

# FORU

PT Fortune Indonesia Tbk



## GO THE

# ENTRA mile

Annual Report 2014

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Expanding amidst the intensely competitive communications and marketing industry requires us to formulate the right strategy. This task is certainly not easy, especially when creativity – full of subjective ideas – is measured by results and success.

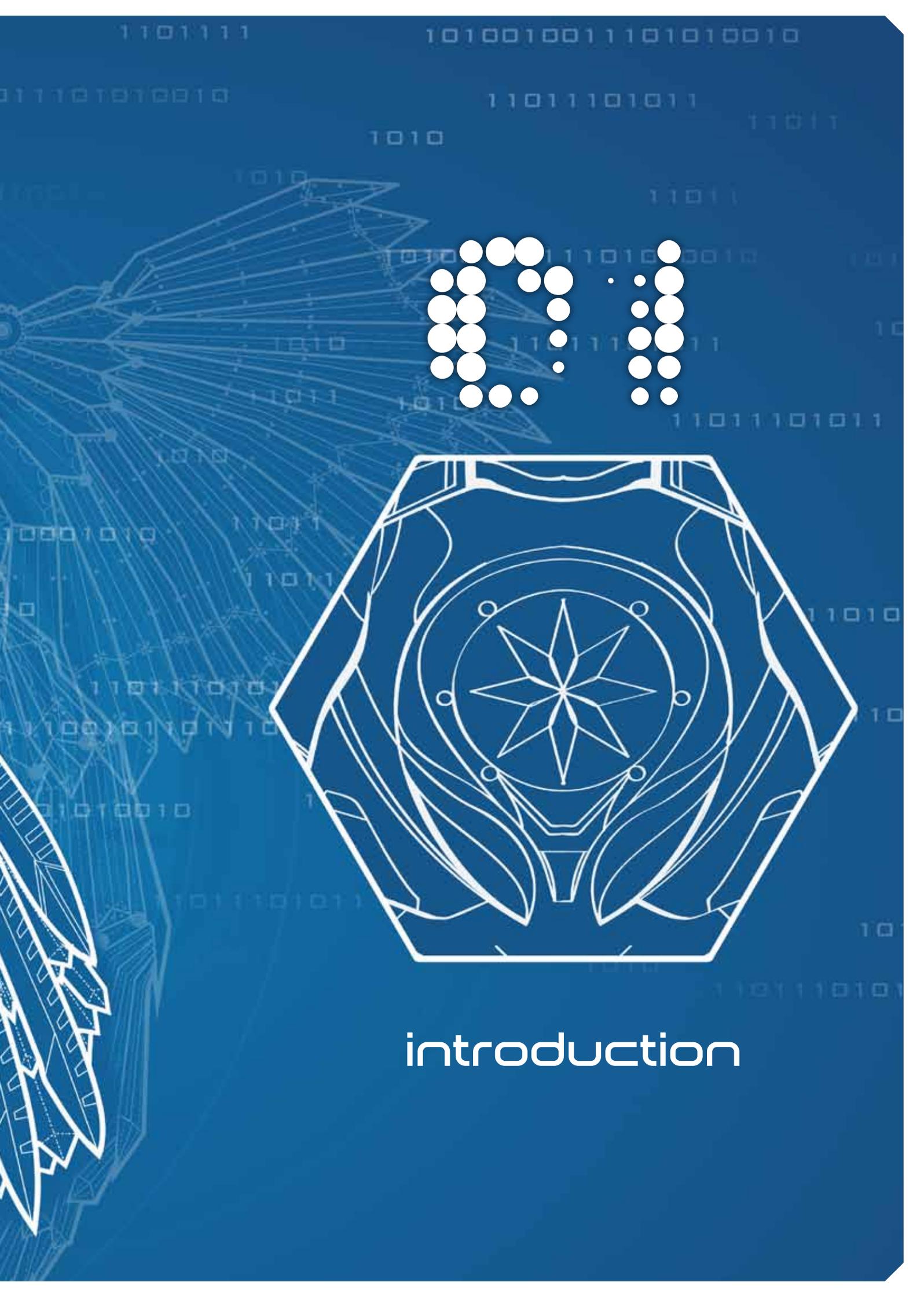
For FORU, the strategy to achieve success is not just to generate creative ideas. The initial process, when the best creative ideas emerge, should be managed to optimize the entire process. Strong organizational management; mapping out a structured industry and market; studying developments in technology and media that are continually transforming; developing Human Resources competence and establishing a conducive working environment; application development and an information technology infrastructure that helps customers measure the effectiveness of communication strategies, all this has to be achieved.

In addition, FORU looks for good relationships with creative services to ensure successful campaign programs. Go The Extra Mile, or to give more than expected, is the key of how FORU builds harmonious long-term business relationships.

By providing creative output that is more than what was expected, and providing services that are more than what was requested, FORU adds value in the eyes of users of its services. After all, it is much more efficient and effective to maintain long-term business relationships, than to build new business relationships.

With this strategy, FORU believes that the creative industry's business development will be sustainable and will provide great opportunities for FORU to continue to grow.





# introduction

## Financial Highlights

	2014	2013	2012
<b>Profit (Loss)</b>	(in millions of Rupiah)		
Revenues	404,324.18	407,406.72	480,147.07
Direct Cost	(322,568.45)	(326,394.83)	(394,323.41)
Gross Profit	81,755.73	81,011.89	85,823.66
Operating Expenses	(72,400.52)	(66,523.63)	(69,312.00)
Operating Profit	9,355.21	14,488.26	16,511.66
Other Income (Expenses)	(3,174.17)	(678.66)	506.55
Profit before Tax Expense	6,181.04	13,809.60	17,018.21
Tax Expense	(2,292.33)	(3,228.31)	(4,359.60)
Net Profit for the Current Year	3,888.71	10,581.29	12,658.61
Other Comprehensive Income	-	-	-
Total Comprehensive Income	3,888.71	10,581.29	12,658.61
Total Comprehensive income attributable to Owner of the Company	3,855.78	10,534.73	12,585.00
Total Comprehensive income attributable to non-controlling interests	32.93	46.56	73.61
Earnings per Share attributable to the Owner of the Company	8	23	27
<b>Financial Position</b>	(in millions of Rupiah)		
Current Assets	228,471.26	226,617.68	224,695.50
Non-current Assets	32,713.86	36,899.88	32,557.09
Total assets	261,185.12	263,517.56	257,252.59
Short-term Liabilities	116,251.94	118,697.29	121,397.19
Long-term Liabilities	12,722.54	11,846.10	10,205.95
Total Liabilities	128,974.48	130,543.39	131,603.14
Total Equity	132,210.64	132,974.17	125,649.45
Total Liabilities and Equity	261,185.12	263,517.56	257,252.59

	2014	2013	2012
<b>Financial Ratios</b>			
<i>Return On Equity</i>	2.9%	8.0%	10.1%
<i>Return On Assets</i>	1.5%	4.0%	4.9%
<i>Net Profit Ratio</i>	(63.2%)	(16.4%)	(2.3%)
<i>Current Ratio</i>	2.0	1.9	1.9
<i>Debt to Equity Ratio</i>	1.0	1.0	1.0
<i>Debt to Assets Ratio</i>	0.5	0.5	0.5

## 2014

Share price information (in rupiah)

No.	Month	Price			REGULAR SHARES IN CIRCULATION			IHSI	NUMBER OF REGISTERED SHARES	MARKET CAPITALIZATION	TRADING VOLUME IN THE MARKET	
		Highest (Rp)	Lowest (Rp)	Ending (Rp)	Volume (Unit)	Value (Rp)	Frequency (X)					
1	JANUARY	257	167	221	21,543,900	4,730,360,200	1,092	170,000	465,224,000	102,814,504,000	0	
2	FEBRUARY	268	221	265	8,689,000	2,103,550,000	463	203,846	465,224,000	123,284,360,000	7,000,000	
3	MARCH	460	265	303	15,366,500	5,344,118,100	3,132	233,077	465,224,000	140,962,872,000	54,000	
4	APRIL	690	290	620	21,890,300	11,054,884,100	2,409	476,923	465,224,000	288,438,880,000	300,000	
5	MAY	780	610	760	8,196,000	5,672,799,500	1,452	584,615	465,224,000	353,570,240,000	50,000	
6	JUNE	930	700	815	12,633,400	10,364,483,500	2,983	626,923	465,224,000	379,157,560,000	110,971,600	
7	JULY	1,170	815	965	8,831,100	8,849,988,000	2,609	742,308	465,224,000	448,941,160,000	413,969,500	
8	AUGUST	1,100	890	975	3,332,200	3,253,116,000	1,020	750,000	465,224,000	453,593,400,000	10,000	
9	SEPTEMBER	1,000	740	840	3,529,200	3,157,462,500	987	646,154	465,224,000	390,788,160,000	1,261,000	
10	OCTOBER	890	525	680	3,776,100	2,870,084,000	616	523,077	465,224,000	316,352,320,000	0	
11	NOVEMBER	695	625	630	2,702,100	1,841,325,500	95	484,615	465,224,000	293,091,120,000	139	
12	DECEMBER	840	520	700	436,900	298,572,000	120	538,462	465,224,000	325,656,800,000	58,474,230	
Ending price		1,170	167	700								
Total					110,926,700	59,540,743,400	16,978					

## Board of Commissioners' Report



**Dedi Sjahrir Panigoro**  
President Commissioner  
Independent Commissioner

### Transformation Towards a New FORU

Bringing together the world of creativity and financial measurement is a challenge in the new era of FORU's transformation. With the presence of strong capital, management believes that the Company is able to build a strong structure with a creative foundation that understands the needs of service users.

*Dear shareholders,*

As an integrated communications developer and as a public company, FORU is unique. The communications and marketing industry is very dependent on the world of creativity for its content and media for its communication channel to convey the message to the audience. The first and main task of an advertisement is to attract the audience, with the ultimate goal to shape the behavior and actions of the audience with the message conveyed.

Communications and marketing are the main activities of the communications and marketing industry.

What is communicated, and what is offered, is very dependent on how the creative process studies, searches, finds, positions and reshapes what will be offered in a creative way to the audience. Published output must be able to explain the purpose and objective of the communication strategy in a language that is easy, effective and striking. Users of communications and marketing services are companies who understand the advantages given by a communications strategy, both the imaging and the seizing of the consumer market.

This uniqueness appears because the creative world tends to argue that the subjective must deal with targets and the achievement of the objective. At this point the challenge is at a different level, where communications and marketing companies must show the ability to manage the basic principles of business together with the subjectivity of the creative

world. A communications and marketing company must be able to explain how the communication strategy works and touches audiences' awareness to then be able to achieve what users of the service expect.

With the benefit of 44 years' experience in the world of communications and marketing in Indonesia, FORU has had many experiences throughout the ups and downs of the industry. How the lines and forms of media transformed; how the marketing communications industry grew together with the Indonesian economy; how the economic crisis of 1997-1998 saw the beginnings of a changing economy and industry in Indonesia; until the new wave of the digital age, which has brought so much societal change to Indonesia. FORU has not only been a witness, to these events but has also taken on the role of a player in the economic history of Indonesia.

#### **2014, A Year of Politics**

2014 was a year eagerly awaited by a great number of Indonesians. The democratic process manifested through General Elections, Legislative Elections, and the Presidential Election caught most of the nation's attention. Happily, the whole process was successfully and safely carried out, resulting in Presidential Candidate Joko Widodo and Vice Presidential Candidate Jusuf Kalla receiving the people's mandate to lead and manage the government over the next five years. The Board of Commissioners and all FORU people congratulate this achievement.



In the communications and marketing industry, political expectations and models can be allied with the expectations and models of management in product marketing communications strategy. Creating imaging, vision and program socialization, utilization of media as a channel, measuring the success of a communication strategy that is capable of fashioning the way an audience chooses; models are similar to product marketing communication strategies. The idea of involving the communications and marketing industry first took place in the Presidential Election in 2004. With a direct public election - which was much different from when the President was chosen by Parliament - the involvement of a professional communication strategy was needed.

However, what happened in the 2014 political year was truly exciting. The nomination of presidential candidates had overshadowed the entire news media of 2014, even since the end of 2013. Twelve Parties nominated presidential candidates through comprehensive communication strategies. An unexpected development however emerged for the presidential election, whereby just two presidential candidates stood for election as the result of tactical alliances being formed by the 12 Parties.

This condition was not good for the communications and marketing industry. A contest of only two candidates reduced the opportunities for the communications and marketing companies to become involved as consultants.

For the business world, the political year presented time to await the changes that would be generated by the General and Presidential Elections. Political stability and a conducive business climate are prerequisites for the business world and for investment, which impacts the corporate world's advertising spending. In addition, the slowdown in the Indonesian economy over the last three years and the tendency of Bank Indonesia to suppress inflation figures helped shape the behavior of the business community in its advertising spending.

With the political year as a central issue throughout 2014, FORU recorded revenues of Rp404.32 billion, a difference of 0.8% from revenues of Rp407.41 billion in 2013. Comprehensive Income showed a difference of 63.2%, from Rp10.58 billion in 2013 to Rp3.89 billion in 2014. Earnings per Share attributable to the company owners reached Rp8 per share, a difference of 65.2% from Rp23 per share in 2013.

#### **Building FORU for the Future**

Compliance with regulations and legislation are the main requirements of a public company's management. Accountability and professionalism are the basic principles of business that will create added value on an ongoing basis, and provide the Company with sustainability into the future.

The same is true for FORU. Management commitment based on Good Corporate Governance (GCG), is implemented by building an harmonious relationship between all corporate governance organs.

The General Meeting of Shareholders (GMS) is conducted once a year, and functions as a forum for strategic decision-making. The Board of Commissioners (BOC), assisted by the Audit Committee, carried out a partnership and supervision function with the Board of Directors in managing FORU's business processes.

The BOC performed its partnership and supervision function through the Audit Committee, the Board of Commissioners' meetings, and coordination meetings with the Board of Directors.

The entry of the Rajawali Group, through its subsidiary PT Citra Karya Prima, as the controlling shareholder of FORU in mid-2014 provided a new dimension to the FORU business process management. With the presence of the Rajawali Group, funding and financing factors will become a force for FORU to consider when developing business strategies in the creative world. The 2015 GMS will be the first time the Rajawali Group will be involved in a review of the creative world environment and seeing the potential FORU possesses in the communications and marketing industry in Indonesia.

With FORU's ability to maintain the soundness of its business, and through managing the GCG-based business organization, as well as the inclusion of the Rajawali Group as a shareholder, the BOC has high optimism FORU will grow in the future. It is not impossible, that the dream of being a publicly listed local communications and marketing company continuing for the future will be realized.

With 44 years experience in the world of Indonesian communications and marketing, FORU has had many experiences during the ups and downs of the Indonesian economy and industry. FORU was not only a witness, but also took on the role of an actor in the economic history of Indonesia.

### Towards a New FORU

In addition to the new funding, joining with the Rajawali Group as a shareholder will have a positive impact on the performance of FORU going forward. Strategic alliances within the Rajawali Group business group will provide a big boost, especially when juxtaposed with FORU's track record and experience in the communications and marketing industry in Indonesia.

The emergence of a new government with a strong commitment to improve the Indonesian economy is also a potential opportunity for the communications and marketing industry to grow together. The declaration to accelerate infrastructure to areas that need improvement in the economy; the new maritime vision; the government's attention to the creative industries; indicates opportunities for the communications and marketing industry to play an optimal role.

Specific challenges arise from the business climate and government policies. To prepare for the implementation of the Asean Economic Community (AEC), the government has decided to open the door for foreign investment in certain industries. Through the issuance of Presidential Decree No. 39, 2014 on 'List of Open and Closed Businesses with Investment Requirements, Negative Investment List' (DNI) allows foreign ownership of communications and marketing companies up to a maximum of 51%. To a certain extent, the government's motives to increase foreign investment in the Indonesian economy is a thing that should be appreciated; however the concept of a borderless economy will create higher competitiveness.

This decision will have an enormous impact on the system and model of foreign investors' advertising expenditure in Indonesia, where the content and the advertising message will not capture the Indonesian culture. A culture war will occur, where Indonesian culture could be lost if there is no commitment and determination from all parties to fight to defend it. FORU sincerely hopes that the government and all parties will formulate an appropriate strategy to deal with potential problems that could impact future Indonesian generations.

### Appreciation and Closure

Regarding the performance that has been achieved by FORU, the Board expresses appreciation for the commitment and leadership of the Board of Directors in running the business processes and managing FORU. The Board also expresses thanks for the trust that has been given by all the shareholders, and welcomes the Rajawali Group as a shareholder in order to jointly build FORU. To the communications and marketing industry stakeholders, the Board expresses its gratitude for their future attention and cooperation to help develop a better Indonesian communications and marketing industry. And to all FORU people, the BOC shows its gratitude and pride for all the dedication shown. Hopefully this commitment and togetherness that has been created will continue to be the capital for FORU to create far into the future.

**Dedi Sjahrir Panigoro**  
President Commissioner  
Independent Commissioner

## President Director's Report



**Indra Abidin**  
President Director

### Measured creativity

The communications and marketing industry as just art and creativity is ambiguous. Strategies and measurable targets form the basis for the entire process of building creativity, where success should be attached to the targets that have been set.

*Dear shareholders,*

The communications and marketing industry today has been given a new meaning that will determine the economy. Advertising offers effective communication functions in accordance with the target market of businesses. Changes in media have grown, reaching a wider audience more comprehensively and effectively.

FORU is in the communications and marketing industry offering unified communications development for the needs of advertisers. With a synergy of three business pillars, advertising services, public relations services and graphic design services, FORU provides communication strategies both upstream and downstream. Ranging from how to find the unique points that can be used as a major theme of a message; formulating strategies and lines of communication by utilizing precise forms of media; advertising production and output; to measuring the effectiveness of the strategy that has been implemented.

FORU is not just an executor for advertising output needs. With its creative Human Capital it has a commitment to continue to innovate, FORU has become a partner for communication and marketing service users to be able to deliver an effective message to the public. FORU's business activities include brand consulting, advertising campaigns, political marketing and social marketing; plus brand activation, sports and entertainment marketing, trade marketing, and Customer Relations Management (CRM); as well as media planning and media investment with digital communications. Broadly speaking FORU's business activities include brand management, strategic planning, brand development and brand

auditing, line utilization and effective forms of media, public relations activities as well as activation and loyalty programs for the use of clients' products and services.

In addition to the creative message and media outlets, the communications and marketing industry is strongly influenced by the trend in technology changes, both the transformation of form and the habits of users. Digital technology has grown rapidly since the 1990s, increasingly finding better levels. Use of the internet and smart phones continues to grow, gradually replacing print media (newspapers and magazines). Similarly with audio-visual and television commercials, technological innovation continues to improve its technical deficiencies with the ability now to produce artificial visualization, which continually increases its reach to a wider audience.

With the geographical conditions of this island scattered archipelago, technological innovation may be the answer in providing the possibility of an alternative infrastructure, connecting places and humans. Advertising, of course, with its creative content plays an active role in fulfilling the objectives of advertisers, by prioritizing accountability of ethics and aesthetics. Without exception FORU utilizes line development and other forms of media as an alternative infrastructure to bridge the gap between the center and the regions.

#### **2014, Go The Extra Mile**

2014 commences a new five-year cycle in Indonesian politics. The Legislative and the Presidential Elections were the main agenda for the year involving nearly all levels of society. FORU's management had taken into account these conditions, and formulated a series of strategies to be able to play a role in the 'democratic festival' that impacted the concentration of all parties.

This strategy reaped its rewards. The National Awakening Party (PKB), one of the 12 Parties participating in the Elections, chose FORU as its partner to formulate and execute communication strategies to reach a greater number of constituents. The 2014 results showed an increase in their votes of nearly 200% from 2009. In 2009, PKB was seventh with 5.15 million votes, or 4.94% of the total votes cast nationally. While in 2014, PKB managed to rise to fifth position with 11.3 million votes, or 9.04% of the total votes. These results matched the communication strategy and had a positive impact on the expected target.

Surprisingly for many candidates, the 2014 presidential election was reduced to just two contesting candidates. With such a small number of candidates, a practical market share and a competitive communications and marketing service in the presidential election was not possible given the number of existing advertising companies.

Meanwhile in the business world, the political year saw a year where the business world waited for the outcome of the political competition that would bring economic and policy stability. As well as political stability encouraging the business climate, businesses waited for national leaders who were committed to growing together with the private sector. Before the election process that named Joko Widodo and Jusuf Kalla as President and Vice President, advertising spending from the corporate world was quite minimal. This was understandable, as advertising expenditure by the private sector at this time would be futile while the 'democratic festival' was on-going.

Advertising spending from the private sector rose quickly in the fourth quarter of 2014, thanks to the stimulus of the "Jokowi Effect".

Facing 2014, with all the ongoing political dynamics, FORU maintained the integration and synergy of its three business pillars ready for a full service campaign. With strategic and effective communication services as its main strength, management sought to formalize Standard Operating Procedures (SOP) in FORU's creative business processes. Formax, FORU's formula for communication strategy, was used as a basic reference for the development of business processes and services provided to advertising services users. This thorough standardization will be the same for all at FORU, from the initial thought processes through to the creative development and will cover the complete business cycle.

FORU also developed marketing strategies for iconic sports, especially soccer which has a large market share. This strategy resulted from the trend of Indonesian young people being so close to the world of football, where FORU in cooperation with the football world, took advantage of its iconic status to create a communication model that hit the mark. The creative results can be seen whereby BNI Life Insurance, as an official insurance partner of Manchester City FC (MCFC), and MCFC are entitled to use its logo for all types of promotion.

In addition, marketing through digital media has also become the focus of FORU's strategy. The growth of Internet users using smart phones in the last few years is seen as a significant business opportunity for advertising companies to use digital media. FORU was able to optimize the growth on this media with a percentage increase in revenue.

FORU has developed monitoring and analytical tools for digital media, application programs that can deliver real-time data about the trends that are happening in social media. Trending issues, by volume and region, help profile social media users directly through mobile devices. These applications have become FORU's commitment to providing scalable creative services, as indicators for the formulation of strategies at a later stage.

Go The Extra Mile, or to give the best and more than expected, has become the key to success in maintaining performance. The management understands that the communications and creative marketing industry must be supported by good relationships with service users. FORU strives for the best service for clients, more than they expect, with the aim of creating long-term harmonious business relationships. In addition, management is also aware that it is much more efficient and effective to maintain long-term business relationships than to build new business relationships - although FORU still continues to develop business outside its current service user base. Relationships with Djarum, Campina, Agung Podomoro and Tupperware, have been in place for more than 10 years demonstrating the ability of FORU to establish harmonious relationships with a great commitment to continue to provide services to FORU's service users.

During the 2014 political year, FORU's PR Services business segment grew significantly. Revenue for this business segment reached Rp25.92 billion, a 118.6% achievement compared to revenue of Rp21.87 billion in 2013; with this contribution FORU's total revenue increased by 5.4% in 2013 and 6.4% in 2014. This increase occurred as a result of the political situation, where advertising service users from political parties increased their use of public relations.

The Advertising Services business segment was the largest contributor to FORU's total revenue with a 1.3% differential of Rp373.69 billion in 2013 to Rp368.81 billion in 2014. TV media advertising spending and increasing digital media use influenced this business segment, while advertisement production, print and radio media spending actually experienced different things. Similarly, the Graphic Design Services business segment, recorded an 80.9% achievement of Rp9.59 billion in 2014, compared to Rp11.85 billion in 2013. This was as a result of the "wait and see" attitude in the business sector, which affected advertising spending in 2014.

As a result of these achievements, FORU was able to record Operating Revenue in 2014 of Rp404.32 billion, a differential of 0.8% from 2013 where Operating revenues amounted to Rp407.41 billion. Operating expenses experienced an 8.8% differential, of Rp66.52 billion in 2013 to Rp72.4 billion in 2014, as a result of FORU's commitment to honour its obligations to all FORU people. Comprehensive income reached Rp3.89 billion in 2014, a differential of 63.2% from Rp10.58 billion in 2013. Total assets in 2014 reached Rp261.18 billion, a differential of 0.9% from Rp263,52 billion in 2013.

2014 was a year of considerable attainment for FORU, which saw FORU winning 13 awards nationally and internationally. This had never been achieved previously, proving that FORU has the capacity and capability, as a strong dedicated and unified communications development company, to continue to grow in the challenging Indonesian communications and advertising industry.

### Creative Organization Management that is Healthy and Measured

Running a business process with the principle of prudence is FORU's top priority. Transparency, accountability, responsibility, independence and fairness as the basic principles of Good Corporate Governance (GCG), has been implemented to demonstrate FORU's desire to continue to produce record growth. Full compliance with regulations and legislation are also a key to realizing FORU's sustainability implementation.

Organizational relationships between units proceed well, as well as between the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors (BOD). In carrying out the role of corporate governance, the BOD is assisted by the Internal Audit Division for supervisory functions; the Corporate division for legal and communications; as well as the Information Systems Division for FORU management and competency improvement. Oversight functions with Internal Audit have also been applied. Together with the Audit Committee, Internal Audit also performs supervision over the external audit process, the results of which can be seen in the 2014 Financial Report appendix.

FORU's management strengthened its internal systems through the development of Standard Operating Procedure (SOP), which apply throughout FORU. Management is aware that the creative world is very dependent on human capital management, where any rapid turnover of human capital will disrupt the governance and organization of the whole business process. Besides being able to improve the efficiency and effectiveness of HR, the SOPs are expected to bring together the minds of all FORU people in business processes as well as

in the governance of the organization. It will be groundbreaking, as FORU will be the only unified communications development company with a strong internal SOP system. In 2014, FORU changed the composition of shareholders. The Rajawali Group through its subsidiary, PT Citra Karya Prima, became the majority shareholder. The change of ownership did not change the composition of the BOD with it remaining the same as at December 31, 2013.

### The Future, Between Potential and Challenges

Entering 2015, FORU has high optimism for significant business growth. Some advertising campaigns were delayed in 2014 and will be realized in 2015. In addition, the rapid increase in the volume of digital media use will provide greater business opportunities for FORU, in addition television media advertising spending is projected to grow, together with an increase from advertising expenditure delayed due to the 2014 elections.

The presence of the Rajawali Group as a new shareholder is expected to help FORU achieve more optimal results. With its strong funding, the Rajawali Group will contribute greatly to FORU's financial performance improvement. In addition, the powerful Rajawali Group network will be a great asset for FORU to be able to work together and be creative to create new business opportunities. Management believes, the presence of the Rajawali Group will be able to push FORU even more to optimize all the potential that exists and be ready to compete with foreign advertising companies operating in Indonesia.

With respect to the Presidential Decree No. 39, 2014 on List of Closed and Open Business Fields with Investment Requirements, that allows foreign ownership of

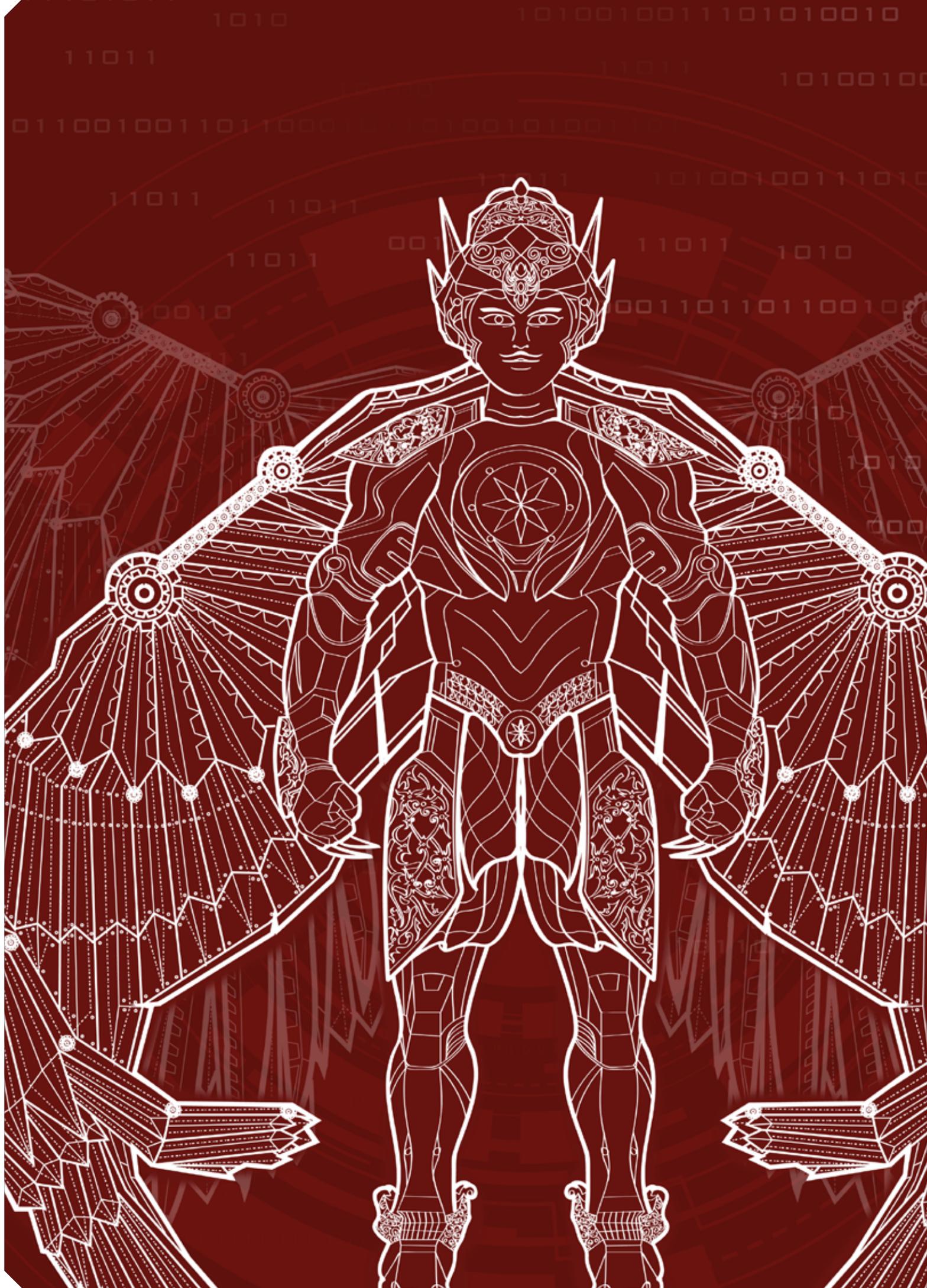
FORU expects that providing the best and beyond will be the key to success in maintaining its performance, with the aim of creating harmonious long-term business relationships. Partnerships with many clients have surpassed 10 years, demonstrating the success of this strategy

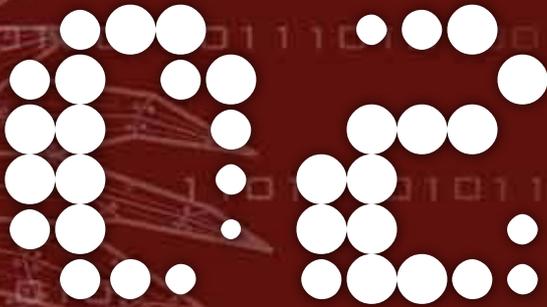
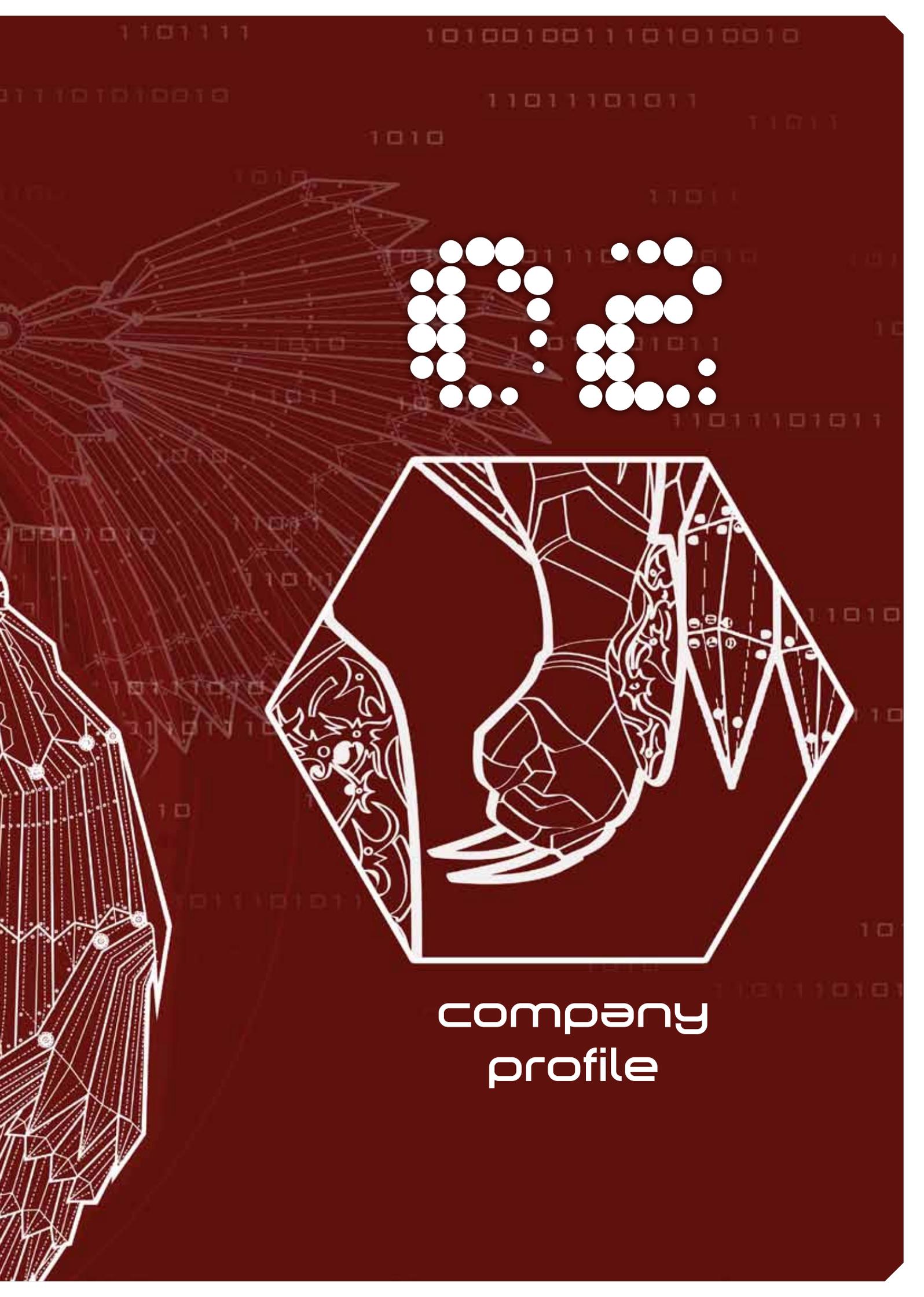
advertising firms up to a maximum of 51%, the management sees this as a competitive challenge. Although the system and method of advertising spending will be affected by the foreign advertising companies in Indonesia, FORU has prepared itself by strengthening its capital, internal systems, SOPs and innovations that will provide added value in the overall business process. However, for the Indonesian communications and marketing industry, FORU's management expects a strong commitment from the government and all parties to be able to create a business climate for the communications and marketing industry that promotes equality and fairness.

#### The Final Word

In closing the management report presented in this FORU 2014 annual report, the Board of Directors offers profuse thanks to the Board of Commissioners for their complementary partnership and working relationship. Thanks must also be given to the shareholders, in particular to the Rajawali Group as the new majority shareholder, that gives us confidence. To all service users who have trusted FORU, the Board of Directors offers its thanks, likewise, to our partners and other associates. And to all the FORU people who have produced intelligent and creative work, the Board of Directors extends its heartfelt appreciation for all the dedication that they have shown. Hopefully the achievements of 2014 will be the foundation for FORU and all parties to jointly grow for the days to come.

**Indra Abidin**  
President Director





company  
profile

## General Information

Company Name	PT Fortune Indonesia Tbk
Business Fields	Advertising Services
	PR services
	Graphic Design Services
President Director	Indra Abidin
Company Address	Gedung Galatika, Jl. Harsono R.M No.2 Ragunan, Pasar Minggu, Jakarta Selatan 12550
No. Telepon & No. Fax	021 782 7989 / 021 7884 7524
Email Address	corsec@foru.co.id
Advertising Industry Association Member	DKI-AA-73-020
Articles of the Company - No. & Date	May 5 1970
No. License	04981-04/PB/P/1.824.271
No. TDP	09.03.1.73.24518
No. Tax	01.303.912.8-054.000
No. Inauguration PKP- (PPN)	PEM-00242/WPJ.07/KP.0803/2008

## Brief History of the Company



# FORU

### FORU at a Glance

FORU is a group of integrated communication development companies that was founded on May 5, 1970 under the name of PT Fortune Indonesia Advertising Company. FORU's birth was a milestone when Mochtar Lubis – a novelist and prominent Indonesian journalist – established Fortune Advertising and Management Consultants in affiliation with Fortune International Australia. On January 2, 2002, FORU became a public company and changed its name to PT Fortune Indonesia Tbk.

FORU's birth pioneered the presence of modern advertising agencies in Indonesia, an important role in national development. FORU's presence, for nearly 45 years, in the heart of Indonesian society has provided a competitive advantage in FORU's business activities. FORU's service range now includes advertising, public relations, brand activation, digital solutions, media planning and investment, exhibitions, sports marketing, brand consulting to marketing insights.

Since FORU's beginning, firm commitments have been implanted into the heart of FORU to provide the best advertising and marketing communications to clients. For more than four decades, FORU has shared its spirit and passion with dozens of clients and has produced many inspiring campaigns. Over time, FORU has become a leader in the creative industry, a pillar supporting enterprises at their birth, becoming a brother helping sustain the commitment to delivering comprehensive and integrated solutions, and answering the challenges of the creative industry.

## Business Fields



### Advertising Services

#### Advertising Services

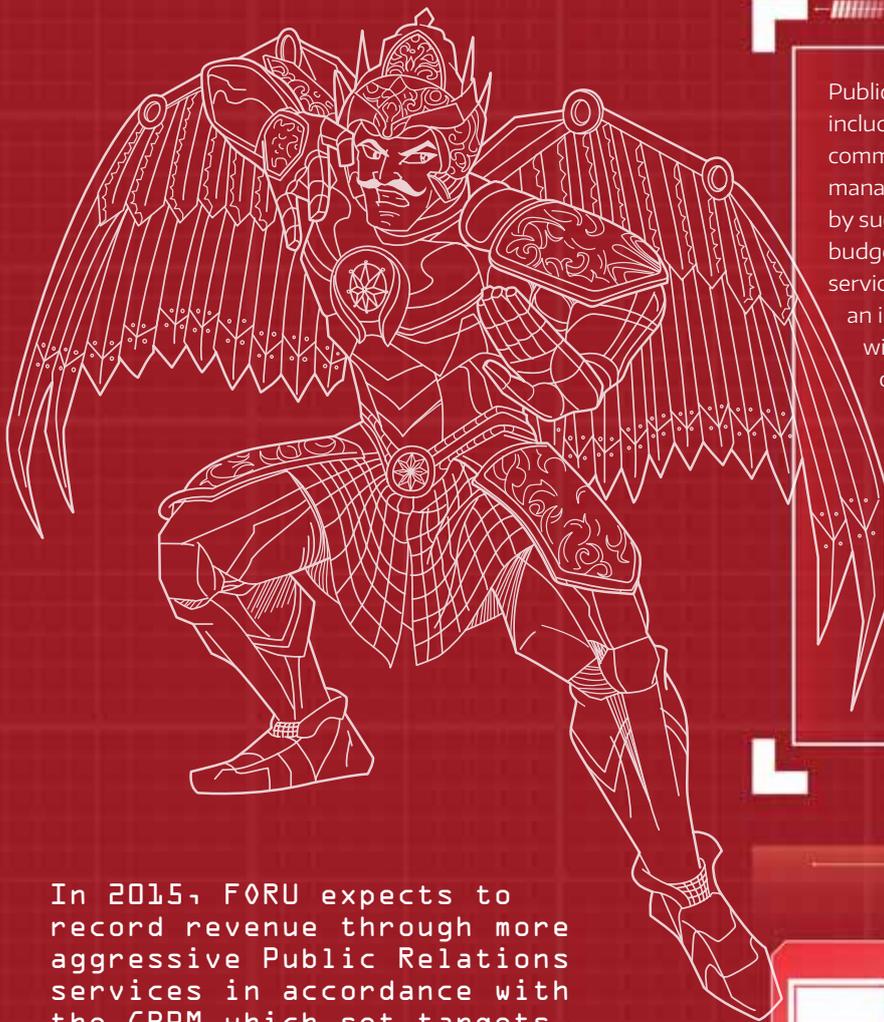
Advertising services, within FORU, is a business activity which specifically covers the provision of content, communications, and channeling. The channeling service is a segment that contributes most to FORU's overall revenue. In 2014, FORU managed to record revenue from advertising services of Rp368.81 billion. This figure is a differentiation of 1.3% when compared to the previous year's Rp373.69 billion.

One of the factors that affected this segment's business was the national political situation in 2014 which had a direct correlation to the growth of the Indonesian economy. In 2014, national business faced a major event in the political sector, namely the Legislative and Presidential Elections. In 2015, FORU expects to record revenue through more aggressive Advertising services in accordance with the Company Business Planning Meeting (CBPM) which set targets to increase by 10% from 2014.





## PUBLIC RELATIONS SERVICES



Public Relations services, within FORU, includes corporate and marketing communications. Throughout 2014, FORU managed a commendable achievement by successfully exceeding the targeted budget. Operating revenues from PR services were Rp25.93 billion. This was an increase of 18.6% when compared with the previous year's achievement of Rp21.87 billion. This segment's boosted revenue was due to a growing demand from clients for public relations services over previous years.

In 2015, FORU expects to record revenue through more aggressive Public Relations services in accordance with the CBPM which set targets to increase by 10% from 2014.



