangan (PSAK) 10 (revisi 2010), Pengaruh Perubahan Kurs Valuta Asing.

Seperti dijelaskan pada Catatan 52 atas laporan keuangan konsolidasian, Perusahaan melaksanakan kuasi-reorganisasi pada tanggal 1 Januari 2012 sesuai dengan Pernyataan Standar Akuntansi Keuangan No. 51 (revisi 2003), Akuntansi Kuasi-Reorganisasi.

Independent Auditors' Report

No. GAR114 0105 GIA OS

The Stockholders, Boards of Commissioners and Directors

PT. Garuda Indonesia (Persero) Tbk

We have audited the accompanying consolidated statement of financial position of PT. Garuda Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2012, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year 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 audit.

We conducted our audit in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 PT. Garuda Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2012, and the consolidated result of their operations and their cash flows for the year then ended, in conformity with Indonesian Financial Accounting Standards.

Effective January 1, 2012, the Company and its subsidiaries adopted the Statement of Financial Accounting Standard (PSAK) 10 (revised 2010), The Effects of Changes in Foreign Exchange Rates.

As discussed in Note 52 to the consolidated financial statements, the Company carried out a quasi-reorganization as of January 1, 2012 in accordance with the Statement of Financial Accounting Standards No. 51 (revised 2003), Accounting for Quasi Reorganization.

Osman Bing Satrio & Eny

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Member of Deloitte Touche Tohmatsu Limited

Osman Bing Satrio & Eny

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT. Garuda Indonesia (Persero) Tbk. dan entitas anak pada tanggal 31 Desember 2013, serta kinerja keuangan konsolidasian dan arus kas untuk tahun yang berakhir pada tanggal tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal Lain

Audit kami atas laporan keuangan konsolidasian Perusahaan dan entitas anak pada tanggal 31 Desember 2013 dan untuk tahun yang berakhir pada tanggal tersebut dilaksanakan dengan tujuan untuk merumuskan suatu opini atas laporan keuangan konsolidasian tersebut secara keseluruhan. Informasi keuangan Perusahaan (entitas induk) terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2013, serta laporan laba rugi komprehensif, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan catatan atas investasi pada entitas anak dan asosiasi (secara kolektif disebut sebagai "Informasi Keuangan Entitas Induk"), yang disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasian terlampir, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian dari laporan keuangan konsolidasian terlampir yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi Keuangan Entitas Induk merupakan tanggung jawab manajemen serta dihasilkan dari dan berkaitan secara langsung dengan catatan akuntansi dan catatan lainnya yang mendasarinya yang digunakan untuk menyusun laporan keuangan konsolidasian terlampir. Informasi Keuangan Entitas Induk telah menjadi objek prosedur audit yang diterapkan dalam audit atas laporan keuangan konsolidasian terlampir berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Menurut opini kami, Informasi Keuangan Entitas Induk disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian terlampir secara keseluruhan.

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam prospektus sehubungan dengan rencana Penawaran Umum Terbatas I Perusahaan di Bursa Efek Indonesia, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT. Garuda Indonesia (Persero) Tbk. and its subsidiaries as of December 31, 2013, and their consolidated financial performance and cash flows for the year then ended, in conformity with Indonesian Financial Accounting Standards.

Other Matters

Our audit of the accompanying consolidated financial statements of the Company and its subsidiaries as of December 31, 2013 and for the year ended, were conducted for the purpose of forming an opinion on such consolidated financial statements as a whole. The accompanying financial information of the Company (Parent Entity), which comprises the statement of financial position as of December 31, 2013, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes on investment in subsidiaries and associates (collectively referred to as the "Parent Entity Financial Information"), which is presented as supplemental information to the accompanying consolidated financial statements, is presented for purposes of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been subjected to the auditing procedures applied in our audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, such Parent Entity Financial Information is fairly stated in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

This report has been prepared solely for inclusion in the prospectus in connection with the proposed public offering of the Rights Issue I of the Company on Indonesia Stock Exchange, and is not intended to be, and should not be, used for any other purposes.

Osman Bing Satrio & Eny

Sebelum laporan ini, kami telah menerbitkan laporan No. GA114 0026 GIA FAN tanggal 30 Januari 2014 atas laporan keuangan konsolidasian PT. Garuda Indonesia (Persero) Tbk. dan entitas anak untuk tahun yang berakhir 31 Desember 2013 dengan pendapat wajar tanpa pengecualian. Dalam Rangka Penawaran Umum Terbatas I, Perusahaan telah menerbitkan kembali laporan keuangan konsolidasian tersebut untuk disesuaikan dengan peraturan pasar modal yang berlaku. Tidak terdapat perbedaan material antara laporan keuangan konsolidasian terdahulu dengan laporan keuangan konsolidasian yang diterbitkan kembali, kecuali yang dijelaskan dalam Catatan 55 atas laporan keuangan konsolidasian.

Prior this report, we have previously issued our report No. GIA114 0026 GIA FAN dated January 30, 2014 on the consolidated financial statements of PT Garuda Indonesia (Persero) Tbk and its subsidiaries for the year ended December 31, 2013 with unqualified opinion. In connection with the Rights Issue I, the Company reissued the consolidated financial statements to conform with prevailing capital market regulations. There were no material differences between the previously issued and the reissued consolidated financial statements except for certain disclosures as described in Note 55 to the consolidated financial statements.

OSMAN BING SATRIO & ENY



Muhammad Irfan
Izin Akuntan Publik/ *Public Accountant License* No. AP.0565

10 Maret /March 10, 2014

Laporan Auditor Independen

No. GAR114 0104 GIA FAN

Pemegang Saham, Dewan Komisaris dan Direksi

PT. Garuda Indonesia (Persero) Tbk

Pendahuluan

Kami telah mengaudit laporan keuangan konsolidasian PT. Garuda Indonesia (Persero) Tbk dan entitas anak terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2013, serta laporan laba rugi komprehensif konsolidasian, laporan perubahan ekuitas konsolidasian dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2013, serta suatu ringkasan kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung Jawab Manajemen atas Laporan Keuangan Konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung Jawab Auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian ini berdasarkan audit kami. Kami melaksanakan audit berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih tergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian atas risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan konsolidasian untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas efektivitas pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian secara keseluruhan.

Independent Auditors' Report

No. GAR114 0104 GIA FAN

The Stockholders, Boards of Commissioners and Directors

PT. Garuda Indonesia (Persero) Tbk

Introduction

We have audited the accompanying consolidated financial statements of PT. Garuda Indonesia (Persero) Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2013, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Osman Bing Satrio & Eny

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Member of Deloitte Touche Tohmatsu Limited

Osman Bing Satrio & Eny

Audit kami laksanakan dengan tujuan untuk menyatakan pendapat atas laporan keuangan konsolidasian secara keseluruhan. Informasi tambahan terlampir disajikan untuk tujuan analisis tambahan terhadap laporan keuangan konsolidasian dan bukan ditujukan untuk menyajikan posisi keuangan, hasil usaha, dan arus kas induk perusahaan sebagai unit usaha yang terpisah, dan bukan merupakan bagian yang diharuskan dari laporan keuangan konsolidasian. Informasi tambahan tersebut adalah tanggung jawab manajemen Perusahaan. Informasi tersebut telah menjadi obyek prosedur audit yang kami terapkan dalam audit atas laporan keuangan konsolidasian, dan menurut pendapat kami, disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian secara keseluruhan.

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam prospektus sehubungan dengan rencana Penawaran Umum Terbatas I Perusahaan di Bursa Efek Indonesia, serta tidak ditujukan, dan tidak diperkenankan untuk digunakan, untuk tujuan lain.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying supplementary information is presented for the purpose of additional analysis of the basic consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the parent as a separate entity, and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of the Company's management. Such information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic consolidated financial statements taken as a whole.

This report has been prepared solely for inclusion in the prospectus in connection with the proposed public offering of the Rights Issue I of the Company on Indonesia Stock Exchange, and is not intended to be, and should not be, used for any other purposes.

OSMAN BING SATRIO & ENY



Drs. Osman Sitorus

Izin Akuntan Publik/ Public Accountant License No. AP.0567

10 Maret/ March 10, 2014

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

	Catatan/ Notes	2013 USD	2012 USD	
<u>ASET</u>				<u>ASSETS</u>
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	5,45	475.260.630	325.784.942	Cash and cash equivalents
Piutang usaha				Trade accounts receivables
Pihak berelasi	6,45	4.034.966	5.085.143	Related parties
Pihak ketiga - setelah dikurangi cadangan kerugian penurunan nilai sebesar USD 2.968.386 pada 31 Desember 2013 dan USD 1.503.631 pada 31 Desember 2012		135.946.397	124.385.955	Third parties - net of allowance for impairment loss of USD 2,968,386 in December 31, 2013 and USD 1,503,631 in December 31, 2012
Piutang lain-lain	7	8.745.081	7.877.613	Other receivables
Persediaan - bersih	8	90.328.457	83.443.877	Inventories - net
Uang muka dan biaya dibayar dimuka	9	89.243.446	84.809.542	Advances and prepaid expenses
Pajak dibayar dimuka	10	15.574.946	5.179.146	Prepaid taxes
Jumlah Aset Lancar		819.133.923	636.566.218	Total Current Assets
ASET TIDAK LANCAR				NON CURRENT ASSETS
Dana perawatan pesawat dan uang jaminan	11,47,48	617.623.057	461.933.812	Maintenance reserve fund and security deposits
Uang muka pembelian pesawat	12	500.366.436	497.157.419	Advances for purchase of aircraft
Investasi pada entitas asosiasi	13	17.459.916	16.517.489	Investments in associates
Aset pajak tangguhan	10	26.209.085	11.462.857	Deferred tax assets
Aset tetap - setelah dikurangi akumulasi penyusutan sebesar USD 1.026.833.500 pada 31 Desember 2013 dan USD 948.246.186 pada 31 Desember 2012	14	863.098.897	798.079.135	Property and equipment net of accumulated depreciation of USD 1,026,833,500 in December 31, 2013 and USD 948,246,186 in December 31, 2012
Properti investasi	15	22.020.790	18.912.898	Investment properties
Aset takberwujud - bersih	16	6.822.881	7.217.106	Intangible assets - net
Beban tangguhan - bersih		7.219.535	1.319.027	Deferred charges - net
Aset lain-lain - bersih	17,45	73.830.432	68.831.805	Other assets - net
Jumlah Aset Tidak Lancar		2.134.651.029	1.881.431.548	Total Non Current Assets
JUMLAH ASET		2.953.784.952	2.517.997.766	TOTAL ASSETS

Lihat catatan laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

	Catatan/ Notes	2013 USD	2012 USD	
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK				CURRENT LIABILITIES
Utang bank dan lembaga keuangan	18,45	45.222.668	5.651.251	Loan from banks and financial institution
Utang usaha				Trade accounts payables
Pihak-pihak berelasi	19,45	122.293.726	83.773.489	Related parties
Pihak ketiga		83.892.550	89.696.142	Third parties
Utang lain-lain	20	16.271.886	16.669.543	Other payables
Utang pajak	10	17.037.776	20.407.652	Taxes payable
Beban akrual	21	160.967.081	169.268.165	Accrued expenses
Pendapatan diterima dimuka	22	169.265.396	162.270.578	Unearned revenues
Uang muka diterima		20.534.373	20.417.066	Advances received
Liabilitas jangka panjang yang jatuh tempo dalam satu tahun:				Current maturities of long term liabilities
Pinjaman jangka panjang	23,45	280.075.641	106.125.048	Long-term loans
Liabilitas sewa pembiayaan	24	53.268.680	58.132.590	Lease liabilities
Liabilitas estimasi biaya pengembalian dan pemeliharaan pesawat	25	15.060.990	21.795.528	Estimated liability for aircraft return and maintenance cost
Jumlah Liabilitas Jangka Pendek		983.890.767	754.207.052	Total Current Liabilities
LIABILITAS JANGKA PANJANG				NON CURRENT LIABILITIES
Liabilitas jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun:				Non current maturities of long-term liabilities:
Pinjaman jangka panjang	23,45	324.619.850	294.822.442	Long-term loans
Liabilitas sewa pembiayaan	24	138.482.264	148.220.008	Lease liabilities
Liabilitas estimasi biaya pengembalian dan pemeliharaan pesawat	25	55.191.260	30.536.262	Estimated liability for aircraft return and maintenance cost
Utang obligasi	26	162.850.383	-	Bonds payable
Liabilitas pajak tangguhan	10	16.987.753	15.019.898	Deferred tax liabilities
Liabilitas imbalan kerja	28	128.743.051	152.987.113	Employment benefits obligation
Liabilitas tidak lancar lainnya	26	25.871.507	7.244.913	Other non current liabilities
Jumlah Liabilitas Jangka Panjang		852.746.068	648.830.636	Total Non Current Liabilities
EKUITAS				EQUITY
Modal saham -				Capital stock -
Nilai nominal Rp 459 per saham masing-masing untuk saham Seri A Dwiwarna dan saham Seri B				Rp 459 par value per share for Series A Dwiwarna share and Series B shares
Modal dasar - 1 saham seri A Dwiwarna dan 29.999.999.999 saham Seri B				Authorized - 1 of Series A Dwiwarna share and 29,999,999,999 Series B shares
Modal ditempatkan dan disetor - 1 saham Seri A Dwiwarna dan 22.640.995.999 saham Seri B	29	1.146.031.889	1.146.031.889	Issued and paid-up capital - 1 Series A Dwiwarna shares and 22,640,995,999 Series B
Tambahan modal disetor	30	4.548.037	4.548.037	Additional paid-in capital
Opsi saham	32	2.770.970	1.148.451	Stock option
Saldo laba				Retained earnings
Defisit sebesar USD 1.385.459.977 pada tanggal 1 Januari 2012 telah dieliminasi dalam rangka kuasi-reorganisasi (Catatan 52)				Deficit amounting to USD 1,385,459,977 as of January 1, 2012 was eliminated in connection with quasi reorganization (Note 52)
- Dicadangkan	32	5.529.919	-	- Appropriated
- Belum dicadangkan		118.391.074	110.598.370	- Unappropriated
Pendapatan komprehensif lainnya	14,31	(161.593.912)	(149.237.597)	Other comprehensive income
Ekuitas yang dapat diatribusikan kepada pemilik		1.115.677.977	1.113.089.150	Equity attributable to owners of the company
Kepentingan non pengendali	33	1.470.140	1.870.928	Non controlling interest
Jumlah Ekuitas		1.117.148.117	1.114.960.078	Total Equity
JUMLAH LIABILITAS DAN EKUITAS		2.953.784.952	2.517.997.766	TOTAL LIABILITIES AND EQUITY

Lihat catatan laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

PT GARUDA INDONESIA (PERSERO) Tbk DAN ENTITAS ANAK
LAPORAN LABA RUGI KOMPREHENSIF KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2013 DAN 2012

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Catatan/ Notes	2013 USD	2012 USD	
PENDAPATAN USAHA				OPERATING REVENUES
Penerbangan berjadwal	35	3.170.086.191	2.887.250.744	Scheduled airline services
Penerbangan tidak berjadwal	35	215.965.887	269.091.577	Non-scheduled airline services
Lainnya	35	330.024.508	316.126.641	Others
Jumlah Pendapatan Usaha		<u>3.716.076.586</u>	<u>3.472.468.962</u>	Total Operating Revenues
BEBAN USAHA				OPERATING EXPENSES
Operasional penerbangan	36	2.244.840.144	1.908.975.113	Flight operations
Tiket, penjualan dan promosi	37	335.842.135	317.443.935	Ticketing, sales and promotion
Pemeliharaan dan perbaikan	41	288.213.715	288.853.664	Maintenance and overhaul
Pelayanan penumpang	38	283.500.861	263.949.418	Passenger services
Bandara	39	266.998.356	240.479.502	User charges and station
Administrasi dan umum	40	218.772.364	213.737.827	General and administrative
Operasional hotel		33.758.910	25.809.070	Hotel operation
Operasional transportasi		19.816.371	18.290.868	Transportation operation
Operasional jaringan		18.007.374	16.883.310	Network operation
Jumlah Beban Usaha		<u>3.709.750.230</u>	<u>3.294.422.707</u>	Total Operating Expenses
BEBAN (PENDAPATAN) LAIN-LAIN				OTHER (INCOME) CHARGES
Keuntungan selisih kurs		(47.928.641)	(9.449.819)	Gain on foreign exchange
Lain-lain	42	(2.193.278)	19.423.970	Others
Bersih		<u>(50.121.919)</u>	<u>9.974.151</u>	Net
LABA USAHA		<u>56.448.275</u>	<u>168.072.104</u>	INCOME FROM OPERATIONS
Bagian laba bersih asosiasi	13	1.860.416	1.927.546	Equity in net income of associates
Pendapatan keuangan		10.347.000	6.755.823	Finance income
Beban keuangan	43	<u>(59.840.088)</u>	<u>(25.224.919)</u>	Finance cost
LABA SEBELUM PAJAK		8.815.603	151.530.554	INCOME BEFORE TAX
MANFAAT (BEBAN) PAJAK	10	<u>2.384.777</u>	<u>(40.687.981)</u>	TAX BENEFITS (EXPENSE)
LABA BERSIH TAHUN BERJALAN		<u>11.200.380</u>	<u>110.842.573</u>	NET INCOME FOR THE YEAR
LABA KOMPREHENSIF LAIN				OTHER COMPREHENSIVE INCOME
Peningkatan revaluasi aset tetap - bersih		14.647.651	46.729.409	Gain on revaluation of property and equipment - net
Selisih kurs karena penjabaran laporan keuangan		(26.863.018)	(3.845.700)	Exchange differences on translating foreign operations
Pajak penghasilan terkait		1.580.507	(8.316.974)	Related income tax
Jumlah laba (rugi) komprehensif lain-lain		<u>(10.634.860)</u>	<u>34.566.735</u>	Total other comprehensive income (loss)
JUMLAH LABA KOMPREHENSIF		<u>565.520</u>	<u>145.409.308</u>	TOTAL COMPREHENSIVE INCOME
LABA YANG DAPAT DIATRIBUSIKAN KEPADA:				NET INCOME ATTRIBUTABLE TO:
Pemilik entitas induk		11.038.843	110.598.370	Owners of the Company
Kepentingan non pengendali	33	<u>161.537</u>	<u>244.203</u>	Non controlling interest
LABA BERSIH TAHUN BERJALAN		<u>11.200.380</u>	<u>110.842.573</u>	NET INCOME FOR THE YEAR
JUMLAH LABA KOMPREHENSIF YANG DAPAT DIATRIBUSIKAN KEPADA:				TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:
Pemilik entitas induk		966.308	144.523.947	Owners of the Company
Kepentingan non pengendali	33	<u>(400.788)</u>	<u>885.361</u>	Non controlling interest
JUMLAH LABA KOMPREHENSIF		<u>565.520</u>	<u>145.409.308</u>	TOTAL COMPREHENSIVE INCOME
LABA PER SAHAM DASAR -				EARNING PER SHARE - BASIC
diatribusikan kepada pemilik entitas induk	44	0,00049	0,00488	attributable to owner of the parent company

Lihat catatan laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

													Pendapatan komprehensif lainnya/ Other comprehensive income	
Catatan/ Notes	Modal saham/ Capital stock	Tambahan modal disetor/ Additional paid-up capital	Opsi saham/ Stock option	Saldo laba/ Retained Earning		Surplus revaluasi/ Revaluation Surplus	Selisih Penjabaran laporan keuangan/ Translation adjustments	Total pendapatan komprehensif lainnya/ Total other comprehensive income	Sub jumlah/ Sub total	Kepentingan non pengendali/ Non controlling interest	Jumlah ekuitas/ Total equity			
				Dicadangkan/ Appropriated	Belum dicadangkan/ Unappropriated									
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD			
Saldo 1 Januari 2012 sebelum kuasi-reorganisasi	2.291.936.892	113.067.035	2.278.677	-	(1.385.459.977)	83.793.914	(183.804.332)	(100.010.418)	921.812.209	985.567	922.797.776	Balance as of January 1, 2012 prior to quasi-reorganization		
Eliminasi defisit dalam rangka kuasi-reorganisasi	52	(1.145.905.003)	(108.518.998)	(2.278.677)	-	1.385.459.977	(83.793.914)	-	(83.793.914)	44.963.385	-	44.963.385	Elimination of deficit in connection with quasi-reorganization	
Saldo 1 Januari 2012 setelah kuasi-reorganisasi	1.146.031.889	4.548.037	-	-	-	-	(183.804.332)	(183.804.332)	966.775.594	985.567	967.761.161	Balance as of January 1, 2012 after quasi-reorganization		
Opsi saham manajemen dan karyawan (MESOP)	32	-	-	1.148.451	-	-	-	-	1.148.451	-	1.148.451	Management and employee stock option (MESOP)		
Jumlah pendapatan komprehensif	-	-	-	-	110.598.370	38.412.435	(3.845.700)	34.566.735	145.165.105	885.361	146.050.466	Total comprehensive income		
Saldo 31 Desember 2012	1.146.031.889	4.548.037	1.148.451	-	110.598.370	38.412.435	(187.650.032)	(149.237.597)	1.113.089.150	1.870.928	1.114.960.078	Balance as of December 31, 2012		
Opsi saham manajemen dan karyawan (MESOP)	32	-	-	1.622.519	-	-	-	-	1.622.519	-	1.622.519	Management and employee stock option (MESOP)		
Cadangan wajib perusahaan	33	-	-	-	5.529.919	(5.529.919)	-	-	-	-	-	The Company's mandatory reserve		
Dipindahkan ke laba ditahan	14,31	-	-	-	-	2.283.780	(2.283.780)	-	(2.283.780)	-	-	Transferred to retained earning		
Jumlah pendapatan komprehensif	-	-	-	-	11.038.843	16.245.224	(26.317.758)	(10.072.535)	966.308	(400.788)	565.520	Total comprehensive income		
Saldo 31 Desember 2013	1.146.031.889	4.548.037	2.770.970	5.529.919	118.391.074	52.373.880	(213.967.790)	(161.593.912)	1.115.677.976	1.470.140	1.117.148.116	Balance as of December 31, 2013		

Lihat catatan laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

PT GARUDA INDONESIA (PERSERO) Tbk DAN ENTITAS ANAK
LAPORAN ARUS KAS KONSOLIDASIAN
UNTUK TAHUN-TAHUN YANG BERAKHIR 31 DESEMBER 2013 DAN 2012

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013 USD	2012 USD	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	3.828.013.062	3.303.464.135	Cash receipts from customers
Pengeluaran kas kepada pemasok	(3.204.353.979)	(2.520.504.898)	Cash paid to suppliers
Pengeluaran kas kepada karyawan	(425.242.885)	(390.157.600)	Cash paid to employees
Kas dihasilkan dari operasi	198.416.198	392.801.638	Cash generated from operations
Pembayaran bunga dan beban keuangan	(35.040.542)	(13.655.445)	Interest and financial charges paid
Pembayaran pajak penghasilan	(24.349.733)	(14.460.638)	Income taxes paid
Kas Bersih Diperoleh dari Aktivitas Operasi	139.025.923	364.685.555	Net Cash Provided from Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan bunga	9.892.089	7.003.496	Interest received
Penerimaan dividen	1.739.459	1.897.701	Dividend received
Hasil pelepasan aset tetap	10.314.619	3.893.794	Proceeds from disposal of property and equipment
Penerimaan pengembalian uang muka pembelian pesawat	398.739.049	73.495.873	Refund of advance payments for purchase of aircraft
Penerimaan pengembalian dana pemeliharaan pesawat	41.931.995	17.143.158	Receipts of aircraft maintenance reimbursements
Penerimaan uang jaminan	1.101.734	3.974.307	Receipts of security deposit
Pengeluaran untuk dana pemeliharaan pesawat	(235.312.053)	(180.440.276)	Payments for aircraft maintenance reserve fund
Uang muka pembelian pesawat	(442.858.026)	(373.812.834)	Advance payments for aircrafts
Uang muka perolehan aset tetap	(14.259.993)	(27.265.181)	Advance payments for property and equipment
Pengeluaran untuk perolehan aset pemeliharaan dan aset sewa pesawat	(55.864.432)	(3.096.135)	Payments for aircraft maintenance and aircraft leased asset
Pengeluaran untuk perolehan aset tetap	(54.121.268)	(29.335.992)	Acquisition of property and equipment
Pembayaran uang jaminan	(43.814.936)	(18.183.897)	Payments for security deposit
Kenaikan (penurunan) lainnya dari aktivitas investasi	(324.902)	327.042	Increased (decreased) other investment
Kas Bersih Digunakan untuk Aktivitas Investasi	(382.836.665)	(524.398.946)	Net Cash Used in Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan pinjaman jangka panjang	431.112.338	206.260.009	Proceeds of long-term loan
Penerimaan utang bank dan lembaga keuangan	181.946.307	39.759.949	Proceeds of bank loans and financial institution
Penerimaan obligasi - bersih	200.259.361	-	Proceeds of bonds - net
Pembayaran biaya pengembalian pesawat	(6.677.864)	(6.559.941)	Payment for aircraft return and maintenance
Pembayaran pinjaman jangka panjang	(228.479.260)	(124.540.535)	Payments of long-term loan
Pembayaran utang bank dan lembaga keuangan	(142.398.200)	(37.336.500)	Payments of bank loans and financial institution
Kenaikan kas yang dibatasi penggunaannya	(1.710.965)	(933.748)	Increase in restricted cash
Pembayaran untuk aktivitas pendanaan lainnya	(1.776.784)	(1.191.279)	Payments for other financing activities
Kas Bersih Diperoleh dari Aktivitas Pendanaan	432.274.934	75.457.955	Net Cash Provided from Financing Activities
PENINGKATAN (PENURUNAN) BERSIH KAS DAN SETARA KAS	188.464.192	(84.255.436)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	325.784.942	417.252.577	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR
Efek perubahan kurs mata uang asing	(38.988.504)	(7.212.199)	Effect of foreign exchange rate changes
KAS DAN SETARA KAS AKHIR TAHUN	475.260.630	325.784.942	CASH AND CASH EQUIVALENTS AT END OF THE YEAR

Lihat catatan laporan keuangan konsolidasian yang merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

1. UMUM

a. Pendirian dan Informasi Umum

PT Garuda Indonesia (Persero) Tbk ("Perusahaan") didirikan berdasarkan akta No. 137 tanggal 31 Maret 1950 dari notaris Raden Kadiman. Akta pendirian tersebut telah disahkan oleh Menteri Kehakiman Republik Indonesia dalam surat keputusannya No. J.A.5/12/10 tanggal 31 Maret 1950 serta diumumkan dalam Berita Negara Republik Indonesia Serikat No. 30 tanggal 12 Mei 1950, tambahan No. 136. Perusahaan yang awalnya berbentuk Perusahaan Negara, berubah menjadi Persero berdasarkan Akta No. 8 tanggal 4 Maret 1975 dari Notaris Soeleman Ardjasmita, S.H., sebagai realisasi Peraturan Pemerintah No. 67 tahun 1971. Perubahan ini telah diumumkan dalam Berita Negara Republik Indonesia No. 68 tanggal 26 Agustus 1975, tambahan No. 434.

Anggaran Dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir dengan Akta No. 1 tanggal 26 Juli 2012 dari Aulia Taufani, S.H, notaris di Tangerang, mengenai perubahan nilai nominal saham. Perubahan ini telah mendapatkan persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-66159.AH.01.02. Tahun 2012 tanggal 27 Desember 2012.

Perusahaan berkantor pusat di Jl. Kebon Sirih No. 44, Jakarta.

Sesuai dengan pasal 3 Anggaran Dasar Perusahaan, ruang lingkup kegiatan Perusahaan terutama adalah sebagai berikut:

1. Angkutan udara niaga berjadwal untuk penumpang, barang dan pos dalam negeri dan luar negeri;
2. Angkutan udara niaga tidak berjadwal untuk penumpang, barang dan pos dalam negeri dan luar negeri;
3. Reparasi dan pemeliharaan pesawat udara, baik untuk keperluan sendiri maupun untuk pihak ketiga;
4. Jasa penunjang operasional angkutan udara niaga, meliputi *catering* dan *ground handling* baik untuk keperluan sendiri maupun untuk pihak ketiga;
5. Jasa layanan sistem informasi yang berkaitan dengan industri penerbangan, baik untuk keperluan sendiri maupun untuk pihak ketiga;
6. Jasa layanan konsultasi yang berkaitan dengan industri penerbangan;

1. GENERAL

a. Establishment and General Information

PT Garuda Indonesia (Persero) Tbk ("the Company") was established based on Notarial Deed No. 137 dated March 31, 1950 of Raden Kadiman. The deed was approved by the Minister of Law of the Republic of Indonesia in his Decision Letter No. J.A.5/12/10 dated March 31, 1950 and published in the State Gazette of the Republic of Indonesia No. 30 dated May 12, 1950, Supplement No. 136. The Company was previously a State Company, based on Deed No. 8 dated March 4, 1975 of Notary Soeleman Ardjasmita, S.H., and has changed into a state-owned limited liability company pursuant to Government Regulation No. 67 in 1971. This change was published in the State Gazette of the Republic of Indonesia No. 68 dated August 26, 1975, supplement No. 434.

The Company's Articles of Association has been amended several times, most recently by Deed No. 1 dated July 26, 2012 of Aulia Taufani, S.H, notary in Tangerang, concerning the change in par value of capital stock. The amendment deed was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-66159.AH.01.02. Tahun 2012 dated December 27, 2012.

The Company's head office is located at Jl. Kebon Sirih No. 44, Jakarta.

In accordance with article 3 of the Company's Articles of Association, the scope of its activities comprises of the following:

1. Undertaking scheduled commercial air transportation of domestic or international passengers, cargoes and mails;
2. Undertaking non-scheduled commercial air transportation of domestic or international passengers, cargoes and mails;
3. Providing aircraft repair and maintenance, to satisfy own needs and the needs of third party;
4. Rendering support services for commercial air transportation operation, such as catering services and ground handling services, to satisfy own needs and the needs of third party;
5. Providing information systems services relating to aviation industry, to satisfy own needs and the needs of third party;
6. Providing consulting services relating to aviation industry;

7. Jasa layanan pendidikan dan pelatihan yang berkaitan dengan industri penerbangan, baik untuk keperluan sendiri maupun untuk pihak ketiga;
8. Jasa layanan kesehatan personil penerbangan, baik untuk keperluan sendiri maupun pihak ketiga.

Saat ini Perusahaan telah menjalankan seluruh ruang lingkup kegiatannya kecuali jasa layanan konsultasi yang berkaitan dengan industri penerbangan.

Perusahaan mulai beroperasi komersial pada tahun 1950. Jumlah karyawan Perusahaan dan entitas anak ("Grup") per 31 Desember 2013 dan 2012 masing-masing adalah 14.592 dan 13.314 orang.

Pembukuan Perusahaan sejak tahun 2012 telah menggunakan bahasa Inggris dan dalam mata uang Dolar Amerika Serikat (USD) dan telah disetujui oleh Direktorat Jendral Pajak dengan keputusan No. KEP-289/WPJ.19/2012.

b. Dewan Komisaris dan Direksi

Susunan pengurus Perusahaan per 31 Desember 2013 adalah berdasarkan Akta No. 129 tanggal 26 April 2013 dari Aryanti Artisari, S.H., M.Kn. notaris di Jakarta, sedangkan susunan pengurus Perusahaan per 31 Desember 2012 adalah berdasarkan akta No. 2 tanggal 28 Juni 2012 dari Aulia Taufani, S.H., notaris di Serpong – Kabupaten Tangerang. Susunan pengurus Perusahaan per 31 Desember 2013 dan 2012 adalah sebagai berikut:

	2013	2012	
Komisaris Utama	Bambang Susantono	Bambang Susantono	President Commissioner
Komisaris	Bagus Rumbogo *) Wendy Aritenang Yazid -	Bambang Wahyudi Wendy Aritenang Yazid Sonatha Halim Jusuf	Commissioners
Komisaris Independen	Peter F. Gontha Betti S. Alisjahbana Chris Kanter	Peter F. Gontha Betti S. Alisjahbana -	Independent Commissioners
Direktur Utama	Emirsyah Satar	Emirsyah Satar	President & CEO
Direktur Keuangan	Handrito Hardjono	Handrito Hardjono	EVP Finance
Direktur Pemasaran & Penjualan	Frederik Johannes Erik Meijer	Elisa Lumbantoruan	EVP Marketing & Sales
Direktur Teknik & Pengelolaan Armada	Batara Silaban	Batara Silaban	EVP Maintenance & Fleet Management
Direktur Layanan	Faik Fahmi	Faik Fahmi	EVP Services
Direktur Operasi	Novijanto Herupratomo	Novijanto Herupratomo	EVP Operations
Direktur Strategi, Pengembangan, Bisnis & Manajemen Resiko	Judi Rifajantoro	Judi Rifajantoro	EVP Strategy, Business Development & Risk Management
Direktur Sumber Daya Manusia & Umum	Heriyanto Agung Putra	Heriyanto Agung Putra	EVP Human Capital & Corporate Affairs

*) Mengundurkan diri sejak 26 Nopember 2013/ Resigned since November 26, 2013

7. Providing education and training services relating to aviation industry, to satisfy own needs and the needs of third party;
8. Providing health care services for aircrew to satisfy own needs and the needs of third party.

The Company currently operates all its scope of activities except for providing consulting services relating to aviation industry.

The Company started commercial operations in 1950. The Company and subsidiaries (the "Group") total employees as of December 31, 2013 and 2012 were 14,592 and 13,314, respectively.

Starting in 2012, the Company has maintained their accounting records in English language and in United States Dollar (USD) which have been approved by the Directorate General of Tax No. KEP-289/WPJ.19/2012.

b. Board of Commissioners and Directors

The Company's management at December 31, 2013 as stated in Deed No. 129 dated April 26, 2013 of Aryanti Artisari, SH, M.Kn., notary in Jakarta, and that of December 31, 2012 as stated in Deed No. 2 dated June 28, 2012 of Aulia Taufani, S.H., notary in Serpong-Tangerang District, is as follows:

c. Komite Audit, Sekretaris Perusahaan dan Audit Internal

Susunan Komite Audit, Sekretaris Perusahaan dan Audit Internal pada tanggal 31 Desember 2013 dan 2012 adalah sebagai berikut:

	2013
Komite Audit	
Ketua	Betti S. Alisjahbana
Wakil Ketua	Wendy Aritenang Yazid
Anggota	Chaerul D Djakman Prasetyo Suhardi
Sekretaris Perusahaan	Ike Andriani
Audit Internal	Sri Mulyati

c. Audit Committee, Corporate Secretary and Internal Audit

The Company's Audit Committee, Corporate Secretary and Internal Audit as of December 31, 2013 and 2012 are the following:

	2012
Audit Committee	
Chairman	Betti S. Alisjahbana
Vice Chairman	-
Members	Chaerul D Djakman Lily Sihombing
Corporate Secretary	Ike Andriani
Internal Audit	Sri Mulyati

d. Penawaran Umum Efek Grup

Pada tanggal 1 Pebruari 2011, Perusahaan memperoleh surat pernyataan efektif dari Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM-LK) melalui Surat No. S-325/BL/2011 untuk penawaran umum perdana atas 6.335.738.000 saham Perusahaan kepada masyarakat. Saham tersebut telah dicatatkan pada Bursa Efek Indonesia pada tanggal 11 Pebruari 2011.

Pada tanggal 31 Desember 2013 dan 2012, seluruh saham Perusahaan atau sejumlah 22.640.996.000 lembar saham telah dicatatkan pada Bursa Efek Indonesia.

d. Initial Public Offering of Share of the Group

On February 1, 2011, the Company obtained the Notice of Effectivity from the Capital Market and Financial Institutions Supervisory Board (BAPEPAM-LK) in its Letter No. S-325 /BL/2011 for the offering to the public of 6,335,738,000 shares. On February 11, 2011, all of these shares are listed on the Indonesia Stock Exchange.

As of December 31, 2013 and 2012, all of the Company's outstanding share or 22,640,996,000 shares have been listed on the Indonesia Stock Exchange.

e. Entitas Anak

Perusahaan memiliki, baik langsung maupun tidak langsung, lebih dari 50% saham entitas anak berikut:

e. Consolidated Subsidiaries

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

Entitas anak/ Subsidiary	Lokasi/ Domicile	Kegiatan usaha utama/ Main business activities	Persentase kepemilikan/ Percentage of ownership %	Tahun operasi komersial/ Start of commercial operations	Jumlah aset sebelum eliminasi/ Total assets before elimination	
					2013 USD	2012 USD
PT Abacus Distribution Systems Indonesia (ADSI) **)	Jakarta	Penyedia jasa sistem komputerisasi reservasi/ Computerize reservation services provider	95,00	1996	5.565.956	6.228.900
PT Garuda Maintenance Facility Aero Asia (GMFAA) **)	Jakarta	Perbaikan dan pemeliharaan pesawat terbang/ Aircraft maintenance and overhaul	99,99	2002	207.854.836	179.673.245

Entitas anak/ Subsidiary	Lokasi/ Domicile	Kegiatan usaha utama/ Main business activities	Persentase kepemilikan/ Percentage of ownership	Tahun operasi komersial/ Start of commercial operations	Jumlah aset sebelum eliminasi/ Total assets before elimination	
					2013	2012
			%		USD	USD
PT Aero Systems Indonesia (ASI) **)	Jakarta	Penyedia jasa teknologi informasi/ Information technology services	99,99	2005	21.414.854	29.638.625
PT Citilink Indonesia (CT)**)	Jakarta	Jasa transportasi udara/ Air transportation services	99,99	2012	106.054.602	73.144.319
PT Aero Wisata dan entitas anak/ and subsidiaries (AWS)	Jakarta	Hotel, jasa boga, penjualan tiket/ Hotel, catering, ticketing services	99,99	1973	201.872.697	208.183.724
PT Mirtasari Hotel Development (MHD)*)	Denpasar	Hotel	99,99	1974	23.728.302	24.873.148
PT Aerofood ACS (d/h PT Angkasa Citra Sarana Catering Services (ACS)) *)	Jakarta	Jasa boga pesawat/ Aircraft catering services	99,99	1974	85.322.228	81.107.028
PT Aero Globe (d/h PT Biro Perjalanan Wisata Satriani (BPWS)) *)	Jakarta	Biro perjalanan wisata/ Travel agent	99,99	1967	6.234.920	6.074.522
PT Aerotrans Services Indonesia *) (d/h PT Mandira Erajasa Wahana (MEW)) *)	Jakarta	Jasa transportasi/ Transportation services	99,99	1989	23.566.931	24.028.648
PT Aerojasa Perkasa (AJP) *)	Jakarta	Penjualan tiket/ Ticketing	99,87	1989	2.593.986	2.057.862
PT Senggigi Pratama Internasional (SPI) *)	Lombok	Hotel	99,99	1988	9.617.591	11.339.060
Garuda Orient Holidays, Pty, Limited (GOHA) *)	Sydney	Biro perjalanan wisata/ Travel agent	99,99	1981	5.776.356	7.320.389
Garuda Orient Holidays Korea Co, Limited (GOHK) *)	Korea	Biro perjalanan wisata/ Travel agent	60,00	2008	809.865	817.289
Garuda Orient Holidays Japan Co, Ltd (GOHJ) *)	Jepang/ Japan	Biro perjalanan wisata/ Travel agent	60,00	2010	6.157.663	7.387.490
PT Bina Inti Dinamika (BID) *)	Bandung	Hotel	61,89	1989	4.567.831	5.376.083
PT Aero Hotel Management (AHM) *)	Jakarta	Manajemen hotel/ Hotel management	99,99	2010	689.108	741.640
PT GIH Indonesia *)	Jakarta	Biro perjalanan wisata/ Travel agent	60,00	2012	1.484.367	563.541
PT Belitung Intipermari (BIP)	Jakarta	Hotel	99,99	Dalam tahap pengembangan/ Under development stage	2.125.849	2.319.217

*) Kepemilikan tidak langsung/ Indirect ownership

**) Kepemilikan langsung dan tidak langsung/ Direct and Indirect ownership

2. PENERAPAN STANDAR AKUNTANSI KEUANGAN BARU DAN REVISI (PSAK) DAN INTERPRETASI STANDAR AKUNTANSI KEUANGAN (ISAK)

a. Standar yang berlaku efektif pada tahun berjalan

Dalam tahun berjalan, Grup telah menerapkan semua standar baru dan revisi serta interpretasi yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan dari Ikatan Akuntan Indonesia yang relevan dengan operasinya dan efektif untuk periode akuntansi yang dimulai pada tanggal 1 Januari 2013.

- Penyesuaian PSAK 60, Instrumen Keuangan: Pengungkapan

Standar ini mensyaratkan pengungkapan antara lain deskripsi agunan yang dimiliki entitas sebagai jaminan, dan peningkatan kualitas kredit lain, dan dampak keuangannya (misalnya kuantifikasi sejauh mana agunan dan peningkatan kualitas kredit lain dalam memitigasi risiko kredit) dengan mengacu pada jumlah terbaik yang mencerminkan eksposur maksimum terhadap risiko kredit.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (PSAK) AND INTERPRETATIONS OF PSAK (ISAK)

a. Standards effective in the current year

In the current year, the Group adopted the new and revised standards issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are effective for accounting period beginning on January 1, 2013.

- Amendment to PSAK 60, Financial Instruments: Disclosure

Among other things, the standard requires the disclosures of the description of collateral held as security and of other credit enhancements, and their financial effect (e.g., quantification of the extent to which collateral and other credit enhancements mitigate credit risk) in respect of the amount that best represents the maximum exposure to credit risk.

b. Standar dan interpretasi telah diterbitkan tapi belum diterapkan

(i) Efektif untuk periode yang dimulai pada atau setelah 1 Januari 2014 adalah:

- ISAK 27, Pengalihan Aset dari Pelanggan
- ISAK 28, Pengakhiran Liabilitas Keuangan dengan Instrumen Ekuitas
- ISAK 29, Biaya Pengupasan Lapisan Tanah Tahap Produksi pada Pertambangan Terbuka
- PPSAK 12, Pencabutan PSAK 33: Aktivitas Pengupasan Lapisan Tanah dan Pengelolaan Lingkungan Hidup pada Pertambangan Umum

Penerapan awal terhadap PSAK dan ISAK tidak berdampak terhadap pelaporan atau perhitungan nilai dalam laporan keuangan konsolidasian.

(ii) Efektif untuk periode yang dimulai pada atau setelah 1 Januari 2015 adalah:

- PSAK 1 (revisi 2013), Penyajian Laporan Keuangan
- PSAK 4 (revisi 2013), Laporan Keuangan Tersendiri
- PSAK 15 (revisi 2013), Investasi pada Entitas Asosiasi dan Ventura Bersama
- PSAK 24 (revisi 2013), Imbalan Kerja
- PSAK 65, Laporan Keuangan Konsolidasian
- PSAK 66, Pengaturan Bersama
- PSAK 67, Pengungkapan Kepentingan dalam Entitas Lain
- PSAK 68, Pengukuran Nilai Wajar

Sampai dengan tanggal penerbitan laporan keuangan konsolidasian, manajemen sedang mengevaluasi dampak dari standar laporan keuangan konsolidasian.

3. KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

a. Pernyataan Kepatuhan

Laporan keuangan konsolidasian disusun menggunakan Standar Akuntansi Keuangan di Indonesia.

b. Standards and interpretation in issue not yet adopted

(i) Effective for periods beginning on or after January 1, 2014:

- ISAK 27, Transfers of Assets from Customers
- ISAK 28, Extinguishing Financial Liabilities with Equity Instruments
- ISAK 29, Stripping Cost in the Production Phase of a Surface Mine
- PPSAK 12, Withdrawal of PSAK 33, Stripping Cost Activity and Environmental Management in the Public Mining

The initial adoption of the above PSAK and ISAK has no effect on the disclosure or amounts recognized in the consolidated financial statements.

(ii) Effective for periods beginning on or after January 1, 2015:

- PSAK 1 (revised 2013), Presentation of Financial Statements
- PSAK 4 (revised 2013), Separate Financial Statements
- PSAK 15 (revised 2013), Investments in Associates and Joint Ventures
- PSAK 24 (revised 2013), Employee Benefits
- PSAK 65, Consolidated Financial Statements
- PSAK 66, Joint Arrangements
- PSAK 67, Disclosures of Interests in Other Entities
- PSAK 68, Fair Value Measurements

As of the issuance date of the consolidated financial statements, the effect of adoption of the above standards is still being evaluated by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards. These financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and reporting practices generally accepted in other countries and jurisdictions.

b. Dasar Penyusunan

Dasar penyusunan laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian adalah dasar akrual. Mata uang pelaporan yang digunakan untuk penyusunan laporan keuangan konsolidasian adalah mata uang Dolar Amerika Serikat (USD), dan laporan keuangan konsolidasian tersebut disusun berdasarkan nilai historis, kecuali beberapa akun tertentu disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas konsolidasian disusun dengan menggunakan metode langsung dengan mengelompokkan arus kas dalam aktivitas operasi, investasi dan pendanaan.

c. Prinsip-Prinsip Konsolidasian

Laporan keuangan konsolidasian menggabungkan laporan keuangan Perusahaan dan entitas yang dikendalikan oleh Perusahaan (entitas anak). Pengendalian dianggap ada apabila Perusahaan mempunyai hak untuk mengatur kebijakan keuangan dan operasional suatu entitas untuk memperoleh manfaat dari aktivitasnya.

Hasil dari entitas anak yang diakuisisi atau dijual selama tahun berjalan termasuk dalam laporan laba rugi komprehensif konsolidasian sejak tanggal efektif akuisisi dan sampai dengan tanggal efektif penjualan.

Penyesuaian dapat dilakukan terhadap laporan keuangan entitas anak agar kebijakan akuntansi yang digunakan sesuai dengan kebijakan akuntansi yang digunakan oleh Grup.

Seluruh transaksi antar perusahaan, saldo, penghasilan dan beban dieliminasi pada saat konsolidasian.

Kepentingan nonpengendali pada entitas anak diidentifikasi secara terpisah dan disajikan dalam ekuitas. Kepentingan nonpengendali pemegang saham awalnya diukur baik pada nilai wajar ataupun pada proporsi pemilikan kepentingan nonpengendali dari nilai wajar aset neto yang dapat diidentifikasi dari pihak yang diakuisisi. Pilihan pengukuran dilakukan pada akuisisi dengan dasar akuisisi. Setelah akuisisi, jumlah tercatat kepentingan nonpengendali adalah jumlah kepemilikan pada pengakuan awal ditambah bagian kepentingan nonpengendali dari perubahan selanjutnya dalam ekuitas. Seluruh laba rugi komprehensif diatribusikan pada kepentingan nonpengendali bahkan jika hal ini mengakibatkan kepentingan nonpengendali mempunyai saldo defisit.

b. Basis of Preparation

The consolidated financial statements, except for the consolidated statements of cash flows, are prepared under the accrual basis of accounting. The presentation currency used in the preparation of the consolidated financial statements is the United States Dollar (USD), while the measurement basis is the historical cost, except for certain accounts which are measured on the bases described in the related accounting policies.

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

c. Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used in line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately and presented within equity. The interest of non-controlling shareholders maybe initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the fair value of the acquiree's identifiable net asset. The choice of measurement is made on acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus non-controlling interests' share of subsequent changes in equity. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having deficit balance.

Perubahan dalam bagian kepemilikan Grup pada entitas anak yang tidak mengakibatkan hilangnya pengendalian dicatat sebagai transaksi ekuitas. Nilai tercatat kepentingan entitas anak dan kepentingan nonpengendali disesuaikan untuk mencerminkan perubahan bagian kepemilikannya atas entitas anak. Setiap perbedaan antara jumlah kepentingan non pengendali disesuaikan dan nilai wajar imbalan yang diberikan atau diterima diakui secara langsung dalam ekuitas dan diatribusikan pada pemilik entitas induk.

Ketika Grup kehilangan pengendalian atas entitas anak, keuntungan dan kerugian diakui didalam laba rugi dan dihitung sebagai perbedaan antara (i) keseluruhan nilai wajar yang diterima dan nilai wajar dari setiap sisa investasi dan (ii) nilai tercatat sebelumnya dari aset (termasuk *goodwill*) dan liabilitas dari entitas anak dan setiap kepentingan non pengendali. Ketika aset dari entitas anak dinyatakan sebesar nilai revaluasi atau nilai wajar dan akumulasi keuntungan atau kerugian yang telah diakui sebagai pendapatan komprehensif lainnya dan terakumulasi dalam ekuitas, jumlah yang sebelumnya diakui sebagai pendapatan komprehensif lainnya dan akumulasi ekuitas dicatat seolah-olah Grup telah melepas secara langsung aset yang relevan (yaitu direklasifikasi ke laba rugi atau ditransfer langsung ke saldo laba sebagaimana ditentukan oleh PSAK yang berlaku). Nilai wajar setiap sisa investasi pada entitas anak terdahulu pada tanggal hilangnya pengendalian dianggap sebagai nilai wajar pada saat pengakuan awal aset keuangan sesuai dengan PSAK 55 (revisi 2011), Instrumen Keuangan: Pengakuan dan Pengukuran atau, jika sesuai, biaya perolehan saat pengakuan awal investasi pada entitas asosiasi atau pengendalian bersama entitas.

d. Kombinasi Bisnis

Akuisisi bisnis dicatat dengan menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis diukur pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Grup, liabilitas yang diakui oleh Grup kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Grup dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya-biaya terkait akuisisi diakui di dalam laba rugi pada saat terjadinya.

Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. When assets of the subsidiary are carried at revalued amount or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as recognized by applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 55 (revised 2011), Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

d. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Kepentingan non pengendali diukur baik pada nilai wajar ataupun pada proporsi kepemilikan kepentingan non pengendali atas aset neto teridentifikasi dari pihak yang diakuisisi.

Bila imbalan yang dialihkan oleh Grup dalam suatu kombinasi bisnis termasuk aset atau liabilitas yang berasal dari pengaturan imbalan kontinjen (*contingent consideration arrangement*), imbalan kontinjen tersebut diukur pada nilai wajar pada tanggal akuisisi dan termasuk sebagai bagian dari imbalan yang dialihkan dalam suatu kombinasi bisnis. Perubahan dalam nilai wajar atas imbalan kontinjen yang memenuhi syarat sebagai penyesuaian periode pengukuran disesuaikan secara retrospektif, dengan penyesuaian terkait terhadap goodwill. Penyesuaian periode pengukuran adalah penyesuaian yang berasal dari informasi tambahan yang diperoleh selama periode pengukuran (yang tidak melebihi satu tahun sejak tanggal akuisisi) tentang fakta-fakta dan kondisi yang ada pada tanggal akuisisi.

Perubahan selanjutnya dalam nilai wajar atas imbalan kontinjen yang tidak memenuhi syarat sebagai penyesuaian periode pengukuran tergantung pada bagaimana imbalan kontinjen tersebut diklasifikasikan. Imbalan kontinjen yang diklasifikasikan sebagai ekuitas tidak diukur kembali pada tanggal sesudah tanggal pelaporan dan penyelesaian selanjutnya dicatat dalam ekuitas. Imbalan kontinjen yang diklasifikasikan sebagai aset atau liabilitas diukur setelah tanggal pelaporan sesuai dengan standar akuntansi yang relevan dengan mengakui keuntungan atau kerugian terkait dalam laba rugi atau dalam pendapatan komprehensif lain (OCI).

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Grup atas pihak terakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugian nya, jika ada, diakui dalam laba rugi. Jumlah yang berasal dari kepemilikan sebelum tanggal akuisisi yang sebelumnya telah diakui dalam pendapatan komprehensif lain direklasifikasi ke laba rugi dimana perlakuan tersebut akan sesuai jika kepemilikannya dilepas/dijual.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Grup melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan, aset atau liabilitas tambahan yang diakui, untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berdampak pada jumlah yang diakui pada tanggal tersebut.

Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured subsequent to reporting dates in accordance with the relevant accounting standards, as appropriate, with the corresponding gain or loss being recognized in profit or loss or in other comprehensive income.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Transaksi dan Penjabaran Laporan Keuangan
Dalam Mata Uang Asing

Pembukuan pada masing-masing entitas di dalam Grup, kecuali AWS dan entitas anak diselenggarakan dalam mata uang Dolar Amerika Serikat (USD), mata uang dari lingkungan ekonomi utama di mana entitas beroperasi (mata uang fungsional). Transaksi-transaksi selama periode berjalan dalam mata uang non-fungsional dicatat dengan kurs yang berlaku pada saat terjadinya transaksi. Pada tanggal pelaporan, aset dan liabilitas moneter dalam mata uang non fungsional disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut. Keuntungan atau kerugian yang timbul dikreditkan atau dibebankan dalam laporan laba rugi.

Pembukuan AWS dan entitas anak selain GOHA, GOHK dan GOHJ diselenggarakan dalam Rupiah, sedangkan GOHA dalam Dolar Australia, GOHK dalam Won Korea dan GOHJ dalam Yen Jepang. Untuk tujuan penyajian laporan keuangan konsolidasian, aset dan liabilitas entitas anak tersebut pada tanggal pelaporan dijabarkan masing-masing ke dalam mata uang USD dengan menggunakan kurs yang berlaku pada tanggal tersebut, sedangkan pendapatan dan beban dijabarkan dengan menggunakan kurs rata-rata. Selisih kurs yang terjadi disajikan sebagai bagian dari pendapatan komprehensif lain.

Kurs utama yang digunakan, berdasarkan kurs tengah yang diterbitkan Bank Indonesia adalah sebagai berikut (dalam satuan USD):

	2013 USD	2012 USD
Mata uang/ Currencies		
IDR 1	0,0001	0,0001
EURO 1	1,3801	1,3247
YEN 1	0,9531	1,1579
SGD 1	0,7899	0,8177
AUD 1	0,8923	1,0368
GBP 1	1,6488	1,6111

f. Transaksi dengan Pihak-pihak Berelasi

Group melakukan transaksi dengan pihak-pihak berelasi sebagaimana didefinisikan dalam PSAK No. 7 "Pengungkapan pihak-pihak berelasi". Seluruh transaksi yang dilakukan dengan pihak-pihak berelasi, baik dilakukan dengan kondisi dan persyaratan yang sama dengan pihak ketiga maupun tidak, diungkapkan pada laporan keuangan konsolidasian.

e. Foreign Currency Transactions and
Translations

The books of accounts of each entity in the Group, except AWS and its subsidiaries are maintained in U.S. Dollar (USD), the currency of the primary economic environment in which the entity operates (its functional currency). Transactions during the period involving non-functional currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting date, monetary assets and liabilities denominated in non-functional currency are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to profit and loss.

The books of accounts of AWS and its subsidiaries except GOHA, GOHK and GOHJ are maintained in Rupiah, while GOHA in Australian Dollars, GOHK in Korean Won and GOHJ in Japan Yen. For consolidation purposes, assets and liabilities of these subsidiaries at reporting date are translated into USD using the exchange rates at reporting date, while revenues and expenses are translated using the average rates of exchange for the year. Resulting translation adjustments are shown as part of other comprehensive income.

The main exchange rates used, based on the mid rates published by Bank Indonesia are as follows (in full USD):

f. Transactions with Related Parties

The Group enters into transactions with related parties as defined in PSAK No. 7 "Related Party Disclosures". All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

g. Kas dan Setara Kas

Untuk tujuan penyajian arus kas, kas dan setara kas terdiri dari kas, bank dan semua investasi yang jatuh tempo dalam tiga bulan atau kurang dari tanggal perolehannya dan tidak dijaminan serta tidak dibatasi penggunaannya.

h. Aset Keuangan

Seluruh aset keuangan diakui dan dihentikan pengakuannya pada tanggal diperdagangkan dimana pembelian dan penjualan aset keuangan berdasarkan kontrak yang mensyaratkan penyerahan aset keuangan dalam kurun waktu yang ditetapkan oleh kebiasaan pasar yang berlaku, dan awalnya diukur sebesar nilai wajar ditambah biaya transaksi, kecuali untuk aset keuangan yang diukur pada nilai wajar melalui laba rugi, yang awalnya diukur sebesar nilai wajar.

Aset keuangan Grup diklasifikasikan sebagai berikut:

- Nilai wajar pada laporan laba rugi (FVTPL)
Derivatif keuangan diklasifikasikan dalam kategori ini kecuali ditujukan sebagai derivatif lindung nilai. Keuntungan atau kerugian dari derivatif non lindung nilai diakui dalam laporan laba rugi komprehensif.

Nilai wajar yang ditentukan dinyatakan pada Catatan 46.
- Tersedia untuk dijual (AFS)
Investasi jangka panjang dalam bentuk saham, kecuali investasi pada perusahaan asosiasi, diklasifikasikan dalam kategori ini. Bila tidak ada pasar aktif untuk investasi tersebut dan nilai wajar tidak dapat diukur dengan andal, investasi ini diukur sebesar biaya perolehan, dikurangi penurunan nilai.

Dividen atas instrumen ekuitas AFS, jika ada, diakui pada laba rugi pada saat hak Grup untuk memperoleh pembayaran dividen ditetapkan.
- Pinjaman dan piutang
Kas dan setara kas, dana pemeliharaan pesawat dan uang jaminan atas sewa operasi, piutang usaha dan piutang lain-lain yang mempunyai jangka waktu pembayaran yang tetap dan yang tidak mempunyai kuotasi di pasar aktif, diklasifikasikan sebagai "pinjaman yang diberikan dan piutang", yang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif, dikurangi penurunan nilai.

g. Cash and Cash Equivalents

For cash flows presentation purposes, cash and cash equivalents comprise of cash on hand, cash in bank and all unrestricted investments with maturities of three months or less from the date of placement.

h. Financial Assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group financial assets are classified as follows:

- Fair value through profit or loss (FVTPL)

Financial derivatives are classified in this category unless designated as hedging derivatives. Gain or loss on non-hedging derivative is recognized in profit or loss.

Fair value is determined in the manner described in Note 46.
- Available for sale (AFS)

Long-term investments in shares, except investments in associates, are classified in this category. As there is no active market for these investments and the fair value cannot be reliably measured, these investments are measured at cost, less impairment.

Dividends on AFS equity instruments, if any, are recognised in profit or loss when the Group's right to receive the dividends is established.
- Loans and receivables

Cash and cash equivalents, maintenance reserve funds and security deposits on operating leases, trade and other receivables that have fixed or determinable payments that are not quoted in active market, are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less impairment.

Bunga diakui dengan menggunakan metode suku bunga efektif, kecuali untuk piutang jangka pendek di mana pengakuan bunga tidak material.

Metode bunga efektif

Metode bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan yang diamortisasi dari instrumen keuangan dan mengalokasikan pendapatan bunga atau beban bunga selama periode terkait.

Tingkat bunga efektif adalah tingkat bunga yang secara tepat mendiskontokan estimasi penerimaan atau pembayaran kas masa depan (termasuk semua biaya yang dibayar atau diterima yang merupakan bagian tak terpisahkan dari suku bunga efektif, biaya transaksi dan premium atau diskonto lainnya), selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih pendek atas nilai tercatat bersih pada pengakuan awal.

Pendapatan diakui berdasarkan suku bunga efektif untuk instrumen keuangan selain instrumen keuangan yang dinilai pada nilai wajar melalui laporan laba rugi.

Penurunan nilai aset keuangan

Aset keuangan, selain yang dinilai pada nilai wajar melalui laporan laba rugi (FVTPL), dievaluasi terhadap indikator penurunan nilai pada setiap tanggal pelaporan. Aset keuangan diturunkan nilainya bila terdapat bukti yang objektif, sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset keuangan, yang berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara andal.

Untuk investasi ekuitas AFS yang tercatat dan tidak tercatat di bursa, penurunan yang signifikan atau jangka panjang dalam nilai wajar dari instrumen ekuitas di bawah biaya perolehannya dianggap sebagai bukti obyektif terjadinya penurunan nilai.

Untuk aset keuangan lainnya, bukti obyektif penurunan nilai termasuk sebagai berikut:

- kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam; atau
- pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga; atau
- terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan

Interest is recognized by applying the effective interest method, except for short term receivable where the recognition or interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for financial instruments other than those financial instruments assessed as at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit and loss (FVTPL), are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as AFS, a significant or prolonged decline in the value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation

Untuk kelompok aset keuangan tertentu, seperti piutang, aset yang dinilai tidak akan diturunkan secara individual akan dievaluasi penurunan nilainya secara kolektif. Bukti objektif dari penurunan nilai portofolio piutang dapat termasuk pengalaman Grup atas tertagihnya piutang di masa lalu, peningkatan keterlambatan penerimaan pembayaran piutang dari rata-rata periode kredit, dan juga pengamatan atas perubahan kondisi ekonomi nasional atau lokal yang berkorelasi dengan default atas piutang

Untuk aset keuangan yang diukur pada biaya perolehan diamortisasi, penurunan nilai adalah sebesar perbedaan antara nilai tercatat dengan nilai kini estimasi arus kas masa depan yang didiskonto dengan tingkat suku bunga efektif awal dari aset keuangan tersebut.

Untuk aset keuangan yang dicatat pada biaya perolehan, jumlah kerugian penurunan nilai diukur berdasarkan selisih antara jumlah tercatat aset keuangan dan nilai kini estimasi arus kas masa depan.

Jika aset keuangan AFS dianggap menurun nilainya, keuntungan atau kerugian kumulatif yang sebelumnya telah diakui dalam ekuitas direklasifikasi ke laba rugi. Kerugian penurunan nilai yang sebelumnya diakui dalam laba rugi tidak boleh dibalik melalui laba rugi. Setiap kenaikan nilai wajar setelah penurunan nilai diakui secara langsung ke pendapatan komprehensif lain.

Penghentian pengakuan aset keuangan

Grup menghentikan pengakuan aset keuangan jika dan hanya jika hak kontraktual atas arus kas yang berasal dari aset keuangan berakhir, atau Grup mentransfer aset keuangan dan secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset kepada entitas lain. Jika Grup tidak mentransfer serta tidak memiliki secara substansial atas seluruh risiko dan manfaat kepemilikan serta masih mengendalikan aset yang ditransfer, maka Grup mengakui keterlibatan berkelanjutan atas aset yang ditransfer dan liabilitas terkait sebesar jumlah yang mungkin harus dibayar. Jika Grup memiliki secara substansial seluruh risiko dan manfaat kepemilikan aset keuangan yang ditransfer, Grup masih mengakui aset keuangan dan juga mengakui pinjaman yang dijamin sebesar pinjaman yang diterima.

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experiences of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial assets original effective interest rate.

For financial asset carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in equity are reclassified to profit or loss. Impairment losses previously recognized in profit and loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized directly in other comprehensive income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Saling hapus Aset dan Liabilitas Keuangan

Aset dan liabilitas keuangan Grup saling hapus dan menyajikan nilai bersih pada laporan posisi keuangan jika dan hanya jika:

- saat ini memiliki hak hukum untuk melakukan saling hapus atas jumlah yang diakui; dan
- berniat untuk menyelesaikan secara bersih, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

i. Liabilitas Keuangan dan Instrumen Ekuitas

Klasifikasi sebagai liabilitas atau ekuitas

Liabilitas keuangan dan instrumen ekuitas yang diterbitkan oleh Grup diklasifikasikan sesuai substansi perjanjian kontrak dan definisi liabilitas keuangan dan instrumen ekuitas.

Instrumen ekuitas

Instrumen ekuitas adalah setiap kontrak yang membuktikan hak residual atas aset Grup setelah dikurangi seluruh liabilitasnya. Instrumen ekuitas dicatat sebesar hasil yang diterima, setelah dikurangi biaya penerbitan langsung.

Liabilitas keuangan

Utang bank dan lembaga keuangan, utang jangka panjang, utang obligasi, utang usaha dan utang lainnya pada awalnya dinilai berdasarkan nilai wajar, setelah dikurangi biaya transaksi, dan selanjutnya dinilai berdasarkan biaya perolehan yang diamortisasi, dengan menggunakan metode suku bunga efektif, dan beban bunga diakui berdasarkan suku bunga efektif.

Penghentian pengakuan liabilitas keuangan

Liabilitas keuangan dihentikan pengakuannya jika, dan hanya jika, liabilitas Grup telah dilepaskan, dibatalkan atau kadaluarsa. Selisih antara jumlah tercatat liabilitas keuangan yang dihentikan pengakuannya dan imbalan yang dibayarkan dan utang diakui dalam laba rugi.

j. Persediaan

Persediaan dinyatakan berdasarkan jumlah terendah antara biaya perolehan dan nilai realisasi bersih. Biaya perolehan ditentukan dengan metode rata-rata tertimbang. Nilai realisasi bersih merupakan taksiran harga jual persediaan dikurangi taksiran biaya penyelesaian dan biaya yang diperlukan untuk menjual.

Netting of Financial Assets and Financial Liabilities

The Group only offsets financial assets and liabilities and presents the net amount in the statement of financial position where it:

- currently has a legal enforceable right to set off the recognized amount; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

i. Financial Liabilities and Equity Instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instruments is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Bank loans and financial institution, long-term loans, bonds payable and trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Derecognition of financial liabilities

The Group derecognized financial liabilities when, and only when, their obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

j. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

k. Biaya Dibayar Dimuka

Biaya dibayar dimuka diamortisasi selama masa manfaat masing-masing biaya dengan metode garis lurus.

l. Investasi Pada Entitas Asosiasi

Entitas asosiasi adalah suatu entitas dimana Grup mempunyai pengaruh yang signifikan dan bukan merupakan entitas anak ataupun bagian partisipasi dalam ventura bersama. Pengaruh signifikan adalah kekuasaan untuk berpartisipasi dalam keputusan kebijakan keuangan dan operasional *investee* tetapi tidak mengendalikan atau mengendalikan bersama atas kebijakan tersebut.

Penghasilan dan aset dan liabilitas dari entitas asosiasi digabungkan dalam laporan keuangan konsolidasian dicatat dengan menggunakan metode ekuitas, kecuali ketika investasi diklasifikasikan sebagai dimiliki untuk dijual, sesuai dengan PSAK 58 (revisi) 2009), Aset Tidak Lancar yang Dimiliki untuk Dijual dan Operasi yang Dihentikan. Investasi pada entitas asosiasi dicatat di laporan posisi keuangan konsolidasian sebesar biaya perolehan dan selanjutnya disesuaikan untuk perubahan dalam bagian kepemilikan Grup atas aset bersih entitas asosiasi yang terjadi setelah perolehan, dikurangi dengan penurunan nilai yang ditentukan untuk setiap investasi secara individu. Bagian Grup atas kerugian entitas asosiasi yang melebihi nilai tercatat dari investasi (yang mencakup semua kepentingan jangka panjang, secara substansi, merupakan bagian dari Grup dan nilai investasi bersih entitas anak dalam entitas asosiasi) diakui hanya sebatas bahwa Grup telah mempunyai kewajiban hukum atau kewajiban konstruktif atau melakukan pembayaran atas kewajiban entitas asosiasi.

Setiap kelebihan biaya perolehan investasi atas bagian Grup atas nilai wajar bersih dari aset yang teridentifikasi, liabilitas dan liabilitas kontinjensi dari entitas asosiasi yang diakui pada tanggal akuisisi, diakui sebagai *goodwill*, yang termasuk dalam jumlah tercatat investasi. Setiap kelebihan dari kepemilikan Grup dari nilai wajar bersih dari aset yang teridentifikasi, liabilitas dan liabilitas kontinjensi atas biaya perolehan investasi, sesudah pengujian kembali segera diakui di dalam laporan laba rugi.

Persyaratan dalam PSAK 55 (revisi 2011) Instrumen Keuangan: Pengakuan dan Pengukuran, diterapkan untuk menentukan apakah perlu untuk mengakui setiap penurunan nilai sehubungan dengan investasi pada entitas asosiasi Grup. Jika perlu, jumlah tercatat investasi yang tersisa (termasuk goodwill) diuji

k. Prepaid Expenses

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

l. Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results of operations and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58 (Revised 2009), Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Groups' share of the net fair value of identifiable assets, liabilities and contingent liabilities of the associate recognized at the date of acquisition, is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Groups' share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, are recognised immediately in profit or loss.

The requirements of PSAK 55 (revised 2011), Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is

penurunan nilai sesuai dengan PSAK 48 (Revisi 2009), Penurunan Nilai Aset, sebagai suatu aset tunggal dengan membandingkan antara jumlah terpulihkan (mana yang lebih tinggi antara nilai pakai dan nilai wajar dikurangi biaya untuk menjual) dengan jumlah tercatatnya. Rugi penurunan nilai yang diakui pada keadaan tersebut tidak dialokasikan pada setiap aset yang membentuk bagian dari nilai tercatat investasi pada entitas asosiasi. Setiap pembalikan dari penurunan nilai diakui sesuai dengan PSAK 48 sepanjang jumlah terpulihkan dari investasi tersebut kemudian meningkat.

Pada saat pelepasan suatu entitas asosiasi yang mengakibatkan Grup kehilangan pengaruh signifikan atas entitas asosiasi, investasi yang tersisa diukur pada nilai wajar pada tanggal tersebut dan nilai wajarnya dianggap sebagai nilai wajar pada saat pengakuan awal sebagai suatu aset keuangan sesuai dengan PSAK 55. Selisih antara jumlah tercatat sebelumnya atas entitas asosiasi diatribusikan ke sisa kepemilikan dan nilai wajar termasuk dalam penentuan keuntungan atau kerugian atas pelepasan entitas asosiasi. Selanjutnya, Grup memperhitungkan seluruh jumlah yang sebelumnya diakui dalam pendapatan komprehensif lain yang terkait dengan entitas asosiasi tersebut dengan menggunakan dasar yang sama dengan yang diperlukan jika entitas asosiasi telah melepaskan secara langsung aset dan liabilitas yang terkait. Oleh karena itu, jika keuntungan atau kerugian yang sebelumnya telah diakui dalam pendapatan komprehensif lain oleh entitas asosiasi akan direklasifikasi ke laba rugi atas pelepasan aset atau liabilitas yang terkait, maka Grup mereklasifikasi keuntungan atau kerugian dari ekuitas ke laba rugi (sebagai penyesuaian reklasifikasi) sejak Grup kehilangan pengaruh signifikan atas entitas asosiasi

Ketika Grup melakukan transaksi dengan entitas asosiasi, keuntungan dan kerugian yang timbul dari transaksi dengan entitas asosiasi diakui dalam laporan keuangan konsolidasian Grup hanya sepanjang kepemilikan dalam entitas asosiasi yang tidak terkait dengan Grup.

m. Properti Investasi

Properti investasi adalah properti (tanah atau bangunan atau bagian dari suatu bangunan atau keduanya) untuk menghasilkan *rental* atau untuk kenaikan nilai atau keduanya.

Properti investasi awalnya dinilai sebesar biaya perolehan. Selanjutnya setelah penilaian awal, properti investasi dinilai dengan menggunakan nilai wajar. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui pada laporan laba rugi pada saat terjadinya.

tested for impairment in accordance with PSAK 48 (Revised 2009), Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with PSAK 55. The difference between the previous carrying amount of the associate attributable to the retained interest and the fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When a group entity transacts with its associate, profits and losses resulting from the transaction with the associate are recognized in the Group's consolidated financial statements only to the extent of its interest in the associate that are not related to the Group.

m. Investment Properties

Investment properties are properties (land or a building – or part of a building – or both) held to earn rentals or for capital appreciation or both.

Investment properties are recorded initially at cost. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value are recognized in profit or loss in the period in which they arise.

Properti investasi diberikan pengakuannya pada saat dilepaskan atau tidak digunakan lagi secara permanen dan tidak memiliki manfaat ekonomi masa depan yang diperkirakan dari pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian atau pelepasan properti investasi ditentukan dari selisih antara hasil neto pelepasan dan jumlah tercatat aset dan diakui dalam laba rugi pada periode terjadinya penghentian atau pelepasan

n. Aset Tetap

Pesawat, tanah dan bangunan dinyatakan berdasarkan nilai revaluasi yang merupakan nilai wajar pada tanggal revaluasi dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai yang terjadi setelah tanggal revaluasi. Revaluasi dilakukan dengan keteraturan yang memadai untuk memastikan bahwa jumlah tercatat tidak berbeda secara material dari jumlah yang ditentukan dengan menggunakan nilai wajar pada tanggal laporan posisi keuangan.

Kenaikan yang berasal dari revaluasi pesawat, tanah dan bangunan diakui pada pendapatan komprehensif lain dan terakumulasi dalam ekuitas pada bagian surplus revaluasi, kecuali sebelumnya penurunan revaluasi atas aset yang sama pernah diakui dalam laporan laba rugi komprehensif, dalam hal ini kenaikan revaluasi hingga sebesar penurunan nilai aset akibat revaluasi tersebut, dikreditkan dalam laporan laba rugi komprehensif. Penurunan jumlah tercatat yang berasal dari revaluasi pesawat, tanah dan bangunan dibebankan dalam laporan laba rugi apabila penurunan tersebut melebihi saldo surplus revaluasi aset yang bersangkutan, jika ada.

