

DISCLOSURE INFORMATION TO THE SHAREHOLDERS OF PT BUMI SERPONG DAMAI TBK

THIS CIRCULAR LETTER IS IMPORTANT TO BE CONSIDERED BY THE SHAREHOLDERS OF PT BUMI SERPONG DAMAI TBK ("COMPANY") IN CONNECTION TO THE COMPANY'S PLAN TO CONDUCT A MATERIAL TRANSACTION IN ACCORDANCE TO THE BAPEPAM-LK RULE NO. IX.E.2 ATTACHMENT TO THE DECREE OF CHAIRMAN OF BAPEPAM-LK NO. KEP-413/BL/2009 DATED 25 NOVEMBER 2009 REGARDING MATERIAL TRANSACTION AND CHANGE OF MAIN BUSINESS ACTIVITY.

If there is any difficulty or doubt for the Company's shareholder in understanding the content of this Circular Letter or taking any decision, such shareholder is recommended to consult with its broker, investment manager, law consultant, accountant, or any other professional consultant.

If there is any shareholder who has already sold its entire share ownership of the Company, such shareholder is respectfully requested to promptly surrender this Circular Letter together with the attachments thereto to the broker who has acted as a broker in the relevant sale of shares transaction, and then, such broker has to surrender it to the purchaser of the said shares accordingly.



PT Bumi Serpong Damai Tbk

Business Activities

Engaged in developing an integrated city

including development of residential, commercial, industrial, and its supporting facilities.

Domiciled in Kabupaten Tangerang, Indonesia

Head Office

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THIS CIRCULAR LETTER IS PREPARED IN CONNECTION TO THE COMPANY'S PLAN TO PURCHASE 1,578,272,333 SHARES WHICH REPRESENTING 85.31% OF THE ISSUED AND PAID UP CAPITAL OF PT DUTA PERTIWI TBK FROM PT PARAGA ARTAMIDA DAN PT EKACENTRA USAHAMAJU AND TO MAKE SHARE CONTRIBUTION IN PT SINAR MAS TELADAN OF UP TO 60% OF THE ENLARGED PAID-UP AND ISSUED CAPITAL OF PT SINAR MAS TELADAN AND IN PT SINAR MAS WISESA OF UP TO 55% OF THE ENLARGED PAID-UP AND ISSUED CAPITAL OF PT SINAR MAS WISESA ("SHARE PURCHASE AND CONTRIBUTION")

The Board of Commissioners and Board of Directors of the Company accept full responsibility for the accuracy of all information contained in this Circular Letter and confirm, having made all reasonable inquiries and to the best of their knowledge and belief, that information contained in this announcement is accurate and there are no other important and relevant information which have been omitted which would make the information contained in this Circular Letter either untrue or misleading. Any information related to PT Duta Pertiwi Tbk, PT Sinar Mas Teladan, PT Sinar Mas Wisesa, and, each of the shareholder of PT Duta Pertiwi Tbk has been prepared based on information available for public and any information which has been given by PT Duta Pertiwi Tbk, PT Sinar Mas Teladan and PT Sinar Mas Wisesa.

I. OVERVIEW

This Circular Letter is prepared to provide explanation to the Shareholders in connection with the Company's plans to:

- (i) purchase 1,578,272,333 shares or representing 85.31% of the issued and paid up capital of DUTI with legal voting rights, i.e. (i) in the amount of 644,939,000 shares or representing 34.86% of the issued and paid up capital of DUTI owned by PAM; and (ii) in the amount of 933,333,333 shares or representing 50.45% of the issued and paid up capital or DUTI owned by ECUM ("Share Purchase Transaction"); and
- (ii) contribute share equity in (i) SMT, a subsidiary which is currently owned by PAM and PT Sinar Mas Tunggal, in the amount of 60% of the enlarged paid-up and issued capital of SMT; and (ii) SMW, a subsidiary which is currently owned by PAM and PT Sinar Mas Griya, in up to 55% of the enlarged paid-up and issued capital of SMW ("Share Contribution Transaction").

Company, Sellers, DUTI, SMT, and SMW are affiliated parties as mentioned under Rule No. IX.E.1, since the Company, ECUM, DUTI, SMT and SMW are all controlled by PAM. However, the Purchase and Contribution of Shares Transaction are considered as fair transactions and having no conflict of economic interest as stipulated under Rule No. IX.E.1, whereby the Value of the Share Purchase Transaction and the Value of the Share Contribution Transaction constitutes fair value based on the valuation of the Independent Appraiser. The Purchase and Contribution of Shares Transaction does not require the approval from independent shareholders of the Company. However, the Purchase and Contribution of Shares Transaction need to be reported to Bapepam-LK as required under Rule No. IX.E.1. Moreover, based on Rule No. IX.E.1, since the proposed transaction falls under the Material Transaction criteria as stipulated under Rule No. IX.E.2 and having no conflict of interest, the Company is only required to comply with Rule No. IX.E.2 accordingly.

The Purchase and Contribution of Shares Transaction is a transaction whereby its value exceeds 50% of the Company's equity based on audited Financial Statements ended 31 July 2010, whereby the Company's equity is in the amount of Rp.2,468,506,518,000, thus the transaction will be constituted as Material Transaction as defined under Rule No. IX.E.2. In that regard, the Company will hold an EGMS on Friday, 19 November 2010 in order to obtain the approval from the Company's Shareholders on the proposed Purchase and Contribution of Shares Transaction.

In order to meet the requirements as set forth under Rule No. IX.E.2 and to provide information to the Company's Shareholders on the proposed Purchase and Contribution of Shares Transaction, the Company's Board of Directors hereby provide the information regarding the proposed Purchase and Contribution of Shares Transaction by issuing this Circular Letter as prepared for the purposes as described above and may not be used for any other purpose.

II. DESCRIPTION OF THE COMPANY

A. General

The Company was firstly incorporated by the Deed of Incorporation of “PT Bumi Serpong Damai” No. 50 dated 16 January 1984 in conjunction with Deed of Amendment No. 149, dated 27 October 1984 and Deed of Amendment No. 82, dated 23 April 1985, all were drawn up before Benny Kristianto, SH., Notary in Jakarta. The Deed of Incorporation together with the amendments thereto has been ratified by the Minister of Justice of the Republic of Indonesia by Decree No. C2-5710.HT.01.01.Th.85, dated 10 September 1985, registered at the District Court Office of West Jakarta under No. 1008/1985, No. 1007/1985 and No. 1006/1985, dated 25 September 1985, announced in the State Gazette of the Republic of Indonesia No. 67, dated 22 August 1986, Supplement No. 1016.

The Company’s Articles of Association has been severally amended, and the latest amendment was made based on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 14, dated 9 June 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 Article of Association No. AHU-AH.01.10-16438, dated 27 July 2010, registered on Company Registry No. AHU-0049713.AH.01.09.Tahun 2010, dated 1 July 2010 (“**Deed No. 14/2010**”).

The company has listed all of its shares in the IDX since 6 June 2008.