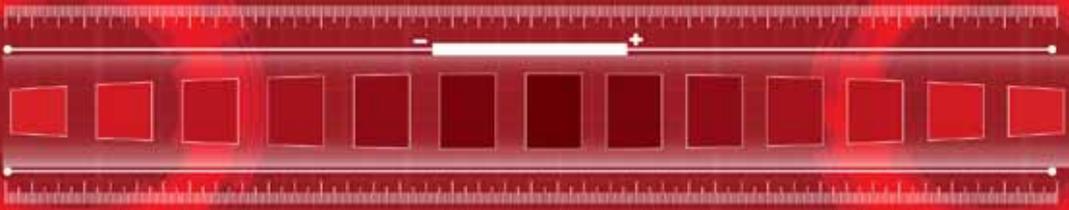


### GRAPHIC DESIGN SERVICES

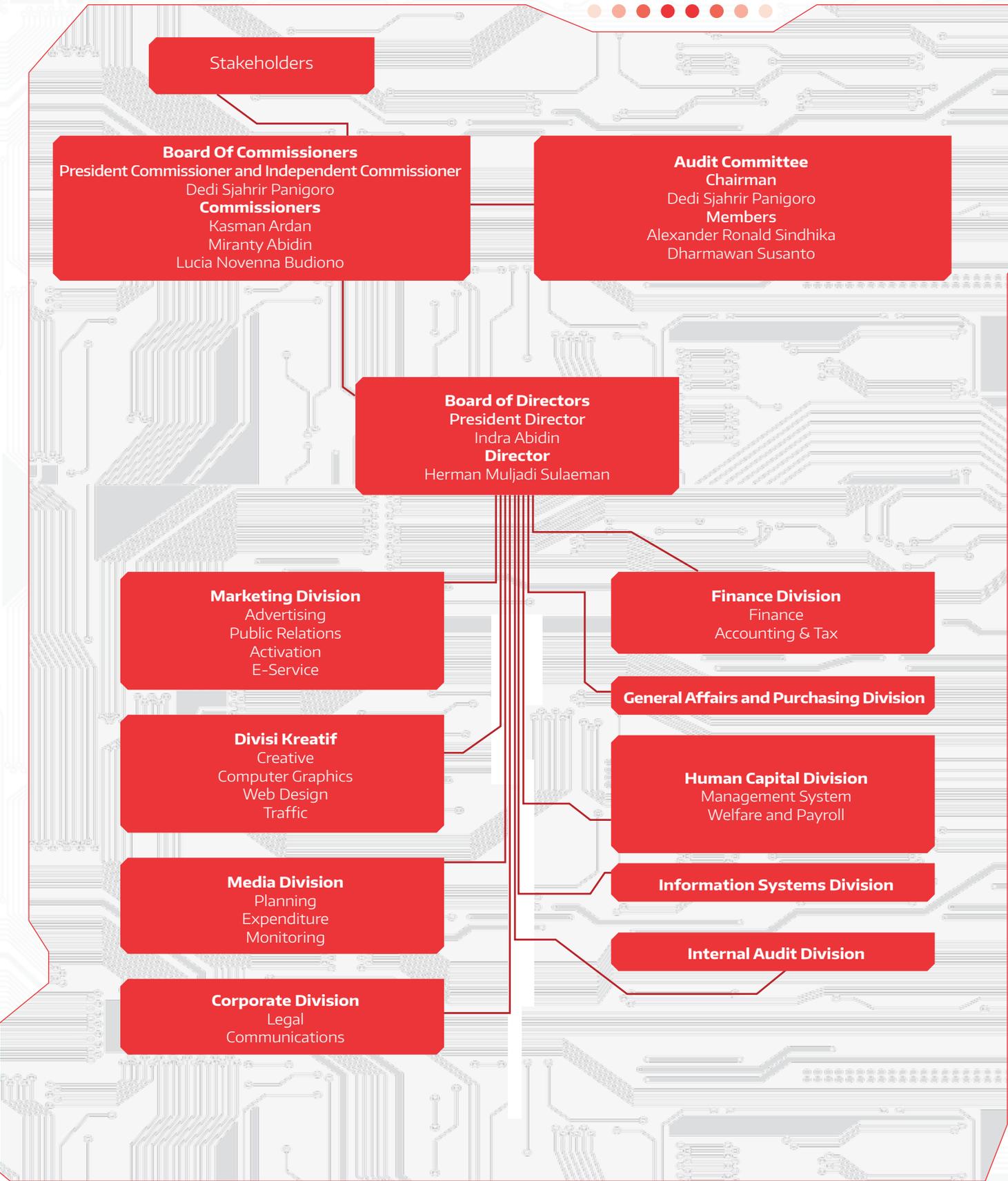


Graphic Design Services, within FORU, includes creative concepts, activation, and events. Throughout 2014, FORU managed to record revenue from this segment amounting to Rp9.59 billion. This figure is a differentiation of 19% from the previous year's Rp11.85 billion.

Political conditions in 2014 heated up Indonesia contributing negatively to the business climate. Also, the administration of licensing in the organization of exhibitions had an impact. Increasingly strict exhibition licensing had a negative impact on business growth. In 2015, FORU expects to record revenue through more aggressive Graphic Design services in accordance with the CBPM which set targets to increase by 10% from 2014.



# Organizational Structure



## Vision and Mission

### Vision

# “ THE SUPERIOR GLOBAL COMMUNICATIONS NETWORK ”



#### COMMUNICATIONS NETWORK

Network with a business focus.

#### GLOBAL

The desire to serve the world.

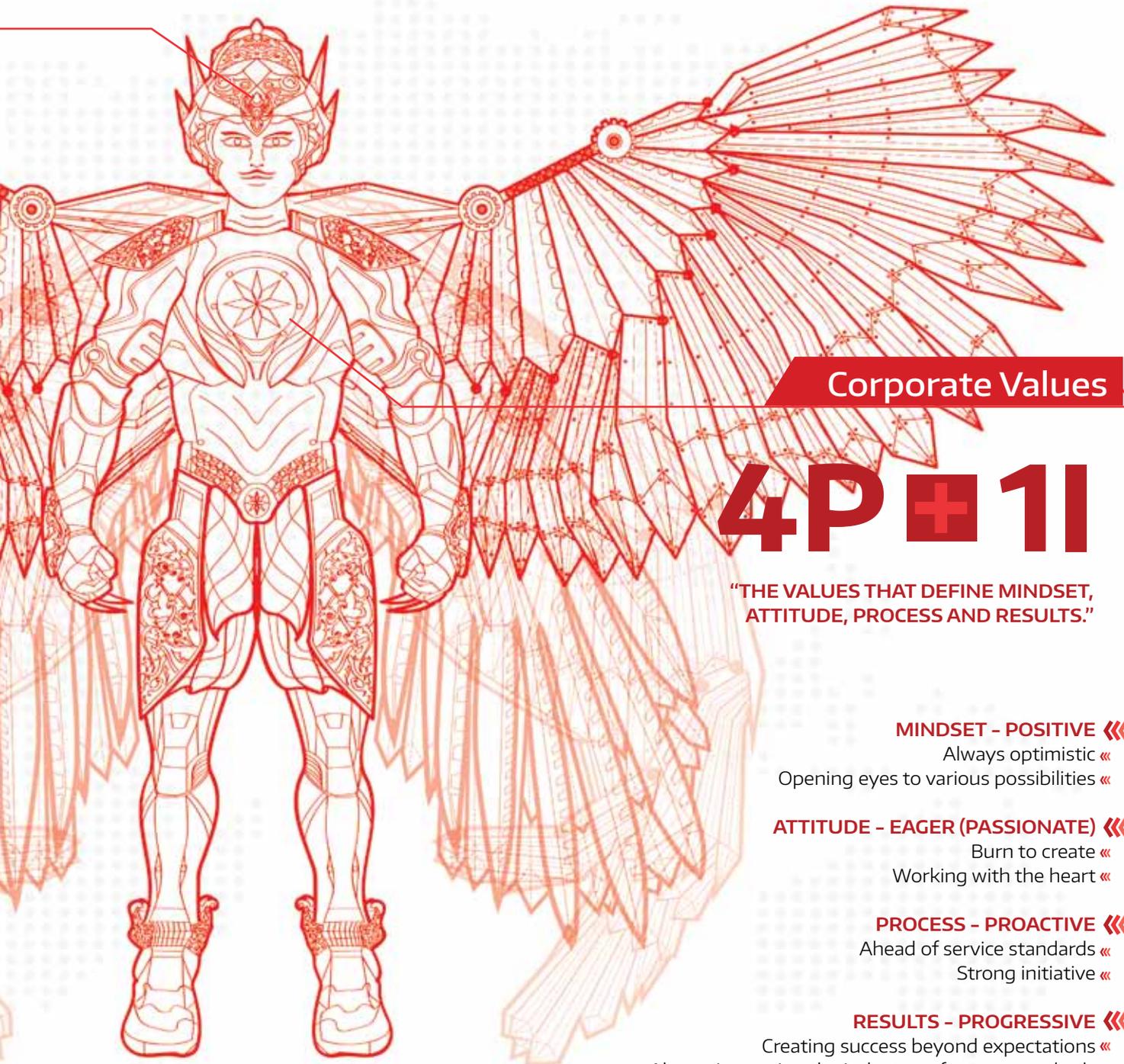
#### SUPERIOR

Always mentioned positively and provides added value.

### Mission

- »» Build value-added for faster growth, as an attraction for stakeholders
- »» Prove and create a better success story for the community, partners, clients, and the nation
- »» Become number 5 in the industry





## Corporate Values

## 4P + 1I

"THE VALUES THAT DEFINE MINDSET,  
ATTITUDE, PROCESS AND RESULTS!"

**MINDSET - POSITIVE** <<<

Always optimistic <<<  
Opening eyes to various possibilities <<<

**ATTITUDE - EAGER (PASSIONATE)** <<<

Burn to create <<<  
Working with the heart <<<

**PROCESS - PROACTIVE** <<<

Ahead of service standards <<<  
Strong initiative <<<

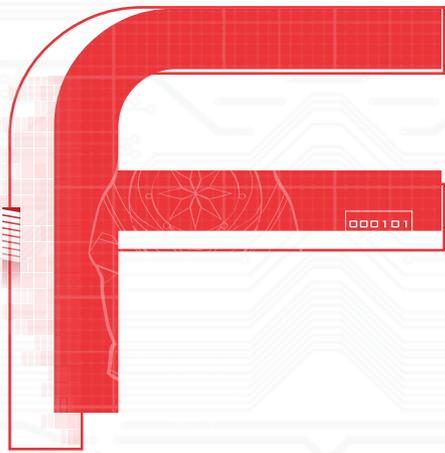
**RESULTS - PROGRESSIVE** <<<

Creating success beyond expectations <<<  
Always improving the industry reference standards <<<

**PERSONALITY - INTEGRITY** <<<

Integrity as the prerequisite standard <<<

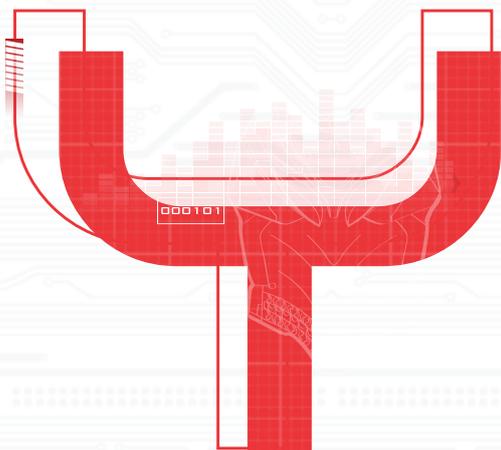
## Corporate Culture



- »» **FANTASTIC / FENOMENAL**
- »»» Fantastic / phenomenal in thinking
- »»» Fantastic / phenomenal in work



- »» **LEAP OF CREATIVITY**
- »»» Leap of attitude
- »»» Leap of innovation
- »»» Leap of recognition



- »» **YIELD BRILLIANT RESULTS**
- »»» Business engineering to gain maximum profits and benefits



## BUSINESS PARADIGM

- »» We see the world as an opportunity to grow and develop
- »» We see change as an opportunity for betterment
- »» We see competition as an opportunity to perform

## Milestones

It has been four decades since FORU was established to carry the spirit of creativity. During the journey, FORU continues to grow and has attained many achievements along the way. Here are some special moments that are well-engraved in FORU's milestones.

**1970**

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

**1978**

A stepping-stone in FORU's historic steps in Indonesia. FORU successfully promoted Instant Milk Powder from Nestlé and Sampoerna filter cigarettes. These two products succeeded in changing domestic consumer tastes and behavior forever. The success of these marketing campaigns with their brilliant achievement are carved in the track record of FORU.

**1985**

The first experience for FORU in implementing and executing a social marketing campaign for the National Population and Family Planning Board (BKKBN) promoting 'Condom 25' as part of the national family planning program. FORU successfully dismantled the taboo of buying condoms among the people by introducing a simple gesture.

**1986**

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

**1987**

Developed and implemented an integrated social marketing campaign for the National Family Planning Coordinating Board (BKKBN) to promote the program 'Lingkaran Biru Keluarga Berencana'. The campaign made a major contribution to the history of social development in Indonesia and, as of today, is still considered by the public as one of the most prominent success stories in the social development of this country.

**1990**

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

**1998**

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

**2002**

FORU once again made history as the first advertising company in Indonesia to go public by listing its shares on the Jakarta Stock Exchange (now the Indonesia Stock Exchange). FORU continued to prove itself as the clients' best option as an integrated communications development consultant.

**2003**

Appointed by the United Nations Development Programme (UNDP) and the General Elections Commission (KPU) to manage a Voter Information Campaign during the pre-election period.

The following year, FORU was once again appointed by UNDP and KPU for the 2004 General and Presidential Elections. FORU's success in designing and implementing a voter information campaign for the 2004 General and Presidential Elections was recognized in the UNDP evaluation report published the following year.

**2008**

Redefined its vision to become a world-class Indonesian communications group, driven by innovation and creativity that will last for many years to come.

**2010**

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

**2011**

Created two new business units, namely PlanB and FSports to enhance FORU's competitive advantage. PlanB was founded as a specialist in the field of brand activation, whereas FSports, as the name implies, is a specialist in sports marketing services.

**2012**

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

**2013**

After using the distinctive red sphere logo for over ten years, FORU underwent a 'refresher' by launching two new logos. The first logo is the official logo of the company as a public company (Tbk) which takes its inspiration from the code name of the company's shares in the Indonesian Stock Exchange, namely FORU. The second logo is a representation of Fortune Indonesia with a "talk bubble" to indicate meaningful dialogue and interaction as a reflection of the company.

**2014**

FORU won 13 creative awards during the year, and made it into the ranks of Citra Pariwara's Top 5 Advertising Agency of the Year.

FORU became part of the PT Rajawali Corpora through acquisition by PT Cipta Karya Prima of the majority of issued shares.

## Board of Commissioners



**Dedi Sjahrir Panigoro**  
President Commissioner  
and Independent Commissioner

Indonesian citizen, born in Sumedang on March 18, 1947. He has a Bachelor of Telecommunications Engineering degree from Institut Teknologi Bandung (ITB). President Commissioner and Independent Commissioner since 2007. He was reappointed for the subsequent period until 2016 at the FORU Annual General Meeting of Shareholders held in 2011. He started his career as a shareholder and founder of Medco Group, including PT Martel. Currently, he serves as President Commissioner of Medco Holding and PT Meta Archipelago Hotels, as well as Commissioner of PT Graha Niaga Tata Utama. He actively participates in training both domestically and internationally with SGV Utomo and LPPM.



**Kasman Ardan**  
Commissioner

Indonesian citizen, born in Banjar on August 15, 1947. He has a graduate degree from the Graphic Design Department, Institut Teknologi Bandung (ITB). Commissioner of FORU since 1987 following the FORU Annual General Meeting of Shareholders. He was reappointed for the subsequent period until 2016 at the FORU Annual General Meeting of Shareholders held in 2011. He also serves as Commissioner of Fortune Adwicipta and Commissioner in Fortune Pramana Rancang. He first joined FORU as Creative Manager in 1974 and then moved to PT Kenrose Indonesia and PT Faritex Pharmaceuticals as General Manager (1974-1976). Subsequently he served as General Manager at PT Marcon Indonesia (1976-1980) returning to Fortune Indonesia in 1980 and served as a Director. He also serves as Director of PT Setya Persada and President Director of PT Sumber Alam Nusantara ( 1997 until-present )



**Miranty Abidin**  
Commissioner

Indonesian citizen, born in Subang on March 29, 1946. She graduated in Biology at the Faculty of Mathematics and Natural Sciences, Institut Teknologi Bandung (ITB) and also graduated from the Frank Jefkins School of Public Relations, London, England. Commissioner of FORU since 2001 following the FORU Annual General Meeting of Shareholders. She was reappointed for the subsequent period until 2016 at the FORU Annual General Meeting of Shareholders held in 2011. Currently serving as President Commissioner of Pramana Rancang Fortune and Commissioner of Fortune Adwicipta. She began her career as a writer in several renowned journals such as Cakrawala and the ASEAN Trade Journal as Editor in Chief for Indonesia. In addition, she also served as General Manager of PT Kreasi Dinamika and later served as Director of PT Adwitiya Alembana. As one of the founders of the Social Marketing Circle, she is actively involved in various social and community activities.



**Lucia Novenna Budiono**  
Commissioner

Indonesian citizen, born on November 26, 1948. She is an English Literature graduate of the Institute of Teacher Training and Education (Bandung) and the Jakarta Institute of Finance, and the Institut Manajemen Prasetya Mulya. Commissioner of FORU since 2011 following the FORU Annual General Meeting of Shareholders held in 2011. Lucia joined FORU in 1978 having begun her career at Astra International in 1974 before joining Panorama Travel. When joining FORU, she served as Media Director in 1983 and then held the position of Director at Pelita Alembana (1986-2000) and Director of Fortune Travindo (1992-present).

**Farida Eva Rianti Hutapea\***  
Independent Commissioner

\* In June 2014, the FORU Annual General Meeting of Shareholders approved the resignation (at her own request) of Farida Eva Rianti Hutapea, an Independent Commissioner appointed in 2011, for health reasons.

## Board of Directors' Profiles



**Indra Abidin**  
President Director

Indonesian citizen, born in Jakarta on July 9, 1947. He earned a Bachelor of Graphic Design degree from the Institut Teknologi Bandung (ITB). President Director since 2002 following the FORU Annual General Meeting of Shareholders. He was reappointed for the subsequent period until 2016 at the FORU Annual General Meeting of Shareholders held in 2011. He started his career in FORU in 1973 with the position of Account Executive. He was active in the creative industries as the founder of the Asian Federation of Advertising Associations (AFAA) and served as World President and Chairman of the International Advertising Association (IAA) (2008-2010). Awards which he has received include an Honorary Doctorate from the University of Newcastle, Australia, for his contribution to the development of education in Indonesia (2009), as well as Ernst & Young's Special Award for Corporate Social Responsibility in 2005. In 2013, Indra Abidin was included in the list of Best Indonesian CEO for 2013 in SWA (one of the country's leading business magazines) and was awarded a Special Achievement of Leadership, 2013.



**Herman Muljadi Sulaeman**  
Director

Indonesian citizen, born in Bandung on February 13, 1952. He is a graduate of the Academy of Accounting Jayabaya and Senior Executive Program at INSEAD, France. He join FORU in 1971, starting his career in FORU in Accounting, later becoming a Media Buyer, Production Manager, Finance Manager and Director of Finance and Administration in 1991. He was re-appointed as a Director of the Company following the successful IPO in 2002 following a decision of the FORU Annual General Meeting of Shareholders. He was reappointed for the subsequent period until 2016 at the FORU Annual General Meeting of Shareholders held in 2011.

## Subsidiary Board of Commissioners and Board of Directors



**Indra Abidin**



**Herman Muljadi Sulaeman**



**Kasman Ardan**



**Miranty Abidin**



**Yuliana Leonarda**



**Aris Boediharjo**



**Indira Ratna Dewi Abidin**



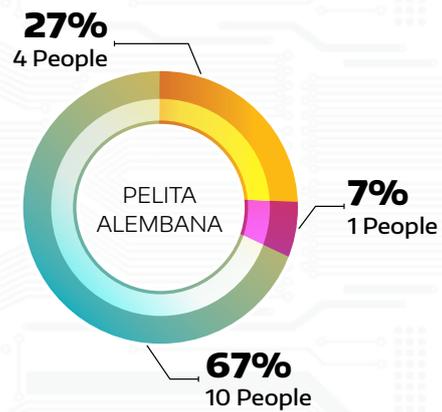
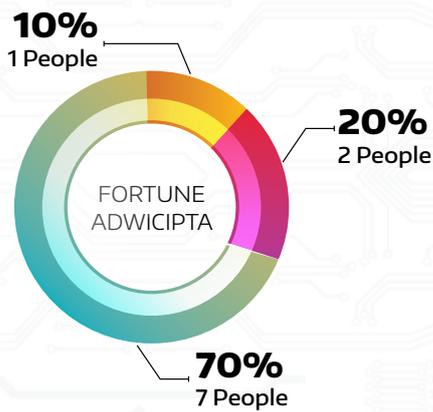
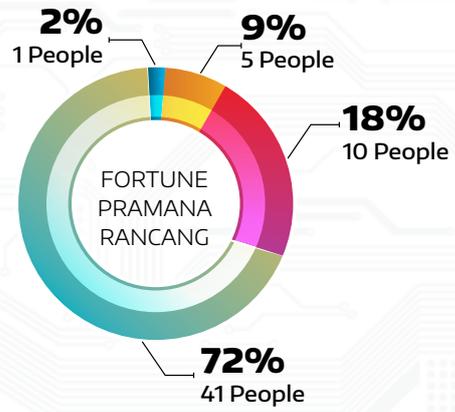
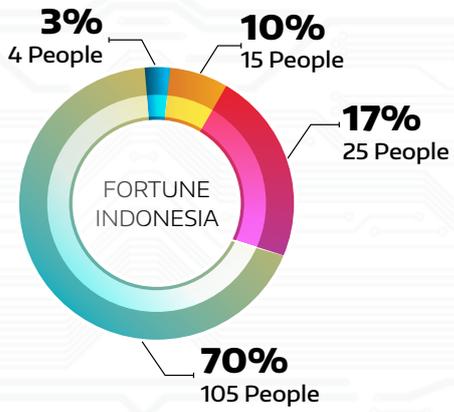
**Ati Muziati Muchtar**



**Dewi Swadesi**

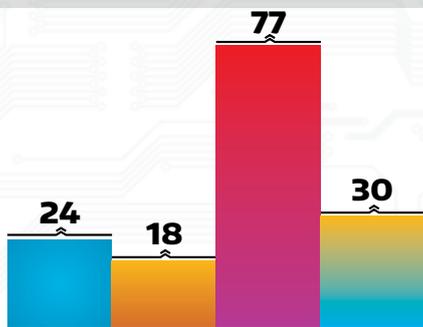
# Human Capital

FORU composition by Position

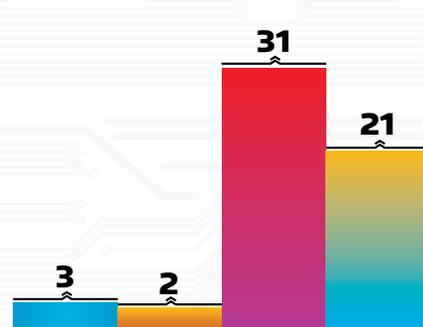


■ Director (8-9)  
 ■ Division / Unit Head (5-7)  
 ■ Manager (4)  
 ■ Staff (2-3)  
 ■ Non Staff (1)

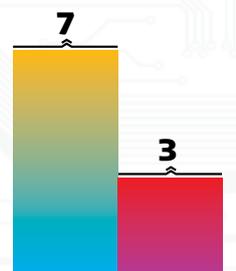
### FORU composition by age



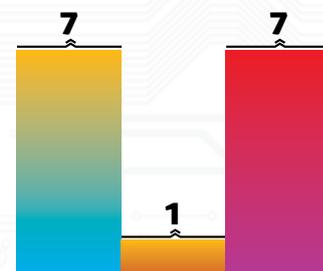
FORTUNE INDONESIA



FORTUNE PRAMANA RANCANG



FORTUNE ADWICIPTA



PELITA ALEMBANA

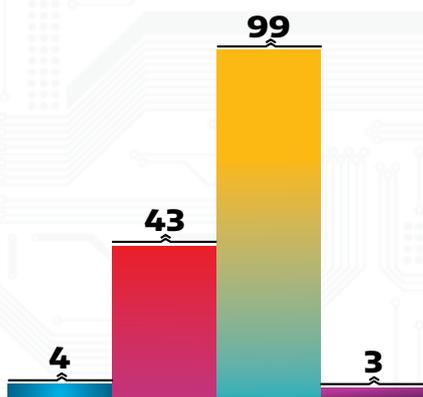
Above 51

41-50

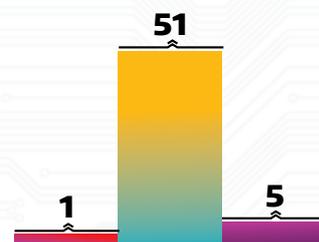
21-30

31-40

### FORU composition by education



FORTUNE INDONESIA



FORTUNE PRAMANA RANCANG



FORTUNE ADWICIPTA



PELITA ALEMBANA

Below High School

High School / Diploma

Bachelor's Degree

Master's Degree

## Company Group Structure

### Fortune Indonesia

Fortune is run by FORU and divides its operations into three main categories namely communications, content, and channeling. In the communications category, the business segment includes brand consulting, advertising campaigns, political marketing, and social marketing. The content category includes brand activation, sports marketing and entertainment, trade marketing, and Customer Relations Management (CRM). The channeling category includes media planning and media investment and digital communication. Broadly speaking Fortune's business activities include brand management, strategic planning, brand auditing and brand development, the selection of a suitable media (efficient and effective), public relations and loyalty program activation and usage of products and client services.

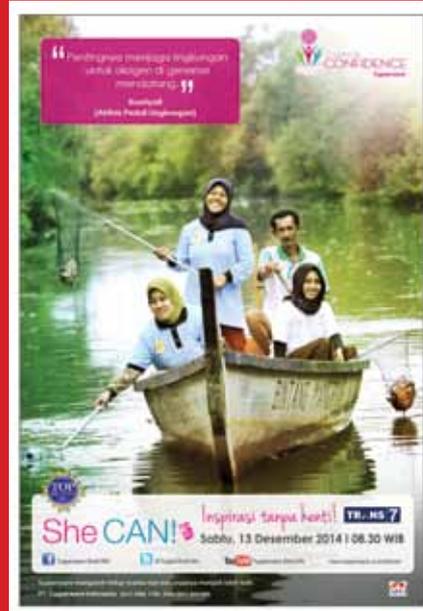
Fortune's annual performance has consistently shown excellent growth. This is a result of a business strategy specifically focused on accelerated growth through investment efforts for new business development. Through these efforts Fortune hopes to be able to achieve significant growth in the coming years. In addition to focusing on investments aimed at developing new business, the other main strategy is to strengthen multiple business areas, especially in the digital sector.

By strengthening business sectors and developing new business, Fortune is confident in achieving even greater growth in the coming years. Moreover, supported by the Indonesian economy, which is predicted to improve, Fortune will continue to promote the spirit of innovation and growth.





# Fortune Indonesia



**Hydro Coco**  
TASTE GOOD, FEEL GOOD

BIKIN BADAN DAN PIKIRANMU FRESH

**Hydro Coco Original**

Real Coconut Water

**SGM Soya Presinutri 3 & 4**  
diformulasikan secara nutrisi presisi untuk mendukung tumbuh kembang si Kecil yang alergi protein susu sapi

- merpertahankan kepadatan tulang dan gigi
- membantu fungsi saluran pencernaan
- membantu perkembangan otak
- membantu penglihatan secara optimal

Inulin 24 g / 100 g  
Tinggi Kalsium & Fosfor 100 mg / 100 g & 20 mg / 100 g  
Asam Lemak 1700 mg / 100 g  
Tinggi Protein 12.8 g / 100 g

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Hubungi kami 500599

**NEVRAMIN** Neuro Vitamin dari **Reckitt**

Tangan KEBAS, Kaki KESEMUTAN Nggak Enak Kan?!

Mirip **NEVRAMIN** 1x sehari, pagi atau malam, langsung setelah bangun tidur akan membuat Anda lebih nyaman!

**NEVRAMIN** - Neurovitamin dengan kandungan Furfuralisme sebagai VE, B1, Aset, plus B6 dan B12, untuk menjaga kesehatan saraf.

NEVRAMIN 1x sehari, pagi atau malam, langsung setelah bangun tidur akan membuat Anda lebih nyaman!

# SUBSIDIARY



## Fortune Pramana Rancang

PT Fortune Pramana Rancang (Fortune PR) is a subsidiary company providing Integrated Communications Solutions based on Public Relations (PR) as its main service. As a pioneer in the PR industry in Indonesia, Fortune PR has successfully built strong brand equity in the Indonesian market with commendable annual growth.

The rapid economic growth in Indonesia, the transition to the digital realm of consumer interest, as well as consumer demands to build trust and credibility in their brands, resulted in PR services increasing rapidly this year. Large market segments in Indonesia have encouraged overseas brand owners to flock to Indonesia, and have chosen Fortune PR as a partner, for their constant activity in this area of PR services.

Working partners in various countries contact Fortune PR for support for PR services in Indonesia. Fortune PR has sharpened its services by building business units, namely:

- Fortune Technology; specializing in the technology industry.
- Fortune Healthcare, Consumer and Beauty; specializing in the health industry, consumer and beauty segments.
- Fortune Investor Relations and Finance; specializing in the financial industry.
- Headline; specializing in media relations development and media relations training.

# SUBSIDIARY

- Dibe; specializing in digital communications.
- Prodev; specializing in social marketing and development communications.
- Mocca; specializing in advertising and below the line activities.
- Verbrand; specializing in research, development of brand strategy and brand identity.

In addition to the specialization development through the above business units, Fortune PR is also building expertise in the field of tourism communication and is investing in media monitoring and analysis services, including traditional media and social media. This service has become crucial in strengthening innovative PR services with its ability to answer the demands of the digital age, which are becoming increasingly widespread in Indonesia and the Asia Pacific region in general.



President Director  
Director  
President Commissioner  
Commissioner

Indira Ratna Dewi Abidin  
Ati Muziati Muchtar  
Miranty Abidin  
Kasman Ardan

Gedung Galaktika Jl. Harsono R.M. No. 2 Ragunan Jakarta Selatan

T. 0217658506 | E. manager@fortunepr.com | www.fortunepr.com

# SUBSIDIARY

## Pelita Alembana

PT Pelita Alembana (Pelita) provides a series of integrated marketing and advertising services to corporate and commercial clients. Pelita's business activities are divided into three business lines: media specialist, creative agency, and sports marketing. Pelita's activities also include planning, purchasing, and placement of advertising space in the media.

The growth of the business climate saw Pelita performing aggressively and managing to record a substantial revenue contribution. Increased revenue contribution was largely powered by the acquisition of a media sector specialist which always managed to exceed target. For example FSports, only 3 years old, has shown positive growth and has been a trusted representative of ESPN in Indonesia. Achievements such as this trigger eagerness to continue to innovate and deliver the best.

With aggressive performance and supported by a strong team, Pelita is confident in facing the business challenges ahead. The Company's management is optimistic that business prospects in the coming years will be even better. All three Pelita activities - media specialist, creative agency, and sports marketing - are already optimally active. Pelita obvious belief is also supported by a commitment to continue to grow and to develop creatively and innovatively.



# SUBSIDIARY

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 Director : Dewi Swadesi  
 President Commissioner : Indra Abidin  
 Commissioner : Herman Muljadi Sulaeman

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T. 0217827989 | E. [secretary@pelitaalembana.com](mailto:secretary@pelitaalembana.com) | [www.fortuneindo.com](http://www.fortuneindo.com)

# SUBSIDIARY

## Fortune Adwicipta

PT Fortune Adwicipta (FACT) is dedicated to the implementation of event management which includes the processes to develop, design, construct, finish, and manage events. Fortune Adwicipta's business activities in the creative industries also includes brand activation services, sports marketing and entertainment, trade activation and Customer Relations Management (CRM).

The name FACT is its trading brand name and is an abbreviation of For Action or the FAC Team, this rebranding delivered a new spirit in the Company's business climate. Along with this, FACT's main strategy focused on the process of reorganization with the aim to establish optimal performance.

Each year, FACT's overall performance consistently shows positive trends. With the strength of a solid team, FACT is always ready to face all the existing challenges, including the infrastructure and human capital. The FACT reorganization inspired the FACT team, who successfully managed the regeneration, to produce optimal results for the Company. This challenge was overcome by focusing on the main task of finding a leader, who was able to lead this new team to success. FACT feels that the business prospects in the coming years will be much more promising. To that end, FACT's strong commitment to developing its services makes it to upbeat to be the largest profit contributor for FORU.



# SUBSIDIARY



President Director :  
 Director :  
 President Commissioner :  
 Commissioner :

Aris Boediharjo  
 Yuliana Leonarda  
 Kasman Ardan  
 Miranty Abidin

Gedung Galaktika Jl. Harsono R.M. No. 2 Ragunan Jakarta Selatan

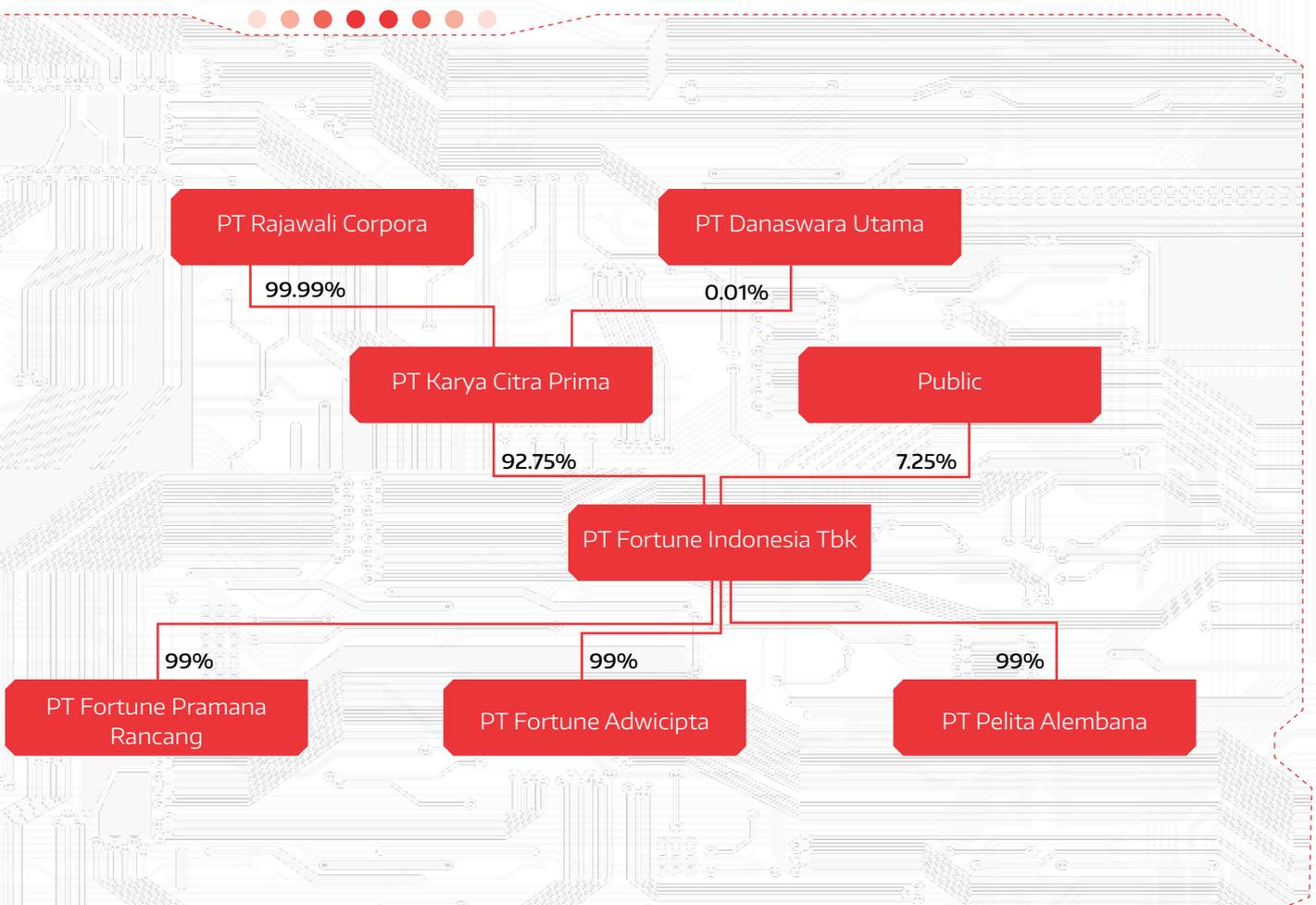
T. 0217890491 | E. sekretaris@factinaction.com | [www.fortuneindo.com](http://www.fortuneindo.com)

## Structure and Composition of Shareholders Major Shareholders

The Company holds stock in the form of shares in companies that are categorized as under their control and consolidated as follows:

Legal Entity	Number of Shares	Total Value	Presentation
PT Fortune Pramana Rancang	2,250,000 shares	Rp2,250,000,000	99%
PT Fortune Adwicipta	2,049,000 shares	Rp2,049,000,000	99%
PT Pelita Alembana	1,022,000 shares	Rp1,022,000,000	99%

## Company Group Structure



## Chronological Listing of Shares

The Company was established by deed No. 5 dated May 5, 1970 made by Dian Paramita Tamzil replacement Djojo Muljadi SH Notary in Jakarta, under the name of PT Fortune Indonesia Advertising Company and approved by the Ministry of Justice of the Republic of Indonesia under Decree No. JA5 / 67/21 on September 12, 1970 and registered in the register office Jakarta District Court No. 2857 dated September 23, 1970 and was published in the Official Gazette No. Supplement No. 83 389 dated October 17, 1972. Changes in its statutes including its status as a public company and its name to PT Fortune Indonesia Tbk was already announced in the Official Gazette No. Supplement No. 154 dated January 2, 2002 and the subsequent changes of the last statutes were already announced in the Official Gazette No. 28, Supplement No. 9716 dated April 7, 2009.

## Chronological Listing of Other Securities

The Company's Securities with the trading code FORU were listed on the Indonesia Stock Exchange (formerly Jakarta Stock Exchange) on January 17, 2002 and amounted to 455,000,000 (four hundred and fifty five million) shares with a total value of Rp45,500,000,000 (forty-five billion five hundred million rupiah).

Along with the listing of FORU shares, the Company also issued Series I Warrants securities in the form of 102,500,000 (one hundred and two million five hundred thousand) shares of Series I Warrants, with an execution period up to January 14, 2005.

After the termination date of execution, the Series I Warrants were converted into shares amounting to 10,224 million (ten million two hundred twenty four thousand) shares so that the number of shares of the Company listed on the Indonesia Stock Exchange at December 31, 2014 amounted to 465,224,000 (four hundred and sixty-five million two hundred twenty four thousand) shares.

Apart from the above Series I Warrants, the Company does not have nor has issued any other securities.



## Names and Addresses of Capital Market Institutions and Supporting Professionals

### Securities Listing

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

### Registrar

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

### Securities Rating

PT Pemeringkat Efek Indonesia  
Panin Tower Senayan City, Lt. 17  
Jl. Asia Afrika Lot. 19, Jakarta 10270  
Tel: +62 21 727 82380  
Fax: +62 21 727 8237

### Securities Custodian

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

### Public Accounting Firm

Kosasih, Nurdiyaman, Tjahjo & Rekan  
Gedung Jaya, 1st Floor Suite L01-A3  
Jl. M.H. Thamrin No. 12, Jakarta 10340  
Tel: +62 21 319 28000  
Fax: +62 21 319 28151

### Notary

Leolin Jayayanti SH.  
Jl. Pulo Raya VI No. 1, Kebayoran Baru  
Jakarta Selatan 12170  
Tel: +62 21 727 87232  
Fax: +62 21 723 4607

## Awards



On February 7, 2014, PT Fortune Indonesia Tbk. (IDX: FORU) successfully won the award as The Best Creative and Innovative Company of the Year at the 2014 Indonesian Creativity and Best Leader Award event. The event was organized by the Indonesian magazine Inspire! together with PT Sembilan Bersama Media and was chosen by various parties including government officials, NGOs, and private individuals.



FORU was awarded the Business Records (ReBi) as the First Publicly Listed National Advertising Company on the Indonesia Stock Exchange on May 7, 2014. The award was organized by the TERA Foundation in collaboration with the Harian Seputar Indonesia (SINDO). The awards night was held at Hotel Mulia, Jakarta.



On May 20, 2014, Chief Happiness Officer of Fortune Pramana Rancang, Indira Abidin, was awarded the title of Indonesian Wonder Woman for 2014 by the Vocational Education Program, University of Indonesia (UI). This title was awarded for Indira's dedication to developing and advancing the science of public relations and communications in Indonesia. The award was presented at Aula Terapung UI, West Java.





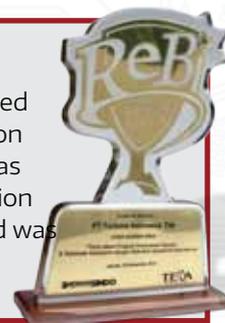
FORU, through Fortune PR, received two awards at the prestigious SABRE Awards held in China, on September 18, 2014. The two awards were: Asia Pacific's Best Corporate Social Responsibility (CSR) Campaign of the Year for its client Kaercher Indonesia and the Asia Pacific's Best Public Education Campaign of the Year for its client PT Tupperware Indonesia.



On November 1, 2014, Fortune Indonesia received two awards at the Pinasthika Creative Festival 2014, namely: a bronze trophy in the category of conventional radio commercial for Tupperware titled Mix Carrot Juice, and a bronze trophy in the category of craftsmanship for its Tupperware Crab version posters.



On November 20, 2014, FORU was awarded a Business Record (ReBi) as a Pioneer in Integrated Communication Programs and Best Cooperation with International Football clubs. The award was initiated by the TERA Foundation in collaboration with the Harian Seputar Indonesia (SINDO) and was held at Hotel Mulia Senayan, Jakarta.



FORU, through Fortune Indonesia, made it into the top 5 Advertising Agency of the Year 2014 at the Citra Pariwara Advertising Festival that was held on November 28, 2014. Fortune Indonesia also won a gold trophy for its Radio Serial Advertising Campaign for Tupperware with its Mango-Chocolate-Carrot version. And three silver cups in the Radio advertising category for Single Campaign for Tupperware products - Chocolate Milkshake, Mango Smoothies, as well as Mix Carrot Juice



## Milestones

### January

- » On January 9, 2014, FORU organizing a 2014 Kick Off in Omah Pawon Jakarta with the theme "Go The Extra Mile". This activity is an annual FORU event as a mission statement for the company to achieve its business targets throughout the year.

### February

- » On February 5, 2014, FORU through its social organization Fast Action Response delivered aid to victims of flooding in the Jagakarsa area, Jakarta. Assistance was provided in the form of cash, food, clothing, toddler supplies, religious items and personal equipment..
- » The Early Childhood Education (ECD) Fortune Studio delegation built on FORU's Corporate Social Responsibility (CSR) providing compensation in the form of nutritious foods and tools of educational games to students in early childhood at Baitul Uyun Kapok Cengkayang, Jakarta on February 15, 2014.

