

These consolidated financial statements are originally issued in Indonesian language

PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY CONSOLIDATED BALANCE SHEETS

As of December 31, 2006 and 2005

(In Thousand Rupiah)

	Notes	2006 Rp	2005 (Restated, Note 3) Rp
ASSETS			
Current Assets			
Cash and Cash Equivalents	2.c, 2.m, 4	260,389,712	417,360,648
Short - Term Investments	2.d, 5	4,614,370	11,909,740
Other Receivables	2.e, 6	510,176,847	10,814,669
Prepaid Expenses	2.f, 7	7,743,030	15,427,496
Prepaid Taxes	2.n, 8.a	41,076,873	900,000
Total Current Assets		<u>824,000,832</u>	<u>456,412,553</u>
Non Current Assets			
Appropriated Funds	9	98,133,562	84,183,230
Investment in Associate Companies	2.g, 10	20,045,927	19,870,822
Other Long - Term Investments	2.g, 11	117,612,443	193,850,733
Fixed Assets			
Concession Rights			
(Net of accumulated depreciation amounting to Rp 1,195,436,711 and Rp 985,811,060 as of December 31, 2006 and 2005, respectively)	2.h, 12.a	6,873,028,007	6,220,147,207
Other Than Concession Rights			
(Net of accumulated depreciation amounting to Rp 234,405,659 and Rp 213,603,239 as of December 31, 2006 and 2005, respectively)	2.h, 12.b	79,215,409	78,821,350
Constructions in Progress	2.h, 12.c	1,820,886,497	1,536,586,843
Deferred Overlay Cost - Net	2.i, 13	136,980,337	145,477,784
Land Acquisition Receivable	14	--	759,183,930
Other Assets	15	285,794,075	241,872,119
Total Non Current Assets		<u>9,431,696,257</u>	<u>9,279,994,018</u>
TOTAL ASSETS		<u>10,255,697,089</u>	<u>9,736,406,571</u>

PT Jasa Marga (Persero)

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**PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (Continued)**

As of December 31, 2006 and 2005

(In Thousand Rupiah)

	Notes	2006 Rp	2005 (Restated, Note 3) Rp
LIABILITIES, MINORITY INTERESTS, AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Bank Loan	16	678,274,121	375,000,000
Accounts Payable	17	40,003,175	29,402,190
Contractors Payable	18	253,992,941	367,891,466
Tax Payables	2.n, 8.b	23,190,950	73,522,956
Other Payables	19	55,178,028	46,388,851
Accrued Expenses	20	260,350,547	196,193,867
Current Maturities of Long - Term Liabilities			
Obligation Due to Concession Rights	21	--	261,000,000
Loan from Government	22	40,628,095	40,628,095
Liabilities under Joint Operation Agreements	2.h, 23	1,980,833	3,799,203
Total Current Liabilities		<u>1,353,598,690</u>	<u>1,393,826,628</u>
Non Current Liabilities			
Deferred Income	2.l, 24	22,523,323	19,682,965
Bank Loan	16	1,960,235,613	2,790,796,216
Bonds Payable	2.k, 25	3,705,556,982	2,442,720,913
Deferred Tax Liabilities	2.n, 8	302,554,152	282,164,253
Long - Term Liabilities - Net of Current Maturity			
Obligation Due to Concession Rights	21	--	261,000,000
Loan from Government	22	104,286,438	144,914,533
Liabilities under Joint Operation Agreements	2.h, 23	79,237,208	109,753,496
Obligation Due to Termination of Concession Agreement	2.r	202,454,407	202,454,407
Employee Benefits Obligation	2.o, 26	139,586,065	106,848,908
Total Non Current Liabilities		<u>6,516,434,188</u>	<u>6,360,335,691</u>
Total Liabilities		<u>7,870,032,878</u>	<u>7,754,162,319</u>
Minority Interests	2.b, 27	<u>117,339</u>	<u>145,968</u>
Shareholders' Equity			
Share Capital			
Authorized Capital of Rp 2,000,000,000,000 (full Rupiah amount) consist of 2,000,000 common shares, par value Rp 1,000,000 (full Rupiah amount) per share			
Issued and Fully Paid Up Capital of 1,000,000 shares	28	1,000,000,000	1,000,000,000
Additional Paid in Capital	29	659,222	659,222
Unrealized Gain (Loss) on Securities Available for Sale	2.d, 5	(385,630)	1,909,740
Retained Earnings		1,385,273,280	979,529,322
Total Shareholders' Equity		<u>2,385,546,872</u>	<u>1,982,098,284</u>
TOTAL LIABILITIES, MINORITY INTERESTS, AND SHAREHOLDERS' EQUITY		<u><u>10,255,697,089</u></u>	<u><u>9,736,406,571</u></u>

See the Accompanying Notes which are an Integral Part of these Consolidated Financial Statements

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY CONSOLIDATED STATEMENTS OF INCOME

As of December 31, 2006 and 2005

(In Thousand Rupiah)

	Notes	2006 Rp	2005 (Restated, Note 3) Rp
OPERATING REVENUES			
Toll Revenues	2.l, 30	2,270,450,496	1,797,177,223
Others	2.l, 31	<u>25,692,816</u>	<u>126,682,524</u>
Total Operating Revenues		<u>2,296,143,312</u>	<u>1,923,859,747</u>
OPERATING EXPENSES			
Toll Collection	2.l, 32	361,291,374	299,748,496
Toll Road Service	2.l, 33	150,608,965	126,388,603
Toll Road Maintenance	2.l, 34	365,856,861	243,180,723
Joint Operations	2.l, 35	171,520,690	161,056,965
General and Administrative	2.l, 36	<u>427,411,973</u>	<u>439,811,627</u>
Total Operating Expenses		<u>1,476,689,863</u>	<u>1,270,186,414</u>
Operating Income		<u>819,453,449</u>	<u>653,673,333</u>
OTHER INCOME (EXPENSES)			
Interest Expenses	2.l, 37	(727,425,593)	(447,489,393)
Interest Income	2.l, 38	10,837,271	7,874,326
Others - Net	2.l, 39	<u>403,034,175</u>	<u>(16,386,713)</u>
Total Other Income (Expenses) - Net		<u>(313,554,147)</u>	<u>(456,001,780)</u>
INCOME BEFORE TAX AND EXTRAORDINARY ITEM		<u>505,899,302</u>	<u>197,671,553</u>
ESTIMATED INCOME TAX			
Current	2.n, 8.c	(22,933,362)	(46,948,568)
Deferred	2.n, 8.c	<u>(20,389,900)</u>	<u>(20,094,971)</u>
Total Income Tax Expenses		<u>(43,323,262)</u>	<u>(67,043,539)</u>
NET INCOME BEFORE EXTRAORDINARY ITEM		462,576,040	130,628,014
EXTRAORDINARY ITEM - NET	2.r, 40	<u>--</u>	<u>176,970,354</u>
NET INCOME BEFORE MINORITY INTERESTS		462,576,040	307,598,368
MINORITY INTERESTS	2.b	<u>(8,734)</u>	<u>(54,725)</u>
NET INCOME		<u>462,567,306</u>	<u>307,543,643</u>
Operating Income Per Share	2.q, 41	819	654
Net Income Per Share	2.q, 41	463	308

PT Jasa Marga (Persero)

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY

As of December 31, 2006 and 2005
(In Thousand Rupiah)

	Notes	Retained Earnings (Restated, Note 3)			Unrealized Gain (Loss) on Securities Available for Sales	Total Shareholders' Equity (Restated Notes 3)
		Share Capital	Appropriated	Unappropriated		
		Rp	Rp	Rp	Rp	Rp
Balance as of December 31, 2004		1,000,000,000	548,696,451	258,197,097	2,360,153	1,809,912,923
Profit Distribution of 2004	42	--	--	(124,534,763)	--	(124,534,763)
Dividends		--	--	(114,889,677)	--	--
General Reserves		--	114,889,677	(7,472,086)	--	(7,472,086)
PKBL Fund		--	--	--	--	--
Unrealized Gain on Securities Available for Sale	2.d, 5	--	--	--	(450,413)	(450,413)
Tax Adjustment Due to Tax Assessment Letter	8	--	--	(2,901,021)	--	(2,901,021)
Net Income (Restated, Note 3)		--	--	307,543,643	--	307,543,643
Balance as of December 31, 2005		1,000,000,000	663,586,128	315,943,194	1,909,740	1,982,098,284
Profit Distribution of 2004	42	--	--	(58,627,390)	--	(58,627,390)
Dividends		--	--	(225,557,822)	--	--
General Reserves		--	225,557,822	(5,862,738)	--	(5,862,738)
PKBL Fund		--	--	--	--	--
Unrealized Gain on Securities Available for Sale	2.d, 5	--	--	--	(2,295,370)	(2,295,370)
Tax Adjustment Due to Tax Assessment Letter	8	--	--	7,666,780	--	7,666,780
Net Income		--	--	462,567,306	--	462,567,306
Balance as of December 31, 2006		1,000,000,000	889,143,950	496,129,329	(385,630)	2,385,546,872

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY CONSOLIDATED STATEMENTS OF CASH FLOWS

As of December 31, 2006 and 2005

(In Thousand Rupiah)

	Notes	2006	2005 (Restated, Note 3)
		Rp	Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Toll Revenues		2,270,450,497	1,797,177,223
Receipts from Other Revenues		23,645,592	128,857,811
Payments to Vendors and Third Parties		(511,769,955)	(375,739,735)
Payments to Employees		(516,796,544)	(437,459,549)
Payments of Under Joint Operation Agreements		(171,430,577)	(161,056,965)
Payments of Taxes		(139,608,724)	(104,683,145)
Payments of Interest Expenses		(657,390,863)	(585,380,062)
Net Cash Flows Provided from Operating Activities		<u>297,099,426</u>	<u>261,715,578</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from (Placement of) Short Term Investment - Net		5,000,000	10,000,000
Receipts from Interest Income		10,259,392	11,722,606
Receipts from Dividends		4,447,000	--
Proceeds from Disposal of Fixed Assets		238,900	500,150
Toll Roads Expenditures		(54,723,995)	(1,617,145,141)
Other Than Toll Roads Expenditures		(20,299,080)	(12,159,741)
Overlay Costs Expenditures		(65,478,447)	(44,757,868)
Constructions in Progress Expenditures		(359,754,431)	(591,540,641)
Addition of Other Long Term Investments		(14,900,000)	(6,100,000)
Net Cash Flows Used in Investing Activities		<u>(495,210,661)</u>	<u>(2,249,480,635)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Bank Loan		684,031,770	2,162,796,217
Payments of Bank Loan		(1,211,318,254)	--
Issuance of Bond		1,000,000,000	--
Increase (Decrease) in Bonds Sinking Fund		(13,950,332)	(7,664,766)
Payments of Loan from Government		(40,628,096)	(40,628,095)
Payments of Liabilities Under Joint Operation Agreements		(32,334,661)	(58,626,991)
Payments of Obligation Due to Concession Right		(261,000,000)	--
Receipts from Affiliate		10,830,000	--
Receipts from Escrow Account		--	271,940,089
Payments of Devidend and PKBL Fund		(94,490,128)	(132,006,848)
Net Cash Flows Provided from Financing Activities		<u>41,140,299</u>	<u>2,195,809,606</u>
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS		(156,970,936)	208,044,549
CASH AND EQUIVALENTS AT THE BEGINNING OF THE YEAR		<u>417,360,648</u>	<u>209,316,099</u>
CASH AND EQUIVALENTS AT THE END OF THE YEAR		<u>260,389,712</u>	<u>417,360,648</u>

PT Jasa Marga (Persero)

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**PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)**

As of December 31, 2006 and 2005

(In Thousand Rupiah)

	Notes	2006 Rp	2005 (Restated, Note 3) Rp
		<u> </u>	<u> </u>
Cash and Cash Equivalents, consist of:			
Cash on Hands	2.c, 4	17,132,634	53,145,843
Cash in Banks	2.c, 4	205,290,890	347,214,805
Time Deposits	2.c, 4	<u>37,966,188</u>	<u>17,000,000</u>
Total		<u>260,389,712</u>	<u>417,360,648</u>
Non Cash Activities:			
Impairment of Toll Road Asset Porong - Gempol Section	2.j, 15.c	12,027,508	--
Bond Issues of Jasa Marga JORR II for			
Settlement of obligation due to Concession Rights	21, 25.f, 45.f	261,000,000	--
Concession Rights and Recognition of JORR S Section Liability	12, 21, 45.f	--	522,000,000
Unrealized Gain (Loss) on Marketable Securities Available for Sales	2.d, 5	(2,295,370)	(450,413)

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2006 and 2005

(In Thousand Rupiah)

1. General

1.a. Company's Establishment

State-Owned Company (Persero) PT Jasa Marga, thereafter referred to as "the Company", was established under the framework of Government Regulation No. 4 Year 1978 regarding to State Capital Investment for the establishment of State-Owned Company (Persero) in the area of management, maintenance and development of toll road and the detailed management regulation (State Gazette No. 4 Year 1978 in conjunction with the Decree of the Minister of Finance of the Republic of Indonesia No. 90/KMK.06/1978 regarding to the determination of the share capital of PT Jasa Marga (Persero) dated February 27, 1978).

The Company was established based on the Deed made by Notary Kartini Mulyadi, SH, No. 1 dated March 1, 1978 and was approved by the Minister of Justice of the Republic of Indonesia in the Decree No. Y.A.5/130/1 dated February 22, 1982, filed in Jakarta High Court No. 766 and 767 dated March 2, 1982 and was published in the State Gazette No. 73, dated September 10, 1982, Addition No. 1138.

The Company's Articles of Association have been amended several time and most recently amended in accordance with Limited Liability Company's Law No. 1 Year 1995 based on the Deed made by Notary Imas Fatimah, SH, No. 52 dated March 16, 1998 and No. 5 dated April 2, 1998 the amendments have been approved by the Decree of the Minister of Justice of the Republic of Indonesia No. C2-3192.HT.01.04.Th.98, dated April 3, 1998.

According to the article 3 of the Company's Articles of Association, the scope of the Company's activities is to engage in performing and assisting Government program and policy generally in the area of economy and national development, and especially in the development of toll roads and their all supporting facilities.

For these purposes, the Company performs the following activities:

- plan, construct, provide, own and further operate toll roads and bridges;
- plan, construct, provide, own, maintain, develop and further operate toll roads and bridges facilities;
- improve the capability of toll roads or bridges as well as their related facilities in order to improve the level of service to the public;
- maximize the use of land in toll road area including the border area for, among others, preparing area for other business activities, both by own effort or cooperate with other parties, without departure from applicable laws and regulation; and
- perform other activities in order to utilize and develop the Company's internal resources such as improving the expertise in planning and operating of toll roads and bridges.

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2006 and 2005

(In Thousand Rupiah)

The Company is located in Jakarta and currently operating 13 (thirteen) toll roads managed by its 9 (nine) branches and its subsidiaries by details are as follows:

Branches/Subsidiary	Toll Roads Section
Jagorawi Branch	Jakarta - Bogor - Ciawi
Jakarta - Tangerang Branch	Jakarta - Tangerang and Pondok Aren - Bintaro Viaduct - Ulujami
Camareng Branch	Cawang - Tomang - Pluit and Prof. Dr. Ir. Sedijatmo
Surabaya - Gempol Branch	Surabaya - Gempol
Jakarta - Cikampek Branch	Jakarta - Cikampek
Purbaleunyi Branch	Cikampek - Padalarang and Padalarang - Cileunyi
Semarang Branch	Semarang A, B, and C Section
Belmera Branch	Belawan - Medan - Tanjung Morawa
Palikanci Branch	Palimanan - Kanci
PT Jalantol Lingkarluar Jakarta	Jakarta Outer Ring Road (JORR) section E1, E2, E3, W2 and S

The Company has commenced its commercial operations since 1978.

1.b. Subsidiary

The Company's ownership in subsidiary is as follows:

	Percentage of Ownership		Total Assets		Total Revenues	
	2006	2005	2006	2005	2006	2005
Consolidated Subsidiary						
PT Jalantol Lingkarluar Jakarta (JLJ)	99%	99%	68,009,326	35,116,927	105,473,025	98,995,532

PT Jalantol Lingkarluar Jakarta (JLJ) established based on the Deed made by Notary Agus Madjid, SH, No.113 dated December 22, 2000. This Deed has been approved by the Minister of Justice of the Republic of Indonesia No. C-1598 .HT.01.01-Th. 2001, dated March 6, 2001. The Company owns 39,600 shares at par value of Rp 1,000 (full Rupiah amount) per share amounting to Rp 39,600,000 (full Rupiah amount), representing of 99% ownership.

1.c. Board of Commissioners, Board of Directors, and Employees

Based on the Decree of State Minister of State-Owned Enterprise of the Republic of Indonesia No. KEP-32/MBU/2006 dated March 14, 2006, the composition of the Company's Board of Directors as of December 31, 2006 are as follows:

President Director	: Ir. Frans S. Sunito
Operation Director	: Ir. Sarwono Oetomo, MM.
Finance Director	: Ir. Reynaldi Hermansjah
Commercial and Development Director	: Ir. Abdul Hadi H.S.
Human Resources Development Director	: Ir. Achmad Purwono, MBA.

Based on the Deed No 1, dated August 1, 2005 , Deed No. 2 dated August 1, 2005 and decree of the Minister of Finance of the Republic of Indonesia No. 331/MK.05/2001, dated May 23, 2001, the composition of the Company's Board of Directors as of December 31, 2005 are as follows:

President Director	: Ir. Syarifuddin Alambai, MT
Operation Director	: Ir. Marijanto, M. Eng. Sc
Finance Director	: Djodjo Subagdja, SE
Commercial and Development Director	: Ir. Frans S. Sunito
Human Resources Development Director	: Ir. A.D. Panjaitan, MBA

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2006 and 2005

(In Thousand Rupiah)

Based on decree of State Minister of State-Owned Enterprise of the Republic of Indonesia No. KEP-33/MBU/2006 dated March 17, 2006 the composition of the Company's Board of Commissioners as of December 31, 2006 are as follows:

President Commissioner	: Drs. Gembong Priyono, MSc.
Commissioner	: Ir. Sumaryanto Widayatin, MSCE.
Commissioner	: Drs. Sri Mulyanto, MSc.
Commissioner	: Prof. Dr. Akhmad Syahroza
Commissioner	: Mayjen (Purn). Samsuodin

Based on the Deed No. 3, dated August 1, 2005 and the Decree of State Minister of State-Owned Enterprise of the Republic of Indonesia No. KEP-165/M-MBU/2002 dated November 28, 2002, the composition of the Company's Board of Commissioners as of December 31, 2005 are as follows:

President Commissioner	: Drs. Gembong Priyono, MSc
Commissioner	: Dr. Ir. Patana Rantetoding, MSc
Commissioner	: Drs. Sri Mulyanto, MSc
Commissioner	: Brigjen Pol. Drs. H. Dadang Sutrisno, SH
Commissioner	: Ir. Iskandar Abubakar, MSc

Total salaries and allowances of the Board of Directors for December 31, 2006 and 2005 are Rp 2,423,540,000 (full Rupiah amount) and Rp 5,789,886,530 (full Rupiah amount), respectively. Total honorariums and allowances of the Board of Commissioners for December 31, 2006 and 2005 are Rp 909,254,400 (full Rupiah amount) and Rp 1,938,854,391 (full Rupiah amount), respectively.

As of December 31, 2006 and 2005 the Company have a total of 5,636 and 5,738 permanent employees, respectively.

1.d. Bond Public Offering

Company has issued bond with total amount Rp 4,423,978,500,000 (full Rupiah amount) or 23 times. Total amount of bonds that have not been paid/reach their maturity date is amounting Rp 3,735,260,500,000 (full Rupiah amount) and the remaining have been paid. Details of bond are as follows:

No	Bonds	Par Value (Rp Million)	Tenor (Years)	Issuance Date	Maturity Date	Status
1	Jasa Marga I (A)	23,718	5	11/3/1983	11/3/1988	Paid
2	Jasa Marga II/1 (B)	40,000	5	31/10/1983	31/10/1988	Paid
3	Jasa Marga II/2 (C)	20,000	5	6/2/1984	6/2/1989	Paid
4	Jasa Marga II/2 (D)	20,000	5	5/3/1984	5/3/1989	Paid
5	Jasa Marga II/2 (E)	20,000	5	31/3/1984	31/3/1989	Paid
6	Jasa Marga III/1 (F/1)	40,000	5	28/12/1984	28/12/1989	Paid
7	Jasa Marga III/2 (F/2)	30,000	5	1/3/1985	1/3/1990	Paid
8	Jasa Marga IV/1 (G/1)	40,000	5	27/12/1985	27/12/1990	Paid
9	Jasa Marga IV/2 (G/2)	30,000	5	24/3/1986	24/3/1991	Paid
10	Jasa Marga V/1 (H)	60,000	5	6/7/1987	6/7/1992	Paid
11	Jasa Marga V/2 (I)	60,000	5	19/11/1987	19/11/1992	Paid
12	Jasa Marga VI/1 (J)	40,000	8	20/6/1988	20/6/1996	Paid
13	Jasa Marga VI/2 (K)	75,000	8	1/2/1989	1/2/1997	Paid
14	Index Obligation Revenue Phase I	50,000	12	31/7/1989	31/7/2001	Paid
15	Index Obligation Revenue Phase II	40,000	12	21/9/1989	21/9/2001	Paid

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PT JASA MARGA (PERSERO) AND ITS SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the Years Ended December 31, 2006 and 2005

(In Thousand Rupiah)

No	Bonds	Par Value (Rp Million)	Tenor (Years)	Issuance Date	Maturity Date	Status
16	Jasa Marga VII (L)	100,000	8	8/6/1990	8/6/1998	Paid
17	Jasa Marga VIII (M)	150,000	8	27/3/2000	27/3/2008	Not Yet Due
18	Jasa Marga IX (N)	400,000	5	12/4/2002	12/4/2007	Not Yet Due
19	Jasa Marga X (O)	650,000	8	04/12/2002	04/12/2010	Not Yet Due
20	Jasa Marga XI (P)	1,000,000	10	10/10/2003	10/10/2013	Not Yet Due
21	Bond JORR I	274,260	10	19/11/2003	19/11/2013	Not Yet Due
22	Bond JORR II (A)	78,300	10	5/1/2006	5/1/2016	Not Yet Due
	Bond JORR II (B)	78,300	12	5/1/2006	5/1/2018	Not Yet Due
	Bond JORR II (C)	104,400	15	5/1/2006	5/1/2021	Not Yet Due
23	Jasa Marga XI (Q)	1,000,000	10	6/7/2006	6/7/2016	Not Yet Due

2. Summary of Significant Accounting Policies

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

The consolidated financial statements have been prepared using accounting principles and practices which are generally accepted in Indonesia. The consolidated financial statements have been prepared on the basis of historical cost, going concern, and accrual concept except for the statements of the cash flows. These accounting policies have been consistently applied except whether there is a changing in applicable accounting policy. The consolidated statements of cash flows are prepared using direct method; by classifying cash flows into operating, investing, and financing activities.

Figures in this consolidated financial statements, except specially stated, rounded to the closer thousand Rupiah.