B. Business Activities

Based on Company’s Articles of Association, the purposes and objectives of the Company is to carry out business in the landed residential development industry.

As an embodiment of its business activities, the Company tries to develop the largest self-sustaining city in Indonesia namely BSD City on top of 5,950 hectares licensed area (location permit) and being located in Serpong around 25 km south-west of Jakarta.

BSD City is strategically located within 20 km from the Soekarno-Hatta International airport and 40 km from Tanjung Priok international harbor. There are two toll accesses to BSD City, i.e. toll Serpong – Jakarta and toll Jakarta – Merak. BSD City has direct toll access through Serpong - Jakarta which is connected with the Jakarta Outer Ring Road (JORR). BSD City is approximately 18 km from JORR and 7 km from Jakarta-Merak toll road. Direct train access from BSD City to Jakarta is also provided by PT Kereta Api Indonesia using a double track railway.

According to the Master Plan, the development of BSD City will cover an area of approximately 5,950 hectares which is carried out in three phases, i.e. Phase I, Phase II and Phase III covering an area of approximately 1,500 hectares, 2,000 ha and 2,450 ha respectively. Currently, The Phase I is in stage of completion and Phase II is in stage of development. The development of Phase I in BSD City started in 1989 in the east side of the city on 1,500 hectares of land. This phase included residential, commercial and non polluted - light industrial area. Developments were supported by public, commercial, and industrial facilities such as school from play group to university, hospital and places of worship. This phase was completed with golf course designed by Jack Nicklaus and water recreation, Ocean Water Park.

Starting in mid 2008, the Company started to develop Phase II in the west side. The development of Phase II will be divided into two stages, first stage will cover an area of 850 hectares of land and expect to be completed in year 2013. The products which have been launched in the first stage of Phase II includes two big housing clusters namely Foresta and The Icon, commercial intended for office namely Office Park and intended for education namely Edu Town. The company is committed to ensure that BSD City will reach a high standard quality to acclaim premium price for the property and maintain a high demand for quality property in BSD City. The company also will continuously review its innovative strategies in marketing its projects, diversity its income streams and improve its commercial brand awareness.

C. Capitalization and Shareholders Composition

Based on the Deed of Shareholders Meeting Resolution No. 01, dated 11 August 2008, drawn up before Dorothea Samola, SH, MKn, Notary in Kabupaten Tangerang at Serpong, the Company amended the Article 4 paragraph (2) of Articles of Association resulting from the increasing of amount of shares of the Company in connection with the sale of 1.093.562.000 of Company's shares to the public through an Initial Public Offering, as notified to the Minister of Law and Human Rights as evidenced by the Letter of Acceptance of Notification on Change of Articles of Association No. AHU-AH.01.10-07681, dated 11 June 2009, registered on Company Registry No. AHU-0033151.AH.01.09.Tahun 2009, dated 11 June 2009, and published in the State Gazette of the Republic of Indonesia No. 64, dated 11 August 2009, Supplement No. 651, the Company's capital structure is as follows:

Authorized Capital	:	Rp. 2,000,000,000,000
Issued Capital	:	Rp. 1,093,562,287,000
Paid-Up Capital	:	Rp. 1,093,562,287,000

The Authorized Capital consists of 20,000,000,000 shares with the nominal value of each share is Rp. 100.

The composition of Company's Shareholders based on Shareholders Register per 30 September 2010 issued by PT Sinartama Gunita is as follows:

Remarks	Nominal Value is Rp100,- per shares		
	Nominal Value (Rp)	Number of Shares	%
Authorized Capital	2,000,000,000,000	20,000,000,000	
Shareholders:			
1. PT Paraga Artamida	401,665,533,000	4,016,655,330	36.73
2. Warner Investment (Labuan), Bhd.	179,258,000,000	1,792,580,000	16.39
3. PT Serasi Niaga Sakti	59,839,609,000	598,396,090	5.47
4. PT Metropolitan Transcities Indonesia	50,292,313,000	502,923,130	4.60
5. PT Simas Tunggal Centre	37,594,147,000	375,941,470	3.44
6. PT Pembangunan Jaya	25,550,031,000	255,500,310	2.34
7. PT Aneka Karya Amarta	30,921,223,000	309,212,230	2.83
8. PT Apta Citra Universal	6,752,315,000	67,523,150	0.62
9. PT Dian Swastatika Sentosa Tbk	4,395,865,000	43,958,650	0.40
10. PT Bhineka Karya Pratama	4,327,101,000	43,271,010	0.40
11. PT Nirmala Indah Sakti	3,000,000,000	30,000,000	0.27
12. PT Anangga Pertiwi Megah	3,000,000,000	30,000,000	0.27
13. Public	286,966,150,000	2,869,661,500	26.24
Issued and Paid-Up Capital	1.093.562.287.000	10.935.622.870	100.00
Portfolio (<i>portepel</i>)	906.437.713.000	9.064.377.130	

With regard to the Company's plan to conduct the issuance of the Rights Issue, the Company intends to increase the authorized capital as well as paid-up and issued capital.

D. Composition of Board of Commissioner and Board of Directors

Based on the Deed No. 14/2010, the composition of 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 Commissioner	:	Franky Oesman Widjaja
Commissioner	:	Benny Setiawan Santoso
Commissioner	:	Teky Mailoa
Independent Commissioner	:	Teddy Pawitra
Independent Commissioner	:	Susiyati Bambang Hirawan
Independent Commissioner	:	Edwin Hidayat

E. Summary of Significant Financial Data

The below table describes the summary of significant financial data taken from the financial statement of the Company which has been audited by Accountant Office of Mulyamin Sensi Suryanto (an independent member of *Moore Stephens International Limited*) for the years ended December 31, 2009, 2008, and 2007 and for the 7 month period which ended on July 31, 2010.

	December 31			July 31
(in billion Rp.)	2007	2008	2009	2010
BALANCE SHEET				
Asset	3,608.0	4,381.1	4,592.8	4,705.2
Liability	2,339.6	2,306.0	2,252.7	2,236.7
Equity	1,268.4	2,075.1	2,340.1	2,468.5
INCOME STATEMENT				
Revenue	1,440.7	1,386.1	1,270.6	709.9
Gross Profit	448.2	641.6	632.6	393.6
Income from Operations	268.3	412.0	456.4	256.2
Net Profit	106.6	223.5	308.7	195.9

III. DESCRIPTION OF THE TRANSACTION AND ITS IMPACT TO THE FINANCIAL CONDITION OF THE COMPANY

A. PURCHASE AND CONTRIBUTION OF SHARES TRANSACTION

1. Reason and Background

In order to increase the value for the shareholders, PAM plans to consolidate and control all of their business in properties under the coordination of the Company and aim to create the largest property company in Indonesia.

Concurrently, the Company believes that through the addition of DUTI, SMT and SMW to the Company, the Company looks forward to increase the value of the Company through its asset, revenue and geographical existence diversification and expanding the business scale, as well as better access for the capital.

