Deloitte.

PT. GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2015 (UNAUDITED) AND DECEMBER 31, 2014, 2013 AND 2012 AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2015 AND 2014 (UNAUDITED), AND THE YEARS ENDED DECEMBER 31, 2014 AND 2013

AND INDEPENDENT AUDITORS' REPORT

Osman Bing Satrio & Eny

TABLE OF CONTENTS

Garuda Indonesia

DIRECTOR'S STATEMENT LETTER
RELATING TO THE RESPONSIBILITY
ON THE CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2015 AND
DECEMBER 31, 2014, 2013 AND JANUARY 1, 2013/ DECEMBER 31, 2012 AND FOR THE THREE-MONTH PERIODS
ENDED MARCH 31, 2015 AND 2014 AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES

We the undersigned:

1.	Name	: M. Arif Wibowo
	Office address	: Gd. Garuda Indonesia Jl. Kebon Sirih No. 44 Jakarta – 10110, Indonesia
	Domicile as stated in ID card	: Jl. Vanda XI No. 10, Palem Semi RT 004/RW 011 Kel. Panunggangan Barat, Kec. Cibodas, Tangerang
	Phone number	: +62 21 55915671
	Position	: President & CEO
2.	Name	: IG. N. Askhara Danadiputra
	Office address	: Gd. Garuda Indonesia Jl. Kebon Sirih No. 44 Jakarta – 10110, Indonesia
	Domicile as stated in ID card	: Jl. Sunan Derajat No. 52, RT 008/RW 005 Kel. Jati, Kec, Pulogadung, Jakarta Timur
	Phone number	: +62 21 25601306
	Position	: Director of Finance & Risk Management

State that:

1. Responsible for the preparation and presentation of the consolidated financial statements;
2. The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards (SAK);
3. a. All information contained in the consolidated financial statements is complete and correct;
   b. The consolidated financial statements do not contain misleading material information or facts, and do not omit material information and facts;
4. Responsible for the Company's internal control system.

This statement letter is made truthfully.

For and on behalf of the Board of Directors
Jakarta, April 29 , 2015

METERAI TEMPEL
A2BCADF016618486
6000
ENAM RIBU RUPIAH

Garuda Indonesia
PRESIDENT

Garuda Indonesia
Director of Finance & Risk Management

0150 33 | 150582

M. Arif Wibowo	**IG. N. Askhara Danadiputra**
President & CEO	Director of Finance & Risk Management

Deloitte.

Osman Bing Satrio & Eny
Registered Public Accountants
License: KMK No. 1423/KM.1/2012
The Plaza Office Tower 32nd Floor
Jl. M.H. Thamrin Kav 28 - 30
Jakarta 10350, Indonesia

Tel: +62 21 29923100
Fax: +62 21 29928200, 29928300
E-mail: iddttl@deloitte.com
www.deloitte.com

Report on Review of Interim Financial Information

No. SR115 0055 GIA FAN

The Stockholders, Boards of Commissioners and Directors
PT. Garuda Indonesia (Persero) Tbk

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT. Garuda Indonesia (Persero) Tbk and its subsidiaries, which comprise the interim consolidated statement of financial position as of March 31, 2015, and the interim consolidated statements of profit or loss and other comprehensive income, interim consolidated statements of changes in equity, and interim consolidated statements of cash flows for the three-month periods ended March 31, 2015 and 2014, and summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on this interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of PT. Garuda Indonesia (Persero) Tbk and its subsidiaries as of March 31, 2015, and their consolidated financial performance and their cash flows for the three-month periods ended March 31, 2015 and 2014, in accordance with Indonesian Financial Accounting Standards.

Other Matter

This report has been prepared in connection with the Company's offering of debt securities.

OSMAN BING SATRIO & ENY

Muhammad Irfan
Public Accountant License No. AP.0565

April 29, 2015

Osman Bing Satrio & Eny

Deloitte.

Osman Bing Satrio & Eny
Registered Public Accountants
License: KMK No. 1423/KM.1/2012
The Plaza Office Tower 32nd Floor
Jl. M.H. Thamrin Kav 28 - 30
Jakarta 10350, Indonesia

Tel: +62 21 29923100
Fax: +62 21 29928200, 29928300
E-mail: iddttl@deloitte.com
www.deloitte.com

Independent Auditors' Report

No. GAR115 0525 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, 2014, and the consolidated statement of profit or loss and other 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.

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 financial position of PT. Garuda Indonesia (Persero) Tbk. and its subsidiaries as of December 31, 2014, and their consolidated financial performance and cash flows for the year then ended, in conformity with Indonesian Financial Accounting Standards.

Emphasis of Matter

We draw attention to Note 2 and 5 to the consolidated financial statements, the accompanying consolidated financial statements have been retrospectively adjusted for the adoption of new PSAK which is effective January 1, 2015. Our opinion is not modified in respect of this matter.

Other Matter

This report has been prepared in connection with the Company's offering of debt securities. Prior this report we have previously issued our report No.GA115 0149 GIA FAN dated March 18, 2015 on the consolidated financial statements of PT Garuda Indonesia (Persero) Tbk and its subsidiaries for the year ended December 31, 2014 with unqualified opinion.

OSMAN BING SATRIO & ENY

Muhammad Irfan
Public Accountant License No. AP.0565

April 29, 2015

	Notes	March 31, 2015 (Unaudited)	As restated - Note 5 December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012
		USD	USD	USD	USD
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6,46	464,898,910	434,327,498	480,429,053	334,081,961
Trade accounts receivables					
Related parties	7,46	2,662,185	2,747,485	3,895,720	4,442,106
Third parties - net of allowance for impairment loss of USD 6,226,315 in March 31, 2015, USD 6,599,637 in December 31, 2014, USD 2,844,443 in December 31, 2013 and USD 1,562,838 in January 1, 2013/December 31, 2012		137,325,563	117,876,342	141,661,109	131,345,666
Other receivables	8	10,645,811	8,349,932	9,158,363	8,068,782
Inventories - net	9	85,498,623	85,204,399	91,325,429	84,309,102
Advances and prepaid expenses	10	135,139,648	134,765,800	90,118,503	85,886,470
Prepaid taxes	11	30,712,871	27,243,487	19,934,137	9,728,588
Total Current Assets		866,883,611	810,514,943	836,522,314	657,862,675
NON CURRENT ASSETS					
Maintenance reserve fund and security deposits	12,49,50	847,884,492	786,933,317	617,623,057	461,933,812
Advances for purchase of aircraft	13	367,309,429	388,883,491	500,366,435	497,157,419
Investments in associates	14	284,787	545,647	972,087	1,179,564
Deferred tax assets	11	121,883,572	119,650,511	34,850,834	22,076,105
Property and equipment - net of accumulated depreciation of USD 1,212,889,722 in March 31, 2015, USD 1,188,605,633 in December 31, 2014, USD 1,058,880,732 in December 31, 2013 and USD 985,069,094 in January 1, 2013/ December 31, 2012	15	887,207,438	922,994,362	895,017,840	826,747,800
Investment properties	16	26,708,125	26,818,510	22,020,790	18,912,898
Intangible assets - net	17	5,600,641	6,047,329	6,822,881	7,217,106
Deferred charges - net		5,317,578	5,411,785	7,275,144	1,690,740
Other assets - net	18,46	43,124,762	45,279,420	76,167,174	73,328,314
Total Non Current Assets		2,305,320,824	2,302,564,372	2,161,116,242	1,910,243,758
TOTAL ASSETS		**3,172,204,435**	**3,113,079,315**	**2,997,638,556**	**2,568,106,433**

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

	Notes	March 31, 2015 (Unaudited)	As restated - Note 5 December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012
		USD	USD	USD	USD
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Loan from banks and financial institution	19,46	564,669,978	75,312,110	45,222,668	5,651,251
Trade accounts payables					
Related parties	20,46	94,048,762	111,563,071	120,771,564	80,037,958
Third parties		89,415,526	104,026,360	86,179,810	90,700,694
Other payables	21	33,101,637	24,196,608	20,988,151	22,119,524
Taxes payable	11	19,735,048	18,458,721	18,002,338	21,502,264
Accrued expenses	22	206,447,474	224,597,949	169,670,785	175,064,453
Unearned revenues	23	173,956,332	210,488,910	169,265,396	162,270,578
Advances received		22,914,805	29,581,017	20,593,426	20,631,988
Current maturities of long term liabilities					
Long-term loans	24,46	224,649,523	368,945,183	280,075,641	106,125,048
Lease liabilities	25	13,046,441	12,933,174	53,268,680	58,132,590
Estimated liability for aircraft return and maintenance cost	26	46,852,454	39,262,253	15,060,990	21,795,528
Total Current Liabilities		1,488,837,980	1,219,365,356	999,099,449	764,031,876
NON CURRENT LIABILITIES					
Non current maturities of long-term liabilities:					
Long-term loans	24,46	256,058,692	446,699,347	327,040,065	297,873,115
Lease liabilities	25	102,867,887	105,965,183	138,482,264	148,220,008
Estimated liability for aircraft return and maintenance cost	26	67,567,078	73,526,187	55,191,260	30,536,262
Bonds payable	27	151,902,750	159,758,003	162,850,383	-
Deferred tax liabilities	11	2,387,982	2,531,137	11,632,923	3,029,549
Employment benefits obligation	29	191,045,851	190,327,180	183,337,325	243,215,410
Other non current liabilities	28	37,306,786	35,439,331	25,871,293	7,244,913
Total Non Current Liabilities		809,137,026	1,014,246,368	904,405,513	730,119,257
EQUITY					
Capital stock - Rp 459 par value per share for Series A Dwiwarna share and Series B shares Authorized - 1 of Series A Dwiwarna share and 29,999,999,999 Series B shares Issued and paid-up capital - 1 Series A Dwiwarna shares and 25,868,926,632 Series B share at March 31, 2015, December 31, 2014 and 22,640,995,999 at December 31, 2013 and January 1, 2013/December 31, 2012	30	1,309,433,569	1,309,433,569	1,146,031,889	1,146,031,889
Additional paid-in capital	31	(33,948,489)	(33,948,489)	4,548,037	4,548,037
Stock option	33	2,770,970	2,770,970	2,770,970	1,148,451
Retained earnings					
Deficit amounting USD 1,385,459,977 as of January 1, 2012 was eliminated in connection with quasi reorganization (Notes 54)					
- Appropriated	34	6,081,861	6,081,861	5,529,919	-
- Unappropriated		(289,925,706)	(293,955,127)	83,242,722	50,119,105
Other comprehensive income	15,32	(137,789,421)	(126,884,816)	(165,090,777)	(147,278,931)
Equity attributable to owners of the company		856,622,784	863,497,968	1,077,032,760	1,054,568,551
Non controlling interest	35	17,606,645	15,969,623	17,100,834	19,386,749
Total Equity		874,229,429	879,467,591	1,094,133,594	1,073,955,300
TOTAL LIABILITIES AND EQUITY		**3,172,204,435**	**3,113,079,315**	**2,997,638,556**	**2,568,106,433**

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THREE-MONTH PERIODS ENDED ON MARCH 31, 2015 AND MARCH 31, 2014 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Notes	2015 (three months) (Unaudited) USD	2014 (three months) (Unaudited) USD	(As restated - Note 5) 2014 (one-year) USD	2013 (one-year) USD
OPERATING REVENUES					
Scheduled airline services	36	805,480,657	734,975,382	3,384,255,386	3,170,086,191
Non-scheduled airline services	36	39,203,045	2,856,691	203,902,498	215,965,887
Others	36	82,642,361	79,578,072	345,372,388	373,398,159
Total Operating Revenues		927,326,063	817,410,145	3,933,530,272	3,759,450,237
OPERATING EXPENSES					
Flight operations	37	531,715,217	597,638,617	2,562,179,370	2,243,445,104
Ticketing, sales and promotion	38	75,204,069	79,657,570	354,822,396	335,582,593
Maintenance and overhaul	39	94,502,699	81,262,273	419,536,774	285,193,329
Passenger services	40	68,972,138	73,369,008	302,908,137	282,897,297
User charges and station	41	73,999,398	72,657,782	339,756,096	298,001,244
General and administrative	42	57,567,314	59,734,149	244,510,498	228,315,526
Hotel operation		7,487,366	8,112,784	34,077,718	33,758,910
Transportation operations		3,879,869	4,122,579	17,798,905	19,816,371
Network operation		3,410,720	4,416,291	16,755,061	17,956,789
Total Operating Expenses		916,738,790	980,971,053	4,292,344,955	3,744,967,163
OTHER OPERATING (INCOME) CHARGES					
Loss (gain) on foreign exchange		(18,993,768)	34,310,821	(8,896,197)	(59,680,414)
Others	43	(1,116,085)	(2,607,469)	45,309,635	(2,043,084)
Net		(20,109,853)	31,703,352	36,413,438	(61,723,498)
PROFIT FROM OPERATIONS		30,697,126	(195,264,260)	(395,228,121)	76,206,572
Equity in net income (loss) of associates		(236,504)	(43,304)	4,193	26,546
Finance income		1,640,810	3,086,536	12,091,904	10,553,426
Finance cost	44	(16,668,372)	(17,042,585)	(73,321,080)	(59,868,324)
PROFIT (LOSS) BEFORE TAX		15,433,060	(209,263,613)	(456,453,104)	26,918,220
TAX BENEFITS (EXPENSE)	11	(3,017,055)	43,082,212	87,541,825	(3,386,833)
PROFIT (LOSS) FOR THE CURRENT PERIOD		12,416,005	(166,181,401)	(368,911,279)	23,531,387
OTHER COMPREHENSIVE INCOME (LOSS)					
ITEM THAT WILL NOT BE RECLASSIFFIED SUBSEQUENTLY TO PROFIT AND LOSS					
Gain on revaluation of property and equipment - net		-	-	53,298,802	14,647,651
Remeasurement of defined benefit obligation	29	(11,546,340)	(3,493,473)	(11,874,958)	16,635,556
Income tax relating to items that will not be reclassified		2,886,585	873,368	(3,637,751)	(2,578,382)
Subtotal		(8,659,755)	(2,620,105)	37,786,093	28,704,825
ITEM THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT AND LOSS					
Unrealized gain on cash flows hedge transaction		(3,393,805)	-	(29,770)	-
Exchange differences on translating foreign operations		(5,600,607)	9,358,838	(8,416,201)	(33,680,437)
Subtotal		(8,994,412)	9,358,838	(8,445,971)	(33,680,437)
Total other comprehensive income (loss)		(17,654,167)	6,738,733	29,340,122	(4,975,612)
TOTAL COMPREHENSIVE INCOME (LOSS)		(5,238,162)	(159,442,668)	(339,571,157)	18,555,775
PROFIT (LOSS) ATTRIBUTABLE TO:					
Owners of the Company		11,397,675	(168,042,709)	(370,045,839)	20,497,950
Non controlling interest	35	1,018,330	1,861,308	1,134,560	3,033,437
PROFIT (LOSS) FOR THE PERIOD		12,416,005	(166,181,401)	(368,911,279)	23,531,387
TOTAL COMPREHENSIVE INCOME (LOSS) ATRIBUTABLE TO:					
Owners of the Company		(6,875,184)	(158,115,567)	(338,439,946)	20,841,690
Non controlling interest	35	1,637,022	(1,327,101)	(1,131,211)	(2,285,915)
TOTAL COMPREHENSIVE INCOME (LOSS)		(5,238,162)	(159,442,668)	(339,571,157)	18,555,775
EARNINGS (LOSS) PER SHARE - BASIC attributable to owner of the parent company	45	0.00044	(0.00742)	(0.01480)	0.00091

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGE IN EQUITY
FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2015 AND 2014 (UNAUDITED) AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

					Retained Earning		Other comprehensive income						
	Notes	Capital stock	Additional paid-up capital	Stock option	Appropriated	Unappropriated	Revaluation Surplus	Translation adjustments	Unrealized gain on cash flows hedge transaction	Total other comprehensive income	Sub total	Non controlling interest	Total equity
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance as of January 1, 2013 prior to change in acccounting policy		**1,146,031,889**	**4,548,037**	**1,148,451**	**-**	**106,926,120**	**38,412,435**	**(188,349,825)**	**-**	**(149,937,390)**	**1,108,717,107**	**20,147,399**	**1,128,864,506**
Changes in accounting policy		**-**	**-**	**-**	**-**	**(56,807,015)**	**-**	**2,658,459**	**-**	2,658,459	(54,148,556)	**(760,650)**	**(54,909,206)**
Restated balance as of January 1, 2013		**1,146,031,889**	**4,548,037**	**1,148,451**	**-**	**50,119,105**	**38,412,435**	**(185,691,366)**	**-**	**(147,278,931)**	**1,054,568,551**	**19,386,749**	**1,073,955,300**
Management and employee stock option (MESOP)	33	-	-	1,622,519	-	-	-	-	-	-	1,622,519	-	1,622,519
The Company's mandatory reserve	34	-	-	-	5,529,919	(5,529,919)	-	-	-	-	-	-	-
Transferred to retained earning	15,32	-	-	-	-	2,283,780	(2,283,780)	-	-	(2,283,780)	-	-	-
Total comprehensive income		-	-	-	-	36,369,756	16,245,225	(31,773,291)	-	(15,528,066)	20,841,690	(2,285,915)	18,555,775
Balance as of December 31, 2013		**1,146,031,889**	**4,548,037**	**2,770,970**	**5,529,919**	**83,242,722**	**52,373,880**	**(217,464,657)**	**-**	**(165,090,777)**	**1,077,032,760**	**17,100,834**	**1,094,133,594**
Balance as of January 1, 2014		**1,146,031,889**	**4,548,037**	**2,770,970**	**5,529,919**	**83,242,722**	**52,373,880**	**(217,464,657)**	**-**	**(165,090,777)**	**1,077,032,760**	**17,100,834**	**1,094,133,594**
Total comprehensive income		-	-	-	-	(168,357,722)	-	10,242,155	-	10,242,155	(158,115,567)	(1,327,101)	(159,442,668)
Balance as of March 31, 2014 (Unaudited)		**1,146,031,889**	**4,548,037**	**2,770,970**	**5,529,919**	**(85,115,000)**	**52,373,880**	**(207,222,502)**	**-**	**(154,848,622)**	**918,917,193**	**15,773,733**	**934,690,926**
Balance as of January 1, 2014		**1,146,031,889**	**4,548,037**	**2,770,970**	**5,529,919**	**83,242,722**	**52,373,880**	**(217,464,657)**	**-**	**(165,090,777)**	**1,077,032,760**	**17,100,834**	**1,094,133,594**
Issuance of new share through Right Issue	31	163,401,680	283,152	-	-	-	-	-	-	-	163,684,832	-	163,684,832
Exchange change rate differences on right issue	31	-	(33,197,028)	-	-	-	-	-	-	-	(33,197,028)	-	(33,197,028)
The Company's mandatory reserve	34	-	-	-	551,942	(551,942)	-	-	-	-	-	-	-
Share issuance cost	31	-	(3,075,606)	-	-	-	-	-	-	-	(3,075,606)	-	(3,075,606)
Transaction between entities under common control		-	(2,507,044)	-	-	-	-	-	-	-	(2,507,044)	-	(2,507,044)
Total comprehensive income		-	-	-	-	(376,645,907)	46,692,312	(8,456,581)	(29,770)	38,205,961	(338,439,946)	(1,131,211)	(339,571,157)
Balance as of December 31, 2014		**1,309,433,569**	**(33,948,489)**	**2,770,970**	**6,081,861**	**(293,955,127)**	**99,066,192**	**(225,921,238)**	**(29,770)**	**(126,884,816)**	**863,497,968**	**15,969,623**	**879,467,591**
Total comprehensive income		-	-	-	-	4,029,421	-	(7,510,800)	(3,393,805)	(10,904,605)	(6,875,184)	1,637,022	(5,238,162)
Balance as of March 31, 2015		**1,309,433,569**	**(33,948,489)**	**2,770,970**	**6,081,861**	**(289,925,706)**	**99,066,192**	**(233,432,038)**	**(3,423,575)**	**(137,789,421)**	**856,622,784**	**17,606,645**	**874,229,429**

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT GARUDA INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE-MONTH PERIODS ENDED ON MARCH 31, 2015 AND MARCH 31, 2014 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2015 (three months) (Unaudited) USD	2014 (three months) (Unaudited) USD	2014 (one-year) USD	2013 (one-year) USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	862,330,792	800,421,694	4,004,586,542	3,874,575,626
Cash paid to suppliers	(768,197,180)	(866,758,937)	(3,559,997,794)	(3,233,946,933)
Cash paid to employees	(99,917,688)	(98,840,015)	(427,671,220)	(427,834,528)
Cash generated from operations	(5,784,076)	(165,177,258)	16,917,528	212,794,165
Interest and financial charges paid	(14,730,323)	(9,244,281)	(58,915,533)	(35,040,542)
Income taxes paid	(5,530,820)	(7,801,556)	(12,154,779)	(27,478,571)
Net Cash Provided from (Used in) Operating Activities	(26,045,220)	(182,223,094)	(54,152,784)	150,275,052
CASH FLOWS FROM INVESTING ACTIVITIES				
Refund of advance payments for purchase of aircraft	29,239,165	-	267,051,525	398,739,049
Receipts of aircraft maintenance reimbursements	1,612,523	7,004,991	45,738,406	41,931,995
Receipts of security deposit	7,541,070	2,863,117	15,813,295	1,129,657
Interest received	1,931,760	4,028,296	12,724,000	9,892,089
Proceeds from disposal of property and equipment	663,076	445,657	4,770,914	10,314,619
Dividend received	-	-	194,733	1,739,459
Payments for aircraft maintenance reserve fund	(80,881,262)	(51,473,533)	(302,532,646)	(235,312,053)
Advance payments for purchase aircrafts	(8,272,315)	(45,930,855)	(168,937,917)	(442,858,026)
Acquisition of property and equipment	(4,935,462)	(6,938,938)	(51,659,502)	(63,154,057)
Payments for aircraft maintenance and aircraft leased asset	(772,861)	(13,303,789)	(14,763,356)	(55,864,432)
Payments for security deposit	(2,288,607)	(1,163,771)	(40,791,017)	(43,814,936)
Advance payments for property and equipment	(12,115,837)	(107,510)	(14,973,819)	(14,259,993)
Investment in stock	-	-	(8,606,557)	-
Proceeds from other investing activities	1,007,064	(302,723)	191,953	(4,214,999)
Net Cash Used in Investing Activities	(67,271,686)	(104,879,058)	(255,779,988)	(395,731,628)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds of long-term loan	-	123,815,301	481,920,742	631,371,699
Proceeds from issuance of common stock - net	-	-	133,511,711	-
Proceeds of bank loan and financial institution	509,832,193	57,444,072	172,085,834	181,946,307
Payments of long-term loan	(333,083,826)	(92,563,726)	(371,971,858)	(228,479,260)
Payments of bank loan and financial institution	(44,217,923)	(44,281,466)	(162,680,475)	(142,398,200)
Increase in restricted cash	(396,340)	(11,951,520)	2,751,957	(1,710,965)
Payment for aircraft return and maintenance	-	(2,014,769)	(2,883,214)	(6,677,864)
Receipt (payment) for other financing activities	(3,652,291)	668,923	184,742	(1,776,784)
Net Cash Provide from Financing Activities	128,481,813	31,116,815	252,919,439	432,274,933
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	35,164,907	(255,985,337)	(57,013,333)	186,818,357
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	434,327,498	480,429,053	480,429,053	342,378,996
Effect of foreign exchange rate changes	(4,593,495)	28,769,355	10,911,778	(48,768,300)
CASH AND CASH EQUIVALENTS OF THE PERIODS	464,898,910	253,213,071	434,327,498	480,429,053

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

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 Ardjasasmita, 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. 4 dated December 12, 2014 of Aulia Taufani, S.H., notary in Tangerang, concerning with the amendment of Article 5, paragraph 2a and article 15 paragraph 2.b.4 of the Articles of Association of the Company's issued related to privilege of "Series A" share and Commissioners obligation. The amendment deed was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-10385.40.21.2014 dated December 30, 2014.

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. Providing education and training services relating to aviation industry, to satisfy own needs and the needs of third party; and

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 March 31, 2015, December 31, 2014, December 31, 2013 and and January 1, 2013/December 31, 2012 were 17,225, 17,197, 16,063 and 14,835, 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 March 31, 2015 and December 31, 2014 as stated in reference letter dated December 18, 2014 of Aulia Taufani, S.H., M.Kn., notary in Serpong – Tangerang District and at December 31, 2013 as stated in Deed No. 129 dated April 26, 2013 of Aryanti Artisari, S.H,, M.Kn., notary in Jakarta, are as follows:

	March 31, 2015	December 31, 2014	December 31, 2013
President Commissioner	Jusman Syafii Djamal	Jusman Syafii Djamal	Bambang Susantono
Commissioners	Isa Rachmatarwata	Isa Rachmatarwata	Wendy Aritenang Yazid
	Muzaffar Ismail	Muzaffar Ismail	Bagus Rumbogo
	Dony Oskaria	Dony Oskaria	-
	Chairal Tanjung	Chairal Tanjung	-
Independent Commissioners	Jusman Syafii Djamal	Jusman Syafii Djamal	Peter F. Gontha
	Hasan M. Soedjono	Hasan M. Soedjono	Betti S. Alisjahbana
	-	-	Chris Kanter
President & CEO	M. Arif Wibowo	M. Arif Wibowo	Emirsyah Satar
EVP Finance & Risk	IGN Askhara Danadiputra	IGN Askhara Danadiputra	Handrito Hardjono
EVP Commercial	Handayani	Handayani	Meijer Frederik Johannes
EVP Maintenance & Fleet Management	Iwan Joeniarto	Iwan Joeniarto	Batara Silaban
EVP Services	-	-	Faik Fahmi
EVP Operations	Novijanto Herupratomo	Novijanto Herupratomo	Novijanto Herupratomo
EVP Strategy, Business Development & Risk Management	-	-	Judi Rifajantoro
EVP Human Capital & Corporate Affairs	Heriyanto Agung Putra	Heriyanto Agung Putra	Heriyanto Agung Putra

*) Based on Directors Decision dated December 16, 2014, the Directors agreed to combine duties and responsibilities of EVP Services into EVP Commercial; while EVP Strategy, Business Development & Risk Management's duties and responsibilities were combined into EVP Finance, Risk & Information Technology.

c. Audit Committee, Corporate Secretary and Internal Audit

The Company's Audit Committee, Corporate Secretary and Internal Audit as of March 31, 2015, December 31, 2014 and December 31, 2013 are the following:

	March 31, 2015	December 31, 2014	December 31, 2013
Audit Committee			
Chairman *)	Hasan M Sudjono	-	Betti S. Alisjahbana
Vice Chairman	-	-	Wendy Aritenang Yazid
Members	Regina Jansen Arsjah	Regina Jansen Arsjah	Chaerul D Djakman
	Prasetyo Suhardi	Prasetyo Suhardi	Prasetyo Suhardi
Corporate Secretary	Ike Andriani	Ike Andriani	Ike Andriani
Internal Audit	Sri Mulyati	Sri Mulyati	Sri Mulyati

*) Based on Decision Letter No. JKTDW/ SKEP/038/2012 on Appointment of Audit Committee as supporting commissioner dated on June 1, 2012 and effective as of December 12, 2014, Betty S. Alisjahbana will be replaced as Chairman of Audit Committee. Based on this decision, until effective date Betty S. Alisjahbana will serve as Independent Corporate Commissionair at Shareholders' meeting; Mr. Hasan M Sudjono as the new chairman of audit committee was appointed based on decision letter No. JKTDW/SKEP/001/2015 dated on January 6, 2015.

d. Public Offering of Share of the Group

1. 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.

2. On March 21, 2014, the Company obtained the Notice of Effectivity from Financial Service Authority/Otoritas Jasa Keuangan (also known as OJK) (formerly BAPEPAM-LK) in its Letter No. S-171/D.04/2014 regarding the limited public offering of the Company's 3,227,930,663 shares to the shareholder through Rights Issue. Each holder of 701,409 old shares whose names are recorded in the Company's register of shareholder on April 4, 2014 at 04:00 PM is entitled to 100,000 rights with exercise price of Rp 460 per share. On April 8, 2014, all additional shares have been listed on Indonesia Stock Exchange.