Surplus revaluasi pesawat, tanah dan bangunan yang telah disajikan dalam ekuitas dipindahkan langsung ke saldo laba pada saat aset tersebut dihentikan pengakuannya.

Aset tetap pesawat disusutkan hingga ke estimasi nilai residu dengan menggunakan metode garis lurus selama taksiran masa manfaat, sebagai berikut:

	2013 Tahun/ Years	2012 Tahun/ Years	
Rangka Pesawat	18 - 22	18 - 20	Airframe
Mesin	18 - 22	18 - 20	Engine
Simulator	10	10	Simulator
Rotable parts	12	12	Rotable parts
Aset pemeliharaan			Maintenance assets
Inspeksi rangka pesawat	Periode inspeksi berikut/ Next inspection period		Airframe inspection
Overhaul mesin	Periode overhaul berikut/ Next overhaul period		Engine overhaul

Investment properties shall be derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

n. Property and Equipment

Aircraft, land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Any revaluation increase arising on the revaluation of such aircraft, land and buildings is recognized in other comprehensive income and accumulated in equity under the heading of revaluation surplus, except to the extent that it reverses a revaluation decrease, for the same asset which was previously recognized in profit or loss, in which case the increase is credited to profit and loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such aircraft, land and buildings is charged to profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of such aircraft, land and buildings.

The revaluation surplus in respect of aircrafts, land and buildings is directly transferred to retained earnings when the asset is derecognized.

Aircraft assets are depreciated using the straight-line method to an estimated residual value based on their estimated useful lives, as follows:

Pada tahun 2013, Perusahaan merubah umur masa manfaat untuk jenis pesawat Boeing 747-400 dari 20 tahun menjadi 22 tahun. Perubahan tersebut diperlakukan secara prospektif yang menyebabkan penurunan beban penyusutan sebesar USD 3.214.148 ditahun 2013.

Aset tetap non pesawat kecuali tanah dan bangunan dicatat berdasarkan harga perolehan dikurangi akumulasi penyusutan dan penurunan nilai, jika ada dan disusutkan dengan metode garis lurus selama masa manfaat aset tersebut, sebagai berikut:

	Tahun/ Years	
Bangunan dan prasarana	40	Buildings and infrastructure
Kendaraan	3 - 5	Vehicles
Aset tetap lainnya (perlengkapan, perangkat keras dan instalasi)	2 - 10	Other fixed assets (office equipment, hardware and installation)

Tanah tidak disusutkan.

Aset sewaan disusutkan berdasarkan taksiran masa manfaat ekonomis yang sama dengan aset tetap yang dimiliki sendiri atau disusutkan selama jangka waktu yang lebih pendek antara periode sewa dan umur manfaatnya.

Taksiran masa manfaat, nilai residu dan metode penyusutan direviu minimum setiap akhir tahun buku, dan pengaruh dari setiap perubahan estimasi akuntansi diterapkan secara prospektif.

Beban pemeliharaan dan perbaikan dibebankan pada laporan laba rugi komprehensif konsolidasian pada saat terjadinya. Biaya-biaya lain yang terjadi selanjutnya yang timbul untuk menambah, mengganti atau memperbaiki aset tetap dicatat sebagai biaya perolehan aset jika dan hanya jika besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke entitas dan biaya perolehan aset dapat diukur secara andal. Apabila aset tetap tidak digunakan lagi atau dijual, maka nilai tercatat dikeluarkan dari laporan keuangan konsolidasian dan keuntungan atau kerugian yang dihasilkan diakui dalam laporan laba rugi.

Aset dalam penyelesaian dinyatakan sebesar biaya perolehan. Biaya perolehan tersebut termasuk biaya pinjaman yang terjadi selama masa pembangunan yang timbul dari utang yang digunakan untuk pembangunan aset tersebut. Akumulasi biaya perolehan akan dipindahkan ke masing-masing aset tetap yang bersangkutan pada saat selesai dan siap digunakan.

In 2013, the Company changed the estimated useful life of Boeing 747-400 aircraft from 20 to 22 years. Such change in estimate was accounted prospectively resulting to reduction in depreciation expense by USD 3,214,148 in 2013.

Non aircraft assets except land and buildings, are stated at cost less accumulated depreciation and impairment, if any, and are depreciated using the straight-line method based on the estimated useful lives of the asset, as follows:

Land is not depreciated.

Assets held under finance lease are depreciated based on the same estimated useful life with owned assets or over the lease period which ever is shorter.

The estimated useful lives, residual values and depreciation method are reviewed at least each year end and the effect of any changes in estimate is accounted for on a prospective basis.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying amount is removed from the consolidated financial statement and the resulting gains or losses are recognized in profit or loss.

Construction in progress is stated at cost which includes borrowing costs during construction on debts incurred to finance the construction. Construction in progress is transferred to the respective property and equipment account when complete and ready to use.

Pinjaman yang tidak spesifik digunakan untuk perolehan aset tertentu, jumlah biaya pinjaman yang dikapitalisasi tertentu terhadap jumlah pengeluaran untuk perolehan aset tersebut. Tingkat kapitalisasi adalah rata-rata tertimbang dari biaya pinjaman terhadap saldo pinjaman terkait selama periode tersebut, tidak termasuk jumlah pinjaman yang spesifik digunakan untuk perolehan aset tertentu lainnya.

Aset tetap dalam rangka bangun, kelola dan alih dinyatakan berdasarkan biaya perolehan setelah dikurangi akumulasi penyusutan. Penyusutan dihitung dengan menggunakan metode garis lurus selama 20 - 30 tahun.

o. Aset Tidak Lancar Tersedia Untuk Dijual

Aset tidak lancar dan kelompok yang akan dijual harus diklasifikasikan sebagai dimiliki untuk dijual jika jumlah tercatatnya akan dipulihkan terutama melalui transaksi penjualan daripada melalui penggunaan yang berkelanjutan. Kondisi ini dapat terpenuhi hanya ketika penjualan sangat mungkin dan aset tidak lancar (atau kelompok yang akan dijual) tersedia untuk dijual segera dalam kondisi sekarang. Manajemen harus berkomitmen terhadap penjualan tersebut, yang diharapkan untuk memenuhi syarat untuk pengakuan sebagai penjualan dalam satu tahun dari tanggal klasifikasi.

Aset tidak lancar (dan kelompok yang akan dijual) diklasifikasikan sebagai dimiliki untuk dijual diukur sebesar jumlah terendah dari jumlah tercatat sebelumnya dan nilai wajar dikurangi biaya penjualannya.

p. Penurunan Nilai Aset Non Keuangan

Pada tanggal pelaporan, Grup menelaah nilai tercatat aset non-keuangan untuk menentukan apakah terdapat indikasi bahwa aset tersebut telah mengalami penurunan nilai. Jika terdapat indikasi tersebut, nilai yang dapat diperoleh kembali dari aset diestimasi untuk menentukan tingkat kerugian penurunan nilai (jika ada). Bila tidak memungkinkan untuk mengestimasi nilai yang dapat diperoleh kembali atas suatu aset individu, Grup mengestimasi nilai yang dapat diperoleh kembali dari unit penghasil kas atas aset.

Perkiraan jumlah yang dapat diperoleh kembali adalah nilai tertinggi antara nilai wajar dikurangi dengan biaya untuk menjual atau nilai pakai. Dalam menilai nilai pakai, estimasi arus kas masa depan didiskontokan ke nilai kini menggunakan tingkat diskonto sebelum pajak yang menggambarkan penilaian pasar kini dari nilai waktu uang dan risiko spesifik atas aset yang mana estimasi arus kas masa depan

For borrowings that are not specific to the acquisition of a qualifying asset, the amount capitalized is determined by applying a capitalization rate to the expenditures on qualifying asset. The capitalization rate is the weighted average of the borrowing costs applicable to the total borrowings outstanding during the period, excluding borrowings directly attributable to financing other qualifying assets.

Properties under BOT (build, operate and transfer) are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over 20 - 30 years.

o. Non Current Assets Held For Sale

Noncurrent assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the noncurrent asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

p. Impairment of Non-Financial Asset

At reporting dates, the Group reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell or value in use. In assessing value in use, the estimated 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of

belum disesuaikan. Jika jumlah yang dapat diperoleh kembali dari aset non-keuangan (unit penghasil kas) kurang dari nilai tercatatnya, nilai tercatat aset (unit penghasil kas) dikurangi menjadi sebesar nilai yang dapat diperoleh kembali dan rugi penurunan nilai diakui langsung ke laba rugi kecuali aset tersebut dicatat sebesar nilai revaluasi, dimana kerugian penurunan nilai diperlakukan sebagai penurunan revaluasi.

Kebijakan akuntansi untuk penurunan nilai aset keuangan diungkapkan dalam Catatan 3h.

q. Sewa

Sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset. Sewa lainnya, yang tidak memenuhi kriteria tersebut, diklasifikasikan sebagai sewa operasi.

Sebagai Lessee

Aset yang diperoleh melalui sewa pembiayaan dicatat pada awal masa sewa sebesar nilai wajar aset sewaan Grup yang ditentukan pada awal kontrak atau, jika lebih rendah, sebesar nilai kini dari pembayaran sewa minimum. Liabilitas kepada *lessor* disajikan di dalam laporan posisi keuangan konsolidasi sebagai liabilitas sewa pembiayaan.

Pembayaran sewa dipisahkan antara bagian yang merupakan beban keuangan dan bagian yang merupakan pengurangan dari liabilitas sewa sehingga mencapai suatu tingkat bunga yang konstan (tetap) atas saldo liabilitas. Beban keuangan dibebankan langsung ke laba rugi. *Rental* kontijensi dibebankan pada periode terjadinya.

Pembayaran sewa operasi diakui sebagai beban dengan dasar garis lurus selama masa sewa, kecuali terdapat dasar sistematis lain yang dapat lebih mencerminkan pola waktu dari manfaat aset yang dinikmati pengguna. *Rental* kontijensi diakui sebagai beban di dalam periode terjadinya.

Dalam hal insentif diperoleh dalam sewa operasi, insentif tersebut diakui sebagai liabilitas. Keseluruhan manfaat dari insentif diakui sebagai pengurangan dari biaya sewa dengan dasar garis lurus kecuali terdapat dasar sistematis lain yang lebih mencerminkan pola waktu dari manfaat yang dinikmati pengguna.

a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings unless the relevant asset is carried at revaluation amount, in which the impairment loss is treated as revaluation decrease.

Accounting policy for impairment of financial assets is disclosed in Note 3h.

q. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, which do not meet these criteria, are classified as operating leases.

As Lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate amount of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Jual dan Sewa-Balik

Aset yang dijual berdasarkan transaksi jual dan sewa-balik diperlakukan sebagai berikut:

- Jika suatu transaksi jual dan sewa-balik merupakan sewa pembiayaan, selisih lebih hasil penjualan diatas nilai tercatat, tidak segera diakui sebagai pendapatan tetapi ditangguhkan dan diamortisasi selama masa sewa.
- Jika transaksi jual dan sewa-balik merupakan sewa operasi dan transaksi tersebut dilakukan pada nilai wajar, maka laba atau rugi diakui segera. Jika harga jual dibawah nilai wajar, maka laba atau rugi diakui segera, kecuali rugi tersebut dikompensasikan dengan pembayaran sewa masa depan yang lebih rendah dari harga pasar, maka rugi tersebut ditangguhkan dan diamortisasi secara proporsional dengan pembayaran sewa selama periode penggunaan aset. Jika harga jual diatas nilai wajar, selisih lebih diatas nilai wajar tersebut ditangguhkan dan diamortisasi selama periode penggunaan aset.

Untuk sewa operasi, jika nilai wajar aset pada saat transaksi jual dan sewa-balik lebih rendah daripada nilai tercatatnya, maka rugi sebesar selisih antara nilai tercatat dan nilai wajar diakui segera.

Untuk sewa pembiayaan, tidak diperlukan penyesuaian kecuali jika telah terjadi penurunan nilai. Dalam hal ini, nilai tercatat diturunkan ke jumlah yang dapat dipulihkan.

r. Biaya Pemeliharaan Pesawat

Biaya inspeksi besar rangka pesawat dan perbaikan besar mesin pesawat milik sendiri dan sewa pembiayaan dikapitalisasi dan disusutkan selama periode sampai dengan inspeksi atau perbaikan besar berikutnya.

Bila terdapat komitmen untuk perawatan pesawat sesuai yang diatur dalam perjanjian sewa operasi, penyisihan diakui selama jangka waktu sewa atas liabilitas pengembalian sesuai yang dipersyaratkan dalam perjanjian tersebut. Penyisihan dibuat berdasarkan pengalaman historis, petunjuk pabrik dan, jika relevan, liabilitas kontrak untuk menentukan nilai sekarang dari perkiraan biaya masa depan dari inspeksi rangka pesawat dan perbaikan mesin.

Biaya perbaikan dan pemeliharaan lainnya dibebankan pada saat terjadinya.

Sale and Leaseback

Assets sold under a sale and leaseback transaction are accounted for as follows:

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

For operating leases, if the fair value at the time of a sale and leaseback transaction is less than the carrying amount of the asset, a loss equal to the amount of the difference between the carrying amount and fair value is recognized immediately.

For finance leases, no such adjustment is necessary unless there has been impairment in value, in which case the carrying amount is reduced to recoverable amount.

r. Heavy Maintenance Costs of Aircraft

Major airframe inspection cost relating to heavy maintenance visit and engine overhauls for owned aircraft and those held on finance lease is capitalized and amortized over the period until the next expected major inspection or overhaul.

If there is a commitment related to maintenance of aircraft held under operating lease arrangements, a provision is made during the lease term for the lease return obligations specified within those lease agreements. The provision is made based on historical experience, manufacturers' advice and if relevant, contractual obligations, to determine the present value of the estimated future major airframe inspections cost and engine overhauls.

All other repair and maintenance costs are expensed as incurred.

s. Beban Tangguhan

Biaya-biaya lain yang memenuhi kriteria pengakuan aset akan ditangguhkan dan diamortisasi dengan metode garis lurus berdasarkan masa manfaatnya.

t. Pengakuan Pendapatan dan Beban

Penjualan tiket penumpang dan jasa kargo awalnya diakui sebagai pendapatan diterima dimuka transportasi. Pendapatan operasional diakui pada saat penerbangan telah dilakukan. Penjualan didalamnya termasuk juga atas pemulihan *surcharges* selama periode berjalan.

Pendapatan jasa perbaikan dan pemeliharaan pesawat atas kontrak jangka pendek diakui pada saat jasa diserahkan kepada langganan. Pendapatan jasa perbaikan dan pemeliharaan pesawat atas kontrak jangka panjang diakui dengan menggunakan metode persentase penyelesaian.

Pendapatan atas jasa perhotelan, jasa boga, biro perjalanan dan jasa sistem reservasi serta jasa lain yang berhubungan dengan penerbangan diakui sebagai pendapatan pada saat jasa diserahkan.

Pendapatan bunga di-akru berdasarkan waktu terjadinya dengan acuan jumlah pokok terhutang dan tingkat bunga yang berlaku.

Penghasilan dividen dari investasi saham diakui pada saat hak menerima dividen telah ditetapkan.

Beban diakui pada saat terjadi.

u. Frequent Flyer Program

Perusahaan menyelenggarakan program "Garuda Frequent Flyer" yang menyediakan penghargaan perjalanan kepada anggotanya berdasarkan akumulasi jarak tempuh. Sebagian pendapatan penumpang diatribusikan terhadap penghargaan perjalanan yang diestimasi dan dihitung berdasarkan ekspektasi penggunaan penghargaan tersebut, ditangguhkan sampai penghargaan digunakan dan dicatat sebagai pendapatan diterima dimuka. Penghargaan yang tidak digunakan diakui sebagai pendapatan pada saat masa berlaku habis.

s. Deferred Charges

Other charges that meet the asset recognition criteria are deferred and amortized using the straight-line method over their beneficial periods.

t. Revenue and Expense Recognition

Passenger ticket and cargo waybill sales are initially recorded as unearned transportation revenue. Revenue is recognized when transportation service is rendered. Revenue also includes recoveries from surcharges during the period.

Revenue from short-term aircraft maintenance and overhaul contract is recognized when the service is rendered. Revenue from long-term aircraft maintenance and overhaul contracts is recognized using the percentage-of-completion method.

Revenues from hotels, catering, travel agency services, reservation system services and other services related to flight operations are recognized when the services are rendered.

Interest revenue is accrued on time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investment in shares is recognized when the shareholders' rights to receive such dividend have been established.

Expenses are recognized when incurred.

u. Frequent Flyer Program

The Company operates a frequent flyer program called "Garuda Frequent Flyer" that provides travel awards to its members based on accumulated mileage. A portion of passenger revenue attributable to the award of frequent flyer benefits, estimated based on expected utilization of these benefits, is deferred until they are utilized. These deferrals of revenue are recorded as unearned revenue. Any remaining unutilized benefits are recognized as revenue upon expiry.

v. Imbalan Pasca-kerja dan Imbalan Kerja Jangka Panjang

Imbalan Pasca-Kerja

Perhitungan imbalan pasca-kerja ditentukan dengan menggunakan metode *Projected Unit Credit*. Akumulasi keuntungan dan kerugian aktuarial bersih yang belum diakui yang melebihi 10% dari jumlah yang lebih besar diantara nilai kini liabilitas imbalan pasti atau nilai wajar aset program diakui dengan metode garis lurus selama rata-rata sisa masa kerja yang diperkirakan dari para pekerja dalam program tersebut. Biaya jasa lalu dibebankan langsung, apabila imbalan tersebut menjadi hak atau *vested*, dan sebaliknya diakui sebagai beban dengan menggunakan metode garis lurus berdasarkan periode rata-rata sampai imbalan tersebut menjadi *vested*.

Jumlah yang diakui sebagai liabilitas imbalan pasca-kerja di laporan posisi keuangan konsolidasian merupakan nilai kini liabilitas imbalan pasca-kerja disesuaikan dengan keuntungan dan kerugian aktuarial belum diakui dan biaya jasa lalu belum diakui, dan dikurangi dengan nilai wajar aset program.

Imbalan Kerja Jangka Panjang

Perhitungan imbalan kerja jangka panjang ditentukan dengan menggunakan *Projected Unit Credit*. Biaya jasa lalu dan keuntungan (kerugian) aktuarial diakui langsung pada periode yang bersangkutan.

Jumlah yang diakui sebagai liabilitas imbalan kerja jangka panjang di laporan posisi keuangan konsolidasian merupakan nilai kini liabilitas imbalan kerja pasti.

w. Provisi

Provisi diakui bila Grup memiliki kewajiban kini (baik bersifat hukum maupun konstruktif) sebagai akibat peristiwa masa lalu dan besar kemungkinan Grup diharuskan menyelesaikan kewajiban serta jumlah kewajiban tersebut dapat diestimasi secara andal.

Jumlah diakui sebagai provisi merupakan taksiran terbaik yang diharuskan menyelesaikan kewajiban kini pada akhir periode pelaporan, dengan memperhatikan unsur risiko dan ketidakpastian yang melekat pada kewajiban tersebut. Provisi diukur menggunakan estimasi arus kas untuk menyelesaikan kewajiban kini dengan jumlah tercatatnya sebesar nilai kini dari arus kas tersebut.

v. Post-Employment Benefits and Long-Term Benefits

Post-Employment Benefits

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

The employee benefits obligation recognized in the consolidated statements of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and reduced by the fair value of plan assets.

Long-Term Benefits

Long-term benefits are determined using the Projected Unit Credit Method. Past service cost and actuarial gains (losses) are recognized immediately in the current operations.

The long-term employee benefit obligation recognized in the consolidated statement of financial position represents the present value of the defined benefit obligation.

w. Provision

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Bila beberapa atau keseluruhan dari manfaat ekonomis mengharuskan penyelesaian provisi diharapkan dapat dipulihkan dari pihak ketiga, piutang diakui sebagai aset apabila terdapat kepastian tagihan dapat diterima dan jumlah piutang dapat diukur secara andal.

x. Pajak Penghasilan

Beban pajak kini ditentukan berdasarkan laba kena pajak dalam tahun yang bersangkutan yang dihitung berdasarkan tarif pajak yang berlaku.

Aset dan liabilitas pajak tangguhan diakui atas konsekuensi pajak periode mendatang yang timbul dari perbedaan jumlah tercatat aset dan liabilitas menurut laporan keuangan dengan dasar pengenaan pajak aset dan liabilitas. Liabilitas pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan dan rugi fiskal, sepanjang besar kemungkinan dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa datang.

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diekspektasikan berlaku dalam periode ketika liabilitas diselesaikan atau aset dipulihkan dengan tarif pajak (dan peraturan pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

Pengukuran aset dan liabilitas pajak tangguhan mencerminkan konsekuensi pajak yang sesuai dengan cara Grup ekspektasikan, pada akhir periode pelaporan, untuk memulihkan atau menyelesaikan jumlah tercatat aset dan liabilitasnya.

Jumlah tercatat aset pajak tangguhan dikaji ulang pada akhir periode pelaporan dan dikurangi jumlah tercatatnya jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasikan sebagian atau seluruh aset pajak tangguhan tersebut.

Aset dan liabilitas pajak tangguhan saling hapus ketika entitas memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus aset pajak kini terhadap liabilitas pajak kini dan ketika aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan serta Grup yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

x. Income Tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle their current tax assets and current tax liabilities on a net basis.

Pajak kini dan pajak tangguhan diakui sebagai beban atau penghasilan dalam laba atau rugi, kecuali sepanjang pajak penghasilan yang berasal dari transaksi atau kejadian yang diakui, diluar laba atau rugi (baik dalam pendapatan komprehensif lain maupun secara langsung di ekuitas), dalam hal tersebut pajak juga diakui di luar laba atau rugi.

y. Instrumen Keuangan Derivatif

Instrumen keuangan derivatif awalnya dinilai berdasarkan nilai wajar pada saat tanggal kontrak dibuat, dan selanjutnya dinilai kembali berdasarkan nilai wajar pada tanggal pelaporan keuangan. Perlakuan akuntansi atas perubahan kemudian dalam nilai wajar tergantung apakah derivatif tersebut ditujukan untuk instrumen lindung nilai, dan jika benar, sifat dari obyek yang dilindungi nilainya.

Perubahan nilai wajar instrumen derivatif keuangan yang ditujukan untuk lindung arus kas masa depan yang efektif diakui sebagai bagian dari pendapatan komprehensif lain dan bagian yang tidak efektif langsung diakui dalam laporan laba rugi komprehensif. Jika transaksi lindung nilai mengakibatkan pengakuan aset atau liabilitas, akumulasi keuntungan dan kerugian dalam pendapatan komprehensif lain direklasifikasi ke laporan laba rugi komprehensif dalam periode yang sama selama aset atau liabilitas yang terkait mempengaruhi laba rugi. Untuk lindung nilai yang tidak mengakibatkan pengakuan aset atau liabilitas, jumlah yang ditanggihkan dalam pendapatan komprehensif lain diakui dalam laporan laba rugi komprehensif pada periode yang sama dimana item yang dilindung nilai mempengaruhi laba atau rugi bersih.

Untuk lindung nilai efektif terhadap eksposur perubahan nilai wajar, item yang dilindung nilai disesuaikan dengan perubahan nilai wajar yang dapat diatribusikan terhadap risiko yang dilindung nilai dan perubahan tersebut langsung diakui dalam laporan laba rugi komprehensif.

z. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba bersih yang dapat diatribusikan kepada entitas induk dengan jumlah rata-rata tertimbang saham yang beredar pada periode yang bersangkutan.

Laba per saham dilusi dihitung dengan membagi laba bersih yang dapat diatribusikan kepada pemilik Perusahaan dengan jumlah rata-rata tertimbang saham biasa yang telah disesuaikan dengan dampak dari semua efek berpotensi saham biasa yang dilutif.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

y. Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently measured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Changes in fair value of derivative financial instruments that are designated as effective hedges of future cash flows are recognized as part of other comprehensive income and the ineffective portion is recognized immediately in earnings. If the hedged transaction results in the recognition of an asset or liability, the accumulated gains and losses under other comprehensive income are reclassified into earnings in the same period in which the related asset or liability affects earnings. For hedges that do not result in the recognition of an asset or liability, amounts deferred in other comprehensive income are recognized in earnings in the same period in which the hedged item affects profit or loss.

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged and such changes are recognized immediately in earnings.

z. Earnings per Share

Basic earnings per share is computed by dividing net income attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is computed by dividing net income attributable to owners of the Company by the weighted average number of shares outstanding as adjusted for the effects of all dilutive potential ordinary shares.

aa. Segmen Operasi

Segmen operasi diidentifikasi berdasarkan laporan internal mengenai komponen dari Grup yang secara regular direviu oleh "pengambil keputusan operasional" dalam rangka mengalokasikan sumber daya dan menilai kinerja segmen operasi.

Segmen operasi adalah suatu komponen dari entitas:

- a) yang terlibat dalam aktivitas bisnis yang mana memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- b) yang hasil operasinya dikaji ulang secara regular oleh pengambil keputusan operasional untuk membuat keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- c) dimana tersedia informasi keuangan yang dapat dipisahkan.

Informasi yang digunakan oleh pengambil keputusan operasional dalam rangka alokasi sumber daya dan penilaian kinerja mereka terfokus pada kategori dari setiap produk.

bb. Aset Takberwujud

Lisensi dan perangkat lunak yang diperoleh dikapitalisasi berdasarkan biaya-biaya yang terjadi untuk memperoleh dan mempersiapkannya hingga siap digunakan. Biaya-biaya ini diamortisasi dengan menggunakan metode garis lurus berdasarkan estimasi manfaat 3 – 8 tahun.

cc. Manufacturer's Incentive

Perusahaan mendapatkan kredit dari *vendor* sehubungan dengan perolehan atas peralatan udara tertentu. Berdasarkan sifatnya, kredit ini akan dicatat sebagai pengurang biaya perolehan atas peralatan udara tersebut. Kredit ini akan diselesaikan baik dengan pengembalian uang untuk pembelian selanjutnya atau saling hapus dengan tagihan dari *vendor* tersebut.

aa. Operating Segment

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);
- b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decision about resources to be allocated to the segments and assess its performance; and
- c) for which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of their performance is more specifically focused on the category of each product.

bb. Intangible Assets

Software and licenses are capitalized on the basis of the cost incurred to acquire and to prepare the assets for intended use. These costs are amortized using the straight-line method over the estimated useful life of 3 – 8 years.

cc. Manufacturer's Incentive

The Company receives credits from vendors in connection with the acquisition of certain avionic equipments. Depending on their nature, these credits are recorded as a reduction to the cost of the related avionic equipments. The credits are either settled as cash back on subsequent purchases or net-off with payable to vendors.

dd. Program Opsi Saham Manajemen dan Karyawan

Perusahaan menyediakan program opsi saham untuk anggota manajemen serta karyawan tetap (MESOP). Program ini terdiri dari program opsi saham bahwa setelah diselesaikan melalui penerbitan saham (pengaturan pembayaran saham yang diselesaikan dengan instrumen ekuitas) dicatat sebagai transaksi ekuitas.

Pembayaran berbasis saham yang diselesaikan dengan instrumen ekuitas kepada karyawan dan layanan sejenis lainnya diukur pada nilai wajar instrumen ekuitas pada tanggal pemberian opsi. Nilai wajar yang ditentukan pada tanggal pemberian opsi pembayaran saham yang diselesaikan dengan instrumen ekuitas dicatat sebagai beban dengan metode garis lurus sepanjang periode *vesting*, berdasarkan estimasi instrumen ekuitas Perusahaan yang akhirnya akan diberikan, dengan peningkatan yang sesuai pada ekuitas. Pada setiap akhir periode pelaporan, Perusahaan mengubah estimasi dari jumlah instrumen ekuitas yang diharapkan akan diberikan. Dampak dari perubahan atas estimasi awal, jika ada, diakui dalam laporan laba rugi komprehensif konsolidasian sebagai biaya kumulatif yang mencerminkan perubahan estimasi, dengan penyesuaian berdasarkan cadangan imbalan kerja yang diselesaikan dengan instrumen ekuitas.

ee. Kuasi-Reorganisasi

Pada tanggal 1 Januari 2012, Perusahaan melakukan kuasi-reorganisasi dengan mengacu pada Pernyataan Standar Akuntansi Keuangan (PSAK) No. 51 (revisi 2003) "Akuntansi Kuasi-Reorganisasi".

Kuasi-reorganisasi dilakukan dengan metode reorganisasi akuntansi dimana aset dan liabilitas dinilai kembali sebesar nilai wajarnya yang dihitung dengan metode nilai pasar dan arus kas yang didiskontokan. Selisih hasil revaluasi aset dan liabilitas disajikan dalam saldo selisih revaluasi aset dan liabilitas yang digunakan untuk mengeliminasi defisit. Rincian dari saldo defisit yang dieliminasi dijelaskan pada Catatan 52. Sebagai tambahan, nilai wajar dari aset dan liabilitas yang digunakan dalam kuasi-reorganisasi menjadi saldo awal di dalam laporan keuangan yang dimulai tanggal 1 Januari 2012 dan selanjutnya diukur menggunakan kebijakan akuntansi yang relevan.

dd. Management and Employee Stock Option Program

The Company provides stock option program to its members of management and eligible employees (MESOP). The program consists of stock option plan that upon exercise is settled through issuance of shares (equity-settled share based payment arrangement) which is accounted as equity transaction.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in consolidated statements of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

ee. Quasi-Reorganization

As of January 1, 2012, the Company carried out a quasi-reorganization in accordance with the Statement of Financial Accounting Standards (PSAK) No. 51 (revised 2003), "Accounting for Quasi-Reorganization".

The quasi-reorganization was carried out using the accounting reorganization method, wherein assets and liabilities are revalued at their fair values using market value and discounted cash flows model. The revaluation surplus of asset and liabilities is recognized as difference in revaluation of assets and liabilities and used for eliminating deficit. Details of the elimination of deficit are discussed in Note 52. In addition, the fair value of those assets and liabilities as used in the quasi-reorganization becomes their initial carrying amount in the consolidated financial statements commencing January 1, 2012 and are subsequently measured using the relevant accounting policies.

4. PERTIMBANGAN KRITIS AKUNTANSI DAN ESTIMASI AKUNTANSI YANG SIGNIFIKAN

Pertimbangan Kritis dalam Penerapan Kebijakan Akuntansi

Berikut ini adalah pertimbangan kritis, selain dari pertimbangan yang melibatkan estimasi (lihat di bawah) yang telah dibuat oleh manajemen dalam proses penerapan kebijakan akuntansi dan yang memiliki dampak yang paling signifikan pada jumlah yang dicatat dalam laporan keuangan konsolidasian:

i. **Komitmen Sewa Operasi – Sebagai Lessee**

Perusahaan mengadakan perjanjian sewa operasi untuk pesawat. Perusahaan menetapkan berdasarkan evaluasi atas syarat dan kondisi yang ada dalam perjanjian, pihak *lessor* menanggung seluruh resiko secara signifikan dan manfaat kepemilikan atas pesawat sehingga diakui sebagai sewa operasi. Komitmen sewa operasi telah diungkapkan dalam Catatan 47.

ii. **Jual dan Sewa-Balik**

Perusahaan mengadakan perjanjian jual dan sewa balik untuk pesawat. Perusahaan menetapkan berdasarkan evaluasi atas syarat dan kondisi yang ada dalam perjanjian, transaksi jual dan sewa-balik merupakan sewa operasi dan transaksi tersebut dilakukan pada nilai wajar. Transaksi jual dan sewa-balik telah diungkapkan dalam Catatan 47.

Sumber Estimasi Ketidakpastian

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan Indonesia mengharuskan manajemen membuat estimasi dan asumsi yang mempengaruhi jumlah tercatat aset dan liabilitas yang dilaporkan dan pengungkapan aset dan liabilitas kontinjensi pada tanggal laporan keuangan konsolidasian serta jumlah pendapatan dan beban selama periode pelaporan. Realisasi dapat berbeda dengan jumlah yang diestimasi.

Informasi tentang asumsi utama yang dibuat mengenai masa depan dan sumber utama dari estimasi ketidakpastian lain pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya dijelaskan dibawah ini.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimation (see below) that management has made in the process of applying the accounting policies and that have the most significant impact on the amounts recognized in the consolidated financial statements:

i. **Operating Lease Commitments – As Lessee**

The Company has entered into commercial leases on its aircraft. The Company has determined, based on an evaluation of the substance of the terms and conditions of the arrangements, that the lessor retains all the significant risks and rewards of ownership of these aircrafts and so accounts for the contracts as operating leases. The operating lease commitments are disclosed in Note 47.

ii. **Sale and Leaseback**

The Company has entered into sale and leaseback of certain newly acquired aircrafts. The Company has determined, based on an evaluation of the substance of the terms and conditions of the arrangements, that sale and leaseback transaction results in an operating lease, and the transaction is established at fair value. Sale and leaseback transactions are disclosed in Note 47.

Key Sources of Estimation Uncertainty

The preparation of consolidated financial statements in accordance with Indonesian Financial Accounting Standards requires management to make estimates and assumptions that has an effect to the carrying amount of assets and liabilities and disclosure of contingent and liabilities at the date of consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could be different from those estimates.

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have the significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. Estimasi Masa Manfaat Atas Aset Tetap

Manajemen mengestimasi masa manfaat aset tetap berdasarkan penggunaan dari aset yang diharapkan dapat didukung dengan rencana dan strategi usaha yang juga mempertimbangkan perkembangan teknologi dimasa depan dan perilaku pasar. Estimasi dari masa manfaat aset tetap adalah berdasarkan penelaahan Grup secara kolektif terhadap praktek industri, evaluasi teknis internal dan pengalaman untuk aset yang sama. Estimasi masa manfaat ditelaah paling sedikit setiap akhir periode pelaporan dan diperbaharui jika ekspektasi berbeda dari estimasi sebelumnya dikarenakan pemakaian dan kerusakan fisik, keusangan secara teknis atau komersial dan hukum atau pembatasan lain atas penggunaan dari aset. Tetapi, adalah mungkin, hasil dimasa depan dari operasi dapat dipengaruhi secara material oleh perubahan-perubahan dalam estimasi yang diakibatkan oleh perubahan faktor-faktor yang disebutkan diatas.

Nilai tercatat aset tetap telah diungkapkan dalam Catatan 14.

ii. Provisi Biaya Pengembalian dan Pemeliharaan Pesawat

Dimana ada suatu komitmen untuk mempertahankan pesawat yang disewa dalam perjanjian sewa operasi, suatu penyisihan dibuat selama masa sewa untuk kewajiban pengembalian sewa yang telah ditetapkan dalam perjanjian sewa. Suatu penyisihan ini didasarkan pada pengalaman yang telah terjadi, saran pabrikan dan, mana yang lebih tepat, kewajiban konstruktif dalam menentukan nilai sekarang dari biaya masa yang akan datang diperkirakan atas inspeksi yang signifikan kerangka badan pesawat besar dan *overhaul* mesin. Perkiraan ini harus dibuat sehubungan dengan waktu pemeliharaan. Nilai tercatat liabilitas estimasi telah diungkapkan dalam Catatan 25.

iii. Liabilitas Imbalan Pasca-Kerja

Beban dari program pensiun manfaat pasti dan nilai kini dari kewajiban pensiun ditentukan oleh penilaian aktuaris dengan menggunakan beberapa asumsi diantaranya tingkat diskonto, tingkat pengembalian dana yang diharapkan, tingkat kenaikan kompensasi dan tingkat kematian. Kewajiban manfaat pasti sangat sensitif terhadap perubahan asumsi. Nilai tercatat liabilitas telah diungkapkan dalam Catatan 28.

i. Estimated Useful Lives Of Property and Equipment

Management has estimated the useful lives of property and equipment based on expected asset utilization based on business plans and strategies that also consider expected future technological developments and market behavior. The estimation of the useful lives of property and equipment is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful lives are reviewed at least each financial period-end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.

The carrying amount of property and equipment is disclosed in Note 14.

ii. Provision For Aircraft Return and Maintenance Cost

Whenever there is a commitment to maintain aircraft held under operating lease arrangements, a provision is made during the lease term for the lease return obligations specified within those lease agreements. The provision is based upon historical experience, manufacturers' advice and, where appropriate, contractual obligations in determining the present value of the estimated future costs of major airframe inspections and engine overhauls. Estimates are required to be made in respect of the timing of maintenance. The carrying amount of estimated liability is disclosed in Note 25.

iii. Post-Employment Benefits Obligation

The cost of defined benefit plan and present value of the pension obligation are determined based on actuarial valuation which makes use of various assumptions such as discount rates, expected rates of return on plan assets, rates of compensation increases and mortality rates. The defined benefit obligation is highly sensitive to changes in the assumptions. The carrying amount of the obligation is disclosed in Note 28.

iv. Pajak Penghasilan

Dalam situasi tertentu, Perusahaan tidak dapat menentukan secara pasti jumlah liabilitas pajak mereka pada saat ini atau masa depan karena proses pemeriksaan, atau negosiasi dengan otoritas perpajakan. Ketidakpastian timbul terkait dengan interpretasi dari peraturan perpajakan yang kompleks dan jumlah dan waktu dari penghasilan kena pajak di masa depan. Dalam menentukan jumlah yang harus diakui terkait dengan liabilitas pajak yang tidak pasti, Perusahaan menerapkan pertimbangan yang sama yang akan mereka gunakan dalam menentukan jumlah cadangan yang harus diakui sesuai dengan PSAK 57, "Provisi, Liabilitas Kontijensi dan Aset Kontijensi". Pajak penghasilan telah diungkapkan dalam Catatan 10c.

v. Rugi Penurunan Nilai Pinjaman yang Diberikan dan Piutang

Grup menilai penurunan nilai pinjaman yang diberikan dan piutang pada setiap tanggal pelaporan. Dalam menentukan apakah rugi penurunan nilai harus dicatat dalam laporan laba rugi, manajemen membuat penilaian, apakah terdapat bukti objektif bahwa kerugian telah terjadi. Manajemen juga membuat penilaian atas metodologi dan asumsi untuk memperkirakan jumlah dan waktu arus kas masa depan yang direvisi secara berkala untuk mengurangi perbedaan antara estimasi kerugian dan kerugian aktualnya. Nilai tercatat pinjaman yang diberikan dan piutang telah diungkapkan dalam Catatan 6 dan 7.

vi. Penyisihan Penurunan Nilai Persediaan

Grup membuat penyisihan penurunan nilai persediaan berdasarkan estimasi persediaan yang digunakan pada masa mendatang. Walaupun asumsi yang digunakan dalam mengestimasi penyisihan penurunan nilai persediaan telah sesuai dan wajar, namun perubahan signifikan atas asumsi ini akan berdampak material terhadap penyisihan penurunan nilai persediaan, yang pada akhirnya akan mempengaruhi hasil usaha Grup. Nilai tercatat persediaan diungkapkan dalam Catatan 8.

iv. Income Tax

In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. In determining the amount to be recognized in respect of an uncertain tax liability, the Company applies similar considerations as it would use in determining the amount of a provision to be recognized in accordance with PSAK 57, "Provisions, Contingent Liabilities and Contingent Asset. Income tax is disclosed in Note 10c.

v. Impairment Loss on Loans and Receivables

The Group assesses its loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, management makes judgment as to whether there is an objective evidence that loss event has occurred. Management also makes judgment as to the methodology and assumptions for estimating the amount and timing of future cash flows which are reviewed regularly to reduce any difference between loss estimate and actual loss. The carrying amount of loans and receivables are disclosed in Notes 6 and 7.

vi. Allowance for Decline in Value of Inventories

The Group provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Groups' operations. The carrying amount of inventories is disclosed in Note 8.

5. KAS DAN SETARA KAS

	2013	2012
	USD	USD
Kas		
Rupiah	1.225.762	1.520.553
Dolar Amerika Serikat	604.239	782.993
Mata uang asing lainnya	299.599	327.039
Jumlah Kas	2.129.600	2.630.585
Bank		
Pihak berelasi (Catatan 45)		
Bank Negara Indonesia	50.236.939	48.328.934
Bank Mandiri	37.336.951	56.299.467
Bank Rakyat Indonesia	20.265.546	591.024
Pihak ketiga		
Citibank N.A.	81.045.523	110.837.674
Commonwealth Bank of Australia	11.106.813	8.559.451
Standard Chartered Bank	9.705.890	1.908.893
Bank of China	7.236.135	4.858.298
Korean Exchange Bank	4.210.023	2.898.684
Industrial Commercial Bank of China	3.414.822	878.558
Lloyds Bank Ltd	2.942.564	1.012.035
The Bank of Tokyo-Mitsubishi UFJ	2.548.135	3.162.125
Saudi Arabian Bank	2.453.385	1.820.696
Bank Central Asia	2.438.407	3.269.558
California Bank	1.418.562	2.494.161
Mizuho Bank	1.227.895	1.746.946
Bank Muamalat	1.152.822	351.891
National Australian Bank	728.974	1.977.850
Bank Permata	566.309	2.648.768
CIMB Niaga	292.268	2.618.884
Lain-lain (masing-masing dibawah USD 300.000)	4.399.562	2.621.427
Jumlah bank	244.727.525	258.885.324
Deposito berjangka		
Pihak berelasi (Catatan 45)		
Bank Rakyat Indonesia	33.913.915	14.361.489
Bank Syariah Mandiri	8.204.118	-
Bank Rakyat Indonesia Syariah	6.563.295	-
Bank Negara Indonesia	5.579.582	4.472.251
Pihak ketiga		
Bank Muamalat	86.388.793	33.609.100
Bank Permata	66.714.415	-
Bank Mega	19.256.002	1.240.951
Bank Bukopin	666.175	1.282.187
Bank Artha Graha	506.174	242.622
Bank Mega Syariah	365.212	433.133
Bank CIMB Niaga	246.124	8.368.769
Bank Jatim	-	103.412
Bank Himpunan Saudara	-	155.119
Jumlah deposito berjangka	228.403.805	64.269.033
Jumlah	475.260.930	325.784.942
Tingkat bunga deposito berjangka per tahun:		
Rupiah	5,00% - 11,00%	3,80% - 8,00%
Dolar Amerika Serikat	0,10% - 3,75%	0,25% - 3,35%

5. CASH AND CASH EQUIVALENTS

Cash on hand	
Rupiah	
U.S. Dollar	
Other foreign currencies	
Total Cash on hand	
Banks	
Related parties (Note 45)	
Bank Negara Indonesia	
Bank Mandiri	
Bank Rakyat Indonesia	
Third parties	
Citibank N.A.	
Commonwealth Bank of Australia	
Standard Chartered Bank	
Bank of China	
Korean Exchange Bank	
Industrial Commercial Bank of China	
Lloyds Bank Ltd	
The Bank of Tokyo-Mitsubishi UFJ	
Saudi Arabian Bank	
Bank Central Asia	
California Bank	
Mizuho Bank	
Bank Muamalat	
National Australian Bank	
Bank Permata	
CIMB Niaga	
Other banks	
(each below USD 300,000)	
Total bank	
Time deposits	
Related parties (Note 45)	
Bank Rakyat Indonesia	
Bank Syariah Mandiri	
Bank Rakyat Indonesia Syariah	
Bank Negara Indonesia	
Third parties	
Bank Muamalat	
Bank Permata	
Bank Mega	
Bank Bukopin	
Bank Artha Graha	
Bank Mega Syariah	
Bank CIMB Niaga	
Bank Jatim	
Bank Himpunan Saudara	
Total time deposits	
Total	
Interest rate per annum on time deposit	
Rupiah	
U.S. Dollar	

Kas dan setara kas berdasarkan mata uang:

Cash and cash equivalent by currency:

	2013	2012	
	USD	USD	
Rupiah	265.099.069	74.446.068	Rupiah
Dolar Amerika Serikat	130.010.406	190.235.436	U.S. Dollar
Renmimbi China	21.088.383	14.552.907	Chinese Renmimbi
Dolar Australia	18.827.232	13.678.402	Australian Dollar
Yen Jepang	12.644.695	13.593.379	Japanese Yen
Euro	7.085.143	4.652.488	Euro
Won Korea	4.841.640	3.851.437	Korean Won
Dolar Singapura	3.068.188	2.064.078	Singapore Dollar
Dolar Hongkong	2.616.116	1.461.584	Hongkong Dollar
Riyal Saudi Arabia	2.507.521	1.921.528	Saudi Arabian Riyal
Poundsterling Inggris	2.469.824	1.026.833	Great Britain Poundsterling
Baht Thailand	1.663.453	1.458.975	Thailand Bath
Dirham Uni Emirat Arab	466.000	510.192	United Arab Emirates Dirham
Dolar Taiwan	461.976	329.620	Taiwan Dollar
Mata uang lainnya (masing-masing dibawah USD 300.000)	2.410.984	2.002.015	Other currencies (each under USD 300,000)
Jumlah	475.260.630	325.784.942	Total

6. PIUTANG USAHA

6. TRADE ACCOUNTS RECEIVABLES

a. Berdasarkan Debitur

a. By Debtors

	2013	2012	
	USD	USD	
Pihak berelasi (Catatan 45)			Related parties (Note 45)
PT Jiwasraya	1.966.795	2.479.139	PT Jiwasraya
PT Garuda Angkasa	920.503	934.252	PT Garuda Angkasa
PT POS Indonesia	532.813	843.371	PT POS Indonesia
Abacus International Ltd	410.871	478.751	Abacus International Ltd
PT Bukit Asam (Persero) Tbk	113.915	198.306	PT Bukit Asam (Persero) Tbk
Kementerian Agama RI	26.672	102.417	Ministry of Religious Affairs
Lain-lain	63.397	48.907	Others
Jumlah	4.034.966	5.085.143	Total
Pihak ketiga			Third parties
Jasa penerbangan			Airlines services
Agen penumpang	59.210.984	54.550.046	Passenger agents
Agen kargo	15.051.367	14.588.829	Cargo agents
Kartu kredit	3.494.044	5.732.009	Credit cards
Perusahaan penerbangan	1.819.882	1.626.701	Airlines
Lain-lain	3.605.040	4.731.557	Others
Sub jumlah	83.181.317	81.229.142	Sub total
Non jasa penerbangan	55.733.466	44.660.444	Non airlines services
Jumlah	138.914.783	125.889.586	Total
Cadangan kerugian penurunan nilai	(2.968.386)	(1.503.631)	Allowance for impairment loss
Jumlah	135.946.397	124.385.955	Total
Jumlah Piutang Usaha	139.981.363	129.471.098	Total Trade Accounts Receivable

b. Berdasarkan Mata Uang

	2013	2012
	USD	USD
Rupiah	54.672.498	79.688.200
Dolar Amerika Serikat	53.552.044	20.804.844
Yen Jepang	8.816.761	11.064.385
Euro	4.157.581	2.476.335
Dolar Australia	4.062.138	3.081.409
Won Korea	2.673.552	4.385.212
Renmimbi China	2.037.590	1.343.965
Riyal Saudi Arabia	1.749.217	622.233
Ringgit Malaysia	1.303.554	1.303.023
Dolar Singapura	759.599	193.838
Mata uang lainnya	9.165.215	6.011.285
Jumlah	142.949.749	130.974.729
Cadangan kerugian penurunan nilai	(2.968.386)	(1.503.631)
Jumlah bersih	139.981.363	129.471.098

b. By Currency

Rupiah	79.688.200
U.S. Dollar	20.804.844
Japanese Yen	11.064.385
Euro	2.476.335
Australian Dollar	3.081.409
Korean Won	4.385.212
Chinese Renmimbi	1.343.965
Saudi Arabian Riyal	622.233
Malaysian Ringgit	1.303.023
Singapore Dollar	193.838
Other currencies	6.011.285
Total	130.974.729
Allowance for impairment loss	(1.503.631)
Total - net	129.471.098

c. Berdasarkan Umur Piutang Usaha Tetapi Tidak Mengalami Penurunan Nilai

	2013	2012
	USD	USD
Belum jatuh tempo	21.070.158	17.398.954
Jatuh tempo		
1- 60 hari	104.171.808	90.708.666
61 - 180 hari	5.849.245	7.222.480
181 - 360 hari	3.885.956	6.143.162
> 360 hari	5.004.196	7.997.836
Jumlah	139.981.363	129.471.098

c. Aging of Trade Accounts Receivable Not Impaired

Not yet due	17.398.954
Past due	
1- 60 days	90.708.666
61 - 180 days	7.222.480
181 - 360 days	6.143.162
> 360 days	7.997.836
Total	129.471.098

Jangka waktu rata-rata kredit penjualan adalah 30 - 60 hari untuk tahun yang berakhir 31 Desember 2013 dan 2012. Bunga tidak dikenakan kepada pelanggan yang umur piutang usaha telah jatuh tempo.

The average credit term is 30 - 60 days for the year ended December 31, 2013 and 2012. No interest is charged on the overdue trade accounts receivables.

Mutasi cadangan kerugian penurunan nilai:

Changes in the allowance for impairment loss:

	2013	2012	
	USD	USD	
Saldo awal	1.503.631	-	Beginning balance
Penambahan	1.777.925	1.503.631	Addition
Pemulihan	(313.170)	-	Recovery
Jumlah	2.968.386	1.503.631	Ending balance

Umur piutang usaha yang mengalami penurunan nilai adalah umur piutang diatas 360 hari.

The age of impaired trade accounts receivables is above 360 days.

Beban cadangan kerugian penurunan nilai secara individual dan kolektif adalah sebagai berikut:

Allowance for impairment loss from individual and collective impairment are as follows:

	2013	2012	
	USD	USD	
Penilaian Individu	348.023	810.614	Individual assessments
Penilaian kolektif	1.429.902	693.017	Collective assessments
Jumlah	1.777.925	1.503.631	Total

Dalam menentukan pemulihan dari piutang usaha, Grup mempertimbangkan setiap perubahan dalam kualitas kredit dari piutang usaha dari tanggal awalnya kredit diberikan sampai dengan akhir periode pelaporan. Konsentrasi risiko kredit terbatas pada basis pelanggan adalah besar dan tidak saling berhubungan.

Berdasarkan penelahaan yang dilakukan oleh manajemen atas piutang usaha yang telah jatuh tempo tetapi tidak mengalami penurunan nilai, manajemen beranggapan bahwa piutang usaha tersebut masih dapat dipulihkan karena tidak terdapat perubahan yang signifikan atas kualitas kredit dari pelanggan tersebut. Untuk piutang usaha yang berasal dari jasa non-penerbangan, Grup tidak memiliki jaminan atau peningkatan kredit lainnya atas piutang usaha dan juga tidak memiliki hak hukum yang saling hapus dengan setiap jumlah yang terhutang oleh Grup kepada pihak lawan. Untuk piutang dari penjualan tiket pesawat, lebih lanjut akan dibahas dalam Catatan 46 tentang risiko kredit.

Penurunan nilai piutang usaha secara individu terdiri atas beberapa rekening yang dianggap oleh manajemen tidak terpulihkan berdasarkan penilaian atas kualitas kredit dan kondisi keuangan pelanggan tersebut. Grup tidak memiliki jaminan atas saldo tersebut.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai atas piutang kepada pihak ketiga adalah cukup. Manajemen juga berpendapat bahwa tidak terdapat risiko yang terkonsentrasi secara signifikan atas piutang kepada pihak ketiga. Tidak diadakan pencadangan kerugian penurunan nilai atas piutang kepada pihak berelasi karena manajemen berpendapat seluruh piutang tersebut dapat ditagih.

In determining the recoverability of a trade account receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited as the customer base is large and unrelated.

Based on management's identification for trade accounts receivables that are past due but not impaired, management considers that those receivables are still realizable because based on its assessment there is no significant change in credit quality from those customers. For accounts receivables from non-airlines services, the Group does not maintain any collateral or credit enhancement over those accounts receivable and doesn't have any legal right of offset against any amounts owed by the Group to the counterparty. For receivable from sales of airline ticket, further discussion about credit policy is set forth in Note 46 about credit risk.

Individually impaired trades receivables consist of accounts which management considers are no longer recoverable based on its assessment of credit quality and financial condition of the customers. The Group doesn't have any collateral over those balances.

Management believes that the allowance for impairment losses from third parties is adequate. Management also believes that there are no significant concentrations of credit risk in third party receivable. No allowance for impairment loss was provided on receivables from related parties, as management believes that all such receivables are collectible.

7. PIUTANG LAIN-LAIN

	2013
	USD
Pendapatan masih harus diterima	3.946.418
Piutang pegawai	2.702.460
Lain-lain	2.096.203
Jumlah	8.745.081

Manajemen berpendapat seluruh piutang tersebut dapat ditagih sehingga cadangan kerugian penurunan nilai tidak dibentuk.

7. OTHER RECEIVABLES

	2012	
	USD	
	3.530.753	Accrued revenues
	2.790.444	Employee receivables
	1.556.416	Others
Total	7.877.613	Total

Management believes that all such receivables are collectible thus allowance for impairment losses was not provided.

8. PERSEDIAAN

	2013	2012
	USD	USD
Suku cadang	66.955.494	56.345.654
Jasa boga	18.372.071	23.386.819
Dokumen tiket	1.105.954	617.816
Lain-lain	4.339.773	3.592.215
Jumlah	90.773.292	83.942.504
Penyisihan penurunan nilai persediaan	(444.835)	(498.627)
Jumlah bersih	90.328.457	83.443.877

Mutasi penyisihan penurunan nilai persediaan adalah sebagai berikut:

	2013	2012
	USD	USD
Saldo awal	498.627	-
Penambahan	-	498.627
Pemulihan	(53.792)	-
Saldo akhir	444.835	498.627

Manajemen berpendapat bahwa penyisihan penurunan nilai persediaan tersebut cukup untuk menutup kerugian yang mungkin timbul dari penurunan nilai persediaan.

Pada tanggal 31 Desember 2013 dan 2012, persediaan Perusahaan telah diasuransikan kepada PT Asuransi Jasa Indonesia, pihak berelasi (Catatan 45), terhadap risiko kebakaran dan risiko lainnya berdasarkan suatu paket polis dengan nilai pertanggungan masing-masing USD 207.224.954 dan USD 250.000.000. Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas persediaan yang dipertanggungan.

Pada tanggal 31 Desember 2013 dan 2012, tidak terdapat persediaan yang digunakan sebagai jaminan.

8. INVENTORIES

Spare parts
 Catering
 Ticketing document
 Others
 Total
 Allowance for decline
 in value
 Net amount

Changes in the allowance for decline in value of inventories are as follows:

Management believes that the allowance for decline in value of inventories is adequate to cover possible losses on the decline in inventory value.

At December 31, 2013 and 2012, the inventories of the Company were insured with PT Asuransi Jasa Indonesia, a related party (Note 45), against fire and other risks under pool policies with total sum insured of USD 207,224,954 and USD 250,000,000 respectively. Management believes that the insurance coverage is adequate to cover possible losses on the inventories insured.

As of December 31, 2013 and 2012, no inventories were used as collateral.

9. UANG MUKA DAN BIAYA DIBAYAR DIMUKA

	2013	2012
	USD	USD
Sewa dibayar dimuka	41.152.438	27.022.376
Sewa pesawat	21.527.352	12.502.839
Bahan bakar	6.520.618	6.822.858
Sewa gedung	3.664.789	2.161.665
Suku cadang	3.460.239	13.122.596
Perjalanan dinas	2.010.476	2.904.595
Perbaikan pesawat	1.520.335	7.962.428
Asuransi	1.127.983	2.952.388
Lain-lain	8.259.216	9.357.797
Jumlah	89.243.446	84.809.542

9. ADVANCES AND PREPAID EXPENSES

Prepaid rent
 Aircraft rental
 Fuel
 Building rental
 Spare parts
 Duty trip
 Aircraft maintenance
 Insurance
 Others
 Total

10. PERPAJAKAN

a. Pajak Dibayar Dimuka

	2013	2012
	USD	USD
<u>Perusahaan</u>		
Taksiran Pajak Penghasilan Badan		
Lebih Bayar		
Tahun 2013	7.521.917	-
<u>Entitas Anak</u>		
Taksiran Pajak Penghasilan Badan		
Lebih Bayar		
Tahun 2013	1.667.804	-
Tahun 2012	1.637.000	1.752.097
Tahun 2011	55.282	129.100
Tahun 2010	782.504	1.057.826
Tahun 2009	136.930	136.930
Tahun 2008	462.011	462.065
Pajak Pertambahan Nilai	3.311.498	1.641.128
Sub jumlah	8.053.029	5.179.146
Jumlah	15.574.946	5.179.146

b. Utang Pajak

	2013	2012
	USD	USD
<u>Perusahaan</u>		
Pajak penghasilan		
Pasal 21	1.367.488	1.385.438
Pasal 23	962.182	729.491
Pasal 22	10.371	-
Pasal 26	9.883	40.575
Pasal 4 (2)	56.641	28.716
PPh badan	-	7.138.584
Pajak Pertambahan Nilai	4.201.956	4.607.733
Pajak lain-lain	83.241	107.739
Sub jumlah	6.691.762	14.038.276
<u>Entitas anak</u>		
Pajak penghasilan		
Pasal 21	2.374.541	1.459.122
Pasal 23	305.027	260.168
Pasal 25	260.079	226.079
Pasal 26	27.206	9.673
Pasal 4 (2)	289.592	56.934
PPh badan	2.845.844	1.223.596
Pajak Pertambahan Nilai	1.516.576	165.581
Pajak Pembangunan 1	2.158.841	1.966.280
Pajak lain-lain	568.308	1.001.943
Sub jumlah	10.346.014	6.369.376
Jumlah	17.037.776	20.407.652

10. TAXATION

a. Prepaid Taxes

<u>The Company</u>	
Estimated Overpayment of	
Corporate Income Tax	
Year 2013	
<u>Subsidiaries</u>	
Estimated Overpayment of	
Corporate Income Tax	
Year 2013	
Year 2012	
Year 2011	
Year 2010	
Year 2009	
Year 2008	
Value Added Tax	
Sub total	
Total	

b. Taxes Payable

<u>The Company</u>	
Income taxes	
Article 21	
Article 23	
Article 22	
Article 26	
Article 4 (2)	
Income tax article 29	
Value Added Taxes	
Other taxes	
Sub total	
<u>Subsidiaries</u>	
Income taxes	
Article 21	
Article 23	
Article 25	
Article 26	
Article 4 (2)	
Income tax article 29	
Value Added Taxes	
Local Government Taxes 1	
Other taxes	
Sub total	
Total	

c. Manfaat (Beban) Pajak

	2013 USD
<u>Pajak kini</u>	
Perusahaan	-
Entitas anak	(9.350.882)
Jumlah pajak kini	(9.350.882)
<u>Pajak tangguhan</u>	
Perusahaan	(2.731.077)
Entitas anak	14.466.736
Jumlah pajak tangguhan	11.735.659
Beban pajak Perusahaan dan entitas anak sehubungan dengan SKP dan SPT pembetulan	-
Jumlah	2.384.777

Pajak Kini

Rekonsiliasi antara laba sebelum pajak menurut laporan laba rugi komprehensif konsolidasian dengan laba (rugi) fiskal Perusahaan adalah sebagai berikut:

	2013 USD
Laba sebelum pajak menurut laporan laba rugi komprehensif konsolidasian	8.815.603
Eliminasi dan penyesuaian	34.113.477
Laba sebelum pajak penghasilan Perusahaan	42.929.080

Perbedaan temporer:

Cadangan kerugian penurunan nilai piutang	316.420
Penyisihan penurunan nilai persediaan	(28.567)
Beban penyusutan	5.573.535
Penurunan nilai aset	5.093.951
Perbedaan perlakuan aset pemeliharaan	(37.314.909)
Imbalan pasca kerja	(19.559.059)
Beban akrual	-
Beban emisi saham	(3.118.571)
Sub jumlah	(49.037.200)

Perbedaan yang tidak dapat diperhitungkan menurut fiskal:

Sewa pembiayaan	(66.042.949)
Penghasilan yang dikenakan pajak final	(15.325.404)
Beban yang tidak dapat diperhitungkan menurut fiskal	55.561.776
Pinjaman sindikasi	(6.208.877)
Opsi saham	-
Biaya bergabung pilot	-
Sub jumlah	(32.015.454)
Laba kena pajak (rugi fiskal) Perusahaan	(38.123.574)

c. Tax Benefit (Expense)

	2012 USD
<u>Current tax</u>	
The Company	(14.691.874)
Subsidiaries	(7.210.035)
Total current tax	(21.901.909)
<u>Deferred tax</u>	
The Company	(21.814.137)
Subsidiaries	3.047.606
Total deferred tax	(18.766.531)
Tax expense of Company and its subsidiaries related to tax assessment letter and revised annual tax return	(19.541)
Total	(40.687.981)

Current Tax

A reconciliation between profit before tax per consolidated statements of comprehensive income and taxable income (fiscal loss) of the Company is as follows:

	2012 USD
Profit before tax per consolidated statements of comprehensive income	151.530.554
Elimination and adjustments	18.204.299
Income before tax of the Company	169.734.853
<u>Temporary differences:</u>	
Allowance for impairment losses of accounts receivable	(64.381)
Allowance for decline in value of inventories	(17.247)
Depreciation expense	(34.933.900)
Impairment of assets	6.790.884
Maintenance assets	(66.991.037)
Post employment benefits	(6.070.505)
Accrued expense	1.079.153
Stock issuance cost	(3.118.571)
Sub total	(103.325.604)

Temporary differences:

Allowance for impairment losses of accounts receivable	(64.381)
Allowance for decline in value of inventories	(17.247)
Depreciation expense	(34.933.900)
Impairment of assets	6.790.884
Maintenance assets	(66.991.037)
Post employment benefits	(6.070.505)
Accrued expense	1.079.153
Stock issuance cost	(3.118.571)
Sub total	(103.325.604)

Nondeductible expenses/

<u>Non taxable income</u>	
Lease liabilities	
Income subjected to final tax	
Expenses that are not deductible for tax purposes	
Syndicated loan	
Stock option	
Pilot joining fee	
Sub total	
Taxable income (fiscal loss) of the Company	

Laba kena pajak (rugi fiskal) dalam laporan keuangan konsolidasi ini menjadi dasar dalam pengisian Surat Pemberitahuan Tahunan (SPT).

Taxable income (fiscal loss) in this consolidated financial statement will be the basis for filling Annual Tax Return (SPT).

Laba kena pajak tahun 2012 berbeda dengan SPT yang dilaporkan disebabkan karena adanya perubahan atas perbedaan yang tidak dapat diperhitungkan menurut fiskal.

Taxable income in 2012 was different with SPT that has been reported due to a change on difference that cannot be calculated based on fiscal.

Rincian beban pajak dan utang (lebih bayar) pajak kini adalah sebagai berikut:

The details of current tax expense and tax payable (overpayment) are as follows:

	2013	2012	
	USD	USD	
<u>Perusahaan</u>			<u>The Company</u>
Beban pajak kini	-	14.691.874	Current tax expense
Dikurangi pajak dibayar dimuka			Less prepaid taxes
Pajak penghasilan - Pasal 25	(4.900.895)	(5.029.049)	Income tax - Article 25
Pajak penghasilan - Pasal 22	(1.775.610)	(1.705.395)	Income tax - Article 22
Pajak penghasilan - Pasal 23	(524.942)	(427.974)	Income tax - Article 23
Pajak penghasilan - Pasal 15	(320.470)	(390.872)	Income tax - Article 15
Sub jumlah	(7.521.917)	(7.553.290)	Sub total
Kurang (lebih) bayar pajak kini	(7.521.917)	7.138.584	Current tax under (over) payment
<u>Entitas anak</u>			<u>Subsidiaries</u>
Beban pajak kini			Current tax expense
PT Garuda Maintenance Facility			PT Garuda Maintenance Facility
Aero Asia	5.716.637	4.066.920	Aero Asia
PT Aero Wisata dan entitas anak	3.229.494	2.948.154	PT Aero Wisata and subsidiaries
PT Aero Systems Indonesia	404.751	194.961	PT Aero Systems Indonesia
Jumlah	9.350.882	7.210.035	Total
Dikurangi pajak dibayar dimuka	(8.172.842)	(7.738.536)	Less prepaid taxes
Jumlah	1.178.040	(528.501)	Total
Disajikan sebagai:			Presented as:
Pajak dibayar dimuka	(1.667.804)	(1.752.097)	Prepaid tax
Utang Pajak	2.845.844	1.223.596	Tax payable
Bersih	1.178.040	(528.501)	Net

Pajak Tangguhan

Rincian dari aset dan liabilitas pajak tangguhan adalah sebagai berikut:

Deferred Tax

Details of deferred tax assets and liabilities are as follows:

	1 Januari/ January 1, 2013 USD	Dikreditkan (dibebankan) ke laporan laba rugi/ Credited (charged) to income for the year USD	Dicatat di pendapatan komprehensif lain/ Recognized in other comprehensive income USD	Penjabaran laporan Keuangan/ Translation Adjustments USD	31 Desember/ December 31, 2013 USD	
Aset pajak tangguhan						Deferred tax assets
<u>Entitas anak</u>						<u>Subsidiaries</u>
PT Citilink Indonesia	721.959	14.542.774	590.854	-	15.855.587	PT Citilink Indonesia
PT Abacus Distribution Systems Indonesia	141.138	(72.423)	15.993	-	84.708	PT Abacus Distribution Systems Indonesia
PT Garuda Maintenance Facility Aero Asia	8.755.666	(79.706)	5.326	-	8.681.286	PT Garuda Maintenance Facility Aero Asia
PT Aero Wisata dan entitas anak	1.450.319	94.989	42.196	-	1.587.504	PT Aero Wisata and its subsidiaries
Jumlah aset pajak tangguhan - bersih	11.069.083	14.485.634	654.369	-	26.209.085	Total deferred tax asset - net
Liabilitas pajak tangguhan						Deferred tax liabilities
<u>Perusahaan</u>						<u>The Company</u>
Cadangan kerugian penurunan nilai piutang	7.068.822	79.105	-	-	7.147.927	Allowance for impairment loss of account receivable
Penyisihan penurunan nilai persediaan	117.132	(21.362)	-	-	95.770	Allowance for decline in value of inventories
Aset tetap	(27.907.056)	(1.372.972)	303.944	-	(28.976.084)	Property and equipment
Penurunan nilai aset	(1.106.789)	66.498	-	-	(1.040.291)	Impairment of asset
Cadangan piutang jangka panjang	4.225.574	-	-	-	4.225.574	Provision for long term receivable
Aset pemeliharaan	(34.440.639)	(5.621.770)	-	-	(40.062.409)	Maintenance assets
Liabilitas estimasi biaya pengembalian dan pemeliharaan pesawat	12.374.024	1.374.809	-	-	13.748.833	Estimated liabilities for aircraft return and maintenance cost
Imbalan pasca kerja	25.830.357	(4.889.765)	-	-	20.940.592	Employment benefits obligation
Beban akrual	1.096.872	(1.096.872)	-	-	-	Accrued expense
Biaya emisi saham	1.559.286	(779.643)	-	-	779.643	Share issuance cost
Akumulasi rugi fiskal	-	9.530.895	-	-	9.530.895	Tax loss carry forward
Jumlah	(11.182.417)	(2.731.077)	303.944	-	(13.609.550)	Total
<u>Entitas anak</u>						<u>Subsidiaries</u>
PT Aero Systems Indonesia	393.774	(501.928)	-	-	(108.154)	PT Aero Systems Indonesia
PT Aero Wisata dan entitas anak	(3.837.481)	483.030	621.116	(536.714)	(3.270.049)	PT Aero Wisata and its subsidiaries
Jumlah liabilitas pajak tangguhan - bersih	(14.626.124)	(2.749.975)	925.060	(536.714)	(16.987.753)	Total deferred tax liabilities - net

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DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
31 DESEMBER 2013 DAN 2012 SERTA UNTUK TAHUN-
TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
- Lanjutan

PT. GARUDA INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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AND FOR THE YEARS THEN ENDED
- Continued

	1 Januari/ January 1, 2012 USD	Dikreditkan (dibebankan) ke laporan laba rugi/ Credited (charged) to income for the year USD	Dicatat di pendapatan komprehensif lain/ Recognized in other comprehensive income USD	Penjabaran laporan Keuangan/ Translation Adjustments USD	31 Desember / December 31, 2012 USD	
Aset pajak tangguhan						Deferred tax assets
<u>Entitas anak</u>						<u>Subsidiaries</u>
PT Citilink Indonesia	-	2.827.021	(2.105.062)	-	721.959	PT Citilink Indonesia
PT Abacus Distribution Systems Indonesia	156.165	(8.000)	(7.027)	-	141.138	PT Abacus Distribution Systems Indonesia
PT Garuda Maintenance Facility Aero Asia	8.898.361	(134.329)	(8.366)	-	8.755.666	PT Garuda Maintenance Facility Aero Asia
PT Aero Wisata dan entitas anak	1.187.463	(411.071)	-	673.927	1.450.319	PT Aero Wisata and its subsidiaries
PT Aero Systems Indonesia	312.084	81.690	-	-	393.774	PT Aero Systems Indonesia
Jumlah aset pajak tangguhan - bersih	10.554.073	2.355.311	(2.120.455)	673.927	11.462.857	Total deferred tax asset - net
Liabilitas pajak tangguhan						Deferred tax liabilities
<u>Perusahaan</u>						<u>The Company</u>
Cadangan kerugian penurunan nilai piutang	6.465.465	603.357	-	-	7.068.822	Allowance for impairment loss of account receivable
Penyisihan penurunan nilai persediaan	1.875.810	(1.758.678)	-	-	117.132	Allowance for decline in value of inventories
Aset tetap	(13.850.705)	(7.982.000)	(6.074.351)	-	(27.907.056)	Property and equipment
Penurunan nilai aset	(1.148.966)	42.177	-	-	(1.106.789)	Impairment of asset
Cadangan piutang jangka panjang	4.224.648	926	-	-	4.225.574	Provision for long term receivable
Aset pemeliharaan	(25.231.261)	(9.209.378)	-	-	(34.440.639)	Maintenance assets
Liabilitas estimasi biaya pengembalian dan pemeliharaan pesawat	13.857.084	(1.483.060)	-	-	12.374.024	Estimated liabilities for aircraft return and maintenance cost
Imbalan pasca kerja	27.347.983	(1.517.626)	-	-	25.830.357	Employment benefits obligation
Beban akrual	827.084	269.788	-	-	1.096.872	Accrued expense
Biaya emisi saham	2.338.929	(779.643)	-	-	1.559.286	Share issuance cost
Jumlah	16.706.071	(21.814.137)	(6.074.351)	-	(11.182.417)	Total
<u>Entitas anak</u>						<u>Subsidiaries</u>
PT Aero Wisata dan entitas anak	(3.559.838)	692.295	(122.168)	(847.770)	(3.837.481)	PT Aero Wisata and its subsidiaries
Jumlah liabilitas pajak tangguhan - bersih	13.146.233	(21.121.842)	(6.196.519)	(847.770)	(15.019.898)	Total deferred tax liabilities - net

Rekonsiliasi laba pajak dan hasil perkalian laba akuntansi sebelum pajak penghasilan dengan tarif pajak yang berlaku adalah sebagai berikut:

A reconciliation total taxable income and the amounts computed by applying the effective tax rate to profit before income tax is as follows:

	2013 USD	2012 USD	
Laba sebelum pajak menurut laporan laba rugi komprehensif konsolidasian	8.815.603	151.530.554	Income before tax per consolidated statements of comprehensive income
Manfaat (beban) pajak dengan tarif yang berlaku	(2.203.901)	(37.882.639)	Tax benefit (expense) at effective tax rates
Dampak pajak atas perbedaan yang tidak dapat diperhitungkan menurut fiskal Perusahaan	8.003.864	1.910.438	Tax effects of non deductible expenses: The Company
Entitas anak	(1.528.548)	(3.615.945)	Subsidiaries
Penyesuaian yang diketahui pada tahun berjalan terkait pajak tangguhan tahun sebelumnya entitas anak	(1.280.163)	3.811.978	Adjustment recognized in current year in relation to the prior year deferred tax of subsidiaries
Beban pajak Perusahaan dan entitas anak sehubungan dengan SKP dan SPT Pembetulan	-	(19.541)	Tax expenses of the Company and its subsidiaries related to SKP and SPT correction
Rugi fiskal yang tidak diakui pada entitas anak	(606.475)	(4.892.272)	Unrecognized tax loss in subsidiaries
Beban pajak menurut laporan laba rugi komprehensif konsolidasian	2.384.777	(40.687.981)	Tax expense per consolidated statements of comprehensive income

11. DANA PERAWATAN PESAWAT DAN UANG JAMINAN

11. MAINTENANCE RESERVE FUND AND SECURITY DEPOSITS

	2013 USD	2012 USD	
Dana perawatan pesawat (Catatan 47)	473.179.589	350.678.928	Aircraft maintenance reserve funds (Note 47)
Uang jaminan sewa operasi (Catatan 47)	144.443.468	111.254.884	Operating lease security deposits (Note 47)
Jumlah	617.623.057	461.933.812	Total

12. UANG MUKA PEMBELIAN PESAWAT

Akun ini merupakan uang muka pembelian pesawat Boeing 777-300ER, Boeing 737-800, Airbus A-330-200, Airbus A320-200, Bombardier CRJ1000, dan ATR 72-600 serta peralatan simulator. Rincian atas perjanjian tersebut telah dijelaskan dalam Catatan 48.