2.b. Principles of Presentation of the Consolidated Financial Statements

The consolidated financial statements include the accounts of the Company and Subsidiary financial statements that are owned more than 50%, either direct or indirect by the Company. Subsidiary is consolidated since the Company gain effective control over the Subsidiary and will be ultimately unconsolidated when such control no longer exists.

The effect of overall transactions and balances among the companies are all eliminated for the purpose of the consolidated financial statements presentation.

The accounting policies adopted in the presentation of the consolidated financial statements have been consistently applied by the Company unless otherwise stated.

The equity of minority shareholders of the Subsidiary is presented as minority interest in the consolidated balance sheets.

2.c. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks, and time deposits with the maturity date within 3 (three) months or less, and not being pledged as a collateral.

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2.d. Investment in Securities

The investment in securities consists of debt and equity securities and classified into one of 3 (three) groups as follows:

- Trading
Securities held for trading purposes are stated at fair market value. Unrealized gains or losses on the appreciation/decline in market values are recognized in the current statements of income.
- Held to maturity
Investments in debt securities are held to maturity date if the Company intends own to hold to maturity. Held to maturity debt securities are stated at cost, adjusted for amortization of premiums or accretion of discounts to maturity.
- Available for sale
Available for sale debt and equity securities are carried at fair value. Any unrealized gain or loss on the appreciation/decline in market values are not recognized in current statements of income, however are reported as component of shareholders' equity. Unrealized gains or losses will be recognized in income statements when it realized.

Investment in debt and equity securities are recognized at fair value and allowance for impairment value of investment are provided for if the Company believes that investment value have been significantly and permanently decreasing. If reliable market value is not available or it's unusable, securities are valued based on the fair value determined by management.

2.e. Allowance for Doubtful Accounts

The account receivables are presented net of allowance for doubtful accounts. The allowance for doubtful accounts is provided based on a review of the status of the individual debtor at the end of the year. If certain receivables are uncollectible, the amounts are written off.

2.f. Prepaid Expenses

Prepaid expenses are charged into the statements of income during its beneficial periods.

2.g. Investment in Shares

Equity Method

Investment in associate companies where the Company holds interest between 20% to 50% of the outstanding shares and does not possess control in management are recorded at acquisition cost and adjusted in every year with the Company's portion of the net income or loss of the associate company. Cash dividend is deducted to the carrying value of investment.

Investment in associate company are recorded with cost method if those associate company operated with tight limitation in the long - term so that it significantly affects its ability to transfer the fund to the Company and/or if the investment is obtained and owned specifically for selling purpose in the short-term.

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Cost Method

The cost method is applied where the Company holds a temporary investment or interest of less than 20% of the issued share capital. Cost represents all expenditures related to the acquisition of the investment, including professional fees. Allowance will be made if the Company assumed that the investment value has been significantly or permanently decreases. Cash dividend income is credited to the statement of income in the period it is received.

2.h. Fixed Assets

Fixed Assets consist of concession right, other than concession right and constructions in progress.

Concession Rights Assets

Toll road assets consist of road and bridges, toll gates and supported buildings, and toll supplementary and facilities which were built partly or fully financed by investor recorded as concession rights assets that are stated at acquisition cost less accumulated depreciation.

Cost incurred to acquire toll road concession rights assets is depreciated when the assets have been completed or have been operated and/or decree of minister regarding to toll road operation. Cost incurred to acquire concession rights assets and subsequent expenditures which are capitalized will be depreciation during concession rights period, using straight line method.

The Company may transfer its concession rights to other company by approval from the government. The Company will record assets concession right to the government at the end of concession period by eliminating all accounts related to the concession rights assets.

During concession rights period, concession rights assets maybe disposed from the Company's balance sheet if the toll road is transferred to other party or the government has changed the status of the toll road into non toll road or if there is no economical benefit expected from usage of the toll road. Gain or loss from termination or disposal of toll road will be recognized in current statement of income.

Concession rights assets consist of toll road which partly or fully financed by investor without concession right with revenue and profit sharing scheme for certain period of time and the operation is controlled by the Company are recorded as joint operation assets at cost and the Company recognizes joint operation long term liabilities at the time toll road is completely built and is transferred from investor to be operated. Payment to investor is recorded as installment of joint operation liabilities. Difference between total payment and principal payment is recognized as joint operation expense or revenue.

Joint operation assets (toll road) is depreciated during its concession period, at the time asset have been completely built and transferred from investor to be operated and/or based on decree of minister regarding to toll road operation using straight line method.

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In relation to implementation of Road Law No. 38 Year 2004, the Company received concession right for 13 toll road sections that have being operated by the Company based on toll road concession agreement dated July 7, 2006 for 40 years and effectively January 1, 2005 to December 31, 2044. That concession rights has caused a change of estimated useful life of fixed assets especially for toll road and gate and reclassification of Toll Roads and Gate from Direct Ownership Assets and Joint Operation Toll Road to Concession Rights Asset. Before the Company receives concession rights on January 1, 2005, the estimated useful life of toll road assets which consist of Toll Roads and Gate and Joint Operation Toll Road is depreciated during its useful life. As soon as the Company receives concession Rights on January 1, 2005 the estimated usefull life of Toll Roads and Gate and Joint Operation Toll Road is extended to concession period and depreciated every year stated at toll roads and bridges acquisition cost on January 1, 2005 devided with toll road concession period.

<u>Toll Road Section</u>	<u>Years</u>
Jakarta - Bogor - Ciawi	40
Jakarta - Tangerang	40
Surabaya - Gempol	40
Jakarta - Cikampek	40
Padalarang - Cileunyi	40
Prof. Dr. Ir. Sedijatmo	40
Cawang - Tomang - Pluit	40
Belawan - Medan - Tanjung Morawa	40
Semarang Seksi A, B, and C	40
Pondok Aren - Bintaro Viaduct - Ulujami	40
Palimanan - Kanci	40
Jakarta Outer Ring Road (JORR) Section E1, E2, E3, and W2	40
Cikampek - Padalarang	40
Jakarta Outer Ring Road Section S*	15

*) Based on minutes of the resut agreement of concession period of 13 toll road sections operated by the Company No. 278A/BA-PPJT/KE/BPJT/2006 dated June 8, 2006, the concession agreement for JORR S will be made separately with a concession rights for 15 years that is effective from January 1, 2006.

Fixed Assets Other Than Concession Rights

Fixed assets which are not related to concession Rights assets and joint operation assets are recognized as toll road other than concession rights at acquisition cost less accumulated depreciation. The assets are depreciated during its useful life using straight line method except land rights that are stated at historical cost and are not depreciated.

	<u>Years</u>
Office and Other Building	20
Office and Operation Equipment	5
Motor Vehicle	3 - 5

The cost of repair and maintenance are charged to statements of income as incurred. Significant renewal and betterments that increase the useful life or the performance of fixed assets are capitalized. When fixed assets are retired or otherwise disposed off, their acquisition cost and the related accumulated depreciations are removed from the accounts and any resulting gain or loss is reflected in the current statement of income.

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Constructions in Progress

Constructions in progress represent accumulation of expenditures that directly related to construction and acquisition of toll road and fixed assets other than toll road progress includes borrowing cost occurred during construction period. Constructions in progress is reclassified to its related fixed asset account when it is available for intended use and operations and/or based on decree of minister regarding to toll road operation.

The cost of toll road includes all toll road construction cost, land acquisition, feasibility study and other cost that directly related to toll road constructions, includes toll road access constructions cost, alternative road and public facilities, and Interest and other borrowing cost, either directly or indirectly used for financing certain assets development are capitalized until the constructions are completed and operated. For that could be directly attributed to certain assets, the capitalized amount represent amount of borrowing cost during current period.

2.i. Overlay Costs

Significant expenditures incurred for the toll road overlay or other improvements which have useful life of more than one year are deferred and amortized using the straight-line method over 3 (three) years.

2.j. Impairment of Assets

The Company determines estimated recoverable amount of assets if it is identified that value of assets is potentially impaired. If the recoverable amounts are less than book value of those assets, the Company will recognize loss on impairment of assets value. The Company should also describe when the Company has to recover the loss that already recognized and required disclosure of the impaired assets.

2.k. Bonds Payable and Bonds Issuance Costs

Bonds payable are presented in par value net of amortized premium or discount.

Bonds issuance costs represent transactions cost which should be directly deducted from issuance proceeds to reflect the net proceeds of the bond. The difference between net bond proceeds and the par value of the bond represents discount or premium which will be amortized over the outstanding period of the bond.

Bond issuance cost which has not been effective yet is temporary deferred until bond issuance process becomes effective.

2.l. Revenues and Expenses Recognition

Revenues from toll road operations are recognized when toll tickets are sold and or services are rendered. Revenues from advertisement, space, and rest area and income from compensation of joint operations in the form of fixed assets are recognized proportionally in the current period. Advances received not yet earned are recognized as deferred income and are presented in the balance sheet as liability. Other revenues are recognized based on accrual basis. Interest income is recognized based on proportionate period and actual interest rate. Dividend income from investments is recognized when dividend distribution has been declared.

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Expense recognized when incurred and based on accrual basis. Interest expense recognized based on proportionate period and actual interest rate.

2.m. Transaction and Balance in the Foreign Currencies

The Company maintains its accounting records in Indonesian Rupiah currency. Transactions involving foreign currencies are recorded at the rate of exchange prevailing at the time of the transactions. At balance sheets date, monetary assets and liabilities denominated in foreign currencies are translated to Bank Indonesia middle rate of exchange at such date, are as follows:

	2006	2005
	Rp	Rp
USD	9,020.00	9,830.00
JPY (100)	7,579.53	8,342.18

Gain or loss which caused as disclosure asset and liabilities in foreign currency recorded as current statement of income.

2.n. Income Tax

All temporary differences between the tax base of assets and liabilities and their carrying value for financial reporting purposes recognized as deferred income tax with the liability method. Deferred income tax is determined by currently enacted tax rates.

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

Current income tax is calculated from taxable income which is net income adjusted under the tax regulation.

2.o. Employee Benefits

Pension Plan

The Company provides a defined benefit pension plan covering all permanent employees that are managed by Pension Fund of Jasa Marga (DPJM), whereas payment for post retirement benefit program are determined based on pension basic salary and period of the active employees and a post retirement benefit program for civil government employees working in the Company.

DPJM has been approved by the Decree of the Minister of Finance of the Republic of Indonesia No. KEP-370/KM.17/1997, dated July 15, 1997 and amended by the Decree No. KEP-379/KM.6/2004, dated September 14, 2004.

The employee contributes 3% of its basic salaries to the plan and the remaining amount required of 7.48% to the fund is contributed by the Company.

Other Employee Benefit

Based on the Company's Directors Decree No. 163/KPTS/2003, dated September 23, 2003, regarding retirement benefit to employees, the Company provides retirement benefit which equal to 24 times monthly salary (excluding overtime and tax allowance) to employees who are pension, death, or disable. The employee whose arrived at retirement age is required to have minimum 25 years of working period. This decree would be effectively started at January 1, 2003.

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Based on the Directors' Decree No. 165/KPTS/2003, dated September 23, 2003 regarding to improvement of Two Directors' Decrees of Jasa Marga No. 61/KPTS/2001 regarding to Management of the Pensioner and Family Health Maintenance which is to keep pensioner and its family could have a healthy life and high productivity, pensioner and its family whose eligibility to receive medical assistance from the Company is limited to 3 (three) children and listed in the Company.

Based on SFAS No. 24 (Revised 2004), Employee benefit liabilities for those programs are calculated by projected unit credit method. Current service cost is recognized in the current period. Past service cost, actuarial adjustments and the effect of changes in actuarial assumptions for active employees are charged to operations over the estimated average remaining working period of those employees.

Employee benefit for termination is recognized as liabilities and expenses when it's occurred.

2.p. Segment Information

Segment information is disclosed according to classification of general product and marketing area based on activities of segment industries and geographical area. To decide whether segment is separately reported, its used materiality criteria of 10% from revenue, operating income or assets. Besides it will used 75% criteria from revenue to test whether the additional disclosure for the segment which before not fulfill the 10% of criteria above.

2.q. Operating Income and Net Income Per Share

The operating income and net income per share have been determined by dividing operating income and net income, respectively, by the weighted average number of shares outstanding in the respective years.

2.r. Use of estimate

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the reporting date of the consolidated financial statements as well as the amounts of revenues and expenses during the reporting period. Realization could be difference from those estimates.

3. Restatement of Consolidated Financial Statements

- 3.a .** The Company received concession rights for 13 toll road sections which have being operated, based on Concession Agreement on July 7, 2006 with concession rights period for each section is 40 years and became effective on January 1, 2005 until December 31, 2044. The Company has revised the useful life of toll road and gate. Previously, the toll road is depreciated for 40 years since acquisition and since January 1, 2005 the remaining useful life has been extended to follow concession rights period that are calculated from book value as of January 1, 2005. Therefore, the consolidated financial statements for the year ended December 2005 have been restated. Restatement of financial statements affected to decrease in depreciation expense amounting to Rp 20,580,990,228 (full Rupiah amount) and increase in net income amounting to Rp 14,406,693,118 (full Rupiah amount) in 2005.

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Accounts in the consolidated financial statements for the year ended December 31, 2005 after and before restatements are as follows:

	After Restatement Rp	Before Restatement Rp
Book Value of Fixed Assets Concession Rights	6,220,147,207	5,677,566,217
Accumulated Depreciation of Fixed Assets Concession Rights	985,811,060	1,006,392,050
Deferred Tax Liabilities	282,164,253	275,989,956
Total Equity	1,982,098,284	1,967,691,591
Operating Expense	1,270,186,414	1,290,767,404
Estimated Income Tax	67,043,539	60,869,242
Net Income	307,543,643	293,136,950

3.b Category of Fixed Assets

	January 1, 2005	
	After Reclassification Rp	Before Reclassification Rp
Concession Rights		
Acquisition Cost		
Roads and Bridges	2,484,248,636	--
Gates and Supported Buildings	261,739,162	--
Supplementary Facilities	171,026,230	--
Toll Roads under Joint Operation Agreement	863,660,445	863,660,445
Accumulated Depreciation		
Roads and Bridges	517,440,767	--
Gates and Supported Buildings	72,936,721	--
Supplementary Facilities	97,082,085	--
Toll Roads under Joint Operation Agreement	166,510,834	166,510,834
Other than Concession Rights		
Acquisition Cost		
Roads and Bridges	--	2,484,248,636
Gates and Supported Buildings	--	261,739,162
Supplementary Facilities	--	171,026,230
Land Rights	43,612	43,612
Office and Other Buildings	61,115,729	61,115,729
Operation and Office Equipment	184,123,987	184,123,987
Vehicles	19,177,693	19,177,693
Accumulated Depreciation		
Roads and Bridges	--	517,440,767
Gates and Supported Buildings	--	72,936,721
Supplementary Facilities	--	97,082,085
Office and Other Buildings	32,824,318	32,824,318
Operation and Office Equipment	151,979,667	151,979,667
Vehicles	11,638,628	11,638,628

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4. Cash and Cash Equivalents

	2006	2005
	Rp	Rp
Cash on Hand and in Banks		
Petty Cash	15,515,419	10,867,049
Cash for Project	1,617,215	42,278,794
PT Bank Mandiri (Persero) Tbk		
Rupiah	57,303,472	7,994,321
Dolar (2006: USD 1,614,212; 2005: USD 1,721,762)	14,560,193	16,924,941
Yen (2006: ¥ 8,375,200; 2005: ¥ 8,381,200)	634,801	699,160
PT Bank Jabar	39,140,519	21,619,240
PT Bank BNI Tbk	36,623,205	273,298,320
PT Bank Jatim	3,896,985	4,486,206
PT Bank Central Asia Tbk	13,340,002	21,307,628
PT Bank Bukopin Tbk	1,536,259	783,993
PT Bank BRI Tbk	37,919,429	--
PT Bank Permata Tbk	210,922	--
PT Bank Internasional Indonesia Tbk	124,103	99,996
PT Bank DKI	1,000	1,000
Total Cash on Hand and in Banks	<u>222,423,524</u>	<u>400,360,648</u>
Time Deposits		
PT Bank Jabar	32,966,188	7,000,000
PT Bank Mandiri (Persero) Tbk	5,000,000	10,000,000
Total Time Deposits	<u>37,966,188</u>	<u>17,000,000</u>
Total Cash and Cash Equivalents	<u>260,389,712</u>	<u>417,360,648</u>
Maturity of Time Deposits	1 - 3 months	1 - 3 months
Interest Rate of Time Deposits per Annum (%)	6.25 - 9.75	7 - 13

Cash for projects represent cash on hand and in banks that are authorized to project treasurer to pay the project administration and land acquisition expenditures for to toll road constructions.

Accounts in PT Bank Mandiri (Persero) Tbk - Rupiah include 2 (two) Escrow Accounts A/C 124-00-0003683-1 and A/C 124-00-000847-5 to accommodate collections received from Jakarta Outer Ring Road (JORR) toll road.

5. Short - Term Investments

	2006	2005
	Rp	Rp
Marketable Securities Available for Sale		
Mutual Fund Mandiri Investasi - Fixed Fund	5,000,000	5,000,000
Mutual Fund Trimegah - Fixed Fund	--	5,000,000
	<u>5,000,000</u>	<u>10,000,000</u>
Add : Increase (Decrease) in Net Asset Value	(385,630)	1,909,740
Total	<u>4,614,370</u>	<u>11,909,740</u>

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6. Other Receivables

	2006	2005
	Rp	Rp
Accrued Income	29,061,791	7,362,300
Others	481,115,056	3,452,369
Total	510,176,847	10,814,669

Accrued income represents receivables for land rent, rest area, and advertisement.

Included in Other Receivables is receivable from sales of shares. On December 28, 2006, company has sold its ownership in PT Citra Marga Nusaphala Persada (CMNP) is amounting to 271,186,000 shares. Company receives its payment on January 4, 2007 is amounting to Rp 477,316,024,360 (full Rupiah amount), As of December 31, 2006 this transaction is recorded at other receivables (see Note 11.a).

7. Prepaid Expenses

Represent prepaid pension premium, toll supplies and advances for employee's traveling and medical expenses.

8. Taxation

a. Prepaid Taxes

	2006	2005
	Rp	Rp
Corporate Income Tax	41,076,873	900,000
Total	41,076,873	900,000

b. Taxes Payable

	2006	2005
	Rp	Rp
Income Taxes		
Article 21	11,331,681	6,704,305
Article 23	2,998,783	1,480,092
Article 25	80,834	73,923
Article 29	--	60,930,628
Final Income Tax	144,575	350,709
VAT - Out	8,635,077	3,983,299
Total	23,190,950	73,522,956

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c. Income Tax

	2006	2005 (Restated,
	Rp	Note3)
	Rp	Rp
The Company		
Current Tax	22,484,598	43,888,068
Deferred Tax	21,211,821	20,403,728
	<u>43,696,419</u>	<u>64,291,796</u>
Subsidiary		
Current Tax	448,764	3,060,500
Deferred Tax	(821,921)	(308,757)
	<u>(373,157)</u>	<u>2,751,743</u>
Consolidated		
Current Tax	22,933,362	46,948,568
Deferred Tax	20,389,900	20,094,971
Total	<u>43,323,262</u>	<u>67,043,539</u>

Current Tax

A reconciliation between income before corporate income tax as shown in the statements of income and the estimated taxable income are as follows:

	2006	2005 (Restated,
	Rp	Note3)
	Rp	Rp
Consolidated Net Income Before Income Tax and Extraordinary Item	505,899,302	197,671,553
Less: Income of Subsidiary	(500,207)	(8,224,193)
Add: Extraordinary Item	--	252,814,792
Net Income Before Income Tax - the Company	<u>505,399,095</u>	<u>442,262,152</u>

Calculation of Income Tax-the Company as Follows:

Positive (Negative) Corrections on Commercial Income:

Toll Road Collection Expenses	5,238,421	4,971,973
Toll Road Services Expenses	1,288,042	1,321,730
Maintenance Cost of Toll Road	193,597	590,560
General and Administrative Expenses	32,765,867	28,722,474
Portion of Associate Companies Net Income	(417,214)	(346,107)
Depreciation of Fixed Assets, Amortization of Overlay cost, and Bond Issuance Cost	(111,719,649)	(104,805,563)
Tantiem	3,089,000	2,222,218
Interest Expenses	8,537,553	4,648,117
Allowance for Impairment of Assets Taken Over	9,344,009	14,074,137
Allowance for Impairment of Investments	15,290	9,435,999
Bad Debt Accounts	--	1,195,577
Tax Penalty Charges	2,634,887	2,035,957
Interest Income, Land and Building Rental Income	(414,356,806)	(45,653,795)
Acquisition Cost of Land Rental Income	1,340,623	1,698,121
Employee Benefits Expense	31,654,278	36,793,136
	<u>(430,392,102)</u>	<u>(43,095,466)</u>
Taxable Income	<u>75,006,993</u>	<u>399,166,686</u>

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	2006	2005 (Restated, Note3)
	Rp	Rp
Current Tax Rate		
10% x Rp. 50,000	5,000	5,000
15% x Rp. 50,000	7,500	7,500
30% x Rp 74,906,993 for year 2006 (2005: Rp 146,251,893)	22,472,098	43,875,568
Current Tax Expense	<u>22,484,598</u>	<u>43,888,068</u>
Tax Expense on Extraordinary Income		
30% x (2005: Rp 252,814,792)	--	75,844,438
Total	<u>22,484,598</u>	<u>119,732,506</u>
Deducted by Prepaid Taxes:		
Income Tax Article 22	25,441	11,636
Income Tax Article 23	667,050	533,640
Income Tax Article 25	60,214,147	58,374,535
Total	<u>60,906,638</u>	<u>58,919,811</u>
Income (Expense) Tax Payable - the Company	(38,422,040)	60,812,695
Income (Expense) Tax Payable - the Subsidiary	(2,541,031)	117,933
Total Consolidated Tax Payable (Over payment)	<u>(40,963,071)</u>	<u>60,930,628</u>

Deferred Tax

Deferred tax are recognized on all temporary differences between tax bases of assets and liabilities and their carrying amounts at the financial statements. The details of deferred tax assets and liabilities are as follows:

	Jan 1 2005 (Restated, Note 3) Rp	Charged to Statements of Income Rp	Dec 31 2005 (Restated, Note 3) Rp	Charged to Statements of Income Rp	2006 Rp
Deferred Tax Liabilities (Assets) –					
The Company					
Depreciation of Fixed Assets	274,591,084	31,393,414	305,984,498	41,579,717	347,564,215
Amortization of Overlay Costs	4,494,160	1,085,551	5,579,711	(5,757,278)	(177,567)
Amortization of Bonds Issuance Costs	3,935,981	(1,037,296)	2,898,685	(5,114,335)	(2,215,650)
Employee Benefits Obligation	(20,433,053)	(11,037,941)	(31,470,994)	(9,496,286)	(40,967,277)
Total	<u>262,588,172</u>	<u>20,403,728</u>	<u>282,991,900</u>	<u>21,211,821</u>	<u>304,203,720</u>
Deferred Tax Liabilities (Assets) –					
The Subsidiary					
Depreciation of Fixed Assets	(250,968)	7,000	(243,969)	(497,058)	(741,027)
Employee Benefits Obligation	(267,922)	(315,757)	(583,678)	(324,863)	(908,541)
Total	<u>(518,890)</u>	<u>(308,757)</u>	<u>(827,647)</u>	<u>(821,921)</u>	<u>(1,649,568)</u>
Consolidated Deferred Tax Liability	<u>262,069,282</u>	<u>20,094,971</u>	<u>282,164,253</u>	<u>20,389,900</u>	<u>302,554,152</u>