As of March 31, 2015, all of the Company's share or 25,868,926,633 shares have been listed on the Indonesia Stock Exchange.

e. Consolidated Subsidiaries

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

					Total assets before elimination			
						(As restated - Note 5)		
Subsidiary	Domicile	Main business activities	Percentage of ownership	Start of commercial operations	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012
			%		USD	USD	USD	USD
PT Abacus Distribution Systems Indonesia (ADSI)**)	Jakarta	Computerize reservation system services provider	95.00	1996	7,002,492	6,644,616	5,547,139	6,236,456
PT Garuda Maintenance Facility Aero Asia (GMFAA)**)	Jakarta	Aircraft maintenance and overhaul	99.99	2002	255,409,429	254,002,027	196,993,418	171,755,964
PT Aero Systems Indonesia (ASI) **)	Jakarta	Information technology services	99.99	2005	26,577,211	28,769,085	29,414,849	29,777,606
PT Citilink Indonesia (CT)**)	Jakarta	Air transportation services	99.99	2012	187,053,890	165,739,543	106,054,602	73,144,319
Garuda Indonesia Holiday France S.A.S (GIHF)**)	Paris	Travel agent, ticketing service and aircraft rental service	100.00	2014	99,001,608	67,941,988	-	-
PT Gapura Angkasa (GA)	Jakarta	Groundhandling services	58.75	1998	65,310,850	62,536,995	61,312,816	65,426,153
PT Aero Wisata and subsidiaries (AWS)	Jakarta	Hotel, catering, ticketing services	99.99	1973	203,910,710	219,855,982	205,414,096	210,207,133
PT Mirtasari Hotel Development (MHD)*)	Denpasar	Hotel	99.99	1974	23,134,048	25,402,334	25,782,999	23,939,850
PT Aerofood Indonesia (ACS) *)	Jakarta	Aircraft catering services	99.99	1974	87,983,474	93,621,341	85,104,874	82,935,357
PT Aero Globe Indonesia (AGI) *)	Jakarta	Travel agent	99.99	1967	6,311,782	6,952,233	6,266,212	6,030,307
PT Aerotrans Services Indonesia (ATS) *)	Jakarta	Transportation services	99.99	1989	25,426,523	27,336,691	23,431,288	24,014,516
PT Aerojasa Perkasa (AJP) *)	Jakarta	Ticketing	99.87	1989	2,943,220	2,848,649	2,523,407	2,059,195
PT Senggigi Pratama Internasional (SPI) *)	Lombok	Hotel	99.99	1988	9,697,046	10,362,933	9,665,687	10,760,257
Garuda Orient Holidays, Pty, Limited (GOHA) *)	Sydney	Travel agent	99.99	1981	4,978,972	5,598,666	5,832,377	7,320,387
Garuda Orient Holidays Korea Co, Limited (GOHK) *)	Korea	Travel agent	60.00	2008	464,842	611,706	809,908	817,249
Garuda Orient Holidays Japan Co, Ltd (GOHJ) *)	Japan	Travel agent	60.00	2009	2,691,395	4,671,514	6,136,406	7,387,490
PT Bina Inti Dinamika (BID) *)	Bandung	Hotel	61.89	1989	3,675,923	4,181,068	4,618,525	5,444,221
PT Aero Hotel Management (AHM) *)	Jakarta	Hotel management	99.99	2010	1,011,532	1,098,480	647,149	750,152
PT GIH Indonesia *)	Jakarta	Travel agent	60.00	2012	1,112,729	1,425,816	1,478,322	563,518
PT Belitung Intipermai (BIP) *)	Jakarta	Hotel	99.99	Under development stage	2,138,525	2,249,240	2,112,236	2,220,018
PT Aerojasa Cargo ("AJC")*)	Jakarta	Cargo Services	99.99	2003	1,241,128	976,954	614,247	684,037
PT Citra Lintas Angkasa ("CLA")*), Owned by AJC	Jakarta	Regulated Agent / Cargo Services	60.00	2014	650,004	369,511	-	-

*) Indirect ownership
**) Direct and Indirect ownership

On December 10, 2014, the Company acquired additional shares of GA owned by PT Angkasa Pura I. The total number of shares acquired in this transaction is 456,960 or 21.25% of the total issued and paid up share capital of GA with details as follows:

	December 31, 2014
	USD
Net Assets of GA as of December 31, 2014	28,703,595
Percentage of shares acquired	21.25%
Net Assets of GA acquired	6,099,514
Purchase price	8,606,558
Differences Restructuring Transactions of Entities Under Common Control	(2,507,044)

This share acquisition is recorded in accordance with PSAK 38. The difference between the purchase price and the amount of additional ownership of GA's shares is recorded as business combination transaction of entities under common control in additional paid-in capital.

Total percentage of the Company's shareholding in GA after acquisition amounted to 58.75% or equivalent to 1,263,360 shares.

In 2014, the Company established Garuda Indonesia Holiday France (GIHF) based in Paris, France.

The table below shows details of non-wholly owned subsidiariy of the Group that have material non-controlling interest:

Subsidiary	Domicile	Main business activities	Percentage of ownership	Start of commercial operations	Profit (loss) allocated to non-controling interest March 31, 2015 (Unaudited)	Accumulated non-controling interest March 31, 2015 (Unaudited)
			%		USD	USD
PT Gapura Angkasa (GA)	Jakarta	Groundhandling services	58.75	1998	1,107,523	2,095,462

Summarized financial information in respect of material non-controlling interest is set out below:

	March 31, 2015 (Unaudited)
	GA
	USD
Assets	64,187,977
Liabilities	36,675,991
Equity attributable to owners of the Group	16,163,296
Non-controling interest	11,348,697
Total	64,187,984
Revenue	25,263,406
Expenses	22,578,502
Profit (loss)	2,684,904
Profit (loss) attributable to :	
Owner of the company	1,577,381
the non-controlling of the Company	1,107,523
Profit (loss) for the period	2,684,904
Other comprehensive income attributable to :	
Owner of the Company	(201,429)
Non-controlling of the Company	(141,429)
Total comprehensive income for the period	(342,858)
Net cash inflow (outflow)	2,912,008

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

In the current period, the Group adopted the following new and revised standards and interpretations issued by the Financial Accounting Standard Board of the Indonesian Institute of Accountants that are relevant to its operations and effective for accounting period beginning on January 1, 2015.

- PSAK 1 (revised 2013), Presentation of Financial Statements

  The amendments to PSAK 1 introduce new terminology for the statement of comprehensive income. Under the amendments to PSAK 1, the statement of comprehensive income is renamed as a "statement of profit or loss and other comprehensive income". The amendments to PSAK 1, require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (2) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to PSAK 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

- PSAK 15 (revised 2013), Investments in Associates and Joint Ventures

  PSAK 15 (revised 2009), "Investments in Associates" has been renamed PSAK 15 (revised 2013), "Investments in Associates and Joint Ventures". The scope of the revised standard was expanded to cover entities that are investors with joint control of, or significant influence over, an investee.

- PSAK 24 (revised 2013), Employee Benefits

  The amendments to PSAK 24 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of PSAK 24 are replaced with a `net interest' amount under PSAK 24 (as revised in 2010), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes have had an impact on the amounts recognized in financial position, profit or loss and other comprehensive income in prior years. In addition, PSAK 24 (as revised in 2010) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

  Specific transitional provisions are applicable to first-time application of PSAK 24 (as revised in 2013). The Group has applied the relevant transitional provisions and restated the comparative amounts on a retrospective basis (Note 5).

- PSAK 46 (revised 2014), Income Taxes

  The amendments to PSAK 46: (1) remove references to final tax which was previously scoped in the standard; and (2) establish a rebuttable presumption that the carrying amount of an investment property measured using the fair value model in PSAK 13, Investment Property will be recovered entirely through sale.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to PSAK 46, the management reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Based on management's assessment, the Group is not recognizing any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on disposal of its investment properties.

- PSAK 48 (revised 2014), Impairment of Assets

  PSAK 48 has been amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 50 (revised 2014), Financial Instruments: Presentation

  The amendments to PSAK 50 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of "currently has a legal enforceable right of set-off" and "simultaneous realization and settlement." The amendments also clarify that income tax on distributions to holders of an equity instrument and transaction costs of an equity transaction should be accounted for in accordance with PSAK 46. The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognized in the consolidated financial statements.

- PSAK 55 (revised 2014), Financial Instruments: Recognition and Measurement

  The amendments to PSAK 55 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness. Further, the amendments clarify the accounting for embedded derivatives in the case of a reclassification of a financial asset out of the "fair value through profit or loss" category – see discussion in ISAK 26.

  This standard is also amended to incorporate the requirements of PSAK 68, Fair Value Measurement.

- PSAK 60 (revised 2014), Financial Instruments: Disclosures

  The amendments to PSAK 60 increase the disclosure requirements for transactions involving transfers for financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period. Further, entities are required to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. If the Group enters into other types of transfer of financial assets in the future, disclosures regarding those transfer may be affected.

- PSAK 65, Consolidated Financial Statements

  PSAK 65 replaces the parts of PSAK 4 (revised 2009), Consolidated and Separate Financial Statements; that deal with consolidated financial statements, and ISAK 7, Consolidation – Special Purpose Entities.

  Under PSAK 65, there is only one basis for consolidation for all entities, and that basis is control. A more robust definition of control has been developed that includes three elements: (a) power over an investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) ability to use its power over the investee to affect the amount of the investor's returns. PSAK 65 also adds application guidance to assist in assessing whether an investor controls an investee in complex scenarios. PSAK 65 requires investors to reassess whether or not they have control over the investees on transition, and requires retrospective application.

Management assessed whether or not the Group has control over entities owned by Group with less than 50% of the voting shares at the date of initial application of the standard, and concluded that they have no control over such entities and therefore such application would not impact the amounts reported in the Group's consolidated financial statements but may impact future transactions.

- PSAK 67, Disclosures of Interests in Other Entities

PSAK 67 is applicable to entities that have interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities. The standard establishes disclosure objectives and specifies minimum disclosures that entities must provide to meet those objectives. The objective of PSAK 67 is that an entity should disclose information that helps users of financial statements evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial statements.

Application of this standard has resulted in more extensive disclosures in the consolidated financial statements as described in Notes 1e and 14.

- PSAK 68, Fair Value Measurement

PSAK 68 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard does not change the requirements regarding which items should be measured or disclosed at fair value.

PSAK 68 defines fair value, establishes a framework for measuring fair value, and requires disclosure about fair value measurements. The scope of PSAK 68 is broad; it applies to both financial instrument items and non-financial instrument items for which other PSAK require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in PSAK 68 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under PSAK 60, Financial Instruments: Disclosures will be extended by PSAK 68 to cover all assets and liabilities within its scope.

PSAK 68 is applied prospectively; the disclosure requirements need not be applied in comparative information provided for periods before initial application of the standard. In general, the application of PSAK 68 has not resulted in more extensive disclosures in the consolidated financial statements.

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. 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.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Before January 1, 2015, historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and for disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of PSAK 30, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PSAK 14 or value in use in PSAK 48.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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

c. Interim Consolidated Financial Reporting

PSAK 3 (Revised 2010) prescribes, among other things, the minimum content and the period for which interim financial statements are required to be presented, as well as the recognition and measurement principles in complete or condensed interim financial statements are required to be presented.

In preparing the interim consolidated financial statements for the periods ended March 31, 2015 and 2014, the Group follows the same accounting principles that have been applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2014, and 2013, and presented the prescribed periods for which interim consolidated financial statements are required to be presented.

d. Basis 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 over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to directly the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including (i) the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders; (ii) potential voting rights held by the Company, other vote holders or other parties; (iii) rights arising from other contractual arrangements; and (iv) any additional facts and circumstances that indicates that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income are attributed to owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustment are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group losses 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. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted 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 2013), Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

e. 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 that: (i) deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with PSAK 46, Income Taxes and PSAK 24, Employee Benefit; (ii) liabilities or equity instruments related to share-based payment arrangements the Group entered into replace share-based payment arrangements of the acquiree are measured in accordance with PSAK 53 at the acquisition date; and (iii) assets (or disposal group) that are classified as held for sale in accordance with PSAK 58, Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another standard.

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 PSAK 55, Financial Instruments: Recognition and Measurement or PSAK 25 Accounting Policies, Changes in Accounting Estimates as appropriate, with the corresponding gain or loss being recognized in profit or loss.

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.

f. Business Combination Under Common Control

Business combination of entities under common control that qualifies as a business are accounted for under pooling of interest method where assets and liabilities acquired in the business combination are recorded by the acquirer at their book values.

The difference between the transfer price and the book value is presented as Additional Paid in Capital and is not recycled to profit and loss.

The pooling of interest method is applied as if the entities had been combined from the period in which the merging entities were placed under common control.

g. Foreign Currency Transactions and Translations

The books of accounts of each entity in the Group, except GA, 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). In preparing the financial statement of each group entity, transaction in currencies other than the entity's functional currency (foreign currency) are recognized at the rates of exchange prevailing at the dates of the transactions. At reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period which they arise except for:

- Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.
- Exchange differences on transaction entered into in order to hedge certain foreign currency risks
- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefor forming part of the net investment in the foreign operation, which are recognized initially on other comprehensive income and reclassified from equity to profit or loss on repayment of monetary items.

The books of accounts of GA, AWS and its subsidiaries except GOHA, GOHK and GOHJ are maintained in Rupiah, while those of GOHA, GOHK and GOHJ are maintained in Australian Dollars, Korean Won and Japan Yen, respectively. For the purpose of presenting the consolidated financial statements, assets and liabilities of these subsidiaries at reporting date are translated into USD using the exchange rates prevailing at the end of each reporting period, while revenues and expenses are translated using the average rates of exchange for the year, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transaction are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interest as appropriate).

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

	March 31, 2015	December 31, 2014	December 31, 2013
	USD	USD	USD
Currencies			
IDR 1	0.0001	0.0001	0.0001
EURO 1	1.0748	1.2165	1.3801
YEN 100	0.8302	0.8380	0.9531
SGD 1	0.7235	0.7574	0.7899
AUD 1	0.7720	0.8214	0.8923
GBP 1	1.4873	1.5571	1.6488

h. 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.

i. 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.

j. Financial Assets

Financial assets are recognized when a group entity becomes a party to the contractual provisions of the instruments.

All financial assets are recognized and derecognized on trade date basis. Regular way purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

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 47.

- 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 recognized 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.

  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-organization.

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 cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

In respect of AFS equity investments, impairment losses previously recognized in profit or 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 derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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.

k. Financial Liabilities and Equity Instruments

Financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities, as appropriate, in initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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 – at amortized cost

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.

Derecognition of financial liabilities

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

l. 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.

m. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

n. Investments in Associates and joint ventures

An associate is an entity over which the Group has significant influence. 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. A joint venture is arrangement whereby the parties that have joint control of the arrangement have rights to net assets of the joint arrangement. Join control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for safe, in which case it is accounted for in accordance with PSAK 58 (Revised 2014) Non-current Assets Held for Sale and Discontinued Operation. Under the equity method, an investment in an associate or a joint venture 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 or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), 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 or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of PSAK 55 (revised 2014), 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 or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PSAK 48 (revised 2014), 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.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 55. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture 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 the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group, profit and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

o. 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.

p. 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:

	March 31, 2015	December 31, 2014	December 31, 2013
Airframe	18 - 22	18 - 22	18 - 22
Engine	18 - 22	18 - 22	18 - 22
Simulator	10	10	10
Rotable parts	12	12	12
Maintenance assets			
Inspeksi rangka pesawat		Next inspection period	
Overhaul mesin		Next overhaul period	

The Company changed the estimated useful life of Airbus 330-300 aircraft in 2014 and Boeing 747-400 aircraft in 2013 from 20 to 22 years. Such change in estimate was accounted prospectively resulting to reduction in depreciation expense by USD 14,563,168 in 2014 and 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 life of the asset, as follows:

	Years
Buildings and infrastructure	40
Vehicles	3 - 5
Other fixed assets (office 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 whichever is shorter.

The estimated useful life, 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.

q. 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.

r. Impairment of Non-Financial Asset

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that the 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). When 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 costs to sell and 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 an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit d or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (as disclosed in Note 3p).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment Joss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (as disclosed in Note 3p).

Accounting policy for impairment of financial assets is disclosed in Note 3j.

s. 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.

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.

t. 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.

u. Deferred Charges

Other charges that meet the asset recognition criteria are deferred and amortized using the straight-line method over their beneficial periods.

v. Revenue and Expense Recognition

Passenger ticket and cargo airway bill 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.

w. Frequent Flyer Program

The Company operates a frequent flyer program called "Garuda Miles" 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 deferments of revenue are recorded as unearned revenue. Any remaining unutilized benefits are recognized as revenue upon expiry.

x. Post-Employment Benefits and Long-Term Benefits

Post-Employment Benefits

Post-employment benefits accounted for as defined benefit plan are determined using the Projected Unit Credit Method with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on - plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows: (i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); (ii) net interest expense or income; and (iii) remeasurement.

The Group presents the first two components of defined benefit cost in profit or loss. Curtailment gains and losses are accounted for as past service costs.

Other Long-Term Benefits

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

y. 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.

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.

z. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated (statement of profit or loss and other comprehensive income statement of profit or loss) because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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 liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets 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 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.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. There current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

aa. 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.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

A derivative is presented as non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

bb. 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.

cc. Segment Information

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.

dd. 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.

ee. 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.

ff. 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 recognized 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.

gg. 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 for 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 54. 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. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

Critical Judgements in Applying Accounting Policies

The following are the critical judgements, 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 49.

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 49.

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. 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 15.

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 26.

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 29.

iv. Income Tax

In certain circumstances, the Group 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 Group 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 11c.

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 judgement as to whether there is an objective evidence that loss event has occurred. Management also makes judgement 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 7, 8 and 47.

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 9.

vii. Fair value measurement and valuation process

Some of the Group’s assets and liabilities are measured at fair value for financial purpose. Management determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 input are not available, the Group engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 15, 16 and 47.

5. RESTATEMENT OF COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND JANUARY 1, 2013/ DECEMBER 31, 2012

On January 1, 2015, the Group implemented revised PSAK 24 (revised 2013). The amendments change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of PSAK 24 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The Company and its subsidiaries changed its accounting policy pertaining to post-employment benefits (Note 2x), in accordance with PSAK 24 and restated its consolidated financial statements for the years ended December 31, 2014 and 2013, to effect such change.

The summary of account as of December 31, 2014, 2013 and January 1, 2013/ December 31, 2012 before and after implementation of the revised PSAK 24 are as follows:

	After restatement			Before restatement		
	December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012	December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012
	USD	USD	USD	USD	USD	USD
NON CURRENT ASSETS						
Deferred tax assets	119,650,511	34,850,834	22,076,105	107,412,835	29,535,572	15,602,076
NON CURRENT LIABILITIES						
Deferred tax liabilities	2,531,137	11,632,923	3,029,549	2,997,485	16,987,753	15,019,898
Employment benefits obligation	191,065,699	184,760,613	243,428,464	1 40.352.566	141,410,675	168,489,755
EQUITY						
Retained earnings	(287,873,266)	88,772,641	50,119,105	(253,830,286)	119,211,018	106,926,120
Other comprehensive income	(126,884,816)	(165,090,777)	(147,278,931)	(120,487,161)	(163,951,715)	(149,937,390)
Non controlling interest	15,969,623	17,100,834	19,386,749	12,773,917	17,169,865	20,147,399

	2014 (Three-month)		2014 (One year)		2013 (One year)	
	After Restatement	Before Restatement	After Restatement	Before Restatement	After Restatement	Before Restatement
	USD	USD	USD	USD	USD	USD
OPERATING EXPENSES						
Flight operations	597,638,617	597,655,865	2,562,179,370	2,562,248,361	2,243,445,104	2,244,840,144
Ticketing, sales and promotion	79,657,570	79,662,361	354,822,396	354,841,560	335,582,593	335,842,135
User charges and station	72,657,782	68,014,009	339,756,096	338,999,993	298,001,244	297,019,335
Maintenance and overhaul	81,262,273	82,036,726	419,536,774	420,886,843	285,193,329	287,126,405
Passenger services	73,369,008	73,717,201	302,908,137	302,933,051	282,897,297	283,416,382
General and administrative	59,734,149	57,204,460	244,510,498	246,049,326	228,315,526	227,003,116
Hotel operation	8,112,784	8,112,784	34,077,718	34,077,718	33,758,910	33,758,910
Transportation operation	4,122,579	4,122,579	17,798,905	17,798,905	19,816,371	19,816,371
Network operation	4,416,291	4,416,291	16,755,061	16,763,284	17,956,789	18,007,374
Loss (gain) on foreign exchange	34,310,821	27,683,451	(8,896,197)	(7,065,398)	(59,680,414)	(48,278,916)
TAX BENEFITS (EXPENSE)	43,082,212	42,959,290	87,541,825	88,563,047	(3,386,833)	(70,707)
PROFIT (LOSS) FOR THE CURRENT YEAR	(166,181,401)	(163,851,383)	(368,911,279)	(371,974,942)	23,531,387	13,583,006
OTHER COMPREHENSIVE INCOME						
Remeasurement of defined benefit obligation	(3,493,473)	-	(11,874,958)	-	16,635,556	-
Exchange differences on translating foreign operations	9,358,838	10,590,910	(8,416,201)	(8,660,298)	(33,680,437)	(33,733,084)
Related income tax	873,368	-	(3,637,751)	(6,606,490)	(2,578,382)	1,580,507

6. CASH AND CASH EQUIVALENTS

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Cash on hand			
Rupiah	1,667,472	1,539,272	1,286,563
U.S. Dollar	587,980	930,890	604,239
Other foreign currencies	290,084	172,568	299,599
Total Cash on hand	2,545,536	2,642,730	2,190,401
Banks			
Related parties (Note 46)			
Bank Mandiri	35,408,706	20,872,110	38,119,010
Bank Negara Indonesia	22,204,278	35,861,887	53,935,565
Bank Rakyat Indonesia	1,964,220	31,708,763	20,494,602
Bank Syariah Mandiri	621,110	455,601	405,050
Bank Mega	209,478	-	-
Third parties			
Bank Internasional Indonesia	101,201,821	1,248,953	157,668
Citibank N.A.	85,373,142	84,256,120	85,254,097
Bank of China	23,989,747	15,485,385	7,236,135
Standard Chartered Bank	14,898,549	10,136,962	9,706,291
Bank Central Asia	12,753,502	16,514,276	2,438,407
Commonwealth Bank of Australia	12,009,250	12,908,505	11,106,812
Bank Permata	6,817,325	4,066,847	566,309
California Bank	4,954,312	973,116	1,418,562
Saudi Arabian Bank	4,283,331	3,173,272	2,453,385
Industrial Commercial Bank of China	1,635,696	1,396,139	3,414,822
United Overseas Bank	1,327,770	1,687,653	277,345
Bank Muamalat	1,224,672	2,124,710	1,108,233
ABN Amro Bank	1,204,343	214,874	92,066
The Bank of Tokyo-Mitsubishi UFJ	1,115,415	2,507,923	2,548,135
Banca di Roma	746,861	839,503	952,916
Sumitomo Mitsui Banking Corporation	703,841	35,077	-
CIMB Niaga	676,671	509,615	292,268
Mizuho Bank	634,060	970,941	1,252,683
National Australian Bank	388,304	579,203	737,214
Korean Exchange Bank	320,045	346,065	1,151
Kookmin Bank Korea	309,170	417,150	655,421
Bank Exim Indonesia	295,998	819,557	285,589
Bangkok Bank Limited	292,827	898,907	229,246
Lloyds Bank Ltd.	253,967	247,255	2,942,564
Bank of New Zealand	64,251	425,253	393,353
Bank Mega	-	421,235	327,808
Other banks (each below USD 300,000)	1,110,929	1,171,870	1,015,733
Total bank	338,993,591	253,274,727	249,818,440

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Time deposits			
Related parties (Note 46)			
Bank Rakyat Indonesia	57,933,318	83,835,343	33,930,323
Bank Negara Indonesia	10,437,661	18,444,890	5,579,582
Bank Mega	6,270,009	-	-
Bank Mandiri	305,717	321,543	-
Bank Mega Syariah	229,288	-	-
Bank Syariah Mandiri	-	-	8,204,118
Bank Rakyat Indonesia Syariah	-	-	6,563,295
Third parties			
Bank Muamalat	30,948,640	65,475,884	86,388,793
Bank Permata	10,000,000	-	66,714,415
Bank Bukopin	6,316,923	3,154,924	666,174
Bank CIMB Niaga	458,575	321,543	246,124
Bank Jabar Banten Syariah	309,929	161,919	-
Bank Danamon	149,723	-	-
Bank Mega	-	6,645,763	19,256,002
Bank Jatim	-	48,232	-
Bank Artha Graha	-	-	506,174
Bank Mega Syariah	-	-	365,212
Total time deposits	123,359,783	178,410,041	228,420,212
Total	464,898,910	434,327,498	480,429,053
Interest rate per annum on time deposit			
Rupiah	7,25% - 10,75%	4,25% - 10,75%	5,00% - 11,00%
U.S. Dollar	2,10% - 2,75%	1,00% - 5,75%	0,10% - 3,75%

Cash and cash equivalent by currency:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
U.S. Dollar	279,500,805	192,678,442	133,783,673
Rupiah	95,261,437	154,666,038	266,524,225
Chinese Renmimbi	37,444,366	31,855,512	21,088,383
Australian Dollar	17,785,252	17,620,548	18,827,232
Japanese Yen	8,482,979	13,068,509	12,644,695
Euro	5,377,049	5,886,899	7,085,143
Singapore Dollar	3,093,972	3,538,724	3,068,188
Saudi Arabian Riyal	4,299,062	3,213,102	2,507,521
Great Britain Poundsterling	2,526,730	2,397,388	2,469,824
Korean Won	3,925,720	2,228,024	4,841,640
Hongkong Dollar	1,912,769	1,658,579	2,616,116
Thailand Dollar	1,994,684	1,137,166	1,633,453
United Arab Emirates Dirham	837,907	2,202,971	466,000
Taiwan Dollar	106,743	360,441	461,976
Other currencies (each under USD 300,000)	2,349,435	1,815,155	2,410,984
Total	464,898,910	434,327,498	480,429,053

7. TRADE ACCOUNTS RECEIVABLES

a. By Debtors

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Related parties (Note 46)			
PT Pos Indonesia	687,421	1,000,506	532,813
PT Jiwasraya	615,232	646,754	1,966,795
Abacus International Ltd	522,534	440,786	410,871
PT Angkasa Pura II	521,926	404,396	805,773
PT Bukit Asam (Persero) Tbk	241,387	124,230	113,915
Ministry of Religious Affairs	15,271	16,062	26,672
Others	58,414	114,751	38,881
Total	2,662,185	2,747,485	3,895,720
Third parties			
Airlines services			
Passenger agents	50,610,093	34,677,506	59,210,984
Cargo agents	15,443,524	15,539,489	15,051,369
Airlines	10,268,139	9,244,903	8,474,780
Credit cards	8,079,076	5,953,843	3,494,044
Others	6,277,193	4,898,204	3,605,040
Sub total	90,678,025	70,313,945	89,836,217
Non airlines services	52,873,853	54,162,034	54,669,335
Total	143,551,878	124,475,979	144,505,552
Allowance for impairment loss	(6,226,315)	(6,599,637)	(2,844,443)
Total - net	137,325,563	117,876,342	141,661,109
Total Trade Accounts Receivable	139,987,748	120,623,827	145,556,829

b. By Currency

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Rupiah	56,822,537	58,554,907	58,003,924
U.S. Dollar	54,399,038	38,032,436	55,672,141
Japanese Yen	4,511,090	6,532,578	8,816,761
Korean Won	4,501,266	3,504,654	2,673,552
Euro	4,046,741	3,294,955	4,157,581
Australian Dollar	4,053,913	2,972,414	4,062,138
Saudi Arabian Riyal	4,416,023	2,511,506	1,749,217
Chinese Renmimbi	2,686,130	2,410,669	2,037,590
Malaysian Ringgit	2,647,876	1,840,851	1,303,554
Singapore Dollar	1,204,005	706,343	759,599
Other currencies	6,925,444	6,862,151	9,165,215
Total	146,214,063	127,223,464	148,401,272
Allowance for impairment loss	(6,226,315)	(6,599,637)	(2,844,443)
Total - net	139,987,748	120,623,827	145,556,829

c. Aging of Trade Accounts Receivable Not Impaired

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Not yet due	105,675,114	89,742,524	23,538,411
Past due			
1 - 60 days	20,210,961	17,158,457	105,422,719
61 - 180 days	5,222,989	5,218,172	7,337,677
181 - 360 days	4,452,293	4,451,603	4,033,227
> 360 days	4,426,391	4,053,071	5,224,795
Total	139,987,748	120,623,827	145,556,829

The average credit term is 30 - 60 days for the three months ended March 31, 2015 and for the years ended December 31, 2014 and 2013. No interest is charged on overdue trade accounts receivables.

Changes in the allowance for impairment loss:

	2015 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD
Beginning balance	6,599,637	2,844,443	1,562,838
Addition	119,263	3,843,064	2,128,910
Recovery	(492,585)	(87,870)	(847,305)
Ending balance	6,226,315	6,599,637	2,844,443

The age of impaired trade accounts receivables is above 360 days.

Allowance for impairment loss from individual and collective impairment are as follows:

	2015 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD
Individual assessments	119,263	3,289,481	348,023
Collective assessments	-	553,583	1,780,887
Total	119,263	3,843,064	2,128,910

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 does not 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 47 about credit risk.

Individually impaired trade 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 does not 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.

