

ANNUAL REPORT

2015



PT HM SAMPOERNA Tbk.

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SAMPOERNA 

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31 December 2015 and 2014

SAMPOERNA A IS AN UNPARALLELED SUCCESS IN INDONESIA, AND THE BRAND IS A PART OF THE CONSCIOUSNESS OF THE MAJORITY OF ADULT SMOKERS ALL OVER THE COUNTRY. FOR ITS MORE THAN 25 YEARS OF HISTORY, **SAMPOERNA A**, AS WELL AS OUR OTHER LEADING BRANDS, HAS BROUGHT THE COMPANY TO THE LEVEL OF SUCCESS THAT WE SEE TODAY. IT IS CONSEQUENTLY OUR RESPONSIBILITY TO KEEP OUR BRAND STANDING HEAD AND SHOULDERS ABOVE THE REST. ACHIEVING THIS WILL BE A CHALLENGING JOURNEY AS WE CONTINUE MAKING THE BRAND BIGGER THAN IT IS TODAY.

IN ORDER TO SHARE A PIECE OF THE HISTORY, PLEASE ALLOW US TO TAKE YOU ON A JOURNEY TO UNDERSTAND THE SOMEWHAT HUMBLE BEGINNINGS OF THE **SAMPOERNA A** BRAND. THE FOLLOWING NINE PAGES OF INFORMATION SHEET ARE INTENDED SOLELY TO CONVEY INFORMATION ABOUT WHAT **SAMPOERNA A** BRAND HAS COME TO STAND FOR, WHAT PRINCIPLES HAD TO BE ADHERED TO, THE RISE OF THE **SAMPOERNA A** PORTFOLIO AND ITS POSITIONING, AND THE LOOK AND FEEL THAT IS CONSISTENTLY APPLIED. IN SHORT, THE **“FOUNDATION OF SAMPOERNA A.”**

THIS MATERIAL HAS BEEN PREPARED BY SAMPOERNA SOLELY TO COMMUNICATE TO ITS SHAREHOLDERS IN CONNECTION WITH THE CELEBRATION OF MORE THAN 25 YEARS OF **SAMPOERNA A**. IT IS NOT, AND IS NOT MEANT, TO CONSTITUTE, OR FORM PART OF, A PROMOTION, ADVERTISEMENT, RECOMMENDATION, ENCOURAGEMENT, INVITATION, OR ANY OFFER, TO BUY OR CONSUME OUR PRODUCTS.



SAMPOERNA

CELEBRATING MORE THAN
25 YEARS OF *SAMPOERNA* 
IN INDONESIA.

**THE NUMBER 1 CIGARETTE
BRAND IN INDONESIA.**

THE NUMBER 1 KRETEK
CIGARETTE IN THE WORLD.

**4.5 MILLION REGULAR
ADULT SMOKERS.**

VISIBILITY AT RETAILS ALL
OVER INDONESIA.

SAMPOERNA 

SAMPOERNA 
IS AN
UNPARALLELED
SUCCESS IN
INDONESIA,
AND AS SUCH IS
NOT ONLY A BRAND
BUT IS PART OF THE
CONSCIOUSNESS OF
ADULT SMOKERS
ALL OVER THE
COUNTRY.

LEADER

BOLD

PIONEER



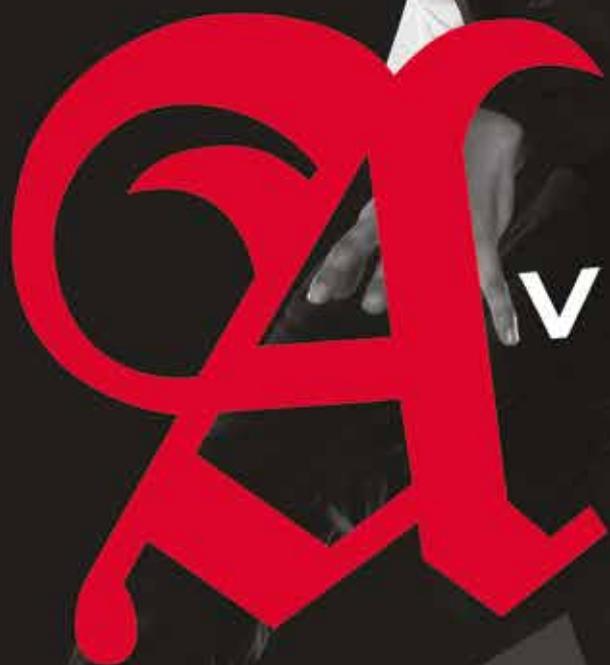
**THE
PIONEERING,**

**DARING
SPIRIT
OF**

**PROGRESSIVE
INDONESIA**



**INNOVATIVE
SOPHISTICATION
INTERNATIONAL**



EVOLUTION

***A*EVOLUTION**

***EVOLUTION IS THE COMBINATION
OF AUTHENTIC FLAVORS, URBAN
LIFESTYLE, AND INNOVATION, INTO
SOPHISTICATION.***

LEADER
PROGRESSIVE
INDONESIA

A
Mild
12

A
Mild

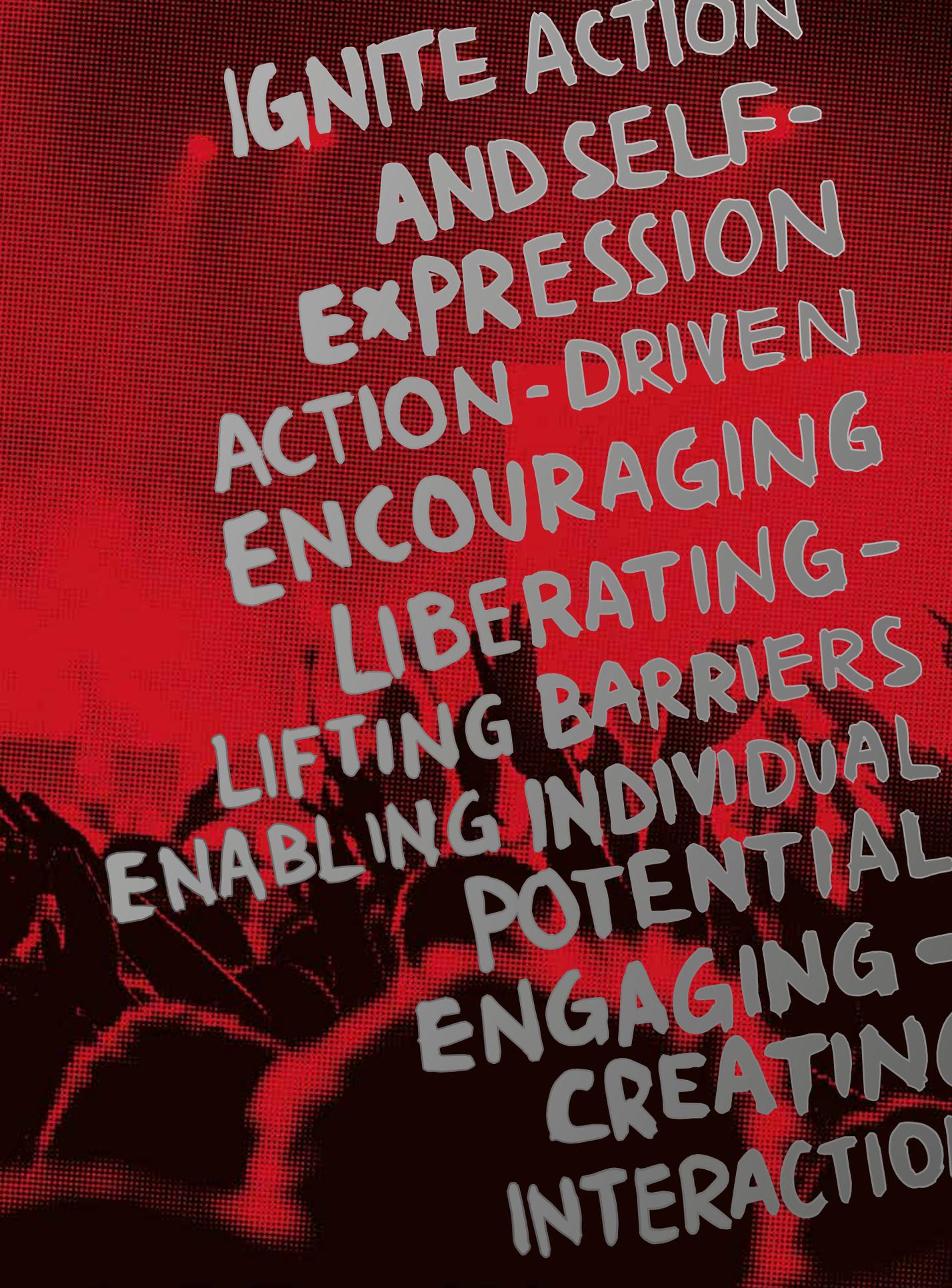
A
MENTHOL

A MILD

A MILD IS LEADERSHIP WITH BOLD
ATTITUDE, PROGRESSIVE, AND ALWAYS
FULL OF EXCITEMENT THAT RESONATES
WITH INDONESIAN ADULT SMOKERS.

A crowd of people is visible in the background, their silhouettes and some faces partially obscured by the halftone pattern. A solid red rectangular area is positioned in the upper-middle part of the image, behind the text.

GO **ON** HEAD



IGNITE ACTION
AND SELF-
EXPRESSION
ACTION-DRIVEN
ENCOURAGING
LIBERATING-
LIFTING BARRIERS
ENABLING INDIVIDUAL
POTENTIAL
ENGAGING-
CREATING
INTERACTION

TO GET THERE | I WANT TO BE A LEADER, BE SUCCESSFUL, MAKE MY MARK | I
IT IS POPULAR OR NOT | I'M LOOKING FOR AN EXCITING LIFE AND I'M NOT A
DON'T BE A HYPOCRITE | I DON'T DO THINGS TO SEEK ATTENTION. I DO IT BECA
R, BE SUCCESSFUL, MAKE MY MARK | I KNOW WHAT I WANT TO ACHIEVE IN L
TH MY FRIENDS TO PUB/CLUB/CAFÉ | I KNOW WHAT I WANT, STRIVING FOR
OR AN EXCITING LIFE AND I'M NOT AFRAID TO INDULGE | YOU NEED TO BE T
GS TO SEEK ATTENTION. I DO IT BECAUSE IT'S JUST A PART OF WHO I AM | I V
NOW WHAT I WANT TO ACHIEVE IN LIFE AND I KNOW HOW TO GET THERE | I
NOW WHAT I WANT, STRIVING FOR MY FUTURE, DESPITE IT IS POPULAR OR NO
TO INDULGE | YOU NEED TO BE TRUE TO YOURSELF, DON'T BE A HYPOCRITE
T'S JUST A PART OF WHO I AM | I WANT TO BE A LEADER, BE SUCCESSFUL, M

**IT'S TIME TO WRITE
YOUR OWN STORY.
TO LISTEN TO
YOUR OWN VOICE,
AND START LIVING
YOUR DREAM. IT'S
THE TIME TO TAKE
ON CHALLENGES.
TO ESCAPE YOUR
COMFORT ZONE, AND
EXPERIENCE LIFE.**

GO AHEAD

F WHO I AM | I WANT TO BE A LEADER, BE SUCCESSFUL, MAKE MY MARK |
TO GET THERE | I LOVE GOING OUT WITH MY FRIENDS TO PUB/CLUB/CAFÉ
IT IS POPULAR OR NOT | I'M LOOKING FOR AN EXCITING LIFE AND I'M NOT A
DON'T BE A HYPOCRITE | I DON'T DO THINGS TO SEEK ATTENTION. I DO IT BECA
R, BE SUCCESSFUL, MAKE MY MARK | I KNOW WHAT I WANT TO ACHIEVE IN L
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OR AN EXCITING LIFE AND I'M NOT AFRAID TO INDULGE | YOU NEED TO BE T
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TO INDULGE | YOU NEED TO BE TRUE TO YOURSELF, DON'T BE A HYPOCRITE
T'S JUST A PART OF WHO I AM | I WANT TO BE A LEADER, BE SUCCESSFUL, M

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2011-2012

"Adversity is not a reason to stand still"

"Take challenges and see what you can do"

"Start moving and the world will move with you"

**PERINGATAN:
MEROKOK MEMBUNUHMU**

18+

The collage consists of several panels: a sunset over the ocean with swimmers; a city skyline at night; a man in a tank top and hat; a woman in a white tank top; a group of people on a beach; a large crowd of people; a man in a plaid shirt; and a group of people in a room.

