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**PT BUMI SERPONG DAMAI TBK (THE "COMPANY") IS FULLY RESPONSIBLE FOR THE ACCURACY OF ALL INFORMATION, DATA OR REPORTS AND FOR THE FAIRNESS OF THE OPINION STATED IN THIS PROSPECTUS.**



**BIG CITY, BIG OPPORTUNITY**

## **PT Bumi Serpong Damai Tbk**

### **Line of Business:**

Engaged in developing an integrated city including development of residential, commercial, industrial, and its supporting facilities.

Domiciled in Kabupaten Tangerang, Indonesia

### **HEAD OFFICE**

Taman Perkantoran I BSD  
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### **LIMITED PUBLIC OFFERING TO SHAREHOLDERS IN THE CONTEXT OF THE ISSUANCE OF PRE-EMPTIVE RIGHTS ("RIGHTS")**

Approximately of 5,555,558,000 – 8,333,338,000 common ordinary Shares (as defined below) ("**Shares**") each with a nominal value of Rp. 100.00 (one hundred Rupiah) per share at Rp. 600.00 (six hundred Rupiah) – Rp. 900.00 (nine hundred Rupiah) per share or in the total value of Rp. 5,000,003,000,000.00. Each holder of 10 (ten) existing Shares in the Company, whose name is registered at the Shareholders Registry of the Company on December 1, 2010 at 16:00 WIB is entitled to 5.08 (five point zero eight) up to 7.62 (seven point sixty two) Rights representing 5.08 (five point zero eight) – 7.62 (seven point sixty two) New Shares .

All of the New Shares are issued from the Shares in portfolio (authorized but not issued or paid up) of the Company and will be listed on the IDX.

If the New Shares offered in this Rights Offering are not fully subscribed by the Shareholders or Rights Holders (as defined below), the remaining New Shares will be allotted to any other Rights Holders who applied to subscribe for more than its or their entitlement, in proportion to the Rights Certificate that have been exercised by it as stated in the Rights Certificate or Evidence Letter of Ownership pursuant to the exercise of Rights, and if there are still remaining New Shares, such remaining shares shall each be purchased by Macquarie Capital (Singapore) Pte. Limited and PT Sinarmas Sekuritas, as Standby Purchasers. PT Paraga Artamida ("**PAM**") has agreed that PAM and/or one or more of the subsidiaries of PAM (collectively, the "**PAM Subsidiaries**") will exercise the rights allotted to PAM pursuant to the Rights Offering to subscribe for New Shares pursuant to the PAM Undertaking Statement.

### **IMPORTANT INFORMATION FOR THE ATTENTION OF THE SHAREHOLDERS**

ANY ENTITLED SHAREHOLDERS OF THE COMPANY WHO DO NOT EXERCISE THEIR RIGHTS TO PURCHASE NEW SHARES OFFERED IN THIS LIMITED PUBLIC OFFERING, IN ACCORDANCE WITH THEIR PROPORTION OF SHARE OWNERSHIP MAY EXPERIENCE A DILUTION OF THEIR SHAREHOLDING PERCENTAGE IN THE COMPANY, i.e. A MAXIMUM OF 33.7% - 43.2%.

THE RIGHTS CERTIFICATES WILL BE TRADED ON OR OUTSIDE THE IDX WITHIN A PERIOD OF NOT LESS THAN 7 TRADING DAYS, COMMENCING FROM DECEMBER 3, 2010 UP TO DECEMBER 14, 2010. THE LAST DAY FOR THE EXERCISE OF THE RIGHTS WILL BE ON DECEMBER 14 2010.

THE LIMITED PUBLIC OFFERING WILL BE EFFECTIVE AFTER IT IS APPROVED BY AN EGMS OF THE COMPANY WHICH WILL BE CONDUCTED ON 19 NOVEMBER 2010. IN THE EVENT THAT THE EGMS OF THE COMPANY DOES NOT APPROVE THIS LIMITED PUBLIC OFFERING, ALL OF THE ACTIVITIES CONDUCTED BY THE COMPANY IN RELATION WITH THIS LIMITED PUBLIC OFFERING WILL BE DEEMED AS NEVER HAVING BEEN CONDUCTED.

### **STANDBY PURCHASERS**

**Macquarie Capital (Singapore) Pte Limited**

**PT Sinarmas Sekuritas (affiliated)**

THE COMPANY IN THIS LIMITED PUBLIC OFFERING WILL NOT ISSUE COLLECTIVE SHARES CERTIFICATES. THE RIGHTS SHARES WILL BE DISTRIBUTED ELECTRONICALLY AND WILL BE ADMINISTERED IN THE COLLECTIVE CUSTODY OF PT KUSTODIAN SENTRAL EFEK INDONESIA.

THE PRINCIPAL RISK FACING THE COMPANY IS THE RISK RELATING TO THE COOPERATION AGREEMENT BETWEEN THE COMPANY AND THE FOUNDING SHAREHOLDERS WHEREBY THE MAJORITY OF THE COMPANY'S LAND IS RECORDED AS BEING UNDER THE NAME OF THE FOUNDING SHAREHOLDERS AND IN THE EVENT THAT THE FOUNDING SHAREHOLDERS DEFAULT ON THEIR OBLIGATIONS UNDER THE COOPERATION AGREEMENT, THE COMPANY MAY NOT BE ABLE TO SELL ITS DEVELOPED PROPERTIES OR USE SUCH PROPERTIES TO OBTAIN FINANCING REQUIRED FOR FURTHER DEVELOPMENT.

**THE COMPANY'S BUSINESS RISK SHALL BE DISCLOSED IN CHAPTER V OF THE PROSPECTUS**

**SCHEDULE**

EGMS:	19 November 2010
Effective Statement of Rights Issue:	19 November 2010
Cum-rights in Regular and Negotiation Markets:	26 November 2010
Ex-rights in Regular and Negotiation Markets:	29 November 2010
Cum-rights in Cash Market:	1 December 2010
Recording Date to Obtain Rights:	1 December 2010
Ex-rights in Cash Market:	2 December 2010
Rights Distribution Date:	2 December 2010
Listing Date of Rights on IDX:	3 December 2010
Rights Trading and Exercise Period:	3-14 December 2010
Distribution Period of Shares for Exercised Rights:	8-16 December 2010
Last Date of Payment for Excess Shares Application:	16 December 2010
Allotment Date:	17 December 2010
Distribution Date of Shares from Excess Application:	21 December 2010
Refund Date:	21 December 2010

**THE RIGHTS OFFERING**

The Company is conducting an underwritten renounceable rights issue of 5,555,558,000 – 8,333,338,000 common ordinary Shares with a par value of Rp100,00 each.

Each holder of 10 Shares, whose names are registered at the Shareholders Registry of PT Bumi Serpong Damai Tbk as of 4.00 p.m on December 1, 2010 are entitled for the 5.08 up to 7.62 Rights representing 5.08 up to 7.62 New Shares at Offering Price which have to be fully paid when subscribing the New Shares. The total amount of proceeds which shall be obtained by the Company in relation to the Rights Offering shall be in the maximum of Rp 5,000,003,000,000 (five trillion and three million Rupiah). The New Shares offered in the Rights Offering shall be Shares, which come from the Company's Shares in portfolio (authorized but not issued or paid up) and will be listed on IDX.

The capital structure and shareholders composition of the Company based on the Company Shareholder Registry issued by the Share Registrar as of September 30, 2010 is as follows:

Description	30 September 2010		
	Amount of Shares	Nominal Value (Rp)	%
Issued Capital	20,000,000,000	2,000,000,000,000	
Subscribed and fully paid up capital:			
- PT Paraga Artamida	4,016,655,330	401,665,533,000	36.7
- Warner Investment (Labuan) Bhd.	1,792,580,000	179,258,000,000	16.4
- PT Serasi Niaga Sakti	598,396,090	59,839,609,000	5.5
- PT Metropolitan Trancities Indonesia	502,923,130	50,292,313,000	4.6
- PT Simas Tunggal Center	375,941,470	37,594,147,000	3.4
- PT Pembangunan Jaya	255,500,310	25,550,031,000	2.3
- PT Aneka Karya Amarta	309,212,230	30,921,223,000	2.8
- PT Apta Citra Universal	67,523,150	6,752,315,000	0.6
- PT Dian Swastatika Sentosa Tbk	43,958,650	4,395,865,000	0.4
- PT Bhineka Karya Pratama	43,271,010	4,327,101,000	0.4
- PT Nirmala Indah Sakti	30,000,000	3,000,000,000	0.3
- PT Anangga Pertiwi Megah	30,000,000	3,000,000,000	0.3
- Public	2,869,661,500	286,966,150,000	26.3
Total subscribed and fully paid up capital	10,935,622,870	1,093,562,287,000	100.0
Shares in portfolio	9,064,377,130	906,437,713,000	

Assuming that all of the Rights offered in this Rights Offering are fully converted to Shares of the Company, with ratio rate at 10:7.62, The capital structure and shareholding composition of the Company before and after the Rights Offering is and will be as follows:

Description	Before the Rights Offering			After the Rights Offering		
	Number of Shares	Nominal Value (Rp)	%	Number of Shares	Nominal Value (Rp)	%
Authorized capital	20,000,000,000	2,000,000,000,000		20,000,000,000	2,000,000,000,000	
Subscribed and fully paid up capital:						
- PT Paraga Artamida	4,016,655,330	401,665,533,000	36.7	7,077,346,691	707,734,669,146	36.7
- Warner Investment (Labuan) Bhd.	1,792,580,000	179,258,000,000	16.4	3,158,525,960	315,852,596,000	16.4
- PT Serasi Niaga Sakti	598,396,090	59,839,609,000	5.5	1,054,393,911	105,437,391,058	5.5
- PT Metropolitan Trancities Indonesia	502,923,130	50,292,313,000	4.6	886,150,555	88,615,055,506	4.6
- PT Simas Tunggal Center	375,941,470	37,594,147,000	3.4	662,408,870	66,240,887,014	3.4
- PT Pembangunan Jaya	255,500,310	25,550,031,000	2.3	450,191,546	45,019,154,622	2.3
- PT Aneka Karya Amarta	309,212,230	30,921,223,000	2.8	544,831,949	54,483,194,926	2.8
- PT Apta Citra Universal	67,523,150	6,752,315,000	0.6	118,975,790	11,897,579,030	0.6
- PT Dian Swastatika Sentosa Tbk	43,958,650	4,395,865,000	0.4	77,455,141	7,745,514,130	0.4
- PT Bhineka Karya Pratama	43,271,010	4,327,101,000	0.4	76,243,520	7,624,351,962	0.4