2. Benefit of the Purchase and Contribution of Shares Transaction

2.1. The increasing of size and scale of the Company

- (i) Post the Purchase and Contribution of Shares Transaction, the Company will potentially be the largest listed real estate company on IDX by market capitalization.
- (ii) The Company will potentially increase the Company's shares trading volume and liquidity on the IDX. A higher level of liquidity may in turn lead to upside share price performance and also greater flexibility to access equity capital markets.
- (iii) The increasing of size and scale of the Company's real estate business after the Purchase and Contribution of Shares Transaction will improve management efficiency, and also enable the Company to have shared resources as well as to provide a stronger platform for the Company to deal with customers and suppliers, and may potentially lead to a lower cost of capital.

2.2. Diversification

- (i) More balanced revenue split between recurring revenue and non-recurring revenue.
 - (1) The Company's current revenue is almost entirely comprises of non-recurring revenue (approximately 99.8% based on 2009 revenue).
 - (2) On a pro forma basis, post Purchase and Contribution of Shares Transaction the Company's revenue split will be approximately 76.1% of non-recurring revenue and 23.9% of recurring revenue, based on 2009 audited financial statement of the Company, DUTI, SMT and SMW.
- (ii) Diversification towards different real estate sectors
 - (1) Post the Purchase and Contribution of Shares Transaction, the Company will not only gain exposure towards new real estate sectors such as hotels, but will also gain an increase of exposure in certain sectors such as retail and office.

- (iii) Geographical diversification
 - (1) The Company's current operations are focused within the greater Jakarta area (Serpong/Banten).
 - (2) Post the Purchase and Contribution of Shares Transaction, the Company will increase its geographical presence in Indonesia by the ownership of assets and operations in new locations such as Jakarta, Bogor, Depok, Bekasi, Balikpapan, Surabaya and Medan.

2.3. Attractive transaction conditions and terms for the Company's shareholders.

- (i) On a pro forma basis using July 2010 audited financials of the Company, DUTI, SMT and SMW, the Purchase and Contribution of Shares Transaction will lead to an increasing of the Company's net earnings per share. This is under the assumption that the Purchase and Contribution of Shares Transaction is fully funded by the rights issue, with the indicated ratio of 7.62 – 5.08 new shares for every 10 existing shares. The actual condition and terms of the rights issue will be separately disclosed to the shareholders in due course.
- (ii) The purchase price for DUTI and capital contribution at SMT and SMW are referring to the independently appraised values of each company by the Independent Appraisal.

3. Brief Description on the Transaction

3.1. Purchase of Shares Transaction

The Company intends to purchase the Shares to be Purchased at the Value of the Share Purchase Transaction from the Sellers, i.e. PAM and ECUM.

Below is the information regarding DUTI.

(i) Object of the Transaction

(1) General

DUTI was incorporated by Deed of Limited Liability Company No.237, dated 29 December 1972, drawn up before Mohammad Said Tadjoeidin, Notary in Jakarta. This Deed has been ratified by Minister of Justice of Republic of Indonesia by Decree Letter No. Y.A.5/116/20, dated 4 May 1973, registered at the District Court Office of North Jakarta under No.195/Leg/1986, dated 30 June 1986, and published in the State Gazette of Republic of Indonesia No. 94, dated 25 November 1986, Supplement No.1441.

The Articles of Association of DUTI has been severally amended, the latest amendment was made based on Deed of Meeting Resolution No. 18, dated 15 October 2008, drawn up before Pahala Sutrisno Amijoyo Tampubolon, SH, Notary in Jakarta. This Deed has been approved by the Minister of Law and Human Rights based on Decree Letter No. AHU-86807.AH.01.02.Tahun 2008, dated 17 November 2008, registered on Company Registry under No. AHU-0110394.AH.01.09.Tahun 2008, dated 17 November 2008, and published in the State Gazette of Republic of Indonesia No. 105, dated 30 December 2008, Supplement No. 29866.

DUTI has listed its shares in IDX since November 2, 1994.

DUTI is domiciled in North of Jakarta at Gedung ITC Mangga Dua 7th and 8th Floors, Jl. Mangga Dua Raya.

(2) Business Activity

Based on the Articles of Association of DUTI, the purposes and objectives of DUTI are to carry out businesses in the construction of real estate, services, trading, industry, mining, forestry, plantation, agriculture, and marine/inland fisheries.

DUTI initiated its business in real estate development since 1987 with the construction of commercial shophouses at Jalan Pangeran Jayakarta, Jakarta. The shophouses units were successfully sold out in shortly time. Following this successful project, DUTI initiated to develop other new projects that located within Jakarta and its surrounding areas.

Although most of projects are located in Jakarta, DUTI together with its subsidiaries have started to develop projects in greater Jakarta area or Jabodetabek, even in other several big cities such as Surabaya and Balikpapan.

Generally, developments done by DUTI and subsidiaries include these 4 segments: (i) Superblock and Commercial; (ii) Housing; (iii) Office Building; and (iv) Hotel.

The portfolio projects of DUTI and subsidiaries are as follows: (i) Mangga Dua Superblock; (ii) Roxy Mas Superblock; (iii) Cempaka Mas Superblock; (iv) Ambassador Kuningan Superblock; (v) Fatmawati Mas Superblock; (vi) Mangga Dua Surabaya Superblock; (vii) Permata Hijau Superblock; (viii) ITC Depok; (ix) ITC Surabaya Mega Grosir; (x) Taman Duta Mas; (xi) Banjar Wijaya; (xii) Kota Bunga; (xiii) Taman Permata Buana; (xiv) Kota Wisata; (xv) Legenda Wisata; (xvi) Grand Wisata; (xvii) Hotel Le Grandeur Balikpapan; (xviii) Plaza BII; and (xix) Ruko Pangeran Jayakarta.

(3) Capitalization and Shareholders Structure

Based on Deed of Meeting Resolution No. 18, dated 15 October 2008, drawn up before Pahala Sutrisno Amijoyo Tampubolon, SH, Notary in Jakarta, the shareholders agreed to amend Article 4 (1) of the Article of Association of DUTI by increasing DUTI's Authorized Capital from Rp. 1,000,000,000,000 to Rp. 1,500,000,000,000. This Deed has been approved by the Minister of Law and Human Rights based on Decree Letter No. AHU-86807.AH.01.02.Tahun 2008, dated 17 November 2008, registered on Company Registry under No. AHU-0110394.AH.01.09.Tahun 2008, dated 17 November 2008, and published in the State Gazette of Republic of Indonesia No. 105, dated 30 December 2008, Supplement No. 29866, the capital structure of DUTI is as follows:

Authorized Capital	:	Rp. 1,500,000,000,000
Issued Capital	:	Rp. 925,000,000,000
Paid-Up Capital	:	Rp. 925,000,000,000

Authorized Capital of DUTI consists of 3,000,000,000 shares with nominal value of each share is Rp. 500.

