PT Ciputra Development Tbk
And Subsidiaries

Consolidated Financial Statements
30 June 2011 (Unaudited) and
31 December 2010 (Audited) and
Six Months Ended
30 June 2011 and 2010 (Unaudited)
(Indonesian Currency)

PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2011 (Unaudited) and 31 December 2010 (Audited)
(In Rupiah)

	Notes	30 June 2011	31 December 2010
ASSETS			
Cash and cash equivalents	2d,3	2,099,732,054,216	2,235,938,145,227
Investments	2e,4	135,258,218,428	136,303,983,568
Accounts receivable	2f		
Trade			
(Net of allowance for doubtful accounts of Rp 2,730,923,686 in 2011 and Rp 2,720,479,070 in 2010)	5	165,163,393,352	179,296,995,188
Others			
Third parties		36,251,591,079	19,656,022,691
Related parties	2g,6	111,203,271,415	113,362,565,284
Inventories	2h,2q,7	2,524,029,541,461	2,154,509,310,604
Advances for purchase of land and others	8	127,709,342,944	82,826,300,607
Prepaid taxes and expenses		191,548,191,744	134,451,468,918
Land for development	2h,2q,9	1,867,996,572,065	1,728,721,812,507
Investment properties			
(Net of accumulated depreciation of Rp 212,775,799,853 in 2011 and Rp 206,240,317,137 in 2010)	2i,10	386,186,194,078	398,986,423,539
Fixed assets			
(Net of accumulated depreciation of Rp 378,366,586,489 in 2011 and Rp 357,485,567,982 in 2010)	2j,2k,2q,11	2,326,187,734,273	2,012,889,541,100
Other assets			
Restricted funds	3	71,594,911,635	157,563,964,347
Others		28,330,817,140	23,835,603,347
TOTAL ASSETS		**10,071,191,833,830**	**9,378,342,136,927**

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

PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
30 June 2011 (Unaudited) and 31 December 2010 (Audited)
(In Rupiah)

	Notes	30 June 2011	31 December 2010
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Bank loans	12	420,137,998,954	282,159,076,889
Accounts payable			
Trade		20,545,209,122	27,157,406,998
Others			
Third parties	13	264,622,882,175	121,447,662,724
Related parties	2g,6	7,180,097,284	65,182,569,661
Accrued expenses		20,333,764,427	26,706,732,763
Taxes payable	2t,14	39,818,723,593	34,184,176,342
Advances from customers	2p,15	1,597,443,008,391	1,286,520,961,629
Unearned revenues	2p,16	150,190,171,181	67,961,244,546
Construction cost payable	17	191,940,618,171	140,224,125,943
Deferred tax liabilities - net	2t	35,933,350,035	35,592,266,607
Estimated liabilities of employee benefits	2n,18	39,062,227,119	39,062,227,117
Total Liabilities		**2,787,208,050,452**	**2,126,198,451,219**
STOCKHOLDERS' EQUITY			
Capital stock – Rp 250 par value per share			
Authorized – 20,000,000,000 shares			
Issued and fully paid –15,165,815,994 shares	1b,20	3,791,453,998,500	3,791,453,998,500
Additional paid in capital	1b	7,173,979,690	7,173,979,690
Differences arising from changes in equities of subsidiaries	2e	898,680,656,210	898,680,656,210
Differences arising from foreign currency translations		(11,618,904)	1,223,600
Differences arising from value of financial assets available for sale		233,297,989	236,897,543
Retained earnings			
Appropriated		10,000,000	5,000,000
Unappropriated		247,185,083,461	207,483,941,938
		4,944,725,396,946	**4,905,035,697,481**
Non-controlling interests	2b,19	**2,339,258,386,432**	**2,347,107,988,227**
Total Equity		**7,283,983,783,378**	**7,252,143,685,708**
TOTAL LIABILITIES AND EQUITY		**10,071,191,833,830**	**9,378,342,136,927**

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

PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For Six Months Ended 30 June 2011 and 2010 (Unaudited)
(In Rupiah)

	Notes	30 June 2011	30 June 2010
REVENUES	2p,22		
Net sales		738,020,868,232	531,102,633,475
Operating revenues		189,828,181,758	183,181,730,439
Total		927,849,049,990	714,284,363,914
COST OF SALES AND DIRECT COSTS	2p,23		
Cost of sales		(409,594,315,159)	(331,101,758,932)
Direct costs		(81,382,685,717)	(75,155,499,864)
Total		(490,977,000,876)	(406,257,258,796)
GROSS PROFIT		**436,872,049,114**	**308,027,105,118**
Selling expense	2p,24	(62,045,219,810)	(43,972,735,680)
General and administrative expense	2p,24	(180,537,199,799)	(133,551,862,357)
Loss on foreign exchange – net		(3,278,383,451)	(20,121,374,394)
Interest income		51,460,862,487	52,185,496,486
Interest and others financing expenses		(2,454,829,753)	(1,630,971,035)
Equity in net income (losses) of an associated company		467,167,723	(171,261,671)
Gain on sale of invesments – net		3,786,301	19,263,956,635
Others – net		31,523,721,473	12,323,502,917
INCOME BEFORE INCOME TAX		**272,011,954,285**	**192,351,856,019**
INCOME TAX BENEFIT (EXPENSE)	2t,14		
Current - final		(50,367,278,263)	(35,062,239,468)
Current - non final		(4,412,502,422)	(2,820,437,193)
Deferred		(27,606,662)	392,523,379
Income tax expense – net		(54,807,387,347)	(37,490,153,282)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**217,204,566,938**	**154,861,702,737**
Loss for the period from discontinued operations		-	-
PROFIT FOR PERIOD		**217,204,566,938**	**154,861,702,737**
OTHER COMPREHENSIVE INCOME (EXPENSES)			
Differences arising from foreign currency translation		(15,643,876)	423,944
Loss on available-for-sale financial assets revaluation		(6,411,745)	(2,017,244,686)
Other comprehensive expenses - net		(22,055,621)	(2,016,820,742)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**217,182,511,317**	**152,844,881,995**
INCOME ATTRIBUTABLE TO:			
Equity holders of the parent		**130,701,037,487**	**90,072,661,075**
Non-controlling interests	2b,19	86,503,529,451	64,789,041,662
		217,204,566,938	**154,861,702,737**

PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
For Six Months Ended 30 June 2011 and 2010 (Unaudited)
(In Rupiah)

	Notes	30 June 2011	30 June 2010
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO:			
Equity holders of the parent		130.684.595.429	89.023.510.925
Non-controlling interests	2b,19	86.497.915.888	63.821.371.070
		217.182.511.317	**152.844.881.995**
Basic earnings per share	2v, 25	8.6	5.9

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

PT CIPUTRA DEVELOPMENT TBK DAN SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For Six Months Ended 30 June 2011 and 2010 (Unaudited)
(In Rupiah)

	Capital Stock	Additional Paid In Capital	Differences Arising from Changes in Equity of Subsidiaries	Retained Earnings		Differences Arising from Value of Financial Assets Available for Sale	Differences Arising from Foreign Currency Translation	Total	Non-controlling Interests	Total Equity
				Appropriated	Unappropriated					
Balance as of 31 December 2009	3,791,453,998,500	7,173,979,690	898,680,656,210	-	(50,132,720,779)	-	-	4,647,175,913,621	2,313,849,852,036	6,961,025,765,657
Net effect of applying Statement of Financial Accounting Standards No. 55 (Revised 2006), "Financial Instruments: Recogniton and Measurement"	-	-	-	-	(101,017,428)	-	-	(101,017,428)	-	(101,017,428)
Effect of other comprehensive income adjustment					(328,102,876)	328,102,876	-	-	-	-
Balance as of 1 January 2010	3,791,453,998,500	7,173,979,690	898,680,656,210	-	(50,561,841,083)	328,102,876	-	4,647,074,896,193	2,313,849,852,036	6,960,924,748,229
Appopriated retained earnings	-	-	-	5,000,000	(5,000,000)	-	-	-	-	-
Net income	-	-	-	-	90,072,661,075	-	-	90,072,661,075	64,789,041,662	154,861,702,737
Other comprehensive income	-	-	-	-	-	(1,049,370,682)	220,536	(1,049,150,146)	(967,670,596)	(2,016,820,742)
Increase of non-controlling interest portion	-	-	-	-	-	-	-	-	11,902,871,387	11,902,871,387
Balance as of 30 June 2010	**3,791,453,998,500**	**7,173,979,690**	**898,680,656,210**	**5,000,000**	**39,505,819,992**	**(721,267,806)**	**220,536**	**4,736,098,407,122**	**2,389,574,094,489**	**7,125,672,501,611**
Balance as of 1 January 2011	3,791,453,998,500	7,173,979,690	898,680,656,210	5,000,000	207,483,941,938	236,897,543	1,223,600	4,905,035,697,481	2,347,107,988,227	7,252,143,685,708
Appopriated retained earnings	-	-	-	5,000,000	(5,000,000)	-	-	-	-	-
Net income	-	-	-	-	130,701,037,487	-	-	130,701,037,487	86,503,529,451	217,204,566,938
Dividend	-	-	-	-	(90,994,895,964)	-	-	(90,994,895,964)	-	(90,994,895,964)
Other comprehensive income	-	-	-	-	-	(3,599,554)	(12,842,504)	(16,442,058)	(5,613,563)	(22,055,621)
Decrease of non-controlling interest portion	-	-	-	-		-	-	(94,347,517,683)		(94,347,517,683)
Balance as of 30 June 2011	**3,791,453,998,500**	**7,173,979,690**	**898,680,656,210**	**10,000,000**	**247,185,083,461**	**233,297,989**	**(11,618,904)**	**4,944,725,396,946**	**2,339,258,386,432**	**7,283,983,783,378**

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

PT CIPUTRA DEVELOPMENT TBK AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For Six Months Ended 30 June 2011 and 2010 (Unaudited)
(In Rupiah)

	30 June 2011	30 June 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	1,335,133,625,223	880,348,642,228
Cash received from (paid for):		
Contractors, suppliers and others	(765,422,512,868)	(511,053,368,342)
Salaries and allowances	(108,967,170,125)	(84,497,849,599)
Income and other taxes	(105,823,954,422)	(74,912,379,790)
Other operating expenses	(221,297,666,256)	(72,046,621,031)
Interest and others financial expenses	(2,454,829,753)	(1,630,971,036)
Related parties	(55,843,179,508)	(22,420,170,103)
Interest income	51,460,862,487	50,168,251,800
Net cash provided by operating activities	126,785,174,778	163,955,534,127
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of restricted fund	85,969,052,711	83,572,574,512
Decrease in investments - net	1,049,551,441	146,060,024,925
Increase in fixed assets – net	(300,497,963,713)	(160,407,319,546)
Purchase and development of land	(184,157,801,895)	(44,284,975,387)
Net cash provided by (used in) investing activities	(397,637,161,456)	24,940,304,504
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of bank loans	146,542,318,667	75,903,675,332
Repayment of bank loans	(8,563,396,602)	(9,788,562,522)
Net cash provided by financing activities	137,978,922,065	66,115,112,810
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(132,873,064,613)**	**255,010,951,441**
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,333,026,398)	(11,383,240,584)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,235,938,145,227**	**2,009,261,897,754**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2,099,732,054,216**	**2,252,889,608,611**
Cash and cash equivalents at the end of period consist of:		
Cash on hand	9,590,830,316	5,455,439,601
Cash in banks	494,969,170,537	385,278,646,568
Time deposits	1,595,172,053,363	1,862,155,522,442
Total	**2,099,732,054,216**	**2,252,889,608,611**
ACTIVITIES NOT AFFECTING CASH FLOWS		
Capitalization of interest expenses to inventories and fixed assets	20,840,055,439	8,881,874,260

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

(In Rupiah)

1. GENERAL

a. The Company's Establishment

PT Ciputra Development Tbk (the Company) was established on 22 October 1981 based on Notarial Deed No. 22 of Hobropoerwanto, SH. The deed of establishment was ractified by the Minister of Justice in its Decision Letter No. Y.A.5/417/9 dated 4 June 1982 and was published in the State Gazette No. 72, Supplement No. 1131 dated 7 September 1982.

The Company's Articles of Association has been amended for several times, most recently based on Extraordinary Stockholders General Meeting with Notarial Deed No.348 dated 20 May 2010 of Buntario Tigris Darmawa Ng, SH, SE, MH, concerning the shareholders' approval to change par value of its capital stock from Rp 500 to Rp 250 per share. This amendment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its decision letter No.AHU-0040026.AH.01.09 dated 26 May 2010.

According to Article 3 of the Company's Articles of Association, the Company's scope of activities is to engage in the development and sale of housing (real estate), office spaces, shopping centers and related facilities and industrial estates, and to engage in various services related to the design, development and maintenance of housing facilities, including but not limited to golf courses, family clubs, restaurants and other recreation centers and their related facilities.

The Company's head office is located at Prof. Dr. Satrio Street Kav. 6, Jakarta. Its real estate projects, namely Perumahan Citra 1, 2 and 5, are located in Kalideres, Jakarta.