- PT Nirmala Indah Sakti	30,000,000	3,000,000,000	0.3	52,860,000	5,286,000,000	0.3
- PT Anangga Pertiwi Megah	30,000,000	3,000,000,000	0.3	52,860,000	5,286,000,000	0.3
- Public	2,869,661,500	286,966,150,000	26.3	5,056,343,563	505,634,366,300	26.3
Total subscribed and fully paid up capital	10,935,622,870	1,093,562,287,000	100.0	19,268,567,497	1,926,856,749,694	100.0
Shares in portfolio	9,064,337,130	906,437,713,000		731,432,503	73,143,250,306	

The capital composition and shareholding composition of the Company after the Rights Offering in proforma basis will be as follows, assuming that no public Shareholders or existing Shareholders, except PAM and PAM Subsidiaries exercise the Rights offered in this Rights Offering:

Description	Before the Rights Offering			After the Rights Offering		
	Number of Shares	Nominal Value (Rp)	%	Number of Shares	Nominal Value (Rp)	%
Authorized capital	20,000,000,000	2,000,000,000,000		20,000,000,000	2,000,000,000,000	
Subscribed and fully paid up capital:						
- PT Paraga Artamida	4,016,655,330	401,665,533,000	36.7	7,077,346,691	707,734,669,146	36.7
- Warner Investment (Labuan) Bhd.	1,792,580,000	179,258,000,000	16.4	1,792,580,000	179,258,000,000	9.3
- PT Serasi Niaga Sakti	598,396,090	59,839,609,000	5.5	1,054,393,911	105,437,391,058	5.5
- PT Metropolitan Trancities Indonesia	502,923,130	50,292,313,000	4.6	886,150,555	88,615,055,506	4.6
- PT Simas Tunggal Center	375,941,470	37,594,147,000	3.4	662,408,807	66,240,887,014	3.4
- PT Pembangunan Jaya	255,500,310	25,550,031,000	2.3	255,500,310	25,550,031,000	1.3
- PT Aneka Karya Amarta	309,212,230	30,921,223,000	2.8	544,831,949	54,483,194,926	2.8
- PT Apta Citra Universal	67,523,150	6,752,315,000	0.6	67,523,150	6,752,315,000	0.4
- PT Dian Swastatika Sentosa Tbk	43,958,650	4,395,865,000	0.4	43,958,650	4,395,865,000	0.2
- PT Bhineka Karya Pratama	43,271,010	4,327,101,000	0.4	76,243,520	7,624,351,962	0.4
- PT Nirmala Indah Sakti	30,000,000	3,000,000,000	0.3	30,000,000	3,000,000,000	0.2
- PT Anangga Pertiwi Megah	30,000,000	3,000,000,000	0.3	30,000,000	3,000,000,000	0.2
- Public	2,869,661,500	286,966,150,000	26.3	2,869,661,500	286,966,150,000	14.9
- Macquarie Capital	-	-	-	2,478,645,492	247,864,549,200	12.9
- PT Sinarmas Sekuritas	-	-	-	1,399,342,899	139,934,289,882	7.3
Total subscribed and fully paid up capital	10,935,622,870	1,093,562,287,000	100.0	19,268,567,497	1,926,856,749,694	100.0
Shares in portfolio	9,064,337,130	906,437,713,000	-	731,432,503	73,143,250,306	

## USE OF PROCEEDS

The proceeds from the Rights Offering, after deducting issuance expenses, will be primarily used to finance the Share Purchases (as defined below) as well as for working capital and as described below:

- About 87.2% for Financing the Share Purchases, whereas the Company will purchase as follows:
  - 1,578,272,333 shares in PT Duta Pertiwi Tbk ("**DUTI**"), representing in the aggregate 85.3% of DUTI's issued and paid-up capital, for an aggregate consideration of approximately Rp3,472.2 billion, from:
    - PAM, 644,939,000 shares in DUTI, representing approximately 34.9% of the issued and paid-up capital of DUTI, for the cash consideration of approximately Rp1,418.9 billion, pursuant to a conditional sale and purchase agreement with PAM; and
    - PT Ekacentra Usahamaju ("**ECUM**"), 933,333,333 shares in DUTI, representing approximately 50.4% of the issued and paid-up capital of DUTI, for the cash consideration of approximately Rp2,053.3 billion, pursuant to a conditional sale and purchase agreement with PT Ekacentra Usahamaju.
  - 50,355,556 newly issued shares in PT Sinar Mas Wisesa ("**SMW**"), representing 55.0% of SMW's enlarged issued and paid-up share capital, for the cash consideration of approximately Rp387.1 billion; and
  - 15,262,500 newly issued shares in PT Sinar Mas Teladan ("**SMT**"), representing 60.0% of SMT's enlarged issued and paid-up share capital, for the cash consideration of approximately Rp500.9 billion.
- Approximately 12.8% will be used for working capital of the Company.

## STATEMENT OF LIABILITIES

Based on the Company's Financial Statements as of and for the seven month period ended July 31, 2010, audited by the public accounting firm Mulyamin Sensi Suryanto (an independent member of Moore Stephens International Limited) with an unqualified opinion, the Company's total indebtedness was Rp 2,236.7 billion with the following details:

DESCRIPTION	(Rp billions)
	AMOUNT
Bonds payable	596.8
Trade accounts payable	
Third parties	55.9
Taxes payable	21.3

Accrued expenses	18.7
Rental deposit	2.0
Sales advances	1,235.3
Rental advances	16.8
Estimated liabilities for future improvements	182.8
Defined-benefit post-employment reserve	44.9
Other liabilities	62.2
<b>Total liabilities</b>	<b>2,236.7</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### GENERAL

The Company was established in 1984 by a consortium of shareholders to develop a township on approximately 5,950 hectares of land located towards the southwest of Jakarta. According to Real Estate Indonesia, BSD City will be one of the largest privately developed townships in terms of the location permits sanctioned in the Jakarta-Bogor-Depok-Tangerang-Bekasi or the Jabodetabek area in Indonesia and it will comprise a mix of residential and light industrial properties and a central business district. BSD City's focus is to provide quality living conditions for residents, create a Commercial community and to provide for industry and trade within and around the confines of a township development. The businesses and the resident community living within BSD City enjoy access to its social and recreational facilities and adequate infrastructure and technology.

### BASIS OF MEASUREMENT AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Indonesian GAAP. Except for the statements of cash flows, the financial statements have been prepared on an accrual basis. The reporting currency used in the financial statements is Indonesian Rupiah.

The Company's financial statements have been prepared based on the historical cost method, except for certain accounts that have been prepared based on other measurements as explained in the notes to the financial statements. The statements of cash flows present receipts and disbursements of cash and cash equivalents which are classified into operating, investing and financing activities and are prepared using the direct method.

### FACTORS AFFECTING THE COMPANY'S BUSINESS AND FINANCIAL CONDITION

- Consumer affluence and the general state of economy
- Cost of land acquisition
- Interest rate movements

### RESULTS OF OPERATIONS

#### **Seven-Month Period Ended July 31, 2010**

*Revenue.* The Company's revenue was Rp 709.9 billion for the seven-month period ended July 31, 2010. 72.1% of revenue arose from residential properties and 27.9% arose from commercial properties.

*Cost of sales.* The Company's cost of sales was Rp 316.4 billion for the seven-month period ended July 31, 2010. 83.7% of cost of sales arose from residential properties and 16.3% arose from commercial properties.

*Gross profit.* The Company's gross profit was Rp 393.5 billion for the seven-month period ended July 31, 2010. 62.7% of gross profit arose from residential properties and 37.3% arose from Commercial properties.

*Operating expenses.* The Company's operating expenses was Rp 137.3 billion for the seven-month period ended July 31, 2010. 26.8% of these expenses were for promotion and advertising.

*Profit from operations.* The Company's income from operations was Rp 256.2 billion for the seven-month period ended July 31, 2010.

*Other income/(expenses).* The Company's net other expenses was Rp 22.4 billion for the seven-month period ended July 31, 2010. Interest and financial charges amounted to Rp 67.6 billion during this period. Interest and investment income amounted to Rp 35.3 billion during this period.

*Income before tax.* The Company's income before tax was Rp 233.8 billion for the seven-month period ended July 31, 2010.

*Tax expense (benefit).* The Company's tax expense was Rp 37.9 billion for the seven-month period ended July 31, 2010.

*Net income.* Net income of the Company was Rp 195.9 billion for the seven-month period ended July 31, 2010. Net margin for this period was 27.6%.

**Year Ended December 31, 2009 Compared to the Year Ended December 31, 2008**

*Revenue.* The Company's revenue decreased by 8.3% to Rp 1,270.6 billion for the year ended December 31, 2009 from Rp 1,386.1 billion for the year ended December 31, 2008. This decrease was mainly due to decreased sales of Commercial properties, as the Company did not launch any new Commercial projects in 2009. The Company's revenue from residential properties increased by 41.4% to Rp 674.9 billion for the year ended December 31, 2009 from Rp 477.3 billion for the year ended December 31, 2008 while revenue from Commercial properties decreased by 34.5% to Rp 595.6 billion for the year ended December 31, 2009 from Rp 908.8 billion for the year ended December 31, 2008. In 2009, residential and Commercial properties accounted for 53.1% and 46.9% of revenues, respectively, compared to 34.4% and 65.6%, respectively, in 2008.

*Cost of sales.* The Company's cost of sales decreased by 14.3% to Rp 638.0 billion for the year ended December 31, 2009 from Rp 744.5 billion for the year ended December 31, 2008. The decrease was mainly due to decreased sales.