The composition of DUTI's Shareholders based on Shareholders Register per September 30, 2010 and issued by PT Sinartama Gunita is as follows:

Description	Nominal Value: Rp100,- each share		
	Nominal Value (Rp)	Number of Shares	%
Authorized Capital	1,500,000,000,000	3,000,000,000	
Shareholders:			
- PT Paraga Artamida	322,469,499,500	644,938,999	34.86
- PT Ekacentra Usahamaju	466,666,666,500	933,333,333	50.45
- Masyarakat (kepemilikan saham di bawah 5%)	135,863,834,000	271,727,668	14.69
Issued and Paid Up Capital	925,000,000,000	1,850,000,000	100.00
Portfolio (<i>Portepel</i>)	575,000,000,000	1,150,000,000	

(4) **Composition of Board of Commissioners and Board of Directors**

Based on Deed of Meeting Resolution No. 34, dated 17 June 2010, drawn up before Pahala Sutrisno Amijoyo Tampubolon, SH, Notary in Jakarta, which has been notified to Minister of Law and Human Rights as evidenced by the Letter of Acceptance of Notification on Change of Company's Data No. AHU-AH.01.10-16558, dated 2 July 2010, and registered on Company Registry under No. AHU-0049990.AH.01.09.Tahun 2010, dated 2 July 2010, the composition of Board of Directors and Board of Commissioners of DUTI is as follows:

Board of Directors:

President Director	:	Franciscus Xaverius Ridwan Darmali
Vice President Director	:	Welly Setiawan Prawoko
Vice President Director	:	Michael Jackson Purwanto Widjaja
Vice President Director	:	Teky Mailoa
Director	:	Harry Budi Hartanto
Director	:	Stevanus Hartono Adjiputro
Director	:	Hermawan Wijaya
Director	:	Ratna Jahja Sanoesi
Director	:	Hongky Jeffry Nantung

Board of Commissioners:

President Commissioner	:	Muktar Widjaja
Vice President Commissioner	:	Franky Oesman Widjaja
Commissioner	:	Hendrianto Kenanga
Independent Commissioner	:	Teddy Pawitra
Independent Commissioner	:	Susiyati Bambang Hirawan

(5) **Business Activities of Subsidiaries and Associated Companies**

Below is the table of shares ownership of DUTI in its subsidiaries based on the audited Financial Statements of DUTI for the 7 month period which ended on July 31, 2010:

No	Subsidiaries	Project Names	Date of Contribution	Percentage of Ownership (%)
1	PT Duta Semesta Mas	ITC Pasar Minggu	7 July 2005	100.00
2	PT Duta Virtual Dotkom *)	-	22 March 2000	98.67
3	PT Kembangan Permai Development	Taman Permata Buana (perluasan)	12 January 2005	80.00
4	PT Kurnia Subur Permai	Perumahan Cibubur	20 August 1996	100.00
5	PT Misaya Properindo	Legenda Wisata	21 July 1997	100.00
6	PT Mitrakarya Multiguna	Benowo, Surabaya	26 March 2004	100.00
7	PT Mustika Karya Sejati	Taman Permata Buana	24 August 1995	100.00
8	PT Pangeran Plaza Utama	Kota Bunga	20 December 1993	100.00
9	PT Perwita Margasakti	Superblok Ambassador Kuningan	21 December 1993	100.00
10	PT Prestasi Mahkota Utama	Perumahan Jatiasih	27 June 1996	100.00
11	PT Putra Alvita Pratama	Grand Wisata	7 April 2004	53.52
12	PT Royal Oriental	Plaza BII	4 March 1994	74.11
13	PT Saranapapan Ekasejati	Kota Bunga	20 December 1993	100.00
14	PT Sinarwijaya Ekapratista	Banjar Wijaya	14 December 1990	100.00
15	PT Sinarwisata Lestari	Hotel Le Grandeur, Манна Дина	30 May 1990	100.00
16	PT Sinarwisata Permai	Hotel Le Grandeur, Balikpapan	20 December 1993	100.00

*) not active

DUTI and Its Subsidiaries are companies which are all controlled directly and indirectly by PAM.

(6) Summary of Significant Financial Data

The below table describes the summary of significant financial data taken from the consolidated financial statement of DUTI which has been audited by Accountant Office of Mulyamin Sensi Suryanto (an independent member of *Moore Stephens International Limited*) for the years ended December 31, 2009, 2008, and 2007 and for the 7 month period which ended on July 31, 2010.

(in billion Rp.)	December 31			July 31
	2007	2008	2009	2010
BALANCE SHEET				
Asset	4,513.5	4,513.5	4,429.5	4,597.5
Liability	2,341.9	1,837.7	1,526.8	1,520.9
Minority Interest in Net Asset of Subsidiaries	459.9	409.9	423.4	432.5
Equity	1,711.7	2,265.9	2,479.3	2,644.1
INCOME STATEMENT				
Revenue	1,274.5	1,062.4	1,002.6	563.0
Gross Profit	599.0	575.1	635.8	406.0
Income from Operations	149.9	154.5	303.2	193.5
Net Profit	58.9	40.1	212.0	164.5

(ii) Value of Transaction

On October 18, 2010, the Company has signed the Conditional Sale and Purchase Agreement (“CSPA”) with PAM and ECUM as the Sellers, in regards with the purchase of approximately 85,31% shares of DUTI with legal voting rights in the value of Rp.2,200 per share or in the amount of Rp.3,472,199,132,600 (“**Purchase Price**”).

(iii) The Parties Involved in this Transaction

The following is the description on the brief reference on the parties involve in this transaction:

(1) Company

Reference on the Company may be observed in the Section II above.

(2) PT Paraga Artamida (“PAM”)

Brief Account

PAM is a limited liability company which has incorporated under the laws of Republic of Indonesia based on Deed of Incorporation No. 17, dated 27 January 1989, as amended by Deed of Participation of Founder and Amendment No. 24, dated 26 April 1989, and Deed of Amendment No. 2, dated 4 January 1991, all of deeds were drawn up before Milly Karmila Sareal, SH, Notary in Jakarta, which were ratified by Minister of Justice of Republic of Indonesia No. C2-6710 HT.01.01.TH.91, dated 15 November 1991, registered on Registry Office of District Court of West Jakarta under Nos. 1148/1991, 1149/1991, and 1150/1991, dated 7 December 1991, and published on State Gazette of Republic of Indonesia No. 8, dated 28 January 1992, Supplement No. 383.

The Articles of Association of PAM has been severally amended, the latest amendment was made based on the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 34, dated 27 November 2008, drawn up by P. Sutrisno A. Tampublon, SH, Notary in Jakarta. This Deed has been approved by Minister of Law and Human Rights based on Decree Letter No. AHU-99747.AH.01.02.Tahun 2008, dated 24 December 2008, and registered on the Company Registry under No. AHU-0125482.AH.01.09.Tahun 2008, dated 24 December 2008, and published on State Gazette of Republic of Indonesia No. 21, dated 13 March 2009, Supplement No. 7478 (“**Deed No. 34/2008**”).

PAM is domiciled in West Jakarta at Jl. Kalibesar Barat No. 8.

Based on Article 3 of the Article of Association of PAM, the purposes and objectives of PAM is engaged in the development of real estate, services, general trading, industry, mining, forestry, agriculture, and fisheries.