### March

- » On March 26, 2014, FORU through Fortune Nursery provided a cash donation to the Care of Children's Cancer Foundation, Indonesia (YKAKI) at Jalan Percetakan Negara XI No. 10A, Jakarta.



## April

- » To increase knowledge about health, on April 15, 2014 FORU held a health seminar in cooperation with the Central Asia Raya insurance (CAR). The seminar was held at the Galaktika building on Jalan Harsono RM, Jakarta and was open for all FORU people.
- » In conjunction with an earlier Health seminar, on April 17, 2014 FORU held health tests for all staff. These medical tests included urine tests to determine the condition of the bladder and glucose levels in the body, as well as blood tests to determine cholesterol and uric acid levels.

## May

- » FORU through Fortune Studio launched a new program for Early Childhood Education (ECD) called Children Love the Environment Action Group (Si Kancil). All Fortune Studio ECD students planted tamarind and mahogany seedlings in the Camping grounds in Ragunan, Jakarta.

## June

- » On June 17, 2014, FORU formally converted its Early Childhood Education (ECD) Ragunan into an independent entity after two years of being supervised and controlled by FORU.



## June

- » On June 25, 2014, FORU held its Annual General Meeting of Shareholders and Public Exposition at the Hotel Royal Kuningan, Jakarta. Results of AGM included, the distribution of dividends amounting to Rp10 per share and changes in the composition of the Board of Commissioners.

## July

- » On July 24, 2014, the majority ownership of PT Fortune Indonesia Tbk. (FORU) was acquired by PT Citra Karya Prima a part of the PT Rajawali Corpora.

## August

- » FORU through Fortune Nursery held a meeting with all teachers of Early Childhood Education (ECD) and the Asih Foundation. The gathering was held on August 14, 2014 and took place at the Galaktika Building, Jalan Harsono RM, Jakarta.
- » FORU through Fortune Public Relations partnered as an official PR colleague for Enterprise Asia in the administration of the Asia Pacific Entrepreneurship Award (APEA) 2014 awards night. The awards took place on August 15, 2015 and were held at JW Marriot Hotel, Jakarta.
- » On August 28 2014, FORU inaugurated its fourth, fifth, and sixth Early Childhood Education (ECD) Fortune Nurseries in East Cilandak, Jakarta.



## October

- » FORU donated five goats to the Darul Rahman Orphanage, Al Falah Mosque, and the surrounding communities. This activity is an annual event in commemoration with the feast of Eid al-Adha.
- » On October 30, 2014, PT Citra Karya Prima as the majority and controlling shareholder of PT Fortune Indonesia Tbk. conducted a public tender offer for shares listed on the Indonesian Stock Exchange.

## November

- » FORU's mantra to affect positive change 'Difficulties into opportunities' was embodied in a documentary entitled Hajar!!: 'Because Difficulties Become Opportunities' was held in Galeri Indonesia Kaya, Jakarta, on Thursday, November 20th, 2014.

## December

- » The staff screening of Hajar !!: 'Because Difficulties Become Opportunities' was held for all FORU people on December 4, 2014 at the Galaktika Building, Jalan Harsono RM, Jakarta. And the premiere to the general public was at the Caraka Festival event on December 20, 2014.

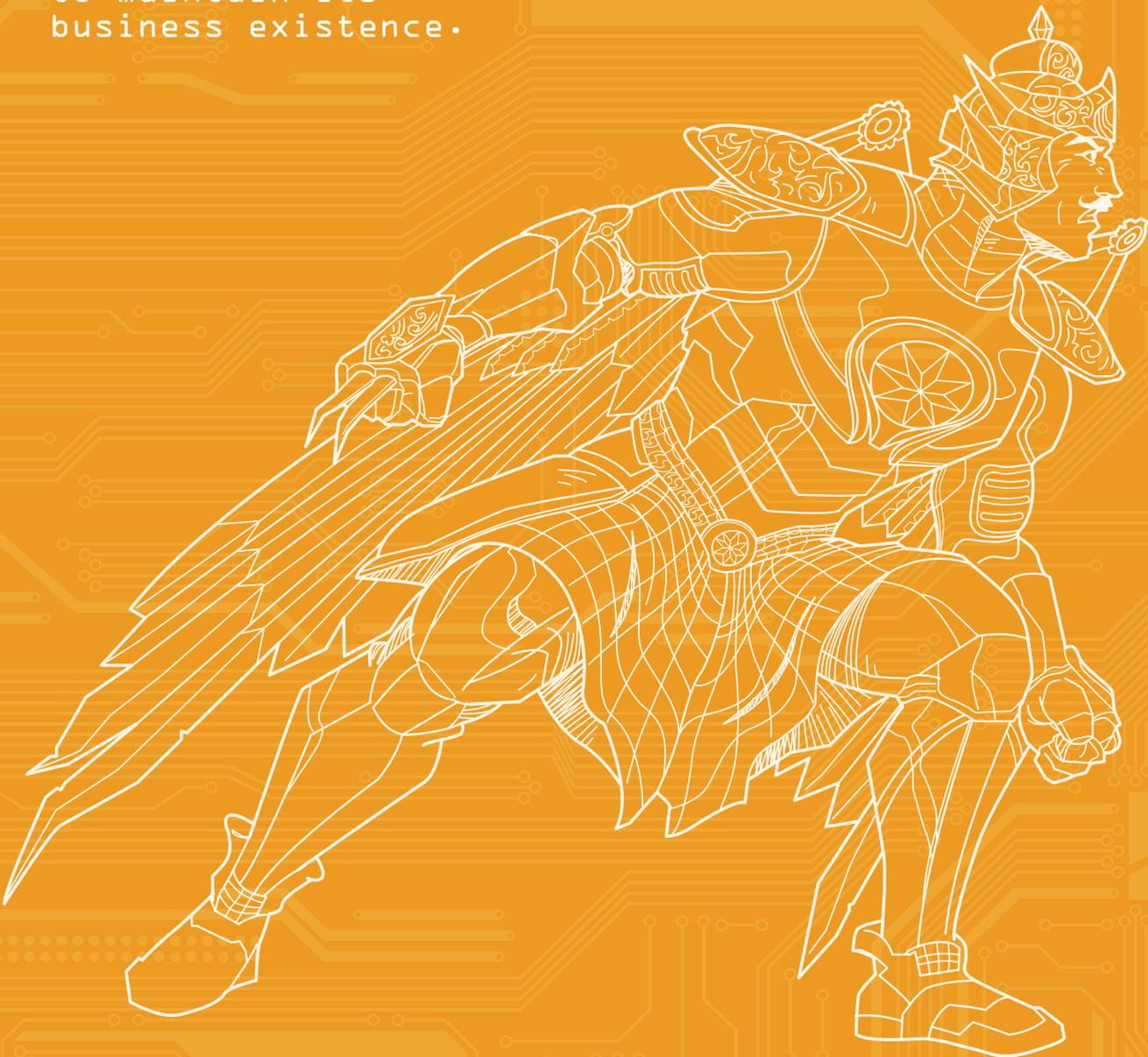






management  
discussion  
and analysis

Expanding aggressively and being a segment trendsetter are the basic FORU platforms to maintain its business existence.



## Industry Overview

### WHY ADVERTISING

Advertisements offer a number of ideas about the unique selling points of a product or a program to a wide audience, with varying degrees of agendas and goals. Some people argue that advertising is a gentle form of propaganda, a form of negative campaign against the opposition such as was often conducted during the world wars.

The success of an advertisement is highly dependent on the agenda level and the objective to be achieved. At its most superficial level, advertising is where media introduces products or programs to a broad audience. While at the highest level, the advertisement should be able to change the advertising audience's behavior, and not just be a functional description.

Presentation techniques for advertising require the help of media; in this regard the size of the print or air time to broadcast media. To be able to achieve its objectives, presentation techniques need to attract attention and encourage the advertising audience to the action expected by the advertiser. The most important thing when preparing the advertising material is to ensure the targeted market's attention is grabbed by the overall advertising format.

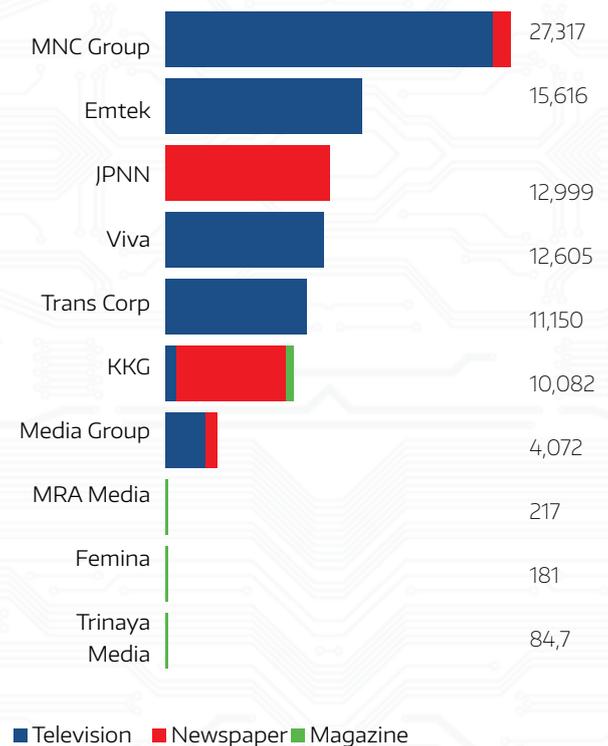
### INDONESIA'S ADVERTISING INDUSTRY AND ECONOMIC GROWTH

Advertising has become an important tool behind the growth of industry, trade, consumption, and the economy of a country. With the ability to influence the public's perception and their actions, the advertising industry has become the backbone for corporate establishment, the development model used for communication between the corporation and the community, as well as to measure the ability of a corporation to manage its communication with stakeholders.

With a large population of over 250 million people, as well as the characteristics each of its islands holds, Indonesia requires the development of a soft infrastructure method to connect one place with another. Advertising is able to fill that need, through massive communication deployment through existing lines and forms of media.

Television broadcast media remains dominant. With national television and regional / local television media coverage plays an important role in distributing and marketing communications messages to reach a broader market. In addition, radio media, print media, both newspapers and magazines, as well as digital media, have a role and suitability based on the characteristics of each of its targeted market.

### 2014 MEDIA REVENUE LEVELS



\* in billions of rupiah

## 2014 Plan and Dynamics

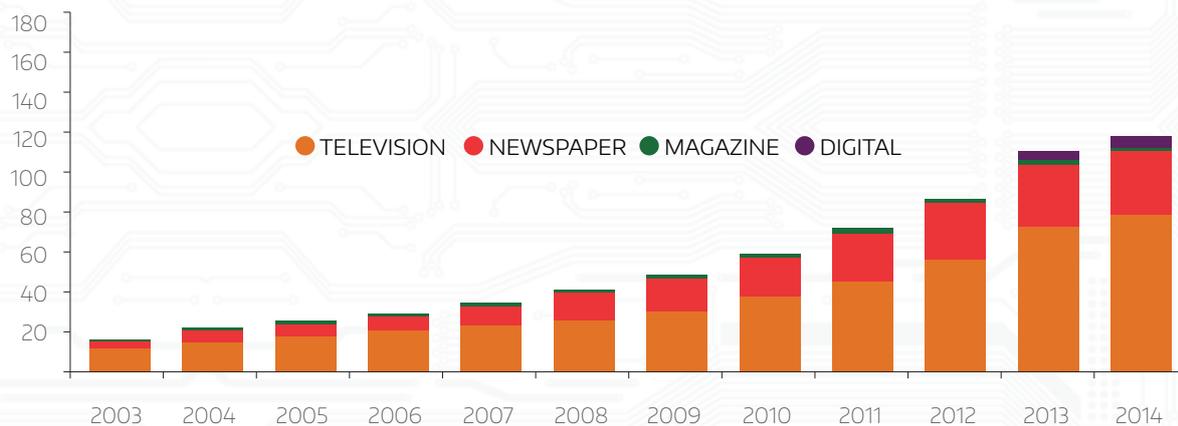
### 2014 DYNAMICS

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### ADVERTISING SPENDING TRENDS 2003 - 2014

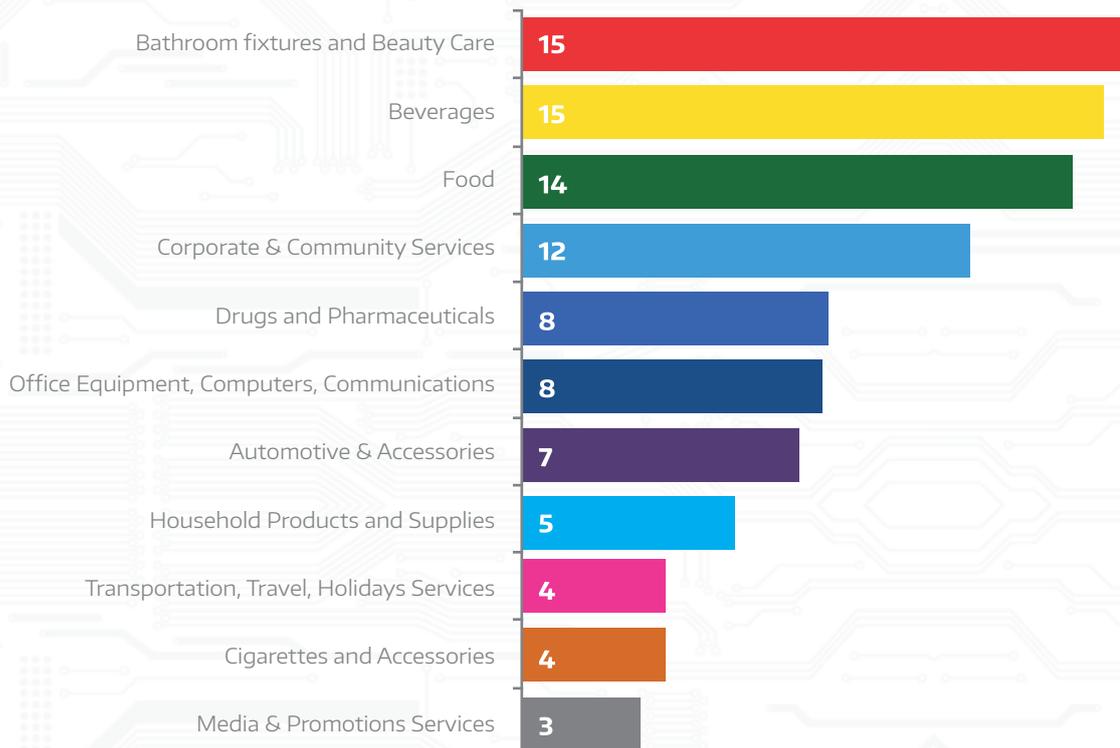


\* In trillions of rupiah

\* Source: Nielsen Ad Quest 2014, redwing

Besides, advertising spending in the industry category has increased. The toiletries and beauty care, and drink industries still play a major role in overall advertising spending, with each reaching Rp15 trillion.

#### ADVERTISING SPENDING BY INDUSTRY CATEGORY



\* in trillion rupiah

\* Source: Nielsen Ad Quest 2014, redwing

#### 2014 PLAN AND STRATEGY

In facing the political situation in 2014, FORU placed Public Relations Services strategy and synergy with the elements involved in the political competition to improve its performance and income. It presented FORU with the opportunity, as an advertising industry player, to join the campaign agendas and programs of political contestants with wide audiences. This specific FORU strategy went well, where PR Services

grew significantly. Unexpectedly (to FORU and others) the Presidential Election came down to just two contestants. This had implications for FORU's opportunity to participate in the campaign program, where FORU did not have an opportunity to prove its worth. In addition, these conditions had a major impact on FORU's overall financial performance.

## Business Overview

FORU classifies its businesses into three (3) business segments, namely:

1. Advertising Services, including service planning and advertising media spending and management of integrated marketing communications.
2. Public Relations Services specializing in corporate public relations, litigation public relations, and crisis management.
3. Graphic Design Services, covering production and graphic design, which includes logos, corporate identity, brand identity and products, packaging and public service advertisements, exhibition services, and audio-visual or multi-media services.

These three business segments are part of FORU's strategy to provide full service campaigns to clients through a one-stop shopping system; ranging from strategic communications planning, public relations patterns, production of advertising content, to media placement, and media buyers.

In accordance with PSAK 5 (revised 2009) on "Operating Segments", the information on each segment is reported based on the information used by management to evaluate the performance of each segment and the allocation of resources.

### ADVERTISING SERVICES SEGMENT

FORU's Advertising services includes content services, communications strategy, and channeling. Channeling services is a segment that contributes most to FORU's overall operating revenue, where the Advertising Services' channeling activities constitute the advertising media spending from clients into mass media channels.

In 2014, Advertising Services Revenue reached Rp368.81 billion, a difference of 1.3% or 4.88 billion of that achieved in 2013, which amounted to Rp373.69 billion. This occurred as a result of the decline in advertising spending by clients due to their "wait and see" policy in 2014.

Advertising spending in the television media still dominated this business segment; as well as advertising spending in general utilizing massive media coverage. Revenue from television media advertising spending grew 13.6% or Rp26.33 billion, from Rp192.99 billion in 2013 to Rp219.32 billion in 2014.

In addition, digital media has seen increased use by the public in recent years showing significant performance gains. Digital media advertising spending grew 27.2% or Rp3.06 billion, from Rp11.26 billion in 2013 to Rp14.32 billion in 2014. FORU sees the potential for digital media continuing to grow along with the increase in public access to the Internet, particularly among the middle class.

### Advertising Service Segment Revenue

(in millions of rupiah)	2014	2013	2014 Achievement compared to 2013
Advertising production	98.140,94	119.963,70	81,8%
Television Media	219.318,97	192.992,31	113,6%
Print Media	33.034,96	44.507,30	74,2%
Digital Media	14.321,69	11.261,84	127,2%
Radio Media	3.992,88	4.961,05	80,5%
Advertising Services Segment Total Revenues	368.809,44	373.686,20	98,7%

### Comparison of Advertising Services Segment Revenue Contribution To FORU's Total Revenue

	2014	2013
Advertising Production	24,3%	29,4%
Television Media	54,2%	47,4%
Print Media	8,2%	10,9%
Digital Media	3,5%	2,8%
Radio Media	1,0%	1,2%
Contribution of Total Advertising Service Segment Revenue on Overall Revenue	91,2%	91,7%

## PR SERVICES SEGMENT

FORU's PR services includes corporate communications and marketing communications; including corporate public relations, litigation public relations and data processing, as well as crisis management. Revenue from the PR Services segment in 2014 rose 18.6% or Rp4.06 billion, from Rp21.87 billion in 2013 to Rp25.93 billion in 2014. This increase occurred as a result of a year

dominated by the political situation, where there was a change in advertisers' patterns utilizing lines and forms of communication to the public through public relations.

With the increase in performance, PR Services segment's contribution to FORU's total revenue increased, from 5.4% in 2013 to 6.4% in 2014.

### PR Services Segment Revenue

(in millions of rupiah)	2014	2013	2014 Achievement compared to 2013
Public Relations	25.925,50	21.868,78	118,6%

### Comparison of PR Services Segment Revenue Contribution To FORU's Total Revenue

	2014	2013
Public Relations	6,4%	5,4%

## GRAPHIC DESIGN SERVICES SEGMENT

### GRAPHIC DESIGN SERVICES SEGMENT

FORU's Graphic Design Services includes concept and creative development through graphic design, advertising activation activities, exhibitions, and audio-visual and multimedia. Revenue from the Graphic Design Services segment in 2014 amounted to Rp9.59 billion a difference of 19.1% from Rp11.85 billion in 2013.

### Graphic Design Services Segment Revenue

(in millions of rupiah)	2014	2013	2014 Achievement compared to 2013
Graphic Design	9.589,23	11.851,74	80,9%

### Comparison of Graphic Design Services Segment Revenue Contribution To FORU's Total Revenue

	2014	2013
Graphic Design	2,4%	2,9%

## Financial Review

### FINANCIAL STATEMENTS PRESENTATION STANDARDS

The consolidated financial statements have been prepared in accordance with Financial Accounting Standards (GAAP), which include the Statement of Financial Accounting Standards (SFAS) and the Interpretation of Financial Accounting Standards (IFAS) issued by the Indonesian Institute of Accountants Financial Accounting Standards Board and the regulations of Capital Market Supervisory Agency and

Financial Institution "CMFISA" whose functions were transferred to the Financial Services Authority (FSA) on January 1, 2013 through No. VIIG.7 on "Presentation and Disclosure of Financial Statements of Public Companies" contained in the annex to the chairman of Bapepam's decision No. KEP-347 / BL / 2012 dated June 25, 2013.

### PROFIT AND LOSS

(in millions of rupiah)	2014	2013	2014 Achievement compared to 2013
Operating Revenues	404.324,18	407.406,72	99,2%
Direct Cost	(322.568,45)	(326.394,83)	98,8%
Gross Profit	81.755,73	81.011,89	100,9%
Operating Expenses	(72.400,52)	(66.523,63)	108,8%
Operating Profit	9.355,21	14.488,26	64,6%
Other Income (Expenses)	(3.174,17)	(678,66)	467,7%
Income Before Income Tax Expense	6.181,04	13.809,60	44,8%
Income Tax Expense	(2.292,33)	(3.228,31)	71,0%
Current Year Net Profit	3.888,71	10.581,29	36,8%
Other Comprehensive Income	-	-	-
Comprehensive Income	3.888,71	10.581,29	36,8%

### OPERATING REVENUES

In 2014, FORU's Operating Revenues were Rp404.32 billion, which was 99.2% of the Rp407.41 billion recorded in 2013. This was mainly due to differences in income for Advertising Production, Print Media, Media Radio, as well as Graphic Design, with the percentage difference from 2013 being respectively 18.2%, 25.8%, 19.5% and 19.1%. Revenue in 2014 increased in Media Television, Digital Media, and Public Relations, each with a percentage increase compared to 2013 of 13.6%, 27.2% and 18.6%.

### EXPENSES AND OPERATING PROFIT

Direct costs for all business segments in 2014 reached Rp322.57 billion or 98.8% of the Rp326.39 billion achieved in 2013. Direct costs for Production Advertising, Print Media, Radio Media, as well

as Graphic Design declined whereas Television Media, Digital Media, and PR increased.

Gross Profit reached Rp81.76 billion in 2014, a difference of Rp743.84 million or 0.9%, from the Rp81.01 billion in 2013. Operating Expenses reached Rp72.40 billion in 2014, a difference of Rp5.88 billion or 8.8%, from the Rp66.52 billion in 2013.

This was due to FORU's commitment in terms of payment of salaries, wages and benefits for FORU people which increased Rp3.02 billion or 5.8% from 2013. Due to this difference in costs, Operating Profit reached Rp9.36 billion in 2014, a difference of 64.6%, from the Rp14.49 billion in 2013.

### NET PROFIT AND COMPREHENSIVE PROFIT FOR THE YEAR

Other Expenses had a difference of Rp2.50 billion or 367.7%, from Rp678.66 million in 2013 to Rp3.17 billion. Interest Income and Other Income increased, with percentage increases of 105.1% and 132.8% respectively from 2013. However, Foreign Exchange Losses, Financial Expenses and Associated Company Losses had a large impact, with percentage differences of 108.6%, 18.9% and 184.5% respectively from 2013.

2014 Profit Before Income Tax Expense had a difference of 55.2% or Rp7.63 billion compared to 2013, while Income Tax had a difference of 29% or Rp935.98 million from 2013. 2014 Current Year Net Profit had a difference of 63.2% or Rp6.69 billion compared to 2013. There was no Other Comprehensive Income, therefore FORU's 2014 Comprehensive Income amounted to Rp3.89 billion, a difference of 63.2%, from the Rp10.58 billion reached in 2013.

### BALANCE SHEET

<i>(in millions of rupiah)</i>	2014	2013	2014 Achievement compared to 2013
<b>Assets</b>			
Current Assets	228.471,26	226.617,68	100,8%
Non-current Assets	32.713,86	36.899,88	88,7%
Total Assets	261.185,12	263.517,56	99,1%
<b>Liabilities and Equity</b>			
<b>Liabilities</b>			
Short-Term Liabilities	116.251,94	118.697,29	97,9%
Long-Term Liabilities	12.722,54	11.846,10	107,4%
Total Liabilities	128.974,48	130.543,39	98,8%
Equity	132.210,64	132.974,17	99,4%
Total Liabilities and Equity	261.185,12	263.517,56	99,1%

### ASSETS

FORU's Total Assets in 2014 were Rp261.19 billion, a difference of 0.9% or Rp2.33 billion, from the Rp263.52 billion in 2013. This was mainly due to 2014 Non-Current Assets reaching 88.7% compared to 2013, where Staff Loans and Fixed Assets contributed percentage differences compared to 2013 of 32.2% and 10.8% respectively. While Related Parties Receivables increased 12.8% compared to 2013. Current assets in 2014 were Rp228.47 billion, an increase of 0.8% or Rp1.85 billion, from the Rp226.62 billion in 2013.

The increase was particularly due to Cash and Cash Equivalents and Implementation Services, which increased by Rp4.43 billion and Rp1.41 billion. While Other Receivables from Third Parties

and Advances and other Current Assets experienced percentage differences compared to 2013 of 28.5% and 17% respectively.

### LIABILITIES AND EQUITY

Total liabilities in 2014 reached Rp128.97 billion, a difference of 1.2% or Rp1.57 billion from Rp130.54 billion recorded in 2013. Long-Term Liabilities contributed an increase of Rp876.44 million, or 7.4%, from Rp11.85 billion in 2013 to Rp12.72 billion in 2014. The increase in Long-Term Liabilities was influenced by Employee Benefit Liabilities with a percentage increase of 9.1% compared to 2013. While short-term liabilities fell 2.1% or Rp2.44 billion, from Rp118.7 billion in 2013 to Rp116.25 billion, in line with FORU's ability to resolve its debt obligations.

Equity saw a difference of 0.6% or Rp763.53 million, from Rp132.97 billion in 2013 to Rp132.21 billion in 2014. Thus, the total for Liabilities and Equity recorded

in 2014 amounted to Rp261.19 billion, a difference of 0.9% from the Rp263,52 billion recorded in 2013.

### CASH FLOW

<i>(in millions of rupiah)</i>	2014	2013	2014 Achievement compared to 2013
Cash Flow from Operating Activities	8.736,85	28.732,29	30,4%
Cash Flow from Investment Activities	1.371,01	(100,56)	1.463,4%
Cash Flow from Financing Activities	(5.674,29)	(19.461,23)	29,2%
Increase in Cash and Cash Equivalents	4.433,57	9.170,50	48,3%
Cash and Cash Equivalents at Beginning of Year	33.959,41	24.788,91	137%
Cash and Cash Equivalents at End of Year	38.392,98	33.959,41	113,1%

Cash flow generated from operating activities in 2014 amounted to Rp8.74 billion, a difference of 69.6% compared to the Rp28.73 billion recorded in 2013. This was in line with the decline in advertising spending activity by service users, where Cash Receipts from Customers experienced a difference of 5.2% or Rp22.29 billion compared to 2013. In addition, FORU's 2014 income tax obligations made a great contribution, Rp8.44 billion, compared to 2013. However, FORU's management was able to keep Cash Flow from Operating Activities through a reduction in cash Payments to suppliers and staff as well as interest income, recording differences of Rp9.49 billion and Rp1.06 billion respectively compared to 2013.

Net cash flows used for investment activities increased by 1,463.4%, from negative Rp100.56 million in 2013 to Rp1.37 billion in 2014. This increase was due to Associates Companies' Sales Revenue reaching 2.25 billion.

While the Cash Flow from Financing Activities in 2014 amounted to Rp5.67 billion, a difference of 70.8% from Rp19.46 billion recorded in 2013. Cash Dividend Payment provided the largest contribution with a 42.9% increase compared to 2013.

Meanwhile, Related Parties Receivables and Debt Purchase of Fixed Assets experienced percentage differences of 83.8% and 60.4% respectively compared to 2013.

Cash Flow in Operating Activities, Investment Activities and Financing Activities, Net Increase in Cash and Cash Equivalents experienced a 51.7% difference compared to 2013. Cash and Cash Equivalents at the Beginning of the Year increased 37%, while Cash and Cash Equivalents at the End of the Year increased 13.1%.

### ABILITY TO PAY DEBT

FORU's solvency, or the ability to meet all its obligations remained fairly stable. This can be seen by FORU's 2014 Liabilities to Equity ratio recorded at 1.0 times, on a par with 2013 which was also 1.0 times. While the Liabilities to Assets ratio was recorded as 0.5 times, on a par with 2013 which was also 0.5 times.

### ACCOUNT RECEIVABLE COLLECTABILITY

As of the end of 2014, FORU's collection period was relatively stable. This was due to the commitment made by FORU and FORU's third parties.

## CAPITAL STRUCTURE AND MANAGEMENT POLICY OF CAPITAL STRUCTURE

### CAPITAL STRUCTURE OF THE COMPANY

FORU shareholder details on December 31, 2013 are based on records maintained by PT Sinartama Gunita, Securities Administration Bureau, and were as follows:

Shareholders	Issued and Fully Paid (Rp)	Percentage of Ownership (%)	Total Share Capital (Rp)
PT Grhaadhika Fortune	180,600,000	38.82	18,060,000,000
PT Fortune Daksa Pariwara	29,400,000	6.32	2,940,000,000
Public (ownership interest below 5%)	255,224,000	54.86	25,522,400,000
<b>Total</b>	<b>465,224,000</b>	<b>100.00</b>	<b>46,522,400,000</b>

Changes in FORU shareholder details on December 31, 2014 are based on records maintained by PT Sinartama Gunita, Securities Administration Bureau, and were as follows:

Shareholders	Issued and Fully Paid (Rp)	Percentage of Ownership (%)	Total Share Capital (Rp)
PT Karya Citra Prima	431,474,200	92.75	43,147,420,000
Public (ownership interest below 5%)	33,749,800	7.25	3,374,980,000
<b>Total</b>	<b>465,224,000</b>	<b>100.00</b>	<b>46,522,400,000</b>

### ADDITIONAL PAID-UP CAPITAL

On December 31, 2014 and 2013, the details of additional net paid-up capital were as follows:

(in rupiah)	2014	2013
Share premium		
Initial Public Offering	6,150,000,000	6,150,000,000
Share premium from the share capital increase following the implementation of Series I Warrants	613,440,000	613,440,000
Equity Securities Issuance Costs	(3,167,567,104)	(3,167,567,104)
Sub Total	3,595,872,896	3,595,872,896
Differences in value of restructuring transactions between entities under common control	3,553,096,441	3,553,096,441
<b>Total</b>	<b>7,148,969,337</b>	<b>7,148,969,337</b>

### DIVIDEND POLICY

FORU's promise in the prospectus was that, if the Net Profit were less than Rp15 billion per year, a dividend of 15% of the net profit would be set. If Net Profit were more than Rp15 billion, then a dividend of 20% of the net profit would be set.

In the General Meeting of Shareholders held on June 25, 2014, as declared by Notary Leolin Jayayanti, SH, No. 68 on the same date, the Parent Company shareholders agreed to make an additional general reserve of Rp1,587,275,000, or 15% of the 2013 net profit, and pay out a dividend of Rp10 per share or a total of Rp4,652,240,000.

2013 Dividend distribution was paid in 2014 as follows:

Total Net Income for 2013	Rp10.581.287.564
Number of Shares	465.224.000
Dividend per share	Rp10
Cash dividends distributed	Rp4.652.240.000
Dividend Payout Ratio	43,97%

The division and payment of dividends for the year 2009 and 2013 were as follows:

Financial Year	Net Profit (Rp)	Number of Shares (shares)	Dividend per Share (Rp)	Total Dividend (Rp)	Dividend Ratio (%)
2009	6,579,909,457	465.224.000	4	1,860,895,998	28.28
2010	9,648,825,265		4	1,860,895,998	19.29
2011	12,953,959,994		7	3,256,568,000	25.14
2012	12,658,611,833		7	3,256,568,000	25.73
2013	10,581,287,564		10	4,652,240,000	43.97

#### MATERIAL AND REALIZED COMMITMENTS FOR FIXED ASSETS INVESTMENT

Throughout 2014, FORU invested in the acquisition of fixed assets amounting to Rp914 million.

#### MATERIAL INFORMATION AND FACTS AFTER THE BALANCE SHEET DATE

There was no material information or facts after the date of the auditor's 2014 report.

#### SHARE OWNERSHIP PROGRAM FOR STAFF AND/OR MANAGEMENT

Up until the end of 2014, FORU did not have share ownership programs for staff and / or management.

#### PUBLIC OFFERING USE OF PROCEEDS

Public offering proceeds have been used by FORU and details have been submitted to the authorities and relevant institutions. In 2014, there were no remaining public offering proceeds.

#### INFORMATION ON INVESTMENT, EXPANSION, DIVESTMENTS, BUSINESS MERGERS / ACQUISITIONS, OR ACQUISITION OR DEBT RESTRUCTURING / CAPITAL

##### INFORMATION ON INVESTMENTS

During 2014, there was no investment-related information.

##### INFORMATION ON DIVESTMENTS

In 2014, FORU released shares in its Associated Company, PT Fortune Travindo (Travindo) through an Extraordinary General Meeting of Shareholders (EGMS) notarized by Notary Leolin Jayayanti, SH deed No. 67 on the same date, regarding the change of ownership of Fortune Travindo. The EGMS Results confirmed that FORU sold all of its ownership in PT Fortune Travindo to PT Grahaadhika Fortune, a related party, amounting to Rp 2.25 billion. Losses on the sale of these shares amounting to Rp1.81 billion recorded under "Loss on sale of investments in Associates" in the consolidated statement of comprehensive income in 2014.

##### INFORMATION ABOUT BUSINESS MERGERS / ACQUISITIONS

Throughout 2014, FORU did undertake any mergers / acquisitions.

##### INFORMATION ON DEBT RESTRUCTURING / CAPITAL

There was no information regarding the restructuring of debt / equity during 2014

## INFORMATION ON TRANSACTIONS WITH RELATED PARTIES

FORU conducts transactions with related parties as defined in PSAK7 (revised 2010), "Related Party Disclosures". Such transactions are conducted on terms agreed by both parties. Some of these requirements may not be the same as the requirements made by parties who are not related. A related party is a person or entity related to FORU:

- a. Persons or close family members have relationships with FORU if the person;
  - i. Has control or joint control over FORU;
  - ii. Has significant influence over FORU; or,
  - iii. Is a key FORU management personnel.
- b. An entity is related to FORU, if it meets one of the following:
  - i. Entities and FORU are members of the same group (meaning the Company, Subsidiary, and Subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or associated company or joint venture of a member of a group, in which the other entity is a member).
  - iii. Both entities are joint ventures of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an Associate of the third entity.

## RELATED PARTIES' CHARACTERISTICS

Related Parties	Nature of Relationship	Transaction properties
PT Prima Rancang Buana	The same management with the Parent Entity	Related party accounts receivable and accounts payable
PT Fortune Travindo	The same management with the Parent Entity	Receivables from related parties, accounts payable and related party debt
Fortune PR Singapore Pte., Ltd	The same management with the Parent Entity	Receivables from related parties
PT Teknografika Nusantara	The same management with the Parent Entity	Receivables from related parties

Details of related party transactions can be found in the appendix in the 2014 Consolidated Financial Statements, point 9 on pages 25 and 26.

With these changes in legislation, competition in the field of advertising will be very open, with FORU competing directly with the foreign-owned advertising companies.

## IMPACT OF CHANGES IN REGULATIONS

The enactment of Presidential Regulation No. 39, 2014 on List of Business Fields Closed and Open Business with Requirements in the Field of Investment as a revision of Presidential Decree No. 36 of 2010 on List of Business Fields Closed and Open Business with Requirements in the Field of Investment, saw a change in the industry classification and the amount of foreign ownership in the industry. In Presidential Decree No. 36 In 2010, FORU's Advertising business was classified in the field of Culture and Tourism, with no foreign ownership allowed in the Advertising business. While the Presidential Decree No. 39, 2014, placed Advertising in the Tourism and Creative Economy classification and permits foreign ownership up to a maximum of 51%.

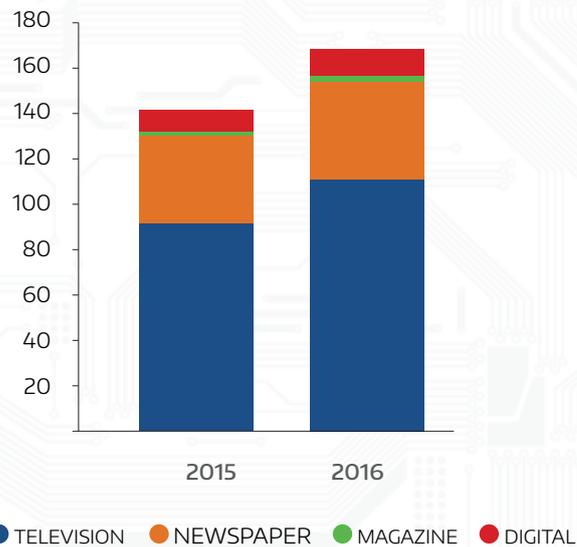
## CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies when preparing FORU's 2014 financial statements.

## Potential and Projections

2015 will be a year of optimism for FORU. In addition to several pending advertising campaign programs held over from 2014 into 2015, a stable political condition after the General and Presidential Election will drive advertising spending from businesses to aggressively campaign for their products and / or services. In addition, the trend in digital media will be FORU's main focus in utilizing lines and forms of media that can reach more audiences and provide new added value for clients / advertisers.

### 2015 – 2016 PROJECTIONS



\* in trillion rupiah

\* Source: Nielsen Ad Quest 2014, redwing

### FORU's 2012 – 2016 Financial Performance Trends

(in millions of rupiah)

	2012 (Already audited)	2013 (Already audited)	2014 (Already audited)	2015 (Projected)	2016 (Projected)
Operating Revenues	480.147,07	407.406,72	404.324,18	583.000,00	700.000,00
Income Before Income Tax Expense	17.018,21	13.809,60	6.181,04	15.500,00	21.967,75
Current Year Net Profit	12.658,61	10.581,29	3.888,71	11.625,00	16.475,81

One concern for FORU is the imposition of Presidential Decree (Decree) No. 39 Year 2014 on List of Business Fields Closed and Open Business with Requirements in the Field of Investment, a revision of Presidential Regulation No. 36 of 2010 on List of Business Fields Closed and Open Business with Requirements in the Field of Investment. This regulation opens the possibility of foreign ownership

of the Indonesian advertising industry up to 51%. In addition to encouraging open competition, this will create the absorption of foreign products into the domestic advertising industry. Foreign products will utilize international networks and affiliated advertising companies to undertake activities and advertising spending in Indonesia.

One important aspect that has contributed greatly to FORU's development in reaching its present position is its human capital. The creativity of its human capital is a key element in the development of creative solutions in the marketing communications field for clients as well as client services for FORU users.

By looking at the key role of human capital in a business organization, FORU has always paid great attention to the effective development and utilization of its human capital in accordance with the Company's business mission. Because without qualified human capital, it would be difficult for FORU to continue to improve the Company's competitive advantage.

FORU's human capital as at December 31, 2014 totaled 231 people. Here is a comparison of the number and composition of FORU's human capital based on age, education level, as well as position status.

## Comparison of FORU's human capital in 2013 and 2014

	2013	2014
Fortune Indonesia	153	149
Fortune Pramana Rancang	75	57
Fortune Adwicipta	12	10
Pelita Alembana	17	15
Total People	257	231

## Composition Based on Level of Education

Education Level	Fortune Indonesia	Fortune Pramana Rancang	Fortune Adwicipta	Pelita Alembana	Total FORU
Below High School	4	-	-	-	4
High School / Diploma	43	1	1	4	49
S1	99	51	8	11	169
S2	3	5	1	-	9
Total "Fortuners"	149	57	10	15	231

## Expressed in comparison to Infographics

Education Level (Total FORU)	2013	2014
Below High School	7	4
High School / Diploma	84	49
S1	161	169
S2	5	9

## Composition Based on Position Status

Level	Fortune Indonesia	Fortune Pramana Rancang	Fortune Adwicipta	Pelita Alembana	Total FORU
Director ( 8- 9)	4	1	-	-	5
Division/ Unit Head ( 5-7)	15	5	1	4	25
Manager ( 4 )	25	10	2	1	38
Staff ( 2-3 )	105	41	7	10	163
Non-Staff ( 1 )	0	0	0	0	0
Total "Fortuners"	149	57	10	15	231

**Expressed in comparison to Infographics**

Level (Total FORU)	2013	2014
Director ( 8- 9)	9	5
Division/ Unit Head ( 5-7)	40	25
Manager ( 4 )	27	38
Staff ( 2-3 )	161	163
Non Staff ( 1)	14	0

**Composition based on Age**

Age Group	Fortune Indonesia	Fortune Pramana Rancang	Fortune Adwicipta	Pelita Alembana	Total FORU
21-30	77	31	3	7	118
31-40	30	21	7	7	65
41-50	24	3	-	1	28
above 51	18	2	-	-	20
Total "Fortuners"	149	57	10	15	231

**Expressed in comparison to Infographics**

Age group (FORU Total)	2013	2014
21-30	121	118
31-40	76	65
41-50	39	28
above 51	21	20

**EDUCATION AND TRAINING**

FORU has a tradition and a long and strong culture of knowledge sharing. A tradition that was built up with the willingness and awareness to continue to maintain and develop human capital. This doesn't just make FORU a place to work at but also makes it a place to gain knowledge and competence in the field of marketing communications.

One of the learning activities in FORU is to update information about creative world developments identified by "Fortuners". A Knowledge Management Unit was formed by FORU to disseminate this information to all "Fortuners" by email every morning.

Use of information technology in the educational process for "Fortuners" includes an online portal

called Galaktika, which is designed to be a social media for "Fortuners". Galaktika enables "Fortuners" to exchange and obtain both general information (information on trends in the world of marketing communications, references, creative visuals, etc.) as well as internal company regulations, digital books relating to children and the creative business world, and much more. FORU also encourages "Fortuners" to participate in the implementation of development programs that include courses / trainings and seminars.

For 2014, FORU allocated Rp323,485,259 for human capital education and training. FORU's Education and training of human capital was carried out internally or by using third parties. The following is a list of the training that was conducted and followed in 2014.