8. OTHER RECEIVABLES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Employee receivables	2,585,005	2,744,459	2,887,028
Accrued revenues	2,758,295	2,517,089	3,946,418
Others	5,302,511	3,088,384	2,324,917
Total	10,645,811	8,349,932	9,158,363

Management believes that all such receivables are collectible thus allowance for impairment losses was not provided.

9. INVENTORIES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Spare parts	69,038,382	66,846,766	67,828,074
Catering	13,374,639	15,208,350	18,372,071
Ticketing document	994,570	991,742	1,105,954
Others	3,460,177	3,552,348	4,464,165
Total	86,867,768	86,599,206	91,770,264
Allowance for decline in value	(1,369,145)	(1,394,807)	(444,835)
Net amount	85,498,623	85,204,399	91,325,429

Changes in the allowance for decline in value of inventories are as follows:

	2015 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD
Beginning balance	1,394,807	444,835	498,627
Additions	24,338	1,097,330	-
Recovery	(50,000)	(147,358)	(53,792)
Ending balance	1,369,145	1,394,807	444,835

Management believes that the allowance for decline in value of inventories is adequate to cover possible losses on the decline in inventory value.

As of March 31, 2015, December 31, 2014, and 2013, the inventories of the Company were insured with PT Asuransi Jasa Indonesia, a related party (Note 46), against fire and other risks under pool policies with total sum insured of USD 197,996,304, USD 240,543,826, and USD 207,224,954, respectively. Management believes that the insurance coverage is adequate to cover possible losses on the inventories insured.

As of March 31, 2015, December 31, 2014 and 2013, no inventories were used as collateral except inventory of PT Aerofood Indonesia (ACS), a subsidiary, which were used as collateral for the long term loan credit facility from Bank Rakyat Indonesia (Note 24).

10. ADVANCES AND PREPAID EXPENSES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Prepaid rent	67,910,501	66,923,530	41,152,438
Aircraft rental	36,873,744	40,961,267	21,527,352
Spare parts	7,230,338	7,737,208	3,460,239
Aircraft maintenance	6,893,991	244,934	1,520,335
Building rental	4,194,334	3,370,655	3,906,444
Fuel	2,774,587	4,901,046	6,520,618
Duty trip	2,163,917	2,646,311	2,010,476
Insurance	1,393,729	1,605,012	1,128,275
Others	5,704,507	6,375,837	8,892,326
Total	135,139,648	134,765,800	90,118,503

11. TAXATION

a. Prepaid Taxes

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
The Company			
Estimated Overpayment of Corporate Income Tax			
Year 2015	680,570	-	-
Year 2014	7,600,394	7,600,394	-
Year 2013	7,521,917	7,521,917	7,521,917
Sub total	15,802,881	15,122,311	7,521,917
Subsidiaries			
Estimated Overpayment of Corporate Income Tax			
Year 2015	2,081,778	-	-
Year 2014	5,390,914	5,390,914	-
Year 2013	1,733,604	1,733,604	1,964,490
Year 2012 and before	1,536,746	1,536,746	3,536,169
Value Added Tax	4,166,948	3,459,912	6,911,561
Sub total	14,909,990	12,121,176	12,412,220
Total	30,712,871	27,243,487	19,934,137

b. Taxes Payable

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
The Company			
Income taxes			
Article 21	1,160,593	692,857	1,367,488
Article 22	12,885	671,651	10,371
Article 4 (2)	49,128	17,939	56,641
Article 23	848,899	382,023	962,182
Article 26	34,831	50,929	9,883
Income tax article 29	-	-	-
Value Added Taxes	7,726,345	7,392,809	4,201,956
Other taxes	38,837	12,203	83,241
Sub total	9,871,518	9,220,411	6,691,762
Subsidiaries			
Income taxes			
Article 21	1,931,044	3,419,601	2,606,949
Article 23	825,071	379,581	414,930
Article 25	97,858	150,845	308,080
Article 4 (2)	172,404	35,631	289,592
Article 26	47,860	73,018	27,206
Income tax article 29	1,689,533	2,139,341	3,389,242
Value Added Taxes	690,880	2,120,376	1,516,576
Local Government Taxes 1	1,440,090	554,649	2,158,841
Other taxes	2,968,790	365,268	599,160
Sub total	9,863,530	9,238,310	11,310,576
Total	19,735,048	18,458,721	18,002,338

c. Tax Benefit (Expense)

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Current tax				
The Company	-	-	-	-
Subsidiaries	(2,700,272)	(2,284,773)	(9,268,154)	(11,856,082)
Total current tax	(2,700,272)	(2,284,773)	(9,268,154)	(11,856,082)
Deferred tax				
The Company	948,636	41,264,334	94,547,308	(4,542,336)
Subsidiaries	(1,263,001)	4,102,651	2,481,697	13,011,585
Total deferred tax	(314,365)	45,366,985	97,029,005	8,469,249
Tax expense of the Company and subsidiaries in connection with SKP and SP correction	(2,418)	-	(219,026)	-
Total	(3,017,055)	43,082,212	87,541,825	(3,386,833)

Current Tax

A reconciliation between income (loss) before tax per consolidated statements of profit or loss and taxable income (fiscal loss) of the Company is as follows:

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Income (loss) before tax per consolidated statements of profit or loss	15,433,060	(209,263,613)	(456,453,104)	26,918,220
Elimination and adjustment	(10,446,365)	15,041,966	(5,237,317)	24,267,506
Income (loss) before tax of the Company	4,986,695	(194,221,647)	(461,690,421)	51,185,726
Temporary differences:				
Allowance for impairment losses of accounts receivables	(220,720)	(3,705,218)	12,880,631	316,420
Allowance for decline in value of inventories	367	811	496,050	(28,567)
Depreciation expense	4,116,416	(337,620)	7,942,844	5,573,535
Impairment of assets	-	-	44,785,396	5,093,951
Impairment of investment in Merpati	-	-	4,588,112	-
Maintenance assets	(13,498,461)	(6,291,852)	24,636,007	(37,314,909)
Post employment benefits	(3,874,785)	10,553,106	(11,050,484)	(27,815,704)
Stock issuance cost	-	(779,643)	(3,118,571)	(3,118,571)
Sub total	(13,477,183)	(560,416)	81,159,985	(57,293,845)
Nondeductible expenses/ Non taxable income				
Lease liabilities	(4,067,887)	(17,298,198)	(37,632,694)	(66,042,949)
Income subjected to final tax	(1,540,287)	(3,014,464)	(15,658,608)	(15,325,404)
Expenses that are not deductible for tax purposes	12,747,258	14,219,941	62,318,253	55,561,776
Syndicated loan	-	-	-	(6,208,877)
Stock issuance cost	-	-	(3,075,607)	-
Gain on acquisition of A330	-	-	57,832,075	-
Sub total	7,139,084	(6,092,721)	63,783,419	(32,015,454)
Taxable income (fiscal loss) before fiscal loss carryforward	(1,351,404)	(200,874,784)	(316,747,017)	(38,123,573)
Fiscal loss carryforward	(354,870,590)	(38,123,573)	(38,123,573)	-
Accumulated fiscal loss	(356,221,994)	(238,998,357)	(354,870,590)	(38,123,573)

The details of current tax expense and tax payable (overpayment) are as follows:

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
The Company				
Current tax expense	-	-	-	-
Less prepaid taxes				
Income tax - Article 15	(7,157)	(859,529)	(3,438,116)	(320,470)
Income tax - Article 22	(325,112)	(276,339)	(1,105,357)	(1,775,610)
Income tax - Article 23	(348,301)	(142,938)	(571,753)	(524,942)
Income tax - Article 25	-	(621,292)	(2,485,168)	(4,900,895)
Sub total	(680,570)	(1,900,099)	(7,600,394)	(7,521,917)
Current tax under (over) payment	(680,570)	(1,900,099)	(7,600,394)	(7,521,917)
Subsidiaries				
Current tax expense				
PT Garuda Maintenance Facility Aero Asia	1,549,802	1,241,891	4,029,331	5,716,637
PT Aero Wisata and subsidiaries	588,217	736,760	2,841,455	3,229,494
PT Abacus Distribution Systems Indonesia	16,289	27,853	165,310	404,751
PT Gapura Angkasa	545,965	558,015	2,232,058	2,505,200
Total	2,700,273	2,564,519	9,268,154	11,856,082
Less prepaid taxes	(3,092,517)	(1,563,162)	(12,519,727)	(10,431,330)
Current tax under (over) payment	(392,244)	1,001,357	(3,251,573)	1,424,752

Deferred Tax

Details of deferred tax assets and liabilities are as follows:

	January 1, 2015	Credited (charged) to income for the year	Recognized in other comprehensive income	Translation Adjustments	March 31, 2015 (Unaudited)
	USD	USD	USD	USD	USD
Deferred tax assets (liabilities)					
The Company					
Allowance for impairment loss of accounts receivable	4,746,025	(54,192)	-	-	4,691,833
Allowance for decline in value of inventories	211,028	92	-	-	211,120
Depreciation	(31,774,844)	5,245,301	-	-	(26,529,543)
Impairment of asset	(1,060,602)	-	-	-	(1,060,602)
Impairment of investment in Merpati	1,147,028	-	-	-	1,147,028
Provision for long term receivable	8,431,316	(988)	-	-	8,430,328
Maintenance assets	(37,448,997)	(4,147,955)	-	-	(41,596,952)
Estimated liabilities for aircraft return and maintenance cost	21,368,399	537,223	-	-	21,905,622
Post employment benefits	25,124,460	(968,696)	1,398,931	-	25,554,695
Tax loss carry forwad	88,717,650	337,851	-	-	89,055,501
Total	79,461,463	948,636	1,398,931	-	81,809,030
Subsidiaries					
PT Citilink Indonesia	20,978,988	(592,090)	-	-	20,386,898
PT Abacus Distribution Systems Indonesia	69,085	22,646	4,622	-	96,353
PT Garuda Maintenance Facility Aero Asia	12,852,829	(588,174)	1,056,340	-	13,320,995
PT Aero Wisata and its subsidiaries	2,204,684	397,522	45,874	(74,815)	2,573,265
PT Gapura Angkasa	4,083,462	(408,318)	219,477	(197,588)	3,697,033
Total	40,189,048	(1,168,414)	1,326,313	(272,403)	40,074,544
Deferred tax asset - net	119,650,511	(219,778)	2,725,244	(272,403)	121,883,574
Deferred tax liabilities - net					
Subsidiaries					
PT Aero Systems Indonesia	(250,672)	(16,963)	(12,793)	-	(280,428)
PT Aero Wisata and its subsidiaries	(2,280,465)	(77,624)	174,134	76,401	(2,107,554)
Deferred tax liabilities - net	(2,531,137)	(94,587)	161,341	76,401	(2,387,982)

	December 31, 2014 (As restated - Note 5)				
	January 1, 2014	Credited (charged) to income for the year	Recognized in other comprehensive income	Translation Adjustments	December 31, 2014
	USD	USD	USD	USD	USD
Deferred tax assets (liabilities)					
The Company					
Allowance for impairment loss of accounts receivable	7,147,927	(2,401,902)	-	-	4,746,025
Allowance for decline in value of inventories	95,770	115,258	-	-	211,028
Depreciation	(28,976,084)	4,701,077	(7,499,837)	-	(31,774,844)
Impairment of asset	(1,040,291)	(20,311)	-	-	(1,060,602)
Impairment of investment in Merpati	-	1,147,028	-	-	1,147,028
Provision for long term receivable	4,225,574	4,205,742	-	-	8,431,316
Maintenance assets	(40,062,410)	2,613,413	-	-	(37,448,997)
Estimated liabilities for aircraft rerurn and maintenance cost	13,748,833	7,619,566	-	-	21,368,399
Post employment benefits	25,987,200	(1,839,675)	976,935	-	25,124,460
Stock issuance cost	779,643	(779,643)	-	-	-
Tax loss carry forwad	9,530,895	79,186,755	-	-	88,717,650
Total	(8,562,943)	94,547,308	(6,522,902)	-	79,461,463
Subsidiaries					
PT Citilink Indonesia	15,855,587	4,194,607	928,794	-	20,978,988
PT Abacus Distribution Systems Indonesia	65,890	16,877	(13,682)	-	69,085
PT Garuda Maintenance Facility Aero Asia	13,065,708	(1,059,820)	846,941	-	12,852,829
PT Aero Wisata and its subsidiaries	2,388,550	(86,119)	16,304	(114,051)	2,204,684
PT Gapura Angkasa	3,475,099	(1,012,927)	710,055	911,235	4,083,462
Total	34,850,834	2,052,618	2,488,412	797,184	40,189,048
Deferred tax asset - net	26,287,891	96,599,926	(4,034,490)	797,184	119,650,511
Deferred tax liabilities - net					
Subsidiaries					
PT Aero Systems Indonesia	(103,458)	(179,630)	32,416	-	(250,672)
PT Aero Wisata and its subsidiaries	(2,966,522)	608,709	(41,166)	118,514	(2,280,465)
Deferred tax liabilities - net	(3,069,980)	429,079	(8,750)	118,514	(2,531,137)

	December 31, 2013 (As restated - Note 5)				
	January 1, 2013	Credited (charged) to income for the year	Recognized in other comprehensive income	Translation Adjustments	December 31, 2013
	USD	USD	USD	USD	USD
Deferred tax assets					
The Company					
Allowance for impairment loss of account receivable	7,068,822	79,105	-	-	7,147,927
Allowance for decline in value of inventories	117,132	(21,362)	-	-	95,770
Property and equipment	(27,907,056)	(1,372,972)	303,944	-	(28,976,084)
Impairment of asset	(1,106,789)	66,498	-	-	(1,040,291)
Provision for long term receivable	4,225,574	-	-	-	4,225,574
Maintenance assets	(34,440,639)	(5,621,770)	-	-	(40,062,409)
Estimated liabilities for aircraft return and maintenance cost	12,374,024	1,374,808	-	-	13,748,832
Post employment benefits	37,664,345	(6,701,023)	(4,976,122)	-	25,987,200
Accrued expense	1,096,872	(1,096,872)	-	-	-
Share issuance cost	1,559,286	(779,643)	-	-	779,643
Fiscal loss carry forwad	-	9,530,895	-	-	9,530,895
Total	651,571	(4,542,336)	(4,672,178)	-	(8,562,943)
Subsidiaries					
PT Citilink Indonesia	721,960	14,542,774	590,853	-	15,855,587
PT Abacus Distribution Systems Indonesia	143,132	(70,596)	(6,646)	-	65,890
PT Garuda Maintenance Facility Aero Asia	13,028,243	(1,390,162)	1,427,627	-	13,065,708
PT Aero Wisata and its subsidiaries	2,487,605	424,180	(25,043)	(498,192)	2,388,550
PT Gapura Angkasa	4,508,705	(212,881)	(184,693)	(636,032)	3,475,099
Total	20,889,645	13,293,315	1,802,098	(1,134,224)	34,850,834
Total deferred tax asset - net	21,541,216	8,750,979	(2,870,080)	(1,134,224)	26,287,891
Deferred tax liability					
Subsidiaries					
PT Aero Systems Indonesia	534,889	(517,170)	(121,177)	-	(103,458)
PT Aero Wisata and its subsidiaries	(3,029,549)	235,440	417,357	(589,770)	(2,966,522)
Total deferred tax liabilities - net	(2,494,660)	(281,730)	296,180	(589,770)	(3,069,980)

A reconciliation between the total tax benefit and the amounts computed by applying the effective tax rate to loss before income taxes as follows:

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	(As restated - Note 5) 2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Income (loss) before tax per consolidated statements of profit or loss	15,433,060	(209,263,613)	(456,453,104)	26,918,220
Tax benefit at effective tax rates	(3,858,265)	52,315,903	114,113,276	(6,729,555)
Tax effects of non deductible expenses:				
The Company	(1,784,771)	(6,208,939)	(15,945,855)	8,003,864
Subsidiaries	(765,925)	(2,671,224)	(4,695,820)	(2,774,504)
Adjustment recognized in current year in relation to the prior year deferred tax	3,391,906	(320,041)	(5,929,776)	(1,280,163)
Unrecognized tax loss of the Company and subsidiaries	-	(33,487)	-	(606,475)
Tax benefit (expense) per consolidated statements of profit or loss	(3,017,055)	43,082,212	87,541,825	(3,386,833)

12. MAINTENANCE RESERVE FUND AND SECURITY DEPOSITS

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Aircraft maintenance reserve funds (Note 49)	671,850,635	606,698,350	473,179,589
Operating lease security deposits (Note 49)	176,033,857	180,234,967	144,443,468
Total	847,884,492	786,933,317	617,623,057

13. ADVANCES FOR PURCHASE OF AIRCRAFT

This account represents advances for the purchase of Boeing 777-300ER, Boeing 737-800 NG, Boeing 737-800 MAX, Airbus A330-200, Airbus A320-200, Bombardier CRJ1000, and ATR 72-600 and simulator equipment. Details of related agreements have been disclosed in Note 50.

Below are the details of advances for purchase of aircraft:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
A330			
Beginning balance	159,333,216	189,873,807	151,389,855
Additions	2,124,138	179,663,642	158,692,055
Deductions	-	(210,204,233)	(120,208,103)
Ending balance	161,457,354	159,333,216	189,873,807
A320			
Beginning balance	83,742,958	73,273,288	44,217,895
Additions	1,242,683	36,027,459	35,308,620
Deductions	(27,437,758)	(25,557,789)	(6,253,227)
Ending balance	57,547,883	83,742,958	73,273,288

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
B777-300ER			
Beginning balance	116,987,900	219,297,500	279,424,180
Additions	30,167	23,280,314	203,653,739
Deductions	-	(115,894,874)	(263,780,419)
Transfer out to B737-800 MAX	-	(9,695,040)	-
Ending balance	117,018,067	116,987,900	219,297,500
B737-800 NG			
Beginning balance	-	9,664,720	14,771,356
Additions	-	2,107,666	8,351,064
Deductions	-	-	(13,457,700)
Transfer out to B737-800 MAX	-	(11,772,386)	-
Ending balance	-	-	9,664,720
B737-800 MAX			
Beginning balance	21,467,426	-	-
Transfer in from B777-300 ER and B737-800 NG	-	21,467,426	-
Ending balance	21,467,426	21,467,426	-
CRJ1000 NextGen			
Beginning balance	-	4,467,370	7,354,133
Additions	-	1,278,912	8,525,698
Deductions	-	(5,746,282)	(11,412,461)
Ending balance	-	-	4,467,370
ATR 72-600			
Beginning balance	2,418,000	2,418,000	-
Additions	-	-	2,418,000
Ending balance	2,418,000	2,418,000	2,418,000
Flight Simulator			
Beginning balance	4,933,991	1,371,750	-
Additions	2,566,708	6,310,427	29,837,750
Deductions	(100,000)	(2,748,186)	(28,466,000)
Ending balance	7,400,699	4,933,991	1,371,750
Total	367,309,429	388,883,491	500,366,435

14. INVESTMENT IN ASSOCIATES

	Domicile	Percentage of Ownership	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
		%	USD	USD	USD
PT Aeroprima	Jakarta	40.00	227,541	477,417	846,645
PT Aeronurti Catering Services	Jakarta	45.00	57,246	68,230	125,442
Total			284,787	545,647	972,087

The associates of the Group are operating exclusively in Indonesia.

Changes in investments in associates:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
PT Aeroprima			
Balance at beginning of year	477,417	846,645	1,005,469
Equity in net income (loss)	(226,400)	(376,188)	56,463
Dividends	-	-	-
Translation adjustment	(23,476)	6,960	(215,287)
Balance at end of year	227,541	477,417	846,645
PT Aeronurti Catering Services			
Balance at beginning of year	68,230	125,442	174,095
Equity in net income (loss)	(10,104)	(58,259)	(29,917)
Translation adjustment	(880)	1,047	(18,736)
Balance at end of year	57,246	68,230	125,442

Summarized financial information in respect of associates is set out below:

	March 31, 2015 (Unaudited)	
	Aeroprima	Aeronurti
	USD	USD
Assets	2,776,749	520,418
Liabilities	1,618,135	466,585
Equity attributable to ow ners of the Group	695,168	32,300
Non-controling interest	463,445	21,533
Total	2,776,749	520,418
Revenue	842,191	175,693
Expenses	(790,939)	(197,565)
Profit (loss)	51,252	(21,872)
Profit (loss) attributable to :		
Ow ner of the Company	30,751	(13,123)
Non controlling interest	20,501	(8,749)
Profit (loss) for the period	51,252	(21,872)
Other comprehensive income attributable to :	-	-
Ow ner of the Company		
Non controlling interest	-	-
Total comprehensive income for the period	-	-

	Assets	Liabilities	Revenue	Profit (loss)
	USD	USD	USD	USD
December 31, 2014				
PT Aeroprima	3,080,500	1,915,812	4,136,895	(940,472)
PT Aeronurti Catering Services	653,807	551,866	876,699	(129,465)
Total	3,734,307	2,467,678	5,013,594	(1,069,937)
December 31, 2013				
PT Aeroprima	4,026,270	1,920,626	3,762,142	141,158
PT Aeronurti Catering Services	682,529	503,798	893,767	(66,482)
Total	4,708,799	2,424,424	4,655,909	74,676

15. PROPERTY AND EQUIPMENT

	January 1, 2015	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	March 31, 2015 (Unaudited)	March 31, 2015 (Unaudited) Cost	Revaluation
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Acquisition cost/revaluation:										
Aircraft assets										
Direct Acquisition										
Airframes	161,309,195	-	-	-	-	161,309,195	-	161,309,195	-	161,309,195
Engines	194,127,134	-	-	-	-	194,127,134	-	194,127,134	-	194,127,134
Simulators	97,677,170	97,853	-	-	-	97,775,023	-	97,775,023	97,775,023	-
Rotable parts	148,312,198	1,721,397	(1,522)	-	-	150,032,073	-	150,032,073	150,032,073	-
Maintenance assets			-							
Airframes	49,531,939	2,023,210	(387,383)	-	-	51,167,766	-	51,167,766	51,167,766	-
Engines	156,067,249	6,320,556	(12,527,340)	-	-	149,860,465	-	149,860,465	149,860,465	-
Leased assets										
Airframes	457,783,880	-	-	-	-	457,783,880	-	457,783,880	457,783,880	-
Engines	119,604,251	-	-	-	-	119,604,251	-	119,604,251	119,604,251	-
Cabin refurbrishment	28,033,601	-	(5,026,175)	-	-	23,007,426	-	23,007,426	23,007,426	-
Leasehold improvement	75,636,636	-	-	-	-	75,636,636	-	75,636,636	75,636,636	-
Non aircraft assets										
Direct Acquisition										
Equipment	224,358,018	1,375,122	(169,156)	2,122	(739,746)	224,826,360	-	224,826,360	224,826,360	-
Hardware	7,326,574	16,469	-	-	-	7,343,043	-	7,343,043	7,343,043	-
Vehicles	91,394,762	262,187	(1,495,499)	-	(904,699)	89,256,751	-	89,256,751	89,256,751	-
Engines	9,949,624	73,841	-	20,157	(375,685)	9,667,937	-	9,667,937	9,667,937	-
Installation	6,549,135	19,033	-	-	(319,732)	6,248,436	-	6,248,436	6,248,436	-
Land	120,436,939	-	-	-	(2,428,922)	118,008,017	-	118,008,017	-	118,008,017
Land right	62,202	-	-	-		62,202	-	62,202	62,202	-
Buildings and infrastructure	92,584,398	210,524	-	11,387	(1,259,484)	91,546,825	-	91,546,825	-	91,546,825
Assets under construction	56,865,396	2,222,588	(1,400)	(36,074)	(199,842)	58,850,668	-	58,850,668	58,850,668	-
Leasehold assets vehicles	-	267,256			(4,630)	262,626	-	262,626	262,626	-
Leasehold improvement										
Buildings	12,128,177	38,467	-	(78,349)	(173,104)	11,915,191	-	11,915,191	11,915,191	-
Building, operate, transfer		-	-	-	-					
Buildings and infrastructure	1,621,940	630	-	-	(45,099)	1,577,471	-	1,577,471	1,577,471	-
Engines	119,151	-	-	-	(5,865)	113,286	-	113,286	113,286	-
Installation	120,426	-	-	-	(5,928)	114,498	-	114,498	114,498	-
Total	2,111,599,995	14,649,133	(19,608,475)	(80,757)	(6,462,736)	2,100,097,160	-	2,100,097,160	1,535,105,989	564,991,171

	January 1, 2015	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	March 31, 2015 (Unaudited)
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct Acquisition								
Airframes	38,285,978	6,798,825	-	-	-	45,084,803	-	45,084,803
Engines	39,526,878	12,703,361	-	-	-	52,230,239	-	52,230,239
Simulators	53,098,251	1,072,337	-	-	-	54,170,588	-	54,170,588
Rotable parts	118,830,636	1,392,595	(1,522)	-	-	120,221,709	-	120,221,709
Maintenance assets								
Airframes	15,749,456	1,068,986	(387,383)	-	-	16,431,059	-	16,431,059
Engines	104,197,707	9,508,018	(12,527,340)	-	-	101,178,385	-	101,178,385
Leased assets								
Airframes	419,467,935	1,424,877	-	-	-	420,892,812	-	420,892,812
Engines	74,947,042	742,480	-	-	-	75,689,522	-	75,689,522
Cabin refurbishment	27,575,333	32,733	(5,026,175)	-	-	22,581,891	-	22,581,891
Leasehold improvement	28,093,890	1,794,229	-	-	-	29,888,119	-	29,888,119
Non aircraft assets								
Direct acquisition								
Equipment	165,440,274	2,666,754	(183,386)	-	(221,715)	167,701,927	-	167,701,927
Hardware	5,315,964	358,080	-	-	-	5,674,044	-	5,674,044
Vehicles	80,815,206	1,845,487	(762,783)	-	(366,831)	81,531,079	-	81,531,079
Engine	4,294,074	404,697	-	-	(79,815)	4,618,956	-	4,618,956
Installation	3,879,340	146,681	-	-	(224,989)	3,801,032	-	3,801,032
Buildings and infrastructure	1,793,003	1,716,150	-	-	(192,722)	3,316,431	-	3,316,431
Leased assets					-			
Vehicles	36,149	9,256	-	-	(192)	45,213	-	45,213
Leasehold improvement		-			-			
Buildings	5,990,812	671,014	-	-	(86,246)	6,575,580	-	6,575,580
Buildings, operate, transfer								
Buildings and infrastructure	1,028,127	51,796	-	-	(51,374)	1,028,549	-	1,028,549
Engine	119,151	-	-	-	(5,865)	113,286	-	113,286
Installation	120,427	-	-	-	(5,929)	114,498	-	114,498
Total	1,188,605,633	44,408,356	(18,888,589)	-	(1,235,678)	1,212,889,722	-	1,212,889,722
Net carrying value	922,994,362							887,207,438

	January 1, 2014	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	December 31, 2014	December 31, 2014 Cost	December 31, 2014 Revaluation
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Acquisition cost/revaluation:										
Aircraft assets										
Direct acquisition										
Airframes	24,667,572	4,532,323	-	172,839,340	-	202,039,235	(40,730,040)	161,309,195	-	161,309,195
Engines	67,839,366	20,038,684	(1,823,889)	92,412,135	-	178,466,296	15,660,838	194,127,134	-	194,127,134
Simulators	94,776,895	2,900,275	-	-	-	97,677,170	-	97,677,170	97,677,170	-
Rotable parts	136,930,314	11,158,333	-	223,551	-	148,312,198	-	148,312,198	148,312,198	-
Maintenance assets										
Airframes	38,356,668	11,625,058	(449,787)	-	-	49,531,939	-	49,531,939	49,531,939	-
Engines	108,560,154	58,283,952	(10,776,857)	-	-	156,067,249	-	156,067,249	156,067,249	-
Leased assets										
Airframes	614,627,621	21,141,639	(2,413,125)	(175,572,255)	-	457,783,880	-	457,783,880	457,783,880	-
Engines	186,222,911	26,654,835	-	(93,273,495)	-	119,604,251	-	119,604,251	119,604,251	-
Cabin refurbishment	50,874,174	-	(22,840,573)	-	-	28,033,601	-	28,033,601	28,033,601	-
Leasehold improvement	74,320,636	1,316,000	-	-	-	75,636,636	-	75,636,636	75,636,636	-
Non aircraft assets										
Direct acquisition										
Equipment	215,253,514	9,765,019	(740,471)	187,358	(107,402)	224,358,018	-	224,358,018	224,358,018	-
Hardware	5,870,640	410,001	-	1,045,933	-	7,326,574	-	7,326,574	7,326,574	-
Vehicles	90,841,355	4,959,806	(3,476,506)	-	(929,893)	91,394,762	-	91,394,762	91,394,762	-
Engines	10,096,539	777,199	(240,677)	(522,284)	(161,153)	9,949,624	-	9,949,624	9,949,624	-
Installation	6,111,426	406,573	(87,702)	253,415	(134,577)	6,549,135	-	6,549,135	6,549,135	-
Land	93,830,316	44,356	-	(450,021)	(1,170,603)	92,254,048	28,182,890	120,436,938	-	120,436,938
Land right	62,202	-	-	-	-	62,202	-	62,202	62,202	-
Buildings and infrastructure	87,737,466	3,724,129	(1,933,004)	968,490	(3,215,862)	87,281,219	5,303,180	92,584,399	-	92,584,399
Assets under construction	36,425,753	23,151,368	(1,118,182)	(1,500,791)	(92,752)	56,865,396	-	56,865,396	56,865,396	-
Leasehold improvement										
Buildings	7,726,491	4,453,279	-	-	(51,593)	12,128,177	-	12,128,177	12,128,177	-
Building, operate, transfer										
Buildings and infrastructure	2,040,703	769,406	-	(1,166,845)	(21,324)	1,621,940	-	1,621,940	1,621,940	-
Engines	285,312	-	-	(163,707)	(2,454)	119,151	-	119,151	119,151	-
Installation	440,544	-	-	(317,638)	(2,480)	120,426	-	120,426	120,426	-
Total	1,953,898,572	206,112,235	(45,900,773)	(5,036,814)	(5,890,093)	2,103,183,127	8,416,868	2,111,599,995	1,543,142,329	568,457,666