12. ADVANCES FOR PURCHASE OF AIRCRAFT

This account represents advances for the purchase of Boeing 777-300ER, Boeing 737-800, Airbus A-330-200, Airbus A320-200, Bombardier CRJ1000, and ATR 72-600 and simulator equipment. Details of related agreements have been disclosed in Note 48.

Berikut dengan rincian uang muka pembelian pesawat:

Below are the details of advances for purchase of aircraft:

	2013 USD	2012 USD	
A330			A330
Saldo Awal	151.389.855	61.815.277	Beginning balance
Penambahan	158.692.055	124.912.043	Additions
Pengurangan	(120.208.103)	(35.337.465)	Deductions
Saldo Akhir	189.873.807	151.389.855	Ending balance
A320			A320
Saldo Awal	44.217.895	24.248.967	Beginning balance
Penambahan	35.308.620	19.968.928	Additions
Pengurangan	(6.253.227)	-	Deductions
Saldo Akhir	73.273.288	44.217.895	Ending balance
B777-300ER			B777-300ER
Saldo Awal	279.424.180	81.032.560	Beginning balance
Penambahan	203.653.739	198.391.620	Additions
Pengurangan	(263.780.419)	-	Deductions
Saldo Akhir	219.297.500	279.424.180	Ending balance
B737-800			B737-800
Saldo Awal	14.771.356	60.057.488	Beginning balance
Penambahan	8.351.064	6.728.850	Additions
Pengurangan	(13.457.700)	(52.014.982)	Deductions
Saldo Akhir	9.664.720	14.771.356	Ending balance
CRJ1000 NextGen			CRJ1000 NextGen
Saldo Awal	7.354.133	300.000	Beginning balance
Penambahan	8.525.699	23.811.393	Additions
Pengurangan	(11.412.461)	(16.757.260)	Deductions
Saldo Akhir	4.467.371	7.354.133	Ending balance
ATR 72-600			ATR 72-600
Saldo Awal	-	-	Beginning balance
Penambahan	2.418.000	-	Additions
Pengurangan	-	-	Deductions
Saldo Akhir	2.418.000	-	Ending balance
Peralatan Simulator Pesawat			Flight Simulator Equipment
Saldo Awal	-	-	Beginning balance
Penambahan	1.371.750	-	Additions
Pengurangan	-	-	Deductions
Saldo Akhir	1.371.750	-	Ending balance
Jumlah	500.366.436	497.157.419	Total

13. INVESTASI PADA ENTITAS ASOSIASI

	Tempat kedudukan/ <i>Domicile</i>	Persentase kepemilikan/ <i>Percentage of Ownership</i> %	2013 USD	2012 USD
PT Gapura Angkasa	Jakarta	37,50	16.487.829	15.337.925
PT Aeroprima	Jakarta	40,00	846.645	1.005.469
PT Aeronurti Catering Services	Jakarta	45,00	125.442	174.095
Jumlah/ <i>Total</i>			17.459.916	16.517.489

Entitas asosiasi yang dimiliki oleh Grup seluruhnya beroperasi di Indonesia.

The associates of the Group are operating exclusively in Indonesia.

Mutasi investasi pada entitas asosiasi:

Changes in investments in associates:

	2013 USD	2012 USD	
PT Gapura Angkasa			PT Gapura Angkasa
Saldo awal tahun	15.337.925	14.477.200	Balance at beginning of year
Bagian laba bersih	1.833.870	1.651.197	Equity in net income
Dividen	(683.966)	(790.472)	Dividends
Saldo akhir tahun	16.487.829	15.337.925	Balance at end of year
PT Aeroprima			PT Aeroprima
Saldo awal tahun	1.005.469	852.798	Balance at beginning of year
Bagian laba bersih	56.463	273.203	Equity in net income
Dividen	-	(69.702)	Dividends
Selisih kurs penjabaran	(215.287)	(50.830)	Translation adjustment
Saldo akhir tahun	846.645	1.005.469	Balance at end of year
PT Aeronurti Catering Services			PT Aeronurti Catering Services
Saldo awal tahun	174.095	179.393	Balance at beginning of year
Bagian laba (rugi) bersih	(29.917)	3.146	Equity in net income (loss)
Selisih kurs penjabaran	(18.736)	(8.444)	Translation adjustment
Saldo akhir tahun	125.442	174.095	Balance at end of year

Ringkasan informasi keuangan dari entitas asosiasi yang dipertanggung jawabkan dengan metode ekuitas adalah sebagai berikut:

Summarized financial information in respect of associates is set out below:

	Aset/ Assets USD	Liabilitas/ Liabilities USD	Pendapatan/ Revenue USD	Laba (rugi)/ Profit (loss) USD	
<u>2013</u>					<u>2013</u>
PT Gapura Angkasa	58.472.120	24.732.914	92.965.047	4.890.320	PT Gapura Angkasa
PT Aeroprima	4.026.270	1.920.626	3.762.142	141.158	PT Aeroprima
PT Aeronurti Catering Services	682.529	503.798	893.767	(66.482)	PT Aeronurti Catering Services
Jumlah	63.180.919	27.157.338	97.620.956	4.964.996	Total
<u>2012</u>					<u>2012</u>
PT Gapura Angkasa	61.796.936	22.415.061	88.839.886	4.403.192	PT Gapura Angkasa
PT Aeroprima	5.003.254	2.518.434	5.270.071	683.008	PT Aeroprima
PT Aeronurti Catering Services	658.699	371.850	1.098.394	6.989	PT Aeronurti Catering Services
Jumlah	67.458.889	25.305.345	95.208.351	5.093.189	Total

14. ASET TETAP

14. PROPERTY AND EQUIPMENT

	1 Januari/ January 1, 2013 USD	Penambahan/ Additions USD	Pengurangan/ Deductions USD	Reklasifikasi/ Reclassification USD	Selisih kurs penjabaran/ Currency conversion USD	Jumlah sebelum penyesuaian revaluasi/ Total before revaluation adjustment USD	Surplus revaluasi/ Revaluations surplus USD	31 Desember/ December 31, 2013 USD	31 Desember/ December 31, 2013 Biaya perolehan/ Cost USD	31 Desember/ December 31, 2013 Revaluasi/ Revaluation USD	
Biaya Perolehan/revaluasi:											Acquisition Cost/Revaluation:
Aset pesawat											Aircraft assets
Pemilikan langsung											Direct Acquisition
Rangka pesawat	32.292.731	-	(2.795.352)	(5.318.576)	-	24.178.803	488.769	24.667.572	-	24.667.572	Airframes
Mesin	84.175.232	3.715.377	(3.705.028)	(16.177.369)	-	68.008.212	(168.846)	67.839.366	-	67.839.366	Engines
Simulator	68.419.311	28.486.940	(2.129.356)	-	-	94.776.895	-	94.776.895	94.776.895	-	Simulators
Rotable parts	133.106.348	3.852.142	(28.176)	-	-	136.930.314	-	136.930.314	136.930.314	-	Rotable parts
Aset pemeliharaan											Maintenance assets
Rangka pesawat	22.886.865	11.595.417	(190.155)	4.064.541	-	38.356.668	-	38.356.668	38.356.668	-	Airframes
Mesin sewa	95.015.073	30.252.344	(12.292.463)	(4.414.800)	-	108.560.154	-	108.560.154	108.560.154	-	Engines
Aset dalam penyelesaian	3.047.465	10.452.454	-	(13.499.919)	-	-	-	-	-	-	Assets in progress
Aset sewa pembiayaan											Leased assets
Rangka pesawat	574.631.029	39.748.632	(3.123.333)	3.371.294	-	614.627.621	-	614.627.621	614.627.621	-	Airframes
Mesin	154.869.506	39.017.372	(6.576.695)	(1.087.273)	-	186.222.911	-	186.222.911	186.222.911	-	Engines
Pemugaran kabin pesawat	50.777.728	778.207	(681.761)	-	-	50.874.174	-	50.874.174	50.874.174	-	Cabin refurbishment
Pengembangan aset sewa	72.016.988	2.303.648	-	-	-	74.320.636	-	74.320.636	74.320.636	-	Leasehold improvement
Aset non-pesawat											Non aircraft assets
Pemilikan langsung											Direct Acquisition
Peralatan	140.545.088	17.169.075	(259.148)	1.751.378	(3.800.044)	155.406.350	-	155.406.350	155.406.350	-	Equipment
Perangkat keras	4.477.522	75.466	-	-	-	4.552.988	-	4.552.988	4.552.988	-	Hardware
Kendaraan	91.577.808	7.741.366	(3.729.739)	189.755	(5.351.286)	90.427.904	-	90.427.904	90.427.904	-	Vehicles
Mesin	9.013.648	1.666.848	(223.206)	1.730.528	(2.091.280)	10.096.539	-	10.096.539	10.096.539	-	Engines
Instalasi	6.021.825	629.829	(56.907)	845.609	(1.466.318)	5.974.038	-	5.974.038	5.974.038	-	Installation
Tanah	87.673.267	111.667	(13.832)	670.285	(10.668.524)	77.772.864	15.629.294	93.402.158	-	93.402.158	Land
Hak atas tanah	62.202	-	-	-	-	62.202	-	62.202	62.202	-	Land right
Bangunan dan prasarana	96.717.485	87.763.663	(48.736)	(835.991)	(90.779.237)	92.817.184	(6.902.079)	85.915.105	-	85.915.105	Buildings and infrastructure
Aset dalam penyelesaian	10.413.266	38.456.346	-	(11.640.202)	(803.657)	36.425.753	-	36.425.753	36.425.753	-	Assets under construction
Aset sewa kendaraan	99.638	-	-	(100.173)	534	-	-	-	-	-	Lease assets vehicles
Pengembangan aset sewa											Leasehold improvement
Bangunan	5.428.036	898.324	-	1.400.132	-	7.726.491	-	7.726.491	7.726.491	-	Buildings
Bangun, kelola, alih											Building, operate, transfer
Bangunan dan prasarana	2.267.475	-	-	-	(226.773)	2.040.703	-	2.040.703	2.040.703	-	Buildings and infrastructure
Mesin	317.223	-	(249)	-	(31.662)	285.312	-	285.312	285.312	-	Engines
Instalasi	472.561	-	-	-	(32.017)	440.544	-	440.544	440.544	-	Installation
Jumlah	1.746.325.320	324.715.116	(35.854.135)	(39.050.779)	(115.250.264)	1.880.885.259	9.047.138	1.889.932.397	1.618.108.196	271.824.201	T total

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	1 Januari/ January 1, 2013 USD	Penambahan/ Additions USD	Pengurangan/ Deductions USD	Reklasifikasi/ Reclassification USD	Selisih kurs penjabaran/ Currency conversion USD	Jumlah sebelum penyesuaian revaluasi/ Total before revaluation adjustment USD	Surplus revaluasi/ Revaluation surplus USD	31 Desember/ December 31, 2013 USD	
Akumulasi penyusutan:									Accumulated depreciation:
Aset pesawat									Aircraft assets
Pemilikan langsung									Direct Acquisition
Rangka pesawat	-	9.425.776	(338.124)	(7.382.679)	-	1.704.973	-	1.704.973	Airframes
Mesin	-	27.918.717	(1.399.077)	(24.458.382)	-	2.061.258	-	2.061.258	Engines
Simulator	48.713.890	1.922.801	(1.597.017)	-	-	49.039.675	-	49.039.675	Simulators
Rotable parts	110.971.083	3.583.985	(22.416)	-	-	114.532.652	-	114.532.652	Rotable parts
Aset pemeliharaan									Maintenance assets
Rangka pesawat	8.822.792	3.263.016	(190.155)	239.446	-	12.135.100	-	12.135.100	Airframes
Mesin sewa	61.284.529	24.468.664	(11.954.708)	(1.042.953)	-	72.755.532	-	72.755.532	Engines
Aset sewa pembiayaan									Leased assets
Rangka pesawat	387.516.906	14.579.720	(3.123.333)	(308.806)	-	398.664.487	-	398.664.487	Airframes
Mesin	73.884.923	21.284.917	(6.576.695)	(108.727)	-	88.484.418	-	88.484.418	Engines
Refurbishment Cabin	34.714.279	12.203.408	(681.761)	-	-	46.235.926	-	46.235.926	Cabin refurbishment
Leasehold Improvement	14.358.445	6.602.778	-	-	-	20.961.223	-	20.961.223	Leasehold improvement
Aset non pesawat									Non aircraft assets
Pemilikan langsung									Direct Acquisition
Peralatan	114.642.354	10.423.256	(259.674)	(110.235)	(2.926.137)	121.769.564	-	121.769.564	Equipment
Perangkat keras	5.044.881	300.069	-	-	-	5.344.950	-	5.344.950	Hardware
Kendaraan	72.045.978	8.164.616	(2.239.612)	17.750	(1.793.176)	76.195.556	-	76.195.556	Vehicles
Mesin	4.290.127	765.965	(222.723)	(24.505)	(989.661)	3.819.204	-	3.819.204	Engine
Instalasi	6.660.780	483.533	(56.907)	(74.229)	(941.475)	6.071.703	-	6.071.703	Installation
Bangunan dan prasarana	-	6.896.241	(362)	(5.690.611)	(701.058)	504.210	-	504.210	Buildings & Infrastructure
Aset sewa									Leased assets
Kendaraan	109.252	6.502	-	(106.850)	27.244	36.149	-	36.149	Vehicles
Pengembangan aset sewa									Leasehold improvement
Bangunan	2.130.388	1.615.193	-	-	-	3.745.581	-	3.745.581	Buildings
Bangun, kelola, alih									Buildings, operate, transfer
Bangunan dan prasarana	2.281.961	4.498	-	-	(224.807)	2.061.652	-	2.061.652	Buildings & Infrastructure
Mesin	340.343	-	(249)	-	(31.662)	308.432	-	308.432	Engine
Instalasi	433.275	-	-	-	(32.017)	401.257	-	401.257	Installation
Jumlah	948.246.186	153.913.655	(28.662.812)	(39.050.780)	(7.612.748)	1.026.833.500	-	1.026.833.500	Total
Nilai tercatat	798.079.135							863.098.897	Net carrying value

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	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	Biaya perolehan/ Cost	Revaluasi/ Revaluation	
Biaya Perolehan/revaluasi:													Acquisition Cost/Revaluation:
Aset pesawat													Aircraft assets
Pemilikan langsung													Direct Acquisition
Rangka pesawat	32.882.495	2.837	32.885.332	1.730.043	-	(6.573.215)	-	28.042.160	4.250.571	32.292.731	-	32.292.731	Airframes
Mesin	77.413.402	-	77.413.402	15.850.162	-	(21.309.973)	-	71.953.591	12.221.641	84.175.232	-	84.175.232	Engines
Simulator	62.234.571	6.184.740	68.419.311	-	-	-	-	68.419.311	-	68.419.311	68.419.311	-	Simulators
Rotable parts	124.262.526	(439.290)	123.823.236	9.283.112	-	-	-	133.106.348	-	133.106.348	133.106.348	-	Rotable parts
Aset pemeliharaan													Maintenance assets
Rangka pesawat	20.670.604	-	20.670.604	2.216.261	-	-	-	22.886.865	-	22.886.865	22.886.865	-	Airframes
Mesin sewa	58.745.591	-	58.745.591	36.269.482	-	-	-	95.015.073	-	95.015.073	95.015.073	-	Engines
Aset dalam penyelesaian	2.451.657	-	2.451.657	595.808	-	-	-	3.047.465	-	3.047.465	3.047.465	-	Assets in progress
Aset sewa pembiayaan													Leased assets
Rangka pesawat	510.610.017	-	510.610.017	64.021.012	-	-	-	574.631.029	-	574.631.029	574.631.029	-	Airframes
Mesin	95.291.171	-	95.291.171	55.247.777	-	4.330.558	-	154.869.506	-	154.869.506	154.869.506	-	Engines
Pemugaran kabin pesawat	50.777.728	-	50.777.728	-	-	-	-	50.777.728	-	50.777.728	50.777.728	-	Cabin refurbishment
Pengembangan aset sewa	56.686.518	-	56.686.518	15.330.470	-	-	-	72.016.988	-	72.016.988	72.016.988	-	Leasehold improvement
Aset non-pesawat													Non aircraft assets
Pemilikan langsung													Direct Acquisition
Peralatan	125.247.065	6.709.011	131.956.076	9.304.051	(511.974)	718.635	(921.700)	140.545.088	-	140.545.088	140.545.088	-	Equipment
Perangkat keras	3.141.516	638.771	3.780.287	697.235	-	-	-	4.477.522	-	4.477.522	4.477.522	-	Hardware
Kendaraan	80.151.505	10.865.697	91.033.531	6.946.195	(5.736.157)	486.177	(1.151.938)	91.577.808	-	91.577.808	91.577.808	-	Vehicles
Mesin	6.780.133	239.557	7.019.690	918.954	(1.600)	935.116	141.488	9.013.648	-	9.013.648	9.013.648	-	Engines
Instalasi	6.024.612	(76.952)	5.947.660	197.803	-	272.088	(395.726)	6.021.825	-	6.021.825	6.021.825	-	Installation
Tanah	71.430.150	-	71.430.150	360.315	-	1.085.506	1.581.848	74.457.819	13.215.448	87.673.267	-	87.673.267	Land
Hak atas tanah	-	-	648.909	-	(586.707)	-	-	62.202	-	62.202	62.202	-	Land Right
Bangunan dan prasarana	93.246.798	-	93.246.798	2.831.433	-	(7.355.118)	1.353.424	90.076.537	6.640.948	96.717.485	-	96.717.485	Buildings and infrastructure
Aset dalam penyelesaian	3.970.937	(101.779)	3.869.158	8.459.473	(22.003)	(1.571.553)	(321.809)	10.413.266	-	10.413.266	10.413.266	-	Assets under construction
Aset sewa kendaraan	130.359	-	130.359	-	-	-	(30.721)	99.638	-	99.638	99.638	-	Leased assets vehicles
Pengembangan aset sewa													Leasehold improvement
Bangunan	3.234.574	(33.343)	3.201.231	2.222.118	-	4.687	-	5.428.036	-	5.428.036	5.428.036	-	Buildings
Bangun, kelola, alih													Building, operate, transfer
Bangunan dan prasarana	2.340.323	-	2.340.323	-	-	-	(72.848)	2.267.475	-	2.267.475	2.267.475	-	Buildings and infrastructure
Mesin	327.415	-	327.415	-	-	-	(10.192)	317.223	-	317.223	317.223	-	Engines
Instalasi	482.846	-	482.846	-	-	-	(10.285)	472.561	-	472.561	472.561	-	Installation
Jumlah	1.488.534.513	23.989.249	1.513.189.000	232.481.704	(6.858.441)	(28.977.092)	161.541	1.709.996.712	36.328.608	1.746.325.320	1.445.466.605	300.858.715	Total

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Akumulasi penyusutan:											Accumulated depreciation:
Aset pesawat											Aircraft assets
Pemilikan langsung											Direct Acquisition
Rangka pesawat	-	-	-	7.713.298	-	(7.713.298)	-	-	-	-	Airframes
Mesin	-	-	-	22.267.942	-	(22.267.942)	-	-	-	-	Engines
<i>Simulator</i>	46.496.395	-	46.496.395	2.217.495	-	-	-	48.713.890	-	48.713.890	Simulators
<i>Rotable parts</i>	107.050.861	-	107.050.861	3.920.222	-	-	-	110.971.083	-	110.971.083	Rotable parts
Aset pemeliharaan											Maintenance assets
Rangka pesawat	6.090.123	-	6.090.123	2.732.669	-	-	-	8.822.792	-	8.822.792	Airframes
Mesin sewa	36.397.140	-	36.397.140	24.887.389	-	-	-	61.284.529	-	61.284.529	Engines
Aset sewa pembiayaan											Leased assets
Rangka pesawat	375.849.499	-	375.849.499	11.667.407	-	-	-	387.516.906	-	387.516.906	Airframes
Mesin	62.902.738	-	62.902.738	10.982.185	-	-	-	73.884.923	-	73.884.923	Engines
<i>Refurbishment Cabin</i>	22.229.219	-	22.229.219	12.485.060	-	-	-	34.714.279	-	34.714.279	Cabin refurbishment
<i>Leasehold Improvement</i>	8.163.117	-	8.163.117	6.195.328	-	-	-	14.358.445	-	14.358.445	Leasehold improvement
Aset non pesawat											Non aircraft assets
Pemilikan langsung											Direct Acquisition
Perengkapan dan Peralatan	104.625.909	-	104.625.909	7.787.438	(1.111.904)	2.851.830	489.081	114.642.354	-	114.642.354	Supplies and equipment
Perangkat keras	1.259.099	-	1.259.099	937.353	-	2.848.429	-	5.044.881	-	5.044.881	Hardware
Kendaraan	62.406.735	-	62.406.735	9.683.525	(4.078.435)	2.109.173	1.924.980	72.045.978	-	72.045.978	Vehicles
Mesin	3.813.010	-	3.813.010	600.571	(1.067)	130.811	(253.198)	4.290.127	-	4.290.127	Engines
Instalasi	3.902.585	-	3.902.585	319.261	-	2.698.241	(259.307)	6.660.780	-	6.660.780	Installation
Bangunan dan prasarana	-	-	-	4.519.814	-	(3.861.210)	(658.604)	-	-	-	Buildings and infrastructure
Aset sewa											Leased assets
Kendaraan	69.286	-	69.286	31.932	-	6.955	1.079	109.252	-	109.252	Vehicles
Pengembangan aset sewa											Leasehold improvement
Bangunan	1.127.031	-	1.127.031	1.003.357	-	-	-	2.130.388	-	2.130.388	Buildings
Bangun, kelola, alih											Buildings, operate, transfer
Bangunan dan prasarana	2.349.296	-	2.349.296	4.388	-	-	(71.723)	2.281.961	-	2.281.961	Buildings and infrastructure
Mesin	350.535	-	350.535	-	-	-	(10.192)	340.343	-	340.343	Engines
Instalasi	443.560	-	443.560	-	-	-	(10.285)	433.275	-	433.275	Installation
Jumlah	845.526.138	-	845.526.138	129.956.634	(5.191.406)	(23.197.011)	1.151.831	948.246.186	-	948.246.186	Total
Nilai tercatat	643.008.375		667.662.863							798.079.135	Net carrying value

Beban penyusutan yang dibebankan dalam beban operasional untuk tahun yang berakhir 31 Desember 2013 dan 2012 masing-masing sebesar USD 153.913.595 dan USD 129.956.634.

Depreciation expense charged to operations for the year ended December 31, 2013 and 2012 amounted to USD 153,913,595 and USD 129,956,634, respectively.

Pelepasan aset tetap adalah sebagai berikut:

Disposal of property and equipment are as follows:

	2013 USD	2012 USD	
Nilai tercatat	7.191.323	1.667.035	Net carrying value
Hasil penjualan setelah dikurangi biaya penjualan	10.314.619	3.893.794	Proceeds net of the selling expenses
Keuntungan penjualan aset tetap	3.123.296	2.226.759	Gain on sale of property and equipment

Pada bulan April 2013, satu pesawat register PK-GGN milik PT Citilink Indonesia, entitas anak, mengalami kerusakan akibat "hard landing" di Bandara Internasional Minangkabau, Padang. Entitas anak telah mengajukan klaim asuransi kepada PT Asuransi Jasa Indonesia, pihak berelasi (Catatan 45), sebesar USD 8.715.000 dan telah diterima oleh entitas anak. Nilai buku pesawat tersebut sebesar USD 4.763.179. Selisih antara klaim yang disetujui dengan nilai buku aset sebesar USD 3.951.821 dicatat sebagai pendapatan lain-lain (Catatan 42).

In April 2013, one aircraft registered as PK-GGN owned by PT Citilink Indonesia, a subsidiary, was damaged from a "hard landing" at the Minangkabau International Airport, Padang. The subsidiary claimed and received the insurance coverage from PT Asuransi Jasa Indonesia, a related party (Note 45), amounting to USD 8,715,000. The book value of the aircraft amounted to USD 4,763,179. The difference of USD 3,951,821 between the agreed claim and the book value of the aircraft is recorded as other income (Note 42).

Penilaian atas nilai wajar aset tetap berupa tanah, bangunan dan pesawat dilakukan oleh penilai independen yang telah teregistrasi di Bapepam, KJPP Fuadah, Rudi & Rekan tahun 2013 dan 2012. Sesuai dengan laporan penilai independen tertanggal 10 Januari 2014 untuk penilaian aset tetap per 30 Nopember 2013 dan tertanggal 11 Februari 2013 untuk penilaian aset tetap per 31 Desember 2012. Manajemen melakukan penyesuaian nilai wajar ke posisi 31 Desember 2013 melalui penyusutan.

The revaluation of land, buildings and aircrafts was performed by independent appraisers registered in Bapepam, KJPP Fuadah, Rudi & Rekan in 2013 and 2012. In line with Independent appraisers' report on January 10, 2014, relating to fixed asset valuation as of November 30, 2013 and on February 11, 2013 for the valuation as of December 31, 2012. Management had adjusted the fair value as of December 31, 2013 through depreciation.

Berdasarkan laporan penilaian tersebut dilakukan sesuai dengan Standar Penilaian Indonesia (SPI) yang ditentukan berdasarkan transaksi terkini dalam ketentuan yang wajar dan Peraturan Bapepam-LK No. VIII.C.4 tentang pedoman penilaian dan penyajian laporan penilaian aset di pasar modal. Metode penilaian yang digunakan adalah pendekatan nilai pasar dan biaya.

Based on the appraisal reports the valuation was determined in accordance with the Indonesian Appraisal Standards (SPI), referring to recent arm's length market transaction and Bapepam-LK's rule No. VIII.C.4. regarding valuation and presentation of asset valuation report in capital market. Appraisal method used is the market value and cost approaches.

Selisih nilai wajar aset dengan nilai tercatat dikurangi dengan penghasilan pajak tangguhan, dibukukan pada pendapatan komprehensif lainnya dan akumulasi dalam ekuitas pada bagian "Cadangan Revaluasi Aset".

The difference between the fair value and carrying amount of the assets net of tax, was recorded in other comprehensive income and accumulated in equity as "Revaluation Surplus Reserve".

Jika aset tetap berupa pesawat, tanah, bangunan dan prasarana dicatat sebesar biaya perolehan, nilai tercatatnya adalah sebagai berikut:

If property and equipment, aircraft, land, building and improvements were stated at the historical cost basis, the carrying amount would be as follows:

	2013 USD	2012 USD	
Pesawat	78.386.414	119.746.530	Aircraft
Tanah	38.679.620	29.714.970	Land
Bangunan dan prasarana	29.944.840	42.069.930	Building and improvements
Jumlah	147.010.874	191.531.430	Total

Manajemen berpendapat bahwa tidak ada perbedaan yang signifikan antara nilai wajar dan nilai tercatat aset, jika aset lainnya selain pesawat, tanah, bangunan dan prasarana diukur menggunakan nilai wajar.

Management believes that there is no significant difference between the fair value and carrying value of property and equipment, if those assets (excluding aircraft, land, building and infrastructure) have been measured at fair value basis.

Pada tanggal 31 Desember 2013, aset dalam penyelesaian terdiri dari:

As of December 31, 2013, assets under construction consisted of the following:

31 Desember/ December 31, 2013			
Nilai tercatat/ <i>Carrying amount</i>	Jumlah kontrak/ <i>Total contract</i>	Persentase penyelesaian/ <i>Percentage of completion</i>	Estimasi Penyelesaian/ <i>Estimated completion</i>
USD	USD	%	
Perangkat lunak/ <i>Software</i>	1.178.537	30%-94%	2014
Instalasi mesin/ <i>Machinery construction</i>	27.289	77%	2014
Konstruksi bangunan/ <i>Building construction</i>	35.219.927	68%-90%	2014
<u>36.425.753</u>	<u>53.637.226</u>		

Jumlah tercatat bruto dari setiap aset tetap yang telah disusutkan penuh dan masih digunakan per 31 Desember 2013 sebesar USD 29.000.549.

Gross carrying amount of property that have been fully depreciated and still in use as of December 31, 2013 amounted to USD 29,000,549.

Aset tetap Grup digunakan sebagai jaminan utang bank, jaminan pinjaman jangka panjang dan utang sewa pembiayaan (Catatan 18, 23 dan 24).

Property and equipment of the Group are used as collateral for bank loan, long-term loans and lease liabilities (Notes 18, 23 and 24).

Pada tanggal 31 Desember 2013, empat pesawat Boeing 737-300 yang dimiliki PT Citilink Indonesia, entitas anak, tidak digunakan untuk sementara dengan nilai tercatat sebesar USD 16.928.140.

As of December 31, 2013, four Boeing 737-300 aircraft owned by PT Citilink Indonesia, a subsidiary, are temporarily idle with carrying amount of USD 16,928,140.

Pada tanggal 31 Desember 2013 dan 2012, aset tetap kecuali tanah, telah diasuransikan kepada perusahaan asuransi terhadap risiko kebakaran, pencurian dan risiko lainnya sebagai berikut:

As of December 31, 2013 and 2012, property and equipment except land, were insured with insurance companies against fire, theft and other possible risk as follows:

Tahun/ Year	Perusahaan asuransi/ Insurance company	Nilai pertanggungan/ Sum insured	
		USD	Rupiah
2013	Pihak berelasi (Catatan 45/ Note 45)		
	PT Asuransi Jasa Indonesia, PT Tugu Pratama Indonesia		
	Pihak ketiga		
	PT Asuransi Central Asia dan/ and PT Himalaya Pelindung	261.088.683	1.826.624.232.028
2012	Pihak berelasi (Catatan 45/ Note 45)		
	PT Asuransi Jasa Indonesia, PT Tugu Pratama Indonesia		
	Pihak ketiga		
	PT Asuransi Takaful Umum	103.850.000	2.868.594.809.125

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungkan.

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

15. PROPERTI INVESTASI

	2013 USD	2012 USD	
Saldo awal	18.912.898	18.230.877	Beginning balance
Keuntungan atas revaluasi	3.107.892	682.021	Gain on revaluation
Jumlah	<u>22.020.790</u>	<u>18.912.898</u>	Ending balance

Grup mempunyai properti investasi berupa tanah dan bangunan.

Penilaian atas nilai wajar properti investasi dilakukan oleh penilai independen yang telah teregistrasi di Bapepam, KJPP Fuadah, Rudi & Rekan tahun 2013 dan 2012. Sesuai dengan laporan penilai independen tertanggal 10 Januari 2014 untuk penilaian aset tetap per 30 Nopember 2013 dan tertanggal 11 Pebruari 2013 untuk penilaian aset tetap per 31 Desember 2012.

Berdasarkan laporan penilaian tersebut dilakukan sesuai dengan Standar Penilaian Indonesia (SPI) yang ditentukan berdasarkan transaksi terkini dalam ketentuan yang wajar dan Peraturan Bapepam-LK No. VIII.C.4 tentang pedoman penilaian dan penyajian laporan penilaian aset di pasar modal. Metode penilaian yang digunakan adalah pendekatan nilai pasar dan biaya.

Selisih nilai wajar aset dengan nilai tercatat, dibukukan sebagai keuntungan atas revaluasi properti investasi.

15. INVESTMENT PROPERTIES

The Group has investment properties in land and building.

The revaluation of investment properties was performed by independent appraisers registered with Bapepam, KJPP Fuadah, Rudi & Rekan in 2013 and 2012. In line with Independent appraisers' report on January 10, 2014, relating to fixed asset valuation as of November 30, 2013 and on February 11, 2013 for the valuation as of December 31, 2012.

Based on the appraisal reports the valuation was determined in accordance with the Indonesian Appraisal Standards (SPI), referring to recent arm's length market transaction and Bapepam-LK's rule No. VIII.C.4. regarding valuation and presentation of asset valuation report in capital market. Appraisal method used is the market value and cost approachs.

The difference between the fair value and carrying amount of the asset is recorded as gain on revaluation of investment properties.

16. ASET TAKBERWUJUD - BERSIH

	1 Januari/ January 1, 2013 USD	Penambahan/ Additions USD	Reklasifikasi/ Reclassifications USD	31 Desember/ December 31, 2013 USD	
Biaya perolehan:					Acquisition cost:
Pemilikan langsung					Direct acquisitions
Perangkat lunak	619.335	19.275		638.610	Software
Lisensi	10.721.677	574.162	1.551.520	12.847.359	License
Aset sewa pembiayaan					Leased assets
Perangkat lunak	1.073.866	352.000	-	1.425.866	Software
Lisensi	175.042	-	-	175.042	License
Perangkat lunak dalam penyelesaian	1.606.018	5.250	(1.551.520)	59.748	Software still under installation
Jumlah	<u>14.195.938</u>	<u>950.687</u>	<u>-</u>	<u>15.146.625</u>	Total
Akumulasi penyusutan:					Accumulated amortization:
Pemilikan langsung					Direct acquisitions
Perangkat lunak	468.284	32.625	-	500.909	Software
Lisensi	6.249.365	1.081.607	-	7.330.972	License
Aset sewa pembiayaan					Leased assets
Perangkat lunak	197.240	214.810	-	412.050	Software
Lisensi	63.943	15.870	-	79.813	License
Jumlah	<u>6.978.832</u>	<u>1.344.912</u>	<u>-</u>	<u>8.323.744</u>	Total
Nilai buku	<u>7.217.106</u>			<u>6.822.881</u>	Net carry ing value

16. INTANGIBLE ASSETS- NET

	1 Januari/ January 1, 2012	Penambahan/ Additions	Reklasifikasi/ Reclassifications	31 Desember/ December 31, 2012	
	USD	USD	USD	USD	
Biaya perolehan:					Acquisition cost:
Pemilikan langsung					Direct acquisitions
Perangkat lunak	553.880	7.017	58.438	619.335	Software
Lisensi	6.122.081	-	4.599.596	10.721.677	License
Aset sewa pembiayaan					Leased assets
Perangkat lunak	438.942	634.924	-	1.073.866	Software
Lisensi	175.042	-	-	175.042	License
Perangkat lunak dalam penyelesaian	2.872.457	3.391.595	(4.658.034)	1.606.018	Software still under installation
Jumlah	10.162.402	4.033.536	-	14.195.938	Total
Akumulasi penyusutan:					Accumulated amortization:
Pemilikan langsung					Direct acquisitions
Perangkat lunak	443.081	25.203	-	468.284	Software
Lisensi	5.692.332	557.033	-	6.249.365	License
Aset sewa pembiayaan					Leased assets
Perangkat lunak	99.852	97.388	-	197.240	Software
Lisensi	40.788	23.155	-	63.943	License
Jumlah	6.276.053	702.779	-	6.978.832	Total
Nilai buku	3.886.349			7.217.106	Net carrying value

Aset takberwujud merupakan sistem COMPASS ARG, pembelian lisensi yang berkaitan dengan jasa sistem teknologi informasi Perusahaan berupa *Profitline Yield*, *Netline Shed*, *Netline Plan*, *Profitline Price* yang dibeli dari Lufthansa Systems Asia Pasific, Pte, Ltd., *Fare Management Systems (FMS)*, *Revenue Management Systems (RMS)*, dan juga pembelian lisensi oracle dari PT Oracle Indonesia dan *Internet Booking Engine (IBE)*.

Beban amortisasi untuk tahun yang berakhir 31 Desember 2013 dan 2012 masing-masing sebesar USD 1.344.912 dan USD 702.779 disajikan sebagai beban operasional jaringan.

Perangkat lunak dalam penyelesaian merupakan beban ditangguhkan atas implementasi system aplikasi ERP.

Manajemen berpendapat bahwa tidak terdapat kejadian atau perubahan keadaan yang mengindikasikan penurunan nilai aset takberwujud pada tanggal pelaporan.

Pada 31 Desember 2013 dan 2012 tidak terdapat aset takberwujud yang dijaminkan.

Intangible assets represent COMPASS ARG system, purchase of licenses from Lufthansa Systems Asia Pasific Pte, Ltd., in relation to the Company's information technology service, such as *Profitline Yield*, *Netline Shed*, *Netline Plan*, *Profitline Price*, *Fare Management Systems (FMS)*, *Revenue Management Systems (RMS)*, and purchase of oracle license from PT Oracle Indonesia and *Internet Booking Engine (IBE)*.

Amortization expense for the year ended December 31, 2013 and 2012 amounted to USD 1,344,912 and USD 702,779, respectively, which are presented as network operation expenses.

Software still under installation consists of deferred expenses for the implementation of ERP application.

Management believes that there are no events or changes in circumstances which may indicate impairment of intangible assets as of reporting date.

On December 31, 2013 and 2012, there were no intangible assets used as collateral.

17. ASET LAIN-LAIN- BERSIH

	2013 USD
Piutang lain-lain - bersih	16.845.647
Aset program (Catatan 28)	10.722.622
Uang jaminan ECA (Catatan 24)	9.845.339
<i>Manufacturer's incentive</i>	9.039.498
Aset keuangan lainnya - tersedia untuk dijual	8.800.031
Uang jaminan - <i>non aircraft</i>	6.486.194
Aset tidak digunakan	4.161.164
Kas yang dibatasi penggunaannya	3.876.173
Lain-lain	4.053.764
Jumlah	<u>73.830.432</u>

Piutang lain-lain – bersih

Perusahaan memiliki piutang jangka panjang kepada PT Merpati Nusantara Airlines (MNA) atas jasa perawatan pesawat. MNA merupakan entitas afiliasi karena kepemilikan pemerintah. Berdasarkan Perjanjian tanggal 10 Maret 1999, MNA setuju untuk melunasi dalam jangka waktu 8 tahun dengan tingkat bunga 7% per tahun untuk tagihan dalam USD dan 15% per tahun untuk tagihan dalam Rupiah.

Pada tahun 2003, manajemen Perusahaan dan MNA telah sepakat mengkonversi piutang tersebut menjadi Obligasi Wajib Konversi (MCB) sebesar USD 30.502.683 dan Rp 999.003.673, sementara piutang sebesar USD 2.770.572 diselesaikan secara terpisah. Menteri Negara BUMN telah menyetujui penerbitan MCB tersebut dengan jangka waktu 5 tahun, bunga 3% per tahun dan imbal hasil sampai jatuh tempo 18%. Namun, MNA tidak dapat menyetujui beberapa klausul yang ingin ditambahkan Perusahaan dalam draft perjanjian tersebut.

Pada tahun 2004, MNA membatalkan proses MCB dan mengusulkan untuk dikonversi menjadi saham. Hal ini diperkuat dengan surat Menteri Negara BUMN No. S-89/MBU/2005 tanggal 25 Februari 2005. Menanggapi surat tersebut, MNA telah mengirimkan surat kepada Menteri Negara BUMN No. DF-2108/05 tanggal 15 April 2005 yang menyatakan bahwa MNA sedang melaksanakan program restrukturisasi utang hingga tahun 2010 dan selama melaksanakan program tersebut MNA harus tunduk pada batasan yang telah ditetapkan masing-masing kreditur sesuai komitmen dalam perjanjian restrukturisasi utang, termasuk keputusan investasi MNA.

17. OTHER ASSETS- NET

2012	
USD	
16.886.623	Others receivables - net
9.625.374	Plan assets (Note 28)
9.627.083	Security deposits - ECA (Note 24)
5.572.643	Manufacturer's incentive
	Other financial assets -
9.201.350	available for sale
6.694.547	Security deposits - non aircraft
4.427.155	Non productive assets
2.286.799	Restricted cash
4.510.231	Others
68.831.805	Total

Other receivables – net

The Company has long term receivables from PT Merpati Nusantara Airlines (MNA) which arose from the maintenance of aircrafts. MNA is an affiliated entity due to government ownership. Based on the agreement dated March 10, 1999, MNA agreed to settle its payables within 8 years with interest rate of 7% per annum for receivable denominated in USD and 15% per annum for receivable denominated in Rupiah.

In 2003, the Company's management and MNA agreed to convert the accounts receivable into Mandatory Convertible Bonds (MCB) amounting to USD 30,502,683 and Rp 999,003,673, while the remaining balance of USD 2,770,572 will be settled separately. The Minister of State-Owned Enterprise had approved the issuance of MCB with a term of 5 years at interest rate of 3% per annum and yield to maturity of 18%. However, MNA did not agree with several clauses that the Company added in the agreement.

In 2004, MNA has cancelled the MCB process and proposed the conversion into shares. This proposal was confirmed by the Minister of State-Owned Enterprise in his letter No. S-89/MBU/2005 dated February 25, 2005. In response to the letter, MNA sent a letter to the Minister of State-Owned Enterprise No. DF-2108/05 dated April 15, 2005 which stated that MNA is still conducting the restructuring program until year 2010 and during the restructuring program; MNA should comply with the covenants determined by each creditor in accordance with the commitment stated in the loan restructuring agreement, including MNA's investment decision.

Pada bulan Maret 2009, Perusahaan dan MNA telah menandatangani Nota Kesepahaman dimana kedua belah pihak setuju bahwa MNA akan memenuhi liabilitasnya kepada Perusahaan sebesar USD 33.273.256 dan Rp 999.003.673 dalam jangka waktu 13 (tiga belas) tahun terhitung sejak ditandatanganinya perjanjian Restrukturisasi Utang. Pada tanggal 28 Februari 2012, nota kesepahaman ini telah diperpanjang sampai dengan 11 Maret 2013. Di samping itu, pada tanggal 10 Januari 2012, Perusahaan juga memperoleh surat dari Kementerian Negara Badan Usaha Milik Negara (BUMN), yang menyatakan bahwa utang Merpati kepada Perusahaan akan dilakukan penjadualan kembali pembayaran secara cicilan dimulai pada tahun 2016.

Pada tanggal 18 November 2013 Perusahaan dan MNA menandatangani Nota Kesepahaman untuk melakukan perpanjangan jangka waktu MOU sampai dengan 11 Maret 2014.

Sejak 2009 sampai tanggal 31 Desember 2013, Perusahaan memiliki cadangan penurunan nilai sebesar USD 16.898.932. Atas piutang tersebut, manajemen berpendapat bahwa cadangan penurunan nilai cukup untuk menutupi kerugian piutang tersebut.

Manufacturer's Incentive

Mutasi *manufacturer's incentive* adalah sebagai berikut:

	2013	2012	
	USD	USD	
Saldo awal	5.572.643	7.980.258	Beginning balance
Penambahan	31.641.634	3.642.940	Additions
Pengurangan	(28.174.779)	(6.050.555)	Deductions
Saldo Akhir	<u>9.039.498</u>	<u>5.572.643</u>	Ending balance

In March 2009, the Company and MNA have signed a Memorandum of Understanding where both parties agreed that MNA will settle its liabilities to the Company of USD 33,273,256 and Rp 999,003,673 in 13 (thirteen) years since the signing of Debt Restructuring Agreement. On February 28, 2012, this memorandum of understanding has been extended until March 11, 2013. Moreover on January 10, 2012, the Company received a letter from The Ministry of State Owned Enterprise, which stated that the loan owed by Merpati to the Company will be rescheduled with installment payment to start by 2016.

On November 18, 2013, the Company and MNA signed a Memorandum of Understanding to reschedule the term of MOU until March 11, 2014.

In 2009 until December 31, 2013, the Company has an impairment reserve amounting to USD 16,898,932. The management believes that the impairment reserve is adequate to cover possible losses on this receivable.

Manufacturer's Incentive

Movements of manufacturer's incentive are as follows:

Aset keuangan lainnya - tersedia untuk dijual

Saldo investasi tersedia untuk dijual Grup adalah sebagai berikut:

	Tempat kedudukan/ <i>Domicile</i>	Persentase kepemilikan/ <i>Percentage of Ownership</i> %	2013 USD	2012 USD
Investasi saham - sebesar biaya/ <i>Investments in shares - at cost</i>				
PT Merpati Nusantara Airlines	Jakarta	4,21	4.588.112	4.588.112
Papas Limited	Hongkong	17,65	1.243.019	1.243.019
Abacus International Holdings Ltd	Singapura/ <i>Singapore</i>	2,06	1.730.948	1.730.948
PT Nusa Dua Graha International	Bali	8,00	1.067.603	1.326.421
PT Arthaloka Indonesia	Jakarta	3,00	94.168	118.698
PT Bumi Minang Padang Plaza	Padang	10,00	76.181	194.152
Jumlah Aset Keuangan Lainnya/ <i>Total Other Financial Assets</i>			<u>8.800.031</u>	<u>9.201.350</u>

Grup memiliki saham-saham tersebut dimaksudkan untuk memperoleh potensi keuntungan dalam jangka panjang karena Perusahaan tersebut bergerak dalam industry sama dengan Grup. Perusahaan tersebut tidak terdaftar di bursa efek sehingga tidak tersedia nilai wajar dari sahamnya, oleh karena itu investasi tersebut dinyatakan sebesar biaya perolehan.

Other financial assets - available for sale

The Group available for sale investments are as follows:

The Group owns shares held primarily for long-term growth potential since such companies are engaged in the same industry similar to the Group. Those companies are non-listed and there is no readily available measure of fair value of shares thus the investment is stated at cost.

Aset tidak digunakan

Aset tidak digunakan terdiri dari bangunan gedung Garuda Indonesia Training Center (GITC) dan *rotable*.

Non productive assets

Non productive assets consist of Garuda Indonesia Training Center (GITC) building and *rotables*.

	2013 USD	2012 USD	
Nilai buku - sebelum penurunan	4.667.323	4.667.323	Net carrying amount - before impairment
Penyisihan penurunan nilai aset	<u>(506.199)</u>	<u>(240.208)</u>	Provision for impairment of assets
Bersih	<u>4.161.124</u>	<u>4.427.115</u>	Net
Mutasi penyisihan sebagai berikut:			The movement of the provision is follow s:
Saldo aw al	(240.208)	-	Beginning balance
Perubahan bersih tahun berjalan	<u>(265.991)</u>	<u>(240.208)</u>	Net changes for the year
Saldo akhir	<u>(506.199)</u>	<u>(240.208)</u>	Ending balance

Uang jaminan – non aircraft

Akun ini merupakan uang jaminan atas sewa gedung kantor cabang dan biaya utilitas.

Security deposits – non aircraft

This account represents security deposits for branch office buildings and utilities.

Kas yang dibatasi penggunaannya

Akun ini merupakan kas yang dibatasi penggunaannya sehubungan dengan pinjaman sindikasi II dan III serta BCA Club Deal (Pinjaman Sindikasi).

Restricted cash

This account represents restricted cash related to syndicated loan II and III and BCA Club Deal (Syndicated Loan).

18. UTANG BANK DAN LEMBAGA KEUANGAN

	2013 USD
Bank Negara Indonesia	40.222.668
Indonesia Infrastructure Finance	5.000.000
Jumlah	<u>45.222.668</u>

Bank Negara Indonesia

- Perusahaan

Pada tanggal 28 Juni 2012, Perusahaan memperoleh fasilitas kredit dari Bank Negara Indonesia yang selanjutnya disebut sebagai Surat Kredit Berdokumen Dalam Negeri ("SKBDN") Bank Negara Indonesia ("BNI"). Berdasarkan perjanjian kredit antara Perusahaan dan BNI dengan jumlah plafon maksimal yang dapat digunakan oleh Perusahaan adalah USD 15 juta.

Fasilitas BNI SKBDN hanya khusus digunakan untuk pembelian bahan bakar avtur dari PT Pertamina (Persero) dan Perusahaan diwajibkan untuk memelihara saldo deposito atau rekening giro di BNI pada saat 2 hari kerja sebelum tanggal jatuh tempo pelunasan pokok sebesar nilai pokok ditambah dengan bunga.

Pada tanggal 19 April 2013 sesuai dengan akte No 16 dari Wenda Taurista Anindya, S.H. Fasilitas ini diamandemen dari USD 15 juta menjadi USD 40 juta dengan tingkat bunga 3.5% per tahun. Fasilitas tersebut digunakan untuk pembelian bahan bakar pesawat dan kebutuhan operasi.

Jumlah saldo utang bank per 31 Desember 2013 dan 2012 masing-masing adalah sebesar USD 39.618.118 dan USD 4.957.664.

- PT Aerotrans Services Indonesia (ATS)

Pada tanggal 29 Nopember 2012, ATS memperoleh pinjaman Kredit Modal Kerja (KMK) BNI dengan maksimum kredit Rp 7.500.000.000, tingkat bunga efektif 11% per tahun, dengan jatuh tempo berakhir tanggal 28 Nopember 2014. Pinjaman ini di jamin dengan seluruh piutang ATS kepada GMFAA.

Jumlah saldo utang bank per 31 Desember 2013 dan 2012 masing-masing adalah sebesar Rp 7.368.853.033 (setara dengan USD 604.550) dan Rp 6.706.994.303 (setara dengan USD 693.587).

18. LOANS FROM BANKS AND FINANCIAL INSTITUTION

	2012 USD	
Bank Negara Indonesia	5.651.251	Bank Negara Indonesia
Indonesia Infrastructure Finance	-	Indonesia Infrastructure Finance
Total	<u>5.651.251</u>	Total

Bank Negara Indonesia

- The Company

On June 28, 2012, the Company obtained credit facility from Bank Negara Indonesia, herein referred to as Surat Kredit Berdokumen Dalam Negeri ("SKBDN") Bank Negara Indonesia ("BNI"). Under the credit facility, the maximum credit limit is USD 15 million.

The purpose of the BNI SKBDN is for purchase of fuel from PT Pertamina (Persero). The Company is required to maintain deposits or checking account balances with BNI during the 2 working days before the due date of repayment amounting to the principal amount plus interest.

On April 19, 2013, in accordance with deed No. 16 by Wenda Taurista Anindya, S.H., the maximum credit has been amended from USD 15 million to USD 40 million with interest rate at 3,5% per annum. The facility is to be used for jet fuel purchase and operating activities.

The outstanding balance as of December 31, 2013 and 2012 amounted to USD 39,618,118 and USD 4,957,664, respectively.

- PT Aerotrans Services Indonesia (ATS)

In November 29, 2012, ATS obtained Working Capital Loans (KMK) BNI with maximum limit of Rp 7,500,000,000, effective interest rate of 11% per annum, and with last maturity date on November 28, 2014. This loan is guaranteed with all ATS's receivable from GMFAA.

The outstanding balance as of December 31, 2013 and 2012 amounted to Rp 7,368,853,033 (equivalent to USD 604,550) and Rp 6,706,994,303 (equivalent to USD 693,587), respectively.

Indonesia Infrastructure Finance (IIF)

- PT Garuda Maintenance Facility Aero Asia (GMFAA)

Pada 23 Desember 2013, GMFAA, entitas anak menandatangani perjanjian fasilitas modal kerja dengan PT Indonesia Infrastructure Finance sebesar USD 5.000.000 dengan tingkat bunga Libor 3 bulan + margin 3.5%. Fasilitas ini berlaku 1 tahun sejak ditandatanganinya perjanjian tersebut. Pinjaman ini digunakan untuk melaksanakan pembangunan, penyelesaian dan pengoperasian hangar baru di pulau Batam/Bintan dan atau untuk pengadaan peralatan mesin.

Per 31 Desember 2013, jumlah saldo pinjaman sebesar USD 5.000.000.

Indonesia Infrastructure Finance (IIF)

- PT Garuda Maintenance Facility Aero Asia (GMFAA)

On December 23, 2013, GMFAA, a subsidiary entered a working capital facility agreement with PT Indonesia Infrastructure Finance amounting to USD 5,000,000 with interest rate Libor 3 months + margin at 3,5%. This facility is valid for 1 year from the date of signing of the agreement. This loan is used to finance the development of a new hangar in Batam/Bintan, and/or the procurement of machine and equipment.

As of December 31, 2013, outstanding balance amounted to USD 5,000,000.

19. UTANG USAHA

a. Berdasarkan Pemasok

	2013	2012
	USD	USD
Pihak-pihak berelasi (Catatan 45)		
PT Pertamina (Persero)	108.911.066	72.434.320
PT Gapura Angkasa	3.706.367	4.680.787
Perum LPPNI	3.568.602	-
PT Angkasa Pura II (Persero)	3.133.425	3.526.065
PT Angkasa Pura I (Persero)	2.279.948	1.561.545
PT Telekomunikasi		
Indonesia (Persero) Tbk	694.318	903.361
PT Abacus International Pte Ltd	-	667.411
Subjumlah	122.293.726	83.773.489
Pihak ketiga		
Jasa penerbangan		
Bahan bakar	21.865.753	15.326.642
Administrasi dan umum	10.281.904	6.462.056
Bandara	7.432.440	7.912.975
Pemeliharaan dan perbaikan	1.574.181	1.874.477
Jasa boga	1.438.306	1.249.977
Maskapai penerbangan	498.079	61.873
Sewa pesawat	-	462.284
Sub jumlah	43.090.663	33.350.284
Non jasa penerbangan	40.801.887	56.345.858
Subjumlah	83.892.550	89.696.142
Jumlah	206.186.276	173.469.631

19. TRADE ACCOUNTS PAYABLE

a. By Creditor

Related parties (Note 45)
PT Pertamina (Persero)
PT Gapura Angkasa
Perum LPPNI
PT Angkasa Pura II (Persero)
PT Angkasa Pura I (Persero)
PT Telekomunikasi
Indonesia (Persero) Tbk
PT Abacus International Pte Ltd
Subtotal
Third parties
Airline services
Fuel
General and administrative
User charges and station
Maintenance and overhaul
Catering
Airline
Aircrafts leasing
Sub total
Non airline services
Subtotal

Total

b. Berdasarkan Mata Uang

	2013	2012	
	USD	USD	
Rupiah	111.253.893	112.024.897	Rupiah
Dolar Amerika Serikat	76.983.171	42.022.833	U.S. Dollar
Yen Jepang	3.444.371	2.467.767	Japanese Yen
Dolar Singapura	2.847.791	3.958.654	Singapore Dollar
Riyal Saudi Arabia	1.066.898	2.293.078	Arabian Riyal
Euro	1.030.500	2.521.003	Euro
Dolar Australia	891.930	78.267	Australian Dollar
Won Korea	543.720	2.128.585	Korean Won
Mata uang lainnya	8.124.002	5.974.547	Other currencies
Jumlah	<u>206.186.276</u>	<u>173.469.631</u>	Total

b. By Currency

20. UTANG LAIN-LAIN

	2013	2012	
	USD	USD	
Retribusi bandara luar negeri	13.374.631	12.307.071	Foreign airport retribution
Asuransi tiket penumpang	677.884	1.766.890	Passenger ticket insurance
Asuransi dan kesehatan	56.208	134.503	Insurance and healthcare
Lain-lain	2.163.163	2.461.079	Others
Jumlah	<u>16.271.886</u>	<u>16.669.543</u>	Total

20. OTHER PAYABLES

21. BEBAN AKRUAL

	2013	2012	
	USD	USD	
Administrasi dan umum	56.701.745	72.446.326	General and administrative
Pemeliharaan dan perbaikan	25.210.421	30.652.214	Maintenance and overhaul
Bandara	19.969.586	26.779.234	User charges and station
Operasional penerbangan	18.357.595	10.571.908	Flight operations
Tiket penjualan dan promosi	17.634.954	10.049.695	Ticketing sales and promotion
Pelayanan penumpang	5.743.449	5.876.600	Passenger services
Bunga	5.560.750	2.349.056	Interest
Pembangunan hangar IV	3.790.416	-	Hangar IV construction
Lain-lain	7.998.165	10.543.132	Others
Jumlah	<u>160.967.081</u>	<u>169.268.165</u>	Total

21. ACCRUED EXPENSES

22. PENDAPATAN DITERIMA DIMUKA

	2013	2012	
	USD	USD	
Jasa penerbangan berjadwal	168.012.509	160.582.183	Traffic scheduled flight
Lain-lain	1.252.887	1.688.395	Others
Jumlah	<u>169.265.396</u>	<u>162.270.578</u>	Total

22. UNEARNED REVENUES

23. PINJAMAN JANGKA PANJANG

Rincian pinjaman jangka panjang Grup pada tanggal 31 Desember 2013 dan 2012 setelah memperhitungkan biaya transaksi sebelum diamortisasi.

	2013 USD	2012 USD
<u>Pihak Berelasi (Catatan 45)</u>		
Bank Negara Indonesia	42.803.615	14.885.592
PT Pertamina (Persero)	43.137.490	57.516.654
Bank Rakyat Indonesia	40.198.427	-
PT Angkasa Pura II (Persero)	16.104.859	16.104.859
PT Angkasa Pura I (Persero)	5.798.472	7.308.953
Indonesia Eximbank	-	100.000.000
Sub jumlah	148.042.863	195.816.058
<u>Pihak ketiga</u>		
Pinjaman sindikasi II	119.708.057	117.635.644
Bank Pan Indonesia	74.105.017	-
Pinjaman sindikasi - BCA Club Deal	73.488.690	-
Bank Permata	69.591.334	-
Pinjaman sindikasi III		
Dolar Amerika Serikat	45.640.043	-
Rupiah	34.620.710	-
Wesel bayar bunga mengambang		
Dolar Amerika Serikat	30.418.159	44.719.965
Rupiah	3.385.111	6.495.698
Bank CIMB Niaga	4.542.238	5.880.542
PT Mandiri Tunas Finance	1.099.859	2.890.818
Bringin Indotama Sejatera	53.409	168.483
Pinjaman sindikasi	-	27.319.373
National Australia Bank Limited	-	20.909
Sub jumlah	456.652.628	205.131.432
Jumlah pinjaman jangka panjang	604.695.491	400.947.490
Dikurangi bagian yang jatuh tempo dalam satu tahun	280.075.641	106.125.048
Bagian jangka panjang	324.619.850	294.822.442

23. LONG-TERM LOANS

Details of long-term loans at December 31, 2013 and 2012 net of unamortized transaction cost.

Related Parties (Note 45)

Bank Negara Indonesia
PT Pertamina (Persero)
Bank Rakyat Indonesia
PT Angkasa Pura II (Persero)
PT Angkasa Pura I (Persero)
Indonesia Eximbank

Sub total

Third parties

Syndicated loan II
Bank Pan Indonesia
BCA Club Deal - Syndicated loan
Bank Permata
Syndicated loan III
U.S. Dollar
Rupiah
Floating Rate Notes
U.S. Dollar
Rupiah
Bank CIMB Niaga
PT Mandiri Tunas Finance
Bringin Indotama Sejatera
Syndicated loan
National Australia Bank Limited

Sub total

Total long term liabilities

Less current maturities

Long term loans portion

Detail pembayaran untuk 31 Desember 2013 dan 2012 adalah sebagai berikut:

Payment details at December 31, 2013 and 2012 are as follows:

	2013	2012	
	USD	USD	
Indonesia Eximbank	100.000.000	15.000.000	Indonesia Eximbank
Pinjaman sindikasi	27.500.000	27.500.000	Syndicated loan
Wesel bayar bunga mengambang			Floating Rate Notes
Dolar Amerika Serikat	14.545.479	14.545.479	U.S. Dollar
Rupiah	2.209.363	2.055.198	Rupiah
PT Pertamina (Persero)	14.379.163	-	PT Pertamina (Persero)
Bank Negara Indonesia	2.731.464	1.843.689	Bank Negara Indonesia
Bank CIMB Niaga	2.258.280	3.135.001	Bank CIMB Niaga
PT Mandiri Tunas Finance	1.566.474	1.486.029	PT Mandiri Tunas Finance
PT Bank Rakyat Indonesia	1.558.143	-	PT Bank Rakyat Indonesia
Bringin Indotama Sejatera	39.642	38.382	Bringin Indotama Sejatera
St. George Bank Australia dan			St. George Bank Australia and
National Australia Bank Limited	21.043	39.200	National Australia Bank Limited
PT Angkasa Pura II (Persero)	-	2.105.210	PT Angkasa Pura II (Persero)
PT Angkasa Pura I (Persero)	-	921.586	PT Angkasa Pura I (Persero)
Bank Jabar Banten	-	1.541.375	Bank Jabar Banten
Jumlah	166.809.051	70.211.149	Total

Rata-rata tingkat suku bunga sebagai berikut:

The average interest rate are as follows:

	2013	2012	
	USD	USD	
Dolar Amerika Serikat	1,159% - 4,750%	1.325% - 5.173%	U.S. Dollar
Rupiah	6,500% - 11,152%	6.500% - 7.580%	Rupiah

PT Bank Negara Indonesia

PT Bank Negara Indonesia

a. GMFAA

a. GMFAA

Pada tanggal 31 Maret 2010, GMFAA, entitas anak, memperoleh fasilitas kredit investasi sebesar Rp 100 miliar, jatuh tempo tanggal 30 Desember 2015 dan suku bunga mengambang dari Bank Negara Indonesia. Fasilitas kredit berjangka waktu 5 tahun 9 bulan ini ditujukan untuk pembiayaan pengembangan usaha berupa sarana dan prasarana baru serta pengadaan mesin dan peralatan sebesar 52,32% dari nilai pembiayaan aset. Fasilitas pinjaman ini dijamin dengan aset yang dibiayai melalui fasilitas ini.

On March 31, 2010, GMFAA, a subsidiary, obtained a Rp 100 billion loan facility which will mature on December 30, 2015 and subject to floating interest rate from Bank Negara Indonesia. The term of credit facility is 5 years and 9 months the purpose of which is for business development financing of new facilities and infrastructure and also for machine and equipment procurement of 52.32% from value of asset financing. This credit facility is secured by assets financed by the facility.

Pada tanggal 25 Juni 2012, GMFAA memperoleh tambahan fasilitas kredit investasi sebesar Rp 55 miliar, jatuh tempo tanggal 25 Mei 2018 dengan tingkat suku bunga mengambang. Fasilitas kredit berjangka waktu 6 tahun ini ditujukan untuk pembiayaan pengembangan kemampuan dan penambahan kapasitas perawatan pesawat.

On June 25, 2012, GMFAA obtained an additional investment credit facility with maximum amount of Rp 55 billion, due on May 25, 2018 at a floating interest rate. The facility has a term of 6 years and is intended to finance the capability development and increased capacity for aircraft maintenance.

Pada tanggal 31 Mei 2013, GMFAA memperoleh tambahan fasilitas kredit investasi dengan plafon maksimal sebesar Rp 490 milyar dan USD 6 juta, jatuh tempo pada tanggal 30 Nopember 2025 dan suku bunga mengambang dari Bank Negara Indonesia. Fasilitas kredit berjangka waktu 12 tahun ini ditujukan untuk pembiayaan pembangunan hanggar IV dan pengadaan peralatan hanggar dengan jaminan aset yang dibiayai.

Perusahaan akan membayar bunga pada tanggal 25 setiap bulannya yang dihitung mulai bulan Juni 2013. Pembayaran pokok atas fasilitas ini akan dibayar setiap triwulan sebesar Rp 11.112.500.000 yang dihitung mulai tanggal 25 Agustus 2014.

Pembatasan penting dalam perjanjian fasilitas pinjaman ini adalah:

- a. *Current ratio* minimum 1 kali
- b. *Debt to equity ratio* maksimal 2,5 kali
- c. *Debt service coverage ratio* minimal 100%

Pada tanggal 31 Desember 2013, GMFAA telah memenuhi seluruh rasio keuangan yang dipersyaratkan.

Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing sebesar Rp 403.285.640.026 (setara dengan USD 33.086.032) dan Rp 103.912.736.960 (setara dengan USD 10.745.888).

b. PT Aerofood ACS

Pada tanggal 20 Juni 2012, PT Aerofood ACS, entitas anak, memperoleh pinjaman dari Bank Negara Indonesia dengan jumlah maksimum sebesar Rp 110 milyar dan jatuh tempo pada tanggal 19 Juni 2018. Pinjaman ini digunakan untuk pembiayaan pembangunan fasilitas dapur di Denpasar, Medan dan Balikpapan. Pinjaman ini dijamin secara fidusia dengan fasilitas *kitchen* yang dibiayai.

Per 31 Desember 2013 dan 2012, jumlah *outstanding* pinjaman adalah masing-masing sebesar Rp 90.302.457.964 (setara dengan USD 7.408.521) dan Rp 40.030.930.664 (setara dengan USD 4.139.704).

c. PT Aerowisata

Pada bulan Maret 2013, PT Aerowisata memperoleh pinjaman dari Bank Negara Indonesia dengan jumlah maksimum sebesar Rp 18 milyar dan jatuh tempo pada tanggal 3 Maret 2021. Fasilitas ini digunakan untuk biaya renovasi Hotel Grand Preanger.

On May 31, 2013, GMFAA obtained additional investment credit facility with maximum plafond of Rp 490 billion and USD 6 million, due on November 30, 2025 at a floating interest rate from Bank Negara Indonesia. The facility has a term of 12 years and intended to finance the building of hangar IV and hangar equipment. The loan facility is secured with assets financed by this facility.

Interest is payable on the 25th of each month starting on June 2013. The loan principal of this facility is payable in quarterly installment of Rp 11,112,500,000 starting on August 25, 2014.

The major covenant of this facility include the following:

- a. Minimum *Current ratio* is 1 time
- b. Debt to equity ratio is maximum of 2.5 times
- c. Debt service coverage ratio is minimum of 100%

On December 31, 2013, GMFAA has met the financial ratio requirement based on the agreement.

As of December 31, 2013 and 2012, outstanding balance amounted to Rp 403,285,640,026 (equivalent to USD 33,086,032) and Rp 103,912,736,960 (equivalent to USD 10,745,888), respectively.

b. PT Aerofood ACS

On June 20, 2012, PT Aerofood ACS, a subsidiary, obtained loan from Bank Negara Indonesia with maximum credit of Rp 110 billion and will be due on June 19, 2018. This loan is used for project development of kitchen facilities in Denpasar, Medan and Balikpapan. The loan is secured by fiduciary right over the related kitchen facility.

As of December 31, 2013 and 2012, the outstanding balance of the loan amounted to Rp 90,302,457,964 (equivalent to USD 7,408,521) and Rp 40,030,930,664 (equivalent to USD 4,139,704).

c. PT Aerowisata

In March 2013, PT Aerowisata obtained loan from Bank Negara Indonesia with maximum amount of Rp 18 billion and maturity date on March 3, 2021. The loan is used to finance the renovation of Hotel Grand Preanger.

Per 31 Desember 2013, jumlah *outstanding* pinjaman sebesar Rp 28.145.161.200 (setara dengan USD 2.309.062).

As of December 31, 2013, the outstanding balance of the loan amounted to Rp 28,145,161,200 (equivalent to USD 2,309,062).

PT Pertamina (Persero)

Berdasarkan perjanjian pada tanggal 19 Oktober 2009, PT Pertamina (Persero) setuju untuk mengkonversikan utang usaha Perusahaan atas pembelian avtur sejumlah USD 76.484.911 menjadi pinjaman jangka panjang dengan pembayaran cicilan. Pinjaman ini akan jatuh tempo pada tanggal 31 Desember 2015.

PT Pertamina (Persero)

Based on agreement dated October 19, 2009, PT Pertamina (Persero) agreed to convert the Company's trade payable for fuel purchase transactions amounting to USD 76,484,911 into a long-term loan payable with installment terms. This loan is due on December 31, 2015.

Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing berjumlah USD 43.137.490 dan USD 57.516.654.

As of December 31, 2013 and 2012, outstanding loan balance amounted to USD 43,137,490 and USD 57,516,654, respectively.

Bank Rakyat Indonesia

Bank Rakyat Indonesia

a. Perusahaan

a. The Company

Pada tanggal 29 Mei 2013, Perusahaan menandatangani Perjanjian Kredit Modal Kerja dengan PT Bank Rakyat Indonesia (Persero) Tbk dengan jumlah fasilitas sebesar USD 40.000.000 dengan jangka waktu 24 Bulan sejak ditanda tangani perjanjian ini. Pinjaman tersebut digunakan untuk pembiayaan *general purpose* termasuk pembiayaan pra-pengiriman pesawat 2013.

On May 29, 2013, the Company has signed a Credit Facility with PT Bank Rakyat Indonesia (Persero) Tbk with a total facility of USD 40,000,000 and term of 24 months. This facility is used for general purposes including pre-delivery financing of aircraft purchases in 2013.

Pada tanggal 31 Desember 2013 Perusahaan telah memenuhi pembatasan penting yang dipersyaratkan dalam perjanjian ini. Pembatasan penting dalam perjanjian diantaranya adalah *debt to equity ratio* tidak melebihi 5 kali.

As of December 31, 2013 the Company has complied with the financial covenant stipulated in the agreement. Major covenant of the agreement includes, among other the debt-to-equity ratio not to exceed 5 times.

Pada tanggal 31 Desember 2013, saldo pinjaman berjumlah USD 39.870.262.

As of December 31, 2013, the outstanding loan amounted to USD 39,870,262.

b. PT Aerofood ACS

b. PT Aerofood ACS

ACS entitas anak AWS memperoleh pinjaman dari Bank Rakyat Indonesia dengan jumlah plafon maksimum sebesar Rp 40 Milyar yang jatuh tempo pada tanggal 28 Juni 2014. Pinjaman ini dijamin dengan hak fidusia atas persediaan dan piutang usaha milik ACS.

ACS, a subsidiary of AWS, obtained loan from Bank Rakyat Indonesia with maximum plafond of Rp 40 billion, due in June 28, 2014. This loan is secured by inventory and account receivables of ACS.

Jumlah saldo pinjaman per 31 Desember 2013 adalah sebesar Rp 4 milyar (setara dengan USD 328.165).

The outstanding balance on December 31, 2013 amounted to Rp 4 billion (equivalent to USD 328,165).

PT Angkasa Pura II (Persero)

Berdasarkan perjanjian tanggal 27 Mei 2009, PT Angkasa Pura II (Persero) setuju untuk mengkonversikan utang usaha Perusahaan sejumlah Rp 195.910.872.304 atau setara dengan USD 21.052.103 menjadi pinjaman jangka panjang dengan pembayaran cicilan. Pinjaman ini akan jatuh tempo pada tanggal 30 Desember 2015. Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing berjumlah USD 16.104.859.

PT Angkasa Pura I (Persero)

Berdasarkan perjanjian tanggal 27 Mei 2009, PT Angkasa Pura I (Persero) setuju untuk mengkonversikan utang usaha Perusahaan sejumlah Rp 91.465.097.646 atau setara dengan USD 8.872.465 menjadi pinjaman jangka panjang dengan pembayaran cicilan. Pinjaman ini jatuh tempo tanggal 30 Desember 2015. Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing berjumlah Rp 70.677.575.510 (atau setara dengan USD 5.798.472) dan Rp 70.677.575.510 (atau setara dengan USD 7.308.953).

Indonesia Eximbank

Pada tanggal 12 Februari 2010, Perusahaan menandatangani Perjanjian Kredit fasilitas Pembiayaan Tranche A dengan plafon USD 15 juta dengan tingkat bunga LIBOR (6 bulan) + 3,5% per tahun, dimana tingkat bunga LIBOR akan di-reviu setiap 6 bulan dan akan jatuh tempo dalam jangka waktu 2 tahun. Pinjaman ini digunakan untuk pembiayaan dan pembiayaan kembali *Pre-Delivery Payment* (PDP) pesawat Boeing 737-800 NG yang telah memperoleh komitmen pembiayaan melalui perjanjian jual dan sewa balik dengan *lessor*. Pinjaman ini dijamin dengan saham Perusahaan di GMFAA, entitas anak.

Perjanjian kredit telah diamandemen pada tanggal 29 Oktober 2010 dan 28 Juni 2011, dengan menambahkan PDP pesawat Boeing B777-300 ER dan fasilitas pembiayaan Tranche B dengan plafon USD 27 juta sehingga total plafon fasilitas menjadi USD 42 juta. Pada tanggal 10 Februari 2012, perjanjian tersebut diamandemen kembali menjadi kredit modal kerja transaksional (KMK) dengan plafon USD 42 juta yang akan jatuh tempo dalam waktu 4 tahun. Selanjutnya, pada tanggal 15 Agustus 2012, Perusahaan dan Indonesia Eximbank setuju untuk mengamandemen fasilitas plafon USD 42 juta menjadi USD 25 juta.