2013-2014

"Sometimes a wrong turn can lead you to the right direction"

"Being always right won't let you learn"

"When in doubt to do or not to do - always do"

**PERINGATAN:
MEROKOK MEMBUNUHMU**

18+

The collage consists of 14 rectangular panels. The top panel shows a group of people in a parking lot with a white sign. The second row has two panels: a close-up of a dog's head and a woman in a hat at a market. The third row has three panels: a building at night, a car on a road, and a building with a sign. The fourth row has three panels: a man walking by a lake, a man in a field, and a man in a purple jacket. The fifth row has two panels: a man by a lake and a woman dancing. At the bottom left is a small circular inset of a man's face. The bottom right features a white circle with '18+'.

TVC
"LET GO, EMBRACE"

2015

We disperse like moths into the madness of light

"Even the duck-billed is deemed attractive"

"Much like the peacock, flaunting its charm"

"We are a pack of wolves, prowling in the roaring nights..."

Find out more only at www.guesthouse.com

Manimal
ON
05.02.15

**PERINGATAN:
MEROKOK MEMBUNUHMU**

18+

*"BEING LOST IS BETTER
THAN ASKING"*



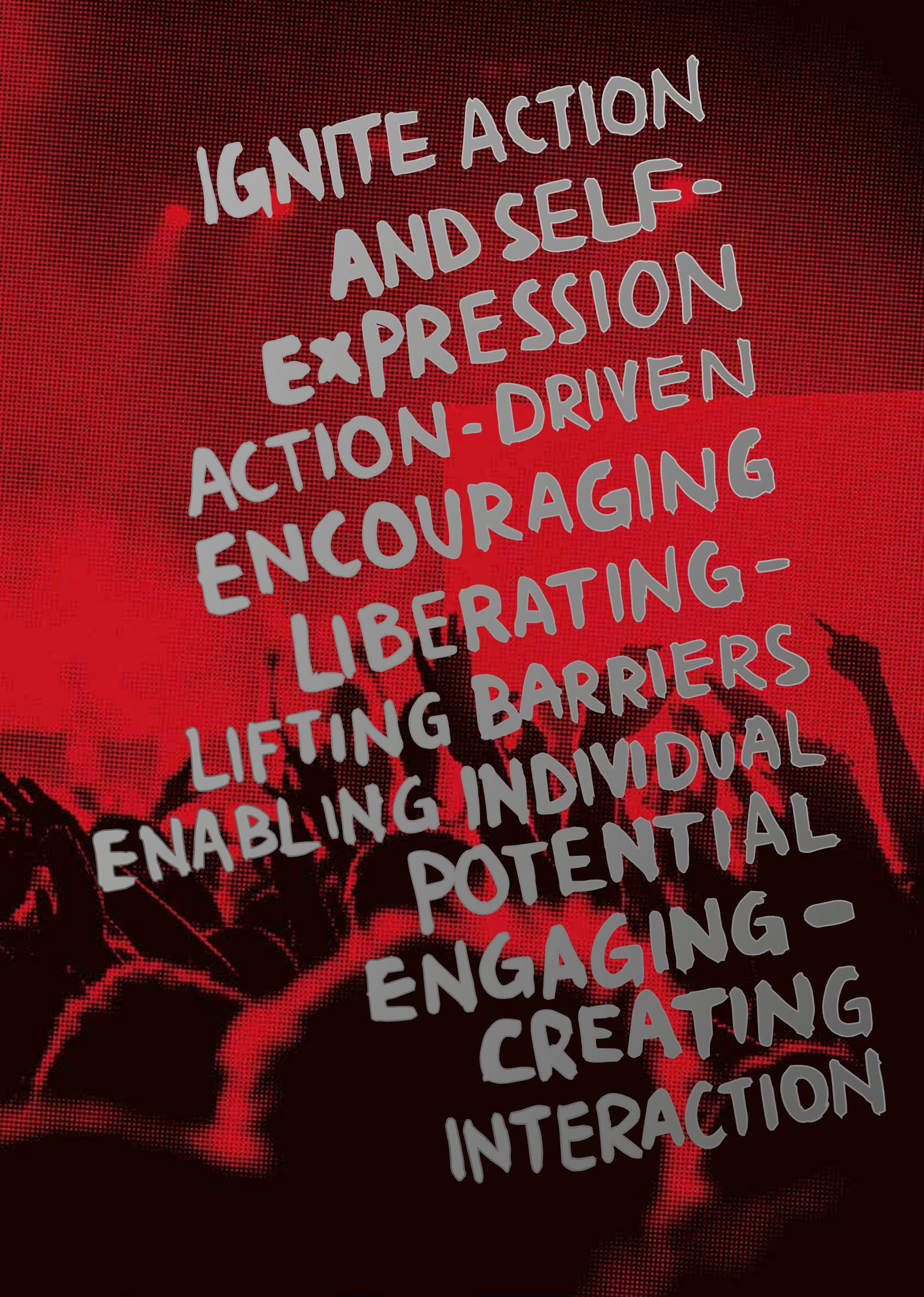
*"NOTHING IMPOSSIBLE,
POSSIBLY"*



*"KEEP DREAMING AFTER
WAKING UP"*



NO ONE HEAD

A red and black halftone background with a silhouette of a person holding a torch. The text is written in a bold, white, hand-drawn font, slanted downwards from left to right. The text consists of the following phrases:

IGNITE ACTION
AND SELF-
EXPRESSION
ACTION-DRIVEN
ENCOURAGING
LIBERATING-
LIFTING BARRIERS
ENABLING INDIVIDUAL
POTENTIAL
ENGAGING-
CREATING
INTERACTION

GO HEAD =



WRITE
YOUR
OWN
STORY

**DON'T
THINK
TWICE**



TAKE
ON CHALLENGES

EMPOWERMENT

CREATE



**CHANGE
THE ORDINARY**



**CHASE
YOUR
DREAMS**

**EXPRESS
YOURSELF**



SAMPOERNA AT A GLANCE



PT Hanjaya Mandala Sampoerna Tbk. (hereinafter referred to as “**Sampoerna**” or the “**Company**”) is the leading tobacco company in Indonesia. The Company produces some of the best-known kretek (clove) cigarette brand families such as *Sampoerna A*, *Sampoerna Kretek*, *Sampoerna U*, and *Dji Sam Soe*, the legendary “King of Kretek.” The Company is a subsidiary of PT Philip Morris Indonesia (“**PMID**”) and an affiliate of Philip Morris International Inc. (“**PMI**”), the world’s leading international tobacco company. In 2015, Sampoerna achieved a 35.0% share of the Indonesian cigarette market.

Sampoerna’s vision is characterized within the “Three Hands Philosophy.” The Hands, which represent adult smokers, employees and business partners, and society at large, are the key stakeholders that Sampoerna must embrace to reach its goal of being regarded as the most respected company in Indonesia.

Our objective is to deliver high quality products to adult smokers in their preferred price category; provide competitive compensation and good working conditions for employees; build strong relationships with business partners; and give back to society at large.

The experienced management team continues to guide Sampoerna, leading 29,520 permanent employees of the Company and its subsidiaries. In addition, Sampoerna contracts the production of its Hand-Rolled Kretek Cigarettes (“**SKT**”) to 38 Third Party Operators (“**TPOs**”) throughout Java, which collectively employ about 41,900 people. The Company sells and distributes cigarettes through 106 sales and distribution centers across Indonesia.

Sampoerna successfully conducted a Rights Issue in October 2015. The Rights Issue was the largest-ever secondary placement in Southeast Asia and the largest equity offering in Indonesia since 2008. It attracted both domestic and foreign investment, with the capital from foreign investors translating into currency inflows into the country, demonstrating confidence in the Indonesian economy and its stock market. For this achievement, the Company received Best Indonesia Deal Award from FinanceAsia on 28 January 2016 and Indonesia Capital Market Deal Award from Thomson Reuters on 24 February 2016. Sampoerna’s market capitalization of Rp483.9 trillion (US\$32.1 billion) as of 27 January 2016 was the largest market capitalization in Indonesia.

As the leading cigarette manufacturer in Indonesia, Sampoerna takes pride in the tradition and philosophy that are the foundations for the Company’s success. Throughout 2015, Sampoerna received numerous awards in appreciation of our commitment to implement good corporate governance (“**GCG**”), business performance, corporate social responsibility (“**CSR**”) programs, brand equity, and occupational health and safety.

In early 2015, Enterprise Asia recognized Sampoerna and President Director, Paul Janelle, in the categories of Social Empowerment and Responsible Business Leaders during the 2015 Asia Responsible Entrepreneurship Awards. In addition, *A Mild* and *Dji Sam Soe* were recognized by reputable independent organizations as Indonesia’s Most Valuable Brands under the mild cigarette category and cigarette and filter cigarette category, respectively.

NUMBER

ONE

**IN SHARE
OF MARKET**

VISION

SAMPOERNA'S VISION IS CHARACTERIZED WITHIN THE "THREE HANDS PHILOSOPHY." THE HANDS, WHICH REPRESENT ADULT SMOKERS, EMPLOYEES AND BUSINESS PARTNERS, AND SOCIETY AT LARGE, ARE THE KEY STAKEHOLDERS THAT SAMPOERNA MUST EMBRACE TO REACH ITS GOAL OF BEING REGARDED AS THE MOST RESPECTED COMPANY IN INDONESIA.

SALES AND DISTRIBUTION CENTERS

Sampoerna sells and distributes cigarettes through a total of 106 sales and distribution centers located on the islands of Sumatra, Java, Bali, Kalimantan, as well as Eastern Indonesia.