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Reconciliation between income (expense) tax and multiplier of accounting income before income tax with current tax rate are as follows:

	2006	2005 (Restated, Note3)
	Rp	Rp
Income Before Tax - the Company	505,399,095	442,262,152
Extraordinary Item (see Note 40)	--	(252,814,792)
	<u>505,399,095</u>	<u>189,447,360</u>
Current Tax Rate		
10% x Rp 50,000	5,000	5,000
15% x Rp 50,000	7,500	7,500
30% x Rp 505,299,094 for year 2006 (2005: Rp 168,766,370)	<u>151,589,729</u>	<u>56,804,208</u>
Total	<u>151,602,229</u>	<u>56,816,708</u>
Toll Road Collection Expenses	1,571,526	1,491,592
Toll Road Services Expenses	386,413	396,519
Toll Road Maintenance Expenses	58,079	177,168
General and Administrative Expenses	9,829,759	8,616,742
Profit on Associate Companies' Net Income	(125,164)	(103,832)
Tantiem	926,700	666,665
Interest Expenses	2,561,266	1,394,435
Allowance for Impairment of Assets Taken Over	2,803,203	4,222,241
Allowance for Impairment of Investments	4,587	2,830,800
Bad Debt Accounts	--	358,673
Tax Penalty Charges	790,466	610,787
Interest Income, Land and Building Rental Income	(124,307,042)	(13,696,138)
Acquisition cost of Land Rental Income	<u>402,187</u>	<u>509,436</u>
	(105,098,020)	7,475,088
Total of Tax Expenses - the Company	46,504,208	64,291,796
Adjustments of Deferred Tax of the Company	(2,807,789)	--
Total of Tax Expenses - the Subsidiary	<u>(373,157)</u>	<u>2,751,743</u>
Total of Tax Expenses - Consolidated	<u>43,323,262</u>	<u>67,043,539</u>

The Company

The Company submitted the appeal and received Tax Assessment Letter of Underpayment (SKPKB) year 2002 from the Directorate General of Tax as follows:

- The Company submitted the appeal to the court of tax concerning VAT year 2002 No. AAKP5.261, dated March 1, 2005. On June 7, 2006, the Company received the Decree of Directorate General of Tax No. KEP.01/WPJ.07/KP.0108/2006, that refused the court with underpayment of VAT amounting to Rp 6,412,750,166 (full Rupiah amount) and penalty interest is amounting to Rp 1,410,805,036 (full Rupiah amount);
- The Company submitted the appeal to the Court of Tax concerning Income Taxes article 23 year 2002 No. AAKP5.262, dated March 1, 2005. On June 7, 2006, the Company received the Decree of Directorate General of Tax No. KEP.02/WPJ.07/KP.0108/2006, that refused the court with underpayment of income taxes article 23 is amounting to Rp 4,809,562,624 (full Rupiah amount) and administrative tax penalty is amounting to Rp 1,058,103,777 (full Rupiah amount);

The Company submitted the appeal to the court of tax concerning Corporate Income Taxes year 2002 No. AAKP5.263, dated March 1, 2005. On June 7, 2006, the Company received the Decree of Directorate General of Tax No. KEP.03/WPJ.07/KP.0108/2006, that with underpayment of corporate income taxes amounting to Rp 1,049,794,120 (full Rupiah amount) and administrative tax penalty is amounting to Rp 251,950,612 (full Rupiah amount).

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9. Appropriated Funds

The Company made appropriation of funds in order to secure bonds and bank loans interest payment at the maturity date are as follows:

	2006	2005
	Rp	Rp
Time Deposit		
Jasa Marga Bond XI - P Series	30,750,000	30,750,000
Jasa Marga Bond IX - N Series	18,500,000	18,500,000
Loan from PT Bank Central Asia Tbk	17,000,000	17,000,000
Jasa Marga Bond - JORR II	16,899,750	--
Current Account		
Jasa Marga Bond - JORR I	14,983,812	15,151,910
Loan from PT Bank Central Asia Tbk	--	2,781,320
Total	<u>98,133,562</u>	<u>84,183,230</u>
Interest Rate Per Annum (%)	7.5 - 11.75	7 - 13

a. Jasa Marga Bond XI P Series Year 2003

Based on the Deed of Bonds Trusty Agreement No. 6 dated August 19, 2003 as amended by the Deed of Addendum I of Bonds Trusty Agreement No. 24 dated September 25, 2003 in conjunctions with Addendum I Bonds Underwriting Agreement No. 26 dated September 25, 2003; all notarized by Notary Julius Purnawan, SH, MSi, in conjunction with Minutes of General Meeting of Bondholders No. 22 dated October 7, 2004 made by Notary Poerbaningsih Adi Warsito, SH, the Company is required to provide quarterly sinking fund for bonds repayment amounting to Rp 30,750,000,000 (full Rupiah amount) for every 3 (three) months at the latest on 2 (two) weeks prior to date of bond coupon payment.

b. Jasa Marga Bond IX N Series Year 2000

Based on the Deed of Amendment of Bonds Trusty Agreement No. 19, dated February 7, 2002, in conjunction with Bonds Underwriting Agreement Addendum I No. 30 dated March 18, 2002; both notarized by Notary Imas Fatimah, SH, in conjunctions with the Minutes of General Meeting of Bondholders No.28, dated October 7, 2004 from Notary Poerbaningsih Adi Warsito, SH, the Company is required to provide sinking fund for interest payment amounting to Rp 18,500,000,000 (full Rupiah amount) for every 3 (three) months at the latest on 2 (two) weeks prior to the date of bond coupon payment.

c. Loan from PT Bank Central Asia Tbk

Based on the loan agreement No. 28, dated July 11, 2003, made by Notary Poerbaningsih Adi Warsito, SH, the Company has loan facilities amounting to Rp 150,000,000,000 (full Rupiah amount) for the period of 1 (one) year. The Company is required to provide sinking fund to secure interest payment for every three months in advance. At the latest on 5 (five) working days prior to interest payment, the Company is required to increased sinking fund for interest payment every 3 (three) months.

d. JORR Bond II Year 2006

Based on the Deed of Loan Agreement No. 4, dated January 5, 2006 made by Notary Imas Fatimah, SH. The Company recognized loan to Bondholders amounting to Jasa Marga JORR II year 2005 bond payable, since issuing date until all loan was paid. The Company is required to provide sinking fund to secure interest payment for every 3 (three) months in deposits at the

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latest on 1 (one) month prior to interest payment. The Company is required to increase sinking fund for interest payment every 3 (three) months until 6 (six) months, for first payment, the provide of sinking fund paid along with interest payment.

Based on The Deed of Escrow Account Agreement No. 7 and the Deed of Fidusia for Escrow Account No. 8, dated January 5, 2006 made by Notary Imas Fatimah, SH, the Company is required to provide sinking fund in escrow account in Bank Mandiri (Persero) Tbk account No. 124-00-000847-5 minimum Rp 3,750,000,000 (full Rupiah amount).

e. Jasa Marga Bond JORR I Year 2003

Based on the Deed of Bonds Trusty Agreement No. 45, dated November 19, 2003, made by Notary Imas Fatimah, SH, the Company is required to provide sinking fund to secure interest payment semi-annually in advance.

10. Investment in Associate Companies

The Company has long-term investment in associate companies accounted for using equity method. The carrying value of such investments are as follows:

Associate Company	Status	Percentage of Ownership	Carrying Value at Beginning of Year	2006			Carrying Value at End of Year	
				%	Rp	Changes in Current Period		
						Additions (Deductions) of Investments		Portion in Net Profit (Loss)
				Rp	Rp	Rp	Rp	
PT Citra Bhakti Margatama Persada (CBMP)	Termination of Concession Agreement	34.83	56,787,000	--	--	--	56,787,000	
PT Citra Ganesha Marga Nusantara (CGMN)	Termination of Concession Agreement	30	16,914,266	--	--	--	16,914,266	
PT Jatim Marga Utama (JMU)	Not yet Developed	30	12,858,000	--	--	--	12,858,000	
PT Ismawa Trimitra (IT)	Operated	25	7,012,819	--	417,214	(242,109)	7,187,924	
PT Bukaka Marga Utama (BMU)	Not yet Developed	20	9,436,000	--	--	--	9,436,000	
			<u>103,008,085</u>	<u>--</u>	<u>417,214</u>	<u>(242,109)</u>	<u>103,183,190</u>	
Less:								
Impairment of Investment in CBMP			(56,786,999)				(56,786,999)	
Impairment of Investment in CGMN			(16,914,265)				(16,914,265)	
Impairment of Investment in BMU			(9,435,999)				(9,435,999)	
Total			<u>19,870,822</u>				<u>20,045,927</u>	

Associate Company	Status	Percentage of Ownership	Carrying Value at Beginning of Year	2005			Carrying Value at End of Year	
				%	Rp	Changes in Current Period		
						Additions (Deductions) of Investments		Portion in Net Profit (Loss)
				Rp	Rp	Rp	Rp	
PT Citra Bhakti Margatama Persada (CBMP)	Termination of Concession Agreement	34.83	56,787,000	--	--	--	56,787,000	
PT Citra Ganesha Marga Nusantara (CGMN)	Termination of Concession Agreement	30	16,914,266	--	--	--	16,914,266	
PT Jatim Marga Utama (JMU)	Not yet Developed	30	12,858,000	--	--	--	12,858,000	
PT Ismawa Trimitra (IT)	Operated	25	6,921,300	--	346,107	(254,588)	7,012,819	
PT Bukaka Marga Utama (BMU)	Not yet Developed	20	9,436,000	--	--	--	9,436,000	
			<u>102,916,566</u>	<u>--</u>	<u>346,107</u>	<u>(254,588)</u>	<u>103,008,085</u>	
Less:								
Impairment of Investment in CBMP			(56,786,999)				(56,786,999)	
Impairment of Investment in CGMN			(16,914,265)				(16,914,265)	
Impairment of Investment in BMU			--				(9,435,999)	
Total			<u>29,215,302</u>				<u>19,870,822</u>	

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a. PT Citra Bhakti Margatama Persada (CBMP)

Citra Bhakti Margatama Persada was established based on the Deed No. 50, dated December 11, 1995 made by Notary Siti Pertiwi Henny Singgih, SH. Investment in CBMP was made in relation to operation of JORR toll road section E2 - E3 - N (Cikunir - Cakung - Cilincing - Tanjung Priok) project construction for 33 years ended in 2028. The Company owns 56,787,000 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 56,787,000,000 (full Rupiah amount), representing of 34.83% ownership.

Toll road construction by CBMP was financed by loan syndication facilities from several banks. The economic crisis affected uncertainty of the ability of CBMP in servicing its liability on the maturity date and in using the loan facilities to financing the toll road construction. The banking restructuring conducted against certain CBMP's creditors has affected the stopping of toll road construction.

The Company issued the Letter No. AA.02.1009, dated July 25, 2000 to CBMP regarding to termination of the Concession Agreement of No. 96, dated December 16, 1995. This termination was indicated that the Company's investment in the associate company had no economic value. The Company recognized loss on permanent impairment of investment in 2000 amounting to Rp 56,786,999,000 (full Rupiah amount).

b. PT Citra Ganesha Marga Nusantara (CGMN)

Citra Ganesha Marga Nusantara was established based on the Deed No. 300, dated December 22, 1993, made by Notary Siti Pertiwi Henny Singgih, SH, and amended by the Deed No. 67, dated July 7, 1994 made by Notary Sri Laksmi Damayanti, SH. Investment in CGMN was made in relation to operation of Cikampek - Padalarang toll road project. The Company owns 5,310 shares at par value of Rp 1,841,000 (full Rupiah amount) per share or equivalent to Rp 9,775,710,000 (full Rupiah amount), representing of 30% ownership.

Based on the Decree of the Minister of Public Works of the Republic of Indonesia No. KU.201-Mn/68 dated March 4, 1996 and the Decree of the Minister of Finance of the Republic of Indonesia No. 1562/A/52/0496 dated April 18, 1996, the Company obtained "Intellectual Property Rights (IPR)" in the form of project design of Cikampek - Padalarang toll road amounting to GBP 4,700,000 or equivalent to Rp 16,914,266,000 (full Rupiah amount) as additional paid up capital from the Government to the Company (see Note 29). Furthermore, the Company transferred the IPR to CGMN as investment in CGMN. Based on the joint operation agreement between the Company and CGMN, the IPR was valued equal to USD 8,530,000. According to the Extraordinary General Meeting of Shareholders held by CGMN on July 10, 1998 regarding to increase in paid up capital, the Company owns 8,530 shares at par value of USD 8,530,000 or equal to Rp 16,914,266,000 (full Rupiah amount).

On July 25, 2001, through the Letter No. AA.HK01.1273 sent to CGMN, the Company terminated the Concession Agreement No. 297 as implementation of the Decree of the Minister of Settlement and Regional Infrastructure of the Republic of Indonesia No. 417 dated July 18, 2001 regarding to cancellation of the Decree of the Minister of Public Works of the Republic of Indonesia No. 321/KPTS/1994 dated October 24, 1994 regarding the concession license granted to the Company to operate Cikampek - Padalarang toll road in the form of joint operation with CGMN. Due to such termination, the investment in CGMN had no economic value. The Company recognized loss on the permanent impairment of investment as expense in 2001 amounting to Rp 16,914,265,000 (full Rupiah amount).

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c. **PT Jatim Marga Utama (JMU)**

Jatim Marga Utama was established based on the Deed No. 25, dated December 27, 2002 made by Notary Rosida, SH. Investment in JMU was made in relation to a plan to continue operations of Surabaya - Mojokerto toll road project construction. The Company has a commitment to pay up to 12,858 shares at par value of Rp 1,000,000 (full Rupiah amount) per share or equivalent to Rp 12,858,000,000 (full Rupiah amount), representing of 30% ownership.

Jatim Marga Utama is a joint venture company between the Company and Local Government of Jawa Timur. This company was established in order to continue Surabaya - Mojokerto toll road project that was suspended after the Minister of Settlement and Regional Infrastructure cancelled the MNA's concession rights as stated in the Decree of the Minister of Settlement and Regional Infrastructure No. 418/KPTS/M/2001 dated July 18, 2001 (see Note 11.b). The Supreme Court has refused the Judicial Review the Minister of Settlement and Regional Infrastructure, dated March 31, 2005, and the concession rights is given back to PT Marga Nujyasumo Agung (MNA).

d. **PT Ismawa Trimitra (IT)**

Ismawa Trimitra was established based on the Deed No. 70, dated June 14, 1995 made by Notary Imas Fatimah, SH juncto Deed No, 58 dated November 15, 1995 made Notary Imas Fatimah, SH. IT is engaged in property, trading, and agency. Investment in IT was made in relation to rental office building located at Jl. Iskandarsyah - Jakarta. The Company owns 6,250,000 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 6,250,000,000 (full Rupiah amount), representing of 25% ownership.

Ismawa Trimitra leases office building space located at Jl. Iskandarsyah - Jakarta. The Company's interest in net income of associate company for the year ended December 31, 2006, and 2005 were amounting to Rp 417,213,898 (full Rupiah amount), and Rp 346,107,197 (full Rupiah amount), respectively.

e. **PT Bukaka Marga Utama (BMU)**

Bukaka Marga Utama was established based on the Deed No. 5 dated February 17, 1997 made by Notary Sri Rahayu Sedyono, SH. Investment in BMU was made in relation to operation of Ciawi - Sukabumi toll road project. The Company owns 4,000 shares at par value Rp 2,359,000 (full Rupiah amount) per share or equivalent to Rp 9,436,000,000 (full Rupiah amount), representing of 20% ownership.

Majority shareholders of BMU can not give a certainty about toll road development as agreed at the Concession Agreement. The Company recognized loss caused the permanent impairment of investment as expense 2005 amounting to Rp 9,435,999,000 (full Rupiah amount).

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11. Other Long - Term Investments

Company	Status	Percentage of Ownerships 2006 %	Percentage of Ownerships 2005 %	2006	2005
				Rp	Rp
PT Citra Marga Nusaphala Persada (CMNP)	Operated	4.23	17.79	42,287,000	133,410,000
PT Marga Nujyasumo Agung (MNA)	Not Yet Developed	16	16	2,224,000	2,224,000
PT Citra Margatama Surabaya (CMS)	Not Yet Developed	15	15	20,000,000	18,100,000
PT Citra Mataram Satriamarga Persada (CMSP)	Termination of Concession	15	15	4,725,000	4,725,000
PT Margabumi Adhika Raya (MAR)	Not Yet Developed	2.50	2.50	1,350,000	1,350,000
PT Bosowa Marga Nusantara (BMN)	Operated	8.76	8.76	3,332,000	3,332,000
PT Marga Nurindo Bhakti (MNB)	Termination of Concession	7.04	7.04	9,500,000	9,500,000
Marga Net One Limited (MNOL)	Operated	10	10	15,291	15,291
PT Marga Mawatindo Esprit (MME)	Termination of Concession	8.33	8.33	2,780,862	2,780,862
PT Margabumi Matraraya (MBM)	Operated	6.47	6.47	5,500,000	5,500,000
PT Marga Mandala Sakti (MMS)	Operated	1.94	1.94	28,000,000	28,000,000
PT Margaraya Jawa Tol (MJT)	Not Yet Developed	2.47	2.47	4,143,438	4,143,438
				<u>123,857,591</u>	<u>213,080,591</u>
Subsidiary – JJJ					
PT Translingkar Kita Jaya	Not Yet Developed	10	10	<u>13,000,000</u>	<u>--</u>
Total				<u>136,857,591</u>	<u>213,080,591</u>
Less :					
Impairment of Investment in MNA				(2,223,999)	(2,223,999)
Impairment of Investment in CMSP				(4,724,999)	(4,724,999)
Impairment of Investment in MNB				(9,499,999)	(9,499,999)
Impairment of Investment in MME				(2,780,861)	(2,780,861)
Impairment of Investment in MNOL				<u>(15,290)</u>	<u>-</u>
Total				<u>(19,245,148)</u>	<u>(19,229,858)</u>
Total Investment				<u>117,612,443</u>	<u>193,850,733</u>

a. PT Citra Marga Nusaphala Persada Tbk (CMNP)

Citra Marga Nusaphala Persada was established based on the Deed No. 58, dated April 13, 1987 made by Notary Kartini Muljadi, SH, and most recently, amended by the Deed No. 19 and 20, dated July 11, 2001 made by Notary Siti Pertiwi Henny Singgih, SH. Investment in CMNP relates to operation of Cawang - Tanjung Priok - Jembatan Tiga toll road project.

The Company's investment in CMNP was intended to increase the Company's income through dividend distribution every year. In 1994, CMNP conducted to stock split, in which the Company's ownership changed to become to 88,940,000 shares at par value Rp 500 per share or equivalent to Rp 44,470,000,000 (full Rupiah amount). In 1996, the Company received shares dividend amounting to 88,940,000 shares or equivalent to Rp 44,470,000,000 (full Rupiah amount), as a result, the number of shares equal to 177,880,000 shares. In 1997, the Company increased its investment in CMNP to become 355,760,000 shares by executing the right through limited public offering of 177,880,000 shares at par value Rp 500 per share or amounting to Rp 88,940,000,000 (full Rupiah amount), as a result, the overall investment amounting to Rp 133,410,000,000 (full Rupiah amount) representing of 17.79% ownership.

On December 28, 2006, the Company sold 271,186,000 shares or Rp 91,123,000,000 (full Rupiah amount) at Rp 1,770 (full Rupiah amount) per share or in total of Rp 479,999,220,000 (full Rupiah amount). Thereby, the Company's ownership at CMNP remains to 4.23% or 84,574,000 shares with par value of Rp 500 (full Rupiah amount) per share or in total of Rp 42,287,000,000 (full Rupiah amount). The Company received the proceeds from its sales on January 4, 2006 amounting to Rp 477,316,024,360 (full Rupiah amount).

b. PT Marga Nujyasumo Agung (MNA)

Marga Nujyasumo Agung was established based on the Deed No. 121, dated August 19, 1994 made by Notary Sutjipto, SH, and its most recently amended through the Deed No. 177, dated February 26, 1998 made by Notary Rachmat Santoso, SH.

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Investment in MNA relates to operation of Surabaya - Mojokerto toll road project construction; the Company owns 6,000,000 shares at par value of Rp1,000 (full Rupiah amount) per share or equivalent to Rp 6,000,000,000 (full Rupiah amount), representing of 16% ownership. Based on the Company's Letter to MNA, No. AA.HK.01.1274, dated July 27, 2001 to MNA regarding to take over of project built by MNA and termination of the Concession Agreement No. 29, dated July 5, 1995 as the implementation of the Decision Letter of the Minister of Settlement and Regional Infrastructure No. 418/KPTS/M/2001, dated July 18, 2001 regarding to annulment of the Decree of the Minister of Public Works No. 103/KPTS/1995, dated March 31, 1995, regarding to the license to form a joint venture company between the Company and MNA to operate the Surabaya-Mojokerto toll road.

The Concession Agreement termination indicated that the Company's investment in the associate company had no economic value, as a consequence, the Company recognized loss on the permanent impairment of investment as expense in 2001 amounting to Rp 2,223,999,000 (full Rupiah amount).

The Decision of Supreme Court No. 17K/TUN/2003, dated December 8, 2003 has cancelled and ordered to the Minister of Housing and Regional Infrastructure to annul the Decree No. 418/KPTS/M/2001, dated July 18, 2001. On August, 2004 the Minister of Settlement and Regional Infrastructure submitted for Judicial Review for the Decision of Supreme Court.

On March 31, 2005 the Supreme Court refused Judicial Review submitted by the Minister of Settlement and Regional Infrastructure and, accordingly, the Minister of Public Works issued Decision Letter of the Minister of Public Works No. 216/KPTS/M/2005 dated April 26, 2005 regarding to the annulment of the Decision Letter of the Minister of Settlement & Regional Infrastructure No. 418/KPTS/M/2000 dated July 18, 2001. Therefore, the concession of the Surabaya-Mojokerto toll road was returned to MNA and Concession Agreement has been signed on April 6, 2006.

Based on the Minutes of General Meeting of Shareholders No. 144 from Notary Buntario Tigris, SH, SE, MH, MNA agreed to increase authorized, issued and fully paid up capital. The Company is required to pay up amounting to Rp 90,000,000,000 (full Rupiah amount) to maintain its 16% of ownership. Until the date of the financial statements, the Company has not yet increased its ownership.

c. **PT Citra Margatama Surabaya (CMS)**

Citra Margatama Surabaya was established based on the Deed No. 99, dated December 26, 1996 made by Notary Siti Pertiwi Henny Singgih, SH. The CMS investment relates to operation of Waru interchange - Tanjung Perak toll road project. The Company owns 8,550,000 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 8,550,000,000 (full Rupiah amount), representing of 15% ownership.