The Company started its commercial operations in 1984.

b. The Company's public offerings

The Company has offered its shares to the public through the capital market since 1994. The chronology of public offerings since the initial public offering is as follows:

Corporate Action	Listing Date	Share Amount	Accumulated Share Amount	Nominal Amount (Rp)
Initial Public Offering (IPO) [1]	28 March 1994	250,000,000	250,000,000	250,000,000,000
Stock split [2]	06 August 1996	250,000,000	500,000,000	250,000,000,000
Limited Public Offering (PUT) I [3]	08 October 1996	250,000,000	750,000,000	375,000,000,000
Bonus Shares [4]	04 December 2000	862,500,000	1,612,500,000	806,250,000,000
Issuance shares without pre-emptive rights [5]	29 March 2006	2,307,276,912	3,919,776,912	1,959,888,456,000
PUT II [6]	12 December 2006	2,449,860,570	6,369,637,482	3,184,818,741,000
Exercise of Warrant Series I [7]	June – December 2007	170,959,193	6,540,596,675	3,270,298,337,500
Exercise of Warrant Series I [7]	January–December 2008	16,152,240	6,556,748,915	3,278,374,457,500
Exercise of Warrant Series I [7]	January – Desember 2009	1,026,159,082	7,582,907,997	3,791,453,998,500
Stock split [8]	18 June 2010	7,582,907,997	15,165,815,994	3,791,453,998,500
Total Shares			15,165,815,994	3,791,453,998,500

1) The Initial Public Offering totaling 50,000,000 shares (with par value Rp 1,000 per share) at the price of Rp 5,200 per share. The entire shares including founder's shares of 200,000,000 shares have been registered at PT. Bursa Efek Jakarta as of 28 March 1994.
2) Change the par value of share from Rp 1,000 to Rp 500.
3) The existing share holders of 2 shares entitled to get 1 pre-emptive rights to buy 1 new share (par value Rp 500 per share) at the price of Rp 1,400 per share.
4) The existing share holders of 20 shares entitled to 23 bonus shares.
5) Related to debt settlement amounting USD 181.2 million.
6) The existing share holders of 8 shares get 5 pre-emptive rights to buy 5 new shares (par value Rp 500 per share) at the price of Rp 500 per share.
7) Two shares from PUT II were entitled to get 1 warrant to buy 1 new share in par value Rp 500 per share.
8) Change the par value of share from Rp 500 to Rp 250.

b. The Company's public offerings (continued)

Based on the minutes of Extraordinary Shareholders' General Meeting (ESGM) of the Company which held on 18 May 2010 and was notarized by deed Buntario, SH, SE, MH No. 348 dated 20 May 2010, changes in the nominal value of shares from the original Rp 500 to Rp 250 per share has been approved. The stock split was effective on 18 June 2010 (see note 20).

On 12 October 2006, the Company submits Registration Statement of Limited Public Offering II (PUT II) to the Capital Market Supervisory Board and Financial Institution (Bapepam and LK) in connection with issuance of shares without pre-emptive right (HMETD) amounting 2,449,860,570 shares, which each 8 shares holder entitled to buy 5 new shares, the par value and offering price is Rp 500 per share. On 17 November 2006, this public offering had been stated effectivelly by Bapepam and LK by its Letter No.S-2776/BL/2006 dated 15 November 2006. The cost issuance of shares related PUT II was Rp 14,758,141,570 and was recorded as a deduction of additional paid in capital.

Within PUT II, besides shares, the Company had also issued 1,224,930,285 warants, which could be exercised as common shares with par value and offering price of Rp 500 per share starting from 1 June 2007 to 30 November 2009.

c. The Structure of Subsidiaries

The consolidated financial statements include the accounts of the Company and the following subsidiaries, which majority, directly and indirectly, owned by the Company, as follows:

Subsidiaries	Principle Activities (a)	Start of Commercial Operations	Domicile	Percentage of Ownership (%) 2011	2010	Total Assets 30 June 2011 (in thousand Rp)
PT Ciputra Residence and subsidiaries (a)	1	1994	Tangerang	99.99	99.99	1,883,944,810
PT Citraland Graha Realty (b)	-	-	Jakarta	99.99	99.99	59,106,957
PT Ciputra Graha Mitra and subsidiaries (a)	1	2007	Jakarta	99.99	99.99	437,545,036
PT Ciputra Indah and subsidiaries (a)	1	1996	Bogor	99.89	99.89	619,840,700
PT Citra Tumbuh Bahagia (b)	1	1993	Jakarta	80.00	80.00	9,437,040
PT Penta Oktoeneatama and subsidiary (b)	1	1993	Jakarta	80.00	80.00	20,022,978
PT Ciputra Property Tbk and subsidiaries (a)	3	1993	Jakarta	56.14	52.02	3,967,481,237
PT Ciputra Surya Tbk and subsidiaries (a)	1,4	1993	Surabaya	62.66	62.66	2,954,350,586
PT Ciputra Raya Sejahtera (b)	2,5	-	Jakarta	99.99	99.99	52,728,149
Longfield Enterprises Limited (b)	2	-	BVI	100.00	-	85,534,760

a. 1. Developing and selling real estate.
   2. Financing the activities of subsidiaries
   3. Developing and managing shopping centers, hotels and other commercial buildings.
   4. Developing and operating golf course and club house.
   5. Developing and managing hospitals and related businesses in the health sector.

b. Still in the development stage as of 30 June 2011.

PT Ciputra Property Tbk

From May to December 2010, the Company had purchased 174,249,000 shares of PT Ciputra Property Tbk ("CP") with the total price of Rp 68,206,496,016 (including commissions and other costs directly attributable to this transaction). By the purchase such shares, the Company's ownership in CP increased from 3,139,999,996 shares (51.89%) to be 3,365,437,996 shares (54.72%). The net assets value of the acquired minority interest at the time of the transaction amounted to Rp 92,795,833,203. The related excess of the underlying net assets value over the cost of investments in relation to the acquisition amounting to Rp 24,589,337,187, was allocated to the carrying value of the acquired non-monetary assets of CP.

During January to June 2011, the Company had purchased 87,439,000 shares of CP with the total price of Rp 35,901,302,500. By purchase such shares, the Company's ownership in CP increased from 3,365,437,996 shares (54.72%) to be 3,452,876,996 shares (56.14%). The net assets value of the acquired minority interest at the time of the transaction amounted to Rp 49,461,181,687. The related excess of the underlying net assets value over the cost of investments in relation to the acquisition amounting to Rp 13,559,879,187, was allocated to the carrying value of the acquired non-monetary assets of CP.

c. The Structure of Subsidiaries (continued)

PT Ciputra Property Tbk (cont'd)
Based on a conditional sale and purchase agreement dated 1 July 2009, between CP and Natsteel Properties Pte. Ltd. (NSL), CP agreed to buy 19,000,000 shares of stock of PT Ciputra Adigraha (CAG) owned by NSL for USD 7,600,000 which will be conducted in 2 tranches. Tranche 1 will comprise 9,500,000 shares at USD 3,800,000 fully payable by CP to NSL no later than 30 days after the Share Transfer Deed was prepared on 28 July 2009. Tranche 2, which will involve the procurement of 9,500,000 shares for USD 3,800,000, will be fully payable within 4 years from the completion of tranche 1. The net assets value of the non-controlling interest acquired in tranche 1 amounted to Rp 17,386,845,714. The excess of the underlying net assets value over the acquisition cost of Rp 37,981,000,000 (USD 3,800,000) was allocated to the acquired non-monetary assets of on behalf CAG.

Based on the Debt Conversion Agreement with CAG dated 1 July 2009, CAG's debt to CP amounting to Rp 266,000,000,000 was converted into 66,500,000 new shares of CAG.

Based on Notarial Deed No. 174 covering the minutes of CAG's Shareholders' General Meeting and Share Transfer Deed No. 175 dated 28 July 2009 of Buntario Tigris, SH, CAG's stockholders have agreed to the sale and assignment of rights on 9,500,000 shares of stock of CAG owned by NSL to CP and have agreed to the increase of authorized capital and paid-in capital whose settlement was made by the conversion of CAG's debt to CP as discussed above.

In August 2010, CP acquired additional 9,500,000 shares at USD 3,800,000 (equivalent with Rp 39,048,710,878) from Natsteel Properties Pte. Ltd as tranche II. CP's share ownership in CAG increased to 98.33%.

PT Ciputra Bukit Bandung (CBB)
Based on Notarial Deed No. 54 dated 15 Januari 2010 of Buntario Tigris Darmawa Ng, SH, the Company and PT Ciputra Graha Mitra (CGM), a subsidiary, had invested 1 share or Rp 1,000 (0.01%) and 249,999 shares or Rp 249,999,000 (99.99%) respectively in PT Ciputra Bukit Bandung (CBB). The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-05707.AH.01.01.Th 2010 dated 2 February 2010.

PT Ciputra Langgeng Mitra (CLM), PT Ciputra Karya Mandiri (CKM), PT Ciputra Optima Mitra (COM), PT Ciputra Jaya Mandiri (CJM), Ciputra Intan Mitra (CIM), PT Ciputra Harmoni Mitra (CHM)
On 22 January 2010, the Company and CGM, had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%) respectively in CLM, CKM, COM, CJM, CIM, CHM. Those Deeds notarized by Buntario Tigris Darmawa Ng, S.H., S.E., M.H., and has been approved by Minister of Justice and Human Rights Republic of Indonesia.

PT Ciputra Symphony (C.Sym)
Based on Notarial Deed No. 85 dated 16 April 2010 of Buntario Tigris Darmawa Ng, SH, PT Ciputra Indah (CI), a subsidiary, had invested 22,880,000 shares or or Rp 22,880,000,000 (52%) in PT Ciputra Symphony (CSym). The deed has been approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decree No. AHU-26941.AH.01.01 Tahun 2010 dated 26 May 2010.

PT Ciputra Raya Sejahtera (CRS) (formerly PT Ciputra Medika Utama)
On April 30, 2010, based on Notarial Deed No. 181 of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Medika Utama (CMU) changed its name to PT Ciputra Raya Sejahtera (CRS).

PT Citra Grand Khatulistiwa (CGK)
Based on Notarial Deed No. 227 dated 29 June 2010 of Buntario Tigris Darmawa Ng, SH, CI had invested 49,000 shares or Rp 49,000,000 (98%) in PT Citra Grand Khatulistiwa. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-365253.AH.01.01 Tahun 2010 dated 21 Juli 2010.

Longfield Enterprises Limited
Based on the establishment certificate No. 1595463 dated 15 July 2010, the Company had invested in Long Field Enterprises Limited domicilied in British Virgin Islands, 26,600 shares or USD 26,600 (100%).

d. The Structure of Subsidiaries (continued)

PT Ciputra Kirana Dewata (CKD) and PT Ciputra Abdi Persada (CAP)
On 9 August 2010, CS and PT Galaxy Alam Semesta (GAS), had invested 49,500 shares or Rp 49,500,000 (99%) and 500 shares or Rp 500,000 (1%) respectively in CKD and CAP. Those Deeds notarized by Buntario Tigris Darmawa Ng, SH, and has been approved by Minister of Justice and Human Rights Republic of Indonesia.

PT Ciputra Nusa Mitra (CNM), PT Ciputra Utama Mitra (CUM), PT Ciputra Prima Mitra (CPM), PT Ciputra Victory Mitra (CVM), PT Ciputra Realty Mitra (C.Realm), PT Ciputra Tangguh Mandiri (CTM), PT Ciputra Orient Mitra (C.Orm), PT Ciputra Sukses Property (CSP)
On 14 March 2011, the Company and CGM, had invested 25 share or Rp 25,000 (0.01%) and 249,975 shares or Rp 249,975,000 (99.99%) respectively in CNM, CUM, CPM, CVM, C.Realm, CTM, C.Orm, and CSP. Those Deeds notarized by Buntario Tigris Darmawa Ng, SH, and has been approved by Minister of Justice and Human Rights Republic of Indonesia.

PT Ciputra Adibuana (CAB)
Based on Notarial Deed No. 141 dated 15 March 2011 of Buntario Tigris Darmawa Ng, SH, CP had invested 24,750 shares or Rp 24,750,000 (99%) in CAB. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-15452.AH.01.01.Tahun 2011 dated 25 March 2011.

PT Ciputra Royalemeriti (C.Rmr), PT Ciputra Astanagratia (C.Agr)
On 25 April 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) respectively in C.Rmr and C.Agr. Those Deeds notarized by Buntario Tigris Darmawa Ng, SH, and has been approved by Minister of Justice and Human Rights Republic of Indonesia.

PT Ciputra Bangun Selaras (CBS)
Based on Notarial Deed No. 60 dated 9 May 2011 of Buntario Tigris Darmawa Ng, SH, CS and GAS had invested 24,999 shares or Rp 24,999,000 (99.99%) and 1 share or Rp 1,000 (0.01%), respectively in CBS. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-26806.AH.01.01.Tahun 2011 dated 27 May 2011.