*Gross profit.* The Company's gross profit decreased slightly by 1.4% to Rp 632.6 billion for the year ended December 31, 2009 from Rp 641.6 billion for the year ended December 31, 2008. The Company's gross profit margin increased to 49.8% in the year ended December 31, 2009 from 46.3% in the year ended December 31, 2008 due to an increase in the average selling price of the Company's products. The average selling prices of Phase II properties, sales of which were first recognized in 2009, are significantly higher than those of Phase I properties.

*Operating expenses.* The Company's operating expenses decreased by 23.3% to Rp 176.2 billion for the year ended December 31, 2009 from Rp 229.6 billion for the year ended December 31, 2008. The decrease was mainly due to cost-saving measures implemented by management and increased operational efficiency. The Company decreased its marketing and promotion expenses by Rp 20.3 billion in 2009 compared to 2008, decreased consultancy fees and licenses by Rp 13.7 billion, management fees by Rp 10.2 billion and security service fees by Rp 3.7 billion.

*Profit from operations.* The Company's income from operations increased by 10.8% to Rp 456.4 billion for the year ended December 31, 2009 from Rp 412.0 billion for the year ended December 31, 2008. Its operating profit margin increased to 35.9% for the year end December 31, 2009 from 29.7% for the year ended December 31, 2008.

*Other income/(expenses).* The Company's net other expenses decreased by 25.6% to Rp 80.3 billion for the year ended December 31, 2009 from Rp 107.9 billion for the year ended December 31, 2008 due to a decrease in the Company's interest payments following the retirement of the BSDE I Bonds in 2008, decreased interest payments on a bank loan due to lower cost of funds in 2009, and an increase in interest income.

*Income before tax.* The Company's income before tax increased by 23.7% to Rp 376.1 billion for the year ended December 31, 2009 from Rp 304.1 billion for the year ended December 31, 2008.

*Tax expense (benefit).* The Company's tax expense decreased by 16.4% to Rp 67.4 billion for the year ended December 31, 2009 from Rp 80.6 billion for the year ended December 31, 2008. The decrease in tax expense was mainly due to the change in the income tax on Indonesian property developers in 2009 from progressive rates to a 5% final tax on revenue. The Company no longer recognized deferred taxes beginning in 2009 due to the same change in taxation. The Company's effective tax rate decreased to 17.9% for the year ended December 31, 2009 from 26.5% for the year ended December 31, 2008.

*Net income.* Net income of the Company increased substantially by 38.1% to Rp 308.7 billion for the year ended December 31, 2009 from Rp 223.5 billion for the year ended December 31, 2008. The Company's net income margin increased substantially to 24.3% for the year ended December 31, 2009 from 16.1% for the year ended December 31, 2008. These increases were due to the increase in the average selling price of the Company's products and decreased operating expenses due to improved efficiency.

**Year Ended December 31, 2008 Compared to the Year Ended December 31, 2007**

*Revenue.* The Company's revenue decreased by 3.8% to Rp 1,386.1 billion for the year ended December 31, 2008 from Rp 1,440.7 billion for the year ended December 31, 2007. This decrease was mainly due to the Company's focus on developing the infrastructure for Phase II of BSD City instead of sales of new residential properties. The Company's revenue from Commercial properties increased by 88.9% to Rp 908.8 billion for the year ended December 31, 2008 from Rp 481.0 billion for the year ended December 31, 2007 while revenue from residential properties decreased by 50.3% to Rp 477.3 billion for the year ended December 31, 2008 from Rp 959.7 billion for the year ended December 31, 2007. In 2008, residential and Commercial properties accounted for 34.4% and 65.6% of revenues,

respectively, compared to 66.6% and 33.4%, respectively, in 2007.

*Cost of sales.* The Company's cost of sales decreased by 25.0% to Rp 744.5 billion for the year ended December 31, 2008 from Rp 992.5 billion for the year ended December 31, 2007. The decrease was mainly due to decreased sales and the increase in the percentage of revenue from Commercial properties, which have lower ratios of cost of sales to revenue.

*Gross profit.* The Company's gross profit increased substantially by 43.2% to Rp 641.6 billion for the year ended December 31, 2008 from Rp 448.2 billion for the year ended December 31, 2007. The Company's gross profit margin increased substantially to 46.3% in the year ended December 31, 2008 from 31.1% in the year ended December 31, 2007. The increased margin was due to the increased proportion of revenues from the sale of Commercial land plots, which increased to 22.0% of revenue in the year ended December 31, 2008 from 6.8% in the year ended December 2007. The margins for Commercial land plots is higher than the margins for residential projects.

*Operating expenses.* The Company's operating expenses increased by 27.6% to Rp 229.6 billion for the year ended December 31, 2008 from Rp 179.9 billion for the year ended December 31, 2007. The increase was mainly due to increased marketing costs incurred to introduce Phase II of BSD City.

*Income from operations.* The Company's income from operations increased substantially by 53.6% to Rp 412.0 billion for the year ended December 31, 2008 from Rp 268.3 billion for the year ended December 31, 2007. Its operating profit margin increased substantially to 29.7% for the year end December 31, 2008 from 18.6% for the year ended December 31, 2007.

*Other income/(expenses).* The Company's net other expenses decreased by 13.9% to Rp 107.9 billion for the year ended December 31, 2008 from Rp 125.3 billion for the year ended December 31, 2007 due to expenses being offset by interest income from the Company's time deposits.

*Income before tax.* The Company's income before tax increased substantially by 112.7% to Rp 304.1 billion for the year ended December 31, 2008 from Rp 143.0 billion for the year ended December 31, 2007.

*Tax expense (benefit).* The Company's tax expense increased substantially by 121.4% to Rp 80.6 billion for the year ended December 31, 2008 from Rp 36.4 billion for the year ended December 31, 2007. The increase in tax expense was mainly due to the substantial increase in income before tax and the reversal of deferred income taxes due to the change in tax regulations. The Company's effective tax rate was 26.5% and 25.5% for the years ended December 31, 2008 and 2007, respectively.

*Net income.* Net income of the Company increased substantially by 109.7% to Rp 223.5 billion for the year ended December 31, 2008 from Rp 106.6 billion for the year ended December 31, 2007. The Company's net income margin increased substantially to 16.1% for the year ended December 31, 2008 from 7.4% for the year ended December 31, 2007.

## **MOVEMENTS IN ASSETS, LIABILITIES AND EQUITY**

### **Assets**

The Company's total assets as of July 31, 2010 were Rp 4,705.2 billion, an increase of Rp 112.4 billion from the Company's total assets of Rp 4,592.8 billion as of December 31, 2009. This increase was due to the increase in inventories, land for development and fixed assets of Rp 72.4 billion, Rp 61.1 billion and Rp 47.1 billion, respectively, offset by a decrease in cash and cash equivalents of Rp 109.7 billion.

The Company's total assets as of December 31, 2009 were Rp 4,592.8 billion, an increase of Rp 211.7 billion from the Company's total assets of Rp 4,381.1 billion as of December 31, 2008. This increase was due to the increase in land for development of Rp 110.0 billion and an increase in cash and cash equivalents of Rp 98.7 billion. Inventories and fixed assets also increased by Rp 44.6 and Rp 11.1 billion, respectively.

The Company's total assets as of December 31, 2008 were Rp 4,381.1 billion, an increase of Rp 773.1 billion from the Company's total assets of Rp 3,608.0 billion as of December 31, 2007. This increase was due to the proceeds of the Company's initial public offering.

### **Liabilities**

The Company's total liabilities as of July 31, 2010 were Rp 2,236.7 billion, a decrease of Rp 16.0 billion from the Company's total liabilities of Rp 2,252.7 billion as of December 31, 2009. This decrease was due to the principal repayment of Rp 250.0 billion of a bank loan from PT Bank Mandiri (Persero) Tbk ("**Bank Mandiri**"), offset by an increase in sales advances of Rp 229.4 billion.

The Company's total liabilities for the year ended December 31, 2009 amounted to Rp 2,252.7 billion, a decrease of Rp 53.3 billion from the Company's total liabilities of Rp 2,306.0 billion for the year ended

December 31, 2008. This decrease was due to the payment of certain payables, including taxes. The Company's total liabilities for the year ended December 31, 2008 amounted to Rp 2,306.0 billion, a decrease of Rp 33.6 billion from the Company's total liabilities of Rp 2,339.6 billion for the year ended December 31, 2007. This decrease was due to the repayment of the principal amount of Rp 250.0 billion of the BSDE I Bonds.

### ***Equity***

The Company's equity as of July 31, 2010 were Rp 2,468.5 billion, an increase of Rp 128.4 billion from the Company's equity of Rp 2,340.1 billion as of December 31, 2009. This increase was due to the increase in retained earnings from net income of Rp 195.9 billion, offset by the decrease in retained earnings due to Rp 65.6 billion of dividends paid.

The Company's equity for the year ended December 31, 2009 increased by Rp 265.0 billion to Rp 2,340.1 billion from Rp 2,075.1 billion for the year ended December 31, 2008 due to an increase in retained earnings.

The Company's equity for the year ended December 31, 2008 substantially increased by Rp 806.7 billion to Rp 2,075.1 billion from Rp 1,268.4 billion for the year ended December 31, 2007 due to the Company's initial public offering.

## **LIQUIDITY AND CAPITAL RESOURCES**

### ***Cash Flows***

The Company's cash and cash equivalents on July 31, 2010 amounted to Rp 940.0 billion, which represented a decrease of 10.4% over cash and cash equivalents of Rp 1,049.7 billion on December 31, 2009.

The Company's cash and cash equivalents on December 31, 2009 amounted to Rp 1,049.7 billion which represented an increase of 10.4% over cash and cash equivalents of Rp 951.0 billion on December 31, 2008, which in turn represented a substantial increase of 245.7% from 2007 of Rp 275.1 billion. The latter increase was mainly due to decreased costs due to improved efficiency, interest income from the Company's time deposits, and reduced interest payments following the repayment of the principal on the BSDE I Bonds.

### ***Net Cash Provided By/(Used In) Operating Activities***

Net cash provided by operating activities was Rp 348.0 billion for the seven-month period ended July 31, 2010. This was mainly due to cash collection from presales of properties exceeding cash payments to contractors and cash used for other operating expenses.