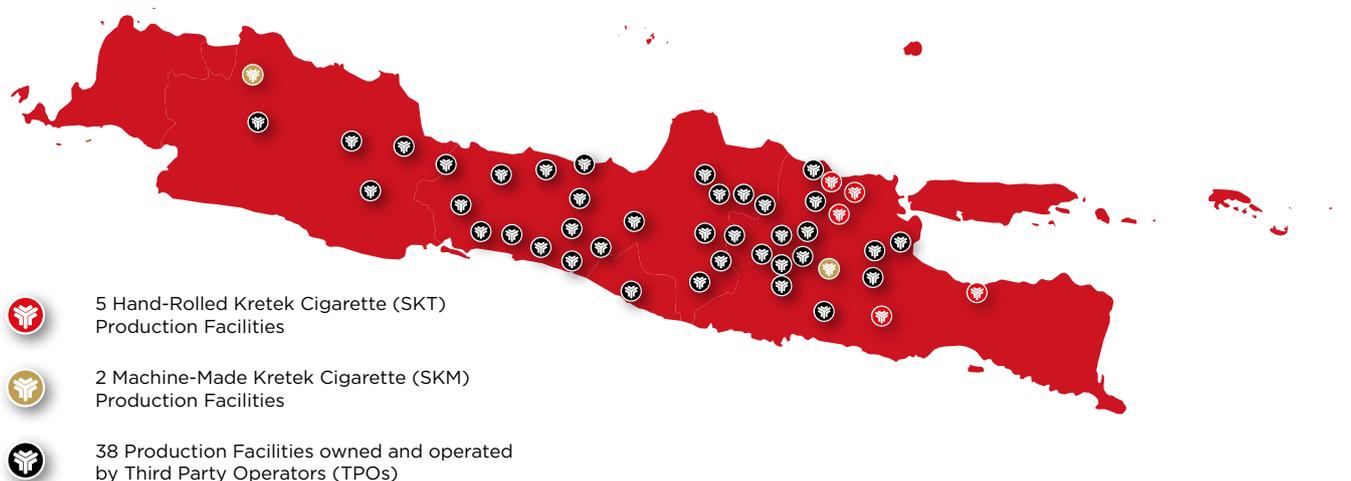


FACTORY LOCATIONS

Sampoerna operates seven manufacturing facilities in Indonesia:

- Machine-Made Kretek Cigarette (SKM) production facilities: One each in Pasuruan and Karawang.
- Hand-Rolled Kretek Cigarette (SKT) production facilities: Three in Surabaya and one each in Malang and Probolinggo.

Sampoerna partners with 38 third-party operators (TPOs). They collectively employ about 41,900 employees to produce Sampoerna's SKT products.



AWARDS & RECOGNITIONS

2015 TOP CHOICE



Tourism Site Lianorg.com
March 2015

The House of Sampoerna received the 2015 Top Choice award. Assessment was based on four independent evaluation criteria, namely tourist attraction, restaurant, hotel and store.

ASEAN BEST PUBLIC COMPANIES 2015

SWA Magazine
July 2015

Sampoerna received the following awards:

1. The 1st rank of SWA 100: Indonesia Best Public Companies (Overall) 2014.
2. The 1st rank of SWA 100: Indonesia Best Public Companies, Industry category: Food, Beverage and Tobacco.
3. The 1st rank of SWA 100: ASEAN Best Public Companies (Overall) 2014.
4. The 1st rank of SWA 100: ASEAN Best Public Companies, Industry category: Food, Beverage and Tobacco.



ASIA RESPONSIBLE ENTREPRENEURSHIP AWARD 2015



Enterprise Asia
June 2015

Sampoerna received the Asia Responsible Entrepreneurship Award 2015 in the category of:

1. Social Empowerment for its outstanding social and entrepreneurship achievements.
2. Responsible Business Leader, which was awarded to the President Director of Sampoerna for his contribution to responsible business practice.



THE INDONESIA ORIGINAL BRAND AWARD 2015

SWA Magazine
August 2015

Dji Sam Soe was awarded the 1st Champion of Indonesia's Original Brand in the cigarette category.

Dji Sam Soe was awarded the 1st Champion of Indonesia's Original Brand in the filter cigarette category.

Sampoerna A was awarded the 1st Champion of Indonesia's Original Brand in the mild cigarette category.

Dji Sam Soe was named The Indonesia Living Legend Brand 102 Years Old.

INDONESIA'S BEST BRAND AWARD 2015

SWA Magazine, MARS (Marketing and Research),
Metro TV and Swanetwork
September 2015

Sampoerna A was awarded Indonesia's Best Brand Award 2015 for the cigarette category. The recognition was based on Sampoerna A's good performance.

INDONESIA'S TOP 100 MOST VALUABLE BRANDS 2015

SWA Magazine and Brand Finance
October 2015

Sampoerna A and Dji Sam Soe are placed 4th and 8th for the category of Indonesia's Top 100 Most Valuable Brands. Assessment was based on Brand Finance's analysis against Brand Strength Index (BSI).



THE BEST PERFORMANCE OF OCCUPATIONAL HEALTH AND SAFETY AWARD

Badan Penyelenggara Jaminan Sosial (BPJS)
Ketenagakerjaan
December 2015

The Best Performance of Occupational Health and Safety Award was awarded to Sampoerna for achieving a zero accident level during the 1999-2014 period at its five production facilities located in Surabaya, Malang and Probolinggo.



GOOD CORPORATE GOVERNANCE AWARD 2015

Indonesia Institute for Corporate Governance (IICG)
and SWA Magazine
December 2015

Sampoerna received the Good Corporate Governance Award 2015 for its successful implementation of good corporate governance principles within the Company's operations.

ASIA PACIFIC ENTREPRENEURSHIP AWARDS 2015 FOR OUTSTANDING CATEGORY

Enterprise Asia
December 2015

Enterprise Asia awarded the Asia Pacific Entrepreneurship Awards 2015 in the Outstanding category to Sampoerna untuk Indonesia program and awarded the President Director of Sampoerna, Paul Janelle, for his role and contribution as a responsible business leader.



2015

1913

Liem Seeng Tee, a Chinese immigrant, began his business by producing and selling hand-rolled kretek cigarettes at his home in Surabaya. His small business was among the first to manufacture and market kretek cigarettes under the brand *Dji Sam Soe*.

1930

With his business firmly established, Liem Seeng Tee then formed a company under the name Sampoerna and moved both his family and factory to a building complex in Surabaya, which was named "Taman Sampoerna." The facility still produces Sampoerna's SKT products.

1959

Sampoerna's operation was then passed on to the second generation of the family, Aga Sampoerna, who focused on the production of SKT.



2015

SAMPOERNA COMPLETED A RIGHTS ISSUE IN ORDER TO COMPLY WITH THE REQUIREMENT OF THE INDONESIA STOCK EXCHANGE ("IDX") FOR ALL PUBLICLY LISTED COMPANIES TO HAVE AT LEAST 7.5% OF THEIR PAID-UP CAPITAL OWNED BY THE PUBLIC. THE RIGHTS ISSUE GENERATED TOTAL GROSS PROCEEDS OF RP20.768 TRILLION WHICH, AFTER DEDUCTING TRANSACTION-RELATED EXPENSES, SAMPOERNA USED FOR WORKING CAPITAL PURPOSES.

2013

Sampoerna celebrated its 100th anniversary.

2012

Sampoerna surpassed 100 billion units sales volume.

1978

The third generation of the family, Putera Sampoerna, took the helm of Sampoerna. Under his leadership, Sampoerna's growth accelerated.

1989

Sampoerna launched *Sampoerna A*, a machine made kretek cigarette (SKM).

1990

Sampoerna became a public company, establishing a modern corporate structure and embarking on a period of investment and expansion.

2008

Sampoerna inaugurated an SKM manufacturing facility in Karawang, with an investment of US\$250 million.

2006

Sampoerna overtook the number one market share position in Indonesian cigarette market.

2005

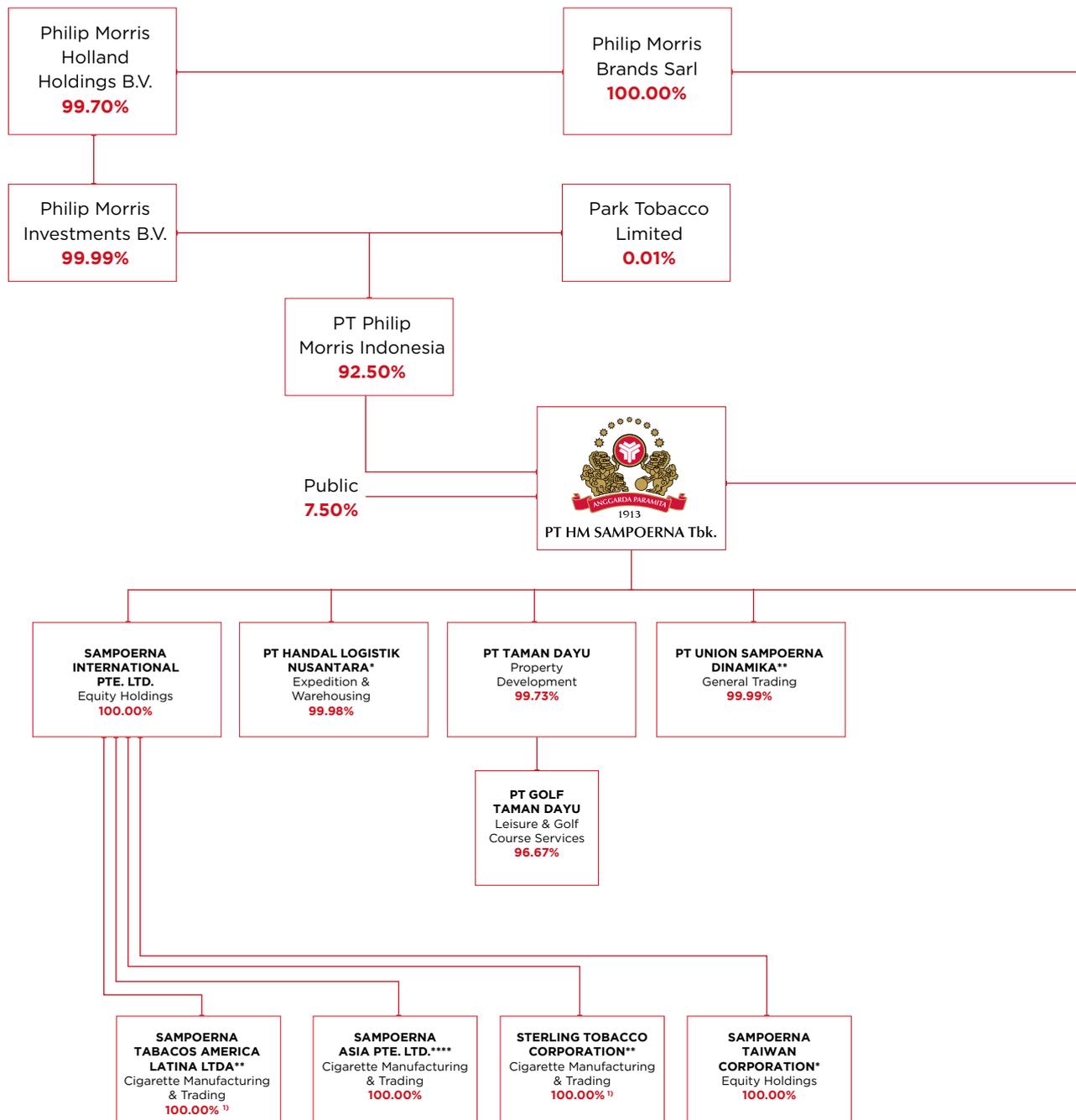
With its business success, Sampoerna drew the interest of PMI. This led to PMID, a subsidiary of PMI, acquiring majority ownership of Sampoerna in May 2005.