PT Ciputra Nusantara (C.Nus)
Based on Notarial Deed No. 133 dated 16 May 2011 of Buntario Tigris Darmawa Ng, SH, the Company and CS had invested 1 share or Rp 1,000 (0.01%) and 999,999 shares or Rp 999,999,000 (99.99%), respectively in C.Nus. The Deed has been approved by Minister of Justice and Human Rights Republic of Indonesia as stated in its Decree No. AHU-30730.AH.01.01.Tahun 2011 dated 20 June 2011.

PT Ciputra Witanagiri (CWTG), PT Ciputra Astinamuria (C.Asm)
On 31 May 2011, CP had invested 99,000 shares or Rp 99,000,000 (99%) respectively in CWTG and C.Asm. Those Deeds notarized by Buntario Tigris Darmawa Ng, SH, and has been approved by Minister of Justice and Human Rights Republic of Indonesia.

(In Rupiah)

d. Commissioners, Directors and Employees

Composition of the Company's Commissioners and Directors as of 30 June 2011 and 31 December 2010 are as follows:

President Commissioner	:	DR. Ir. Ciputra
Commissioners	:	Bayan Akochi
		Dian Sumeler
Independent Commissioners	:	DR. Cosmas Batubara
		Henk Wangitan
		DR. Widigdo Sukarman MPA, MBA
President Director	:	Candra Ciputra
Directors:	:	Budiarsa Sastrawinata
		Rina Ciputra Sastrawinata
		Harun Hajadi
		Junita Ciputra
		Cakra Ciputra
		Tulus Santoso Brotosiswojo
		Tanan Herwandi Antonius
		Veimeirawaty Kusnadi

The composition of the Company's Audit Committee as of 30 June 2011 and 31 December 2010 are as follows:

Chairman	:	DR. Cosmas Batubara
Members	:	Lany Wihardjo
		Thomas Bambang

As of 30 June 2011 and 31 December 2010, the Company and subsidiaries employed a total of 1,655 and 1,647 employees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. The Basis of Measurement and Presentation of Consolidated Financial Statements

The following consolidated financial statements are presented in accordance with generally accepted accounting principles in Indonesia, which consist of, among others, Statement of Financial Accounting Standards (SFAS) established by the Indonesian Institute of Accountants, Capital Market Supervisory Board (Bapepam) regulations No. VIII.G.7 (revised 2000) concerning "The Guidelines for Presentation of Financial Statements" and Guidelines for Presentation and Disclosure of Financial Statements for Public Listed Company Engaged in Real Estate Industry in accordance with circular letter of Head of Bapepam No. SE-02/PM/2002 dated 27 December 2002 and decision letter of Head of Bapepam No.KEP-346/BL/2011 concerning submission of periodic financial reports of listed companies.

The basis of measurement and presentation of the consolidated financial statements is historical cost basis, except for investments in certain securities, which are stated at fair value, inventories and land for development, which are stated at the lower of cost and net realizable value and investment in shares of stock, which are accounted for under the equity method. The financial statements are prepared using accrual method, except for statement of cash flows.

The consolidated statement of financial position are prepared using the unclassified method in accordance with SFAS No. 44 concerning "Accounting for Real Estate Development Activities".

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

The reporting currency used in the preparation of these consolidated financial statements is Indonesian Rupiah.

(In Rupiah)

2. Summary of Significant Accounting Policies (continued)

b. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and subsidiaries as presented in note 1c.

The consolidated financial statements have been prepared on the basis of entity concept. All significant inter company accounts, transactions and profit/loss have been eliminated to reflect the statement of financial position and result of operations as a whole.

c. Translation Adjustments of Foreign Entities

Transactions in foreign currency are recorded at the rates of exchange prevailing at the time the transactions are made. At statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated to Rupiah using the Bank Indonesia middle rate, for statement of comprehensive income the average rate is used in that period.

Statement of financial position accounts	- Middle rate at statement of financial position date (30 June 2011: USD 1 = Rp 8,597, EUR 1 = Rp 12,462, AUD 1 = Rp 9,220, SGD 1 = Rp 6,985, CNY 1 = Rp 1,328; 31 December 2010: USD 1 = Rp 8,991, EUR 1 = Rp 11,956, AUD 1 = Rp 9,143, SGD 1 = Rp 6,981, CNY 1 = Rp 1,358)
Statement of comprehensive income accounts	- Average rate during the year (30 June 2011: USD 1 = Rp 8,716, EUR 1 = Rp 12,366, AUD 1 = Rp 9,109; 30 June 2010: USD 1 = Rp 9,182, EUR 1 = 12,032, AUD 1 = Rp 8,148)

d. Cash Equivalents

Cash equivalents consist of time deposits and Certificate of Bank Indonesia with maturity periods not more than 3 months since the date of placement and not collateralized.

e. Investments

- **Investments in shares of stock**
  Investment in shares of stock wherein the Company has an ownership interest, directly and indirectly, of 20% but not exceeding 50% are accounted for under the equity method, whereby the cost of investment is increased or decreased by the Company's share in the net earnings or losses of the associate company since the acquisition date, and reduced by dividends received.

  If the associated company (which accounted for under equity method) or subsidiary sale its share or perform any transaction which could affect the associated company's or subsidiary's equity to the third parties, the Company's net investments in associated company or subsidiary will be affected. The Company recognizes the changes to stockholders' equity.

  Investments in shares of stock which its fair value are not readily determinable wherein the Company have ownership interest less than 20% are stated at acquisition cost.

- **Certain Securities**
  <u>Trading</u>
  Included in this classification are investments, which are purchased for immediate resale, normally characterized by the high frequency of purchase-and-sale transactions. These investments are made to earn immediate gain from the improvement in the short-term prices of the securities. Investments that meet this classification are recorded at fair value. The unrealized gain/loss at statement of financial position date is credited or charged to current operations. The fair value of securities sold determined using the weighted average method.

- **Mutual Fund**
  Investment in mutual fund is stated at net assets value.

2. Summary of Significant Accounting Policies (continued)

f. Allowance for Doubtful Accounts

Allowance for doubtful accounts is provided based on a review of the condition of each debtor at the end of period. The outstanding receivables are written-off against the respective allowance for doubtful accounts or directly from the account at the time management believes that these receivables are determined to be definitely uncollectible.

g. Transaction and Balances with Related Parties

The Company have transactions with related parties. Definitions of related parties is in accordance with SFAS No. 7 concerning “Related Party Disclosure”.

All transactions with related parties whether or not conducted at terms and conditions similar to those with third parties are disclosed in the financial statements.

h. Inventories and Land for Development

Inventories of land, residential houses and shop houses under construction and completed residential houses and shop houses are stated at the lower of cost or net realizable value. The cost is determined using the average method. Expenditures relating to land development and improvement including interests and foreign exchange losses on loans obtained to finance the acquisition, development and improvement of the land incurred prior to the completion stage are capitalized as part of the cost of the land.

The inventories of the hotel and restaurant (foods, beverages and others) are stated at the lower of cost or net realizable value. The cost is determined using the first-in, first-out method (FIFO).

Land owned by the Company and subsidiaries for future development is classified as “Land for Development”. Upon the commencement of development and construction of infrastructure, the carrying cost of land will be transferred to the inventories or the appropriate property account.

i. Investment Property

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

Investment property is carried at cost less its accumulated and any accumulated impairment losses on the assets (cost model). Depreciation is computed by using the straight-lie method based on the estimated usefule lives of the investment property for 50 years. Land are not amortized.

j. Fixed Assets

Fixed Assets, except landrights, are stated at cost less accumulated depreciation. Landrights are stated at cost and not amortized. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as follows:

Buildings	:	20 – 50 years
Golf course	:	20 years
Furniture and fixtures	:	5 years
Transportation equipment	:	5 years
Project and golf equipment	:	5 years

The cost of repair and maintenance is charged to operations as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, their costs and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of comprehensive income for the period.

2. Summary of Significant Accounting Policies (continued)

k. Construction in Progress

Construction in progress is presented under property and equipment and stated at cost. The expenditures, including the borrowing cost, to finance the development and construction of the projects are capitalized as part of the cost of the construction in progress. Upon substantial completion of the projects and when the assets are ready for their intended use, the accumulated costs will be transferred to the appropriate property accounts.

l. Deferred Charges

Advertising expenses incurred before the opening of a project were deferred and are being amortized over 5 years using the straight-line method, whereas billboard expenses are amortized over 1-3 years using the straight-line method.

m. Reserve for Replacement of Hotel and Club House Operating Equipment

Reserve for replacement of hotel and club house operating equipment is determined based on the estimated replacement value of the lost or damaged items. The replacement cost of the lost or damaged items is recorded as a deduction to the reserve accounts.

n. Estimated Liabilities of Employee Benefits

Short-term employees' benefits are recognized at undiscounted amounts when employees has rendered their service to the Company during an accounting period.

Post employees' benefits are recognized at measurable amounts using discount rate basis, when an employee has rendered service to the Company during an accounting period. Liabilities and expenses are measured using actuarial techniques which include constructive obligation which arises from the Company's informal practices. In computing the liabilities, the benefits should be discounted by using projected unit credit method.

Termination benefits are recognized when, and only when, the Company has commitments to either:
a. terminate an employee or group of employees before the normal retirement date; or
b. provide termination benefits for employees who received offerings to have voluntary resignation.

o. Impairment of Assets Value

The Company and subsidiaries conduct an evaluation to determine whether there is an indication for events or changes in circumstance which indicate that its carrying amount may not be fully recovered at each reporting date. If any such indication exists, the Company and subsidiaries are required to determine the estimated recoverable value of all theirs assets and recognize the impairment in assets value as a loss in the consolidated statement of comprehensive income.

p. Revenues and Expense Recognition

The Company and subsidiaries recognize revenues from real estate sales using the full accrual method. The revenue from real estate sales will be recognized in full if all the following conditions are met:

- Sale of residential houses, shop houses and other types of buildings, and sales of land wherein the house or building will be built by the seller. The conditions that should be met consist of:
  a. The sale is consummated;
  b. The collectibility of the sales price is reasonably assured;
  c. The receivable from the sale is not subject to future subordination against other loans which will be obtained by the buyer; and
  d. The seller has transferred to the buyer the usual risks and rewards of ownership through a transaction representing a sale in substance and the seller does not have a substantial continuing involvement with the property.

2. Summary of Significant Accounting Policies (continued)

p. Revenues and Expense Recognition (continued)

- Sale of land wherein the building will be built by the buyer without the involvement of the seller (retail land sales). The conditions that should be met consist of:
  a. The payments received from the buyer have reached 20% of the agreed selling price and this amount is non-refundable;
  b. The collectibility of the sales price is reasonably assured;
  c. The receivable from the sale is not subject to future subordination against other loans which will be obtained by the buyer;
  d. The process of land development has been completed that the seller is not obliged to develop the lots sold or to construct amenities or other facilities applicable to the lots sold as provided in the agreement between the seller and the buyer or regulated by law; and
  e. The sale consists only of the lots of land, without any involvement of the seller in the construction of the buildings on the lots sold.

- Sale of condominiums, apartments, offoce buildings, shopping centers, other buildings of the similar type and time sharing ownership units are recognized using the percentage of completion method if all of the following criteria are satisfied:
  a. The construction process has already commenced, that is the building foundation has been completed and all of the requirements to commence construction have been fulfilled;
  b. Total payments by the buyer is at least 20% of the agreed sale price and that amount is not refundable; and
  c. The amount of revenue and the cost of the property can be reliably estimated.

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

The cost of the land sold is determined on the basis of the acquisition cost of the land plus other expenditures relating to its development. The cost of residential houses sold includes all the construction costs incurred.

Lease rentals by the shopping center tenants, except for anchor tenants, are paid 1 to 5 years in advances, and are recorded under “Unearned Revenues”. These lease rentals are being amortized and recorded as revenues on a monthly basis. Lease rentals by anchor tenants are paid on a monthly basis and the related revenues earned from these rentals are likewise recognized on a monthly basis.

Lease rentals of golf villa units are recognized as revenues based on the respective rental periods of the golf villa units.

The membership registration fees for golf and club house are recognized as revenues upon receipt. The quarterly or more membership dues for golf and club house received in advance are presented under “Unearned Revenues” account and amortized as revenues based on the periods benefited.

Expenses are recognized when incurred (accrual basis).

q. Borrowing Cost

Interests and foreign exchange losses incurred on loans obtained to finance the acquisition, improvement and development of the land are capitalized as part of the cost of the inventories of land and land for development for real estate, and capitalized as part of the cost of property and equipment and construction in progress for shopping centers and hotels. Upon the substantial completion of all activities related to the development of the land or the construction of the facilities and the related property is ready for its intended use, the capitalization of interests and foreign exchange losses ceases.