	January 1, 2014	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	December 31, 2014
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct acquisition								
Airframes	1,704,973	15,162,779	-	21,418,226	-	38,285,978	-	38,285,978
Engines	2,061,258	11,079,695	(1,823,889)	28,209,814	-	39,526,878	-	39,526,878
Simulators	49,039,675	4,058,576	-	-	-	53,098,251	-	53,098,251
Rotable parts	114,532,652	4,294,258	-	3,726	-	118,830,636	-	118,830,636
Maintenance assets								
Airframes	12,135,100	4,064,143	(449,787)	-	-	15,749,456	-	15,749,456
Engines	72,755,532	42,219,032	(10,776,857)	-	-	104,197,707	-	104,197,707
Leased assets								
Airframes	398,664,487	44,331,895	(2,413,125)	(21,115,322)	-	419,467,935	-	419,467,935
Engines	88,484,418	13,301,603	-	(26,838,979)	-	74,947,042	-	74,947,042
Cabin refurbishment	46,235,926	4,179,980	(22,840,573)	-	-	27,575,333	-	27,575,333
Leasehold improvement	20,961,223	7,132,667	-	-	-	28,093,890	-	28,093,890
Non aircraft assets								
Direct Acquisition								
Equipment	152,560,229	13,984,535	(408,723)	(52,168)	(643,599)	165,440,274	-	165,440,274
Hardware	6,121,579	1,161,152	-	(1,966,767)	-	5,315,964	-	5,315,964
Vehicles	76,414,431	8,602,391	(1,807,215)	-	(2,394,401)	80,815,206	-	80,815,206
Engine	3,819,204	1,014,605	(253,064)	(40,307)	(246,364)	4,294,074	-	4,294,074
Installation	6,178,213	562,667	(69,505)	(2,597,606)	(194,429)	3,879,340	-	3,879,340
Buildings and infrastructure	658,762	1,788,044	(329,758)	57,501	(381,546)	1,793,003	-	1,793,003
Leased assets								
Vehicles	36,149	-	-	-	-	36,149	-	36,149
Leasehold improvement								
Buildings	3,745,581	2,285,063	-	-	(39,832)	5,990,812	-	5,990,812
Buildings, operate, transfer								
Buildings and infrastructure	2,061,652	207,073	-	(1,199,733)	(40,865)	1,028,127	-	1,028,127
Engine	308,431	-	-	(186,826)	(2,454)	119,151	-	119,151
Installation	401,257	-	-	(278,352)	(2,478)	120,427	-	120,427
Total	1,058,880,732	179,430,158	(41,172,496)	(4,586,793)	(3,945,968)	1,188,605,633	-	1,188,605,633
Net carrying value	895,017,840							922,994,362

	January 1, 2013	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluations surplus	December 31, 2013	December 31, 2013 Cost	December 31, 2013 Revaluation
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Acquisition cost/revaluation:										
Aircraft assets										
Direct Acquisition										
Airframes	32,292,731	-	(2,795,352)	(5,318,576)	-	24,178,803	488,769	24,667,572	-	24,667,572
Engines	84,175,232	3,715,377	(3,705,028)	(16,177,369)	-	68,008,212	(168,846)	67,839,366	-	67,839,366
Simulators	68,419,311	28,486,940	(2,129,356)	-	-	94,776,895	-	94,776,895	94,776,895	-
Rotable parts	133,106,348	3,852,142	(28,176)	-	-	136,930,314	-	136,930,314	136,930,314	-
Maintenance assets	-	-	-	-	-	-	-	-	-	-
Airframes	22,886,865	11,595,417	(190,155)	4,064,541	-	38,356,668	-	38,356,668	38,356,668	-
Engines	95,015,073	30,252,344	(12,292,462)	(4,414,801)	-	108,560,154	-	108,560,154	108,560,154	-
Assets in progress	3,047,465	10,452,454	-	(13,499,919)	-	-	-	-	-	-
Leased assets	-	-	-	-	-	-	-	-	-	-
Airframes	574,631,029	39,748,632	(3,123,333)	3,371,293	-	614,627,621	-	614,627,621	614,627,621	-
Engines	154,869,506	39,017,372	(6,576,695)	(1,087,272)	-	186,222,911	-	186,222,911	186,222,911	-
Cabin refurbrishment	50,777,728	778,207	(681,761)	-	-	50,874,174	-	50,874,174	50,874,174	-
Leasehold improvement	72,016,988	2,303,648	-	-	-	74,320,636	-	74,320,636	74,320,636	-
Non aircraft assets	-	-	-	-	-	-	-	-	-	-
Direct acquisition	-	-	-	-	-	-	-	-	-	-
Equipment	201,036,557	29,063,037	(259,148)	1,751,378	(16,338,310)	215,253,514	-	215,253,514	215,253,514	-
Hardware	5,949,974	224,966	-	-	(304,300)	5,870,640	-	5,870,640	5,870,640	-
Vehicles	92,005,697	7,815,356	(3,729,739)	189,755	(5,439,714)	90,841,355	-	90,841,355	90,841,355	-
Engines	9,013,648	1,666,848	(223,206)	1,730,529	(2,091,280)	10,096,539	-	10,096,539	10,096,539	-
Installation	6,186,435	636,625	(56,907)	845,610	(1,500,337)	6,111,426	-	6,111,426	6,111,426	-
Land	88,212,960	111,667	(13,832)	670,285	(10,780,058)	78,201,022	15,629,294	93,830,316	-	93,830,316
Land right	62,202	-	-	-	-	62,202	-	62,202	62,202	-
Buildings and infrastructure	99,112,946	87,837,091	(48,736)	(835,991)	(91,425,765)	94,639,545	(6,902,079)	87,737,466	-	87,737,466
Assets under construction	10,413,266	38,456,346	-	(11,640,202)	(803,657)	36,425,753	-	36,425,753	36,425,753	-
Lease assets vehicles	99,638	-	-	(100,173)	535	-	-	-	-	-
Leasehold improvement	-	-	-	-	-	-	-	-	-	-
Buildings	5,428,036	898,324	-	1,400,132	-	7,726,491	-	7,726,491	7,726,491	-
Building, operate, transfer	-	-	-	-	-	-	-	-	-	-
Buildings and infrastructure	2,267,475	-	-	-	(226,772)	2,040,703	-	2,040,703	2,040,703	-
Engines	317,223	-	(249)	-	(31,662)	285,312	-	285,312	285,312	-
Installation	472,561	-	-	-	(32,017)	440,544	-	440,544	440,544	-
Total	1,811,816,894	336,912,793	(35,854,135)	(39,050,780)	(128,973,337)	1,944,851,434	9,047,138	1,953,898,572	1,679,823,852	274,074,720

	January 1, 2013	Additions	Deductions	Reclassification	Currency conversion	Total before revaluation adjustment	Revaluation surplus	December 31, 2013
	USD	USD	USD	USD	USD	USD	USD	USD
Accumulated depreciation:								
Aircraft assets								
Direct acquisition								
Airframes	-	9,425,776	(338,124)	(7,382,679)	-	1,704,973	-	1,704,973
Engines	-	27,918,717	(1,399,077)	(24,458,382)	-	2,061,258	-	2,061,258
Simulators	48,713,890	1,922,801	(1,597,017)	-	-	49,039,674	-	49,039,674
Rotable parts	110,971,083	3,583,985	(22,416)	-	-	114,532,652	-	114,532,652
Maintenance assets								
Airframes	8,822,792	3,263,016	(190,155)	239,446	-	12,135,099	-	12,135,099
Engines	61,284,529	24,468,664	(11,954,708)	(1,042,953)	-	72,755,532	-	72,755,532
Leased assets								
Airframes	387,516,906	14,579,720	(3,123,333)	(308,806)	-	398,664,487	-	398,664,487
Engines	73,884,923	21,284,917	(6,576,695)	(108,727)	-	88,484,418	-	88,484,418
Cabin refurbishment	34,714,279	12,203,408	(681,761)	-	-	46,235,926	-	46,235,926
Leasehold improvement	14,358,445	6,602,778	-	-	-	20,961,223	-	20,961,223
Non aircraft assets								
Direct acquisition								
Equipment	150,291,383	12,969,177	(259,674)	(110,234)	(10,330,423)	152,560,229	-	152,560,229
Hardware	5,865,530	425,646	-	-	(169,597)	6,121,579	-	6,121,579
Vehicles	72,273,453	8,203,026	(2,239,612)	17,750	(1,840,186)	76,414,431	-	76,414,431
Engine	4,290,127	765,965	(222,723)	(24,505)	(989,660)	3,819,204	-	3,819,204
Installation	6,786,535	490,277	(56,907)	(74,229)	(967,461)	6,178,215	-	6,178,215
Buildings and infrastructure	-	7,202,272	(362)	(5,690,611)	(852,537)	658,762	-	658,762
Leased assets								
Vehicles	109,252	6,502	-	(106,850)	27,245	36,149	-	36,149
Leasehold improvement								
Buildings	2,130,388	1,615,193	-	-	-	3,745,581	-	3,745,581
Buildings, operate, transfer								
Buildings and infrastructure	2,281,961	4,498	-	-	(224,807)	2,061,652	-	2,061,652
Engine	340,343	-	(250)	-	(31,662)	308,431	-	308,431
Installation	433,275	-	-	-	(32,018)	401,257	-	401,257
Total	985,069,094	156,936,338	(28,662,814)	(39,050,780)	(15,411,106)	1,058,880,732	-	1,058,880,732
Net carrying value	826,747,800							895,017,840

Depreciation expense charged to operations for the three months ended March 31, 2015 and 2014 amounted to USD 44,408,356 and USD 40,188,895, respectively.

Disposal of property and equipment are as follows:

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Net carrying value	719,887	606,649	4,728,277	7,191,323
Proceeds net of the selling expenses	559,729	445,657	4,770,914	10,314,619
Gain (loss) on sale of property and equipment	(160,158)	(160,992)	42,637	3,123,296

The revaluation of land, buildings and aircrafts was performed by independent appraisers registered in OJK (formerly Bapepam), KJPP Fuadah, Rudi & Rekan. In 2014 as stated in the report dated December 22, 2014 for land and building and February 12, 2015 for aircraft. In 2013 as stated in the report dated December 22, 2014 while in 2012, as stated in the report dated February 11, 2013. The revaluation of fixed asset used the financial information as of November 30, 2014, 2013 and 2012.

Based on the appraisal report, 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 approach.

Details of the Group’s land, building and aircraft and information about the fair value hierarchy as of December 31, 2014, are as follows:

	Level 1	Level 2	Level 3
Land	-	✔	-
Building and improvement	-	-	✔
Aircraft	-	✔	-

There were no transfer between Level 1 and level 2 during the period.

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”.

On June 30, 2014, the Company reclassified six A330 aircraft under finance lease with book value of USD 174,687,925 into directly owned assets in connection with the settlement of ECA (Note 25). In accordance with the Company's policy relating to the use of revaluation model for aircraft, land and buildings as of June 30, 2014, the Company measured the market value of the six A330 aircraft using the estimate measured by KJPP Fuadah Rudi & Rekan, on their report dated October 31, 2014, and recognized the difference as gain under other comprehensive income which amounted to USD 16,105,056 and impairment of USD 8,416,462 in profit and loss.

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 46), 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.

If property and equipment, aircraft, land, building and improvements were stated at the historical cost basis, the carrying amount would be as follows:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Aircraft	45,725,062	13,165,289	84,110,915
Land	30,826,616	49,566,851	38,877,600
Building and improvement	39,920,642	30,291,042	29,492,621
Total	116,472,320	93,023,182	152,481,136

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.

As of March 31, 2015, assets under construction consisted of the following:

	March 31, 2015 (Unaudited)			
	Carrying amount	Total contract	Percentage of completion	Estimated completion
	USD	USD	%	
Machine Installation	1,014,000	2,345,851	43%	2015
Building construction	57,836,668	61,254,382	94%	2015
	58,850,668	63,600,233		

Gross carrying amount of property and equipment that have been fully depreciated and still in use as of March 31, 2015 amounted to USD 114,361,714, respectively.

Property and equipment of the Group are used as collateral for bank loan, long-term loans and lease liabilities (Notes 19, 24 and 25).

As of March 31, 2015, four Boeing 737-300 aircraft owned by PT Citilink Indonesia, a subsidiary, are temporarily idle with carrying amount of USD 6,702,932.

As of March 31, 2015, December 31, 2014 and 2013, property and equipment except land, were insured with insurance companies against fire, theft and other possible risk as follows:

Period	Insurance company	Sum insured USD	Sum insured Rupiah
March 31, 2015	Related party (Note 46)		
	PT Asuransi Jasa Indonesia		
	Third parties	159,251,242	2,397,539,109,995
	PT Asuransi Bina Dana Artha and PT Himalaya Pelindung		
December 31, 2014	Related parties (Note 46)		
	PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia	240,543,826	1,864,021,790,056
	Third parties		
	PT Asuransi Central Asia and PT Himalaya Pelindung		
December 31, 2013	Related parties (Note 46)		
	PT Asuransi Jasa Indonesia and PT Tugu Pratama Indonesia	261,088,683	1,826,624,232,028
	Third parties		
	PT Asuransi Central Asia and PT Himalaya Pelindung		

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

16. INVESTMENT PROPERTIES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Beginning balance	26,818,510	22,020,790	18,912,898
Gain on revaluation	-	3,664,021	3,107,892
Addition	-	1,583,720	-
Deduction	(110,385)	-	-
Reclassification (Note 15)	-	(450,021)	-
Ending balance	26,708,125	26,818,510	22,020,790

The Group has investment properties in land and building.

The revaluation of investment properties was performed by independent appraisers registered with OJK (formerly Bapepam), KJPP Fuadah, Rudi & Rekan in 2014, 2013 and 2012, as stated in their report dated December 22, 2014, January 10, 2014, and February 11, 2013 relating to investment property valuation as of November 30, 2014 and 2013.

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 approach.

The difference between the fair value and carrying amount of the asset is recorded as gain on revaluation of investment properties. As of March 31, 2015, the Group's investment properties fair value is categorised as Level 2, and there were no transfers between Level 1 and Level 2 during the period.

17. INTANGIBLE ASSETS-NET

	January 1, 2015	Additions	Deductions	Reclassifications	March 31, 2015
	USD	USD	USD	USD	USD
Acquisition cost:					
Direct acquisitions					
Software	1,354,293	-	-	-	1,354,293
License	12,847,359	-	-	-	12,847,359
Leased assets					
Software	1,425,866	-	-	-	1,425,866
License	175,042	-	-	-	175,042
Total	15,802,560	-	-	-	15,802,560
Accumulated amortization:					
Direct acquisitions					
Software	539,215	98,428	-	-	637,643
License	8,410,040	269,511	-	-	8,679,551
Leased assets					
Software	706,923	73,869	-	-	780,792
License	99,053	4,880	-	-	103,933
Total	9,755,231	446,688	-	-	10,201,919
Net carrying value	6,047,329				5,600,641

	January 1, 2014	Additions	Deductions	Reclassifications	December 31, 2014
	USD	USD	USD	USD	USD
Acquisition cost:					
Direct acquisitions					
Software	638,610	715,683	-	-	1,354,293
License	12,847,359	-	-	-	12,847,359
Leased assets					
Software	1,425,866	-	-	-	1,425,866
License	175,042	-	-	-	175,042
Software still under installation	59,748	-	(59,748)	-	-
Total	15,146,625	715,683	(59,748)	-	15,802,560
Accumulated amortization:					
Direct acquisitions					
Software	500,909	38,306	-	-	539,215
License	7,330,972	1,079,068	-	-	8,410,040
Leased assets					
Software	412,050	294,873	-	-	706,923
License	79,813	19,240	-	-	99,053
Total	8,323,744	1,431,487	-	-	9,755,231
Net carrying value	6,822,881				6,047,329

	January 1, 2013	Additions	Reclassifications	December 31, 2013
	USD	USD	USD	USD
Acquisition cost:				
Direct acquisitions				
Software	619,335	19,275	-	638,610
License	10,721,677	574,162	1,551,520	12,847,359
Leased assets				
Software	1,073,866	352,000	-	1,425,866
License	175,042	-	-	175,042
Software still under installation	1,606,018	5,250	(1,551,520)	59,748
Total	14,195,938	950,687	-	15,146,625
Accumulated amortization:				
Direct acquisitions				
Software	468,284	32,625	-	500,909
License	6,249,365	1,081,607	-	7,330,972
Leased assets				
Software	197,240	214,810	-	412,050
License	63,943	15,870	-	79,813
Total	6,978,832	1,344,912	-	8,323,744
Net carrying value	7,217,106			6,822,881

Intangible assets represent COMPASS ARGA 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 three months ended March 31, 2015 and 2014 amounted to USD 446,688 and USD 356,730, respectively, which are presented as network operation expenses.

Management believes that there are no events or changes in circumstances which may indicate impairment of intangible assets as of reporting date.

There were no intangible assets used as collateral.

18. OTHER ASSETS– NET

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Plan assets (Note 29)	10,218,848	12,067,331	10,722,622
Manufacturer's incentive	7,397,246	8,870,062	9,039,498
Security deposits - non aircraft	6,347,180	6,191,122	6,751,612
Restricted cash	4,464,656	3,845,411	6,337,409
Non productive assets	4,242,410	4,242,410	4,161,124
Other financial assets	4,106,536	4,180,835	8,800,031
Others receivables - net	-	-	16,845,647
Security deposits - ECA (Note 25)	-	-	9,845,338
Others	6,347,886	5,882,249	3,663,893
Total	43,124,762	45,279,420	76,167,174

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 draft 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 (SOE) 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.

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.

On April 7, 2014 the Company entered into Amendment IV and MNA Memorandum of Understanding to extend the MOU period from March 12, 2014 until March 11, 2015.

On August 14, 2014, the Ministry of SOE approved the assignment of PT Perusahaan Pengelolaan Aset (Persero) ("PT PPA") to represent its agency in implementing the restructuring and/or revitalization of PT MNA wherein PT PPA can start the tender process to attract potential investors with regards to the joint operation (KSO) and joint cooperation (KSU) between PT MNA and potential investors while waiting approval from Ministry of Finance.

Based on management assessment, in relation to the outstanding balance of long term receivable and also considering the internal and external factor, Management concluded to fully impair the Merpati Nusantara Receivables by the end of 2014 and record as impairment of asset (Note 43).

Manufacturer's Incentive

Movements of manufacturer's incentive are as follows:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Beginning balance	8,870,062	9,039,498	5,572,643
Additions	363,751	9,274,086	31,641,634
Deductions	(1,836,567)	(9,443,522)	(28,174,779)
Ending balance	7,397,246	8,870,062	9,039,498

Other financial assets

The Group's available for sale investments are as follows:

	Domicile	Percentage of ownership	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
		%	USD	USD	USD
Investments in shares - at cost					
Abacus International Holdings Ltd	Singapore	2.06	1,730,949	1,730,948	1,730,948
Papas Limited	Hongkong	17.65	1,242,816	1,242,816	1,243,019
PT Nusa Dua Graha International	Bali	8.00	999,842	1,047,759	1,067,603
PT Arthaloka Indonesia	Jakarta	3.00	87,726	92,268	94,168
PT Bumi Minang Padang Plaza	Padang	10.00	45,203	67,044	76,181
PT Merpati Nusantara Airlines	Jakarta	4.21	-	-	4,588,112
Total Other Financial Assets			4,106,536	4,180,835	8,800,031

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.

Based on assessment of Management, it is decided to impair the entire investment in PT MNA of USD 4,588,112 by the end of 2014 and record as impairment of asset (Note 43). The decision was made due to non-operation of PT MNA since February 2014. For airlines companies who has not operated for one year, the flight air operator certificate will be suspended.

Non-productive assets

Non-productive assets consist of Garuda Indonesia Training Center (GITC) building and rotables.

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Net carrying amount - before impairment	4,667,323	4,667,323	4,667,323
Provision for impairment of assets	(424,913)	(424,913)	(506,199)
Net	4,242,410	4,242,410	4,161,124
The movement of the provision is follow:			
Beginning balance	(506,199)	(506,199)	(240,208)
Net changes for the period	81,286	81,286	(265,991)
Ending balance	(424,913)	(424,913)	(506,199)

Security deposits – non aircraft

This account represents security deposits for branch office buildings and utilities.

Restricted cash

This account represents restricted cash related to long term loan.

19. LOANS FROM BANKS AND FINANCIAL INSTITUTION

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Dubai Islamic Bank PJSC and National Bank of Abu Dhabi PJSC	292,201,923	-	-
Bank Rakyat Indonesia	106,281,520	17,031,085	-
Bank Internasional Indonesia	99,516,560	-	-
Bank ICBC	32,495,204	12,450,164	-
Bank HSBC	19,779,022	19,997,361	-
Bank Negara Indonesia	9,395,749	20,833,500	40,222,668
Indonesia Infrastructure Finance	5,000,000	5,000,000	5,000,000
Total	564,669,978	75,312,110	45,222,668

Dubai Islamic Bank PJSC (“DIB”) and National Bank of Abu Dhabi PJSC (“NBAD”) – Murabahah Financing

On March 11, 2015, the Company entered into murabahah financing amounting to USD 400,000,000 with DIB and NBAD as the Arranger, Bookrunner and the Original Participants. The parties agreed to the sale and purchase agreement for contract services of Available Seat Kilometers (ASK). The right to sell ASK is effective over 12 months, with costs per ASK of USD 0.0766 and total saleable ASK rights of 5,225,009,231.02.

In relation to the financing agreement, the Company in return acts as the exclusive representative of Emirates NBD Bank PJSC to sell the relevant rights to ASK to third parties (Wakalah agreement).

The Company must meet the following financial covenants calculated on the basis of twelve (12) months:

- Debt ratio not to exceed 10.5x on March 31, 2015; 9.1x on June 30, 2015; 7.8x on September 30, 2015; and 6.5x on December 31, 2015.

- Coverage ratio not less than 1x on September 20, 2015 and December 31, 2015.

The outstanding balance of murabahah financing as of March 31, 2015 amounted to USD 292,201,923.

Bank Rakyat Indonesia

On December 30, 2014, the Company obtained credit facilities consisting of Kredit Modal Kerja Impor (KMKI), and Penangguhan Jaminan Impor ("PJI") in the form of Surat Kredit Berdokumen Dalam Negeri ("SKBDN"), Letter of Credit (LC), Sight/Usance/Usance Payable at Sight (UPAS) and Standby Letter of Credit (SBLC) amounting to Rp 1 trillion and USD 30 million. KMKI facility has tenor of up to 6 (six) months, for LC/SKBDN/Sight and up to 3 (three) months for LC/SKBDN Usance/UPAS, PJI facility has tenor of up to 180 days and SBLC facility tenor has of up to 12 months.

The purposes of the KMKI and PJI facilities are is for jet fuel purchases from Pertamina and aircraft maintenance of GMFAA.

Total outstanding loan as of March 31, 2015 and December 31, 2014 amounted to USD 106,281,520 (Rp 998,067,413,859 equivalent to USD 76,281,520 and USD 30,000,000) and USD 17,031,085 (Rp 214,216,991,197), respectively.

PT Bank International Indonesia ("BII")

On March 23, 2015, the Company entered into a partnership with BII to finance business of Hajj and Umroh, wherein each party contributed funds amounting to USD 1,000,000 and USD 100,000,000. BII as a passive partner will get earnings ratio based on activities related to Hajj and Umroh or other types of businesses that are determined later by agreement of the Parties (revenue sharing). Partnership for Hajj and Umroh was conducted after the date of this Facility Line Agreement was signed and will expire on March 27, 2017. The Company must meet the following financial covenants calculated on the basis of twelve (12) months:

- Debt ratio not to exceed 10.5x on March 31, 2015; 9.1x on June 30, 2015; 7.8x on September 30, 2015; and 6.5x on December 31, 2015.

- Coverage ratio not less than 1x on September 20, 2015 and December 31, 2015.

The outstanding loan as of March 31, 2015 amounted to USD 99,516,560.

Bank Industrial Commercial Bank of China (ICBC)

On November 14, 2013, the Company obtained a credit facility in the form of Domestic Letter of Credit ("SKBDN") and the Omnibus Sight/Usance/Usance Payable at Sight (UPAS) Letter of Credit (L/C) including Standby Letter of Credit Line (SBLC). SKBDN and UPAS have a maximum tenor of 90 days and for the SBLC has a maximum tenor of 12 months. The combined limit of the facility is USD 20,000,000.

The purpose of this facility is for working capital needs.

Total outstanding bank loan as of March 31, 2015 and December 31, 2014 amounted to USD 32,495,204 and USD 12,450,164, respectively.

The Hongkong and Shanghai Banking Corporation Limited (HSBC)

On August 26, 2014, the Company obtained credit facility from HSBC, with maximum credit limit of USD 20,000,000.

The purposes of this facility are for fuel payment to Pertamina, payment to maintenance service provider and payment to airport operator for landing, handling, overflying and route charges (LHOR).

The outstanding loan as of March 31, 2015 and December 31, 2014 amounted to USD 19,779,022 and USD 19,997,361, respectively.

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 jet fuel from PT Pertamina (Persero). The Company is required to maintain deposits or checking account balances with BNI during 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 with addendum of credit facility as deed No. 32 dated October 16, 2014 by Wenda Taurista Anindya, S.H. The Company obtained credit facility SKBDN with the maximum credit limit of USD 40 million. The facility is to be used for jet fuel purchase and operating activities.

  The outstanding loan as of March 31, 2015, December 31, 2014 and 2013 amounted to USD 9,021,821, USD 20,321,821, and USD 39,618,118, 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 loan as of March 31, 2015, December 31, 2014 and 2013 amounted to Rp 4,892,464,785 (equivalent to USD 373,928), Rp 6,365,282,033 (equivalent to USD 511,679), and Rp 7,368,853,033 (equivalent to USD 604,550), respectively.

Indonesia Infrastructure Finance (IIF)

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 March 31, 2015, December 31, 2014 and 2013, outstanding loan amounted to USD 5,000,000 in each years.

20. TRADE ACCOUNTS PAYABLE

a. By Creditor

	March 31, 2015 (Unaudited) USD	December 31, 2014 USD	December 31, 2013 USD
Related parties (Note 46)			
PT Pertamina (Persero)	80,712,111	103,863,212	108,911,065
PT Angkasa Pura I (Persero)	2,859,248	2,612,037	2,574,185
Perum LPPNI	4,823,634	2,602,347	3,568,602
PT Angkasa Pura II (Persero)	4,561,363	2,145,982	5,023,393
PT Telekomunikasi Indonesia (Persero) Tbk	237,949	320,302	694,319
Others	854,457	19,191	-
Sub total	94,048,762	111,563,071	120,771,564
Third parties			
Airline services			
Fuel	14,334,534	19,690,148	21,865,753
General and administrative	12,055,876	15,616,132	11,758,155
Catering	10,653,593	13,809,741	13,368,408
Maintenance and overhaul	7,441,769	8,995,052	1,574,181
User charges and station	3,768,928	6,433,591	7,432,440
Airline	633,983	826,723	498,079
Sub total	48,888,683	65,371,387	56,497,016
Non airline services	40,526,843	38,654,973	29,682,794
Sub total	89,415,526	104,026,360	86,179,810
Total	183,464,288	215,589,431	206,951,374

b. By Currency

	March 31, 2015 (Unaudited) USD	December 31, 2014 USD	December 31, 2013 USD
Rupiah	94,119,978	127,708,608	130,511,081
U.S. Dollar	77,788,339	70,250,381	58,659,207
Japanese Yen	1,748,089	3,166,251	3,444,371
Arabian Riyal	1,368,085	3,003,224	1,066,898
Singapore Dollar	2,708,590	2,877,754	2,847,791
Australian Dollar	785,642	1,318,053	891,930
Euro	976,791	1,181,468	1,030,500
Korean Won	3,942	559,459	543,720
Other currencies	3,964,832	5,524,233	7,955,876
Total	183,464,288	215,589,431	206,951,374

21. OTHER PAYABLES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Foreign airport retribution	17,205,485	17,230,526	13,374,631
Passenger ticket insurance	839,931	774,326	677,884
Insurance and healthcare	285,413	51,548	3,871,701
Others	14,770,808	6,140,208	3,063,935
Total	33,101,637	24,196,608	20,988,151

22. ACCRUED EXPENSES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
General and administrative	63,527,899	70,562,902	59,480,482
User charges and station	34,402,027	39,764,772	19,007,595
Maintenance and overhaul	41,344,567	43,159,171	25,210,421
Ticketing sales and promotion	18,920,753	18,886,753	17,634,954
Flight operations	5,629,786	8,617,027	18,357,595
Passenger services	8,186,175	7,166,969	5,743,449
Hangar IV construction	5,020,891	4,942,891	3,790,416
Interest	6,737,880	3,508,972	5,560,750
Others	22,677,496	27,988,492	14,885,123
Total	206,447,474	224,597,949	169,670,785

23. UNEARNED REVENUES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Traffic scheduled flight	172,789,686	209,547,184	168,012,509
Others	1,166,646	941,726	1,252,887
Total	173,956,332	210,488,910	169,265,396

24. LONG-TERM LOANS

Details of long-term loans at March 31, 2015, December 31, 2014 and 2013, net of unamortized transaction cost.