## FORU HUMAN CAPITAL COMPETENCE DEVELOPMENT PROGRAM

### Fortune Indonesia

Date	Event Name	Place	Attendee	Team	Level
January 23	HR Competencies in the New World	Jakarta	Wardiah Fitriani	HCD	Assistant Manager
February 1	Retaintion & Development Program	Jakarta	Jessica Carla	Activator	Senior Manager
February 18	Digital Strategy Masterclass "Transformation Work"	Jakarta	Vega Pattiasina	Digital	Planning Director
March 4	Overview of Video Advertising	Jakarta	Eka Diah Sugiarti, Andi Primaretha, Citra Diamante, Indah Rufiati, Luddy Gilang, Septian Trio, Tri Budhi Santoso	Digital	Staff – Senior Staff
	Google Overview of Video Advertising	Jakarta	Vega Pattiasina	Digital	Planning Director
March 5 to 9	ADFEST 2014	Thailand	Muhamad Arif Budiman K, Seto Hendrianto	Kreatif, Activator	Specialist, Account Manager
March 14	Google Analytics – Beginner	Jakarta	Eka Diah Sugiarti	Digital	Staff
March 27	Google Agency Business Model	Jakarta	Firzi Syailendra Abidin	Digital	Unit Director
	Soft-Skill: Google Agency Business Model	Jakarta	Diana Marsilia Renata	Digital	Account Director
April 2	Leveraging Emotional Intelligence to Retain & Win	Jakarta	Wimala Sukma Djafar	Communication	Manager
April 23	Strategic Planning	Jakarta	Tri Budhi Santoso	Digital	Senior Staff
April 25	Pitch to Win	Jakarta	Ahmad Bahtiar Rifai, Firzi Abidin, Reza Ardiansyah	Media, Digital	Unit Director – staff
May 5	Strategic Thinking Framework In Media	Jakarta	Indah Rufiati	Digital	Staff
May 15 to 16	Mini Workshop & Outbond	Puncak, Bogor	Nur Rochim Achmad Anwari, Wardiah Fitriani, Erica Camilla Nasution	HCD	Assistant Director – staff
June 5	Effective Conctect Marketing	Jakarta	Adinda Avrilya, Arius Arif, Clarinda Winza, Firzi, Reni Kurniawan, Reza Ardiansyah, Vega Pattiasina, Wulan Ramdhani	Digital	Planning Director – staff
July 3	HR: Strategi Human Capital Menghadapi AFTA 2015	Jakarta	Wardiah Fitriani, Hary Murti	HCD	Senior Specialist, Assistant Manager
July 17	Event KPI's Measurement	Jakarta	Windhy Widias Mundhy	Activator	Account Director
September 10	Super Communication Skills to Sell Your Ideas	Jakarta	Adinda Avrilya	Digital	Account Manager
September 11	Empowerment and Delegation	Jakarta	Jessica Carla	Activator	Senior Manager
September 18 to 21	APMF 2014	Bali	Maria Antoinette Wetik	Media	Unit Director

Date	Event Name	Place	Attendee	Team	Level
September 23	Spikes Asia	Singapura	Kartika Putri	Activator	Staff
September 31	How to Set KPI to Your Digital Campaign	Jakarta	Septian Rio Renaldo	Digital	Specialist
October 30	Basic Compensation & Benefit	Jakarta	Erica Camilla Nasution	HCD	Staff
November 27	IHCS (Indonesia Human Capital Study)	Jakarta	Nur Rochim Achmad Anwari, Wardiah Fitriani	HCD	Assistant Director – Assistant Manager
November 28	Copywriting is Dead	Jakarta	Gery Airlangga Adrianto	Digital	Staff

### Fortune Pramana Rancang

Date	Event Name	Place	Attendee	Team	Level
February 22 - March 2	ICF Accredited Training Program The Art and Science of Coaching batch 2 Batch 1	Jakarta	Indira Ratna Dewi Abidin	BOD	Chief Happiness Officer
May 23 - June 4	ACC Preparation Program Erickson International	Jakarta	Indira Ratna Dewi Abidin	BOD	Chief Happiness Officer
October 26 – November 3	ICF Accredited Training Program The Art and Science of Coaching batch 2	Bali	Indira Ratna Dewi Abidin	BOD	Chief Happiness Officer
November 19	Pelatihan MBP	Jakarta	Ati Muziati Muchtar	Management	Managing Director
November 27	Seminar Indonesia Economic Outlook 2015	Jakarta	Ati Muziati Muchtar	Management	Managing Director
November 19 - 20	MBP Auk Murat	Jakarta	Ayu Meganingrum	Management	Senior Associate Director
November 19	PR Measurement Conference Indonesia	Jakarta	Sarma Dahita Silalahi	FHC	Staff
March 6 - April 5	Klinik Menulis Tempo	Jakarta	Ivan Christianto	FTECH	Staff

### Pelita Alembana

Date	Event Name	Place	Attendee	Team	Level
August 1	Leveraging Emotional Intelligence	Jakarta	Wimala Sukma Djafar	Communication	Manager

### NON DISCRIMINATION

FORU provides equal treatment and equal opportunities to its “Fortuners” to grow and develop within the company. This applies to career paths and opportunities to follow training and education programs run by FORU.

The principle of equality is carried out to provide opportunities to “Fortuners” to improve FORU in its efforts to produce the best solutions to its service users.

### **"FORTUNERS" ACTIVITIES**

FORU's other commitment in the context of human capital development is to support "Fortuners" activities in sports, both recreational and spiritual. In the religious field, "Fortuners" regularly hold activities such as religious teaching and prayer meetings.

"Fortuners" are also heavily involved in activities such as internal sports clubs for indoor soccer (Komunitas Futsal Fortune/Kosaltun), basketball (Komunitas Basket Fortune/Kobatun) and badminton (Persatuan Bulu Tangkis Fortune/PB Fortune). These clubs are places for "Fortuners" to relax after engaging in their daily routines and deadlines. In addition, these activities also constitute a strategic medium for enhancing collaboration between "Fortuners" associated with their routine work in the office.

## **Information Technology**

Information technology is a supporting operation that is vital to FORU's business. Therefore FORU always pays great attention to the implementation of information technology in every aspect of its operations.

Trained competent professionals run FORU's Information Technology systems. Information Technology Systems have been implemented throughout FORU to handle financial, Human Capital, and marketing. This support will ultimately have an impact on improving FORU's quality of service.

### **DUTIES AND RESPONSIBILITIES**

The Information Technology Division is tasked with providing reliable information technology systems to effectively support and sustain FORU's business operations. Therefore, the Information Technology Division is responsible for performance tools, equipment, and FORU's computer networks.

In addition the Information Technology Division is responsible for the security of FORU's data and network. In addition to operational tasks, the Information Technology Division also manages FORU's internal portals and websites in accordance with FORU's business needs.

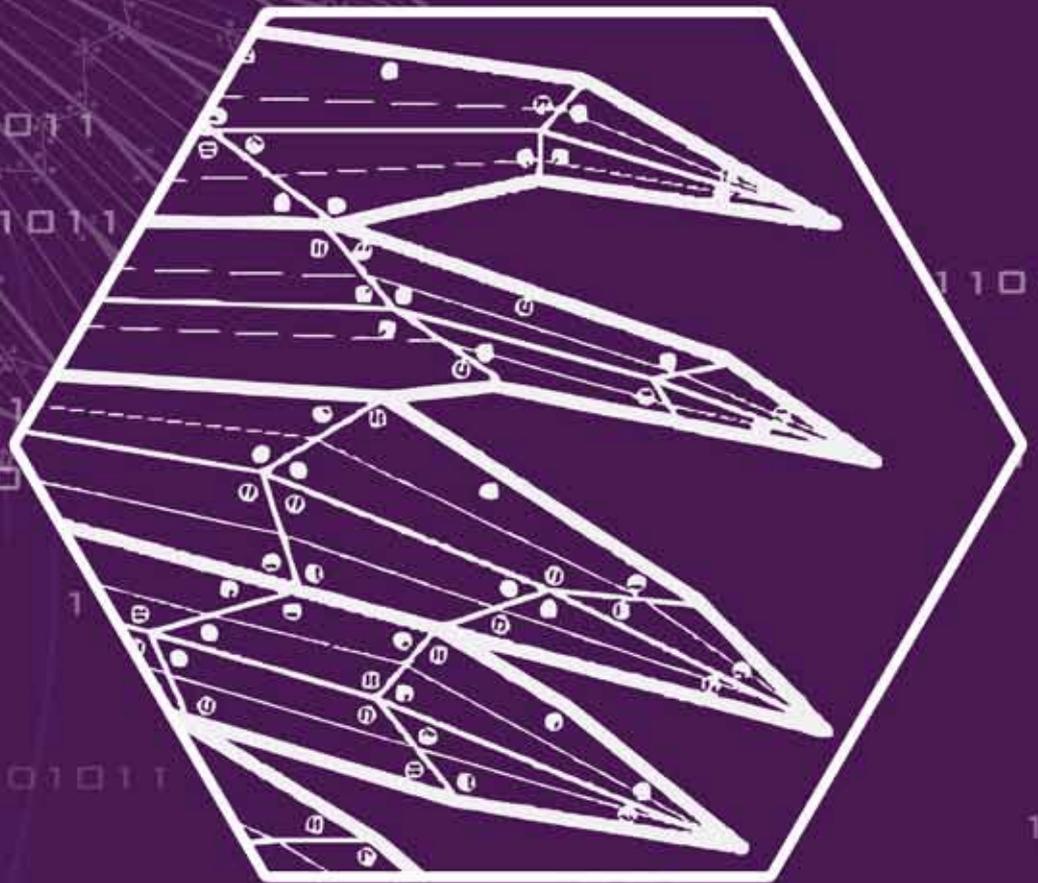
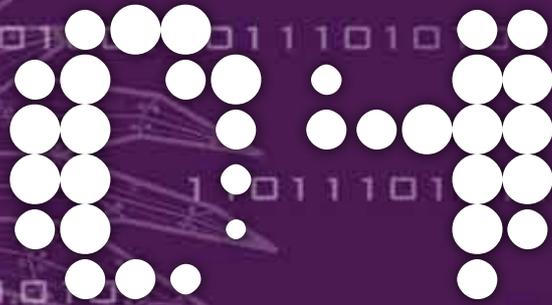
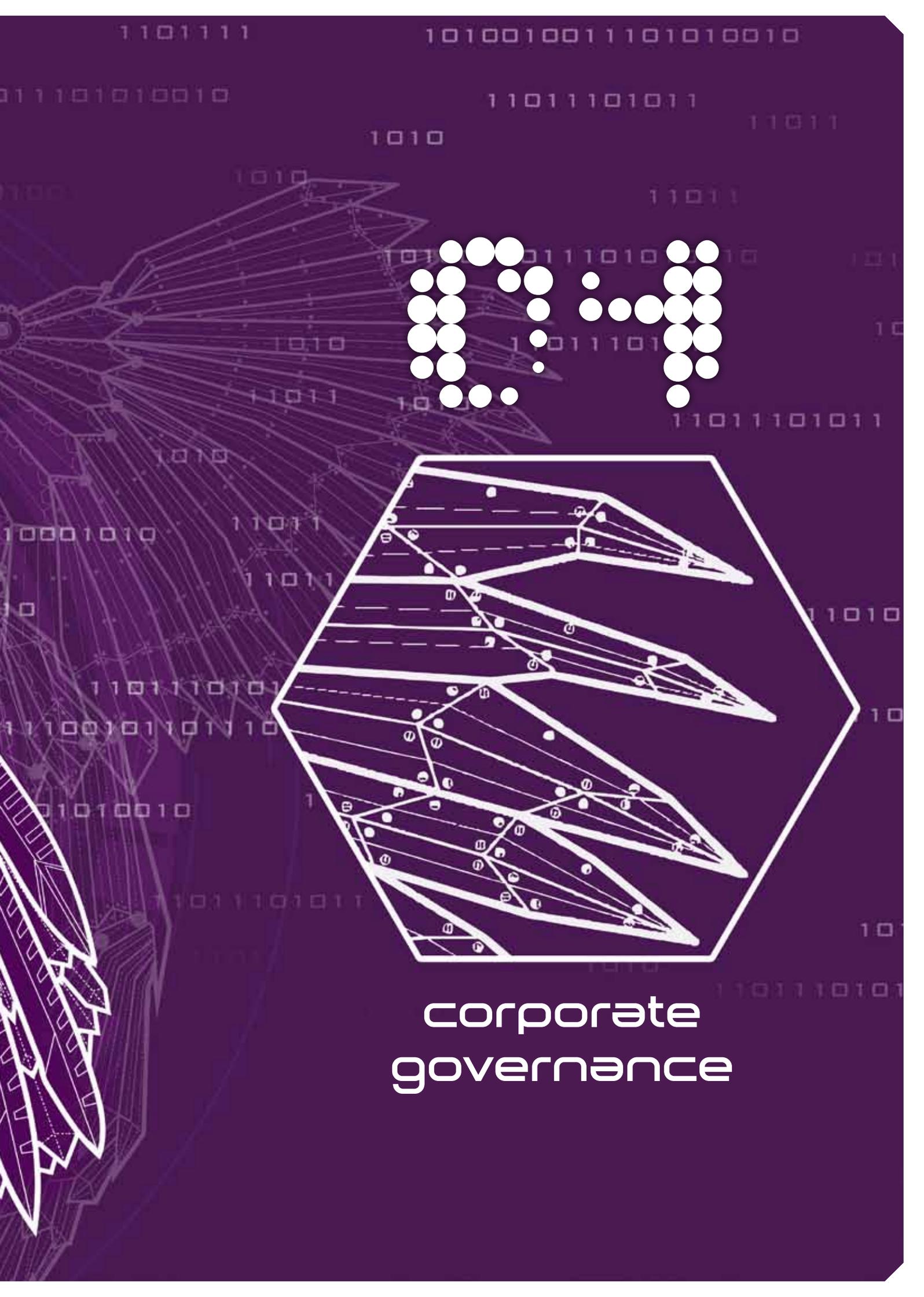
In the field of human capital management, FORU's performance management and internal communications systems are fully automated, ensuring accountability. "Fortuners" can communicate and exchange information through the Galaktika portal, which is an internal portal that serves not only to communicate, but also to socialize the Company's policies through the distribution of the latest and important information relating to; staffing issues, Standard Operating Procedures, marketing, current project progress reports, and holds a calendar of events.

For network security, FORU also has a Disaster Recovery System managed by an experienced third party. Additionally, data is backed up on the server daily to protect the Company's important data.

### **ROLE OF INFORMATION TECHNOLOGY IN SERVICE QUALITY**

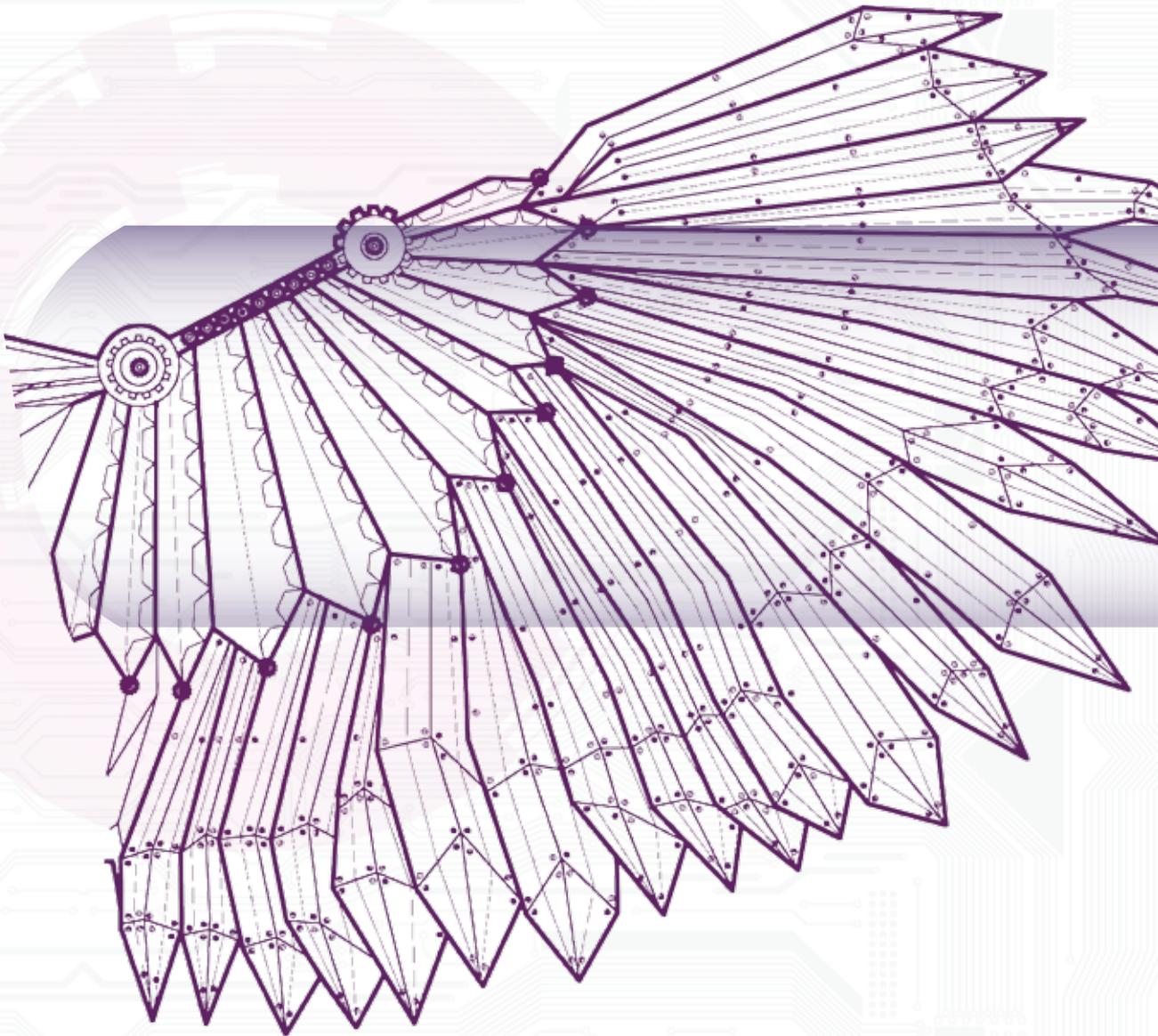
In addition to operational support, information technology plays a role in determining the quality of services FORU provides to stakeholders. Implementation of good information technology, including networks and data security, ultimately determining the final quality of FORU's products.





corporate  
governance

## Introduction



FORU understands that the practice of corporate governance is an important driver for the Company to achieve sustainable business growth, and build the trust of its shareholders and stakeholders. Applying good corporate governance will undoubtedly encourage the Company's performance to function efficiently to generate long-term sustainable economic value for shareholders and the surrounding communities.

The objective of corporate governance implementation within the Company is to:

- » Control and direct relationships between the shareholders, the Board of Commissioners, Board of Directors, "Fortuners", clients, business partners, as well as society and the environment.
- » Encourage and support the development of the Company.
- » Managing resources better.
- » Managing risks better.
- » Increase accountability to stakeholders.
- » Prevent the occurrence of irregularities in the management of the Company.
- » Improve the company's image for the better.

FORU, through the Board of Commissioners, Directors, and all members of FORU is committed to implementing the principles of corporate governance based on the basic values contained in the Company's working culture.

The fundamental benefit to companies that implement corporate governance is that it ensures a perpetually sustainable company. In other words, the benefits of the implementation of corporate governance will appear in the long-term performance of the company in the form of high performance as well as a good corporate image.

FORU has implemented corporate governance principles, known as TARIF, namely: Transparency, Accountability, Responsibility, Independence, and Fairness throughout all units and business line activities to always grow in the face of change, as described below:

#### **Transparency**

Always provide information on financial statements, annual reports and other relevant information accurately, clearly, timely and openly to shareholders and stakeholders.

#### **Accountability**

Ensure that all decisions are strategic actions that can be clearly accountable and contained in the performance measurement report, accountability reports and internal control reports as a form of real accountability.

#### **Responsibility**

Carry out their responsibilities by adhering to the basis of compliance with laws and regulations in force, in order to pay more attention to the community and the environment.

#### **Independence**

Carry out its activities independently, without any coercion or pressure from any party.

#### **Fairness**

Provide a fair and equal share in terms of meeting all the stakeholders' rights.

Corporate Culture

FLY

FANTASTIC / FENOMENAL  
Fantastic / phenomenal in thinking  
Fantastic / phenomenal in work

LEAP OF CREATIVITY  
Leap of attitude  
Leap of innovation  
Leap of recognition

YIELD BRILLIANT RESULTS  
Business engineering to gain maximum profits  
and benefits



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## General Meeting Of Shareholders

The General Meeting of Shareholders (GMS), which consists of the Annual General Meeting of Shareholders (AGMS) and Extraordinary General Meeting Of Shareholders (EGMS), is the highest authority and rights in controlling the company's performance within the limits prescribed by law or the Articles of Association. Decisions taken at the AGMS and EGMS are made in a transparent manner with due regard to the interests of the company's business.

The AGMS serves as a forum for shareholders to make important decisions related to capital invested in the company, having regard to the provisions of the Articles of Association and legislation. In accordance with the Articles of Association, the AGMS is held every year and EGMS may be held at any time based on the needs of the company in accordance with applicable regulations.

In 2014, the Company held 1 (one) GMS. Details of the implementation of PT Fortune Indonesia Tbk. GMS resolutions, which was held on June 25, 2014, were as follows:

1. Annual Report
  - » Financial Statement consisting of at least the balance as at the fiscal year end of the Company's financial performance in the current year compared to the previous financial year.
  - » Statements regarding the Company's activities and accomplishments.
  - » Names of the Directors and Commissioners (including if there were any changes).
  - » Report on the implementation of Corporate Governance.
  - » Report on Social and Environmental Responsibility.
2. Provision of release and discharge of responsibility (acquit et decharge) of the Board of Directors and the Board of Commissioners.
3. Proposed use of the Company's profits in the financial year 2013.
4. Determination of the Board of Directors' and Board of Commissioners' bonuses for the financial year 2013.
5. Determination of the Board of Directors' Salaries, Board of Commissioners' Honorarium as well as benefits for 2014.



**Decisions of the GMS**

1. a. Received and approved the Annual Report of the Board of Directors for the financial year ended December 31, 2013 and the Work Plan for 2014.
- b. Received the Board of Commissioners' Report for the financial year 2013.
  
2. Approved the Audited Financial Statement for the financial year ended December 31, 2013 consisting of the Balance Sheet as at December 31, 2013 and the Profit and Loss Statement for the financial year 2013, showing agreement and release (acquit et decharge) by the Board of Directors and the Board of Commissioners for supervision carried out by them during the financial year 2013 as to their actions and supervision as reflected in the Balance Sheet and Profit and loss Statement.
  
3. a. Establishing use of net profits for 2013 the Company approved the following:
  - » Rp4,652,240,000 to be distributed as cash dividends to shareholders or the equivalent of Rp10 per share.
  - 15% of profits to be used as an installment to the reserve fund of the Company.
  - » The rest of the profits of the Company, after deducting dividends and reserve of 15%, to be recorded as retained earnings for the Company's future working capital and business development.
  
- b. Authorized the Board of Directors to undertake all necessary steps with respect to dividend distribution.
  
4. Gave authority to the Board of Directors to select and appoint a Publicly Registered Accountant, authorized by the Financial Services Authority, who would audit the Company for the current fiscal year ending on December 31, 2014, including setting their honorarium and other appointment prerequisites.
  - a. Approved the resignation of Farida Eva Rianty Hutapea from the date of the meeting, and fully discharged (acquit et decharge) her from obligations of supervision carried out during her tenure.
  
  - b. Established the composition of the Board of Commissioners from the date of the meeting until its term ends in 2016, as follows:
    - » President Commissioner and Independent Commissioner: Dedi Sjahrir Panigoro
    - » Commissioner: Kasman Ardan
    - » Commissioner: Miranty Abidin
    - » Commissioner: Lucia Novenna Budiono



Untuk laporan tahunan ini, semua informasi yang disajikan di dalamnya adalah benar-benar benar. Kami tidak akan bertanggung jawab atas kesalahan atau ketidakakuratan informasi yang disajikan di dalamnya. Kami akan bertanggung jawab atas kesalahan atau ketidakakuratan informasi yang disajikan di dalamnya.

c. There were no changes in the composition of the Board of Directors and the composition of the Board of Directors was confirmed until its term ends in 2016, as follows:

- » Director: Indra Abidin
- » Director: Herman Muljadi Sulaiman

d. Approved giving power and authority to the Board of Directors to carry out any actions in relation to changes in the composition of the Board of Commissioners, in accordance with the regulations and legislation in force.

e. Approved giving power and authority to the Board of Directors, for and on behalf of the General Meeting Of Shareholders, to set the remuneration and the duties and authority of the Board of Directors for the remaining term of their office commencing from the meeting.

f. Approved an increase of 10% in remuneration for all members of the Board of Commissioners for the next year, effective from July 2014 through to June 2015.

All GMS decisions were implemented by the company, including the dividend distribution, public accounting firm appointment, and changes in the composition of the Board of Commissioners.

#### Results of 2014 EGMS Decisions

FORU did not hold any EGMS during 2014.

## Board Of Commissioners

### The number, composition, and term of office of the Board of Commissioners

Under the Articles of Association, the Board of Commissioners are appointed and dismissed by the General Meeting of Shareholders.

Based on the General Meeting of Shareholders, the FORU Board of Commissioners changed in 2014 due to the resignation of Farida Eva Rianti Hutapea, which was officially approved. The composition of the FORU Board of Commissioners for 2014 was as follows:

Name	Position	Start	End
Dedi Sjahrir Panigoro	President Commissioner and Independent Commissioner	June 2011	June 2016
Kasman Ardan	Commissioner	June 2011	June 2016
Miranty Abidin	Commissioner	June 2011	June 2016
Lucia Novenna Budiono	Commissioner	June 2011	June 2016
Farida Eva Rianti Hutapea*	Independent Commissioner	June 2011	June 2014

\* In June 2014, the resignation of Farida Eva Rianti Hutapea was approved at the 2014 GMS

### Functions and Powers of the Board of Commissioners

The Board of Commissioners consists of 4 (four) members, including 1 (one) person who serves as President Commissioner and as an Independent Commissioner and three (3) Commissioners who have control duties and responsibilities.

The BOC activities include regular internal meetings attended by the Members of the Board of Commissioners and the Audit Committee. The BOC profiles are published in

a separate chapter in this Annual Report (see page 36-37).

The BOC carries out oversight of business continuity, including supervision of the Board of Directors' tasks and responsibilities implementation, as well as providing advice to the Board of Directors, directing, monitoring, and evaluating the Company's strategic policies implementation. In performing its duties, the Board of Commissioners is assisted by the Audit Committee.

## Duties and Responsibilities of the Board of Commissioners

The Board of Commissioners has the task of monitoring and providing advice to the Board of Directors on the management of the Company.

Supervision conducted by the Board of Commissioners with others is intended to create conformity and consistency in the implementation of the Company's operations in line with the 2014 Work Plan and Budget (CBP), the implementation of the principles of corporate governance and risk management so that all organizational units can be run correctly.

The division of tasks for each FORU commissioner is as follows:

1. Dedi Sjahrir Panigoro (President Commissioner and Independent Commissioner)  
Carry out the duties and authority of a Commissioner in particular in the field of operations and new business development.
2. Kasman Ardan (Commissioner)  
Carry out the duties and authority of a Commissioner, especially in finance and operations.
3. Miranty Abidin (Commissioner)  
Carry out the duties and authority of a Commissioner in particular in the areas of new business development.

4. Lucia Novenna Boediono (Commissioner)  
Carry out the duties and authority of a Commissioner in particular in the areas of new business development.

The Board of Commissioners' supervision aims to periodically determine the performance achievements during 2014, by way of an early warning system, and ensure that internal control systems support the Company's performance achievement.

Meanwhile, the division of tasks is intended so that all the Board of Directors' tasks can be monitored well with focus from the Board of Commissioners. However, in deciding and talking about an issue, the Board of Commissioners always discusses first among themselves and then discusses comprehensively at a meeting of the Board of Commissioners.

Oversight by the Board of Commissioners is conducted by way of:

1. Asking for information in writing from the Board of Directors on a Company issue.
2. Visiting units / branches / specific projects, either with (or without) prior notice to the Board of Directors.
3. Responding to regular reports from the Board of Directors.
4. Assigning a Committee to perform supervisory duties as stated in the Committee Charter.



**Commissioners' Performance Assessment**

- » Commissioners carry out a self-assessment of their performance, including meeting attendance, business knowledge, business risk identification, monitoring, and implementation of corporate governance.
- » A Commissioner must establish indicators that will be used in assessing performance.
- » Commissioners establish job descriptions for each Commissioner.

**Criteria**

- All members of the Board of Commissioners:
- » Should have integrity, competence, and adequate financial reputation
  - » Should not have been declared bankrupt or been found guilty for causing a company to go bankrupt.
  - » Should not have committed reprehensible acts and have never been convicted of a criminal act.

The Board of Commissioners' Code of Work Ethics is binding for all members.

According to regulations, the Board of Commissioners is required to have 30% independent members. The Company has met this condition, including the requirement for independence of the board members.

**Independence**

The Board of Commissioners' duties and responsibilities are undertaken independently without any intervention by shareholders or other parties. The Board of Commissioners when investigating and solving problems puts aside personal interests and avoids conflicts of interest.

**Terms for Commissioner Position**

- » The Board of Commissioners' composition should be effective so as to enable decision-making to be carried out effectively, precisely, quickly, and independently.
- » Board of Commissioners' members are not allowed concurrent Commissioner positions in other private or state-owned businesses that may cause a conflict of interest, either directly or indirectly with the Company's interests and do not conflict with any laws and regulations.
- » Among the members of the BOC and the members of the Board of Directors as well as Commissioners and Directors there should not be any family blood relationships.
- » Term of Office
  - a. Board of Commissioners' members are appointed at the GMS for a term of 5 (five) years and may be reappointed. If Commissioners are replaced before their term ends, the new Commissioner stands for the remaining term of the office of the Commissioner they replaced.

- b. Board of Commissioners' terms end when their term expires; they resign; they no longer meet the legislation requirements; they die, or are dismissed by the GMS.
  - » Remuneration System  
Board of Commissioners members' remuneration is set by the GMS and includes fees and allowances in accordance with applicable regulations.
  - » In the event of a Commissioner vacancy, the filling of the position will be held in accordance with the Articles of Association of the Company.
  - » The GMS may remove Board of Commissioners' members temporarily if they are found to be acting contrary to the Articles of Association or are in neglect of their duties, or other reasonable grounds.
- » Follow the development of the company's activities, provide opinions and advice to the GMS on any matters of importance regarding the management of the company.
- » Report immediately to the GMS in case there are signs of declining Company performance.

Meanwhile, the Commissioners' obligations with respect to harmonizing the vision of the Board of Directors are as follows:

- » Research and study the periodic reports and annual reports prepared by the Board of Directors and the signed Annual Report.
- » Supervise and provide advice on the management of the company.
- » Conduct an assessment of the Board of Directors' performance.
- » Commissioners are prohibited from engaging in transactions that have any conflict of interest and to take any private advantage from company's activities, except to receive Commissioners' salaries and benefits as determined by the GMS / Shareholders.

#### **Commissioners' Code of Conduct**

The commissioners should be a role model to set an example of behavior for others. Commissioners should avoid any kind of conflict of interest, either directly or indirectly, as well as maintain the security and confidentiality of Company information.

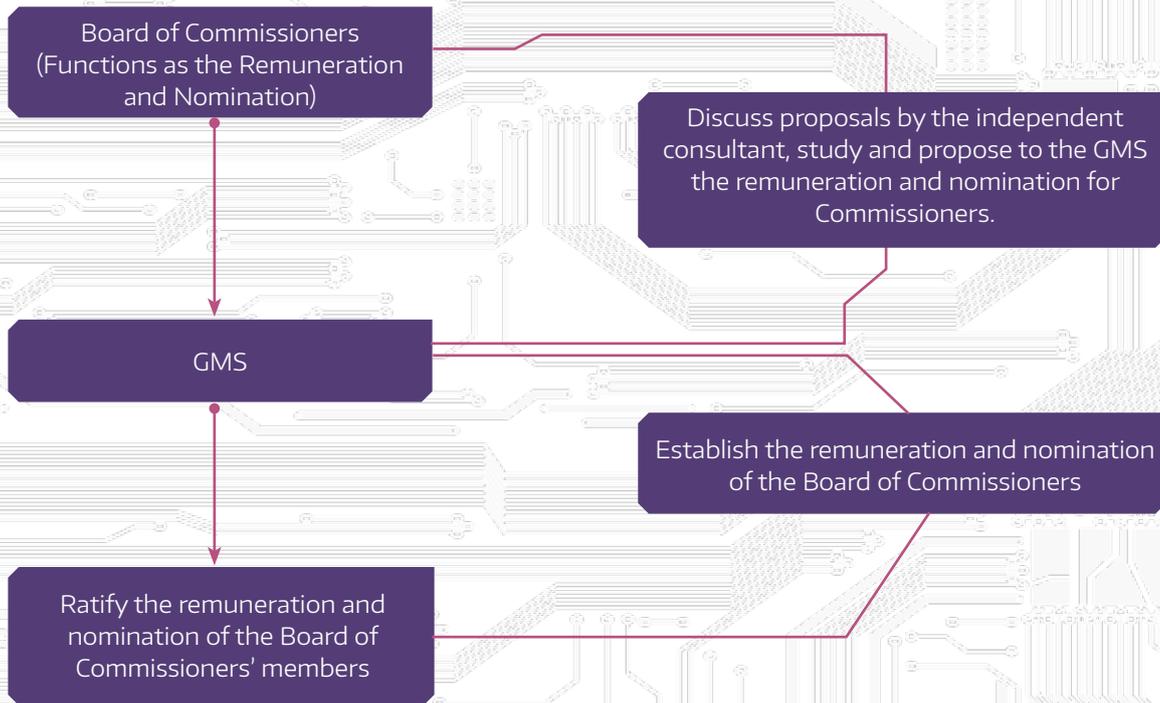
Interaction between the Commissioners with shareholders should be harmonious with reference to the following guidelines:

- » Give opinions and suggestions to the GMS on the Company's Long Term Plan (RJPP) and the Work Plan and Budget (RKAP) as proposed by the Board of Directors.

#### **Board of Commissioners' Remuneration Determination Procedure**

Based on the decision of the GMS held on June 25, 2014, the Commissioners were granted an increased remuneration amounting to 10% of the amount received in the previous period. The Board was also granted a religious holiday allowance of 1 (one) times their remuneration per year.

**Board of Commissioners' Remuneration and Nomination Determination Procedure Chart**



**Remuneration of the Board of Commissioners**

Total Commissioners' remuneration during 2014 amounted to Rp1,899,200,000.

**Board of Commissioners' Meeting**

Board of Commissioners' meetings are held at least once a month, In 2014 they were held 12 times.

The results of the Board of Commissioners were recorded in detail in the Minutes of the Meeting, including if there were any differences of opinion arising in the meetings.

### Board of Commissioners' Meeting Agendas and Topics

Date	Attended	Board Of Commissioners				
		Dedi S Panigoro	Kasman Ardan	Miranty Abidin	Lucia Novenna Budiono	Farida Eva Riyanti Hutapea *
January 23	2014 Strategic & Business Plan	Present	Present	Present	Present	Present
February 26	2013 Financial Statements	Present	Present	Absent	Present	Present
March 26	2 Months' Company Performance	Present	Present	Present	Absent	Present
April 23	2014 Q1 Financial Reports	Present	Present	Present	Present	Present
May 21	Preparation for GMS	Present	Present	Absent	Present	Present
June 18	5 Months' Company Performance	Present	Present	Present	Present	Present
July 16	2014 Q2 Financial Reports	Present	Present	Present	Absent	N/A
August 27	2013 Half-year Evaluation	Present	Absent	Present	Present	N/A
September 24	8 Months' Company Performance	Present	Present	Present	Present	N/A
October 22	2014 Q3 Financial Reports	Present	Present	Present	Present	N/A
November 19	10 Months' Company Performance	Present	Absent	Present	Present	N/A
December 22	2015 Performance and Work Plan Evaluation	Present	Absent	Present	Present	N/A

\* In June 2014, the resignation of Farida Eva Rianti Hutapea was approved at the 2014 GMS

**Joint Meetings of the Board of Commissioners with the Board of Directors**

During 2014, the Board of Commissioners and the Board of Directors met four (4) times. Topics discussed in the meetings, among others were, the Company's performance results, business development, and various other issues. Attendance details were as follows:

Name	Number of Meetings	Total Present	Percentage
Dedi Sjahrir Panigoro	4	4	100%
Kasman Ardan		4	100%
Miranty Abidin		4	100%
Lucia Novenna Budiono		3	75%
Farida Eva Rianti Hutapea*		2	50%
[REDACTED]		[REDACTED]	[REDACTED]
Indra Abidin		4	100%
Herman Muljadi Sulaeman		4	100%

\* Approved resignation in June 2014

**Commissioners' Development Program**

During 2014 members of the Board of Commissioners attended various training programs, conferences, seminars, or workshops, organized by the OJK, BEI, IAI, AEI etc.

**Working Relationship Between the Board of Commissioners and the Board of Directors**

» The Board of Commissioners respects the functions and role on the Board of Directors in taking care of the company as laid out in legislation and the Articles of Association of the Company.

- » The Board of Commissioners is entitled to have access to company information in a timely and complete manner, and the Board of Directors is responsible for ensuring that information about the Company is granted to the Board of Commissioners in a timely and complete manner.
- » The Board of Directors is responsible in submitting reports required by the Board of Commissioners on a regular basis in accordance with applicable regulations.

#### **Recommendations of the Board of Commissioners During 2014**

- » Directed FORU's Board of Directors and Management to act strategically with attention to the political climate in Indonesia.
- » Requested the Board of Directors improve the performance of the Company in the advertising services sector.
- » Requested the Board of Directors prepare a special strategy related to the tightening of licensing in the field of exhibitions.
- » Requested the Board of Directors to more aggressively increase revenue from the Graphic Design services sector.

#### **Board of Directors**

The number, composition, and Term of Office of Directors, are laid down in the Company's Articles of Association, they are appointed by the GMS for a period of 5 (five) years and can be reappointed for 1 (one) term, without prejudice to the right of the GMS to dismiss at any time by stating the reason.

The Board of Directors are in charge of running all actions relating to the Company's management for the benefit of the Company in accordance with its purposes and objectives, as well as representing the Company both inside and outside of court regarding any incidents and restrictions as set forth in legislation, the Articles of Association and / or the General Meeting of Shareholders' decisions.

FORU's Board of Directors comprises two (2) members, one of which is the President Director. The Board of Directors hold internal meetings whenever necessary, and they are attended by all members of the Board of Directors, and the Corporate Secretary who is in charge of preparing the Minutes of the Board of Directors' meetings.

Throughout 2014, the composition of FORU's Board of Directors remained unchanged. Up to December 31, 2014, the composition of FORU's Board of Directors is as follows:

Name	Position	Start	End
Indra Abidin	President Director	June 2011	June 2016
Herman Muljadi Sulaeman	Director	June 2011	June 2016

**Functions, Duties and Powers of the Board of Directors**

The composition of the Board of Directors is determined and appointed by the General Meeting of Shareholders for a term of 5 (five) years and Shareholders are entitled to terminate at any time through the GMS. The Board of Directors hold a mandate to carry out the management of the Company such as developing and implementing the Company's Business Plan, following up audit findings and recommendations of the internal audit unit, external auditors, strategic policies related to running the Company's business segments, as well as managing the Company's reputation.

The main task of the Board of Directors is to lead and manage the company in accordance with the company's Articles of Association, the GMS, and laws applicable to their responsibilities and functions as follows:

1. Direct the Company's operational strategy in running its business.
2. Lead, manage, and control the Company in accordance with the Company's goals and always strive to improve efficiency and effectiveness.
3. Control, maintain, and manage the Company's assets.
4. Develop an annual work plan, which includes the Company's annual budget, and submit to the Board of Commissioners for approval, before the upcoming fiscal year begins.

Based on their position and specialty, each member of FORU's Board of Directors, has detailed duties and responsibilities as follows:



**Indra Abidin**

President Director

1. Represent the Company in creating a harmonious relationship with stakeholders.
2. Lead, control, and coordinate all activities in all divisions.
3. Establish corporate policies that cover all the company's activities.
4. Establish risk management policies; approve the risk management plan.
5. Be responsible for overseeing the follow-up results of the audit.
6. Perform overall supervision of the Company's performance implementation.
7. Ensure achievement of the Company's Deliver Company Reports to the stakeholders.

**Herman Muljadi Sulaeman**

Director

1. Responsible for the Company's overall financial management.
2. Perform policies related to the control of cost, time, and quality in business activities in accordance with strategies set by the Board of Directors.
3. Manage the capital structure of the business, ensuring adequate liquidity, solvency as well as the flexibility of the Company's financial structure.
4. Coordinate and oversee all project implementations under his authority.
5. Manage the Company assets including Human Resources (HR) and their development.
6. Develop the Company's business, including new campaigns, as well as maintain the quality of the Company's services and products.

**Criteria**

- » All members of the Board of Directors should have 5 (five) or more years experience in the field of operations as Executive Officers of the Company.
- » All members of the Board of Directors should reside in Indonesia.
- » All members of the Board of Directors should:
  - » Not have been declared bankrupt or have been found guilty of causing a company to go bankrupt.
  - » Have never performed despicable acts and have never been convicted of a criminal act.
  - » Not have another position as Commissioner, Director or Executive Officer at similar companies, and other institutions.
  - » Not have financial ties and family relationships with members of the Board of Commissioners, members of the Board of Directors and / or shareholders of the Company.

**The Board of Directors' Code of Conduct**

In performing its duties, the Board of Directors is obliged to achieve the targets set in the vision and mission of the company. The Board of Directors' liabilities are as follows:

- » Seek and ensure the implementation of the business and activities of the Company in accordance with its intent and purpose.
- » Prepare the company's Long-Term Plan, Work Plan and Budget, and other plans relating to the implementation of business and corporate activities and submit them to the Board of Commissioners and the Shareholders in a timely manner for approval by the General Meeting of Shareholders.
- » Develop accounting systems in accordance with Financial Accounting Standards and based on the principles of internal control, particularly management functions, recording, storage and supervision.
- » Provide accountability and supporting information related to the state and the running of the company, in the form of an Annual Report, including annual accounts and management reports to the General Meeting of Shareholders.
- » Provide regular reports in a timely manner in accordance with applicable regulations as well as other reports whenever requested by the Shareholders.

- » Establish a complete enterprise-wide management organizational structure with details of all its associated duties.
- » Undertake other obligations in accordance with the Articles of Association adopted by the General Meeting of Shareholders based on legislation.