PT Angkasa Pura II (Persero)

Based on agreement dated May 27, 2009, PT Angkasa Pura II (Persero) agreed to convert the Company's trade payable of Rp 195,910,872,304 or equivalent to USD 21,052,103 into a long-term loan payable with installment terms. This loan will fall due on December 30, 2015 and as of December 31, 2013 and 2012, the outstanding loan balance amounted to USD 16,104,859, respectively.

PT Angkasa Pura I (Persero)

Based on agreement dated May 27, 2009, PT Angkasa Pura I (Persero) agreed to convert the Company's trade payable amounting to Rp 91,465,097,646 or equivalent to USD 8,872,465 into a long-term loan payable with installment terms. This loan will fall due on December 30, 2015. As of December 31, 2013 and 2012, the outstanding loan balance amounted to Rp 70,677,575,510 (equivalent to USD 5,798,472) and Rp 70,677,575,510 (equivalent to USD 7,308,953) respectively.

Indonesia Eximbank

On February 12, 2010, the Company signed a Credit Agreement for Financing Tranche A with a credit limit of USD 15 million due in 2 years and interest rate of LIBOR (6 months) + 3.5% per year. The LIBOR rate will be reviewed every 6 months. This loan is used to finance and refinance the *Pre-Delivery Payment* (PDP) for Boeing 737-800 NG aircraft, which is already subject to financing commitment through sale and leaseback agreement with a lessor company and collateralized with the Company's shares in GMFAA, a subsidiary.

The credit agreement was amended on October 29, 2010 and again on June 28, 2011, by adding a PDP for Boeing B777-300 ER and Tranche B financing facility with a plafond of USD 27 million; thus the total facility limit amounted to USD 42 million. On February 10, 2012, the facilities were amended to transactional working capital facilities (KMK) with a plafond of USD 42 million due in 4 years. Furthermore, on August 15, 2012, the Company and Indonesia Eximbank approved to amend the maximum plafond from USD 42 million to USD 25 million.

Pada tanggal 15 Agustus 2012 Perusahaan dan Lembaga Pembiayaan Ekspor Impor Indonesia menandatangani perjanjian kredit dengan nilai total sebesar USD 75 juta yang dibagi menjadi dua kelompok yaitu *tranche* A sebesar USD 25 juta dan *tranche* B sebesar USD 50 juta yang dipergunakan untuk pembayaran *pre-delivery payment* (PDP) untuk pembelian seluruh pesawat dari Boeing, Airbus, Embraer dan Bombardier yang memperoleh komitmen pembiayaan dalam bentuk *sale and leaseback agreement* dari *lessor*. Jangka waktu perjanjian ini adalah 24 bulan terhitung sejak ditandatanganinya perjanjian. Pembayaran bunga dilakukan per 3 bulan.

Jaminan atas perjanjian kredit adalah akta gadai saham Perusahaan ke PT GMFAA, entitas anak, sebesar USD 100 juta.

Saldo pinjaman pada tanggal 31 Desember 2013 dan 2012 adalah masing-masing sebesar nihil dan USD 100 juta.

Pinjaman Sindikasi II

Pada tanggal 6 Nopember 2012, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman sindikasi yang difasilitasi oleh Citicorp International Limited dan secara sirkuler dengan delapan bank : Citigroup Global Markets Singapore Pte Ltd, PT Bank Panin Tbk, PT Bank ICBC Indonesia, First Gulf Bank PJSC, Cabang Singapura, Korea Development Bank, KDB Asia Limited, Standard Chartered Bank, Cabang Jakarta dan Bank of China limited, Cabang Jakarta. Plafon fasilitas sebesar USD 120 juta dalam jangka waktu 24 bulan. Pembayaran pokok akan dilakukan pada bulan ke 15, 18, 21 dan 24 setelah periode tutup buku dengan jumlah yang sama, yaitu sebesar USD 30 juta. Pinjaman ini digunakan untuk tujuan yang umum (*general purposes*). Pinjaman ini dijamin dengan saldo rekening USD di Citibank NA Cabang Jakarta dengan rekening No. 0100193574.

Perusahaan mencairkan seluruh plafon fasilitas pada tanggal 31 Desember 2012 dengan rincian sebagai berikut:

	<u>Jumlah/Total</u> USD
<u>Agen fasilitas/ Facility agents</u>	
Citigroup Global Markets Singapore Pte Ltd	15.000.000
PT Bank Panin Tbk	25.000.000
PT Bank ICBC Indonesia	24.000.000
First Gulf Bank PJSC, Singapore Branch	20.000.000
Korea Development Bank *)	15.000.000
Standard Chartered Bank, Jakarta Branch	15.000.000
Bank of China Limited, Jakarta branch	6.000.000
	<u>120.000.000</u>

*) Komitmen senilai USD 15.000.000 akan dipisahkan antara Korea Development Bank dan KDB Asia Limited/
USD 15,000,000 commitment to be split between Korea Development Bank and KDB Asia Limited

On August 15, 2012, the Company and Indonesia Exim Bank signed a credit agreement with a total value of USD 75 million which is divided into two tranches: *tranche* A with credit limit of USD 25 million and *tranche* B with credit limit of USD 50 million used for the payment of *pre-delivery payment* (PDP) of the entire aircrafts purchase from Boeing, Airbus, Embraer and Bombardier which are covered by financing commitments in the form of *sale and leaseback agreement* of the lessor. The term of this agreement is 24 months from the signing. Interest payments are made every 3 months.

The loan is collateralized by a deed of pledge over the Company's shares in PT GMFAA, subsidiary, for USD 100 million.

The outstanding loan at December 31, 2013 and 2012 amounted to nil and USD 100 million respectively.

Syndicated loan II

On November 6, 2012, the Company entered into a Syndicated Loan Facility which was facilitated by Citicorp International Limited and circularly with eight banks: Citigroup Global Markets Singapore Pte Ltd, PT Bank Panin Tbk, PT Bank ICBC Indonesia, First Gulf Bank PJSC, Singapore Branch, Korea Development Bank, KDB Asia Limited, Standard Chartered Bank, Jakarta Branch and Bank of China Limited, Jakarta Branch. The maximum credit facility is USD 120 million with term of 24 months. Principal payments will be made at month 15, 18, 21 and 24 by the same amount of USD 30 million. This facility is used for general purposes. The loan is secured by an existing USD bank account held with Citibank NA Jakarta Branch No. 0100193574.

The Company has used all the plafond facility as of December 31, 2012 with details as follow:

Pembatasan penting dalam perjanjian diantaranya adalah:

- *Coverage ratio* tidak kurang dari 1,05.
- *Debt ratio* tidak melebihi 5,75 kali.
- Persentase kas minimum 5 persen.

Pada tanggal 31 Desember 2013 Perusahaan telah memenuhi pembatasan penting yang dipersyaratkan dalam perjanjian ini.

Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman berjumlah masing-masing USD 119.708.057 dan USD 117.635.644.

Pinjaman Sindikasi III

Pada tanggal 21 Februari 2013, Perusahaan menerima pinjaman sindikasi III yang difasilitasi oleh Citibank dengan nilai total pinjaman sebesar USD 90 juta. Pinjaman sindikasi III merupakan peningkatan plafon fasilitas dari pinjaman sindikasi II. Pinjaman sindikasi tersebut dihimpun dari empat bank yaitu: PT Bank Panin Tbk sebesar USD 20 juta dan Rp 213.378.000.000 (setara dengan USD 24 juta), PT Bank ICBC Indonesia sebesar USD 6 juta, PT Bank Central Asia Tbk sebesar Rp 213.378.000.000 (setara dengan USD 24 juta), dan Emirates NBD PJSC, Singapore Branch sebesar USD 20 juta.

Jangka waktu pinjaman adalah 24 bulan terhitung mulai tanggal 7 Nopember 2012 dengan pembayaran pokok pinjaman pada bulan ke 15, 18, 21 dan 24.

Saldo pinjaman pada tanggal 31 Desember 2013 adalah sebesar USD 45.640.043 untuk pinjaman Sindikasi III dalam mata uang Dolar Amerika Serikat dan Rp 421.991.834.190 (atau setara dengan USD 34.620.710) untuk pinjaman Sindikasi III dalam Rupiah.

PT Bank Pan Indonesia

Pada tanggal 2 Agustus 2013, Perusahaan menandatangani perjanjian pinjaman komersial dengan PT Bank Pan Indonesia. Jumlah fasilitas pinjaman yang diberikan kepada Perusahaan sebesar USD 75 juta dengan jangka waktu 36 bulan.

Saldo pinjaman pada tanggal 31 Desember 2013 sebesar USD 74.105.017.

BCA Club Deal- Pinjaman Sindikasi

Pada tanggal 2 Desember 2013, Perusahaan menandatangani Perjanjian Fasilitas Pinjaman Sindikasi yang difasilitasi oleh PT Bank Central Asia Tbk., dan secara sirkuler dengan lima bank:

- Lembaga Pembiayaan Ekspor Indonesia
- PT Bank Central Asia, Tbk
- PT Bank Internasional Indonesia Tbk
- PT Bank CTBC Indonesia
- Bank of China Limited

The major covenants of the agreement include the following:

- Coverage ratio not less than 1.05.
- Debt ratio not to exceed 5.75 times.
- The minimum cash percentage of the Group shall not be less than 5 percent.

As of December 31, 2013 the Company has complied with the financial covenants in the agreement.

As of December 31, 2013 and 2012, the outstanding loan amounted to USD 119,708,057 and USD 117,635,644, respectively.

Syndicated Loan III

On February 21, 2013, the Company entered into a USD 90 million syndicated loan III facilitated by Citibank. The syndicated loan III is upsizing the loan facility of syndicated loan II. This syndicated loan is raised from four banks, namely: PT Bank Panin Tbk amounting to USD 20 million and Rp 213,378,000,000 (equivalent to USD 24 million), PT Bank ICBC Indonesia amounting to USD 6 million, PT Bank Central Asia Tbk amounting to Rp 213,378,000,000 (equivalent to USD 24 million), and Emirates NBD PJSC, Singapore Branch for USD 20 million.

The loan has a term of 24 months from November 7, 2012 with principal payments at month 15, 18, 21 and 24.

The outstanding loan at December 31, 2013 amounted to USD 45,640,043 for Syndicated loan III in U.S Dollar currency and Rp 421,991,834,190 (equivalent to USD 34,620,710) for syndicated loan III in Rupiah.

PT Bank Pan Indonesia

On August 2, 2013, the Company entered into a commercial loan agreement with PT Bank Pan Indonesia Tbk. The total loan facility amounted to USD 75 million with term of 36 months.

The outstanding loan at December 31, 2013 amounted to USD 74,105,017.

BCA Club Deal – Syndicated Loan

On December 2, 2013, the Company entered into a Syndicated Loan Agreement facilitated by PT Bank Central Asia, Tbk., and in circular with five banks:

- Lembaga Pembiayaan Ekspor Indonesia
- PT Bank Central Asia, Tbk
- PT Bank Internasional Indonesia Tbk
- PT Bank CTBC Indonesia
- Bank of China Limited

Pinjaman Sindikasi ini berjumlah USD 100 juta dan Rp 1.193.000.000.000 untuk kebutuhan pendanaan Perusahaan secara umum.

Fasilitas Pinjaman Sindikasi ini memiliki jangka waktu selama 36 (tiga puluh enam) bulan dan akan jatuh tempo pada tanggal 2 Desember 2016. Pembayaran pokok dilakukan secara mencicil setiap 3 (tiga) bulan dimulai pada bulan ke 12 (dua belas) semenjak tanggal penandatanganan Perjanjian.

Pinjaman ini dijamin dengan rekening penampungan untuk pembayaran bunga selama 3 (tiga) bulan ke depan di PT Bank Central Asia, Tbk selaku Agen Fasilitas dan Agen Jaminan.

Pada tanggal 31 Desember 2013, fasilitas yang telah digunakan Perusahaan adalah sebesar USD 75 juta.

Pembatasan-pembatasan penting dalam perjanjian ini antara lain menjaga rasio keuangan sebagai berikut:

- *Debt ratio* maksimum 5,75 kali
- *Coverage ratio* minimum 1,00
- Persentase kas minimum 5,00%

Pada tanggal 31 Desember 2013 Perusahaan telah memenuhi pembatasan penting yang dipersyaratkan dalam perjanjian ini.

Pada tanggal 31 Desember 2013, saldo pinjaman berjumlah USD 73.488.690.

PT Bank Permata

Pada tanggal 18 Februari 2013, Perusahaan menandatangani perjanjian pinjaman komersial dengan PT Bank Permata Tbk. Jumlah fasilitas pinjaman yang diberikan kepada Perusahaan sebesar USD 70 juta dengan jangka waktu 24 bulan. Seluruh pembayaran pokok di bulan ke 24 yaitu pada bulan 18 Februari 2015.

Saldo pinjaman pada tanggal 31 Desember 2013 adalah sebesar USD 69.591.334.

Wesel Bayar Bunga Mengambang

Perusahaan menerbitkan Wesel Bayar Bunga Mengambang (*Floating Rate Note* (FRN)) dalam mata uang Dolar Amerika Serikat dan Rupiah. Dalam penerbitan FRN ini, *The Chase Manhattan Bank - London Branch* bertindak sebagai *Trustee*. FRN tersebut jatuh tempo tahun 2007.

Sesuai dengan akta perubahan dan perjanjian kembali tertanggal 21 Januari 2010, FRN yang belum dilunasi masing-masing sebesar USD 75 juta dan Rp 108 miliar direstrukturisasi dan akan jatuh tempo pada tahun 2018.

The syndicated loan facility amounted to USD 100 million and Rp 1,193,000,000,000 for general purpose of the Company.

The loan has a term of 36 (thirty six) months due on December 2, 2016. The principal will be repaid every 3 (three) months in which the first repayment will be made 12 (twelve) months from the signing date.

The loan is secured by an interest reserve account in which the balance is to be kept sufficient for 3 (three) months of interest payments. The account is held with PT Bank Central Asia, Tbk as the Facility Agent as well as the Security Agent.

As of December 31, 2013, the Company has utilized USD 75 million of the loan facility.

The major covenants include maintaining certain financial covenants as follow:

- Debt ratio not to exceed 5.75 times
- Coverage ratio not less than 1.00
- The minimum cash percentage of the Group shall not be less than 5.00%

As of December 31, 2013, the Company has complied with the financial covenants in the agreement.

As of December 31, 2013 the outstanding loan amounted to USD 73,488,690.

PT Bank Permata

On February 18, 2013, the Company entered into a commercial loan agreement with PT Bank Permata Tbk. The total loan facility amounted to USD 70 million with term of 24. The loan principal will be paid on the 24th month which on February 18, 2015.

The outstanding loan at December 31, 2013 amounted to USD 69,591,334.

Floating Rate Note Payable

The Company issued Floating Rate Notes payable (FRN) in U.S. Dollar and Rupiah currencies. The Chase Manhattan Bank - London Branch acted as Trustee in the issuance of the FRN. The FRN matured in 2007.

Based on deed of changes and buyback agreement dated January 21, 2010, the remaining unsettled FRN which amounted to USD 75 million and Rp 108 billion respectively, was restructured and will be due in 2018.

Saldo FRN per tanggal 31 Desember 2013 berjumlah sebesar USD 30.418.159 dan Rp 41.261.123.098 (setara USD 3.385.111) dan per 31 Desember 2012 sebesar USD 44.719.965 dan Rp 62.813.399.660 (setara dengan USD 6.495.698).

Bank CIMB Niaga

a. PT Aerowisata

Pada 6 Oktober 2009, PT Aerowisata, entitas anak, memperoleh fasilitas pinjaman khusus investasi dari Bank CIMB Niaga dengan jumlah kredit maksimum sebesar Rp 20 miliar. Fasilitas ini digunakan untuk biaya renovasi Hotel Irian Biak. Jangka waktu pinjaman adalah 8 tahun, termasuk didalamnya *grace period* 18 bulan, dan akan berakhir pada 6 Oktober 2017. Pinjaman ini dijamin dengan tiga sertifikat kepemilikan tanah dimana hotel tersebut berdiri (Catatan 14).

Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing berjumlah Rp 9.499.000.022 (setara dengan USD 779.309) dan Rp 12.421.769.246 (setara dengan USD 1.284.568).

b. PT Aerotrans Service

PT Aerotrans Services Indonesia memperoleh fasilitas pinjaman dari Bank CIMB Niaga yang digunakan sebagai pembiayaan dalam pengadaan kendaraan baru untuk kegiatan operasional dengan jangka waktu 3-4 tahun.

Perjanjian pinjaman tersebut mencakup persyaratan jangka waktu dan kondisi tertentu untuk membatasi PT Aerotrans Services Indonesia dalam melakukan pembagian dividen dan merubah struktur organisasi tanpa ada pemberitahuan secara tertulis kepada pihak bank.

PT Aerotrans Services Indonesia memperoleh pinjaman khusus untuk pendanaan talangan atas kekurangan likuiditas yang timbul akibat kegiatan investasi. Pinjaman ini berjangka waktu maksimum satu tahun atau selama masa perjanjian sewa, dengan tingkat bunga per tahun sebesar 1,25% diatas bunga deposito dijamin Pemerintah. Pinjaman ini dijamin dengan deposito berjangka.

Pada tanggal 24 Juni 2010, PT Aerotrans Services Indonesia telah melakukan restrukturisasi atas pinjaman tersebut. Hal-hal yang direstrukturisasi adalah sebagai berikut:

- a. Mengurangi tingkat bunga dari 13% - 16% per tahun menjadi 11% - 12,25% per tahun.

Outstanding balance of FRN at December 31, 2013 amounted to USD 30,418,159 and Rp 41,261,123,098 (equivalent to USD 3,385,111) and at December 31, 2012 amounted to USD 44,719,965 and Rp 62,813,399,660 (equivalent to USD 6,495,698).

Bank CIMB Niaga

a. PT Aerowisata

On October 6, 2009, PT Aerowisata, a subsidiary, obtained on investment credit loan facility from Bank CIMB Niaga with maximum credit of Rp 20 billion. The loan is used to finance the renovation of Irian Biak Hotel. The term of the loan is 8 years, which includes a grace period of 18 months and will mature on October 6, 2017. The loan is secured by three landright certificates on the land area where the hotel is located (Note 14).

As of December 31, 2013 and 2012, outstanding loan balance amounted Rp 9,499,000,022 (equivalent to USD 779,309) and Rp 12,421,769,246 (equivalent to USD 1,284,568).

b. PT Aerotrans Service

PT Aerotrans Services Indonesia obtained investment loan facility from Bank CIMB Niaga to finance the purchase of new vehicle for operations with term of 3 to 4 years per annum.

Such loan agreement includes certain terms and conditions that restrict PT Aerotrans Services Indonesia to distribute dividends and change its organizational structure without written notification to the bank.

PT Aerotrans Services Indonesia obtained a loan facility to be used as bridging financing for liquidity gap arising from investment activities. This loan has a maximum term of one year or the period of leased agreement whichever is shorter, with interest rate per annum at 1.25% plus the interest rate of time deposits guaranteed by the government. This loan is secured by time deposit.

On June 24, 2010, PT Aerotrans Services Indonesia restructured its loan. The agreed restructured terms are as follows:

- a. Reduce interest rate from 13% - 16% per annum to 11% - 12.25% per annum.

b. Mengubah alokasi dari fasilitas pinjaman sebagai berikut:

- Pinjaman Transaksi Khusus (PTK) Investasi No. 2 dan Novasi sebagian dari pinjaman tetap *back to back* senilai Rp 7 miliar digabungkan menjadi PTK Investasi No. 5.
- PTK Investasi No. 3 dan Novasi sebagian dari pinjaman tetap *back to back* sebesar Rp 4 miliar digabungkan menjadi PTK Investasi No. 6.

Fasilitas ini memiliki jangka waktu 36 bulan sampai 42 bulan.

Utang yang telah direstrukturisasi dijamin dan diikat secara fidusia dengan kendaraan bermotor yang dibeli dengan total nilai minimum sebesar Rp 175.124.150.000, piutang yang timbul dari kontrak sewa kendaraan dengan total nilai minimum sebesar Rp 10.504.404.158 dan penyerahan/ pengelolaan escrow account serta comfort letter dari PT Aerowisata.

Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing berjumlah Rp 40.199.683.876 (atau setara dengan USD 3.298.030) dan Rp 36.776.406.852 (atau setara dengan USD 3.803.144).

c. PT Aerofoods ACS

Pada bulan Oktober 2011, ACS entitas anak AWS memperoleh pinjaman dari CIMB Niaga dengan jumlah plafon maksimum Rp 10 milyar yang jatuh tempo pada tanggal 24 Oktober 2016. Pinjaman ini dijamin dengan hak fidusia kendaraan Hi Lift Truck dengan nilai pinjaman sebesar Rp. 12,5 miliar.

Pada tanggal 31 Desember 2013 dan 2012, saldo pinjaman masing-masing berjumlah Rp 5.666.666.673 (setara dengan USD 464.900) dan Rp 7.666.666.665 (setara dengan USD 792.830).

PT Mandiri Tunas Finance

Merupakan pinjaman PT Aerotrans Services Indonesia, entitas anak, atas pembelian 27 unit kendaraan dengan jangka waktu pinjaman selama 36 bulan. Pinjaman ini dijamin secara fidusia dengan kendaraan bermotor yang dibiayai.

Pada tanggal 31 Desember 2013 dan 2012 saldo pinjaman masing-masing berjumlah Rp 13.406.183.732 (setara dengan USD 1.099.859) dan Rp 27.954.210.586 (setara dengan USD 2.890.818).

b. Change in allocation of loan facility as follows:

- Investment loan transaction (PTK) No. 2 and partial Novation from fixed back to back loan amount of Rp 7 billion was combined into PTK investment No. 5.
- PTK investment No. 3 and partial Novation from fixed back to back loan amount of Rp 4 billion was combined into PTK investment No. 6.

These facilities have a term of 36 months to 42 months.

The restructured loan is secured by related vehicles purchased with a minimum amount of Rp 175,124,150,000, accounts receivable from rental of vehicles with minimum amount of Rp 10,504,404,158 and opening of escrow account and a comfort letter from PT Aerowisata.

As of December 31, 2013 and 2012, outstanding loan balances amounted Rp 40,199,683,876 (equivalent with USD 3,298,030) and Rp 36,776,406,852 (equivalent to USD 3,803,144), respectively.

c. PT Aerofoods ACS

On October 2011, ACS, subsidiary of AWS obtained loan from CIMB Niaga with maximum limit of 10 billion which maturity date on October 24, 2016. The loan is pledged by fiduciary right of Hi Lift Truck amounting to Rp 12.5 billion.

As of December 31, 2013 and 2012, outstanding loan balance amounted to Rp 5,666,666,673 (equivalent to USD 464,900) and Rp 7,666,666,665 (equivalent to USD 792,830).

PT Mandiri Tunas Finance

This loan was obtained by PT Aerotrans Services Indonesia, a subsidiary, for the purchase of 27 vehicles with term of 36 months. This loan is secured by the financed vehicles.

As of December 31, 2013 and 2012, the outstanding loan balance amounted to Rp 13,406,183,732 (equivalent to USD 1,099,859) and Rp 27,954,210,586 (equivalent to USD 2,890,818), respectively.

Bringin Indotama Sejahtera

Pada tahun 2012, ATS melakukan kerjasama pembiayaan pembelian kendaraan dengan Bringin Indotama Sejahtera untuk pembelian kendaraan. Jangka waktu pinjaman 3 tahun dengan tingkat bunga pinjaman tetap sebesar 12,25% per tahun.

Saldo pinjaman pada tanggal 31 Desember 2013 dan 2012 masing-masing sebesar Rp 651.008.040 (atau setara dengan USD 53.409) dan Rp 1.629.233.440 (setara dengan USD 168.483).

Pinjaman Sindikasi

Pada tanggal 24 Juni 2011, Perusahaan menandatangani perjanjian pinjaman sindikasi secara sirkuler dengan tujuh bank : Citibank, UBS AG, PT Bank Central Asia, PT Bank ICBC Indonesia, PT Bank International Indonesia, PT Bank Permata Tbk dan Bank of China Limited. Plafon fasilitas sebesar USD 55 juta dengan jangka waktu 24 bulan. Pembayaran pokok akan dilakukan pada bulan ke 15, 18, 21 dan 24 dengan jumlah yang sama, yaitu sebesar USD 13,75 juta. Pinjaman ini digunakan untuk tujuan yang umum (*general purposes*). Pinjaman ini dijamin dengan 3 bulan pembayaran bunga yang disimpan pada rekening perusahaan di Citibank (*interest reserve account*). Saldo jaminan ini akan dijaga mengikuti fluktuasi LIBOR 1 bulan serta tidak akan diambil sampai pinjaman dilunasi. Perusahaan mencairkan seluruh plafon fasilitas pada tanggal 31 Desember 2011 dengan rincian sebagai berikut:

Facility Agents

Citibank N.A. Jakarta Branch
PT Bank Central Asia
PT Bank ICBC Indonesia
PT Bank International Indonesia Tbk
PT Bank Permata Tbk
Bank of China Limited, Jakarta Branch

Nilai komitmen PT Bank International Indonesia Tbk (BII) USD 17 juta terdiri dari komitmen dua bank yaitu BII dan UBS AG, cabang Singapura masing-masing senilai USD 8,5 juta. Pada saat perjanjian kredit ini disetujui, Perusahaan belum memiliki ijin PKLN (Persetujuan Kredit Luar Negeri) dari Kementerian BUMN sehingga UBS AG, Cabang Singapura tidak bisa memberikan pinjaman langsung ke Perusahaan dan melakukan *fronting* ke BII.

Pembatasan penting dalam perjanjian diantaranya adalah:

- *Coverage ratio* tidak kurang dari 1,05.
- *Debt ratio* tidak melebihi 5,75 kali.
- Persentase kas minimum 5 persen.

Bringin Indotama Sejahtera

In 2012, ATS entered into vehicle purchase financing with Bringin Indotama Sejahtera for the purchase of vehicles. The finance lease has a term of 3 years and a fixed interest rate of 12.25% per annum.

The outstanding balance of this loan as of December 31, 2013 and 2012 amounted to Rp 651,008,040 (equivalent to USD 53,409) and Rp 1,629,233,440 (equivalent to USD 168,483), respectively.

Syndicated Loan

On June 24, 2011, the Company entered into a syndicated loan agreement, circularly with seven banks: Citibank, UBS AG, PT Bank Central Asia, PT Bank ICBC Indonesia, PT Bank International Indonesia, PT Bank Permata Tbk and Bank of China Limited. Maximum credit facility is USD 55 million with term of 24 months. Principal payments will be made at month 15, 18, 21 and 24 by the same amount, amounting to USD 13.75 million. This facility is used for general purposes. The loan is secured by 3 months of interest payments that are deposited on a Company account in Citibank (interest reserve account). The balance of this collateral will be adjusted for fluctuations of 1-month LIBOR and will not be taken until the loan is settled. The Company has used all the facility as of December 31, 2011 with details as follow:

<u>Jumlah/ Total</u>	
<u>USD</u>	
	8.500.000
	8.500.000
	8.500.000
	17.000.000
	8.500.000
	4.000.000
	<u>55.000.000</u>

The commitment value of PT Bank International Indonesia Tbk (BII) of USD 17 million consists of two banks, i.e. BII and UBS AG, Singapore Branch amounting to USD 8.5 million, respectively. The Company does not have permission for PKLN (*Persetujuan Kredit Luar Negeri*) from the Ministry of SOEs, thus UBS AG, Singapore branch can not provide loans directly to the Company and used BII as front.

The major covenants of the agreement include the following:

- Coverage ratio not less than 1.05.
- Debt ratio not to exceed 5.75 times.
- The minimum cash percentage of the Group shall not be less than 5 percent.

Pada tanggal 31 Desember 2013 seluruh pinjaman ini telah dilunasi dan tanggal 31 Desember 2012 jumlah saldo pinjaman sindikasi adalah sebesar USD 27.319.373.

National Australia Bank Limited

Pada 9 Agustus 2010, GOH Australia, entitas anak PT Aerowisata, memperoleh utang sewa pembiayaan aset dari National Australia Bank Limited. Jangka waktu perjanjian sewa pembiayaan adalah 3 tahun dan telah dilunasi pada 9 Juli 2013.

On December 31, 2013, all the outstanding loan has been settled and at December 31, 2012, the outstanding loan amounted to USD 27,319,373.

National Australia Bank Limited

On August 9, 2010, GOH Australia, a subsidiary of PT Aerowisata, obtained finance lease for purchase of assets from National Australia Bank Limited. The term of finance lease is 3 years and settled on July 9, 2013.

24. LIABILITAS SEWA PEMBIAYAAN

Grup melakukan transaksi sewa pesawat Airbus tipe A-330 yang dibiayai oleh Lloyd (ECA) dengan masa sewa sejak tahun 1996 – 2016, Export Development Canada (EDC) untuk sewa pesawat CRJ1000 dengan masa sewa 2012 – 2022.

Grup juga melakukan transaksi sewa dengan PT Hewlett-Packard Finance Indonesia dan PT Orix Indonesia atas transaksi sewa perangkat keras dan lunak dengan masa sewa 3 tahun.

Pembayaran minimum sewa berdasarkan perjanjian sewa adalah sebagai berikut:

	2013 USD	2012 USD	
Dalam satu tahun	58.814.443	65.127.902	Within one year
Lebih dari satu tahun tapi tidak lebih dari lima tahun	98.416.610	123.360.688	Over one year but not longer than five years
Lebih dari lima tahun	58.290.805	41.545.655	Over five years
Jumlah pembayaran sewa a masa depan	215.521.858	230.034.245	Total future lease payment
Dikurangi beban keuangan di masa depan	23.770.914	23.681.647	Less future finance charges
Nilai kini pembayaran minimum sewa a	191.750.944	206.352.598	Present value of minimum lease payments
Disajikan di laporan posisi keuangan konsolidasian sebagai:			Presented in consolidated statement of financial position as:
Jatuh tempo dalam satu tahun	53.268.680	58.132.590	Current maturities
Jangka panjang	138.482.264	148.220.008	Non current maturities
Jumlah	191.750.944	206.352.598	Total

Export Credit Agency (ECA)

Pada tanggal 21 Desember 2010, Perusahaan telah selesai melaksanakan restrukturisasi atas utang ECA. Dalam restrukturisasi tersebut dijelaskan hal-hal sebagai berikut:

24. LEASE LIABILITIES

The Group entered into lease transaction for the lease of aircraft Airbus type A-330 which were financed by Lloyd (ECA), with lease period of 1996 – 2016 and Export Development Canada (EDC) for lease of aircraft CRJ1000 with lease period of 2012 – 2022.

The Group also entered into lease agreement with PT Hewlett-Packard Finance Indonesia and PT Orix Indonesia for the lease of software and hardware with lease period of 3 years.

The minimum lease payments based on the lease agreements are as follows:

Export Credit Agency (ECA)

On December 21, 2010, the Company completed the restructuring of the ECA debt. The restructuring clarified the following matters:

- Saldo utang ECA pada tanggal 21 Desember 2010 yang terdiri dari utang kepada Commercial Lender sebesar USD 78.782.738 dan kepada ECA sebesar USD 175.461.456 dijadwal ulang dan jatuh tempo setiap bulan sampai dengan Desember 2016. Tingkat bunga atas pinjaman ECA sebesar LIBOR + 0,9/0,95%, sedangkan tingkat bunga atas pinjaman Commercial Lender sebesar LIBOR + 1,75%. Utang ECA dan Commercial Lender dijamin dengan 6 (enam) pesawat Airbus A330-300 dan 3 (tiga) mesin Rolls Royce model Trent 768 engines. Tambahan jaminan untuk sebagian dari utang ECA (Tranche A dan B1) sebesar USD 50 juta adalah 7 pesawat Boeing 737-400. Jaminan ini telah dilepaskan sesuai Deed of Release tanggal 2 Maret 2011.
- Pada tanggal 21 Desember 2010, Perusahaan membeli kembali pinjamannya melalui proses *reverse dutch auction* sebesar USD 15.546.270 dengan nilai USD 11 juta, sehingga memperoleh keuntungan sebesar USD 4.546.270.

Pembatasan penting dalam perjanjian sewa pembiayaan diantaranya adalah:

- Perusahaan tidak akan dan akan menjaga bahwa tidak terdapat perusahaan dalam Garuda grup yang memiliki liabilitas keuangan kecuali untuk:
 - Liabilitas keuangan yang terjadi berdasarkan perjanjian ini, perjanjian sewa tambahan, dokumen-dokumen sewa lain dan liabilitas kepada kreditur yang terdapat pada tanggal efektif dan diungkapkan dalam *Deed Poll*.
 - Liabilitas keuangan yang timbul akibat sewa operasi dimana penyewa adalah perusahaan dalam Garuda grup.
 - Sejak tanggal efektif sampai dengan 30 Juni 2011, total liabilitas keuangan Garuda grup tidak boleh melebihi USD 80 juta, setelahnya (sejak tanggal 1 Juli 2011) sampai berakhirnya perjanjian, pembatasan ini telah dihapuskan.
 - Garuda grup harus memenuhi pembatasan *financial covenant* yang dipersyaratkan dalam perjanjian, antara lain:
 - *Coverage ratio* tidak kurang dari 1,3.
 - *Debt ratio* tidak melebihi 5 kali.
 - Tahun 2010 – 2016 maksimum belanja modal tiap tahun adalah 2,5% dari total penerimaan operasional.
- Perusahaan juga menyetujui untuk melakukan pembayaran kembali kepada para kreditur dengan dana dari kelebihan kas Perusahaan sebagaimana diatur dalam *Cash Sweep Deed of Covenant*.

- The outstanding ECA debt balance as of December 21, 2010 consisting of debt to Commercial Lenders amounting to USD 78,782,738 and ECA amounting to USD 175,461,456 was rescheduled and will due every month until December 2016. The interest rate on the ECA loan is LIBOR + 0.9/0.95%, while the interest rate on loans to Commercial Lenders is LIBOR+1.75%. The debt with ECA and Commercial Lenders is secured by 6 (six) Airbus A330-300 aircrafts and three 3 (three) Rolls Royce model Trent 768 engines. Additional collateral for a portion of ECA debt (Tranche A and B1) amounting to USD 50 million is 7 Boeing 737-400 aircrafts. All collateral has been released based on Deed of Release dated March 2, 2011.

- On December 21, 2010, the Company repurchased USD 15,546,270 of its loan through reverse dutch auction process, for USD 11 million, generating a gain of USD 4,546,270.

The major covenants in the finance lease agreement include the following:

- The Company will not, and will ensure that no companies in the Garuda group, have any financial liabilities except for:
 - Financial liabilities arising from this agreement, supplementary rental agreements, other rental documents, and liabilities to creditors already existing on the effective date and disclosed in the Deed Poll.
 - Financial liabilities incurred from operating leases in which the lessee is a company in the Garuda group.
 - From the effective date of the agreement until June 30, 2011, the total financial liabilities incurred by the companies in the Garuda group may not exceed USD 80 million, thereafter (starting from July 1, 2011) until the termination of the agreement such restriction has been waived.
 - Garuda group shall meet the financial covenant restrictions required in the agreement, such as:
 - Coverage ratio not less than 1.3.
 - Debt ratio not to exceed 5 times.
 - For the years 2010 – 2016 the maximum capital expenditure each year shall be 2.5% of the total operating revenue.
- The Company also agreed to settle the above-mentioned loans to the creditors using the excess cash of the Company as stipulated in the Cash Sweep Deed of Covenant.

Dalam perjanjian restrukturisasi ECA tersebut terdapat *negative covenant* yaitu Perusahaan tidak diperkenankan untuk membayar atau mengumumkan dividen atau distribusi lainnya kecuali:

- a) Dividen tersebut tidak melebihi: (i) 10% dari laba bersih Perusahaan sebelum IPO atau (ii) 50% dari laba bersih Perusahaan setelah IPO.
- b) Dividen dibagikan jika terdapat kelebihan kas (*excess cash* Perusahaan) seperti yang didefinisikan dalam perjanjian pada tahun bersangkutan.
- c) Diperbolehkan berdasarkan hukum bagi Perusahaan untuk melakukan pembayaran atau pengumuman.
- d) Tidak ada saldo yang jatuh tempo dan belum dibayar atas perjanjian sewa dan tidak ada saldo lainnya yang jatuh tempo dan belum dibayar atas peminjaman utang lainnya.
- e) Tidak ada kejadian sehubungan dengan pailit dan ketidakmampuan membayar liabilitas yang ada.

Pada tanggal 15 Desember 2010, Perusahaan telah melakukan pembayaran atas *tax security deposit tranche A* dan *security deposit tranche B* masing-masing sebesar EUR 7 juta dan EUR 1 juta, sebagai salah satu syarat yang harus dipenuhi Perusahaan dalam restrukturisasi utang ECA (Catatan 17).

Pada tanggal 31 Desember 2013, *Coverage ratio* Perusahaan sebesar 1,13 dan Debt Ratio sebesar 6,28 kali. Manajemen telah mereviu perjanjian ECA dan menyimpulkan bahwa terlampauinya batasan-batasan *financial covenants* tidak menyebabkan pinjaman Perusahaan menjadi jatuh tempo seketika dan terutang.

Pada tanggal 31 Desember 2013 dan 2012, saldo utang sewa pembiayaan ECA sebesar USD 83.743.135 dan USD 137.089.080.

Export Development Canada (EDC)

Pada 27 Juli 2012 Perusahaan memperoleh fasilitas pembiayaan dari EDC terkait sewa pesawat *CRJ1000 Next Generation* sebesar plafon maksimal USD 135 juta yang berlaku sampai dengan 30 November 2014. Pada tanggal 31 Desember 2013 fasilitas yang digunakan sebesar USD 112.678.853 dari plafon yang ditentukan.

In the ECA debt restructuring agreement, there is a negative covenant that does not allow the Company to pay or announce any dividend or other distribution, except:

- a) The dividend does not exceed: (i) 10% of the distributable profit for such financial year prior to an IPO or (ii) 50% of the distributable profit for such financial year after an IPO.
- b) Dividend is distributed if the Company has excess cash in the year concerned as defined in the agreement.
- c) It is allowed by law for the Company to make payment or announcement.
- d) There is no outstanding balance that has fallen due and has not been paid for any rental agreement and no other balances that have fallen due and not been paid for other debt borrowings.
- e) There are no occurrences relating to continuing inability to pay.

On December 15, 2010, the Company has paid the tax security deposit tranche A and security deposit tranche B, of EUR 7 million and EUR 1 million, respectively, as one of the conditions to be met by the Company in the ECA debt restructuring process (Note 17).

At December 31, 2013, the Company's coverage ratio is 1.13 and Debt Ratio is 6.28 times. Management has reviewed the terms of the ECA agreement and concluded that exceeding the limit of such financial covenant does not make the loan to become immediately due and payable.

As of December 31, 2013 and 2012, the outstanding balance of ECA finance lease obligation amounted to USD 83,743,135 and USD 137,089,080, respectively.

Export Development Canada (EDC)

On July 27, 2012, the Company obtained financing from EDC facility related to CRJ1000 Next-Generation with a maximum credit of USD 135 million valid until November 30, 2014. At December 31, 2013, used facility amounted to USD 112,678,853 from plafond available.

Terdapat dua tingkat bunga yang diaplikasikan untuk pinjaman ini: Bunga Tetap dan Bunga Mengambang.

- Bunga tetap yang berlaku adalah *Semi-annual 6-years swap rate + Margin + Premium*.
- Bunga mengambang yang berlaku adalah: *3-months LIBOR + Margin + Premium*.

Perusahaan diminta untuk memberikan konfirmasi terlebih dahulu mengenai jenis tingkat bunga yang akan diaplikasikan pada saat pengiriman pesawat.

Pada saat eksekusi Pinjaman, tingkat suku bunga yang direalisasikan adalah:

1. Perusahaan memilih pembayaran bunga tetap untuk pembiayaan atas PK-GRA. Pembayaran dilakukan setiap kuartal dimulai pada tanggal 5 Januari 2013.
2. Perusahaan memilih pembayaran bunga tetap untuk pembiayaan atas PK-GRC. Pembayaran dilakukan setiap kuartal dimulai pada tanggal 30 Januari 2013.
3. Perusahaan memilih pembayaran bunga tetap untuk pembiayaan atas PK-GRE. Pembayaran dilakukan setiap kuartal dimulai pada tanggal 9 Februari 2013.
4. Perusahaan memilih pembayaran bunga tetap untuk pembiayaan atas PK-GRM. Pembayaran dilakukan setiap kuartal dimulai pada tanggal 25 September 2013.
5. Perusahaan memilih pembayaran bunga mengambang untuk pembiayaan atas PK-GRN. Pembayaran dilakukan setiap kuartal dimulai pada tanggal 29 Nopember 2013.

Pembatasan-pembatasan penting dalam fasilitas pinjaman ini adalah:

1. *Debt Ratio* Grup tidak lebih atau sama dengan 5.75 kali.
2. *Coverage Ratio* Grup tidak boleh sama atau kurang dari 1.05 kali.
3. Minimum kas tidak boleh sama dengan atau kurang dari 5% selama lebih dari dua (2) kuartal berturut-turut.

Pada tanggal 31 Desember 2013, Perusahaan memenuhi seluruh covenant yang disyaratkan.

There are two interest rates applicable to these financing: Fixed Rate and Floating Rate.

- Fixed interest rate is computed using the semi-annual 6-year swap rate + margin + premium.
- Floating interest rate is computed using the 3-month LIBOR + margin + premium.

The Company is required to confirm in advance the applicable interest rate to be used upon delivery of the aircraft.

Upon execution of financing agreement, the interest rate is realized as follows:

1. The Company elected fixed interest payment for the loan tied to PK-GRA. Payments are made each quarter beginning on January 5, 2013.
2. The Company elected fixed interest payment for the loan tied to PK-GRC. Payments are made each quarter beginning on January 30, 2013.
3. The Company elected fixed interest payment for the loan tied to PK-GRE. Payments are made each quarter beginning on February 9, 2013.
4. The Company elected fixed interest payment for the loan tied to PK-GRM. Payments are made each quarter beginning on September 25, 2013.
5. The Company elected floating interest payment for the loan tied to PK-GRN. Payments are made each quarter beginning on November 29, 2013.

Significant covenants of the financing facility are as follow:

1. Debt ratio of the Group shall not be equal to or more than 5.75 times.
2. Coverage ratio of the Group shall not be equal to or less than 1.05 times.
3. Minimum cash of the Group shall not be equal to or less than 5% for more than two (2) consecutive quarters.

At December 31, 2013, the Company is in compliance with the required covenants.

Jangka waktu pembiayaan adalah 10 tahun dengan tanggal jatuh tempo sebagai berikut:

1. CRJ1000 PK-GRA jatuh tempo tanggal 5 setiap kuartal. Pembayaran pertama tanggal 5 Januari 2013, sedangkan jatuh tempo terakhir pada tanggal 5 Oktober 2022.
2. CRJ1000 PK-GRC jatuh tempo tanggal 30 setiap kuartal. Pembayaran pertama tanggal 30 Januari 2013, sedangkan jatuh tempo terakhir pada tanggal 30 Oktober 2022.
3. CRJ1000 PK-GRE jatuh tempo tanggal 9 setiap kuartal. Pembayaran pertama tanggal 5 Februari 2013, sedangkan jatuh tempo terakhir pada tanggal 9 November 2022.
4. CRJ1000 PK-GRM jatuh tempo tanggal 25 setiap kuartal. Pembayaran pertama tanggal 25 September 2013, sedangkan jatuh tempo terakhir pada tanggal 25 Juni 2023.
5. CRJ1000 PK-GRN jatuh tempo tanggal 29 setiap kuartal. Pembayaran pertama tanggal 29 November 2013, sedangkan jatuh tempo terakhir pada tanggal 29 Agustus 2023.

Tidak ada uang jaminan atas pembiayaan ini. Pada tanggal 31 Desember 2013 dan 2012, saldo utang sewa pembiayaan EDC masing-masing sebesar USD 105.784.435 dan USD 67.029.003.

PT Hewlett-Packard Finance Indonesia dan PT Orix Indonesia

Merupakan utang pembelian perangkat keras dan perangkat lunak dengan jangka waktu sewa 36 bulan dengan tingkat bunga efektif sebesar 7% dan 8% tahun 2013 dan 2012.

Pada tanggal 31 Desember 2013 dan 2012 saldo utang sewa pembiayaan masing-masing sebesar USD 2.223.374 dan USD 2.234.515.

Financing period is 10 years with maturity as follows:

1. CRJ1000 PK-GRA will be due every 5th of each quarter. The first installment date is on January 5, 2013, with final maturity on October 5, 2022.
2. CRJ1000PK-GRC will be due every 30th of each quarter. The first installment date is on January 30, 2013, with final maturity on October 30, 2022.
3. CRJ1000PK-GRE will be due every 9th of each quarter. The first installment date is on February 5, 2013, with final maturity on November 9, 2022.
4. CRJ1000PK-GRM will be due on 25th of each quarter. The first installment date is on September 25, 2013, with final maturity on June 25, 2023.
5. CRJ1000PK-GRN will be due on 29th of each quarter. The first installment date is on November 29, 2013, with final maturity on August 29, 2023.

No security deposit is issued for this financing. At December 31, 2013 and 2012, the outstanding balance of EDC financing amounted to USD 105,784,435 and USD 67,029,003, respectively.

PT Hewlett-Packard Finance Indonesia and PT Orix Indonesia

The loan is related to the purchase of hardware and software with lease term of 36 months and effective interest rate per annum of 7% and 8% in 2013 and 2012, respectively.

As of December 31, 2013 and 2012, the outstanding balance amounted to USD 2,223,374 and USD 2,234,515, respectively.

25. LIABILITAS ESTIMASI BIAYA PENGEMBALIAN DAN PEMELIHARAAN PESAWAT

	2013 USD	2012 USD
Saldo awal tahun	52.331.790	55.428.337
Penambahan tahun berjalan	33.946.760	19.052.718
Jumlah digunakan	(19.509.300)	(24.578.223)
Amortisasi diskonto	3.483.000	2.428.958
Saldo akhir tahun	<u>70.252.250</u>	<u>52.331.790</u>
Penyajian		
Jatuh tempo dalam satu tahun	15.060.990	21.795.528
Jangka panjang	<u>55.191.260</u>	<u>30.536.262</u>
Jumlah	<u>70.252.250</u>	<u>52.331.790</u>

25. ESTIMATED LIABILITY FOR AIRCRAFT RETURN AND MAINTENANCE COST

Balance at beginning of year
Provision during the year
Amount utilised
Amortized discount
Balance at end of year
Presentation
Current maturities
Non current maturities
Total

26. UTANG OBLIGASI

Di Juli 2013, Perusahaan melakukan penawaran efek grup bernama "Obligasi Garuda Indonesia Berkelanjutan 1". Perusahaan menargetkan untuk meraih Rp 4,000,000,000,000 dari penawaran tersebut. Pada fase pertama Bond yang ditawarkan sebesar Rp 2,000,000,000,000 (setara dengan USD 200,724,972). 80% dari hasil yang diperoleh akan digunakan sebagai uang muka untuk pembelian pesawat dan 20% sisanya akan digunakan sebagai capital untuk pembayaran sewa pesawat.

Pembayaran obligasi dilakukan secara penuh (*bullet payment*) saat jatuh tempo. Tingkat bunga sebesar 9,25% per tahun dan dibayar setiap 3 bulanan, dimulai 5 Oktober 2013 sampai 5 Juli 2018. Pembelian kembali obligasi dapat dilakukan setelah satu tahun dari tanggal penjatahan berdasarkan harga pasar.

PT CIMB Niaga Tbk bertindak sebagai wali amanat. Obligasi tersebut mendapatkan IdA fitch rating dan tercatat pada Bursa Efek Indonesia pada 8 Juli 2013. Obligasi tidak dijamin oleh apapun atau siapapun.

Saldo per 31 Desember 2013 sebesar USD 162.850.383.

26. BONDS PAYABLE

In July 2013, the Company carried out a sustainable public offering called "Garuda Indonesia Sustainable Bond 1". The Company is aiming to raise Rp 4,000,000,000,000 from the offering. In the first phase, the Company offered Sustainable Bond Garuda Indonesia 2013 amounting to Rp 2,000,000,000,000 (equivalent to USD 200,724,972). About 80% of the proceeds will be used as advance payment for the purchase of aircrafts and the remaining 20% will be used as working capital to pay for aircraft lease rentals.

The bond principal is to be settled at bullet payment on maturity. Interest is fixed at 9.25% per annum, payable every three months starting on October 5, 2013 to July 5, 2018. Buy-back of bond can be made one year after allotment date at market price.

The Trustee for the bonds is PT CIMB Niaga Tbk. The bond received Fitch rating of IdA, and listed in the Indonesian Stock Exchange on July 8, 2013. The bond is not secured by any collateral and not guaranteed by any party.

Balance at December 31, 2013 amounted to USD 162,850,383.

27. LIABILITAS TIDAK LANCAR LAINNYA

	2013 USD	2012 USD	
Pendapatan ditangguhkan atas jual dan sewa balik (Catatan 47)	22.720.707	5.014.143	Deferred income from sale and leaseback (Note 47)
Uang muka agen	2.742.732	2.116.789	Advances from agent
Lain-lain	408.068	113.981	Others
Jumlah	25.871.507	7.244.913	Total

27. OTHER NONCURRENT LIABILITIES

28. LIABILITAS IMBALAN PASCA KERJA

a. Imbalan Pasca-kerja

Program Iuran Pasti

Perusahaan dan PT Garuda Maintenance Facility Aero Asia (GMFAA), entitas anak, menyelenggarakan program pensiun iuran pasti untuk seluruh karyawan tetapnya. Program pensiun tersebut dikelola oleh Dana Pensiun Garuda Indonesia (DPGA), yang akta pendiriannya telah disahkan oleh Menteri Keuangan Republik Indonesia dengan Surat Keputusan No. KEP-403/KM.17/1999 tanggal 15 Nopember 1999. Iuran dana pensiun masing-masing berjumlah 7,5% dari gaji dasar karyawan dimana sebesar 2% ditanggung karyawan dan sisanya ditanggung Perusahaan dan GMFAA.

28. POST-EMPLOYMENT BENEFITS OBLIGATION

a. Post-employment Benefits

Defined Contribution Plan

The Company and PT Garuda Maintenance Facility Aero Asia (GMFAA), a subsidiary, established a defined contribution pension plan for all their permanent employees. The pension plan is managed by Dana Pensiun Garuda Indonesia (DPGA), whose deed of establishment was approved by the Minister of Finance of the Republic of Indonesia in his Decision Letter No. KEP-403/KM.17/1999 dated November 15, 1999. The pension fund contributions are equivalent to 7.5% of employees' basic salaries wherein 2% are assumed by the employees and the difference is assumed by the Company and GMFAA.

Berdasarkan hasil Rapat Umum Pemegang Saham Tahunan (RUPST) Perusahaan tanggal 26 April 2013, di setuju dan ditetapkan perubahan iuran dana pensiun Perusahaan dari yang semula 7,5% dari gaji dasar karyawan menjadi 10% dan perubahan iuran yang ditanggung karyawan dari yang semula 2% menjadi 3% dan sisanya menjadi tanggungan Perusahaan.

PT Abacus Distribution Systems Indonesia (ADSI), entitas anak, menyelenggarakan program penutupan asuransi atas jaminan hari tua untuk semua karyawan yang memenuhi persyaratan. Program jaminan hari tua ini memberikan manfaat jaminan hari tua yang ditentukan berdasarkan penghasilan terakhir peserta. Program jaminan hari tua ini dikelola oleh PT Asuransi Jiwasraya (Persero). Pendanaan jaminan hari tua berasal dari kontribusi entitas anak tersebut dan karyawannya masing-masing sebesar 7,5% dan 2,5% dari gaji dasar.

Beban iuran pasti untuk tahun-tahun yang berakhir 31 Desember 2013 dan 2012 masing-masing sebesar USD 7.432.668 dan USD 7.581.136 dicatat sebagai beban operasional.

Program Imbalan Pasti

PT Aero Wisata, entitas anak, menyelenggarakan program pensiun manfaat pasti untuk seluruh karyawan tetapnya yang dikelola oleh Dana Pensiun Aero Wisata yang akta pendiriannya telah disahkan oleh Menteri Keuangan Republik Indonesia dengan Surat Keputusan No. KEP-044/KM.10/2007 tanggal 26 Maret 2007. Iuran dana pensiun berasal dari kontribusi PT Aero Wisata dan karyawan masing-masing sebesar 11,40% dan 5% dari gaji kotor. Pada masa pensiun, karyawan akan memperoleh manfaat sebesar 2,5% kali masa kerja kali penghasilan dasar pensiun.

GMFAA, ADSI, ASI dan AWS juga memberikan imbalan kepada karyawan yang memenuhi persyaratan sesuai dengan kebijakan Perusahaan yang didasarkan pada Undang-undang Ketenagakerjaan No. 13 Tahun 2003. Tidak terdapat pendanaan yang disisihkan oleh Perusahaan sehubungan dengan imbalan kerja ini.

b. Imbalan Kerja Jangka Panjang Lain

GMFAA, ADSI, ASI dan AWS memberikan penghargaan masa bakti kepada karyawan yang telah bekerja selama 20 tahun sesuai dengan kebijakan Perusahaan. Tidak terdapat pendanaan yang disisihkan oleh Perusahaan sehubungan dengan imbalan kerja ini.

Based on the Company's Annual General Shareholder Meeting (RUPST) dated April 26, 2013, RUPST agreed and approved the changes in pension funding from 7,5% of employee basic salary to become 10%, while the contribution ratio as borne by an employees was changed from 2% to become 3% with the remaining portion is borne by the Company.

PT Abacus Distribution Systems Indonesia (ADSI), a subsidiary, established an insurance program covering post-retirement benefits for all qualified permanent employees. This program provides post-retirement benefits based on the participants latest salaries. This program is managed by PT Asuransi Jiwasraya (Persero). The program is funded by contributions from the subsidiary and its employees at 7.5% and 2.5%, of the employees' basic salaries, respectively.

Pension expense was recorded as part of operating expense for the years ended December 31, 2013 and 2012 amounting to USD 7,432,668 and USD 7,581,136, respectively.

Defined Benefit Plan

PT Aero Wisata, a subsidiary, established a defined benefit pension plan for all its permanent employees. The plan is managed by Dana Pensiun Aero Wisata whose deed of establishment was approved by the Minister of Finance of Republic of Indonesia in his Decision Letter No. KEP-044/KM.10/2007 dated March 26, 2007. The pension fund is funded by contribution from PT Aero Wisata and its employees at 11.40% and 5%, respectively, of the employees gross salaries. At retirement age, the employees will obtain benefit of 2.5% times working period times basic pension income.

The GMFAA, ADSI, ASI and AWS also provide benefits to their qualifying employees in accordance with the Company's policies based on Labor Law No. 13 Year 2003. No funding has been made to this defined benefit plan.

b. Other Long-term Benefit

The GMFAA, ADSI, ASI and AWS provide long service awards to their employees who have already rendered 20 years of service in accordance with their policies. No funding has been made to this long-term benefit.

Pada 31 Desember 2013 dan 2012, perhitungan imbalan kerja program imbalan pasti dan imbalan kerja jangka panjang lainnya dihitung oleh PT Padma Radya Aktuaria, aktuaris independen, dengan menggunakan asumsi utama sebagai berikut:

At December 31, 2013 and 2012, the cost of providing defined benefit plan and other long-term benefits is calculated by PT Padma Radya Aktuaria, an independent actuary, using the following key assumptions:

	2013	2012	
Tingkat diskonto	8,6% - 9%	5,75% - 6,5%	Discount rate
Tingkat kenaikan gaji	3% - 8%	6% - 8%	Future salary increment rate
Tingkat kematian	TMI	TMI	Mortality rate
Tingkat cacat	10% dari tingkat kematian/ 10% of mortality rate		Disability rate
Tingkat pengunduran diri	5% usia 25 tahun menurun secara garis lurus sampai 0% usia 56 tahun/ 5% at age 25 and decreasing linearly to 0% at age 56		Resignation rate
Tingkat pensiun normal	56 tahun/56 years	56 tahun/56 years	Normal retirement rate
Tingkat kenaikan biaya kesehatan - untuk kesehatan	6,1% sampai tahun 2017 kemudian flat 5%/ 6,1% until year 2017 then 5% flat rate	7,2% sampai tahun 2014 kemudian flat 5%/ 7.2% until year 2014 then 5% flat rate	Medical cost increment rate - for healthcare

Jumlah yang dibebankan atas imbalan pasca-kerja program imbalan pasti dan jangka panjang lain adalah sebagai berikut:

The amounts recognized in profit or loss arising from the post-employment defined benefits plan and other long-term benefits, are as follows:

2013					
Imbalan pasca-kerja/ Post-employment benefit					
Imbalan kesehatan/ Healthcare plan	Program imbalan pasti/ Defined benefit plan	Pensiun kesehatan/ Health care	Penghargaan masa bakti/ Long service award	Jumlah/ Total	
USD	USD	USD	USD	USD	
Biaya jasa kini	-	9.765.992	39.130	1.512.637	Current service cost
Biaya jasa lalu	-	876.504	-	46.688	Past service cost
Beban bunga	-	9.972.893	2.806.779	1.203.702	Interest costs
Keuntungan (kerugian) aktuarial	-	4.964.403	(4.001.795)	(1.261.908)	Actuarial gain (losses)
Dampak kurtailmen	-	(402.973)	-	(56.257)	Effect of curtailment
Hasil aset program diharapkan	-	-	(2.587.857)	-	Expected return on plan assets
Jumlah	-	25.176.819	(3.743.743)	1.444.862	Total

2012					
Imbalan pasca-kerja/ Post-employment benefit					
Imbalan kesehatan/ Healthcare plan	Program imbalan pasti/ Defined benefit plan	Pensiun kesehatan/ Health care	Penghargaan masa bakti/ Long service award	Jumlah/ Total	
USD	USD	USD	USD	USD	
Biaya jasa kini	-	10.220.571	71.723	1.576.454	Current service cost
Biaya jasa lalu	-	1.424.644	-	-	Past service cost
Beban bunga	283.586	13.699.527	2.375.776	1.488.273	Interest costs
Keuntungan (kerugian) aktuarial	-	5.969.097	(321.931)	(35.981)	Actuarial gain (losses)
Dampak kurtailmen	-	(1.283.458)	-	(339.294)	Effect of curtailment
Hasil aset program diharapkan	-	-	(4.592.518)	-	Expected return on plan assets
Jumlah	283.586	30.030.381	(2.466.950)	2.689.452	Total

Liabilitas imbalan kerja pasca-kerja program imbalan pasti dan jangka panjang lain yang termasuk dalam laporan keuangan konsolidasian adalah sebagai berikut:

The amounts included in the consolidated statements of financial position arising from the post-employment defined benefits plan and other long-term benefit are as follows:

2013						
Liabilitas imbalan pasca kerja/ Employee benefit obligations						
Imbalan kesehatan/ Healthcare plan	Program imbalan pasti/ Defined benefit plan	Pensiun kesehatan/ Health care	Penghargaan masa bakti/ Long service award	Jumlah/ Total		
USD	USD	USD	USD	USD		
Nilai tunai kewajiban	-	155.771.612	29.756.445	15.969.303	201.497.359	Present value of obligation
Biaya jasa lalu yang masih akan diakui dimasa mendatang	-	(1.421.066)	-	-	(1.421.066)	Unrecognized past service cost
Keuntungan (kerugian) aktuarial belum diakui	-	(52.777.586)	-	-	(52.777.586)	Unrecognized actuarial gains (losses)
Nilai wajar aset program	-	-	(40.479.066)	-	(40.479.066)	Fair value of plan assets
Selisih Kurs	-	11.200.788	-	-	11.200.788	Foreign exchange differential
Kewajiban bersih	-	112.773.748	(10.722.622)	15.969.303	118.020.429	Net liability
Liabilitas imbalan kerja	-	112.773.748	-	15.969.303	128.743.051	Employee benefit obligations
Surplus imbalan kerja	-	-	(10.722.622)	-	(10.722.622)	Plan assets

2012						
Liabilitas imbalan pasca kerja/ Employee benefit obligations						
Imbalan kesehatan/ Healthcare plan	Program imbalan pasti/ Defined benefit plan	Pensiun kesehatan/ Health care	Penghargaan masa bakti/ Long service award	Jumlah/ Total		
USD	USD	USD	USD	USD		
Nilai tunai kewajiban	72.380	203.147.676	47.692.880	23.231.912	274.144.848	Present value of obligation
Biaya jasa lalu yang masih akan diakui dimasa mendatang	-	(1.345.156)	-	-	(1.345.156)	Unrecognized past service cost
Keuntungan (kerugian) aktuarial belum diakui	-	(75.847.250)	1.676.777	-	(74.170.473)	Unrecognized actuarial gains (losses)
Nilai wajar aset program	-	-	(58.890.645)	-	(58.890.645)	Fair value of plan assets
Selisih kurs	-	3.727.551	(104.386)	-	3.623.165	Foreign exchange differential
Kewajiban bersih	72.380	129.682.821	(9.625.374)	23.231.912	143.361.739	Net liability
Kewajiban imbalan kerja	72.380	129.682.821	-	23.231.912	152.987.113	Employee benefit obligations
Surplus imbalan kerja	-	-	(9.625.374)	-	(9.625.374)	Plan assets

Mutasi nilai kini kewajiban adalah sebagai berikut:

Movements in the present value obligation are as follows:

2013						
Liabilitas imbalan pasca kerja/ Employee benefit obligations						
Imbalan kesehatan/ Healthcare plan	Program imbalan pasti/ Defined benefit plan	Pensiun kesehatan/ Health care	Penghargaan masa bakti/ Long service award	Jumlah/ Total		
USD	USD	USD	USD	USD		
Nilai kini kewajiban						Present value obligation
imbalan pasti - awal tahun	72.380	203.147.676	47.692.880	23.231.912	274.144.848	- beginning balance
Biaya jasa kini	-	9.765.992	39.130	1.512.637	11.317.759	Current service cost
Biaya bunga	-	9.972.893	2.806.779	1.203.702	13.983.374	Interest expense
Biaya jasa lalu	-	37.025	-	46.688	83.713	Past service cost
Kurtailment dan penyelesaian	-	(497.965)	-	(56.257)	(554.222)	Curtailment and settlement
Imbalan yang dibayarkan (Keuntungan) kerugian aktuarial	(66.263)	(12.488.528)	(1.873.308)	(4.208.901)	(18.637.000)	Benefit payment
dan koreksi data	-	(13.739.548)	(11.247.374)	(1.261.908)	(26.248.830)	Actuarial gain/loss and data correction
Perubahan kurs valuta asing	(6.117)	(40.425.933)	(7.661.663)	(4.498.570)	(52.592.283)	Foreign exchange differential
Nilai kini kewajiban						Present value obligation
Imbalan pasti - akhir tahun	-	155.771.612	29.756.444	15.969.303	201.497.359	- ending balance

2012							
Liabilitas imbalan pasca kerja/ <i>Employee benefit obligations</i>							
Imbalan kesehatan/ <i>Healthcare plan</i>	Program imbalan pasti/ <i>Defined benefit plan</i>	Pensiun kesehatan/ <i>Health care</i>	Penghargaan masa bakti/ <i>Long service award</i>	Jumlah/ <i>Total</i>			
USD	USD	USD	USD	USD			
Nilai kini kewajiban imbalan pasti - awal tahun	13.628.718	220.262.982	50.616.726	24.862.307	309.370.733	Present value obligation - beginning of the year	
Biaya jasa kini	-	10.220.571	71.723	1.576.454	11.868.748	Current service cost	
Biaya bunga	283.586	13.699.527	2.375.776	1.488.273	17.847.162	Interest expense	
Biaya jasa lalu	-	7.937	-	-	7.937	Past service cost	
Kurtailmen dan penyelesaian	-	(2.775.969)	-	(343.855)	(3.119.824)	Curtailment and settlement	
Imbalan yang dibayarkan (Keuntungan) kerugian aktuarial dan data koreksi	(13.330.107)	(10.290.100)	(1.895.528)	(2.793.355)	(28.309.090)	Benefit payment	
		(14.927.375)	330.869	(39.597)	(14.636.103)	Actuarial gain/loss and data correction	
Perubahan kurs valuta asing	(509.817)	(13.049.897)	(3.806.686)	(1.518.315)	(18.884.715)	Foreign exchange differential	
Nilai kini kewajiban imbalan pasti - saldo akhir	72.380	203.147.676	47.692.880	23.231.912	274.144.848	Present value obligation - end of the year	

Mutasi liabilitas imbalan kerja pasca-kerja program imbalan pasti dan jangka panjang lain adalah sebagai berikut:

Movements in the net liability of the post-employment defined benefits plan and other long-term benefit are as follows:

2013							
Imbalan pasca-kerja/ <i>Post-employment benefit</i>							
Imbalan kesehatan/ <i>Healthcare plan</i>	Program imbalan pasti/ <i>Defined benefit plan</i>	Pensiun kesehatan/ <i>Health care</i>	Penghargaan masa bakti/ <i>Long service award</i>	Jumlah/ <i>Total</i>			
USD	USD	USD	USD	USD			
Saldo awal tahun	72.380	129.682.821	(9.625.374)	23.231.912	143.361.739	Balance of beginning of year	
Beban tahun berjalan	-	25.176.819	(3.743.743)	1.444.862	22.877.938	Expense for the year	
Selisih kurs	(6.117)	(29.597.364)	2.715.443	(4.498.570)	(31.386.608)	Foreign exchange differential	
Pembayaran imbalan	(66.263)	(12.488.528)	(68.948)	(4.208.901)	(16.832.640)	Payments of benefits	
Saldo akhir tahun	-	112.773.748	(10.722.622)	15.969.303	118.020.429	Balance at end of year	

2012							
Imbalan pasca-kerja/ <i>Post-employment benefit</i>							
Imbalan kesehatan/ <i>Healthcare plan</i>	Program imbalan pasti/ <i>Defined benefit plan</i>	Pensiun kesehatan/ <i>Health care</i>	Penghargaan masa bakti/ <i>Long service award</i>	Jumlah/ <i>Total</i>			
USD	USD	USD	USD	USD			
Saldo awal tahun	13.628.718	117.745.460	(7.553.118)	24.862.307	148.683.367	Balance of beginning of year	
Beban tahun berjalan	283.586	30.030.381	(2.466.950)	2.689.452	30.536.469	Expense for the year	
Selisih kurs	(509.817)	(7.802.920)	538.076	(1.526.492)	(9.301.153)	Foreign exchange differential	
Pembayaran imbalan	(13.330.107)	(10.290.100)	(143.382)	(2.793.355)	(26.556.944)	Payments of benefits	
Saldo akhir tahun	72.380	129.682.821	(9.625.374)	23.231.912	143.361.739	Balance at end of year	

Perusahaan telah menghentikan imbalan kesehatan atas karyawan yang pensiun pada periode tertentu.

The Company has discontinued the healthcare plan program for the employee who retired for certain period.

Mutasi nilai wajar aset program kesehatan adalah sebagai berikut:

Movements in the present value of health care plan assets are as follows:

	2013 USD	2012 USD	
Nilai wajar aset program			Fair value of plan assets
- awal tahun	58.890.645	58.606.534	- beginning balance
Imbal hasil ekspektasian aset program	2.587.857	4.592.518	Expected return on plan assets
(Keuntungan) kerugian aktuarial			Actuarial gain/loss
dan koreksi data	(8.097.324)	1.197.306	and data correction
Kontribusi pemberi kerja	68.948	143.382	The Company contribution
Pembayaran manfaat	(1.873.308)	(1.895.528)	Benefit payment
Perubahan kurs valuta asing	(11.097.752)	(3.753.567)	Foreign exchange differential
Nilai wajar aset program			Fair value of plan assets
- akhir tahun	40.479.066	58.890.645	- ending balance

Pengaruh kenaikan/penurunan 1% dalam tingkat tren biaya kesehatan yang diasumsikan atas:

The effect of an increase/decrease of 1% in the assumed medical cost trend rate on:

	2013 USD	2012 USD	
Biaya jasa kini agregat dan biaya bunga	3.225.401	2.448.539	The aggregate of the current service cost and interest cost
Akumulasi kewajiban imbalan pasca kerja untuk biaya kesehatan	33.063.368	48.986.796	The accumulated post-employment benefit for medical costs.

Kategori utama aset program, dan tingkat imbal hasil ekspektasian pada akhir periode pelaporan untuk setiap kategori, adalah sebagai berikut:

The major category of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows:

	Tingkat imbal hasil ekspektasian/ Expected return		Nilai wajar aset program/ Fair value of plan assets		
	2013 %	2012 %	2013 USD	2012 USD	
Instrumen ekuitas	85,18%	52,06%	34.481.000	27.990.837	Equity instruments
Deposito dan lainnya	8,42%	47,94%	3.410.209	25.770.825	Time deposits and others
Imbalan hasil ekspektasian rata-rata	6,39%	8,71%	2.587.857	5.128.983	Investment result expected average
Nilai wajar aset program					Fair value of plan assets
- akhir tahun	100%	109%	40.479.066	58.890.645	- ending balance

Tingkat imbal hasil ekspektasian keseluruhan adalah rata-rata tertimbang dari imbal hasil ekspektasian dari berbagai kategori aset program yang diselenggarakan. Penilaian direksi atas imbal hasil ekspektasian didasarkan pada tren pengembalian historis dan analisis prediksi pasar untuk aset selama masa kewajiban tersebut.

The overall expected rate of return is a weighted average of the expected returns of the various categories of plan assets held. The directors' assessment of the expected return is based on historical return trends and analysis' predictions of the market for the assets over the life of the related obligation.

Imbalan hasil aset program adalah USD 2.587.857 dan USD 4.592.518 masing-masing pada tahun-tahun yang berakhir 31 Desember 2013 dan 2012.

The actual return on plan assets was USD 2,587,857 and USD 4,592,518 in the years ended December 31, 2013 and 2012, respectively.

Riwayat penyesuaian pengalaman adalah sebagai berikut:

The history of experience adjustment is as follows:

	2013 USD	2012 USD	2011 USD	2010 USD	2009 USD	
Nilai kini kewajiban imbalan pasti	201.497.359	274.144.848	309.370.733	281.707.923	230.842.134	Present value of defined benefit obligation
Nilai wajar aset program	(40.479.066)	(58.890.645)	(58.606.534)	(53.825.294)	(35.444.768)	Fair value of plan assets
Defisit	161.018.293	215.254.203	250.764.199	227.882.629	195.397.366	Deficit
Penyesuaian pengalaman liabilitas program	22.241.577	(11.107.613)	8.973.931	4.645.283	23.041.304	Experience adjustment on plan liabilities
Penyesuaian pengalaman aset program	(6.920.093)	1.166.177	85.610	1.989.757	766.357	Experience adjustment on plan assets

29. MODAL SAHAM

29. CAPITAL STOCK

	2013			
	Jumlah saham/ Number of shares	Persentase kepemilikan/ Percentage of ownership %	Jumlah modal disetor/ Total paid-up capital USD	
Saham seri A Dw i w a r n a:				Series A Dw i w a r n a share:
Pemerintah Negara Republik Indonesia	1	0,0000%	0,10	Government of the Republic of Indonesia
Saham biasa seri B:				Series B share:
Pemerintah Negara Republik Indonesia	15.653.127.999	69,1362%	792.323.085	Government of the Republic of Indonesia
Credit Suisse AG Singapore TC AR CL PT Trans Airw ays	2.466.965.725	10,8960%	124.871.776	Credit Suisse AG Singapore TC AR CL PT Trans Airw ays
Credit Suisse AG Singapore Trust A/C Clients	462.691.000	2,0436%	23.420.288	Credit Suisse AG Singapore Trust A/C Clients
Komisaris:				Commisioners:
Wendy Aritenang Yazid	231.534	0,0010%	11.720	Wendy Aritenang Yazid
Direktur:				Directors:
Emirsyah Satar	1.904.369	0,0084%	96.395	Emirsyah Satar
Batara Silaban	285.207	0,0013%	14.436	Batara Silaban
Heriyanto Agung Putra	181.829	0,0008%	9.204	Heriyanto Agung Putra
Faik Fahmi	166.094	0,0007%	8.407	Faik Fahmi
Novijanto Herupratomo	123.816	0,0005%	6.267	Novijanto Herupratomo
Handrito Hardjono	97.118	0,0004%	4.916	Handrito Hardjono
Masyarakat (kepemilikan di baw ah 2%)	4.055.221.308	17,9110%	205.265.396	Public (each holding below 2%)
Jumlah	22.640.996.000	100,0000%	1.146.031.889	Total

	2012			
	Jumlah saham/ <i>Number of shares</i>	Persentase kepemilikan/ <i>Percentage of ownership</i> %	Jumlah modal disetor/ <i>Total paid-up capital</i> USD	
Saham seri A Dw iwar na:				Series A Dw iwar na share:
Pemerintah Negara				Government of the Republic
Republik Indonesia	1	0,0000%	0,10	of Indonesia
Saham biasa seri B:				Series B share:
Pemerintah Negara				Government of the Republic
Republik Indonesia	15.653.127.999	69,1362%	792.323.087	of Indonesia
Credit Suisse AG Singapore				Credit Suisse AG Singapore
TC AR CL PT Trans Airw ays	2.466.965.725	10,8960%	124.871.776	TC AR CL PT Trans Airw ays
PT Angkasa Pura II (Persero)	403.634.000	1,7828%	20.430.967	PT Angkasa Pura II (Persero)
PT Angkasa Pura I (Persero)	248.496.000	1,0975%	12.578.260	PT Angkasa Pura I (Persero)
Komisaris:				Commisioners:
Wendy Aritenang Yazid	231.534	0,0010%	11.720	Wendy Aritenang Yazid
Direktur:				Directors:
Emirsyah Satar	1.904.369	0,0084%	96.395	Emirsyah Satar
Elisa Lumbantoruan	968.835	0,0043%	49.040	Elisa Lumbantoruan
Batara Silaban	285.207	0,0013%	14.436	Batara Silaban
Heriyanto Agung Putra	181.829	0,0008%	9.204	Heriyanto Agung Putra
Novijanto Herupratomo	123.816	0,0005%	6.267	Novijanto Herupratomo
Faik Fahmi	116.094	0,0005%	5.876	Faik Fahmi
Handrito Hardjono	97.118	0,0004%	4.916	Handrito Hardjono
Masyarakat				Public
(kepemilikan di baw ah 2%)	3.864.863.473	17,0702%	195.629.945	(each holding below 2%)
Jumlah	22.640.996.000	100,0000%	1.146.031.889	Total

Saham "Seri A" adalah saham khusus yang dimiliki oleh Pemerintah dan mempunyai hak suara khusus. Hak dan batasan yang berlaku pada saham "Seri B" juga berlaku bagi saham "Seri A", kecuali bahwa Pemerintah tidak dapat mengalihkan saham "Seri A", dan mempunyai hak veto sehubungan dengan (i) perubahan maksud dan tujuan Perusahaan; (ii) penambahan modal tanpa hak memesan terlebih dahulu; (iii) penggabungan, peleburan, pengambilalihan dan pemisahan; (iv) perubahan atas ketentuan-ketentuan yang mengatur hak-hak saham "Seri A" sebagaimana diatur dalam Anggaran Dasar; dan (v) pembubaran, kepailitan dan likuidasi Perusahaan. Saham "Seri A" juga memiliki hak untuk menunjuk satu orang Direktur dan satu orang Komisaris Perusahaan.