Based on the Minutes of Extraordinary General Meeting of Shareholders No. 32, dated July 30, 2003 made by Notary Yanita Poerbo, SH, the Company increase its investment amounting to Rp 12,000,000,000 (full Rupiah amount) that was settled on May 2004 without any changes in percentage composition of Company's ownership. According to the Minutes of Meeting CMS, No. 13, dated May 6, 2004, the Company agreed to transfer the additional capital to fulfill the authorized shares capital of Rp 24,000,000,000 (full Rupiah amount) or 24,000,000 shares. The Company had transferred the additional shares capital in CMS until December 31, 2006 amounting to Rp 20,000,000,000 (full Rupiah amount) or equivalent to 20,000,000 shares.

Based on the Deed No. 40, dated May 21, 2005 from Notary Poerbaningsih Adi Warsito, SH, the Company and CMS make joint concession agreement termination (PKP) that changed the authority of Simpang Waru-Tanjung Perak toll road become less than 12 Km. Until this report, this project has not finished yet.

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d. PT Citra Mataram Satriamarga Persada (CMSP)

Citra Mataram Satriamarga Persada was established based on the Deed No. 36, dated April 12, 1996 made by Notary Siti Pertiwi Henny Singgih, SH. Investment in CMSP relates to operation of JORR section W2 (Kebon Jeruk - Pondok Pinang) toll road project. The Company owns 4,725,000 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 4,725,000,000 (full Rupiah amount) representing of 15% ownership.

Based on the Company Letter No. AA.HK.02.820, dated June 21, 2000 to CMSP, regarding to the project taking over and Concession Agreement termination, the Company's investment in CMSP deemed to had no longer economic value, hence the Company recognized loss caused the permanent impairment of investment as expenses in year 2000 amounting to Rp 4,724,999,000 (full Rupiah amount).

e. PT Margabumi Adhika Raya (MAR)

Margabumi Adhika Raya was established based on the Deed No. 142, dated September 25, 1996 made by Poerbaningsih Adi Warsito, SH. Investment in MAR related to operation of Gempol - Pandaan toll road project. The Company owns 1,331,538 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 1,331,538,000 (full Rupiah amount) representing of 15% ownership. Based on the Decree of the Minister of Housing and Infrastructure No. 321/KPTS/M/2004, dated August 11, 2004, the permission of Gempol-Pandaan toll road project was issued.

The Articles of Association of MAR was recently amended by the Deed No. 94 made by Notary Sugito Tedjamulja, SH, dated August 31, 2005 regarding the changes of Articles of Association. The Company's investment increasing to Rp 1,350,000,000 (full Rupiah amount) or equivalent to 1,350,000 shares representing of 2.5% ownership.

f. PT Bosowa Marga Nusantara (BMN)

Bosowa Marga Nusantara was established based on the Deed No. 20, dated April 12, 1993 made by Notary Mestariyana Habie, SH. Investment in BMN regarding to operation of Ujung Pandang toll road such as Jalan Satando - Urip Sumoharjo intersection/ Petta Rani (phase I) - Jalan Sultan Alauddin (phase II). The Company owns 3,332,000 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 3,332,000,000 (full Rupiah amount), representing of 10% ownership.

The Decree of the Minister of Public Work No. 276/KPTS/1994, dated August 26, 1994 and the Deed No. 322, dated August 29, 1994 made by Notary Mestariyana Habie, SH, stated that BMN would operate phase I for 30 years and Phase II will be decided later but not longer than 30 years since the toll road. Ujung Pandang section road phase I has been operated since 1998 and the section phase II has not been developed.

Based on Deed No. 24 dated May 15, 2006 from notary Rosida Rajagukguk Siregar, SH, MKn, the authorized capital of BMN has been changed to Rp 152,120,000,000 (full Rupiah amount) and the issued and fully paid capital stock issue has been changed to Rp 38,030,000,000 (full Rupiah amount). The Company didn't increase its ownership in BMN, so that the Company's share was diluted to 8,76%.

g. PT Marga Nurindo Bhakti (MNB)

Marga Nurindo Bhakti was established based on the Deed No. 9, dated December 2, 1991 made by Notary BRAY Mahyastoeti Notonogoro, SH, juncto No. 19 dated March 4, 1998 made by Agus Madjid, SH. Investment in MNB relates to operation of JORR section S and E1 (Pondok Pinang - Jagorawi - Cikunir). The Company owns 1,350 shares at par value of Rp 10,000,000 (full Rupiah amount) per share or equivalent to Rp 13,500,000,000 (full Rupiah amount), representing of 10% ownership.

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Based on the Company Letter No. AA.HK.02.1143, dated August 11, 2000 to MNB, the Company took over the project built by MNB. Taking over of these project has caused the Company's investment had no economic value, as a consequence, the Company recognized loss on the permanent impairment of investment as expense in year 2000 amounting to Rp 9,499,999,000 (full Rupiah amount).

h. Marga Net One Limited (MNOL)

Marga Net One Limited was established based on the Law of Bangladesh as stated in Incorporated Under The Company Act 1994 (ACT-XVIII of 1994) (Private Company Limited by Shares) Memorandum of Association of Marga Net One Limited dated February 29, 2003 Juncto Certificated of Incorporation No. C-50732(1027)/2003 dated October 11, 2003 issued by Registrar of Joint Stock Companies Bangladesh.

Based on Memorandum of Association of MNOL dated February 29, 2003, the Company owns 200 shares with the nominal TK 100 (Hundred of Taka) or 10% ownership and paid in capital amounting to USD 1,800 or equivalent to Rp 15,290,775 (full Rupiah amount) on September 2, 2003.

The Company agreed to render Technical Services Joint Operation to MNOL in the management of toll collecting, traffic management, and maintenance management on operation of Jamuna toll bridge in Bangladesh for 5 (five) years.

The Company has identified that investment in MNOL doesn't have any expected future benefit. In 2006, the Company has impaired its carrying value of investment amounting to Rp 15,290,775 (full Rupiah amount) and recognized as expense to current of statement of income.

i. PT Marga Mawatindo Esprit (MME)

Marga Mawatindo Esprit was established based on the Deed No. 96, dated May 30, 1997 made by Notary Siti Pertiwi Henny Singgih, SH. Investment in MME relates to operation of Semarang - Demak toll road. The Company owns 1,154,364 shares at par value of Rp 2,409 (full Rupiah amount) per share or equivalent to Rp 2,780,862,876 (full Rupiah amount), representing of 8.33% ownership.

Based on the Letter No. 001/SPK-DIR/2003, dated January 6, 2003, the Company and MME agreed to terminate the Concession Agreement No. 58, dated February 25, 1998. Because such termination caused the Company investment had no economic value, as a consequence, the Company recognized loss on the permanent impairment of investment as expense in year 2002 amounting to Rp 2,780,861,876 (full Rupiah amount).

j. PT Margabumi Matraraya (MBM)

Margabumi Matraraya was established based on the Deed No. 15, dated February 15, 1991 made by Notary Tawangningrum Purwono, SH juncto Deed No. 15 dated August 13, 1997 made by Notary Agus Hashim Admad, SH. Investment in MBM relates to operation of Surabaya - Gresik toll road. The Company owns 550 shares at par value of Rp 10,000,000 (full Rupiah amount) per share or amounting to Rp 5,500,000,000 (full Rupiah amount), representing of 6.47% ownership.

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k. PT Marga Mandala Sakti (MMS)

Marga Mandala Sakti was established based on the Deed No.14, dated October 4,1989 made by Notary Winnie Hadiprodjo, SH, replacement of Notary Kartini Muljadi, SH, that has been amended most recently by Deed of Minutes of General Meeting of Shareholders No. 20, dated February 23, 2000 made by Notary Hendra Karyadi, SH. Investment in MMS relates to operation of Tangerang - Merak toll road. The Company owns 28,000,000 shares at par value of Rp 100 (full Rupiah amount) per share or equivalent to Rp 2,800,000,000 (full Rupiah amount), representing of 5.36% ownership.

Based on the Deed No. 4 dated April 4,1995 made by Notary Sutjipto, SH, the investment in MMS amounting to 14,000,000 shares with the par value of Rp 1,000 per share has been pledged by MMS in connection with the syndicated loan facilities received by MMS.

Based on the Deed No. 20 dated January 28, 2000 made by Notary Hendra Karyadi, SH, relates to Minutes of General Meeting of Shareholders, MMS agreed to reduce the par value of it share from Rp 1,000 (full Rupiah amount) to Rp 100 (full Rupiah amount) per share. The difference arising from the decrease of par value was recognized as additional paid in capital, hence the investment in MMS was not change. The composition of fully paid in capital has changed, and decreased of par value has been approved by the Minister of Justice of the Republic of Indonesia No. C -10616.HT.01.04.TH.2000, dated May 23, 2000.

Based on the Extraordinary General Meeting of Shareholders on the Deed No. 5 December 9, 2004 made by Notary Hendra Karyadi, SH, the Shareholders agreed with the issuance of 921,310,773 new shares to Convertible Bondholders. The predecessor shareholders had already released the right to buy new shares issued to convertible bondholders. The change of Shareholders according to the Deed No. 11 dated August 1, 2005 made by Notary Benny Kristianto, SH, regarding the change of MMS Shareholders and has been received by the Directorate General of General Law Administration, Ministry of Law and Human Right No. C-UM.02.01.14078, dated September 23, 2005, the Company's ownership is become 1.94%.

l. PT Margaraya Jawa Tol (MJT)

Margaraya Jawa Tol was established based on the Deed No. 18 dated June 6, 1997 made by Notary Enimarya Agoes Suwarako, SH. Investment in MJT relates to the operation of Waru (Aloha) - Wonokromo -Tanjung Perak Toll road project. The Company owns 4,143,438 shares at par value of Rp 1,000 (full Rupiah amount) amounting to Rp 4,143,438,000 (full Rupiah amount), representing of 5% ownership.

In 2004, the Company received conversion of obligation to shares, so the Company's shares nominal were increase. The changed of shareholders composition were stated in Article of Association as put forth into the Deed No. 17 made by Notary Adrian Djuaini, SH, dated October 20, 2004. The Company's ownership become 5,393,438 shares or equivalent to Rp 5,393,438,000 (full Rupiah amount), representing of 2.47% ownership.

Subsidiary of PT Jalantol Lingkarluar Jakarta (JLJ)

m. PT Translingkar Kita Jaya (TKJ)

Translingkar Kita Jaya was established based on Deed no 18 dated January 18, 2006 from notary Agus Madjid, SH. JLJ's share in TKJ relates to operation of Toll Road Cinere – Jagorawi. JLJ owns 13.000 shares with par value Rp 1,000,000 (full Rupiah amount) per share or equals to Rp 13,000,000,000 (full Rupiah amount) which represent 10% JLJ's ownership.

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12. Fixed Assets

a. Concession Rights

	2006			
	Beginning Balance	Additions	Disposals	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Roads and Bridges	5,831,018,716	821,893,622	20,104,710	6,632,807,628
Gates and Supported Buildings	281,970,657	35,226,652	--	317,197,309
Supplementary Facilities	195,262,449	25,490,887	--	220,753,336
	<u>6,308,251,822</u>	<u>882,611,161</u>	<u>20,104,710</u>	<u>7,170,758,273</u>
Toll Roads under Joint Operation Agreement	897,706,445	--	--	897,706,445
	<u>7,205,958,267</u>	<u>882,611,161</u>	<u>20,104,710</u>	<u>8,068,464,718</u>
Accumulated Depreciation				
Roads and Bridges	603,421,097	167,556,210	8,077,202	762,900,105
Gates and Supported Buildings	86,458,483	14,937,421	--	101,395,904
Supplementary Facilities	111,427,910	16,921,969	--	128,349,879
	<u>801,307,490</u>	<u>199,415,600</u>	<u>8,077,202</u>	<u>992,645,888</u>
Toll Roads under Joint Operation Agreement	184,503,570	18,287,253	--	202,790,823
	<u>985,811,060</u>	<u>217,702,853</u>	<u>8,077,202</u>	<u>1,195,436,711</u>
Book Value	<u>6,220,147,207</u>			<u>6,873,028,007</u>
	2005			
	Beginning Balance	Additions	Disposals	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Roads and Bridges	2,484,248,636	3,346,770,080	--	5,831,018,716
Gates and Supported Buildings	261,739,162	20,231,495	--	281,970,657
Supplementary Facilities	171,026,230	24,236,219	--	195,262,449
	<u>2,917,014,028</u>	<u>3,391,237,794</u>	<u>--</u>	<u>6,308,251,822</u>
Toll Roads under Joint Operation Agreement	863,660,445	34,046,000	--	897,706,445
	<u>3,780,674,473</u>	<u>3,425,283,794</u>	<u>--</u>	<u>7,205,958,267</u>
Accumulated Depreciation				
Roads and Bridges	517,440,767	85,980,330	--	603,421,097
Gates and Supported Buildings	72,936,721	13,521,762	--	86,458,483
Supplementary Facilities	97,082,085	14,345,825	--	111,427,910
	<u>687,459,573</u>	<u>113,847,917</u>	<u>--</u>	<u>801,307,490</u>
Toll Roads under Joint Operation Agreement	166,510,834	17,992,736	--	184,503,570
	<u>853,970,407</u>	<u>131,840,653</u>	<u>--</u>	<u>985,811,060</u>
Book Value	<u>2,926,704,066</u>			<u>6,220,147,207</u>

The beginning balance 2005 of the concession right came from reclassification of ending balance of 2004's direct ownership toll road (see Note 3.b and Note 12.b).

The acquisition of toll road under joint operation agreements as of December, 31 2005 amounting to Rp 34,046,000,000 (full Rupiah amount) consists of broadening of Cawang – Cibitung toll road section.

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b. Other than Concession Rights

	2006			
	Beginning Balance	Additions	Disposals	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Land Rights	43,612	--	--	43,612
Office and Other Buildings	68,199,458	4,818,856	--	73,018,314
Operation and Office Equipment	205,537,125	16,508,845	--	222,045,970
Vehicles	18,644,394	394,633	525,855	18,513,172
	<u>292,424,589</u>	<u>21,722,334</u>	<u>525,855</u>	<u>313,621,068</u>
Accumulated Depreciation				
Office and Other Buildings	35,556,476	2,924,975	--	38,481,451
Operation and Office Equipment	165,077,139	16,060,695	--	181,137,834
Vehicles	12,969,624	2,342,605	525,855	14,786,374
	<u>213,603,239</u>	<u>21,328,275</u>	<u>525,855</u>	<u>234,405,659</u>
Book Value	<u>78,821,350</u>			<u>79,215,409</u>
	2005			
	Beginning Balance	Additions	Disposals	Ending Balance
	Rp	Rp	Rp	Rp
Acquisition Cost				
Land Rights	43,612	--	--	43,612
Office and Other Buildings	61,115,729	7,083,729	--	68,199,458
Operation and Office Equipment	184,123,987	21,745,996	332,858	205,537,125
Vehicles	19,177,693	883,820	1,417,119	18,644,394
	<u>264,461,021</u>	<u>29,713,545</u>	<u>1,749,977</u>	<u>292,424,589</u>
Accumulated Depreciation				
Office and Other Buildings	32,824,318	2,732,158	--	35,556,476
Operation and Office Equipment	151,979,667	13,430,269	332,797	165,077,139
Vehicles	11,638,628	2,748,079	1,417,083	12,969,624
	<u>196,442,613</u>	<u>18,910,506</u>	<u>1,749,880</u>	<u>213,603,239</u>
Book Value	<u>68,018,408</u>			<u>78,821,350</u>

The fixed assets - non toll road have been insured to PT Asuransi Tri Pakarta, PT Asuransi Jasindo, PT Asuransi Purna Artanugraha, PT Asuransi Takaful Umum, PT Asuransi Bhakti Bayangkara, PT Asuransi Ramayana, PT Staco Jasapratama and PT Asuransi Marga Insurance Broker with a total insurance coverage for year ended December 31, 2006 and 2005 amounting to Rp 239,106,364,898 (full Rupiah amount) and Rp 139,057,508,050 (full Rupiah amount).

Management believes that the sum insured are adequate to cover possible losses from such risks. There is no fixed asset being pledged.

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The amount of capitalization borrowing cost as acquisition cost of fixed assets for the year 2006 and 2005 are amounting to Rp 167,352,205,099 (full Rupiah amount) and Rp 189,341,769,282 (full Rupiah amount).

The details of constructions in progress as of December 31, 2006 and 2005 are as follows:

	2006	
	Percentage of Completion	Accumulated Depreciation Rp
		Estimated of Completion
Concession Rights		
Road and Bridges		
a. JORR E1, E2, E3, and W2 Section:		
Pondok Pinang - Kebon Jeruk (W2) Section	--	67,427,182
TMII Junction - Cikunir (E1) Section	97%	979,753,190
Cikunir - Cakung - Cilincing-Tj Priok (E2,E3) Section	89%	615,665,040
b. Palimanan-Kanci Section: Palimanan-Plumbon Route B Section	99%	64,968,252
c. Jakarta - Cikampek Section: Cibitung - Cikarang Route A Section	90%	14,494,451
d. Cipularang Maintenance Project Phase II	99%	50,074,417
e. Some Contracts each below Rp 5.000.000		6,768,761
		<u>1,799,151,293</u>
Gates and Supported Buildings		
a. Cipularang Lanscape Phase II	99%	5,381,361
b. Jagorawi Toll Gate	30%	678,287
c. Sidoarjo Surgem Toll Gate	99%	2,090,938
d. Some Contracts with Value Below Rp 500.000 each	--	1,697,841
		<u>9,848,427</u>
Supplementary Facilities		
a. Some Contracts each Below Rp 500.000	--	656,561
		<u>656,561</u>
Other than Concession Rights		
a. Toll Equipment Installation Controlling Project of Region I & II	81%	6,588,789
b. Machine and Installation Toll Collection Equipment	99%	4,641,427
		<u>11,230,216</u>
Total		<u>1,820,886,497</u>

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	2005		
	Percentage of Completion	Accumulated Depreciation Rp	Estimated of Completion
Concession Rights			
Roads and Bridges			
a. JORR Project			
1) Pondok Pinang - Kebon Jeruk (W-2) Section	--	67,427,182	--
2) TMIJ Junction - Cikunir (E-1) Section	90%	842,036,730	July 2006
3) Cikunir - Cakung - Cilincing - Tanjung Priok (E2 & E3) Section	68%	492,250,853	September 2006
b. Palimanan - Kanci Section: Palimanan - Plumbon Route B Section	99%	60,722,162	April 2006
c. Extension Project of Dupak - Waru Row Route A	45%	22,521,265	March 2006
d. Some Contracts each below Rp 5.000.000	--	26,068,280	--
		<u>1,511,026,472</u>	
Gates and Supported Buildings			
a. Cipularang Toll Lanscape Phase II	46%	3,324,964	February 2006
b. Improvement of Cirebon - Palimanan Toll Gate Access	99%	2,144,279	April 2006
c. Surabaya - Gempol Toll Gate	90%	1,333,165	March 2006
d. Cawang - Tomang - Cengkareng Toll Lanscape	95%	799,114	February 2006
e. Some Contracts with Value Below Rp 500.000 each	--	1,619,941	--
		<u>9,221,463</u>	
Supplementary Facilities			
a. Cross Drain Toll Prof. Dr. Ir. Sedyatmo Development	44%	7,568,462	April 2006
b. Some Contracts with Value Below Rp 500.000 each	--	854,133	--
		<u>8,422,595</u>	
Other than Concession Rights			
a. Operational Equipment PT Jalantol Lingkarluar Jakarta	--	4,418,532	--
b. Supported Facilities of JLJ Office Building	92%	1,253,701	May 2006
c. Some Contracts each below Rp 500.000	--	2,244,080	--
		<u>7,916,313</u>	
Total		<u>1,536,586,843</u>	

13. Deferred Overlay Cost

	2006			
	Beginning Balance Rp	Additions Rp	Disposals Rp	Ending Balance Rp
Acquisition Costs	217,800,673	74,964,403	99,297,468	193,467,608
Accumulated Amortization	(120,398,764)	(73,975,895)	(99,297,468)	(95,077,191)
	97,401,909			98,390,417
Overlay Cost - in Progress	48,075,875	65,478,448	74,964,403	38,589,920
Total Overlay Cost-Net	<u>145,477,784</u>			<u>136,980,337</u>

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	2005			Ending Balance Rp
	Beginning Balance Rp	Additions Rp	Disposals Rp	
Acquisition Costs	198,467,029	67,640,123	48,306,479	217,800,673
Accumulated Amortization	<u>(94,884,836)</u>	<u>(73,820,407)</u>	<u>(48,306,479)</u>	<u>(120,398,764)</u>
	103,582,193			97,401,909
Overlay Cost - in Progress	<u>64,025,218</u>	<u>51,690,780</u>	<u>67,640,123</u>	<u>48,075,875</u>
Total Overlay Cost-Net	<u>167,607,411</u>			<u>145,477,784</u>

The amortization expenses incurred for the year ended December 31, 2006 and 2005 amounting to Rp 73,975,895,308 (full Rupiah amount) and Rp 73,820,407,303 (full Rupiah amount), respectively. Overlay costs that have been fully amortized amounting to Rp 99,297,468,092 (full Rupiah amount) and Rp 48,306,479,250 (full Rupiah amount), respectively.

14. Land Acquisition Receivables

Based on the Government Regulation No. 8 Year 1990 regarding Toll Road, and the Government Regulation No. 40 Year 2001 regarding Addendum of Government regulation No. 8 Year 1990, land acquisition cost for toll road project are borne by the Government.

Based on the Company's Letter to the Minister of Housing and Infrastructure No. AA. TN01.160, dated February 18, 2003 and No. AA.TN01.588 dated May 27, 2003, the Company asked for letter of instruction on land acquisition and also proposed that all land costs of toll road project that had been paid by the Company can be incorporated in the cost of investment, and that the Company obtained a certain concession period. For the land has been acquired by the Company in its' capacity of authorisator, the Company will account for as receivable to the Government. Cost for land procurement to construct toll road sections that has been disbursed amounted to Rp 759,183,929,833 (full Rupiah amount).

The Government Regulation No. 15 Year 2005 regarding Toll Road states that land procurement may use fund from the Government and/or business entity. In case the fund of land procurement comes from business entity, hence the amount of land procurement fund needed will be determined by the Government.

Minutes of the result agreement of concession period of 13 toll road have being operated by PT Jasa Marga (Persero) No. 378A/BA-PPJT/KE/BPJT/2006, dated of June 8, 2006 between Toll Road Regulatory Board (BPJT) and the Company determine that land procurement cost amounting to Rp 747,352,859,000 (full Rupiah amount) that have been disbursed until year 2005 and also land procurement cost that will be disbursed after year 2005 have been included into toll investment cost and calculated in concession period bundle.

Thereby, in the year 2006 the land acquisition cost carried over in group of Fixed Assets. The land procurement for project of Semarang-Demak toll road amounting to Rp 11,831,071,000 (full Rupiah amount) carried over in group of Other Assets.