2. Summary of Significant Accounting Policies (continued)

r. Joint Ventures

In accordance with SFAS No. 12, "Financial Reporting of Interests in Jointly Controlled Operations and Assets", a venturer's participation in Jointly Controlled Operation is accounted for in the financial statements by recording the assets that it controls, the liabilities and the expenses that it incurs and its share of the income that it earns from the revenues of the joint venture.

A venturer's participation in Jointly Controlled Entity is accounted using the proportionate consolidation method.

s. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded in Rupiah amounts at the rates of exchange prevailing at the time the transactions are made. At statement of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to Rupiah using the Bank Indonesia middle rate of exchange for export bills prevailing at that (30 June 2011: USD 1 = Rp 8,597, EUR 1 = Rp 12,462, AUD 1 = Rp 9,220, SGD 1 = Rp 6,985, CNY 1 = Rp 1,328; 31 December 2010: USD 1 = Rp 8,991, EUR 1 = Rp 11,956, AUD 1 = Rp 9,143, SGD 1 = Rp 6,981, CNY 1 = Rp 1,358)

t. Income Tax

All temporary differences arising between the tax bases of assets and liabilities and their carrying value for financial reporting purposes are recognized as deferred tax using. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax assets relating to the fiscal losses carry forward are recognized to the extent that future taxable profit will be available against it. Amendments to taxation obligations are recorded when an assessment is received or, if appealed against, when the results of the appeal are determined.

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

On 4 November 2009, the Goverment has issued new Reulation No. 71 year 2009 concerning Income tax over transfer of ownership of land and/or building. This regulation stated that revenue from transfer of ownnership of land and/or building are subject to final income tax. This regulation is effective since 1 January 2010.

For revenues subject to final income tax, such as revenue of golf villa unit rental and shopping centers rental, no temporary difference between commercial and tax reporting purposes. If the carrying value of assets and liabilities which related to the final income tax between commercial and tax reporting is different, it is not recognized as deferred tax assets or liabilities. Expense for tax purpose is recognized proportionally with the income of the current period.

u. Financial instruments

Effective 1 January 2010, the Company and subsidiaries adopted SFAS No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures", and SFAS No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement", which superseded SFAS No. 50, "Accounting for Investments in Certain Securities", and SFAS No.55 (Revised 1999), "Accounting for Derivative Instruments and Hedging Activities" (see notes 29).

SFAS No. 50 (Revised 2006) prescribes the requirements for the presentation of financial instruments and information that should be disclosed in the financial statement, whereas SFAS No. 55 (Revised 2006) prescribes the principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This Standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others.

The cumulative effect from the adoption of the above revised SFASs which amounted to Rp 101,017,428, has been recorded in the retained earnings at 1 January 2010.

2. Summary of Significant Accounting Policies (continued)

u. Financial instruments (continued)

Financial assets

Initial recognition
Financial assets within the scope of SFAS No. 55 (Revised 2006) are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge.

On 1 January 2010, the Company and subsidiaries did not have financial assets other than financial assets at fair value through statement of comprehensive income and loans and receivables. The Company and subsidiaries determined the classification of their financial assets at initial recognition and, where allowed and appropriate, re-evaluated the classification of those assets at each financial period end.

Financial assets are recognized initially at fair value plus, in the case of financial assets not fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

- Financial assets at fair value through statement of comprehensive income
  Financial assets at fair value through statement of comprehensive income include financial assets held for trading and financial assets designated upon initial recognition at fair value through statement of comprehensive income.

  Derivative assets are classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through statement of comprehensive income are carried in the consolidated statement of financial position at fair value with gains or losses recognized in the consolidated statement of comprehensive income.

- Loans and receivables
  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are carried at amortized cost using the effective interest rate method, and gains and losses are recognized in the consolidated statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

  The Company and subsidiaries have cash and cash equivalents, restricted time deposits, trade receivables, other receivables, due from related parties and other assets - restricted fund in this category.

- Available-For-Sale (“AFS”) financial assets
  AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the two preceding categories. After initial measurement, AFS financial assets, are measured at fair value with unrealized gains or losses recognized in the stockholder’s equity until the investment is derecognized. At that time, the cumulative gain or loss previously recognized in the stockholder’s equity shall be reclassified to statement of comprehensive income as a reclassification adjustment.

  The Company and subsidiaries have investments in shares of stock that do not have readily determinable fair value in which the ownership interest is less than 20%. These investments are carried at cost.

2. Summary of Significant Accounting Policies (continued)

u. Financial instruments (continued)

Derecognition of financial assets

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

i the contractual rights to receive cash flows from the asset have expired; or

ii the Company and subsidiaries have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) substantially transferred all the risks and rewards of the asset, or (b) neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (i) the consideration received, including any new assets obtained less any new liabilities assumed, and (ii) any cumulative gain or loss which had been recognized in the stockholder's equity, should be recognized in the consolidated statement of comprehensive income.

Impairment of financial assets

At each statement of financial position date, the Company and subsidiaries assess whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (incurred 'loss events') and those loss events have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

- Financial assets carried at amortized cost
  For loans and receivables carried at amortized cost, the Company and subsidiaries first assess whether objective evidence of impairment exists individually significant, or collectively for financial assets that are not individually significant. If the Company and subsidiaries determine that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and the group is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment.

  If there is objective evidence that an impairment loss has occurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a "loans and receivables" financial asset has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate.

2. Summary of Significant Accounting Policies (continued)

u. Financial instruments (continued)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans and receivables, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral, if any, has been realized or has been transferred to the Company and subsidiaries.

If in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced (reversed) by adjusting the allowance account. The recovery should not lead to the carrying amount of the asset exceeding its amotized cost that would have been determined had no impairment loss been recognized for the asset at the reversal date. The amount of reversal is recognized in the consolidated statement of comprehensive income. If a future write-off is later recovered, the recovery is also recognized in the consolidated statement of comprehensive income.

- Financial assets carried at cost
  If there is objective evidence that an impairment has occurred over equity instruments that do not have quoted market price and are not carried at fair value because fair value can not be measured reliably, then the amount of any impairment loss is measured as the difference between the carrying value of the financial assets and the present value of estimated future cash flows discounted at the prevailing rate of return on the market for a similar financial asset. Impairment losses are not recoverable in the following period.

Financial liabilities

Initial recognition

Financial liabilities within the scope of SFAS No. 55 (Revised 2006) are classified as financial liabilities at fair value through statement of comprehensive income, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company and subsidiaries determine the classification of their financial liabilities at initial recognition.

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

The Company's and subsidiaries' financial liabilities include loans from banks, trade payables, other payables, accrued expenses, due to related parties and construction cost payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at fair value through statement of comprehensive income
  Financial liabilities at fair value through statement of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through statement of comprehensive income.

  Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivative liabilities are also classified as held for trading unless they are designated as effective hedging instruments.

  Gains or losses on liabilities held for trading are recognized in the consolidated statement of comprehensive income.

- Loans and borrowings
  After initial recognition, interest-bearing loans and borrowings are subsequently measured at cost using the effective interest rate method. At statement of financial position date, the accrued interest is recorded separately from the respective principal loans as part of current liabilities. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through the amortization process using the effective interest rate method.

2. Summary of Significant Accounting Policies (continued)

u. Financial instruments (continued)

Derecognition of financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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

Derivative financial instruments

The Company and subsidiaries enter into and engage in permitted foreign currency swap contracts, if considered necessary, for the purpose of managing the foreign exchange exposures emanating from the Company's and subsidiaries' loans in foreign currencies. These derivative financial instruments are not designated in a qualifying hedge relationship and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Any gains or losses arising from changes in fair value of derivatives during the year that do not qualify for hedge accounting are taken directly to statement of comprehensive income.

Derivative assets and liabilities are presented under current assets and current liabilities, respectively. Embedded derivative is presented with the host contract on the consolidated statement of financial position which represents and appropriate presentation of overall future cash flows for the instrument taken as a whole.

Net changes in fair value of derivative instruments and settlement of derivative instruments are charged or credited to current operations and presented as part of "Gains (Loss) on Foreign Exchange" in the consolidated statement of comprehensive income.

Amortized cost of financial instruments

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

Offsetting of financial instruments

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

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the end of the reporting year. For financial instruments where there is no acive market, fair value is determined using valuation techniques permitted by SFAS No. 55 (Revised 2006). Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

(In Rupiah)

2. Summary of Significant Accounting Policies (continued)

v. Earning per Share

In accordance with SFAS No. 56, "Earnings per Share", basic earnings per share is calculated by dividing net income for the year by the weighted-average number of shares outstanding during the year after considering the effects of exercise of warrants.

In the event that occurred without any change in the number of shares accompanied by changes in cash flows or other assets or liabilities, the changes are considered as if it had happened in the early period of financial statement presentation.

w. Use of Estimates

The preparation of the consolidated financial statements is conformity with generally accepted accounting principles requires the Company and subsidiaries' management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could be different from these estimates.

x. Segment Information

Segment information reported as primary segment, which consist of business operation segment and assets and liabilities reported as the secondary segment.

3. CASH AND CASH EQUIVALENTS

This account consists of:

	30 June 2011	31 December 2010
Cash on Hand		
Rupiah	9,279,177,702	15,233,605,605
US Dollar (2011: USD 33,934; 2010: USD 8,602)	291,726,314	77,340,581
Yuan China (2011: CNY15,005; 2010: CNY 15,000)	19,926,300	20,364,150
Total Cash on Hand	9,590,830,316	15,331,310,336
Cash in Banks		
Rupiah		
PT Bank Central Asia Tbk	192,024,260,300	138,328,362,763
PT Bank Mandiri (Persero) Tbk	183,465,616,789	37,563,473,268
PT Bank OCBC NISP Tbk	26,129,613,274	27,674,309,738
PT Bank Internasional Indonesia Tbk	13,074,495,513	7,501,045,745
PT Bank Pan Indonesia Tbk	11,980,725,570	1,718,705,354
PT Bank Bukopin Tbk	8,605,414,768	4,030,752,520
PT Bank Mega Tbk	8,348,507,266	1,327,039,074
PT Bank Negara Indonesia (Persero) Tbk	6,307,649,431	3,579,668,393
PT Bank Commonwealth	5,790,820,206	8,327,359,948
PT Bank Danamon Indonesia Tbk	5,622,450,721	3,357,171,677
Others (each bellow Rp 5 billion)	24,480,309,523	40,315,945,136
Sub-total	485,829,863,361	273,723,833,616
US Dollar		
Others (2011: USD 1,063,081 and 2010: USD 3,733,270)	9,139,305,055	33,565,834,487
Sub-total	9,139,305,055	33,565,834,487
Australian Dollar		
Others (2011: AUD 0.23; 2010: AUD 34,085)	2,121	311,620,716

(In Rupiah)

3. Cash and Cash Equivalents (continued)

Singapore Dollar		
Others (2010: SGD1,275)	-	8,901,090
Total Cash in Bank	494,969,170,537	307,610,189,909
Time Deposits		
Rupiah		
PT Bank Bukopin Tbk	421,073,248,599	283,970,549,537
PT Bank Mandiri (Persero) Tbk	205,438,674,239	517,441,691,349
PT Bank Rakyat Indonesia	179,282,785,683	273,125,156,655
PT Bank Internasional Indonesia Tbk	126,667,067,377	105,743,679,607
PT Bank Commonwealth	97,932,407,086	40,116,924,545
PT Bank Pan Indonesia Tbk	81,302,797,337	57,075,709,224
PT Bank CIMB Niaga Tbk	65,555,710,845	121,864,597,628
PT Bank Central Asia Tbk	58,700,811,301	14,313,521,574
PT Bank Tabungan Negara (Persero)	50,550,000,000	41,350,000,000
PT Bank UOB Buana	50,314,763,760	134,237,201,824
PT Bank Mega Tbk	47,729,954,883	29,287,255,606
PT Bank Danamon Indonesia Tbk	40,790,559,293	76,924,120,309
PT Bank OCBC NISP Tbk	36,943,844,147	69,125,372,559
PT Bank Permata Tbk	20,844,195,245	19,283,227,920
PT Bank ICBC Indonesia	20,030,984,049	20,652,195,362
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	15,000,000,000	4,000,000,000
PT Bank Nasional Indonesia	7,832,010,322	7,628,678,929
The Hongkong and Shanghai Banking Corporation Limited	-	16,961,316,268
Others (each bellow Rp 5 billion)	2,100,000,000	8,000,000,000
Sub-total	1,528,089,814,166	1,841,101,198,896
US Dollar		
PT ICBC Indonesia (2011: USD 5,632,165; 2010: USD 2,069,588)	48,419,721,044	18,607,666,517
PT Bank Muamalat Indonesia Tbk (2011: USD 650,000; 2010: USD 500,000)	5,588,050,000	4,495,500,000
Others (2011: USD 1,074,507; 2010: USD 5,017,556)	9,237,534,817	45,112,849,937
Sub-total	63,245,305,861	68,216,016,454
Euro		
Others (2011: EUR 307,891; 2010: EUR 307,753)	3,836,933,336	3,679,429,632
Total Time Deposits	1,595,172,053,363	1,912,996,644,982
Total	**2,099,732,054,216**	**2,235,938,145,227**
Interest Rate:		
Time Deposits		
Rupiah	4.95% - 8.75%	4.50% - 8.75%
US Dollar	1.25% - 3.00%	0.06% - 3.25%
Euro	0.10%	0.10%

As of 30 June 2011 and 31 December 2010, certain subsidiaries have escrow accounts in several banks amounted to Rp 71,594,911,635 and Rp 157,563,964,347 respectively and presented as “Restricted Fund” account in the statement of financial position.