Berdasarkan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) pada tanggal 28 Juni 2012, pemegang saham menyetujui pelaksanaan kuasi-reorganisasi sesuai dengan ketentuan yang tertuang di PSAK 51 (Revisi 2003) dan Peraturan Bapepam No. IX.L1 tentang tata cara pelaksanaan Kuasi-Reorganisasi, lampiran keputusan ketua Bapepam No. Kep-16/PM/2004 tanggal 13 April 2004. Kuasi-reorganisasi dilakukan berdasarkan laporan keuangan per 1 Januari 2012 yang telah disajikan dalam mata uang US Dolar sebagai mata uang penyajian.

"Series A" share is a special share owned by the Government that has special voting rights. The rights and restrictions in effect on "Series B" share also applies to "Series A" share, except that the Government cannot transfer the "Series A" share, and has a veto in connection with (i) changes in scope of the Company, (ii) capital increase without rights issue in advance, (iii) a merger, consolidation, acquisition and separation, (iv) changes of the provisions governing the rights of shares of "Series A" as stipulated in the Articles of Association, and (v) the dissolution, bankruptcy and liquidation of the Company. "Series A" share also has the right to appoint one director and one commissioner.

Based on Extraordinary Shareholder Meeting (RUPSLB) dated June 28, 2012, the shareholders agreed to carry out a quasi-reorganization in accordance with PSAK 51 (Revised 2003) and Bapepam rules No. IX.L1 related to quasi-reorganization procedures, supplementary to the Bapepam Chairman Decision Letter No. Kep-16/PM/2004 dated April 13, 2004. The Company performed the procedures of quasi-reorganization based on the opening consolidated financial statement as of January 1, 2012, as remeasured in U.S. Dollar which is the Company's functional and presentation currency.

Sehubungan dengan kuasi-reorganisasi, RUPSLB menyetujui pengurangan modal Perusahaan dengan cara menurunkan nilai nominal saham Perusahaan dari semula sebesar Rp 500 menjadi sebesar Rp 459 yang akan dilaksanakan setelah Peraturan Pemerintah terkait pengurangan modal tersebut diterbitkan. Setelah tanggal efektif, struktur modal Perusahaan akan menjadi:

1. Modal dasar, semula Rp 15.000.000.000.000 menjadi sebesar Rp 13.770.000.000.000.
2. Modal ditempatkan dan disetor semula Rp 11.320.498.000.000 menjadi Rp 10.392.217.164.000.

Pada tanggal 27 Desember 2012, Pemerintah Republik Indonesia menerbitkan Peraturan Pemerintah No. 114 tahun 2012 sehubungan dengan pengurangan penyertaan modal Pemerintah pada Perusahaan sebesar Rp 641.778.248.000. Perusahaan juga menerima Surat Keputusan Menteri Hukum dan Hak Azasi Manusia Republik Indonesia No. AHU-66159.AH.01.02.tahun 2012 tentang Persetujuan Perubahan Anggaran Dasar Perusahaan terkait proses Kuasi-reorganisasi. Dikarenakan komponen ekuitas selain modal saham tidak mencukupi untuk mengeliminasi saldo defisit yang ada, maka dilakukan penurunan modal saham sebesar USD 1.145.905.003 sehingga saldo modal saham setelah Kuasi-reorganisasi menjadi USD 1.146.031.889.

In connection with quasi-reorganization, the RUPSLB approved the capital reduction by lowering the nominal value of shares from the original amount of Rp 500 to Rp 459 to be carried out after the government regulation related with new capital structure is issued. After the effective date, the capital structure of the Company will be:

1. Authorized capital reduced from Rp 15,000,000,000,000 to Rp 13,770,000,000,000.
2. Issued and paid-up capital reduced from Rp 11,320,498,000,000 to Rp 10,392,217,164,000.

On December 27, 2012, the Government of Republic of Indonesia issued Government Regulation No. 114 year 2012 related to the decrease of the Government Equity participation in the Company amounting to Rp 641,778,248,000. The Company also received the Decision Letter from Minister of Law and Human Rights of the Republic Indonesia No. AHU-66159.AH.01.02.tahun 2012 related with the amendment of the Company, articles of association in connection with quasi-reorganization. Because the component of equity other than the capital stock is not sufficient to eliminate the deficit balance, the Company reduced its capital stock by USD 1,145,905,003. The capital stock after quasi-reorganization amounted to USD 1,146,031,889.

30. TAMBAHAN MODAL DISETOR

	2013 USD	2012 USD
Cadangan modal	106	106
PMP atas 2 pesawat Boeing 747-400 dan 7 pesawat Boeing 737-400 sesuai PP No. 70 tahun 2000	10	10
PMP atas <i>jet engine test cell</i> berdasarkan Keputusan Menteri Keuangan Republik Indonesia No. S-124/MK.016/1998	4.088.185	4.088.185
Pengeluaran saham melalui penawaran umum perdana kepada masyarakat	121.453.020	121.453.020
Biaya Emisi Efek	(12.474.286)	(12.474.286)
Eliminasi defisit dalam rangka kuasi reorganisasi	(108.518.998)	(108.518.998)
Jumlah	<u>4.548.037</u>	<u>4.548.037</u>

Penyertaan Modal Pemerintah (PMP) sebesar Rp 8.401.219.715 atau setara dengan USD 4.088.185 dicatat sebagai tambahan modal disetor karena Perusahaan belum melakukan peningkatan modal disetor.

30. ADDITIONAL PAID-IN CAPITAL

Capital reserve
GEP on 2 boeing 747-400 aircrafts and 7 boeing 737-400 aircrafts based on Government Regulation No. 70/2000
GEP on jet engine test cell based on the Decision Letter of Ministry of Finance of the Republic of Indonesia No. S-124/MK.016/1998
Issuance of shares through public offering
Share issuance cost
Elimination of deficit in connection with quasi-reorganization
Total

The Government Equity Participation (GEP) of Rp 8,401,219,715 or equivalent with USD 4,088,185 was presented as additional paid-in capital since the Company has not yet increased its paid-up capital.

Agio saham berasal dari selisih nilai par sebesar Rp 750 per saham dan nilai nominal sebesar Rp 500 per saham pada saat penawaran umum perdana Perusahaan pada tahun 2011. Total agio saham sebelum biaya emisi efek sebesar Rp 1.100.000.000.000 setara dengan USD 121.453.020.

Share premium arose from the market value of Rp 750 per share and nominal value of Rp 500 per share at initial public offering in 2011. Total share premium recorded before stock issuance cost amounted Rp 1,100,000,000,000 equivalent with USD 121,453,020.

Penyesuaian atas tambahan modal disetor sebesar USD 108.518.998 merupakan penyesuaian terkait dengan kuasi-reorganisasi untuk menghapus saldo defisit Perusahaan pada tanggal 1 Januari 2012.

The adjustment in additional paid in capital of USD 108,518,998 was made in connection with quasi-reorganization to eliminate opening deficit balance as of January 1, 2012.

31. PENDAPATAN KOMPREHENSIF LAINNYA

31. OTHER COMPREHENSIVE INCOME

	2013 USD	2012 USD	
Surplus revaluasi			Revaluation surplus
Saldo awal	38.412.435	-	Beginning Balance
Peningkatan	18.993.491	46.699.641	Additions
Penurunan	(4.345.839)	-	Deductions
Dipindahkan ke laba ditahan	(2.283.780)	-	Transferred to retained earning
Pembalikan pajak tangguhan	2.327.626	-	Deferred tax realization
Dampak pajak tangguhan	(747.118)	(8.316.974)	Deferred tax effect
Kepentingan non pengendali	17.066	29.768	Non controlling interest
Sub jumlah	52.373.880	38.412.435	Sub total
Akumulasi selisih kurs penjabaran laporan keuangan			Cumulative translation adjustments
Pemilik entitas induk	(213.967.790)	(188.261.422)	Owner of the parent company
Kepentingan non pengendali	-	611.390	Non controlling interest
Sub jumlah	(213.967.790)	(187.650.032)	Sub total
Jumlah	(161.593.910)	(149.237.597)	Total

32. OPSI SAHAM

32. STOCK OPTION

Pada tahun 2011, Perusahaan memberikan opsi saham kepada komisaris, direksi dan karyawan dengan persyaratan yang telah ditetapkan. Biaya kompensasi saham pada tanggal penerbitan dihitung berdasarkan nilai wajar dari opsi saham tersebut dan diakui dalam beban kompensasi. Berdasarkan program hak yang diakui pada tahun berjalan (*cliff-vesting*) dengan metode garis lurus selama masa tunggu. Akumulasi biaya kompensasi saham diakui sebagai Opsi saham dalam bagian ekuitas pada tahun 2011 sebesar Rp 19.740.236.981 atau setara dengan USD 2.278.677, yang terdiri dari 87.847.064 saham untuk opsi tahap 1 dan 65.885.298 saham untuk opsi tahap 2.

In 2011, the Company granted stock options to qualifying commissioners, directors and employees. Stock compensation expense is calculated based on the fair value of stock options granted and recognized as compensation expense. Based on the program, compensation expenses are recognized (*cliff-vesting*) using straight-line method during the vesting period. The accumulated costs are recognized as stock options in equity in 2011 which amounted to Rp 19,740,236,981 or equivalent with USD 2,278,677, consisting of 87,847,064 shares for phase 1 and 65,885,298 shares for phase 2.

Nilai wajar dari opsi saham tersebut dinilai oleh appraisal independen Towers Watson Purbajaga dalam laporannya tertanggal 19 Mei 2011 untuk tahap 1 dan 29 Februari 2012 untuk tahap 2 dengan menggunakan model penentuan harga opsi *Black-Scholes*.

The fair value of stock options are valued by Towers Watson an independent appraisal, in its report dated May 19, 2011 for phase 1 and February 29, 2012 for phase 2 which used Black-Scholes model to measure the option price.

Pelaksanaan program MESOP dilakukan dengan cara sebagai berikut:

- a) Hak opsi pembelian saham diberikan kepada seluruh peserta yang memenuhi persyaratan yang ditentukan.
- b) Hak opsi pembelian saham yang dibagikan dalam program MESOP dapat digunakan oleh Peserta untuk membeli saham baru Perusahaan dengan harga yang akan ditetapkan dengan memperhatikan peraturan dan perundangan yang berlaku.
- c) Hak Opsi pembelian saham akan diterbitkan oleh Perusahaan dalam tiga tahapan selama periode dua tahun setelah tanggal pencatatan di Bursa Efek Indonesia.
- d) Hak Opsi, tahap pertama diberikan bersamaan dengan tanggal pencatatan saham di Bursa Efek Indonesia. Tahap kedua diberikan selambat-lambatnya pada Bulan Desember 2011. Tahap ketiga diberikan selambat-lambatnya pada bulan Desember 2012.
- e) Hak Opsi yang diterbitkan dalam setiap tahap akan dikenakan masa tunggu selama 1 tahun atau 12 bulan sejak tanggal penerbitannya yaitu periode transaksi yang diperkenankan untuk mengkonversi hak opsi menjadi saham.
- f) Harga pelaksanaan hak opsi akan ditetapkan berdasarkan peraturan yang berlaku, peserta yang akan menggunakan hak opsi untuk membeli saham, wajib membayar secara penuh harga pelaksanaan dan biaya-biaya lainnya yang timbul dalam rangka pelaksanaan hak opsi tersebut.
- g) *Vesting period* selama 12 bulan
- h) *Option life* selama 5 tahun

Pada tahun 2012, Perusahaan memberikan opsi saham Tahap ke 3 dengan jumlah lembar saham 65.885.298. Akumulasi biaya kompensasi saham diakui sebagai opsi saham dalam bagian ekuitas per 31 Desember 2013 dan 2012 masing-masing sebesar USD 2.770.970 dan USD 1.148.451

Nilai wajar dari opsi saham tersebut dinilai oleh appraisal independen Towers Watson Purbajaga dalam laporannya tertanggal 26 Februari 2013 untuk tahap 3 dengan menggunakan model penentuan harga opsi *Black-Scholes*.

The implementation of MESOP program is carried out through the following:

- a) Share purchase option rights granted to all participants who meet the specified requirements.
- b) Share purchase option rights that were distributed in MESOP program can be used by participants to purchase the Company's new shares at a price to be determined with due regard to rules and regulations.
- c) Right to purchase stock options will be issued by the Company in three stages over a period of two years after the date of listing on the Indonesia Stock Exchange.
- d) Stock option on first stage is given on the date of listing of shares on the Indonesia Stock Exchange. The second stage is given not later than December 2011. The third stage is given not later than December 2012.
- e) Stock option issued in each stage will be subject to the vesting period of one year or 12 months from the date of issuance within the transaction period allowed to convert into stock option rights.
- f) Right to exercise the option will be determined based on state laws, participants will use the option to purchase stock, must pay the full price of implementation and cost incurred in implementation of the option rights.
- g) Vesting period within 12 months
- h) Option life in 5 years

In 2012, the Company granted stock option phase 3 of 65,885,298 shares. The accumulated cost recognized as stock option in equity as of December 31, 2013 and 2012 amounted USD 2,770,970 and USD 1,148,451, respectively.

The fair values of stock options are valued by Towers Watson an independent appraisal, in its report dated February 26, 2013 for phase 3 which used Black-Scholes model to measure the option price.

33. SALDO LABA DICADANGKAN

Berdasarkan Undang-Undang Perseroan Terbatas, Perusahaan wajib menyisihkan jumlah tertentu dari Laba Bersih setiap tahun untuk cadangan apabila Perusahaan mempunyai saldo laba positif. Penyisihan Laba Bersih tersebut dilakukan sampai cadangan wajib mencapai paling sedikit 20% dari jumlah modal yang ditempatkan disetor penuh.

Berdasarkan Rapat Umum Pemegang Saham Tahunan (RUPST) tanggal 26 April 2013 yang dinyatakan dalam akta No. 128 yang dibuat oleh Aryanti Artisari, S.H., M.Kn Notaris di Jakarta menyebutkan bahwa RUPST menyetujui dan menetapkan penggunaan Laba Yang Diatribusikan kepada Pemilik Entitas Induk untuk tahun buku 2012 sebesar USD 110.598.370 adalah sebagai berikut:

1. Dividen sebesar 0%.
2. Sebesar 5% dari Laba Yang Diatribusikan kepada Pemilik Entitas Induk berdasarkan laporan keuangan konsolidasian untuk tahun yang berakhir 31 Desember 2012 atau sebesar USD 5.529.919 digunakan untuk Cadangan Wajib Perusahaan.
3. Sebesar 95% dari laba yang diatribusikan kepada pemilik entitas induk berdasarkan laporan keuangan konsolidasian untuk tahun yang berakhir 31 Desember 2012 atau sebesar USD 105.068.451 digunakan untuk cadangan lainnya.

Saldo laba dicadangkan Perusahaan pada tanggal 31 Desember 2013 adalah sebesar USD 5.529.919 atau sebesar 0,48% dari modal ditempatkan dan disetor penuh.

34. KEPENTINGAN NON PENGENDALI

33. APPROPRIATED RETAINED EARNINGS

Under Indonesian Company Law, companies are obliged to allocate certain amount from the net earnings of each accounting year to reserve fund if the Company has a positive profit balance. The allocation of net earnings shall be performed up to an amount of 20% of the company's issued and paid up capital.

At the Annual General Meeting of Shareholders (RUPST) dated April 26, 2013 as stated in Deed No. 128 of Aryanti Artisari, S.H., M.Kn, notary in Jakarta the RUPST approved and stipulated the use of Net Income Attributable to Owners of the Parent Company for the fiscal year 2012 amounting to USD 110,598,370 with details as follows:

1. Dividend of 0%.
2. 5% of the Net Income Attributable to Owners of the Parent Company based on the consolidated financial statements for the year ended December 31, 2012 or in the amount of USD 5,529,919 shall be used as the Company's Mandatory Reserve.
3. 95% of the net income attributable to owners of the Parent Company based on the consolidated financial statements for the year ended December 31, 2012 or in the amount of USD 105,068,451 shall be used as other reserves.

The balance of the Company's appropriated retained earnings as of December 31, 2013 amounted USD 5,529,919 or 0.48% of the Company's issued and paid up capital.

34. NON CONTROLLING INTEREST

	Kepentingan non pengendali atas aset bersih/ <i>Non controlling interests in net assets</i>		Kepentingan non pengendali atas atas laba (rugi) bersih/ <i>Net income attributable to non controlling interests</i>	
	2013	2012	2013	2012
	USD	USD	USD	USD
PT Abacus Distribution Systems Indonesia	250.859	261.669	6.256	3.575
PT Aero Wisata dan entitas anak/ <i>and its subsidiaries</i>	1.219.281	1.609.259	155.281	240.628
Jumlah/ <i>Total</i>	1.470.140	1.870.928	161.537	244.203

35. PENDAPATAN USAHA

	2013 USD	2012 USD
Penerbangan berjadwal		
Penumpang	2.955.288.708	2.687.450.057
Kargo	195.952.040	184.889.000
Kelebihan bagasi	10.081.118	7.029.768
Surat dan dokumen	8.764.325	7.881.919
Sub jumlah	<u>3.170.086.191</u>	<u>2.887.250.744</u>
Penerbangan tidak berjadwal		
Haji	195.192.932	247.262.921
Charter	20.772.955	21.828.656
Sub jumlah	<u>215.965.887</u>	<u>269.091.577</u>
Lain-lain		
Biro perjalanan	81.964.385	79.878.710
Pemeliharaan dan perbaikan pesawat	68.308.243	67.362.378
Jasa boga	60.461.986	50.136.002
Pelayanan penerbangan	47.393.619	47.575.662
Fasilitas	22.873.959	21.204.424
Hotel	22.218.301	21.357.575
Transportasi	5.818.113	5.874.813
Teknologi informasi	4.869.580	3.892.417
Kesehatan	2.874.851	2.409.227
Pelatihan	499.477	898.822
Lain-lain	12.741.994	15.536.611
Sub jumlah	<u>330.024.508</u>	<u>316.126.641</u>
Jumlah	<u>3.716.076.586</u>	<u>3.472.468.962</u>

Scheduled airline services

Passenger
Cargo
Excess baggage
Mail and document
Sub total

Non-scheduled airline services

Haji
Charter
Sub total

Others

Travel agent
Aircraft maintenance and overhaul
Catering
Airline related
Facilities
Hotel
Transportation
Information technology
Healthcare service
Training service
Others
Sub total

Total

Tidak terdapat pendapatan dari pelanggan individu yang melebihi 10% dari jumlah pendapatan usaha.

No revenue earned from individual customers exceeded 10% of total operating revenue.

36. BEBAN OPERASIONAL PENERBANGAN

	2013 USD	2012 USD
Bahan bakar	1.420.139.208	1.255.126.779
Sewa dan charter pesawat	592.251.660	448.601.352
Gaji dan tunjangan	144.911.938	116.443.700
Beban penyusutan	62.155.939	51.501.031
Asuransi	16.691.989	24.561.135
Beban imbalan pasca kerja	6.950.541	10.438.528
Lain-lain	1.738.869	2.302.588
Jumlah	<u>2.244.840.144</u>	<u>1.908.975.113</u>

36. FLIGHT OPERATIONS EXPENSES

Fuel
Aircraft rental and charter
Salaries and allowances
Depreciation expenses
Insurance
Employee benefit expenses
Others
Total

72% tahun 2013 dan 63% tahun 2012 dari total biaya operasi penerbangan yang berkaitan dengan pembelian bahan bakar dilakukan dengan pihak berelasi (Catatan 45),

72% in 2013 and 63% in 2012 of total flight operations expenses pertains to purchases of fuel from related party (Note 45).

37. BEBAN TIKET, PENJUALAN DAN PROMOSI

	2013	2012
	USD	USD
Komisi	117.819.462	119.288.145
Reservasi	111.457.234	96.216.046
Gaji dan tunjangan	47.532.130	42.678.492
Promosi	41.504.898	41.566.759
Sewa	9.289.844	9.064.071
Jasa profesional dan pelatihan	2.401.356	950.897
Beban imbalan pasca kerja	1.348.838	1.969.508
Lain-lain	4.488.373	5.710.017
Jumlah	<u>335.842.135</u>	<u>317.443.935</u>

37. TICKETING, SALES AND PROMOTION EXPENSES

Commissions
Reservations
Salaries and allowances
Promotions
Rental
Professional services and training
Employee benefit expenses
Others
Total

38. BEBAN PELAYANAN PENUMPANG

	2013	2012
	USD	USD
Pelayanan penumpang	175.481.145	157.351.404
Gaji dan tunjangan	100.908.081	97.371.195
Pemakaian persediaan umum	2.225.273	2.088.304
Beban imbalan pasca kerja	1.676.588	2.519.680
Jasa profesional dan pelatihan	1.624.865	1.693.605
Lain-lain	1.584.909	2.925.230
Jumlah	<u>283.500.861</u>	<u>263.949.418</u>

38. PASSENGER SERVICE EXPENSES

Passenger services
Salaries and allowances
General inventories consumption
Employee benefit expenses
Professional services and training
Others
Total

39. BEBAN BANDARA

	2013	2012
	USD	USD
Pelayanan pesawat dan penerbangan	229.242.835	200.761.647
Gaji dan tunjangan	20.231.807	23.782.036
Sewa	12.951.822	10.923.247
Beban imbalan pasca kerja	851.859	1.483.712
Beban penyusutan	1.961.552	2.310.306
Lain-lain	1.758.481	1.218.554
Jumlah	<u>266.998.356</u>	<u>240.479.502</u>

39. USER CHARGE AND STATION EXPENSES

Aircraft and flight services
Salaries and allowances
Rental
Employee benefit expenses
Depreciation expenses
Others
Total

40. BEBAN ADMINISTRASI DAN UMUM

	2013	2012
	USD	USD
Gaji dan tunjangan	85.236.646	91.045.462
Beban penyusutan	23.405.558	19.765.763
Pajak	19.794.132	16.241.432
Sewa	18.953.719	17.322.651
Utilitas	14.754.097	14.689.277
Pemeliharaan dan perbaikan	12.995.228	12.739.440
Jasa profesional dan pelatihan	10.786.536	9.844.897
Asuransi	8.982.388	5.361.438
Beban imbalan pasca kerja	6.013.391	7.870.581
Perlengkapan kantor	3.423.127	3.590.454
Kesehatan	1.294.699	3.523.752
Iuran keanggotaan	1.265.750	1.566.588
Lain-lain	11.867.093	10.176.092
Jumlah	<u>218.772.364</u>	<u>213.737.827</u>

40. GENERAL AND ADMINISTRATIVE EXPENSES

Salaries and allowances	91.045.462
Depreciation expenses	19.765.763
Taxes	16.241.432
Rental	17.322.651
Utilities	14.689.277
Maintenance and repairs	12.739.440
Professional services and training	9.844.897
Insurances	5.361.438
Employee benefit expenses	7.870.581
Office supplies	3.590.454
Healthcare services	3.523.752
Membership dues and subscription	1.566.588
Others	10.176.092
Total	<u>213.737.827</u>

41. BEBAN PEMELIHARAAN DAN PERBAIKAN

	2013	2012
	USD	USD
Pemeliharaan dan perbaikan	91.000.588	104.868.442
Beban penyusutan	67.952.167	56.396.134
Suku cadang	59.914.151	60.142.618
Gaji dan tunjangan	55.022.379	52.469.171
Beban imbalan pasca kerja	6.189.182	6.941.855
Sewa	5.116.843	5.042.888
Bahan bakar	1.467.728	1.527.369
Asuransi	1.220.779	508.342
Lain-lain	329.898	956.845
Jumlah	<u>288.213.715</u>	<u>288.853.664</u>

41. MAINTENANCE AND OVERHAUL EXPENSES

Maintenance and overhaul	104.868.442
Depreciation expenses	56.396.134
Spareparts	60.142.618
Salaries and allowances	52.469.171
Employee benefit expenses	6.941.855
Rental	5.042.888
Fuel	1.527.369
Insurances	508.342
Others	956.845
Total	<u>288.853.664</u>

42. PENDAPATAN (BEBAN) LAIN-LAIN – BERSIH

	2013	2012
	USD	USD
Klaim asuransi	11.726.217	-
Keuntungan revaluasi properti investasi	3.107.892	682.021
Pendapatan dividen	1.130.000	1.044.636
Keuntungan (kerugian) <i>sale and leaseback</i>	846.147	(6.732.412)
Penurunan nilai aset	(10.649.525)	(10.371.034)
Premium kontrak	(6.528.600)	(5.361.580)
Keuntungan penjualan aset tetap dan aset tidak produktif (Catatan 14)	3.123.296	2.226.759
Lain-lain - bersih	<u>(562.149)</u>	<u>(912.360)</u>
Jumlah	<u>2.193.278</u>	<u>(19.423.970)</u>

42. OTHER INCOME (CHARGES) – NET

Gain on insurance claim	-
Gain on revaluation of investment property	682.021
Dividend income	1.044.636
Income (loss) on sale and leaseback	(6.732.412)
Impairment loss on property and equipment	(10.371.034)
Contract premium	(5.361.580)
Gain on sale of property and equipment and non productive assets (Note 14)	2.226.759
Others - net	<u>(912.360)</u>
Total	<u>(19.423.970)</u>

43. BEBAN KEUANGAN

	2013
	USD
Beban bunga	
Pinjaman jangka panjang	24.394.888
Utang obligasi	7.896.630
Sewa pembiayaan	7.048.681
Utang bank	1.224.877
Lain-lain	3.883.989
Sub jumlah	44.449.065
Beban keuangan lainnya	15.391.023
Jumlah beban bunga	59.840.088

43. FINANCE COST

	2012
	USD
Interest expense	
Long-term loans	13.088.380
Bonds payable	-
Leases	7.018.031
Bank loans	479.062
Others	1.438.194
Sub total	22.023.667
Other finance cost	3.201.252
Total finance cost	25.224.919

44. LABA PER SAHAM

Laba per saham dasar dihitung dengan membagi laba yang diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada periode yang bersangkutan.

Berikut ini data yang digunakan untuk perhitungan laba per saham dasar:

	2013
	USD
Laba yang dapat diatribusikan kepada pemilik entitas induk	11.038.843
Jumlah rata-rata tertimbang saham untuk tujuan perhitungan laba per saham dasar	22.640.996.000
Laba per saham - dasar	0,00049

44. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income attributable to parent company owners by the weighted average number of ordinary shares outstanding during the period.

Below is the data used for the computation of basic earnings per share:

	2012
	USD
Net income attributable to owner of the parent	110.598.370
Weighted average number of share for calculation of basic earning per share	22.640.996.000
Earnings per share - basic	0,00488

Perusahaan tidak menghitung laba per saham dilusian karena potensi saham biasa (seperti opsi) bersifat anti-dilusian.

The Company did not compute diluted earnings per share because the potential ordinary shares (i.e. options) are anti-dilutive.

45. SIFAT HUBUNGAN DAN TRANSAKSI DENGAN PIHAK BERELASI

i) Sifat hubungan berelasi

Pemerintah Republik Indonesia melalui Kementerian Keuangan adalah pemegang saham utama Perusahaan.

Seluruh entitas yang dimiliki dan dikendalikan oleh Kementerian Keuangan Pemerintah Republik Indonesia serta entitas dimana Kementerian Keuangan Pemerintah Republik Indonesia memiliki pengaruh signifikan.

Komisaris dan direksi merupakan manajemen kunci.

45. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

i) Nature of relationship

The Government of the Republic of Indonesia represented by Ministry of Finance, is the majority stockholder of the Company.

All entities that are owned and controlled by the Ministry of Finance of the Republic of Indonesia and also entities where the Ministry of Finance Republic of Indonesia have significant influence.

Commissioners and directors are key management personnel.

ii) Transaksi dengan Pihak Berelasi

Dalam kegiatan usahanya, Grup melakukan transaksi tertentu dengan pihak berelasi.

- a. Rincian akun signifikan dengan pihak-pihak berelasi (pemerintah, entitas pemerintah atau dinyatakan lain) adalah sebagai berikut:

ii) Transactions with Related Parties

In the normal course of business, the Group entered into certain transactions with related parties.

- a. Details of significant accounts with related parties (government - owned entities unless otherwise indicated) are as follows:

	<u>Jumlah/ Total</u>		<u>% terhadap Aset/ Liabilitas</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	USD	USD	%	%
Kas dan setara kas (Catatan 5)/ <i>Cash and Cash Equivalents (Note 5)</i>				
Bank Negara Indonesia	55.816.521	52.801.185		
Bank Mandiri	37.336.951	56.299.467		
Bank Rakyat Indonesia	54.179.461	14.952.513		
Bank Syariah Mandiri	8.204.118	-		
Bank Rakyat Indonesia Syariah	6.563.295	-		
	<u>162.100.346</u>	<u>124.053.165</u>	5,49%	4,93%
Piutang usaha (Catatan 6)/ <i>Trade Accounts Receivable (Note 6)</i>				
PT Jiw asraya	1.966.795	2.479.139		
PT Abacus International Ltd	410.871	478.751		
PT Gapura Angkasa	920.503	934.252		
PT POS Indonesia	532.813	843.371		
PT Bukit Asam (Persero) Tbk	113.915	198.306		
Kementerian Agama/Ministry of Religious Affairs	26.672	102.417		
Lain-lain/ <i>Others</i>	63.397	48.907		
	<u>4.034.966</u>	<u>5.085.143</u>	0,14%	0,28%
Aset lain-lain (Catatan 17)/ <i>Other assets (Note 17)</i>				
PT Merpati Nusantara	<u>16.845.647</u>	<u>16.886.623</u>	0,57%	0,67%
Utang bank (Catatan 18)/ <i>Bank Loans (Note 18)</i>				
Bank Negara Indonesia	<u>40.222.668</u>	<u>5.651.251</u>	2,19%	0,40%
Utang usaha (Catatan 19)/ <i>Trade Accounts Payable (Note 19)</i>				
PT Pertamina (Persero)	108.911.066	72.434.320		
PT Gapura Angkasa	3.706.367	4.680.787		
Perum LPPNPI	3.568.602	-		
PT Angkasa Pura II (Persero)	3.133.425	3.526.065		
PT Angkasa Pura I (Persero)	2.279.948	1.561.545		
PT Telekomunikasi Indonesia (Persero) Tbk	694.318	903.361		
PT Abacus International Pte. Ltd.	-	667.411		
	<u>122.293.726</u>	<u>83.773.489</u>	6,66%	5,97%
Pinjaman Jangka Panjang (Catatan 23)/ <i>Long term liabilities (Note 23)</i>				
Bank Negara Indonesia	42.803.615	14.885.592		
PT Pertamina (Persero)	43.137.490	57.516.654		
Bank Rakyat Indonesia	40.198.427	-		
PT Angkasa Pura II (Persero)	16.104.859	16.104.859		
PT Angkasa Pura I (Persero)	5.798.472	7.308.953		
Indonesia Eximbank	-	100.000.000		
	<u>148.042.863</u>	<u>195.816.058</u>	8,06%	13,96%

- b. 30,03% dan 26,29% dari jumlah beban usaha masing-masing pada tahun-tahun yang berakhir 31 Desember 2013 dan 2012, merupakan beban usaha dari pihak berelasi. Pada tanggal pelaporan, utang atas beban tersebut dicatat sebagai bagian dari utang usaha, yang meliputi 6,66% dan 5,97% dari jumlah liabilitas masing-masing pada tanggal 31 Desember 2013 dan 2012.

Rincian beban usaha dari pihak berelasi sebagai berikut:

	2013	2012
	USD	USD
PT Pertamina (Persero)	1.020.854.735	784.715.722
PT Gapura Angkasa	52.843.455	48.246.437
PT Angkasa Pura II (Persero)	23.765.076	21.038.109
PT Angkasa Pura I (Persero)	12.718.756	14.626.959
Perum LPPNPI	3.748.853	-
Jumlah	1.113.930.875	868.627.227

Prosentase terhadap:

Total beban usaha 30,03%

- c. Transaksi dengan PT Pertamina (Persero) berupa transaksi pembelian bahan bakar pesawat khususnya rute domestik dan beberapa rute internasional sedangkan PT Gapura Angkasa, PT Angkasa Pura I (Persero) dan PT Angkasa Pura II (Persero) berkaitan dengan jasa kebandaraan.

- d. Transaksi dengan PT Asuransi Jasa Indonesia dan PT Tugu Pratama Indonesia berkaitan dengan jasa asuransi aset Perusahaan.

- e. Kompensasi Komisaris dan Direksi

- b. Operating expenses from related parties constituted 30,03% and 26.29% of the total operating expenses for the years ended December 31, 2013 and 2012, respectively. At reporting date, the liabilities for these expenses were presented as trade accounts payable which constituted 6.66% and 5.97%, respectively, of the total liabilities as of December 31, 2013 and 2012.

The details of operating expenses from related parties are as follows:

Percentage of:

Total operating expense

- c. The transactions with PT Pertamina (Persero) were related to aircraft fuel purchase mainly for domestic route and certain international route while the transactions, with PT Gapura Angkasa, PT Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) are related to airport operation and ground handling.

- d. The transaction with PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia are related to the Company's assets insurance.

- e. Remuneration of Commissioners and Directors

	2013	2012
	USD	USD
<u>Komisaris</u>		
Imbalan kerja jangka pendek	629.373	831.689
Imbalan kerja pasca kerja	53.091	198.591
Pesangon pemutusan kontrak kerja	-	97.449
	682.464	1.127.729
<u>Direksi</u>		
Imbalan kerja jangka pendek	2.152.120	2.826.033
Imbalan kerja pasca kerja	257.494	701.412
Pesangon pemutusan kontrak kerja	-	342.946
	2.409.614	3.870.391

Commisioners

Short term benefits
Post employment benefits
Termination benefits

Directors

Short term benefits
Post employment benefits
Termination benefits

46. INSTRUMEN KEUANGAN, MANAJEMEN RISIKO
KEUANGAN DAN RISIKO MODAL

A. Manajemen permodalan

Grup berupaya untuk mencapai struktur modal yang optimal dalam mencapai tujuan usaha, termasuk mempertahankan rasio modal yang sehat dan peringkat kredit yang kuat, guna memaksimalkan nilai pemegang saham dan kelangsungan usaha Grup.

Struktur modal Grup terdiri dari pinjaman seperti diungkapkan dalam Catatan 18, 23 dan 24, kas dan setara kas, dan ekuitas yang terdiri dari modal saham, tambahan modal disetor, laba ditahan dan kepentingan non pengendali.

Gearing ratio pada tanggal 31 Desember 2013 dan 2012 adalah sebagai berikut:

	2013 USD	2012 USD	
Pinjaman			Debt
Utang bank dan lembaga keuangan	45.222.668	5.651.251	Loan from banks and financial institution
Pinjaman jangka panjang	604.695.491	400.947.490	Long-term loans
Obligasi	162.850.383	-	Bonds payable
Liabilitas sewa pembiayaan	191.750.944	206.352.598	Lease liabilities
Jumlah pinjaman	1.004.519.486	612.951.339	Total debt
Kas dan setara kas	475.260.630	325.784.942	Cash and cash equivalents
Pinjaman bersih	529.258.856	287.166.397	Net debt
Ekuitas	1.117.148.117	1.114.960.078	Equity
Rasio pinjaman bersih terhadap modal	47%	26%	Net debt to equity ratio

Dewan Komisaris dan Direksi secara berkala melakukan revidi performa keuangan Grup. Sebagai bagian dari revidi ini, Dewan Komisaris dan Direksi mempertimbangkan eksposur risiko keuangan.

B. Kategori instrumen keuangan

Klasifikasi aset keuangan dan liabilitas keuangan Grup adalah sebagai berikut:

	2013 USD	2012 USD	
<u>Tersedia untuk dijual</u>			<u>Available-for-sale</u>
Aset keuangan lainnya	8.800.031	9.201.350	Other financial assets
Pinjaman yang diberikan dan piutang			Loan and receivables
Kas dan setara kas	475.260.630	325.784.942	Cash and cash equivalents
Piutang usaha	139.981.363	129.471.098	Trade accounts receivables
Piutang lain-lain	8.745.081	7.877.613	Other receivables
Dana perawat an pesawat dan uang jaminan	617.623.057	461.933.812	Maintenance reserve fund and security deposits
Aset lain-lain	33.164.537	31.874.533	Other assets
Jumlah	1.283.574.699	966.143.348	Total

46. FINANCIAL INSTRUMENTS, FINANCIAL RISK
AND CAPITAL RISK MANAGEMENT

A. Capital management

The Group strives to achieve an optimum capital structure in achieving the business goals, including maintaining a sound capital ratio and a strong credit rating, in order to maximize shareholder value and ensure the Group's business continuity.

The capital structure of the Group consists of debt as disclosed in Notes 18, 23 and 24, cash and cash equivalents, and total equity comprising issued capital, additional paid-in capital, retained earnings and non-controlling interest.

The gearing ratio as of December 31, 2013 and 2012 are as follows:

B. Categories of financial instruments

Classification of the Groups' financial assets and liabilities are as follows:

	2013 USD	2012 USD	
<u>Liabilitas keuangan - amortized cost</u>			<u>Financial liabilities - amortized cost</u>
Utang bank dan lembaga keuangan	45.222.668	5.651.251	Bank loans and financial institution
Utang usaha	206.186.276	173.469.631	Trade payables
Utang lain-lain	16.271.886	16.669.543	Other payable
Beban akrual	160.967.081	169.268.165	Accrued expenses
Pinjaman jangka panjang	604.695.491	400.947.490	Long-term loans
Liabilitas sewa	191.750.944	206.352.598	Lease liabilities
Utang obligasi	162.850.383	-	Bonds payable
Jumlah	1.387.944.729	972.358.678	Total

Grup tidak memiliki instrumen keuangan yang diklasifikasikan sebagai investasi dimiliki hingga jatuh tempo.

The Group does not have financial assets classified as Held-to-Maturity.

C. Kebijakan dan tujuan manajemen risiko keuangan

Sebagai Perusahaan yang bergerak di bidang industri penerbangan domestik dan internasional, Grup dihadapkan dan banyak dipengaruhi oleh risiko keuangan seperti risiko pasar, risiko likuiditas dan risiko kredit. Secara keseluruhan pendekatan manajemen risiko bertujuan untuk meminimalkan efek dari setiap risiko kinerja keuangan pada Grup. Kebijakan Grup menggunakan derivatif hanya untuk tujuan lindung nilai.

Setiap kebijakan manajemen risiko keuangan yang dibuat harus senantiasa diarahkan kepada tujuan:

- Melindungi pendapatan bersih Grup dari pengaruh perubahan harga keuangan bahkan mampu memanfaatkan perubahan harga tersebut sebagai suatu kesempatan untuk meningkatkan laba;
- Mencapai atau bahkan lebih baik dari anggaran Grup;
- Membatasi tingkat dampak negatif pergerakan harga terhadap arus kas dan profitabilitas sampai pada tingkat yang dapat ditolerir.

Direksi telah menelaah kebijakan manajemen risiko keuangan secara berkala.

Manajemen risiko pasar

Grup memiliki eksposur terhadap risiko pasar yaitu diantaranya risiko harga bahan bakar pesawat, risiko nilai tukar mata uang, dan risiko tingkat bunga.

Perusahaan melakukan transaksi lindung nilai atas *Fuel Call Option* untuk mengelola risiko harga bahan bakar pesawat khusus untuk penerbangan haji. Tidak terdapat saldo transaksi lindung nilai pada tanggal 31 Desember 2013 dan 2012.

C. Financial risk management policies and objectives

As a Group of companies that operates in the domestic and international aviation industry and other related areas, the Group faces and is strongly affected by various financial risks such as market risk, liquidity risk, and credit risk. The overall risk management approach is to minimize the effect of such risks on the Group's financial performance. The Group's policy is to use derivatives only for hedging purposes.

All financial risk management policies must constantly adhere to the following objectives:

- To protect the Group's net revenue against price changes, and when possible to make use of such price changes as an opportunity to increase profits;
- To achieve or do better than the Group's budget plan;
- To limit to a tolerable level the negative impact of price movements on cash flow and profitability.

The Directors review the financial risk management policies periodically.

Market risk management

The Group is exposed to market risk in particular aircraft fuel price risk, currency exchange rate risk and interest rate.

The Company entered into Fuel Call Option derivative financial instruments to manage its exposure to aircraft fuel price risk for hajj flight. There are no derivatives outstanding as of December 31, 2013 and 2012.

(i) Risiko harga bahan bakar pesawat

Risiko harga bahan bakar pesawat didefinisikan sebagai penurunan nilai aset/pendapatan atau peningkatan nilai liabilitas/pengeluaran yang disebabkan perubahan harga komoditi bahan bakar.

Paparan risiko dan strategi

Paparan risiko Perusahaan dari harga bahan bakar pesawat adalah menggunakan referensi pasar dengan 100% harga mengambang, sehingga fluktuasi kenaikan harga akan sangat berdampak signifikan terhadap pencapaian target perusahaan. Biaya harga bahan bakar pesawat merupakan komponen biaya yang cukup besar dalam struktur biaya Perusahaan selain biaya sewa dan perawatan pesawat. Komposisi biaya bahan bakar untuk saat ini di kisaran 30% - 40% dari rata-rata biaya operasional Perusahaan.

Strategi untuk meminimalisir risiko fluktuasi kenaikan harga yang dilakukan oleh Perusahaan pada saat ini adalah dengan melakukan lindung nilai arus kas dengan instrumen lindung nilai "*plain vanilla call option*", khusus untuk penerbangan haji. Risiko tersebut diantisipasi dengan mengukur harga *Mark to Market* yang dihasilkan setiap bulan saat jatuh tempo transaksi.

Selain upaya mengurangi risiko pergerakan harga melalui transaksi lindung nilai, Perusahaan juga terus melakukan upaya pengelolaan pemakaian bahan bakar secara operasional yaitu penghematan biaya dengan penggunaan alternatif pesawat secara efektif dan efisien, termasuk juga melakukan evaluasi untuk kontrak-kontrak berjalan. Upaya efisiensi ini dituangkan dalam program kinerja Perusahaan.

Analisa sensitivitas risiko harga bahan bakar pesawat berdasarkan asumsi bahwa semua faktor tetap termasuk biaya-biaya lain dan *uplifted volume*, yang dianalisa berdasarkan kontrak yang masih *outstanding* pada periode pelaporan atas penggunaan bahan bakar penerbangan regular dan haji.

Jika terjadi kenaikan (penurunan) harga sebesar 1 Dolar Amerika Serikat per barel, sebagai akibat perubahan harga bahan bakar, maka laba setelah pajak Perusahaan untuk tahun-tahun yang berakhir 31 Desember 2013 dan 2012, akan mengalami kenaikan (penurunan) sebesar USD 5.780.348 dan USD 6.030.750.

(i) Aircraft fuel price risk

Aircraft fuel price risk is defined as decline in the value of assets/revenue or increase in the value of liabilities/expenditures caused by changes in the prices of fuel commodities.

Risk exposure and strategy

The Company's exposure to aircraft fuel price risk uses market references with 100% floating prices, with the result that any upward price fluctuations will have a significant impact on achievement of the Company's targets. Aircraft fuel expenditure is a major cost component of the Company's cost structure, as well as the costs of aircraft leasing and maintenance. Fuel cost accounts for around 30% to 40% of the Company's overall operational expense.

Strategy implemented by the Company to minimize the risk of fluctuations in the price increase in the current year is to use cash flow hedge with a hedge instruments "*plain vanilla call option*", especially for hajj flight. Such risk is anticipated by monitoring the monthly Mark to Market at maturity date.

Apart from these efforts to reduce price fluctuation risk through hedging transactions, the Company also constantly strives to ensure that costs are controlled by using fuel efficiently in all flight operations through effective and efficient use of alternative aircraft and evaluation of current contracts. These efficiency efforts are set forth in the Company's work programs.

The aircraft fuel price risk sensitivity analysis is based on the assumption that all other factors, such as uplifted volume and other costs, remain constant. The aircraft price risk analysis is based on regular and hajj flight contracts that are still outstanding at reporting date.

If the aircraft fuel price had increased (decreased) in price of USD 1 per barrel, as the result of change in price of fuel, the profit after tax for years ended December 31, 2013 and 2012 would increased (decreased) by USD 5,780,348 and USD 6,030,750.

(ii) Risiko nilai tukar mata uang non-fungsional

Risiko nilai tukar mata uang non-fungsional didefinisikan sebagai penurunan nilai aset/pendapatan atau peningkatan nilai liabilitas/pengeluaran yang disebabkan fluktuasi nilai tukar mata uang non-fungsional tersebut.

Paparan risiko dan strategi

Sebagai perusahaan jasa penerbangan kelas internasional, Grup memerlukan dana serta biaya dan investasi yang cukup besar dengan melibatkan pelanggan ataupun kreditur baik dalam maupun luar negeri dengan kondisi dimana transaksi dicatat berdasarkan satuan mata uang (*transaction by currency*). Pergerakan nilai tukar non-fungsional terhadap mata uang lainnya sangat mempengaruhi laporan keuangan konsolidasian.

Kebijakan berkaitan dengan risiko nilai tukar yang saat ini dijalankan adalah secara natural (tanpa lindung nilai) yaitu:

- Grup memanfaatkan peluang harga pasar nilai tukar mata uang lainnya (*multi currency*) untuk menutup kemungkinan risiko melemahnya nilai tukar fungsional dan begitu sebaliknya, sehingga secara natural risiko adanya pergerakan nilai tukar mata uang non-fungsional bisa saling menghilangkan. Transaksi valuta mata uang bisa dilakukan dengan selalu mempertimbangkan kurs yang menguntungkan Grup.
- Grup mengatur risiko dengan berusaha menyelaraskan penerimaan dan pembayaran untuk setiap jenis mata uang.

Rincian aset dan liabilitas yang terexpose terhadap risiko nilai tukar diungkapkan pada Catatan 50.

Berikut ini sensitivitas untuk perubahan 100 basis point nilai tukar mata uang Dolar Amerika Serikat terhadap saldo mata uang non-fungsional lainnya yang signifikan pada tanggal 31 Desember 2013 dan 2012, dengan variabel lain konstan terhadap laba setelah pajak Grup. 100 basis point adalah tingkat sensitivitas yang digunakan ketika melaporkan secara internal risiko mata uang asing kepada para karyawan kunci, dan merupakan penilaian manajemen terhadap perubahan yang mungkin terjadi pada nilai tukar valuta asing. Analisis sensitivitas hanya mencakup item mata uang asing moneter yang ada dan menyesuaikan translasinya pada akhir periode untuk perubahan 100 basis point dalam nilai tukar mata uang asing.

(ii) Non-functional currency exchange rate risk

Non-functional currency exchange rate risk is defined as decline in the value of assets/revenue or increase in the value of liabilities/expenditures caused by fluctuation in non-functional currency exchange rates.

Risk exposure and strategy

As a world-class airline, the Group requires significant amounts of funds, expenses and investment, involving both domestic and foreign customers and creditors, with situations in which transactions are denominated in certain currencies (transactions per currency). Movements in the non-functional exchange rate against other currencies strongly affect the consolidated financial statements.

The policy currently applied in connection with exchange rate risk is natural (i.e. without hedging), as follows:

- The Group takes advantage of opportunities in the market prices of other currencies (multi currency) to cover possible risk of weakening value of the functional currency, and vice versa; thus, in a natural way, the risks of non-functional currency exchange rate movements will be mutually eliminated/reduced. Currency transactions are always done with consideration to the exchange rate favorable to the Group.
- The Group helps manage the risk by matching receipt and payment in each individual currency.

Details of monetary assets and liabilities exposed to foreign exchange risk are set forth in Note 50.

Following is the sensitivity to a 100 basis point change in exchange rate of functional currency of U.S. Dollar against significant outstanding non-functional currency as of December 31, 2013 and 2012, with other variables held constant, of the Group's profit after tax. The 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 100 basis point change in foreign currency rates.

		Dampak terhadap laba setelah pajak/ <i>Effect on profit after tax</i>		
Perubahan kurs/ <i>Changes in currency rate</i>		2013	2012	
		USD	USD	
Mata uang selain fungsional				Other functional currency rates
Penguatan (pelemahan)				Strengthening (weakening)
Rupiah	100 bp	732.783	595.163	Rupiah
Yen	100 bp	(95.067)	(159.116)	Yen
AUD	100 bp	(165.325)	(372.042)	AUD
(iii) Risiko suku bunga		(iii) Interest rate risk		
Risiko suku bunga didefinisikan sebagai penurunan nilai aset/pendapatan atau peningkatan nilai liabilitas/pengeluaran yang disebabkan perubahan tingkat suku bunga.		Interest rate risk is defined as decline in value of assets/revenue or increase in value of liabilities/expenditures caused by changes in interest rates.		
<u>Paparan risiko dan strategi</u>		<u>Risk exposure and strategy</u>		
Pendapatan Grup dipengaruhi oleh beban bunga yang berdampak terhadap perubahan tingkat bunga dari pinjaman jangka pendek maupun jangka panjang termasuk juga pembayaran bunga untuk sewa pesawat.		The Group earnings are affected by changes in interest rate, such as changes on interest of short-term and long-term borrowings, including interest payments for aircraft leasing.		
Acuan tingkat suku bunga yang digunakan adalah mengambang yaitu LIBOR untuk pinjaman USD dan rata-rata tingkat suku bunga Bank Pemerintah untuk pinjaman dalam mata uang Rupiah. Pergerakan tingkat suku bunga sangat berpengaruh terhadap beban bunga yang harus dibayar oleh Grup.		The interest rate references used are floating, i.e. LIBOR for USD loans and the average interest of government banks for loans in Rupiah. Interest rate movements strongly affect the total amount of interest expense that must be paid by the Group.		
Kebijakan Grup terkait risiko suku bunga adalah dengan mengelola eksposur pada pinjaman bersuku bunga mengambang dengan strategi lindung nilai tingkat suku bunga. Kontrak transaksi lindung nilai sampai dengan 31 Desember 2013 belum berjalan meskipun kebijakan lindung nilai risiko tingkat suku bunga sudah disetujui oleh manajemen Grup. Hal ini disebabkan selama periode 2013 tingkat suku bunga LIBOR di pasar sangat rendah sebagai dampak dari melemahnya perekonomian dunia. Dengan demikian Grup dapat memanfaatkan tingkat suku bunga yang rendah sehingga dapat menekan beban bunga.		The Group's policy regarding interest rate risk is to manage exposure in loans with floating interest rates through an interest rate hedging strategy. As of December 31, 2013, no hedging transaction contract is yet in effect, although the interest rate risk hedging policy has been approved by the Group's management. This is because in 2013, the rate of LIBOR market is very low as a result of the weakening world economy. Thus, the Group can take advantage of low interest rates that reduce the burden of interest charges.		
Instrumen keuangan Grup tersebut yang terekspos terhadap risiko tingkat bunga seperti diungkapkan pada table likuiditas seksi iv dibawah ini.		The Group's financial liabilities that are exposed to interest rate risk are included in the liquidity table in section iv below.		

The sensitivity analysis below had been determined based on the exposure of the financial liabilities to floating interest rates as of December 31, 2013 and 2012. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period, with other variables held constant, of the Group's profit after tax.

	Perubahan tingkat suku bunga/ <i>Changes in interest rate</i>	Dampak terhadap laba setelah pajak/ <i>Effect on profit after tax</i>		
		2013	2012	
		USD	USD	
Suku bunga				Interest rate
Penguatan (pelemahan)				Strengthening (weakening)
LIBOR	1%	423.821	563.919	LIBOR
SBI	0,5%	9.220	11.089	SBI

(iv) Liquidity risk

Liquidity risk is defined as the Group's inability to fulfill its financial liabilities, which in turn makes the Group unable to take advantage of investment opportunities or unable to meet its short-term financial liabilities, ultimately leading to default, excessive borrowing, or unfavorable interest rates.

To manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents that is considered adequate to finance the Group's operations and to overcome the impact of cash flow fluctuations.

The Group also routinely evaluates the projected and actual cash flow, including scheduled maturity of long-term debts, and continually reviews conditions in the financial markets to take initiatives to seek funds for working capital. This activity may include obtaining bank loans.

The following table represents the liquidity analysis of financial instruments as of December 31, 2013 and 2012 based on exposure on due date on undiscounted contractual maturities for all non-derivative financial assets and liabilities. The contractual maturity is based on the earliest date on which the Group may be required to pay:

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DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
31 DESEMBER 2013 DAN 2012 SERTA UNTUK TAHUN-
TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
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2013						
Tingkat bunga efektif rata-rata tertimbang/ <i>Weighted average effective interest rate</i>	Dalam satu tahun/ <i>Within one year</i>	Lebih dari satu tahun tetapi tidak lebih dari lima tahun/ <i>Over one year but longer than five years</i>	Lebih dari lima tahun/ <i>Over than five years</i>	Jumlah/ <i>Total</i>		
%	USD	USD	USD	USD		
Tanpa bunga					Non-interest bearing	
Kas dan setara kas	-	2.129.600	-	-	2.129.600	Cash and cash equivalents
Piutang usaha	-	139.981.363	-	-	139.981.363	Account receivables
Piutang lain-lain	-	7.873.547	-	-	7.873.547	Others receivables
Dana perawatan pesawat dan uang jaminan		225.007.400	228.469.390	202.157.359	655.634.149	Maintenance reserved fund and security deposits
Tingkat bunga variabel						Variable interest rate
Kas dan setara kas	0,1% - 11%	258.309.586	-	-	258.309.586	Cash and cash equivalents
Piutang lain-lain	0,1% - 11%	919.904	-	-	919.904	Others receivables
Kas yang dibatasi penggunaannya	0,51% - 4,25%	3.836.528	62.513	-	3.899.041	Restricted cash
Tingkat bunga tetap						Fixed interest rate
Kas dan setara kas	0,1% - 11%	241.080.216	-	-	241.080.216	Cash and cash equivalents
Jumlah		879.138.144	228.531.903	202.157.359	1.309.827.406	
Tanpa bunga						Non-interest bearing
Utang usaha	-	206.186.276	-	-	206.186.276	Trade payables
Utang lain-lain	-	16.010.192	-	-	16.010.192	Other payables
Beban akrual	-	160.967.081	-	-	160.967.081	Accrued expenses
Tingkat bunga variabel						Variable interest rate
Pinjaman jangka panjang	1,15% - 11,15%	308.507.800	252.332.921	5.193.217	566.033.938	Long-term loans
Liabilitas sewa	1,13% - 8%	42.311.559	41.431.576	-	83.743.135	Lease liabilities
Tingkat bunga tetap						Fixed interest rate
Pinjaman jangka panjang	1,15% - 11,15%	6.237.669	74.906.143	255.369.571	336.513.383	Long-term loans
Liabilitas sewa	1,13% - 8%	10.957.121	43.632.984	53.417.704	108.007.809	Lease liabilities
Utang bank dan lembaga keuangan	1,15% - 11,15%	41.774.848	-	-	41.774.848	Loans from banks and financial institution
Jumlah		792.952.546	412.303.624	313.980.492	1.519.236.662	Total
2012						
Tingkat bunga efektif rata-rata tertimbang/ <i>Weighted average effective interest rate</i>	Dalam satu tahun/ <i>Within one year</i>	Lebih dari satu tahun tetapi tidak lebih dari lima tahun/ <i>Over one year but longer than five years</i>	Lebih dari lima tahun/ <i>Over than five years</i>	Jumlah/ <i>Total</i>		
%	USD	USD	USD	USD		
Tanpa bunga					Non-interest bearing	
Kas dan setara kas	-	2.630.585	-	-	2.630.585	Cash and cash equivalents
Piutang usaha	-	129.471.098	-	-	129.471.098	Account receivables
Piutang lain-lain	-	3.122.588	-	-	3.122.588	Others receivables
Tingkat bunga variabel						Variable interest rate
Kas dan setara kas	0,25% - 8%	269.564.344	-	-	269.564.344	Cash and cash equivalents
Piutang lain-lain	0,25% - 8%	220.719	-	-	220.719	Others receivables
Kas yang dibatasi penggunaannya	0,51% - 4,25%	254.147	2.085.806	-	2.339.953	Restricted cash
Tingkat bunga tetap						Fixed interest rate
Kas dan setara kas	0,25% - 8%	66.920.131	-	-	66.920.131	Cash and cash equivalents
Dana perawatan pesawat dan uang jaminan	0,59%	193.344.404	137.945.159	143.760.966	475.050.529	Maintenance reserved fund and security deposits
Jumlah		665.528.016	140.030.965	143.760.966	949.319.947	Total
Tanpa bunga						Non-interest bearing
Utang usaha	-	174.469.631	-	-	174.469.631	Trade payables
Utang lain-lain	-	16.669.543	-	-	16.669.543	Other payables
Beban akrual	-	169.268.165	-	-	169.268.165	Accrued expenses
Tingkat bunga variabel						Variable interest rate
Pinjaman jangka panjang	1,32% - 7,58%	136.247.869	325.549.359	-	461.797.228	Long-term loans
Liabilitas sewa	1,13% - 8%	53.111.845	86.211.750	-	139.323.595	Lease liabilities
Tingkat bunga tetap						Fixed interest rate
Pinjaman jangka panjang	1,32% - 7,58%	3.116.693	14.474.476	-	17.591.169	Long-term loans
Liabilitas sewa	1,13% - 8%	5.469.908	24.418.675	37.140.420	67.029.003	Lease liabilities
Utang bank dan lembaga keuangan	1,32% - 7,58%	5.913.458	-	-	5.913.458	Loans from banks and financial institution
Jumlah		564.267.112	450.654.260	37.140.420	1.052.061.792	Total

Fasilitas pembiayaan

Grup memperoleh pembiayaan dari bank dan lembaga keuangan lainnya untuk menunjang operasional dan modal kerja Grup seperti diungkapkan di Catatan 18, 23 dan 24.

Berikut komposisi fasilitas pembiayaan Grup:

	2013 USD	2012 USD
Fasilitas pembiayaan tanpa jaminan:		
- Jumlah yang digunakan	526.527.409	285.017.444
- Jumlah yang tidak digunakan	152.438.281	77.096.852
Jumlah	<u>678.965.690</u>	<u>362.114.296</u>
Fasilitas utang dengan jaminan dan tanggal jatuh tempo yang berbeda mulai tahun 2013 yang diperpanjang dengan perjanjian bersama:		
- Jumlah yang digunakan	49.431.837	128.679.634
- Jumlah yang tidak digunakan	51.161.649	26.482.923
Jumlah	<u>100.593.486</u>	<u>155.162.557</u>

(v) Risiko kredit

Risiko kredit yang dihadapi Grup adalah risiko ketidakmampuan dari pihak-pihak yang berhutang (debitur) untuk memenuhi liabilitas keuangan mereka sesuai dengan persyaratan-persyaratan yang telah disepakati bersama.

Eksposur tersebut terutama berasal dari:

- risiko pelanggan akan gagal memenuhi liabilitasnya,
- risiko dana atau instrumen keuangan tidak diserahkan oleh rekanan sebagaimana yang diharapkan.

Dalam sebagian besar kasus, penjualan pasasi dan kargo ditangani melalui agen yang berada dalam pengaruh dan naungan IATA. Agen-agen ini terhubung dengan sistem kliring untuk setiap negara untuk penyelesaian penjualan pasasi atau kargo. Agen individual diperiksa oleh *clearing house* tertentu.

Risiko kredit dari agen penjualan relatif rendah. Kecuali perjanjian yang menjadi dasar pembayaran tidak menyatakan lain, klaim dan liabilitas yang timbul antar maskapai penerbangan biasanya diselesaikan secara bilateral atau melalui IATA *Clearing House*. Penyelesaian dilakukan terutama dengan cara menandingkan piutang dan liabilitas secara berkala, yang menyebabkan berkurangnya risiko gagal bayar secara signifikan.

Financing facilities

The Group obtained financing facilities from banks and other financial institution for the Group's operational and working capital activities as described in Notes 18, 23 and 24.

Below is the Group's composition of financing facilities as follows:

Unsecured financing facilities:

- Amount used
- Amount unused

Total

Secured bank facilities with various maturity dated through 2013 and which maybe extended:

- Amount used
- Amount unused

Total

(v) Credit risk

The credit risk faced by the Group is the risk of inability of debtors to fulfill their financial obligations in accordance with the terms of the agreement.

This exposure derives mainly from:

- risk of customers failing to fulfill their obligations,
- risk that funds or financial instruments are not transferred by counterparties.

In most cases, sales of passenger ticket and cargo are handled by agents under the influence and auspices of IATA. These agents are connected with a clearing system for every country for settlement of passage or cargo sales. Individual agents are audited by certain clearing houses.

The credit risk from sales agents is relatively low. Except when the contract that serves as the basis for payment stipulates otherwise, claims and liabilities incurred between airlines are normally settled bilaterally or through the IATA Clearing House. Settlement is mainly done by periodically offsetting payables and receivables, which significantly reduces the risk of failure to pay.

Risiko kredit transaksi dari investasi dan instrumen keuangan derivatif dengan pihak ketiga yang timbul dari tidak dilakukannya pembayaran sesuai kontrak, relatif rendah karena transaksi hanya dilakukan dengan pihak yang memiliki peringkat kredit yang tinggi.

Grup melakukan hubungan usaha hanya dengan pihak ketiga yang kredibel. Semua lawan transaksi harus mendapat persetujuan sebelumnya dari manajemen sebelum kesepakatan dilakukan. Batasan lawan transaksi (jumlah dan waktu kredit) harus ditetapkan terhadap masing-masing lawan transaksi dan ditelaah secara tahunan oleh manajemen. Di samping itu, saldo piutang dimonitor secara berkelanjutan untuk mengurangi eksposur piutang bermasalah.

Nilai tercatat aset keuangan pada laporan keuangan konsolidasian dikurangi dengan pencadangan kerugian penurunan nilai yang mencerminkan eksposur maksimum risiko kredit pada tanggal pelaporan adalah sebagai berikut:

	2013	2012	
	USD	USD	
Kas dan setara kas	475.260.630	325.784.942	Cash and cash equivalents
Piutang usaha	139.981.363	129.471.098	Trade receivable
Piutang lain-lain	8.745.081	7.877.613	Other receivable
Dana perawat an pesaw at dan uang jaminan	617.623.057	461.933.812	Maintenance reserve fund and security deposits
Aset lain-lain	33.164.537	31.874.533	Other assets
Jumlah	1.274.774.668	956.941.998	Total

Resiko kredit pada dana likuid terbatas karena *counterparty* adalah bank dengan peringkat kredit tinggi yang dinilai oleh lembaga pemeringkat kredit.

Transaction counterpart credit risk from investments and derivative financial instruments, arising from failure to make payments as per the contract, is relatively low because such transactions are only conducted with parties with a high credit rating.

The Group enters into business relationships only with credible third parties. All transaction counterparts must be approved in advance by the management before an agreement is made. Restrictions on transaction counterparts (amounts and periods of loans) must be stipulated for each transaction counterpart and are reviewed annually by the management. In addition, the outstanding receivables are continually monitored to reduce exposure to bad debts.

The carrying amount of financial assets recorded in the consolidated financial statements, net any of allowance for losses represents the maximum credit risk exposure at the reporting date as follows:

D. Estimasi Nilai Wajar Instrumen Keuangan

Nilai wajar instrumen keuangan yang dicatat pada biaya perolehan diamortisasi

Kecuali sebagaimana tercantum dalam tabel berikut, direksi menganggap bahwa nilai tercatat aset keuangan dan liabilitas keuangan diakui dalam laporan keuangan konsolidasian mendekati nilai wajarnya.

	2013		2012		
	Nilai tercatat/ <i>Carrying amount</i>	Nilai wajar/ <i>Fair value</i>	Nilai tercatat/ <i>Carrying amount</i>	Nilai wajar/ <i>Fair value</i>	
	USD	USD	USD	USD	
Dana perawat an pesaw at dan uang jaminan	617.623.057	601.450.216	461.933.812	468.028.816	Maintenance reserve fund and security deposit
Pinjaman jangka panjang	604.695.491	601.555.736	400.947.490	401.518.540	Long-term loans
Liabilitas sewa pembiayaan	191.750.944	184.361.683	206.352.598	194.935.133	Lease liabilities
Utang obligasi	162.850.383	139.452.393	-	-	Bond payable

D. Fair Value Estimation of Financial Instruments

Fair value of financial instruments recorded as amortized cost

Except as detailed in the table below, management considers that the carrying amount of financial assets and liabilities recorded in consolidated financial statements approximately agreed the fair value.

Teknik penilaian dan asumsi yang diterapkan
untuk tujuan pengukuran nilai wajar

Nilai wajar aset keuangan dan liabilitas keuangan ditentukan sebagai berikut:

- Nilai wajar aset keuangan dan liabilitas keuangan dengan syarat dan kondisi standar dan diperdagangkan di pasar aktif ditentukan dengan mengacu pada harga pasar.
- Nilai wajar aset keuangan dan liabilitas keuangan lainnya (tidak termasuk yang dijelaskan di atas) ditentukan sesuai dengan model penentuan harga yang berlaku umum berdasarkan analisis *discounted cash flow* menggunakan harga dari transaksi pasar yang dapat diamati saat ini dan kutipan dealer untuk instrumen sejenis

Secara khusus, asumsi signifikan yang digunakan dalam menentukan nilai wajar dari liabilitas keuangan ditetapkan di bawah ini:

Pinjaman jangka panjang

Nilai wajar dari pinjaman jangka panjang untuk tahun yang berakhir 31 Desember 2013 dan 2012 diperkirakan masing-masing sebesar USD 601.555.736 dan USD 401.518.540, dengan tingkat suku bunga diskonto tahun 2013 sebesar 1,159% - 4,750% untuk USD dan 6,5% - 11,15% untuk Rupiah.

Liabilitas sewa pembiayaan

Nilai wajar dari liabilitas sewa pembiayaan untuk tahun yang berakhir 31 Desember 2013 dan 2012 diperkirakan masing-masing sebesar USD 184.361.683 dan USD 194.935.133, dengan tingkat diskonto 7,33% - 8,59% dan berdasarkan tingkat bunga Libor 3 bulan.

Utang obligasi

Nilai wajar dari utang obligasi untuk tahun yang berakhir 31 Desember 2013 diperkirakan USD 139.452.393 dengan menggunakan tingkat bunga pasar 11,15% berdasarkan Indonesia Government Bond Yield Curve.

Valuation techniques and assumptions applied
for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Specifically, significant assumptions used in determining the fair value of the following financial liabilities are set out below:

Long-term loan

The fair value of long-term loan as at December 31, 2013 and 2012 are estimated to be USD 601,555,736 and USD 401,518,540 with discount rate in 2013 are estimated to 1.159% - 4.750% in USD and 6.5% - 11.15% in Rupiah.

Lease liabilities

The fair value of lease liabilities as at December 31, 2013 and 2012 are estimated to be USD 184,361,683 and USD 194,935,133 using 7.33% - 8.59% discount rates and interest Libor 3 months.

Bond payable

The fair value of bond payable as at December 31, 2013 estimated to be USD 139,452,393 million using the market interest rate of 11.15% by Indonesian Government Bond Yield Curve.