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15. Other Assets

	2006	2005
	Rp	Rp
Assets Taken Over	224,827,251	224,827,251
Joint operation - Toll Road Construction	25,972,187	--
Surabaya - Gempol Toll Road Section Porong - Gempol	12,027,508	--
Bonds Consent Fee	9,779,780	13,139,890
Down Payment	19,764,334	11,967,809
Jasa Marga Bhakti Cooperative	2,291,171	3,156,278
Electronic Software	2,451,252	2,654,620
Loan to Bandung Municipal Government	1,000,000	1,000,000
Deferred Issuance Share/Bond Cost	2,951,166	--
Others	12,031,479	200,408
Total Other Assets	313,096,128	256,946,256
Allowance for Impairment and Bad Debt	(27,302,053)	(15,074,137)
Total Other Assets-Net	285,794,075	241,872,119

a. Assets Taken Over

Taken over assets from termination of concession agreements termination are as follows:

	2006	2005
	Rp	Rp
Cikampek - Padalarang (CGMN) Toll Section	202,454,407	202,454,407
Cileunyi - Nagrek (PT Wijaya Karya) Toll Section	12,000,000	12,000,000
Semarang - Demak (MME) Toll Section	8,298,707	8,298,707
Pandaan - Pasuruan (PT Giri Adya Sejati) Toll Section	2,074,137	2,074,137
Total	224,827,251	224,827,251

The toll road assets constructions in progress taken over from PT Citra Ganesha Marga Nusantara (CGMN) consist of construction costs of Cikampek - Padalarang toll road determined by financial statements of CGMN for the year 1999 amounting to Rp 202,454,407,000 (full Rupiah amount) arising from the termination of concession agreement with the investor (see Note 45.a). Taken over assets non-toll roads represent cost of toll road design related to termination of investor concession agreement. In 2005, the Company has made provision for impairment value of asset for Pandaan-Pasuruan and Cileunyi-Nagrek amounting to Rp 14,074,137,000 (full Rupiah amount).

b. Joint Operation of Toll Road Construction

The Company and the investors made cooperation for constructing some toll roads sections consisting of Bogor Ring Road, Semarang-Solo and Gempol-Pasuruan (see Note 45.a). The Company has disbursed some amounts of fund used for constructing the toll road, where the funds will be accounted for as a the Company's investment in subsidiary that will be established later in order to manage such toll roads.

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c. Down Payment

Represent down payment to contractors and consultants for toll road construction, overlay, toll road equipment procurement, and other road procurement that would be calculated with the invoice for working progress from contractors and consultants, and disbursements for down payment of project that have not been completed with accountability report until the date of the financial statements.

	2006	2005
	Rp	Rp
Deposits for project	13,155,378	--
Contractor	6,571,392	11,071,039
Consultant	37,564	896,770
Total	19,764,334	11,967,809

d. Surabaya-Gempol Toll Road Section Porong-Gempol

Toll road section Porong-Gempol with length about 5 km as part of Surabaya-Gempol toll road with length about 42 km that were affected by the impact of mud volcano disaster of PT Lapindo Brantas, so that it causes the toll road is not fuction.

Referring to the closing part of toll road Surabaya-Gempol section Porong Gempol at July 11, 2006 and followed up by letter Minister of Public Work No. 297/KPTS/M/2006, date of August 11, 2006 about Repeal Temporary Status as Toll Road Part of Toll Surabaya-Gempol section Porong - Gempol, Company recorded estimation of impairment equal to book value at June 30, 2006 as expense of year 2006 amounting to Rp 12,027,508,035 (full Rupiah amount).

e. Deferred Bonds Consent Fee

Represent compensation paid to bondholders of Jasa Marga Bonds M, N, O and P series amounting to Rp 16,500,000,000 (full Rupiah amount). According to Minutes of General Meeting of Bondholders, dated October 7, 2004, the maximum Debt to Equity Ratio (DER) is 5:1 and minimum Interest Coverage Ratio (ICR) is 1.25:1 that was effective at the beginning of the year 2005.

f. Stock/Bond Issuance Deferred Cost

Represent expenditures incurred during the Company's preparation of initial public offering or bond issuance.

g. Jasa Marga Bhakti Cooperative

Receivables from Jasa Marga Bhakti Cooperative represents program of loans to the employees for down payment of housing and car ownership financing.

h. Loan to Bandung Municipal Government

Loan to Bandung Municipal Government was given in 1995 amounting to Rp 5,000,000,000 (full Rupiah amount) with the payment amounting to Rp 1,000,000,000 (full Rupiah amount) every year since 1998. In 2005, the Company has made allowance for doubtful accounts for the remaining outstanding loan amounting to Rp 1,000,000,000 (full Rupiah amount).

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16. Bank Loan

	2006	2005
	Rp	Rp
Short - Term Loan		
PT Bank Jabar	258,274,121	225,000,000
PT Bank Mandiri (Persero) Tbk	250,000,000	--
PT Bank Central Asia Tbk	170,000,000	150,000,000
	<u>678,274,121</u>	<u>375,000,000</u>
Long - Term Loan		
PT Bank Central Asia Tbk	1,537,923,205	1,510,417,704
PT Bank Bukopin Tbk	216,312,408	216,060,286
PT Bank Mandiri (Persero) Tbk	170,000,000	470,000,000
PT Bank Internasional Indonesia Tbk	36,000,000	40,000,000
PT Bank Negara Indonesia (Persero) Tbk	--	554,318,226
	<u>1,960,235,613</u>	<u>2,790,796,216</u>
Total	<u>2,638,509,734</u>	<u>3,165,796,216</u>

The amounts of bank loan payment by the year of maturity are as follows:

Year of Maturity	Settlement amount (full Rupiah amount)
2007	678,274,121,365
2009	87,870,302,841
2010	36,000,000,000
2011	373,812,408,145
2012	1,152,553,505,251
2013	309,999,396,974
Jumlah	<u>2,638,509,734,576</u>

The Company's financial ratio requirement based on each bank's loan agreement are Debt to Equity Ratio (DER) maximum of 5:1 and Interest Coverage Ratio minimum of 1.25:1.

a. Loan from PT Bank Jabar**Short Term**

Based on the Deed of Working Capital Loan Agreement No. 53, dated July 31, 2003, Deed of Loan Agreement Addendum No. 24, dated August 20, 2003, Deed of Loan Agreement addendum No. 51, dated January 13, 2004, Deed of Loan Agreement Addendum No. 39, dated October 20, 2005, Deed of Loan Agreement Addendum No. 6, dated October 6, 2005, Deed of Loan Agreement Addendum No. 33, dated December 22, 2005, and Deed of Loan Agreement Addendum 53, dated October 18, 2006 from Notary Poerbaningsih Adi warsito, SH. The Company obtained loan facility amounting to Rp 275,000,000,000 (full Rupiah amount). Time limit of loan withdrawal until July 31, 2007. Interest rate is 13.8% p.a floating rate and will be reevaluated by the bank every 6 (six) months. Payment of interest will be made every 3 (three) months. Allowance of fund for guarantee of settlement interest for a quarterly not later than two (2) weeks before due to the payment of interest. The Company has drawdown the loan facility amounting to Rp 258,274,121,365 (full Rupiah amount) as of December 31, 2006.

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b. Loan from PT Bank Mandiri (Persero) Tbk

Short Term

In 2006, based on Deed of Working Capital Loan Agreement No. 47 dated June 12, 2006 from Notary Imas Fatimah, SH, the Company obtained loan facility amounting to Rp 250,000,000,000 (full Rupiah amount). From the loan, amounting to Rp 200,000,000,000 represent comitted and withdrawn all at once with Certificate of Bank Indonesia (SBI) interest rate plus 1.5%, and the remain amounting to Rp 50,000,000,000 represent uncomitted with interest rate is Pricing Negotiation. Period of loan settlement was on January 31, 2007. Allowance of fund for guarantee of settlement interest for a month, not later than 2 (two) weeks before the date of interest payment. Company has diluted the loan facility amounting to Rp 250,000,000,000 (full Rupiah amount) on December 31, 2006.

Long Term

In 2005, Company got two facilities of Long Term Loan from PT Bank Mandiri each amounting to Rp 300,000,000,000 (full Rupiah amount) and Rp 170,000,000,000 (full Rupiah amount), respectively. Based on the Deed of Investment Loan Agreement No. 21, dated February 28, 2005 made by Notary Poerbaningsih Adi Warsito, SH. The Company got credit facility amounting to Rp 300,000,000,000 (full Rupiah amount) for the period until fourth quarter of 2009 with 3 (three) months grace period. The purpose of the loan is to finance JORR III (Section E1, E2, and E3) toll road. The loan interest rate for the first two year is 11% p.a and will be adjusted for the next years. Payment of the principal loan is done in 16 (sixteen) installments every 3 (three) month which started after the grace period, and payment of interest is done every quarter. Allowance of fund for guarantee of settlement interest for 1 (one) quarter not later than two (2) weeks before due to the payment. The company has diluted loan facility and also has settled all the loans.

Based on the Deed of Investment Loan Agreement No. 54, dated September 29, 2005 made by Notary Imas Fatimah, SH. The Company get loan facility amounting to Rp 170,000,000,000 (full Rupiah amount) for the period until June 30, 2012 with 2 (two) years of grace period. The purpose of the loan is to finance Cipularang II (Section III.3 and IV.2) construction. The loan interest rate for the first of 3 (three) months is equal to 12.5% p.a and it will be readjusted for the next period. The loan is paid every quarter which started from 3 (third) quarter of 2007, and interest will be paid in 10 (ten) installments, each every quarter. Allowance of fund for guarantee of settlement interest for one quarter, not later than 2 (two) weeks before due to the payment. The Company has diluted all the loan facility, so that total of loan per December 31, 2006 amounting to Rp170,000,000,000 (full Rupiah amount).

c. Loan from PT Bank Central Asia Tbk

Short Term

i. Based on the Deed of Working Capital Loan Agreement No. 28, dated July 11, 2003, amended by the Deed of Loan Agreement No. 17, dated July 13, 2004, amended by the Deed of Loan Agreement No. 63, dated April 29, 2005, and amended by the Deed of Loan Agreement No. 9, dated July 13, 2005, those are made by Notary Poerbaningsih Adi Warsito, SH, the Company received loan facility amounting to Rp 150,000,000,000 (full Rupiah amount) for 1 (one) year. The loan interest rate is 12.5% p.a. The Company is required to provide sinking fund for a quarter on the interest payment date and at least 5 (five) working days before the next interest payment date, the Company is required to provide additional sinking fund for 3 (three) months of interest payment. The company has diluted all loan facilities so that amount of company's loan as of December 31, 2006 amounting to Rp 150,000,000,000 (full Rupiah amount).

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- ii. Based on Deed of Addendum Working Capital Loan Agreement No. 6, dated August 10, 2006 from Notary Poerbaningsih Adi Warsito, SH. The Company get loan facility amounting to Rp 40,000,000,000 (full Rupiah amount) for period 1 (one) year. Loan interest rate is equal to 12.5% per year fixed rate. Allowance of fund for guarantee of settlement interest for a quarterly not later than 2 (two) weeks before due to the payment of interest. Company has diluted loan facility amounting to Rp 20,000,000,000 (full Rupiah amount) on December 31, 2006.

Long Term

- i. Based on the Deed of Working Capital Loan Agreement No. 56, dated September 15, 2003 and the Loan Agreement No. 16, dated October 6, 2003, made by Notary Poerbaningsih Adi Warsito, SH, the Company received time loan revolving facilities amounting to Rp 100,000,000,000 (full Rupiah amount) and Rp 75,000,000,000 (full Rupiah amount), respectively. Working Capital Loan Agreement amounting to Rp 175.000.00.000 (full Rupiah amount) is converted as investment loan facility with deed of Loan Agreement No. 22 dated September 16, 2004 from the same Notary, and Deed Addendum of Loan Agreement No. 66 dated April 29, 2005 and Deed addendum of Loan Agreement No. 8 dated August 10, 2006. The purpose of the loan is for financing of JORR project phase II. The loan interest rate is 12.5 % for the first year and for the next year, loan interest rate as Prime rate KI (BCA) deducted 2% p.a. The period of loan settlement is 7 (seven) years or up to September 16, 2011. The Company is required to provide sinking fund of interest payment for a quarter at the latest on 2 (two) weeks prior over due. The Company has diluted all loan facilities and has settled one part of loan facility amounting to Rp 17,500,000,000 (full Rupiah amount), so that amount of loan as of December 31, 2006 amounting to Rp 157,500,000,000 (full Rupiah amount).
- ii. Based on the Deed of Investment Loan Agreement No. 8, dated July 7, 2004, Deed Addendum of Loan Agreement No. 65 dated April 29, 2005, and Deed Addendum of Loan Agreement No. 10 dated August 10, 2006 made by Notary Poerbaningsih Adi Warsito, SH, the Company received loan facility amounting to Rp 453,000,000,000 (full Rupiah amount) and the Letter of Domestic Documented Credit (SKBDN) amounting to Rp 150,000,000,000 (full Rupiah amount). The purposes of loan are for financing the project phase II (E1, E2, E3, W1 and W2), procurement of steel material from PT Krakatau Steel, and for the other development of toll roads. The period of settlement of bank loan is 8 years or until September 7, 2012. The rate of interest loan is 12.5 % for the first year and the second year, furthermore, for the year of third year up to the eighth year the interest rate is the Prime Rate of investment loan (BCA) less 2% p.a. The sinking fund for settlement of interest for a quarterly, at the latest two weeks before due to the settlement. The company has diluted all of loan facilities and has settled one part of loan amounting to Rp 36,240,000,000 (full Rupiah amount), so that amount of loan as of December 31, 2006 amounting to Rp 416,760,000,000 (full Rupiah amount).
- iii. Based on the Deed of Investment Loan Agreement No. 3, dated December 2, 2004 made by Notary Poerbaningsih Adi Warsito, SH, the Company received credit facility amounting to Rp 133,000,000,000 (full Rupiah amount) which will be settled on December 2, 2009. The purpose of the loan is for financing the debt settlement to PT Hutama Karya (Persero) in relation to financing of Pondok Aren - Ulujami toll road project construction. The loan interest rate is 12.5% for the first year, and the next years as equal to Prime Rate KI (BCA) deducted 2% p.a. The period of loan settlement is 5 (five) years or up to the date of December 2, 2009. The company has diluted all of loan facilities and has settled one part of loan amounting to Rp 45,129,697,159 (full Rupiah amount), so that amount of loan as of December 31, 2006 amounting to Rp 87,870,302,841 (full Rupiah amount).

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- iv. Based on the Deed of Investment Loan Agreement No. 2, dated May 4, 2004, amended by the Deed of Investment Loan Agreement No. 64, dated April 29, 2005, the Deed of Changes and Restatement of Loan Agreement No. 14, dated July 21, 2005, amended by the Deed of Loan Agreement No. 23, dated August 15, 2005, and the Deed of Loan Agreement No. 37, dated October 25, 2005, those are made by Notary Poerbaningsih Adi Warsito, SH, the Company received loan facility amounting to Rp 796,500,000,000 (full Rupiah amount) consists of Rp 631,500,000,000 (full Rupiah amount) with the date over due withdrawal of loan facility up to August 4, 2005 since the effective date and additional loan facility amounting to Rp 165,000,000,000 (full Rupiah amount). The purpose of the loan is for financing Cipularang II (Section III.1, IV.1 and IV.3) toll road constructions. The loan interest rate is 12.5% p.a which is fixed interest rate for the first year. For the second year up to eight the interest rate is the Prime Rate of BCA investment loan deducted 2% p.a, and interest for the additional loan is 1 (one) month of the interest rate of Certificates of Bank Indonesia (SBI) plus 3% p.a, with accordance interest rate of SBI at the first month of interest period. The interest should be paid every 3 (three) months. The Company is required to provide sinking fund of the interest payment for a quarter in advance at the latest in 2 (two) weeks before due to the settlement. Company has diluted the principal loan and additional loan each amounting to Rp 418,940,228,107 (full Rupiah amount), Rp 146,853,277,144 (full Rupiah amount), so that the amount of principal and additional loan as of December 31, 2006 amounting to Rp 565,793,505,251 (full Rupiah amount).
- v. Based on the Deed of Investment Loan Agreement No. 38, dated October 25, 2005, Deed of Addendum Loan Agreement No. 54 dated April 28, 2006 made by Notary Poerbaningsih Adi Warsito, SH, about the change of Investment Loan Facility with the purpose for financing project of JORR II toll road (section E1, E3) amounting to Rp 350,000,000,000 (full Rupiah amount) become (a) Loan Investment Facility amounting to Rp 310,000,000,000 (full Rupiah amount) made on Deed of Addendum Loan Agreement No. 53, dated April 28, 2006, and (b) Time Loan Revolving facility amounting to Rp 40,000,000,000 (full Rupiah amount) made on Deed of Addendum Loan Agreement No. 6, dated August 10, 2006 from Notary Poerbaningsih Adi Warsito, SH.

Based on Deed of Addendum Investment Loan Agreement No. 53, dated April 28, 2006 from Notary Poerbaningsih Adi Warsito, SH stated that Company get loan facility amounting to Rp 310,000,000,000 (full Rupiah amount) for period 8 (eight) years included grace period during 24 (twenty fourth) months. The purpose of the loan is for project financing and purchasing of capital goods or routine investment. Loan interest rate is equal to 12.5% for the first year, and for the next is equal to SBI interest rate in 1 (one) month plus 3% per year, with condition that SBI interest rate used is average of SBI interest rate that effective at first month from interest period. Payment of interest is done quarterly. Allowance of fund for guarantee of settlement interest for a quarterly not later than 2 (two) weeks before due to the payment of interest. Company has diluted loan facility amounting to Rp 309,999,396,973 (full Rupiah amount) on December 31, 2006.

d. Loan from PT Bank Bukopin

Long Term

Based on the Deed of Investment Loan Agreement No. 37, dated August 30, 2005 made by Notary Poerbaningsih Adi Warsito, SH, the Company get loan facility amounting to Rp 233,809,782,685 (full Rupiah amount) for 7 (seven) years maturity included 24 (twenty four) months grace period. The objective of the loan is to finance Cipularang II toll road construction. Loan interest rate is 12% p.a and will be reevaluated every 6 (six) months. Payment of principal loan is done every 3 (three) months started after the grace period ended and the interest should be paid every month. Allowance of fund for guarantee of settlement interest for one quarter, every beginning of the month not later than date of 14 as equal to principal and or interest at end of the related month. Company has diluted the loan facility amounting to Rp 216,312,408,145 (full Rupiah amount) on December 31, 2006.

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e. Loan from PT Bank Negara Indonesia (Persero) Tbk**Long Term**

Based on the Deed of Investment Loan Agreement No. 41, dated April 21, 2005 made by Notary Imas Fatimah, SH, the Company get loan facility amounting to Rp 65,000,000,000 (full Rupiah amount) for 5 (five) years period. The purpose of the loan is to finance Palimanan - Plumbon toll road construction. The loan interest rate for the first year is 11% p.a and for the interest payment interest rate of SBI with 3 (three) months plus 3.5% p.a. The interest should be paid every 3 (three) months. The principal loan is paid in 5 (five) installments every year. The Company has diluted the loan facility amounting to Rp 40,000,000,000 (full Rupiah amount), and has settled part of the loan amounting to Rp 4,000,000,000 (full Rupiah amount), so that total of the loan as of December 31, 2006 amounting to Rp 36,000,000,000 (full Rupiah amount).

f. Loan from PT Bank Internasional Indonesia Tbk**Long Term**

Based on the Deed of Investment Loan Agreement No. 47, dated August 31, 2005 made by Notary Imas Fatimah, SH, the Company get loan facility amounting to Rp 578,034,000,000 (full Rupiah amount) for period until August 30, 2013. The Purpose of the loan is to finance Cipularang II toll road constructions. Loan interest rate for the first year is 11.5% p.a, or 3% below applicable loan interest rate in the bank for the first year and for the next period will be readjusted every 3 (three) months. Payment of principal loan is done in 32 (thirty two) installments every quarter and started on December 1, 2005. Payment of interest is done every 3 (three) months. Company has diluted the loan facility amounting to Rp 565,570,225,532 (full Rupiah amount), and has settled the loan in 2006.

17. Accounts Payable

Represent payables to suppliers associated with the procurement of office supplies, office equipment, toll ticket, medicine, and the Company's uniform and also with toll road maintenance and cleaning services.

18. Contractors Payable

Represent payables to contractors and consultants associated with construction of roads, overlay, procurement of toll facilities and other building.

	2006	2005
	Rp	Rp
Contractors	139,132,114	244,577,791
Technical Consultants	1,303,943	3,628,204
Retention Payables	113,556,884	119,685,471
Total	253,992,941	367,891,466

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The details of contractors' payable by the name of contractor are as follows:

	2006	2005
	Rp	Rp
PT Waskita - Yasa, JO	45,471,496	45,847,052
PT Adhi Karya (Persero) Tbk	38,843,938	76,714,652
PT Hutama Karya (Persero)	17,241,616	32,535,865
PT Sumber Mitra	14,889,719	33,332,787
PT Nindya Karya (Persero)	13,225,968	23,294,276
PT Daya Mulia Turangga	12,823,182	22,223,316
PT Propelat	12,591,011	22,522,750
PT Wijaya Karya (Persero)	10,151,017	17,457,988
PT Mawatindo	8,757,259	13,996,310
PT Pembangunan Perumahan (Persero)	7,864,219	--
PT Istaka Karya (Persero)	5,299,637	18,010,459
PT L & M System Indo	--	17,509,976
Others (below Rp 5 Billion)	66,833,879	44,446,035
Total	253,992,941	367,891,466

The details of contractors' aging payables by the date of invoice are as follows:

	2006	2005
	Rp	Rp
Less than 1 Month	13,935,017	185,711,686
1 Month - 3 Months	52,526,794	73,576,178
> 3 Months	187,531,130	108,603,602
Total	253,992,941	367,891,466

19. Other Payables

	2006	2005
	Rp	Rp
Deposits	26,958,063	1,984,649
PT Translingkar Kita Jaya	10,830,000	--
PT Jatim Marga Utama	9,858,000	9,858,000
Contribution to Cibubur Scout Area and TMII	1,436,605	992,948
Dividend Payable	1,040,862	30,000,000
Guarantee Deposits for Advertisement	453,817	515,439
Others	4,600,681	3,037,815
Total	55,178,028	46,388,851

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Dividend payables represent the remaining dividend payables to the Government.

Payable to PT Translingkar Kita Jaya represents working capital loan from PT Translingkar Kita Jaya to PT Jalantol Lingkarluar Jakarta (Company's subsidiary) amounting to Rp 10,830,000,000 (full Rupiah amount).

Payable to PT Jatim Marga Utama (JMU) represents payment related to the Company's investment in JMU that received back by the Company in April 2003 (see Note 10.c).

Money Deposits represent payables related to production services and other deposits. As of December 31, 2006 Company has receipt Money Deposit from PT Jasa Sarana amounting to Rp 24,000,000,000 (full Rupiah amount) for Bogor Ring Road Project land procurement.

Contribution to Cibubur Scout Area and Taman Mini Indonesia Indah (TMII) represents the Company's contribution to Kwartir Nasional Gerakan Pramuka Cibubur and TMII.