Net cash provided by operating activities was Rp 239.3 billion and Rp 582.8 billion for the years ended December 31, 2009 and 2008. This was mainly due to cash collection from presales of properties exceeding cash payments to contractors and cash used for operating expenses.

Net cash used in operating activities was Rp 36.3 billion for the year ended December 31, 2007. This was mainly due to cash payments to contractors and cash used for operating expenses exceeding cash collection from sales advances payment of properties.

### ***Net Cash Provided By/(Used In) Investing Activities***

Net cash used in investing activities was Rp 55.2 billion for the seven month period ended July 31, 2010. This amount was mainly due to the acquisition of Rp 56.0 billion of property and equipment.

Net cash provided by investing activities was Rp 44.9 billion for the year ended December 31, 2009. This amount was mainly due to the withdrawal from mutual funds of Rp 70.8 billion, partially offset by the acquisition of Rp 25.6 billion of property and equipment.

Net cash used in investing activities was Rp 82.1 billion for the year ended December 31, 2008. This amount was mainly due to the placement in mutual funds of Rp 70.8 billion as well as the acquisition of Rp 37.1 billion of property and equipment, offset by a withdrawal of Rp 25.0 billion in restricted time deposits.

Net cash used in investing activities was Rp 26.5 billion for the year ended December 31, 2007. This amount was mainly due to the acquisition of Rp 14.0 billion of property and equipment and the placement in restricted time deposits of Rp 12.5 billion.

### ***Net Cash Provided By/(Used In) Financing Activities***

Net cash used in financing activities amounted to Rp 397.3 billion for the seven month period ended July 31, 2010, arising mainly from the repayment of Bank Mandiri's loan of Rp 250.0 billion and the

payments of Rp 65.6 billion in dividends and Rp 81.7 million in interest.

Net cash used in financing activities amounted to Rp 168.2 billion for the year ended December 31, 2009, arising mainly from interest payments on the Company's outstanding bonds and bank loan of Rp 123.6 billion, as well as dividend payments of Rp 43.7 billion and payment for notes issuance fee of Rp. 0.9 billion.

Net cash provided by financing activities amounted to Rp 174.8 billion for the year ended December 31, 2008, arising from the net proceeds of Rp 583.2 billion from the Company's initial public offering and partially offset by payment of principal of Rp 250.0 billion on the BSDE I Bonds and interest on the Company's outstanding bonds and bank loan of Rp 157.8 billion and payment for notes issuance fee of Rp. 0.6 billion.

Net cash provided by financing activities amounted to Rp 117.1 billion for the year ended December 31, 2007, arising mainly from the proceeds of a Rp 250.0 billion bank loan from Bank Mandiri and partially offset by payment of interest on the Company's outstanding bonds and bank loan of Rp 131.8 billion.

## **RISK FACTORS**

### **1. Risks in relation to the Company's Land Bank**

- Risk relating to the Cooperation Agreement between the Company and the Founding Shareholders whereby the majority of the Company's land is registered under the name of the Founding Shareholders, therefore the Company may not be able to sell its developed properties or use such properties to obtain financing required for further development.

### **2. Risks in relation to the Share Purchases**

- The Company may be unable to successfully integrate the New Subsidiaries' businesses and realize the anticipated benefits of the Share.
- The Company's future results will suffer if it does not effectively manage its expanded operations following the Share Purchases.
- The Company's future results will suffer if it does not effectively manage operations in geographic areas outside greater Jakarta following the Share Purchases.
- The Company's future results will suffer if it does not effectively manage operations in new real estate segments following the Share Purchases.
- The Company's future results will suffer if it does not effectively manage recurring rental income following the Share Purchases.
- The Share Purchases' completion is subject to the receipt of consents and clearances from the Company's and DUTI's shareholders. If it is not obtained, it could prevent the Share Purchases' completion.
- The Company may incur substantial expenses related to the Share Purchases and the integration of the New Subsidiaries.
- The Principal Shareholder may have interests that may be different from, or in addition to, the interests of Shareholders generally.
- Uncertainties associated with the Share Purchases may cause a loss of management personnel and other key employees which could adversely affect the Company's future business and results of operations.
- Failure to complete the Share Purchases could negatively affect the Company's future business and financial results and the Shares' market value.

### **3. Risks in relation to the Company's business**

- An increase in interest rates or reduction in the availability of mortgage financing may adversely affect the Company's business.
- The Company may be required to purchase defaulted loans.
- The Company's inability to acquire land within the Master Plan may affect its business.
- The Company may be adversely affected by increases in prices of, shortages of, or delays or disruptions in the supply of building materials and labor disputes.
- The Company utilizes third party contractors for the development of its residential properties, and for the development of its Commercial properties.
- The Company competes with a number of real estate development companies.
- The Company has entered into agreements with various third parties for the acquisition of land which may expire or may be invalid, thereby affecting its ability to acquire these lands.
- The Company may not be able to identify or correct any defects or irregularities in title to its land or the lands that it plans to develop.
- The Company's sales agreements with its customers require the Company to pay a penalty in

case of delay of handover to its customers.

- The Company is subject to certain government requirements in relation to its land developments.
- The Company's success is dependent on its ability to anticipate and respond to consumer requirements, both in terms of the type and location of its properties.
- The Company's projects within BSD City are subject to various environmental regulations and other applicable legislation and instances of violations or non-compliance could adversely affect its properties.
- The Company has experienced rapid growth in the past few years and may not be able to sustain its growth, which may adversely affect its results.
- The Company's business and its growth prospects require the Company to invest additional capital, which may not be available on terms acceptable to it or at all.
- The Company recognizes revenue from its high rise developments based on the percentage of completion method of accounting, which may result in fluctuations in revenue and development costs from period to period.
- The Company depends on its senior management, directors and key personnel for a large part of its success.
- The Company is subject to restrictive covenants in certain debt facilities provided to it.
- The Company's insurance coverage may not adequately protect it against all material hazards.
- If the Company's employees unionize, it may be subject to industrial unrest, slowdowns and increased wage costs.
- The Company is involved in certain legal and other proceedings in Indonesia and may face certain liabilities as a result.
- The Company's business is heavily dependent on the performance of Indonesia's real estate market.

**4. Risks relating to the Rights, the New Shares and the Capital Market**

- Economic developments and volatility in securities markets in other countries may cause the price of the Rights and the New Shares to decline.
- Future changes in the value of the Rupiah against the US dollar or other currencies will affect the foreign currency equivalent of the value of the Company's shares and any dividends.
- A holding of shares in the Company is likely to be diluted should its holder fail or decline to exercise its Rights.
- There is no assurance that an active trading market for the Rights or the New Shares will develop or be sustained after the Rights Offering.
- The sale or possible sale of a substantial number of the New Shares in the public market following the Rights Offering could adversely affect the price of the New Shares and the Company's ability to raise capital.
- Future issuances or sales of the New Shares could significantly affect the trading price of the Company's shares.
- The trading price of the Rights and the New Shares may fluctuate significantly.
- The application of Bapepam-LK conflict of interest rules may cause the Company to forego transactions that are in its best interests.
- Investors may be subject to limitations on minority shareholder rights.
- Indonesian law contains provisions that could discourage a takeover of the Company.

**SUBSEQUENT EVENTS AFTER THE DATE OF INDEPENDENT AUDITOR REPORT**

There are no other material and relevant events which are required to be disclosed in this Prospectus after August 30, 2010 — the date upon which the Independent Auditor report on the Financial Statements as at and for the seven months ended July 31, 2010 was issued. This Independent Auditor report was issued by the Registered Public Accounting Firm of Mulyamin Sensi Suryanto dated July 31, 2010, with an unqualified opinion.

**INFORMATION ON THE COMPANY**

The Company was firstly incorporated by the Deed of Incorporation of "PT Bumi Serpong Damai" (Deed of Establishment of "PT Bumi Serpong Damai") No. 50 dated January 16, 1984 in conjunction with Deed of Amendment No. 149 dated October 27, 1984 and Deed of Amendment No. 82 dated April 23, 1985, executed before Benny Kristianto, SH., Notary in Jakarta. The Deed of Establishment together

with the amendments thereto have been ratified by the Minister of Justice of the Republic of Indonesia by Decree No. C2-5710.HT.01.01.Th.85 dated September 10, 1985, registered with the District Court Office of West Jakarta under No. 1008/1985, No. 1007/1985 and No. 1006/1985 dated September 25, 1985, published in the State Gazette of the Republic of Indonesia No. 67 dated August 22, 1986, Supplement No. 1016. Certain indirect shareholders of the Company, namely PT Sinar Mas Tunggal and Asia Food & Properties Ltd. (a company listed on the SGX-ST) and PT Sinarindo Gerbangmas, are affiliated with Sinarmas which is based in Indonesia and has operations in the pulp and paper, food, properties, agri-business and financial services businesses.