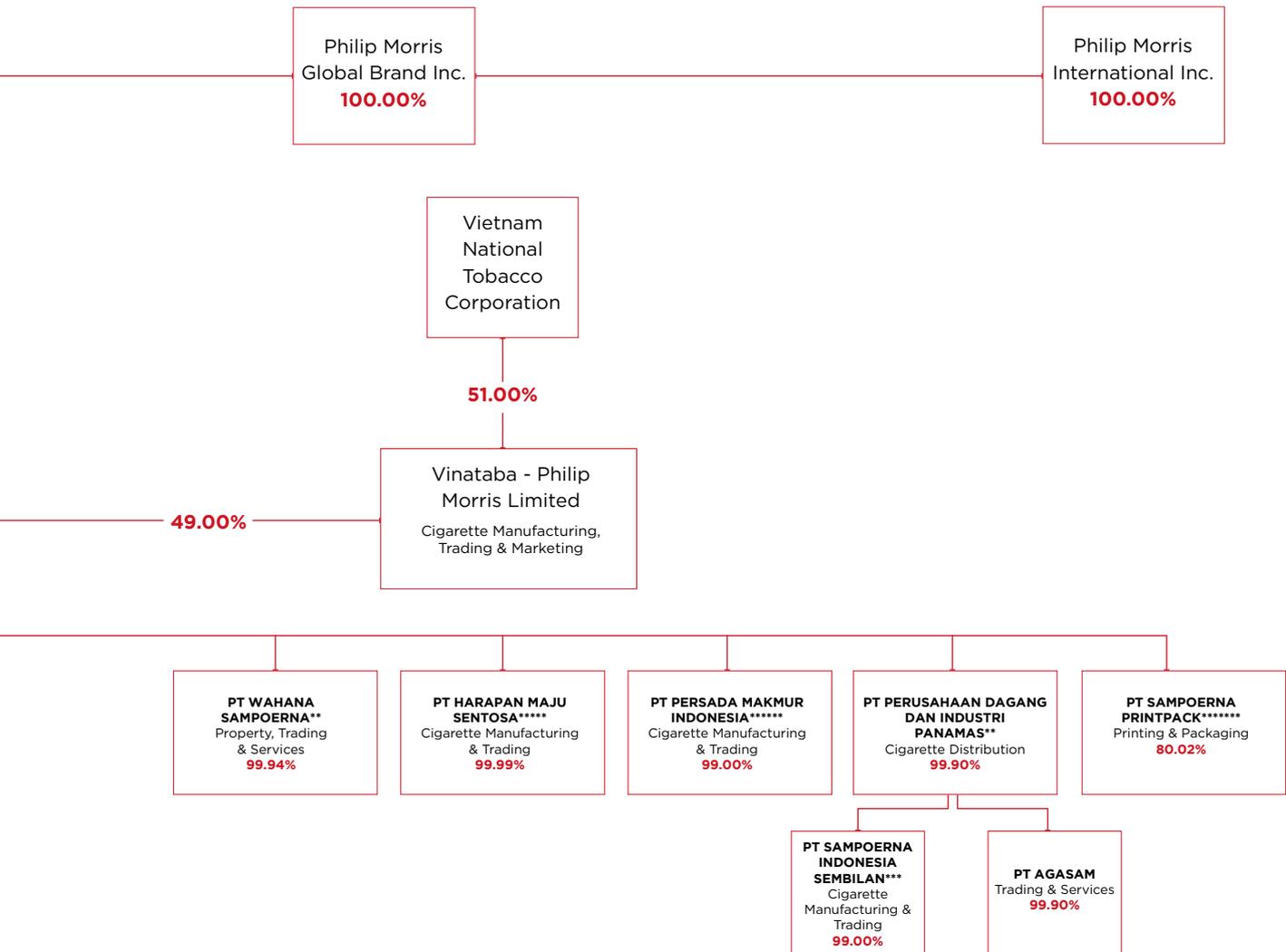
2001

The fourth generation of the family, Michael Sampoerna, took charge as the leader of the Company, continuing the success of his predecessors.

SAMPOERNA HISTORY

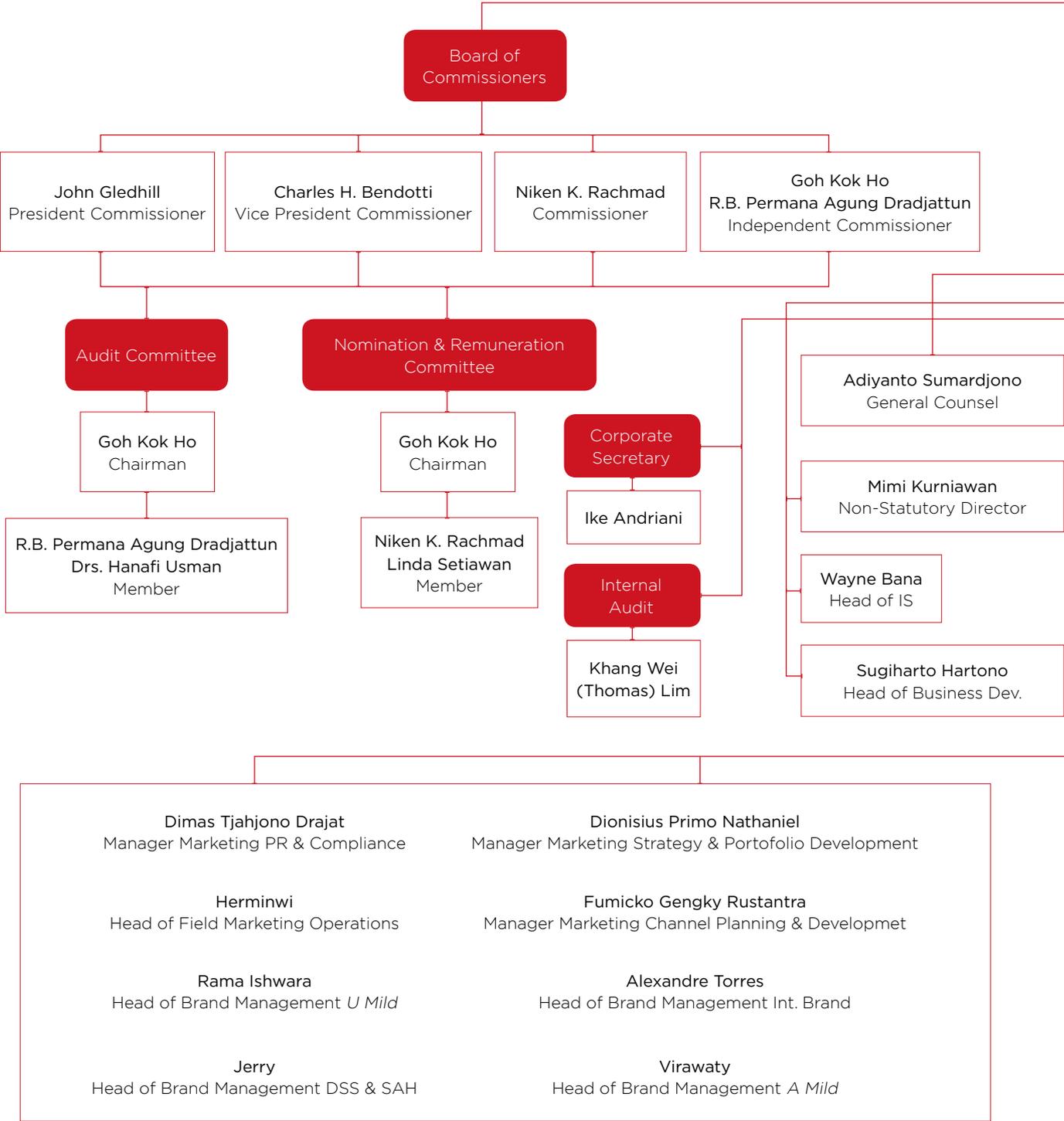
CORPORATE STRUCTURE





- * In Liquidation
- ** Dormant
- *** Changed its name from PT Asia Tembakau effective 30 January 2015
- **** Dissolved as of 26 January 2015
- ***** Ceased production since July 2013
- ***** Ceased production since September 2013
- ***** Ceased production since October 2015
- 1) Directly and indirectly

ORGANIZATIONAL STRUCTURE



General Meeting
of Shareholders

Board of
Directors

Paul Norman Janelle
President Director

Andre Dahan
Director

Peter A. K. Haase
Director

Troy J. Modlin
Director

Michael Sandritter
Director

Yos Adiguna Ginting
Director

Wayan M. Tantra
Director

Elvira Lianita
Head of Regulatory Affairs, Int. Trade &
Communications

Henny Susanto
Head of Stakeholder, Reg. Relations & CSR

Ishak Danuningrat
Head of Fiscal Affairs & Strategy

Pattaraporn Auttaphon
Head of Operations Finance

Jeffry Tjokrohaminoto
Financial Controller

Eulis Eliyani
Head of Tax

Indriati Margono
Head of Finance Services

Siauw Melinda Pricyilia
Treasurer

Martijin van der Weijst
Head of Asia Supply Chain
Management

Markus Hosea
Head of Hand-Rolled
Manufacturing

Rene Bohren
Head of Quality Assurance Asia

Alf Goette
Head of Manufacturing

Rina Widjaya
Head of EHS&S

Sinta
Head of Ops. Plan & Analysis SC

Suryadi Lukman
Head of Product Development

Pedro Sampaio
Head of Leaf & Clove

Aji Sumantoro
Head of Engineering

Roy Kusuma K. Hekekire
Head of Sales Ops West

Yohan Lesmana
Head of Sales Strategy

Ivan Cahyadi
Head of Java Zone

Andi Gumulia
Head of Sales Ops East

Djaya Makmur
Head of Jakarta Zone

Eric Chan Hee Ng
Head of Key Account

Board of Commissioners

BIOGRAPHIES



John Gledhill

President Commissioner

Australian citizen, born in Liverpool on 18 January 1954. John Gledhill has served as Sampoerna's President Commissioner since 18 July 2012. Having been with PMI since 1983, he later progressed in various senior roles in sales, marketing and general management at a number of PMI affiliates, including serving as President Director of Sampoerna during the period of 2009 - 2012. John Gledhill was reappointed as Sampoerna's President Commissioner by the Annual General Meeting of Shareholders ("AGMS") held on 27 April 2015. He holds a Higher National Certificate in Business Studies from Liverpool Polytechnic and passed the International Executive Program INSEAD, France, in 1999.