47. PERJANJIAN SEWA OPERASI

Grup mengadakan perjanjian sewa operasi antara lain:

1. Pesawat

Perusahaan sewa operasi/ <i>Lessors</i>
<u>Pesawat/ Airline</u>
GECAS (FRANCE) SARL
AABS Aviation 1 France S.A.R.L
GY Aviation Lease (France) SARL
Int'l Lease Finance Corporation (ILFC)
Nice Location SARL
AerCo France S.A.R.L
ALS France S.A.R.L.
SARL MASA FRANCE
SARL MASB FRANCE
SARL MASC FRANCE
MSN 30151 Leasing France SARL
MSN 30155 Leasing France SARL
MSN 30156 Leasing France SARL
MSN 30157 Leasing France SARL
MSN 30140 Leasing France SARL
MSN 30141 Leasing France SARL
MSN 30142 Leasing France SARL
MSN 30143 Leasing France SARL
Biarritz Location S.A.R.L
BANK OF UTAH
BBAM Aircraft Holding 121 SARL
BBAM Aircraft Holding 122 SARL
CIT Aerospace International (France) SARL
Trojan Aircraft Leasing (France) SARL

47. OPERATING LEASE AGREEMENTS

The Group entered into the following operating lease agreements:

1. Aircraft

Aset Sewaan/ <i>Leased Assets</i>	Jatuh Tempo/ <i>Year of Maturity</i>
1 Boeing 737-800	2016
3 Boeing 737-800	2022
4 Boeing 737-800	2023
3 Boeing 737-800	2025
2 Boeing 737-800	2016
2 Boeing 737-800	2022
2 Airbus 330-200	2016
2 Boeing 737-800	2016
1 Boeing 737-800	2021
1 Airbus 330-200	2016
1 Boeing 737-300	2014
1 Boeing 737-300	2014
1 Boeing 737-800	2015
1 Boeing 737-800	2014
1 Boeing 737-800	2014
1 Boeing 737-800	2016
1 Boeing 737-800	2021
1 Boeing 737-800	2021
1 Boeing 737-800	2021
1 Boeing 737-800	2021
1 Boeing 737-800	2022
1 Boeing 737-800	2022
1 Boeing 737-800	2022
1 Airbus 330-200	2016
2 Boeing 737-800	2020
1 Boeing 737-800	2020
1 Boeing 737-800	2020
1 Boeing 737-800	2022
1 Airbus 330-200	2025
2 Boeing 737-800	2017

Perusahaan sewa operasi/ Lessors	Aset Sewaan/ Leased Assets	Jatuh Tempo/ Year of Maturity
<u>Pesawat/ Airline</u>		
La Victoire 3 Holding SARL	1 Boeing 737-800	2017
Centennial Aviation (France) 2, SARL	1 Airbus 330-200	2020
	1 Airbus 330-200	2021
MITSUBISHI France S.A.S	3 Boeing 737-800	2022
PEMBROKE LEASE FRANCE SAS	1 Boeing 737-800	2023
	4 Boeing 737-800	2022
	4 Boeing 737-800	2020
	1 Boeing 737-800	2021
	1 Boeing 737-800	2019
ICIL Paris (A Limited Liability Company)	1 Boeing 737-800	2018
BBAM Aircraft Holding 129 SARL	1 Boeing 737-800	2022
BBAM Aircraft Holding 130 SARL	1 Boeing 737-800	2022
AWAS 1214 S.A.R.L.	1 Airbus 330-200	2021
AWAS 29928 SARL	1 Boeing 737-800	2017
AWAS 29929 SARL	1 Boeing 737-800	2017
AWAS (France) Two SARL	2 Boeing 737-800	2023
ALC A332 1288, LCC	1 Airbus 330-200	2024
Java Aircraft Leasing (France) SARL	1 Airbus 330-200	2024
NAC Aviation France 1 SAS	2 Bombardier CRJ-1000	2024
	5 Bombardier CRJ-1000	2025
SMBC Aviation Capital Paris Leasing 1 SARL	2 Boeing 737-800	2025
ACG Acquisition 38884 LLC	1 Boeing 737-800	2025
ACG Acquisition 38885 LLC	1 Boeing 737-800	2025
Salwa Aircraft Leasing (One) Limited	2 Boeing 777-300	2025
Gold Coast Aircraft Leasing	1 Airbus 330-300	2025
Sailes 4, LLC	2 Boeing 777-300	2025
NAC Aviation France 2 SAS	2 ATR 72-600	2025
ALC B738 41310, LLC	1 Boeing 737-800	2025
ALC B738 41312, LLC	1 Boeing 737-800	2025
Sumatra Aircraft Leasing (France) SARL	1 Airbus 330-200	2025
Wells Fargo Bank Northwest	1 Airbus 320-200	2018
ACG Acquisition XX LLC	1 Airbus 320-200	2018
ILFC France SARL	1 Airbus 320-200	2018
ILFC France SARL	1 Airbus 320-200	2019
ALS France SARL	3 Airbus 320-200	2016
Whitney France Leasing SARL	1 Airbus 320-200	2019
BOC Aviation (France) SARL	1 Airbus 320-200	2018
SMBC Aviation Capital Limited	2 Airbus 320-200	2024
SMBC Aviation Capital Limited	2 Airbus 320-200	2025
Centennial Aviation (France) 2 SARL	3 Airbus 320-200	2024
Gecas France	6 Airbus 320-200	2025

2. Mesin

2. Engine

Perusahaan sewa operasi/ Lessors	Aset Sewaan/ Leased Assets	Jatuh Tempo/ Year of Maturity
<u>Mesin / Engine</u>		
Aviation Lease Finance	1 Mesin Boeing B747-400	2014
Engine Lease Finance Corp.	1 Mesin Boeing B737-800	2017
GECAS (France) S.A.R.L	2 Mesin Boeing B737-800	2021
	1 Mesin Boeing B737-800	2022
	1 Mesin Boeing B777-300	2020
Willis Lease Finance	2 Mesin Boeing B737-300	2014
	1 Mesin Boeing B747-400	2014

Pembayaran Sewa Operasi

Total komitmen sewa adalah sebagai berikut:

	Pembayaran sewa operasi masa depan/ <i>Future lease payments</i>		
	2013 USD	2012 USD	
Dalam satu tahun	581.065.537	374.493.616	Within one year
Lebih dari satu tahun tapi tidak lebih dari lima tahun	2.108.428.274	1.318.832.678	Over one year but not longer than five years
Lebih dari lima tahun	2.333.773.641	1.131.273.419	Over five years
Jumlah	5.023.267.452	2.824.599.713	Total

Uang Jaminan

Grup diharuskan untuk membayar uang jaminan atas kewajiban Perusahaan terhadap pembayaran sewa. Pada tanggal 31 Desember 2013 dan 2012, saldo uang jaminan masing-masing sebesar USD 144.443.468 dan USD 111.254.884 (Catatan 11).

Dana Perawatan Pesawat

Sesuai dengan perjanjian sewa operasi untuk pesawat, Perusahaan diharuskan untuk membayar dana perbaikan dan pemeliharaan untuk pesawat yang disewa kepada lessor.

Dana perbaikan didasarkan atas penggunaan pesawat selama periode sewa yang mencakup dana perbaikan untuk rangka pesawat, pengembalian kinerja mesin, dan suku cadang mesin, serta alat pendaratan dan *Auxiliary Power Unit* (APU).

Selama masa sewa, Perusahaan diwajibkan untuk melakukan pemeliharaan dan perbaikan rangka pesawat, mesin, APU dan seluruh suku cadang sesuai dengan standar yang disetujui. Pekerjaan perbaikan dan perawatan rangka pesawat, mesin dan bagian lainnya secara teratur dikerjakan oleh perusahaan perbaikan pesawat yang telah ditunjuk (MRO) yang telah memenuhi standar. Berdasarkan Perjanjian sewa, Perusahaan akan mengajukan biaya penggantian sesuai dengan yang diperbolehkan dalam perjanjian, setelah pekerjaan selesai dan setelah perbaikan rangka pesawat, mesin, alat pendaratan atau APU keluar dari bengkel, dengan melampirkan faktur dan dokumen terkait beberapa hari setelah pekerjaan selesai.

Sampai tanggal berakhirnya perjanjian, Perusahaan berkewajiban untuk membayar dana cadangan, dan klaim biaya penggantian akan dikaji dan dibayarkan, sepanjang tidak terjadi gagal bayar. Mengacu kepada masing-masing perjanjian, lessor dapat menguasai atau mengembalikan sisa dana perawatan.

Operating Rental Payments

Total rental commitments are as follows:

Security Deposits

The Group is required to pay security deposits that will serve as guarantee for the payment of the Company's obligations. As of December 31, 2013 and 2012, the balance of the security deposits amounted to USD 144,443,468 and USD 111,254,884, respectively (Note 11).

Maintenance Reserve Funds

Based on operating lease arrangements for aircrafts, the Company is required to pay maintenance and repair reserve funds for the leased aircraft to the lessors.

Maintenance reserve funds are based on the use of the aircraft during the lease term consisting of reserves funds for airframe structure maintenance, engine performance restoration maintenance, engine life limited parts maintenance, landing gear maintenance and Auxiliary Power Unit (APU) maintenance.

During the lease term, the Company is obliged to maintain and repair the airframes, engines, APU and all the parts in accordance with agreed standard. The maintenance and repair work on the airframes, engines and other part, or engines will be regularly performed by authorized maintenance repair and overhaul companies (MRO). Based on the lease agreement, the Company will be entitled to its reimbursement of applicable maintenance and repair reserve funds after the work is completed and the workshop company releases the airframe, engine, landing gear or APU, by submitting invoices and proper documentation within certain days after the completion of the work.

Up to the termination date, the Company shall have the obligation to pay contribution into the reserve funds, and any outstanding reimbursable expenses shall be reviewed and disbursed, provided no default occurred. Depending on the specific agreements, the lessor may or may not retain the remaining balance of the maintenance reserve funds.

Pada tanggal 31 Desember 2013 dan 2012, saldo dana perawatan pesawat masing-masing sebesar USD 473.179.589 dan USD 350.678.928.

Jual dan sewa kembali

Perusahaan mencatat pendapatan ditangguhkan atas transaksi jual dan sewa kembali pesawat. Pada tanggal 31 Desember 2013 dan 2012, jumlah pendapatan ditangguhkan setelah dikurangi nilai amortisasi masing-masing sebesar USD 22.720.707 dan USD 5.014.143.

3. Sewa Operasi Non Pesawat

- a. Pada tanggal 25 Januari 2008, GMFAA mengadakan Perjanjian Pemanfaatan Tanah dan Konsesi Usaha dengan PT Angkasa Pura II (Persero) sehubungan dengan pemanfaatan tanah seluas $\pm 900.000 \text{ m}^2$ untuk digunakan dalam kegiatan usaha pemeliharaan pesawat di Bandara Udara Soekarno-Hatta, Cengkareng, Tangerang. Perjanjian ini berlaku sampai dengan 31 Desember 2011 dengan kompensasi dan konsesi sesuai dengan tarif yang disepakati. GMFAA wajib memberikan jaminan bank yang diterbitkan oleh bank umum untuk menjamin pembayaran kompensasi tersebut. Masa berlaku jaminan tersebut selama 1 tahun dan diperpanjang setiap tahunnya sampai berakhirnya perjanjian ini.
- b. GMFAA juga mengadakan perjanjian sewa operasi peralatan operasional, koneksi internet, dan lainnya dengan beberapa pihak.
- c. Perusahaan mengadakan perjanjian pemanfaatan tanah di Bandara Soekarno-Hatta seluas 6.246 m^2 dengan PT Angkasa Pura II (Persero), untuk jangka waktu 30 tahun yang berakhir 30 September 2021. Tanah tersebut digunakan Perusahaan untuk lokasi gedung perkantoran kargo. Kompensasi atas tanah tersebut sebesar Rp 800 per m^2 per bulan atau seluruhnya Rp 1.798.848.000 dan dapat ditinjau kembali setiap 5 tahun. Uang muka sebesar 10% atau Rp 179.884.800. Pembayaran dilakukan setiap tahun sebesar Rp 53.965.440.

Pada akhir periode perjanjian, tanah beserta seluruh fasilitas di atasnya diserahkan kepada PT Angkasa Pura II.

On December 31, 2013 and 2012, aircraft maintenance reserve funds amounted to USD 473,179,589 and USD 350,678,928, respectively.

Sale and leaseback

The Company recognized deferred income from sale and leaseback of aircrafts. As of December 31, 2013 and 2012, the outstanding deferred income net of the related amortization amounted to USD 22,720,707 and USD 5,014,143, respectively.

3. Non Aircraft Operating Lease

- a. On January 25, 2008, GMFAA entered into Land Utilization and Business Concession Agreements with PT Angkasa Pura II (Persero) in relation to land utilization measuring approximately 900,000 square meters used for aircraft maintenance business activities in Soekarno-Hatta Airport, Cengkareng, Tangerang. The term of this agreement is effective until December 31, 2011, with compensation and concession based on agreed tariffs. GMFAA is obliged to provide bank guarantee issued by general bank to secure the payment of such compensation. The term of such guarantee is 1 year and renewable annually until the expiration of the agreement.
- b. GMFAA also entered into operating lease agreements of operational equipment, internet connection, and others with several parties.
- c. The Company entered into an agreement for utilization of 6,246 square meters of land at the Soekarno-Hatta Airport with PT Angkasa Pura II (Persero), for 30-year period until September 30, 2021. The land is used for the purpose of cargo office building. The compensation for the use of the land is Rp 800 per square meter per month or a total of Rp 1,798,848,000, which is subject for review every 5 years. A deposit of 10% or Rp 179,884,800 was also paid. Payment of Rp 53,965,440 is made annually.

At the expiration of the agreement, the Company will return the land and all the facilities to PT Angkasa Pura II.

Perusahaan juga mengadakan perjanjian pemanfaatan tanah di Bandara Soekarno-Hatta seluas 164.742 m² dengan PT Angkasa Pura II (Persero), untuk jangka waktu 20 tahun yang berakhir 31 Desember 2011. Perusahaan membangun gedung perkantoran di atas tanah tersebut. Sampai dengan tanggal laporan keuangan konsolidasian, perpanjangan perjanjian tersebut masih dalam proses finalisasi.

Dalam perjanjian sewa operasi tersebut terdapat opsi perpanjangan masa sewa. Perusahaan tidak memiliki hak opsi untuk membeli aset sewaan pada akhir masa sewa. Perjanjian tersebut juga memuat ketentuan yang dapat mengakibatkan pengakhiran perjanjian sebelum masa sewa berakhir.

Jumlah komitmen sewa lainnya adalah sebagai berikut:

	2013	2012
	USD	USD
Dalam satu tahun	1.940.614	2.460.575
Lebih dari satu tahun tapi tidak lebih dari lima tahun	4.997.221	6.356.732
Lebih dari lima tahun	7.583.167	9.616.307
Jumlah	14.521.002	18.433.614

The Company also entered into an agreement with PT Angkasa Pura II (Persero) for the use of another parcel of land with an area of 164,742 square meters at the Soekarno-Hatta Airport, for a period of 20 years until December 31, 2011. The Company constructed on such land the office building. As of the issuance date of the consolidated financial statements, the extension agreement is under finalization process.

The operating lease agreements contain option to renew the lease term. The Company does not have an option to purchase the lease asset at the expiry of the lease term. The lease agreements include certain conditions that may cause the leases to be terminated prior to the expiry of the lease terms.

Total of other lease commitments is as follows:

48. IKATAN

a. Pembelian Pesawat

(i). Pesawat Boeing 777-300ER

Sesuai dengan *Purchase Agreement* No. 1938 tanggal 4 Juni 1996 yang terakhir diamandemen melalui *Supplemental Agreement* No. 4 tanggal 29 Desember 2005, Perusahaan mengadakan kontrak pembelian pesawat Boeing 777-200ER sebanyak 6 pesawat dengan harga dasar (*aircraft basic price*) USD 198.192.610. Harga pesawat akan ditetapkan pada saat penyerahan dengan penyesuaian harga sesuai perjanjian. Penyerahan direncanakan pada bulan Juni 2010 sampai dengan Agustus 2011.

Berdasarkan konfirmasi dari The Boeing Company No. 6-1176-DJH-1049R-1 tanggal 30 Maret 2007, pembelian 6 pesawat tipe Boeing 777-200ER diubah menjadi pembelian 10 pesawat tipe Boeing 787 dengan jadwal pengiriman April 2014 sampai dengan Juli 2015. Konfirmasi tersebut kemudian dilanjutkan dengan adanya penawaran pembaharuan *Purchase Agreement* No. 1938 oleh Boeing menjadi sepuluh pesawat jenis B 777-200ER/ 300ER/200LR.

48. COMMITMENTS

a. Purchase of Aircrafts

(i). Boeing 777-300ER Aircraft

Based on Purchase Agreement No. 1938 dated June 4, 1996, which had been amended several times, most recently by Supplemental Agreement No. 4 dated December 29, 2005, the Company entered into a contract to purchase 6 Boeing 777-200ER with basic price of USD 198,192,610. The price of the aircrafts will be determined at the time of delivery by calculating the price adjustments in accordance with the agreement. Delivery was scheduled within the period of June 2010 up to August 2011.

However, based on confirmation from The Boeing Company No. 6-1176-DJH-1049R-1, dated March 30, 2007, the purchase of 6 Boeing 777-200ER was replaced with purchase of 10 Boeing 787 and will be delivered April 2014 up to July 2015. The confirmation is preceded by the Boeing's offering to renew the Purchase Agreement No. 1938 into purchase of ten B 777-200ER/300ER/200LR aircrafts.

Menanggapi penawaran tersebut, Perusahaan merencanakan menambah pembelian pesawat B 777 dari 6 pesawat B 777-200 menjadi 10 pesawat B 777-300ER, melalui *Supplemental Agreement* No. 5 atas *Purchase Agreement* No. 1938. Melalui *Supplemental Agreement* No. 9 atas *Purchase Agreement* No. 1938 jadwal pengiriman pesawat telah diubah dari mulai Agustus 2012 menjadi mulai Mei 2013 sampai dengan Januari 2016. Harga dasar pesawat (*aircraft basic price*) untuk sepuluh (10) pesawat B 777-300 ER adalah USD 251.397.000.

Sehubungan dengan penambahan row pada *First Class seat* pada pesawat B777 yang mengakibatkan perubahan jadwal pengiriman pesawat pertama B777 dari bulan Mei 2013 menjadi bulan Juni 2013. Pada 23 April 2012, Perusahaan telah menandatangani *Supplemental Agreement* No. 10 atas *Purchase Agreement* No. 1938 dengan The Boeing Company.

Pada tanggal 23 Mei 2012, Perusahaan dan The Boeing Company menandatangani *Supplemental Agreement* No. 11 atas *Purchase Agreement* No. 1938 sehubungan dengan finalisasi konfigurasi pesawat B777.

Pada tanggal 6 Juli 2012, Perusahaan dan The Boeing Company menandatangani *Supplemental Agreement* No. 12 atas *Purchase Agreement* No. 1938 sehubungan dengan percepatan pengiriman pesawat B777 dari Januari 2014 menjadi Oktober 2013, perubahan tabel harga serta perubahan formula penghitungan. Perusahaan mengadakan perjanjian jual dan sewa balik dengan Alafco dan Gugenheim atas 4 pesawat. Harga jual ditentukan pada saat kedatangan pesawat.

Pada tahun 2013, sebanyak 4 pesawat Boeing 777-300ER yang telah diikat dengan perjanjian jual dan sewa balik telah dikirim, dengan jangka waktu sewa 12 tahun dan diklasifikasikan sebagai sewa operasi.

Pembayaran uang muka untuk pembelian pesawat dilakukan secara bertahap mulai dari saat penandatanganan nota kesepahaman penandatanganan perjanjian, yaitu 30 atau 24 bulan sampai dengan 6 bulan sebelum pengiriman. Pada tanggal 31 Desember 2013 dan 2012, jumlah uang muka pembelian pesawat yang telah dibayarkan masing-masing berjumlah USD 219.297.500 dan USD 279.424.180.

In response to the offer, the Company plans to increase the number of units purchased from 6 aircrafts B777-200 into 10 aircrafts B777-300ER by submitting *Supplemental Agreement* No. 5 to *Purchase Agreement* No. 1938. Through *Supplemental Agreement* No. 9 to *Purchase Agreement* No. 1938, the schedule for aircraft delivery was revised from an original date starting August 2012 and changed to May 2013 until January 2016. The aircraft basic price for ten (10) B777-300 ER aircraft is USD 251,397,000.

In relation with the addition of additional rows in First Class seat on B777 aircrafts which caused a change in delivery schedule of the first B777 aircraft from May 2013 to June 2013. On April 23, 2012, the Company signed *Supplemental Agreement* No. 10 to *Purchase Agreement* No. 1938 with The Boeing Company.

On May 23, 2012, the Company and The Boeing Company executed *Supplemental Agreement* No. 11 to *Purchase Agreement* No. 1938 with regard to the finalisation of B777 aircraft configuration.

On July 6, 2012, the Company and The Boeing Company executed *Supplemental Agreement* No. 12 to *Purchase Agreement* No. 1938 with regard to the acceleration of the delivery of B777 aircraft from January 2014 to October 2013, revision of the pricing table and the change of calculation formula. The Company entered into a sale and leaseback with Alafco and Gugenheim for 4 aircrafts. The selling price is determined at the time of arrival of aircraft.

In 2013, 4 Boeing 777-300ER aircraft under sale and leaseback agreement has been delivered, with 12 years lease period and classified as operating lease.

Advance payments for acquisition of aircrafts were made in stages starting from the signing of the memorandum of understanding until the signing of the agreement, ie. 30 or 24 months up to 6 months prior to aircraft delivery. At December 31, 2013 and 2012, the amount of advances for purchase of aircrafts that has been paid amounted to USD 219,297,500 and USD 279,424,180, respectively.

(ii). Pesawat Boeing 737-800

Perusahaan juga melakukan *Purchase Agreement* No. 2158 tanggal 19 Juni 1998 untuk pembelian 18 pesawat Boeing 737-800, yang terakhir diamandemen melalui *Supplemental Agreement* No. 8 tanggal 18 Januari 2010, di mana Perusahaan menambah jumlah pesawat menjadi 25 pesawat tipe B 737-800 dengan harga dasar (*aircraft basic price*) USD 67.518.600. Harga pesawat ditetapkan pada saat penyerahan dengan penyesuaian harga sesuai perjanjian. Jadwal pengiriman pesawat adalah dari Juni 2009 sampai dengan Pebruari 2016. Selanjutnya pada tahun 2009 dan 2010, Perusahaan mengadakan perjanjian jual dan sewa balik dengan Dubai Aerospace Enterprise (DAE) atas 8 pesawat dan MCAP atas 3 pesawat dan Pembroke Lease France SAS atas 9 Pesawat. Harga jual ditentukan pada saat kedatangan pesawat.

Pada tahun 2013, sebanyak 1 pesawat Boeing 737-800 yang telah diikat dengan perjanjian jual dan sewa balik telah dikirim, dengan jangka waktu sewa 10 tahun dan diklasifikasikan sebagai sewa operasi.

Pada tahun 2012, sebanyak 4 unit pesawat Boeing 737-800 yang telah diikat dengan perjanjian jual dan sewa balik telah dikirim, dengan jangka waktu sewa 10 tahun dan diklasifikasikan sebagai sewa operasi.

Pembayaran uang muka untuk pembelian pesawat dilakukan secara bertahap mulai dari saat penandatanganan nota kesepahaman penandatanganan perjanjian, yaitu 30 atau 24 bulan sampai dengan 6 bulan sebelum pengiriman. Pada tanggal 31 Desember 2013 dan 2012, jumlah uang muka pembelian pesawat yang telah dibayarkan masing-masing berjumlah USD 9.664.720 dan USD 14.771.356.

(iii). Pesawat Airbus A-330-300

Pada tanggal 4 Nopember 1989, Perusahaan melakukan *Purchase Agreement* dengan Airbus untuk pembelian dan pengiriman 9 pesawat Airbus A-330-300. Perusahaan telah menerima pengiriman 6 pesawat, akan tetapi berupaya melakukan perpanjangan waktu atas pengiriman 3 pesawat sisanya, yang berdasarkan *Side Letter* tanggal 21 Desember 1995 dinyatakan bahwa penyerahan 3 pesawat terakhir dijadwalkan bulan Juli 1998, Agustus 1998 dan Januari 1999.

(ii). Boeing 737-800 Aircraft

The Company also entered into *Purchase Agreement* No. 2158 dated June 19, 1998 for the purchase of 18 Boeing 737-800, which had been amended several times, most recently by *Supplemental Agreement* No. 8 dated January 18, 2010, whereby the Company increased the number of units purchased into 25 Boeing 737-800 aircrafts with basic price of USD 67,518,600. The price of the aircraft will be determined at the time of delivery by calculating the price adjustments in accordance with the agreement. Delivery of the aircrafts is within the period of June 2009 up to February 2016. In relation to these scheduled deliveries, during 2009 and 2010, the Company entered into a sale and leaseback with Dubai Aerospace Enterprise (DAE) for 8 aircrafts and MCAP for 3 aircrafts and Pembroke Lease Finance SAS for 9 aircrafts. The selling price is determined at the time of arrival of aircraft.

In 2013, 1 aircraft of Boeing 737-800 under sale and leaseback agreement has been delivered, with 10 years lease period and classified as operating lease.

In 2012, 4 units of Boeing 737-800 aircraft under sale and leaseback agreement has been delivered, with 10 years lease period and classified as operating lease.

Advance payment for the purchase of aircrafts were made in stages starting from the signing of a memorandum of understanding until signing of the agreement, ie. 30 or 24 months up to 6 months prior to aircraft delivery. At December 31, 2013 and 2012, the amount of advance for purchase of aircrafts that has been paid amounted to USD 9,664,720 and USD 14,771,356, respectively.

(iii). Airbus A-330-300 Aircraft

On November 4, 1989, the Company entered into a *Purchase Agreement* with Airbus for the purchase and delivery of 9 Airbus A-330-300 aircrafts. The Company has received 6 of the aircrafts but has sought rolling extension for the delivery of the final 3 aircrafts, in which based on a *Side Letter* dated December 21, 1995, the final delivery of 3 aircrafts was scheduled in July 1998, August 1998 and January 1999.

Pengiriman pesawat tersebut belum dapat dilakukan karena Perusahaan belum mencapai kesepakatan formal dengan Airbus sehubungan dengan kewajiban dalam *Purchase Agreement* untuk pengiriman 3 pesawat Airbus A-330-300 sisanya. Berdasarkan *side letter* tanggal 9 Nopember 2009, pengiriman sisa 3 pesawat Airbus A-330-300 digantikan dengan pemesanan 6 pesawat Airbus A-330-200 dengan jadwal pengiriman mulai Oktober 2012 sampai dengan Oktober 2014. Harga dasar pesawat (*aircraft basic price*) untuk 6 pesawat A-330-200 sebesar USD 173.949.317.

Pada bulan Juli 2011 Perusahaan dan Airbus menandatangani *Amendment* No. 3 atas Perjanjian Pembelian pesawat sebelumnya Melalui Perjanjian tersebut Perusahaan menggantikan 3 dari pemesanan 6 pesawat Airbus A330-200 menjadi Airbus A330-300 dan membeli tambahan 4 pesawat Airbus A330-300.

Pada tanggal 19 Desember 2011, Perusahaan dan Airbus menandatangani *Amendment* No. 4, 5 dan 6 atas *Purchase Agreement* dimana Perusahaan melakukan pembelian 11 (sebelas) Airbus tipe A330-300 dan 3 (tiga) Airbus tipe A330-200F.

Perusahaan mengadakan perjanjian jual dan sewa balik dengan Airastle atas 4 pesawat. Harga jual ditentukan pada saat kedatangan pesawat.

Pada tahun 2013, sebanyak 2 pesawat Airbus A-330-200 dan 1 pesawat Airbus A-330-300 yang telah diikat dengan perjanjian jual dan sewa balik telah dikirim, dengan jangka waktu sewa 12 tahun dan diklasifikasikan sebagai sewa operasi.

Pembayaran uang muka untuk pembelian pesawat dilakukan secara bertahap mulai dari saat penandatanganan nota kesepahaman penandatanganan perjanjian, yaitu 30 atau 24 bulan sampai dengan 6 bulan sebelum pengiriman. Pada tanggal 31 Desember 2013 dan 2012, jumlah uang muka pembelian pesawat yang telah dibayarkan masing-masing berjumlah USD 189.873.807 dan USD 151.389.855.

These deliveries have not taken place because the Company has not reached any subsequent formal agreement with Airbus in relation to its obligation under the Purchase Agreement for the delivery of the remaining 3 Airbus A-330-300 aircrafts. Based on side letter dated November 9, 2009, delivery of the remaining 3 Airbus A-330-300 was replaced with 6 Airbus A-330-200 with delivery schedule starting in October 2012 until October 2014. The aircraft basic price for 6 aircraft A-330-200 amounted to USD 173,949,317.

On July 2011 the Company and Airbus signed Amendment No. 3 related to Purchase Agreement. Under this agreement, the Company replaced 3 of remaining 6 Airbus A330-200 into A330-300 and purchased additional 4 Airbus A330-300.

On December 19, 2011, the Company and Airbus signed Amendment No. 4, 5 and 6 to the Purchase Agreement. Under those agreement the Company purchase 11 (eleven) Airbus aircraft type A330-300 and 3 (three) aircraft type A330-200F.

The Company entered into a sale and leaseback with Airastle for 4 aircrafts. The selling price is determined at the time of arrival of aircraft.

In 2013, 2 aircraft Airbus A-330-200 and 1 aircraft Airbus A-330-300 has been delivered which is under sale and leaseback agreements, with a lease term of 12 years and are classified as operating leases.

Advance payment for purchase of aircrafts were made in stages starting from the signing of the memorandum of understanding until the signing of the agreement, ie. 30 or 24 months up to 6 months prior to aircraft delivery. At December 31, 2013 and 2012, the amount of advance for purchase of aircrafts that has been paid amounted to USD 189,873,807 and USD 151,389,855, respectively.

(iv). Pembelian Pesawat Airbus A320-200

Pada tanggal 2 Agustus 2011 Perusahaan dan Airbus menandatangani Perjanjian Pembelian pesawat A320-200 untuk pembelian 25 pesawat Airbus tipe A320-200. Jadwal pengiriman mulai 2014 sampai dengan 2018. Harga dasar pesawat masing-masing adalah USD 83.041.000. Terkait dengan pembelian pesawat ini Perusahaan juga menandatangani Perjanjian dengan CFM International untuk pengadaan mesin tipe CFM56-5B4 untuk 15 (lima belas) pesawat A320-200 dan mesin tipe Leap-X1A26 untuk 10 (sepuluh) A320 NEO aircraft.

Pada Juli 2012, Perusahaan dan Airbus SAS menandatangani *Amendment No. 1 to the Purchase Agreement A320* tentang pelaksanaan opsi untuk menambah jumlah pesawat yang dibeli yaitu sebanyak 25 pesawat.

Pembayaran uang muka untuk pembelian pesawat dilakukan secara bertahap mulai dari saat penandatanganan nota kesepahaman penandatanganan perjanjian, yaitu 30 atau 24 bulan sampai dengan 6 bulan sebelum pengiriman. Pada tanggal 31 Desember 2013 dan 2012, jumlah uang muka pembelian pesawat yang telah dibayarkan masing-masing berjumlah USD 73.273.288 dan USD 44.217.895.

(v). Pembelian Pesawat Bombardier CRJ1000 NextGen Series Aircraft

Pada tanggal 18 Desember 2011, Perusahaan dan Bombardier Aerospace telah menandatangani Proposal untuk pembelian pasti (firm) atas 6 (enam) pesawat dan memiliki opsi membeli sebanyak 18 (delapan belas) CRJ1000 NextGen Series.

Pada tanggal 13 Pebruari 2012 Perusahaan dan Nordic Aviation Capital A/S telah menandatangani "Letter of Intent" sehubungan dengan sewa 12 (dua belas) pesawat CRJ1000 NextGen.

Aircraft Lease Agreement sebagai dasar pelaksanaan sewa 12 (dua belas) pesawat Bombardier CRJ1000 NextGen dimaksud tandatangani Perusahaan dan Nordic Aviation Capital A/S pada tanggal 19 Juni dan 25 Juni 2012.

(iv). Purchase of Airbus A320-200 Aircrafts

On August 2, 2011 the Company and Airbus signed an Agreement for the purchase of 25 Airbus Aircraft type A320-200. Delivery schedule begins in 2014 until 2018. The base price of each aircraft is USD 83,041,000. Related to this aircraft purchase, the Company also signed an agreement with CFM International for the procurement of engine type CFM56-5B4 for 15 (fifteen) A320-200 aircrafts and engine type Leap-X1A26 for 10 (ten) A320 NEO aircrafts.

In July 2012, the Company and Airbus SAS signed Amendment No. 1 to the Purchase Agreement of A320 with regards to exercise of an option to increase the number of aircrafts purchased to 25 aircrafts.

Advance payment for the purchase of aircrafts were made in stages starting from the signing of the memorandum of understanding until the signing of the agreement, ie. 30 or 24 months up to 6 months prior to aircraft delivery. At December 31, 2013 and 2012, the amount of advance for purchase of aircrafts that has been paid amounted to USD 73,273,288 and USD 44,217,895, respectively.

(v). Purchase of Bombardier CRJ1000NextGen Series Aircraft

On December 18, 2011, the Company and Bombardier Aerospace signed a proposal for a firm commitment to purchase 6 (six) aircrafts and option to purchase 18 (eighteen) CRJ1000 NextGen Series.

On February 13, 2012, the Company and Nordic Aviation Capital A/S signed "Letter of Intent" regarding lease of 12 (twelve) CRJ1000 NextGen aircrafts.

Aircraft Lease Agreement as a basis of the implementation of such 12 (twelve) Bombardier CRJ1000 NextGen aircrafts lease was signed between the Company and Nordic Aviation Capital A/S on June 19 and June 25, 2012.

Pembayaran uang muka untuk pembelian pesawat dilakukan secara bertahap mulai dari saat penandatanganan nota kesepahaman penandatanganan perjanjian, yaitu 30 atau 24 bulan sampai dengan 6 bulan sebelum pengiriman. Pada tanggal 31 Desember 2013 dan 2012, jumlah uang muka pembelian pesawat yang telah dibayarkan masing-masing berjumlah USD 4.467.371 dan USD 7.354.133.

Advance for purchase of aircraft were made in stages starting from the signing of the memorandum of understanding, i.e. 30 or 24 months up to 6 months prior to aircraft delivery. At December 31, 2013 and 2012, the amount of advance for purchase of aircrafts that has been paid amounted to USD 4,467,371 and USD 7,354,133, respectively.

(vi). Pembelian Pesawat ATR 72-600

(vi). Purchase of ATR 72-600 Aircrafts

Pada tanggal 7 Pebruari 2013, CI dan Avions De Transport Regional G.I.E. ("ATR") menandatangani Letter Of Intent ("LOI") sehubungan dengan pembelian 25 (dua puluh lima) pesawat New ATR 72-600 dan opsi membeli sampai dengan 25 (dua puluh lima) Pesawat New ATR 72-600. Jadwal pengiriman mulai September 2013 sampai dengan Desember 2015 untuk pesawat yang dibeli, dan Pebruari 2016 sampai dengan Agustus 2018 untuk pesawat opsi. Harga dasar masing-masing pesawat adalah USD 19.180.000. Pada tanggal 15 Pebruari 2013, CI telah melakukan pembayaran uang Muka Pembelian Pesawat sebesar USD 2.418.000.

On February 7, 2013, CI and Avions De Transport Regional G.I.E ("ATR") signed Letter of Intent ("LOI") regarding the purchase of 25 (twenty five) New ATR 72-600 aircrafts and option to purchase up to 25 (twenty five) New ATR 72-600 aircrafts. Delivery schedule will begin in September 2013 until December 2015 for purchased aircrafts, and February 2016 until August 2018 for option aircrafts. The base price of each aircraft is USD 19,180,000. On February 15, 2013, CI has paid USD 2,418,000 as pre-delivery payment.

Pada tanggal 6 September 2013 telah dilakukan pengalihan kepemilikan atas pembelian tersebut kepada PT Garuda Indonesia.

On September 6, 2013, the ownership of the aircraft purchase agreement has been transferred to PT Garuda Indonesia.

b. Perjanjian *Pooling* Komponen dengan SR Technics Switzerland ("SR Technics")

b. Component Pooling Agreement with SR Technics Switzerland ("SR Technics")

Perusahaan mengadakan perjanjian *component pooling* A-330 dengan SR Technics. Perusahaan berpartisipasi sebagai anggota pool A-330 untuk menggunakan persediaan komponen A-330 yang berada di penyimpanan persediaan induk Zurich. Perusahaan juga berhak meminta SR Technics untuk memberikan *temporary services*, tim asistensi lapangan atau pelayanan khusus lainnya serta memberikan pelatihan teknik dan administrasi kepada personil Perusahaan pada tempat perawatan pesawat Perusahaan di Jakarta atau pada *line station*-nya.

The Company entered into a component pooling agreement for A-330 with SR Technics. As a participant to the A-330 pool, the Company is allowed to use A-330 components which are available in the main storage at Zurich. The Company also has the right to ask SR Technics to provide temporary services, field assistance team or other special services, as well as technical and administrative training in the Company's maintenance facility in Jakarta or in any other line stations of SR Technics.

Perjanjian ini telah diperpanjang beberapa kali dengan amendemen terakhir. Setelah tanggal tersebut, salah satu pihak dapat mengakhiri perjanjian dengan syarat pemberitahuan 6 bulan sebelumnya kepada pihak lainnya. Biaya *pooling* ditentukan dengan menggunakan tarif sesuai dengan komponen yang digunakan.

This agreement has been extended several times with the latest amendment, relating to each party may cancel the agreement by giving to the other party 6 months notice. The corresponding pooling expense is determined according to the tariff applied to the components used.

Perusahaan juga melakukan perjanjian *critical spare* untuk jenis pesawat Boeing 737-800 dengan SR Technics melalui memorandum of understanding tanggal 25 February 2011.

Perusahaan juga berhak meminta SR Technic untuk melakukan pengujian, perbaikan, *overhaul* dan modifikasi atas komponen-komponen tersebut.

c. Perjanjian Sistem Layanan Penumpang

Pada tanggal 20 April 2012, Perusahaan dan Amadeus IT Group, S.A, menandatangani Service Agreement for Passenger Service Systems, untuk sistem layanan penumpang (*Passenger Services Systems (PSS)*) "Amadeus Altéa". Sistem ini merupakan platform sistem yang digunakan oleh maskapai-maskapai penerbangan di aliansi global "Sky Team", sehingga sistem Garuda akan terhubung (*connected*) dengan maskapai penerbangan anggota *SkyTeam* lainnya.

d. Perjanjian dengan Rolls Royce.

Pada bulan Juli 2012, Perusahaan dan Rolls Royce menandatangani beberapa perjanjian yaitu:

- (i). *Product Agreement* sehubungan dengan *Trent 772B* dan *Trent 772C engines* DEG 6159.
- (ii). *Supplementary Financial Assistance Agreement* dengan *Rolls Royce* terkait *Trent 772B* dan *Trent 772C engines* DEG 6734.
- (iii). *Total Care Service Agreement relating to Trent 772B engines* DEG 6584.
- (iv). *Thrust Upgrade Offer for Garuda Indonesia* sehubungan dengan penawaran *upgrade thrust*.

Perjanjian tersebut diatas terkait dengan perawatan *engine* dengan konsep *prognostic maintenance* untuk *engine* tipe TRENT 700 (engine Airbus A330), dimana metode perawatan *engine* yang dimaksud dilakukan secara keseluruhan dari mulai pemantauan *engine* selama beroperasi (*On-wing Health Monitoring*) hingga perencanaan *overhaul* engine dan pengerjaan *overhaul*.

The Company also entered into a critical spare component agreement for Boeing 737-800 aircraft component with SR Technics with memorandum of Understanding dated February 25, 2011.

The Company also has the right to ask SR Technics to perform test repair, overhaul and modification of the component.

c. Service Agreement for Passenger Service Systems

On April 20, 2012, the Company and Amadeus IT Group, S.A, signed Service Agreement for Passenger Service Systems, for "Amadeus Altéa" Passenger Services Systems (PSS). This system is a platform system which is used by airlines which are members of "Sky Team" global alliance, so that Garuda system shall be connected with other Sky Team members.

d. Agreements with Rolls Royce.

In July 2012, the Company and Rolls Royce executed the following agreements:

- (i). Product Agreement relating to *Trent 772B* and *Trent 772C engines* DEG 6159.
- (ii). Supplementary Financial Assistance Agreement relating to *Trent 772B* and *Trent 772C engines* DEG 6734.
- (iii). Total Care Service Agreement relating to *Trent 772B engines* DEG 6584.
- (iv). Thrust Upgrade Offer agreement with regards to Airbus offer on thrust upgrade.

The above-mentioned agreements are related to engine maintenance with prognostic maintenance concept for TRENT 700 engine type (engine Airbus A330), where the engine treatment method is performed in its entirety from start of monitoring engine during operation (on-wing Health Monitoring) to engine overhaul planning and execution overhaul.

e. Perjanjian pemasangan *galley* pada A330-200

Perusahaan menandatangani perjanjian dengan BE Aerospace sehubungan dengan pemasangan *galley* pada pesawat Airbus 330-200. Perusahaan juga menandatangani *General Terms Agreement For The Purchase Of Aircraft Galley Insert For 3 X A330 BFE Program* dengan Driessen Aircraft Interiors Systems (Europe) BV sehubungan dengan pembelian *galley* untuk 3 (tiga) pesawat Airbus 330 dengan nilai EUR 938.050 per pesawat. Jangka waktu pemasangan *galley* A330-200 adalah sampai dengan sebelum *on dock date* seperti yang telah ditetapkan oleh Airbus yaitu tahun 2013.

f. Perjanjian dengan General Electric (GE)

Pada bulan Juni 2012, Perusahaan menandatangani *General Terms Agreement* dengan GE terkait dengan suku cadang, peralatan/*tooling*, publikasi dan pelatihan sehubungan dengan mesin pesawat jenis GE90-115B dan CF34-8C.

g. Perjanjian *Sub-distribution* dengan Abacus International Pte., Ltd

ADSI, entitas anak, mengadakan perjanjian *sub-distribution* dengan Abacus International Pte., Ltd (dahulu Abacus Distribution Systems Pte., Ltd), Singapura, (AIPL) yang efektif sejak tanggal 11 April 1995. Dalam perjanjian ini, AIPL memberikan hak sub-lisensi eksklusif kepada ADSI untuk memasarkan dan mendistribusikan sendiri sistem reservasi komputer (Sistem Abacus) di wilayah Indonesia. Sistem ini memadukan suatu paket perangkat lunak yang melakukan berbagai fungsi termasuk reservasi seketika tempat duduk pesawat, jadwal pemesanan pelayanan udara, mobil dan hotel, pembelian tiket otomatis serta tampilan ongkos. Perjanjian ini akan berlanjut kecuali diakhiri lebih awal sebagaimana ditentukan dalam perjanjian.

Sebagai imbalan atas pemesanan bersih yang dilakukan pelanggan melalui sistem Abacus atas jasa penyedia produk perjalanan yang ditawarkan berdasarkan sistem Abacus. AIPL diwajibkan membayar imbalan jasa tertentu kepada ADSI sebagaimana ditentukan dalam perjanjian.

Efektif tanggal 1 Februari 2009, imbalan tersebut diubah menjadi sebesar 25% dari tarif dasar tahun 2009 yang dikenakan pada pesawat udara per segmen pemesanan bersih yang dilakukan pelanggan setelah dikurangi biaya-biaya tertentu sebagaimana ditentukan dalam perjanjian.

e. Agreement for installing galley in A330-200

The Company entered into an agreement with BE Aerospace with regards to galley installation on Airbus 330-200 aircraft. The Company also entered into General Terms Agreement For The Purchase Of Aircraft Galley Installation For 3 X A330 BFE Program with Driessen Aircraft Interiors Systems (Europe) BV regarding the purchase of aircraft galley for 3 (three) Airbus 330 aircrafts with a value of EUR 938,050 per aircraft. Installation period of galley for A330-200 is up to before on dock date as specified by Airbus in 2013.

f. Agreement with General Electric (GE).

In June 2012, the Company executed General Terms Agreement with GE related to spare part, tooling, publication, training regarding engine model GE90-115B and CF34-8C.

g. The Sub-distribution Agreement with Abacus International Pte., Ltd

ADSI, a subsidiary, entered into the sub-distribution agreement with Abacus International Pte., Ltd (formerly Abacus Distribution Systems Pte., Ltd), Singapore (AIPL) effective since April 11, 1995. Under this agreement, AIPL grants ADSI an exclusive sub-license to operate its own marketing and distribution of computer reservation systems (Abacus Systems) in Indonesia territory. This system incorporate a software package which performs various function, including real-time air line seat reservation, schedules/booking for a variety of air, car and hotel service, automated ticketing and fare display. The agreement shall remain valid, except for early termination as stipulated in the agreements.

In return for each net booking made by a subscriber through the Abacus Systems for any travel product offered in the system, AIPL shall pay a certain fee to ADSI as stipulated in the agreement.

Effective from February 1, 2009, such fee is at 25% of the 2009 basic rates payable by airline per net segment for air bookings made by subscribers after deducting certain expenses as stipulated in the agreement.

- h. GMFAA melakukan perjanjian jangka panjang untuk pemeliharaan dan perbaikan dengan beberapa *airline*

GMFAA melakukan perjanjian jangka panjang untuk pemeliharaan dan perbaikan pesawat dengan PT Sriwijaya Air, Hellenic Imperial Airways, Yemen Airways, International Air Parts Pty Ltd, Gatewick Aviation Service, dan Southern Air. GMFAA memperoleh pendapatan atas jasa ini sesuai tarif yang disepakati dalam perjanjian.

- i. Pada tanggal 16 Desember 2013, GMFAA mengadakan perjanjian dengan PT Bank Syariah Mandiri mengenai pemberian fasilitas Ijarah Muntahia Bit-Tamlik dengan jangka waktu 8 tahun. Fasilitas ini ditujukan untuk penyewaan peralatan test cell untuk perawatan dan perbaikan besar Industrial Gas Turbine Engine (IGTE) *Oil Company*. GMFAA mendapatkan fasilitas maksimal sebesar USD 9.562.955.
- j. *Commodity Call option* atas bahan bakar untuk penerbangan

Perusahaan melakukan transaksi lindung nilai untuk meminimalkan risiko kenaikan harga bahan bakar penerbangan regular dan penerbangan haji 2013 dengan tujuan dan strategi manajemen risiko untuk mengantisipasi adanya risiko kenaikan harga bahan bakar pesawat (jet fuel) pada penerbangan regular dan penerbangan haji tahun 2013.

Tipe dari transaksi lindung nilai yang dilakukan adalah lindung nilai arus kas dengan sifat risiko yang dilindung nilai adalah lindung nilai harga bahan bakar sebesar USD 121-122 untuk penerbangan regular dan sebesar USD 115-119 untuk penerbangan haji.

Item yang dilindungi adalah pemakaian biaya bahan bakar penerbangan regular flight untuk periode April sampai dengan Desember 2013 dan untuk penerbangan haji untuk periode September sampai dengan Nopember 2013.

Instrumen lindung nilai yang digunakan oleh Perusahaan adalah Platts Jet/Kero *Sing – Asian Close*.

Perusahaan mengakui beban premi instrument derivative sebesar USD 6.528.600 untuk tahun 2013 dan USD 5.361.580 untuk tahun 2012.

- h. GMFAA entered into a long-term contract for maintenance and repair of aircrafts

GMFAA entered into a long-term contract for maintenance and repair of aircraft with PT Sriwijaya Air, Hellenic Imperial Airways, Yemen Airways, International Air Parts Pty Ltd, Gatewick Aviation Service, and Southern Air. GMFAA earns revenue for these services according to rates agreed in the contract.

- i. On December 16, 2013, GMFAA entered into an agreement with PT Bank Syariah Mandiri regarding Ijarah Muntahia Bit - Tamlik facility with terms of 8 years. This facility is used for the rental of test cell equipment for maintenance and overhaul of Industrial Gas Turbine Engine (IGTE) Oil Company. GMFAA obtained a facility with maximum credit of USD 9,562,955.

- j. Commodity call option for flight fuel

The Company uses hedging in minimizing the risk of upward fuel price for regular flight and hajj flight in 2013 consistent with the risk management objective and strategy to protect highly probable purchase of jet fuel for regular flight and Hajj flight in 2013 against unfavorable movements in jet fuel price.

The type of hedge relationship is cash flow hedge with the nature of risk being hedge is for regular flight and Hajj fuel price hedge, by setting fuel price of USD 121-122 for regular flight and for USD 115-119 for hajj flight.

The hedge items are regular flight for the period April to December 2013 and hajj flight costs for the period September to November 2013.

Hedge instrument used by the Company is Platts Jet/Kero Sing – Asian Close.

For entering into the contract, the Company paid a premium of USD 6,528,600 in 2013 and USD 5,361,580 in 2012.

49. KONTINJENSI

- a. Pada tanggal 6 Agustus 2004, Perusahaan dan PT World Simulator Technology (WST) menandatangani Perjanjian Sewa Ruang Simulator beserta Fasilitas Pendukung dimana Perusahaan setuju untuk menyewakan ruang simulator beserta fasilitas pendukungnya di lokasi SBU Garuda Indonesia Training Center untuk digunakan sebagai tempat pemasangan Full Flight Simulator B 737-200 Level D Six Axis milik WST.

Karena Perusahaan dianggap tidak melaksanakan perjanjian, pada tanggal 19 Desember 2006, WST mengajukan gugatan perdata di Pengadilan Negeri Jakarta Pusat atas dasar wanprestasi terhadap perjanjian tersebut dan perbuatan melawan hukum.

Pada tanggal 4 Juni 2007, Pengadilan Negeri Jakarta Pusat telah mengeluarkan putusan yang mengabulkan gugatan WST dan memerintahkan Perusahaan membayar ganti rugi kepada WST sebesar USD 1.360.800 dan Rp 1.590.000.000. Pada tanggal 21 Agustus 2008, Pengadilan Tinggi DKI Jakarta memutuskan menguatkan putusan Pengadilan Jakarta Pusat tersebut dan menghukum Perusahaan membayar ganti rugi sebesar USD 1.984.500 dan Rp 1.590.000.000.

Perusahaan mengajukan permohonan kasasi tanggal 7 Nopember 2008. Pada tanggal 4 Maret 2010, Mahkamah Agung mengeluarkan putusan dalam perkara menolak permohonan kasasi yang diajukan oleh Perusahaan. Sehingga pada tanggal 28 Januari 2011 Perusahaan melakukan pembayaran ganti rugi kepada WST sebesar Rp 590.000.000 dan USD 1.984.500, dan berdasarkan kesepakatan antara Perusahaan dengan WST. Pada tanggal 15 Juli 2011 Perusahaan telah melakukan pembayaran sisa kewajiban ganti rugi sebesar Rp 1.000.000.000.

Meskipun Perusahaan telah melaksanakan sebagian kewajibannya berdasarkan putusan kasasi Mahkamah Agung tersebut, Perusahaan tetap mengajukan peninjauan kembali kepada Mahkamah Agung sebagaimana telah didaftarkan di Pengadilan Negeri Jakarta Pusat pada tanggal 19 Nopember 2010. Pada tanggal 20 Maret 2013, Perusahaan telah menerima putusan PK No. 267 PK/PDT/2011 tanggal 20 Maret 2013 yang memutuskan menolak permohonan peninjauan kembali dari Perusahaan.

49. CONTINGENCIES

- a. On August 6, 2004, the Company and PT World Simulator Technology (WST) entered into Rental Agreement on Area for Simulator and Support Facilities whereby the Company agreed to rent its simulator area and support facilities located at SBU Garuda Indonesia Training Center to be used as space for Full Flight Simulator B 737-200 Level D Six Axis owned by WST.

As the Company is considered not in compliance with the agreement, on December 19, 2006, WST filed a lawsuit with the Central Jakarta District Court against the Company for breach of contract and for committing illegal act.

On June 4, 2007, the Central Jakarta District Court issued a verdict accepting claim of WST and ordered the Company to pay to WST the amount of USD 1,360,800 and Rp 1,590,000,000. On August 21, 2008, the High Court of DKI Jakarta decided to uphold the verdict of the District Court of Central Jakarta and ordered the Company to pay USD 1,984,500 and Rp 1,590,000,000.

The Company filed cassation dated November 7, 2008. On March 4, 2010, the Supreme Court issued a decision rejecting the request for cassation filed by the Company. Thus on January 28, 2011, the Company has paid to WST Rp 590,000,000 and USD 1,984,500, based on agreement between the Company and WST. On July 15, 2011, the Company paid the remaining claim amounted to Rp 1,000,000,000.

Although the Company has complied with some of the obligations under the decision of the Supreme Court, the Company still filed a judicial review to the Supreme Court that was registered with the Central Jakarta District Court on November 19, 2010. On March 20, 2013, the Company received the judicial review Decision No. 267 PK/PDT/2011 dated March 20, 2013 under which the judicial review from the Company was rejected.

- b. Pada tanggal 17 Desember 2007, Perusahaan telah menerima *Notice to Furnish Information and Produce Document dari Australian Competition and Commerce Commission ("ACCC")* terkait dugaan kartel bersama maskapai penerbangan internasional lain dalam penetapan harga *Fuel Surcharge* Kargo. Saat ini, perkara masih dalam proses pemeriksaan oleh Pengadilan Federal Australia.
- c. Pada tanggal 16 Nopember 2009, Perusahaan telah menerima Pemberitahuan Pemeriksaan Lanjutan Perkara dari Komisi Pengawas Persaingan Usaha ("KPPU") terkait dugaan kartel penetapan harga *Fuel Surcharge* tiket domestik.

Pada tanggal 4 Mei 2010, KPPU telah memutus perkara ini dan menyatakan Perusahaan bersalah serta menghukum untuk membayar denda sebesar Rp 25 miliar dan ganti rugi sebesar Rp 162 miliar.

Pada tanggal 17 Juni 2010 ke Pengadilan Negeri Jakarta Pusat. Pada tanggal 28 Februari 2011, Pengadilan Negeri Jakarta Pusat telah mengabulkan permohonan keberatan yang diajukan oleh Perusahaan dan membatalkan putusan KPPU tanggal 4 Mei 2010 serta menghukum KPPU untuk membayar biaya perkara.

KPPU telah mengajukan upaya Kasasi atas Putusan Pengadilan Negeri Jakarta Pusat tersebut ke Mahkamah Agung Republik Indonesia. Perusahaan juga telah mengajukan kontra memori kasasi pada tanggal 27 April 2011. Pada tanggal 29 Mei 2013 telah menerima turunan Putusan No. 613 K/ptd. Sus/2011 tanggal 27 Februari 2012, yang menyatakan bahwa Mahkamah Agung Republik Indonesia menolak permohonan kasasi dari KPPU. Putusan ini telah mengikat dan berkekuatan hukum tetap.

- d. Pada tanggal 8 Agustus 2008, GMFAA, entitas anak, Perusahaan dan Menteri Negara Badan Usaha Milik Negara menghadapi gugatan ganti rugi dari PT Metro Batavia (MB) untuk: (1) siklus tidak terpakai sebesar USD 73.215.579 (atau setara Rp 673.583.333.330) (2) kerugian material sebesar Rp 500.000.000 setiap hari dan USD 50,000 (atau setara Rp 460.000.000) setiap bulan sejak tanggal 23 Oktober 2007 sampai pesawat dapat beroperasi (3) kerugian imaterial sebesar USD 10 juta (atau setara Rp 92 miliar) dan (4) memperbaiki mesin yang rusak. Tuntutan ganti rugi timbul karena GMFAA dinyatakan melanggar kontrak terkait dengan garansi yang diberikan GMFAA atas penggantian dan pemasangan 5 mesin pesawat ESN 857854 yang dimiliki MB.

- b. On December 17, 2007, the Company has received a Notice to Furnish Information and Produce Document from Australian Competition and Commerce Commission ("ACCC") related to allegation of price fixing cartel on Cargo Fuel Surcharge with other international carriers. Currently, the case is still under examination by Federal Court of Australia.

- c. On November 16, 2009, the Company has received Notice of Advance Proceeding (Commercial List) from The Supervision of Business Competition Committee ("KPPU") related to allegations of price fixing cartel on Fuel Surcharge of Domestic tickets.

On May 4, 2010, KPPU has issued a verdict and ordered the Company to pay the fine amounting to Rp 25 billion and the claim of Rp 162 billion.

On June 17, 2010, the Company filed an objection to Central Jakarta District Court. On February 28, 2011, the Central Jakarta District Court accepted the request for an objection by the Company and canceled KPPU decision dated May 4, 2010 and ordered KPPU to pay for legal cost.

The KPPU has filed Cassation of the verdict to the Supreme Court of the Republic of Indonesia. The Company has also filed a statement of counter cassation on April 27, 2011. On May 29, 2013, the Company received decision No. 613 K/ptd. Sus/2011 dated February 27, 2012, under which the Supreme Court of the Republic of Indonesia rejected the KPPU cassation. This decision is binding and have permanent legal effect.

- d. On August 8, 2008, GMFAA, subsidiary, the Company and State Minister of State-owned Enterprise faced a lawsuit claim from PT Metro Batavia (MB) for: (1) unused cycles amounting to USD 73,215,579 (or equivalent to Rp 673,583,333,330) (2) material loss amounting to Rp 500,000,000 each day and USD 50,000 (or equivalent to Rp 460,000,000) every month starting October 23, 2007 until the aircraft is able to be operated (3) immaterial loss amounting to USD 10 million (or equivalent to Rp 92 billion) and (4) repairs on engine failure. The lawsuit claims arise from the declaration that GMFAA has conducted a breach of contract in relation to the warranty given by GMFAA regarding the replacement and installation of bearing in 5 engine ESN 857854 owned by MB.

Sehubungan dengan kasus ini, GMFAA mengajukan gugatan balik kepada MB karena MB tidak memenuhi kewajiban pembayaran utang kepada GMFAA atas jasa penggantian dan perbaikan mesin tersebut sebesar USD 256.266 ditambah bunga sebesar 6% per tahun sejak tanggal 15 Juli 2008 sampai dengan keputusan ditetapkan.

Pada tanggal 11 Maret 2009, Pengadilan Negeri Jakarta Pusat telah memutuskan untuk menolak tuntutan MB kepada GMFAA dan menerima gugatan balik GMFAA sebesar USD 256.266 dan bunga 6% per tahun dihitung sejak tanggal 17 Nopember 2007.

Pada tanggal 18 Mei 2009, MB mengajukan memori banding ke Pengadilan Tinggi Jakarta Pusat. Sebagai respon, pada tanggal 16 Juli 2009 GMFAA mengajukan kontra memori banding. Pada tanggal 15 Januari 2010 Pengadilan Tinggi menolak banding yang diajukan oleh MB. MB kemudian mengajukan upaya kasasi ke Mahkamah Agung Republik Indonesia pada tanggal 25 Maret 2010. GMFAA mengajukan kontra kasasi pada tanggal 17 Mei 2010. Pada tanggal 15 April 2013, GMFAA telah menerima pemberitahuan isi putusan kasasi tertanggal 22 Pebruari 2013 dari Mahkamah Agung Republik Indonesia yang memutuskan menolak permohonan kasasi MB.

Manajemen berpendapat bahwa tuntutan ganti tersebut tidak berpengaruh material terhadap laporan keuangan dan kegiatan usaha GMFAA.

- e. Pada tanggal 25 September 2008, GMFAA menuntut ganti rugi kepada MB atas (1) pembayaran utang MB kepada GMFAA sebesar USD 1.191.615, (2) bunga hutang MB sebesar 6% per tahun sejak tanggal 15 Juli 2008 sampai dengan keputusan ditetapkan dan (3) membayar kerugian sebesar USD 200 juta.

Pada tanggal 22 April 2009, Pengadilan Negeri Jakarta Pusat memutuskan menerima gugatan GMFAA terhadap MB sebesar USD 1.191.615 dan bunga 6% per tahun dihitung sejak tanggal 15 Juli 2008 serta kerugian GMFAA sebesar USD 500.000. Pengadilan juga menyatakan sita jaminan terhadap 4 pesawat MB.

Pada tanggal 28 April 2009, MB mengajukan permohonan banding ke Pengadilan Tinggi Jakarta Pusat. Selanjutnya, pada tanggal 19 Agustus 2009 GMFAA mengajukan kontra banding. Pada tanggal 30 Oktober 2009, Pengadilan Tinggi DKI Jakarta mengeluarkan putusan yang menolak permohonan banding MB.

In relation to this case, GMFAA has filed counterclaims lawsuit against MB for failure to fulfill the obligation to pay GMFAA for such engine replacement and installation services of USD 256,266 and interest amounting to 6% per annum starting July 15, 2008 until the judgment is final and binding.

On March 11, 2009, the District Court of Central Jakarta has decided to reject MB's claims against GMFAA and accepted the counterclaim from the GMFAA amounting to USD 256,266 with interest 6% per annum calculated from November 17, 2007.

On May 18, 2009, MB filed a statement of appeal to the High Court of Central Jakarta. As a response on July 16, 2009, GMFAA filed a statement of counter appeal. On January 15, 2010, the High Court rejected MB's appeal. MB then filed an appeal to the Supreme Court of the Republic of Indonesia dated March 25, 2010. GMFAA filed a counter appeal dated May 17, 2010. On April 15, 2013, GMFAA received the decision letter dated February 22, 2013 under which the Supreme Court of the Republic of Indonesia rejected MB's appeals.

Management believes that the demand for compensation does not materially affect the financial statements and activities of GMFAA.

- e. On September 25, 2008, GMFAA has filed claims against MB for: (1) payment of MB's debt to GMFAA amounting to USD 1,191,615, (2) interest on MB's debt amounting to 6% per annum on debts starting July 15, 2008 until the judgment is final and binding and (3) payment of loss amounting to USD 200 million.

On April 22, 2009, the District Court of Central Jakarta decided to accept the claim from GMFAA amounting to USD 1,191,615 with interest of 6% per annum, calculated since July 15, 2008 and GMFAA loss amounting to USD 500,000. The Court also declared the security of attachment of 4 airplanes owned by MB.

On April 28, 2009, MB has filed a statement of appeal to High Court of Central Jakarta. As a response, on August 19, 2009, GMFAA filed a statement of counter appeal. On October 30, 2009, the High Court rejected MB's appeal.

Pada tanggal 25 Maret 2010, MB mengajukan Memori Kasasi ke Mahkamah Agung Republik Indonesia atas Perkara Banding No. 504, Sebagai tanggapan, pada tanggal 29 Juli 2010 GMFAA mengajukan kontra memori kasasi. Perkara ini telah dihapus oleh Mahkamah Agung yang menolak permohonan kasasi MB. GMFAA telah menerima pemberitahuan putusan Mahkamah Agung tersebut pada tanggal 15 April 2013.

- f. Pada tanggal 4 Agustus 2010, Hutomo Mandala Putera ("Tommy Suharto") menyampaikan gugatan atas beberapa Tergugat, termasuk Perusahaan, sehubungan dengan artikel yang dipublikasikan oleh in-flight magazine, Majalah Garuda edisi Desember 2009.

Tommy Suharto menyampaikan gugatan ke Pengadilan Negeri Jakarta Selatan dan menuntut ganti rugi material dan imaterial, serta permintaan maaf dari Pihak Tergugat yang dipublikasikan di Majalah Garuda dan beberapa media nasional lainnya. Perusahaan telah mengajukan banding ke Pengadilan Tinggi DKI Jakarta pada tanggal 1 Juni 2011 dan menyerahkan memori banding melalui Pengadilan Negeri Jakarta Selatan pada tanggal 19 Agustus 2011.

Pada tanggal 11 Maret 2013, Perusahaan menerima Surat Pemberitahuan Putusan Pengadilan Tinggi DKI Jakarta tanggal 24 Oktober 2012 yang menguatkan Putusan Pengadilan Negeri Jakarta Selatan yang mengabulkan gugatan Tommy Suharto kepada Perusahaan.

Pada tanggal 22 Maret 2013, Perusahaan telah menyatakan permohonan kasasi kepada Mahkamah Agung Republik Indonesia melalui Pengadilan Negeri Jakarta Selatan dan telah juga menyampaikan memori kasasi pada tanggal 3 April 2013. Saat ini Perkara dalam proses pemeriksaan di tingkat Mahkamah Agung Republik Indonesia.

- g. Pada bulan Januari 2012, Hotel Al-Azhar mengajukan perubahan atas gugatan kepada Perusahaan yang telah diajukan sebelumnya pada tanggal 14 Juni 2009 di Pengadilan Negeri Jeddah, Arab Saudi terkait dugaan cedera janji atas Perjanjian yang telah dibuat berkenaan dengan akomodasi penginapan jamaah haji dalam hal terjadi irregular penerbangan. Al-Azhar menuntut pembayaran tagihan dan ganti rugi kepada Perusahaan sebesar SAR 750.040 ditambah biaya pengacara sebesar SAR 100.000.

On March 25, 2010, MB has filed a statement of Cassation to the Supreme Court of the Republic of Indonesia for the Appeal Verdict No. 504. As a response, GMFAA filed a statement of counter cassation on July 29, 2010. This case has been decided by Supreme Court in favor of MB's. GMFAA has received the notification on April 15, 2013.

- f. On August 4, 2010, Hutomo Mandala Putera ("Tommy Suharto") submitted a claim against several defendants, including the Company, in relation to the article published by in-flight magazine, Majalah Garuda, December 2009 edition.

Tommy Suharto submitted a claim to the South Jakarta District Court and demanded payment for material and immaterial damages, as well as an apology from the Defendants, published in Majalah Garuda and several other national media. The Company has filed an objection to High Court of DKI Jakarta on June 1, 2011. The Company has also filed an objection memory to South Jakarta District Court on August 19, 2011.

On March 11, 2013, the Company received a notice of DKI Jakarta High Court dated October 24, 2012 which upheld the verdict from South Jakarta District Court which was in favor of Tommy Suharto over the Company.

On March 22, 2013, the Company has declared an appeal to the Supreme Court of the Republic of Indonesia through the South Jakarta District Court and has also submitted cassation on April 3, 2013. The case is currently in the review process at the level of the Supreme Court of the Republic of Indonesia.

- g. On January 2012, Al-Azhar Hotel submitted an amended statement of claim against the Company which had been filed on June 14, 2009 at Jeddah District Court, Saudi Arabia in relation to the allegation of breaching the contract on hajj pilgrims accommodation in the event of irregular flight. Al-Azhar Hotel claimed the payment of its invoice together with the loss against the Company in the amount of SAR 750,040 plus the legal cost in the amount of SAR 100,000.

Dalam perubahan gugatan yang diajukan, Hotel Al-Azhar merubah jumlah tuntutan menjadi sebesar SAR 10.905.355 ditambah biaya pengacara sebesar SAR 100.000. Saat ini perkara masih dalam proses di Pengadilan Negeri Jeddah, Arab Saudi.

In its amended statement of claim, Al-Azhar Hotel amended the amount of the claim to SAR 10,905,355 plus the legal cost in the amount of SAR 100,000. Currently, the case is still under examination by Jeddah District Court, Saudi Arabia.

50. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING

Pada tanggal 31 Desember 2013 dan 2012, Grup mempunyai aset dan liabilitas moneter dalam mata uang asing (mata uang selain USD dinyatakan dalam setara USD) sebagai berikut:

50. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCY

At December 31, 2013 and 2012, the Group had monetary assets and liabilities denominated in foreign currencies (currencies other than USD are stated at the equivalent USD) as follows:

	31 Desember/ December 31, 2013		31 Desember/ December 31, 2012		
	Mata uang selain USD/ Currencies other than USD	Setara dengan/ Equivalent in USD	Mata uang selain USD/ Currencies other than USD	Setara dengan/ Equivalent in USD	
<u>ASET</u>					<u>ASSETS</u>
Kas dan setara kas					Cash and cash equivalents
IDR	3.231.292.547.897	265.099.069	719.893.472.822	74.446.068	IDR
CNY	128.573.616	21.088.383	91.531.884	14.552.907	CNY
AUD	21.100.810	18.827.232	13.192.903	13.678.402	AUD
JPY	1.326.743.392	12.644.695	1.173.991.125	13.593.379	JPY
EUR	5.133.972	7.085.143	3.512.104	4.652.488	EUR
KRW	5.111.714.507	4.841.640	4.124.406.743	3.851.437	KRW
SGD	3.884.316	3.068.188	2.524.249	2.064.078	SGD
HKD	20.285.983	2.616.116	11.329.654	1.461.584	HKD
SAR	9.404.316	2.507.521	7.206.210	1.921.528	SAR
GBP	1.008.917	1.663.453	637.349	1.026.833	GBP
Mata uang asing lainnya*)	5.737.320	5.737.320	4.300.803	4.300.803	Other foreign currencies *)
Piutang usaha					Trade account receivable
IDR	666.403.077.878	54.672.498	770.584.890.809	79.688.200	IDR
JPY	925.097.821	8.816.761	955.574.778	11.064.385	JPY
EUR	3.012.629	4.157.581	1.869.355	2.476.335	EUR
AUD	4.552.683	4.062.138	2.972.038	3.081.409	AUD
KRW	2.822.687.445	2.673.552	4.696.012.961	4.385.212	KRW
CNY	12.422.966	2.037.590	8.452.992	1.343.965	CNY
SAR	6.560.341	1.749.217	2.333.959	622.233	SAR
MYR	4.285.423	1.303.554	3.987.888	1.303.023	MYR
SGD	961.651	759.599	237.054	193.838	SGD
Mata uang asing lainnya*)	6.196.828	6.196.828	4.507.655	4.507.655	Other foreign currencies *)
Piutang lain-lain					Other accounts receivable
IDR	40.622.003.488	3.332.677	39.326.263.796	4.066.832	IDR
Mata uang asing lainnya*)	141.585	141.585	152.047	152.047	Other foreign currencies *)
Pajak dibayar dimuka					Prepaid taxes
IDR	189.843.027.033	15.574.947	50.082.341.820	5.179.146	IDR
Aset Lain-lain					Other assets
EUR	7.963.654	10.990.248	7.267.368	9.627.083	EUR
IDR	21.935.209.702	1.799.591	32.375.036.647	3.347.987	IDR
AUD	1.590.813	1.419.406	1.272.332	1.319.154	AUD
SGD	243.586	192.406	245.096	200.415	SGD
Mata uang asing lainnya*)	1.963.439	1.963.439	2.942.272	2.942.272	Other foreign currencies *)
Jumlah aset		<u>467.022.377</u>		<u>271.050.697</u>	Total Assets

	31 Desember/ December 31, 2013		31 Desember/ December 31, 2012		
	Mata uang selain USD/ Currencies other than USD	Setara dengan/ Equivalent in USD	Mata uang selain USD/ Currencies other than USD	Setara dengan/ Equivalent in USD	
LIABILITAS					LIABILITIES
Utang bank dan lembaga keuangan					Loans from banks and financial institution
IDR	(7.368.853.002)	(604.549)	(6.706.986.290)	(693.587)	IDR
Utang usaha					Trade accounts payable
IDR	(1.356.073.695.683)	(111.253.893)	(1.083.280.753.990)	(112.024.897)	IDR
JPY	(361.400.270)	(3.444.371)	(213.128.485)	(2.467.767)	JPY
SGD	(3.605.295)	(2.847.791)	(4.841.206)	(3.958.654)	SGD
SAR	(4.001.340)	(1.066.898)	(8.601.193)	(2.293.078)	SAR
EUR	(746.711)	(1.030.500)	(1.903.075)	(2.521.003)	EUR
AUD	(999.639)	(891.930)	(75.489)	(78.267)	AUD
KRW	(574.049.407)	(543.720)	(2.279.448.692)	(2.128.585)	KRW
Mata uang asing lainnya*)	(8.124.003)	(8.124.003)	(5.974.547)	(5.974.547)	Other foreign currency *)
Utang lain-lain					Other accounts payable
EUR	(2.278.469)	(3.144.403)	(2.915.781)	(3.862.535)	EUR
IDR	(5.846.115.727)	(479.622)	(4.557.809.450)	(471.335)	IDR
Mata uang asing lainnya*)	(9.890.367)	(9.890.367)	(4.466.488)	(4.466.488)	Other foreign currency *)
Beban akrual					Accrued expenses
IDR	(729.088.584.802)	(59.815.291)	(806.287.336.610)	(83.380.283)	IDR
JPY	(598.981.329)	(5.708.667)	(333.993.094)	(3.874.320)	JPY
AUD	(4.221.017)	(3.766.210)	(3.367.246)	(3.491.161)	AUD
EUR	(1.067.748)	(1.473.547)	(2.369.438)	(3.138.794)	EUR
SGD	(645.040)	(509.512)	(489.349)	(400.141)	SGD
MYR	(763.927)	(232.374)	(2.606.930)	(851.684)	MYR
Mata uang asing lainnya*)	(10.035.319)	(10.035.319)	(14.514.212)	(14.514.212)	Other foreign currency *)
Pinjaman jangka panjang					Long term loans
IDR	(1.324.997.201.092)	(108.704.340)	(519.616.914.490)	(53.734.945)	IDR
AUD	-	-	(20.167)	(20.909)	AUD
Utang obligasi					Bond
IDR	(1.984.983.313.024)	(162.850.383)	-	-	IDR
Liabilitas Imbalan Pasca Kerja					Employment benefit obligation
IDR	(1.569.249.044.373)	(128.743.051)	(1.479.385.382.710)	(152.987.113)	IDR
Liabilitas tidak lancar lainnya					Other non-current liabilities
IDR	(15.415.250.584)	(1.264.685)	(8.989.480.360)	(929.629)	IDR
CNY	(7.380.000)	(1.210.453)	(6.750.000)	(1.073.202)	CNY
SGD	(170.000)	(134.281)	(160.000)	(130.831)	SGD
Mata uang asing lainnya*)	(62.062)	(62.062)	(10.320)	(10.320)	Other foreign currency *)
Jumlah Liabilitas		<u>(627.832.221)</u>		<u>(459.478.287)</u>	Total Liabilities
Liabilitas - bersih		<u>(160.809.845)</u>		<u>(188.427.574)</u>	Liabilities - net

*) Aset dan liabilitas dalam mata uang lainnya disajikan dalam jumlah setara USD, menggunakan kurs tanggal laporan posisi keuangan.

*) Assets and liabilities denominated in other currencies are presented into its USD equivalent using the exchange rate prevailing at end of reporting date.

Pada tanggal 31 Desember 2013 dan 2012, kurs konversi yang digunakan Grup adalah:

The conversion rates used by the Group on December 31, 2013 and 2012, were as follows:

	31 Desember/ December 31, 2013 USD	31 Desember/ December 31, 2012 USD
Mata uang/ Currencies		
IDR 1	0,0001	0,0001
EURO 1	1,3801	1,3247
YEN 1	0,9531	1,1579
SGD 1	0,7899	0,8177
AUD 1	0,8923	1,0368
GBP 1	1,6488	1,6111

51. SEGMENT OPERASI

Grup melaporkan segmen-segmen berdasarkan PSAK 5 (revisi 2009) berdasarkan divisi-divisi operasi yaitu operasi penerbangan dan jasa pemeliharaan pesawat. Segmen operasi penerbangan menyediakan jasa penerbangan domestik dan internasional. Segmen pemeliharaan pesawat menyediakan jasa pemeliharaan pesawat baik itu milik Perusahaan dan umum. Segmen usaha yang secara individu tidak melebihi 10% dari pendapatan usaha perusahaan disajikan sebagai lain-lain.

Pendapatan dan beban segmen meliputi transaksi antar segmen usaha.