(In Rupiah)

4. INVESTMENTS

This account consists of:

	30 June 2011	31 December 2010
Investment in shares of stock	122,295,251,652	121,896,981,005
Investment in securities – trading:		
Bonds of Republic of Indonesia	10,706,000,000	10,930,200,000
Mutual Funds	2,256,966,776	3,263,378,521
Time deposits - long-term	-	213,424,042
Total	**135,258,218,428**	**136,303,983,568**

The details of investment in stocks are as follows:

30 June 2011

Company	% Ownership	Cost	Accumulated Profit (Loss) of Associated Companies	Total (Rp)
At Equity				
PT Ciputra Liang Court	39.94	116,981,085,323	5,314,166,329	122,295,251,652
Ridge Capital Enterprises Limited (BVI) (USD 3,325)	33.25*	150,183,600	(150,183,600)	-
Deaumont Investment Limited (BVI) (USD 3,325)	33.25*	150,183,600	(150,183,600)	-
		117,281,452,523	**5,013,799,129**	**122,295,251,652**

31 December 2010

Company	% Ownership	Cost	Accumulated Profit (Loss) of Associated Companies	Total (Rp)
At Equity				
PT Ciputra Liang Court	39.94	116,981,085,323	4,853,385,682	121,834,471,005
Ridge Capital Enterprises Limited (BVI)	33.25*	150,183,600	(118,928,600)	31,255,000
Deaumont Investment Limited (BVI)	33.25*	150,183,600	(118,928,600)	31,255,000
		117,281,452,523	**4,615,528,482**	**121,896,981,005**

* Ownership directly and indirectly

Investment in shares of CLC represents investment owned by PT Dimensi Serasi (a subsidiary of PT Ciputra Property Tbk (CP)), of 8.76% (105 shares) and CP for 33.81% (405 shares), then CP's total direct and indirect ownership is 39.94%.

On 30 September 2009, CR (a subsidiary) invested in shares representing 47.5% each of Ridge Capital Enterprises Ltd., (BVI) ("Ridge") and Deaumont Investment Ltd., (BVI) ("Deaumont"), with initial investment of USD 2,375 each. Both of these companies will perform as Special Purpose Vehicles (SPV) to develop an Integrated New Township covering an area of ±313 hectares of land located in Shenyang, Liaoning Province, China.

On 22 December 2009, CR transferred its shareholdings in Ridge and Deaumont to the Company.

On 5 January 2010, Deaumont and Ridge's authorized capital and fully paid increased from 5,000 shares to become 10,000 shares. The Company adds deposits of USD 950 to each company, so that the ownership of the Company on the Ridge and Deaumont becomes 33.25%.

On 6 August 2010, the authorized and paid-in capital of Ridge and Deaumont were each increased to become USD 50,000. The Company has direct investment of USD 3,325 or 6.65% and indirect investment of USD 13,300 or 26.6% through Longfield Enterprises Limited, a subsidiary, so an effective percentage of ownership in each of Ridge and Deaumont of 33.25%.

Investments in securities - trading is the placement of mutual funds and bonds of Republic of Indonesia.

(In Rupiah)

5. ACCOUNTS RECEIVABLE

This account represents receivables of the third parties arising from:

	30 June 2011	31 December 2010
Sales of land and residential houses	153,391,621,928	172,275,155,344
Revenues from hotels	9,136,139,837	6,002,526,364
Revenues from shopping centers	2,567,570,971	2,437,411,056
Golf membership dues, restaurant, club houses, and lease rentals of golf villa units and others	2,798,984,302	1,302,381,494
Sub - Total	167,894,317,038	182,017,474,258
Less: Allowance for doubtful accounts	(2,730,923,686)	(2,720,479,070)
Net	**165,163,393,352**	**179,296,995,188**

Accounts receivable owned by certain subsidiaries are pledged as collateral for the bank loans and bonds payable as of 30 June 2011 and 31 December 2010 respectively (see note 12).

The management of the Company and subsidiaries believe that the allowance for doubtful accounts provided is adequate to cover possible losses on uncollectible accounts.

6. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

In the ordinary course of business, the Company and subsidiaries are engaged in financial transactions with related parties, wherein such transactions consist of expense charges and non-interest bearing cash borrowing without fixed repayment dates.

	Character of Relation	30 June 2011	31 December 2010
Others Receivable			
Ridge Capital Enterprises Ltd	Associated Company	107,462,198,463	102,474,030,398
PT Putra Indah Jasa Bangun	Having the same management with the Company	1,896,162,150	1,878,989,800
Deaumont Capital Enterprises Ltd	Associated Company	1,274,725,998	6,254,049,690
PT Citraloka Bumi Begawan	Having the same management with the Company	-	2,000,000,000
PT Apratima Sejahtera	Having the same management with the Company	-	755,495,396
Lain-lain	Having the same management with the Company	570,184,804	-
Total		**111,203,271,415**	**113,362,565,284**
Others Payable			
PT Ciputra Corpora	Having the same management with the company	6,995,434,217	51,576,069,661
PT Apratima Sejahtera	Having the same management with the Company	184,663,067	-
PT Sang Pelopor	Shareholder	-	13,561,500,000
Others	Having the same management with the company	-	45,000,000
Total		**7,180,097,284**	**65,182,569,661**

The percentage of due from related parties to total assets is 1.10% and 1.21% as of 30 June 2011 and 31 December 2010 respectively.

Whereas the percentage of due to related parties to total liabilities is 0.26% and 3.07 % as of 30 June 2011 and 31 December 2010 respectively.

(In Rupiah)

7. INVENTORIES

The detail of inventories are as follows:

	30 June 2011	31 December 2010
Land lots	1,952,220,063,788	1,820,393,454,404
Residential houses and shop-houses under construction	559,012,271,325	329,600,039,679
Foods, beverages and others	12,797,206,348	4,515,816,521
Total	**2,524,029,541,461**	**2,154,509,310,604**

Movement of land lots is as follows:

	30 June 2011	31 December 2010
Beginning balance	1,820,393,454,404	1,688,213,756,305
Additions (Deductions)		
Purchase/ development	168,168,264,478	245,801,758,9148
Reclassifcation from land for development	45,952,687,483	56,990,453,927
Interest capitalized	-	218,012,110
Joint ventures	34,374,683,682	80,630,499,437
Charged to cost of sales	(116,669,026,259)	(251,461,026,289)
Ending Balance	**1,952,220,063,788**	**1,820,393,454,404**

Movement of residential houses and shop-houses under construction and completed is as follows:

	30 June 2011	31 December 2010
Beginning balance of residential houses and shop-houses under construction	329,600,039,679	382,519,423,955
Development costs	522,337,520,546	490,258,780,070
Charged to cost of sales	(292,925,288,900)	(543,178,164,346)
Ending balance of residential houses and shop-houses under construction	**559,012,271,325**	**329,600,039,679**

The interests capitalized as part of the inventories of land lots for 30 June 2011 and 31 December 2010 is nil and Rp 218,012,110 respectively.

Building and apartment inventories are covered by insurance against fire and other risks with a coverage of Rp 163.92 billion. The Company's and subsidiaries' management are of the opinion that the above coverage is adequate to cover possible losses arising from such risks.

As of 30 June 2011 and 31 December 2010, inventory apartement under construction is pledged as collateral for the loans of PT Win Win Realty Centre, a subsidiary of CS, from PT Bank Mega Tbk (see note 12).

The management of the Company and subsidiaries believe that there are no changes in circumstances that indicate material impairment of inventories as of 30 June 2011 and 31 December 2010.

8. ADVANCES FOR PURCHASE OF LAND AND OTHERS

This account consists of:

	30 June 2011	31 December 2010
Purchase of land	99,015,890,200	75,025,260,607
Others	28,693,452,744	7,801,040,000
Total	**127,709,342,944**	**82,826,300,607**

Land
Advance for purchase of land represents payment for land purchased which located, among others in West Jakarta, Tangerang and Surabaya.

(In Rupiah)

9. LAND FOR DEVELOPMENT

This account represents a land area covering approximately hectares 1,167 and 1,115 hectares as of 30 June 2011 and 31 December 2010 respectively owned by the Company and subsidiaries for future development.

There were no interest capitalized in the land for development for six months ended 30 June 2011 and one-year ended 31 December 2010.

The management of the Company and subsidiaries believe that there are no changes in circumstances that indicate material impairment of land for development as of 30 June 2011 and 31 December 2010.

10. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	30 June 2011				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land rights	26,649,703,939	-	-	-	26,649,703,939
Building	578,577,036,737	1,433,849,136	-	(7,698,595,881)	572,312,289,992
Total	**605,226,740,676**	**1,433,849,136**	**-**	**(7,698,595,881)**	**598,961,993,931**
Accumulated Depreciation					
Building	206,240,317,137	6,604,692,054	-	(69,209,338)	212,775,799,853
Total	**206,240,317,137**	**6,604,692,054**	**-**	**(69,209,338)**	**212,775,799,853**
Net Book Value	**398,986,423,539**				**386,186,194,078**

	31 December 2010				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Land rights	26,649,703,939	-	-	-	26,649,703,939
Building	585,850,286,695	3,472,015,929	13,960,678,604	3,215,412,717	578,577,036,737
Total	**612,499,990,634**	**3,472,015,929**	**13,960,678,604**	**3,215,412,717**	**605,226,740,676**
Accumulated Depreciation					
Building	190,547,241,392	14,382,947,387	-	1,310,128,358	206,240,317,137
Total	**190,547,241,392**	**14,382,947,387**	**-**	**1,310,128,358**	**206,240,317,137**
Net Book Value	**421,952,749,242**				**398,986,423,539**

Investment in properties mainly represents investment in land and shopping center building owned by PT Ciputra Sentra (CSN) and PT Ciputra Semarang (CSM), both are subsidiaries of PT Ciputra Property Tbk (CP), located in Jakarta and Semarang. These investment property are rented to the third parties. Rental income of this investment is recorded under revenues from shopping centers in statement of comprehensive income.

As of 30 June 2011, investment property are covered by insurance under a blanket policy with fixed assets (see note 11). Management believes that the insured amount is adequate to cover possible losses for such risk.

The fair value of the investment properties as of 31 December 2010 amounted to Rp1.29 trilion, which was determined by independent appraisers KJPP Rengganis, Hamid & Partners.

For six months ended 30 June 2011 and 2010, depreciation expenses charged to statement of comprehensive income is Rp 6,599,110,470 and Rp 7,889,208,283 respectively.

(In Rupiah)

11. FIXED ASSETS

The details of fixed assets are as follows:

	30 June 2011				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Direct ownership					
Land rights	504,314,169,956	2,011,409,170	143,023,282	(81,263,094,425)	424,919,461,419
Buildings	498,529,687,357	5,034,768,716	194,394,091	75,034,822,524	578,404,884,506
Golf courses	45,870,047,757	2,471,379,670	-	-	48,341,427,427
Furniture and fixtures	191,958,108,813	35,878,479,514	6,170,650,794	11,724,547,165	233,390,484,698
Transportation equipment	9,686,248,233	643,015,113	445,854,224	(54,522,658)	9,828,886,464
Project and golf equipments	10,992,400,672	749,190,033	-	(1,249,368,550)	10,492,222,155
	1,261,350,662,788	**46,788,242,216**	**6,953,922,391**	**4,192,384,056**	**1,305,377,366,669**
Construction in progress					
Buildings	1,109,024,446,294	327,409,051,390	24,656,880,468	(12,599,663,123)	1,399,176,954,093
Total	**2,370,375,109,082**	**374,197,293,606**	**31,610,802,859**	**(8,407,279,067)**	**2,704,554,320,762**
Accumulated Depreciation					
Direct ownership					
Buildings	186,381,051,825	11,259,674,125	10,386,501	(104,321,379)	197,526,018,070
Golf courses	31,952,663,307	1,177,746,899	-	-	33,130,410,206
Furniture and fixtures	122,991,460,942	10,365,249,352	2,699,287,598	(3,545,653,105)	128,214,133,033
Transportation equipment	6,490,517,710	460,694,343	439,510,474	1,073,596,624	7,585,298,203
Project and golf equipments	9,669,874,198	98,910,864	-	2,141,941,915	11,910,726,977
Total	**357,485,567,982**	**23,362,275,583**	**3,149,184,573**	**(434,435,945)**	**378,366,586,489**
Net Book Value	**2,012,889,541,100**				**2,326,187,734,273**