Charles Herve Bendotti

Vice President Commissioner

French citizen, born in Geneva on 17 April 1972. Charles Herve Bendotti has served as Sampoerna's Vice President Commissioner since 18 December 2012 and launched his career at PMI in 1999. In addition to his current position as Sampoerna's Vice President Commissioner, he also serves as Vice President Human Resources Asia (working for Philip Morris Asia Ltd.), based in regional headquarters in Hong Kong.

He was reappointed as Sampoerna's Vice President Commissioner by the AGMS held on 27 April 2015. He holds a Master of Business Administration degree from HEC Paris and a Master's Degree in International Relations, Economy and Law from the Hautes Etudes Internationales.



Niken K. Rachmad

Commissioner

Indonesian citizen, born in Malang on 25 February 1950. Niken Kristiawan Rachmad has served as Sampoerna's Commissioner since 1 January 2011. She joined Sampoerna in 1998 as Head of Corporate Communications and later assumed the positions of Communications Director and Corporate Affairs Advisor. She was reappointed as a Sampoerna Commissioner by the AGMS held on 27 April 2015. She has a Bachelor of Science degree from Universitas Gadjah Mada.



Phang Cheow Hock

Independent Commissioner

Singaporean citizen, born in Penang on 1 September 1932. Phang Cheow Hock had been associated with Sampoerna for over 30 years. He held various senior positions in the Company and its subsidiaries such as the General Research and Development Manager, Chief Operating Officer, Deputy to President Director, and Independent Commissioner as his last position. His terms of office as Independent Commissioner ended at the AGMS held on 27 April 2015. He received an Overseas School Certificate from the University of Cambridge in 1950.



Goh Kok Ho

Independent Commissioner

Malaysian citizen, born in Selangor on 3 July 1946. Goh Kok Ho has served as an Independent Commissioner since 27 April 2012, formerly having held several key positions at PMI affiliates up until 2001. He was reappointed as Independent Commissioner by the AGMS held on 27 April 2015. He earned his Bachelor of Arts degree in Economics from the University of Malaya.



Raden Bagus Permana Agung Dradjattun

Independent Commissioner

Indonesian citizen, born in Lombok on 27 October 1952. R.B. Permana Agung Dradjattun has served as an Independent Commissioner since 18 November 2013. On 27 April 2015, the AGMS approved his reappointment as Independent Commissioner.

His last position prior to becoming Sampoerna's Independent Commissioner was the Expert Staff for International Relations and Economic Cooperation of Indonesia's Ministry of Finance. He has a Doctorate degree in Public Policy and a Master's degree in Public Finance from the University of Notre Dame, Indiana, USA, and a Master's degree in International Trade and Public Finance from the University of Illinois at Urbana-Champaign, Illinois, USA.

Board of Directors BIOGRAPHIES



Paul Norman Janelle

President Director

Canadian citizen, born in Montreal on 26 July 1965. Paul Norman Janelle has served as Sampoerna's President Director since 18 July 2012. He joined PMI in 1991 and later built his 24 years of experience in the industry by assuming a number of senior roles at several PMI affiliates around the world, including in the Czech Republic, Russia, Indonesia and Hong Kong. He was reappointed as Sampoerna's President Director by the AGMS held on 27 April 2015. He earned his Master's Degree in Business Administration and Finance and his Bachelor Degree in Business Administration from Webster University in Geneva, Switzerland. He is also a holder of a Bachelor of Science Degree, which he earned from the University of Ottawa, Ontario, Canada.



Michael Sandritter

Director

German citizen, born in Heidelberg on 12 May 1968. Michael Sandritter has served as Sampoerna's Director since 9 May 2014. He joined PMI in 1994 and assumed several key roles in Finance at PMI's Operations Center in Lausanne, Switzerland, and at PMI's affiliates in Hungary and Germany. He was reappointed as Director by the AGMS held on 27 April 2015 and is in charge of Finance. He is a holder of a Diploma in Business Administration, which he earned from the University of Cooperative Education, Mannheim, Germany.



Andre Dahan

Director

Lebanese citizen, born in Beirut on 10 July 1969. Andre Dahan has served as Sampoerna's Director since 18 April 2013. He joined Philip Morris Switzerland in 2003 with a career progressing through several key positions in marketing at PMI affiliates in Poland, Hungary, the Czech Republic and Russia, building his 16 years of experience in the industry. He earned his Master's Degree in Business Administration from Institut d'Etudes Politiques de Paris, Paris, France, and his Bachelor of Arts Degree in International Economics from L'université Paris-Sorbonne, Paris, France. He was reappointed as Sampoerna's Director by the AGMS on 27 April 2015, in charge of Marketing.



Peter Alfred Kurt Haase

Director

German citizen, born in Hannover on 20 January 1960. Peter Alfred Kurt Haase has served as Sampoerna's Director since 18 December 2012. He joined PMI Germany in 1997 and later assumed the Factory Manager position at PMI factories in Munich and Berlin before serving in senior management positions at PMI affiliates in Poland and the Netherlands, building 18 years of experience in the industry. He was reappointed as Director by the AGMS held on 27 April 2015 and is in charge of Operations. He is a holder of Diplom-Ingenieur, which he earned from the University of Hannover, Hannover, Germany.



Yos Adiguna Ginting

Director

Indonesian citizen, born in Cilacap on 19 January 1969. Yos Adiguna Ginting has served as Sampoerna's Director since 18 December 2012. He joined Sampoerna in 2002 as an Organization Development Specialist, after which he progressed through several key positions at Sampoerna and other PMI affiliates, gaining 13 years of experience in the industry. He was reappointed as Director by the AGMS on 27 April 2015 and is in charge of External Affairs. He is a holder of Bachelor of Science Degree in Chemistry and a Doctor of Philosophy Degree in Theoretical Chemistry, which he earned from the University of Tasmania, Australia.



Nikolaos Papathanasiou

Director

Greek citizen, born in Athens on 26 March 1974. Nikolaos Papathanasiou has served as Sampoerna's Director since 18 December 2012. He joined PMI in 2002 at the Philip Morris Hellas, Greece. He later assumed a number of senior positions at several PMI affiliates in the areas of Finance, Business Development, and Corporate Affairs and now has 13 years of experience in the industry. He was reappointed as Director by the AGMS on 27 April 2015 and is in charge of Corporate Affairs. He earned his Bachelor of Science Degree in Accounting and Finance and his Master's Degree in Business Administration in International Banking and Finance from the University of Birmingham, United Kingdom. Nikolaos Papathanasiou tendered his resignation as Director of Sampoerna on 31 July 2015, which was resolved at an Extraordinary General Meeting of Shareholders (EGMS) on 18 September 2015.



Troy J. Modlin

Director

American citizen, born in Colorado on 19 October 1971. Troy J. Modlin has served as Sampoerna's Director since 18 September 2015. He joined PMI in 2005 in Switzerland serving as Manager and was later appointed as Director of Government Affairs before assuming the Director of Corporate Affairs position in Hong Kong and Bangkok. He has 10 years of experience in the industry. He was appointed as Director by the Extraordinary Meeting of Shareholders (EGMS) on 18 September 2015 and is in charge of Corporate Affairs. He earned his Bachelor of Science Degree in Business Administration from the University of Colorado at Boulder, Denver, USA, and his Master's Degree of International Management from the University of Denver, Daniels College of Business, USA.



Wayan Mertasana Tantra

Independent Director

Indonesian citizen, born in Singaraja on 2 July 1962. Wayan Mertasana Tantra has served as Sampoerna's Director since 27 May 2008 and was appointed as Independent Director on 9 May 2014. Wayan Mertasana Tantra has been with Sampoerna for more than 28 years. He began his career in the industry at one of Sampoerna's affiliates as Sales Supervisor and later assumed several key positions. He directs the Sales Department and was reappointed as Independent Director by the AGMS on 27 April 2015. He is a holder of a Master's Degree in Management that he earned from Universitas Airlangga, Surabaya.

MESSAGE FROM THE BOARD OF COMMISSIONERS



John Gledhill

President Commissioner

Our 2015 results are set against the context of a challenging economic environment and increasing competition in the tobacco industry. We are delighted with the Company's results of 109.8 billion units sales volume, representing 35.0% of the Indonesian tobacco industry in 2015. This achievement continues to place Sampoerna as the leading company in the tobacco industry.

We are very pleased with the success of Sampoerna's Rights Issue, one of the biggest stock offerings over the past years, both in Indonesia and Southeast Asia, to comply with an IDX regulation. The transaction was recognized through awards received on 28 January 2016 from FinanceAsia in the Best Indonesia Deal category and 24 February 2016 from International Financing Review Asia as the best Indonesia Capital Markets Deal 2015.

We are especially pleased with Management's efforts to handle the challenging environment. With strong leadership from Management, the unfailing commitment, determination and creativity of our employees, strong brand portfolio and focused key strategies, we believe in a bright and sustainable future for the Company. We believe the business plan prepared by the Board of Directors reflects cautious yet optimistic targets for Sampoerna for the next year and beyond.

Our people are the heart of Sampoerna and we aim to constantly attract and retain the best talent in the market. Various development programs such as training and international assignments are in place to develop our talents' potential and to support their career aspirations. Graduate Trainee and Internship programs are also key to attracting the best talent and have proven to be successful in generating the future leaders of the Company. This best reflects Sampoerna's concerns towards its valuable employees.

Our communication with the Board of Directors and other management has been effective, allowing us to continue to provide our insights and recommendations based on the stronger GCG structure we have established.

We also take pride in the contribution we have made as a good corporate citizen. Sampoerna continues to ensure sustainability of the industry in the long term, and is committed to meeting or exceeding the expectations of our three most important stakeholder groups – adult smokers, employees and business partners, and society at large.

As one of the largest organizations in Indonesia, we are aware that the welfare of millions of people in Indonesia is dependent on the industry through agricultural production, product distribution, and promotional support. We have responded with a strong commitment to support the communities where we operate, especially in areas where Sampoerna sources tobacco leaves and cloves.

The composition of Sampoerna's Board of Commissioners changed in 2015 following the AGMS on 27 April 2015. In respect to the completion of Phang Cheow Hock's tenure as Commissioner, allow me on this occasion to express our appreciation to him for his considerable contributions during his term of office and wish him the best for the future.

Lastly, on behalf of the Board of Commissioners, please allow me on this very special and momentous occasion to express our sincere thanks to the Board of Directors for their sound management of the Company, and to the various regulators for their valued efforts for Indonesia's economy, to our employees for their hard work and dedication, and especially to our adult smokers for their long preference to our products. We will continue to manifest our thanks to these valuable stakeholders with increased contributions in the years ahead so as to fulfill our vision of the Three Hands Philosophy.

MESSAGE FROM THE BOARD OF DIRECTORS



Paul Norman Janelle

President Director

2015 was marked by challenging market conditions, as economic growth slowed, the currency weakened, and soft consumer demand was coupled with a fiercely competitive environment. In the cigarette industry, the machine-made kretek cigarette (“**SKM**”) product category now comprises three-quarters of the market, a long-term growth trend placing pressure on SKT products.

In this challenging environment, it is more important than ever to remain focused on our strategy, driving short-term performance and delivering long-term goals.