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Related parties (Note 46)			
Bank Negara Indonesia	50,687,744	53,485,894	42,803,615
Indonesia Eximbank	38,103,192	40,051,868	-
PT Pertamina (Persero)	14,379,163	28,758,327	43,137,490
Bank Rakyat Indonesia	13,419,833	24,387,199	42,618,642
PT Angkasa Pura II (Persero)	10,315,531	13,473,346	16,104,859
PT Angkasa Pura I (Persero)	3,459,997	3,639,116	5,798,472
Sub total	130,365,460	163,795,750	150,463,078
Third parties			
BCA Club Deal - Syndicated loan	175,275,599	189,162,531	73,488,690
PT Bank Internasional Indonesia	92,500,000	96,437,500	-
Bank Pan Indonesia	64,824,105	74,767,818	74,105,017
Floating Rate Notes			
U.S. Dollar	10,919,731	16,018,433	30,418,159
Rupiah	450,705	1,244,352	3,385,111
Bank CIMB Niaga	3,338,239	3,884,983	4,542,238
PT Indonesia Infrastructure Finance	1,886,274	1,886,274	-
Commonwealth Bank (AUD)	993,852	1,067,821	-
PT Mandiri Tunas Finance	105,113	217,406	1,099,859
PT Tirta Finance	49,137	51,681	-
SCB & Emirates NBD PJSC Syndicated loan	-	113,462,274	-
Emirates NBD PJSC - Murabahah Financing	-	83,689,077	-
Bank Permata	-	69,950,713	69,591,334
Bringin Indotama Sejatera	-	7,917	53,410
Syndicated loan II	-	-	119,708,057
Syndicated loan III			
U.S. Dollar	-	-	45,640,043
Rupiah	-	-	34,620,710
Sub total	350,342,755	651,848,780	456,652,628
Total long term liabilities	480,708,215	815,644,530	607,115,706
Less current maturities	224,649,523	368,945,183	280,075,641
Long term loans portion	256,058,692	446,699,347	327,040,065

The amortized cost of long-term loans is as follows:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Long-term Loan	480,708,215	815,644,530	607,115,706
Accrued interest expense	2,394,126	3,135,498	1,290,965
Total	483,102,341	818,780,028	608,406,671

The average interest rate are as follow:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
U.S. Dollar	1,140% - 4,230%	0,900% - 5,000%	1,159% - 4,750%
Rupiah	7,400% - 15,980%	6,500% - 15,980%	6,500% - 11,152%

Payment details as of March 31, 2015, December 31, 2014 and 2013 are as follow:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
SCB & Emirates NBD PJSC Syndicated loan	115,000,000	-	-
Emirates NBD PJSC - Murabahah Financing	85,000,000	-	-
Bank Permata	70,000,000	-	-
PT Pertamina (Persero)	14,379,163	14,379,163	14,379,163
PT Bank Rakyat Indonesia	10,316,506	20,477,023	1,558,143
Bank Pan Indonesia	10,000,000	-	-
BCA Club Deal - Syndicated loan	9,652,523	5,943,741	-
Floating rate notes			
U.S. Dollar	5,108,234	14,545,479	14,545,479
Rupiah	758,912	2,188,735	2,209,363
PT Bank Internasional Indonesia	4,000,000	3,000,000	-
PT Angkasa Pura II (Persero)	3,157,815	2,631,513	-
Bank Negara Indonesia	2,049,999	5,185,938	2,731,464
PT Mandiri Tunas Finance	245,764	903,548	1,566,474
Bank CIMB Niaga	221,741	1,849,854	2,258,280
Bringin Indotama Sejatera	7,876	46,458	39,642
PT Angkasa Pura I (Persero)	-	2,046,465	-
Indonesia Eximbank	-	-	100,000,000
Syndicated loan I	-	-	27,500,000
Syndicated loan II	-	120,000,000	-
Syndicated loan III			
U.S. Dollar	-	46,000,000	-
Rupiah	-	36,898,338	-
St. George Bank Australia and National Australia Bank Limited	-	-	21,043
Total	329,898,533	276,096,255	166,809,051

PT Bank Negara Indonesia

a. GMFAA

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.

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.

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, 2014, GMFAA has met the financial ratio requirement based on the agreement.

As of March 31, 2015, December 31, 2014 and 2013, outstanding loan balance amounted to Rp 557,863,436,964 (equivalent to USD 42,637,071), Rp 553,762,892,880 (equivalent to USD 44,514,702) and Rp 403,285,640,026 (equivalent to USD 33,086,032), respectively.

b. PT Aerofood Indonesia (ACS)

On June 20, 2012, 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 March 31, 2015, December 31, 2014 and 2013, the outstanding balance of the loan amounted to Rp 74,621,087,488 equivalent to USD 5,703,232, Rp 79,941,069,918 (equivalent to USD 6,426,131) and Rp 90,302,457,964 (equivalent to USD 7,408,521), respectively.

c. PT Aero Wisata (AWS)

In March 2013, AWS, a subsidiary, obtained 3 loan facilities from Bank Negara Indonesia with maximum credit amount of Rp 18 billion, Rp 7 billion and Rp 25 billion and maturity date on March 3, 2021, September 2, 2022 and April 18, 2015, respectively. The loan is used to finance the renovation of Hotel Grand Preanger, Hotel Tastaru, Hotel Mandalika and for the subsidiary's working capital.

The major covenants of these loan facilities include the following:

- Minimum current ratio is 1 time,
- Maximum debt to equity ratio is maximum of 2.1 times,
- Debt service coverage ratio is no less than 100%.

As of March 31, 2015, December 31, 2014 and 2013, the outstanding balance of the loan amounted to Rp 30,713,918,044 (equivalent to USD 2,347,441), Rp 31,660,558,840 (equivalent to USD 2,545,061) and Rp 28,145,161,200 (equivalent to USD 2,309,062), respectively.

Indonesia Exim Bank

On August 15, 2012, the Company and Indonesia Eximbank 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 purchases from Boeing, Airbus, Embraer and Bombardier which are covered by financing commitments in the form of sale and leaseback agreement with the lessor. The term of this agreement was 24 months from the signing of the agreement. Interest payments are made every 3 months.

The loan was collateralized by a deed of pledge over the Company's shares in GMFAA, a subsidiary, for USD 100 million and was fully repaid on August 14, 2014.

On April 28, 2014, the Company entered into a long-term loan facility agreement with Exim Bank Indonesia for Rp 500 billion with a term of 36 months designated for working capital. Interests are payable quarterly.

Principal installment will begin 12 months after the date of the agreement; payable quarterly. The entire facility was drawn by the Company on May 9, 2014. There is no collateral for this loan facility.

The outstanding loan as of March 31, 2015 and December 31, 2014 amounted to Rp 498,5 billion (equivalent to USD 38,103,192) and Rp 498,3 billion (equivalent to USD 40,051,868), respectively.

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.

As of March 31, 2015, December 31, 2014 and 2013, outstanding loan balance amounted to USD 14,379,163, USD 28,758,327 and USD 43,137,490, respectively.

Bank Rakyat Indonesia

a. The Company

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.

As of December 31, 2014, the Company has complied with the financial covenant stipulated in the agreement. Major covenant of the agreement includes, among others is debt-to-equity ratio is not to exceed 5 times.

As of March 31, 2015, December 31, 2014 and 2013, the outstanding loan balance amounted to USD 9,998,861, USD 19,985,270 and USD 39,870,262, respectively.

b. PT Aerofood Indonesia (ACS)

ACS, a subsidiary of AWS, obtained working capital and interchangeable with bank guarantee from Bank Rakyat Indonesia with maximum plafond of Rp 40 billion. Agreement on these loans facility has several changes and the last changes relates to the extension of the credit facility period be July 1, 2014 until July 1, 2015. This loan is secured by inventory and account receivables of ACS.

As of March 31, 2015, the loan has been settled. The outstanding loan December 31, 2014 and 2013 amounted to Rp 4 billion (equivalent to USD 321,543) and Rp 4 billion (equivalent to USD 328,165), respectively.

c. PT Gapura Angkasa (Gapura)

On February 29, 2012, Gapura obtained cash collateral credit from Bank Rakyat Indonesia with maximum plafon of Rp 29.5 bilion and term of 36 months. This loan is secured by two deposit certificates, each worth Rp 20 billlion and Rp 10 billion. The loan was settled on March 2014.

On March 13, 2014, Gapura obtained investment credit from Bank Rakyat Indonesia with a total plafond of Rp 56.7 billion, with term of 36 months and used for purchase of Ground Support Equipment (GSE). The loan is secured by GSE.

Total outstanding loan balance as of March 31, 2015, December 31, 2014, and 2013 amounted to Rp 44,759,997,648 (equivalent to USD 3,420,972), Rp 50,760,000,000 (equivalent to USD 4,080,386) and Rp 29,500,000,000 (equivalent to USD 2,420,215), respectively.

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 (equivalent to USD 21,052,103) into a long-term loan payable with installment terms. This loan will fall due on December 30, 2015. As of March 31, 2015, December 31, 2014 and 2013, the outstanding loan balance amounted to USD 10,315,531, USD 13,473,346 and 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 (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 March 31, 2015, December 31, 2014 and 2013, the outstanding loan balance amounted to Rp 45,270,600,748 (equivalent to USD 3,459,997), Rp 45,270,603,885 (equivalent to USD 3,639,116) and Rp 70,677,575,510 (equivalent to USD 5,798,472), respectively.

PT Bank Internasional Indonesia

On March 27, 2014, the Company entered into a partnership with BII to finance the business of Hajj and Umroh, wherein each party contributed funds amounting to USD 1,000,000 and USD 100,000,000. BII as a passive partner will get earnings ratio based on activities related to Hajj and Umroh or other types of businesses that are determined later by agreement of the Parties (revenue sharing). Partnership for Hajj and Umroh was conducted after the date of this Facility Line Agreement was signed and will expire on March 27, 2017.

The Company must meet the following financial covenants calculated on the basis of twelve (12) months:

- Debt ratio not to exceed 7 times,
- Coverage ratio not less than 1 times,
- The minimum cash percentage of the Group shall not be less than 5% from total operating revenue.

The outstanding loan balance as of March 31, 2015 and December 31, 2014 amounted to USD 92,500,000 and USD 96,437,500 respectively.

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

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.

On December 31, 2013, the Company made the first draw down which amounted to USD 75 million and in 2014 made total draw down amounting to USD 25 million and Rp 1,193,000,000,000.

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, 2014, the Group has exceeded the financial covenants in the agreement, however the Group has received the waiver from the facility agent in relation with noncompliance of financial covenants. The facility agent agreed that exceeding the limit of such financial covenants do not make the loan to become immediately due and payable.

As of March 31, 2015, December 31, 2014 and 2013, the outstanding loan balance amounted to USD 175,275,599, USD 189,162,531 and USD 73,488,690, respectively.

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 as of March 31, 2015, and December 31, 2014 and 2013, amounted to USD 64,824,105, USD 74,767,818 and USD 74,105,017, respectively.

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.

Outstanding balance of FRN as of March 31, 2015 amounted to USD 10,919,731 and Rp 5,897,024,220 (equivalent to USD 450,705), December 31, 2014 amounted to USD 16,018,433 and Rp 15,481,978,080 (equivalent to USD 1,244,352), and as of December 31, 2013 amounted to USD 30,418,159 and Rp 41,261,123,098 (equivalent to USD 3,385,111).

Bank CIMB Niaga

a. PT Aero Wisata (AWS)

   On October 6, 2009, AWS, 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 15).

   As of March 31, 2015, December 31, 2014 and 2013, outstanding loan balance amounted to Rp 5,845,538,492 (equivalent to USD 446,770), Rp 6,576,230,798 (equivalent to USD 528,636) and Rp 9,499,000,022 (equivalent to USD 779,309), respectively.

b. PT Aerotrans Service (ATS)

   ATS 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 ATS to distribute dividends and change its organizational structure without written notification to the bank.

ATS 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, ATS restructured its loan. The agreed restructured terms are as follow:

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 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 AWS.

As of March 31, 2015, December 31, 2014 and 2013, outstanding loan balances amounted to Rp 37,831,980,396 (equivalent to USD 2,891,469), Rp 41,752,950,896 (equivalent to USD 3,356,347) and Rp 40,199,683,876 (equivalent to USD 3,298,030), respectively.

c. PT Aerofood Indonesia (ACS)

On October 2011, ACS obtained loan from CIMB Niaga with maximim limit of Rp 10 billion, effective interest rate 12.50% and maturity date on October 24, 2016. The loan is pledged by fiduciary right of Hi Lift Truck amounting to Rp 12.5 billion. In September 2014, this loan has been extinguished.

As of March 31, 2015, December 31, 2014, the outstanding loan has been settled and as of December 31, 2013 outstanding loan balance amounted to Rp 5,666,666,673 (equivalent to USD 464,900).

PT Indonesia Infrastructure Finance

On July 16, 2014, GMFAA obtained an investment credit facility from PT Indonesia Infrastructure Finance (IIF), maximum amount of USD 30 million with maturity date until December 16, 2020. The loan has floating interest rate of 3-month LIBOR plus 4.45% per annum. This facility can be used to purchase tools and spare parts.

All the loan facility are secured with assets financed by this facility (Note 14).

Without written consent from the Bank and IIF, the Company is restricted to, among other things: undertake merger; propose a bankruptcy; invest; engages in other operational activities; opens new operations; acts as guarantor; pledges the assets to other party; and changes its articles of association. The Company should inform the Bank in writing, when among other things the Company: changes its legal form; pays loan to shareholder; distributes dividends; grants loan; obtains loan; enters into a lease transaction with a leasing company; acquires a third party asset; and changes its management composition. Further, the Company has to comply with the following financial ratios: (a) minimum current ratio of 1:1; (b) maximum debt to equity ratio of 2.5; (c) debt service coverage ratio of 100%.

As of December 31, 2014, the Company has complied with all financial ratios required on the loan agreement.

As of March 31, 2015 and December 31, 2014, outstanding loan balance amounted USD 1,886,274 and USD 1,886,274, respectively.

Commonwealth Bank

On October 14, 2014, GOHA obtained a loan facility from the Commonwealth Bank of Australia used to finance the acquisition of office buildings and investment property located at 263 Clarance Street, Sydney, NSW, 2000 with a loan limit of AU$ 1,300,000. The maturity of the loan is 5 (five) years and can be repaid in part or in whole on the dates specified in the agreement. Interest rate and other expenses of loans consist of:

- The interest rate used is the variable market rate and will be charged every three months.
- Line fee of 0.93% per annum calculated on the facility limit and payable on the first day of each month and on cancellation of limit.
- Usage fee of 1.20% per annum calculated on the total drawn balance of facility and payable on the first day of each month and on cancellation of limit.
- Liquidity fee of 0.1% per annum calculated on the drawn balance of market rate loan and will be charge on reset date or on full prepayment of the loan.
- Rollover fee of AUD 150 will be charged on each reset date.

As of March 31, 2015 and December 31, 2014, outstanding loan balance amounted to USD 993,852 (equivalent AUD 1,300,000) and USD 1,067,821 (equivalent to AUD 1,300,000) respectively.

PT Mandiri Tunas Finance

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

As of March 31, 2015, December 31, 2014, and 2013, the outstanding loan balance amounted to Rp 1,375,300,023 (equivalent to USD 105,113), Rp 2,704,530,640 (equivalent to USD 217,406) and Rp 13,406,183,732 (equivalent to USD 1,099,859), respectively.

PT Tirta Finance

On October 24, 2013, ATS entered into purchase financing with PT Tirta Finance for the purchase of GPS. The finance lease has a term of 4 years and fixed interest rate of 15.98% per annum.

On December 9, 2013, the finance lease term has been amended to become 1.5 years. The outstanding balance of this loan as of March 31, 2015 and December 31, 2014 amounted to Rp 642,914,459 (equivalent to USD 49,137) and Rp 642,911,640 (equivalent to USD 51,681) respectively.

SCB & Emirates NBD PJSC

On April 15, 2014, the Company entered into a long-term syndicated loan facility with Standard Chartered Bank and Emirates NBD PJSC. These facilities granted the Company total maximum credit of USD 200 million with term of 36 months and designated for working capital purposes. Principal and interest payments is made every 3 (three) months, with the first payment due on 15 (fifteen) months after the date of the agreement. The loan facilities were availed by the Company in stages, total draw down in 2014 amounted to USD 200,000,000. The collateral for this loan is a reserved interest placement for three (3) months, which is classified as restricted cash balance (Note 18).

The major covenants include maintaining certain financial covenants as follow:

- Debt ratio not to exceed 6 times,
- Coverage ratio not less than 1 times,
- The minimum cash percentage shall not be less than 5% of total operating revenues.

As of December 31, 2014, the Group has exceeded the financial covenants in the agreement, however the Group has received the waiver from the facility agent in relation with noncompliance of financial covenants. The facility agent agreed that exceeding the limit of such financial covenants do not make the loan to become immediately due and payable.

The outstanding loan at December 31, 2014 amounted to USD 113,462,274 and on February 18, 2015 this loan has been settled with the bridging loan from National Abu Dhabi Bank.

Emirates NBD PJSC – Murabahah Financing

On July 17, 2014, the Company entered into murabahah financing amounting to USD 85,000,000 with Emirates NBD PJSC. The parties agreed to the sale and purchase agreement for contract services of Available Seat Kilometers (ASK). The right to sell ASK is effective over 36 months, with costs per ASK of USD 0.0681 and total saleable ASK rights of 1,248,164,464. In relation to the financing agreement, the Company in return acts as the exclusive representative of Emirates NBD Bank PJSC to sell the relevant rights to ASK to third parties (Wakalah agreement).

The outstanding balance of murabahah financing as of December 31, 2014 amounted to USD 83,689,077 and on February 18, 2015 this loan has been settled with the bridging loan from National Abu Dhabi Bank.

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 months. The loan principal will be paid on the 24 months which on February 18, 2015.

As of March 31, 2015, the loan has been settled. The outstanding loan at December 31, 2014 and 2013 amounted to USD 69,950,713 and USD 69,591,334, respectively.

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.

As of March 31, 2015, the loan has been settled. The outstanding balance of this loan as of, December 31, 2014 and 2013 amounted to, Rp 98,499,920 (equivalent to USD 7,917) and Rp 651,008,040 (equivalent to USD 53,410), 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 was secured by an interest reserve account for three (3) months interest payments.

The Company has used all the plafond facility as of December 31, 2012 with details as follow:

	Total
	USD
Facility agents	
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
	120,000,000

*) USD 15,000,000 commitment to be split between Korea Development Bank and KDB Asia 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, 2014, the outstanding loan has been settled while as of December 31, 2013, the outstanding loan amounted to USD 119,708,057, 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.

As of December 31, 2014, the outstanding loan has been settled while as of December 31, 2013 the outstanding loan amounted to USD 45,640,043 for Syndicated loan III in U.S Dollar currency and USD 34,620,710 (equivalent to Rp 421,991,834,190) for syndicated loan III in Rupiah.

25. LEASE LIABILITIES

The Group entered into lease transaction for the lease of aircraft Airbus type A-330 which were financed by Export Credit Agency (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, PT Century Tokyo Leasing Indonesia and Mitsui Capital Leasing for the lease of software, hardware and vehicles with lease period of 3 years.

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

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Within one year	15,104,743	17,256,791	58,814,443
Over one year but not longer than five years	63,383,806	65,723,598	98,416,610
Over five years	57,253,506	56,059,509	58,290,805
Total future lease payment	135,742,055	139,039,898	215,521,858
Less future finance charges	19,827,727	20,141,541	23,770,914
Present value of minimum lease payments	115,914,328	118,898,357	191,750,944
Presented in consolidated statement of financial position as:			
Current maturities	13,046,441	12,933,174	53,268,680
Non current maturities	102,867,887	105,965,183	138,482,264
Total	115,914,328	118,898,357	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 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.

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 for tranche A and tax security deposit for 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 18).

At December 31, 2013, the Company's coverage ratio is 1.13 times and Debt Ratio is 6.28 times, respectively. 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.

On June 19, 2014, the Company signed the termination agreement relating to six (6) Airbus A330-300 aircraft with manufacturer serial No. 138, 140, 144, 148, 153 and 165. Based on this agreement, within two (2) banking days prior termination date, the Company shall pay the creditor the amount of USD 62,480,833 consisting of principal payment of USD 62,121,518 and interest payment of USD 359,315. The additional cost related to the termination amounted to USD 119,178.

On June 30, 2014, the security deposit and maintenance reserve fund related to ECA has been released together with the six Airbus A330-300 aircraft with manufacturer serial No. 138, 140, 144, 148, 153 and 165 which were reclassified as owned aircraft (Note 15).

As of December 31, 2013, the outstanding balance of ECA finance lease obligation amounted to USD 83,743,135. In 2014, this loan has been settled.

<u>Export Development Canada (EDC)</u>

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, 2014, the Company has used all this facility.

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.

6. The Company elected floating interest payment for the loan tied to PK-GRQ. Payments are made each quarter beginning on September 20, 2014.

Significant covenants of the financing facility are as follow:

1. Debt ratio of the Group shall not be equal to or more than 7.25 times.

2. Coverage ratio of the Group shall not be equal to or less than 1 times.

3. Minimum cash of the Group shall not be equal to or less than 5% for more than two (2) consecutive quarters.

As of December 31, 2014, the Group exceeded the financial covenants in the agreement, however the Group has received the waiver from the facility agent in relation with noncompliance with financial covenants. The facility agent agreed that exceeding the limit of such financial covenants do not make the loan to become immediately due and payable.

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.

6. CRJ1000PK-GRQ will be due on 20th of each quarter. The first installment date is on September 20, 2014, with final maturity on June 20, 2024.

No security deposit is issued for this financing. As of March 31, 2015, December 31, 2014 and 2013, the outstanding balance of EDC financing amounted to USD 114,496,737, USD 117,468,807 and USD 105,784,435, respectively.

PT Hewlett-Packard Finance Indonesia and PT Century Tokyo Indonesia

The loan is related to the purchase of hardware and software with the lease has term of 36 months and effective interest rate per annum at 5.34% - 8% for USD and 10% - 12.25% for IDR in 2014; 8% for USD and 10% for IDR in 2013, respectively.

As of March 31, 2015, December 31, 2014 and 2013, the outstanding balance amounted to USD 1,204,985, USD 1,429,550 and USD 2,223,374, respectively.

Mitsui Leasing Capital

In 2015, ATS entered into purchase financing with Mitsui Capital Leasing for the purchase of 20 vehicles with term of 36 months and interest fixed rate 10.21% - 11.29%.

As of March 31, 2015, the outstanding balance amounted to Rp 2,781,770,742 (equivalent to USD 212,607).

26. ESTIMATED LIABILITY FOR AIRCRAFT RETURN AND MAINTENANCE COST

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Balance at beginning of year	112,788,440	70,252,250	52,331,790
Provision during the year	1,512,433	59,120,035	33,946,760
Amount utilised	(1,208,911)	(22,566,134)	(19,509,300)
Amortized discount	1,327,570	5,982,289	3,483,000
Balance at end of year	114,419,532	112,788,440	70,252,250
Presentation			
Current maturities	46,852,454	39,262,253	15,060,990
Non current maturities	67,567,078	73,526,187	55,191,260
Total	114,419,532	112,788,440	70,252,250

27. BONDS PAYABLE

In July 2013, the Company issued 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 USD 200,724,972 (equivalent to Rp 2,000,000,000,000). 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. On issuance date, 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.

Fitch issued the Company’s bond rating for February 6, 2015 is BBB+(idn) and as of December 31, 2014, the such rating is A-(idn).

The major covenants include maintaining certain financial covenants as follow:

1. Coverage ratio not less than 1 time, and

2. Debt ratio not to exceed 7 times.

On Mach 5, 2015, a General Meeting of Bondholders was held wherein the bondholders agreed to the changes in the financial covenant of the underwriting agreement.

The revised financial covenants are as follow:

1. Debt ratio not to exceed 2.5 times;

2. Minimum cash percentage shall not be less than 5% of the Group revenues; and

3. Group total equity should not be less than USD 800,000,000.

Balance as of March 31, 2015, December 31, 2014 and 2013 amounted to Rp 1,987,495,575,897 (equivalent to USD 151,902,750), Rp 1,987,389,557,320 (equivalent to USD 159,758,003) and Rp 2,000,000,000,000 (equivalent to USD 162,850,383), respectively.

28. OTHER NONCURRENT LIABILITIES

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Deferred income from sale and leaseback (Note 49)	35,167,152	33,798,787	22,720,707
Advances from agent	1,491,310	1,307,665	2,742,732
Others	648,324	332,879	407,854
Total	37,306,786	35,439,331	25,871,293

29. 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 salary wherein 2% are assumed by the employee and the difference is assumed by the Company and GMFAA.

Based on the Company's Annual General Shareholder Meeting (RUPST) dated April 26, 2013, the shareholders 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 employee was changed from 2% to become 3% with the remaining portion borne by the Company.

In 2014, the Company amended its pension preparation program, where employees can no longer avail of the option to be inactive one year before their normal retirement age. Under the new "Collective Employment Agreements" (CEA) all employee must be actively working until his normal retirement age.

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 participant latest salary. 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 salary, respectively.

In 2014, PT Aero Systems Indonesia (ASI), a subsidiary, amended its CEA. The amendments change the calculation of post-employment benefit scheme for normal retirement with additional bereavement payment for employee who dies before his normal retirement age. ASI also amended its long-service awards benefit for employees who have worked for 10 years and 20 years.

Pension expense recorded as part of operating expense for the three-month period ended March 31, 2015 and 2014 amounted USD 1,747,121 and USD 1,556,806 and for the year ended December 31, 2014 and 2013 amounted to USD 6,378,295 and USD 7,432,668, 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 employee gross salary. At retirement age, the employees will obtain benefit of 2.5% times working period times basic pension income.

The GMFAA, ADSI, ASI, AWS and GA 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, AWS and GA 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.