Capitalization and Shareholders Structure

Based on the Deed No. 34/2008, the capital structure of PAM is as follows:

Authorized Capital	:	Rp. 1,000,000,000,000
Issued Capital	:	Rp. 889,386,488,000
Paid-Up Capital	:	Rp. 889,386,488,000

The authorized capital of PAM consists of 1,000,000,000 shares with nominal value Rp. 1.000 each shares.

Based on the Deed No. 34/2008, the composition of shareholders of PAM is as follows:

No.	Shareholders	Number of Shares	Nominal Value (Rp)	%
1.	PT Sinar Mas Tunggal	13,100,500	13,100,500,000	1.47
2.	PT Sinarindo Gerbangmas	125,899,500	125,899,500,000	14.16
3.	Asia Food & Properties Ltd.	750,386,488	750,386,488,000	84.37
Total		889,386,488	889,386,488,000	100.00

Management and Supervision

Based of the Deed of Statement of Meeting No. 26, dated 22 January 2009, drawn up before 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.01.10-015159, dated 11 March 2009, and registered on the Company Registry under No. AHU-0008544.AH.01.09.Tahun 2010, dated 11 March 2009, the composition of Board of Commissioners and Board of Directors of PAM are as follows:

Board of Commissioners

President Commissioner : Muktar Widjaja
 Commissioner : Franky Oesman Widjaja
 Commissioner : Teky Mailoa

Board of Directors

President Director : Harry Budi Hartanto
 Director : Michael Jackson Purwanto Widjaja
 Director : Welly Setiawan Prawoko
 Director : Hermawan Wijaya

(3) PT Ekacentra Usahamaju ("ECUM")

ECUM is a limited liability company which has incorporated under the laws of Republic of Indonesia based on Deed of Incorporation No. 302, dated 31 March 1992, drawn up before Benny Kristianto, S.H., Notary in Jakarta. This Deed has been ratified by Minister of Justice of Republic of Indonesia by Decree Letter No.C2-13140 HT.01.01.TH.93, dated 6 December 1993, registered on Registry Office of District Court of West Jakarta under No. 60/1994, dated 13 January 1994, and published on State Gazette of Republic of Indonesia No. 62, dated 5 August 1994, Supplement No.5112.

The Articles of Association of ECUM has been severally amended, the latest amendment was made based on the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 44, dated 26 May 2008, drawn up by P. Sutrisno A. Tampubolon, SH, Notary in Jakarta. This Deed has been approved by Minister of Law and Human Rights based on Decree Letter No. AHU-47428.AH.01.02.Tahun 2008, dated 4 August 2008, and registered on the Company Registry under No. AHU-0066519.AH.01.09.Tahun 2008, dated 4 August 2008, and published on State Gazette of Republic of Indonesia No. 70, dated 29 August 2008, Supplement No. 16406.

ECUM is domiciled in North Jakarta at Gedung ITC Mangga Dua 8th Floor, Jl. Mangga Dua Raya, Kelurahan Ancol, Kecamatan Pademangan.

Based on Article 3 of Article of Association of ECUM, the purposes and objectives of ECUM is in the development of real estate, services, general trading, industry, mining, forestry, agriculture, and fishery.

Capitalization and Shareholders Structure

Based on the Deed No. 44/2008, the capital structure of ECUM is as follows:

Authorized Capital : Rp. 584,000,000,000
 Issued Capital : Rp. 584,000,000,000
 Paid-Up Capital : Rp. 584,000,000,000

The authorized capital of ECUM consists of 584.000.000 shares with nominal value Rp. 1.000 each shares.

Based on the Deed No. 44/2008, the composition of shareholders of ECUM is as follows:

No.	Shareholders	Number of Shares	Nominal Value (Rp)	%
1.	PAM	583,999,999	583,999,999,000	99.99
2.	PT Sinar Mas Tunggal	1	1,000	0.01
Total		584,000,000	584,000,000,000	100.00

Management and Supervision

Based on Deed of Minutes of Extraordinary General Meeting of Shareholders No. 34, dated 12 September 2008, 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.01.10-22393, dated 13 October 2008, and registered on the Company Registry under No. AHU-0094951.AH.01.09.Tahun 2008, dated 13 October 2008, the composition of Board of Commissioners and Board of Directors of ECUM are as follows:

Board of Commissioners

President Commissioner : Muktar Widjaja
 Commissioner : Franky Oesman Widjaja

Board of Directors

President Director : Harry Budi Hartanto
 Director : Michael Jackson Purwanto Widjaja
 Director : Welly Setiawan Prawoko
 Director : Hermawan Wijaya

(iv) Shareholding Structure of DUTI

Prior to the Shares Purchase Transaction

No.	Shareholders	Rp 500 each share		%
		Number of Shares	(Rp)	
1.	PT Ekacentra Usahamaju	933,333,333	466,666,666,500	50.45
2.	PT Paraga Artamida	644,939,000	322,469,500,000	34.86
3.	PT Sinar Mas Tunggal	6,307,000	3,153,500,000	0.34

No.	Shareholders	Rp 500 each share		%
		Number of Shares	(Rp)	
4.	Public (each below 5%)	265,420,667	132,710,333,500	14.35
	Total	1,850,000,000	925,000,000,000	100.00

Post Shares Purchase Transaction

No.	Shareholders	Rp 500 each share		%
		Number of Shares	(Rp)	
1.	PT Bumi Serpong Damai Tbk	1,578,272,333	789,136,166,500	85.31
2.	PT Sinar Mas Tunggal	6,307,000	3,153,500,000	0.34
3.	Public (each below 5%)	265,420,667	132,710,333,500	14.35
	Total	1,850,000,000	925,000,000,000	100.00

3.2. Contribution of Shares Transaction

The Company intends to conduct shares contributions in (i) SMT, a subsidiary which is currently owned by PAM and PT Sinar Mas Tunggal, in the amount of 60% of the enlarged paid-up and issued capital of SMT; and (ii) SMW, a subsidiary which is currently owned by PAM and PT Sinar Mas Griya, in up to 55% of the enlarged paid-up and issued capital of SMW

Below are the information regarding SMT and SMW.

(i) Object of Transaction

(1) PT Sinar Mas Teladan (“SMT”)

SMT is a limited liability company which has incorporated under the laws of Republic of Indonesia based on Deed of Incorporation No. 37, dated 7 December 1983, drawn up before Benny Kristianto, SH, Notary in Jakarta. This Deed has been ratified by Minister of Justice of Republic of Indonesia by Decree Letter No. C2-1843.HT.01.01.TH’84, dated 19 March 1984, registered on Registry Office of District Court of North Jakarta under No. 901/1984, dated 30 March 1984, and published on State Gazette of Republic of Indonesia No. 59, dated 22 July 1988, Supplement No. 735.