Directors must maintain a harmonious relationship with shareholders by fulfilling its obligations as follows:

- » The Board of Directors must provide material information on the company that is complete and accurate to the shareholders.
- » The Board of Directors must prepare a General Meeting of Shareholders mechanism that enables the Shareholders to attend the General Meeting of Shareholders in accordance with the regulations and legislation in force.
- » The Board of Directors should ensure that shareholders understand their rights in accordance with the Articles of Association, all lawfully taken decisions in the General Meeting of Shareholders as well as the rules and regulations in force.

- » The Board of Directors are not allowed to hold positions as Directors in other companies and are not allowed to have a stake in a competitor company or companies that act as suppliers.

**President Director's independency**

The President Director is an independent party from the controlling shareholder. The President Director's independency is assessed based on relevance concerning management, financial relationships and family ties with the controlling shareholder.

**Board of Directors' Performance Assessment**

The Board of Directors' Performance Assessment is conducted by Shareholders annually. The targets set for 2014 and their realization serve as guidelines for the Board of Directors and can also be seen in the Key Performance Indicators (KPI) for the current year.

This is also supported by the Board of Directors' ability to quickly respond to problems through routine or incidental meetings.



### Board of Directors' Remuneration Determination Procedure Chart

(Function) Remuneration and Nomination Committee

The function of the Remuneration and Nomination Committee is to review the remuneration, then make recommendations and propose remuneration and nomination of Board of Directors' members.

The Board of Commissioners proposes to the GMS the results of the study. The GMS can delegate this authority to the Board of Commissioners.

The GMS discusses the proposal based on the Remuneration and Nomination Committee's study for the members of the Board of Directors.

Board of Commissioners' Meeting

Determination and Approval of the Remuneration and Nomination of members of the Board of Directors.

Determination of the remuneration of the Board of Directors is determined by the GMS and the authorization may be submitted to the Board of Commissioners. For 2014, the remuneration of Directors was submitted to the Board of Commissioners, and they decided that there should be no change in the remuneration of the Board of Directors in 2014.

1. Directors' Income consists of:
  - a. Monthly Salary / Honorarium.
  - b. Allowances;
    - » Religious holiday allowance, a maximum of 1 (one) times Salary / Honorarium within the Company's ability to pay.
    - » Communication Allowance for Directors' usage (at cost).
  - c. Facilities;
    - » Given based on the Company's financial condition and ability.
    - » 1 (one) vehicle for each Director for their use together with its maintenance and operation.
    - » Health Facilities in accordance with applicable Company provisions.
    - » Legal aid in the event of actions that may arise whilst acting in their positions on Company activities.
  - d. Bonus / Performance Incentives, the amount is determined based on KPI achievement and the soundness of the Company.

e. Taxes on Directors' Salaries / Honorarium, Allowances, Facilities and Bonuses are borne by the Company.

2. Outside the matters set out in this provision, the Board of Directors are not allowed to charge the Company for personal gain.

Provisions regarding these Directors' salaries / honorarium, facilities started on July 1, 2014

#### **Directors' Remuneration**

Total remuneration for the Board of Directors for 2014 amounted to Rp8,131,588,093.

#### **Board of Directors' Meetings**

- » All strategic decisions and policies established at the Board of Directors' Meetings are made based on consensus agreement.
- » The results of the Board of Directors' Meetings are recorded in the minutes of the meetings and are properly administered, including any differences of opinion that may occur.
- » All decisions taken at the Board of Directors' Meetings are not contrary to the applicable regulations and work rules.

**Board of Directors' Meetings Attendance and Agenda**

Date	Agenda	Member	
		Indra Abidin	Herman Muljadi Sulaeman
January 20	January performance	Present	Present
February 17	February performance	Present	Present
March 17	March performance	Present	Present
April 23	April performance	Present	Present
May 19	May performance	Present	Present
June 16	June performance	Present	Present
July 16	July performance	Present	Present
August 18	August performance	Present	Present
September 15	September performance	Present	Present
October 22	October performance	Present	Present
November 17	November and December performance	Present	Present
December 22	Performa November dan Desember	Present	Present
Total attendance / Percentage		12 / 100%	12 / 100%

From the Board of Directors' Meeting recap above you can see the agendas that were discussed at the meetings, thus showing the readiness, alertness, and activity level of each of the Board of Directors to carry FORU forward towards becoming a superior communication-based company in the future.

During 2014 members of the Board of Directors attended various training programs, conferences, seminars, or workshops, organized by the OJK, BEI, IAI, AEI etc.

### Corporate Secretary



#### Indira Ratna Abidin

She was appointed as Corporate Secretary in 2002. Born in Bandung, October 29, 1969, she earned a Master's degree (S-2) from Boston University (2001), and a degree in Economics from the University of Indonesia (1995). She served as a Managing Director for Fortune PR since 2007 and until today has been the Chief Executive Officer of Fortune PR. Other positions held in FORU included, PR Consultant (2002-2004) and assistant CEO for new business development (1996-1998). Previously, she also served as Research Assistant at Boston Medical Center (1999-2001) and was a coordinator in HarborCov Women Empowerment Center (1999). She has been actively involved in the Association of Indonesian Corporate Secretary since 2002 and joined AIESEC Indonesia (1989-1993). In addition she has been actively participating in various training and seminars she is also active as a lecturer and speaker.

In accordance with regulation No. IX.I.4 in the Appendix Decision of Chairman of Bapepam Number: Kep-63 / PM / 1996 dated January 17, 1996, FORU's Corporate Secretary serves to facilitate communications between the company and maintains public disclosure. The Corporate Secretary also plays an important role in ensuring the Board of Directors and the Board of Commissioners, or other stakeholders, have complied with the principles of corporate governance. To this end, FORU appointed Indira Ratna Dewi Abidin as Corporate Secretary since 2002, as laid out in the Board of Directors' Decree No.01 / DIR / KEP / 2001.

### Functions, Duties, and Responsibilities

In performing its duties, the Corporate Secretary is supported by the Legal Department and the Communications Department with the following responsibilities:

- » Ensure implementation of financial disclosures in the published financial statements and other information needed by the capital market.
- » Ensure transparency that the results of the Annual General Meeting of Shareholders have been conducted in accordance with applicable regulations and has reached all stakeholders.
- » Ensure the Company has complied with all corporate governance in its implementations.
- » Ensure the Company has met all capital markets regulations and other rules and regulations related to the Company.
- » Receive and follow up on complaints from external companies and complaints or feedback from internal parties acting as whistleblowers.
- » Follow the development of the capital market, especially the regulations in force in the capital market.
- » Provide the public with any information needed by investors relating to the condition of the Company.
- » Provide input to the Board of Directors to comply with the provisions of Law No. 8 of 1995 on capital markets and implemented regulations.

### 2014 Work Program

In the company's organizational structure, the Secretarial Division and the legal and Communications Departments, as Corporate Secretary, reports directly to the Board of Directors. The activities undertaken include:

- » Financial Statements  
Submission of the 2014 audited Annual Financial Statements, Q1, Half-Year and Q3 Reports in a timely manner. Advertising for the audited Annual Financial Statement and Half-Year Report in newspapers in accordance with applicable regulations.
- » GMS  
Implementation of the 2014 GMS in accordance with plans and regulations including all requirements related to materials, advertising (GMS notification, invitation and results) and reporting to the appropriate authorities.
- » Public Exposure  
Obligation to conduct at least once a year after the GMS regarding all terms and notices relating to the public exposure in accordance with applicable regulations.

The Corporate Secretary Division also follows the development of the capital market by attending various training programs, conferences, seminars, or workshops, organized by the OJK, BEI, IAI, AEI, and ICSA.

## Commissioners' Supporting Organs

In conducting its oversight function, the Board of Commissioners is assisted by the Audit Committee, and the Remuneration and Nomination Committee. The existence of committees under the Board of Commissioners is in accordance with statutory provisions and is intended to enhance the implementation of corporate governance principles in FORU's operational activities

### The Audit Committee

The Audit Committee is a committee under the Board of Commissioners and has the primary function to assist and evaluate supervisory tasks carried out by the Board of Commissioners, including internal control and the quality of Company reporting. The establishment and implementation of FORU's Audit Committee was guided by BAPEPAM Decree No. 29 / PM / 2004 on the Establishment and Implementation Guidance of the Audit Committee. Tenure of membership in the Audit Committee is 5 (five) years, and may be extended for one more term, without prejudice to authority.

The Audit Committee also provides input to the Board of Commissioners on annual business focus. The main focus of the Audit Committee is to ensure that business risk management and internal controls have been implemented correctly and effectively by the Company.

### Audit Committee Charter

The Board has established an Audit Committee Charter containing guidelines to help the Audit Committee perform its duties and responsibilities in a transparent, competent, objective, and independent manner so that it can be accounted for and be accepted by all concerned parties. The Audit Committee's Charter has been published in a guidebook and posted on FORU's website.

### Audit Committee Appointments and Dismissals

The appointment and dismissal of Audit Committee members by the Board of Commissioners, is based on the BOC Decree No. 01 / KA-FL / DK / VI / 2011 regarding the Dismissal and Appointment of Members of the Audit Committee of PT Fortune Indonesia Tbk. for the period 2011-2016.

**Audit Committee Independence**

OJK's Regulation on the Audit Committee requires that the Audit Committee have a minimum membership of three members, one of whom is a Commissioner, to this end, Dedi Sjahrir Panigoro, who is unaffiliated, acts as chairman. While the other two members must be independent, with at least one with expertise in accounting and finance.

To ensure independence in accordance with prevailing regulations in Indonesia, the Audit Committee members are not appointed from officers of the Public Accountants' Office that has provided audit and non-audit services to the Company for a period of six months. As a result, FORU has appointed three members to the Audit Committee who are eligible through their independence and who have no conflict of interest with the Company, especially regarding family and financial relationships, with management and owners of the Company.

**Audit Committee Criteria**

To ensure the Audit Committee's quality of work, FORU has established a set of criteria that must be met by Audit Committee members, namely:

- » Have a good integrity, knowledge and work experience in the field of supervision / inspection.
- » Do not have any interest / private linkages that can have a negative impact and conflict of interest on the Company.
- » Can provide sufficient time to complete the tasks.
- » One of the members of the Audit Committee must have the educational background or have expertise in accounting or finance, and one must understand the industry / business..

**Audit Committee Composition and Term of Office**

FORU's Audit Committee was appointed by the Board of Commissioners for a period of 5 (five) years up to 2016. The term of office of each Audit Committee member is shown below:

Name	Position	Start	Finish
Dedi Sjahrir Panigoro	Chairman	June 2011	June 2016
Alexander Ronald Sindhika	Member	June 2011	June 2016
Dharmawan Sutanto	Member	June 2011	June 2016

### Duties and responsibilities

As per the Audit Committee charter, the duties and responsibilities of the Audit Committee are as follows:

- » Supervise the Company's performance.
- » Set up procedures and other administration including reporting to effectively assist the Audit Committee's activities.
- » Oversee all financial information, in addition, the Audit Committee also serves to resolve any disputes between management, external auditors or internal auditors on financial reporting.
- » Evaluate the planning and implementation of the Company's internal controls, oversee the implementation of risk management.
- » Participate in appointments or dismissals, as well as supervise the work of the Internal Audit Division Head and the Internal Audit Unit, becoming the primary interface and provide an appropriate forum to deal with all matters relating to the audit or regulatory examinations, if any.
- » Participate in appointments or dismissals and supervise the work of the public accounting firm conducting the audit or other audit assignments in accordance with existing agreements, attest to the financial statements and other audits conducted by the public accounting firm which require the Audit Committee's approval.

- » Ensure the Company abides by existing legislation in order to achieve good corporate governance.
- » Receive directly, or through management reports, complaints / grievances from internal and external parties; establish and maintain a grievance mechanism / complaints such as embezzlement, other fraud and other inappropriate activities.

In addition to the above tasks, the Audit Committee may also receive special assignments from the Board of Commissioners, these tasks to be completed in accordance with the Board of Commissioners' objectives.

### Audit Committee Code of Ethics

The Audit Committee and each member of the Audit Committee, executes basic tasks and functions with; honesty, objectivity / independently and professionally, and earnestly utilizing their skills to the maximum benefit of the Company.



The Code of Ethics as stipulated in the Audit Committee Charter are as follows:

1. The Audit Committee and each member of the Audit Committee, earnestly and consistently, adheres to legislation and other provisions, particularly those related to the implementation of the Audit Committee's basic tasks and functions.
2. The Audit Committee and each member of the Audit Committee, is responsible for maintaining the confidentiality of any Company information obtained, either during or after serving on the Committee.
3. Each member of the Audit Committee, does not provide any other services to the Company either directly (individually) or indirectly (through institution), as it will impact the committee members' independence and the Committee's objectivity.
4. If during the Audit Committee's implementation of its basic tasks and functions a potential "conflict of interest" occurs, that member will not be involved in the process / activity.
5. Each member of the Audit Committee, does not receive any gifts from the Company beyond those permitted by laws and regulations.

**Audit Committee Frequency of Meetings and Attendance**

Throughout 2014, the Audit Committee held meetings to carry out the mandate of stakeholders, in its function as an independent committee reporting directly to the Board of Commissioners with the following agenda:

Date	Agenda	Participant		
		Dedi Sjahrir Panigoro	Alexander Ronald Sindhika	Dharmawan Sutanto
January 23	2013 Annual Financial Statements Discussion	Present	Present	Present
April 23	Q1 2014 Financial Statement Discussion	Present	Present	Present
July 16	Q2 2014 Financial Statement Discussion	Present	Present	Present
October 22	Q3 2014 Financial Statement Discussion	Present	Present	Present
Total attendance / Percentage		4 / 100%	4 / 100%	4 / 100%

### **Audit Committee Remuneration Policy**

Based on PT Fortune Indonesia Tbk. policy, the FORU Audit Committee received appropriate remuneration based on the Board of Directors' decision.

### **2014 Audit Committee Program**

The Audit Committee conducted a program of activities including:

- » Reviewed FORU's 2014 RKAP.
- » Reviewed the Internalization and Evaluation Program for corporate governance.
- » Reviewed the Monthly, Quarterly, Semi-annually and Annual Management Reports, including a review of the performance of its investments.
- » Reviewed the Work Plan and Recommendations performance.

The Audit Committee's work program in 2014 was carried out in accordance with the work plan with targets and realization of achievement reaching 100%.

### **2014 Audit Committee Report**

Throughout 2014, the Audit Committee conducted various activities to assist the Board of Commissioners in oversight over the activities and operations of the Company. A brief report of the Audit Committee activities during 2014 are as follows:

- a. Evaluated the preparation of the 2013 Interim Annual Financial Company Statements to be audited by independent auditors, with good results and in accordance with applicable regulations.
- b. Evaluated the preparation of the 2014 Q1 Interim Financial Statements with good results and in accordance with applicable regulations.
- c. Evaluated the preparation of the 2014 Q3 Interim Financial Statements with good results and in accordance with applicable regulations.

- d. Evaluated the preparation of the 2014 half-year Interim Financial Statements with good results and in accordance with applicable regulations.
- e. Evaluated the preparation of the Company's 2015 Work Plan, with good results.

### **Remuneration and Nomination Committee**

FORU has not separated out the functions of the remuneration and nomination committee from the Board of Commissioners so all tasks of the Remuneration and Nomination Committee are handled directly by the BOC.

### **Duties and responsibilities**

1. Nominated Functions
  - a. Analyze, organize, and make recommendations on systems and procedures and or replacement of members of the Board of Commissioners and Board of Directors to the Board of Commissioners;
  - b. Provide recommendations regarding candidates for the Board of Commissioners and the Board of Commissioners or Board of Directors;
  - c. Monitor execution and analyze the criteria and selection procedure for prospective officials one level below the Board of Directors;
  - d. Develop a performance appraisal system for the Board of Commissioners and the Board of Directors;
  - e. Provide recommendations on the number of members for the Board of Commissioners and Board of Directors;

- f. Give opinions or advice to the Board of Directors on the Board's decision to transfer and remove officers of the Company at one level below the Board of Directors;
  - g. Analyze the data for one level below the Board of Directors, submitted by the Board of Directors, on a quarterly basis and at any time if there is a change;
  - h. Recommend to the Board of Commissioners Independent Parties who could become members of the Audit Committee.
2. Remuneration Functions
- a. Evaluate the remuneration policy applicable to the Board of Commissioners, the Board of Directors and Company Staff;
  - b. Provide recommendations to the Board of Commissioners on:
    - » The remuneration policy for the Board of Commissioners and the Board of Directors;
    - » The remuneration policy for executive officers and Company employees as a whole will be submitted to the Board of Directors.
  - c. Provide recommendations on options granted to the Board of Commissioners, the Board of Directors and employees of the Company, among other options;
  - d. Provide recommendations on the company employees' pension system;
  - e. Provide recommendations on the compensation and other benefits system to be used during the reduction of the Company workforce.

## Transparency, both Financial and Non Financial, has not been revealed in other reports

The Company has prepared and presented transparent financial and non-financial information to stakeholders, and other agencies as required, in a timely, complete, accurate, current, and adequately in accordance with the procedures, as set out in the Company Financial Transparency provisions.

The information included, among others:

- » Annual Report.
- » 3-month Financial Report to be published in the mass media.
- » Monthly Financial Report to be published on the Company website.
- » Other reports and information.

### 2014 Related Disclosure Information list

No.	Date	Topic
1	28 March	Submission of FORU Annual Financial Statements
2	28 March	Notification of FORU Annual General Meeting
3	28 March	Submission of Advertisement for FORU Annual Financial Report
4	28 March	Clarification of FORU volatility
5	14 April	Cancellation notice of FORU Annual General Meeting
6	30 April	Submission of FORU Annual Report
7	30 April	Submission of FORU Interim Financial Statements
8	26 May	Submission of GMS Advertisement Notice
9	26 May	Notification Plan for FORU Annual General Meeting
10	10 June	Submission of FORU GMS Invitation Advertisement
11	10 June	Invitation of FORU Annual General Meeting
12	13 June	Annual Implementation Plan for FORU Public Expose
13	13 June	Submission of materials for FORU Annual Public Expose

No.	Date	Topic
14	26 June	Disclosure regarding Certain FORU Shareholders
15	27 June	FORU Cash Dividend Schedule
16	27 June	FORU Annual Public Expose Report
17	27 June	Results of FORU Annual General Meeting
18	27 June	Submission of FORU GMS Results Advertisement
19	14 July	Disclosure regarding Certain FORU Shareholders
20	15 July	Need to Know Public Disclosure Notification of FORU Stock Purchase Plan by PT Citra Karya Prima
21	18 July	Disclosure regarding Certain FORU Shareholders
22	24 July	Disclosure regarding Certain FORU Shareholders
23	25 July	Submission of FORU Interim Financial Statements Advertisement
24	25 July	Submission of FORU Interim Financial Statements
25	5 September	Need to Know Public Disclosure Notification of FORU Controlling Shareholders, Major Shareholders, and Shareholders
26	31 October	Submission of FORU Interim Financial Statements
27	31 October	Disclosure of Information About the FORU Tender Offer
28	6 November	Need to Know Public Disclosure Notification of Liability Company Information Request from BEI FORU
29	26 November	Clarification of FORU volatility
30	16 December	Need to Know Public Disclosure Notification of FORU Public Shareholding above 5%
31	16 December	Disclosure regarding Certain FORU Shareholders

### Shareholdings of the Board of Commissioners and the Board of Directors

Commissioners' Name	5% Share Ownership or more		
	Position	Number	
		FORU	Subsidiary
Dedi Sjahrir Panigoro	President Commissioner and Independent Commissioner	Nil	Nil
Kasman Ardan	Commissioner	Nil	Nil
Miranty Abidin	Commissioner	Nil	Nil
Lucia Novenna Budiono	Commissioner	Nil	Nil

Directors' Name	5% Share Ownership or more		
	Position	Number	
		FORU	Subsidiary
Indra Abidin	President Director	Nil	Nil
Herman Muljadi Sulaeman	Direktur	Nil	Nil

The Company does not currently have any policies regarding share ownership programs.

## Compliance Report

### Compliance Function

The company's Board of Directors and "Fortuners" have to understand the roles and responsibilities of each other when implementing the compliance function, forming a series of preventive actions or steps to ensure that policies, regulations, systems and procedures, as well as the business activities are conducted by the Company in accordance with prevailing Indonesian Company provisions and legislation.

### Company Work Guidelines

To improve the implementation of corporate governance, FORU has formulated guidelines and a code of ethics called "Fortuners" guidelines as the basis for all "Fortuners" to interact with stakeholders and fellow "Fortuners".

FORU is confident that the gradual and consistent implementation of corporate governance will improve and influence the mindset, attitudes, and behavior of everyone in FORU. "Fortuners" guidelines came into effect in 2002. In order to realize a good and sustainable corporate governance implementation, the guidelines should be adhered to by every member of FORU, which covers the Board of Commissioners, the Board of Directors, as well as "Fortuners".

"Fortuners" guidelines consists of 9 items that include:

1. Initiative - Do not wait for orders - Take the initiative of your own work.
2. Plan - Implement, start the work, finish.
3. Ideast - Store ideas.
4. Cooperation - Build cooperation with others.
5. Open - Listeners are ready to find a better way.
6. Principled - Be willing to contest to find a better way.
7. Lead - Take pole position.
8. Take a difficult task - Love the challenge.
9. Integrity - Hold on to true words.

## Internal Fraud

Below is a table of the number of internal frauds that occurred and status of completion.

Internal irregularities within 1 year	The number of cases committed by					
	Management		Permanent staff		Non-Permanent staff	
	Previous year	Current Year	Previous year	Current Year	Previous year	Current Year
Total Fraud	Nil	Nil	Nil	Nil	Nil	Nil
Resolved	Nil	Nil	Nil	Nil	Nil	Nil
In the process of internal resolution	Nil	Nil	Nil	Nil	Nil	Nil
Unresolved	Nil	Nil	Nil	Nil	Nil	Nil
Followed up by legal proceedings	Nil	Nil	Nil	Nil	Nil	Nil

## Violation Reporting System

The whistleblowing policy is a system which manages complaints / disclosures about illegal behavior with a high commitment to applying the principles of good corporate governance.

As a public company, FORU protects all parties, both internal and external, who wish to submit a complaint to the Audit Committee with information deemed inappropriate or inaccurate. Especially, when the information relates to important areas such as annual or financial reports, press releases, etc.

This policy has been developed so that any violations found externally or internally can be followed up without disrupting ongoing business stability, affect the image and reputation of the company, as well as to create a climate of openness on all corporate resources while still ensuring that the whistleblower with the complaint will not experience any harm in line with FORU's commitment to uphold, moral and legal ethics.

## Submission Procedure

1. By letter containing a description of the complaint addressed to: The Audit Committee, Galaktika Building 2nd floor, Jalan Harsono RM 2, Ragunan, South Jakarta 12550.
2. Via email containing a description of the complaint addressed to: [komiteaudit@foru.co.id](mailto:komiteaudit@foru.co.id).

## Receipt of Report

1. The entire complaint submitted to the Audit Committee shall be in the form of a letter opened by at least two members of the Audit Committee, while the complaint via email will be forwarded to all members of the Audit Committee. Letters that have been opened must be reported to the other members of the Audit Committee.
2. After receiving the letter, the appointed member of the Audit Committee completes a list of complaints containing:
  - » Description of complaint.
  - » The action taken with regard to the complaint as the result of the investigation.
  - » The results of the review.
  - » The decision taken by the Committee based on, but not limited to, the recommendation of the Board of Commissioners, and others.
3. Access to List of Complaints and related files is limited to members of the Audit Committee and other parties designated or approved by the Audit Committee.

4. The internal or external parties that intend to submit a complaint should follow the procedures by :
  - » Mentioning their name without any specific requests
  - » Mentioning their name accompanied with a specific request to keep their identity confidential
  - » Anonymously

The entire incoming complaint, either with or without a name, will be processed after considering the contents of the complaint and the evidence. However, it is advisable to include the identity of the complainant for ease of facilitating the investigation process. The complainant is not required to prove their allegation but nevertheless needs to submit convincing reasons.

#### Handling and Response to Complaint

1. Once a complaint is received, the Audit Committee, in a joint meeting of the Audit Committee, will establish ways to handle it. The Audit Committee may delegate the handling of the complaint to a designated special team.
2. The complainant will receive follow-up information regarding their complaints, except where the complainant wishes to remain anonymous, or does not wish to receive follow-up information. Follow-up information will be in the form of:
  - » Notification of the complaint's acceptance
  - » Indications of steps taken to deal with the complaint
  - » Notification about the process of the initial investigation
  - » Notification about whether or not further investigation will be conducted and the reason

3. The complainant will be informed of the results of the investigation after considering all legal aspects.
4. Any special team, appointed by the Audit Committee to conduct an inquiry, should report the status of the investigation and all steps that have been taken at regular meetings of the Audit Committee.
5. All files relating to the investigation will be treated as confidential and kept by the Audit Committee or other party designated by the Committee for five years.

#### Retaliation Prohibition

The company and its employees are not allowed to take adverse action against any party who has, in good faith and in accordance with procedures, made the complaint, with actions such as harassment, threats, suspension, lay off, or other discriminatory measures.

### Baseless Allegations

Any complaints or allegations that have no basis, especially those that could damage the reputation of the company or a particular employee, shall be regarded as a serious offense and may be subject to sanctions up to and including termination of employment. Protection for whistleblowers as described in "Retaliation Prohibition" does not apply to any complainant who knew that the complaint and the evidence were not valid or the truth was doubtful.

### Legal Issues

In 2014, the Company had one FACT case with Pahala Kencana. Currently the case is on appeal. Nevertheless, the legal case does not affect FORU's business performance as the Company has made necessary provisions to reduce the risks associated with any constraints it may face.

### Extraordinary Events affecting Financial Information

During 2014, there were no extraordinary events significantly affecting the Company's finances, as the right mitigation strategy has been put in place.

### Company Report on Environment Pollution

In its activities the Company has never had a negative impact on the environment, especially in terms of environmental pollution. With regards to AMDAL, FORU in its operational activities always upholds the regulations.

### Important Cases Faced

During 2014 no significant matters were faced by the Company, the Board of Commissioners, or the Board of Directors that were not disclosed in the Financial Statements, either affecting or not affecting the Company's business objective.

During lawsuits faced by the Company during 2014, when the company won the court's decision, there was no negative impact on its financial condition and the continuation of the Company's business, because it had been reserved for in the claims reserve in the Company liabilities.

### Fulfillment of Tax Obligations

The company always fulfills its taxation obligations for the payment of income tax and other tax liabilities.

### Non-compliance with PSAK

A report by the Public Accountant (KAP) Kosasih, Nurdyaman Tjahjo & Rekan dated March 25, 2015, states that the Company has complied with all aspects and provisions of several articles in the Law, Government Regulations (PP), Ministerial Decrees and other government regulations.

### Share Option

No share option scheme is held by the Board of Commissioners, the Board of Directors or Executive Officers of the Company to purchase share options of the Company.

### Conflict of Interest

Conflict of interest is a situation where there is a conflict between the economic interests of the Company and the personal economic interests of shareholders, members of the Board of Commissioners and the Board of Directors, as well as employees of the company. Thus, all elements of FORU must maintain the integrity of the business and support the principles of fair competition in accordance with the legislation in force.

If there is a potential conflict of interest by officials, then the initiating unit working with an independent unit should discuss the issue together so that the potentially harmful transactions can be avoided.

### Non-Public Information Disclosure Ethics

All "Fortuners" are required to maintain the confidentiality of all non-public information concerning the Company relating to customers, providers, or other parties that was gained while working in the Company. Disclosure of such confidential information to unauthorized parties is prohibited during their time as full-time staff.

### Provision of Funds for Political Purposes

The company has never given funds in any form for political purposes.

### Political Activities

"Fortuners" are prohibited from political activities including being a member or political party, official or use company funds or resources to contribute to candidates of political parties and non-parties or make political contributions from the Company or gather political contributions, using its facilities or resources for campaigns, fundraising for purposes of political participation, personally perform volunteer service during business hours on behalf of a candidate campaigning for public office, a political party committee or political committee.

### **Narcotics, Forbidden Drugs, & Liquor Abuse**

FORU maintains a work environment that is healthy and productive. Every "Fortuner" is expected to perform tasks and responsibilities in a safe manner, free from the influence of alcohol and drugs.

### **Bribes**

Members of the Board of Commissioners and Board of Directors and "Fortuners" are prohibited from abusing their position for personal interest or gain, including family and other parties receiving benefits in a way that is material.

### **Gifts**

Company officials are forbidden from accepting gifts from subordinates, colleagues and / or partners / entrepreneurs in any form, either in the form of bouquets, food parcels and other valuables.

Company officials are also prohibited from making gifts or promises to anyone in order to expect a return or to get special treatment.

### **Corporate Commitment to consumer service**

To enhance the good relationship that has been forged and get feedback and input from stakeholders through the media in addition to the website, the Company has also provided a medium for monitoring customer satisfaction, customer complaints both written and verbal.

The company already has provisions regarding the receiving, handling and completion of customer complaints in accordance with the laws of the Republic of Indonesia Number 14 of 2008 on Public Information, this Freedom of Information can be accessed on the website [www.foru.co.id](http://www.foru.co.id) or through the Stock Exchange Indonesia website [www.idx.co.id](http://www.idx.co.id) and [www.ojk.go.id](http://www.ojk.go.id)

### **Information Dissemination through the Media**

One of the principles of good corporate governance is transparency. Among other forms of disclosure by delivering accurate company information, recorded, processed and summarized in a report within a specified period in accordance with the applicable disclosure provisions.

FORU has explained important information that can be used by the stakeholders to analyze the Company's performance such as position, condition, performance, and financial prospects, which are available in the Annual Report, Periodic and Interim Financial Statements as well as press releases and other disclosures of information to the public. The information is also kept updated regularly so that the public always receives updated information on FORU.

In addition, the company also conveys information to all "Fortuners" in the form of press releases through company magazines, internal memos and internal emails. This is undertaken to ensure equality in the distribution of information to all stakeholders. In addition to announcing the information, the company also uses the media or other means such as employee gatherings, half-yearly and annual work meetings and monthly coordination meetings.

### Media Relations

The media relations' function focuses more on managing and building good relationships with the media. The main duties include the provision of accurate information through a variety of reporting activities, such as press releases, press conferences, as well as through programs meeting reporters.

Throughout 2014, the Company managed to improve the quality and quantity of delivery of information to the public through media coverage, with details as follows:

- » 7 Press releases
- » 1 Press conference
- » 4 Media meetings
- » 3 Visits to the media offices

No	Date	Title
1	10 February	PT Fortune Indonesia Tbk Sabet Award for The Best Creative And Innovative Company of the Year
2	8 May	First Listed on the Stock Exchange, PT Fortune Indonesia Tbk Achieves Record Business
3	12 May	Explanations Related to FORU Shares Suspension on the Stock Exchange
4	25 June	FORU Shares 44% Profit as Dividend
5	3 September	Golden Age Education Support, FORU Opens Three New Nurseries

No	Date	Title
6	20 November	Hajar !!, Because Difficulties Become Opportunities Fortune Indonesia Work in The Communication Industry
7	21 November	Working with the International Football Team, Fortune Indonesia Wins ReBi Award

**Information Management**

FORU determines the nature of data, information, and organizational knowledge as follows:

- » Ensure the accuracy of data and information, FORU uses application software and has appointed a person in charge of the unit that maintains the accuracy of data and information for each unit.
- » Ensure the integrity and reliability is based on the results of verifications performed by each business unit in the Company.
- » Ensure timely data and information, carried out by the finance department, to review the accuracy of data and information that is also conducted through internal assessments and IT audits each year.
- » Ensure the security and confidentiality of data and information, then creates user names, passwords and network anti-virus in order to access FORU's LAN network.

**Data Availability and Information**

FORU makes available the data and information, held in the data centers, for access by any FORU employees. FORU also provides data and information via its website, webmail can be accessed by interested parties e.g. customers, partners, general public.

Media and the mechanisms used to access data and information are as follows:

Users	Media	Available content
Employees	Website, Intranet, Email, Mail, Fax, Phone	Network, Data Center, Vision, Mission, Values, Organizational Structure, Company Profiles, Business Fields
Partner	Website, Meetings, Email, Mail, Fax, Phone	Contact Us / Customer Service, Organizational Structure, Company Profile, Products and Services, Business Segments
Clients / Customers	Website, Meetings, Email, Mail, Fax, Phone	Contact Us / Customer Service, Organizational Structure, Company Profile, Products and Services, Business Segments
Supplier	Website, Meetings, Email, Mail, Fax, Phone	Contact Us / Customer Service, Organizational Structure, Company Profile, Products and Services, Business Segments

## Internal Audit

The Internal Audit Division was formed in 2010 to ensure that the implementation of GCG had been executed well in line with company goals. In the organizational structure, internal audit is independent and is responsible for reporting its activities to the Board of Directors. The Internal Audit Division is responsible for ensuring that the implementation of the company's operations is conducted in accordance with the company's generally accepted operating principles, operational audits and compliance audits to ensure that standard operations are adhered to by the entire operation, as well as investigative audits if necessary.

### Internal Audit Composition

In line with Bapepam -LK Decision No.IX.I.7 on the Formation and Guidelines for Preparation of Internal Audit Charters (Decree of the Chairman of Bapepam-LK. No. Kep-496/BL/2008 dated 28 November 2008), the Directors appointed MM Lanasastr Setiadi as chairperson of the Internal



**M.M Lanasastr Setiadi**  
Internal Audit Unit Head

Audit Unit with the approval of the Board of Commissioners on 26 July, 2011

In carrying out the task of internal supervision, the Internal Audit Head is supported by three (3) employees in the internal audit unit comprising three (3) in structural positions and 3 (three) in functional positions.

### Internal Audit Charter

The Internal Audit performs its function by ensuring there is an audit of the company's operating systems based on the Internal Audit Charter which was created in 2011. The Internal Audit Charter was created in accordance with the provisions of Bapepam-LK Regulation No. IX.I.7 on the Formation and Guidelines for Preparation of Internal Audit Charter (Decree of the Chairman of Bapepam and LK No.Kep-496/BL/2008 dated 28 November 2008). The Internal Audit Charter was established by the Board of Directors and approved by the Board of Commissioners on July 26, 2011. The Internal Audit Charter which governs the working guidelines of the Internal Audit Unit has been outlined in a company manual and posted on the FORU website.

### Duties and Responsibilities of Internal Audit

- » Coordinate all activities of supervision and inspection of all units.
- » Coordinate the preparation and implementation of the Work Program.
- » Annual Inspection (PKPT) of all work units in the company.
- » Coordinate the activities of the audit and assess the application of regulations, procedures, policies, standards and other terms (including management systems and management standards) were carried out by all units.
- » Coordinate the external audit and oversight function, as well as provide company data and information for their needs.



- » Provide opinions, recommendations and suggestions for improvement to the Board of Directors and the Managers of the audited Unit, whether requested or not requested, in terms of securing company property and any unlawful acts.
- » Carry out follow-up monitoring of internal audit results.
- » Develop a system of monitoring and inspection, in accordance with Government provisions, of the Company's business development.

The 2014 internal audit report was submitted to the Board of Directors and has been a guide or included guidelines for follow-up activities.

### External Auditor

The external auditor is appointed to complete a financial audit as well as to provide an independent and objective opinion about the fairness, and appropriateness of the company's financial statements following the Financial Indonesia Accounting Standards and legislation in force.

In order to audit the 2014 financial year, the Board of Directors, with the approval of the Board of Commissioners, and assisted by the Audit Committee, directly appointed the Public Accounting Office of Kosasih, Nurdiyaman, Tjahjo & Partners to be the external auditors on reporting the 2014 financial performance. 2014 is the third year for the external auditor appointed to audit the annual financial statements of the Company. The results of 2014 audit stated that the company's financial statements were fairly stated based on generally accepted Indonesian accounting principles.

### Financial Statements Audit

The Company's financial statements for the period ending December 31, 2014 were audited by Public Accounting Firm Kosasih, Nurdiyaman, Tjahjo, & Partners. They are a public accounting firm who have audited the Financial Statements of the Company for 3 (three) years:

Fiscal Year	Accountant	Public Accounting Firm	Scope of Financial Audit	Audit Opinion
2012	Drs. Emanuel Handojo Pranadjaja, Ak.,CPA	Kosasih, Nurdiyaman, Tjahjo, & Rekan	Company Financial Statements (Consolidated)	Unqualified
2013	Drs. Emanuel Handojo Pranadjaja, Ak.,CPA	Kosasih, Nurdiyaman, Tjahjo, & Rekan	Company Financial Statements (Consolidated)	Unqualified
2014	Juninho Widjaja, CPA	Kosasih, Nurdiyaman, Tjahjo, & Rekan	Company Financial Statements (Consolidated)	Unqualified



Application of risk management has become an absolute necessity to reduce and prevent losses that disrupt the continuity of the business, due to the many uncertainties and rapidly changing business environment, both internal and external.

As the communication and marketing industry is fraught with challenges, FORU prioritizes risk management principles that justify risk avoidance, risk transfer, risk reduction of negative effects and reserved a portion (or all) of a particular risk.

Risk management procedures are carried out through systematic, integrated, optimal and sustainable management. Risk management procedures should be implemented starting from risk identification through to identifying risk factors that may arise and hinder the company's operational and managerial processes. The next step is risk management, which is reflected through risk management implementation.

FORU has taken the necessary measures to minimize the possibility of risk as well as improvement efforts to overcome the negative implications of such risks. Risk control measures will be carried out on an ongoing basis to prevent a significant decline in the value of the company while maintaining competitiveness in the communications and marketing industry.

## Identifying Business Risk

In order to properly manage business risk, a Risk Management Policy should be implemented in each unit with the following activities:

1. Detect / identify risks as early as possible for each activity.
2. Define measurement levels / amount of each risk, taking into account the magnitude of the impact and likelihood of risk opportunities.
3. Evaluate the risk sources and causes of risk, as the basis for mapping and controlling significant risks.

4. Plan control strategies against high priority risks / significant risks.
5. Implement risk control activities that could endanger the survival of the company.
6. Perform continuous risk monitoring in particular where there could be a significant impact on the condition of the company.

Each unit head is responsible for the implementation of risk management policies in each unit, in order to ensure the risk management system is accurate and comprehensive and supports the overall achievement of corporate objectives.

Risk profiles are used as a basis for the preparation of the Annual Audit Plan by Internal Audit through the implementation of the Risk Based Audit (RBA) which is intended to ensure that the risk control plan has been properly and effectively implemented. The results of the implementation of the RBA are expected to become a benchmark for the effectiveness of risk management and will be reported to management and the Audit Committee in order to implement corporate governance.

### The types and management of business risk

The types and management of business risk are always discussed in meetings between the Board of Commissioners and the Board of Directors, the Internal Audit Division and

the Audit Committee. These risks relate to business risks that are material and have an impact on the performance of the company.

Some risks identified in 2014 were as follows:

#### Credit Risk

Credit risk is the risk if the debtor does not fulfill their liability in consumer contracts, which leads to financial losses. FORU manages the credit risk of customers by careful and approved credit analysis, and also monitors receivable balances on an ongoing basis to minimize doubtful accounts.

FORU trades only with credible and recognizable third parties. The Company has a policy with all customers who wish to trade on credit terms by conducting a credit verification process. In addition, the amount of receivables is monitored continuously to reduce the risk of impairment of receivables.

#### Market Risk

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

- a. Currency Exchange Risk  
Foreign currency exchange rate risk occurs when the fair value of future cash flows from financial instruments

fluctuates due to foreign currency exchange changes. FORU's exposure to foreign currency exchange rate risk mainly arises from net monetary assets / liabilities that are different from FORU accounting currency. FORU closely monitors fluctuations in foreign currency exchange rates in order to take correct timely steps.

- b. **Interest Rate Risk**  
Interest rate risk occurs when the fair value of future cash flows from financial instruments fluctuates due to changes in market interest rates. The influence of the risk of market interest rate changes is associated with the loan from FORU, which bears a floating interest rate. FORU closely monitors fluctuations in market interest rates and market expectations so as to take the most profitable steps in a timely manner. Management is not considering the need for interest rate swaps at this time.

### Liquidity Risk

Liquidity risk is the risk in terms of FORU inability to meet liabilities when due. Management evaluates and supervises cash inflows and cash outflows to ensure the availability of funds to meet the payment of obligations when due. In general, the need to fund the repayment of short-term liabilities and long-term maturities is derived from sales to customers.

### Capital Risk Management

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

FORU's Board of Directors periodically reviews the FORU's capital structure. As part of this review, the Directors consider the cost of capital and the risks associated. FORU, as the parent entity, manages this risk by monitoring the ratio of debt to equity. FORU manages the capital structure and make adjustments based on changes in economic conditions to maintain and adjust the capital structure. FORU may adjust the dividend payment to shareholders, in exchange for capital to shareholders or issue new shares.

## Application of Self Assessment

The background of self-assessment activities implementation of corporate governance in 2014 saw FORU creating reliable indicators / parameters for Assessment and Evaluation of the Implementation of Good Corporate Governance as a public company.

### Purpose of Self Assessment

FORU implementation of Self Assessment corporate governance practices in 2014, aims to:

1. Present the overall picture of corporate governance implementation in the Company
2. Identify the applicable corporate governance fields that were addressed or have already reached the best practices and areas that have not been addressed or reached the best practices that still need enhancement and improvement (areas of improvement / AOI).
3. Provide recommendations for improvements on AOI, in order to further improve corporate governance.
4. Become one part of the corporate governance implementation relating to FORU's internal oversight function.

### Procedures and Stages of Self Assessment

Self-assessment activities are carried out by implementing the following procedures:

- a. Conduct study on the condition of the application of the 2014 corporate governance principles, in the sphere of corporate governance.
- b. Compare the above governance practices results with best practices.
- c. Provide an assessment based on indicators and parameters used in corporate governance.
- d. Present the results of the corporate governance self assessment study to the FORU Board of Directors
- e. Enter self assessment results into report.

### Self Assessment Reports

Disclosure of the application of corporate governance practices during 2014 and the application of corporate governance that still need improvement, included the proposed corrective measures.

### Responsibility Limitation

The design and implementation aspects of corporate governance, as well as the correctness of the data relating to the implementation of corporate governance, is the responsibility of company management. The Self Assessment Team's responsibility lies in the conclusions of the self assessment based on an assessment carried out (document review, questionnaires, interviews), with the following restrictions:

1. Did not carry out an assessment of the policies or regulations issued by external agencies, except in relation to the impact on the implementation of corporate governance at the company.

2. Did not perform an assessment of the workload of each company unit needed to ensure a balance of duties, powers, and responsibilities.
3. The Assessment Team was limited to data obtained during the assessment process, and the proposed corrective measures are based on the conclusions on the analysis of data obtained.
4. The assessment conducted did not include an evaluation of the impact of corporate governance on corporate performance.