At March 31, 2015 and December 31, 2014 and 2013 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:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
Discount rate	7,5%-8%	8,25% - 8,5%	8,6% - 9%
Future salary increment rate	3% - 8%	3% - 8%	3% - 8%
Mortality rate	TMII	TMII	TMII
Disability rate	10% of mortality rate	10% of mortality rate	10% of mortality rate
Resignation rate	5% at age 25 and decreasing linearly to 0% at age 56	5% at age 25 and decreasing linearly to 0% at age 56	5% at age 25 and decreasing linearly to 0% at age 56
Normal retirement rate	56 years	56 years	56 years
Medical cost increment rate - for healthcare	6,1% until year 2018 then 5% flat rate	6,1% until year 2018 then 5% flat rate	6,1% until year 2017 then 5% flat rate

The amounts recognized in profit or loss and other comprehensive income arising from the post-employment defined benefits plan and other long-term benefits, are as follows:

	March 31, 2015 (Unaudited)			
	Post-employment benefit			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Recognized in profit and loss:				
Current service cost	2,498,371	22,825	187,462	2,708,658
Past service cost	187,141	509,592	(3,317,157)	(2,620,424)
Net Interest of liability (asset)	3,421,193	(190,388)	122,798	3,353,603
Actuarial gain/loss	-	-	340,687	340,687
	6,106,705	342,029	(2,666,210)	3,782,524
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liability:				
Actuarial gain or loss	9,695,110	1,743,020	-	11,438,130
Return on plan asset	133,655	(25,444)	-	108,211
	9,828,765	1,717,576	-	11,546,341
Total	15,935,470	2,059,605	(2,666,210)	15,328,865

	December 31, 2014 (As restated - Note 5)			
	Post-employment benefit			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Recognized in profit and loss:				
Current service cost	9,097,653	78,787	1,207,346	10,383,786
Past service cost	(129,386)	-	(10,545,144)	(10,674,530)
Net interest in liability (asset)	13,769,050	(1,794,862)	1,424,634	13,398,822
Actuarial gain/loss	-	-	729,899	729,899
	22,737,317	(1,716,075)	(7,183,265)	13,837,977
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liabilities				
Actuarial gain or loss	9,942,744	2,634,668	-	12,577,412
Return on plan asset	828,581	(1,531,034)	-	(702,453)
	10,771,325	1,103,634	-	11,874,959
Total	33,508,642	(612,441)	(7,183,265)	25,712,936

	December 31, 2013 (As restated - Note 5)			
	Post-employment benefit			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Recognized in profit and loss:				
Current service cost	10,530,538	162,786	1,734,018	12,427,342
Past service cost	(460,940)	-	(9,569)	(470,509)
Net interest in liability (asset)	10,216,639	(355,838)	1,417,651	11,278,452
Actuarial gain or loss	-	-	(1,238,603)	(1,238,603)
	20,286,237	(193,052)	1,903,497	21,996,682
Recognized in other comprehensive income:				
Remeasurement on the net defined benefit liability				
Actuarial gain or loss	(15,104,337)	(11,101,975)	-	(26,206,312)
Return on plan asset	668,643	8,902,112	-	9,570,755
	(14,435,694)	(2,199,863)	-	(16,635,557)
Total	5,850,543	(2,392,915)	1,903,497	5,361,125

	January 1, 2013/December 31, 2012 (As restated - Note 5)				
	Post-employment benefit				
	Healthcare plan	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD	USD
Recognized in profit and loss:					
Current service cost	-	11,045,997	179,310	1,833,548	13,058,855
Past service cost	-	(2,466,478)	-	(443,543)	(2,910,021)
Net interest in liability (asset)	283,586	14,041,928	(1,598,769)	1,758,887	14,485,632
Actuarial gain or loss	-	(4,013)	-	(27,093)	(31,106)
	283,586	22,617,434	(1,419,459)	3,121,799	24,603,360
Recognized in other comprehensive income:					
Remeasurement on the net defined benefit liability	-	-	-	-	-
Actuarial gain or loss	-	(13,861,557)	587,652	-	(13,273,905)
Return on plan asset	-	(667,654)	(1,557,945)	-	(2,225,599)
	-	(14,529,211)	(970,293)	-	(15,499,504)
Total	283,586	8,088,223	(2,389,752)	3,121,799	9,103,856

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 follow:

	March 31, 2015 (Unaudited)			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	189,651,812	35,763,273	6,000,502	231,415,587
Fair value of plan assets	(8,944,096)	(41,644,489)	-	(50,588,585)
Net liability	180,707,716	(5,881,216)	6,000,502	180,827,002
Employee benefit obligations	180,707,716	4,337,632	6,000,502	191,045,850
Plan assets	-	(10,218,848)	-	(10,218,848)

	December 31, 2014 (As restated - Note 5)			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	186,608,453	34,941,201	9,379,688	230,929,342
Fair value of plan assets	(9,518,011)	(43,151,482)	-	(52,669,493)
Net liability	177,090,442	(8,210,281)	9,379,688	178,259,849
Employee benefit obligations	177,090,442	3,857,050	9,379,688	190,327,180
Plan assets	-	(12,067,331)	-	(12,067,331)

	December 31, 2013 (As restated - Note 5)			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value of obligation	170,793,727	32,997,922	19,076,550	222,868,199
Fair value of plan assets	(9,774,431)	(40,479,065)	-	(50,253,496)
Net liability	161,019,296	(7,481,143)	19,076,550	172,614,703
Employee benefit obligations	161,019,296	3,241,479	19,076,550	183,337,325
Plan assets	-	(10,722,622)	-	(10,722,622)

	January 1, 2013/December 31, 2012 (As restated - Note 5)				
	Employee benefit obligations				
	Healthcare plan	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD	USD
Present value of obligation	72,380	223,379,377	52,505,470	27,528,868	303,486,095
Fair value of plan assets	-	(12,577,806)	(58,890,645)	-	(71,468,451)
Net liability	72,380	210,801,571	(6,385,175)	27,528,868	232,017,644
Employee benefit obligations	72,380	210,801,571	4,812,590	27,528,868	243,215,409
Plan assets	-	-	(11,197,765)	-	(11,197,765)

Movements in the present value obligation are as follow:

	March 31,2015 (Unaudited)			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value obligation - beginning balance	186,608,453	34,941,201	9,379,688	230,929,342
Current service cost	2,498,371	22,825	187,462	2,708,658
Interest expense	3,609,461	693,823	122,798	4,426,082
Employee's contribution	10,112	-	-	10,112
Past service cost	187,141	509,592	(3,317,157)	(2,620,424)
Benefit payment	(3,490,469)	(345,065)	(502,296)	(4,337,830)
Remeasurement on the net defined benefit liability:				
Actuarial gain or loss from experience adjustment	2,076,630	(43,017)	108,863	2,142,476
Actuarial gain or loss from change in financial assumption	7,618,480	1,786,037	231,824	9,636,341
Foreign exchage differential	(9,466,368)	(1,802,123)	(210,680)	(11,479,171)
Present value obligation - ending balance	189,651,811	35,763,273	6,000,502	231,415,586

	December 31, 2014 (As restated - Note 5)			
	Employee benefit obligations			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Present value obligation - beginning balance	170,793,727	32,997,924	19,076,550	222,868,201
Current service cost	9,097,653	78,787	1,207,346	10,383,786
Interest expense	14,665,447	1,941,596	1,424,634	18,031,677
Employee's contribution	94,643	-	-	94,643
Past service cost	(129,386)	-	(10,545,144)	(10,674,530)
Benefit payment	(13,375,831)	(1,850,796)	(2,564,196)	(17,790,823)
Remeasurement on the net defined benefit liability:				
Actuarial gain or loss and experience adjustment	901,908	456,102	62,971	1,420,981
Actuarial gain or loss from change in financial assumption	9,040,836	2,178,566	666,927	11,886,329
Foreign exchage differential	(4,480,544)	(860,978)	50,600	(5,290,922)
Present value obligation - ending balance	186,608,453	34,941,201	9,379,688	230,929,342

	December 31, 2013 (As restated - Note 5)				
		Employee benefit obligations			
	Healthcare plan	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD	USD
Present value obligation - beginning balance	72,380	223,379,377	52,505,470	27,528,868	303,486,095
Current service cost	-	10,530,538	162,786	1,734,018	12,427,342
Interest expense	-	10,900,023	3,065,286	1,417,651	15,382,960
Employee's contribution	-	99,756	-	-	99,756
Past service cost	-	(460,940)	-	(9,569)	(470,509)
Benefit payment	(66,263)	(13,454,503)	(2,115,639)	(5,015,679)	(20,652,084)
Remeasurement on the net defined benefit liability:					
Actuarial gain or loss and experience adjustment	-	25,638,295	213,815	2,563,847	28,415,957
Actuarial gain or loss from change in financial assumption	-	(40,742,632)	(11,315,790)	(3,802,450)	(55,860,872)
Foreign exchage differential	(6,117)	(45,096,187)	(9,518,004)	(5,340,136)	(59,960,444)
Present value obligation - ending balance	-	170,793,727	32,997,924	19,076,550	222,868,201

	January 1, 2013/ December 31, 2012 (As restated - Note 5)				
		Employee benefit obligations			
	Healthcare plan	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD	USD
Present value obligation - beginning balance	13,628,718	240,220,814	54,721,683	29,416,937	337,988,152
Current service cost	-	11,045,997	179,310	1,833,548	13,058,855
Interest expense	283,586	14,802,627	2,633,109	1,758,887	19,478,209
Employee's contribution	-	128,664			128,664
Past service cost	-	(2,466,478)		(443,543)	(2,910,021)
Benefit payment	(13,330,107)	(11,666,230)	(2,177,757)	(3,199,141)	(30,373,235)
Remeasurement on the net defined benefit liability:					
Actuarial gain (loss) and experience adjustment	-	(11,093,044)	956,422	(1,043,821)	(11,180,443)
Actuarial gain (loss) from change in demographic assumption	-	-			-
Actuarial gain (loss) from change in financial assumption	-	(2,772,526)	(368,770)	1,016,728	(2,124,568)
Mutation In/Out	-	25,752		17,408	43,160
Foreign exchage differential	(509,817)	(14,846,199)	(3,438,527)	(1,828,135)	(20,622,678)
Present value obligation - ending balance	72,380	223,379,377	52,505,470	27,528,868	303,486,095

Movements in the net liability of the post-employment defined benefits plan and other long-tern benefit are as follows:

	March 31,2015 (Unaudited)			
	Post-employment benefit			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Balance of beginning of period	177,090,442	(8,210,281)	9,379,688	178,259,849
Expense recognised in profit/loss	6,106,706	342,029	(2,666,210)	3,782,526
Expense recognised in other comprehensive income	9,828,765	1,717,576	-	11,546,341
Foreign exchange differential	(8,999,747)	332,688	(210,680)	(8,877,739)
Employer's contribution	(24,634)	-	-	(24,634)
Payments of benefits	(3,293,816)	(63,228)	(502,296)	(3,859,340)
Balance at end of period	180,707,716	(5,881,216)	6,000,503	180,827,003
Employee benefit obligation	180,707,716	4,337,632	6,000,503	191,045,851
Plan assets	-	(10,218,848)	-	(10,218,848)

	December 31, 2014 (As restated - Note 5)			
	Post-employment benefit			
	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD
Balance of beginning of period	161,019,296	(7,481,143)	19,076,550	172,614,703
Expense recognized in profit/loss	22,737,316	(1,716,075)	(7,183,265)	13,837,976
Expense recognized in other comprhensive income	10,771,324	1,103,633	-	11,874,957
Foreign exchange differential	(4,286,093)	118,815	50,599	(4,116,679)
Employer's contribution	(230,549)	(1,295)	-	(231,844)
Payments of benefits	(12,920,852)	(234,216)	(2,564,196)	(15,719,264)
Balance at end of period	177,090,442	(8,210,281)	9,379,688	178,259,849
Employee benefit obligation	177,090,442	3,857,050	9,379,688	190,327,180
Plan assets	-	(12,067,331)	-	(12,067,331)

	December 31, 2013 (As restated - Note 5)				
		Employee benefit obligations			
	Healthcare plan	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD	USD
Balance of beginning of period	72,380	210,801,571	(6,385,174)	27,528,869	232,017,646
Expense recognized in profit/loss	-	20,286,237	(193,052)	1,903,497	21,996,682
Expense recognized in other comprehensive income	-	(14,435,694)	(2,199,863)	-	(16,635,557)
Employer's contribution	-	(243,006)	(68,948)	-	(311,954)
Foreign exchange differential	(6,117)	(42,528,249)	1,608,225	(5,340,137)	(46,266,278)
Payments of benefits	(66,263)	(12,861,563)	(242,331)	(5,015,679)	(18,185,836)
Balance at end of period	-	161,019,296	(7,481,143)	19,076,550	172,614,703
Employee benefit obligation	-	161,019,296	3,241,479	19,076,550	183,337,325
Plan assets	-	-	(10,722,622)	-	(10,722,622)

	January 1, 2013 / December 31, 2012 (As restated - Note 5)				
		Employee benefit obligations			
	Healthcare plan	Defined benefit plan	Health care	Long service award	Total
	USD	USD	USD	USD	USD
Balance of beginning of period	13,628,718	227,838,999	(3,884,852)	29,416,937	266,999,802
Expense recognized in profit/loss	283,586	22,617,434	(1,419,459)	3,121,800	24,603,361
Expense recognized in other comprehensive income	-	(14,529,211)	(970,293)	-	(15,499,504)
Employer's contribution	-	(281,699)	(143,382)	-	(425,081)
Mutation in/out	-	25,752	-	17,408	43,160
Foreign exchange differential	(509,817)	(14,049,569)	315,041	(1,828,135)	(16,072,480)
Payments of benefits	(13,330,107)	(10,820,135)	(282,230)	(3,199,141)	(27,631,613)
Balance at end of period	72,380	210,801,571	(6,385,175)	27,528,869	232,017,645
Employee benefit obligation	72,380	210,801,571	4,812,590	27,528,869	243,215,410
Plan assets	-	-	(11,197,765)	-	(11,197,765)

The Company has discontinued the healthcare plan program for the employee who retired for certain period.

Movements in the present value of health care plan assets are as follows:

	March 31, 2015 (Unaudited)	(As restated - Note 5) December 31, 2014	December 31, 2013
	USD	USD	USD
Fair value of plan assets - beginning balance	52,669,493	50,253,496	71,468,450
Expected return on plan assets	1,072,478	4,632,856	4,104,509
Remeasurement on the net defined benefit liability			
Return on plan asset	(108,211)	702,453	(9,570,755)
Employer's contribution	24,634	231,844	311,954
Employee's contribution	10,112	94,643	99,756
Benefit payment	(478,490)	(2,071,559)	(2,466,248)
Foreign exchange differential	(2,601,432)	(1,174,240)	(13,694,168)
Fair value of plan assets - ending balance	50,588,584	52,669,493	50,253,498

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:

	Expected return			Fair value of plan assets		
		(As restated - Note 5)			(As restated - Note 5)	
	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	%	%	%	USD	USD	USD
Equity instruments	43.75%	40.19%	53.63%	22,132,503	21,170,116	26,953,075
Time deposits and others	54.13%	51.01%	38.20%	27,383,603	26,866,521	19,195,914
Investment result expected average	2.12%	8.80%	8.17%	1,072,478	4,632,856	4,104,509
Fair value of plan assets - ending balance	100.00%	100.00%	100.00%	50,588,584	52,669,493	50,253,498

The effect of an increase (decrease) of 1% in the assumed medical cost trend rate on:

	March 31, 2015 (Unaudited)		
	Defined benefit plan	Health care	Long service award
	USD	USD	USD
Initial discount rate			
Discount rate +1%	(11,006,515)	(418,378)	(334,670)
Discount rate -1%	15,502,217	533,019	382,640
Future salary increment rate			
Salary increment rate +1%	16,021,741	-	365,816
Salary increment rate -1%	(10,686,516)	-	(317,285)

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.

The actual return on plan assets was USD 1,072,478, USD 4,632,856 and USD 4,104,509 for the three month ended March 31, 2015 and for the years ended December 31, 2014, and 2013, respectively.

The history of experience adjustment is as follows:

	March 31, 2015 (Unaudited)	(As restated - Note 5) December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
	USD	USD	USD	USD	USD
Present value of defined benefit obligation	231,415,587	230,929,342	222,868,201	303,486,096	326,141,729
Fair value of plan assets	(50,588,585)	(52,669,493)	(50,253,498)	(71,468,450)	(58,606,534)
Deficit	180,827,002	178,259,849	172,614,703	232,017,646	267,535,195
Experience adjustment on plan liabilities	2,142,476	1,420,981	28,415,957	(11,180,442)	13,677,607
Experience adjustment on asset liabilities	108,211	(702,453)	9,570,755	(2,225,599)	(899,970)

30. CAPITAL STOCK

	March 31, 2015 (Unaudited)		
	Number of shares	Percentage of ownership	Total paid-up capital
		%	USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,653,127,999	60.5094%	792,323,087
Credit Suisse AG Singapore			
TC AR CL PT Trans Airways	6,711,457,801	25.9441%	339,717,592
Directors:			
Muhammad Arif Wibowo	148,120	0.0006%	7,497
Heriyanto Agung Putra	181,829	0.0007%	9,204
Novijanto Herupratomo	123,816	0.0005%	6,267
Public			
(each holding below 2%)	3,503,887,067	13.5350%	177,369,922
Total	25,868,926,633	100.0000%	1,309,433,569

	December 31, 2014		
	Number of shares	Percentage of ownership	Total paid-up capital
		%	USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,653,127,999	60.5094%	792,323,087
Credit Suisse AG Singapore			
TC AR CL PT Trans Airways	6,711,457,801	25.9441%	339,717,592
Directors:			
Muhammad Arif Wibowo	148,120	0.0006%	7,497
Heriyanto Agung Putra	181,829	0.0007%	9,204
Novijanto Herupratomo	123,816	0.0005%	6,267
Public			
(each holding below 2%)	3,503,887,067	13.5350%	177,369,922
Total	25,868,926,633	100.0000%	1,309,433,569

	December 31, 2013		
	Number of shares	Percentage of ownership	Total paid-up capital
		%	USD
Series A Dwiwarna share:			
Government of the Republic of Indonesia	1	0.0000%	0.05
Series B share:			
Government of the Republic of Indonesia	15,653,127,999	69.1362%	792,323,085
Credit Suisse AG Singapore			
TC AR CL PT Trans Airways	2,466,965,725	10.8960%	124,871,776
Credit Suisse AG Singapore			
Trust A/C Clients	462,691,000	2.0436%	23,420,288
Commisioner:			
Wendy Aritenang Yazid	231,534	0.0010%	11,720
Directors:			
Emirsyah Satar	1,904,369	0.0084%	96,395
Batara Silaban	285,207	0.0013%	14,436
Heriyanto Agung Putra	181,829	0.0008%	9,204
Faik Fahmi	166,094	0.0007%	8,407
Novijanto Herupratomo	123,816	0.0005%	6,267
Handrito Hardjono	97,118	0.0004%	4,916
Public			
(each holding below 2%)	4,055,221,308	17.9110%	205,265,396
Total	22,640,996,000	100.0000%	1,146,031,889

“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.

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.

Based on Extraordinary Shareholder Meeting (RUPSLB) dated March 24, 2014, the shareholder agreed to issue 3,227,930,633 Series B shares or 12.48% from total issued shares and mandated to board of commissioner to define the realization of changes in capital stock in relation with rights issue. The total issued shares after rights issue are 25,868,926,633 shares. The Company offered B Series shares on that rights issue with maximum fund received of Rp 1,484,848,091,180 (equivalent to USD 130,204,652) at sale price of Rp 460 per share. Total additional capital stock is amounting to Rp 1,481,620,160,547 (equivalent to USD 163,401,680) with par value Rp 456 per share.

The differences between the par value at the exchanges rate set in the Company's Articles of Association and the par value at the exchange rate prevailing when the Company received payment for rights issue is recorded as additional paid in capital (Note 31).

31. ADDITIONAL PAID-IN CAPITAL

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Capital reserve	106	106	106
GEP on 2 boeing 747-400 aircrafts and 7 boeing 737-400 aircrafts based on Government Regulation No. 70 year 2000	10	10	10
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	4,088,185	4,088,185	4,088,185
Issuance of shares through public offering	121,453,020	121,453,020	121,453,020
Share issuance cost of initial public offering	(12,474,286)	(12,474,286)	(12,474,286)
Elimination of deficit in connection with quasi-reorganization	(108,518,998)	(108,518,998)	(108,518,998)
Issuance of shares through Rights Issue	283,152	283,152	-
Share issuance cost of Rights Issue	(3,075,606)	(3,075,606)	-
Exchange rate differences on Rights Issue	(33,197,028)	(33,197,028)	-
Differences in restructuring transaction under common control (Notes 1e and 5)	(2,507,044)	(2,507,044)	-
Total	(33,948,489)	(33,948,489)	4,548,037

The Government Equity Participation (GEP) of Rp 8,401,219,715 (equivalent to USD 4,088,185) was presented as additional paid-in capital since the Company has not yet increased its paid-up capital.

Share premium recorded amounting to Rp 3,227,930,633 (equivalent to USD 283,152) arise from rights issue held by the Company in 2014. The market value of share amounted to Rp 460/share and nominal value amounted to Rp 459/share.

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 to Rp 1,100,000,000,000 (equivalent to USD 121,453,020).

The adjustment in additional paid in capital of USD 108,518,998 was made in connection with quasi-reorganization to eliminate opening deficit balance of the Company as of January 1, 2012 (Note 54).

32. OTHER COMPREHENSIVE INCOME

	March 31, 2015 (Unaudited)	(As restated - Note 5) December 31, 2014	December 31, 2013
	USD	USD	USD
Revaluation surplus			
Beginning balance	99,066,192	52,373,880	38,412,435
Additions	-	56,829,767	18,993,491
Deductions	-	(2,250,128)	(4,345,839)
Transferred to retained earning	-	-	(2,283,780)
Deferred tax realization	-	-	2,327,626
Deferred tax effect	-	(6,606,490)	(747,118)
Non controlling interest	-	(1,280,837)	17,065
Sub total	99,066,192	99,066,192	52,373,880
Unrealized loss on cash flow hedge transaction	(3,423,575)	(29,770)	-
Cumulative translation adjustments			
Owner of the parent company	(245,714,492)	(238,379,976)	(236,039,101)
Non controlling interest	12,282,454	12,458,738	18,574,444
Sub total	(233,432,038)	(225,921,238)	(217,464,657)
Total	(137,789,421)	(126,884,816)	(165,090,777)

The revaluation surplus reserve arises on the revaluation of land, buildings and aircraft. When revalued land, building and aircraft are sold, the portion of the revaluation reserve that related to that assets is transferred directly to retained earnings. Items of other comprehensive income included in the properties revaluation reserve will not be reclassified subsequently to profit or loss.

33. STOCK OPTION

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 (equivalent to USD 2,278,677), consisting of 87,847,064 shares for phase 1 and 65,885,298 shares for phase 2.

The fair value of stock options are valued by Towers Watson Purbajaga 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.

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 March 31, 2015, December 31, 2014 and 2013 amounted to USD 2,770,970.

The fair values of stock options are valued by Towers Watson Purbajaga an independent appraisal, in its report dated February 26, 2013 for phase 3 which used Black-Scholes model to measure the option price.

34. APPROPRIATED RETAINED EARNINGS

Under Indonesian Company Law, the Company 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 28, 2014 as stated in Deed No. 4 of Aulia Taufani, S.H., notary in Tangerang, the shareholders approved and stipulated the use of Net Income Attributable to Owners of the Parent Company for the fiscal year 2013 amounting to USD 11,038,843 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, 2013 or in the amount of USD 551,942 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, 2013 or in the amount of USD 10,486,901 shall be used as other reserves.

The balance of the Company's appropriated retained earnings as of March 31, 2015, December 31, 2014 and 2013 amounted USD 6,081,861, USD 6,081,861 and USD 5,529,919, respectively or 0.66% of the Company's issued and paid up capital.

35. NON CONTROLLING INTEREST

	Non controlling interests in net assets				Net (income) loss attributable to non controlling interests			
		(As restated - Note 5)					(As restated - Note 5)	
	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD	USD	USD	USD	USD
PT Abacus Distribution Systems Indonesia	272,996	271,150	253,616	260,535	2,792	3,167	17,535	5,916
PT Aero Wisata and its subsidiaries	620,085	909,614	1,235,245	1,542,527	(128,020)	39,332	(66,869)	148,880
PT Gapura Angkasa (Note 1e)	16,713,564	14,788,859	15,611,973	17,583,687	1,143,558	1,818,809	1,183,894	2,878,641
Total	17,606,645	15,969,623	17,100,834	19,386,749	1,018,330	1,861,308	1,134,560	3,033,437

36. OPERATING REVENUE

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Scheduled airline services				
Passenger	753,531,221	681,008,757	3,147,243,028	2,955,288,708
Cargo	47,793,461	50,352,847	218,462,668	195,952,040
Excess baggage	2,204,699	1,245,023	10,172,649	10,081,118
Mail and document	1,951,276	2,368,755	8,377,041	8,764,325
Sub total	805,480,657	734,975,382	3,384,255,386	3,170,086,191
Non-scheduled airline services				
Hajj	-	-	182,062,387	195,192,932
Charter	39,203,045	2,856,691	21,840,111	20,772,955
	39,203,045	2,856,691	203,902,498	215,965,887
Others				
Aircraft maintenance and overhaul	18,207,292	12,690,443	70,989,413	67,835,959
Travel agent	11,258,137	15,705,005	67,041,690	81,964,385
Catering	13,318,043	14,631,357	57,113,910	60,461,986
Airline related	15,822,720	10,324,189	48,800,950	47,393,619
Groundhandling	9,264,156	10,213,234	36,512,163	44,260,248
Facilities	5,297,734	4,773,345	19,963,821	22,873,959
Hotel	3,669,004	4,515,100	19,819,838	22,218,229
Information technology	1,267,932	1,592,264	5,780,117	4,849,174
Transportation	915,335	1,216,295	4,592,232	5,583,464
Healthcare service	637,750	611,787	2,480,238	2,782,424
Training service	239,576	105,958	912,637	432,720
Others	2,744,682	3,199,095	11,365,379	12,741,992
Sub total	82,642,361	79,578,072	345,372,388	373,398,159
Total	927,326,063	817,410,145	3,933,530,272	3,759,450,237

No revenue earned from individual customers exceeded 10% of total operating revenue.

37. FLIGHT OPERATIONS EXPENSES

	2015	(As restated - Note 5)		
	(Three months) (Unaudited)	2014 (Three months)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Fuel	264,248,176	376,486,818	1,560,265,649	1,420,139,208
Aircraft rental and charter	211,773,084	161,897,712	765,872,793	592,251,660
Salaries and allowances	32,182,020	40,006,640	151,867,703	144,911,938
Depreciation expenses	16,805,325	13,364,471	59,803,489	62,155,939
Insurance	4,471,430	3,886,171	17,863,360	16,691,989
Employee benefit expenses	1,621,434	1,643,261	4,802,003	5,555,501
Others	613,748	353,544	1,704,373	1,738,869
Total	531,715,217	597,638,617	2,562,179,370	2,243,445,104

For three months ended March 31, 2015 and 2014, purchases of fuel from related party represents 50% and 63% of total flight operations expense. For the years ended December 31, 2014 and 2013, purchases of fuel from related party represents 49% and 45% of total flight operations expense (Note 46).

38. TICKETING, SALES AND PROMOTION EXPENSES

	2015 (Three months) (Unaudited)	(As restated - Note 5) 2014 (Three months)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Comissions	28,502,842	26,605,264	127,355,601	117,819,462
Reservations	23,908,555	28,590,302	112,834,732	111,457,234
Salaries and allowances	10,737,406	11,884,774	50,455,357	47,532,130
Promotions	7,590,360	8,000,796	46,179,710	41,504,898
Rental	2,348,800	3,179,132	10,943,820	9,289,844
Employee benefit expenses	321,498	392,275	(13,777)	1,089,296
Professional services and training	205,032	92,208	1,896,998	2,401,356
Others	1,589,576	912,819	5,169,955	4,488,373
Total	75,204,069	79,657,570	354,822,396	335,582,593

39. MAINTENANCE AND OVERHAUL EXPENSES

	2015 (Three months) (Unaudited)	(As restated - Note 5) 2014 (Three months)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Maintenance and overhaul	37,188,273	32,072,762	179,443,153	88,899,689
Depreciation expenses	21,100,169	17,991,589	92,180,739	67,717,824
Sparepart	16,013,201	15,356,376	73,396,129	59,914,150
Salaries and allowances	15,544,298	12,511,426	54,729,460	55,022,379
Employee benefit expenses	1,575,865	1,471,437	6,725,684	5,504,040
Rental	1,483,712	1,141,752	8,890,737	5,116,842
Insurance	346,196	161,117	632,532	1,220,779
Fuel	252,207	257,978	1,155,983	1,467,728
Others	998,778	297,836	2,382,357	329,898
Total	94,502,699	81,262,273	419,536,774	285,193,329

40. PASSENGER SERVICE EXPENSES

	2015 (Three months) (Unaudited)	(As restated - Note 5) 2014 (Three months)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Passenger services	44,925,900	43,518,934	187,450,968	175,396,666
Salaries and allowances	21,614,838	27,981,602	107,432,776	100,908,081
General inventories consumption	344,902	466,293	2,941,833	2,225,273
Professional services and training	219,274	254,003	2,228,903	1,624,865
Employee benefit expenses	731,533	773,747	(60,873)	1,157,503
Others	1,135,691	374,429	2,914,530	1,584,909
Total	68,972,138	73,369,008	302,908,137	282,897,297

41. USER CHARGE AND STATION EXPENSES

	2015	(As restated - Note 5)		
	(Three months)	2014	2014	2013
	(Unaudited)	(Three months)	(One year)	(One year)
	USD	USD	USD	USD
Aircraft and flight services	46,427,116	45,497,158	196,214,075	170,266,779
Groundhandling	20,884,643	21,027,155	102,413,717	88,476,864
Salaries and allowances	4,093,242	4,838,106	19,622,945	20,231,807
Rental	3,270,609	3,094,830	13,554,447	12,951,822
Depreciation expenses	461,841	497,906	3,648,915	1,961,552
Employee benefit expenses	(1,762,790)	(2,672,304)	2,392,403	2,612,473
Others	624,737	374,931	1,909,594	1,499,947
Total	73,999,398	72,657,782	339,756,096	298,001,244

42. GENERAL AND ADMINISTRATIVE EXPENSES

	2015	(As restated - Note 5)		
	(Three months)	2014	2014	2013
	(Unaudited)	(Three months)	(One year)	(One year)
	USD	USD	USD	USD
Salaries and allowances	22,006,906	24,125,324	98,366,146	89,832,315
Taxes	6,012,257	5,771,754	25,452,564	19,794,132
Depreciation expenses	5,624,521	5,847,883	23,797,014	23,405,558
Rental	5,973,813	4,789,539	22,739,524	19,589,616
Utilities	3,876,150	3,636,833	16,340,301	15,868,925
Professional services and training	3,384,047	2,921,302	16,042,993	10,786,536
Maintenance and repairs	3,435,212	4,726,035	15,834,089	12,995,228
Insurances	2,261,128	1,948,815	8,257,060	8,982,388
Office supplies	1,779,698	572,365	3,402,802	3,423,127
Employee benefit expenses	1,294,986	1,463,915	728,987	7,584,337
Healthcare services	340,695	270,746	462,254	1,036,163
Membership dues and subscription	224,085	219,126	1,130,355	1,265,750
Others	1,353,816	3,440,512	11,956,409	13,751,451
Total	57,567,314	59,734,149	244,510,498	228,315,526

43. OTHER INCOME (CHARGES) – NET

	2015	(As restated - Note 5)		
	(Three months)	2014	2014	2013
	(Unaudited)	(Three months)	(One year)	(One year)
	USD	USD	USD	USD
Gain (loss) sale and leaseback	782,938	479,051	18,039,756	846,147
Gain on revaluation of investment properties and non productive assets	-	-	3,664,035	3,107,892
Insurance claim	39,708	13,129	2,154,912	11,726,217
Gain on sale of property and equipment and non productive asset (Note 16)	(153,975)	(160,587)	42,637	3,123,296
Loss on derivative	56,072	-	(2,671,127)	(6,528,600)
Impairment loss (Notes 15 and 18)	-	-	(68,064,606)	(10,649,525)
Others - net	391,342	2,275,876	1,524,758	417,657
Total	1,116,085	2,607,469	(45,309,635)	2,043,084

44. FINANCE COST

	2015	(As restated - Note 5)		
	(Three months)	2014	2014	2013
	(Unaudited)	(Three months)	(One year)	(One year)
	USD	USD	USD	USD
Interest expense				
Long-term loans	10,680,269	9,354,755	40,086,264	24,611,854
Bonds payable	2,606,392	3,746,136	15,453,359	7,896,630
Leases	1,098,888	1,497,088	5,504,538	7,048,681
Bank loans	94,113	98,426	1,417,171	1,224,877
Others	1,493,992	1,935,332	5,956,505	3,695,268
Sub total	15,973,654	16,631,737	68,417,837	44,477,310
Other finance cost	694,718	410,848	4,903,243	15,391,014
Total finance cost	16,668,372	17,042,585	73,321,080	59,868,324

45. EARNINGS (LOSS) 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:

	2015	2014	(As restated - Note 5)	
	(Three months)	(Three months)	2014	2013
	(Unaudited)	(Unaudited)	(One year)	(One year)
	USD	USD	USD	USD
Profit (loss) atributable to owner of the parent	11,397,675	(168,042,709)	(370,045,839)	20,497,950
Weighted average number of share for calculation of basic earning per share	25,798,177,468	22,640,996,000	25,002,249,367	22,640,996,000
Earnings per share - basic	0.00044	(0.00742)	(0.01480)	0.00091

The Company did not compute diluted earnings per share because the potential ordinary shares (i.e. options) are anti-dilutive.