20. Accrued Expenses

	2006	2005
	Rp	Rp
Interest Expenses		
Bond Payables	113,229,320	63,050,679
Bank Loans	42,304,120	41,624,376
Loan from Government	6,709,546	8,254,797
Joint Operation Expenses	68,233,329	67,602,361
General and Administrative Expenses	3,563,082	12,019,200
Salaries and Allowances	25,732,284	3,168,544
Others	578,866	473,910
Total	260,350,547	196,193,867

Joint Operation expenses represent the investors' portion of toll revenue computed after accounting the periodic installments of the Company's liability to investors under joint operation agreement without operation rights. The investors' portion of toll revenue, according to joint operation agreement with investors, can be determined either as a percentage of toll proceeds or as fixed installment.

21. Obligation Due to Concession Rights

Based on Debt Settlement Agreement and Letter from PT Perusahaan Pengelola Aset (Persero) No. S-2913/PPA/DU/1205, dated December 29, 2005, the Company recognized obligation to creditors amounting to Rp 522,000,000,000 (full Rupiah amount) in relation to the acceptance of concession rights of JORR S section (JORR "S"). The debt will be settled by cash amounting to Rp 261,000,000,000 (full Rupiah amount) and the remaining by issuing bond amounting to Rp 261,000,000,000 (full Rupiah amount) (see Note 25.f). On January 3, 2006, the Company has paid part of its debt amounting Rp 261,000,000,000 (full Rupiah amount).

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22. Loan From Government

	<u>2006</u> <u>Rp</u>	<u>2005</u> <u>Rp</u>
Loan from Government in form of Skeleton Loan Agreement	144,914,533	185,542,628
Current Maturities	<u>(40,628,095)</u>	<u>(40,628,095)</u>
Loan from Government - Net of Current Maturities	<u>104,286,438</u>	<u>144,914,533</u>

In order to finance the construction of toll roads, the Company obtained loans from the Government of the Republic of Indonesia. The Company withdrew the loans at the same currency as billed by the contractor, and directly paid by Bank Indonesia through the appointed bank. The withdrawal is converted to Rupiah currency at the prevailing rate on the withdrawal date. The loan has being paid by semi annual installments starting in June 1998.

This loan bears interest rate per annum within 13.26 % - 13.67% for 2006 (2005: 8.3% - 13.25%). The Company made some repayments to the Government for 2006 and 2005 amounting to Rp 40,628,095,147 (full Rupiah amount) and Rp 40,628,095,147 (full Rupiah amount), respectively.

The amounts of loan from government repayment base on the year of maturity are as follows:

<u>Year of</u> <u>Maturity</u>	<u>Settlement amount</u> <u>(full Rupiah amount)</u>
2006	40,628,095,147
2007	40,628,095,147
2008	40,628,095,147
2009	14,442,902,118
2010	14,442,902,118
2011	14,442,902,118
2012	14,442,902,118
2013	<u>5,886,733,805</u>
Total	<u>185,542,627,718</u>

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23. Liabilities under Joint Operation Agreements

Represents liabilities to investors in relation to acquisition of toll road assets through joint operation without operation rights.

	2006	2005
	Rp	Rp
Current Maturities		
Present Value of Fixed Installments	127,877	1,107,413
Toll Revenue Sharing with Minimum Payment	<u>1,852,956</u>	<u>2,691,790</u>
	<u>1,980,833</u>	<u>3,799,203</u>
Non - Current Maturities		
Present Value of Fixed Installments	--	127,877
Toll Revenue Sharing	44,349,465	70,844,391
Toll Revenue Sharing with Minimum Payment	<u>34,887,743</u>	<u>38,781,228</u>
	<u>79,237,208</u>	<u>109,753,496</u>
Total	<u>81,218,041</u>	<u>113,552,699</u>

The present value of fixed installments represent liabilities in relation to the acquisition of toll road assets, represents fixed installment with interest rate equal to average lending interest rate of State-Owned Bank and fixed interest rate at the date of agreement, which was charged as joint operation expenses.

	2006	2005
	Rp	Rp
Installment Payment		
Year 2006	--	1,352,879
Year 2007	127,877	--
Portion of Interest Charged as Joint Operation Expenses	<u>--</u>	<u>(117,589)</u>
	127,877	1,235,290
Present Value of Fixed Installment Payment – Current Maturities	<u>(127,877)</u>	<u>(1,107,413)</u>
Long Term Maturities	<u>--</u>	<u>127,877</u>

The Company has Joint Operation Agreement without operation rights with the investors and has operated part of toll road which have been built (see Note 45.e).

24. Deferred Revenue

Represents unearned revenue from advertisement, space rental and rest area, and other revenue that still should be received by the Company from the operation and utilization of toll road area managed by the Company.

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25. Bonds Payable

	2006	2005
	Rp	Rp
Jasa Marga Bond XII - Q Series	1,000,000,000	--
Jasa Marga Bond XI - P Series	1,000,000,000	1,000,000,000
Jasa Marga Bond X - O Series	650,000,000	650,000,000
Jasa Marga Bond IX - N Series	400,000,000	400,000,000
Jasa Marga Bond - JORR I	274,260,500	274,260,500
Jasa Marga Bond - JORR II	261,000,000	--
Jasa Marga Bond VIII - M Series	150,000,000	150,000,000
	<u>3,735,260,500</u>	<u>2,474,260,500</u>
Bonds Issuance Cost	(63,705,622)	(57,477,613)
Accumulated Amortization	34,002,104	25,938,026
Total	<u>3,705,556,982</u>	<u>2,442,720,913</u>

a. Jasa Marga Bond XII Seri Q Year 2006

Based on the Deed No. 66 dated May 18, 2006, amendment I No. 74, dated June 19, 2006, and amendment II No. 89 dated June 26, 2006, Trusty Agreement of Jasa Marga Bond XII Seri Q Year 2006 made by Notary Imas Fatimah, SH, the par value of the bond is Rp 1,000,000,000,000 (full Rupiah amount), interest rate 13.5% per annum. The bonds were offered at 100% face value and interest paid every 3 (three) months. Bond will outstanding for 10 (ten) years until June 30, 2016. Trustee of this Bond is PT Bank Permata, Tbk.

Based on amendment II Trustee Agreement Jasa Marga Bond XII Seri Q Year 2006, the Company issued bond to repay some portion of outstanding bank loan at BCA, Bank Mandiri, BNI and Bank Jabar with the proportion are 15%, 28%, 53% and 4%, respectively.

Payment of the obligation interest and or settlement of the principal to the obligation holder done by agent that represent Company according to the stipulation stated on Payment Agent Agreement.

b. Jasa Marga Bond XI - P Series Year 2003

On September, 2003, the Company received an effective statement from the Chairman of Capital Market Supervisory Agency (Bapepam) for offering Jasa Marga Bond XI-P Series Year 2003. The par value of bond was amounting to Rp 1,000,000,000,000 (full Rupiah amount) with fixed interest rate of 12.3% p.a for the first up to the 20 (twentieth) interest, and 13% for the 21 (twenty first) up to the 40 (fortieth) interest. The bonds were offered at 100% face value. The interest would be paid quarterly. The bonds are of 10 (ten) years maturity and will due on October 10, 2013.

The bonds were listed at Surabaya Stock Exchange on September, 2003 and its trustee is PT Bank Rakyat Indonesia (Persero) Tbk.

c. Jasa Marga Bond X - O Series Year 2002

In October 2002, the Company issued the Jasa Marga Bond X-O Series Year 2002 at par value of Rp 650,000,000,000 (full Rupiah amount) with fixed interest rate of 16.15 % p.a. The bonds were offered at 100% face value. Trustee of this bond is PT Bank Mandiri (Persero), Tbk. The interest would be paid every 3 (three) months. The bond are of 8 (eight) years maturity and will be due on December 4, 2010.

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Based on the Deed of Changes Bond Trusty Agreement No. 3, dated October 21, 2002, in conjunctions with Amandment I of the Deed of Bond Emission Agreement No. 5 dated October 21, 2002, made by Notary Julius Purnawan, SH, MSi, in conjunctions with the Minutes of General Bondholders Meeting No. 21 dated October 7, 2004, made by Notary Poerbaningsih Adi Warsito, SH, the Company was obligated to make sinking fund to guarantee the interest payment, amounting to Rp 26,243,750,000 (full Rupiah amount) for 3 (three) months, and not later than 2 (two) weeks before the bond interest payment date.

d. Jasa Marga Bond IX - N Series Year 2002

On March 2002, the Company issued the Jasa Marga Bond IX - N Series, which consists of 2 series:

- * Series N1 amounting to Rp 397,000,000,000 (full Rupiah amount) with the fixed interest rate of 18.5% p.a.; and
- * Series N2 amounting to Rp 3,000,000,000 (full Rupiah amount) with fixed interest rate of 18.5% p.a. up to 8 (eight) bond payment and floating interest rate of 16.5% - 20% p.a for the ninth to twentieth interest payment.

The bonds were offered at 100% face value. Trustee of this bond is PT Bank Mandiri (Persero), Tbk. The interest would be paid every 3 (three) months. The bonds have 5 (five) years maturity and will be due on April 12, 2007.

Based on the Deed of Changes Bond Trusty Agreement No. 19 dated February 7, 2002, in conjunctions with Amandment I of the Deed of Bond Emission Agreement No. 30 dated March 18, 2002, made by Notary Imas Fatimah, SH, in conjunctions with the Minutes of General Bondholders Meeting No. 28 dated October 7, 2004, made by Notary Poerbaningsih Adi Warsito, SH, the Company was obligated to make sinking fund to guarantee the interest payment, amounting to Rp 18,500,000,000 (full Rupiah amount) for 3 (three) months of interest period at least 2 (two) weeks before the bond interest payment date.

e. Jasa Marga Bond JORR I Year 2003

Based on the Deed of JORR Debt Settlement No. 44, dated November 19, 2003 made by Notary Imas Fatimah, SH, the Company committed to settle its JORR debts to JORR creditors amounting to Rp 1,070,251,000,000 (full Rupiah amount). As part of execution of this commitment on November 29, 2003 the Company settled its JORR debt other than Section S amounting to Rp 548,521,000,000 (full Rupiah amount) by cash payment amounting to Rp 274,260,500,000 (full Rupiah amount) and by issuance of Jasa Marga Bond JORR I Year 2003 for the remaining of Rp 274,260,500,000 (full Rupiah amount).

Based on the Deed of Bond Issuance Agreement Jasa Marga Bond JORR I Year 2003 No. 44, dated November 9, 2003 made by Notary Imas Fatimah, SH, the Company issued Jasa Marga Bond JORR I Year 2003 at par value amounting to Rp 274,260,500,000 (full Rupiah amount) with interest rate based on average interest rate of Certificates of Bank Indonesia (SBI) 3 (three) months, that calculated during average 6 (six) months. The interest would be paid twice a year on January 2 and July 1. The bonds have 10 (ten) years maturity with the maturity date on November 19, 2013.

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Based on the Deed of Bond Trusty Agreement No. 45 dated November 29, 2003 made by Notary Imas Fatimah, SH, the bond had 2 (two) certificates owned by PT Perusahaan Pengelola Aset (Persero) (formerly Indonesian Banking Restructuring Agency (IBRA)) at par value of Rp 224,900,208,364 (full Rupiah amount) and 18 (eighteen) certificates owned by the eighteen other creditors with a total value amounting to Rp 49,360,291,636 (full Rupiah amount), the details are as follows:

No.	Creditors	(full Rupiah Amount) Rp
1.	PT Bank Bukopin	15,603,748,663
2.	PT Bank DKI	11,626,706,209
3.	PT Bank Pan Indonesia Tbk	11,059,427,921
4.	PT Bank IFI	2,815,538,615
5.	PT Interartha Multi Finance	1,511,579,975
6.	PT Bank Harapan Santosa (in Liquidation)	931,381,051
7.	PT Bank Guna Internasional (in Liquidation)	710,631,858
8.	PT Bank Windu Kentjana	704,756,689
9.	PT Bank Syariah Mega Indonesia (formerly PT Bank Umum Tugu)	662,710,726
10.	PT Bank Mega Tbk	662,710,726
11.	PT Bank Indovest	588,728,869
12.	PT Bank Ekonomi Raharja	502,034,635
13.	PT Bank Swadesi Tbk	453,473,992
14.	PT Bank Permata Tbk	450,691,479
15.	PT Bank Bisnis Internasional	377,894,993
16.	PT Bank Antardaerah	302,315,995
17.	PT Bank Kesawan Tbk	242,577,134
18.	PT Bank Himpunan Saudara 1906	153,382,106
Total		49,360,291,636

f. Jasa Marga Bond JORR II Year 2005

Based on deed Jasa Marga Bond JORR II Year 2005 No. 2 dated January 15, 2006, company issue bond at nominal value Rp 261,000,000,000 (full Rupiah amount) which divided to following tranche :

- Tranche A with nominal value Rp 78,300,000,000 (full Rupiah amount). Tranche A Outstanding for 10 years with interest rate 11.5% per annum for first five years and 15.25% per annum for remaining years.
- Tranche B with nominal value Rp 78,300,000,000 (full Rupiah amount). Tranche B Outstanding for 12 years with interest rate 12.5% per annum for first five years and 15.25% per annum for remaining years.
- Tranche C with nominal value Rp 104,400,000,000 (full Rupiah amount). Tranche C Outstanding for 15 years with interest rate 13.5% per annum for first five years and 15.5% per annum for remaining years.

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Company issued 3 (three) bond certificates to Finance Minister of Republic Indonesia qq Negara Indonesia with total amount Rp 214,189,923,925 (full Rupiah amount) consist of Tranche A, B, and C. each tranche have nominal amount Rp 64,256,977,177 (full Rupiah amount), Rp 64,256,977,177 (full Rupiah amount), and Rp 85,675,969,570 (full Rupiah amount). The Company issued 51 bond certificates to creditor with total outstanding value Rp 46,810,076,084 (full Rupiah amount). The bondholder consists of:

No.	Creditor	Tranche A and B Rp	Tranche C Rp	Total Rp
1	PT Bank Bukopin	8,909,584,284	5,939,722,856	14,849,307,140
2	PT Bank DKI	6,638,732,855	4,425,821,904	11,064,554,759
3	PT Bank Pan Indonesia Tbk	6,314,822,631	4,209,881,754	10,524,704,385
4	PT Bank IFI	1,845,615,899	1,230,410,600	3,076,026,499
5	PT Interartha Multi Finance	863,097,034	575,398,023	1,438,495,057
6	PT Bank Harapan Santosa (in liquidation)	531,809,257	354,539,504	886,348,761
7	PT Bank Guna International (in liquidation)	405,763,677	270,509,118	676,272,795
8	PT Bank Windu Kentjana	402,409,015	268,272,676	670,681,691
9	PT Bank Mega Tbk	378,401,191	252,267,469	630,668,660
10	PT Bank Syariah Mega Indonesia	378,401,191	252,267,460	630,668,651
11	PT Bank Ekonomi Raharja	286,656,751	191,104,501	477,761,252
12	PT Bank Swadesi Tbk	258,929,110	172,619,407	431,548,517
13	PT Bank Permata Tbk	257,340,323	171,560,215	428,900,538
14	PT Bank Bisnis International	215,774,258	143,849,506	359,623,764
15	PT Bank Antar Daerah	172,619,407	115,079,605	287,699,012
16	PT Bank Kesawan Tbk	138,509,115	92,339,410	230,848,525
17	PT Bank Himpunan Saudara 1906	87,579,647	58,386,431	145,966,078
	Total	<u>28,086,045,645</u>	<u>18,724,030,439</u>	<u>46,810,076,084</u>

*notes: percentage of bonds payable Tranche A and B is 50% respectively

Based on trusty deed agreement Jasa Marga Bond JORR II year 2005, No. 3 dated January 5, 2006, company and bondholder agree to instruct PT Bank Rakyat Indonesia (Persero) Tbk as a trustee.

Company has to maintain its financial ratio as required in Trustee Agreement Jasa Marga Bond JORR II year 2005. Financial ratio has to be maintained by Company consist of:

Period	ICR	DER
2005 – 2006	≤ 1,25 : 1	≥ 5 : 1
2007 – 2008	≤ 1,75 : 1	≥ 4 : 1
2009 – due date	≤ 2 : 1	≥ 3 : 1

g. Jasa Marga Bond VIII - M Series Year 2000

The Company received an effective statement from the Chairman of Capital Market Supervisory Agency (Bapepam) through the Letter No. S-461/PM/2000 dated March 10, 2000. As a trustee was PT Bank Mandiri (Persero) Tbk on March 27, 2000, Jasa Marga Bond VIII-M Series were issued by the Company at par value of Rp 150,000,000,000 (full Rupiah amount) with fixed interest rate of 16.5% p.a. The period of payment are 8 (eight) years, the maturity date on March 27, 2008. The bonds interest is paid quarterly.

Based on the Deed of Changes of Bond Trusty Agreement No. 5 dated March 7, 2000, made by Notary Imas Fatimah, SH, in conjunctions with General Bondholders Meeting Report No. 24 dated October 7, 2004, made by Notary Poerbaningsih Adi

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Warsito, SH, the Company is also obligated to provide the sinking fund to guarantee the interest payment, amounting to Rp 6,187,500,000 (full Rupiah amount) every 3 (three) months, at least 2 (two) weeks before the bond interest payment date.

The amounts of loan from government payment base on the year of maturity are as follows:

Year of Maturity	Total Settlement (full Rupiah amount)
2007	400,000,000,000
2008	150,000,000,000
2010	650,000,000,000
2013	1,274,260,500,000
2016	1,078,300,000,000
2018	78,300,000,000
2021	104,400,000,000
Total	<u>3.735.260.500.000</u>

Based on the Minutes of General Bondholders Meeting dated October 7, 2004, stated the ratio of debt to net assets (DER) maximum 5 : 1 and Interest Coverage Ratio (ICR) minimum 1.25 : 1 and will be effective since 2005.

26. Employee Benefits Obligation

a. Pension Program

Jasa Marga Pension Fund Program (DPJM) represents defined benefit pension program established for all permanent employees in which the pension benefit would be paid based on the pension basic income and employees working period. DPJM received an approval from the Minister of Finance the Republic of Indonesia No. KEP-370/KM.17/1997, dated July 15, 1997 and has been renewed with the latest Decision Letter No. KEP-379/KM-6/2004, dated September 14, 2004.

Pension expenses charged to the statements of income are as follows:

	2006 Rp	2005 Rp
Current Service Cost - The Company	8,946,073	8,644,450
Past Service Cost Amortization	4,084,754	4,084,754
Actuarial Correction Amortization	(4,081,787)	(156,047)
Current Pension Fund	<u>8,949,040</u>	<u>12,573,157</u>

Reconciliation of prepaid pension expenses are as follows:

	2006 Rp	2005 Rp
Beginning Balance	2,603,732	5,940,246
Current Pension Costs	(8,949,040)	(12,573,157)
Contribution Paid During the Year	8,990,873	9,236,643
Prepaid Pension Expenses	<u>2,645,565</u>	<u>2,603,732</u>

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b. Employee Benefits Obligation

	2006	2005
	Rp	Rp
Employee Benefit Obligation		
The Company	136,557,591	104,903,313
The Subsidiary	3,028,474	1,945,595
Total	139,586,065	106,848,908

The balance of employee benefits obligation as of December 31, 2006 and 2005 are based on actuarial calculation by PT Katsir Imam Sapto Sejahtera, an independent actuary, in its report dated March 27, 2007.

The calculation of employee benefits obligation using Projected Unit Credit method are based on the following assumptions:

Mortality Rate	:	Tabel CSO-1980
Discount Rate	:	12%
Salary Increasing Rate	:	6%
Resignation Rate	:	1%
Normal Retirement Age	:	56 years

Estimated employee benefits obligation as of December 31, 2006 and 2005 are as follows:

	2006	2005
	Rp	Rp
Present Value Past Services Liabilities	231,331,066	189,243,320
Unrecognized Past Services Liabilities (Non-Vested)	(100,354,597)	(106,924,809)
Unrecognized Actuarial Gain (Loss)	5,581,122	22,584,802
Employee Benefits Obligation	136,557,591	104,903,313

Employee benefits expense recognized in statements of income:

	2006	2005
	Rp	Rp
Current Service Cost	9,968,311	9,290,815
Interest Cost	23,905,396	21,215,473
Past Service Cost (Vested)	2,850,516	2,850,515
Amortization Past Service Cost (Non-Vested)	3,719,696	3,719,696
Net Actuarial Gain (Loss) Actuarial	(702,660)	(283,363)

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Employee Benefits Expense	<u>39,741,259</u>	<u>36,793,136</u>
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Movement of employee benefits obligation recognized in balance sheets:

	<u>2006</u> <u>Rp</u>	<u>2005</u> <u>Rp</u>
Employee Benefit Obligation - Beginning of Year	104,903,313	68,110,177
Employee Benefit Payment	(8,086,981)	--
Recognized Expenses	<u>39,741,259</u>	<u>36,793,136</u>
Employee Benefit Obligation - End of Year	<u>136,557,591</u>	<u>104,903,313</u>

27. Minority Interests

Represents minority interests in net assets and net income (loss) of Subsidiary.

28. Shareholders' Equity

Composition of the Company's shareholders on December 31, 2006 and 2005 are as follows:

Shareholders	Percentage of Ownership %	Total Shares	Par Value per share Rp	Total Capital Rp
The Government of the Republic of Indonesia	100%	1,000,000	1,000	1,000,000,000

Based on the Deed of Notary Winnie Hadiprodjo, SH, No. 7, dated October 4, 1985, which was acting as Notary successor of Kartini Mulyadi, SH, the authorized share capital of the Company was increased to Rp 350,000,000,000 (full Rupiah amount) represented by 35,000 shares consisting of 7,000 preferred shares and 28,000 common shares at par value of Rp 10,000,000 (full Rupiah amount) per share. The amendments have been approved by the Minister of Justice of the Republic of Indonesia through the Decree No. C2-3192.HT.01.TH.85, dated November 15, 1985. Issued and fully paid up capital consist of 7,000 preferred shares and 22,667 common shares with total value Rp 296,670,000,000 (full Rupiah amount).

Based on the Extraordinary General Meeting of Shareholders on January 17, 1998, as stated in the Deed No. 52 dated March 16, 1998 made by Notary Imas Fatimah, SH, which approved by the Minister of Justice of the Republic of Indonesia through the Decree No. C2-3192.HT.01.04.Th.98 dated April 3, 1998, the shareholders agreed to increase the authorized share capital from Rp 350,000,000,000 (full Rupiah amount) become Rp 2,000,000,000,000 (full Rupiah amount) represented by 2,000,000 shares at par value Rp 1,000,000 (full Rupiah amount) per share, and to increase issued and paid up capital to Rp 1,000,000,000,000 (full Rupiah amount).