**MANAGEMENT AND SUPERVISION OF THE COMPANY**

Based on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 14, dated June 9, 2010, drawn up by Pahala Sutrisno Amijoyo Tampubolon, SH, Notary in Jakarta, which has been notified to the Minister of Law and Human Rights as evidenced by the Letter of Acceptance of Notification on Change of Company's Data No. AHU-AH.01.10-18997, dated July 27, 2010, registered on Company Registry No. AHU-0056162.AH.01.09.Tahun 2010, dated July 27, 2010, the compositions of the Company's Board of Directors and Board of Commissioners are as follows:

**Board of Directors**

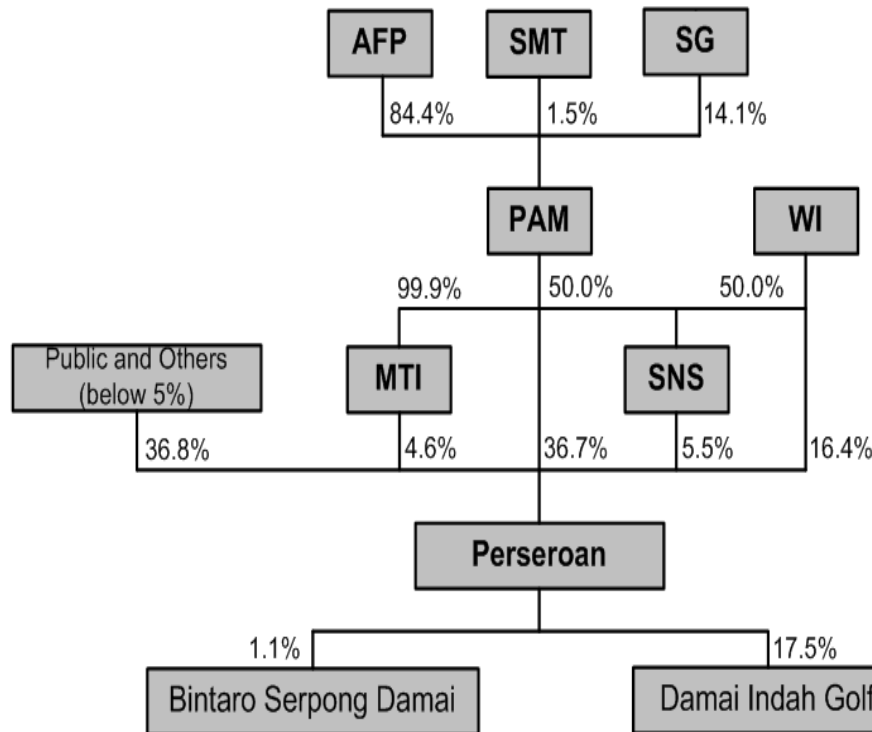
President Director	:	Harry Budi Hartanto
Vice President Director	:	Michael Jackson Purwanto Widjaja
Vice President Director	:	Welly Setiawan Prawoko
Vice President Director	:	Franciscus Xaverius Ridwan Darmali
Director	:	Petrus Kusuma
Director	:	Syukur Lawigena
Director	:	Hermawan Wijaya
Director	:	Monik William
Director	:	Hadiprajogo Widjaja
Director	:	Lie Jani Harjanto

**Board of Commissioners:**

President Commissioner	:	Muktar Widjaja
Vice President	:	Franky Oesman Widjaja
Commissioner	:	
Commissioner	:	Benny Setiawan Santoso
Commissioner	:	Teky Mailoa
Independent Commissioner	:	Teddy Pawitra
Independent Commissioner	:	Susiyati Bambang Hirawan
Independent Commissioner	:	Edwin Hidayat

\*Pursuant to IDX Regulation No. I.A on Equity Shares and Securities Listing other than Securities Issued by Listed Companies

**OWNERSHIP, MANAGEMENT AND SUPERVISION RELATIONSHIPS AMONG THE COMPANY AND AFFILIATED COMPANIES WITH CORPORATE SHAREHOLDERS**



AKA	PT Aneka Karya Amarta	MTI	PT Metropolitan Trancities Indonesia
AFP	Asia Food & Properties Ltd.	PAM	PT Paraga Artamida
BKP	PT Bhineka Karya Pratama	SMT	PT Sinar Mas Tunggal
BSD	Company	SNS	PT Serasi Niaga Sakti
STC	PT Simas Tunggal Center	SG	PT Sinarindo Gerbangmas
WI	Warner Investment (Labuan) Bhd.		

\* including the ownership by PAM's Subsidiaries under 5%

## DESCRIPTION OF THE BUSINESS

The Company is one of the well-known property company in Indonesia that is currently focusing in the development of one independent city – BSD City. According to Real Estate Indonesia, BSD City will be one of the largest privately developed townships in terms of the location permits sanctioned in the Jakarta-Bogor-Depok-Tangerang-Bekasi or the Jabodetabek area in Indonesia and it will comprise a mix of residential and light industrial properties and a central business district. BSD City's focus is to provide quality living conditions for residents, create a Commercial community and to provide for Industry and trade within and around the confines of a township development. The businesses and the resident community living within BSD City enjoy access to its social and recreational facilities and adequate infrastructure and technology.

BSD City is located approximately 25 kms southwest of Jakarta and is connected to Jakarta and all parts of the Jabodetabek region through a network of primary (including toll roads and highways) and secondary roads and railways. BSD City is an integrated township currently comprising, among other things, 14 residential estates, two completed sub-town centers (with a third under development) that are equipped with Commercial (including retail and light industrial) facilities, public and social facilities, including schools, parks and utilities. BSD City has been designed to cater to both local and foreign customers. BSD City is based on the Master Plan developed by the Company along with several international consultants. Pursuant to the Master Plan, BSD City is intended to grow to comprise up to

approximately 80 residential estates, seven sub-town centers and a complete central business district. Under the Master Plan, approximately two-thirds of BSD City's effective area comprises residential developments and the remaining one-third comprises Commercial developments.

- **Residential districts**

The Company focuses on middle-low to high-end residential developments to cater to various demographics, while also building standard housing developments. In general, residential districts are divided into sectors with an average size of approximately 100 hectares each, which are then divided into several sub-sectors, comprising gated communities or clusters with a common development theme averaging five to 10 hectares in size and residential housing units with land plots of three sizes. Large, units and standard units typically range from 250 square meters and above, 160-250 square meters and 112-150 square meters respectively.

- **Commercial and retail districts**

The Company develops Commercial centers comprising supermarkets, retail outlets, restaurants, entertainment facilities and small office complexes located in close proximity to residential districts ("**Sub-town Centers**"). These Commercial centers have been built to serve the needs of residents and to create business opportunities for a range of business enterprises. For example, German Center, Teraskota Entertainment Center, Giant hypermart, Carrefour hypermart, PT Telkomsel, PT SMART Telecom and PT Bank Central Asia Tbk operate within BSD City.

In addition to Sub-town Centers, the Company plans to develop a central business district ("**CBD**") located at the center of BSD City. This CBD will be built on both sides of the Cisadane River, that divides the east and west regions of BSD City. The completed CBD portion that forms part of Phase I is currently being extended into Phase II as that phase is being constructed. The CBD has been designed to be a modern development with multi-storey office buildings supported by infrastructure, including telecommunication networks. BSD City is equipped with fiber optic and underground cabling.

The Company also plans to develop a city park on 35 hectares along the Cisadane River, which will contain sporting and recreational and entertainment facilities along the river banks, to complement the CBD.

- **Land**

The Company also sells plots of land to third parties either for residential purposes or for Commercial purposes, which are then developed by the purchasers in line with the land usage guidelines of under the Master Plan. In order to sell the land to third parties, the Company undertakes the construction of basic infrastructure such as roads and waste disposal facilities.

- **Industrial Projects**

The Company has allocated areas within the Master Plan for the development of industrial buildings in order to provide facilities for businesses in the light and non-pollutive industrial and technology sectors. The Company plans to develop this district on land located in the southeast of BSD City ("**BSD Techno Park**"), near PUSPITEK (Center of Science and Technology Development) and ITI (Indonesia Technology Institute), institutes not included within or affiliated with BSD City. The Company believes that close proximity to these institutes will attract companies from the information technology sector.

- **The Master Plan**

*Phase I*

Phase I, whose construction commenced in 1989 and is currently in its completion phase, was designed to build and market residential units and Commercial units with easy access to and from Jakarta. The objective was to attract a population, create economic activities and to be the model of the new town development. The entire development in this phase was implemented on the eastern side of the Cisadane River.

The Company focused on building and marketing residential districts during the development of Phase I

and to date, Phase I has attracted approximately 150,000 residents. Due to the issuance of this Prospectus, residential districts completed in Phase I include the "Puspita Loka", "Girl Loka", "Pavilion Residence", "The Green", and "De Latinos".

#### *Phase II*

In 2008, the Company commenced the development of Phase II of the Master Plan, which encompasses an area of 2,000 hectares to the west of the Cisadane River. Phase II is being developed in two stages, the first comprising 850 hectares and the second comprising 1,150 hectares. Two residential projects comprising 146 hectares and two Commercial projects comprising 130 hectares are currently under development in the first stage. To this end, the Company appointed V2i of Australia, which has been involved in similar projects in Indonesia, such as Kota Wisata, Legenda Wisata, Palm Spring Batam and Bali Pecatu and several projects in other countries such as the Philippines, Singapore, China and Australia. The Company intends to continue with the development of residential homes for the middle and upper market segments and plans to diversify its range of residential products by including medium-rise apartment blocks in its portfolio.

#### *Phase III*

Phase III of the Master Plan will involve the development of approximately 2,450 hectares in areas located in the northern and in the southwest region of BSD City. These developments will include additional Commercial and residential developments as a result of the expansion of the Central Business District being constructed under Phase II.

- **Public and social facilities**

According to the prevailing regulatory requirements relating to township planning in Indonesia, 40% of total land under development must be allocated towards public, social and infrastructure facilities, including public roads and parks as well as supporting infrastructure such as electricity networks, gas and water pipelines and water and waste treatment facilities.

#### **PROPERTIES RETAINED**

The Company's strategy is generally to sell property as soon as it is developed in order to take advantage of the prevailing market conditions. In certain circumstances however, the Company leases out the property to small enterprises and then subsequently sells these units to the relevant lessees upon the expiration of their respective leases, or continues to lease the property. Selling and leasing property allows the Company to diversify its revenue. Further, after the Share Purchases are completed, the New Subsidiaries will continue to lease out most of their existing developed properties.

Currently, the Company has leased 13,950 square meters at ITC BSD to Carrefour for a period of 25 years from January 27, 2004. As of July 31, 2010, the Company had received rental advances of Rp. 5.1 billion.

#### **LAND BANK**

As of July 31, 2010, the Company had a land bank was 3,239.9 hectares, consist of 2,125.9 hectares of land for development while the remaining 1,114.0 hectares of land under development. 40.6% of the land for development was under the Founding Shareholders' names while the remaining 59.4% was under the Company's name. As for 80.5% of the land under was the Founding Shareholders' names while the remaining 19.5% was under the Company's name.

#### **BUSINESS STRUCTURE**

The Company conducts its core businesses through its corporate division and its various strategic business units.

- ***Corporate division***

The Company's corporate division is divided into four departments, namely finance, accounting and human resources; technical planning and land acquisition; legal, internal audit and quality management service; and marketing and business development.