2015 PERFORMANCE RESULTS

This year we retained our leading position in the Indonesia cigarette market with a 35.0% share, annual sales volume of 109.8 billion units and net income of Rp10.4 trillion.

SKM products were our key performance drivers, contributing 2.0 billion units of volume growth. Celebrating a presence of more than 25 years in the market, *Sampoerna A* retained and solidified its leading position in the Indonesian cigarette market with a 14.9% share in 2015. We also introduced *AMotion* and *Avolution 20s* as line extensions of *Sampoerna A* during the year. *Dji Sam Soe Magnum*, the line extension of our heritage franchise *Dji Sam Soe*, delivered the most market share growth across our portfolio reaching 2.9%. Meanwhile, *Sampoerna U* experienced a market share decline as a result of pricing pressure. The brand family extended its presence in the growing SKM full flavor (“**SKM FF**”) category by introducing *U Bold* on 27 February 2015 in selected cities in Java.

The existing SKT products in the market continued to face pressure from adult smokers’ shifting preferences, leaving our SKT portfolio with 6.0% volume decline from the prior year, mainly from our mid-price SKT offering. *Dji Sam Soe*, the leading SKT brand in the market, managed to maintain its volume and market share due to its high-quality product offering and solid marketing support.

In the machine-made white cigarette (“**SPM**”) product category, *Marlboro*, distributed by the Company, retained its leading position in the segment with 80.9% SPM share.

RIGHTS ISSUE

To comply with the IDX regulation on minimum free-float stock requirement, the Company completed a Rights Issue which was one of the biggest stock offerings over the past years, not only in Indonesia, but across the whole of Southeast Asia. With encouraging long-term prospects coupled with solid valuation, the transaction was completed with total gross proceeds of Rp20.768 trillion. This positioned Sampoerna with the largest market capitalization on the IDX.

HUMAN RESOURCES

Maintaining good communication with our employees remains a top priority as an enabler of business strategy and growth. Multiple communication platforms have helped Sampoerna retain its best talents while attracting more from the labor market.

Sampoerna works in synergy with PMI to establish stronger teams across the organization. We have sent our employees overseas for short-term and international assignments, as well as special trainings at PMI, to give them more exposure to the best practices in the global tobacco industry. In 2015 alone, the Company assigned 44 employees on such short-term and international assignments. This reflects a 26.0% increase compared to 2014 and signifies Sampoerna’s commitment to continue developing its employees.

CORPORATE GOVERNANCE

Our strong organizational structure has allowed Sampoerna to operate in a manner that is organized and sustainable. Faced with a challenging business environment, the Board of Directors has benefited from the effective committee structure and Board of Commissioners, as sources of well-considered advice and recommendation.

The Rights Issue we conducted in October 2015 has resulted in Sampoerna having a larger number of shareholders and subsequently increased our transparency through increasingly routine information disclosure.

In 2014, the Financial Services Authority (“**OJK**”) issued regulations for public companies to implement good corporate governance. As we also continue to keep Sampoerna in compliance with all applicable regulations, Sampoerna’s articles of association were amended in 2015 to comply with such relevant regulations.

CHANGE IN THE BOARD OF DIRECTORS COMPOSITION

In 2015, the composition of the Board of Directors changed due to the resignation of Nikolaos Papathanasiou from his position as Director and his replacement by Troy J. Modlin. Let me on this occasion extend our gratitude to Nikolaos Papathanasiou for his contribution during his tenure and wish him the best in his future and at the same time welcome Troy J. Modlin to the Board.

PROSPECTS

The Company is committed to continuously investing in Indonesia and delivering returns to our shareholders. We are preparing ourselves for tougher market conditions in 2016 given the recent pressure in the overall economy, fierce competition and challenges in the fiscal environment with a 15.0% weighted-average excise tax increase for the cigarette industry.

Our determination to stay the course and look to the future, to understand the industry and to seize opportunities, are the keys to our success. Our key strategies are to remain focused on the core portfolio, to manage the decline in our SKT brands in line with the market trend, to advocate for a balanced fiscal and regulatory environment, to optimize resources and to continue developing our people. Although we are facing a challenging environment, with our strong brand portfolio and dedicated employees, the Company is confident about delivering sustained results going forward.

APPRECIATION

In Sampoerna, we have exceptional people with a passionate commitment to Sampoerna’s Three Hands Philosophy. Their hard work and dedication have enabled us to reach our goals and to deliver our results. So, please allow me, on behalf of the Board of Directors, to extend my gratitude to all of them as well as to our business partners and adult smokers for their continuous support and recognition.

FINANCIAL HIGHLIGHTS

YEARS ENDED 31 DECEMBER (in Billion Rupiah)	2015	2014	2013	2012	2011
KEY FINANCIAL POSITION FIGURES					
Current Assets	29,807	20,778	21,248	21,128	14,851
Fixed Assets	6,281	5,920	4,709	4,115	3,851
Investments in Associate	62	48	34	25	22
Land For Development	114	115	116	144	174
Other Assets	1,747	1,520	1,298	835	432
Total Assets	38,011	28,381	27,405	26,247	19,330
Current Liabilities	4,539	13,600	12,124	11,898	8,368
Non-Current Liabilities	1,456	1,282	1,126	1,041	659
Total Liabilities	5,995	14,883	13,250	12,939	9,027
Stakeholders' Equity	32,016	13,498	14,155	13,308	10,303
OPERATING PERFORMANCE - Consolidated					
Net Sales	89,069	80,690	75,025	66,626	52,857
Gross Profit	21,764	20,500	20,071	18,507	15,196
Net Operating Income	14,048	13,805	14,600	13,351	10,617
Profit Before Income Tax	13,933	13,718	14,510	13,383	10,911
Profit Attributable to Owners of the Parent	10,363	10,181	10,818	9,945	8,065
Total Comprehensive Income Attributable to Owners of the Parent	10,355	10,015	10,808	9,805	8,052
Basic Earnings per Share (in full Rupiah)*	2,326	2,306	2,450	2,253	1,827
OPERATING PERFORMANCE - Cigarette Operations					
Net Sales	88,924	80,528	74,854	66,564	52,809
Gross Profit	21,714	20,443	19,908	18,379	15,042
Net Operating Income	14,069	13,811	14,490	13,345	10,572
Profit Before Income Tax	13,932	13,677	14,361	13,366	10,893
Profit Attributable to Owners of the Parent	10,365	10,189	10,818	9,945	8,065
LIQUIDITY RATIO					
Current Ratio	6.57	1.53	1.75	1.78	1.77
Debt to Equity Ratio	0.00	0.22	0.17	0.18	0.01
Total Liabilities to Total Assets Ratio	0.16	0.52	0.48	0.49	0.47
OPERATING RATIO					
Gross Profit to Sales	24.4%	25.4%	26.8%	27.8%	28.7%
Gross Profit to Sales (Cigarette Operations)	24.4%	25.4%	26.6%	27.6%	28.5%
Net Operating Income to Sales	15.8%	17.1%	19.5%	20.0%	20.1%
Net Operating Income to Sales (Cigarette Operations)	15.8%	17.2%	19.4%	20.0%	20.0%
Return On Assets	27.3%	35.9%	39.5%	37.9%	41.7%
Return On Equity	32.4%	75.4%	76.4%	74.7%	78.3%
Net Working Capital	25,269	7,177	9,124	9,230	6,483
AUTHORIZED CAPITAL					
Number of Shares Authorized (millions)	6,300	6,300	6,300	6,300	6,300
Authorized Share Capital	630	630	630	630	630
Par Value per Share (in full Rupiah)	100	100	100	100	100
ISSUE AND FULLY PAID CAPITAL					
Number of Shares Issued and Fully Paid (millions)	4,653	4,383	4,383	4,383	4,383
Issued Share Capital	465.3	438.3	438.3	438.3	438.3
Par Value per Share (in full Rupiah)	100	100	100	100	100

*) Basic earnings per share 2011-2014 have been restated to reflect 2015 Rights Issue as approved in the Extraordinary General Meeting of Shareholders (EGMS) on 9 October 2015.

REGULATORY & FISCAL ENVIRONMENT

Sampoerna believes in effective, evidence-based and enforceable tobacco industry regulation that supports the Indonesian government's objectives to promote public health and child protection, and at the same time ensures the sustainability of Indonesia's tobacco sector which millions of workers, farmers and retailers depend on for their livelihood. The tobacco sector has also been one of the major contributors to government revenue and represents a fast-growing national export industry.

Sampoerna is fully committed to comply with Government Regulation No. 109 of 2012 on the Control of Goods Containing Addictive Substances such as Tobacco Products for Health, which includes among others, the restriction on tobacco advertisement, sponsorship and promotion, and the requirement to place graphic health warnings on cigarette packaging and advertisements. Sampoerna has since ensured compliance to the provisions across all of its relevant activities.

Sampoerna is also committed to voluntarily engage in youth smoking prevention efforts, as regulated through the enactment of Government Regulation No. 109 of 2012. Sampoerna's commitment has been manifested through the Retail Access Prevention Program (RAPP), which aims to increase the awareness of the Company's retail partners and the public on the prohibition to sell cigarettes to children (below 18 years old). The program consists of information training for retail partners, and placement of communication materials such as stickers, shelf wobblers, and tent cards with the intention of effectively communicating the referred prohibition. The program started in 2013, and by the end of 2015, Sampoerna had broadened its scope to reach almost 30,000 retail outlets throughout Indonesia.



On the fiscal front, as part of government's effort to control tobacco consumption, Minister of Finance Regulation No. 205/PMK.011/2014 was issued to increase the excise tariff and minimum banderole price for tobacco products, effective January 2015. Based on this regulation, excise tariff for cigarettes was increased by a weighted average of 11.0%.

Sampoerna is one of the largest contributors to Indonesia's revenue through tax remittances. Total tax payments in 2015 were Rp67.2 trillion, consisting of Rp63.0 trillion in excise tax, regional cigarette tax and Value Added Tax (VAT), and Rp4.3 trillion of corporate income tax. This represents the total tax paid by Sampoerna including its subsidiaries, and PMID, and makes the Company one of the largest contributors to tax revenue.

In February 2015, the Minister of Finance Regulation No. 20/PMK.04/2015 was issued to amend the payment period of tobacco excise stamps. Prior to the issuance, manufacturers were allowed to pay excise stamps within two months at the latest after purchase. Under the new regulation, payment for excise stamps ordered should be made no later than 31 December of the same financial year. The Minister of Finance Regulation No. 20/PMK.04/2015 came into force in 2015.

In addition, the Minister of Finance issued Regulation No. 174/PMK.03/2015 in September 2015. This regulation increases the VAT for tobacco products from 8.4% to 8.7% effective as of 1 January 2016.



HUMAN RESOURCES DEVELOPMENT



People are key to achieving Sampoerna's vision and strategies. To build a high-performing organization, our human resources strategies focus on four pillars:

1. Attract and hire diverse talents to strengthen organizational readiness to be ahead of the game;
2. Develop people to strengthen succession pipelines and accelerate people's readiness;
3. Engage and retain people to drive performance; and
4. Collaborate as strategic partners in the organization to achieve business goals through people.