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The addition of paid up capital of Rp 703,330,000,000 (full Rupiah amount) came from Additional Paid in Capital as follows:

	(full Rupiah amount) Rp
• Capitalization of government loan as in accordance with the Letter from the Minister of Finance No. S 732/MK.016/1995, dated December 7, 1995	369,523,000,000
• Transfer of Intellectual Property Rights in accordance with the Letter from the Minister of Finance No. S 1562/A/52/0496, dated April 18, 1996	16,914,266,000
• Capitalization of retained earning general reserve in accordance with the Letter from the Minister of Finance No. S 118/MK.016/1997, dated February 18, 1997	262,529,213,000
• Unappropriated retained earnings	<u>54,363,521,000</u>
Total	<u>703,330,000,000</u>

29. Additional Paid in Capital

The detail of Additional Paid in Capital account is as follows:

	(In Thousand Rupiah)
Government= Shares Investment in Accordance with:	
The Letter of the Minister of Finance No. 571/KMK.011/1985	229,208
The Government Regulation No. 3 year 1987	42,133
The Government Regulation No. 11 year 1988	379,399
The Letter of the Minister of Finance No. 799/KMK.13/1991	<u>8,482</u>
Total	<u>659,222</u>

30. Toll Revenues

	2006 Rp	2005 Rp
Camareng Branch	553,808,437	494,247,189
Jakarta - Cikampek Branch	465,760,328	393,718,612
Purbaleunyi Branch	339,307,889	218,266,949
Jagorawi Branch	252,263,100	234,122,879
JORR	229,950,462	42,339,463
Jakarta - Tangerang Branch	213,555,039	192,640,872
Surabaya - Gempol Branch	112,312,321	124,932,708
Palikanci Branch	40,398,835	38,100,404
Belmera Branch	32,382,229	30,020,412
Semarang Branch	<u>30,711,856</u>	<u>28,787,735</u>
Total	<u>2,270,450,496</u>	<u>1,797,177,223</u>

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31. Other Operating Revenues

	2006	2005
	Rp	Rp
Toll Road Operating Service	7,571,953	102,307,978
Advertisement	9,073,942	5,194,757
Land Rent	3,446,301	13,339,860
Others	5,600,620	5,839,929
Total	25,692,816	126,682,524

32. Toll Collection Expenses

	2006	2005
	Rp	(Restated, Note 3) Rp
Salaries and Allowance	279,765,881	225,519,253
Repair and Maintenance	29,236,751	28,705,265
Depreciation	15,070,655	13,786,227
Administration and Toll Supplies	11,517,290	10,186,049
Fuel, Electricity, and Water	11,257,210	9,479,166
Car Rental	5,259,353	5,172,635
Others	9,184,234	6,899,901
Total	361,291,374	299,748,496

Toll collection expense represents expense incurred from the activity in the toll gates.

33. Toll Road Service Expenses

	2006	2005
	Rp	(Restated, Note 3) Rp
Salaries and Allowance	65,932,351	54,046,568
Depreciation	23,719,613	20,142,669
Repair and Maintenance	17,614,496	15,449,141
Fuel, Electricity, and Water	19,723,806	15,041,332
Toll Road Services	12,015,742	10,160,013
Car Rental	8,579,892	8,736,879
Publication	2,098,352	2,017,733
Others	924,713	794,268

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Total	<u>150,608,965</u>	<u>126,388,603</u>
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Toll road service expenses represent expenses incurred related to toll road services such as toll patrol, rescue, publication and toll information.

34. Toll Road Maintenance Expenses

	2006	2005
	Rp	(Restated, Note 3) Rp
Depreciation	190,935,242	108,942,474
Amortization of Deferred Overlay Cost	73,975,896	73,820,407
Repair and Maintenance	48,055,887	18,033,611
Salaries and Allowance	29,674,693	22,351,225
Cleaning and Gardening	17,389,221	14,441,638
Car Rental	3,281,332	2,814,265
Fuel, Electricity, and Water	1,786,070	1,939,704
Others	758,520	837,399
Total	<u>365,856,861</u>	<u>243,180,723</u>

35. Joint Operations Expenses

This account represents the difference between portion of toll revenue entitled by investors and the installments of liabilities under joint operation agreements without concession rights, include an interest charges on joint operation payable referred as revenue sharing with minimum payments and fixed installment (see Note 23).

	2006	2005
	Rp	Rp
Toll Revenue	171,520,690	153,667,818
The Excess of revenue	--	7,389,147
Total	<u>171,520,690</u>	<u>161,056,965</u>

Joint Operations Expenses in the form of toll revenue sharing represents interest charges of Joint Operation with PT Bangun Tjipta

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Sarana, PT Adhika Prakarsatama, and PT Surya Cipta Swadaya (see Note 45.e).

36. General and Administrative Expenses

	2006	2005
	Rp	(Restated, Note 3) Rp
Salaries and Allowance	162,472,479	136,667,132
Taxes, Contribution, and Retribution	111,117,033	103,427,196
Office and Donation	37,078,565	29,031,124
Professional Fees	15,002,663	59,150,926
Repair and Maintenance	14,799,636	14,866,649
Car Rental	15,600,916	14,534,273
Amortization of Bonds Issuance Expenses	12,082,637	11,373,196
Assets Security Expenses	10,927,840	13,523,916
Fuel, Electricity, and Water	11,017,163	9,217,470
Depreciation	9,305,618	7,879,789
Transportation and Business Travel	7,990,110	6,193,638
Bank Administrative Charges	3,939,129	20,390,208
Others	16,078,184	13,556,110
Total	<u>427,411,973</u>	<u>439,811,627</u>

37. Interest Expenses

	2006	2005
	Rp	Rp
Bank Loan	389,182,309	241,849,827
Bonds	316,876,356	181,255,675
Loan from Government	21,366,928	24,383,891
Total	<u>727,425,593</u>	<u>447,489,393</u>

38. Interest Income

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Represents the interest income on time deposits, interest on current accounts, and other investments.

39. Others Revenue (Expenses) - Net

	2006	2005
	Rp	Rp
Gain on Sale of Investment in Shares	388,876,220	--
Dividend Income	4,447,000	--
Portion of Net Income from Associate Companies	417,214	5,067,860
Claim for Infrastructure Damages	817,379	685,264
Gain (Loss) on Foreign Exchange-Net	(1,178,288)	1,209,467
Impairment Value of Investment and Bad Debt Expenses	(15,290)	(24,510,136)
Others	9,669,940	1,160,832
Total	403,034,175	(16,386,713)

On December 28, 2006, the Company sold 271,186,000 shares or equivalent to the investment amounting to Rp 91,123,000,000 at Rp 1,770 per share (full Rupiah amount) or amounting to Rp 479,999,220,000 (full Rupiah amount), as a result, the remaining of the Company's investment in PT Citra Marga Nusaphala Persada become 4.23% or equivalent to 84,574,000 shares with par value Rp 500 per share or equivalent to Rp 42,287,000,000 (full Rupiah amount). The Company recognized the transaction as Other Receivables amounting to Rp 477,316,024,360 (full Rupiah amount) on December 31, 2006 and received the net proceeds from sales on January 4, 2007, and recorded gain on sale amounting to Rp 388,876,220,260 (full Rupiah amount) (see Note 11.a). In 2006, the Company received dividend income amounting to Rp 4,447,000,000 (full Rupiah amount) over 17.79 % the Company's ownership in CMNP.

40. Extraordinary Item

Debt Settlement of JORR S

In calculation of income statement for year 2005, based on the Debt Settlement Agreement with creditors of JORR "S" which would be effective on December 29, 2005, and in accordance with the letter of PT Perusahaan Pengelola Aset (PPA) No. S 2913/PPA/DU/1205, the Company recognized toll revenue from escrow accounts of JORR S amounting to Rp 271,940,089,000 (full Rupiah amount). Revenue from escrow account after deducted by operating expense amounting to Rp 19,125,297,791 (full Rupiah amount) and tax amounting to Rp 75,844,438,000 (full Rupiah amount) or Rp 176,970,353,209 (full Rupiah amount) is recognized as by the Company as an extraordinary gain.

41. Earnings Per Share

Operating and Net Income

Operating and net income used to compute income per share are as follows:

	2006	2005
	Rp	Rp
Operating Income	819,453,449	653,673,333
Net Income	462,567,306	307,543,643

Total of shares computed based on the weighted average of shares outstanding for the purpose of earnings per share calculation amounting to 1,000,000,000,000 shares, respectively.

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Operating income and net income per share are as follows:

	2006	2005
	Rp	Rp
Operating Income	<u>819</u>	<u>654</u>
Net Income	<u>463</u>	<u>308</u>

Diluted Earnings Per Share

The Company did not calculate diluted earnings per share since there was no potential diluted common shares on December 31, 2006 and 2005.

42. Distribution of Income

Based on the Minutes of General Meeting of Shareholders, distribution of income and using of retained earning for the years, 2005 and 2004 are as follows:

	2005	2004
	Rp	Rp
Dividend	58,627,390	124,534,763
General Reserves	225,557,822	114,889,677
Partnership and Community Development Program	<u>5,862,738</u>	<u>7,472,086</u>
Total	<u>290,047,950</u>	<u>246,896,525</u>

The Company provides General Reserve in accordance with the Law No. 1 year 1995, dated March 7, 1995, regarding the Company Law. The Law requires Indonesia companies to provide general reserve up to at least 20% of the issued and paid up capital. The Law does not require a time frame for the provision of general reserve.

In accordance with program of the Government of the Republic of Indonesia as stipulated in the Decree of the Minister of State-Owned Enterprise No. KEP-236/MBU/2003, dated June 17, 2003 regarding the State-Owned Enterprise Program for Small Medium Enterprises and Community Development Program and the Decree of the Minister of Finance of the Republic of Indonesia No. 316/KMK.016/1994, dated June 27, 1994, regarding Guidelines of Small Enterprises and Cooperative Development (PUKK), the management of the State Owned Enterprise is responsible to take care of PUKK development.

The Company should allocate funds within 0.4% - 2% for financing the Partnership and Community Development Program (formerly PUKK) as selected by the Company or determined by the Government of the Republic of Indonesia. The program is managed separately by the Company and allocated to Small Enterprises and Cooperative in form of loan and grant.

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43. Assets and Liabilities in Foreign Exchange

	2006		2005	
	Foreign Exchange	Rupiah Equivalent	Foreign Exchange	Rupiah Equivalent
Assets				
Cash and Cash Equivalents				
USD	1,614,212	14,560,193	1,721,762	16,924,941
Yen	8,375,200	634,801	8,381,200	699,160
Total	9,989,412	15,194,994	10,102,962	17,624,101
Liabilities	--	--	--	--
Total - Net	9,989,412	15,194,994	10,102,962	17,624,101

44. Related Parties Transactions and Nature

a. Nature of Related Parties

Related Parties	Nature of Related Parties	Transaction
PT Citra Bhakti Margatama Persada	Associate Company	Joint Operation
PT Citra Ganesha Marga Nusantara	Associate Company	Joint Operation
PT Jatim Marga Utama	Associate Company	Joint Operation
PT Ismawa Trimitra	Associate Company	Joint Operation
PT Bukaka Marga Utama	Associate Company	Joint Operation
PT Translingkar Kita Jaya	Associate Company of JLJ	Investment

b. Transactions with Related Parties

In its operating activity, company does some transaction with its related parties are as follows:

	Total		Percentage of Related Total Assets/Liabilities/Revenue/Related Expenses	
	2006	2005	2006	2005
Assets				
Investment in Associate Companies				
PT Citra Bhakti Margatama Persada (CBMP)	56,787,000	56,787,000	0.55	0.58
PT Citra Ganesha Marga Nusantara (CGMN)	16,914,266	16,914,266	0.16	0.17
PT Jatim Marga Utama (JMU)	12,858,000	12,858,000	0.13	0.13
PT Ismawa Trimitra (IT)	7,188,628	7,012,819	0.07	0.07
PT Bukaka Marga Utama (BMU)	9,436,000	9,436,000	0.09	0.10
	103,183,894	103,008,085	1.01	1.06
Liabilities				
Others Payable				
PT Translingkar Kita Jaya	10,830,000	--	0.14	--
PT Jatim Marga Utama	9,858,000	9,858,000	0.13	0.13
Dividend Income				
PT Ismawa Trimitra	242,109	254,588	0.01	0.01

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45. Agreement and Commitment

a. Concession Agreement

(i). The Company has received toll road coession rights from the Government which consist of 13 toll road sections based on Decree of the Minister of Public Works No. 242/KPTS/M/2006 dated June, 8 2006 and followed up by signing off the concession rights agreement dated July 7, 2006 for each toll road section, with concession period of 40 years, respectively, and become effective started from January 1, 2005. Toll road sections consist of:

- Jakarta-Bogor-Ciawi Section, PPJT No. 246/PPJT/VII/Mn/2006;
- Jakarta-Tangerang Section, PPJT No. 247/PPJT/VII/Mn/2006;
- Surabaya-Gempol Section, PPJT No. 248/PPJT/VII/Mn/2006;
- Jakarta-Cikampek Section, PPJT No. 249/PPJT/VII/Mn/2006;
- Padalarang-Cileunyi Section, PPJT No. 250/PPJT/VII/Mn/2006;
- Prof. Dr. Ir. Sedijatmo Section, PPJT No. 251/PPJT/VII/Mn/2006;
- Cawang-Tomang-Pluit Section, PPJT No. 252/PPJT/VII/Mn/2006;
- Belawan-Medan-Tanjung Morawa Section, PPJT No. 253/PPJT/VII/Mn/2006;
- Semarang Seksi A, B, C Section, PPJT No. 254/PPJT/VII/Mn/2006;
- Pondok Aren-Bintaro Viaduct-Ulujami Section, PPJT No. 255/PPJT/VII/Mn/2006;
- Palimanan-Kanci Section, PPJT No. 256/PPJT/VII/Mn/2006;
- Jakarta Outer Ring RoadLingkar Luar Jakarta (JORR) Seksi E1, E2, E3, dan W2 Section, PPJT No. 257/PPJT/VII/Mn/2006; dan
- Cikampek-Padalarang Section, PPJT No. 258/PPJT/VII/Mn/2006.

(ii). Based on minutes of meeting No 278A/BA-PPJT/KE/BPJT/2006 about concession period of 13 toll road section dated June 8, 2006, Toll Road Concession Aagreement (PPJT) for / PPJT for JORR S will be created separately. Concession period is 15 years with effective date January 1, 2006. Company has non't signed for concession agreement for JORR S.

(iii). Based on the Decree of Minister of Public Work No. JL.0103-Mn/207, dated February 16, 2005, Minister of Public Work has allowed company to build toll road section Gempol-Pasuruan, Semarang-Solo, and Bogor Ring Road. Company has proposed business plan for each toll road to Minister of Public Work with Letter No.AA.TN.01.317, dated 15 Maret 2005. All of the investments have got approval of long term loan withdrawal from General Meeting of Shareholders related to approval of budget year 2006, dated January 26, 2006.

Company has signed Concession Agreement No.194/PPJT/V/Mn/2006 and No. 195/PPJT/V/Mn/2006 dated May 29, 2006 and No. 269/PPJT/XII/Mn/2006 dated December 15th 2006. Each for Those Concession Agreement relates to Bogor Ring Road, Gempol-Pasuruan, and Semarang - Solo Sections. Concession period for each both of section is 45 years that be effective since May 29, 2006 except for Semarang-Solo Section effective from December 15, 2006.

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- (iv). On October 2006, Company and PT Jasa Sarana have signed Joint Operation Agreement in financing and investing of concession toll road section Bogor Ring Road based on Deed No. 11 made by Notary Agus Madjid, SH, dated October 3, 2006. The scope of this cooperation consist of financing, land preparation, technical planning, and developing are as follows:
- Establishment of Project Management Working Unit (PMWU). The formation of PMWU has been approved by company and PT Jasa Sarana based on Decree No. 162/KPTS/2006 and No. 19/DU/HK.00-JS/X/06, dated October 3, 2006.
 - Cooperation period is until joint operation company takes over toll road concession rights.
 - Establishment of joint operation company have to be done at least when land procurement activity for Toll Road South Sentul – Kedung Halang (Section R-2) has been finished or at the end 2007, whichever is earlier ;
 - All payment by related party in relation to this project will be determined as portion of ownership in joint venture company with reference of an independent audit report ; and
 - Estimated cost for project and land preparation is Rp 1,328,000,000,000 (full Rupiah amount) and Rp 80,000,000,000 (full Rupiah amount), respectively. The Company and PT Jasa Sarana agree to share its financing for 55%:45%.
- (v). On October 3, 2006, the Company, Pasuruan municipal toll road enterprise and PT Jatim Marga Utama entered into joint operation agreement in financing and investing of toll road section Gempol-Pasuruan based on Deed No. 11 made by Notary Agus Madjid, SH, dated October 3, 2006. The scope of cooperation consist of financing for land procurement, technical planning and developing, operation and maintenance with the following conditions :
- Establishment of Project Management Working Unit. The formation of SKMP has been approved by the Board of Director of the Company, Pasuruan municipal toll road enterprise and PT Jatim Marga Utama (JMU) based on Joint Regulation Letter No. 161/KPTS/2006, No. 06/DIR-PDJT/KPTS/X/2006, and No. 19/KPTS/JMU.1/X/2006, dated October 3, 2006;
 - Cooperation period is valid until joint venture takes over toll road concession rights, not later than 7 (seven) years after toll road concession right is signed;
 - During the joint operation agreement, the second and third party are settled as municipal enterprise.
 - Estimation of project cost and land procurement are amounting to Rp 1,470,537,000,000 (full Rupiah amount), Rp 220,000,000,000 (full Rupiah amount) with financing proportion for the Company, Pasuruan municipal toll road enterprise and PT Jatim Marga Utama are 60%:20%:20% respectively.

b. Joint Operation and Financing Agreement with PT Jalan Tol Lingkarluar Jakarta (JLJ)

Based on letter No. 111/SK/2003, dated November 21, 2003, the Company have given authority to JLJ (Subsidiary) to operate, safeguard, and maintain JORR project assets for 5 (five) years, including other operations effectively January 1, 2002.

The Company entered into Loan Agreement with JLJ No. 03/SP-JLJ/II/2006, dated February 2, 2006 for amount of Rp 13,000,000,000 (full Rupiah amount), in which interest will be determined later. The loan is used by JLJ for investment in shares of PT Translingkar Kita Jaya as contractor for construction of Cinere-Jagorawi toll road (see Note 11.m).

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c. Joint Operation with PT Citra Marga Nusaphala Persada (CMNP)

The Company entered into joint operation agreement with CMNP in the form of integrated toll road operation as put forth into on the deed No. 42, dated June 4, 1993 in connection with the deed No. 386, dated September 30, 1994. Based on the Decree of the Minister of Public Works of the Republic of Indonesia No.272-A/KPTS/2996 and the Minister of Finance No. 434/KMK.016/2996, dated June 20, 1996 regarding to the integrated operations of Jakarta Inner Ring Road (Tomang - Cawang - Tanjung Priok - Ancol Timur – Jembatan Tiga - Pluit - Grogol - Tomang) and determination of Toll Revenue Sharing Ratio, wherein the Jakarta Inner Ring Road would be operated on one network system with toll road revenue sharing of 25% for the Company and 75% for CMNP.

Based on the Decree of the Minister of Housing and Regional Infrastructure No. JL.01.04-Mn/582, dated November 7, 2002, it is said that Jakarta Inner Ring Road revenue sharing between CMNP and the Company are as follows :

	Percentage of Revenue Sharing	
	CMNP	Company
Beginning of concession period – May 9, 2002	75%	25%
May 10, 2002 – December 31,2003	65%	35%
January 1, 2003 – ending of concession period (2023)	55%	45%

d. Joint Operation with PT Bintaro Serpong Damai (BSD)

The Company entered into joint operation agreement with BSD as toll road operator for Pondok Aren – Serpong section based on toll road operation and maintenance agreement No. 004/SPK-DIR/1998, dated May 19, 1998. Based on Decree of Indonesia Board of Arbitration No. 217/I/ARB-BANI/2006, dated August 31, 2006, the Company and BSD agree to reduce the operational scope of toll road operation as follows:

Portion of the Company:

- Operate Pondok Ranji toll gate (Pondok Aren Timur)
- Provide service to toll users and Servicing of customer and safeguard of assets where as the Company is dealing with users in patrol area including damaged vehicle and accident in toll road. The Company has to comply with Standard of Minimum Service issued by the Minister of Public Works.

Portion of BSD:

- Operate West Pondok Aren toll gate.
- Maintain Pondok Aren – Serpong toll road.

e. Joint Operation Agreements

Joint Operation with Operation Rights

Based on the Law of Road No. 38 Year 2004 regarding to return of authority in concession rights from the Company to the Government cq. Department of Public Work, joint operations agreement between the Company and investors in form of Joint Operation with Operation Rights will be changed to agreement between investor and Department of Public Work in form of Concession Agreement.

The Company has submitted through letter No. AA.HK02.1516, dated September 29, 2006 related to transferring of concession agreement to the Toll Road Regulatory Board (BPJT). Up to the date of this financial statements, BPJT has not yet performed the change of the Company's Joint Operation Agreements with the investor in toll road operations from the Company to the BPJT.

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The details Joint Operation investors with operation rights is as follows:

Investors	Joint Operation Projects	Toll Road Distance (Km)	Concession Period
Toll Road have been Operated			
PT Citra Marga Nusaphala Persada	Cawang - Tj.Priok - Jembatan Tiga	28,80	1994 - 2023
PT Marga Mandala Sakti	Tangerang - Ciujung Tahap I	34,20	1990 - 2020
	Ciujung - Merak Tahap II	38,25	1993 - 2023
PT Margabumi Matraraya	Surabaya – Gresik	22,80	1991 - 2016
PT Bintaro Serpong Damai	Pondok Aren – Serpong	7,25	1997 - 2024
PT Bosowa Marga Nusantara	Pelabuhan - Urip Sumohardjo	6,10	1994 - 2024
Toll Road have not been Operated			
PT Kresna Kusuma Dyandra Marga	Bekasi Timur - Cawang - Kampung Melayu	21,50	40 years since Signing
PT Margabumi Adhika Raya	Gempol – Pandaan	13,60	37,5 years since Signing
PT Jakarta Lingkar Baratsatu	Kebon Jeruk - Rawa Buaya - Penjaringan (JORR Seksi W-1)	9,76	30 years since Signing
PT Citra Margatama Surabaya	SS Waru – Juanda	12	35 years since Signing
PT Bukaka Marga Utama	Ciawi – Sukabumi	53,50	35 years since signing of Signing
PT Margaraya Jawa Tol	Waru (Aloha) - Wonokromo - Tanjung Perak	18,40	45 years since signing
PT Marga Setiapuritama	Semarang – Batang	75	28 years since operated

Joint Operation without Operation Rights

The Company entered into Joint Operation Agreements without Operation Rights with several investors. Generally, the key provisions stipulated in such agreements are as follows:

- (i). Investor built and financed toll road projects according to the specified design and requirements.
- (ii). Investor hand over the completed toll road project to the Company to be managed and operated.
- (iii). The Company has a responsibility to take any expense and risk arising from the operation of the toll road.
- (iv). Settlement of liabilities to the investors during operation period is arranged under one of the following patterns:
 - Toll revenue sharing; or
 - Toll revenue sharing with minimum guaranteed payment; or
 - Fixed installments during joint operation period.