- **The Company's business operations**

The Company's business operations are divided into four principle categories:

1. strategic business units ("**SBUs**") responsible for property development in property,
2. city infrastructure development,
3. shopping center operation management, and
4. property and estate management

#### **PROJECT DEVELOPMENT CYCLE**

The Company has developed internal guidelines, called the BSD City Code, which address planning, development, construction and other operations within BSD City. The development process involves the following key stages:

- ***Strategy development***
- ***Land acquisition***
- ***Planning and design***
- ***Marketing***
- ***Construction***
- ***Completion and hand over of the property***
- ***Property management***

#### **BUSINESS PROSPECTS**

The Company conducted its initial public offering in 2008 and has experienced strong growth since then. The Company expects to achieve further growth through the Share Purchases and hopes that the larger combined entity will achieve stronger trading volumes and greater investor interest in its shares (if compares to the structure of the Company and the New Subsidiaries before the Share Purchases). Following the Share Purchases, the Company will diversify in terms of market segments, as it will have several Commercial (including retail, office and hospitality) real estate businesses through the New Subsidiaries, and in terms of revenue sources, as it will operate a larger proportion of completed properties for recurring rental income. The Company aims to maximize the value of the combined businesses, first, by increasing the scope of its business through the Share Purchases. Second, the Company expects to benefit from economies of scale from combined administration, shared expertise, common arrangements with contractors and for labor and raw materials and combined marketing and branding strategies under the BSD brand. Third, the Company believes that the combined businesses may enjoy a lower overall cost of capital and improved access to debt and equity capital.

#### **SUMMARY OF MATERIAL FINANCIAL DATA**

The following table presents a summary of the Company's financial highlights for the seven month period ended July 31, 2010 and for the years ended December 31, 2009, 2008, 2007, 2006 and 2005. These financial figures are derived from and calculated based on Company's financial statements audited by the Registered Public Accountants Mulyamin Sensi Suryanto for the seven month period ended July 31, 2010 and for the years ended December 31, 2009, 2008, 2007 and 2006, and the Company's consolidated financial statements audited by Registered Public Accountants of Dedy Muliadi & Partner for year ended December 31, 2005, all issued with unqualified opinion.

## BALANCE SHEETS

(billion Rp)

	Seven month period ended					
	July 31, 2010	2009	2008	2007	2006	2005
<b>TOTAL ASSETS</b>						
Cash and cash equivalents	940.1	1,049.7	951.0	275.1	220.7	388.9
Investments	37.1	38.4	109.1	63.4	50.9	15.9
Trade accounts receivable						
Related party	-	-	-	-	-	-
Third parties	8.1	8.2	13.2	53.6	76.0	58.4
Other accounts receivable	3.1	2.8	4.3	1.7	2.0	2.0
Inventories	1,806.5	1,734.1	1,689.6	1,377.0	1,581.1	1,122.0
Advances	124.7	102.3	106.1	82.2	102.5	193.4
Prepaid taxes	62.6	37.8	3.0	2.4	22.5	3.9
Prepaid expenses	2.0	4.2	6.7	7.6	11.1	11.5
Due from a related party	-	-	-	0.7	0.7	1.4
Deferred tax assets	-	-	-	12.9	9.1	7.4
Land from development	1,489.7	1,428.6	1,318.6	1,571.6	1,453.9	1,115.4
Property and equipment – net	158.6	111.5	100.4	75.9	72.9	36.3
Property under build, operate and transfer - net	1.8	1.8	2.0	2.1	2.2	-
Investment property – net	69.6	72.4	77.1	81.8	86.6	96.9
Intangible asset - net	1.3	1.0	-	-	-	-
<b>TOTAL ASSETS</b>	<b>4,705.2</b>	<b>4,592.8</b>	<b>4,381.1</b>	<b>3,608.0</b>	<b>3,692.2</b>	<b>3,053.4</b>
<b>LIABILITIES</b>						
Bonds payable	596.8	595.3	592.5	838.9	835.0	246.7
Bank loan	-	250.0	250.0	250.0	-	-
Trade payable						
Related party	-	-	0.4	0.2	0.9	0.4
Third parties	55.9	22.1	40.4	27.6	35.9	29.8
Taxes payable	21.3	14.5	27.6	19.6	6.5	10.4
Accrued expenses	18.7	36.8	52.5	48.2	62.7	39.8
Rental deposit	2.0	2.4	1.7	1.4	0.8	0.8
Sales advances	1,235.3	1,006.0	1,029.6	895.9	1,445.6	1,507.4
Rental advances	16.8	18.8	26.2	33.8	39.0	39.8
Estimate liabilities for future improvements	182.8	211.4	208.6	149.8	45.8	49.3
Defined-benefit post-employment reserve	44.9	43.0	38.3	35.6	25.8	21.4
Other liabilities	62.2	52.4	38.2	38.6	32.3	28.7
<b>Total Liabilities</b>	<b>2,236.7</b>	<b>2,252.7</b>	<b>2,306.0</b>	<b>2,339.6</b>	<b>2,530.3</b>	<b>1,974.5</b>
<b>Minority Interest in Net Assets of the Subsidiary</b>	-	-	-	-	-	0.0
<b>Equity</b>						
Capital stock	1,093.5	1,093.5	1,093.5	984.2	984.2	984.2
Additional paid-in capital	484.7	484.7	484.7	10.8	10.8	10.8
Retained earnings						
Appropriated	23.8	23.3	21.3	-	-	-
Unappropriated	866.5	738.6	475.6	273.4	166.9	83.9
	890.3	761.9	496.9	273.4	166.9	83.9
<b>Total Equity</b>	<b>2,468.5</b>	<b>2,340.1</b>	<b>2,075.1</b>	<b>1,268.4</b>	<b>1,161.9</b>	<b>1,078.9</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,705.2</b>	<b>4,592.8</b>	<b>4,381.1</b>	<b>3,608.0</b>	<b>3,692.2</b>	<b>3,053.4</b>

## STATEMENTS OF INCOME

(billion Rp)

Description	Seven month period ended	Year ended December 31,				
	July, 31 2010	2009	2008	2007	2006	2005
Revenues	709.9	1,270.6	1,386.1	1,440.7	1,078.8	938.5
Cost of Sales	316.4	638.0	744.5	992.5	672.2	582.8
Gross Profit	393.5	632.6	641.6	448.2	406.6	355.7
Operating Expenses	137.3	176.2	229.6	179.9	221.0	261.2
Income from Operations	256.2	456.4	412.0	268.3	185.6	94.5
Other Expenses – net	22.4	80.3	107.9	125.3	79.0	45.0
Income Before Tax	233.8	376.1	304.1	143.0	106.6	49.5
Tax expense	37.9	67.4	80.6	36.4	23.6	6.1
Net Income	195.9	308.7	223.5	106.6	83.0	43.4

## FINANCIAL RATIOS

Important Financial Ratios	Seven month period ended	Year ended December 31,				
	2010	2009	2008	2007	2006	2005
<b>GROWTH RATIO</b>						
Revenues	-	(8.3)	(3.8)	33.5	14.9	108.0
Operating Expenses	-	(23.3)	27.6	(18.6)	(15.4)	60.4
Income from Operations	-	10.8	53.6	44.6	96.4	130.1
Net Income	-	38.1	109.7	28.4	91.2	96.9
Assets	-	4.8	21.4	(2.3)	20.9	40.0
Liabilities	-	(2.3)	(1.4)	(7.5)	28.1	72.4
Equity	-	12.8	63.6	9.2	7.7	4.2
<b>BUSINESS RATIO</b>						
Gross margin	55.4	49.8	46.3	31.1	37.7	37.9
Operating margin	36.1	35.9	29.7	18.6	17.2	10.1
Net margin	27.6	24.3	16.1	7.4	7.7	4.6
Income from operations to Equity	10.4	19.5	19.9	21.2	16.0	8.8
Return on Equity	7.9	13.2	10.8	8.4	7.1	4.0
Income from operations to Assets	5.4	9.9	9.4	7.4	5.0	3.1
Return on Assets	4.2	6.7	5.1	3.0	2.2	1.4
<b>FINANCIAL RATIO</b>						
Liabilities to assets	47.5	49.0	52.6	64.8	68.5	64.7
Debt to equity	90.6	96.3	111.1	184.5	217.8	183.0

## EQUITY

The following table presents the development of Company's equity position. The figures are derived from and calculated based on the Company's Financial Statements which was audited by the Public Accountant Office of Mulyamin Sensi Suryanto for seven-month period ended on July 31, 2010 and for the years ended December 31, 2009, 2008, 2007, and 2006 and the Company's consolidated Financial Statements which was audited by the Public Accountant Office of Dedy Muliadi & Rekan for the year ended December 31, 2005, all issued with unqualified opinions.

(billion Rp)

	31 July	31 December				
	2010	2009	2008	2007	2006	2005
Equity						
Share Capital	1,093.5	1,093.5	1,093.5	984.2	984.2	984.2

Additional Paid in	484.7	484.7	484.7	10.8	10.8	10.8
Retained Earnings	890.3	761.9	496.9	273.4	166.9	83.9

**DIVIDEND POLICY**

The Company implemented a policy of paying cash dividends at least once per year, up to a maximum of 30% of the Company's after tax net income. Without prejudice to the financial condition of the Company and without prejudice to the right of the Company's general meeting of Shareholders to determine otherwise pursuant to the provisions in the Articles of Association, the amount of cash dividends that will be distributed will be related to the Company's profit in the relevant fiscal year.