The Articles of Association of SMT has been severally amended, the latest amendment was made based on the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 15, dated 25 March 2008, drawn up by Pahala Sutrisno Amijoyo Tampubolon, SH, Notary in Jakarta. This Deed has been approved by Minister of Law and Human Rights based on Decree Letter No. AHU-19113.AH.01.02.Tahun 2008, dated 16 April 2008, and registered on the Company Registry under No. AHU-0028050.AH.01.09.Tahun 2008, dated 16 April 2008, and published on State Gazette of Republic of Indonesia No. 102, dated 19 December 2008, Supplement No. 28793 (“**Deed No. 15/2008**”).

SMT is domiciled in Jakarta at Jl. MH. Thamrin No. 51, Kelurahan Gondangdia, Kecamatan Menteng.

Based on Article 3 of Article of Association of SMT, the purposes and objectives of SMT is to engage in the development of real estate, services, trading, industry, mining, forestry, agriculture, and fisheries.

SMT currently operates three office buildings located in Jakarta, Medan and Surabaya, namely Wisma BII Jakarta, Wisma BII Surabaya and Wisma BII Medan.

Capital and Shareholders Structure

Based on the Deed No. 15/2008, the capital structure of SMT is as follows:

Authorized Capital	:	Rp.	15,000,000,000
Issued Capital	:	Rp.	10,175,000,000
Paid-Up Capital	:	Rp.	10,175,000,000

The authorized capital of SMT consists of 15.000.000 shares with the nominal value Rp. 1.000 each share.

Based on the Deed No. 15/2008, the composition of shareholders of SMT is as follows:

No.	Shareholders	Number of Shares	Nominal Value (Rp)	%
1.	PT Paraga Artamida	9,620,000	9,620,000,000	94.55
2.	PT Sinar Mas Tunggal	555,000	555,000,000	5.45
Total		10,175,000	10,175,000,000	100.00

Management and Supervision

Based on the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 52, dated 29 June 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.01.10-16509, dated 1 July 2010, and registered on the Company Registry under No. AHU-0049875.AH.01.09.Tahun 2010, dated 1 July 2010, the composition of Board of Commissioners and Board of Directors of SMT are as follows:

Board of Commissioners

President Commissioner	:	Muktar Widjaja
Commissioner	:	Franky Oesman Widjaja
Commissioner	:	Harry Budi Hartanto
Komisaris	:	Franciscus Xaverius Ridwan Darmali

Board of Directors

President Director	:	Teky Mailoa
Director	:	Michael Jackson Purwanto Widjaja
Director	:	Hermawan Wijaya
Director	:	Welly Setiawan Prawoko

Summary of Significant Financial Data

The below table describes the summary of significant financial data taken from the financial statement of SMT which has been audited by Accountant Office of Mulyamin Sensi Suryanto (an independent member of *Moore Stephens International Limited*) for the years ended December 31, 2009, 2008, and 2007 and for the 7 month period which ended on July 31, 2010.

(in billion Rp)	Desember 31			Juli 31
	2007	2008	2009	2010
BALANCE SHEET				
Asset	134.5	84.2	117.2	144.0
Liability	26.4	28.2	27.6	35.1
Equity	108.1	56.0	89.6	108.9
INCOME STATEMENT				
Revenue	61.9	63.0	63.5	37.9
Income from Operations	34.6	36.0	36.7	21.0
Net Profit	32.3	33.0	33.5	19.3

(2) PT Sinar Mas Wisesa (“SMW”)

SMW is a limited liability company which has incorporated under the laws of Republic of Indonesia based on Deed of Incorporation No. 41, dated 7 December 1983, drawn up before Benny Kristianto, SH, Notary in Jakarta. This Deed has been ratified by Minister of Justice of Republic of Indonesia by Decree Letter No. C2-1844.HT.01.01.TH’84, dated 19 March 1984, registered on Registry Office of District Court of Central Jakarta under No. 902/1984, dated 30 March 1984, and published on State Gazette of Republic of Indonesia No. 59, dated 9 August 1988, Supplement No. 796.

The Articles of Association of SMW has been severally amended, the latest amendment was made based on the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 20, dated 27 April 2009, drawn up by Pahala Sutrisno Amijoyo Tampubolon, SH, Notary in Jakarta. This Deed has been approved by Minister of Law and Human Rights based on Decree Letter No. AHU-21461.AH.01.02.Tahun 2009, dated 18 May 2009, and registered on the Company Registry under No. AHU-0027432.AH.01.09.Tahun 2009, dated 18 May 2009, and published on State Gazette of Republic of Indonesia No. 96, dated 1 December 2009, Supplement No. 27974 (“**Deed No. 20/2009**”).

SMW is domiciled in Jakarta at Gedung JITC Mangga Dua 7th and 8th Floors, Kelurahan Ancol, Kecamatan Pademangan.

Based on Article 3 of Article of Association of SMW, the purposes and objectives of SMW is to engage in the development of real estate, services, trading, industry, mining, forestry, agriculture, and fisheries.

SMW currently has three residential projects located in Balikpapan, Kalimantan Timur. Balikpapan is a major city with several mining and oil and gas exploration locations, which attracts a substantial number of expatriates, and has one of the high standards of living in Indonesia after Jakarta.

Capitalization and Shareholders Structure

Based on the Deed No. 20/2009, the capital structure of SMW is as follows:

Authorized Capital	:	Rp.	41,200,000,000
Issued Capital	:	Rp.	41,200,000,000
Paid-Up Capital	:	Rp.	41,200,000,000

The authorized capital of SMW consists of 41,200,000 shares with nominal value Rp. 1.000 each share.

Based on the Deed No. 20/2009, the composition of shareholders of SMW is as follows:

No.	Shareholders	Number of Shares	Nominal Value (Rp)	%
1.	PT Paraga Artamida	41,199,999	41,199,999,000	99.99
2.	PT Sinar Mas Griya	1	1,000	0.01
Total		41,200,000	41,200,000,000	100.00

Management and Supervision

Based on the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 53, dated 30 June 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.01.10-17462, dated 12 July 2010, and registered on the Company Registry under No. AHU-0052388.AH.01.099.Tahun 2010, dated 12 July 2010, the composition of Board of Commissioners and Board of Directors of SMW are as follows:

Board of Commissioners

President Commissioner : Muktar Widjaja
 Commissioner : Hermawan Wijaya
 Commissioner : Teky Mailoa

Board of Directors

President Director : Liauw Herry Hendarta
 Director : Franciscus Xaverius Ridwan Darmali
 Director : Michael Jackson Purwanto Widjaja
 Director : Welly Setiawan Prawoko

Summary of Significant Financial Data

The below table describes the summary of significant financial data taken from the financial statement of SMW which has been audited by Accountant Office of Mulyamin Sensi Suryanto (an independent member of *Moore Stephens International Limited*) for the years ended December 31, 2009, 2008, and 2007 and for the 7 month period which ended on July 31, 2010.