### Self Assessment Results

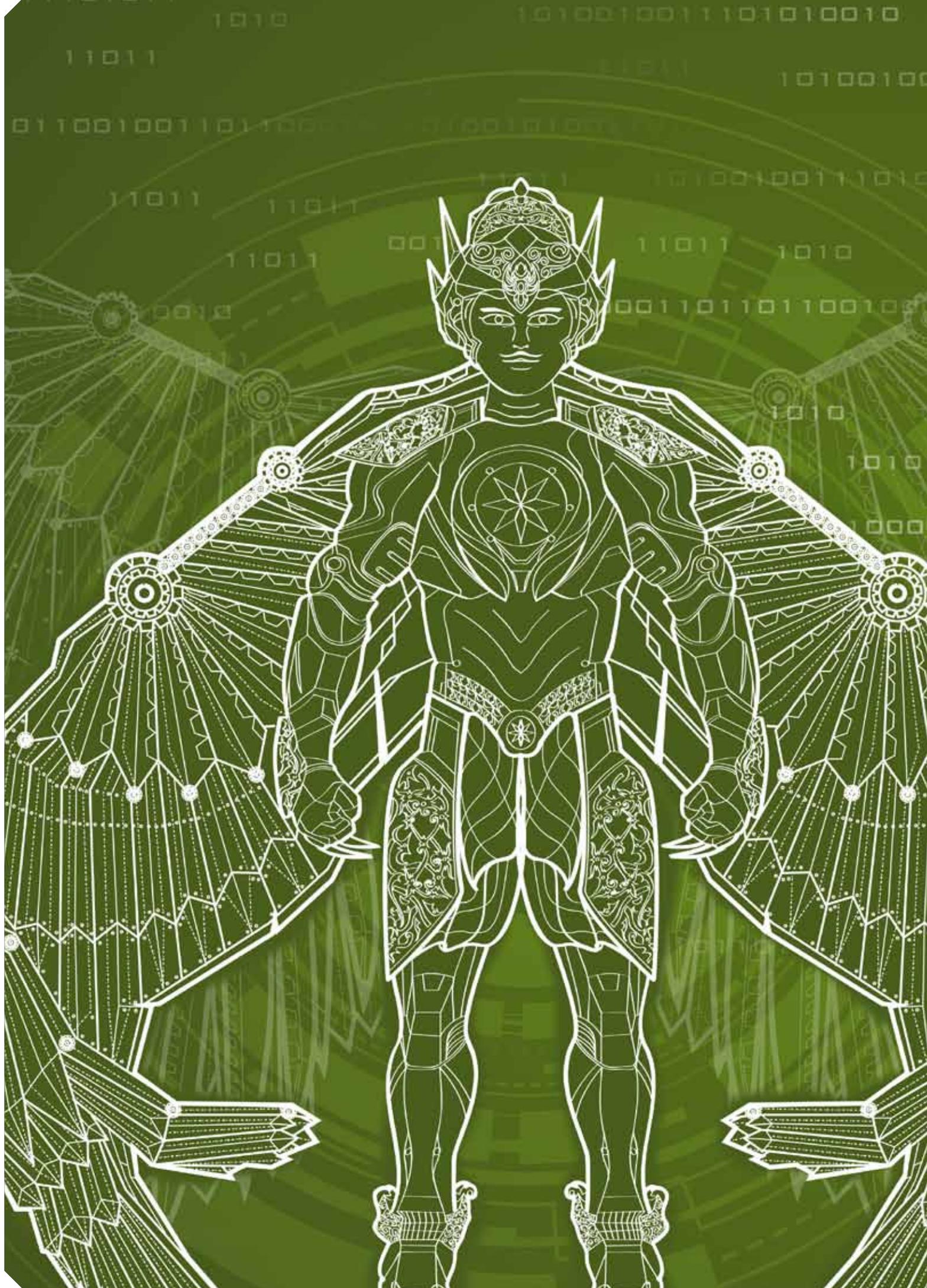
FORU undertook A Self Assessment of the Implementation of Corporate Governance, with the result of the Self Assessment qualification being GOOD. The self-assessment conclusion was as follows:

Explanation Value Composite Results Calculation Corporate Governance Self Assessment

Rated Aspect	Weighting (A)	Rating (B)	Value (A) X (B)
Implementation of Duties and Responsibilities of the Board of Commissioners	15%	2	0.3
Implementation of Duties and Responsibilities of Directors	30%	1.75	0.5
Completeness and Implementation of Duties of the Audit Committee	10%	2.5	0.25
Handling Conflicts of Interest	5%	2	0.1
Application of the Internal Audit Function	5%	2	0.1
Application of the External Audit Function	5%	1.75	0.008
Application of Risk Management and Internal Control	10%	1.75	0.17
Transparency of Financial and Non Financial condition, GCG Implementation and Internal Reports	20%	2	0.4
<b>Value</b>	<b>100%</b>		<b>1.9</b>

Explanation Value Composite Results

Composite Total	Composite Citation
Value Composite <1.5	Very Good
1.5 = Composite Total <2.5	Good
2.5 = Composite Total <3.5	Good Enough
3.5 = Composite Total <4.5	Poor
4.5 = Composite Total <5	Not Good





corporate  
social  
responsibility

# Corporate Social Responsibility Report



## INTRODUCTION

FORU vision is to become a worldwide communications network that excels and is integrated through the use of appropriate technology to meet market needs. These high goals must be supported by harmonizing important elements within the company, namely the public in the company's operational area.

FORU realize that corporate sustainability cannot be separated from external factors such as social and environmental. To this end, FORU is committed to fulfilling its social responsibility towards the community and the surrounding environment.

Some of the underlying elements of this commitment are:

- Corporate Social Responsibility (CSR) constitutes the implementation of good corporate governance.
- The global demand for a good and fair implementation of CSR.
- Increasing public attention to business ethics and accountability.
- The expectation that the Company and its surrounding environment can grow together side by side.

## LEGAL FOUNDATION

FORU has implemented strategic policies for the implementation of CSR in order to foster a conducive and sustainable business climate. The implementation of CSR is an obligation set down in Law No. 25 of 2007 on Investment, Article 15 paragraph b of states "Every

investor is obliged to carry out corporate social responsibility."

The implementation of CSR activities for public companies has also been set down through Bapepam X.K.6 on Submission of Annual Report of Publicly Listed Companies. This regulation forms the foundation for FORU as well as the guidelines for conducting social responsibility in a good and fair way. In accordance with the Annex Decision of the Chairman of Bapepam-LK No. Kep 431/BL/2012 dated August 1, 2012, implementation of CSR for public companies should include the following aspects:

- Social and civic development.
- Environment.
- Manpower, health, and safety practices.
- Product responsibilities.

Implementation of CSR in FORU focuses more on sustainable development and the social and environmental impact both today and in the long term. In addition to legislation, FORU's CSR activities are also set down in:

- Directors Decree No. 01/CSR -FI/ CSR/I/2014 on Guidelines for Corporate Social Responsibility Activities Program.
- The decision of the General Meeting of Shareholders (GMS) on profit allocated to develop CSR activities.

### COMMITMENT TO EDUCATION

FORU considers that education is an important element in the life of the nation and state. Quality education is a strong foundation when shaping the character of a dignified nation. FORU has a Roadmap for CSR education through various program activities as follows:

#### a. Fortune Nursery

Through Fortune Nursery, education and community development is expected to improve the quality of life and create a better society. FORU focuses on early childhood education, because the ages 2 to 4 are the golden ages for children to develop themselves for a bright future.

#### b. National Holiday Celebrations

FORU always participates in celebrating holidays, both national and religious. For example; Kartini Day celebrations in Fortune Nursery 2 where ECD children wear national dress, Independence Day where the children compete in agility games, and Eid al Adha celebrations.

FORU considers that education is an important element in the life of the nation and state. Quality education is a strong foundation when shaping the character of a dignified nation.



**c. The Inauguration of Fortune Nurseries 4,5,6 in East Cilandak.**

Each year Fortune FORU inaugurates new Nurseries. In 2014 FORU decided to form 3 (three) Fortune Nurseries (4, 5, 6) at the same time. Fortune Nursery 1 was founded in 2008 in Pondok Pinang, South Jakarta. Fortune Nursery 2 was officially established in 2012 in Ragunan, South Jakarta. In 2013, Fortune Nursery 3 was officially established in Lenteng Agung, South Jakarta.

**d. Education and Training For Fortune Nursery**

ECD Teachers FORU regularly provides training for teachers related to curriculum and teaching skills. FORU also provided University education scholarships to two Fortune Nursery early childhood teachers.

**TEACHING RESIDENTS**

In 2014, FORU held a program titled "Teaching Residents" as part of its CSR, which involved early childhood teacher training for FORU people where for one month they shared the knowledge and experience of students from various universities in Indonesia. The 2014 Teaching Residents program activities comprised:

**Activity table for Teaching Residents in early childhood**

No.	Subject	Teaching theme
1	Wednesday, January 29, 2014	Recognizing Flowers
2	Tuesday, February 18, 2014	Recognizing Transportation
3	Tuesday, March 18, 2014	Recognizing Transportation
4	Tuesday, March 18, 2014	Cleaning Clothes
5	Tuesday, May 20, 2014	The Universe
6	Tuesday, September 23, 2014	Know Your Body
7	Monday, October 21, 2014	Recognizing Transportation
8	Tuesday, December 9th, 2014	Recognizing Animals

**Table of Teaching Residents' Students Visits**

No.	Month	Institution	Material
1	January	Universitas Atma Jaya Yogyakarta	Muhamad Syarifullah (Fortune PR)
2	March	Universitas 17 Agustus 1945 Jakarta	Rezki Jatining Warni (Fortune PR)
3	March	Universitas Semarang	Najib Rasyid (Fortune Indonesia)
4	April	Universitas Nasional	Hany Nurahmawati (Fortune Indonesia)

No.	Month	Institution	Material
5	April	Communication Week Indonesian Finalist Universitas Indonesia	Ayu Meganingrum (Fortune PR)
6	June	Universitas Muhammadiyah Yogyakarta (UMY)	Aldy Dewandhana (Fortune Indonesia)
7	August	STIKOM Surabaya	Luddy Gilang (Fortune Indonesia)
8	September	Universitas Brawijaya Kediri	Muhammad Arif (Fortune PR)
9	November	Universitas Negeri Sebelas Maret	Dwi Jatmiko (Fortune Indonesia)
10	November	Universitas Negeri Sebelas Maret	Quinta Binar ( Fortune PR )

### HEALTH AND SAFETY (K3)

Occupational Health and Safety (K3) is something that concerns the Company. FORU strives to create a working environment that is safe and healthy to encourage optimal performance throughout the organization. FORU is committed to creating a healthy work environment, free from injuries, and tasks are performed according to applicable rules.

#### • Health

The health of the people is key to the performance of individuals and the Company as a whole. Therefore, efforts to maintain the health of the people is a shared responsibility. The company helps its people with activities that are expected to generate awareness and motivation in maintaining their health.

Health facilities provided by the Company include:

1. Periodic Medical Health Check Ups
2. Medical facilities that guarantee payment of treatment as a hospital inpatient, outpatient treatment after discharge from the hospital, help with pregnancy costs, cost of dental care, replacement of eyeglasses, hearing aids, laboratory tests and other recommended medical treatment after hospitalization.

In addition to health maintenance, the Company helps its people and their families with health insurance through the Badan Penyelenggara Jaminan Sosial Kesehatan (BPJSK), which has been gradually implemented. This facility aims to cover the costs while undergoing medical examinations or treatment at the hospital, including guarantees for wives of FORU people during childbirth.

#### • Safety

For effective implementation of K3, the Company has installed in all its operational offices a variety of safety devices such as: fire extinguishers, diesel pumps, and emergency stairs.

Fire safety inspections are conducted regularly on the equipment described above. The company also plans fire drills, and has fire safety procedures posters in work areas on every floor of the building so that everyone is well educated.

The safety facilities company buildings comply with the fire safety equipment standards as laid down in the Minister of Public Works Regulation for Technical Requirements for Fire Protection Systems in Buildings and the Environment.

## ENVIRONMENT

CSR creates an opportunity for the Company to unite with the surrounding community. CSR is conducted on an on-going basis, where FORU is required to pay attention to social and environmental factors for the current and long term. FORU monitors the CSR implementation by actively evaluating the effectiveness of the program in order to deal with any existing challenges. All of FORU believes that CSR should be carried out in synergy, namely for mutual benefit, both for FORU and the beneficiaries.

### Activities

- Nursery Fortune 2 and 3 Students together with teachers, Asih Foundation representatives, as well as FORU plant tamarind trees as part of Aksi Si Kelompok Anak Cinta Lingkungan (Kancil)
- Jakarta flood donations
- FORU Scholarships given to the children of outsourcing staff and non staff.

The Company does not engage in activities that require environmental impact assessment, so it does not have any certification related to it.

## HUMAN RIGHTS

In carrying out its business operations, FORU always honors the rights of people regardless of culture, nationality, faith, ethnicity, gender, age, or other protected category. The Company is committed to accommodate all and unite their abilities, individuality and value their diverse view into the collective strength of the Company.

The Company provides equal opportunities to all people, both men and women, regardless of ethnicity, religion, race, class, gender, or physical condition to participate in worker recruitment program. Appointment of candidates is based on the results of the selection, evaluation results on probation and orientation of workers.

The Company provides an assessment to each individual fairly, in accordance with the role, tasks, and performance in developing his/her career so that they can face and overcome all difficulties proactively.

FORU appreciates the value of each individual to develop an equal partnership as part of a team. The company does not tolerate misbehavior between colleagues within and outside the office. In daily life, people should not use words or behavior that are offensive, discriminating or violate human rights or degrade one's spiritual values.

The company is also committed to not employing minors or force people to work for a minimum wage which would endanger their physical, mental or moral wellbeing.

In case of discrimination or harassment, the Company has instant and correct standards, by taking action appropriate to the norms and regulations that apply, as well as taking preventive measures to ensure it does not happen again. In cases of abuse, the Company is committed to protecting the confidentiality of all parties, including the victim, alleged perpetrator, and information providers.

## REALIZATION ACTIVITIES & DISTRIBUTION OF FUNDS

CSR has a responsibility inherent in every investment company to create harmonious, balanced relationships in accordance with the environment, values, norms, and local culture. FORU's Commitment to carry out CSR programs were demonstrated through numerous activities in 2014.

The following is the recapitalization of FORU's CSR activities and use of funds in 2014:

No	About	Number
1	Fortune Nursery	Rp148,320,000
2	Teaching Residents in early childhood	Rp1,680,000
3	Teaching Residents Students visit	Rp10,000,000
4	FORU Scholarships	Rp25,000,000
	Total Number	Rp185,000,000

Throughout 2014, the amount of funds channeled and or used by FORU for CSR activities amounted Rp185,000,000. FORU's CSR activities were not just limited to donations or social activities alone. But the main objective was the harmonious linkages between business activities that benefit the company members, the environment, and economic growth in the surrounding communities.



Corporate social responsibility is a responsibility that is an essential company investment to create relationships that are harmonious, balanced, and in accordance with the environment, values, norms, and local culture.



## Statement of the Board of Commissioners and Board of Directors

Statement of the Board of Commissioners and Board of Directors regarding responsibility for PT Fortune Indonesia Tbk's 2014 Annual Report.

We the undersigned hereby declare that all the information in the Annual Report of PT Fortune Indonesia Tbk, the financial statements and related information is complete and is the responsibility of the management of PT Fortune Indonesia Tbk. This Annual Report was approved by the Board of Commissioners and the Board of Directors on April 30, 2015 by affixing their signatures below.

This statement is made in the correct manner.

Jakarta, 30 April 2015  
PT Fortune Indonesia Tbk.

### Board Of Commissioners



**Dedi Sjahrir Panigoro**  
The President Commissioner  
Concurrently Independent Commissioner



**Kasman Ardan**  
Commissioner



**Miranty Abidin**  
Commissioner



**Lucia Novenna Budiono**  
Commissioner

### Board of Directors



**Indra Abidin**  
President Director



**Herman Muljadi Sulaeman**  
Director

**PT FORTUNE INDONESIA Tbk  
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2014 AND  
FOR THE YEAR THEN ENDED  
AND INDEPENDENT AUDITORS' REPORT**

**(INDONESIAN CURRENCY)**

*These original consolidated financial statements included herein are in Indonesian language.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2014 AND FOR THE YEAR THEN ENDED  
AND INDEPENDENT AUDITORS' REPORT**

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BOARD OF DIRECTORS' STATEMENT  
REGARDING  
THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS OF  
AS OF DECEMBER 31, 2014 AND FOR THE YEAR ENDED  
PT FORTUNE INDONESIA TBK AND SUBSIDIARIES

We, the undersigned:

- Name : **Indra Abidin**  
Title : **President Director**  
Office Address : **Gedung Galaktika,  
Jl. Harsono R.M. No.2 South Jakarta**  
Home Address : **Jl. Manggis No. 9,  
RT/RW 001/004, Jagakarsa, South Jakarta**  
NIK No. : **3174090907470001**
- Name : **Herman Muljadi Sulaeman**  
Title : **Director**  
Office Address : **Gedung Galaktika,  
Jl. Harsono R.M. No.2 South Jakarta**  
Home Address : **Jl. Pulo Kenanga Raya 17  
RT/RW 008/016,  
Kebayoran Lama, South Jakarta**  
NIK No. : **3174051302520002**

declare that:

- We are responsible for the preparation and presentation of PT Fortune Indonesia Tbk and Subsidiaries' consolidated financial statements;
- PT Fortune Indonesia Tbk and Subsidiaries' consolidated financial statements have been prepared and presented in accordance with financial accounting standards in Indonesia;
- All information in PT Fortune Indonesia Tbk and Subsidiaries' consolidated financial statements has been disclosed in a complete and truthful manner;
  - PT Fortune Indonesia Tbk and Subsidiaries' consolidated financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts;
- We are responsible for PT Fortune Indonesia Tbk and Subsidiaries' internal control system.

This statement is made in all truth.

Jakarta, March 25<sup>th</sup>, 2015



**Indra Abidin**  
President Director

PT FORTUNE INDONESIA TBK

**Herman Muljadi Sulaeman**  
Director

*The original report included herein is in Indonesia language.*

### **Independent Auditors' Report**

Report No. KNTR-C2-25.03.2015/01

The Shareholders, Boards of Commissioners and Directors  
**PT FORTUNE INDONESIA Tbk**

We have audited the accompanying consolidated financial statements of PT Fortune Indonesia Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2014, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Financial Accounting Standards in Indonesia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

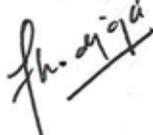
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*The original report included herein is in Indonesia language.*

**Opinion**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Fortune Indonesia Tbk and its subsidiaries as of December 31, 2014, and their consolidated financial performance and cash flows for the year then ended, in accordance with Financial Accounting Standards in Indonesia.

**KOSASIH, NURDIYAMAN, TJAHO & REKAN**



**Juninho Widjaja, CPA**  
Public Accountant Registration Number AP.1029

March 25, 2015

*These original consolidated financial statements included herein are in Indonesian language.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2014**  
**(Expressed in Rupiah, unless otherwise stated)**

	Notes	2014	2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2c, 2d, 4, 32	38,392,982,308	33,959,407,363
Trade receivables - third parties - net of provision for impairment of receivables of Rp 7,639,293,539 in 2014 and Rp 6,481,908,612 in 2013	2c, 5, 13, 26, 32	111,646,285,061	112,300,906,283
Other receivables - third parties	2c, 32	3,825,143,939	5,351,969,997
Service in progress	2e, 6	53,205,159,659	51,797,737,769
Prepaid Value Added tax		2,143,180,676	-
Advance and other current assets	2f, 7	19,258,508,773	23,207,659,027
<b>Total Current Assets</b>		<b><u>228,471,260,416</u></b>	<b><u>226,617,680,439</u></b>
<b>Noncurrent Assets</b>			
Restricted time deposits	2c, 2d, 8, 13, 32	12,000,530,000	12,000,530,000
Employees receivables	2c, 2g, 9a, 32	1,155,829,432	1,705,819,098
Due from related parties	2c, 2g, 9b, 32	6,377,065,163	5,652,494,980
Investment in Associate Company	2h, 10	-	4,117,552,758
Other long-term investment	2i, 11	500,000,000	500,000,000
Fixed assets - net of accumulated depreciation of Rp 14,768,658,920 in 2014 and Rp 13,179,715,305 in 2013	2j, 2k, 2l, 12, 15, 16, 26	7,063,875,171	7,920,702,341
Refundable deposits	2c, 32	5,000,000	18,000,000
Deferred tax assets	2q, 17d	5,517,648,863	4,890,867,890
Claim for tax refund	2q, 17c	93,907,935	93,907,935
<b>Total Noncurrent Assets</b>		<b><u>32,713,856,564</u></b>	<b><u>36,899,875,002</u></b>
<b>TOTAL ASSETS</b>		<b><u>261,185,116,980</u></b>	<b><u>263,517,555,441</u></b>

*The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements taken as a whole.*

*These original consolidated financial statements included herein are in Indonesian language.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2014**  
**(Expressed in Rupiah, unless otherwise stated)**

	Notes	2014	2013
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Short-term bank loans	2c, 13, 32	30,000,200,000	30,000,200,000
Trade payables	2c, 14, 32		
Third parties		80,728,625,138	76,544,339,056
Related parties	2g, 9c	406,176,498	349,823,903
Other payables - third parties	2c, 32	1,357,541,598	1,689,829,457
Taxes payable	2q, 17a	3,397,437,569	9,627,868,206
Accrued expenses	2c, 32	197,478,310	187,745,897
Current maturities of long-term liabilities			
Financing payable	2c, 15, 28, 32 2c, 2l, 16, 28, 32	133,000,000	266,000,000
Lease payable		31,481,344	31,481,328
<b>Total Current Liabilities</b>		<b><u>116,251,940,457</u></b>	<b><u>118,697,287,847</u></b>
<b>Noncurrent Liabilities</b>			
Due to related party	2c, 2g, 9d, 32	200,000,000	200,000,000
Employees' benefits liability	2m, 18, 26	12,522,538,170	11,481,618,000
Long-term liabilities - net of current maturities			
Financing payable	2c, 15, 28, 32 2c, 2l, 16, 28, 32	-	133,000,000
Lease payable		-	31,481,344
<b>Total Noncurrent Liabilities</b>		<b><u>12,722,538,170</u></b>	<b><u>11,846,099,344</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>128,974,478,627</u></b>	<b><u>130,543,387,191</u></b>

*The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements taken as a whole.*

*These original consolidated financial statements included herein are in Indonesian language.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**  
**As of December 31, 2014**  
**(Expressed in Rupiah, unless otherwise stated)**

	Notes	2014	2013
<b>EQUITY</b>			
<b>Equity Attributable to Owner of the Company</b>			
Capital stock - par value Rp 100 per share			
Authorized - 1,000,000,000 shares			
Issued and fully paid - 465,224,000 shares	19	46,522,400,000	46,522,400,000
Additional paid-in capital - net	2n, 20	7,148,969,337	7,148,969,337
Retained earnings			
Appropriated	21	12,497,346,061	10,910,071,061
Unappropriated		65,662,230,340	68,045,966,646
<b>Total Equity Attributable to Owner of the Company</b>		<b>131,830,945,738</b>	<b>132,627,407,044</b>
<b>Noncontrolling Interest</b>	2b, 22	<b>379,692,615</b>	<b>346,761,206</b>
<b>TOTAL EQUITY</b>		<b>132,210,638,353</b>	<b>132,974,168,250</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>261,185,116,980</b>	<b>263,517,555,441</b>

*The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements taken as a whole.*

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**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Year Ended December 31, 2014**  
**(Expressed in Rupiah, unless otherwise stated)**

	Notes	2014	2013
<b>REVENUES</b>	2o, 24, 33	404,324,184,368	407,406,719,849
<b>DIRECT COST</b>	2o, 9c, 25	<u>322,568,452,857</u>	<u>326,394,831,677</u>
<b>GROSS PROFIT</b>		<b>81,755,731,511</b>	<b>81,011,888,172</b>
<b>OPERATING EXPENSES</b>	2o, 5, 12, 18, 26	<u>72,400,519,410</u>	<u>66,523,632,643</u>
<b>OPERATING PROFIT</b>		<u><b>9,355,212,101</b></u>	<u><b>14,488,255,529</b></u>
<b>OTHER INCOME (EXPENSES)</b>	2o, 33		
Interest income	27	2,075,220,933	1,012,024,011
Gain on sale of fixed assets	2j, 12	34,817,917	69,375,000
Financing expenses	15, 16, 28	(4,031,840,171)	(3,391,167,536)
Loss on sale of investment in Associate Company	2h, 10	(1,813,715,507)	-
Gain (loss) on foreign exchange - net	2p	(108,123,031)	1,256,732,459
Share in net income (loss) from investment in Associate Company	2h, 10	(53,837,248)	63,745,168
Others	12, 29	<u>723,306,597</u>	<u>310,634,681</u>
Total Other Expenses - Net		<u>(3,174,170,510)</u>	<u>(678,656,217)</u>
<b>INCOME BEFORE INCOME TAX EXPENSES</b>		<b>6,181,041,591</b>	<b>13,809,599,312</b>
<b>INCOME TAX EXPENSES</b>	2q, 17b, 33	<u>(2,292,331,488)</u>	<u>(3,228,311,748)</u>
<b>NET INCOME FOR THE YEAR</b>		<b>3,888,710,103</b>	<b>10,581,287,564</b>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>3,888,710,103</b></u>	<u><b>10,581,287,564</b></u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
The owner of the Company		3,855,778,694	10,534,726,962
Noncontrolling Interest	2b, 22	<u>32,931,409</u>	<u>46,560,602</u>
<b>TOTAL</b>		<u><b>3,888,710,103</b></u>	<u><b>10,581,287,564</b></u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE OWNER OF THE COMPANY</b>	2r, 23	<u><b>8</b></u>	<u><b>23</b></u>

*The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements taken as a whole.*

These original consolidated financial statements included herein are in Indonesian language.

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For The Year Ended December 31, 2014  
(Expressed in Rupiah, unless otherwise stated)

Notes	Capital Stock	Additional Paid-in Capital - Net	Difference in Value of Restructuring Transaction Entities Under Common Control	Retained Earnings		Total Equity Attributable to Owner of the Company	Noncontrolling Interest	Total Equity
				Appropriated	Unappropriated			
<b>Balance January 1, 2013</b>	<b>46,522,400,000</b>	<b>3,595,872,896</b>	<b>3,553,096,441</b>	<b>9,022,320,754</b>	<b>62,655,557,991</b>	<b>125,349,248,082</b>	<b>300,200,604</b>	<b>125,649,448,686</b>
Reclassification effect on adoption of PSAK 38 (revised 2012) "Business Combination of Entities Under Common Control"	-	3,553,096,441	(3,553,096,441)	-	-	-	-	-
General reserve	-	-	-	1,887,750,307	(1,887,750,307)	-	-	-
Dividend	-	-	-	-	(3,256,568,000)	(3,256,568,000)	-	(3,256,568,000)
Comprehensive income for 2013	-	-	-	-	10,534,726,962	10,534,726,962	46,560,602	10,581,287,564
<b>Balance</b>	<b>46,522,400,000</b>	<b>7,148,969,337</b>	<b>-</b>	<b>10,910,071,061</b>	<b>68,045,966,646</b>	<b>132,627,407,044</b>	<b>346,761,206</b>	<b>132,974,168,250</b>
General reserve	-	-	-	1,587,275,000	(1,587,275,000)	-	-	-
Dividend	-	-	-	-	(4,652,240,000)	(4,652,240,000)	-	(4,652,240,000)
Comprehensive income for 2014	-	-	-	-	3,855,778,694	3,855,778,694	32,931,409	3,888,710,103
<b>Balance</b>	<b>46,522,400,000</b>	<b>7,148,969,337</b>	<b>-</b>	<b>12,497,346,061</b>	<b>65,662,230,340</b>	<b>131,830,945,738</b>	<b>379,692,615</b>	<b>132,210,638,353</b>

The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements taken as a whole.

*These original consolidated financial statements included herein are in Indonesian language.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Year Ended December 31, 2014**  
**(Expressed in Rupiah, unless otherwise stated)**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	404,978,805,592	427,270,769,843
Payments to suppliers and employees	(374,025,201,618)	(383,513,175,165)
Received from (payment for):		
Interest income	2,075,220,933	1,012,024,011
Income taxes	(13,843,631,280)	(5,404,730,630)
Financing expenses	(4,031,840,171)	(3,391,167,536)
Other operating activities	(6,416,497,555)	(7,241,435,108)
<b>Net cash provided by operating activities</b>	<b>8,736,855,901</b>	<b>28,732,285,415</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investment in Associate Company	2,250,000,000	-
Proceeds from sale of fixed assets	35,000,000	630,000,000
Acquisitions of fixed assets	(913,989,445)	(780,044,495)
Receipts from insurance claim	-	49,482,784
<b>Net cash provided by (used in) investing activities</b>	<b>1,371,010,555</b>	<b>(100,561,711)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payment of cash dividends	(4,652,240,000)	(3,256,568,000)
Receipts from due from related parties	(724,570,183)	(4,484,487,070)
Payments of financing payable	(266,000,000)	(672,558,092)
Payments of lease payable	(31,481,328)	(28,857,884)
Payments of bank loans	-	(11,018,757,787)
<b>Net cash used in financing activities</b>	<b>(5,674,291,511)</b>	<b>(19,461,228,833)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,433,574,945</b>	<b>9,170,494,871</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>33,959,407,363</b>	<b>24,788,912,492</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>38,392,982,308</b>	<b>33,959,407,363</b>

*The accompanying Notes to the Consolidated Financial Statements form an integral part of these Consolidated Financial Statements taken as a whole.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**As of December 31, 2014 And For The Year Then Ended**  
**(Expressed in Rupiah, unless otherwise stated)**

**1. GENERAL INFORMATION**

**a. The Company's Establishment**

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

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

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

The Company started its commercial operations since 1970.

The Company's direct parent company is PT Karya Cipta Prima and its ultimate parent company is PT Rajawali Corpora.

**b. Initial Public Offering**

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

**c. Consolidated Subsidiaries**

As of December 31, 2014 and 2013, the Company has direct investment in shares of stocks in the following Subsidiaries:

Subsidiaries	Domicile	Commercial Operation	Percentage Of Ownership	Total Assets (Rp 000)		Scope of Activities
				2014	2013	
PT Pelita Alembana (PA)	Jakarta	1981	99%	51,855,991	48,458,776	Advertising
PT Fortune Pramana Rancang (FPR)	Jakarta	1980	99%	25,237,938	22,710,950	Public Relation
PT Fortune Adwicipta (FAC)	Jakarta	1985	99%	8,331,827	15,075,515	Graphics Design

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**1. GENERAL INFORMATION (continued)**

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

As of December 31, 2014, the composition of the Company's boards of commissioners and directors based on Notarial Deed No. 60 dated July 18, 2014, of Leolin Jayayanti, S.H., are follows:

Board of Commissioners

President and Independent Commissioner	:	Dedi Sjahrir Panigoro
Commissioner	:	Kasman Ardan
Commissioner	:	Miranty Abidin
Commissioner	:	Lucia Novenna Budiono

Directors

President Director	:	Indra Abidin
Director	:	Herman Muljadi Sulaeman

As of December 31, 2013, the composition of the Company's boards of commissioners and directors based on Notarial Deed No. 16 dated July 21, 2011, of Leolin Jayayanti, S.H., are as follows:

Board of Commissioners

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

Directors

President Director	:	Indra Abidin
Director	:	Herman Muljadi Sulaeman

The composition of the Company's audit committee, as of December 31, 2014 and 2013, are as follows:

Audit Committee

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

On December 31, 2014 and 2013, the Company's Corporate Secretary is Indira Ratna Dewi Abidin.

As of December 31, 2014 and 2013, the Group have 354 and 353 permanent employees, respectively (unaudited).

**e. Completion of The Consolidated Financial Statements**

The management of the Company are responsible for the preparation of the accompanying consolidated financial statements that were completed and authorized for issue on March 25, 2015.

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**As of December 31, 2014 And For The Year Then Ended**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Basis of Preparation of the Consolidated Financial Statements**

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards (SAK/"Standar Akuntansi Keuangan") which comprised The Statements of Financial Accounting Standard (PSAK/"Pernyataan Standar Akuntansi Keuangan and Interpretation Statements of Financial Accounting Standard (ISAK/"Interpretasi Standar Akuntansi Keuangan") issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants (DSAK/"Dewan Standar Akuntansi Keuangan") and Capital Market and Financial Institution Supervisory Agency (Bapepam-LK which function has been transferred to Financial Service Authority (OJK) starting at January 1, 2013) regulation No.VIII.67, attachment KEP-347/BL/2012 dated June 25, 2013 concerning "Financial Statement Presentation and Disclosure for Public Companies".

Accounting policies implemented in preparation of consolidated financial statements is consistent with accounting policies that implemented in preparation of consolidated financial statements for the year ended December 31, 2013 and for the year then ended.

The Group elected to present consolidated statement of comprehensive income in one statement and present additional disclosure of source of estimation uncertainty and judgments in Note 3 and capital management in Note 31.

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

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

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

**b. Principles of Consolidation**

The consolidated financial statements includes PA, FPR, FAC, Subsidiaries, as mentioned in Note 1c, in which the Company owned more than 50% shares of ownership.

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

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

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

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial Assets and Financial Liabilities**

Classification

i. Financial assets

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

The Group's financial assets consist of cash and cash equivalents, trade receivable - third parties, other receivables - third parties, restricted time deposits, employees receivables, due from related parties, and refundable deposits are classified as loans and receivables.

ii. Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through consolidated statements of comprehensive income and financial liabilities measured at amortized cost. The Group determines the classification of its financial liabilities at initial recognition.

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

Recognition and Measurement

i. Financial assets

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

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

• Loans and receivables

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

ii. Financial liabilities

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial Assets and Financial Liabilities (continued)**

Recognition and Measurement (continued)

ii. Financial liabilities (continued)

- Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are measured, subsequent to initial recognition at amortized cost using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognized within "Finance Costs" in consolidated statements of comprehensive income. Gains and losses are recognized in consolidated statements of comprehensive income when the financial liabilities are derecognized as well as through the amortization process.

Offsetting of Financial Instruments

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

Fair Value of Financial Instruments

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

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

Amortized Cost of Financial Instruments

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

Impairment of Financial Assets

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

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial Assets and Financial Liabilities (continued)**

Impairment of Financial Assets (continued)

i. Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determine that no objective evidence of impairment exists for an individually assessed financial, whether significant or not, the Group include the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them 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 assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. 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 statements of comprehensive income.

When the asset becomes uncollectible, the carrying amount of the financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date by adjusting the allowance account. The amount of the reversal is recognized in the consolidated statements of comprehensive income.

Subsequent recoveries of previously written off receivables, if in the current period, are credited to the allowance accounts, but if after the reporting period, are credited to other operating income.

Derecognition

i. Financial Assets

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

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**c. Financial Assets and Financial Liabilities (continued)**

Derecognition (continued)

i. Financial Assets (continued)

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

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

ii. Financial Liabilities

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

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

**d. Cash and Cash Equivalents and Restricted Time Deposits**

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

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

**e. Service in Progress**

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

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

**f. Prepaid expenses**

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

**g. Transactions with Related Parties**

The Group entered into transactions with related parties as defined in PSAK 7 (revised 2010), "Related Party Disclosures". Such transactions are conducted on terms agreed by both parties. Some of these requirements may not be the same as the requirements made by parties who are not related.

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**g. Transactions with Related Parties (continued)**

Related party represents a person or an entity who is related to the Company:

- a. A person or a close member of the person's family is related to the Group if that person;
  - i. Has control or joint control over the Group;
  - ii. Has significant influence over the Group; or,
  - iii. Is a member of the key management personnel of the Group.
- b. An entity is related to the Group if any of the following conditions applies:
  - i. The entity and the Group are members of the same group (which means that each Company, Subsidiary and fellow Subsidiary is related to the others).
  - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - iii. Both entities are joint venture of the same third party.
  - iv. One entity is a joint venture of a third entity and the other entity is an Associate of the third entity.
  - v. The entity is the employees' benefits plan for the benefit of employees of either the Company or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - vi. The entity is controlled or jointly controlled by a person identified in (a).
  - vii. A person identified in (a)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

All significant transactions and balances with related parties are disclosed in the relevant Notes to the financial statements herein.

**h. Investment in Associate Company**

The Group's investment in its associate Company is accounted for using the equity method. An associate Company is an entity in which the Group has significant influence. Under the equity method, the cost of investment is increased or decreased by the Group's share in net earnings or losses, and dividends received from the investee since the date of acquisition.

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

The financial statements of the associate Company have been prepared for the same reporting period as the Group.

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

**i. Other Long-Term Investments**

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**j. Fixed Assets**

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

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

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

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

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

**k. Impairment of Nonfinancial Assets**

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

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU) fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the consolidated statements of comprehensive income as impairment losses.

In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used to determine the fair value of the assets. These calculations are corroborated by valuation multiples or other available fair value indicators.

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**k. Impairment of Nonfinancial Assets (continued)**

An assessment is made at each annual reporting period as to whether there is any indication that previously recognized impairment losses recognized for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognized impairment loss for an asset is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The reversal is limited so that the carrying amount of the assets does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the consolidated statements of comprehensive income. After such a reversal, the depreciation charge on this asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Management believes that there is no indication of potential impairment in values of nonfinancial assets as of December 31, 2014 and 2013.

**l. Leases**

The Group classifies leases based on the extent to which risks and rewards incidental to ownership of a leased asset with the lessor or lessee and the substance of transaction and not in the form of the contract.

Finance lease - as Lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset. The leases are capitalized at the fair value of the leased property or the present value of the minimum lease payments, if the present value is lower than fair value. Minimum lease payments are apportioned between the financing cost and the reduction of the liability, so as to produce a periodic rate that is constant over the balance of the liability. Financing cost are charged directly to current operations.

If there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, the leased asset is depreciated over the estimated useful life of the asset. If there is no such certainty, the leased assets are depreciated over the shorter period between the useful life of the leased asset or the lease term. Gains or losses arising from the sale and leaseback back deferred and amortized over the remaining term of the lease.

Operating lease - as Lessee

A lease is classified as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership. Therefore, the lease payments are recognized as expense on straight-line basis over the lease term.

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**m. Employee's Benefits Liability**

Short-term employees benefits are recognized at the time owed to employee on an accrual basis.

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

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

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

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

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

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

**n. Restructuring Transactions Among Entities Under Common Control**

On January 1, 2013, the Company adopted revised PSAK 38 (revised 2012), "Business Combination of Entities Under Common Control". Changes to the Company's accounting policies have been made as required, in accordance with the provisions of this standard. This standard clarifies that any difference between amount of benefit transfer and the carrying value of each business combination of entities under common control is recognized in equity and presented as "Additional Paid-in Capital" account.

The Company has adjusted the recording of restructuring transaction under common control entities that occurred in accordance with PSAK 38 (revised 2012), "Business Combination of Entities Under Common Control".

**o. Recognition of Revenue and Expenses**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Taxes ("VAT").

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**o. Recognition of Revenue and Expenses (continued)**

Revenue arise from services of:

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

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

**p. Foreign Currency Transactions and Balances**

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

As of December 31, 2014 and 2013, the exchange rate used are as follows:

	<u>2014</u>	<u>2013</u>
1 United States Dollar (USD)	12,440	12,189
1 Singapore Dollar (SGD)	9,422	9,628
1 Hongkong Dollar (HKD)	1,603	1,572

**q. Taxation**

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

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

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

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

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**q. Taxation (continued)**

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

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

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

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

**r. Earnings per Share**

Earnings per share is computed by dividing total comprehensive income by the weighted average number of shares outstanding in the year. Weighted average shares outstanding for the years ended December 31, 2014 and 2013 is amounting to 465,224,000 shares.

**s. Operating Segment**

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

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

Geographical segment are not presented since all business activities of the Group are performed in Jakarta.

**t. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
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**3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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

**Judgments**

The following judgments are made by the management in implementing accounting policies of the Group which have the most significant effect on the amounts recognized in the consolidated financial statements:

Classification of Financial Instruments

The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 55 (revised 2011). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2c.

Allowance for Impairment of Trade Receivables

The Group evaluates specific accounts where it has information that certain customers are unable to meet their financial obligations. In these cases, the Group uses judgement, based on the best available facts and circumstances, including but not limited to, the length of its relationship with the customer and the customer's current credit status based on third party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce its receivable amounts that the Group expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of allowance for impairment of trade receivables. The carrying amount of the Group's trade receivables before allowance for impairment as of Desember 31, 2014 and 2013 is disclosed in Note 5.

Determination of Functional Currency

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

**Estimates and Assumptions**

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

Financial Instruments

The group records certain financial assets and financial liabilities at fair value, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Group profit or loss. Further explanation is disclosed in Note 32.

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**3. USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

Depreciation of Fixed Assets

The costs of fixed assets are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these fixed assets to be within 4 to 20 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net carrying amount of the Group's fixed assets as of December 31, 2014 and 2013 is disclosed in Note 12.

Deferred Tax Assets

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

Employee's Benefits Liability

The determination of the Group's employees' benefits liability are dependent on its selection of certain assumptions used by the independent actuaries and Group's management in calculating such amounts. Those assumptions include among others, discount rates, future annual salary increase rate, annual employee turn-over rate, mortality rate and retirement rate. Actual results that differ from the Group's assumptions which effects are more than 10% of the defined benefit obligations, are deferred and being amortized on a straight-line basis over the expected average remaining service years of the qualified employees. While it is believed that the Group's assumptions are reasonable and appropriate, significant differences in actual experiences or significant changes in assumptions may materially affect the amount of employee's benefits reserve. The carrying amount of the Group's estimated liabilities for employees' benefits as of December 31, 2014 and 2013 is disclosed in Note 18.