**TAXATION**

**EACH PROSPECTIVE PURCHASER IN THIS RIGHTS OFFERING IS ADVISED TO CONSULT WITH ITS TAX ADVISOR ABOUT THE PARTICULAR TAX CONSEQUENCES ARISING FROM THE PURCHASE OF, OWNERSHIP OR SALE OF SHARES THROUGH THE RIGHTS OFFERING.**

**CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS**

Public Accountant	:	<b>PUBLIC ACCOUNTANT OFFICE OF MULYAMIN SENSU SURYANTO</b>
Legal Consultant	:	<b>MELLI DARSA &amp; CO.</b>
Notary	:	<b>PSA TAMPUBOLON, SH.</b>
Share Registrar	:	<b>PT SINARTAMA GUNITA (Affiliated)</b>

**STANDBY PURCHASER**

<b>Macquarie Capital (Singapore) Pte. Limited</b> (a member of the Macquarie Group of Companies) 23 Church Street, #11-11 Capital Square Singapore 049481 Telephone :+65 6531 1111 Facsimile: +65 6536 7002	<b>PT Sinarmas Sekuritas (affiliated)</b> Plaza BII Menara III Lantai 5 Jl. M.H. Thamrin No. 51 Jakarta 10350 Indonesia Telephone: +62 21 3925550 Facsimile: +62 21 3925579
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**TERMS OF APPLICATION AND PURCHASE OF SHARES**

The foregoing are the conditions and procedures of the shares subscription:

**ENTITLED APPLICANTS**

Shareholders whose names are registered in the Shareholder Registry on December 1, 2010 at 16.00 WIB are entitled to subscribe for New Shares in the Rights Offering with the condition that any Shareholders holding 10 (ten) Shares is entitled to 5.08 – 7.62 Rights to purchase 5.08 – 7.62

New Shares with nominal value of Rp100,00 (one hundred Rupiah) and offering price between Rp600 (six hundred Rupiah) – Rp900 (nine hundred Rupiah) per Shares. All of the offering price shall be paid in full at the time of application.

An applicant who is entitled to purchase the New Shares is the legal holder of the Rights, namely a Shareholder who received the Rights Certificate from the Company and has not sold its Rights and a Rights purchaser whose name is listed in the Rights Certificate or in the “Endorsement” column on the Rights Certificate, or Rights Holders who are registered in the collective depository in KSEI.

The applicant should be an Indonesian and/or foreign individual and/or legal entity as stipulated in Law Number 8 of 1995 regarding Capital Market and its implementation regulations.

## **DISTRIBUTION OF RIGHTS**

### **PROSPECTUS AND FORMS**

For Shareholders whose Shares are deposited with the Collective Depository in KSEI, the Rights will be distributed to them electronically via the securities account of their respective members of IDX (the “Stock Exchange Member”) or each Custodian Bank in KSEI (the “Custodian Bank”) no later than one (1) Business Day after the record date for entitled Shareholders for Rights, on December 2, 2010 in the Shareholders Registry. The Prospectus, Additional Shares Subscription Form (“FPPS”) and other forms will be distributed by the Company to KSEI and may be obtain by the Shareholders from the Stock Exchange Member or each Custodian Bank.

For Shareholders whose Shares have not been converted to scripless form in the Collective Depository, the Company shall issue Rights Certificate in the Shareholders’ names to all Shareholders. Shareholders with registered addresses whether in or outside Jakarta, including Non-Indonesian Shareholders, shall collect the Rights Certificates (for Shareholders who have not entered into the collective depository system of KSEI), Prospectus, Additional FPPS and other forms at the office of the Share Registrar during business days and hours on December 2, 2010. Such Shareholders are required to present their valid original identification card (KTP/Passport/KITAS) together with a copy. For Shareholders who authorize a third party to collect the documents, this representative will be required to produce an original Power of Attorney duly executed by the relevant Shareholder for whom he or she is collecting the documents, together with the Shareholder’s valid original (together with a copy) identification card (KTP/Passport/KITAS).

### **REGISTRATION OF EXECUTION OF RIGHTS**

Rights Holders registered in the Collective Depository of KSEI who wish to exercise their Rights, including Non-Indonesian Shareholders who, subject to compliance with the laws of their jurisdiction, shall submit their application through their respective stock exchange member or Custodian Bank appointed to manage the securities. The stock exchange member or Custodian Bank shall submit the application or instruction to exercise through the C-BEST system based on the procedures provided by the KSEI. In executing the exercise instruction, the Stock Exchange Member or Custodian Bank must satisfy the following conditions:

1. Rights Holders must provide sufficient funds to exercise the Rights at the time of submission of application; and
2. Such funds to exercise the Rights must be made available to the securities account of the Rights Holder who is exercising its Rights.

On the next business day, KSEI shall provide a list of Rights Holders registered in the collective depository who have exercised their Rights and deliver payment for such exercise to the Company’s account.

The New Shares shall be distributed to the account of each of relevant Rights Holders by no later than two (2) business days following the date of receipt of the application from KSEI and the payment has been transferred in good funds to the Company's account.

Shareholders whose Shares have not yet been entered into the collective depository system of KSEI (the "**Rights Certificate Holders**") and who wish to exercise their Rights, shall submit an application to exercise the Rights to Share Registrar by delivering the following documents:

- a. original Rights Certificate duly signed and completed;
- b. original receipt of payment in the form of transfer/cash/cheque receipt to the Company's account to which the payment is made;
- c. copy of valid Identification Card/Passport/KITAS (for individuals) or copy of the relevant articles of association with the list of board of directors attached (for institutions/legal entities);
- d. original power of attorney (if authorized by another party) duly stamped with Rp 6,000 stamp duty and attached with a copy of the Identification Card/Passport/KITAS (for individuals) of the person who authorized and granted the Power of Attorney.
- e. If the Rights Certificate Holders require the New Shares to be in electronic/scripless form, the application submitted to the Share Registrar through the appointed Stock Exchange Member or Custodian Bank by submitting the following additional documents, which are:
  - original power of attorney from the Rights Certificate holder to the Stock Exchange Member or Custodian Bank to submit application to exercise Rights and manage securities over the New Shares in the collective depository of KSEI on behalf of the grantor; and
  - original Securities Deposit Form issued by KSEI duly signed and completed.

The Company shall issue New Shares in the form of a Collective Shares Certificate for those Rights Holder who do not wish for the shares to be deposited in collective depository of KSEI.

The exercise of the Rights will be started from December 3, 2010 until December 14, 2010.

Failure to follow the terms and instructions for Shares application as contained in the Rights Certificate and Prospectus may result in the cancellation of the application/order. Exercise of the Rights is only deemed effective when the payment for such exercise is received in good and clear funds in the bank account of the Company in accordance with the purchase conditions described in the Prospectus.

#### **APPLICATION FOR ADDITIONAL SHARES**

Entitled Shareholders who do not sell their Rights or the last buyers/holders of the Rights Certificates whose names are listed in the Rights Certificates or Rights Holders registered in the collective depository in KSEI, may apply for additional Shares in excess of their allocated Rights by completing the additional shares application section in the Rights Certificates and/or FPPS.

- a. Rights Holders who are not registered in the collective depository in KSEI who wish for their New Shares to be in electronic/script less form must submit an application to the Share Registrar through their respective Stock Exchange Member or Custodian Bank by delivering the following:

- i. original FPPS duly completed;
  - ii. original Power of Attorney from the Rights Holder to the relevant stock exchange member or Custodian Bank to submit an application for additional shares and manage securities over the allotted shares in the collective depository in KSEI and other authorizations as may be conferred in connection with the application for additional shares on behalf of the grantor;
  - iii. copy of valid Identification Card/Passport/KITAS (for individuals) or copy of the Articles of Association with the list of board of directors attached (for institution/legal entity);
  - iv. original bank receipt of transfer/cash/cheque to the account of the Company from the bank which the payment is made;
  - v. original of Securities Deposit Form issued by KSEI duly completed for the purpose of distribution of Rights Shares by the Share Registrar.
- b. Rights Holders registered in the collective depository in KSEI shall complete and deliver the Application Form for Additional Shares accompanied by the following documents:
- i. original exercise instruction which has been successfully settled through C-BEST under the said Holder of Rights's name (applicable only for Rights Holders in the Collective Depository who exercised their Rights through the C-BEST system);
  - ii. original Form of Securities Deposit issued by KSEI duly completed for the purpose of distribution of New Shares by the Share Registrar;
  - iii. original bank receipt of transfer/cash/cheque to the account of the Company from the bank to which the payment is made; and
  - iv. Payment for additional shares must be made and received in good funds in the Company's bank account at the latest by December 16, 2010. Failure to follow the instructions for share applications as set out in the Prospectus may result in the cancellation of the application.
- c. Rights Holders who owns Rights Certificate in the scrip form who wish for their allotted New Shares to remain in scrip form must submit an application to the Share Registrar by sending the following documents:
- i. original FPPS duly completed;
  - ii. original power of attorney (if authorized by another party) duly stamped with Rp 6,000 stamp duty and attached with a copy of the Identification Card/Passport/KITAS (for individuals) of the person who authorized and granted the Power of Attorney;

- iii. copy of valid Identification Card/Passport/KITAS (for individuals) or copy of the articles of association with the list of board of directors attached (for institution/legal entity); and
- iv. original bank receipt of transfer/cash/cheque to the account of the Company from the bank to which the payment is made.

The payment for the additional subscription shall be made and shall be in a good fund the Company's account no later than December 16, 2010 while documents for additional subscription shall be received by no later than December 14, 2010. Failure to follow the instructions for share applications as set out in the Prospectus may result in the cancellation of the application.

#### **ALLOTMENT OF APPLICATIONS FOR ADDITIONAL SHARES**

Allotment of applications for additional shares shall be made on December 17, 2010 in accordance with Bapepam-LK rule No. VIII.G.12 under the following conditions:

1. in the event that the amount of all ordered shares, including order for additional shares, does not exceed the total amount of shares offered in the Rights Offering, then all orders of additional shares shall be fulfilled.
2. in the event that the amount of all ordered shares, including order for additional shares, exceeds the total amount of shares offered in the Rights Offering, then a proportional allotment system based on the amount of Rights which has been exercised by each Shareholder who ordered additional shares, will be applied to such Shareholders.

#### **TERMS OF PAYMENT FOR THE HOLDER OF RIGHTS CERTIFICATE (EXCLUDING IN THE COLLECTIVE CUSTODY KSEI) AND SUBSCRIPTION FOR ADDITIONAL NEW SHARES**

Payment for share subscription in this Rights Offering through a direct order to the Company's Share Registrar must be made in good funds in Rupiah to the bank account of the Company as follows:

**Bank Sinarmas**

Thamrin Branch Office, Jakarta

A/C No: 0020.797088

Account holder: **PT BUMI SERPONG DAMAI Tbk**

Payment can be made in cash or cheque or transfer by specifying the number of Rights Certificate or additional FPPS.