ATTRACT AND HIRE DIVERSE TALENTS

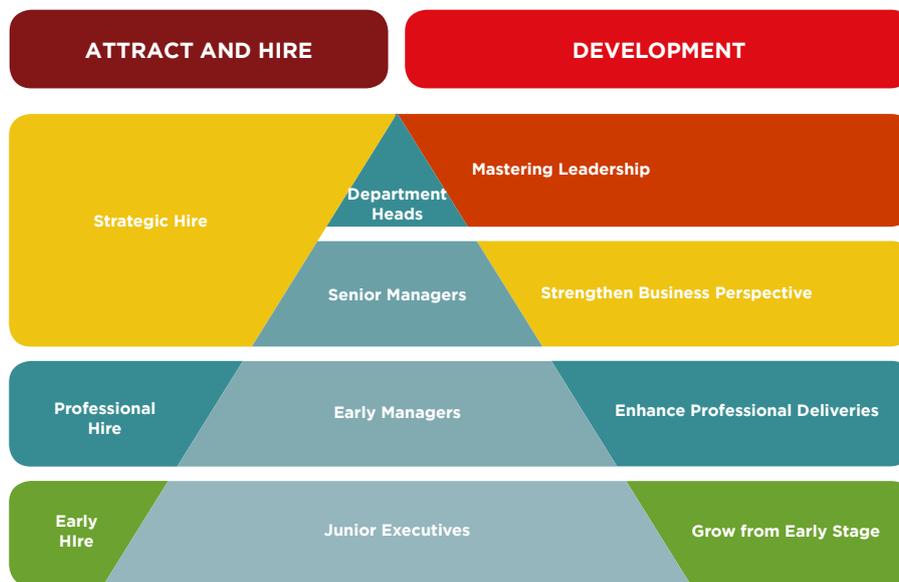
We have activated our Employee Value Propositions, "*Unlimit Yourself @Sampoerna*," in targeted channels to attract and hire diverse talents and provide career progression and personal development opportunities.

"*Unlimit Yourself*" is a very strong campaign because it encapsulates the true opportunities provided by the organization that are felt by our employees and make them proud. As a result, the employees promoted the campaign widely. In addition, we also recruited approximately 900 new hires in 2015 through several strategic channels to fulfill short-term and long-term resource requirements.

DEVELOP TALENTS

We are committed to developing our talents to strengthen the succession pipeline. By understanding that different talents have different rates of developing, we apply differentiated development, aligned with talent's potential, current performance, and career stage. We respect the uniqueness and character of every talent, in order to accelerate their career progression effectively.

HUMAN RESOURCES DEVELOPMENT



Graduate Trainee is one of our entry level training programs. We provide a two-year development journey to equip participants with comprehensive training to make them ready for their further career progression.

For higher managerial levels, we have designed different approaches at our Development Center to give Sampoerna a stronger pool of key executives who are ready for various strategic positions within the Company.

One of our flagship programs has encompassed a synergy with PMI through which we give an opportunity for our talents to expand their horizons by having international assignments at PMI affiliates around the globe. In 2015, a 26.0% increase compared to the previous year was recorded, demonstrating the Company's commitment to the continued development of its talents. A series of programs to strengthen business perspectives and leadership were also developed to prepare talents to become future leaders of the organization.

ENGAGE AND RETAIN TALENTS

We have a diverse workforce of 29,520 permanent employees. We focus on creating an inclusive environment where our diverse workforce feels valued, supported, respected and engaged, positioning them to do their best to realize our global organization's greatest potential.

We value people's capabilities and performance. We also provide equal career opportunities, regardless of gender, age and educational background.

The inclusive environment that we create, not only for existing employees but also for the new hires, enables them to perform to their utmost potential through a comprehensive onboarding program.

Our Compensation and Benefit package is designed to ensure our competitiveness against the top companies in Indonesia. Several initiatives are developed by taking into account employee aspirations and feedback along with market surveys to ensure we are relevant with employee's needs and manage competitiveness.

The majority of the Company's workforce belongs to one union and all employment issues at Sampoerna are addressed in accordance with the prevailing regulations. The collective labor agreement with the union was renewed in 2014. We are proud to state that Sampoerna has an excellent relationship with its union which leads to a productive and effective working environment.

COLLABORATE AS STRATEGIC PARTNERS

We promote multiple platforms of collaboration with all functions in the organization to strengthen organization capabilities. We develop open communication to ensure that the employees are always updated on new initiatives and involved in the process. We believe that a strong organization is a foundation for strong business performance.

MANAGEMENT DISCUSSION AND ANALYSIS



THE LARGEST



MARKET CAPITALIZATION

MANAGEMENT DISCUSSION AND ANALYSIS

This section contains a discussion of Sampoerna's results of operations and financial condition for the year ended 31 December 2015. This discussion and analysis should be read in conjunction with the Consolidated Financial Statements and its notes.

OVERVIEW

Estimated industry size, Sampoerna sales volume and market share are shown in the table below.

	2015	2014	Change (%) / p.p.
Total Cigarette Market (billion units)	314.0	314.0	---
SAMPOERNA CIGARETTE MARKET SHARE			
<i>Sampoerna A</i>	14.9%	14.4%	0.5 p.p.
<i>Dji Sam Soe</i>	7.0%	6.3%	0.7 p.p.
<i>U Mild</i>	4.8%	5.4%	(0.6) p.p.
Others	8.3%	8.8%	(0.5) p.p.
Total	35.0%	34.9%	0.1 p.p.
SAMPOERNA SALES VOLUME (billion units)			
SKM	70.9	69.0	2.8%
SKT	23.1	24.6	(6.4)%
SPM	15.9	16.1	(1.5)%
Total	109.8	109.7	0.1%

For the full year 2015, the estimated total cigarette market was essentially flat reflecting a soft economic environment. Sampoerna sold 109.8 billion units of cigarettes domestically with the sales of SKM products up 2.0 billion units, contributing 64.6% of domestic cigarettes sales volume as compared to 62.9% in 2014, largely reflecting Sampoerna's increasing presence in the SKM product category. On the other hand, the sales volume of SKT was down 1.6 billion units compared to 2014, reflecting the trend of adult smoker preference shifting to SKM products. The sales volume of SPM products distributed by Sampoerna was down from last year. According to Nielsen Retail Audit report, Sampoerna retained the market leader position in Indonesia with 35.0% market share in 2015, up 0.1 share point compared to the prior year.

Sampoerna's net profit increased 1.8% from Rp10.2 trillion in 2014 to Rp10.4 trillion in 2015, primarily due to favorable pricing partly offset by higher investment for marketing and advertising coupled with higher production costs.

SAMPOERNA RIGHTS ISSUE

On 30 October 2015, Sampoerna completed a Rights Issue. The Rights Issue was undertaken in the framework of fulfilling the requirements of the IDX Listing Rule No. I-A issued by virtue of the Decision of the Board of Directors of PT Bursa Efek Indonesia No. KEP-00001/BEI/01-2014 concerning Listing of Shares (Stock) and Other Equity-Type Securities Issued by Listed Companies, pursuant to which the total shares owned by non-controlling and non-major shareholders of a listed company may not be less than 50 million shares and must represent at least 7.5% of the total issued and paid-up capital of the company by no later than 30 January 2016.

Through the Rights Issue, the Company issued 269,723,076 new shares. Upon completion of the Rights Issue, PMID holds a 92.5% interest of Sampoerna's shares. At an exercise price of Rp77,000 per share, Sampoerna generated Rp20.768 trillion in total gross proceeds, the largest stock offering in Southeast Asia in recent years.

REALIZATION OF USE OF FUNDS FROM RIGHTS ISSUE

Proceeds of the Rights Issue have been used in accordance with the purpose stated in the prospectus, for excise payment to the Customs and Excise Office, payment to vendor/third party for operational activities and payment of loan for working capital (after deducting transaction-related expenses).

RESULTS OF OPERATIONS

2015 REVENUE AND SALES VOLUME

Sampoerna's net revenues increased 10.4% to Rp89.1 trillion in 2015 from Rp80.7 trillion in 2014, primarily due to favorable pricing. Cigarette domestic sales volume, which contributed 98.8% of Sampoerna's net revenues, remained flat at 109.8 billion units (2014: 109.7 billion units). The 2015 net revenues, excluding excise taxes, increased 8.9% to Rp42.1 trillion in 2015 from Rp38.7 trillion in 2014.

Sampoerna's net revenues from SKM increased 14.1% to Rp55.6 trillion, which accounted for 63.2% of total cigarette net revenues in 2015 compared to Rp48.7 trillion, or 61.3% of total cigarette net revenues in 2014. Sales volume of SKM increased 2.8% to 70.9 billion units from 69.0 billion units. *Sampoerna A* contributed 42.5% and 44.5% of the total domestic sales volume and cigarette net revenues in 2015, respectively, as compared to 41.4% and 43.9%, respectively, in 2014. *Sampoerna U*, as the second largest contributor to Sampoerna's SKM portfolio, registered a 5.0% increase in net revenues, despite the 9.6% decrease in sales volume. The sales volume and net revenues of machine-made *Dji Sam Soe* increased significantly from 2014, up 34.0% and 43.8% respectively, increasing the Company's presence in the growing SKM product category.

The Company's SKT sales volume decreased by 6.4% to 23.1 billion units from 24.6 billion units in 2014, notably due to *Sampoerna Kretek*, largely reflecting the decline of the total segment. Despite the trend of adult smokers moving away from SKT products to SKM products, the Company's flagship brand *Dji Sam Soe* recorded flat sales volume compared to 2014, while net revenues increased 4.9% to Rp12.4 trillion from Rp11.9 trillion in 2014. As a result, the Company's net revenues from SKT increased by 2.2% compared to the prior year.

The Company's net revenues from SPM portfolio, i.e., *Marlboro*, increased 9.8% to Rp13.3 trillion compared to the prior year, primarily due to an increase in prices, which was partially offset by a decrease in SPM sales volume. SPM's sales contribution to the Company's cigarette net revenues in 2015 remained flat compared to 2014 at 15.2%.

COST OF GOODS SOLD

Cost of goods sold excluding excise tax, increased by Rp2.2 trillion or 11.9% compared to 2014, driven by an increase in production costs reflecting higher labor costs in line with the minimum average wage increase, the introduction of Healthcare and Social Security Agency (*Badan Penyelenggara Jaminan Sosial Kesehatan - BPJS Kesehatan*) and higher raw material costs. Contributing to the Company's increased costs of goods sold were amendments made to the contractual production volume by the TPOs, driven by declining adult smoker demand for SKT cigarettes over the past few years due to changing adult smoker preferences, for which the Company paid Rp604.3 billion to the TPOs.

SELLING EXPENSES

Selling expenses increased 12.8% to Rp6.0 trillion from Rp5.3 trillion in 2014 primarily driven by higher investments in marketing and advertisements to support the existing brands as well as the launch of the new product, *U Bold*, and an increase in distribution and logistics costs as a result of higher salaries.

GENERAL AND ADMINISTRATIVE EXPENSES

The Company's general administrative expenses increased from Rp1.4 trillion to Rp1.7 trillion in 2015, primarily due to an increase in salary and wages, coupled with an increase in inflation-driven costs.