46. 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 including entities where the Ministry of Finance Republic of Indonesia have significant influence.

Since 2015, PT Bank Mega and PT Bank Mega Syariah are entities who have the same shareholder with Company.

Commissioners and directors are key management personnel.

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 follow:

	Total			% to Assets/ Liabilities		
	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD	%	%	%
Cash and cash equivalents (Note 6)						
Bank Rakyat Indonesia	59,897,538	115,544,106	54,424,925			
Bank Mandiri	35,714,423	21,193,653	38,119,010			
Bank Negara Indonesia	32,641,939	54,306,777	59,515,147			
Bank Mega	6,479,487	-	-			
Bank Syariah Mandiri	621,110	455,601	8,609,168			
Bank Mega Syariah	229,288	-	-			
Bank Rakyat Indonesia Syariah	-	-	6,563,295			
Total	135,583,785	191,500,137	167,231,545	4.27%	6.15%	5.58%
Trade accounts receivable (Note 7)						
PT Pos Indonesia	687,421	1,000,506	532,813			
PT Jiwasraya	615,232	646,754	1,966,795			
PT Abacus International Ltd	522,534	440,786	410,871			
PT Angkasa Pura II (Persero)	521,926	404,396	805,773			
PT Bukit Asam (Persero) Tbk	241,387	124,230	113,915			
Kementerian Agama/ Ministry of Religious Affairs	15,271	16,062	26,672			
Others	58,414	114,751	38,881			
Total	2,662,185	2,747,485	3,895,720	0.08%	0.09%	0.13%
Other assets (Note 18)						
PT Merpati Nusantara	-	-	16,845,647	0.00%	0.00%	0.56%
Bank loans (Note 19)						
Bank Negara Indonesia	9,395,749	20,833,500	40,222,668			
Bank Rakyat Indonesia	106,281,520	17,031,085	-			
Total	115,677,269	37,864,585	40,222,668	5.03%	1.70%	2.11%
Trade accounts payable (Note 20)						
PT Pertamina (Persero)	80,712,111	103,863,212	108,911,065			
PT Angkasa Pura I (Persero)	2,859,248	2,612,037	2,574,185			
Perum LPPNI	4,823,634	2,602,347	3,568,602			
PT Angkasa Pura II (Persero)	4,561,363	2,145,982	5,023,393			
PT Telekomunikasi Indonesia (Persero) Tbk	237,949	320,302	694,319			
Others	854,457	19,191	-			
Total	94,048,762	111,563,071	120,771,564	4.09%	4.99%	6.34%
Long term liabilities (Note 24)						
Bank Negara Indonesia	50,687,744	53,485,894	42,803,615			
Indonesia Eximbank	38,103,192	40,051,868	-			
PT Pertamina (Persero)	14,379,163	28,758,327	43,137,490			
Bank Rakyat Indonesia	13,419,833	24,387,199	42,618,642			
PT Angkasa Pura II (Persero)	10,315,531	13,473,346	16,104,859			
PT Angkasa Pura I (Persero)	3,459,997	3,639,116	5,798,472			
Total	130,365,460	163,795,750	150,463,078	5.67%	7.33%	7.90%

b. Operating expenses from related parties constituted 30.33%, 38.71%, 29.46% and 28.84% of the total operating expenses for the three month periods ended March 31, 2015 and 2014, and for the year ended December 31, 2014 and 2013, respectively. At reporting date, the liabilities for these expenses were presented as trade accounts payable which constituted 4.05%, 4.97% and 6.24%, respectively, of the total liabilities as of March 31, 2015, December 31, 2014 and 2013.

The details of operating expenses from related parties are as follows:

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
PT Pertamina (Persero)	264,248,176	376,486,818	1,247,284,549	1,020,854,735
PT Angkasa Pura II (Persero)	4,776,926	2,054,873	18,023,217	26,623,422
PT Angkasa Pura I (Persero)	1,838,239	714,839	10,266,221	15,027,363
Perum LPPNPI	7,215,449	544,399	968,588	3,748,853
Total	278,078,790	379,800,929	1,276,542,575	1,066,254,373
Percentage of:				
Total operating expense	30.33%	38.71%	29.46%	28.84%

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 Angkasa Pura I (Persero) and PT Angkasa Pura II (Persero) are related to airport operation and ground handling.

d. Renumeration of Commissioners and Directors

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Commissioners				
Short term benefits	117,467	90,631	580,040	629,373
Post employment benefits	25,139	14,186	53,357	53,091
	142,606	104,817	633,397	682,464
Directors				
Short term benefits	212,576	375,750	1,526,230	2,152,120
Post employment benefits	43,665	68,805	250,466	257,494
	256,241	444,555	1,776,696	2,409,614

47. 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 19, 24, 25 and 27, cash and cash equivalents, and total equity comprising issued capital, additional paid-in capital, retained earnings (deficit) and non-controlling interest.

The gearing ratio are as follow:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Debt			
Loan from banks and financial institution	564,669,978	75,312,110	45,222,668
Long-term loans	480,708,215	815,644,530	607,115,706
Bonds payable	151,902,750	159,758,003	162,850,383
Lease liabilities	115,914,328	118,898,357	191,750,944
Total debt	1,313,195,271	1,169,613,000	1,006,939,701
Cash and cash equivalents	464,898,910	434,327,498	480,429,053
Net debt	848,296,361	735,285,502	526,510,648
Equity	874,229,429	879,467,591	1,094,133,594
Net debt to equity ratio	97%	84%	48%

The Boards of Commissioners and Directors periodically review the Groups' financial performance. As part of this review, the Board of Commissioners and Directors consider the Groups' financial risk exposure.

B. Categories of financial instruments

Classification of the Groups' financial assets and liabilities are as follow:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Loan and receivables			
Cash and cash equivalents	464,898,910	434,327,498	480,429,053
Trade accounts receivables	139,987,748	120,623,827	145,556,829
Other receivables	10,645,811	8,349,932	9,158,363
Maintenance reserve fund and security deposits	847,884,492	786,933,317	617,623,057
Other assets	4,464,656	3,845,411	33,164,537
Total	1,467,881,617	1,354,079,985	1,285,931,839
Financial liabilities - amortized cost			
Bank loans and financial institution	564,669,978	75,312,110	45,222,668
Trade payables	183,464,288	215,589,431	206,951,374
Other payable	33,101,637	24,196,608	20,988,151
Accrued expenses	206,447,474	224,597,949	169,670,785
Long-term loans	480,708,215	815,644,530	607,115,706
Lease liabilities	115,914,328	118,898,357	191,750,944
Bonds payable	151,902,750	159,758,003	162,850,383
Total	1,736,208,670	1,633,996,988	1,404,550,011

The Group does not have financial assets classified as Held-to-Maturity.

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.

(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% - 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 fuel 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 three months ended March 31, 2015 and 2014 would increased (decreased) by USD 2,082,612 and USD 9,107,705.

(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 hedging, as follows:

- Group entered cross currency swap (CCS) transaction to minimize the possible risk of weakening value of the functional currency.
- 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 52.

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 March 31, 2015, 2014, December 31, 2014 and 2013, 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 year end for a 100 basis point change in foreign currency rates.

		Effect on profit after tax			
	Changes in currency rate	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
		USD	USD	USD	USD
Other functional currency rates					
Strenghthening (weakening)					
Rupiah	100 bp	(1,038,359)	(2,328,188)	3,247,885	2,109,550
Yen	100 bp	96,790	75,978	(97,227)	(95,067)
AUD	100 bp	23,941	210,828	(186,654)	(165,325)

(iii) 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.

Risk exposure and strategy

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.

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.

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, 2014, the Company uses interest rate swap in several transaction.

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 March 31, 2015 and 2014, December 31, 2014 and 2013. 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.

		Effect on profit after tax			
	Changes in currency rate	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
		USD	USD	USD	USD
Interest rate					
Strenghthening (weakening)					
LIBOR	1%	195,540	458,440	604,118	423,821
SBI	0,5%	59,947	1,091	30,608	9,220

(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 March 31, 2015, December 31, 2014 and 2013 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:

	March 31, 2015				
	Weighted average effective interest rate	Within one year	Over one year but longer than five years	Over than five years	Total
	%	USD	USD	USD	USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	2,545,536	-	-	2,545,536
Account receivables	-	139,987,748	-	-	139,987,748
Others receivables	-	8,060,806	-	-	8,060,806
Maintenance reserved fund and security deposits	-	194,731,728	346,846,846	306,305,918	847,884,492
Variable interest rate					
Cash and cash equivalents	0,1% - 11%	194,731	-	-	194,731
Others receivables	0,1% - 11%	2,589,117	-	-	2,589,117
Restricted cash	0,51% - 4,25%	4,464,656	-	-	4,464,656
Fixed interest rate					
Cash and cash equivalents	0,1% - 11%	123,787,592	-	-	123,787,592
Total		476,361,914	346,846,846	306,305,918	1,129,514,678

	March 31, 2015				
	Weighted average effective interest rate	Within one year	Over one year but longer than five years	Over than five years	Total
	%	USD	USD	USD	USD
Financial Liabilities					
Non-interest bearing					
Trade payables	-	183,464,553	-	-	183,464,553
Other payables	-	33,101,637	-	-	33,101,637
Accrued expenses	-	206,542,281	-	-	206,542,281
Variable interest rate					
Long-term loans	4,93%-14,25%	599,676,801	236,502,476	34,158,170	870,337,447
Lease liabilities	1,13% - 11,15%	5,862,205	21,405,999	20,037,550	47,305,754
Loans from banks and financial institution	14.25%	60,369,261	-	-	60,369,261
Fixed interest rate					
Long-term loans	10%-15,98%	26,031,159	25,165,391	-	51,196,550
Lease liabilities	1,15% - 11,15%	11,247,545	44,734,684	31,957,492	87,939,721
Loans from banks and financial institution	1,15% - 11,15%	151,738,108	-	-	151,738,108
Bonds	9,25%	13,913,717	187,476,957	-	201,390,674
Total		1,291,947,267	515,285,507	86,153,212	1,893,385,986

	December 31, 2014				
	Weighted average effective interest rate	Within one year	Over one year but longer than five years	Over than five years	Total
	%	USD	USD	USD	USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	2,642,730	-	-	2,642,730
Account receivables	-	120,623,827	-	-	120,623,827
Others receivables	-	5,429,520	-	-	5,429,520
Maintenance reserved fund and security deposits		194,731,728	336,296,616	255,904,973	786,933,317
Variable interest rate					
Cash and cash equivalents	0,1% - 11%	256,110,887	-	-	256,110,887
Others receivables	0,1% - 11%	999,979	-	-	999,979
Restricted cash	0,51% - 4,25%	3,864,421	-	-	3,864,421
Fixed interest rate					
Cash and cash equivalents	0,1% - 11%	187,528,169	-	-	187,528,169
Total		771,931,261	336,296,616	255,904,973	1,364,132,850
Financial Liabilities					
Non-interest bearing					
Trade payables	-	215,589,431	-	-	215,589,431
Other payables	-	24,196,608	-	-	24,196,608
Accrued expenses	-	224,597,949	-	-	224,597,949
Variable interest rate					
Long-term loans	6% - 12,5%	319,640,647	446,380,969	36,227,532	802,249,148
Lease liabilities	1,13% - 8%	5,180,151	20,710,228	21,324,167	47,214,546
Fixed interest rate					
Long-term loans	7,4% - 15,83%	91,680,506	29,308,924	-	120,989,430
Lease liabilities	1,15% - 11,15%	11,111,402	44,445,609	34,735,342	90,292,353
Loans from banks and financial institution	1,15% - 11,15%	71,734,055	-	-	71,734,055
Bonds	9.25%	14,871,383	201,668,006	-	216,539,389
Total		978,602,132	742,513,736	92,287,041	1,813,402,909

	December 31, 2013				
	Weighted average effective interest rate	Within one year	Over one year but longer than five years	Over than five years	Total
	%	USD	USD	USD	USD
Financial Assets					
Non-interest bearing					
Cash and cash equivalents	-	2,190,404	-	-	2,190,404
Account receivables	-	145,556,829	-	-	145,556,829
Others receivables	-	9,158,363	-	-	9,158,363
Maintenance reserved fund and security deposits	-	225,007,400	228,469,390	202,157,359	655,634,149
Variable interest rate					
Cash and cash equivalents	0,1% - 11%	249,818,439	-	-	249,818,439
Others receivables	0,1% - 11%	919,904	-	-	919,904
Restricted cash	0,51% - 4,25%	6,274,896	62,513		6,337,409
Fixed interest rate					
Cash and cash equivalents	0,1% - 11%	241,098,593	-	-	241,098,593
Total		880,024,828	228,531,903	202,157,359	1,310,714,090
Financial Liabilities					
Non-interest bearing					
Trade payables	-	206,951,374	-	-	206,951,374
Other payables	-	20,988,151	-	-	20,988,151
Accrued expenses	-	169,670,785	-	-	169,670,785
Variable interest rate					
Long-term loans	1,15% - 11,15%	308,507,800	252,332,921	5,193,217	566,033,938
Lease liabilities	1,13% - 8%	42,311,559	41,431,576	-	83,743,135
Fixed interest rate					
Long-term loans	1,15% - 11,15%	6,237,669	77,326,358	255,369,571	338,933,598
Lease liabilities	1,13% - 8%	10,957,121	43,632,984	53,417,704	108,007,809
Loans from banks and financial institution	1,15% - 11,15%	41,774,848	-	-	41,774,848
Total		807,399,307	414,723,839	313,980,492	1,536,103,638

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 19, 24 and 25.

Below is the Group's composition of financing facilities as follows:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Unsecured financing facilities:			
- Amount used	62,434,287	991,196,371	526,527,409
- Amount unused	4,536,386	118,510,217	152,438,281
Total	66,970,673	1,109,706,588	678,965,690
Secured bank facilities with various maturity dated through 2015 and which maybe extended:			
- Amount used	1,137,101,326	60,531,973	49,431,837
- Amount unused	38,851,660	59,428,808	53,581,864
Total	1,175,952,986	119,960,781	103,013,701

(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.

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:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Cash and cash equivalents	464,898,910	434,327,498	480,429,053
Trade receivable	139,987,748	120,623,827	145,556,829
Other receivable	10,645,811	8,349,932	9,158,363
Maintenance reserve fund and security deposits	847,884,492	786,933,317	617,623,057
Other assets	4,464,656	3,845,411	33,164,537
Total	1,467,881,617	1,354,079,985	1,285,931,839

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by credit-rating agencies.

D. Fair Value Estimation of Financial Instruments

Fair value of financial instruments that are not measured at fair value on a recurring basis (but fair value disclosures are required)

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.

	March 31, 2015 (Unaudited)		December 31, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	USD	USD	USD	USD	USD	USD
Maintenance reserve fund and security deposit	847,884,492	791,217,397	786,933,317	734,339,803	617,623,057	601,450,216
Long-term loans	480,708,215	872,244,653	815,644,530	809,565,102	607,115,706	603,975,951
Lease liabilities	115,914,328	112,888,134	118,898,357	112,778,571	191,750,944	184,361,683
Bonds payable	151,902,750	142,788,585	159,758,003	150,763,628	162,850,383	139,452,393

	Fair value hierarchy as of March 31, 2015		
	Level 1	Level 2	Level 3
Maintenance reserve fund and security deposits	-	✔	-
Long-term loans	-	✔	-
Lease liabilities	-	✔	-
Bonds payable	-	✔	-

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 derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- 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:

Maintenance Reserve Fund and Secutities Deposit

The fair value of maintenance reserve of fund and securities deposit as of March 31, 2015, December 31, 2014 and 2013 are estimated to be USD 791,217,397, USD 734,339,803 and USD 601,450,216, respectively, using market rate estimated at 0.15% - 2.52% by Reuters.

Long-term loan

The fair value of long-term loan as at March 31, 2015, December 31, 2014 and 2013 are estimated to be USD 872,244,653, USD 809,565,102 and USD 603,975,951, respectively, using the discount rate in 2014 are estimated at 2.890% - 4.587% in USD and 7.05%% - 11.160% in Rupiah.

Lease liabilities

The fair value of lease liabilities as at March 31, 2015, December 31, 2014 and 2013 are estimated to be USD 112.888.134, USD 112.778.571 and USD 184,361,683, respectively, using 3.19% - 4.15% discount rates and interest Libor 3 months.

Bonds payable

The fair value of bonds payable as at March 31, 2015, December 31, 2014 dan 2013 is estimated to be USD 142,788,585, USD 150,763,628 and USD 139,452,393, respectively, using the market interest rate of 11.5% by Indonesian Government Bond Yield Curve.

48. DERIVATIVE FINANCIAL INSTRUMENTS

	Notional Amount	Period		March 31, 2015 (Unaudited) (Payables) Receivables
		Start	End	
Bank Negara Indonesia Cross Currency Swap	Rp 500,000,000,000	May 9, 2014	May 9, 2017	(5,313,395)
	Rp 250,000,000,000	January 13, 2015	July 5, 2018	(1,344,154)
Standard Chartered Bank Cross Currency Swap	Rp 250,000,000,000	January 13, 2015	July 5, 2018	(1,344,154)
CIMB Niaga Cross Currency Swap	Rp 500,000,000,000	January 13, 2015	July 5, 2018	(2,293,646)
Comodity call option Fuel Hedge	USD 30,050,000	December 15, 2014	July 31, 2015	2,123,635
	USD 44,071,000	February 10, 2015	September 30, 2015	(2,317,608)
Foreign Exchange Call Forward FX Hedge	USD 1,500,000	March 26, 2015	June 26, 2015	14,477
Total				(5,161,450)

Bank Negara Indonesia – Cross Currency Swap

In 2014, the Company signed a cross currency swap contract with Bank Negara Indonesia. The CCS is designated as cash flow hedge that mitigates the variability in functional currency equivalent cash flows associated with Indonesia Eximbank loans denominated in Rupiah currency due to changes in forward rates.

Based on this agreement which is effective starting from May 9, 2014 until May 9, 2017, the terms are such that each principal and interest payment date, the Company will receive fixed interest rate of 9.5% per annum on a notional of Rp 500 billion and pay fixed interest rate of 2.58% per annum on notional of USD 43,241,373.

As of March 31, 2015 and December 31, 2014, the Company recorded the unrealised gain (loss) on cash flow hedge transaction in other comprehensive income of USD (267,928) and USD (29,770).

In 2015, the Company signed a cross currency swap contract with Bank Negara Indonesia. The CCS is designated as cash flow hedge that mitigates the variability in functional currency equivalent cash flows associated with bond denominated in Rupiah currency due to changes in forward rates.

Based on this agreement which is effective starting from January 13, 2015 until July 5, 2018, the terms are such that each principal and interest payment date, the Company will receive fixed interest rate of 9.25% per annum on a notional of Rp 250 billion and pay fixed interest rate of 3.2% per annum on notional of USD 19,828,680.20.

As of March 31, 2015, the Company recorded the unrealized loss on cash flow hedge transaction in other comprehensive income of USD 622,780.37.

Standard Chartered – Cross Currency Swap

In 2015, the Company signed a cross currency swap contract with Standard Chartered Indonesia. The CCS is designated as cash flow hedge that mitigates the variability in functional currency equivalent cash flows associated with bond denominated in Rupiah currency due to changes in forward rates.

Based on this agreement which is effective starting from January 13, 2015 until July 5, 2018, the terms are such that each principal and interest payment date, the Company will receive fixed interest rate of 9.25% per annum on a notional of Rp 250 billion and pay fixed interest rate of 3.2% per annum on notional of USD 19,828,680.

As of March 31, 2015, the Company recorded the unrealized loss on cash flow hedge transaction in other comprehensive income of USD 622,780.37.

CIMB Niaga – Cross Currency Swap

In 2015, the Company signed a cross currency swap contract with CIMB Niaga. The CCS is designated as cash flow hedge that mitigates the variability in functional currency equivalent cash flows associated with bond denominated in Rupiah currency due to changes in forward rates.

Based on this agreement which is effective starting from Jan 13, 2015 until July 5, 2018, the terms are such that each principal and interest payment date, the Company will receive fixed interest rate of 9.25% per annum on a notional of Rp 500 billion and pay fixed interest rate of 2.89% per annum on notional of USD 39,657,360.

As of March 31, 2015, the Company recorded the unrealized loss on cash flow hedge transaction in other comprehensive income of USD 850,898.79.

Commodity Call Option – Fuel Hedge

The Company also entered into fuel hedge derivative transaction to manage impact of aircraft fuel price increment. The type of hedge relationship is cash flow hedge with the nature of risk being hedge is for regular flight and hajj fuel price, by setting fuel price at USD 63-75 for regular flight in 2015 and USD 117 for regular flight and at USD 117-118 for hajj flight in 2014 and 2013. The hedge items are regular flight for the period January to September 2015 and July to December 2014 and hajj flight costs for the period September to October 2014. Hedge instrument used by the Company is Platts Jet/Kero Sing-Asian Close.

As of March 31, 2015, December 31, 2014 and 2013, the Company incurred loss on derivative related to commodity call option amounting USD 69,303, USD 2,671,127 and USD 6,528,600, respectively, representing premium paid on the derivative transaction.

Foreign Exchange Call Forward

The Company also entered into foreign exchange hedge transaction to manage the impact of variability of foreign exchange rate between IDR and USD. The type of hedge relationship is cash flow hedge with the nature of risk being hedge is for aircraft lease payment, by setting the exchange rate at USD/IDR 13,078-13,196. The hedged item are lease payment of three aircraft for the period April to June 2015.

As of March 31, 2015 the Company recorded unrealized gain amounted USD 14,477.

49. OPERATING LEASE AGREEMENTS

The Group entered into the following operating lease agreements:

1. Aircraft

Lessors		Leased Assets	Year of Maturity
Airline			
GECAS (FRANCE) SARL	1	1 Boeing 737-800	2016
	3	3 Boeing 737-800	2022
	4	4 Boeing 737-800	2023
	3	3 Boeing 737-800	2025
	3	3 Boeing 737-800	2026
AABS Aviation 1 France S.A.R.L	2	2 Boeing 737-800	2016
GY Aviation Lease (France) SARL	2	2 Boeing 737-800	2022
Int'l Lease Finance Corporation (ILFC)	2	2 Airbus 330-200	2016
	1	1 Boeing 737-800	2021
	1	1 Boeing 737-800	2026
Nice Location SARL	1	1 Airbus 330-200	2016
Paris Location SARL	1	1 Boeing 737-300	2015
SARL MASC FRANCE	1	1 Boeing 737-800	2016
MSN 30151 Leasing France SARL	1	1 Boeing 737-800	2021
MSN 30155 Leasing France SARL	1	1 Boeing 737-800	2021
MSN 30156 Leasing France SARL	1	1 Boeing 737-800	2021
MSN 30157 Leasing France SARL	1	1 Boeing 737-800	2021
MSN 30140 Leasing France SARL	1	1 Boeing 737-800	2021
MSN 30141 Leasing France SARL	1	1 Boeing 737-800	2022
MSN 30142 Leasing France SARL	1	1 Boeing 737-800	2022
MSN 30143 Leasing France SARL	1	1 Boeing 737-800	2022
Biarritz Location S.A.R.L	1	1 Airbus 330-200	2016
BANK OF UTAH	2	2 Boeing 737-800	2020
BBAM Aircraft Holding 121 SARL	1	1 Boeing 737-800	2020
BBAM Aircraft Holding 122 SARL	1	1 Boeing 737-800	2020
CIT Aerospace International (France) SARL	1	1 Boeing 737-800	2022
Trojan Aircraft Leasing (France) SARL	2	2 Boeing 737-800	2017
La Victoire 3 Holding SARL	1	1 Boeing 737-800	2017
Centennial Aviation (France) 2, SARL	1	1 Airbus 330-200	2020
	1	1 Airbus 330-200	2021
MITSUBISHI France S.A.S	1	1 Boeing 737-800	2022
FLY 30144 LEASING SARL	1	1 Boeing 737-800	2022
FLY 30145 LEASING SARL	1	1 Boeing 737-800	2022
PEMBROKE LEASE FRANCE SAS	1	1 Boeing 737-800	2023
	2	2 Boeing 737-800	2022
	4	4 Boeing 737-800	2020
	1	1 Boeing 737-800	2021
Fuyo Aviation France I SARL	1	1 Boeing 737-800	2022
Chishima Real Estate Co. Ltd.	1	1 Boeing 737-800	2019
	1	1 Boeing 737-800	2025
ICIL Paris (A Limited Liability Company)	1	1 Boeing 737-800	2018
BBAM Aircraft Holding 129 SARL	1	1 Boeing 737-800	2022
BBAM Aircraft Holding 130 SARL	1	1 Boeing 737-800	2022
AWAS 1214 S.A.R.L.	1	1 Airbus 330-200	2021
AWAS 29928 SARL	1	1 Boeing 737-800	2017
AWAS 29929 SARL	1	1 Boeing 737-800	2017
AWAS (France) Two SARL	2	2 Boeing 737-800	2023

Lessors		Leased Assets	Year of Maturity
Airline			
ALC A332 1288, LCC	1	1 Airbus 330-200	2024
Java Aircraft Leasing (France) SARL	1	1 Airbus 330-200	2024
NAC Aviation France 1 SAS	2	2 Bombardier CRJ-1000	2024
	5	5 Bombardier CRJ-1000	2025
	2	2 Bombardier CRJ-1000	2026
NAC Aviation France 2 SAS	2	2 ATR 72-600	2025
	6	6 ATR 72-600	2026
SMBC Aviation Capital Paris Leasing 1 SARL	1	1 Boeing 737-800	2025
	2	2 Boeing 737-800	2026
	2	2 Boeing 737-800	2027
ACG Acquisition 38884 LLC	1	1 Boeing 737-800	2025
ACG Acquisition 38885 LLC	1	1 Boeing 737-800	2025
ACG ACQUISITION 39891 LLC	1	1 Boeing 737-800	2026
ACG ACQUISITION 40547 LLC	1	1 Boeing 737-800	2026
Salwa Aircraft Leasing (One) Limited	2	2 Boeing 777-300	2025
Bintan Aircraft Leasing (France) SARL	1	1 Airbus 330-300	2025
Sailes 4, LLC	1	1 Boeing 777-300	2025
Sailes 4-2, LLC	1	1 Boeing 777-300	2025
ALC B738 41310, LLC	1	1 Boeing 737-800	2025
ALC B738 41312, LLC	1	1 Boeing 737-800	2025
Sumatra Aircraft Leasing (France) SARL	1	1 Airbus 330-200	2025
Avolon Aerospace France 7 SAS	1	1 Boeing 737-800	2022
Bali Aircraft Leasing (France) SARL	1	1 Airbus 330-200	2025
Sky High Aviation	2	2 Boeing 777-300	2026
GRENOBLE LOCATION S.A.R.L.	1	1 Boeing 737-800	2026
Avolon Aerospace AOE 86 Limited	1	1 Airbus 330-300	2026
Calais Location S.A.R.L.	1	1 Boeing 737-800	2026
Avolon Aerospace AOE 87 Limited	1	1 Airbus 330-300	2026
ALC B738 41322, LLC	1	1 Boeing 737-800	2026
Nancy Location S.A.R.L	1	1 Boeing 737-800	2026
JSA Aircraft 1577, LLC	1	1 Airbus 330-300	2026
Avolon Aerospace AOE 89 Limited	1	1 Airbus 330-300	2026
Strasbourg Location S.A.R.L	1	1 Boeing 737-800	2016
Mulhouse Location S.A.R.L	1	1 Boeing 737-800	2016
Aercap	1	1 Boeing 737-800	2027
ALS FRANCE SARL	3	3 Airbus 320-200	2016
WELLS FARGO BANK NORTHWEST	1	1 Airbus 320-200	2018
ACG ACQUISITION XX LLC	1	1 Airbus 320-200	2018
ILFC FRANCE SARL	2	2 Airbus 320-200	2018
BOC AVIATION (FRANCE) SARL	1	1 Airbus 320-200	2018
WHITNEY FRANCE LEASING SARL	1	1 Airbus 320-200	2019

Lessors		Leased Assets	Year of Maturity
Airline			
CENTENNIAL AVIATION (FRANCE) 2 SARL	3	3 Airbus 320-200	2024
AVOLON AEROSPACE FRANCE 10 SAS	1	1 Airbus 320-200	2025
AVOLON CAPITAL PARTNERS FRANCE 2 SARL	1	1 Airbus 320-200	2025
SMBC AVIATION	2	2 Airbus 320-200	2024
SMBC AVIATION	4	4 Airbus 320-200	2025
GECAS FRANCE	4	4 Airbus 320-200	2025
SKYHIGH XXXI LEASING COMPANY LIMITED (ICBC)	6	6 Airbus 320-200	2026
ACG ACQUISITION XX LLC	2	2 Airbus 320-200	2026
KYOWAKISEN CO., LIMITED	1	1 Airbus 320-200	2027
M&T AVIATION FINANCE (IRELAND) LIMITED	1	1 Airbus 320-200	2027

In 2014, the Company has early terminated two Aircraft type A330-200 with registration number PK-GPH and PK-GPI.