51. OPERATING SEGMENT

The Group's reportable segments under PSAK 5 (revised 2009) are based on their operating divisions namely flight operations and aircraft maintenance services. Flight operations segment provides domestic and international flight services. Aircraft maintenance segment provides aircraft maintenance services of both for the Company aircraft and others. Business segments that individually do not exceed 10% of the Company's operating revenues are presented as others.

Income and expenses include the inter segment transaction.

	2013					
	Operasi penerbangan/ Flight operation	Jasa pemeliharaan pesawat/ Aircraft maintenance services	Operasi lain-lain/ Other operations	Jumlah sebelum eliminasi/ Total before elimination	Eliminasi/ Elimination	Jumlah/ Total
	USD	USD	USD	USD	USD	USD
<u>Hasil Segmen/ Segment Result</u>						
Pendapatan Eksternal/ External	3.459.634.057	68.308.243	188.134.286	3.716.076.586	-	3.716.076.586
Pendapatan Antar Segmen/ Intersegment Revenue	4.898.444	161.985.900	201.032.997	367.917.341	(367.917.341)	-
Jumlah Pendapatan/ Net Revenue	3.464.532.501	230.294.143	389.167.283	4.083.993.927	(367.917.341)	3.716.076.586
Beban Eksternal/ External	3.147.218.069	192.364.204	320.046.038	3.659.628.311	-	3.659.628.311
Beban Antar Segmen/ Intersegment Expense	298.403.411	10.710.752	58.803.178	367.917.341	(367.917.341)	-
Jumlah Beban/ Net Expense	3.445.621.480	203.074.956	378.849.216	4.027.545.652	(367.917.341)	3.659.628.311
Hasil Segmen/ Segment Result	18.911.021	27.219.187	10.318.067	56.448.275	-	56.448.275
<u>Pendapatan (Beban) yang tidak dapat dialokasikan/ Unallocated income (expenses)</u>						
Bagian laba bersih asosiasi/ Equity in net income of associates						1.860.416
Pendapatan keuangan/ Finance income						10.347.000
Beban keuangan/ Finance cost						(59.840.088)
Laba sebelum pajak/ Income before tax						8.815.603
Manfaat pajak/ Tax benefits						2.384.777
Laba bersih tahun berjalan/ Net income for the year						11.200.380
Jumlah rugi komprehensif lain-lain/ Total other comprehensive loss						(10.634.860)
Jumlah laba komprehensif/ Total comprehensive income						565.520
<u>POSISI KEUANGAN/ FINANCIAL POSITION</u>						
Aset segmen/ Segment assets	2.905.588.278	192.023.929	360.136.620	3.457.748.827	(503.963.875)	2.953.784.952
Liabilitas segmen/ Segment liabilities	1.811.945.935	99.401.935	114.233.170	2.025.581.040	(188.944.205)	1.836.636.835
Penyusutan dan amortisasi segmen/ Segment depreciation and amortization	140.787.926	5.113.537	15.383.571	161.285.034	-	161.285.034

PT. GARUDA INDONESIA (PERSERO) Tbk
DAN ENTITAS ANAK
CATATAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN
31 DESEMBER 2013 DAN 2012 SERTA UNTUK TAHUN-
TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT
- Lanjutan

PT. GARUDA INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012
AND FOR THE YEARS THEN ENDED
- Continued

	2012					
	Operasi penerbangan/ <i>Flight operation</i>	Jasa pemeliharaan pesawat/ <i>Aircraft maintenance services</i>	Operasi lain-lain/ <i>Other operations</i>	Jumlah sebelum eliminasi/ <i>Total before elimination</i>	Eliminasi/ <i>Elimination</i>	Jumlah/ <i>Total</i>
	USD	USD	USD	USD	USD	USD
<i>Hasil Segmen/ Segment Result</i>						
Pendapatan Eksternal/ <i>External</i>	3.228.377.846	56.837.495	187.253.621	3.472.468.962	-	3.472.468.962
Pendapatan Antar Segmen/ <i>Intersegment Revenue</i>	2.970.216	154.800.219	174.213.295	331.983.730	(331.983.730)	-
Jumlah Pendapatan/ <i>Net Revenue</i>	3.231.348.062	211.637.714	361.466.916	3.804.452.692	(331.983.730)	3.472.468.962
<i>Beban Eksternal/ External</i>	2.823.243.238	188.903.585	292.250.035	3.304.396.858	-	3.304.396.858
Beban Antar Segmen/ <i>Intersegment Expense</i>	266.669.642	5.463.011	59.851.077	331.983.730	(331.983.730)	-
Jumlah Beban/ <i>Net Expense</i>	3.089.912.880	194.366.597	352.101.112	3.636.380.588	(331.983.730)	3.304.396.858
<i>Hasil Segmen/ Segment Result</i>	141.435.183	17.271.117	9.365.804	168.072.104	-	168.072.104
<i>Pendapatan (Beban) yang tidak dapat dialokasikan/ Unallocated income (expenses)</i>						
Bagian laba bersih asosiasi/ <i>Equity in net income of association</i>						1.927.546
Pendapatan keuangan/ <i>Finance income</i>						6.755.823
Beban keuangan/ <i>Finance cost</i>						(25.224.919)
Laba sebelum pajak/ <i>Income before tax</i>						151.530.554
Beban pajak/ <i>Tax expense</i>						(40.687.981)
Laba bersih tahun berjalan/ <i>Income for the period</i>						110.842.573
<i>Jumlah pendapatan komprehensif lainnya/ Total other comprehensive income</i>						34.566.735
<i>Jumlah laba komprehensif/ Total Comprehensive Income</i>						145.409.308
POSISI KEUANGAN/ FINANCIAL POSITION						
Aset segmen/ <i>Segment assets</i>	2.466.798.331	167.483.388	399.074.367	3.033.356.086	(515.358.320)	2.517.997.766
Liabilitas segmen/ <i>Segment liabilities</i>	1.346.572.609	97.836.455	132.876.443	1.577.285.507	(174.247.819)	1.403.037.688
Penyusutan dan amortisasi segmen/ <i>Segment depreciation and amortization</i>	63.739.015	41.329.981	24.887.638	129.956.634	-	129.956.634

Pada bulan September 2013, Perusahaan melakukan penyesuaian organisasi induk Garuda Indonesia, terutama terhadap pembagian wilayah domestik dan internasional, agar "Region" atau "Area" ke depan dapat lebih fokus dalam melaksanakan pengelolaan dan peningkatan penjualan.

Perubahan terhadap "Organisasi Induk Perusahaan" tersebut adalah dengan membentuk 4 (empat) region domestik dan 5 (lima) region internasional.

Berikut merupakan pendapatan segmen usaha tiap region berdasarkan pusat region:

	2013 USD	2012 USD
Pendapatan berdasarkan geografis		
Domestik		
Jakarta	2.103.500.564	1.836.305.501
Surabaya	359.680.298	368.672.074
Makassar	244.148.350	271.599.353
Medan	212.353.570	199.765.665
Internasional		
Tokyo	383.075.384	389.705.145
Sydney	163.148.281	180.078.582
Amsterdam	95.429.002	83.710.929
Shanghai	80.227.194	74.546.305
Singapore	74.513.943	68.085.408
Jumlah	3.716.076.586	3.472.468.962

In September 2013, the Company made adjustments to its organizational structure mainly the division of domestic and international region, in order for "Region" or "Area" to be more focused to manage and increase sales in the future.

Changes to "Organizational Structure of Parent Company" established four (4) domestic regions and five (5) international regions.

The following is the total operating revenue of each region based on its Central Region:

Total revenue based on geographical segment
Domestic
Jakarta
Surabaya
Makassar
Medan
International
Tokyo
Sydney
Amsterdam
Shanghai
Singapore
TOTAL

52. KUASI REORGANISASI

Sebagai dampak memburuknya kondisi ekonomi di Indonesia sejak pertengahan tahun 1997 dan dampak negatif lainnya, Perusahaan memiliki akumulasi defisit sebesar USD 1.385.459.977 per 1 Januari. Para pemegang saham Perusahaan menyetujui dilakukannya kuasi reorganisasi pada tanggal 1 Januari 2012, dalam rangka mengeliminasi akumulasi kerugian mengacu pada Pernyataan Standar Akuntansi Keuangan (PSAK) No. 51 (revisi 2003). Selanjutnya, Perusahaan mengajukan pengurangan nilai nominal per saham dari Rp 500 menjadi Rp 459, tanpa mengurangi jumlah saham yang beredar. Penurunan nilai nominal saham tersebut menghasilkan tambahan modal disetor sebesar USD 459.852 pada tanggal 1 Januari 2012.

Sesuai dengan peraturan yang berlaku, pelaksanaan kuasi-reorganisasi dan penurunan nilai nominal saham Perusahaan harus mendapat persetujuan dari para pemegang saham Perusahaan dan Menteri Hukum dan Hak Asasi Manusia sebelum hal tersebut berlaku. Berdasarkan akta Rapat Umum Pemegang Saham Luar Biasa (RUPSLB) No. 1 tanggal 28 Juni 2012 dari Aulia Taufani, SH., para pemegang saham, telah menyetujui pelaksanaan kuasi-reorganisasi per tanggal 1 Januari 2012 dan penurunan modal saham. Akta ini telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia melalui Surat Keputusan No. AHU-66159.AH.01.02. Tahun 2012 tanggal 27 Desember 2012. Lebih lanjut, Perusahaan telah memperoleh persetujuan dari Presiden Republik Indonesia yang dituangkan dalam Peraturan Pemerintah No. 114 Tahun 2012 tanggal 27 Desember 2012, yang diumumkan dalam Lembaran Negara Republik Indonesia No. 287 tahun 2012.

Selanjutnya, Grup melakukan penilaian kembali laporan keuangan konsolidasian per tanggal 1 Januari 2012, ke nilai wajar yang dilakukan oleh penilai independen. Dampak penyesuaian atas nilai wajar aset tersebut, menyebabkan kenaikan aset sebesar USD 44.963.385. Berikut daftar aset yang mengalami penyesuaian atas nilai wajarnya:

	Penilai/ <i>Appraisal</i>	Kenaikan revaluasi/ <i>Revaluation</i> increase USD	
Persediaan	KJPP Doli Siregar & Rekan	7.315.622	Inventories
Dana peraw atan			Maintenance reserve
pesaw at dan uang jaminan	KJPP Doli Siregar & Rekan	11.923.653	funds and securities deposits
Investasi pada entitas assosiasi	KJPP Doli Siregar & Rekan	522.676	Investment in associates
Aset keuangan lain	KJPP Doli Siregar & Rekan	1.141.984	Other financial assets
Aset Tetap	KJPP Doli Siregar & Rekan	23.989.249	Property and equipment
Aset lain-lain bersih	KJPP Doli Siregar & Rekan	70.201	Other assets - net
Jumlah		<u>44.963.385</u>	Total

52. QUASI-REORGANIZATION

As a result of adverse economic condition in Indonesia since in the middle of 1997 and other negative factors, the Company has accumulated deficit totaling to USD 1,385,459,977. The Company stockholders' had approved to carry out quasi-reorganization in order to eliminate the accumulated losses as of January 1, 2012, in accordance with PSAK No. 51 (revised 2003). Moreover, the Company proposed a reduction of par value per share from 500 to 459, without reducing the number of shares; thereby creating additional paid-in capital of USD 459,852 as of January 1, 2012.

In accordance with regulation, both the quasi-reorganization and reduction of par value of shares of the Company should be approved by the Company's stockholders and Minister of Justice and Human Rights before they became effective. Based on the Shareholders' Extraordinary General Meeting Deed No. 1 dated June 28, 2012 of Aulia Taufani, SH., the stockholders' approved the quasi-reorganization as of January 1, 2012 and the reduction of par value per share to effect the quasi-reorganization. This deed was approved by the Ministry of Justice and Human Rights in his decision letter No. AHU-66159.AH.01.02. Tahun 2012 dated December 27, 2012. Further, the Company had obtained approval from the President of the Republic of Indonesia as stated in the Indonesia Government Regulation No. 114 Year 2012 dated December 27, 2012, which is published in State Gazette of the Republic of Indonesia No. 287 in 2012.

Accordingly, the Group revalued its opening consolidated statement of financial position at January 1, 2012, to fair value which was determined by an independent appraiser. The fair value adjustment resulted in USD 44,963,385 revaluation increase of assets. The assets principally affected by the fair value adjustments and the amount of such adjustments are as follows:

Tidak terdapat penyesuaian atas nilai liabilitas pada tanggal 1 Januari 2012, karena jumlah tercatat sebelum kuasi-reorganisasi telah mencerminkan nilai wajarnya.

Dengan kuasi-reorganisasi tersebut, Perusahaan mengeliminasi defisit per tanggal 1 Januari 2012 sebesar USD 1.385.459.977, dengan komponen ekuitas sebagai berikut:

	USD	
Defisit	(1.385.459.977)	Accumulated losses
Selisih penilaian kembali aset dan liabilitas	44.963.385	Difference on revaluation assets and liabilities
Opsi saham	2.278.677	Share option
Komponen ekuitas lainnya - surplus revaluasi	83.793.914	Other component of equity revaluation surplus
Tambahan modal disetor	108.518.998	Additional paid-in capital
Modal ditempatkan dan disetor	1.145.905.003	Issued and paid-up capital
Jumlah	-	Total

Kuasi-reorganisasi diatas merupakan yang tahap pertama dari serangkaian tahapan yang akan diambil oleh Perusahaan untuk mempertahankan kelangsungan usahanya sekaligus mencapai pertumbuhan yang berkelanjutan dalam jangka panjang. Manajemen dan pemegang saham Perusahaan berkeyakinan dan senantiasa berkeyakinan bahwa Perusahaan memiliki prospek usaha yang baik dimasa depan seperti tercantum pada rencana usaha jangka panjang Perusahaan.

No adjustment was made to the value of liabilities as of January 1, 2012, because the carrying amount prior to quasi-reorganization has already reflected their fair value.

Through the quasi-reorganization, the Company eliminated the balance of its accumulated losses as of January 1, 2012 of USD 1,385,459,977, against the following equity components:

The above quasi-reorganization is the first of a series of steps which the Company will take in its effort to sustain its ability to continue as a going concern while also achieving sustainable long-term growth. The management and shareholders of the Company believed and continue to believe that the Company has good future business prospects, as outlined in the long-term business plan of the Company.

53. INFORMASI TAMBAHAN

Informasi keuangan tersendiri entitas induk dari halaman 135 sampai 140 menyajikan laporan posisi keuangan, laporan laba rugi komprehensif, perubahan ekuitas dan laporan arus kas dimana investasi saham pada entitas anak dan asosiasi dicatat menggunakan metode biaya.

53. SUPPLEMENTARY INFORMATION

The supplementary information the parent company only on pages 135 to 140 presented the statements of financial position, statements of comprehensive income, statements of changes in equity, and statements of cash flows in which investments in subsidiaries and associates were accounted for using cost method.

54. TRANSAKSI NON KAS

Pada tahun-tahun yang berakhir 31 Desember 2013 dan 2012, Grup melakukan transaksi investasi dan pendanaan yang tidak mempengaruhi kas dan setara kas dan tidak termasuk dalam laporan arus kas konsolidasian dengan rincian sebagai berikut:

	2013	2012
	USD	USD
AKTIVITAS INVESTASI DAN PENDANAAN YANG		
TIDAK MEMPENGARUHI ARUS KAS		
Kenaikan aset tetap melalui liabilitas estimasi pengembalian dan pemeliharaan pesawat (Catatan 25)	33.946.760	19.052.718
Penambahan (penurunan) aset tetap atas surplus revaluasi (Catatan 14)	9.047.138	36.328.608
Kenaikan (penurunan) aset tetap atas selisih kurs penjabaran (Catatan 14)	(115.250.264)	161.541
Penambahan aset tetap melalui utang usaha	99.016.609	2.601.855
Penambahan aset tetap melalui utang sewa	1.374.707	-
Penambahan aset tetap melalui uang muka pembelian pesawat	28.466.000	-

54. NON CASH TRANSACTIONS

For the years ended December 31, 2013 and 2012, the Group have investment and financing transactions that did not affect cash and cash equivalents and hence not included in the consolidated statements of cash flows with details as follows:

NONCASH INVESTING AND FINANCING	
ACTIVITIES	
Increase in property and equipment through estimated liability for aircraft return and maintenance cost (Note 25)	
Increase (decrease) of property and equipment through revaluation surplus (Note 14)	
Increase (decrease) in property and equipment due to transaction adjustment (Note 14)	
Increase in property and equipment through accounts payable	
Increase in property and equipment through lease liabilities	
Increase in property and equipment through advance payment for purchase aircrafts	

55. PENERBITAN KEMBALI LAPORAN KEUANGAN KONSOLIDASIAN

Sehubungan dengan Penawaran Umum Terbatas I Perusahaan di Bursa Efek Indonesia, Grup telah menerbitkan kembali laporan keuangan konsolidasi untuk tahun yang berakhir 31 Desember 2013 dan 2012 untuk disesuaikan dengan peraturan pasar modal yang berlaku. Perubahan tersebut yaitu penambahan informasi pada Catatan 1, 3aa, 5, 8, 14, 15, 18, 23, 24, 31, 45 and 51.

55. REISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS

In connection with the public offering of the Right Issued I of the Company on Indonesia Stock Exchange, Group reissued its consolidated financial statements for the year ended December 31, 2013 and 2012 to conform with prevailing capital market regulations. Such changes are additional disclosures on Notes 1, 3aa, 5, 8, 14, 15, 18, 23, 24, 31, 45 and 51.

56. TANGGUNG JAWAB MANAJEMEN DAN PERSETUJUAN ATAS LAPORAN KEUANGAN KONSOLIDASIAN

Penyusunan dan penyajian wajar laporan keuangan konsolidasian dari halaman 6 sampai 134 merupakan tanggung jawab manajemen. Sehubungan dengan Penawaran Umum Terbatas I dalam rangka penerbitan hak memesan efek terlebih dahulu, Direksi telah menyetujui untuk menerbitkan kembali laporan keuangan konsolidasian Perusahaan dan entitas anak untuk tahun-tahun yang berakhir 31 Desember 2013 dan 2012 pada tanggal 10 Maret 2014. Tidak terdapat perbedaan material antara laporan keuangan konsolidasian terdahulu dengan laporan keuangan konsolidasian yang diterbitkan kembali, kecuali yang dijelaskan dalam Catatan 55 atas laporan keuangan konsolidasian.

56. MANAGEMENT RESPONSIBILITY AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements on pages 6 to 134 were the responsibilities of the management. In connection with the Company's Limited Public Offering I in relation with the issuance of preemptive rights of share, the Directors has agreed to reissue the consolidated financial statements for the years ended December 31, 2013 and 2012 on March 10, 2014. There were no material differences between the previously issued and the reissued consolidated financial statements, except for certain disclosures as described in Note 55 to the consolidated financial statements.

	2013 USD	2012 USD	
<u>ASET</u>			<u>ASSETS</u>
ASET LANCAR			CURRENT ASSETS
Kas dan setara kas	418.054.048	264.313.750	Cash and cash equivalents
Piutang usaha - bersih			Trade accounts receivables - net
Pihak berelasi	32.926.123	33.151.121	Related parties
Pihak ketiga	90.401.863	82.175.392	Third parties
Piutang lain-lain	9.403.387	18.429.632	Other receivables
Persediaan - bersih	10.914.250	9.301.007	Inventories - net
Uang muka dan biaya dibayar dimuka	76.318.300	70.970.228	Advances and prepaid expenses
Pajak dibayar dimuka	7.521.917	-	Prepaid taxes
Jumlah Aset Lancar	<u>645.539.888</u>	<u>478.341.130</u>	Total Current Assets
ASET TIDAK LANCAR			NON CURRENT ASSETS
Dana perawatan pesawat dan			Maintenance reserve fund and
uang jaminan	587.056.701	456.319.321	security deposits
Uang muka pembelian pesawat	493.866.436	497.157.419	Advances for purchase of aircraft
Investasi pada entitas asosiasi	279.797.239	279.797.239	Investments in associates
Aset keuangan lain			Other financial assets
Aset pajak tangguhan			Deferred tax assets
Aset tetap - setelah dikurangi akumulasi			Property and equipment
penyusutan sebesar			net of accumulated depreciation
USD 1.020.712.277 tahun 2013 dan			USD 1,020,712,277 in 2013 and
USD 948.246.186 tahun 2012	668.494.713	620.008.601	USD 948,246,186 in 2012
Properti investasi	22.020.790	18.902.557	Investment properties
Beban tangguhan - bersih	7.489.929	480.291	Deferred charges - net
Aset lain-lain - bersih	148.842.379	72.925.810	Other assets - net
Jumlah Aset Tidak Lancar	<u>2.207.568.187</u>	<u>1.945.591.238</u>	Total Non Current Assets
JUMLAH ASET	<u>2.853.108.075</u>	<u>2.423.932.368</u>	TOTAL ASSETS

*) Disajikan menggunakan metode biaya/ *Presented using cost method.*

	2013 USD	2012 USD	
LIABILITAS DAN EKUITAS			LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK			CURRENT LIABILITIES
Utang bank	39.618.119	4.957.664	Bank loans
Utang usaha			Trade accounts payables
Pihak-pihak berelasi	132.061.315	103.114.549	Related parties
Pihak ketiga	41.474.708	38.136.429	Third parties
Utang lain-lain	15.205.391	15.821.512	Other payables
Utang pajak	6.691.761	14.038.277	Taxes payable
Beban akrual	176.511.069	192.923.543	Accrued expenses
Pendapatan diterima dimuka	156.262.842	157.088.942	Unearned revenues
Uang muka diterima	15.843.695	16.666.023	Advances received
Liabilitas jangka panjang yang jatuh tempo			Current maturity of
dalam satu tahun:			long term liabilities
Pinjaman jangka panjang	272.679.600	98.731.783	Long-term loans
Liabilitas sewa pembiayaan	51.969.186	57.502.617	Lease liabilities
Liabilitas estimasi biaya pengembalian			Estimated liability for aircraft return
dan pemeliharaan pesawat	8.729.964	20.017.495	and maintenance cost
Jumlah Liabilitas Jangka Pendek	<u>917.047.650</u>	<u>718.998.834</u>	Total Current Liabilities
LIABILITAS JANGKA PANJANG			NON CURRENT LIABILITIES
Liabilitas jangka panjang - setelah dikurangi			Non current maturities of long-term
bagian yang jatuh tempo dalam satu tahun:			liabilities:
Pinjaman jangka panjang	283.516.768	278.793.509	Long-term loans
Liabilitas sewa pembiayaan	137.558.384	146.615.461	Lease liabilities
Liabilitas estimasi biaya pengembalian			Estimated liability for aircraft return
dan pemeliharaan pesawat	46.265.369	25.634.794	and maintenance cost
Obligasi	162.850.383	-	Bonds payable
Liabilitas pajak tangguhan	13.609.552	11.182.414	Deferred tax liabilities
Liabilitas imbalan kerja	94.484.987	112.946.798	Employment benefits obligation
Liabilitas tidak lancar lainnya	25.373.076	2.179.742	Other non current liabilities
Jumlah Liabilitas Jangka Panjang	<u>763.658.519</u>	<u>577.352.718</u>	Total Non Current Liabilities
EKUITAS			EQUITY
Modal saham -			Capital stock -
Nilai nominal Rp 459 saham			Rp 459 par value per share
masing-masing untuk saham Seri A			for Series A Dwiwarna share and
Dwiwarna dan saham Seri B			Series B shares
Modal dasar - 1 saham seri A Dwiwarna			Authorized - 1 of Series A Dwiwarna share
dan 29.999.999.999 saham Seri B			and 29,999,999,999 Series B shares
Modal ditempatkan dan disetor - 1 saham Seri A			Issued and paid-up capital - 1 Series A
Dwiwarna dan 22.640.995.999 saham Seri B	1.146.031.889	1.146.031.889	Dwiwarna shares and 22,640,995,999 Series B
Tambahan modal disetor	7.651.835	4.548.037	Additional paid-in capital
Selisih restrukturisasi entitas anak	-	3.103.798	Difference in the value of restructuring transactions
Pendapatan komprehensif lainnya	26.324.697	23.324.131	between entities under common control
Opsi saham	2.770.970	1.148.451	Other comprehensive income
Saldo laba			Stock option
Defisit sebesar USD 1.391.302.073 pada tanggal			Retained earnings
1 Januari 2012 telah dieliminasi dalam rangka			Deficit amounting USD 1,391,302,073 as of
kuasi-reorganisasi	<u>(10.377.485)</u>	<u>(50.575.490)</u>	January 1, 2012 was eliminated in
Jumlah Ekuitas	<u>1.172.401.906</u>	<u>1.127.580.816</u>	connection with quasi reorganization
JUMLAH LIABILITAS DAN EKUITAS	<u>2.853.108.075</u>	<u>2.423.932.368</u>	Total Equity
			TOTAL LIABILITIES AND EQUITY

*) Disajikan menggunakan metode biaya/ Presented using cost method.

	2013 USD	2012 USD	
PENDAPATAN USAHA			OPERATING REVENUES
Penerbangan berjadwal	2.902.890.291	2.815.533.449	Scheduled airline services
Penerbangan tidak berjadwal	215.335.887	269.091.577	Non-scheduled airline services
Lainnya	72.907.494	73.325.082	Others
Jumlah Pendapatan Usaha	<u>3.191.133.672</u>	<u>3.157.950.108</u>	Total Operating Revenues
BEBAN USAHA			OPERATING EXPENSES
Operasional penerbangan	1.995.978.968	1.841.761.095	Flight operations
Tiket, penjualan dan promosi	235.661.339	230.638.708	Ticketing, sales and promotion
Pelayanan penumpang	267.553.968	253.983.602	Passenger services
Bandara	260.482.678	242.104.913	User charges and station
Administrasi dan umum	146.643.798	151.396.563	General and administrative
Pemeliharaan dan perbaikan	232.801.374	247.935.585	Maintenance and overhaul
Jumlah Beban Usaha	<u>3.139.122.125</u>	<u>2.967.820.466</u>	Total Operating Expenses
BEBAN (PENDAPATAN) LAIN-LAIN			OTHER (INCOME) CHARGES
Keuntungan selisih kurs	31.959.293	8.223.213	Gain on foreign exchange
Lain-lain	1.639.490	<u>(13.035.743)</u>	Others
Bersih	<u>33.598.783</u>	<u>(4.812.530)</u>	Net
LABA USAHA	<u>85.610.330</u>	<u>185.317.112</u>	INCOME FROM OPERATIONS
Beban keuangan	<u>(42.681.250)</u>	<u>(15.582.258)</u>	Finance cost
LABA SEBELUM PAJAK	42.929.080	169.734.854	PROFIT BEFORE TAX
BEBAN PAJAK	<u>(2.731.077)</u>	<u>(36.506.011)</u>	TAX EXPENSE
LABA BERSIH TAHUN BERJALAN	<u>40.198.003</u>	<u>133.228.843</u>	NET INCOME FOR THE YEAR
PENDAPATAN KOMPREHENSIF LAIN			OTHER COMPREHENSIVE INCOME
Peningkatan revaluasi aset tetap - bersih	2.696.627	29.398.482	Gain on revaluation of property and equipment
Pajak penghasilan terkait	<u>303.939</u>	<u>(6.074.351)</u>	Related income tax
Jumlah pendapatan komprehensif lain-lain - bersih	<u>3.000.566</u>	<u>23.324.131</u>	Total other comprehensive income - net
JUMLAH PENDAPATAN KOMPREHENSIF	<u>43.198.569</u>	<u>156.552.974</u>	TOTAL COMPREHENSIVE INCOME
LABA PER SAHAM - DASAR	0,001908	0,006915	EARNING PER SHARE - BASIC

*) Disajikan menggunakan metode biaya/ Presented using cost method.

	Modal saham/ <i>Capital stock</i>	Tambahan modal disetor/ <i>Additional paid-up capital</i>	Opsi saham/ <i>Stock option</i>	Selisih restrukturisasi entitas anak/ <i>Difference arising from restructuring of entities under common control</i>	Saldo laba/ <i>Retained Earning</i>		Pendapatan komprehensif lainnya/ <i>Other comprehensive income</i>	Jumlah ekuitas/ <i>Total equity</i>	
	USD	USD	USD	USD	Dicadangkan/ <i>Appropriated</i>	Belum dicadangkan/ <i>Unappropriated</i>	USD	USD	
Saldo 31 Desember 2011									Balance as of December 31, 2011
Sebelum kuasi-reorganisasi	<u>2.291.936.892</u>	<u>113.067.035</u>	<u>2.278.677</u>	<u>-</u>	<u>-</u>	<u>(1.575.106.404)</u>	<u>40.784.571</u>	<u>872.960.771</u>	Prior to quasi-reorganization
Selisih penilaian aset dan liabilitas dalam rangka kuasi-reorganisasi	-	-	-	-	-	-	-	44.963.385	Revaluation increment on assets and liabilities in connection with quasi-reorganization
Eliminasi defisit dalam rangka kuasi-reorganisasi	<u>(1.145.905.003)</u>	<u>(108.518.998)</u>	<u>(2.278.677)</u>	<u>-</u>	<u>-</u>	<u>1.391.302.073</u>	<u>(40.784.571)</u>	<u>93.814.824</u>	Elimination of deficit in connection with quasi-reorganization
Saldo 1 Januari 2012									Balance as of January 1, 2012
Setelah kuasi-reorganisasi	<u>1.146.031.889</u>	<u>4.548.037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(183.804.331)</u>	<u>-</u>	<u>966.775.595</u>	After to quasi-reorganization
Opsi saham manajemen dan karyawan (MESOP)	-	-	1.148.451	-	-	-	-	1.148.451	Management and employee stock option (MESOP)
Selisih restrukturisasi entitas anak	-	-	-	3.103.798	-	-	-	3.103.798	Difference in the value of restructuring transactions between entities under common control
Jumlah pendapatan komprehensif	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133.228.842</u>	<u>23.324.131</u>	<u>156.552.973</u>	Total comprehensive income
Saldo 31 Desember 2012	<u>1.146.031.889</u>	<u>4.548.037</u>	<u>1.148.451</u>	<u>3.103.798</u>	<u>-</u>	<u>(50.575.489)</u>	<u>23.324.131</u>	<u>1.127.580.817</u>	Balance as of December 31, 2012
Opsi saham manajemen dan karyawan (MESOP)	-	-	1.622.519	-	-	-	-	1.622.519	Management and employee stock option (MESOP)
Penerapan PSAK 38	-	3.103.798	-	(3.103.798)	-	-	-	-	Adoption of PSAK 38
Jumlah pendapatan komprehensif	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40.198.004</u>	<u>3.000.566</u>	<u>43.198.570</u>	Total comprehensive income
Saldo 31 Desember 2013	<u>1.146.031.889</u>	<u>7.651.835</u>	<u>2.770.970</u>	<u>-</u>	<u>-</u>	<u>(10.377.485)</u>	<u>26.324.697</u>	<u>1.172.401.906</u>	Balance as of December 31, 2013

*) Disajikan menggunakan metode biaya/ Presented using cost method.

	2013 USD	2012 USD	
ARUS KAS DARI AKTIVITAS OPERASI			CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan kas dari pelanggan	3.246.811.422	3.049.733.505	Cash receipts from customers
Pengeluaran kas kepada pemasok	(2.724.615.212)	(2.376.608.356)	Cash paid to suppliers
Pengeluaran kas kepada karyawan	(294.462.468)	(291.508.074)	Cash paid to employees
Kas dihasilkan dari operasi	227.733.742	381.617.075	Cash generated from operations
Pembayaran bunga dan beban keuangan	(32.120.290)	(10.919.859)	Interest and financial charges paid
Pembayaran pajak penghasilan	(14.156.397)	(5.125.669)	Income taxes paid
Kas Bersih Diperoleh dari Aktivitas Operasi	181.457.055	365.571.547	Net Cash Provided from Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI			CASH FLOWS FROM INVESTING ACTIVITIES
Penerimaan bunga	11.541.183	5.844.782	Interest received
Penerimaan dividen	2.530.431	3.582.726	Dividend received
Penerimaan pengembalian uang muka pembelian pesawat	398.739.049	73.495.873	Refund of advance payments for purchase of aircraft
Penerimaan pengembalian dana pemeliharaan pesawat	41.931.995	17.143.158	Receipts of aircraft maintenance reimbursements
Penerimaan uang jaminan	1.022.569	3.805.137	Receipts of security deposit
Pengembalian pinjaman dari entitas anak	7.450.000	-	Loan repayment from subsidiaries
Pengeluaran untuk dana pemeliharaan pesawat	(216.300.740)	(183.078.763)	Payments for aircraft maintenance reserve fund
Uang muka pembelian pesawat	(436.358.026)	(373.812.834)	Advance payments for aircrafts
Uang muka perolehan aset tetap	(22.486.100)	(38.379.538)	Advance payments for fixed assets
Pengeluaran untuk perolehan aset pemeliharaan pesawat	(60.459.595)	(7.324.733)	Payments for aircraft maintenance asset
Pengeluaran untuk perolehan aset tetap	(5.889.146)	(5.065.426)	Acquisition of property and equipment
Pembayaran uang jaminan	(41.055.835)	(17.059.972)	Payments for security deposit
Kenaikan lainnya dari aktivitas investasi	(684.725)	-	Increase in other investment
Pengeluaran untuk pinjaman ke entitas anak	(70.306.515)	-	Financing to subsidiaries
Kas Bersih Digunakan untuk Aktivitas Investasi	(390.325.455)	(520.849.590)	Net Cash Used in Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan pinjaman jangka panjang	391.158.634	192.449.073	Proceeds of long-term loan
Penerimaan utang bank dan lembaga keuangan	174.156.889	38.618.847	Proceeds of bank loans and finance institutions
Penerimaan Surat berharga yang diterbitkan - bersih	200.259.361	-	Proceeds of Debt securities in issue - net
Pembayaran pinjaman jangka panjang	(218.889.887)	(124.907.160)	Payments of long-term loan
Pembayaran utang bank dan lembaga keuangan	(139.496.434)	(33.749.466)	Payments of bank loans and finance institutions
Pembayaran biaya pengembalian pesawat	(6.677.864)	(6.559.941)	Payment for aircraft return and maintenance
Kenaikan kas yang dibatasi penggunaannya	(1.601.369)	(1.317.411)	Decrease (increase) in restricted cash
Pembayaran untuk aktivitas pendanaan lainnya	(1.776.784)	(1.391.753)	Payments for other financing activities
Kas Bersih Diperoleh dari Aktivitas Pendanaan	397.132.546	63.142.189	Net Cash Provide from Financing Activities
KENAIKAN/(PENURUNAN) BERSIH KAS DAN SETARA KAS	188.264.146	(92.135.854)	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS AWAL TAHUN	264.313.750	360.626.859	CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR
Efek perubahan kurs mata uang asing	(34.523.848)	(4.177.255)	Effect of foreign exchange rate changes
KAS DAN SETARA KAS AKHIR TAHUN	418.054.048	264.313.750	CASH AND CASH EQUIVALENTS AT END OF THE YEAR

*) Disajikan menggunakan metode biaya/ Presented using cost method.

Rincian investasi dalam entitas anak dan asosiasi adalah sebagai berikut:
Detail of investments in subsidiaries and associates as follows:

Entitas anak/ <i>Subsidiaries</i>	Lokasi/ <i>Domicile</i>	Kegiatan usaha	Persentase kepemilikan/ Percentage of ownership	
		utama/ <i>Main business</i>	2013	2012
		<i>activities</i>	%	%
<u>Kepemilikan langsung dan tidak langsung/ Direct and non direct investment</u>				
PT Abacus Distribution Systems Indonesia (ADSI)**)	Jakarta	Penyedia jasa sistem komputerisasi reservasi/ <i>Computerize reservation system services provider</i>	95,00	95,00
PT Garuda Maintenance Facility Aero Asia (GMFAA) **)	Jakarta	Perbaikan dan pemeliharaan pesawat terbang/ <i>Aircraft maintenance and overhaul</i>	99,99	99,99
PT Aero Systems Indonesia (ASI) **)	Jakarta	Penyedia jasa teknologi informasi/ <i>Information technology services</i>	99,99	99,99
PT Citilink Indonesia (CI)**)	Jakarta	Jasa transportasi udara/ <i>Air transportation services</i>	99,99	99,99
PT Aero Wisata dan entitas anak/ <i>and subsidiaries (AWS)**)</i>	Jakarta	Hotel, jasa boga, penjualan tiket/ <i>Hotel, catering, ticketing services</i>	99,99	99,99
PT Mirtasari Hotel Development (MHD)*)	Denpasar	Hotel	99,99	99,99
PT Aerofood Indonesia*)	Jakarta	Jasa boga pesawat/ <i>Aircraft catering services</i>	99,99	99,99
PT Aero Globe*)	Jakarta	Biro perjalanan wisata/ <i>Travel agent</i>	99,99	99,99
PT Aerotrans Services Indonesia(ATS)*)	Jakarta	Jasa transportasi/ <i>Transportation services</i>	99,99	99,99
PT Aerojasa Perkasa (AJP) *)	Jakarta	Penjualan tiket/ <i>Ticketing</i>	99,87	99,87
PT Senggigi Pratama Internasional (SPI) *)	Lombok	Hotel	99,99	99,99
Garuda Orient Holidays, Pty, Limited (GOHA) *)	Sydney	Biro perjalanan wisata/ <i>Travel agent</i>	99,99	99,99
Garuda Orient Holidays Korea Co, Limited (GOHK) *)	Korea	Biro perjalanan wisata/ <i>Travel agent</i>	60,00	60,00
Garuda Orient Holidays Japan Co, Ltd (GOHJ) *)	Jepang/ Japan	Biro perjalanan wisata/ <i>Travel agent</i>	60,00	60,00
PT Bina Inti Dinamika (BID) *)	Bandung	Hotel	61,89	61,89
PT Aero Hotel Management (AHM) *)	Jakarta	Manajemen hotel/ <i>Hotel management</i>	99,99	99,99
PT GIH Indonesia *)	Jakarta	Biro perjalanan wisata/ <i>Travel agent</i>	60,00	60,00
PT Belitung Intipermai (BIP)*)	Jakarta	Hotel	99,99	99,99
<u>Entitas asosiasi/ Associate</u>				
PT Gapura Indonesia	Jakarta	Jasa pengelolaan ground handling pesawat terbang/ <i>Management services , aircraft ground handling</i>	37,50	37,50

*) Kepemilikan tidak langsung / *Indirect ownership*

**) Kepemilikan langsung dan tidak langsung / *Direct and indirect ownership*

XV. ARTICLES OF ASSOCIATION

The Articles of Association of the Company as contained in this Prospectus constitute the latest Articles of Association of the Company by virtue of Deed of Statement of Resolution of Extraordinary General Meeting of Shareholder No.24 dated November 16, 2010, made before Fathiah Helmi, S.H., Notary in Jakarta, and approved by the Menkumham by virtue Decree No.AHU-54724.AH.01.02 Year 2010 dated November 22, 2010 and amended by the Decree No. AHU.2-AH.01.0I-9676 Year 2010 dated December 20, 2010, and registered in the Company Register No. AHU-0084627.AH.01.09.Year 2010 dated November 22, 2010 in conjunction with Deed of Statement of the Annual General Meeting of Shareholders Resolution No. 1 dated July 26, 2012 drawn before Aulia Taufani, S.H., Notary in Tangerang and approved by the Menkumham by virtue Decree No. AHU-66159.AH.01.02 Year 2012 dated December 27, 2012 and registered in the Company Register No. AHU-0111973.AH.01.09. Year 2012 dated December 27, 2012.

Articles of Association of the Company is in accordance with the Regulation No. IX.J.1 and the Company Law.

NAME AND DOMICILE

Article 1

1. This Limited Liability Company shall bear the name PERUSAHAAN PERSEROAN (PERSERO) PT PERUSAHAAN PENERBANGAN GARUDA INDONESIA (PERSERO) Tbk., abbreviated into PT GARUDA INDONESIA (PERSERO) Tbk., hereinafter referred to as the "Company", having its domicile and head office in Central Jakarta Administrative City.
2. The Company may open branches, representatives or other network offices in other places within or outside the territory of the Republic of Indonesia as determined by the Board of Directors upon approval of the Board of Commissioners.

DURATION OF THE COMPANY

Article 2

The Company shall be established from 04-03-1975 (the forth day of March one thousand nine hundred seventy five) and has obtained status of legal entity as of 23-06-1975 (the twenty third day August one thousand nine hundred seventy five) and shall be incorporated for an indefinite period.

PURPOSES, OBJECTIVES AND BUSINESS ACTIVITIES

Article 3

1. The purposes and objectives of the Company are to engage in commercial airline services as well as in optimmizing the utilization of the Company's resources to produce high quality and competitive goods and/or services, as well as to gain profit in order to increase the value of the Company by applying the principles of Limited Liability Company.
2. To achieve the abovementioned purposes and objectives, the Company may undertake the following primary business activities:
 - a. Scheduled commercial air transport for passengers, goods and mail within the country and abroad;
 - b. Non scheduled commercial air transport for passengers, goods and mail within the country and abroad;
 - c. Reparation and maintenance of aircraft for own purposes and for third parties;
 - d. Operational support services for commercial air transport, including catering and ground handling for own purposes and for third parties;
 - e. Information systems services related to the aviation industry, for own purposes and for third parties;
 - f. Consulting services related to the aviation industry;
 - g. Education and training services related to the aviation industry, for own purposes and for third parties;
 - h. Health services for aircraft personnel, for own purposes and for third parties.
3. Aside from the main business activities as stated in paragraph 2, the Company may conduct supporting business activities in the event of optimizing the utilization of its resources for:
 - a. Warehousing
 - b. Office complex;
 - c. Tourism facility; and
 - d. Facilities and infrastructure leasing and cultivation related to aviation industry.

CAPITAL

Article 4

1. The authorized capital of the Company is determined at the amount of Rp13.770.000.000.000,00 (thirteen trillion seven hundred and seventy billion Rupiah) divided into 30,000,000,000 (thirty billion) shares, each having a nominal value of Rp459.00 (four hundred fifty nine Rupiah).
2. Of the said capital, has been subscribed to and paid up of 75.46% (seventy five point forty six percent) or in the total shares with total nominal value of Rp10.392.217.164.000,00 (ten trillion three hundred ninety two billion two hundred seventeen million one hundred sixty four thousand Rupiah), consisting of:
 - a. 1 (one) Series A Dwiwarna Shares, with nominal value Rp459,00 (four hundred fifty nine Rupiah) with total nominal value of Rp459,00 (four hundred fifty nine Rupiah); and
 - b. 22.640.995.999 (twenty two billion six hundred forty million nine hundred ninety five thousand nine hundred ninety nine) Series B Share, with total nominal value of Rp10.392.217.163.541,00 (ten trillion three hundred ninety two billion two hundred seventeen million one hundred sixty three five hundred forty one Rupiah);have been subscribed by the shareholders, wholly have subscribed the shares with details and the amount of nominal value of shares, mentioned before the end of the deed.
3. 100% (one hundred percent) of the total nominal value of each share abovementioned that has been subscribed to, or a total amount of Rp10.392.217.164.000 (ten trillion three hundred ninety two billion two hundred seventeen million one hundred sixty four thousand Rupiah) have been paid up by the shareholders.
4. Payment of the share capital can be made in the form of cash or otherwise. The payment of share capital in any form other than cash, either in tangible or intangible form, shall meet the following requirements
 - a. Property that will be used as payment for capital shall be announced to the public in the notice of General Meeting of Shareholders regarding such payment
 - b. Property used as payment for capital shall be valued by an appraiser registered with the Capital Market and Financial Institution Supervisory Agency or its successor (hereinafter referred to as "Bapepam and LK") and shall not be used as security in any manners whatsoever;
 - c. Approval from a GMS with quorum as regulated in Article 25 paragraph 1 is obtained;
 - d. In the event the property used as payment of capital is in the form of shares of a Company registered on IDX, the price shall be fixed at the market value; and
 - e. In the event the payment comes from retained earnings, share premium, net revenue of the Company, and/or equity, then the retained earnings, share premium, net revenue of the Company, and/or other equity shall be set out in the latest Annual Financial Statements of the Company that have been audited by an accountant registered with Bapepam and LK giving unqualified opinion.
5. Shares in the portfolio of the Company may be issued by the Board of Directors in accordance with the Company's need for capital at a time, in a manner and at a price as well as on terms specified by a Meeting of the Board of Directors upon approval of a GMS in compliance with the provisions set forth in the Articles of Association and laws and regulations as well as the prevailing Capital Market regulations in Indonesia, provided that no shares shall be issued below par value.
6. Any increase in capital through the issuance of Equity Securities (Equity Securities shall include Shares, convertible securities or any securities with a right to acquire shares from the Company as issuer), shall be effected with the following conditions:
 - a. Any increase in capital through the issuance of Equity Securities made through the subscription shall be conducted by the issuance of pre-emptive rights (hereinafter referred to as Rights) to the shareholders whose names are listed in the Shareholders Register of the Company on the date specified by GMS approving the issuance of the Equity Securities in proportional quantity to the number of shares that have been registered in the Shareholders Register of the Company under the name of the shareholders on that date
 - b. The issuance of Equity Securities without issuing Rights to shareholders may be effected if the following conditions apply:
 - b. 1. the Equity Securities are issued to the Company's employees;

- b. 2. the Equity Securities are issued to the holders of convertible bonds or other securities, which have been issued upon GMS' approval;
 - b. 3. the issue of Equity Securities is conducted for reorganization and/or restructuring which has been approved by a GMS; and/or
 - b. 4. the issue of Equity Securities is effected in compliance with the capital market regulations allowing capital increase without pre-emptive Rights
 - c. Rights may be transferred or traded within a period as specified in the prevailing capital market regulations.
 - d. Equity Securities to be issued by the Company and not purchased by the Rights holders shall be allocated to all shareholders who subscribe for additional Equity Securities, provided that if the number of Equity Securities to be subscribed exceeds the number of Equity Securities to be issued, the unsubscribed Equity Securities shall be allocated in proportion to the number of Rights exercised by each shareholder who subscribes for additional Equity Securities;
 - e. In the event that there are still remaining Equity Securities not subscribed by the shareholders as referred to in paragraph 6.d of this article, then if there is standby purchaser, such Equity Securities shall be allocated to certain party who acts as standby purchaser at the same price and on equal terms;
 - f. The issuance of Shares in the portfolio of the Company for the holders of convertible Securities or any Securities with rights to acquire shares, may be made by the Board of Directors based on a previous GMS of the Company approving the issuance thereof; and
 - g. An increase in paid-up capital shall be effective upon payment thereof, and the shares issued shall have equal rights to those with the same classification as issued by the Company, without prejudice to the obligation of the Company to notify thereof to the Minister (the Minister shall mean the minister whose duties and responsibilities are in the field of law and human rights or his successor).
7. An increase to the authorized capital of the Company may only be made upon approval of a GMS. Any amendments to the Articles of Association regarding change in authorized capital shall be approved by the Minister, on condition that:
- a. An increase in authorized capital which made the amount of issued and paid up capital to become less than 25% (twenty five percent) of the authorized capital, may be conducted to the extent that:
 - a.1. the increase in authorized capital has been approved by the GMS;
 - a.2. the increase in authorized capital has been approved by the Minister;
 - a.3. the increase in the amount of issued and paid up capital to become at least 25% (twenty five percent) shall be made within no later than 6 (six) months upon approval of the Minister.
 - a.4. in the event the increase in the amount of paid up capital as referred to in Article 4 paragraph 7 point a.3 is not completely fulfilled, the Company shall re-amend the Articles of Association and, therefore, the amount of the issued and paid up capital fulfills the provision of the Company Law, within 2 (two) months after the period specified in Article 4 paragraph 7 point a.3 is not fulfilled; and
 - a.5. the approval of the GMS as referred to in Article 4 paragraph 7 point a.1 shall include approval to amend the Articles of Association as referred to in Article 4 paragraph 7 letter b.
 - b. Amendment to the Articles of Association for the purpose of increasing the authorized capital shall be effective upon the payment of paid up capital to become at least 25% (twenty five percent) of the authorized capital and shall rank pari passu with any other shares issued by the Company with due observance to the provisions of these Articles of Association, without prejudice to the obligation of the Company to obtain approval for the amendment to the Articles of Association from the Minister on the increase in such paid up capital.
8. Any increase in capital through issuance of Equity Securities may deviate from the foregoing, if the laws and regulations, particularly those governing the Capital Market and rules of Stock Exchange, require otherwise.
9. A GMS as referred to in this article shall be attended by the holder of the Series A Dwiwarna Shares and the resolution rendered by such GMS shall be approved by the holder of the Series A Dwiwarna Shares.

SHARES

Article 5

1. The Company's shares are registered shares and issued on behalf of the owner as registered in the Shareholders Register consisting of:
 - Series A Dwiwarna Shares
 - Series B Shares;
2. Series A Dwiwarna Shares shall be the share that entitles the holder to special rights not held by the holders of other shares as specified in these Articles of Association and it shall be owned only by the Republic of Indonesia.
 - a. The holder of the Class A common share, shall have privilege to:
 - a.1. approve the appointment and dismissal of the Board of Commissioners and Board of Directors;
 - a.2. approve the amendment to the Articles of Association, including change in capital;
 - a.3. approve the merger, consolidation, acquisition and separation of the Company, file petition for the Company's bankruptcy, and dissolution of the Company; and
 - a.4. request reports and explanations with respect to certain matters to the Board of Directors and Board of Commissioners of the Company with due observance to the laws and regulations particularly those prevailing in the Capital Market;
 - b. Except the privileges as referred to in paragraph 2 letter a of this article, the holder of Series B Shares shall have the same rights, subject to the provisions of Article 25.
 - c. Class B common shares shall be registered common share that can be owned by the Public.
3. In the Articles of Association, the term "shares" shall mean Series A Dwiwarna Shares, Series B Shares, and the term "shareholders" shall mean the holder of the Series A Dwiwarna Shares and the holders of Series B Shares, unless expressly stated otherwise.
4. To the extent not specified otherwise in the Articles of Association, the holder of the Series A Dwiwarna Shares and holders of Series B Shares shall have equal rights and each 1 (one) share shall entitle the holder to 1 (one) vote.
5. In the event that a share due to inheritance or any other reasons whatsoever becomes the property of more than 1 (one) person, those who have joint ownership shall appoint one person among them as their joint representative in the Shareholders Register, entitled to exercise the rights conferred by law upon such share.
6. In the event the joint shareholders fail to notify the Company in writing of such appointment, Company shall treat the shareholder whose name is listed in the Shareholders Register of the Company as the only lawful holder of such share(s).
7. Each shareholder shall be lawfully subject to the Articles of Association of the Company and all resolutions lawfully adopted in the GMS as well as the prevailing laws and regulations
8. Shares of the Company listed on the Stock Exchange are subject to the prevailing laws and regulations in Capital Market and Rules of Stock Exchange on which the Company's shares are registered

SHARE CERTIFICATE

Article 6

1. Evidence of Ownership of Shares shall be as follows:
 - a. In the event the Company's shares are not registered in the Collective Depository of KSEI, the Company shall issue as evidence of share ownership a share certificate or collective shares certificate to its shareholders.
 - b. In the event the Company's shares are registered in the Collective Depository of KSEI, the Company shall issue a certificate or written confirmation to the KSEI as evidence of listing in the Shareholders Register of the Company.
2. The Company shall issue a share certificate in the name of the holders registered in the Shareholders Register of the Company, in accordance with the laws and regulations prevailing in Capital Market and rules applicable in the IDX on which the Company's shares are listed.
3. The Company may issue a collective share certificate as evidence of ownership by one shareholder of 2 (two) or more shares.

4. On each share certificate, at least the following items shall be recorded:
 - a. Name and address of the Shareholder;
 - b. Number of the share certificate;
 - c. Date of issuance of the share certificate;
 - d. Nominal value of the share.
5. On a collective share certificate, at least the following items shall be recorded:
 - a. Name and address of the Shareholder;
 - b. Number of the collective share certificate;
 - c. Date of issuance of the collective share certificate;
 - d. Nominal value of the share and value of collective share;
 - e. Quantity of shares and number of the relevant share certificate.
6. Each share certificate and/or collective share certificate and/or convertible bonds and/or warrant and/or other convertible securities shall be signed by the President Director and the President Commissioner, or, if the President Commissioner is absent, it being unnecessary to provide proof of such impediment to any third party, by the President Director and any one of members of the Board of Commissioners, or in case of absence of the President Director and President Commissioner, it being unnecessary to provide proof of such impediment to any third party, by a member of the Board of Directors together with a member of the Board of Commissioners, which may be printed directly on the share certificate and/or collective share certificate and/or convertible bonds and/or warrant and/or other convertible securities, with due observance to the prevailing capital market laws and regulations and Rules of IDX on which the Company's shares are listed.
7. All share certificates and/or collective share certificates issued by the Company may be used as security in compliance with the capital market prevailing laws and regulations and Company Law

DUPLICATE SHARE CERTIFICATE

Article 7

1. the event that a share certificate is damaged, such share certificate may be replaced as long as:
 - a. the party submitting written request for duplicate share certificate is the owner of the said share certificate
 - b. the Company has received the damaged share certificate
 - c. the damaged original share certificate shall be returned and can be exchanged with the new one with the same number as the original share certificate; and
 - d. The Company shall destroy the damaged original share certificate upon issuance of duplicate share certificate.
2. In the event that a share certificate is lost, such share certificate may be replaced as long as:
 - a. the party submitting written request for duplicate share certificate is the owner of the said share certificate;
 - b. the Company has obtained reporting document from the Indonesian Police with respect to the loss of such share certificate;
 - c. the party submitting an application for duplicate share certificate gives sufficient guarantee as may be deemed necessary by the Company's Board of Directors; and
 - d. the planned issuance of the duplicate share certificate for the lost share certificate has been announced in the IDX on which the Company's shares are listed within no later than 14 (fourteen) days prior to the issuance of the duplicate share certificate.
3. All expenses incurred for the issuance of a duplicate share certificate shall be borne by the Shareholder concerned.
4. The foregoing provisions on the issuance of the duplicate share certificate shall also be applicable to the issuance of duplicate collective share certificate or duplicate Equity Securities.

COLLECTIVE DEPOSITORY

Article 8

1. Shares in the Collective Depository shall be subject to the provisions of this articles as follows:
 - a. shares in the Collective Depository of KSEI shall be recorded in the Shareholders Register of the Company under the name of KSEI.
 - b. shares in the Collective Depository of a Custodian Bank or Securities Company recorded in the Securities account at KSEI shall be recorded under the name of the Custodian Bank or Securities Company concerned for the interest of the account holders with the said Custodian Bank or Securities Company;
 - c. if the shares in the Collective Depository at a Custodian Bank are part of a portfolio of Mutual Fund Securities in the form of collective investment contract and not included in the Collective Depository of KSEI, the Company shall record the shares in the Shareholders Register of the Company in the name of the Custodian Bank for the interest of the owner of Investment Unit of the Mutual Funds in the form of collective investment contract;
 - d. the Company shall be obligated to issue a certificate or written confirmation to the KSEI as referred to in letter a of this paragraph or the Custodian Bank as referred to in letter c of this paragraph as a receipt of registration in the Shareholders Register of the Company ;
 - e. the Company shall transfer the shares in the Collective Depository which are registered in the name of KSEI or Custodian Bank for the Mutual Funds in the form of collective investment contract in the Shareholders Register of the Company to be in the name of the Party appointed by KSEI or Custodian Bank concerned. The request for transfer shall be submitted by KSEI or Custodian Bank to the Company or Shares Registrar appointed by the Company;
 - f. KSEI, Custodian Bank or Securities Company shall issue a confirmation to the account holder as receipt of recording in the Securities account;
 - g. in the Collective Depository, each share of the same type and classification issued by the Company shall be equal to and interchangeable with one another;
 - h. the Company shall refuse the registration of shares to the Collective Depository if such shares are lost or destroyed, except the Party requesting such transfer gives sufficient evidence and or guarantee that the Party is the holder of such shares and the relevant share certificates are truly lost or destroyed;
 - i. the Company shall refuse the registration of shares to the Collective Depository if such shares are encumbered, placed under security attachment by virtue of a judicial court or being confiscated for criminal case proceedings;
 - j. the holder of Securities account whose Securities are registered in the Collective Depository shall be entitled to attend and/or cast vote at a GMS in proportion to the number of shares it owns in such account.
 - k. The Custodian Bank and Securities Company shall be obligated to submit a list of Securities accounts along with the number of the Company's shares owned by each account holder with the Custodian Bank and Securities Company to KSEI, for submission to the Company no later than 1 (one) business day prior to notice of a GMS;
 - l. The Investment Manager shall be entitled to attend and cast vote at a GMS for the Company's shares being included in the Collective Depository at the Custodian Bank which are part of the Portfolio of Mutual Fund Securities in the form of collective investment contract and not included in the Collective Depository of KSEI provided that the Custodian Bank shall notify the name of the Investment Manager no later than 1 (one) business day prior to notice of a GMS;
 - m. The Company shall deliver dividends, bonus shares and other shareholding-related rights to KSEI for the shares registered in the Collective Depository at KSEI and thereafter KSEI shall deliver the dividends, bonus shares and other shareholding-related rights to the Custodian Bank and Securities Company for the interest of the respective account holders at the said Custodian Bank and Securities Company;
 - n. The Company shall deliver dividends, bonus shares or other shareholding-related rights to the Custodian Bank for the shares registered in the Collective Depository with Custodian Bank which are part of the Portfolio of Mutual Fund Securities in the form of collective investment contract and not included in the Collective Depository with KSEI;
 - o. The time limit to determine the holder of the Securities account entitled to obtain dividends, bonus shares or other shareholding-related rights in the Collective Depository shall be determined by a GMS provided that the Custodian Bank and Securities Company shall submit a list of holders of Securities account together with the number of the Company's shares owned by the holders of the Securities account to KSEI no later than the date which becomes the basis for the determination of shareholders entitled to obtain dividends, bonus shares or other rights, for submission to the Company

within not later than 1 (one) business day after the date which becomes the basis for the determination of shareholders entitled to receive such dividends, bonus shares or other rights.

2. The provisions regarding Collective Depository shall be subject to the capital market prevailing laws and regulations and the rules of IDX applicable in the territory of the Republic of Indonesia on which the Company's shares are registered.

SHAREHOLDERS REGISTER AND SPECIAL REGISTER

Article 9

1. The Board of Directors shall establish and maintain a Shareholders Register and Special Register, and make them available at the Company's domicile.
2. In the Shareholders Register the following particulars shall be recorded:
 - a. Name and address of the shareholders;
 - b. Quantity, number and acquisition date of shares held by the Shareholders;
 - c. Amount paid up per share;
 - d. Names and addresses of the person or legal entity having rights of pledge on a share or as share fiduciary recipient and acquisition date or date of such right of pledge or date of registration of the fiduciary securities;
 - e. Particulars on the share payment in any form other than in cash; and
 - f. Other particulars as may be deemed necessary by the Board of Directors.
3. The Special Register shall contains records on ownership of shares and/or change in the ownership of shares by the members of the Board of Directors and Board of Commissioners and their family in the Company and/or in other companies as well as the date on which the shares are acquired..
4. Shareholders shall notify any changes of address in writing together with receipt to the Board of Directors. As long as such notification is not yet made, all notices to the Shareholders shall be lawful if sent to the last recorded address of the Shareholders in the Shareholders Register.
5. The Board of Directors shall be responsible to keep and maintain the Shareholders Register and Special Register properly.
6. Each Shareholder shall be entitled to inspect the Shareholders Register and Special Register at the Company's Office or the office of the Share Registrar appointed by the Company during normal working hours
7. The Board of Directors of the Company may appoint and authorize the Share Registrar to perform annotation of shares in the Shareholders Register and Special Register. Each recording or annotation in the Shareholders Register, including recording of certain sale, transfer, encumbrance, pledge or fiduciary security related to the Company's shares or any rights to or interests in the shares, shall be made in accordance with these Articles of Association and the capital market prevailing laws and regulations
8. The provisions of this article shall be valid to the extent not otherwise stipulated in the capital market prevailing laws and regulations and rules of IDX.

TRANSFER OF SHARES

Article 10

- 1.a. Unless stated otherwise in the laws and regulations particularly those prevailing in Capital Market and in the Articles of Association of the Company, all transfers of shares shall be evidenced by a document signed by or on behalf of the Transferor and by or on behalf of the Transferee of the shares. The document of share transfer shall be in the form prescribed by or acceptable to the Board of Directors.
- b. Transfer of Shares registered in the Collective Depository shall be made by book entry settlement from one Securities account to another with KSEI, Custodian Bank and Securities Company. The document of share transfer shall be in the form prescribed by and/or acceptable to the Board of Directors provided that, the document of transfer of shares registered on the IDX shall fulfill the prevailing rules in the IDX on which the shares are listed, without prejudice to the prevailing laws and regulations in the place where the Company's shares are listed.

2. Any transfer of shares in contradiction to the provisions of these Articles of Association or violating the laws and regulations or without approval of the competent authority if required, shall be declared null and void to the Company.
3. The Board of Directors with its own discretion and with reason to that matter, may refuse to register transfer of shares in the Shareholders Register, if the provisions under this Articles of Association has not been fulfilled or if any requirements stipulated by the authority has not been fulfilled.
4. If the Board of Directors refuses to register the transfer of shares, the Board of Directors shall deliver a notice of refusal to the transferor within 30 (thirty) calendar days after the date of such request for registration is received by the Board of Directors in compliance with the prevailing capital market laws and regulations and IDX rules on which the Company's shares are listed.
5. In the event there is a change in the ownership of shares, the original owner registered in the Shareholders Register shall be deemed as the owner of such shares until the name of new owner is registered in the Shareholders Register, with due observance to the prevailing Capital Market laws and regulations and IDX rules on which the Company's shares are listed.
6. Any person entitled to a share due to death of a shareholder or any other reasons which the ownership of the share is by law transferred, may, by producing evidences of transfer as may be required by the Board of Directors, submit a written request for registration as the holder of such share.

The registration may only be performed if the Board of Directors are satisfied with the evidence so provided and without prejudice to the provisions of these Articles of Association.

7. The form and procedure for the transfer of shares traded in the Capital Market shall comply with the capital market prevailing laws and regulations and IDX rules, except for the rights over Series A Dwiwarna Shares which are not transferable to any other persons.

BOARD OF DIRECTORS

Article 11

1. The Company shall be managed and directed by a Board of Directors consisting of at least 2 (two) members of the Board of Directors, one of them shall be appointed as the President Director
2. Requirements for members of the Board of Directors shall be subject to:
 - a. Company Law;
 - b. the capital market prevailing laws and regulations; and
 - c. laws and regulations relating to the Company's business activities.
3. A person eligible to be appointed as a member of the Board of Directors shall be an individual who is qualified to conduct any legal actions, and within a period of 5 (five) years before his appointment:
 - a. has never been declared bankrupt;
 - b. has never been a member of the Board of Directors or members of the Board of Commissioners or members of Supervisory Board declared guilty to cause a Company to be bankrupt; or
 - c. has never been sentenced to have committed a criminal act that causes a loss to state finance and/or State Owned Company and/or relates to financial sectors.
4. Fulfillment of the requirements as referred to in paragraphs 2 and 3 of this article shall be evidenced with a statement letter signed by candidate member of the Board of Directors and maintained by the Company.
5. Legal consequences from the failure to comply with the requirements as referred to in paragraphs 2 and 3 of this article shall be subject to the prevailing laws and regulations.
6. Members of the Board of Directors shall be appointed and dismissed by a GMS attended and approved by the holder of the Series A Dwiwarna Shares, subject to the provisions of these Articles of Association.
7. The members of the Board of Directors shall be appointed by a GMS, from the candidates nominated by the holder of the Series A Dwiwarna Shares and/or a shareholder representing at least 10% (ten percent) of the total valid voting shares issued by the Company, and such nomination shall be binding upon the GMS.

8. a. Members of the Board of Directors shall be appointed for a term of office commencing on the date specified by a GMS appointing them and ended at the close of the fifth (5th) annual GMS after the date of their appointment, without prejudice to the rights of a GMS to dismiss at any time the members of the Board of Directors prior to the end of their term of office.
- b. Such dismissal shall be effective as of the close of the GMS, unless determined otherwise by the GMS.
- c. After the expiry of their term of office, members of the Board of Directors may be reappointed by a GMS for one additional term of office.
9. In the event the GMS does not determine the commencement of appointment and dismissal of members of the Board of Directors, such appointment, and dismissal, of the members of the Board of Directors shall commence at the close of the GMS.
10. A GMS may dismiss members of the Board of Directors at any time by stating the reasons for such dismissal.
11. The reasons for dismissal of a member of the Board of Directors as referred to in paragraph 10 of this article are made if the member of the Board of Directors concerned actually:
 - a. Fails to perform their duties properly;
 - b. Fails to comply with the laws and regulations and/or provisions of the Articles of Association;
 - c. Is involved in any action harming the Company and/or State; or
 - d. Is declared guilty by a judicial court having permanent legal force.
12. In addition to the reasons for dismissal of the members of the Board of Directors as referred to in paragraph 11 letters a through d of this article, the members of the Board of Directors may be dismissed by a GMS for any other reasons as may be deemed necessary by the GMS for the interests and benefits of the Company.
13. The decision to dismiss as referred to in paragraph 10 with the reasons as referred to in paragraph 11 of this article shall be made after the relevant person is given the opportunity to defend him/herself.
14. The dismissal for any of the reasons as referred to in paragraph 11 letters c and d of this article shall be deemed termination for cause.
15. No members of the Board of Directors and members of the Board of Commissioners shall be permitted to have any family relationship with any other member of the Board of Directors and/or the members of the Board of Commissioners until the second degree, either vertical or horizontal including any relationship due to marital connection (son-/daughter-in-law or brother-/sister-in-law).
16. In the event there is relationship as referred to in paragraph 15 of this article, a GMS shall be authorized to dismiss one among them.
17. The members of the Board of Directors may be given salaries and facilities and/or other allowances including retirement benefit of which the amount shall be determined by a GMS and such authority may be delegated to the Board of Commissioners..
18. In the event that due to any reason there is a vacancy in the Board of Directors of the Company resulting the number of members of the Board of Directors is less than 2 (two) persons or if there is no President Director as set forth in Article 11 paragraph 1, then no later than 60 (sixty) days after the occurrence of such vacancy, a GMS shall be convened to fill the vacancy in the members of the Board of Directors.
19. In the event that due to any reasons whatsoever, the Company does not have any members of the Board of Directors, no later than 60 (sixty) days after the occurrence of such vacancy, a GMS shall be convened to fill such vacancy in the Board of Directors.

As long as the vacant position in the Board of Directors and no replacement for such position has been appointed by GMS as referred to in this paragraph, the Company shall be temporarily managed by the Board of Commissioners, with the same powers and authorities.
20. a. A member of the Board of Directors shall be entitled to resign from his office by submitting a written notice regarding such intention to the Company
- b. The Company shall hold a GMS to determine the application for such resignation of the member of the Board of Directors and/or member of the Board of Commissioners within no later than 60 (sixty) days upon receipt by it of the resignation letter

- c. In the event the Company does not convene a GMS within the period as referred to in this paragraph, then with the lapse of such period, the resignation of the member of the Board of Directors shall be valid without requiring any approval of a GMS, but the Company is required to present a report/such resignation at the subsequent GMS.
 - d. Prior to the resignation becoming effective, the concerned member of the Board of Directors shall complete all of his duties and responsibilities in accordance with the Articles of Association and the laws and regulations.
 - e. The member of the Board of Directors resigning from his office shall be discharged from his duties only after obtaining release from his responsibilities from the annual GMS.
 - f. In the event a member of the Board of Directors resigns and resulting the number of members of the Board of Directors to becomes less than 2 (two) persons, such resignation shall be valid after being approved by a GMS and new member of the Board of Directors being appointed, in order to fulfill the requirement of minimum number of members of the Board of Directors
21. The term of office of a member of the Board of Directors shall expire in case of:
 - a. Death;
 - b. Expiry of his/her term office;
 - c. Being declared bankrupt or put under administrative custody by virtue of a judicial order;
 - d. Resignation as referred to in paragraph 20 of this article has become effective; or
 - e. Loss of qualifications as a member of the Board of Directors as required by the laws and regulations.
 22. A member of the Board of Directors resigning prior to or after the expiry of his term of office, except due to death, shall be obligated to submit report of accountability for his actions that have yet been accepted by the GMS..
 23. Members of the Board of Directors may be dismissed for temporary by the Board of Commissioners if they act in violation of these Articles of Association or there is indication that their act harms the Company or they fail to fulfill their obligations or there are any urgent cause to the Company, in compliance with the following provisions:
 - a. The resolution of the Board of Commissioners with respect to temporary dismissal of the member of the Board of Directors shall be performed in accordance with the decision making procedures of the Board of Commissioners.
 - b. The said temporary dismissal shall be notified in writing to the relevant person along with the reasons behind such temporary dismissal the copy of which is addressed to the Board of Directors.
 - c. The notice as referred to in letter b of this paragraph shall be submitted no later than 2 (two) days as of the stipulation of temporary dismissal
 - d. The concerned member of the Board of Directors which is temporarily dismissed shall not be authorized to manage the Company as well as to represent the Company in and out of the court.
 - e. Within not later than 45 (forty five) days as of the date of the temporary dismissal, a GMS shall be convened by the Board of Commissioners to revoke or confirm such decision on the temporary dismissal..
 - f. In the GMS as referred to in letter e of this paragraph, the relevant member of the Board of Directors shall be given the opportunity to defend himself.
 - g. The GMS as referred to in letter e of this paragraph shall be chaired by one of the Shareholders selected by and amongst the Shareholders being present.
 - h. In the event the GMS as referred to in letter e above cannot adopt a resolution or, upon the lapse of the specified period, the GMS has yet been held, such temporary dismissal shall be null and void.
 - i. The temporary dismissal cannot be extended or reapplied with the same reasons if the temporary dismissal is declared null and void as referred to in letter h of this paragraph.
 - j. If the GMS revokes the temporary dismissal or any events as referred to in letter h of this paragraph occurs, the relevant member of the Board of Directors shall resume his duties accordingly.
 24. If a member of the Board of Directors resigns or is terminated prior to the expiration of his/her term of office, then the term of office of his/her replacement shall be as stated in Article 11 paragraph 8a, unless determined otherwise by the GMS.
 25. In the event of additional member of the Board of Directors, then the term of office of such member of the Board of Directors shall be as stated in Article 11 paragraph 8a, unless determined otherwise by the GMS.

26. Members of the Board of Directors shall not concurrently serve other office as set forth below, namely:
- a member of the Board of Directors of a State Owned Enterprise, Regional Owned Enterprise, Private-Owned Enterprise;
 - a member of the Board of Commissioners of a State Owned Enterprise;
 - other structural and functional offices in a central and or regional government agency/institution
 - a member of the management of a political party, a candidate legislative member/official and/or a candidate to regional head/vice regional head; and/or.
 - any office that may cause conflict of interests and/or other offices in accordance with the laws and regulations.
27. For any concurrent offices for the members of the Board of Directors not included in the provision of paragraph 26 of this article, an approval from the Meeting of the Board of Commissioners is required.