(in billion Rp)	December 31			July 31
	2007	2008	2009	2010
BALANCE SHEET				
Asset	209.7	191.8	195.5	219.5
Liability	142.7	116.1	60.3	66.2
Equity	67.0	75.7	135.2	153.3
INCOME STATEMENT				
Revenue	188.8	79.8	67.0	41.0
Income from Operations	67.5	42.6	39.0	25.8
Net Profit	10.1	8.7	23.5	18.1

(ii) Transaction Value

Shares contribution that will be conducted by the Company in SMT and SMW are as follows:

- (1) contribution of maximum 15,262,500 new shares in SMT which represents approximately 60% of the enlarged fully issued and paid up capital, with cash payment of Rp.32,818 per share or in the amount of Rp.500,879,000,000; and
- (2) contribution of maximum 50,355,556 new shares in SMW which represents approximately 55% of the enlarged fully issued and paid up capital, with cash payment of Rp.7,688 per share or in the amount of Rp.387,111,000,000.

(iii) The Parties Involved in this Transaction

- (1) **The Company;**
Please refer to Section II above.
- (2) **SMT**
Please refer to Section 3.2 (a) (i) above.
- (3) **SMW**
Please refer to Section 3.2 (a) (ii) above.

SMT and SMW are companies which are all controlled by PAM.

B. AFFILIATION OF THE COMPANY, SELLERS, SMT, AND SMW

1. Affiliation within the Shares Purchase Transaction of DUTI

(a) From the viewpoint of ownership

PAM, one of the sellers of DUTI shares, is a controlling shareholder of the Company.

(b) From the viewpoint of management

There is a similarity of management connection between the Company and PT Paraga Artamida, i.e.:

- (i) Harry Budi Hartanto, besides being a member of the Board of Directors of PAM also a member of the Board of Directors of the Company;
- (ii) Michael Jackson Purwanto Widjaja, besides being a member of the Board of Directors of PAM also a member of the Board of Directors of the Company;
- (iii) Welly Setiawan Prawoko, besides being a member of the Board of Directors of PAM also a member of the Board of Directors of the Company;
- (iv) Muktar Widjaja, besides being a member of the Board of Commissioners of PAM also a member of the Board of Commissioners of the Company;
- (v) Franky Oesman Widjaja, besides being a member of the Board of Commissioners of PAM also a member of the Board of Commissioners of the Company; dan

- (vi) Teky Mailoa, besides being a member of the Board of Commissioners of PAM also a member of the Board of Commissioners of the Company.

2. Affiliation within the Shares Contribution Transaction of DUTI

(a) From the viewpoint of ownership

The Company, SMT and SMW are owned by the same shareholder, i.e. PAM.

(b) From the viewpoint of management

There is a similarity of management connection between the Company, SMT, and SMW, i.e.:

- (i) Muktar Widjaja, besides being a member of the Board of Commissioners of the Company, also a member of the Board of Commissioners of SMT and SMW;
- (ii) Franky Oesman Widjaja, besides being a member of the Board of Commissioners of the Company, also a member of the Board of Commissioners of SMT;
- (iii) Michael Jackson Purwanto Widjaja, besides being a member of the Board of Directors of the Company, also a member of the Board of Directors of SMT and SMW;
- (iv) Hermawan Wijaya, besides being a member of the Board of Directors of the Company and SMT, also a member of the Board of Commissioners of SMW;
- (v) Teky Mailoa, besides being a member of the Board of Commissioners of the Company and SMW, also a member of the Board of Directors of SMT; and
- (vi) Franciscus Xaverius Ridwan Darmali, besides being a member of the Board of Directors of the Company and SMW, also a member of the Board of Commissioners of SMT.

IV. SUMMARY OF COMPANY'S PROFORMA ON CONSOLIDATED FINANCIAL INFORMATION

If the stock purchase transactions happened in July 31, 2010, the summary consolidated financial information of Company and its subsidiaries has been prepared using accounting principles and reporting practices generally accepted in Indonesia and reviewed by Registered Public Accountants of Mulyamin Sensi Suryanto (an independent member of *Moore Stephens International Limited*):

(in billion Rp)	Before Transaction Plan (Audited)	PRO FORMA After Transaction Plan (Reviewed)
BALANCE SHEET		
Asset	4,705.2	9,666.2
Liabilities	2,236.7	3,858.8
Minority Interest of Subsidiary Net Asset	-	933.5
Equity	2,468.5	4,873.9
Total Liabilities and Equity	4,705.2	9,666.2
INCOME STATEMENT		
Revenue	709.9	1,351.8
Gross Profit	393.5	863.2
Income from Operations	256.2	489.7
Net Income	195.9	195.9
RATIO		
Debt to Asset Ratio	47.5	39.9
Debt to Equity Ratio	90.6	79.2

V. SUMMARY REPORT AND INDEPENDENT PARTY OPINION

This Fairness Opinion is prepared by Public Appraiser Firm Rengganis, Hamid and Partners (KJPP-RHR) (formerly PT Nusantara Heburinas in association with CB Richard Ellis) which has been registered in the Capital Market Supervisory Agency and Financial Institution ("Bapepam-LK") based on Capital Market Supporting Professional License No. 17/STTD-PP/PM/1992 under the name of PT Heburinas Nusantara and subsequently by letter No. S-113/BL/2010 issued by the Bapepam-LK to KJPP RHR. Refer to contract No. RHR-Ct/2-P/VIII/2010-084 on August 10, 2010, KJPP-RHR has been assigned to give a fairness opinion on the proposed corporate action plan which comprises acquisition of 85.31% shares of PT Duta Pertiwi Tbk (DUTI) and shares investment in PT Sinar Mas Wisesa (SMW) and PT Sinar Mas Teladan (SMT) ("Proposed Transaction").

1. Parties in the Proposed Transaction

The parties involved in the Proposed Transaction are:

- (a) The Company
- (b) DUTI
- (c) SMT
- (d) SMW

The Company, DUTI, SMT and SMW are affiliated parties as defined in regulation No. IX.E.1. The proposed transaction is categorized as material transaction since the transaction value exceeds 20% of the Company's equity as defined in regulation No. IX.E.2.

2. Object of Fairness Analysis

The objects of fairness analysis related with the Proposed Transaction are as follows:

- (a) Proposed acquisition of an aggregate of 1,578,272,333 shares representing 85.31% of issued and paid up capital in DUTI from PAM and ECUM (Seller);
- (b) Investment in shares of 60% ownership of enlarged issued and paid up capital in SMT;
- (c) Investment in shares of 55 % ownership of enlarged issued and paid up capital in SMW.

3. Objective of Fairness Analysis

This report is prepared to give a fairness opinion on the Proposed Transaction regarding information disclosure to the public. This fairness opinion report is related with acquisition and shares investment which are categorized into affiliated transaction as defined in Bapepam-LK Regulation No. IX.E.1 concerning Affiliated and Conflict of Interest Transaction as well as categorized into material transaction as defined in Bapepam-LK Regulation No. IX.E.2 concerning Material Transaction and Core Business Shifting.

4. Assumptions

- (a) KJPP-RHR assumed that the proposed transaction will be conducted in conformity with explanation by the Management and in line with the agreement

and the reliability of information regarding the Proposed Transaction as elaborated by the Company's management.