	31 December 2010				
	Beginning Balance	**Additions**	**Deductions**	**Reclassification**	**Ending Balance**
Cost					
Direct ownership					
Land rights	484,014,679,148	20,360,124,408	60,633,600	-	504,314,169,956
Buildings	487,663,430,110	9,618,507,551	11,870,071,083	13,117,820,779	498,529,687,357
Golf courses	44,271,808,552	1,598,239,205	-		45,870,047,757
Furniture and fixtures	149,841,062,319	37,015,092,972	2,665,278,390	7,767,231,912	191,958,108,813
Transportation equipment	9,472,223,855	616,369,005	402,344,627		9,686,248,233
Project and golf equipments	11,188,286,652	636,937,771	-	(832,823,751)	10,992,400,672
	1,186,451,490,636	**69,845,270,912**	**14,998,327,700**	**20,052,228,940**	**1,261,350,662,788**
Construction in progress					
Buildings	656,033,365,446	476,258,722,505	-	(23,267,641,657)	1,109,024,446,294
Total	**1,842,484,856,082**	**546,103,993,417**	**14,998,327,700**	**(3,215,412,717)**	**2,370,375,109,082**
Accumulated Depreciation					
Direct ownership					
Buildings	166,700,865,599	22,231,918,722	1,241,604,138	(1,310,128,358)	186,381,051,825
Golf courses	29,715,301,893	2,237,361,414	-	-	31,952,663,307
Furniture and fixtures	105,072,052,707	18,772,194,206	2,290,210,612	1,437,424,641	122,991,460,942
Transportation equipment	7,003,759,994	924,182,357	-	(1,437,424,641)	6,490,517,710
Project and golf equipments	9,295,432,757	748,358,768	373,917,327	-	9,669,874,198
Total	**317,787,412,950**	**44,914,015,467**	**3,905,732,077**	**(1,310,128,358)**	**357,485,567,982**
Net Book Value	**1,524,697,443,132**				**2,012,889,541,100**

(In Rupiah)

11. FIXED ASSETS – NET (continued)

Construction in progress mainly represents the accumulated development cost of superblock owned by PT Ciputra Adigraha (CAG), a subsidiary of PT Ciputra Property Tbk, with percentage of completion of 39.51%, the construction of the project was postponed in 1997 and has continued in 2007. Construction in progress also includes Ciputra World Surabaya project, owned by PT Win Win Realty Centre (WWR), a subsidiary of PT Ciputra Surya Tbk, Surabaya with percentage of completion of 80%.

Depreciation expenses charged to the operation for six months ended 30 June 2011 and 2010 is Rp 15,066,482,947 and Rp 14,840,943,416 respectively (recorded in direct costs and general administrative expenses).

As of 30 June 2011, fixed assets owned by certain subsidiaries are pledged as collateral for their respective loans payable (see note 12).

Fixed asset, except for the land rights and golf course, are covered by insurance again risk of fire and other associated risk to certain insurance companies, with sum insured of USD 165,500 and Rp 5,465 billion as of 30 June 2011 and 31 December 2010. The management of company and subsidiaries believes that the insured amount is adequate to cover possible losses from such risk.

The management of the Company and subsidiaries believe that there are no changes in circumstances that indicate material impairment of the carrying amount of property and equipment as of 30 June 2011 and 31 December 2010.

12. BANK LOANS

This account represents loans obtained from:

	30 June 2011	31 December 2010
PT Bank Mega Tbk	369,699,866,271	246,657,547,603
PT Bank Mandiri (Persero) Tbk	50,438,132,683	35,501,529,286
Total	**420,137,998,954**	**282,159,076,889**

PT Bank Mega Tbk
On 29 February 2008, WWR obtained time loan and interest during construction credit facilities from Bank Mega with maximum credit limits of Rp 389,970,000,000 and Rp 55,030,000,000, respectively, which are used to finance the Ciputra World Project. On 28 July 2010,the credit limit for the interest during construction facility was increased to Rp 88,255,000,000. The loan from the facilities bears interest at annual rates ranging from 13.5% to 14% in 2010 and in early period 2011. The facility is available until 31 December 2020, including a grace period of 2 years and secured by land and buildings under construction, and mall and land for development and account receivables, if any.

The borrowing cost of this loan was capitalized to fixed assets.

PT Bank Mandiri (Persero) Tbk - (PT Ciputra Surya Tbk)
On 29 April 2010, CS obtained a working capital credit facility from Mandiri, with maximum amount of Rp 100,000,000,000 which is used to finance the project of CitraLand, UC Apartment, Bukit Palma, Citra Harmoni and others. This loan is due on 28 April 2011 and bears interest at the annual rate of 11%. This loan is collateralized by land and buildings covering 73,330 sqm and Ciputra Waterpark Surabaya (see notes 11).

The loan balance of CS in Mandiri as of 30 June 2011 is Rp 15,938,132,683.

PT Bank Mandiri (Persero) Tbk - (PT Ciputra Residence)
On 4 June 2010, CR obtained investment credit facility from PT Bank Mandiri (Persero) Tbk (Mandiri) with a maximum amount of Rp 36,000,000,000 used to finance a theme park and food centre project at Citra Raya Tangerang, and the development of the infrastructure of Citra Garden Jakarta residential project and waterpark at Citra Grand Palembang. The loan bears interest at annual rates ranging from 10.00% to 10.50% in 2010. The loan is due on 3 November 2013, including grace period of 1 year. The principal is paid quarterly starting from 2011 until 2013.

(In Rupiah)

12. BANK LOANS (continued)

This loan is collateralized by land under the name of CR and CPG, a subsidiary of CR, with an area of 12,754 sqm and carrying value of Rp 9,049,706,129.

The loan balance of CR in Mandiri as of 30 June 2011 is Rp 34,500,000,000.

13. OTHER ACCOUNTS PAYABLE – THIRD PARTIES

This account consists of:

	30 June 2011	31 December 2010
Dividend	123,160,605,114	-
WWR's stockholders (subsidiary of CS)	68,970,150,000	36,957,950,285
Others	72,492,127,061	84,489,712,439
Total	**264,622,882,175**	**121,447,662,724**

14. TAXES PAYABLE

Taxes payable consists of:

	30 June 2011	31 December 2010
Estimated income tax payable of Subsidiaries	-	1,190,477,364
Other income taxes payable		
Article 21	611,019,209	3,631,787,607
Article 23	1,434,506,195	1,067,067,848
Article 25/ 29	95,629,106	566,412,409
Article 26	981,434,331	984,530,200
Value-added tax	12,305,723,864	1,380,538,086
Development tax I (PB I)	1,257,621,121	869,720,124
Final tax	23,088,390,433	24,111,389,172
Other taxes	44,399,334	382,253,532
Total	**39,818,723,593**	**34,184,176,342**

A reconciliation between income before income tax, as shown in the consolidated statement of comprehensive income, with estimated taxable income (loss) of the Company for 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011	30 June 2010
Income before income tax per consolidated statement of comprehensive income	272,011,952,739	195,027,436,067
Income of subsidiaries before income tax	(152,524,863,740)	(104,187,130,760)
Income before income tax of the Company	119,487,088,999	90,840,305,307
Permanent differences:		
Salaries and allowance	2,139,940,317	-
Equity in net income of subsidiaries and associated company	(136,587,653,631)	(103,189,730,677)
Income already subjected to final taxes	(2,400,121,699)	(6,981,026,557)
Estimated taxable loss of the Company	**(17,360,746,014)**	**(19,330,451,927)**

14. TAXES PAYABLE (continued)

Total of uncompensated tax losses past period:		
Tahun 2005	-	(17,454,490,737)
Tahun 2006 – Revised Annual Tax Return	(261,279,208,328)	(261,279,208,328)
Tahun 2007 – Tax Examination	(3,807,484,322)	(3,807,484,322)
Tahun 2008	-	-
Tahun 2009	(21,970,163,994)	(27,399,775,779)
Tahun 2010	(5,866,186,326)	-
Accumulated tax losses	**(310,283,788,984)**	**(329,271,411,093)**

The Company does not provide allowance for current income tax in 2011 and 2010 because the Company still records the accumulated tax losses.

The estimated income tax payable and computation of provision for income tax of the subsidiaries for 30 June 2011 and 31 December 2010 is as follows:

	30 June 2011	**31 Desember 2010**
Provision for income tax – current period		
Progressive rate	4,412,502,422	9,452,119,817
Final rate	50,367,278,263	83,547,868,736
Sub - total	54,779,780,685	92,999,988,553
Prepayments of tax		
Income tax article 25	4,412,502,422	8,261,642,453
Final income tax	50,367,278,263	83,547,868,736
Sub - total	54,779,780,685	91,809,511,189
Estimated income tax payable	**-**	**1,190,477,364**

15. ADVANCES FROM CUSTOMERS

This account represents deposits received from customers for sale of land and residential houses, and for legal process of the certificate of ownership. All of advances are denominated in Rupiah.

16. UNEARNED REVENUES

This account represents lease rental of shopping centers paid in advance from third parties. All of rental revenues are denominated in Rupiah.

17. CONSTRUCTION COST PAYABLE

This account represents estimated liabilities to the contractors and suppliers for the remaining costs to complete the land, residential houses and shop-houses sold.

18. ESTIMATED LIABILITIES OF EMPLOYEE BENEFITS

This account represents estimated liabilities based on Labor Law No.13 year 2003 dated 25 March 2003, which has been calculated by PT Dayamandiri Dharmakonsilindo, an independent actuary.

19. NON-CONTROLLING INTERESTS

This account represents the equity interests of minority stockholders in income or loss of consolidated subsidiaries.

(In Rupiah)

20. CAPITAL STOCK

The stockholders and their respective stockholdings as of 30 June 2011 and 31 December 2010 are as follows:

Stockholders	Number of Shares Issued and Fully Paid	Percentage of Ownership	Amount (Rp)
PT Sang Pelopor	4,644,750,000	30.63	1,161,187,500,000
Credit Suisse Singapore	1,225,225,976	8.08	306,306,494,000
Bayan Akochi *	30,793,000	0.20	7,698,250,000
Public (each below 5%)	9,265,047,018	61.09	2,316,261,754,500
Total	**15,165,815,994**	**100.00**	**3,791,453,998,500**

*The Company's commissioner

Based on the minutes of the Stockholders' Extraordinary Meeting held on 18 May 2010 which were notarized under Deed No. 348 dated 20 May 2010 of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., the stockholders approved to split the nominal value of the shares from Rp 500 to Rp 250 per share. This stock split is effective on 18 June 2010 (see note 1b).

21. DIVIDEND DISTRIBUTION AND APPROPRIATED RETAINED EARNINGS

Based on Annual Stockholder General Meeting on 24 May 2011 and stated on Notarial Deed No. 189 of Buntario Tigris Darmawa Ng, SH, SE, MH at the same date, decided to allocate net income of the Company for year ended 2010 as follows:
(i) Amounted Rp 5,000,000 as appropriated retained earnings; and
(ii) Distribute dividend to stockholder amounted Rp 90,994,895,964 for 15,165,815,994 shares or Rp 6 per share.

In accordance with Article 70 of the Indonesian Corporation Law No. 40 of 2007, the Company must allocate a certain portion of its annual net income for the establishment of a reserve to an amount equivalent to 20% of its issued capital stock.

Based on Deed of BARUPST No. 315 dated 18 May 2010, the stockholders approved to appropriate retained earnings for reserve fund amounting to Rp 5,000,000.