Details of joint operation projects without operation rights are as follows:

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Investors	Joint Operation Projects	Toll Road Share to Investor	Joint Operation Period
<u>Toll Revenue Sharing</u>			
<u>Broadening of Toll Road</u>			
PT Bangun Tjipta Sarana	Cikampek – Cibitung	69%	26 years since 1989
	Cawang – Cibitung	41%	22 years since 1994
PT Adhika Prakarsatama	Jakarta – Tangerang	27%	17 years 9 Months, since 1994
<u>Toll Road Interchanges</u>			
PT Lembah Golf Jagorawi	Ramp Gunung Putri III	41%	8 years, since 1997
PT Jakartabarbaru Cosmopolitan	Exit Ramp STA 18 Jakarta – Tangerang	26.5%	Until Settlement, since 2004
<u>Toll Revenue Sharing with Minimum Payments</u>			
<u>Toll Road Interchange</u>			
PT Karabha Digdaya	Cimanggis	37.5%	Until Settlement, since 1996
PT Indocement Tunggal Perkasa Tbk	Gunung Putri II	35%	Until settlement, since 1992
PT Lippo Karawaci Tbk	Gerbang Tol Karawaci	40.5%	10 years, since 1996
PT Suryacipta Swadaya	Karawang Timur II	4 - 14%	17 years, since 1998
<u>Fixed Installments Payment</u>			
<u>Interchange</u>			
PT Besland Pertiwi	Kalihurip	--	10 years, since 1996

Total of toll revenues for investors related to the Joint Operation for the years ended December 31, 2006 and 2005 are amounting to Rp 171,520,690,252 (full Rupiah amount) and Rp 161,056,965,342 (full Rupiah amount), respectively.

The Joint Operations that have been recently amended are summarized below :

- **Joint Operation Agreement with PT Bangun Tjipta Sarana**

PT Bangun Tjipta Sarana (BTS) is unable to complete the entire of Cawang-Cibitung broadening section according the agreed upon time schedule. Physical progress completed by the investor up to 1998 about 85.5%. Meanwhile, the Company has operated that broadening toll road. On September 4, 2002, the Company and BTS reached the Agreement of Revenue Sharing Revision for Jakarta- Cikampek section Cawang-Cibitung toll road broadening No. 032/BA-DIR/2002 that decided to deduct concession period for 3 (three) years, initially from 25 years to become 22 years.

The Company has settled joint operation liability. Toll revenue sharing that represents interest expense for the years ended December 31, 2006 and 2005 is amounting to Rp 162,600,243,356 (full Rupiah amount) dan Rp 108,222,624,669 (full Rupiah amount) (see Note 35).

- **Joint Operation Agreement with PT Adhika Prakarsatama**

Based on the amendment of joint operation agreement of Jakarta - Merak toll road broadening No. 8, dated February 28, 2003, it had been agreed to reduce of joint operation period from 18 to 17 years and 9 (nine) months.

- **Joint Operation Agreement with PT Lembah Golf Jagorawi**

Based on the Memorandum of Agreement regarding the possibility of lack of operation and maintenance cost No. 26/BA/TIM/RE/IX/00, dated September 21, 2000, toll revenue sharing had been reevaluated based on the realization of toll

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road operation and maintenance cost. According to the memorandum, the Company proposed of the Addendum of Joint Operation Revenue Sharing Agreement of Exit Entry Access Gunung Putri phase III Jagorawi toll road. Furthermore, the Company through the Letter No. AA.HK02.1204, dated October 11, 2002 submitted the result of evaluation that revenue of Kranggan toll gates were not sufficient to cover the operation and maintenance cost, so that since November 1, 2002, the Company deferred the toll revenue sharing with PT Lembah Golf Jagorawi.

- **Joint Operation Agreement with PT Jakarta Baru Cosmopolitan**

Based on the Joint Operation Agreement No. 50, dated January 20, 2003, the Exit Ramp construction on STA 18 Jakarta -Tangerang toll road which was initially delayed, has been completed and operated since October 12, 2003. Starting in January 2004, the percentage of toll road revenue sharing rates would be 26.5%.

- **Joint Operation Agreement with PT Lippo Karawaci Tbk.**

PT Lippo Karawaci Tbk had completed the construction of interchange and toll gates of Karawaci, even though the construction has been amendment from the original specification that was agreed. Since 1997, the Company has operated the interchange and toll gates of Karawaci. However, the toll road revenue sharing was initially effective on October 1, 2001, since the Final Engineering Design has only been approved by the Department of Housing and Regional Infrastructure of the Republic of Indonesia on September 28, 2001. Based on the Amendment of Revenue Sharing on Joint Operation Agreement for Interchange of Karawaci and Barrier gate Jakarta - Merak toll road No. 84, dated September 13, 1995 that was legalized on March 30, 2004, No. 94, the project value has been decrease from Rp 20,113,174,000 (full Rupiah amount) to become Rp 19,426,689,000 (full Rupiah amount).

- **Joint Operation Agreement with PT Karabha Digdaya that has not been Effective**

PT Karabha Digdaya has not completed the scope of construction work of Cimanggis interchange, therefore, the agreed toll revenue sharing are not effective. The Company has operated a part of interchanges which has been finished. Until the date of this financial statements there is no progress on remaining work.

f. JORR Debt Restructuring

The Company had taken over the settlement of syndicated loan liability to the creditor as a consequence of the termination of Joint Operation Agreements with PT Marga Nurindo Bhakti (MNB), PT Citra Bhakti Margatama Persada (CBMP), PT Citra Mataram Satriamarga Persada (CMSP) as investors on construction of Jakarta Outer Ring Road (JORR) project.

Estimation of liability value that should be taken over according to decree of the Committee for Financial Sector Policy No. KEP-02/K.KKSK/02/2001, dated February 15, 2001 was amounting to Rp 1,070,521,000,000 (full Rupiah amount), with details as follows:

JORR Sections	Estimated Liabilities Rp	Decision Letter of Liability Estimation Bases
Pondok Pinang - Cikunir (Section S and E1)	721,149,000	No. IJK/5/0257; Jan 12, 2001
Cikunir - Tanjung Priok (Section E2, E3, N)	243,415,000	No. SFN/031/2000; Jan 11, 2000
Kebon Jeruk - Pondok Pinang (Section W2)	105,957,000	No. 2000.1128/DIRCO-DPI; Nov 1, 2000
Total	1,070,521,000	

Based on the Deed No. 42 and 43 dated November 19, 2003, made by Notary Imas Fatimah, SH, the Company has reached agreements with PPA (formerly IBRA), and other JORR creditors regarding to the final settlements of JORR debt obligation as follows:

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- JORR debt obligation to PPA (formerly IBRA) and other JORR creditors is amounting to Rp 1,070,521,000,000 (full Rupiah amount) will be settled by the Company rather than converted into equity in JIJ.
- part of debt obligation associated with JORR section non S is amounting to Rp 548,521,000,000 (full Rupiah amount) will be settled by cash settlement is amounting to Rp 274,260,500,000 (full Rupiah amount) and the remaining amounting to Rp 274,260,500,000 (full Rupiah amount) will be settled by the issuance of JORR I Bond year 2003 series, and
- the remaining JORR debt obligation associated with section S is amounting to Rp 522,000,000,000 (full Rupiah amount) will be settled by the Company after the execution of the Supreme Court Verdict entitling the Company's concession rights of section S.

The Company had settled JORR debt obligation for the Section non S amounting to Rp 548,521,000,000 (full Rupiah amount) on November 19, 2003 by cash amounting to Rp 274,260,500,000 (full Rupiah amount) and the remaining was settled by issuing Jasa Marga Bond JORR I Year 2003 (see Note 25.e).

Based on Decree of Supreme Court No. 720 K/Pid/2001, dated October, 11, 2001 and minutes of Execution the Confiscation of Evidence dated April 7, 2004 from Central Jakarta Supreme Court of Central Jakarta in conjunctions with Decree of the Minister of Public Work No. 276/KPTS/M/2005, dated June 9, 2005, related to the changes of authority of the operator of JORR Pondok Pinang - Jagorawi Section (JORR S) to the company it was decided as follows:

- To change the authority of the operator of JORR Pondok Pinang - Jagorawi Section (JORR "S") to PT Jasa Marga (Persero) in order to settle Syndicated loan.
- based on Decree of the Minister Public Works and JORR S debt settlement agreement on December 29, 2005, the Company recorded concession rights assets and liabilities due to the concession rights given to the Company is amounting to Rp 522,000,000,000 (full Rupiah amount), respectively.
- the fund is amounting to Rp 50,431,647,999 (full Rupiah amount) in escrow account which were not related and relevant with the project accountability for temporary were not accounted for debt payment until determination by further investigation by the Development and Finance Supervisory Board (BPKP).

The Company has settled the debt of JORR S is amounting to Rp 522,000,000,000 (full Rupiah amount) in term of Cash Settlement is amounting to Rp 261,000,000,000 (full Rupiah amount) on January 3, 2006. The remaining is settled by issuance of JORR II Bond Year 2005 dated January 5, 2006 (see Note 25.f).

g. PT Jakarta Lingkar Baratsatu

The Company has terminated the Concession Agreement of JORR W1 section and the cancellation of license agreement on the Decree of the Minister of Public Works No. 80/KPTS/1997, dated April 4, 1997 related to the uncertainty of JORR toll road W1 section project construction. According to the Decree of the Minister of Public Work No. Jl. 0103-Mn/271 dated March 31, 2005, the Minister of Public Work requested the Company and JLB to reevaluate the feasibility to continue the joint operation for construction of JORR section W1 toll road. If based on the evaluation, JLB has the ability to continue the development of toll road, the Minister of Public Work will consider to issue the letter of toll road continuation which can be used as a basis for preparation of the Amendment of Concession Agreement.

On April 29, 2005, the Company has submitted the result of feasibility study for JORR Section W1 toll road to the Minister of Public Work. According to the review, JLB has to capacity to finance the continuity of project (see Note 48.a).

h. PT Lintas Marga Sedaya (LMS)

Lintas Marga Sedaya was established based on deed No. 20 dated March 2, 2005 made by Notary Misahardi Wilamarta, SH. Investment in LMS in relation with Cikampek-Palimanan Toll Road project which consist of development, operation, and

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maintenance the toll road. The Company owned Rp 937,500,000 (full Rupiah amount) or 937,500 share which represent 15% of company ownership. Up to the date of this report, the subscriptions of shares have not been paid by the Company (see Note 48.c).

On October 2, 2006, Company has submitted its resignation as a shareholder of PT Lintas Marga Sedaya (LMS) which stated in General Meeting of Shareholders PT LMS deed No. 1 dated October 2, 2006 made by Notary Yuli Hanifah, SH. The Company own Rp 937,500,000 (full Rupiah amount) or 937,500 shares which represent 15% of company ownership.

i. **PT Kresna Kusuma Dyandra Marga (KKDM)**

Kresna Kusuma Dyandra Marga was established based on the Deed No. 94, dated December 20, 1996 made by Notary Mudofir Hadi, SH, notary in Jakarta. Investment in KKDM relates to operation of Bekasi Timur - Cawang - Kampung Melayu toll road project include construction, operation, maintenance of toll road. The Company owns 7,650,000 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 7,650,000,000 (full Rupiah amount), representing of 10% ownership. Up to the date of this report, the subscriptions of shares have not been paid by the Company.

On December 29, 2006, through letter of the Company No. AA.KUO5.2002 to the Minister of State Owned Enterprise the company asked for shares disposal approval of the Company's investment in KKDM. Up to the date of this report, the Company has not received the approval letter from the Minister of State Owned Enterprise.

j. **PT Mitra Jaya Artha Marga (MJM)**

Mitra Jaya Artha Marga was established based on the Deed No. 65, dated August 18, 1997 made by Notary Siti Pertivi Henny Singgih, SH. Investment in MJM relates to operation of Pejagan - Pemalang toll road projects and consists three of interchanges. The Company owns 4,198,650 shares at par value of Rp 1,000 (full Rupiah amount) per share or equivalent to Rp 4,198,650,000 (full Rupiah amount), representing of 10% ownership. Up to the date of this report, the subscriptions of shares have not been paid by the Company.

46. Contingencies and Other Commitments

a. **Obligation Due to Termination of Concession Agreements**

The Company entered into joint operation with PT Citra Ganesha Marga Nusantara (CGMN) for Cikampek - Padalarang toll road construction in 1994 as put forth into on the Concession Agreement No. 297, dated December 21, 1994. However, on July 18, 2001, the Minister of Housing and Regional Infrastructure with the Letter No. 417 cancelled the decision of granting toll road joint operation license between the Company and CGMN. For that reason on July 25, 2001, the Company terminated the Concession Agreement with CGMN.

The Concession Agreement No. 297, dated December 21, 1994 stated that if there is termination of concession agreement before the concession period due, the Company has an obligation to take over the overall liabilities and should fulfill the investor's liability (CGMN). The article 14.1. the Concession Agreement stated that the Company should pay an amount equal

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to book value of toll road net of liabilities taken over by the Company.

The Company has recognized the assets value and estimated liability as the effect of the termination of concession agreement with CGMN amounting to Rp 202,454,407,000 (full Rupiah amount) that represent the audited book value of assets as of December 31, 1999. Determination of definitive amount of the liabilities depends on the Company's accomplishment effort.

b. Claim of Indemnity to PT Lapindo Brantas and Closing of Part of Surabaya-Gempol Toll Road Section Porong-Gempol.

The Company submitted claims of indemnity to PT Lapindo Brantas through letters No. AA.TN02.1038, dated June 30, 2006, No. AA.TN02.1357, dated August 24, 2006, No. AA.KU02.1507, dated September 28, 2006, and No. AA.TN02.1809, dated November 30, 2006, related to notification for claim of indemnity due to mud disaster at Porong-Gempol which cover potential lost of toll revenue, tools damage rehabilitation expenses and other indirect expenses. In Addition, the Company has submitted first warning letter to PT Lapindo Brantas through its letter No. AA. HK01.1599 dated October 16, 2006. Submission of the warning letter from the Company was made due to no response from PT Lapindo Brantas toward all three letters of claims of indemnity from the Company that had been submitted before (see Note 48.b).

Based on Decree of President No. 13 Year 2006, dated September 3, 2006 in relation to National Team for mud disaster in Sidoarjo, all expenses incurred due to relocation of toll road development except rehabilitation expense for damage facilities become the PT Lapindo Brantas responsibility. In addition, Decree of Minister of Public Work No. 394/KPTS/M/2006, dated November 30, 2006 related to Closing of Part of Surabaya-Gempol Toll Road section Porong-Gempol stated as follows:

- close and not operate part of Surabaya-Gempol toll road section Porong-Gempol;
- all the things that appears on operation Surabaya-Gempol toll road as a result from closing of Porong-Gempol section will be done according to the regulation of Surabaya-Gempol Toll Road Operation Agreement and the Government policy in settlement of mud volcano effect at Sidoarjo.

c. Claims from Land Owners for Toll Road

The Company is still facing claims from several land owners whose land used for JORR section E1, W2 and Jakarta-Serpong, Jakarta-Cikampek, Cipularang II, and Semarang-Solo Toll Road. Those litigations are still in process in District Court, High Court, and Supreme Court.

d. Claim from Contractor of Cipularang II in Indonesia Board of Arbitration

The Company faces claims from contractors at the Indonesia Board of Arbitration in relation to development of toll road Cipularang II as follows:

- Arbitration No. 230/VIII/ARB-BANI/2006 between Company and Waskita Yasa-Joint Operation in Agreement of Cipularang II development package 3.1, Plered-Cikalong Wetan Section (Include Ciujung Gate) No.015/SPP-DIR/2004, dated April 8, 2004 ; and
- Arbitration No 231/VIII/ARB-BANI/2006 between the Company and PT Adhi Karya (Persero) Tbk in Agreement of Cipularang II development at package 2, South Purwakarta-Plered Section No. 014/SPP-DIR/2004, dated April 8, 2004.

e. Construction Contracts with Contractors

The Company entered into construction contracts with contractors related to the uncompleted toll roads development projects,

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until December 31, 2006 with details are as follows:

(in thousand Rupiah)

Contractors	Toll Road Sections	Contract			
		Amount	Month	Time	Remaining Values of Commitments
		Rp		Limit	Rp
PT Istaka Karya	JORR Section E1 - IV Jati Asih - Cikunir	163,980	Dec 2006	March 2007	61,891
PT Pembangunan Perumahan	JORR Section E2 (Cikunir-Cakung)	103,203	Jul 2006	Feb 2007	34,993
PT Wijaya Karya	JORR Section E3 (Cakung-Cilincing)	219,314	Jun 2006	Jan 3, 2007	35,345
		<u>486,497</u>			<u>132,229</u>

47. Segment Information

Primary Segment

The Company manages and classified into business segment which is consist of branches, prime segment information which is business segment of the Company are as follows:

	2006						Consolidated
	Jagorawi	Camareng	Jakarta-Cikampek	Jakarta-Tangerang	Purbaleunyi	Others	
REVENUE	267,310,259	555,712,295	468,508,880	223,619,276	341,605,302	439,387,300	2,296,143,312
PROCEED							
Segment Proceed	139,183,313	408,937,990	143,297,890	104,157,598	185,451,443	246,458,145	1,227,486,379
Unallocated Operating Expense	--	--	--	--	--	(408,032,930)	(408,032,930)
Operating Income	139,183,313	408,937,990	143,297,890	104,157,598	185,451,443	(161,574,785)	819,453,449
Financial Expense	--	(17,526,154)	(335,869)	--	(3,504,904)	(706,058,666)	(727,425,593)
Portion of Profit/Loss Net							
Association Company	--	--	--	--	--	--	417,214
Other Income	536,050	233,085	327,043	247,355	115,799	411,994,900	413,454,232
Income Before Tax	--	--	--	--	--	--	505,899,302
Tax Expense	--	--	--	--	--	--	43,323,262
Income Before Extraordinary Item	--	--	--	--	--	--	462,576,040
Extraordinary Item	--	--	--	--	--	--	--
Net Income Before Minority Interest	--	--	--	--	--	--	462,576,040
Minority Interests	--	--	--	--	--	--	(8,734)
Income After Tax	--	--	--	--	--	--	462,567,306
ASSETS							
Segment Assets	570,420,596	591,254,572	525,306,676	1,341,426,169	2,756,236,383	843,970,571	6,628,614,967
Investment in Association Company	--	--	--	--	--	--	147,094,369
Unallocated Asset	--	--	--	--	--	--	3,479,987,753
Total Assets	570,420,596	591,254,572	525,306,676	1,341,426,169	2,756,236,383	843,970,571	10,255,697,089
LIABILITIES							
Segment Liabilities	(31,293,799)	(132,468,038)	(103,609,883)	(45,119,957)	(44,512,169)	(54,742,522)	(411,746,368)
Unallocated Liability	--	--	--	--	--	--	(7,458,286,510)
Total Liabilities	(31,293,799)	(132,468,038)	(103,609,883)	(45,119,957)	(44,512,169)	(54,742,522)	(7,870,032,878)
Capital Expenditure	243,260,838	38,974,110	24,878,277	490,442,821	56,617,547	545,910,553	1,400,084,146
Depreciation/Amortization	25,249,747	35,386,770	42,554,141	40,613,388	82,025,939	99,255,964	325,085,949
Non cash Expense- Except Depreciation	--	--	--	--	--	1,199,497	1,199,497

2005

Jagorawi	Camareng	Jakarta-Cikampek	Jakarta-Tangerang	Purbaleunyi	Others	Consolidated
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REVENUE	265,370,848	503,192,370	411,978,507	200,345,113	220,366,171	322,606,738	1,923,859,747
PROCEED							
Segment Proceed	152,342,684	362,050,254	119,497,500	91,459,643	108,236,083	51,247,375	884,833,540
Unallocated Operating Expense	--	--	--	--	--	--	(231,160,207)
Operating Income	152,342,684	362,050,254	119,497,500	91,459,643	108,236,083	51,247,375	653,673,333
Financial Expense	--	--	--	--	--	--	(447,489,393)
Portion of Profit/Loss Net							
Association Company	--	--	--	--	--	5,067,860	5,067,860
Other Income	(166,511)	(189,257)	(146,991)	(320,256)	(71,879)	14,475,141	13,580,247
Income Before Tax	--	--	--	--	--	--	197,671,553
Tax Expense	--	--	--	--	--	--	(67,043,539)
Income Before Extraordinary Item	--	--	--	--	--	--	130,628,014
Extraordinary Item	--	--	--	--	--	--	176,970,354
Net Income Before Minority Interest	--	--	--	--	--	--	307,598,368
Minority Interests	--	--	--	--	--	--	(54,725)
Income After Tax	--	--	--	--	--	--	307,543,643
ASSETS							
Segment Assets	344,604,919	586,812,583	520,276,751	889,245,765	2,776,243,862	802,948,114	5,920,131,994
Investment in Association Company	--	--	--	--	--	--	213,703,093
Unallocated Asset	--	--	--	--	--	--	3,602,571,484
Total Assets	344,604,919	586,812,583	520,276,751	889,245,765	2,776,243,862	797,176,070	9,736,406,571
LIABILITIES							
Segment Liabilities	(29,151,641)	(162,743,273)	(101,880,781)	(75,809,097)	(56,082,874)	(34,736,407)	(460,404,073)
Unallocated Liability	--	--	--	--	--	--	(7,293,758,246)
Total Liabilities	(29,151,641)	(162,743,273)	(101,880,781)	(75,809,097)	(56,082,874)	(34,736,407)	(7,754,162,319)
Capital Expenditure	12,893,799	17,507,234	42,464,137	17,776,777	15,879,414	1,001,568,726	1,108,090,087
Depreciation/Amortization	20,148,352	36,689,936	38,673,657	26,728,954	52,299,694	61,437,614	235,978,207
Non cash Expense- Except Depreciation	195,577	--	--	--	--	24,510,136	24,705,713

48. Subsequent Events

- On February 2, 2007, PT Jakarta Lingkar Baratsatu (JLB) as a holder of Concession Rights for JORR Section W-1 has entered into Concession Agreement of JORR section W-1 No. 02/PPJT/II/Mn/2007, with concession right period is 35 years and will be effective since February 2, 2007 (see Note 45.g).
- On February 19, 2007, through the Company's letter No. AA.TN.02.237, the Company submitted claim of indemnity to PT Lapindo Brantas due to effect of mud vulcano at toll road section Porong-Gempol. Claim over potential loss of toll revenue and other expenses as a result from mud vulcano at toll road section Porong-Gempol until December 2006 is amounting to Rp 12,672,449,597 (full Rupiah amount) and claim over damage of toll road is amounting to Rp 16,334,396,000 (full Rupiah amount), where the claim over damage of toll road will increase become claim over cost of toll road relocation section Porong-Gempol, and will be settled according to the stipulation on Surabaya-Gempol Concession Agreement and Government policy in settlement of mud vulcano effect at Sidoarjo, according to the Decree of Minister of Public Work No. 394/KPTS/M/2006, dated November 26, 2006 regarding to Closing Part of Surabaya-Gempol Toll Road (see Note 46.b).
- On March 21, 2007, through letter No. AA.KUO5.418, the Company has submitted notification related to disposal of shares in PT Lintas Marga Sedaya (LMS) to the Minister of State Owned Enterprise (see Note 46.b).

49. Responsibility on Consolidated Financial Statements

The management of the Company is responsible for the preparation of the consolidated financial statements that were completed on March 27, 2007.

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