DUTIES, POWERS AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Article 12

- The Board of Directors is assigned to take any action in relation to the management of the Company for the interests of Company and, in accordance with the purposes and objectives of the Company, represent the Company within and outside the Court of Justice in respect of all matters and events with restrictions as set forth in the prevailing laws and regulations, Articles of Association and/or Resolution of a GMS.
- In performing the duties as referred to in paragraph 1 of this article:
 - The Board of Directors is authorized to:
 - determine the management policies of the Company;
 - manage the delegation of authorities of the Board of Directors to represent the Company within and outside the court of justice to one or more members of the Board of Directors particularly appointed for such purpose or to one or more employees of the Company either jointly or severally or to other persons or entities and to manage the delegation of authorities of the Board of Directors to represent the Company to Head of Branch or Head of Representative Office within the country or abroad;
 - arrange provisions of employment of the Company including determination of amount of salary, retirement fund or old-age benefit, production service fee and other revenues for the Company's employees pursuant to laws and regulations with provision that the determination of salary, retirement fund or old-age benefit, and other revenues for the Company's employees which exceeds the obligations determined by laws and regulations, shall be accepted by the Board of Commissioners;
 - appoint and terminate the employment of the Company's employees in accordance with the Company's employment rules and the laws and regulations;
 - appoint and terminate the Corporate Secretary;
 - take any acts and other deeds in relation to the management and ownership of the Company's assets, to bind the Company to any other third party and/or other party to the Company, including but not limited to optimizing the use of the Company's assets, with restrictions as governed under the laws and regulations, Articles of Association and/or Resolution of a GMS.
 - The Board of Directors is required to:
 - perform and procure the performance of the businesses and activities of the Company in accordance with the purposes and objectives as well as business activities;
 - prepare the Company's Long-Term Plan, Annual Work Plan and Budget and other work plans, along with any amendments thereto as well as submit the same within not later than 60 (sixty) days prior to the commencement of new financial year to the Board of Commissioners for approval;;
 - give explanation to the Board of Commissioners of the Company's Long-Term Plan and the Company's Work Plan and Budget;

- b.4. prepare the Shareholders Register, Special Register, Minutes of GMS, and Minutes of Meeting of the Board of Directors;
 - b.5. make Annual Report as a form of accountability of the Company's management, and the financial documents of the Company as referred to in Law on Corporate Documents;
 - b.6. prepare financial statements pursuant to the Indonesian Financial Accounting Standards and submit the same to the Public Accountant for audit purposes;
 - b.7. submit the Annual Report after being reviewed by the Board of Commissioners within not later than 5 (five) months after the end of the Company's financial year to the GMS for approval and ratification;
 - b.8. give explanation to the GMS of the Annual Report;
 - b.9. submit Balance Sheets and Profit and Loss Statements ratified by the GMS to the Minister of Laws and Human Rights in accordance with the provisions of the statutory regulations;
 - b.10. maintain the Shareholders Register, Special Register, Minutes of GMS, Minutes of Meeting of the Board of Commissioners and Minutes of Meeting of the Board of Directors, Annual Report and financial documents of the Company as referred to in letters b.4 and b.5 of this paragraph, and other corporate documents;
 - b.11. keep at the domicile of the Company: the Shareholders Register, Special Register, Minutes of GMS, Minutes of Meeting of the Board of Commissioners and Minutes of Meeting of the Board of Directors, Annual Report and financial documents of the Company as well as other corporate documents;;
 - b.12. prepare an accounting system in accordance with the Indonesian Financial Accounting Standards and with the principles of internal control, particularly the separation of functions of management, recording, maintenance and supervision;
 - b.13. give periodic reports in the manner and at the time specified in the prevailing regulations, as well as other reports at the request of the Board of Commissioners and/or holder of Series A Dwiwarna Shares, with due observance to the prevailing laws and regulations particularly those applicable in Capital Market;
 - b.14. prepare the Company's organizational structure completed with its details and duties;
 - b.15. give explanation to any enquiries or questions from members of the Board of Commissioners and holder of Series A Dwiwarna Shares, in compliance with the prevailing laws and regulations particularly those applicable in Capital Market;
 - b.16. prepare and determine the organizational blue print of the Company; and.
 - b.17. perform other obligations in accordance with the provisions set forth in these Articles of Association and decided by a GMS pursuant to the laws and regulations.
3. In performing its duties, the Board of Directors shall devote all energy, thought, attention and loyalty on the duties, obligations and achievement of the Company's purposes.
4. In carrying out their duties, members of the Board of Directors shall comply with the Articles of Association of the Company and laws and regulations as well as perform the principles of professionalism, efficiency, transparency, independence, accountability, responsibilities and fairness.
5. Each member of the Board of Directors shall be required to perform their duties in good faith and with full responsibility for the interest and business of the Company with due observance to the laws and regulations.
6. Each member of the Board of Directors shall be personally responsible if he makes mistake in performing or fails to perform his tasks for the interest and business of the Company, except the relevant member of the Board of Directors may prove:
 - a. that such loss does not result from his mistake or failure;
 - b. that he has managed the Company in good faith and with prudence for the interest and in accordance with the purposes and objectives of the Company;
 - c. that he has no conflict of interest, directly or indirectly, with the management actions that may cause losses; and
 - d. that he has taken an act to prevent the occurrence or continuance of such loss.
7. With due observance to the Capital Market laws and regulations and rules, the following acts of the Board of Directors shall obtain written approval from the Board of Commissioners:

- a. to dispose of and sell immovable assets of the Company which exceed a certain amount determined by the Meeting of the Board of Commissioners.
 - b. to cooperate with other business entities or other parties, in the form of operation contract, management contract, cooperation under a Build, Operate and Transfer (BTO) license, Build, Operate and Own (BOO) and other agreements of similar nature prevailing, which term exceed the duration of the time period, which from time to time determined by the Board of Commissioners.
 - c. To receive or grant middle/long term loan, at a value that exceeds the limit that is determined by the Board of Commissioners from time to time, with or without security, unless such account payable or account receivable that occurs due to business transactions and loan granted to subsidiaries of the Company with stipulations that loans to subsidiaries of the Company shall be reported to the Board of Commissioners
 - d. to erase from the bookkeeping, any non performing loan and dead inventory, with an amount that exceeds the limits which are determined from time to time by the Board of Commissioners;
 - e. to determine the organizational structure until 1 (one) stage below the Board of Directors;
 - f. to establish a foundation, organization and/or association whether or not directly relating to the Company that may have financial impact on the Company;
 - g. to encumber the fixed and routine expenses of the Company for the activities of a foundation, organization and or association directly or indirectly relating to the Company
 - h. to suggest the representative of the Company to be the candidate member of the Board of Directors and Board of Commissioners in the subsidiary that gives significant contribution to the Company and/or has strategic value as specified by the Board of Commissioners;
 - i. To stop collecting non performing loan which has been written off, at a value that exceeds the limit that is determined by the Board of Commissioners from time to time;
 - j. to determine and change the Company's logo;
 - k. To conduct capital investment in other companies at a value that exceeds the limit that is determined by the Board of Commissioners from time to time, as long as such capital investment does not need the approval of the GMS in accordance with the statutory regulations or regulation applicable to the Capital Market sector in Indonesia;
 - l. To establish subsidiaries, as long as such does not need the approval of the GMS in accordance with the statutory regulations or regulation applicable to the Capital Market sector in Indonesia;
 - m. To withdraw capital investment from subsidiaries, as long as such does not need the approval of the GMS in accordance with the statutory regulations or regulation applicable to the Capital Market sector in Indonesia;
 - n. To conduct Merger, Consolidation, takeover, spin-off and winding off of subsidiaries, as long as such action does not required approval of the GMS in accordance with the statutory regulations or regulation applicable to the Capital Market sector in Indonesia;
 - o. To determine salary, pension or retirement allowance and other income for the Company's employees that exceed the obligation stipulated by regulations;
 - p. To bind the Company as a guarantor (borg or avalist) which have financial impact that exceeds a certain amount set forth by the Board of Commissioners;
8. Within 30 (thirty) days of the receipt of complete application or explanation and document from the Board of Directors, the Board of Commissioners shall render its decision as referred to in paragraph 7 of this article.
 9. The following actions may be made by the Board of Directors upon approval of a GMS with due observance to the prevailing Capital Market laws and regulations to:
 - a. perform material transactions as governed under the prevailing Capital Market laws and regulations;
 - b. perform transactions potentially having conflict of interests as governed under the prevailing Capital Market laws and regulations;
 - c. perform other transactions, to comply with the prevailing Capital Market laws and regulations.
 10. The Board of Directors is required to obtain approval from the GMS to:
 - a. dispose the Company's assets within 1 (one) financial year; or

- b. encumber the Company's assets as security, constituting more than 50% (fifty percent) of the total net assets of the Company in 1 (one) single transactions or more, either several or related.
11. In order to implement the management policies of the Company:
 - a. President Director shall be entitled and authorized to act for and on behalf of the Board of Directors and represent the Company
 - b. In the event the President Director is absent or unavailable for any reason whatsoever, which matter needs not be proven to third parties, then one of the Directors determined based on the decision of the Meeting of the Board of Directors, shall be authorized to take actions for and on behalf of the Board of Directors as well as to represent the Company.
 12. The Board of Directors shall, for certain action at its own discretion, also be entitled to appoint a person or more as their representative(s) or proxy(ies), by conferring upon him/her/them the authority to perform such certain action as set forth in a power of attorney.
 13. The distribution of duties and authorities of each member of the Board of Directors shall be determined by a GMS. In the event the GMS does not stipulate so, the distribution of duties and authorities amongst the members of the Board of Directors shall be determined by the resolution of the Board of Directors.
 14. The Board of Directors in managing the Company shall perform any duties given by a GMS to the extent not contrary to the prevailing laws and regulations and/or these Articles of Association.
 15. A member of the Board of Directors shall not be authorized to represent the Company if:
 - a. There is a case before the Court of Justice between the Company and the relevant member of the Board of Directors; or
 - b. The relevant member of the Board of Directors has a conflict of interest with the Company.
 16. In the event the condition as referred to in paragraph 15 letter b of this article, those entitled to represent the Company shall be:
 - a. Other members of the Board of Directors who do not have any conflict of interest with the Company;
 - b. The Board of Commissioners in the event all members of the Board of Directors have conflict of interest with the Company; or
 - c. Other parties appointed by a GMS in the event all members of the Board of Directors or Board of Commissioners have conflict of interest with the Company.

MEETING OF THE BOARD OF DIRECTORS

Article 13

1. A Meeting of the Board of Directors can be held at any time:
 - a. if deemed necessary by one or more members of the Board of Directors;
 - b. upon written request by one or more members of the Board of Commissioners; or
 - c. upon written request by 1 (one) or more shareholders jointly representing 1/10 (one-tenth) or more of the total voting shares.
2. A meeting of the Board of Directors shall be deemed valid if held at the domicile of the Company or at its business place within the territory of the Republic of Indonesia.
3. A meeting of the Board of Directors held at any place other than that set forth in paragraph 5 of this article shall be deemed valid and entitled to adopt binding resolution if such place is within the territory of the Republic of Indonesia and if all members of the Board of Directors are present or represented at the meeting.
4. Notice for a meeting of the Board of Directors shall be served in writing or in any other means by the member of the Board of Directors entitled to represent the Company and delivered within not later than 3 (three) days prior to the date of the meeting or in shorter period in case of urgent matter without taking into account the date of notice and the meeting date.

5. The notice for meeting as referred to in paragraph 4 of this Article shall specify the agenda, date, time and venue of the meeting.
6. If all members of the Board of Directors are present or represented at the meeting, no prior notice is required.
7. The meeting of the Board of Directors shall be valid and entitled to adopt binding resolutions if more than 1/2 (one-half) of all members of the Board of Directors or its valid proxy, are present or represented at the meeting with due observance to the provisions as referred to in paragraph 6 of this Article.
8. In other agenda, the meeting of the Board of Directors shall not be entitled to adopt any resolution unless all members of the Board of Directors or his proxy are present or lawfully represented at the meeting and approve the additional meeting agenda.
9. All meetings of the Board of Directors shall be chaired by the President Director.
10. In the event the President Director is absent or prevented from attending the meeting for any reasons whatsoever, it being unnecessary to provide proof of such impediment to any third party, the meeting of the Board of Directors shall be chaired by the a member of the Board of Directors.
11. In casting a vote, a member of the Board of Directors can only be represented by another member of the Board of Directors by virtue of a power of attorney specially made for such purpose.
12. A member of the Board of Directors can only represent another member of the Board of Directors.
13. All resolutions of the meeting of the Board of Directors shall be adopted in deliberation to reach consensus.
14. In case of no consensus reached by deliberation, the resolution shall be adopted by majority vote.
15. Each member of the Board of Directors shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each other member of the Board of Directors he represents.
16. In case of tie votes, , the resolution of the meeting shall be the option voted by the chairman of the meeting with due observance to the provisions on accountability.
17. In the event there are two alternatives being proposed and voting has yet obtained one alternative of more than 1/2 (one-half) of the total vote legally cast, voting shall be re-conducted for the two proposed alternatives obtaining the highest vote, so that one of them shall have more than 1/2 (one-half) of the total votes legally cast at the meeting.
18. Blank votes shall be considered approving the agenda proposed at the meeting and shall be responsible for the meeting's resolution.
19. Invalid votes shall be considered uncast and thereby shall not be counted in determining of the total votes cast at the meeting.
20. The Board of Directors may also take a valid and lawfully binding decisions without holding Board of Directors Meeting, provided that all members of the Board of Directors has been notified in writing of the proposals concerned, and all members of the Board of Directors approves the proposal submitted in writing and signed the agreement. The decisions made in this way have the same power with the legitimate decision taken in the meeting of the Board of Directors.
21. In every meeting of the Board of Directors must be made that the minutes of meetings of Directors Meeting signed by Chairman and all members of the Board of Directors were present, which contains things discussed (including a statement of disapproval / dissenting opinion of the Directors, if any) and the things that was decided. The Board of Directors shall submit a copy of the minutes of meeting of the Board of Directors to the Board of Commissioners when requested to note.

BOARD OF COMMISSIONERS

Article 14

1. Board of Commissioners shall be consists of at least 2 (two) members and no more than the number of the members of the Board of Directors, one of them can be appointed as the President Commissioner.
2. The Board of Commissioners shall constitute a board and each member of the Board of Commissioners may not act severally; instead, they shall be subject to the resolutions of the Board of Commissioners.
3. Requirements for members of the Board of Commissioner shall be subject to the provisions of:
 - a. Company Law;

- b. the prevailing Capital Market laws and regulations; and
 - c. laws and regulations relating to the Company's business activities.
4. A person eligible to be appointed as a member of the Board of Commissioners shall be an individual who is qualified to conduct any legal actions, unless within a period of 5 (five) years before his appointment has been:
- a. declared bankrupt;
 - b. a member of the Board of Directors or members of the Board of Commissioners or members of Supervisory Board which were declared guilty to cause a Company or State Company to be bankrupt; or
 - c. sentenced to have committed a criminal act that causes a loss to state finance and/or State Owned Enterprise and/or relates to financial sectors.
5. Fulfilment of the requirements as referred to in paragraphs 3 and 4 of this article shall be evidenced with a statement letter signed by candidate member of the Board of Commissioners and maintained by the Company.
6. Legal consequences from the failure to comply with the requirements as referred to in paragraphs 3 and 4 of this article shall be subject to the prevailing laws and regulations.
7. Members of the Board of Commissioners shall be appointed and dismissed by a GMS attended and approved by the holder of the Series A Dwiwarna Shares, subject to the provisions of these Articles of Association.
8. The members of the Board of Commissioners shall be appointed by a GMS, from the candidates nominated by the holder of Series A Dwiwarna Shares and/or a shareholder representing at least 10% (ten percent) of the total valid voting shares issued by the Company, and such nomination shall be binding upon GMS.
9. Members of the Board of Commissioners shall be appointed for a term of office commencing on the date specified by a GMS appointing them and ended at the close of the fifth (5th) Annual GMS after the date of their appointment, without prejudice to the rights of a GMS to dismiss at any time the members of the Board of Commissioners prior to the end of their term of office.
10. In the event the GMS does not determine the commencement date of appointment and dismissal of members of the Board of Commissioners, then such appointment, and dismissal, of the members of the Board of Commissioners shall commence at the close of the GMS.
11. The dismissal of the members of the Board of Commissioners as referred to in paragraph 9 of this article is made if the member of the Board of Commissioners concerned actually:
- a. Fails to perform their duties properly; and/or
 - b. Fails to comply with the laws and regulations and/or provisions of the Articles of Association; and/or
 - c. Is involved in any action harming the Company and/or State; and/or
 - d. Is declared guilty by a judicial court having permanent legal force.
12. In addition to the reasons for dismissal of the members of the Board of Commissioners as referred to in paragraph 11 of letters a through d of this article, the members of the Board of Commissioners may be dismissed by a GMS for any other reasons as may be deemed necessary by the GMS for the interests and benefits of the Company.
13. The decision to dismiss as referred to in paragraph 9 of this article shall be notified to the relevant member of the Board of Commissioners verbally or in writing by the Shareholder.
14. The decision to dismiss as referred to in paragraph 9 with the reasons as referred to in paragraph 11 of this article shall be made after the relevant person is given the opportunity to defend him/herself.
15. The dismissal for any of the reasons as referred to in paragraph 11 letters c and d of this article shall be deemed termination for cause.
16. No members the Board of Commissioners shall be permitted to have any family relationship with any other member of the Board of Commissioners and/or the member of the Board of Directors until the second degree, either vertical or horizontal including any relationship due to marital connection (son-/daughter-in-law or brother-/sister-in-law).
17. In the event there is a relationship as referred to in paragraph 16 of this article, a GMS shall be authorized to dismiss one among them.

18. The members of the Board of Commissioners may be given honorarium and allowance/facilities including bonus and retirement benefit of which the type and amount shall be determined by a GMS with due observance to the prevailing laws and regulations.
19. The distribution of duties and authorities of each member of the Board of Commissioners shall be determined among themselves, and to expedite the performance of its duties, the Board of Commissioners may be assisted by the Secretary of the Board of Commissioners appointed by the Board of Commissioners.
20. In the event that due to any reason there is a vacancy in the Board of Commissioners resulting the number of members of the Board of Commissioners is less than 2 (two) persons or if there is no President Commissioner as set forth in Article 14 paragraph 1, no later than 60 (sixty) days after the occurrence of such vacancy, a GMS shall be convened to fill the vacancy in the members of the Board of Commissioners;
21. In the event that due to any reasons whatsoever, the Company does not have any members of the Board of Commissioners, no later than 60 (sixty) days after the occurrence of such vacancy, a GMS shall be convened to fill the vacancy in the members of the Board of Commissioners;
- 23.a A member of the Board of Commissioners shall be entitled to resign from his office by submitting a written notice regarding such intention to the Company.
 - b. The Company shall hold a GMS to determine the application for such resignation of the member of the Board of Directors and/or the member of the Board of Commissioners within no later than 60 (sixty) days upon receipt by it of the resignation letter.
 - c. In the event the Company does not convene a GMS within the period as referred to in this paragraph, then with the lapse of such period, the resignation of the member of the Board of Commissioners shall be lawful without requiring any approval of a GMS, but the Company is required to present a report/ such resignation at the subsequent GMS.
 - d. Prior to the resignation becoming effective, the member of the Board of Commissioners concerned shall complete all of his duties and responsibilities in accordance with the Articles of Association and the laws and regulations.
 - e. In the event a member of the Board of Commissioners resigns resulting the number of members of the Board of Commissioners becomes less than 2 (two) persons, such resignation shall be valid after being approved by a GMS and new member of the Board of Commissioners being appointed, in order to fulfil the requirement of minimum number of members of the Board of Commissioners.
24. The term of office of a member of the Board of Commissioners shall expire in case of:
 - a. death;
 - b. Expiry of his term of office;
 - c. Being declared bankrupt or put under administrative custody by virtue of a judicial order;
 - d. The resignation is declared effective;
 - e. Fail to maintain his qualifications as a member of the Board of Commissioners as required by the prevailing laws and regulations.
25. The provision as set forth in paragraph 23 letter e of this article shall include, without limitation, prohibited concurrent offices.
26. A member of the Board of Commissioners resigning prior to or after the expiry of his term of office, except due to death, shall be obligated to submit report of accountability for his actions that have yet been accepted by a GMS.
27. In the event a member of the Board of Commissioners resigns or is dismissed prior to the expiry of his term of office, then his term of office of his successor shall be the determined based on article 14 paragraph 9, unless determined otherwise by a GMS.
28. In the case there is an additional members of the Board of Commissioners, the term of office of the new member of the Board of Commissioners shall be determined based on article 14 paragraph 9, unless determined otherwise by a GMS.
29. Members of the Board of Commissioners shall not concurrently serve in any other office as set forth below:
 - a. Member of the Board of Directors of a State Owned Enterprise, Regional Owned Enterprise, Private-Owned Enterprise;

- b. Member of the management of a political party, legislative member and/or candidate regional head/ vice regional head;
- c. Other offices pursuant to the laws and regulations; and/or
- d. Any office that may cause conflict of interests.

DUTIES, POWERS AND RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

Article 15

1. The Board of Commissioners is assigned to supervise the management policies, performance of the Company's management by the Board of Directors including the supervision of the realization of the Company's Long-Term Plan, Annual Work Plan and Budget of the Company as well as the provisions set forth in the Articles of Association and Resolutions of a GMS, as well as the prevailing laws and regulations, for the interest of the Company and in accordance with the purposes and objectives of the Company, and performance of duties specially designated to it in accordance with the Articles of Association, prevailing laws and regulations and/or resolutions of a GMS.
2. In performing the duties as referred to in paragraph 1 of this article:
 - a. The Board of Commissioners is authorized to:
 - a.1. examine books, documentary evidences, inventories, examine and match the cash condition for the purpose of verification) and otherwise securities as well as have knowledge of all actions taken by the Board of Directors;
 - a.2. enter buildings and yards or other premises used or controlled by the Company;
 - a.3. request for information/explanation from the Board of Directors and/or other officials regarding all matters in relation to the management of the Company and the Board of Directors shall provide all information/explanations in relation to the Company as required by the Commissioners;
 - a.4. have knowledge of all policies and actions that have and will be taken by the Board of Directors;
 - a.5. request the Board of Directors and/or other officials under the control of the Board of Directors with the knowledge of the Board of Directors to attend the Meeting of the Board of Commissioners;
 - a.6. appoint and dismiss a Secretary of the Board of Commissioners (if necessary);
 - a.7. temporarily dismiss the members of the Board of Directors pursuant to the provisions of these Articles of Association;
 - a.8. establish an Audit Committee, Remuneration and Nomination Committee, Risk Monitoring Committee, and other committees as may be deemed necessary in accordance with the Company's capacity;
 - a.9. use experts with respect to certain issues and for certain period at the expense of the Company, if deemed necessary and with due observance to the prevailing regulations;
 - a.10. manage the Company in certain circumstance for a certain period in accordance with the provision of these Articles of Association;
 - a.11. attend the meeting of the Board of Directors and give suggestions on the matters discussed;
 - a.12. perform other supervisory authorities to the extent not contrary to the laws and regulations, Articles of Association, and/or resolutions of GMS.
 - b. The Board of Commissioners is required to:
 - b.1. give advice to the Board of Directors in the management of the Company;
 - b.2. give opinions and approvals on the Company's Long-Term Plan and Annual Work Plan and Budget, as well as other plans, prepared by the Board of Directors, in accordance with the provisions of these Articles of Association;
 - b.3. follow and monitor the progress of the Company's activities, give opinions and suggestions to the GMS with respect to any issues considered significant for the management of the Company;
 - b.4. immediately report to the GMS if there is indication towards the decline of the Company performance and give advice on the improvement steps that should be taken;
 - b.5. propose to the GMS on the appointment of a Public Accountant that will audit the Company's books;

- b.6. examine and review as well as give response to periodic reports and the Annual Report prepared by the Board of Directors and sign the Annual Report;
 - b.7. give explanation, opinion and suggestion to the GMS on the Annual Report, if requested;
 - b.8. make minutes of Meeting of the Board of Commissioners and keep the copy thereof;
 - b.9. report to the Company on its share ownership and/or family to the Company and other Company;
 - b.10. give reports on supervisory duties that have been carried out during the immediate preceding year to the GMS;
 - b.11. perform other obligations to carry out supervision and give advice, to the extent not contrary to the provisions, laws and regulations, Articles of Association, and resolution of a GMS;
3. In carrying out their duties, each member of the Board of Commissioners shall:
 - a. comply with the Articles of Association and laws and regulations as well as the principles of professionalism, efficiency, transparency, independence, accountability, responsibilities and fairness; and
 - b. in good faith, prudence and with full responsibility perform the supervisory and advisory function to the Board of Directors for the interests of the Company and in accordance with the purposes and objectives of the Company.
4. Each member of the Board of Commissioners shall be personally responsible if he makes mistake in performing or fails to perform his tasks for the interest and business of the Company, except the relevant member of the Board of Commissioners are able to prove:
 - a. that he has conducted monitoring in good faith and with prudence for the interests of and in accordance with the purposes and objective of the Company;
 - b. that he does not have personal interest either directly or indirectly in the management carried out by the Board of Directors that causes losses; and
 - c. that he has given advice to the Board of Directors to prevent the loss from occurring or continuing.

MEETING OF THE BOARD OF COMMISSIONERS

Article 16

1. All resolutions of the Board of Commissioners shall be adopted in a meeting of the Board of Commissioners.
2. In each meeting of the Board of Commissioners, the minutes of Meeting shall be made, containing any matters (including dissenting opinion from the members of the Board of Commissioners, if any) discussed and resolved thereat.
3. The minutes of meeting as referred to in paragraph 2 article shall be signed by the Chairman of the meeting and all members of the Board of Commissioners present at the meeting.
4. The original Minutes of meeting of the Board of Commissioners shall be submitted to the Board of Directors for safe keeping and maintenance, while the copy of which shall be kept by the Board of Commissioners.
5. The meeting of the Board of Commissioners shall be deemed valid if held at the domicile of the Company or at its business place within the territory of the Republic of Indonesia.
6. The meeting of the Board of Commissioners held at any place other than that set forth in paragraph 6 of this article, shall be deemed valid and entitled to adopt binding resolutions if such place is within the territory of the Republic of Indonesia and if all members of the Board of Commissioners are present or represented at the meeting.
7. The Board of Commissioners shall convene a meeting at least once a month, in which the Board of Commissioners may invite the Board of Directors.
8. The Board of Commissioners may convene a meeting at any time upon request of 1 (one) or more members of the Board of Commissioners, or upon request of the Board of Directors, or upon written request of 1 (one) or more Shareholders representing at least 1/10 (one-tenth) of the total voting shares, by specifying the agenda to be discussed.
9. Notice for a meeting of the Board of Commissioners shall be served in writing or in any other means by the President Commissioner or by member of the Board of Commissioners appointed by the President Commissioner and delivered within not later than 3 (three) days prior to the date of the meeting or in shorter period in case of urgent matter without taking into account the date of notice and the meeting date.

10. The notice for meeting as referred to in paragraph 9 of this Article shall specify the agenda, date, time and venue of the meeting.
11. If all members of the Board of Commissioners are present or represented at the meeting, no prior notice is required.
12. The meeting of the Board of Commissioners shall be valid and entitled to adopt binding resolution if more than 1/2 (one-half) of all members of the Board of Commissioners are present or represented at the meeting.
13. In other agenda, the meeting of the Board of Commissioners shall not be entitled to adopt any resolution unless all members of the Board of Commissioners or his proxy are present or lawfully represented at the meeting and approve the additional meeting agenda.
14. A member of the Board of Commissioners can only be represented by another member of the Board of Commissioners by virtue of a power of attorney specially made for such purpose.
15. A member of the Board of Commissioners can only represent another member of the Board of Commissioners.
16. All meetings of the Board of Commissioners shall be chaired by the President Commissioner.
17. In the event the President Commissioner is absent or prevented from attending the meeting, the meeting of the Board of Commissioners shall be chaired by another member of the Board of Commissioners appointed by the President Commissioner.
18. In the event the President Commissioner does not make such appointment, the members of the Board of Commissioners with longest term of office as member of the Board of Commissioners shall preside over the meeting of the Board of Commissioners.
19. In the event the member of the Board of Commissioners with the longest term of office as member of the Board of Commissioners is more than one person, then the oldest-age member of the Board of Commissioners as referred to in paragraph 19 of this Article shall preside over the meeting.
20. All resolutions of a meeting of the Board of Commissioners shall be adopted in deliberation to reach consensus.
21. In case of no consensus reached by deliberation, the resolution shall be adopted by majority vote.
22. Each member of the Board of Commissioners shall be entitled to cast 1 (one) vote and 1 (one) additional vote for each other member of the Board of Commissioners he represents.
23. In case of tie votes, the chairman of the meeting shall have the second vote with due observance to the provisions on accountability as referred to in Article 15 paragraph 3, save as voting concerning an individual shall be made by unsigned folded ballot.
24. Blank votes (abstain) shall be as considered approving the agenda proposed at the meeting and shall be responsible for the meeting's resolution.
25. In the event there are two alternatives being proposed and the voting results has yet to obtain one alternative of more than 1/2 (one-half) of the total vote legally cast, voting shall be re-conducted for the two proposed alternatives obtaining the highest vote, so that one of them shall have more than 1/2 (one-half) of the total votes legally cast at the meeting.
26. Invalid votes shall be considered uncast and shall not be counted in determining the total votes cast at the meeting.
27. The Board of Commissioners may also make a valid and lawfully binding decision without holding the meeting of the Board of Commissioners, with the provision that all members of the Board of Commissioners has been notified in writing about the proposal, and all members of the Board of Commissioners approves the proposal in writing and signs the agreement. The decisions have equal power with legitimate decisions taken in the meeting of Board of Commissioners.

ANNUAL WORK PLAN AND BUDGET

Article 17

1. The Board of Directors shall make and perform the Company's Annual Work Plan and Budget for each financial year, containing at least:
 - a. The Company's Mission, business targets, strategies, policies, and working/activity programs;
 - b. The Company's Budget detailing for each working/activity program's budget;
 - c. The projected finance of the Company and its subsidiaries; and

- d. Other issues requiring approval from the Board of Commissioners.
2. The Board of Commissioners shall prepare a working program of the Board of Commissioners that forms an integral part of the Annual Work Plan and Budget of the Company prepared by the Board of Directors as referred to in paragraph 1 of this article.
3. The Draft Annual Work Plan and Budget of the Company that has been signed by the Board of Directors shall then be submitted by the Board of Directors to the Board of Commissioners, no later than 60 (sixty) days prior to the commencement of new financial year, for approval of the Board of Commissioners.
4. The Draft Annual Work Plan and Budget of the Company shall be approved by the Board of Commissioners no later than 30 (thirty) days after the commencement of the Company's financial year.
5. In the event the Draft Annual Work Plan and Budget of the Company has yet to be approved by the Board of Commissioners within the period specified in paragraph 3 of this article, the previous Annual Work Plan and Budget of the Company shall apply.

FINANCIAL YEAR AND ANNUAL REPORT

Article 18

1. The Company's financial year shall be the calendar year, and at the end of December of each financial year, the Company's books shall be closed.
2. The Board of Directors shall prepare an Annual Report containing at least:
 - a. Financial Statements consisting of at least a balance sheet of preceding year in comparison to the previous year, a profit and loss statement of the current year, a statement of cash flows, and a statement of changes in equity, as well as notes to the Financial Statements;
 - b. a report on the Company's activities;
 - c. a report on Social and Environmental Responsibilities;
 - d. details of issues arising during the financial year affecting the Company's business activities;
 - e. report on the supervisory function carried out by the Board of Commissioners during the preceding year;
 - f. the name of members of the Board of Directors and of the Board of Commissioners;
 - g. the salaries and allowance/facilities for the members of the Board of Directors and honorarium and allowance/facility for the members of the Board of Commissioners of the Company for the preceding year (relevant year).
3. Draft Annual Report including the Financial Statements audited by a Public Accountant, signed by all members of the Board of Directors shall be submitted to the Board of Commissioners to be reviewed and signed before being submitted to the Shareholders.
4. In the event there is a member of the Board of Directors and Board of Commissioners who does not sign the said Annual Report, he shall specify the reason therefore in writing or such reason shall be stated by the Board of Directors in a separate letter attached to the Annual Report.
5. In the event there are members of the Board of Directors or of the Board of Commissioners who do not sign the Annual Report as referred to in paragraph 4 of this article and fail to give reason therefore in writing, the relevant members shall be deemed approving the content of the Annual Report.
6. The approval of the Annual Report, including ratification of annual Financial Statements as well as report on supervisory function of the Board of Commissioners, and decision on use of profit, shall be made by a GMS.
7. The approval of the Annual Report, including ratification of the financial statements as referred to in paragraph 2 of this article, shall be made by a GMS no later than the end of the fifth month after the end of the financial year.
8. Approval of the Annual Report including ratification of Financial Statements by GMS, shall mean the granting of full acquittal and discharge to all members of the Board of Directors and of the Board of Commissioners for all their actions in managing and supervising the Company during the previous year, to the extent such actions are disclosed in the Annual Report including the Financial Statements as well as in accordance with the prevailing provisions.

The Annual Report including the Financial Statements as referred to in paragraph 2 of this article shall be made available at the Company's office as of the notice date to the date of the GMS for the interest of the Shareholders.

9. The Company shall announce the Balance Sheet and Profit and Loss Statement in daily newspapers in the Indonesian language and circulated nationally in accordance with the procedures as governed in prevailing in capital market rules.

REPORTING

Article 19

1. The Board of Directors shall prepare a periodic report containing the performance of the Company's Annual Work Plan and Budget.
2. The periodic report as referred to in paragraph 1 of this article shall include a quarterly report and an Annual Report.
3. In addition to the periodic report as referred to in paragraph 2 of this article, the Board of Directors may at any time give special report to the Board of Commissioners.
4. The periodic report and other reports as referred to in this article, shall be submitted in the form, content and manner set forth in the prevailing laws and regulations.
5. The Board of Directors shall submit a quarterly report to the Board of Commissioners no later than 30 (thirty) days after the end of the relevant quarterly period.

GENERAL MEETING OF SHAREHOLDERS

Article 20

1. A GMS in the Company shall mean:
 - a. the annual GMS, as referred to in Article 21.
 - b. any other GMS hereinafter referred to as Extraordinary GMS namely a GMS held at any time if required as regulated in Article 22.
2. The term GMS in these Articles of Association shall mean Annual GMS and Extraordinary GMS, unless expressly provided for otherwise.
3. A GMS with miscellaneous agenda shall not be entitled to adopt resolution, unless all shareholders are present and/or represented at the GMS and approves the miscellaneous agenda.
4. In the GMS, any proposals can be put forward by:
 - a. Board of Commissioners and/or one or more shareholders representing at least 1/10 (one-tenth) of the total shares issued by the Company with valid voting rights;
 - b. respective proposals must be received by the Board of Directors of 7 (seven) days prior to the date of the GMS.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Article 21

1. An Annual GMS shall be held annually.
2. An Annual GMS to approve the Annual Report shall be held no later than May after the closing of the relevant financial year.
3. In the Annual GMS the Board of Directors shall submit:
 - a. the Annual Report, as referred to in Article 18 paragraph 2;
 - b. the proposal on the appropriation of the Company's profit;

- c. the proposal on the appointment of Public Accountant Office to audit the current financial accounts of the Company based on a proposal of the Board of Commissioners or granting of authority to the Board of Commissioners to appoint the Public Accountant Office;
4. In an Annual GMS the matters that have been submitted accordingly to the meeting may be decided, without prejudice to the provisions of these Articles of Association.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Article 22

An Extraordinary GMS may be held at any time according to the Company's requirements and interests.

VENUE, ANNOUNCEMENT, NOTICE AND TIME OF GENERAL MEETING OF SHAREHOLDERS

Article 23

1. A GMS shall be held within the territory of the Republic of Indonesia, namely:
 - a. at the Company's domicile;
 - b. at the Company's business place; or
 - c. at the domicile of the Stock Exchange on which the Company's shares are listed.
2. The Board of Directors shall convene an Annual GMS and Extraordinary GMS with prior notice for the GMS.
3. The announcement of a GMS shall be made no later than 14 (fourteen) days prior to notice for the GMS, excluding the announcement date and notice date.
- 4.a. Notice for a GMS shall be made no later than 14 (fourteen) days prior to the GMS, excluding the notice date and GMS date.
 - b. Notice for the second GMS shall be made no later than 7 (seven) days prior to the second GMS excluding the notice date and the GMS date and enclosed with information that the first GMS has been held without quorum.
 - c. The notice for a GMS shall specify the date, time, place, agenda and announcement that the materials to be discussed in the GMS are available at the Company's office unless otherwise provided for in the prevailing capital market laws and regulations.
 - d. The second GMS shall be held no earlier than 10 (ten) days and no later than 21 (twenty one) days from the first GMS.
 - e. Without prejudice to other provisions set forth in these Articles of Association, the notice shall be made by the Board of Directors or Board of Commissioners in accordance with the procedures set forth in these Articles of Association.
 - f. Announcement and notice shall be conducted by way of advertising the same on at least 2 (two) daily newspapers in Indonesian language one of which is circulated nationally and the other published in the Company's domicile as set forth by the Board of Directors.
 - g. This provision shall apply subject to the prevailing capital market rules and other prevailing laws and regulations as well as the rules of IDX in Indonesia on which the Company's shares are listed.
 - h. The announcement and notice for GMS to decide a conflict of interest shall be made in compliance with the capital market rules.
5. The GMS as referred to in paragraph 2 of this article, may be held upon the request of:
 - a. One or more shareholders representing 1/10 (one-tenth) or more of the total voting shares issued by the Company, or
 - b. The Board of Commissioners;
6. The request as referred to in paragraph 5 of this article, shall be submitted to the Board of Directors via registered mail along with the reasons therefore.

7. The reason as referred to in paragraph 5 of this article includes, without limitation, amongst others:
 - a. The Board of Directors fails to hold an Annual GMS in accordance with the prevailing regulations;
 - b. The term of office of the member of the Board of Directors and/or of the Board of Commissioners shall expire; or
 - c. The Board of Directors is unable to hold the same or there is conflict of interests between the Board of Directors and Company.
8. The registered mail as referred to in paragraph 6 of this article shall be submitted by the Shareholders and the copy of which is addressed to the Board of Commissioners.
9. In the event the Board of Directors does not make announcement and notice for a GMS as referred to in paragraphs 3 and 4 of this article:
 - a. The request for a GMS by the Shareholders as referred to in paragraph 7 letter a of this article, shall be resubmitted to the Board of Commissioners; or
 - b. The Board of Commissioners makes notice for a GMS by itself as referred to in paragraph 7 letter b of this article.
10. The Board of Commissioners shall make notice for a GMS as referred to in paragraph 9 letter b of this article within a period of not later than 30 (thirty) days of the receipt by it of such request.

CHAIRMAN AND MINUTES OF GENERAL MEETING OF SHAREHOLDERS

Article 24

1. A GMS shall be presided over by a member of the Board of Commissioners appointed by the Board of Commissioners.

In the event all members of the Board of Commissioners are absent or unable to attend the meeting, the GMS shall be presided over by one member of the Board of Directors appointed by the Board of Directors. In the event all members of the Board of Directors are absent or unable to attend the meeting, the GMS shall be presided over by a shareholder present at the meeting appointed by and from among the shareholders attending the GMS.
2. In the event the member of the Board of Commissioners appointed by the Board of Commissioners has conflict of interest with respect to the matter to be resolved in the GMS, the GMS shall be presided over by another member of the Board of Commissioners who has no conflict of interest and is appointed by the Board of Commissioners. If all members of the Board of Commissioners have conflict of interest, the GMS shall be presided over by one of the Directors appointed by the Board of Directors. In the event the Director appointed by the Board of Directors has conflict of interest with respect to the matter to be resolved in the GMS, the GMS shall be presided over by another member of the Board of Directors who has no conflict of interest. If all members of the Board of Directors have conflict of interest, the GMS shall be presided over by an independent shareholder appointed by and from among other shareholders attending the GMS.
3. Of all matters discussed and resolved at the GMS, the minutes of the GMS shall be made.
4. The minutes prepared in accordance with the provision in paragraph 3 of this article shall be applicable for a valid evidence for all shareholders and any third parties with respect to the resolution and all matters at the GMS.

QUORUM, VOTING RIGHT AND RESOLUTION AT GENERAL MEETING OF SHAREHOLDERS

Article 25

1. To the extent not otherwise provided in these Articles of Association, the quorum and resolution of a GMS with respect to the matters to be resolved at the GMS shall be determined in accordance with the following provisions:
 - a. The meeting shall be attended by shareholders representing more than 1/2 (one-half) of the total voting shares and the resolution shall be lawful if approved by more than 1/2 (one-half) of the total voting shares present at the GMS;
 - b. In the event the quorum as referred to in paragraph 1 letter a of this article is not met, the second GMS shall be valid and entitled to adopt binding resolution if at least 1/3 (one-third) total voting shares present at the GMS and the resolution shall be valid if approved by more than 1/2 (one-half) of the total voting shares attended at the GMS;

- c. In the event the quorum at the second GMS is not present, then upon request of the Company, the quorum, number of votes for decision making, notice, and time for GMS shall be decided by the Chairman of Bapepam and LK.
2. A GMS to transfer the Company's assets or to encumber the Company's assets as security for loan constituting more than 50% (fifty percent) of the total net assets of the Company either in a single transaction or more, jointly or severally, shall be approved by a GMS with the following conditions:
 - a. attended by shareholders representing at least 3/4 (three-fourth) of the total valid voting shares and resolution shall be valid if approved by more than 3/4 (three-fourth) of the total voting shares present at the GMS;
 - b. in the event the quorum as referred to in paragraph 2 letter a of this article is not present, then in the second GMS the resolution shall be valid if attended by shareholders representing at least 2/3 (twothird) of the total voting shares and resolution shall be valid if approved by more than 3/4 (three-fourth) of the total voting shares present at the GMS; and
 - c. in the event the quorum as referred to in paragraph 2 letter b of this article is not met, then upon request of the Company, the quorum, number of votes for decision making, notice, and time for the GMS shall be determined by the Chairman of Bapepam and LK.
3. A GMS to approve transactions with conflict of interest, shall be held in accordance with the following conditions:
 - a. The shareholders having conflict of interests shall be deemed adopting the same resolution as that approved by the independent shareholder who have no conflict of interest;
 - b. The GMS shall be attended by independent shareholders representing more than 1/2 (one-half) of the total voting shares held by the independent shareholders and resolution shall be valid if approved by independent shareholders representing more than 1/2 (one-half) of the total voting shares lawfully held by the independent shareholders;
 - c. In the event the quorum as referred to in paragraph 3 letter b of this article is not present, then in the second GMS, resolution shall be valid if attended by independent shareholders representing more than 1/2 (one-half) of the total voting shares held by the independent shareholders and approved by more than 1/2 (one-half) of total shares lawfully held by the independent shareholders present at the GMS; and
 - d. In the event the quorum as referred to in paragraph 3 letter c of this article is not present, then upon request of the Company, the quorum, number of votes for decision making, notice, and time for the GMS shall be determined by the Chairman of Bapepam and LK.
4. Changes in the Board of Directors and/or Board of Commissioners and/or Issuance of Equity Securities/Increase in issued and paid-up capital shall be made in accordance with the following provisions:
 - a. attended by the holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing more than 1/2 (one-half) of the total voting shares and resolution is approved by the holder of Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing more than 1/2 (one-half) of the total voting shares present at the GMS.
 - b. in the event the quorum as referred to in paragraph 4 letter a of this article is not met, then in the second GMS the resolution will be valid if attended by the holders of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing at least 1/3 (one-third) of the total voting shares and the resolution shall be approved by the holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing more than 1/2 (one-half) of the total voting shares present at the GMS.
 - c. In the event the quorum of the second GMS is not met, then upon request of the Company, the quorum, number of votes for decision making, notice, and time for the GMS shall be determined by the Chairman of Bapepam and LK, on condition that the meeting shall be attended and approved by the holder of the Series A Dwiwarna Shares.
5. A GMS for the amendment to the Articles of Association of the Company requiring approval of the Minister, shall be held in accordance with the following conditions:
 - a. Amendment to the Articles of Association shall be approved by a GMS, attended by the holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing at least 2/3 (two-third) of the total voting shares and the resolution shall be approved by the holder of Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing more than 2/3 (two-third) of the total voting shares present at the GMS.
 - b. In the event the quorum as referred to in paragraph 5 letter a of this article is not present then in the second GMS resolution shall be valid if attended by holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives representing at least 3/5 (three-fifth) of the total voting shares and resolution is approved by

the holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing at least more than 1/2 (onehalf) of the total voting shares present at the GMS.

- c. In the event the quorum as referred to in paragraph 5 letter b of this article is not present, then upon request of the Company, the quorum of the third GMS, the number of votes for decision making, notice and time for the GMS shall be determined by the Chairman of Bapepam and LK, on condition that the meeting shall be attended and approved by the holder of the Series A Dwiwarna Shares.
6. With due observance to the provision of the prevailing laws and regulations, the Merger, Consolidation, Acquisition, Separation, petition for Company's bankruptcy, and Dissolution may only be made upon approval of the GMS, with the following conditions:
 - a. The meeting is attended by the holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing at least 3/4 (three-fourth) of the total voting shares and the resolution shall be approved by the holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives jointly representing at least 3/4 (three-fourth) of the total voting shares present at the GMS.
 - b. In the event the quorum as referred to in paragraph 6 letter a of this article is not met, then in the second GMS resolution shall be valid if attended by holder of the Series A Dwiwarna Shares and other shareholders and/or their respective representatives representing at least 2/3 (two-third) of the total voting shares and resolution is approved by the holder of the Series A Dwiwarna Shares and approved by other shareholders and/or their respective representatives jointly representing more than 3/4 (three-fourth) of total voting shares present at the GMS.
 - c. In the event the quorum as referred to in paragraph 6 letter b of this article is not met, then upon request of the Company, the quorum, number of votes for decision making, notice, and time for the GMS shall be determined by the Chairman of Bapepam and LK, on condition that the meeting shall be attended and approved by holder of the Series A Dwiwarna Shares.
7. The parties eligible to attend the GMS shall be the shareholders whose names are listed in the Register of Shareholders of the Company 1 (one) Business Day before the date of notice for the GMS with due observance to the laws and regulations and rules of IDX on which the Company's shares are listed.
8. The shareholders may be represented by another shareholder or any third party by virtue of power of attorney in compliance with the laws and regulations.
9. The Chairman of the GMS is entitled to request for the presentation of the power of attorney before him prior to the execution of the meeting.
10. At the meeting, each share entitles the holder to cast 1 (one) vote.
11. The shareholders with lawful voting shares present at the GMS but not casting a vote (abstain) shall be deemed casting the same vote as the vote cast by the majority shareholders.
12. The members of the Board of Directors, members of the Board of Commissioners, Secretary of the Board of Commissioners and employees of the Company may act as the proxy at the meeting, but in the voting calculation, the members of the Board of Directors, members of the Board of Commissioners, Secretary of the Board of Commissioners and/or employees concerned shall not act as the proxy of the shareholders.
13. Voting is conducted verbally, unless provided otherwise by the Chairman of the meeting.
14. All resolutions shall be adopted in deliberation for consensus. In the event no consensus is reached in the deliberation, the resolution shall be adopted by majority vote as set forth in these Articles of Association.

USE OF PROFITS

Article 26

1. The use of net profit including the provision for losses shall be determined by GMS.
2. All net profits less provision for losses as referred to in paragraph 1 of this article shall be distributed to the Shareholders as dividend unless specified otherwise by a GMS.
3. In addition to the use of net profits as referred to in paragraph 2 of this article, a GMS may determine the use of profits for other distributions such as bonus for the Board of Directors, Board of Commissioners, Secretary of the Board of

Commissioners, and bonus for employees, or placement of the net profits in the Company's reserve intended for expansion of the Company's business the percentage of which is specified each year by the GMS.

4. Dividend as referred to in paragraph 2 of this article may only be distributed if the Company has positive retained earnings.
5. The use of net profits for bonus and gratuities as referred to in paragraph 3 of this article, may be made to the extent not budgeted nor calculated as expenses in the current year.
6. If the Company shows improvement in its performance exceeding the prescribed target, though it still has no positive retained earnings, the Company may give bonus to the members of the Board of Directors and Board of Commissioners as well as bonus to the employees to the extent such amount has been budgeted and calculated as expense.
7. In case the profit and loss account in one financial year shows a loss that cannot be covered by the reserve fund, then the loss shall continue to be recorded in the Company's books and, in subsequent financial years, the Company shall be considered not to have made any profits as long as the loss recorded in the profit and loss statement has not been fully covered, without prejudice to the prevailing regulations.
8. Except for portion of dividend to which the Republic of Indonesia is entitled, any dividends which are not claimed 5 (five) years after it is available for payment, shall be included in the special reserve fund account designated for such purpose.
9. The dividend included in the special reserve account as referred to in paragraph 8 of this article and not claimed for a period of 10 (ten) years shall become the Company's rights.
10. The Company may distribute interim dividend prior to the end of the Company's financial year if requested by the Shareholders representing at least 1/10 (one-tenth) of the total shares issued, by considering the projected earnings and the financial ability of the Company.
11. The distribution of interim dividend shall be determined in accordance with the resolution of the meeting of the Board of Directors upon approval of the Board of Commissioners, in compliance with paragraph 10 of this article.
12. If the Company suffers from a loss at the end of the financial year, the appropriated interim dividend shall be returned by the Shareholders to the Company.
13. The Board of Directors and Board of Commissioners shall be jointly responsible for the Company's loss if the Shareholders are unable to return the interim dividend as referred to in paragraph 12 of this article.

USE OF RESERVE

Article 27

1. The Company shall establish a mandatory reserve and other reserves.
2. The Company may set aside of the net profit for the reserve as mentioned in paragraph 1 of this article apply if the Company has positive retained earnings.
3. The Company may set aside the net profit for the mandatory reserve as referred to in paragraph 1 of this article is conducted until such reserve reaches at least 20% (twenty percent) of the issued and paid up capital.
4. The mandatory reserve as referred to in paragraph 1 of this article which has not reached the amount as referred to in paragraph 3 of this article can only be used to cover Company's losses which cannot be fulfilled by other reserve.
5. If the mandatory reserve as referred to in paragraph 1 of this article has reached more than 20% (twenty percent), the GMS can determine that the excess of such reserve be used to fulfill the Company's needs.
6. Board of Directors has to manage the reserve fund so the reserve fund will obtain profit, in a way which is deemed as proper by the Board of Directors, with approval from the Board of Commissioners and with due observance to the prevailing laws and regulations.
7. Profit from the reserve fund will be recorded in calculating profit and loss.

AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 28

1. The amendment to the Articles of Association shall be in compliance with Company Law and/or Capital Market rules.
2. The agenda of amendment to the Articles of Association shall be clearly mentioned in the notice for the GMS.
3. Amendment to the Articles of Association shall be approved by a GMS that must be attended and approved by the holder of the Series A Dwiwarna Shares, in accordance with Article 25 and amendment to the Articles of Association not requiring approval of the Minister shall also be attended and approved by the holder of the Series A Dwiwarna Shares.
4. Amendment to the provisions of the Articles of Association in relation to the change in name, domicile of the Company, purposes and objectives, business activities, duration of the Company, amount of authorized capital, decrease in the issued and paid-up capital and change in the status of the Company from private company to public company or vice versa, shall obtain approval from the Minister as referred to in UUPT.
5. Any amendments to the Articles of Association in addition to those relating the matters as set forth in paragraph 4 of this article shall be notified to the Minister in compliance with the provision of Company Law.
6. The provision regarding decrease in the amount of capital shall be in compliance with laws and regulations particularly those prevailing in the Capital Market.

MERGER, CONSOLIDATION, ACQUISITION AND SEPARATION

Article 29

1. Merger, Consolidation and Acquisition and Separation shall be approved by the GMS in accordance with Article 25 paragraph 6.
2. Further provisions regarding Merger, Consolidation, Acquisition and Separation shall be as referred to in laws and regulations particularly those prevailing in the Capital Market.

DISSOLUTION, LIQUIDATION AND CHANGE IN STATUS OF LEGAL ENTITY

Article 30

1. The dissolution of the Company may be conducted by virtue of resolution of the GMS in accordance with Article 25 paragraph 6.
2. If the Company is dissolved by virtue of resolution of a GMS or being declared dissolved by virtue of a judicial order, liquidation shall be made by Liquidators.
3. The Liquidators shall be responsible to the GMS or the court appointing them for the liquidation of the Company.
4. The Liquidators shall notify the Minister and announce the final results of the liquidation process in daily newspapers after the GMS grants full acquittal and discharge to the Liquidators of after the Court accepts the accountabilities of the Liquidators appointed by it.
5. Provisions regarding dissolution, liquidation, and change in status of legal entity of the Company shall be in compliance with the laws and regulations, particularly those prevailing in the Capital Market.

CLOSING PROVISION

Article 31

Any matters not covered or sufficiently provided in these Articles of Association, shall be resolved by a GMS.

Acting in the capacity as mentioned above explains the shareholding structure and the Board of Commissioners and Board of Directors.

- I. The shareholders have fully deposited as specified in Article 4, paragraph 3, amounting 1 (one) Equity Series A Dwiwarna Share and 22,640,995,999 (twenty two billion six hundred forty million nine hundred and ninety five thousand nine hundred ninety nine) Series B Shares, with the aggregate nominal amount of 10,382,217,164,000 (ten trillion three

hundred and ninety two billion two hundred and seventeen million one hundred sixty four thousand Rupiah), which have been deposited with the following details:

- a. REPUBLIC OF INDONESIA amounting:
 - (a) 1 (one) Series A Dwiwarna Share, with a nominal value of Rp459.00 (four hundred and fifty nine Rupiah), with total nominal value amounting Rp459.00 (four hundred and fifty nine Rupiah);
 - (b) 15,653,127,999 (fifteen billion six hundred fifty three million one hundred twenty seven thousand nine hundred ninety nine) Series B Shares with total nominal value amounting Rp7,184,785,751,541.00 (seven trillion one hundred twenty-seven thousand nine hundred ninety nine Rupiah).
- b. PUBLIC, amounting 6,987,868,000 (six billion nine hundred and eighty seven million eight hundred and sixty eight thousand) Series B Shares with total nominal value amounting Rp3,207,43,412,000.00 (three trillion two hundred and seven billion four hundred and thirty one million four hundred twelve thousand Rupiah).

XVI. TERMS FOR THE EXERCISE OF RIGHTS AND PURCHASE OF NEW SHARES

The Company has appointed PT Datindo Entrycom as the share registrar and execution agent (the "Share Registrar") of the Rights Issue pursuant to the Deed of Agreement on Shares Administration Management and Execution Agent (*Akta Perjanjian Pengelolaan Administrasi Saham dan Agen Pelaksanaan*) of the Rights Issue I of PT Garuda Indonesia (Persero) Tbk., No. 19 dated February 20, 2014, both of which were made before Fathiah Helmi, S.H., Notary in Jakarta.

The followings are the conditions and procedures for the exercise of Rights and subscription of shares:

1. Qualified Subscribers

Shareholders whose names are registered in the Shareholders Register (the "Register") of the Company on April 4, 2014, at 16.00 West Indonesia Time (the "Record Date") will receive Rights to subscribe for Shares in the ratio of 701,409 (seven hundred thousand four hundred and ninety) Rights for every 100,000 (one hundred thousand) Existing Shares that they own as of the Record Date, Where each Right will entitle the holder thereof to purchase 1 (one) new Share with a Nominal Value of Rp459 (four hundred and fifty nine Rupiah) per share at the Exercise Price of Rp460 (four hundred and sixty Rupiah) per share.

Only shareholders whose names are legally registered in Shareholders Register on the Record Date who have not sold their Rights, who are purchasers of Rights whose name are listed on a Rights Certificate or in the endorsement columns on a Rights Certificate (for Rights in scrip form), or Rights Holders who are registered in the Collective Depository of KSEI as holders of Rights may apply to exercise their Rights and to subscribe for Rights Shares. An applicant may be an Indonesian or foreign individual, or institution or legal/business entity, as stipulated in the Capital Market Law.

To expedite the registration and compliance schedule the eligible shareholders for the shareholder will exercise its right to acquire the Rights are advised to apply before the deadline for shareholder registration is April 4, 2014 at close of stock trading in Indonesia Stock Exchange.

2. Distribution of Rights Certificate

Shareholders who hold Existing Shares through the Collective Depository of KSEI will receive their Rights electronically through the securities account of their respective securities companies that are members of the IDX ("member of Stock Exchange") and/or custodian bank in KSEI ("Custodian Bank") no later than 1 (one) Exchange Day after the Record Date, i.e. on April 7, 2014. The Final Prospectus, Additional Shares Subscription Form ("Additional FPPS") and other forms will be available and can be obtained by Shareholders from the office of the Share Registrar, namely PT Datindo Entrycom, at Puri Datindo, Wisma Sudirman, Jl. Jend. Sudirman Kav. 34-35, Jakarta, upon presentation of documentation relating to the identity of the registered Shareholder and its member of Stock Exchange or Custodian Bank.

Shareholders who do not hold their Existing Shares through the Collective Depository of KSEI will receive their Rights in the form of Rights Certificates in the name of such Shareholders. Shareholders or their proxies may collect such Rights Certificates from the Share Registrar during working hours on any business day starting from April 8, 2014 until April 16, 2014 by presenting the following documents:

- a) Copy of the Shareholder's identification document (for individual shareholders) or a copy of its articles of association (for corporate/institutional shareholders). Such Shareholders will also be required to present the originals of such documents; or
- b) If a Shareholder cannot be present at the Share Registrar's office, an original power of attorney by the Shareholder (if given) bearing a Rp.6,000 (six thousand Rupiah) revenue stamp, copies of valid identification documents of the Shareholder and its proxy (the original identification documents of the Shareholder and its proxy must be shown).

3. Procedures for The Exercise of Rights

The exercise period for the Rights is from April 8, 2014 to April 16, 2014.

- A. The holders of Rights in the Collective Custody at KSEI that will carry out its pre-emptive rights shall apply for implementation through the Exchange Member / Custodian Bank appointed as the manager of its effect. Furthermore Exchange Member / Custodian Bank to appeal or instruction execution (exercise) through C-BEST system in accordance with procedures established by KSEI. In doing instruction execution, the Exchange Member / Custodian Bank must fulfill the following requirements:

- i. Rights holders should provide the funds at the time of execution of Rights apply it;
- ii. Adequacy of Rights and the payment of funds for the implementation of pre-emptive rights shall be available on the securities account and fund account holders of Rights who perform the implementation.

In 1 (one) working day KSEI will deliver the list in the Collective Custody Rights holders who exercise their rights in KSEI and deposit a payment for the implementation of pre-emptive Rights to the Company's bank account.

The new shares of the implementation of the Rights will be distributed to each Securities Account holders of Rights who exercise their rights concerned by KSEI. The new shares of the implementation of the Rights will be distributed no later than 2 (two) working days after the request is received from KSEI implementation and fund the payment has been received well (in good funds) in the Company's account.

- B. The Rights holders in scrip or certificate form which will exercise their Rights must submit a Rights request to the Share Registrar which is appointed by the Company by submitting the documents as follows:
 - i. Original Rights Certificate duly signed and completed;
 - ii. Original receipt with respect to the payment of the Exercise Price for the Rights;
 - iii. Copy of ID / Passport / Permit is still valid (for individual), or a photocopy of the Articles of Association and attachments susunan Direksi / administrator who is authorized to represent (for institutions / Legal Entity);
 - iv. Original valid Power of Attorney (if authorized) stamped Rp6.000,- (six thousand dollars) shall be accompanied by a photocopy of ID card / Passport / Permit from the giver and receiver power;
 - v. If the holders of Rights requires the implementation of the results of the New Shares in electronic form to the Registrar execution petition must be filed through the Exchange Member or custodian bank designated by submitting additional documents such as:
 - Original Power of Attorney of the holders of Rights to exchange members or custodian bank to apply for the implementation of the Rights and manage the effects of upper New Shares in collective custody in KSEI on behalf of the authority;
 - Original Securities Deposit Form issued by KSEI who has completed and signed in full.

The Company will issue new shares which are the results of the implementation of the Rights Shares Collective Letter physical form of Shares Collective Letter, if the holder of the Certificate of Rights does not want to share the results of their implementation are included in collective custody in KSEI.

Registration Rights Implementation is done in the Office of the Share Registrar. Registration can be done starting on April 8, 2014 to April 16, 2014 on a working day (Monday - Friday from 9:00 to 15:00 pm).

Should the contents of the Certificate of Rights is not in accordance with the instructions / requirements of subscription set forth in the Certificate of Rights and the Prospectus, then this may result in rejection of the subscription. The Rights are only deemed to have been executed at the time such payment has been proven to be received well (in good funds) in the accounts of the Company in accordance with the provisions set out in the terms of the purchase.

4. Application for Additional Shares

Shareholders whose Rights is unsold or the purchaser of Rights or Rights Holders whose names are listed on a Certificate of Rights registered in the Collective Depository of KSEI as holders of Rights may apply for subscription of Additional Shares which are in excess of Rights that are issuable to them upon by completing the additional shares purchase subscription column and/ or Additional FPPS which has been provided.

Rights Holders who hold their Rights in script form/ Certificate of Rights and who have requested for their Rights which were distributed or granted to them in electronic form, must submit their application for Additional Shares to the Share Registrar through their Stock Exchange member or Custodian Bank by submitting the following documents:

- a) Original Additional FPPS duly and properly completed;
- b) Original power of attorney from the Rights Holder appointing the Stock Exchange member or Custodian Bank as its attorney to submit an application for Additional Shares and to manage the Additional Shares in the Collective Depository of KSEI and other authorizations as may be required in connection with the application for Additional Shares;
- c) Copy of Right Holder's valid Identity Card ("ID")/Passport/KITAS (for individual shareholders) or copy of its Articles of Association enclosed with the latest composition of the Board of Directors/management (for corporate or institutional Rights Holders);

- d) Original receipt of transfer/bank draft/cheque/cash to the special bank account designated by the Company from the bank to which the payment is made;
- e) Original securities deposit form issued by KSEI duly signed and completed for the purpose of distribution of Rights Shares by the Share Registrar.

Rights Holders who hold their Rights through the Collective Depository of KSEI must complete and deliver the Additional FPPS which has been distributed by enclosing the following documents:

- a) Original exercise instruction which has been successfully settled through the C-Best facility in the name of such Rights Holder (applicable only for Rights holders in the Collective Depository of KSEI who exercised their rights through the C-Best system);
- b) Original securities deposit form issued by KSEI duly signed and completed for the purpose of distribution of Rights Shares by the Share Registrar;
- c) Original receipt of transfer/bank draft/cheque/cash to the special bank account designated by the Company from the bank to which the payment is made.

Rights Holders who hold their Rights in scrip form and who have exercised their Rights and requested that the Shares be in scrip form/represented by Collective Shares Certificate must submit an application for Additional Shares to the Share Registrar by delivering the following documents:

- a) Original Additional FPPS duly and properly completed;
- b) An original valid power of attorney bearing a Rp 6.000 (six thousand Rupiah) revenue stamp, enclosed with copies of valid identification documents of the Rights Holder and its proxy (KTP/Passport/KITAS);
- c) Copy of the Rights Holder's valid ID/Passport/KITAS (for individual Rights Holders) or copy of its articles of association and latest composition of the board of directors/management (for corporate or institutional Rights Holders); and
- d) Original receipt of transfer/bank draft/cheque/cash to the special bank account designated by the Company from the bank to which the payment is made.

Payment for Additional Shares must be made and must already be received in good funds in the special bank account designated by the Company at the latest by than April 21, 2014. Failure to follow the instructions for share application may result in the rejection of an application.

5. Allotment of Additional Shares

Allotment of applications for Additional Shares will be conducted on April 22, 2012 with provisions as follows:

- a) If the number of Rights subscribed, including through applications for Additional Shares, does not exceed the total number of Rights offered in the Rights Issue, thus each Rights Holder will receive the number of Additional Shares that it has applied for;
- b) If the number of Rights subscribed, including through applications for Additional Shares, exceeds the total number of Rights offered in the Rights Issue, then each Rights Holder who has applied for Additional Shares shall be allotted a proportionate number of Additional Shares based on the number of Rights exercised by each Rights Holder;
- c) The number of Additional Shares to be allotted shall be the number of Rights not been subscribed by the exercise of Rights, after taking into account the share ownership in the Company subsequent to the completion of the Rights Issue and with the assumption that the outstanding options issued under the MESOP, such that the shareholding interest of the GOI shall be 60% form the issued and paid-up capital and the shareholding interest of the public shall be the remaining 40%.

The Allotment Manager will submit an audit report of the accountant, appointed in relation to the Rights Issue, to OJK with respect to the fairness of the allotment with reference to Bapepam and LK Regulation No. VIII.G.2 regarding Guidelines for Audit by Accountant with respect to Subscription and Allotment of Securities or Distribution of Bonus Shares, and Bapepam and LK Regulation No.IX.A.7 regarding Responsibility of Allotment Manager in relation to Subscription and Allotment of Securities in Public Offering, no later than 30 days after the Allotment

6. Terms of Payment

Payments of the Exercise Price in relation to the exercise of Rights or application for Additional Shares in relation to the Rights Issue must be made in full or in cash, cheque, bank draft, giro or transfer with reference to the serial number on the Rights Certificate or Additional Rights and The payment shall be made to the following bank account of the Company:

PT Bank Mandiri (Persero) Tbk.
Branch: KCP Tangerang Management Building Garuda City
Bandara Soekarno Hatta Airport Office Area
Account Number : 155-00-2014201-7
Account Holder : PT. Garuda Indonesia (Persero) Tbk.

If the payment is made by cheque or book entry settlement or transfer or bank draft, the date of payment shall be the date of receipt of such cheque/transfer/bank draft in good and clear funds in the abovementioned bank account of the Company.

Payment with respect to applications for Additional Shares must be made on the day of the application and must be received in good and clear funds in the Company's bank account by no later than April 21, 2014.

Any bank expenses and transfer fees that may be incurred from the purchase of Rights or I in this Rights Issue shall be borne by the Rights Holders. Any exercise of Rights or application for Additional Shares that fails to meet the payment requirements set out herein shall be rejected.

7. Receipt for the Exercise of Rights and Applications for Additional Shares

The Company, through the Share Registrar appointed by it, upon accepting an instruction relating to the exercise of Rights or an application for Additional Shares,, shall provide the Rights Holder with a receipt which will be duly stamped and signed as evidence of application, which can be used by the Rights Holder to collect the Rights or refund for any Additional Shares that have not been allocated to it.

Rights Holders who hold their Rights through the Collective Depository of KSEI will receive confirmation of their exercise of Rights from C-BEST through the KSEI account holder.

8. Rejection of Exercise of Rights or Application for Excess Shares

The Company reserves the right to reject an exercise of new Rights or application for Additional Shares, in whole or in part, in accordance with the applicable terms and conditions. Notice of rejection shall be provided together with the announcement of allotment of shares application.

The following may result in a rejection of an exercise of Rights or rejection of application for Additional Shares, among others:

- a. the Rights Certificate or Additional FPPS are not completed according to the instructions/conditions for subscription of Rights offered in the Rights Issue as contained in the Rights Certificate, and Prospectus.
- b. Failure to fulfill the terms of payment.
- c. Failure to deliver the required documents for such exercise or application.

9. Refund

If an application for Additional Shares is not fulfilled in whole or in part, or in the event of the rejection of such an application or exercise of Rights, a refund will be paid by the Company no later than April 24, 2014 (the "Allotment Date"). Refund are made by cheque or transfer to the account of the subscriber. The returned payment in form of a cheque can be collected in the Company's Shares Registrar's Office on the working days and working hours (Monday – Friday, 09.00 to 15.00, Western Indonesian Time). Collection of the cheque after the date of 24 April 2014 may only be made in the Company's office.

Refund can only be taken by showing the original ID card or other proof of identity and submit the Subscription Receipt Shares . Subscribers are not charged the bank and transfer fees for the returned amount . If the buyer is unable to take his own , then the buyer may authorize the person designated by attaching a power of attorney duly stamped Rp6.000,- (six thousand dollars) and copies identification card givers and receivers as well as demonstrating the power of the original .

Refund of shares exceed two (2) working days after the Allotment Date or after the date of announcement of the cancellation of the limited public offering by the Company based on proof of payment will include interest calculated start the second business day after the Allotment Date or after the date of announcement of the cancellation of the Rights Issue I until the date of refund shares (refund) .

Amput of the interest for the delay in the refund of these shares is calculated at the average deposit 1 (one) month maximum deposit in accordance with Bank Indonesia's maximum deposit interest. The Company does not provide interest on the refund stock if such delay is caused by the buyer who does not take a refund in accordance with the specified time .

For the buyer of shares in KSEI the reservation money will be refunded to the account of the applicant by KSEI .

10. Distribution of New Shares from Rights Exercised and Credit to Securities Account

Rights to be issued in connection with the exercise of Rights by a Rights Holder through KSEI shall be credited to such Rights Holder's securities account within 2 (two) Business Days after the instruction with respect to such exercise is received from KSEI and the Exercise Price for such shares are paid in good funds to the bank account designated by the Company. Rights to be issued in connection with the exercise of Rights in script form by a Rights Holder shall be issued in the form of Collective Shares Certificate or script shares no later than 2 (two) Business Days after the instruction with respect to such exercise is received by the Share Registrar and the Exercise Price for such shares are paid in good funds to the bank account designated by the Company.

Additional Shares that are allotted shall be available for collection in the form of Collective Shares Certificate or will be distributed in electronic form through the Collective Depository of KSEI no later than 1 (one) Exchange Days after the Allotment Date.

Rights from the exercise of Rights that have not been registered in the Collective Shares Certificates may be collected every business day (Monday – Friday, at 09.00 – 15.00 West Indonesia Time) from April 8, 2014 to April 16, 2014. Collections of Collective Share Certificates may be made at the office of the Share Registrar upon the presentation/submission of the following documents:

- a) Original valid identity card/Passport/KITAS (for individual Rights Holders);
- b) Copy of valid Articles of Association (for corporate and institutional Rights Holders) and latest composition of the Board of Directors/Board of Commissioners or management;
- c) If a Rights Holder cannot be present at the Share Registrar's office and collection is made through its proxy, an original lawful power of attorney (for institutions/legal entities or individuals so authorized) bearing aRp.6.000 (six thousand Rupiah) revenue stamp enclosed with copy of Identity Card/Passport/KITAS of the Rights Holder and the proxy;
- d) Original receipt of instruction to exercise Rights or application for Additional Shares.

11. Allocation of Unsubscribed Rights

If the new shares offered in the Right Issue I was not entirely taken part by the holders of Rights Certificates portion of the public, then the rest of the new shares will be allocated to other public shareholders who place an order exceeding their rights as stated in the Certificate of Rights or the Order Form and Purchase of Shares additional proportionately based on the Rights that have been implemented.

If after such allocation there are still remaining shares offered, then the rest of the shares will be returned to become the portfolio shares of the Company.

12. Transfer of Rights

Rights holders who do not exercise their rights to buy new shares under the Rights Issue I, it can sell the rights to other parties from April 8, 2014 until April 16, 2014 through Indonesia Stock Exchange or the Exchange can be carried out in accordance with Bapepam and LK. IX.D.1 of Preemptive Rights.

Shareholders who do not exercise their rights after the execution of Rights can decrease the percentage ownership (diluted) up to a maximum of 12.48% (twelve point forty-eight percent) prior to the implementation of MESOP and by 13.21% (thirteen point twenty one percent) after the implementation of MESOP.

13. Registration of Rights Certificate

A Shareholder may register its rights in scrip form, either personally or through an authorized party at:

PT Datindo Entrycom
Puri Datindo – Wisma Sudirman
Jl. Jenderal Sudirman Kav. 34, Jakarta
Phone. 021 – 5709009
Facsimile. 021 – 5709026

by submitting the following documents:

- a. Original Rights Certificate duly signed and completed
- b. Original bank receipt in the form of transfer receipt/giro/cheque/cash from the bank
- c. Copy of valid ID/Driving Licenses/Passport (for individual Shareholders) or a copy of its Articles of Association (for corporate or institutional Shareholders)

-
- d. If a Shareholder cannot be present at the Share Registrar's office and the registration of the Rights Certificate is made through its proxy, a power of attorney bearing a Rp6.000 (six thousand Rupiah) revenue stamp along with copy of identity card of the Shareholder and the proxy. Foreign applicants are required to, in addition to including the complete name and address of the Shareholder, include their legal name and address outside the country in a complete and clear manner (original identity documentation of the Shareholder and proxy shall be taken into account).

Registration Day:

Date: April 8, 2014 to April 16, 2014

Time : 09.00 – 16.00 West Indonesia Standard Time

- e. Fully signed and completed Additional FPPS duly signed and completed (if subscribing for Additional Shares)

XVII. DISTRIBUTION OF PROSPECTUS AND RIGHTS CERTIFICATES

The Prospectus, Rights Certificates, Additional FPPS and Application for Splitting of Rights Certificates will be available and can be personally collected by the Company's Shareholders whose names are listed in the Shareholders Register of the Company on April 7, 2014 at 16.00 Western Indonesia Standard Time at the following address:

PT Datindo Entrycom
Puri Datindo
Jl. Jenderal Sudirman Kav. 34, Jakarta
Phone. 021 – 5709009
Facsimile. 021 – 5709026

If until April 16, 2014, the Company's shareholders whose names are registered in the Shareholders Register on April 4, 2014 at 16.00 Western Indonesia Standard Time has collected the Prospectus and Rights Certificate and do not contact PT Datindo Entrycom as the Share Registrar of the Company, any losses arising will not be borne by PT Datindo Entrycom or the Company, but they will be the responsibility of those shareholders.

XVIII. ADDITIONAL INFORMATION

For further information in relation to the Rights Issue I or any inquiries in relation to this Prospectus, Shareholders may contact the following:

PT Garuda Indonesia (Persero) Tbk.

Headquarter:

Jl. Kebon Sirih No. 44
Jakarta 10110, Indonesia
Telp. 62 21 231 1355
Fax. 62 21 231 1223

Management Office:

Management Building
Garuda City
Soekarno-Hatta International Airport
Cengkareng 19120, Indonesia