2. Engine

Lessors	Leased Assets	Year of Maturity
Engine Lease Finance Corp.	1 Engine Boeing B737-800	2017
	1 Engine Boeing B737-800	2027
GECAS (France) S.A.R.L	2 Engine Boeing B737-800	2021
	1 Engine Boeing B737-800	2022
	1 Engine Boeing B777-300	2020
	1 Engine Bombardier CRJ1000	2015
Willis Lease Finance	1 Engine Boeing B747-400	2015
IHI CORPORATION	1 Engine A320	2015

Operating Rental Payments

Total rental commitments are as follows:

	Future lease payments		
	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Within one year	807,578,097	787,482,861	581,065,537
Over one year but not longer than five years	2,900,232,826	2,838,682,545	2,108,428,274
Over five years	3,220,346,760	3,234,071,362	2,333,773,641
Total	6,928,157,682	6,860,236,768	5,023,267,452

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 March 31, 2015, December 31, 2014 and 2013, the balance of the security deposits amounted to USD 176,033,857, USD 180,234,967, and USD 144,443,468, respectively (Note 12).

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.

As of March 31, 2015, December 31, 2014, and 2013, aircraft maintenance reserve funds amounted to USD 671,850,634, USD 606,698,350, and USD 473,179,589, respectively.

Sale and leaseback

The Company recognized deferred income from sale and leaseback of aircrafts. As of March 31, 2015, December 31, 2014 and 2013, the outstanding deferred income net of the related amortization amounted to USD 35,167,152, USD 33,798,787, and USD 22,720,707, 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 for 5 years effective until from January 1, 2012 until December 31, 2016, wherein 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.

   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. In 2014, the terms of lease period has been amended for 5-year period until December 31, 2016. The compensation for the use of the land is Rp 1,500 per square meter per month or a total of Rp 247,113,000, which is subject for review every 2 years.

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:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013
	USD	USD	USD
Within one year	4,535,985	5,004,378	1,940,614
Longer than one year not longer than five years	6,777,396	7,189,129	4,997,221
Over five year	10,306,289	10,306,289	7,583,167
Total	21,619,670	22,499,796	14,521,002

50. 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 from 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.

In response to the offer, the Company plans to increase the number of units purchased from 6 B777-200 aircrafts into 10 B777-300ER aircrafts 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 was changed to May 2013 until January 2016.

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 finalization of B777 aircraft configuration.

On July 6, 2012, the Company and The Boeing Company executed Supplemental Agreement No. 12 (SA 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 2014, 2 of Boeing 777-300ER aircraft under sale and leaseback agreement has been delivered, with 12 years lease period and classified as operating lease.

As stipulated in SA 12, in 2014 the Company obtained approval from Boeing to transfer its advance payment for Boeing 777-300ER to Boeing 737-800 MAX of USD 9,695,040. At March 31, 2015, December 31, 2014, 2013 and January 1, 2013/December 31, 2012, the amount of advance for purchase of aircrafts amounted to USD 117,018,067, USD 116,987,900, USD 219,297,500 and USD 279,424,180, respectively.

(ii). Boeing 737-800 NG Aircraft

The Company 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. 12 (SA 12) dated September 12, 2014, whereby the Company amended the SA 08 dated January 18, 2010 in relation to purchase of 25 Aircraft Type B 737-800NG with delivery schedule up to February 2016 and convert with the SA 12. In SA 12, the Company and Boeing agreed that for 4 Aircraft type B 737-800 NG which delivery on August and December 2015 and also in January and February 2016 will be cancel in order to convert those aircraft into 737-800 MAX series. The Company order aircraft 737-800 MAX for 50 with schedule delivery from December 2017 up to May 2023.

In relation to these deliveries, 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 2012, 4 of Boeing 737-800 aircraft under sale and leaseback agreement has been delivered, with 10 years lease period and classified as operating lease.

In 2013, 1 aircraft of Boeing 737-800 aircraft under sale and leaseback agreement has been delivered, with 10 years lease period and classified as operating lease.

Advance payments 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. In, 2014, advance payment made to Boeing 737-800 NG was transferred as advance payment of Boeing 737-800 MAX in accordance with SA 12 which amounted to USD 11,772,386. At March 31, 2015, December 31, 2014 and 2013, the amount of advance for purchase of aircrafts amounted to nil, nil, and USD 9,664,720, respectively.

(iii). Boeing 737-800 MAX Aircraft

On September 12, 2014, the Company signed Supplemental Agreement 12 (SA 12) as amendment of Purchase Agreement No. 2158 dated June 19, 1998 regarding the purchase of Boeing 737-800 NG aircrafts. Based on SA 12, the scheduled delivery of 4 Boeing 737-800 NG aircrafts arriving in 2015 and 2016 will be cancelled and replaced with 50 units of Boeing 737-800 MAX that will arrive in 2017 until 2023. The balance of advances for purchase of aircraft for Boeing 737-800 NG as of December 31, 2014 which amounted to USD 11,772,386 was transferred to Boeing 737-800 MAX.

SA 12 also contemplated the reallocation of certain surplus advance payments made on Boeing 777-300ER aircraft as advance for purchase of aircraft for Boeing 737-800 MAX amounting USD 21,467,426 as of December 31, 2014.

(iv). 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.

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.

In 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 model and purchased additional 4 Airbus A330-300.

On December 19, 2011, the Company and Airbus signed Amendment No. 4, 5 and 6 and amendment No. 7 and No. 8 on October 2012 and July 2013 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 Aircastle for 4 aircrafts. The selling price is determined at the time of arrival of aircraft.

In 2013, 2 Airbus A330-200 aircraft and 1 Airbus A 330-300 aircraft has been delivered which is under sale and leaseback agreements, with a lease term of 12 years and are classified as operating leases.

In 2014, 4 Airbus A330-300 aircraft have 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 March 31, 2015, December 31, 2014 and 2013, the amount of advance for purchase of aircrafts that has been paid amounted to USD 161,457,353, USD 159,333,216 and USD 189,873,807, respectively.

(v). 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.

In, 2014, 2 aircraft Airbus A-320-200 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 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 March 31, 2015, December 31, 2014 and 2013, the amount of advance for purchase of aircrafts that has been paid amounted to USD 57,547,883, USD 83,742,958 and USD 73,273,288, respectively.

(vi). 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 (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.

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. In 2013, the amount of advance for purchase of aircrafts that has been paid amounted to USD 4,467,371.

(vii). Purchase of ATR 72-600 Aircrafts

On February 7, 2013, PT Citilink Indonesia (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.

On September 6, 2013, the ownership of the aircraft purchase agreement has been transferred to PT Garuda Indonesia.

(viii) Purchase of flight simulator ATR 72-600

On April 25, 2014, the Company and CAE Inc. entered into ATR 72-600 full flight simulators with visual system agreement. The total purchase price amounting to USD 8,223,000 and will be paid based on the pre delivery payment (PDP) schedule.

On March 16, 2015, the ATR72-600 simulator is planned to delivery for installation process and will be certified in May 2015 and is expected to be ready for training.

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

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.

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.

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. 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 airline 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 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. GMFAA entered into an agreement with PT Bank Syariah Mandiri

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. Agreement with Dubai Islamic Bank PJSC (DIB) and National Bank of Abu Dhabi PJSC (NBAD)

On March 11, 2015, the Company signed a Commercial Terms Agreement with DIB and NBAD regarding the granting of loan facility amounting USD 400,000,000 (four hundred million United States Dollar). The purpose of the facility is for refinancing of existing financial indebtedness of the Company maturing in 2015 and for general corporate purposes, including but not limited to predelivery financing.

51. CONTINGENCIES

a. 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.

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 from 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.

On October 31, 2014, Federal Court of Australia, New South Wales District issued a decision that the lawsuit from ACCC against the Company is rejected. On this matter, ACCC submitted a statement of appeal to Full Court of Australia on December 16, 2014. Currently, the case is still under examined by Full Court of Australia. The first hearing of appeal will be held on August 17, 2015 in Full Court of Australia.

b. 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. On March 16, 2015, the Company received decision from the Supreme Court of the Republic of Indonesia which was in favor to the Company. This decision is final and binding.

c. 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.

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. On March 15, 2015, the Company received a decision form Jeddah District Court to settle the claim plus the legal cost to Al-Azhar Hotel amounted to SAR 2,679,303. This decision was rejected by both parties and both parties submitted an appeal to High Court of Saudi Arabia. Currently, the case is still examined by High Court of Saudi Arabia.

d. On July 14, 2014, PT Aero Systems Indonesia ("Asyst") and HP Schweiz signed the Master Service Agreement for Passenger Service Systems with its amendments, for 5 years in period of agreement ("PSS Service Agreement").

Asyst terminated the PSS Service Agreement on February 28, 2015. Due to dispute concerning the cost of termination, Asyst has submitted the application to BANI Arbitration Center (BANI) on December 27, 2014. Currently, the case is still under on examination by BANI.

52. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCY

At March 31, 2015, December 31, 2014 and December 31, 2013, the Group had monetary assets and liabilities denominated in foreign currencies (currencies other than USD are stated at the equivalent USD) as follows:

	March 31, 2015 (Unaudited)		December 31, 2014		December 31, 2013	
	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD
ASSETS						
Cash and cash equivalent						
IDR	1,268,364,765,060	95,261,437	1,924,045,507,744	154,666,038	3,248,663,779,750	266,524,225
CNY	229,990,933	37,444,366	194,924,061	31,855,512	128,573,615	21,088,383
AUD	23,262,691	17,785,252	21,451,829	17,620,548	21,100,810	18,827,232
JPY	1,018,763,124	8,482,979	1,559,464,066	13,068,509	1,326,743,389	12,644,695
EUR	4,966,784	5,377,049	4,839,208	5,886,899	5,133,972	7,085,143
SGD	4,257,610	3,093,972	4,672,175	3,538,724	3,884,317	3,068,188
SAR	16,125,660	4,299,062	12,057,322	3,213,102	9,404,318	2,507,521
GBP	1,707,959	2,526,730	1,539,649	2,397,388	1,497,997	2,469,824
KRW	4,352,891,144	3,925,720	2,432,348,789	2,228,024	5,111,715,025	4,841,640
HKD	14,833,869	1,912,769	12,865,900	1,658,579	20,285,981	2,616,116
Other foreign currencies *)	5,288,770	5,288,770	5,515,733	5,515,733	5,002,413	5,002,413
Trade account receivable						
IDR	733,200,874,729	55,640,889	728,423,043,080	58,554,907	707,009,829,636	58,003,924
JPY	541,759,012	4,478,156	779,531,983	6,532,578	925,097,787	8,816,761
KRW	4,991,064,308	4,501,280	3,826,055,265	3,504,654	2,822,687,339	2,673,552
EUR	3,759,505	4,070,047	2,708,552	3,294,955	3,012,629	4,157,581
AUD	5,302,687	4,053,904	3,618,714	2,972,414	4,552,682	4,062,138
SAR	16,564,722	4,416,080	9,424,549	2,511,506	6,560,341	1,749,217
CNY	16,498,756	2,686,117	14,750,895	2,410,669	12,422,966	2,037,590
MYR	9,831,549	2,647,876	6,429,160	1,840,851	4,285,423	1,303,554
SGD	1,658,086	1,204,969	932,584	706,343	961,650	759,599
Other foreign currencies *)	6,925,479	6,925,479	6,862,151	6,862,151	6,320,772	6,320,772
Other receivables						
IDR	43,613,543,638	3,333,349	65,503,974,556	5,265,593	45,659,482,062	3,745,958
Other foreign currencies *)	146,848	146,848	156,139	156,139	141,585	141,585
Prepaid taxes						
IDR	264,980,853,985	20,252,282	337,791,011,154	27,153,618	242,977,195,893	19,934,137
Other Assets						
IDR	46,279,846,375	3,537,133	344,720,582,907	27,710,658	51,935,220,303	4,260,827
AUD	1,597,251	1,221,101	1,617,113	1,328,298	1,590,814	1,419,406
EUR	376,894	408,026	366,471	445,812	7,963,654	10,990,248
SGD	259,515	188,587	264,415	200,269	243,585	192,406
Other foreign currencies *)	1,316,795	1,316,795	1,926,365	1,926,365	1,963,439	1,963,439
Total Assets		306,427,024		395,026,836		479,208,074

*) Assets and liabilities denominated in other currencies are presented into its USD equivalent using the exchange rate prevailing at end of reporting date.

	March 31, 2015 (Unaudited)		December 31, 2014		December 31, 2013	
	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD	Foreign currency	Equivalent in USD
LIABILITIES						
Bank loan						
IDR	(1,002,960,258,697)	(76,655,477)	(220,582,273,260)	(17,542,764)	(7,368,847,761)	(604,549)
Trade Accounts Payable						
IDR	(1,231,465,790,819)	(94,119,978)	(902,416,188,769)	(127,708,608)	(1,334,831,163,570)	(109,511,130)
JPY	(209,936,643)	(1,748,089)	(376,428,779)	(3,166,251)	(361,400,291)	(3,444,371)
SAR	(5,131,754)	(1,368,085)	(11,270,524)	(3,003,224)	(4,001,341)	(1,066,898)
SGD	(3,727,288)	(2,708,590)	(3,799,711)	(2,877,754)	(3,605,295)	(2,847,791)
AUD	(1,027,653)	(785,642)	(1,586,031)	(1,318,053)	(999,640)	(891,930)
EUR	(902,263)	(976,791)	(967,161)	(1,181,468)	(746,712)	(1,030,500)
KRW	(4,370,455)	(3,942)	(610,765,679)	(559,459)	(574,049,639)	(543,720)
Other foreign currency *)	(3,965,097)	(3,965,097)	(5,524,233)	(5,524,233)	(8,124,002)	(8,124,002)
Other Accounts Payable						
IDR	(58,596,419,876)	(4,478,484)	(57,888,142,102)	(5,677,650)	(63,337,578,810)	(5,196,290)
EUR	(653,816)	(707,822)	(213,953)	(260,630)	(2,278,469)	(3,144,403)
Other foreign currency *)	(273,055)	(273,055)	70,318	70,318	(9,890,367)	(9,890,367)
Accrued Expenses						
IDR	(1,378,855,686,503)	(105,384,874)	(1,490,158,438,897)	(101,385,324)	(729,088,584,802)	(59,815,291)
JPY	(323,642,924)	(2,694,893)	(566,490,600)	(3,902,218)	(598,981,329)	(5,708,667)
AUD	(5,730,746)	(4,381,165)	(6,436,247)	(3,443,127)	(4,221,017)	(3,766,210)
EUR	(1,079,884)	(1,169,084)	(1,072,172)	(3,136,557)	(1,067,748)	(1,473,547)
MYR	(907,856)	(244,508)	(1,226,255)	(851,684)	(763,927)	(232,374)
SGD	(533,436)	(387,644)	(428,520)	(324,842)	(645,040)	(509,512)
Other foreign currency *)	(13,642,727)	(13,642,727)	(43,985,298)	(43,985,298)	(10,035,319)	(10,035,319)
Long term loans						
IDR	(1,550,111,020,990)	(118,473,786)	(1,709,486,633,992)	(137,418,540)	(1,354,497,201,118)	(111,124,555)
AUD	(1,300,000)	(993,852)	(10,911,239,938)	(1,067,821)	-	-
Bond Payable						
IDR	(1,999,746,105,892)	(151,902,750)	(1,987,389,557,320)	(159,758,003)	(1,984,983,313,024)	(162,850,383)
Employee benefits obligation						
IDR	(2,499,643,914,484)	(191,045,851)	(2,367,670,119,200)	(190,327,180)	(2,234,698,654,425)	(193,337,325)
Other non current liabilities						
CNY	(5,330,000)	(867,767)	(2,020,050,293)	(993,625)	(7,380,000)	(1,210,453)
IDR	(5,230,526,775)	(399,765)	(3,748,239,549)	(301,305)	(15,415,250,341)	(1,264,685)
SGD	(10,000)	(7,267)	(1,284,540,543)	(136,333)	(170,000)	(134,281)
Other foreign currency *)	(935,430)	(935,430)	(66,314)	(66,314)	(62,062)	(62,062)
Total Liabilities		(780,322,414)		(815,847,948)		(697,820,615)
Liabilitas - net		**(473,895,391)**		**(420,821,112)**		**(218,612,541)**

*) Assets and liabilities denominated in other currencies are presented into its USD equivalent using the exchange rate prevailing at end of reporting date.

The conversion rates used by the Group on March 31, 2015, December 31, 2014, December 31, 2013, December 31, 2012, were as follows:

	March 31, 2015 (Unaudited)	December 31, 2014	December 31, 2013	January 1, 2013/ December 31, 2012
	USD	USD	USD	USD
Currencies				
IDR 1	0.0001	0.0001	0.0001	0.0001
EURO 1	1.0748	1.2165	1.3801	1.3247
YEN 100	0.8302	0.8380	0.9531	1.1579
SGD 1	0.7235	0.7574	0.7899	0.8177
AUD 1	0.7720	0.8214	0.8923	1.0368
GBP 1	1.4873	1.5571	1.6488	1.6111

53. 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.

	March 31, 2015 (Unaudited)					
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination	Total
	USD	USD	USD	USD	USD	USD
Segment result						
External revenue	867,324,174	18,207,291	41,794,597	927,326,063	-	927,326,063
Intersegment revenue	1,811,340	47,752,730	126,337,893	175,901,964	(175,901,964)	-
Net revenue	869,135,514	65,960,022	168,132,491	1,103,228,027	(175,901,964)	927,326,063
External expense	687,538,161	56,553,135	152,537,639	896,628,934	-	896,628,934
Intersegment expense	161,027,343	2,342,497	12,532,124	175,901,964	(175,901,964)	-
Net expense	848,565,504	58,895,632	165,069,762	1,072,530,898	(175,901,964)	896,628,934
Segment result	20,570,010	7,064,390	3,062,728	30,697,129	-	30,697,129
Unallocated income (expenses)						
Equity in net income of associates						(236,504)
Finance income						1,640,810
Finance cost						(16,668,372)
Income before tax						15,433,063
Tax benefits						(3,017,058)
Net income for the year						12,416,005
Total other comprehensive income						(17,654,167)
Total comprehensive income						(5,238,162)
FINANCIAL POSITION						
Segment assets	3,066,796,048	257,628,508	400,324,183	3,724,748,739	(552,544,304)	3,172,204,435
Segment liabilities	2,202,550,908	163,790,244	235,529,207	2,601,870,359	(303,895,353)	2,297,975,006
Segment depreciation and amortization	38,918,925	2,083,990	3,933,534	44,936,449	-	44,936,449

	December 31, 2014 (As restated - Note 5)					
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination	Total
	USD	USD	USD	USD	USD	USD
Segment result						
External revenue	3,660,948,731	70,989,413	201,592,128	3,933,530,272	-	3,933,530,272
Intersegment revenue	8,536,229	196,298,273	347,796,486	552,630,988	(552,630,988)	-
Net revenue	3,669,484,960	267,287,686	549,388,614	4,486,161,260	(552,630,988)	3,933,530,272
External expense	3,618,923,290	228,363,386	481,471,717	4,328,758,393	-	4,328,758,393
Intersegment expense	485,415,300	13,721,839	53,493,848	552,630,988	(552,630,988)	-
Net expense	4,104,338,590	242,085,225	534,965,565	4,881,389,381	(552,630,988)	4,328,758,393
Segment result	(434,853,630)	25,202,461	14,423,049	(395,228,121)	-	(395,228,121)
Unallocated income (expenses)						
Equity in net income of associates						4,193
Finance income						12,091,904
Finance cost						(73,321,080)
Loss before tax						(456,453,104)
Tax benefits						87,541,825
Net loss for the year						(368,911,279)
Total other comprehensive loss						29,340,122
Total comprehensive income						(339,571,157)
FINANCIAL POSITION						
Segment assets	2,997,066,939	254,002,027	317,806,678	3,568,875,644	(455,796,329)	3,113,079,315
Segment liabilities	2,173,105,188	163,903,384	130,160,132	2,467,168,704	(233,556,980)	2,233,611,724
Segment depreciation and amortization	166,536,329	6,513,150	10,629,426	183,678,905	-	183,678,905

	December 31, 2013 (As restated - Note 5)					
	Flight operation	Aircraft maintenance services	Other operations	Total before elimination	Elimination	Total
	USD	USD	USD	USD	USD	USD
Segment result						
External revenue	3,460,362,683	67,835,959	231,251,595	3,759,450,237	-	3,759,450,237
Intersegment revenue	4,169,819	162,458,184	262,325,332	428,953,334	(428,953,334)	-
Jumlah pendapatan/ Net revenue	3,464,532,502	230,294,143	493,576,927	4,188,403,571	(428,953,334)	3,759,450,237
External expense	3,080,832,844	186,035,070	416,375,752	3,683,243,665	-	3,683,243,665
Intersegment expense	356,437,413	12,582,189	59,933,732	428,953,334	(428,953,334)	-
Net expense	3,437,270,257	198,617,259	476,309,484	4,112,196,999	(428,953,334)	3,683,243,665
Segment result	27,262,245	31,676,884	17,267,443	76,206,572	-	76,206,572
Unallocated income (expenses)						
Equity in net income of association						26,546
Finance income						10,553,426
Finance cost						(59,868,324)
Income before tax						26,918,220
Tax expense						(3,386,833)
Income for the year						23,531,387
Total other comprehensive income						(4,975,612)
Total comprehensive Income						18,555,775
FINANCIAL POSITION						
Segment assets	2,886,539,850	196,993,418	301,688,900	3,385,222,167	(387,583,611)	2,997,638,556
Segment liabilities	1,828,594,826	121,939,620	132,844,860	2,083,379,306	(179,874,344)	1,903,504,962
Segment depreciation and amortizati	140,787,926	5,113,537	15,383,571	161,285,034	-	161,285,034

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:

	2015 (Three months) (Unaudited)	2014 (Three months) (Unaudited)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
Total revenue based on geographical segment				
Domestic				
Jakarta	585,215,339	477,305,575	2,260,986,623	2,146,874,196
Surabaya	74,688,764	69,976,332	375,558,920	359,680,317
Makassar	61,794,298	45,898,851	258,107,880	244,148,350
Medan	34,336,743	31,084,949	218,529,975	212,353,570
International				
Tokyo	81,301,358	101,677,624	397,235,843	383,075,384
Sydney	28,476,460	30,082,547	147,984,644	163,148,281
Amsterdam	25,565,650	22,187,747	115,781,558	95,429,002
Shanghai	21,797,576	22,745,556	87,798,189	80,227,194
Singapore	14,149,875	16,450,964	71,546,640	74,513,943
Total	927,326,063	817,410,145	3,933,530,272	3,759,450,237

54. 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 as of January 1, 2012. The Company stockholders' had approved to carry out a 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, S.H., 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:

	Appraisal	Revaluation increase
		USD
Inventories	KJJP Doli Siregar & Rekan	7,315,622
Maintenance reserve funds and securities deposits	KJJP Doli Siregar & Rekan	11,923,653
Investment in associates	KJJP Doli Siregar & Rekan	522,676
Other financial assets	KJJP Doli Siregar & Rekan	1,141,984
Property and equipment	KJJP Doli Siregar & Rekan	23,989,249
Other assets - net	KJJP 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:

	USD
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 (Note 31)	108,518,998
Issued and paid-up capital (Note 30)	1,145,905,003
Total	-

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.

55. NON CASH TRANSACTIONS

For the three months March 31, 2015 and 2014 and for the years ended December 31, 2014 and 2013, 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:

	2015 (Three months) (Unaudited)	2014 (Three months)	2014 (One year)	2013 (One year)
	USD	USD	USD	USD
NONCASH INVESTING AND FINANCING ACTIVITIES				
Increase in fixed asset through estimated liabilities for aircraft return and maintenance cost (Note 25)	1,512,433	20,908,783	36,772,292	33,946,760
Increase (decrease) of property and equipment through revaluation surplus (Note 14)	-	-	8,416,868	9,047,138
Increase (decrease) in property and equipment due to translation adjustment (Note 14)	(5,227,058)	10,368,121	(5,890,093)	(128,973,338)
Increase in property and equipment through trade account payable	48,561	-	54,514,716	100,492,860
Increase in property and equipment through lease liabilities	-	-	21,834,061	1,374,707
Increase in property and equipment through advance payment for purchase aircrafts	-	-	-	28,466,000

56. EVENTS AFTER THE REPORTING PERIOD

The Group obtained and settled the credit facilities from lenders are as follows:

- PT Bank Permata Tbk.

  On April 1, 2015, the Company obtained an Omnibus revolving loan, PIF/LC/Usance/Sight/UPAS/UFAM facilities from Permata (the "Permata Facility") with a maximum credit amount of USD 70,000,000 with maturity date at March 31, 2016. The loan is unsecured and is used for the general purposes of the Group.

- Bank Negara Indonesia

  On April 18, 2015, the Company fully paid the outstanding loan Surat Kredit Berdokumen Dalam Negeri –SKBDN from Bank Negara Indonesia.

- BCA Club Deal - Syndicated Loan

  On April 2, 2015, the Company fully paid the outstanding loan from BCA Club Deal - Syndicated Loan.

- Cross Currency Swap

  On April 2, 2015, the Company entered into the second phase of Cross Currency Swap transaction for the remaining amount of IDR sustainable bond with total principal of Rp 1,000,000,000,000 (equivalent to USD 76,923,076.92). The participating banks are BII, PT Bank Mega, Standard Chartered Bank and ANZ Bank with principal amounting to Rp 400 billion, Rp 300 billion, Rp 150 billion and Rp 150 billion, respectively.

57. MANAGEMENT RESPONSIBILITY AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The preparation and fair presentation of the consolidated financial statements on pages 4 to 125 were the responsibilities of the management, were approved by the Directors and authorized for issuance on April 29, 2015.

*****