- (b) KJPP-RHR did not conduct any investigation nor evaluation of the Proposed Transaction in terms of legal aspect and tax implication.
- (c) KJPP-RHR assumed that there are no significant changes of the basic assumptions used in the Fairness Opinion since the issuance date of the Fairness Opinion until the effective date of the Proposed Transaction.
- (d) This opinion should be treated as a whole and the use of the partial analysis and information without considering the whole information and analysis may lead to a misleading view of the process underlying the opinion. The preparation of this opinion is a complex process and may not be possible being held through incomplete analysis.
- (e) This opinion was prepared based on the general condition of the current financial, monetary, regulatory and market conditions that exist today. Changes to certain conditions which are beyond the control of the Company could bring unpredictable impact and can affect this Fairness Opinion.
- (f) KJPP-RHR has no obligation to update the Fairness Opinion if there are significant events occur after the date of report which may affect the opinion.
- (g) This report is not intended to give a recommendation to shareholders to approve or disapprove the Proposed Transaction.

5. Fairness Approach and Analysis

Fairness Analysis of the Proposed Transaction is prepared by conducting transaction analysis, qualitative analysis of the benefits of the transaction, quantitative analysis and analysis of the fairness of the Proposed Transaction by comparing the purchase value or investment value in the Proposed Transaction with the Fair Market Value of DUTI, SMT and SMW.

- (a) Based on the share valuation report issued by KJPP-RHR No. 080A-VAL-X/2010 October 12, 2010, the Fair Market Value (in range) are as follows:

Company	Fair Market Value of 100% Share (Rp Million)	Fair Market Value per Share (Rp)
DUTI	3,882,000 – 4,512,000	2,098 – 2,439
SMT	330,000 – 383,000	32,419 – 37,676
SMW	312,000 – 363,000	7,573 – 8,811

- (b) Based on the Conditional Sale and Purchase Agreement between the Company, DUTI, PAM and ECUM, it was agreed that the purchase price of DUTI shares is Rp2,200 per share. Purchase price of **Rp2,200 per share** within the range of Fair Market Value of DUTI that is ranging between **Rp2,098 - Rp2,439 per share**.
- (c) Based on the Company's plan to invest in shares in SMT and SMW, the result of quantitative analysis is as follows:

Description	SMT	SMW
Total current shares (shares)	10,175,000	41,200,000
Number of shares after capital injection 60%	25,437,500	91,555,556

Description	SMT	SMW
(SMT) & 55% (SMW) (shares)		
Total capital investment in the Company (Rp)	500,879,000,000	387,111,000,000
Number of shares of the Company (shares)	15,262,500	50,355,556
Purchasing price per share (Rp)	32,818	7,688
Fair Market Value (Rp)	32,419 – 37,676	7,573 – 8,811

- (d) Based on the above analysis, the shares investment in SMT of Rp500,879,000,000 for 60% ownership and SMW of Rp387,111,000,000 for 55% ownership are fair since the purchase price per share are within the range of Fair Market Value.
- (e) Once the Investment Plan is implemented, the Company will have a majority ownership in SMT and SMW, the Company may record the gain or loss in SMT and SMW in the consolidated statements and in turn will contribute to consolidated net income per share of the Company.

6. Conclusion

Based on the fairness analysis of the Proposed Transaction above, we are of the opinion that the Proposed Transaction is fair to the Company and Company's shareholders and is not involving conflict of interest. Furthermore, the Proposed Transaction will increase the value of the Company through asset diversification, revenues and geographic existence, expansion of business scale and better access to capital.

VI. THE COMPLETION OF THE EGMS

In relation to the proposed Purchase and Contribution of Shares Transaction, the Company intends to obtain approvals from the Company's shareholders in the EGMS which will be held on Friday, 19 November 2010, 2 p.m. Jakarta Time, at Tiara 2 Room Lt. 3, Crowne Plaza Jakarta, Jl. Gatot Subroto Kav. 2-3, Jakarta 12930. The EGMS announcement has been published on 20 October 2010, the notice will be published on 4 November 2010. A shareholder who cannot attend the EGMS can be represented by their proxy by carrying the valid Power of Attorney which form will be determined by the Company, providing that the members of Board of Director and Board of Commissioners as well as the employees of the Company may be authorized as proxies in the EGMS, though their votes will not be calculated in the voting course.

Based on Rule No. IX.E.2 and Articles of Association of Company:

- (i) EGMS to approve the Purchase and Contribution of Shares Transaction must be attended by the shareholders representing more than 50% of the total shares with the legal voting rights issued by the Company;
- (ii) The EGMS resolution in relation to the Purchase and Contribution of Shares Transaction will be taken by way of consensus. In the event that EGMS does not meet the consensus, therefore the resolution will be taken by way of voting based on the condition that there is more than 50% affirmative votes from the total number of votes which has been cast in the EGMS;
- (iii) If the 1st EGMS does not meet the quorum, then there will be a 2nd EGMS which must be attended by the shareholders representing at least 1/3 of the total shares with legal voting rights.

Below are the important dates in relation to the Transaction.

Event(s)	Date
Execution of Letter of Intents (<i>Kesepakatan Bersama</i>)	30 September 2010
Announcement on the newspaper in relation to the proposed purchase of shares by DUTI, and the shares contribution in SMT and SMW, as required by the Article 127 of Company Law.	1 October 2010
Notification of date and agenda of EGMS to Bapepam-LK	8 October 2010
Execution of Agreement	18 October 2010
Announcement of EGMS notification and Information to Shareholders on the newspaper.	20 October 2010
Date of Shareholders Registry for the Shareholders who are eligible to attend the EGMS	3 November 2010
Notice of EGMS on the newspaper	4 November 2010
Announcement of Additional Information	16 November 2010
EGMS	19 November 2010
Announcement of EGMS resolution on the newspaper and report to Bapepam-LK and IDX	20 November 2010

VII. REPRESENTATION FROM BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Board of Commissioners and Board of Directors are fully responsible for the accuracy of all information contained herein and confirm, having made all reasonable inquiries and to the best of their knowledge and belief, that all of the information contained herein is accurate and there is no other important and relevant information have not been disclosed which could cause the information contained herein either untrue or misleading. Any information related to the Sellers, DUTI and its subsidiaries, SMT and SMW contained herein is prepared based on the available public information and the information which has been given by each of the Sellers, shareholders, DUTI, SMT and SMW.

VIII. RECOMMENDATION

Board of Commissioners and Board of Directors have received all reports and opinions from the appointed independent parties and have considered the benefit of the Purchase and Contribution of Shares Transaction. In relation to that, Board of Commissioners and Board of Directors furnish to all of the shareholders of the Company, a recommendation to grant their approvals on the Purchase and Contribution of Shares Transaction in the EGMS which will be held on 19 November 2010.

IX. ADDITIONAL INFORMATION

If there are any shareholders need any any additional information, the shareholder may contact the Company within office hours at the following address:

PT Bumi Serpong Damai Tbk

Attn: Corporate Secretary
Taman Perkantoran I Bumi Serpong Damai
Jl. Pahlawan Seribu, BSD City
Tangerang 15322, Indonesia