22. REVENUES

This account consists of:	30 June 2011	30 June 2010
Net sales		
Land lots	77,412,950,288	134,534,955,075
Residential and shop-houses		
Buildings	304,893,194,296	161,110,376,801
Land	205,810,897,668	124,634,224,856
Apartements	149,903,825,980	110,823,076,743
Sub-total	**738,020,868,232**	**531,102,633,475**
Operating revenues		
Shopping centers	110,883,534,157	106,500,678,370
Hotels	58,816,402,134	53,164,520,413
Golf course	13,060,341,840	15,956,761,108
Others	7,067,903,627	7,559,770,548
Sub-total	**189,828,181,758**	**183,181,730,439**
Total	**927,849,049,990**	**714,284,363,914**

(In Rupiah)

23. COST OF SALES AND DIRECT COSTS

This account consists of:

	30 June 2011	30 June 2010
Cost of sales		
Land lots	23,496,415,153	64,462,007,095
Residential and shop-houses		
Buildings	207,521,035,442	129,987,694,646
Land	93,172,611,106	59,226,225,767
Apartements	85,404,253,458	77,425,831,424
Sub-total	**409,594,315,159**	**331,101,758,932**
Direct costs		
Shopping centers	37,979,653,701	34,325,930,948
Hotels	26,597,445,500	24,377,292,459
Golf course	11,002,115,225	11,177,919,850
Others	5,803,471,291	5,274,356,607
Sub-total	**81,382,685,717**	**75,155,499,864**
Total	**490,977,000,876**	**406,257,258,796**

24. OPERATING EXPENSES

Operating expenses consist of:

	30 June 2011	30 June 2010
Selling		
Advertising and promotions	34,355,939,974	27,010,275,677
Sales commissions	13,227,323,388	8,810,418,014
Management fee	1,478,630,262	1,371,932,539
Others	12,983,326,186	6,780,109,450
Sub-total	**62,045,219,810**	**43,972,735,680**
General and administrative		
Salaries and allowances	114,916,379,007	84,497,849,599
Depreciation	15,066,482,947	14,840,943,416
Traveling expenses	5,059,699,819	2,392,954,921
Donation and entertainment	3,738,833,759	2,479,841,601
Management fee	3,052,565,782	2,565,288,571
Water and electicity	3,008,802,165	1,923,903,625
Postage and telecommunication	2,895,713,333	2,494,736,527
Maintenance	2,438,446,037	1,574,601,917
Vehicle	2,367,237,857	1,882,250,725
Printing and stationary	1,761,941,668	1,432,776,543
Professional fees	1,518,290,606	1,474,351,331
Insurance	1,205,243,467	1,025,095,922
Others	23,507,563,352	14,967,267,659
Sub-total	**180,537,199,799**	**133,551,862,357**
Total	**242,582,419,609**	**177,524,598,037**

25. BASIC EARNINGS PER SHARE

The computation of basic earnings per share as of 30 June 2011 and 2010 is as follows:

Basic earnings per share

	30 June 2011	30 June 2010
Net income attributable to equity holders Of the parent (In Rupiah)	130,701,037,487	90,072,661,075
Amount of outstanding shares	15,165,815,994	15,165,815,994
Earnings per share (In Rupiah)	**8.6**	**5.9**

26. SIGNIFICANT AGREEMENTS

a. Based on a joint operation agreement dated 9 February 2007 between PT Bumiindah Permaiterang (BIPT), a subsidiary of PT Ciputra Surya Tbk, and Perum Perumnas (Perumnas), both parties agreed to engage in construction and sales of 65 units of residential houses on land of approximately 26,183sqm located at Lakarsantri, Surabaya. This agreement is valid up to 9 February 2011. The minimum amount will be received by Perumnas is 15.855% of minimum selling price.

b. PT Ciputra Sentra (CSN) and PT Ciputra Semarang (CSM), the subsidiaries of PT Ciputra Property Tbk, entered into management and promotion agreements with Swiss Pacific B.V. (SP), the Netherlands, and Club and Hotel International Management Company B.V. (CHIC), the Netherlands. As compensation, CSN and CSM agreed to pay SP, a fixed and incentive hotel management coordination fee equivalent to 0.5% of the gross revenues and 1.5% of the gross operating profit, respectively. In addition, CSN and CSM also agreed to pay CHIC a fixed and incentive hotel marketing and service coordination fee equivalent to 2.5% of the gross revenues and 6% of the gross operating profit, respectively.

   Starting from 1 August 2005 SP transferred its rights and obligations to PT Swiss-Bellhotel International Indonesia. Meanwhile, CHIC transferred its right and obligations to CHIC Limited, British Virgin Island, on 1 November 2005.

c. Based on Cooperation Agreement on Taman Dayu Project Development which is notarized under Deed No. 126 dated 25 November 2004 of Aulia Taufani, S.H., CS agreed to enter into a cooperation agreement with PT Taman Dayu (Taman Dayu) for Project Optimalization or joint operation. CS has the responsibility to control and execute management functions including operational, marketing and project finance. Meanwhile, Taman Dayu provided the land for development. The revenue sharing was approved based on a percentage of sales price of the land and building.

d. Based on Notarial Deed of Cooperative Agreement of Land Development No. 7 dated 4 April 2007 of Ferdinand Bustani, SH. PT Ciputra Graha Mitra (CGM), a subsidiary, and PT Bangun Pratama Kaltim Abadi (BPKA) entered into a cooperative agreement of land development located at JL. D.I. Panjaitan, Samarinda with total land area of approximately ± 33 Ha. Based on agreement, CGM has obligation to develop and sell the land and project building, while BPKA has obligation to provide land for development. The revenue sharing was agreed based on certain percentage of sales price of land and building.

e. Based on Cooperative Agreement of Land Development No. 76 dated 22 August 2005 of PT Cita Citra Lestari (CCL), a subsidiary of CGM and PT Graha Elok Asrijaya (GEA) have entered into a cooperative agreement of land development on JL. Ahmad Yani, Banjarmasin with total land area of approximately ± 87,105 sqm. According to this agreement, CCL has obligation to develop and sell the land and project building, and GEA provides land for development. The revenue sharing was agreed based on certain percentage of sales of price land and building.

26. SIGNIFICANT AGREEMENTS (continued)

f. Based on Cooperative Agreement of Land Development No. 245 dated 30 November 2007 of PT Ciputra Bangun Mitra (CBM), a subsidiary of CGM and PT PutraBalikpapan Adiperkasa (PBAP), have entered into a cooperative agreement of land development on JL. MT. Haryono, Komplek Bukit Damai Indah, Balikpapan with total land area of approximately ± 206,035 sqm. According to this agreement, CBM has obligation to develop and sell the land and project building, and PBAP provides land for development, The revenue sharing was agreed based on certain percentage of sales of price land and building.

g. On 26 February 2008, CAG, subsidiary of CP, signed the apartment management agreement and the technical assistant agreement in kavling 3-5 with PT Ascott International Management Indonesia (AIMI). CAG has agreed to pay management fee 3% of total revenues plus 8% from gross operating profit. The agreement has become effective on 1 July 2012 or other agreed date. On 9 February 2010, both parties have signed an addendum to the agreement wherein the effective date is changed to 1 July 2013.

h. On 29 April 2008, CAG signed in the hotel management agreement and the technical assistant agreement in kavling 3-5 with PT Raffles Hotels and Resorts Management and Raffles International Limited, wherein CAG has agreed to pay 0.5% from total revenues. The agreement has become effective since 29 April 2008 and will be terminated after 25 years from opening date on 1 November 2011 or other date that should be agreed by both parties.

i. On 29 April 2008, CAG has entered into Residential License Agreement with Raffles International Limited and Perhimpunan Penghuni Premium Residence Ciputra World Jakarta, wherein Raffles International Limited is willing to grant a license to CAG to use the license marks of Raffles International Limited. CAG has agreed to pay 1% from gross revenue. The agreement has become effective since 29 April 2008 and will be terminated until CAG has fully sell-out or the next 5 (five) years after the execution of this agreement.

j. On 29 April 2008, CAG has entered into Hotel License Agreement with Raffles International Limited, wherein Raffles International Limited is willing to grant a license to CAG to use the license marks of Raffles International Limited. CAG has agreed to pay 1% from gross revenue The agreement has become effective since the agreement date and willbe terminated after 25 years from opening date on 1 November 2011 or other date that should be agreed by the parties.

k. On 29 April 2008, CAG has entered into Residential Sales Marketing Advisory Agreement with Raffles International Limited, wherein Raffles International Limited is willing to provide sales, marketing and general administrative advisory services to CAG and support for residential sales. CAG has agreed to pay 3% of gross revenues if the gross revenues achieve USD 3,000 per sqm or 2.75% of gross revenue if such gross revenues excess than USD 3,000 per sqm. The agreement has become effective on 29 April 2008.

l. Based on Cooperation Agreement Deed between PT Citra Mitra Property (CMP), a subsidiary of CR, and PT Cipta Arsigriya (CA) dated 29 June 2007, of Buntario Tigris Darmawa NG, SH, SE, MH, notary, both parties were agreed to form Joint Operation namely Citra Arsigriya JO. Citra Arsigriya JO was formed in conformity with land development agreement in Talang Kelapa sub-district, Sukarami district, Palembang with total land area of 1,560,768 sqm. Based on the agreement, CMP, among others, have obligation to run and sell the project's land lots and building, whereas CA provide land for development. Revenue sharing has been agreed to be calculated based on certain percentage of profit from joint operation.

m. Based on Cooperative Agreement of Land Development No. 28 dated 28 July 2008 of PT Ciputra Fajar Mitra (CFM), a subsidiary of CGM and PT Graha Celebes Realty (GCR), have entered into a cooperative agreement of land development on Jl. Herstaning Baru (II), Makassar, with total land area of approximately ± 33 hectares. According to this agreement, CFM has obligation to develop and sell the land and project building, and GCR provides land for development. The revenue sharing was agreed based on certain percentage of sales of price land and building.

n. Based on a Cooperation Agreement on Land Development dated 31 August 2009 between CFM, a subsidiary of CGM, and PT Sinar Galesong Pratama (SGP), the parties, agreed to develop land at Jl. Herstaning Baru (II), Makassar, with total land area of approximately ± 14.4 hectares. Under this agreement, CFM has the obligation to, among others, develop and sell the land and project building, while SGP provides the land for development. The revenue sharing was agreed based on certain percentage of the sales price of the land and building.

26. SIGNIFICANT AGREEMENTS (continued)

o. On 15 April 2009, CP and PT Ascott International Management Indonesia entered into the first amendment of Consulting Services Agreement, whereby CP agreed to render consulting services including administration and general management services. CP is entitled to receive a monthly retainer fee as compensation, equivalent to 1.275% of total revenues and 3.4% of gross operating profit. This agreement commenced on 15 April 2009.

p. Based on the Joint Operation Agreement which is notarized under Deed No. 14, dated 4 September 2009 of Wahyudi Suyanto, S.H., CS agreed to cooperate with PT Bumi Sidoarjo Permai (BSP) regarding the development of a residential area and the related facilities on a land property with an area of approximately 19,158sqm located at Sidoarjo and owned by BSP. The profit sharing was agreed based on certain percentages.

q. PT Win Win Realty Centre (WWR), a subsidiary of CS, WWR entered into Construction Contract Agreement with PT Tatamulia Nusantara Indah for the finishing of Ciputra World Mall construction with contract value of Rp Rp 82,553,128,000. This agreement is valid since 1 February 2010 to 15 April 2010.

r. On 17 May 2010, CAG signed Construction Contract for the Ciputra World Project with JO Jakon Tata NRC. JO Jakon Tata NRC agreed to provide construction services for the project that will be handled by the Company. The term of the contract consist of: construction stage for 34 months commencing on 1 June 2010 until 31 March 2013.

s. On 11 August 2010, CP through PT Ciputra Balai Property (CBP), a subsidiary of CP, signed a cooperation agreement with PT Dipo Service on the development of land at Letnan Jenderal Gatot Subroto Street, Lot 50-52 Central Jakarta. Was approved The implementation of cooperation in the form of Joint Operations (Profit Sharing).

t. PT Ciputra Surabaya Padang Golf (CSPG), a subsidiary of CS, entered into Management Agreement with Swiss-Pacific Limited (Swiss Pacific) dated 20 December 2007. The period of this Agreement is 10 years since 1 January 2008. The fees under this Agreement are as follows:
   - Monthly Base Services Fee of 0.5%, net of any taxes, of the Inflated Base Gross Revenue (IBGR).
   - Quarterly Base Services Fee of 5%, net of any taxes, of the revenue above the IBGR.
   - Incentive Management Fees of 7.5% of the total gross operational profit.
   - Monthly Sales and Marketing Contribution Fee of 0.25%, net of any taxes, of total gross revenue.

u. On 29 April 2008, CAG entered into Technical Agreement with Raffles, wherein Raffles agreed to provide technical consultancy services to CAG and other services with regard to the conceptualizing, planning and furnishing of hotel and residencies. CAG has agreed to pay consultancy fee amounting to USD 250,000 plus an aggregate amount at the rate of USD 800 for each hotel room or residence. CAG also has agreed to pay purchasing fee equal to 5% of the gross amount of operating and equipment supplies purchased. The agreement became effective on 29 April 2008. Payment made during 2010 and 2009 amounted to Rp nil and Rp1,455,982,000, respectively.

v. On 29 April 2008, CAG entered into Hotel Sales and Marketing Consultancy Services Agreement with Raffles, wherein Raffles agreed to provide hotel sales and marketing consultancy services. CAG has agreed to pay 1.5% of gross revenue. This agreement became effective on 29 April 2008 and will be terminated after 25 years from the opening date of the hotel on 1 November 2011 or other date that will be agreed upon by the parties.

w. On 25 June 2008, CAG signed a construction management services contract for the Ciputra World Project with PT Jaya CM. PT Jaya CM agreed to provide construction management services for the project that will be held by the Company. The term of the contract is divided into construction stage for 43 months commencing on 1 July 2008 until 31 January 2012, and the maintenance stage for 12 months from 1 February 2012 until 31 January 2013. The construction management consulting service fee for this project is Rp 15,950,000,000. On 1 December 2009, CAG signed an addendum to the agreement. The addendum amended the term of the contract, which extended the construction stage to 54 months starting from 1 July 2008 until 31 December 2012 and the maintenance stage of 12 month starting from 1 January 2013 until 31 December 2013, and reducing the construction management consulting service fee to Rp 15,021,600,000.