Income Tax

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

**4. CASH AND CASH EQUIVALENTS**

Consist of:

	<b>2014</b>	<b>2013</b>
Cash	49,535,200	51,627,007
Banks		
Rupiah		
PT Bank Mandiri (Persero) Tbk	13,413,217,816	17,495,794,652
PT Bank Danamon Indonesia Tbk	1,625,758,565	1,589,333,391
PT Bank OCBC NISP Tbk	1,040,182,777	-
PT Bank Rakyat Indonesia (Persero) Tbk	1,038,245,855	3,695,248,245
PT Bank Central Asia Tbk	632,662,422	392,690,170
PT Bank Tabungan Negara (Persero) Tbk	352,603,717	4,059,315,582

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**4. CASH AND CASH EQUIVALENTS (continued)**

	<b>2014</b>	<b>2013</b>
PT Bank Negara Indonesia (Persero) Tbk	261,227,321	259,963,207
PT Bank Mega Tbk	107,053,852	106,631,250
PT Bank Permata Tbk	63,883,654	64,711,126
PT CIMB Niaga Tbk	57,245,238	58,237,980
Others (each below Rp 30 millions)	3,482,402	4,376,698
United States Dollar		
Standard Chartered Bank, Jakarta (USD 159,793 in 2014 and USD 176,194 in 2013)	1,987,824,920	2,147,632,323
PT Bank Negara Indonesia (Persero) Tbk (USD 157,639 in 2014 and USD 134,643 in 2013)	1,961,023,313	1,641,167,306
PT Bank Mandiri (Persero) Tbk (USD 33,569 in 2014 and USD 107,424 in 2013)	417,602,714	1,309,391,745
Singapore Dollar		
PT Bank Mandiri (Persero) Tbk (SGD 38,305 in 2014 and SGD 38,309 in 2013)	360,917,787	368,841,557
Hongkong Dollar		
PT Bank Mandiri (Persero) Tbk (HKD 82,407 in 2014 and HKD 83,015 in 2013)	132,154,378	130,492,174
Subtotal banks	<u>23,455,086,731</u>	<u>33,323,827,406</u>
Cash equivalents - Time deposits		
Rupiah		
PT Bank Mandiri (Persero) Tbk	12,800,000,000	500,000,000
PT Bank OCBC NISP Tbk	2,000,000,000	-
PT Bank Danamon Indonesia Tbk	88,360,377	83,952,950
Subtotal cash equivalents	<u>14,888,360,377</u>	<u>583,952,950</u>
<b>Total</b>	<b><u>38,392,982,308</u></b>	<b><u>33,959,407,363</u></b>

The annual interest rate on time deposits denominated in Rupiah are ranging from 5.50% to 9.50% in 2014 and 4.25% to 5.00% in 2013.

There are no cash and cash equivalents placement to related parties as of December 31, 2014 and 2013.

**5. TRADE RECEIVABLE - THIRD PARTIES**

The detail of trade receivable - third parties as follows:

	<b>2014</b>	<b>2013</b>
Third Parties		
PT Asuransi Jiwasraya Persero	18,487,871,485	-
PT Campina Ice Cream Industry	12,779,154,887	11,056,313,862
PT Nutrisains	10,547,184,023	3,117,765,562

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**5. TRADE RECEIVABLE - THIRD PARTIES (continued)**

	<b>2014</b>	<b>2013</b>
PT Nutrindo Jaya Abadi	8,777,659,921	1,009,360,210
PT Indocement Tunggal Prakarsa Tbk	7,122,558,560	-
PT Bank Rakyat Indonesia (Persero)	5,406,399,512	13,368,162,096
PT Taman Impian Jaya Ancol	5,225,656,656	3,142,658,040
PT Lenovo Indonesia	4,375,440,211	3,379,192,575
PT Astra Daihatsu Motor	3,276,093,446	6,466,570,143
PT Muara Wisesa Samudra	2,946,503,394	2,049,097,827
PT Astra Honda Motor	2,199,297,262	5,912,234,086
PT Pharos Indonesia	1,795,200,000	1,009,048,478
PT Sarihusada Generasi Mahardika	1,609,828,059	66,591,250
PT Mowilex Indonesia	1,607,910,700	3,299,546,226
PT Dimas Pratama Indah	1,582,282,932	916,204,080
PT Tupperware Indonesia	1,472,193,038	3,364,333,773
PT Multimedia Prasetyakarya	1,382,929,960	1,382,929,960
PT Agung Podomoro Land Tbk	1,320,395,061	1,969,546,378
PT Calpis Indonesia	1,294,599,137	-
PT Seven Sunday Film	1,234,693,878	-
PT Ici Paints Indonesia	1,037,487,214	1,772,964,445
PT Kalbe Farma Tbk	931,918,552	1,706,608,625
PT Takeda Indonesia	543,082,100	1,511,300,992
PT Jaya Real Property Tbk	82,505,048	1,260,754,617
PT Changong Electronic Indonesia	713,357	1,604,553,735
PT Ultra Jaya Milk Industry Tbk	-	27,116,636,285
Others (each below Rp 1 billion)	22,246,020,207	22,300,441,650
<b>Total</b>	<b>119,285,578,600</b>	<b>118,782,814,895</b>
Less provision for impairment of receivables	(7,639,293,539)	(6,481,908,612)
<b>Net</b>	<b>111,646,285,061</b>	<b>112,300,906,283</b>

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

	<b>2014</b>	<b>2013</b>
Current	53,245,765,382	63,607,712,108
Overdue:		
1 - 30 days	32,859,003,471	32,098,758,404
31 - 60 days	13,158,505,005	5,964,426,284
61 - 91 days	7,284,572,983	3,982,218,634
More than 90 days	12,737,731,759	13,129,699,465
<b>Total</b>	<b>119,285,578,600</b>	<b>118,782,814,895</b>
Less provision for impairment of receivables	(7,639,293,539)	(6,481,908,612)
<b>Net</b>	<b>111,646,285,061</b>	<b>112,300,906,283</b>

The movement of provision for impairment of receivables are as follows:

	<b>2014</b>	<b>2013</b>
Beginning balance	6,481,908,612	5,526,088,713
Addition during the year (Note 26)	1,164,300,892	955,819,899
Realized during the year	(6,915,965)	-
<b>Ending balance</b>	<b>7,639,293,539</b>	<b>6,481,908,612</b>

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

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**5. TRADE RECEIVABLE - THIRD PARTIES (continued)**

Trade receivables of the Company amounting to Rp 40,000,000,000 is used as collateral for bank loan obtained from PT Bank Mandiri (Persero) Tbk (Note 13).

**6. SERVICES IN PROGRESS**

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

	<b>2014</b>	<b>2013</b>
Television programs	18,533,573,245	14,460,771,630
Printing materials	8,424,285,253	10,250,287,858
Room exhibition equipment	5,755,759,885	6,112,494,435
Art materials	5,529,986,118	6,549,445,127
Studio program	5,172,098,207	3,198,089,372
Promotion and marketing	4,893,162,237	4,821,616,804
Others	4,896,294,714	6,405,032,543
<b>Total</b>	<b>53,205,159,659</b>	<b>51,797,737,769</b>

**7. ADVANCES AND OTHER CURRENT ASSETS**

Consist of:

	<b>2014</b>	<b>2013</b>
Advance payment:		
Media	12,505,685,635	16,023,267,244
Production	3,985,878,441	4,684,753,032
Other current assets:		
Equipment	1,716,635,692	1,771,707,107
Prepaid expenses	880,464,907	551,150,858
Office supplies	169,844,098	176,780,786
<b>Total</b>	<b>19,258,508,773</b>	<b>23,207,659,027</b>

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

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

Prepaid expenses represent building lease and insurance for the Group' fixed assets.

**8. RESTRICTED TIME DEPOSITS**

This account represent time deposit of the Company's is denominated in Rupiah placed in PT Bank Mandiri (Persero) Tbk amounting to Rp 12,000,530,000 as of December 31, 2014 and 2013, with interest rate ranging from 5.50% - 8.00% per year in 2014 and from 5.50% - 7.50% per year in 2013. This time deposits used as collateral for short-term bank loan that obtained by the Company from PT Bank Mandiri (Persero) Tbk (Note 13).

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
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**9. NATURE, TRANSACTIONS AND BALANCE WITH RELATED PARTIES**

Nature of the related parties

Related Parties	Nature of the Relationship	Transaction
PT Prima Rancang Buana	The same management with the Company	Due from related parties and trade payables
PT Fortune Travindo	The same management with the Company	Due from related parties, trade payables and due to related party
Fortune PR Singapore Pte., Ltd	The same management with the Company	Due from related parties
PT Teknografika Nusantara	The same management with the Company	Due from related parties

Transaction with related parties

a. Employees' receivables

The Group give non interest bearing loan to their employees which will be paid through monthly salaries deduction. The employees receivables represent 0.44% and 0.65% of the total consolidated assets as of December 31, 2014 and 2013, respectively.

b. Due from related parties

Consist of:

	2014	2013
PT Prima Rancang Buana	3,664,231,585	3,072,000,000
PT Fortune Travindo	1,170,009,640	1,170,009,641
Fortune PR Singapore Pte., Ltd	981,487,932	860,485,339
PT Teknografika Nusantara	561,336,006	550,000,000
<b>Total</b>	<b>6,377,065,163</b>	<b>5,652,494,980</b>

This account represents a non interest bearing loans, unsecured, and no maturity date that given by the Group. As of December 31, 2014 and 2013, the balance of that receivables are 2.44% and 2.15% of total consolidated assets, respectively.

c. Trade payables

Group's purchases from related parties are:

	2014		2013	
	Total	% <sup>*)</sup>	Total	% <sup>*)</sup>
PT Fortune Travindo	1,211,406,228	0.38	1,044,463,461	0.32
PT Prima Rancang Buana	260,572,081	0.08	235,476,382	0.07
<b>Total</b>	<b>1,471,978,309</b>	<b>0.46</b>	<b>1,279,939,843</b>	<b>0.39</b>

\*) The percentage of the amount of direct cost

Trade payable Groups to related parties are:

	2014		2013	
	Total	% <sup>*)</sup>	Total	% <sup>*)</sup>
PT Fortune Travindo	138,061,310	0.11	92,591,097	0.07
PT Prima Rancang Buana	268,115,188	0.21	257,232,806	0.20
<b>Total</b>	<b>406,176,498</b>	<b>0.32</b>	<b>349,823,903</b>	<b>0.27</b>

\*)The percentage of total consolidated liabilities

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
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**9. NATURE, TRANSACTIONS AND BALANCE WITH RELATED PARTIES (continued)**

d. Due to related party

PT Fortune Adwicipta, Subsidiary, give non interest bearing loan, no collateral and no maturity date to PT Fortune Travindo, Associate Company amounted to Rp 200,000,000 as of December 31, 2014 and 2013. As of December 31, 2014 and 2013, the balance of the payable is amounted to 0.16% and 0.15% of total consolidated liabilities, respectively.

e. Compensation benefits to Boards of Commissioners and Directors

Total compensation paid to Boards of Commissioners amounting to Rp 1,899,200,000 and Rp 2,110,000,000 or 3.47% and 4.08% from salaries, wages, and employees' welfare expenses in operating expenses in 2014 and 2013, respectively.

Total compensation paid to Directors amounting to Rp 8,131,588,093 dan Rp 6,694,958,000 or 14.86% and 12.95% from salaries, wages, and employees' welfare expenses in operating expenses in 2014 and 2013, respectively.

**10. INVESTMENT IN ASSOCIATE COMPANY**

This account represents investment in PT Fortune Travindo (FT) amounted to 20% or 2,272,000 shares with acquisition cost of Rp 4,117,552,758. The mutations of investments in FT at in 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Beginning balance	4,117,552,758	4,053,807,590
Portion of current year net income (loss)	(53,837,248)	63,745,168
Sale of Associate Company	(4,063,715,510)	-
<b>Ending balance</b>	<u>-</u>	<u>4,117,552,758</u>

In 2014 and 2013, the Company recorded FT portion of net loss and income of Rp 53,837,248 and Rp 63,745,168 presented as "Share in net income (loss) from investment in Associate Company" as a part of "Other income (expense)", in the consolidated statements of comprehensive income.

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

FT is domiciled at Jakarta and its business activities is travel services.

On September 30, 2014 was held General Meeting of Shareholders (RUPSLB) of FT which notarized by Leolin Jayayanti, S.H. deed No. 67 on the same date, regarding the change of ownership of FT. The result of RUPSLB reaffirm that the Company sold its entire ownership in FT to PT Grhaadhika Fortune, related party, amounting to Rp 2,250,000,000. Loss on sale of investment amounted to Rp 1,813,715,507, recorded as "Loss on sale of investments in Associate Company" on the consolidated statement of comprehensive income in 2014.

**11. OTHER LONG - TERM INVESTMENT**

As of December 31, 2014 and 2013, this represent investment of one (1) share of PT Usaha Kita Makmur Indonesia (UKMI) with the percentage of ownership of 2.38% with par value of Rp 500,000,000 per shares. The equity instruments are not quoted in an active market and cannot be measured reliably, therefore the fair value of this instruments are recorded at cost.

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**11. OTHER LONG - TERM INVESTMENT (continued)**

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

**12. FIXED ASSETS**

Fixed assets consists of:

2014	Beginning Balance	Addition	Deduction	Ending Balance
<b><u>Cost</u></b>				
Direct ownership :				
Building and improvements	8,533,058,092	231,749,000	-	8,764,807,092
Machinery and installations	15,899,768	-	-	15,899,768
Studio equipments	138,738,436	-	-	138,738,436
Office equipments	8,103,169,453	682,240,445	68,213,000	8,717,196,898
Motor vehicles	4,174,631,897	-	113,660,000	4,060,971,897
Lease asset :				
Office equipments	134,920,000	-	-	134,920,000
<b>Total</b>	<b>21,100,417,646</b>	<b>913,989,445</b>	<b>181,873,000</b>	<b>21,832,534,091</b>
<b><u>Accumulated depreciation</u></b>				
Direct ownership:				
Building and improvements	5,261,773,095	486,550,120	-	5,748,323,215
Machinery and installations	8,824,400	2,675,000	-	11,499,400
Studio equipments	124,054,993	1,154,100	-	125,209,093
Office equipments	6,126,094,690	764,708,883	68,030,917	6,822,772,656
Motor vehicles	1,625,238,127	488,562,429	113,660,000	2,000,140,556
Lease asset :				
Office equipments	33,730,000	26,984,000	-	60,714,000
<b>Total</b>	<b>13,179,715,305</b>	<b>1,770,634,532</b>	<b>181,690,917</b>	<b>14,768,658,920</b>
<b>Net Book Value</b>	<b>7,920,702,341</b>			<b>7,063,875,171</b>
2013	Beginning Balance	Addition	Deduction	Ending Balance
<b><u>Cost</u></b>				
Direct ownership :				
Building and improvements	8,533,058,092	-	-	8,533,058,092
Machinery and installations	15,899,768	-	-	15,899,768
Studio equipments	138,738,436	-	-	138,738,436
Office equipments	7,402,694,958	780,044,495	79,570,000	8,103,169,453
Motor vehicles	4,259,631,897	760,000,000	845,000,000	4,174,631,897
Lease asset :				
Office equipments	134,920,000	-	-	134,920,000
<b>Total</b>	<b>20,484,943,151</b>	<b>1,540,044,495</b>	<b>924,570,000</b>	<b>21,100,417,646</b>
<b><u>Accumulated depreciation</u></b>				
Direct ownership :				
Building and improvements	4,785,284,188	476,488,907	-	5,261,773,095
Machinery and installations	6,149,400	2,675,000	-	8,824,400
Studio equipments	122,900,893	1,154,100	-	124,054,993
Office equipments	5,376,763,900	784,818,757	35,487,967	6,126,094,690
Motor vehicles	1,387,509,031	522,104,096	284,375,000	1,625,238,127
Lease asset :				
Office equipments	6,746,000	26,984,000	-	33,730,000
<b>Total</b>	<b>11,685,353,412</b>	<b>1,814,224,860</b>	<b>319,862,967</b>	<b>13,179,715,305</b>
<b>Net Book Value</b>	<b>8,799,589,739</b>			<b>7,920,702,341</b>

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**12. FIXED ASSETS (continued)**

The detail of gain on sale of fixed assets in 2014 and 2013 are as follows:

	<b>2014</b>	<b>2013</b>
Cost	181,873,000	845,000,000
Accumulated depreciation	181,690,917	284,375,000
Net book value of fixed assets	182,083	560,625,000
Proceed from sale of fixed assets	35,000,000	630,000,000
<b>Gain on sale of fixed assets</b>	<b>34,817,917</b>	<b>69,375,000</b>

Income from insurance claim of office equipments from PT Zurich Insurance Indonesia, insurance company are as follows:

	<b>2013</b>
Cost	79,570,000
Accumulated depreciation	35,487,967
Net book value of fixed assets	44,082,033
Claim from insurance	49,482,784
<b>Income from insurance claim</b>	<b>5,400,751</b>

Depreciation charged to operating expenses amounting to Rp 1,770,634,532 and Rp 1,814,224,860 in 2014 and 2013, respectively (Note 26).

Vehicle amounting to Rp 1,912,642,500 owned by the Company, acquired through credit facility from PT Pan Indonesia Tbk, PT BII Finance Center and PT Bank Jasa Jakarta was used as collateral to related liability. Related liability is disclosed as "Financing payable" in the consolidated statements of financial position as of December 31, 2014 and 2013 (Note 15).

Office equipments amounting to Rp 134,920,000 owned by FPR, Subsidiary, acquired through finance lease facility from PT Orix Indonesia Finance, was used as collateral to related liability. Related liability is disclosed as "Lease payable" in the consolidated statements of financial position as of December 31, 2014 and 2013 (Note 16).

As of December 31, 2014 and 2013, the fixed assets of the Group are insured against fire risk, riot risk, the risk of damage, and other risks under certain blanket policies with the sum insured amounting to Rp 4,967,644,000 and Rp 6,624,868,000, respectively. The Group's management believe that the sum insured is adequate to cover possible losses on insured assets.

Based on a review of the recoverable value of the fixed assets, the Group's management believes that there are no events or changes indicate an impairment of assets as of December 31, 2014 and 2013.

**13. SHORT-TERM BANK LOANS**

This account represents facilities from PT Bank Mandiri (Persero) Tbk received by the Company, with details as follows:

	<b>2014</b>	<b>2013</b>
Working capital credit non revolving	25,000,000,000	25,000,000,000
Working capital credit revolving	5,000,200,000	5,000,200,000
<b>Total</b>	<b>30,000,200,000</b>	<b>30,000,200,000</b>

As stated in the Letter of Credit Agreement No. CBG.CB3/SPPK/MN1.179/2011 dated June 13, 2011, the Company obtain working capital credit facility from PT Bank Mandiri (Persero) Tbk which used for working capital with maximum limit of Rp 20 billion and will be due on July 14, 2012.

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**13. SHORT-TERM BANK LOANS (continued)**

Furthermore, based on Credit Agreement No. CRO.KP/205/KMK/11 on November 22, 2012, the Company received additional working capital credit facility with maximum amount of Rp 20 billion, then the maximum facilities become Rp 40 billion and with maturity date on July 14, 2013. This facility with bear interest at 9.25% per year.

Furthermore, based on Credit Agreement No. CBC.JIS/SPPK/1279/2013 on July 8, 2013, working capital credit facility converted to:

1. Working capital credit non revolving amounted to Rp 25,000,000,000
- 2 Working capital credit revolving amounted to Rp 15,000,000,000

This credit facility will be due on August 14, 2014 and bear interest at 11.5% per year.

The facility then extended until August 14, 2015 based of Credit Offering Letter No. CBC.JIS/SPPK/1319/2014 dated July 23, 2014, and bear interest at 11.75% per year.

The interest rate is adjusted to 12.25% per year based the letter No. CBC.JIS/1406/2014 dated August 18, 2014.

All loan facility is secured by trade receivables amounting to Rp 40,000,000,000 (Note 5) and time deposits on behalf of the Company which placed in PT Bank Mandiri (Persero) Tbk amounting to Rp 12,000,530,000 (Note 8).

**14. TRADE PAYABLES**

This represents liabilities to the following suppliers with the details are as follows:

	<b>2014</b>	<b>2013</b>
Third parties		
PT Rajawali Citra Televisi Indonesia	15,911,864,272	12,849,316,001
PT Surya Citra Televisi Tbk	9,254,960,000	10,686,900,000
PT Cakrawala Andalas Televisi	7,681,520,001	601,920,001
PT Lativi Media Karya	5,671,644,000	812,900,000
PT Indosiar Visual Mandiri	2,668,644,000	222,956,800
PT Sebelas April Lian Mipro	2,445,847,960	2,344,908,923
PT Kompas Media Nusantara	2,402,239,840	4,463,913,740
PT Televisi Transformasi Indonesia	1,991,700,000	2,709,294,339
PT Global Informasi Bermutu	1,836,912,000	3,594,580,000
PT Karin Disni Jaya	1,705,440,000	-
PT MNC Sky Vision Tbk	1,627,810,381	1,659,312,017
PT Duta Visual Nusantara Tivi Tujuh	976,250,000	1,764,664,000
PT Media Nusantara Citra Tbk	860,112,000	1,832,886,000
PT Sentra Mega Kreasi	5,249,999	2,437,577,546
PT Magentha Prima	-	1,297,920,001
Others (each below Rp1 billion)	25,688,430,685	29,265,289,688
<b>Total third parties</b>	<b>80,728,625,138</b>	<b>76,544,339,056</b>
Related parties (Note 9c)		
PT Prima Rancang Buana	268,115,188	257,232,806
PT Fortune Travindo	138,061,310	92,591,097
<b>Total related parties</b>	<b>406,176,498</b>	<b>349,823,903</b>
<b>Total</b>	<b>81,134,801,636</b>	<b>76,894,162,959</b>

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**14. TRADE PAYABLES (continued)**

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

	<b>2014</b>	<b>2013</b>
Third parties		
Current	56,504,907,714	40,860,147,214
Overdue:		
1 - 30 days	7,281,801,260	9,330,518,137
31 - 60 days	2,730,361,976	3,759,515,242
61 - 90 days	2,019,220,423	7,490,568,547
More than 90 days	12,192,333,765	15,103,589,916
Subtotal	80,728,625,138	76,544,339,056
Related parties		
Current	182,779,424	39,692,759
Overdue:		
1 - 30 days	60,926,475	34,130,625
31 - 60 days	121,852,949	-
More than 90 days	40,617,650	276,000,519
Subtotal	406,176,498	349,823,903
<b>Total</b>	<b>81,134,801,636</b>	<b>76,894,162,959</b>

Balance of trade payable as of December 31, 2014 and 2013 were denominated in Rupiah.

**15. FINANCING PAYABLE**

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

	<b>2014</b>	<b>2013</b>
Financing payable for purchase of fixed assets	133,000,000	399,000,000
Less current maturities	133,000,000	266,000,000
<b>Long Term Portion - Net</b>	<b>-</b>	<b>133,000,000</b>

Financing payable guaranteed by related assets (Note 12).

Financing payable bear interest of 3.58% per year.

Interest expense of financing payable amounted to Rp 19,045,596 and Rp 26,553,343 (Note 28) for the years ended December 31, 2014 and 2013, respectively.

**16. LEASE PAYABLE**

In 2014 and 2013, FPR, Subsidiary, obtained lease facility from PT Orix Indonesia Finance for the purchase of office equipments that will expire in 2015, with the details are as follows:

	<b>2014</b>	<b>2013</b>
2014	-	39,750,000
2015	39,750,000	39,750,000
Total minimum lease	39,750,000	79,500,000
Less interest expense	8,268,656	16,537,328
Present value of minimum lease payments	31,481,344	62,962,672
Less current maturities	31,481,344	31,481,328
<b>Long Term Portion - Net</b>	<b>-</b>	<b>31,481,344</b>

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**16. LEASE PAYABLE (continued)**

Lease payable guaranteed by related assets (Note 12).

Lease payable bear interest of 8.75% per year.

Interest expense of lease payable amounted to Rp 4,956,172 and Rp 7,579,616 (Note 28) for the years ended December 31, 2014 and 2013, respectively.

**17. TAXATION**

**a. Taxes Payable**

Taxes payable consists of:

	<u>2014</u>	<u>2013</u>
<u>Company:</u>		
Income taxes:		
Article 21	755,741,188	1,197,976,765
Article 23	426,445,709	1,071,917,286
Article 29	1,125,615	8,841,386
Value Added Taxes	891,093,733	3,584,493,735
Subtotal Company	<u>2,074,406,245</u>	<u>5,863,229,172</u>
<u>Subsidiaries:</u>		
Income taxes:		
Article 21	446,021,964	600,468,488
Article 23	224,427,875	606,999,359
Article 25	116,029,637	283,875,667
Article 29	152,508,606	307,206,934
Value Added Taxes	169,226,783	1,751,272,127
STP/SKPKB/SP (Note 17e)	214,816,459	214,816,459
Subtotal Subsidiaries	<u>1,323,031,324</u>	<u>3,764,639,034</u>
<b>Total</b>	<b><u>3,397,437,569</u></b>	<b><u>9,627,868,206</u></b>

**b. Income Taxes**

	<u>2014</u>	<u>2013</u>
<u>Company:</u>		
Current tax expenses	(1,027,038,500 )	(1,999,153,600)
Deferred tax benefit	1,425,089,443	559,094,817
<u>Subsidiaries:</u>		
Current tax expenses	(1,892,073,961 )	(1,840,167,636)
Deferred tax benefit (expenses)	(798,308,470 )	51,914,671
<b>Total</b>	<b><u>(2,292,331,488 )</u></b>	<b><u>(3,228,311,748)</u></b>

**c. Current Tax**

Reconciliation between income before income tax expenses as shown in the consolidated statements of comprehensive income with estimated taxable income of the Company for the years ended December 31, 2014 and 2013, are as follows:

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**17. TAXATION (continued)**

**c. Current Tax (continued)**

	<b>2014</b>	<b>2013</b>
Income before income tax expenses per consolidated statements of comprehensive income	6,181,041,591	13,809,599,312
Income of Subsidiaries before tax expense	(5,983,523,340 )	(6,444,313,173)
Income (loss) from investment in Associate Company	<u>53,837,248</u>	<u>(63,745,168)</u>
Income before income tax expenses of the Company	251,355,499	7,301,540,971
Timing difference:		
Provision for employees' benefits	840,670,000	1,759,777,651
Depreciation of fixed assets	236,372,160	272,948,502
Provision for impairment of receivables	26,688,706	203,653,113
Permanent difference:		
Tax and penalties	2,993,410,820	180,294,360
Employees' welfare	1,128,913,520	652,828,663
Representation and donation	287,753,664	321,948,101
Telephone	132,043,753	105,118,300
Interest income already subjected to final tax	<u>(1,789,053,226 )</u>	<u>(802,340,893)</u>
<b>Estimated taxable income - Company</b>	<b><u>4,108,154,896</u></b>	<b><u>9,995,768,768</u></b>

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

	<b>2014</b>	<b>2013</b>
Estimated taxable income (rounded):		
Company	4,108,154,000	9,995,768,000
Subsidiaries	<u>7,913,084,000</u>	<u>7,540,563,000</u>
Current tax expenses:		
Company	1,027,038,500	1,999,153,600
Subsidiaries	<u>1,892,073,961</u>	<u>1,840,167,636</u>
<b>Total current tax expenses</b>	<b><u>2,919,112,461</u></b>	<b><u>3,839,321,236</u></b>
Less prepaid tax:		
<u>Company</u>		
Article 23	984,270,885	1,870,357,214
Article 25	41,642,000	119,955,000
<u>Subsidiaries</u>		
Article 23	383,512,258	346,028,102
Article 25	<u>1,356,053,096</u>	<u>1,186,932,600</u>
Total	<u>2,765,478,239</u>	<u>3,523,272,916</u>
Corporate tax payable:		
Company	1,125,615	8,841,386
Subsidiaries	<u>152,508,606</u>	<u>307,206,934</u>
<b>Total corporate tax payable</b>	<b><u>153,634,221</u></b>	<b><u>316,048,320</u></b>

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**17. TAXATION (continued)**

**c. Current Tax (continued)**

	<b>2014</b>	<b>2013</b>
Estimated claim for tax refund (Note 17e)		
Subsidiaries		
Article 23	51,030,735	51,030,735
Article 25	42,877,200	42,877,200
<b>Total estimated claim for tax refund</b>	<b>93,907,935</b>	<b>93,907,935</b>

The Company and Subsidiaries will report the estimated taxable income for the year 2014 mentioned above in their Annual Tax Return (SPT) that will be submitted to Tax Office (KPP).

The amount of estimated taxable income for the year of 2013 mentioned above are in accordance with the amount which reported in SPT that were reported to Tax Office (KPP).

**d. Deferred Tax**

Details of deferred income tax benefit (expense) on temporary differences between commercial and tax reporting purposes using the maximum tax rate for the years ended December 31, 2014 and 2013 are as follows:

Deferred tax benefit (expense)

	<b>2014</b>	<b>2013</b>
<u>Company</u>		
Provision for employees' benefits	1,359,324,227	439,944,413
Depreciation of fixed assets	59,093,040	68,237,126
Provision for impairment of receivables	6,672,176	50,913,278
Deferred tax benefit - Company	1,425,089,443	559,094,817
<u>Subsidiaries</u>		
Provision for impairment of receivables	284,403,047	188,041,697
Depreciation of fixed assets	17,507,042	(2,023,962)
Provision for employees' benefits	(1,099,094,227 )	(55,940,913)
Financial lease	(1,124,332 )	(468,471)
Fiscal loss	-	(77,693,680)
Deferred tax benefit - Subsidiaries	(798,308,470 )	51,914,671
<b>Total deferred tax benefit</b>	<b>626,780,973</b>	<b>611,009,488</b>

Deferred tax asset

	<b>2014</b>	<b>2013</b>
<u>Company</u>		
Provision for employees' benefits	2,773,984,042	1,414,659,815
Provision for impairment of receivables	790,143,864	783,471,688
Depreciation of fixed assets	120,991,410	61,898,370
Deferred tax assets - Company	3,685,119,316	2,260,029,873
<u>Subsidiaries</u>		
Provision for impairment of receivables	1,121,408,513	837,005,466
Provision for employees' benefits	356,650,457	1,455,744,684
Depreciation of fixed assets	355,032,740	337,525,698
Financial lease	(562,163 )	562,169
Deferred tax assets - Subsidiaries	1,832,529,547	2,630,838,017
<b>Total</b>	<b>5,517,648,863</b>	<b>4,890,867,890</b>

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**17. TAXATION (continued)**

**e. Tax Collection and Assessment**

The Company

On March 28, 2014, the Company received tax assessment corporate income tax for year 2010 which determine underpayment amounted to Rp 819,970,431, with the details as follows:

1. Corporate Income tax period of 2010 amounted to Rp 201,211,920
2. Income Tax article 4 paragraph 2 period in 2010 amounted to Rp 1,036,000
3. Income Tax article 23 of 2010 amounted to Rp 27,347,901
4. Income Tax article 21 of 2010 amounted to Rp 5,468,320
5. Value Added Tax period January - December 2010 amounted to Rp 584,906,290

In 2014, the Company also received several tax collection letters (STP/"Surat Tagihan Pajak") amounted to Rp 1,333,453,243 details as follows:

1. Income Tax article 23 period March 2010 amounted to Rp 6,291,854
2. Income Tax article 21 period March 2010 amounted to Rp 8,656,285
3. Corporate Income Tax period 2013 amounted to Rp 1,099,430
4. Value Added Tax period 2010 amounted to Rp 1,317,405,674

The total of underpayments and tax collection letters (STP/"Surat Tagihan Pajak") amounted to Rp 2,153,423,674 recorded in "Taxes and Penalties" account as part of "Operating Expenses" in the consolidated statement of comprehensive income in 2014. The underpayment has been fully paid by the Company in 2014.

PT Fortune Pramana Rancang (FPR)

On January 14, 2013, PT Fortune Pramana Rancang (FPR), a Subsidiary, received tax assessment corporate income tax for year 2010 amounted of Rp 93,907,935. The taxes examination result stated that the Subsidiary has an overpayment amounted to Rp 110,838,365. Until December 31, 2014, FPR has not received the overpayment restitution result.

In 2013, FPR, received tax collection letters (STP/"Surat Tagihan Pajak") for income tax article 4 paragraph 2, income tax article 21, income tax article 23, and Value Added Tax for the years 2010 until 2012 amounted to Rp 273,485,395 and recorded as part of "Tax and Penalties" account as part of "Operating Expense" in the 2013 consolidated statement of comprehensive income. The tax collection has been paid by FPR in 2013.

PT Fortune Adwicipta (FAC)

In 2013, PT Fortune Adwicipta (FAC), Subsidiary, received tax collection letter (STP/"Surat Tagihan Pajak") for income tax article 21 and Final Income Tax, Foreign Fiscal, and Forced Letters of income tax article 21, income tax article 23, and Value Added tax for fiscal period from 2007 until 2010 amounting to Rp 102,349,476. In connection with this tax collection letter, FAC recorded as part of "Tax and Penalties" account as part of "Operating Expense" in the 2013 consolidated statement of comprehensive income. Those amount still outstanding as of December 31, 2014.

On November 21, 2011, FAC, received tax assessment for 2009 corporate income tax amounted to of Rp 279,258,403. The taxes examination result stated that FAC has an overpayment amounting to Rp 279,258,402 and an underpayment of income tax article 4 paragraph 2 of Rp 100,875,419, income tax article 21 of Rp 20,187,499, income tax article 23 of Rp 118,779,468 and Value Added Tax amounting to Rp 15,165,000 with total amount of Rp 255,007,386. Based on taxes examination result, FAC recorded income tax year 2009 of Rp 255,007,386 in "Tax and Penalties" account as part of "Operating Expenses" in the 2011 consolidated statement of comprehensive income.

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**17. TAXATION (continued)**

**e. Tax Collection and Assesment (continued)**

PT Fortune Adwicipta (FAC) (continued)

Based on Directorate General of Taxation Decision Letter No. KEP00093.PPH/WPJ.04/KP.1003/2011 concerning restitution of overpayment to FAC, which decided to compensate the overpayment amounting to Rp 279,258,402 with the underpayment amounting to Rp 190,824,906 from 2009 claim for tax refund, Rp 44,955,907 from 2008 claim for tax refund, Rp 41,677,589 from 2007 claim for tax refund and Rp 1,800,000 from 2010 claim for tax refund, therefore the tax amount of 2009 corporate income tax should be paid by FAC amounting to Rp 64,182,480 as of December 31, 2012. Those amount still outstanding as of December 31, 2014.

On July 20, 2010, FAC, received tax assessment for 2008 corporate income tax amounting to Rp 252,506,449. The taxes examination result stated that FAC has an overpayment amounting to Rp 252,506,449 and an underpayment of income tax article 4 paragraph 2 of Rp 72,210,116, income tax article 21 of Rp 45,685,057, income tax article 23 of Rp 253,368,629 and Value Added Tax amounting to Rp 21,103,262 with total amount of Rp 392,367,064. In accordance with the Tax Assessment Letter (SKP) KPPMB No.00022/406/08/017/10, FAC compensated the overpayment amounting to Rp 252,506,449 with the underpayment amounting to Rp 392,367,064, therefore the tax amount should be paid by FAC amounting to Rp 139,860,615 as of December 31, 2010. Based on those result, FAC charged income tax expense year 2008 and an underpayment of income tax article 4 paragraph 2, income tax article 21, income tax article 23 and Value Added Tax amounting to Rp 392,367,064 in "Tax and Penalties" account as part of "Operating Expenses" in the 2010 consolidated statement of comprehensive income.

Then in 2011, FAC paid 2008 income tax underpayment amounting to Rp 46,620,205 and compensate 2009 income tax overpayment with 2008 income tax underpayment amounting to Rp 44,955,907, therefore the tax amount should be paid by FAC amounting to Rp 48,284,503 as of December 31, 2012. Those amount still outstanding as of December 31, 2014.

The amount of tax payable by FAC as of December 31, 2014, is amounting to Rp 214,816,459.

**f. Administration and Changes in Tax Regulation**

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

**18. EMPLOYEES' BENEFITS LIABILITY**

The Group recognizes retirement benefits liability in 2014 and 2013 based on the actuary's calculation of PT Dayamandiri Dharmakonsilindo, an independent actuary, dated March 12, 2015 and March 15, 2014, using the "Projected Unit Credit" method. The main assumptions used in the actuarial calculation are as follows:

	<u>2014</u>	<u>2013</u>
Discounted rate	7.85%	8.00%
Salary increase projection rate	10% per year	10% per year
Mortality rate	TMI 2011	CSO - 1980
Record rate	10% of TMI 2011	10% of CSO 1980
Pension age	55	55
Resign rate	20% at 20 years old, then decrease linierly down to 3% at 45 years old	20% at 20 years old, then decrease linierly down to 3% at 45 years old

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**18. EMPLOYEES' BENEFITS LIABILITY (continued)**

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

	<b>2014</b>	<b>2013</b>
Present value of employees' benefits obligation	14,896,122,000	13,259,190,000
Unrecognized past service cost - unvested	(34,863,000 )	(65,259,000 )
Unrecognized actuarial loss	(2,338,720,830 )	(1,712,313,000 )
<b>Total</b>	<b>12,522,538,170</b>	<b>11,481,618,000</b>

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

	<b>2014</b>	<b>2013</b>
Beginning balance	11,481,618,000	9,945,604,000
Current cost recognized in the consolidated statements of comprehensive income	2,357,229,170	2,678,397,000
Actual post-employment benefit payment	(1,316,309,000 )	(1,142,383,000 )
<b>Ending balance</b>	<b>12,522,538,170</b>	<b>11,481,618,000</b>

The detail of employees' benefits expense recognized in the consolidated statements of comprehensive income are as follows:

	<b>2014</b>	<b>2013</b>
Current service expense	915,843,170	1,022,442,000
Interest cost	902,473,000	669,123,000
Payment during the year	441,435,000	428,786,000
Amortization of actuarial losses	97,478,000	558,046,000
<b>Total</b>	<b>2,357,229,170</b>	<b>2,678,397,000</b>

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

Employees' benefits expense is recorded in "Operating Expenses" account in the consolidated statements of comprehensive income (Note 26). Employees' benefits liability is recorded in "Employees' Benefits Liability" account in the consolidated statements of financial position.

Historical information over the present value of the defined benefit obligation, fair value of plan assets and experience adjustments are as follows:

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Present value of defined benefit obligation	14,896,122,000	13,259,190,000	14,621,853,000	15,054,005,000	18,453,306,000
Fair value of plan asset	-	-	-	-	-
Surplus	14,896,122,000	13,259,190,000	14,621,853,000	15,054,005,000	18,453,306,000
Experience adjustments on plan liabilities	(809,503,000)	(25,277,000)	(226,819,000)	(3,117,927,000)	943,264,000

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**19. CAPITAL STOCK**

The details of shareholders with their ownership as of December 31, 2014 based on the record maintained by PT Sinartama Gunita, the Securities Administration Agency, are as follows:

Stockholders	Capital Stock - Issued and Fully Paid	Percentage of Ownership (%)	Total Capital Stock
PT Karya Cipta Prima	431,474,200	92.75	43,147,420,000
Public (ownership less than 5%)	33,749,800	7.25	3,374,980,000
<b>Total</b>	<b>465,224,000</b>	<b>100.00</b>	<b>46,522,400,000</b>

The details of shareholders with their ownership as of December 31, 2013 based on the record maintained by PT Sinartama Gunita, the Securities Administration Agency, are as follows:

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

As of December 31, 2014 and 2013, there is no Company's shares owned by the Company's Board of Commissioners and Directors.

**20. ADDITIONAL PAID IN CAPITAL - NET**

As of December 31, 2014 and 2013, details of this account are as follows:

	2014	2013
Additional Paid-in Capital		
Initial Public Offering	6,150,000,000	6,150,000,000
Additional paid-in capital from exercise of Warrant Seri I	613,440,000	613,440,000
Stock issuance costs	(3,167,567,104)	(3,167,567,104)
	3,595,872,896	3,595,872,896
Difference in value of restructuring transaction entities under common control	3,553,096,441	3,553,096,441
<b>Total</b>	<b>7,148,969,337</b>	<b>7,148,969,337</b>

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

**21. GENERAL RESERVE AND DIVIDEND**

Based on the Shareholders' General Meeting held on June 25, 2014 as notarized by Notarial Deed No. 68 Leolin Jayayanti, S.H., on the same date, the shareholders agreed to make an additional general reserve of Rp 1,587,275,000 or 15% of the 2013 net income and distribute cash dividend at Rp 10 per share or total of Rp 4,652,240,000.

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**21. GENERAL RESERVE AND DIVIDEND (continued)**

Based on the Shareholders' General Meeting held on May 21, 2013 as notarized by Notarial Deed No. 32 Leolin Jayayanti, S.H., on the same date, the shareholders agreed to make an additional general reserve of Rp 1,887,750,307 or 15% of the 2012 net income and distribute cash dividend at Rp 7 per share or total of Rp 3,256,568,000.

**22. NONCONTROLLING INTEREST**

The details of the noncontrolling interests of equity and net portion of the consolidated Subsidiaries are as follows

	<b>2014</b>		
	<b>Beginning Balance</b>	<b>Noncontrolling Interest Portion in Net Income (loss)</b>	<b>Ending Balance</b>
PT Pelita Alembana	224,559,026	32,729,993	257,289,019
PT Fortune Pramana Rancang	147,351,686	13,078,829	160,430,515
PT Fortune Adwicipta	(25,149,506)	(12,877,413)	(38,026,919)
<b>Total</b>	<b>346,761,206</b>	<b>32,931,409</b>	<b>379,692,615</b>

	<b>2013</b>		
	<b>Beginning Balance</b>	<b>Noncontrolling Interest Portion in Net Income</b>	<b>Ending Balance</b>
PT Pelita Alembana	189,454,984	35,104,042	224,559,026
PT Fortune Pramana Rancang	136,792,663	10,559,023	147,351,686
PT Fortune Adwicipta	(26,047,043)	897,537	(25,149,506)
<b>Total</b>	<b>300,200,604</b>	<b>46,560,602</b>	<b>346,761,206</b>

**23. EARNINGS PER SHARE**

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

	<b>2014</b>	<b>2013</b>
Total comprehensive income attributable to the owner of the Company	3,855,778,694	10,534,726,962
Weighted average number of shares issued and paid	465,224,000	465,224,000
<b>Earnings per share</b>	<b>8</b>	<b>23</b>

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**24. REVENUES**

	<b>2014</b>	<b>2013</b>
Media:		
Television	219,318,970,698	192,992,308,419
Printing	33,034,963,649	44,507,296,268
Digital	14,321,686,028	11,261,837,303
Radio	3,992,883,781	4,961,051,776
Advertising production	98,140,942,108	119,963,702,959
Public relations	25,925,503,697	21,868,783,927
Graphic design and exhibition	9,589,234,407	11,851,739,197
<b>Total</b>	<b>404,324,184,368</b>	<b>407,406,719,849</b>

In 2014, customers with revenue more than 10% of total revenues during the year 2014 were Partai Kebangkitan Nasional, PT Campina Ice Cream Industry, PT Asuransi Jiwasraya Persero, and PT Tupperware Indonesia with total approximately of Rp 140 billion.

In 2013, customers with revenue more than 10% of total revenues during the year 2013 were PT Tupperware Indonesia and PT Ultrajaya Milk Industry and Trading Company Tbk with total approximately of Rp 115 billion.

In 2014 dan 2013, there is no sales to related parties.