All cheques and bank drafts shall be immediately cleared promptly after it has been received. If the clearing of the cheque or bank draft is rejected by the bank, the order of such shares shall be deemed to be cancelled. If the payment is made by cheque, transfer, or bank draft, the date of payment shall be counted upon the date of receipt of such cheque/transfer in good and clear funds in the bank account of the Company.

For any order of additional shares, payment must be made on the day of the order and must be received in good and clear funds in the bank account of the Company by no later than December 16, 2010.

Applicants will be responsible for any bank expenses incurred in relation to the exercise of the Rights. Failure to comply with the terms of payment will result in the cancellation of the application.

### **RECEIPT FOR SHARE APPLICATIONS**

The Company, through Share Registrar shall provide applicants with a Receipt for Share Application forming part of the Rights Certificate, stamped and duly signed as evidence to receive shares and refund if the application is not fulfilled. Rights Holders registered in the collective depository in KSEI shall receive confirmation of their Rights application (exercise) from C-BEST through the KSEI's accounts holder.

### **CANCELLATION OF SHARE APPLICATIONS**

The Company has the right to cancel New Shares applications in the Rights Offering, in whole or in part, subject to the applicable terms and conditions. Notice of cancellation shall be announced together with the announcement of allotment of shares applications.

The following may cause the cancellation of share applications, among others:

1. Right Certificates are not completed according to the instructions/conditions for shares application as contained in the Right Certificates and Prospectus;
2. Failure to pay the Offering Price; and
3. Failure to fulfill the requirements for completion of application documents.

### **REFUNDS**

If a share application is not fulfilled in whole or in part, or in the event of the cancellation of the relevant share application, a refund will be paid by the Company no later than two (2) business days after the allotment date, namely December 21, 2010.

If there is any delay in refunding the fund, the amount to be refunded will include interest with due observance of the average interest in Bank Sinarmas, counted as of December 21, 2010, except if such delay is caused by force majeure or if such delay is caused by the applicant who do not take the refund in the determined period.

Refund will be given in Rupiah by transferring to the account under the name of the applicant. The Company will transfer the money directly to the applicant's account, therefore the applicant will not incur transfer fee.

### **DELIVERY OF NEW SHARES AND ITS CREDIT TO SECURITIES ACCOUNTS**

New Shares as a result of the exercise of Rights according to their Shareholding through KSEI shall be credited to the securities account within two (2) Business Days following the receipt of their Rights exercise application from KSEI and the payment for such exercise has been received in good funds in the Company's bank account.

Shares from allotment of additional New Shares shall be distributed by the Company through KSEI in electronic form in the Collective Custody KSEI no later than two business days after the allotment date.

### **ALLOCATION OF UNSUBSCRIBED SHARES**

In the event that the Shares offered in this Rights Offering are not fully subscribed by the Rights Holders, the remaining Shares shall be allocated to other shareholders who have applied for New Shares in excess of their Rights as mentioned in the Rights Certificates, in proportion with the total amount of Rights they have already exercised.

In the event that after such allocation/allotment, there are still remaining unsubscribed Shares, such remaining unsubscribed New Shares will be purchased by Macquarie and Sinarmas Sekuritas pursuant to the Standby Purchase Agreement dated October 19, 2010, between the Company, Macquarie (Singapore) Pte. Limited and PT Sinarmas Sekuritas which will purchase the remaining unsubscribed Shares at the offering price approximately at Rp. 600.00 (six hundred Rupiah) – Rp. 900.00 (nine hundred Rupiah) per shares which shall be paid in cash.

#### **INFORMATION REGARDING RIGHTS**

Shares offered in the Rights Offering is in the amount between 5,555,558,000 - 8,333,338,000 shares with nominal value of Rp. 100.00 (one hundred Rupiah) per shares with the offering price between Rp600 (six hundred Rupiah) – Rp900 (nine hundred Rupiah) per shares therefore the total amount will be Rp5,000,003,000,000.

Every holder of 10 (ten) existing shares registered in the Shareholders Register of the Company by December 1, 2010 at 16.00 WIB shall be entitled to receive 5.08 – 7.62 Rights to be converted into 5.08 – 7.62 New Shares in the Rights Offering with the Offering Price between Rp600 (six hundred Rupiah) – Rp900 (nine hundred Rupiah) per shares, which shall be fully paid when submitting the application to purchase shares.

#### **DESCRIPTION ON RIGHTS**

New Shares offered in the Rights Offering is issued based on the Rights that can be traded during trading period and is one of the requirement to purchase New Shares.

Ordinary registered shared offered to the shareholders in the Rights Offering entirely consist of New Shares and will be given same rights and equal with the other ordinary registered shares which have been issued and paid up. New Shares as a result of the exercise of Rights in the Rights Offering will be listed in the IDX.

#### **SHAREHOLDERS ENTITLED TO RECEIVE RIGHTS**

The Shareholders entitled to receive Rights are the Shareholders whose names are recorded in the Shareholders Register of the Company on 1 December 2010 at 16.00 WIB.

#### **ENTITLED RIGHTS HOLDERS**

The Entitled Rights Holders are Shareholders whose name are recorded in the Shareholders Registry or holders of Company's shares in the securities account of Securities Company/Custodian Bank on December 1, 2010 until 16.00 WIB and do not sell their Rights; or the latest purchasers/holders of Rights Certificate whose names are listed in the endorsement column on the relevant Rights Certificates; or Rights Holders in the collective depository in KSEI until the last date of Rights trading period.

#### **DISTRIBUTION OF RIGHTS**

The electronic Rights will be distributed to the securities account of KSEI or distributed to the Shareholders through Account Holder in KSEI at the latest one Exchange Day after the date of Shareholders Register Date who entitled to receive Rights, i.e. December 2, 2010. Prospectus can be obtained at the company of the Share Registrar appointed by the Company during business hours starting on December 2, 2010.

## TRADING OF RIGHTS

The Rights Holders may trade their Rights during the trading period, commencing on December 3, 2010 until December 14, 2010 which is the period for cash market trading.

The Rights trading must comply with the prevailing laws and regulations in the Republic of Indonesia, including but not limited to the taxation and capital market regulations, the IDX rules and KSEI regulations. For Rights Holders who still have doubts to decide, they are advised to consult with their investment consultant, or other professional consultants.

The Rights in the collective depository in KSEI are traded in the IDX, whereas Rights in the form of the Rights Certificate may only be traded outside the IDX.

The settlement of Rights transactions through the IDX shall be conducted by book entry settlement of the relevant securities account, under the name of the Custodian Bank or Securities Company in KSEI. All expenses and taxes which may be incurred due to the trading and transfer of Rights shall be borne by the Rights Holders or the future Rights Holders.

## FORM OF RIGHTS

For Shareholders whose Shares are not yet deposited in the collective depository system in KSEI, the Company shall issue the Rights Certificate which states the name and address of the Rights Holders, total amount of Shares owned, and the amount of Rights which may be exercised to purchase new Shares, and columns for the amount of Shares which will be purchased, the price that must be paid and the amount of additional subscription of Shares.

For Shareholders whose Shares are already deposited in the collective depository system in KSEI, the Company will not issue the Rights Certificate; instead the Company shall credit the securities account under the name of the Custodian Bank or securities company appointed by each of the Shareholders in KSEI.

## VALUE OF RIGHTS

The value of each of the Rights offered by the valid Rights Holders may be different from one Rights Holder to the other based on the market supply and demand.

Below is a theoretical calculation of the value of Rights in this Rights Offering, however it is not intended to be a guarantee that the result of calculation of Rights value will reflect the actual value of the Rights in the market. This illustration is provided to provide a general outlook in calculating the value of the Rights.

Assuming that:

Market price per one share	:	Rp a
Price of offered shares in the Rights Offering	:	Rp r
Total of the shares in circulation before the Rights Offering	:	A
Total of the offered shares in the Rights Offering	:	R
Total of the shares in circulation after the Rights Offering	:	A + R

### The theoretical price of the New Share (Theoretical Ex rights Price)

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

Then the Value of Rights is =  $Rp X - Rp r$

### **Use of Rights Certificate**

The Rights Certificate is the evidence of rights granted by the Company to the owners to purchase New Shares offered by the Company pursuant to the Rights Offering. The Rights Certificate will only be issued to the Shareholders who have not converted its shares and will be used to subscribe new shares. The Rights Certificate may not be converted into money or any other manner and form to the Company, and may also could not been traded in the form of its copies. The Evidence of Rights Ownership for Rights Holders in the collective custody of KSEI will be delivered by KSEI through the Stock Exchange Member or its Custodian Bank.

### **Rights Splits**

In accordance with the Rule No. IX. D.1 attachment to Decree of Chairman of Bapepam-LK No. Kep-26/PM/2003 dated 17 July 2003 concerning Preemptive Rights (Rights Issue), in the event that the Shareholders own Rights in form of fractions, then such Rights will not be delivered to such Shareholders, however it should be collected by the Company to be sold, and therefore the Company will issue Rights in the fixed form, and the proceeds of such sale shall to be put into the Company's account.

### **Others**

Rights Holders shall be responsible for any costs incurred from the transfer of Rights.

## **DISTRIBUTION OF PROSPECTUS, FORMS AND RIGHTS CERTIFICATE**

### **Share Registrar**

#### **PT Sinartama Gunita (Affiliated)**

BII Plaza Tower 3 – 12th Floor  
Jl. MH Thamrin No. 51  
Jakarta 10350, Indonesia  
Telephone: 021 – 392 2332  
Fax: 021 – 392 3003

## **ADDITIONAL INFORMATION**

#### **PT Bumi Serpong Damai Tbk**

Attention: Corporate Secretary  
Taman Perkantoran I Bumi Serpong Damai  
Jl. Pahlawan Seribu, BSD City  
Tangerang 15322, Indonesia  
Tel: (62 21) 537 0161 (hunting)  
Fax: (62 21) 537-0002, 537-0003

#### **PT Sinartama Gunita (Affiliated)**

Plaza BII Tower 3 Lantai 12  
Jl. MH Thamrin No. 51  
Jakarta 10350, Indonesia  
Tel: (62 21) 392 2332  
Fax: (62 21) 392 3003