26. SIGNIFICANT AGREEMENTS (continued)

x. On 29 April 2008, CAG entered into hotel advisory service agreement with Raffles, wherein Raffles has agreed to provide supervision and direction of the hotel and CAG has agreed to pay basic advisory fee of 1.5% of total revenues of the hotel and incentive fee based on the following percentages of gross operating profit:
   i. if the achieved gross operating profit percentage is between 0% and 25%, the incentive fee shall be 7% of the total gross operating profit,
   ii. if the achieved gross operating profit percentage is between 25.1% and 40%, the incentive fee shall be 8% of the total gross operating profit,
   iii. if the achieved gross operating profit percentage is more than 40%, the incentive fee shall be 9% of the total gross operating profit.

   The agreement has become effective since 29 April 2008 and will be terminated after 25 years from opening date on 1 November 2011 or other date that should be agreed by both parties.

y. On June 24 and 30 November 2010, CAG signed a purchase agreement with PT Hamasa Steel Center with a contract value of Rp 55,532,500,000, which ends on 31 March 2011.

z. On 26 March and 27 November 2010, CAG signed steel bar purchase agreement with PT Jakarta Cakratunggal Steel Mills with a contract value of Rp 48,256,250,000, which ends on 31 July 2011.

aa. On 2010, WWR, a subsidiary of CS, WWR entered into Construction Contract Agreement with certain contractors, such as PT Jaya Teknik Indonesia, PT Multigraha Alumindo, PT Dynami Perkasa Indonesia, PT Greatech Artanindo, PT Manunggal Sejati Utama, PT Multigraha Alumindo, PT Mulia Bangun Anugerah, PT Venus Ceramica Indonesia, and PT Superhelindo Jaya for the construction of Ciputra World mall and apartments.

bb. Based on the Joint Operation Agreement which is notarized in the Deed No. 15 dated 3 September 2009, of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Inti Pratama (CIP), a subsidiary of CS, agreed to cooperate with PT Sunindo Property Jaya (SPJ) regarding the development of a residential area and other facilities on land located in Semarang with an area of approximately 15 ha owned by SPJ. The profit sharing was agreed based on certain percentages. This agreement is valid until all of the land lots and buildings in this project are fully sold.

cc. Based on the Joint Operation Agreement which is notarized in the Deed No. 237 dated 27 October 2010, of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Kirana Dewata (CKD), a subsidiary of CS, agreed to cooperate with PT Karya Makmur (KM) regarding the development of a residential area and other facilities on a land property located in Denpasar, Bali with an area of approximately 181,284 sqm and waterpark owned by KM. The revenue sharing was agreed based on certain percentages of the sales price of the land and building. This agreement is valid for 10 years from the date the other facilities are started.

dd. Based on the Joint Operation Agreement which is notarized in the Deed No. 47 dated 7 October 2010, of Buntario Tigris Darmawa Ng, S.H., S.E., M.H., PT Ciputra Abdi Persada (CAP), a subsidiary of CS, agreed to cooperate with PT Graha Pelita Indah (GPI) regarding the development of a residential area and other facilities on land property located in Kendari with an area of approximately 15.1 ha owned by GPI. The revenue sharing was agreed based on certain percentage of the sales price of the land and building. This agreement is valid until all of the land lots and buildings in this project are fully sold.

ee. On 31 May 2011, CAG has signed a lease agreement with PT Lotte Shopping Plaza Indonesia (LSPI). CAG agreed to give the operational of shopping centre to LSPI with an area 77,351 sqm. This agreement valid effectively on 31 May 2011 and ended after 20 (twenty) years from the opening date or other date that agreed by both parties.

    LSPI agreed to pay rental fee with a flat rate for first 2 years, for next 3 years rate will be adjusted with inflation rate between 3% until 7%, and subsequent periods with increase 2%.

27. RECLASSIFICATION OF ACCOUNTS AND RESTATEMENT

Certain accounts in the financial statement of 2010 have reclassified to conform with the presentation of financial statements in 2011, with details as follows:

	Before Reclassification	Reclassification	After Reclassification
Statement of financial position			
Differences in values of financial assets available-for-sale	-	236,897,543	236,897,543
Unappropriated retained earnings	207,720,839,481	(236,897,543)	207,483,941,938
Statement of comprehensive income			
Interest income	50,168,251,800	2,017,244,686	52,185,496,486
Equity in net income (losses) of associated company	(170,837,727)	(423,944)	(171,261,671)
Other comprehensive income			
Exchange differences on translation of foreign operations	-	423,944	423,944
Gain (loss) on available-for-sale financial assets	-	(2,017,244,686)	(2,017,244,686)

Statement of comprehensive income for six months ended 30 June 2010 has reclassified according to PSAK 50/55 that effectively since 1 January 2010, with detail as follows:

	Before Restatement	After Restatement
Statement of comprehensive income		
Interest income	536,106,797,207	531,102,633,475
Others	12,011,740,818	12,323,502,917

28. SEGMENT INFORMATION

Business segment information is as follows (in thousand of Rupiah):

	30 June 2011			
	Real Estate	Rental	Others	Consolidated
Revenues				
External parties	738,020,869	169,699,936	20,128,245	927,849,050
Result				
Segment result	328,426,553	105,122,837	3,322,659	436,872,049
Depreciation expense	(7,369,672)	(8,222,096)	(195,443)	(15,787,211)
Operating expenses	(180,543,758)	(39,956,026)	(6,295,424)	(226,795,208)
Interest expense and others financial expense	417,917	(1,485,844)	(1,386,903)	(2,454,830)
Interest income	18,889,490	32,537,480	33,892	51,460,862
Gain (Loss) foreign exchange	(3,196,992)	(80,240)	(1,151)	(3,278,383)
Equity in net income (losses) of associated company	-	-	467,168	467,168
Others income (expense) – net	27,393,438	4,003,515	130,554	31,527,507
Income (loss) before income tax	184,016,976	91,919,626	(3,924,648)	272,011,954
Income tax expense	(39,738,131)	(14,736,256)	(333,000)	(54,807,387)
Profit (loss) for the period	144,278,845	77,183,370	(4,257,648)	217,204,567
Others comprehensive income (loss	(9,257)	(6,412)	(6,387)	(22,056)
Total comprehensive income (loss) for the period	144,269,588	77,176,958	(4,264,035)	217,182,511
Total comprehensive income (loss) for the period attributable to Equity holders of the parent	95,967,502	37,388,937	(2,671,844)	130,684,595
Other information				
Assets	5,662,487,368	4,257,891,687	150,812,779	10,071,191,834
Liabilities	2,058,575,851	596,773,910	131,858,289	2,787,208,050

(In Rupiah)

28. SEGMENT INFORMATION (continued)

	30 June 2010			
	Real Estate	**Rental**	**Others**	**Consolidated**
Revenues				
External parties	531,102,633	159,665,199	23,516,532	714,284,364
Result				
Segment result	200,000,875	100,961,975	7,064,255	308,027,105
Depreciation expense	(5,587,373)	(9,056,727)	(196,843)	(14,840,943)
Operating expenses	(120,301,320)	(35,268,523)	(7,113,812)	(162,683,655)
Interest expense and others financial expense	(1,210,115)	-	(420,856)	(1,630,971)
Interest income	20,953,741	31,171,793	59,962	52,185,496
Gain (Loss) foreign exchange	(4,911,824)	(15,206,401)	(3,149)	(20,121,374)
Equity in net income (losses) of associated company	-	-	(171,262)	(171,262)
Others income (expense) – net	6,310,237	24,147,986	1,129,236	31,587,459
Income (loss) before income tax	95,254,221	96,750,103	347,532	192,351,855
Income tax expense	(24,936,818)	(12,526,422)	(26,913)	(37,490,153)
Profit (loss) for the period	70,317,402	84,223,681	320,619	154,861,702
Others comprehensive income (loss)	-	(2,017,244)	424	(2,016,821)
Total comprehensive income for the period	70,317,402	82,206,437	321,043	152,844,881
Total comprehensive income for the period attributable to Equity holders of the parent	48,698,386	40,123,959	201,166	89,023,511
Other information				
Assets	4,790,313,295	3,969,096,939	154,847,912	8,914,258,146
Liabilities	1,366,838,124	288,829,665	128,124,438	1,783,792,227

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table sets forth the carrying amounts and estimated fair values of the financial instruments of the Company and subsidiaries that are carried in the consolidated balance sheet as of 30 June 2011:

	Carrying Amount	**Fair Value**
Financial Assets		
Loans and receivables		
Cash and cash equivalents	2,099,732,054,216	2,099,732,054,216
Trade receivables	165,163,393,352	165,163,393,352
Other receivables	36,251,591,079	36,251,591,079
Due from related parties	111,203,271,415	111,203,271,415
Other assets - restricted funds	71,594,911,635	71,594,911,635
	2,483,945,221,697	2,483,945,221,697
Financial assets at fair value through statement of Comprehensive income		
Investments - trading securities and mutual funds	12,962,966,776	12,962,966,776
Total	**2,496,908,188,473**	**2,496,908,188,473**
Financial Liabilities		
Loans and borrowings		
Bank loans	420,137,998,954	420,137,998,954
Trade payables to third parties	20,545,209,122	20,545,209,122
Other payables	264,622,882,175	264,622,882,175
Accrued expenses	20,333,764,427	20,333,764,427
Due to related parties	7,180,097,284	7,180,097,284
Construction cost payable	191,940,618,171	191,940,618,171
Total	**924,760,570,133**	**924,760,570,133**

29. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Financial instruments presented in the consolidated statement of financial position are at fair value, otherwise, they are presented at carrying amounts as either these are reasonable approximations of fair values or their fair values cannot be reliably measured. Further explanations are provided in the following paragraphs.

Financial instruments carried at fair value or amortized cost

Investments in trading securities and mutual funds are carried at fair value using the quotes prices published in the active market.

Trade receivables and deposits from tenants are carried at amortized cost using the effective interest rate method ("IER"), and the discount rates used are the current market housing loans and incremental lending rates for similar types of lending.

Financial instruments with carrying amounts that approximate their fair values

Management has determined that the carrying amounts of cash and cash equivalents, time deposits, due from related parties, restricted funds, trade payables to third parties, other payables, accrued expenses and construction cost payable reasonably approximate their fair values because they are mostly short-term in nature.

The carrying amounts of loans from banks with floating interest rates approximate their fair values as they are re-priced frequently.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

RISK MANAGEMENT

The principal financial liabilities of the Company and subsidiaries consist of loans from banks, trade and other payables, accrued expenses and construction cost payable. The main purpose of these financial liabilities is to raise funds for the operations of the Company and subsidiaries. The Company and subsidiaries also have various financial assets such as trade receivables, time deposits, and cash and cash equivalents, which arise directly from their operations.

The main risks arising from the Company's and subsidiaries' financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The importance of managing these risks has significantly increased in light of the considerable change and volatility in both Indonesian and international financial markets. The Company's Board of Directors reviews and approves the policies for managing these risks which are summarized below.

a. Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company and subsidiaries are exposed to the risk of changes in market interest rates relates primarily to their loan from banks with floating interest rates.

The Company and subsidiaries manages their interest rate risk by being prudent in entering into bank credit facilities and maintaining its leverage at fair level to be in-line with their cashflows.

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's and subsidiaries' exposure to exchange rate fluctuations results primarily from cash and cash equivalents and their net investments in foreign associated companies.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c. Credit risk

Credit risk is the risk that one party of financial instruments will fail to discharge its obligation and will incur a financial loss to the other party. The Company and subsidiaries are exposed to credit risk from its operating activities (primarily for trade receivable) and from its financing activities, including deposits with banks and financial institutions.

Customer credit risk is managed by trading only with recognized and creditworthy third parties. It is the Company's and subsidiaries' policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Customers who purchase the product with installment scheme, are bond by legal clauses and collaterazing the product purchased. In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts. The maximum exposure to the credit risk is represented by the carrying amounts as shown in note 5. The Company and subsidiaries has no concentration of credit risk as their accounts receivable relate to large number of ultimate customers.

Credit risk from balances with banks and financial institutions is managed by placing investments of surplus funds only with banks and financial institutions with high credit ratings. The maximum exposure is equal to the carrying amount as disclosed in notes 3 and 4.

d. Liquidity risk

Liquidity risk is defined as the risk when the cash flow position of the Company and subsidiaries indicates that the short-term revenue is not enough to cover the short-term expenditure.

The Company's and subsidiaries' liquidity requirements have historically arisen from the need to finance investments and capital expenditures related to the expansion of the business. The Company's and subsidiaries' business requires substantial capital to construct new projects and to fund operations.

In the management of liquidity risk, the Company and subsidiaries monitor and maintain a level of cash and cash equivalents deemed adequate to finance the Company's and subsidiaries' operations and to mitigate the effects of fluctuations in cash flows. The Company and subsidiaries also regularly evaluate the projected and actual cash flows, including their long-term loan maturity profiles, and continuously assess conditions in the financial markets to maintain flexibility in funding by keeping committed credit facilities available. These activities may include bank loans.

31. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the consolidated financial statements that were completed on 29 July 2011.