**25. DIRECT COST**

	<b>2014</b>	<b>2013</b>
Media:		
Television	202,479,862,234	178,962,064,290
Printing	30,025,883,554	34,924,303,170
Digital	7,508,848,227	6,503,960,006
Radio	3,799,359,799	4,762,594,024
Advertising production	60,199,723,415	82,602,055,056
Public relations	11,868,972,078	10,068,482,115
Graphic design and exhibition	6,685,803,550	8,571,373,016
<b>Total</b>	<b>322,568,452,857</b>	<b>326,394,831,677</b>

Suppliers with a purchase value more than 10% of total purchases during the year 2014 were PT Duta Visual Nusantara Tivi Tujuh with total value of Rp 57 billion.

Suppliers with a purchase value more than 10% of total purchases during the year 2013 were PT Rajawali Citra Televisi Indonesia and PT Duta Visual Nusantara Tivi Tujuh with total value of Rp 107 billion.

In 2014, there were purchases from related parties to PT Fortune Travindo, Associate Company, and PT Prima Rancang Buana, Associate Company, with each total amount of Rp 1,2 billion and Rp 260 million, respectively. In 2013, there were purchase from related parties to PT Fortune Travindo, Associate Company and PT Prima Rancang Buana, Associate Company, with each amount of Rp 1 billion and Rp 235 million, respectively (Note 9c).

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**26. OPERATING EXPENSE**

Details of operating expenses are as follows:

	<b>2014</b>	<b>2013</b>
Salaries, wages and employees welfare	54,739,503,630	51,715,006,855
Tax and penalties (Note 17)	3,177,688,482	822,061,887
Rent	2,378,020,124	2,379,490,755
Employees' benefits (Note 18)	2,357,229,170	2,678,397,000
Depreciation (Note 12)	1,770,634,532	1,814,224,860
Representation and donation	1,575,858,534	1,134,243,882
Travel and transportation	1,461,172,943	1,837,396,892
Office administration	1,440,429,846	1,041,047,384
Provision for impairment of receivables (Note 5)	1,164,300,892	955,819,899
Professional fees	1,087,611,571	933,283,824
Telephone, facsimile, electricity and internet	1,062,102,035	1,084,515,209
Others (each below Rp 100 million)	185,967,651	128,144,196
<b>Total</b>	<b>72,400,519,410</b>	<b>66,523,632,643</b>

**27. INTEREST INCOME**

Consist of:

	<b>2014</b>	<b>2013</b>
Time deposits	1,765,120,481	577,472,867
Interest income	310,100,452	434,551,144
<b>Total</b>	<b>2,075,220,933</b>	<b>1,012,024,011</b>

**28. FINANCING EXPENSES**

Consists of:

	<b>2014</b>	<b>2013</b>
Interest expense:		
Bank loan	3,613,357,422	2,828,147,917
Financing payable (Note 15)	19,045,596	26,553,343
Lease payable (Note 16)	4,956,172	7,579,616
Bank charges and provisions	394,480,981	528,886,660
<b>Total</b>	<b>4,031,840,171</b>	<b>3,391,167,536</b>

**29. OTHER INCOME**

Consist of:

	<b>2014</b>	<b>2013</b>
Income from insurance claim (Note 12)	-	5,400,751
Others - net	723,306,597	305,233,930
<b>Total</b>	<b>723,306,597</b>	<b>310,634,681</b>

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**30. MONETARY ASSET IN FOREIGN CURRENCY**

As of December 31, 2014 and 2013, Group have monetary asset with the details as follows:

		2014		2013	
		Foreign Currency	Ekuivalen Rupiah	Foreign Currency	Ekuivalen Rupiah
Aset					
Banks	USD	351,001	4,366,450,947	418,261	5,098,191,374
	SGD	38,305	360,917,787	38,309	368,841,557
	HKD	82,407	132,154,378	83,015	130,492,174
<b>Total monetary asset in foreign currency</b>			<b>4,859,523,112</b>		<b>5,597,525,105</b>

If the net asset in foreign currencies at December 31, 2014 are translated into Rupiah currency using the middle rates on March 25, 2015, the total net monetary asset denominated in foreign currencies above will increase for amounting Rp 179,562,143.

**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**RISK MANAGEMENT**

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

**a. Credit Risk**

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

Quantitative disclosures of the credit risk exposure in relation to financial assets are set out below:

	Neither Past Due nor Impaired	2014			Past due and impaired	Total
		Past Due but not impaired				
		1 - 30 days	31 - 60 days	61 - 90 days		
Banks and cash equivalents	38,343,447,108	-	-	-	-	38,343,447,108
Trade receivables	53,245,765,382	32,859,003,471	13,158,505,005	7,284,572,983	5,098,438,220	111,646,285,061
Other receivables	3,825,143,939	-	-	-	-	3,825,143,939
Restricted time deposits	12,000,530,000	-	-	-	-	12,000,530,000
Employee receivables	1,155,829,432	-	-	-	-	1,155,829,432
Due from related parties	6,377,065,163	-	-	-	-	6,377,065,163
<b>Total</b>	<b>114,947,781,024</b>	<b>32,859,003,471</b>	<b>13,158,505,005</b>	<b>7,284,572,983</b>	<b>5,098,438,220</b>	<b>173,348,300,703</b>

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**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**RISK MANAGEMENT (continued)**

**a. Credit Risk (continued)**

	2013					Total
	Neither Past Due nor Impaired	Past Due but not impaired			Past due and impaired	
		1 - 30 days	31 - 60 days	61 - 90 days		
Banks and cash equivalents	33,907,780,356	-	-	-	-	33,907,780,356
Trade receivables	63,607,712,108	32,098,758,404	5,964,426,284	3,982,218,634	6,647,790,853	112,300,906,283
Other receivables	5,351,969,997	-	-	-	-	5,351,969,997
Restricted time deposits	12,000,530,000	-	-	-	-	12,000,530,000
Employee receivables	1,705,819,098	-	-	-	-	1,705,819,098
Due from related parties	5,652,494,980	-	-	-	-	5,652,494,980
<b>Total</b>	<b>122,226,306,539</b>	<b>32,098,758,404</b>	<b>5,964,426,284</b>	<b>3,982,218,634</b>	<b>6,647,790,853</b>	<b>170,919,500,714</b>

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

As of December 31, 2014 and 2013, trade receivables were impaired and provided provision with details as follows:

	2014		
	Individually Impaired	Collectively Impaired	Total
As of January 1, 2014	106,547,846,841	12,737,731,759	119,285,578,600
Provision for impairment of receivables	-	(7,639,293,539)	(7,639,293,539)
<b>As of December 31, 2014</b>	<b>106,547,846,841</b>	<b>5,098,438,220</b>	<b>111,646,285,061</b>

	2013		
	Individually Impaired	Collectively Impaired	Total
As of January 1, 2013	105,653,115,430	13,129,699,465	118,782,814,895
Provision for impairment of receivables	-	(6,481,908,612)	(6,481,908,612)
<b>As of December 31, 2013</b>	<b>105,653,115,430</b>	<b>6,647,790,853</b>	<b>112,300,906,283</b>

**b. Market Risk**

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

Foreign Exchange Currency Risk

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

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**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**RISK MANAGEMENT (continued)**

**b. Market Risk (continued)**

Foreign Exchange Currency Risk (continued)

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

The following table demonstrates the sensitivity that reasonably possible change in the exchange rate against foreign currencies, with all other variables held constant, with the profit before tax ended on December 31, 2014 and 2013:

	<u>Increase (Decrease) in Foreign Currencies</u>		<u>Effect on Income Before Tax</u>
December 31, 2014	USD	5%	218,322,547
		-5%	(218,322,547)
	SGD	5%	18,045,889
		-5%	(18,045,889)
	HKD	5%	6,607,719
		-5%	(6,607,719)
December 31, 2013	USD	5%	254,909,569
		-5%	(254,909,569)
	SGD	5%	18,442,078
		-5%	(18,442,078)
	HKD	5%	6,524,609
		-5%	(6,524,609)

The Group has monetary asset denominated in foreign currencies as of December 31, 2014 and 2013 are presented in Note 30.

Interest Rate Risk

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

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

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

	2014					Total
	<u>Effective Interest Rate</u>	<u>Maturities in One (1) Year</u>	<u>Maturity in the year - 2</u>	<u>Maturity in the year - 3</u>	<u>Maturity in the year - 4</u>	
<b>Aset</b>						
<b>Fixed Interest</b>						
Banks and cash equivalents	5.50% - 9.50%	38,343,447,108	-	-	-	38,343,447,108
Restricted time deposits	5.50% - 8.00%	12,000,530,000	-	-	-	12,000,530,000
<b>Liabilities</b>						
<b>Fixed Interest</b>						
Short-term bank loans	11.75%	30,000,200,000	-	-	-	30,000,200,000
Financing payable	3.58%	133,000,000	-	-	-	133,000,000
Lease payable	8.75%	31,481,344	-	-	-	31,481,344

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**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**RISK MANAGEMENT (continued)**

**b. Market Risk (continued)**

Interest Rate Risk (continued)

	2013					Total
	Effective Interest Rate	Maturities in One (1) Year	Maturity in the year - 2	Maturity in the year - 3	Maturity in the year - 4	
<b>Assets</b>						
<b>Fixed Interest</b>						
Banks and cash equivalents	4.25% - 5.00%	33,907,780,356	-	-	-	33,907,780,356
Restricted time deposits	5.50% - 7.50%	12,000,530,000	-	-	-	12,000,530,000
<b>Liabilities</b>						
<b>Fixed Interest</b>						
Short-term bank loans	11.50%	30,000,200,000	-	-	-	30,000,200,000
Financing payable	3.58%	266,000,000	133,000,000	-	-	399,000,000
Lease payable	8.75%	31,481,328	31,481,344	-	-	62,962,672

**c. Liquidity Risk**

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

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

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted contractual payments as of December 31, 2014 and 2013:

	2014				Total
	< 1 month	1 - 3 months	3 - 12 months	> 12 months	
<b>Financial Liabilities</b>					
Short-term bank loans	-	-	30,000,200,000	-	30,000,200,000
Trade payables					
Third parties	55,520,001,933	13,229,751,312	3,501,172,963	8,477,698,930	80,728,625,138
Related parties	-	-	-	406,176,498	406,176,498
Other payable - third parties	197,582,268	318,606,031	45,817,859	795,535,440	1,357,541,598
Accrued expenses	27,500,000	169,978,310	-	-	197,478,310
Financing payable	22,000,000	66,000,000	45,000,000	-	133,000,000
Lease payable	-	7,870,332	23,611,012	-	31,481,344
Due to related party	-	-	-	200,000,000	200,000,000
<b>Total Financial Liabilities</b>	<b>55,767,084,201</b>	<b>13,792,205,985</b>	<b>33,615,801,834</b>	<b>9,879,410,868</b>	<b>113,054,502,888</b>
<b>2013</b>					
	< 1 month	1 - 3 months	3 - 12 months	> 12 months	Total
<b>Financial Liabilities</b>					
Short-term bank loans	-	5,000,000,000	7,559,655,282	17,440,544,718	30,000,200,000
Trade payables					
Third parties	56,205,969,104	7,913,260,304	3,537,739,498	8,887,370,150	76,544,339,056
Related parties	349,823,903	-	-	-	349,823,903
Other payable - third parties	607,714,156	197,878,730	202,782,291	681,454,280	1,689,829,457
Accrued expenses	187,745,897	-	-	-	187,745,897
Financing payable	-	66,500,000	199,500,000	133,000,000	399,000,000
Lease payable	-	7,870,332	23,610,996	31,481,344	62,962,672
Due to related party	-	-	-	200,000,000	200,000,000
<b>Total Financial Liabilities</b>	<b>57,351,253,060</b>	<b>13,185,509,366</b>	<b>11,523,288,067</b>	<b>27,373,850,492</b>	<b>109,433,900,985</b>

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
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**31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**

**CAPITAL MANAGEMENT**

The main objective of capital management of the Group is to ensure the maintenance of high credit ratings and healthy capital ratios to support the business and maximize the return for shareholders.

The Group manages the capital structure and make adjustments, based on changes in economic conditions. To maintain and adjust the capital structure, the Group may adjust the dividend payment to shareholders, issue new shares or seek financing through loans. No changes were made in the objectives, policies or processes during the periods presented.

Group policy is to maintain healthy capital ratios in order to secure financing at a reasonable cost.

As generally accepted practice, evaluating the Group's capital structure through a debt to equity ratio (gearing ratio) is calculated by dividing the net debt to capital. Net debt is total liabilities as presented in the statement of financial position reduced by the amount of cash and cash equivalents. While capital includes all components of equity in the statement of financial position. For the years ended December 31, 2014 and 2013, the ratio calculation is as follows:

	<b>2014</b>	<b>2013</b>
Total liabilities	128,974,478,627	130,543,387,191
Less : Cash and cash equivalents	(38,392,982,308 )	(33,959,407,363 )
Net payable	90,581,496,319	96,583,979,828
Total equity	132,210,638,353	132,974,168,250
<b>Net debt to equity ratio</b>	<b>0.69</b>	<b>0.73</b>

**32. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

The Group uses the following hierarchy for determining the fair value of financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2014 and 2013, the Group had financial assets classified as loans and receivables and financial liabilities is recorded at amortized cost is measured at fair value based on valuation techniques, where all inputs that have a significant effect on fair value can not be observed directly or indirectly.

The table below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the consolidated financial statements as of December 31, 2014 and 2013:

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**32. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

	<b>2014</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
<b>Financial Assets</b>		
<u>Loan and receivables</u>		
Cash and cash equivalents	38,362,982,308	38,362,982,308
Trade receivables - third parties	111,646,285,061	111,646,285,061
Other receivables - third parties	3,825,143,939	3,825,143,939
Restricted time deposits	12,000,530,000	12,000,530,000
Employees receivables	1,155,829,432	1,155,829,432
Due from related parties	6,377,065,163	6,377,065,163
Refundable deposit	5,000,000	5,000,000
<b>Total</b>	<b>173,372,835,903</b>	<b>173,372,835,903</b>
<b>Financial Liabilities</b>		
<u>Financial liabilities measured at amortized cost</u>		
Short-term bank loans	30,000,200,000	30,000,200,000
Trade payables		
Third parties	80,728,625,138	80,728,625,138
Related parties	406,176,498	406,176,498
Other payables - third parties	1,357,541,598	1,357,541,598
Accrued expenses	197,478,310	197,478,310
Financing payable	133,000,000	133,000,000
Lease payable	31,481,344	31,481,344
Due to related party	200,000,000	200,000,000
<b>Total</b>	<b>113,054,502,888</b>	<b>113,054,502,888</b>
	<b>2013</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>
<b>Financial Assets</b>		
<u>Loan and receivables</u>		
Cash and cash equivalents	33,959,407,363	33,959,407,363
Trade receivables - third parties	112,300,906,283	112,300,906,283
Other receivables - third parties	5,351,969,997	5,351,969,997
Restricted time deposits	12,000,530,000	12,000,530,000
Employees receivables	1,705,819,098	1,705,819,098
Due from related parties	5,652,494,980	5,652,494,980
Refundable deposit	18,000,000	18,000,000
<b>Total</b>	<b>170,989,127,721</b>	<b>170,989,127,721</b>

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES**  
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**32. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

	2013	
	Carrying Value	Fair Value
<b>Financial Liabilities</b>		
<u>Financial liabilities measured at amortized cost</u>		
Short-term bank loans	30,000,200,000	30,000,200,000
Trade payables		
Third parties	76,544,339,056	76,544,339,056
Related parties	349,823,903	349,823,903
Other payables - third parties	1,689,829,457	1,689,829,457
Accrued expenses	187,745,897	187,745,897
Financing payable	399,000,000	399,000,000
Lease payable	62,962,672	62,962,672
Due to related party	200,000,000	200,000,000
<b>Total</b>	<b><u>109,433,900,985</u></b>	<b><u>109,433,900,985</u></b>

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

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

**33. OPERATING SEGMENT**

In 2014 and 2013, Group classify their business into three (3) business segment, as follows:

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

In accordance with PSAK 5 (revised 2009), "Segment Reporting", the following operating segment is prepared based on the information used by management in evaluating the performance of each business segment and in determining the allocation of resources.

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**33. OPERATING SEGMENT (continued)**

2014	Advertising	Public Relations	Graphics Design	Elimination	Total
Segment Information					
Revenue					
External	366,269,068,818	27,368,035,094	10,687,080,456	-	404,324,184,368
Inter segment	2,620,000,000	2,837,425,262	1,097,846,050	(6,555,271,312)	-
<b>Total Revenue</b>	<b>368,889,068,818</b>	<b>30,205,460,356</b>	<b>11,784,926,506</b>	<b>(6,555,271,312)</b>	<b>404,324,184,368</b>
Operating income	8,399,415,261	1,503,944,646	(548,147,806)	-	9,355,212,101
Interest income	2,012,756,876	33,308,658	29,155,399	-	2,075,220,933
Financing expenses	(3,983,870,436)	(43,530,974)	(4,438,761)	-	(4,031,840,171)
Other income	1,625,104,578	330,619,960	86,933,689	(3,260,209,499)	(1,217,551,272)
<b>Income before income tax expense</b>	<b>8,053,406,279</b>	<b>1,824,342,290</b>	<b>(436,497,479)</b>	<b>(3,260,209,499)</b>	<b>6,181,041,591</b>
<b>Income tax expense</b>	<b>(924,628,335)</b>	<b>(516,459,294)</b>	<b>(851,243,859)</b>	-	<b>(2,292,331,488)</b>
<b>Net comprehensive income</b>	<b>7,128,777,944</b>	<b>1,307,882,996</b>	<b>(1,287,741,338)</b>	<b>(3,260,209,499)</b>	<b>3,888,710,103</b>
<b>Segment assets</b>	<b>298,054,543,551</b>	<b>25,237,938,510</b>	<b>8,331,827,621</b>	<b>(70,439,192,702)</b>	<b>261,185,116,980</b>
<b>Segment liabilities</b>	<b>140,492,395,970</b>	<b>9,192,186,898</b>	<b>12,134,319,546</b>	<b>(32,844,423,787)</b>	<b>128,974,478,627</b>
<b>Capital expenditures</b>	<b>483,169,270</b>	<b>430,820,175</b>	-	-	<b>913,989,445</b>
<b>Depreciation</b>	<b>1,445,322,070</b>	<b>284,147,788</b>	<b>41,164,674</b>	-	<b>1,770,634,532</b>
2013	Advertising	Public Relations	Graphics Design	Elimination	Total
Segment Information					
External					
Inter segment	367,826,448,429	27,791,458,113	11,788,813,307	-	407,406,719,849
Inter segment	3,885,645,270	1,170,665,187	1,151,698,017	(6,208,008,474)	-
<b>Total Revenue</b>	<b>371,712,093,699</b>	<b>28,962,123,300</b>	<b>12,940,511,324</b>	<b>(6,208,008,474)</b>	<b>407,406,719,849</b>
Operating income	13,616,509,575	790,179,531	81,566,423	-	14,488,255,529
Interest income	951,446,075	44,276,014	16,301,922	-	1,012,024,011
Financing expenses	(3,246,088,289)	(139,719,057)	(5,360,190)	-	(3,391,167,536)
Other income	5,313,927,903	830,474,134	165,584,877	(4,609,499,606)	1,700,487,308
<b>Income before income tax expense</b>	<b>16,635,795,264</b>	<b>1,525,210,622</b>	<b>258,093,032</b>	<b>(4,609,499,606)</b>	<b>13,809,599,312</b>
<b>Income tax expense</b>	<b>(2,590,664,068)</b>	<b>(469,308,301)</b>	<b>(168,339,379)</b>	-	<b>(3,228,311,748)</b>
<b>Net comprehensive income</b>	<b>14,045,131,196</b>	<b>1,055,902,321</b>	<b>89,753,653</b>	<b>(4,609,499,606)</b>	<b>10,581,287,564</b>
<b>Segment assets</b>	<b>278,943,427,504</b>	<b>22,710,949,873</b>	<b>15,075,515,213</b>	<b>(53,212,337,149)</b>	<b>263,517,555,441</b>
<b>Segment liabilities</b>	<b>123,857,817,868</b>	<b>7,973,081,256</b>	<b>17,590,265,802</b>	<b>(18,877,777,735)</b>	<b>130,543,387,191</b>
<b>Capital expenditures</b>	<b>1,412,268,240</b>	<b>56,946,350</b>	<b>70,829,905</b>	-	<b>1,540,044,495</b>
<b>Depreciation</b>	<b>1,501,752,264</b>	<b>278,875,126</b>	<b>33,597,470</b>	-	<b>1,814,224,860</b>

**34. CONTINGENCY**

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

On March 4, 2013, for case No. 140/Pdt.G/2012/PN.Jkt.Sel against FAC, Subsidiary, Jakarta Selatan State Court has given the decision as follows:

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

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**34. CONTINGENCY (continued)**

On October 7, 2013, through Maqdir Ismail & Partners as lawyer of FAC, FAC submitted an appeal against the decision of Jakarta Selatan State Court dated March 4, 2013. The appeals stated that FAC objection and refused whole considerations of the Council of Jakarta Selatan State Court. On the appeal process, Jakarta Selatan State Court has taken the decision through the letter No: 532/PDT/2013/PT.DKI on January 24, 2014, which as follows:

1. Accepting the appeal of comparators (FAC),
2. Strengthening Jakarta Selatan State Court decision No. 140/Pdt.G/202/PN., Jkt.Sel dated March 4, 2013,
3. Punishing comparator (FAC) to pay the court costs at second court levels, amounting to Rp 150,000.

On May 21, 2014 through the power of attorney No. 008/ FAC-FortuneLegal/DIR/V/2014, FAC, represented by Maqdir Ismail & Partners declare the appeal against the decision of the DKI Jakarta Court dated January 24, 2014 No. 532/PDT/2013/PT/DKI.jo and Jakarta Selatan State Court Decision No. 140/Pdt.G/202/PN.Jkt.Sel date March 4, 2013, to the Supreme Court of the Republik of Indonesia through the Chairman of the Jakarta Selatan State Court.

Until the completion date of the consolidated financial statements, FAC has not yet received the decision from Supreme Court of the Republik of Indonesia related of these appeals.

**35. SUPPLEMENT DISCLOSURE OF ACTIVITY NOT EFFECTING CASH FLOW**

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

	2014	2013
Additions of fixed asset through finance payable	-	760,000,000

**36. NEW AND MODIFITED ACCOUNTING STANDARDS BUT NOT YET EFECTIVE**

Financial Accounting Standard Board - Indonesian Institute of Accountants has issued the following PSAK and Interpretations of Financial Accounting Standars (ISAK/”Interpretasi Standar Akuntansi Keuangan”) but not yet effective for the consolidated financial statements in 2014:

The following standard is effective for financial statements for the period commencing from on or after January 1, 2015:

- PSAK 1 (revised 2013) “Presentation of Financial Statements”.
- PSAK 4 (revised 2013) “Separate Financial Statements”.
- PSAK 15 (revised 2013) “Investments in Associates and Joint Venture”.
- PSAK 24 (revised 2013) “Employees’ Benefits”.
- PSAK 46 (revised 2014), “Income Tax”.
- PSAK 48 (revised 2014), “Impairment of Assets”.
- PSAK 50 (revised 2014), “Financial Instrument: Presentation”.
- PSAK 55 (revised 2014), “Financial Instrument: Recognition and Measurement”.
- PSAK 60 (revised 2014), “Financial Instrument: Disclosure”.
- PSAK 65 “Consolidated Financial Statements”.
- PSAK 66”Joint Arrangement”.
- PSAK 67”Disclosure of Interest in Other Entities”.
- PSAK 68 “Fair Value Measurement”.
- ISAK 26 (revised 2014), “Reassessment of Embedded Derivatives”.

*These original consolidated financial statements included herein are in Indonesian language.*

**PT FORTUNE INDONESIA Tbk AND SUBSIDIARIES  
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**36. NEW AND MODIFITED ACCOUNTING STANDARDS BUT NOT YET EFECTIVE (continued)**

Revocation of the following standard is mandatory for the financial year beginning January 1, 2015:

- ISAK 7 "Special Purpose Entities".
- ISAK 12 "Jointly Controlled Entities: Non-Monetary Contribution by Venturers".

The Group is still assessing the impact of these revised/ new accounting standards and interpretations to the Group's consolidated financial statements.

# Bapepam-LK No. X.K.6 Index

CATEGORY	DESCRIPTION	PAGE
<b>A. GENERAL CONDITIONS AND FORMAT OF ANNUAL REPORT</b>		
1. The Company's Annual Report is an important source of information about the performance and prospects for the Company's shareholders as one of the basic considerations for them in making investment decisions. Therefore, the Annual Report shall contain comprehensive information about the Company's performance	The Annual Report must include: a. Summary of key financial data; b. Board of Commissioners' Report; c. Board of Directors' Report; d. Company profile; e. Management discussion and analysis; f. Corporate governance; g. Corporate social responsibility; h. Audited financial report; and i. Letters of responsibility statements from the Board of Commissioners and the Board of Directors as to the Annual Report content.	✓
2. The Annual Report must be presented in proper Bahasa Indonesia with recommendation to also be presented in English.	Where the Annual Report is prepared in another language as well as in Bahasa Indonesia, either in the same document or separately, both Annual Reports must contain the same information.	✓
3. The Annual Report must be readable.	All graphics such as images, graphs, tables and diagrams must state the title and/or have a clear explanation.	✓
4. The Annual Report shall be printed on brightly colored paper of good quality, A4 size, bound, and if possible be reproduce by photocopying.	The Annual Report was delivered in hardcopy and soft copy.	✓
5. The Annual Report clearly publishes the company's identity.	The company name and the Annual Report year are displayed on: 1. Cover; 2. Side; 3. Back cover; and 4. Each page.	✓
6. The Annual Report shall be available to shareholders.	The Annual Report must be available to the shareholders at the time of the Annual General Meeting invitation, and must be posted on the Company website page be accessible at any time.	✓
<b>B. ANNUAL REPORT CONTENT</b>		
<b>I. Key Financial Highlights</b>		
1. Summary of important financial data in the form of for 3 (three) years comparison or since the start the business if the Company has been running for less than 3 (three) years.	Highlights includes, among others: a. Sales or Revenue; b. Profit (loss); c. Net profit (loss); and Earning per share.	6
2. Balance sheet information in the form of for 3 (three) years comparison or since the start the business if the Company has been running for less than 3 (three) years.	Information includes, among others: a. Total assets; b. Total liabilities; c. Total equity..	6
3. Financial ratios in the form off or 3 (three) years comparison or since the start the business if the Company has been running for less than 3 (three) years.	Information includes five (5) financial ratios that are general and relevant to the company and type of industry: a. Return on Assets ratio (ROA); b. Return on Equity ratio (ROE); c. Return on Investment ratio (ROI); d. Operating Profit Margin ratio (OPM); e. Net Profit Margin ratio (NPM); f. Cash ratio; g. Current Ratio; h. Collection Period ratio (CP); i. Inventory Turn Over ratio (ITO); j. Total Assets Turn Over ratio (TATO); k. Equity To Total Assets ratio (ETTA); l. Current Interest Earned Ratio (TIER) ratio.	7

CATEGORY	DESCRIPTION	PAGE
4. Issued Share Information for each quarter for the last 2 (two) years.	Information includes, among others: a. Total shares outstanding; b. Market capitalization; c. Highest, lowest, and closing stock price; d. Trading volume.	7
5. Stock price information as a result of corporate actions such as: stock splits, reverse stock, stock dividend, bonus shares, and the reduction of par value.	Information includes, among others: a. Date of corporate action; b. Ratio of stock split, reverse stock, stock dividend, stock bonus, and a decrease in stock value; c. Number of shares outstanding before and after the corporate action; d. Stock prices before and after the corporate action.	53-54
<b>II. Report of the Board of Commissioners and the Board of Directors</b>		
1. Report of the Board of Commissioners.	Report of the Board of Commissioners should at least include the following: 1. Assessment on the Board of Directors' Performance in Managing the Company; 2. View on the Company's business prospects prepared by the Board of Directors; 3. Changes in the Board of Commissioners' composition and reasons.	8-13
2. Report of the Board of Directors.	Report of the Board of Directors should at least include the following: 1. The Company's performance that include strategic policy, achieved results to target ratio, obstacles that the Company faced; 2. Description on business prospects; 3. Implementation of corporate governance; and 4. Changes in the Board of Directors' composition and reasons.	14-19
<b>III. Company Profile</b>		
1. Corporate Identity.	Consists of the name, address, telephone number, fax number, e-mail, and website of: • Company; and/or • Branch offices or representative offices.	22
2. Brief history	Includes Company history, date of establishment, and the name and Company name changes (if any).	23
3. Line of Business.	The business activities of the Company in accordance with the last Articles of Association, as well as the types of products and/ or services provided.	24-26
4. Organization structure.	In a form of chart, at least up to one level below the Board of Directors, together with the names and positions.	27
5. Vision and mission.	Consist of: 1. The vision and mission of the Company that has been approved by the Board of Directors, and 2. Corporate Culture.	28-31
6. Profile of the Board of Commissioners.	Consists of: a. Name b. Position, working experiences, and the legal basis on the first appointment of the Company, as stated in the minutes of the General Meeting of Shareholders' decision; c. Education; d. A brief description of the type of competence improvement training attended by the Board of Commissioners in the current year (if any); and e. Disclosure of relationships with other members of the Board of Commissioners, the Board of Directors and shareholders (if any);	36-37

CATEGORY	DESCRIPTION	PAGE
7. Profile of the Board of Directors.	<p>Consist of:</p> <ul style="list-style-type: none"> <li>a. Name and brief description of the implemented duties and functions;</li> <li>b. Position, working experiences, and the legal basis on the first appointment of the Company, as stated in the minutes of the General Meeting of Shareholders' decision;</li> <li>c. Education;</li> <li>d. A brief description of the type of competence improvement training attended by the Board of Commissioners in the current year (if any); and</li> <li>e. Disclosure of relationships with other members the Board of Directors and shareholders (if any);</li> </ul>	38-39
8. Changes in the composition of the Board of Commissioners and/or the Board of Directors that have occurred after the end of the financial year up until the deadline for submission of annual reports.	Comprises a list of last and previous Board of Commissioners and/or Board of Directors.	18, 27, 36-38, 74, 90, 98
9. Company employee description.	The number of employees and description of the competency development in the past year; for instance, aspects of employee education and training.	40-41, 77-81
10. Description of shareholders and percentage of ownership held at the end of the financial year.	<p>Information includes:</p> <ul style="list-style-type: none"> <li>a. Names of shareholders who own 5% (five percent) or more shares;</li> <li>b. Share ownership by Commissioners and Directors; and</li> <li>c. Shareholder Groups, who own less than 5% (five percent).</li> </ul>	52
11. Information regarding to major shareholders and controllers presented in the form of schematic or diagram.	<ul style="list-style-type: none"> <li>• Either directly or indirectly;</li> <li>• Up to the individual owners.</li> </ul>	52
12. List of subsidiaries, associated companies and or venture entities.	<p>This includes:</p> <ul style="list-style-type: none"> <li>• Name of subsidiaries, associated companies, joint venture companies in which the Company has joint control of the entity. For subsidiaries, add information such as the address;</li> <li>• The percentage of the share ownership;</li> <li>• The field of business; and</li> <li>• The operating status of the company (if any).</li> </ul>	42-51
13. Chronology of share listing.	<p>Information includes:</p> <ul style="list-style-type: none"> <li>• Share listing chronological;</li> <li>• Changes in the number of shares at the start until the end of the financial year, as well as</li> <li>• Name of the Stock Exchange where the shares are listed (if any).</li> </ul>	53
14. Chronology of other securities.	<p>Information includes:</p> <ul style="list-style-type: none"> <li>• Chronological listing of other securities; and</li> <li>• Securities Rating</li> </ul>	54
15. Stock rating agency.	Name and address of the rating agency (if any).	55
16. Capital market institutions and professionals.	<p>Information includes:</p> <ul style="list-style-type: none"> <li>• Names and addresses of capital market supporting institutions and/or professionals;</li> <li>• Disclosure of information regarding services rendered;</li> <li>• Costs for services rendered;</li> <li>• The period of assignment that has been done.</li> </ul>	55
17. Awards and certifications received by the Company, both national and international in the last financial year.	<p>Information includes, among others:</p> <ol style="list-style-type: none"> <li>1. Names or awards and certificates;</li> <li>2. Year received;</li> <li>3. Award and/or certification issuer;</li> <li>4. The validity period (of certification).</li> </ol>	56-57

CATEGORY	DESCRIPTION	PAGE
<b>IV. Management Discussion and Analysis</b>		
1. Operational review per business segment.	Key information relating to corporate operations in accordance with the type of the Company industry, which consists of: a. Production, which includes processes, capacity, and development; b. Sales or income; and c. Profitability.	68-69
2. Description of the Company's financial performance.	Comprehensive analysis of financial performance including comparison of financial performance for the past 2 (two) years, an explanation of the causes of the changes and the impact of these changes, which covers the following: a. Current assets, non-current assets, and total assets; b. Short-term liabilities, long term liabilities and total liabilities; c. Equity; d. Revenue, expenses, profit (loss), other comprehensive income, and total comprehensive profit (loss); as well as e. Cash flow.	70-72
3. Ability to pay its debt.	Information on the ability to pay the debt with the relevant ratio calculations.	72
4. Level of collectability period.	Information on the Company's receivable collectability period with the relevant ratio calculations.	72
5. Capital structure and the capital structure policy.	Information consists of: a. Capital structure; and b. Management capital structure policies.	73
6. Information regarding material commitments for capital expenditure.	Discussion of material commitments for capital expenditure, such as: a. The purpose of the commitments; b. Expected sources of funds to fulfill such commitments; c. Denominated currency; and d. Steps taken by the Company to mitigate risks resulting from foreign currency-positions.	74
7. Material Information and facts subsequent to the accountant's reporting date.	Information regarding important events after the date of the accountant's report, including its impact on the performance and future business risks.	74
8. Business prospects.	Business prospects of the Company associated with industry conditions, general economic and international markets as well as quantitative supporting data from reliable data sources.	65-67
9. Comparison between 'RKAP' and realization.	Discussion on the comparison between the targets/projections at the beginning of the financial year book with the results realized, including: • Revenue, profits; • Capital structure; or • Other areas that are considered important to the Company.	76
10. 'RKAP' targets for the next year.	Information regarding the targets/projections to be achieved by the Company for the next year, including: • Revenue; • Profit (loss); • Capital structure; • Dividend policy; or • Other areas that are considered important to the Company.	-
11. Marketing aspects.	Discussion on the marketing aspects of the Company's products and services, including: a. Marketing strategy; and b. Market share.	65-67
12. Dividend policy.	A description of the dividend policy and the date, as well as the dividend amount per share (cash and/or non-cash), and the dividend amount per year declared or paid, for the past 2 (two) years.	73-74

CATEGORY	DESCRIPTION	PAGE
13. Use of proceeds from public offering.	A description of: a. In such an event during the past year, the Company has an obligation to submit reports on realization of the use of funds, disclosure of realization of the use of proceeds from the public offering until the end of the year; and b. If there are any changes in the use of proceeds as provided in Rule Number X.K.4, then the Company shall explain these changes.	74
14. Information on transactions with affiliates and/or transactions with conflict of interest.	Information includes: a. Date, value, and the nature of the transaction; b. Name of parties to the transaction; c. The nature of the relationship / affiliation (if any); d. Explanation about the fairness of the transaction; and e. Related regulatory compliance.	75
15. Changes in regulations that have had a significant impact on the Company.	Information about changes in regulations that impact the Company and their impact on the financial statements (if any).	75
16. Changes in accounting policies that affect the financial statements.	Information about changes in accounting policies, the reasons and the impact on the financial statements (if any).	75
<b>V. Corporate Governance</b>		
1. Description of the Board of Commissioners.	Includes: a. Description of the Board of Commissioners' duties; b. Disclosure procedures, the basis for determining and the amount of the Board of Commissioners' remuneration; and c. Company's disclosure policy and its implementation, on the frequency of board meetings, including joint meetings with the Board of Directors, and the attendance of the Commissioners at the meetings.	90-97
2. Description of the Board of Directors.	Includes: a. Description of duties and responsibilities for each Board member; b. Disclosure procedures, the basis for determining and the amount of the Board of Directors' remuneration, and the link between the remuneration and the Company's performance; c. Company's disclosure policy and its implementation, on the frequency of board meetings, including joint meetings with the Board of Commissioners, and the attendance of the Directors at the meetings; d. The previous year General meeting of shareholders' decisions and their realization in the current year, as well as the reasons for any decisions not yet realized; and e. Disclosure of the Company's policy on members of the Board of Directors' performance assessment (if any).	98-105
3. Description of the Audit Committee	Includes: a. Name; b. Position, working experience, and legal basis for appointment; c. Educational background; d. Period in office for all members of the Audit Committee; e. Disclosure of Audit Committee's independence; f. Company's disclosure policy and implementation, on the Audit Committee meeting frequency and the attendance of the Audit Committee members at the meetings; g. A brief description of the activities of the Audit Committee in accordance with the Audit Committee charter.	107-111

CATEGORY	DESCRIPTION	PAGE
4. Other committees supporting the functions and duties of the Board of Directors and/or Board of Commissioners, such as the Remuneration and Nomination committee.	Includes: a. Name; b. Position, working experience, and legal basis of assignment; c. Educational background; d. Period in office of Committee Members; e. Disclosure of company policy regarding the committee's independence; f. Description of duties and responsibilities; g. Company's disclosure policy and its implementation, on the frequency of committee meetings and the committee members' attendance at the meetings; and h. A brief description of the implementation of the committee's activities in the last year.	111-112
5. Description of the Corporate Secretary	Description of the tasks and functions of the Corporate Secretary: a. Name; b. Position, working experience, and legal basis for the assignment; c. Educational Background; d. The Corporate Secretary period in office; e. A brief description of the implementation of the Corporate Secretary's tasks in the current year.	105-106
6. Description of the Internal Audit Unit.	Includes: a. Name; b. Position, working experience, and legal basis for the assignment; c. Qualifications or certifications in the internal audit profession (if any); d. The structure and positions in the Internal Audit Unit; e. Duties and responsibilities of the Internal Audit Unit in as specified in the Internal Audit Unit charter; and f. A brief description of the implementation of the Internal Audit Unit's tasks in the current year.	126-128
7. Description on the internal control system adopted by the Company.	Consists of, at least: a. Financial and operational control, and compliance with laws and regulations; and b. Review on the effectiveness of the internal control systems.	-
8. Description on the Risk management system adopted by the Company.	Consists of, at least: a. An overview of the Company's risk management system; b. The types of risks and their management; and c. Review on the effectiveness of the Company's risk management system.	129-131
9. Litigation or legal cases faced by the Company, its subsidiaries, active members of the Board of Commissioners and Board of Directors.	Information should include: a. Merits of the case/claim; b. Settlement status/lawsuit; and c. Its influence on the condition of the Company.	120
10. Administrative sanctions by the capital market authorities and other authorities.	Information about any administrative sanctions applied on the Company, the Board of Commissioners and Board of Directors, by the capital market authorities and other authorities in the last financial year (if any).	120
11. Information regarding the Company's code of ethics and culture.	Information should include: a. Principles of the code of ethics; b. Principles of the corporate culture; c. Manner of socialization and enforcement of the code of ethics; and d. Disclosure that the code of conduct is applicable to the Board of Commissioners, the Board of Directors and all employees of the Company.	116

CATEGORY	DESCRIPTION	PAGE
12. Description of the employee and/or management stock ownership program.	Description of the employee and/or management stock ownership program of the Company, such as: a. Number of share owned; b. Stock holding period; c. Employees and/or management eligibility requirements; as well as d. Exercise price (if any)	121
13. Whistleblowing system	Description of the whistleblowing system for reporting offenses in the Company that may hurt the company and its stakeholders (if any), such as: a. Violation reporting; b. Protection for whistleblowers; c. Complaints handling; d. Complaints management; and e. The results of complaint handling.	118-119
<b>VI. Corporate Social Responsibility</b>		
1. Discussion on corporate social responsibility in environmental aspects.	Descriptions as to the use of materials and energy that are environmentally friendly and recyclable, company waste processing systems, environmental certifications held, and others, including: a. Policy; b. Types of programs; and c. Costs incurred.	140
2. Discussion on corporate social responsibility in labor, health and occupational safety aspects.	Descriptions as to gender equality and employment opportunities, facilities and occupational safety, employee turnover, the rate of workplace accidents, training, etc., including: a. Policy; b. Types of programs; and c. Costs incurred.	139-140
3. Discussion on corporate social responsibility in social and community development aspects.	Descriptions as to the use of local labor, community empowerment around the Company's location, improved social infrastructure, other donations, etc., including: a. Policy; b. Types of programs; and c. Costs incurred.	137-138, 141
4. Discussion in corporate social responsibility in its product.	Descriptions as to health and consumer safety, product information, facilities, and control over the number of consumer complaints, and others, including: a. Policy; b. Types of programs; and c. Costs incurred.	-
5. Disclosure of corporate social responsibility information.	The Company must disclose information in the Annual Report or separate reports submitted in conjunction with the Annual Report to Bapepam-LK, such as the Sustainability Report or the Corporate Social Responsibility Report.	-
<b>VII. Audited Annual Financial Statement</b>		
1. Annual Financial Statements contained in the Annual Report shall be prepared in accordance with Financial Accounting Standards in Indonesia, and have been audited by the Accountant.	The financial statements must carry a statement of accountability to the Financial Statements as set out in Regulation Number VIII.G.11 or Regulation Number X.E.1.	appendix

CATEGORY	DESCRIPTION	PAGE
VIII. Signature of the Board of Commissioners and Board of Directors		
<p>1. This Annual Report is the original Annual Report and must be signed by all members of the Board of Commissioners and the Board of Directors.</p>	<p>The validation page, complete with a signatures, is intended to fulfill the following rules:</p> <ol style="list-style-type: none"> <li>1. All members of the Board of Commissioners and the Board of Directors that have served must sign the Annual Report.</li> <li>2. Signature are placed on a separate page in the Annual Report, which must include a statement that the Board of Commissioners and the Board of Directors are fully responsible for the accuracy of the Annual Report content, in accordance with Regulation Number X.K.6-1 Attachment of Bapepam-LK Number X.K.6.</li> <li>3. If there are any members of the Board of Commissioners or the Board of Directors who do not sign the Annual Report, they must specify their reasons in writing in a separate letter attached to the Annual Report.</li> <li>4. If there are any members of the Board of Commissioners or Directors who do not sign the Annual Report and did not give reasons in writing, then the other members of the Board of Commissioners or the Board of Directors must sign the Annual Report stating in writing why in a separate letter attached to the annual report.</li> </ol>	143



# Annual Report 2014

# FORU

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