MANAGEMENT DISCUSSION AND ANALYSIS

PROFIT FOR THE YEAR

As a result of the foregoing, Sampoerna's net profit for 2015 increased 1.8% to Rp10.4 trillion from Rp10.2 trillion in 2014. The basic and diluted earnings per share for this year were up by 0.9% to Rp2,326 per share as compared to Rp2,306*) in 2014. The Price per Earnings ratio as of 31 December 2015 was 40.4.

*) Prior year's basic and diluted earnings per share have been restated to reflect the impact of the 2015 Rights Issue as approved in the EGMS on 9 October 2015.

ASSETS

The Company's total assets increased by Rp9.6 trillion or 33.9% from Rp28.4 trillion in 2014, predominantly reflected in higher cash and loan to related party, coupled with higher trade receivables and higher inventories.

FINANCIAL RATIO

Sampoerna continued to record sound financial performance as evidenced by the following financial ratios for the financial year in review:

Ratio	2015	2014
Return on Assets	27.3%	35.9%
Return on Equity	32.4%	75.4%
Net Operating Income to Sales	15.8%	17.1%
Current Ratio	6.57	1.53
Total Liabilities to Total Assets Ratio	0.16	0.52
Debt to Equity Ratio	-	0.22

DIVIDEND POLICY

2015

Based on a resolution of the AGMS on 27 April 2015, the Company's shareholders approved and ratified the payment of a cash dividend of Rp4.27 trillion or Rp975 (full Rupiah) per share from the net income of the 2014 financial year, and the amount was fully paid on 28 May 2015.

Based on a resolution of the EGMS on 10 August 2015, the Company's shareholders approved and ratified the payment of a cash dividend of Rp4.53 trillion or Rp1,033 (full Rupiah) per share from the Company's retained earnings from 1999 to 2014, and the amount was paid on 9 September 2015.

LIABILITIES

The Company's liabilities were down 59.7% from Rp14.9 trillion in 2014 to Rp6.0 trillion, primarily due to impact of the change in excise tax payment terms as stipulated in the Minister of Finance Regulation No. 20/PMK.04/2015, for all payments of excise tax stamps to be settled by year-end. Contributing to the lower liabilities was the repayment of all outstanding Company's borrowings. As of 31 December 2015, the Company had no outstanding borrowings.

EQUITY

The Company's total equity increased 137.2% to Rp32.0 trillion from Rp13.5 trillion in 2014. The increase was primarily driven by the additional paid in capital generated from the Rights Issue in October 2015.

Based on a resolution of the EGMS on 18 September 2015, the Company's shareholders approved and ratified the payment of a cash dividend of Rp3.45 trillion or Rp787 (full Rupiah) per share from the Company's retained earnings as of 2014, and the amount was paid on 12 October 2015.

2014

Based on a resolution of the AGMS on 9 May 2014, the Company's shareholders approved and ratified the payment of a cash dividend of Rp10.65 trillion or Rp2,430 (full Rupiah) per share from the net income of the 2013 financial year, whereby:

- Rp4.06 trillion or Rp927 (full Rupiah) per share was paid on 20 June 2014;



- Rp1.58 trillion or Rp360 (full Rupiah) per share was paid on 30 September 2014; and
- Rp5.01 trillion or Rp1,143 (full Rupiah) per share was paid on 23 December 2014.

INFORMATION ON AFFILIATED TRANSACTION AND MATERIAL TRANSACTION

1. On 18 September 2015, the Company's EGMS approved two intercompany loan agreements between the Company and Philip Morris Finance SA, which constitute material transactions for the Company. Pursuant to the terms of the intercompany loan agreements, which were executed on 19 September 2015, (i) Philip Morris Finance SA has made available to the Company uncommitted revolving facilities in a maximum amount up to 100.0% of the equity of the Company based on its 2014 audited financial statements, which was Rp13,498.1 billion as at 31 December 2014 and (ii) the Company has made available to Philip Morris Finance SA uncommitted revolving facilities in a maximum amount up to 100.0% of the net income of the Company based on its 2014 audited financial statements, which was Rp10,181.1 billion as at 31 December 2014. The intercompany loan agreements are valid until 1 September 2025 and are extendable upon mutual agreement of both parties.

2. On 3 December 2015, the Company entered into a lease agreement with PMID, whereby the Company leases to PMID, four warehouses located at Karawang International Industrial City, Karawang, West Java, for a five-year period commencing from 3 December 2015 until 2 December 2020, with the total lease amount of Rp12.01 trillion (excluding Value Added Tax).

CHANGES TO LAWS AND REGULATIONS AFFECTING OUR BUSINESS

EXCISE TAX PAYMENT

In 2015, the Minister of Finance issued another amendment to Regulation No. 108/PMK.04/2008 (as has been amended by Regulation No. 159/PMK.04/2009) regarding the Settlement of Excise by virtue of Minister of Finance Regulation No. 15/PMK.04/2015, whereby requiring a manufacturer or importer of cigarettes to pay excise tax in cash.

In addition, in February 2015, the Minister of Finance No. 20/PMK.04/2015 was issued to amend the payment period of tobacco excise stamps. Prior to the issuance, manufacturers were allowed to pay excise stamps within two months at the latest after purchase. Under the new regulation, payment for excise stamps ordered should be made no later than 31 December of the same financial year. The Minister of Finance Regulation No. 20/PMK.04/2015 was enforced in 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL AGREEMENT FOR CAPITAL EXPENDITURE

Other than the commitments relating to the purchase of fixed assets and construction of the investment property in the amount of Rp366.96 billion as of 31 December 2015, the Company did not enter into any material commitment for any capital expenditure.

MATERIAL INFORMATION AFTER THE DATE OF ACCOUNTANT REPORT

On 2 February 2016, the Company and PT Union Sampoerna Dinamika (“**USD**”), a subsidiary, as the shareholders of PT Sampoerna Printpack (“**SPP**”), entered into a Conditional Shares Sale and Purchase Agreement (“**CSPA**”) to sell SPP to PT Infiniti Wahana (“**Infiniti**”), a third party, for a consideration of Rp300 billion.

In accordance with the agreement, the Company and USD agreed to sell all its respective shares in SPP with several conditions precedent should be fulfilled by Infiniti and the Company, including but not limited to the transfer of shares in PT Perusahaan Dagang dan Industri Panamas (“**Panamas**”) owned by SPP to the Company.

On 1 March 2016, the CSPA has been amended to extend the closing period of the transaction. Unless the parties agree to further extend the closing period, all the conditions precedent in the CSPA (unless waived in writing) have to be fulfilled on or before 21 April 2016. In parallel, on 3 February 2016, SPP sold all of its shares in Panamas to the Company with a consideration of Rp1.2 billion.

BUSINESS PROSPECTS

We are facing a tougher journey in 2016 with the recent softness in the overall economy, increasing pressure in the fiscal and regulatory environment coupled with intense competition in the cigarette market. With strong brand equity, determination and focused strategies, the Company believes it will consistently deliver sustainable results going forward.

MARKETING ASPECTS

As a manufacturing company, Sampoerna manufactures cigarette products and distributes them through a variety of distribution channels. The products are marketed under seven brand families, each of which also has variants that are suited to adult smokers’ tastes and segments. Five of the brand families are manufactured and all products are distributed by Sampoerna through 106 sales and distribution centers, with access to more than 14,000 wholesalers, 33 agents, and approximately 400,000 general and modern trade outlets across Indonesia. This network provides Sampoerna with approximately 2.4 million points of sale and a significant competitive advantage, given the fragmented geographical nature of Indonesia.

Sampoerna has an unmatched cigarette portfolio in Indonesia, with seven brand families, including five of the top-ten best-selling brand families of cigarettes in Indonesia. Sampoerna produces the cigarettes for five of these brand families and distributes (without manufacturing) the SPM cigarettes for two, including *Marlboro*.

Sampoerna produces kretek cigarettes, which are cigarettes made with a blend of cloves and tobacco, both in SKM and SKT varieties. The non-clove cigarettes that Sampoerna sells, including *Marlboro*, are known as SPM cigarettes. In 2015, SKM cigarettes accounted for 64.6% of Sampoerna’s domestic cigarettes sales volumes, while SKT accounted for 21.0% and SPM for 14.4%.

Sampoerna is the market leader in each of these cigarette categories with 30.1% share of the SKM segment, 39.2% share of the SKT segment and 80.9% share of the SPM segment in 2015.

CORPORATE GOVERNANCE



NUMBER
ONE



TAXPAYER

CORPORATE GOVERNANCE

SAMPOERNA HAS ESTABLISHED A STRONG CORPORATE GOVERNANCE STRUCTURE AND IMPLEMENTATION TO BETTER ADDRESS THE INTEREST OF ALL STAKEHOLDERS WHILE LAYING THE NECESSARY FOUNDATION FOR SUSTAINABLE BUSINESS GROWTH.

To better address the interest of all of its stakeholders while laying the necessary foundation for sustainable business growth, Sampoerna has established a strong GCG structure. In implementing this, Sampoerna ensures that the Company remains in compliance with all applicable Indonesian regulations.

Sampoerna's GCG structure consists of a General Meeting of Shareholders ("**GMS**"), the Board of Commissioners, and the Board of Directors.

GENERAL MEETINGS OF SHAREHOLDERS

The GMS has the ultimate power and authority in Sampoerna's organization. The procedures to convene the GMS have been made in compliance with the prevailing laws and regulations and Sampoerna's Articles of Association with the following mechanisms:

1. Notify OJK on the plan to convene the GMS;
2. Announce to the shareholders the plan to convene the GMS via: (i) one daily newspaper in the Indonesian language with national circulation; (ii) IDX's website; and (iii) Sampoerna's website in both Indonesian and English;
3. Announce the invitation for the GMS in: (i) one daily newspaper in the Indonesian language with national circulation; (ii) IDX's website; and (iii) Sampoerna's website in both Indonesian and English; and

4. Announce the results of the GMS in: (i) one daily newspaper in the Indonesian language with national circulation; (ii) IDX's website; and (iii) Sampoerna's website in both Indonesian and English.

As part of the procedures, voting, including the act and calculation of blank votes, will be done in accordance with the applicable laws and regulations. Voting concerning a person shall be made by an unsigned folded ballot, and voting on other matters shall be made verbally, unless the Chairman of the GMS determines otherwise without objections from one or more shareholders jointly representing 1/100 (one hundredth) of the total number of shares with valid voting rights.

There are two types of general meetings of shareholders:

1. Annual General Meeting of Shareholders (AGMS); and
2. Extraordinary General Meeting of Shareholders ("**EGMS**").

Sampoerna's Annual General Meeting of Shareholders must be held at the latest six months after the end of a financial year. Sampoerna may also convene an EGMS at any time if necessary.

a) Annual General Meeting of Shareholders (AGMS)

In 2015, Sampoerna held its AGMS on 27 April 2015 at the Auditorium at Sampoerna Headquarters in Surabaya. The meeting fulfilled all legal procedures considering that the notification of the meeting was submitted to OJK and IDX on 10 March 2015, including its amendment to the OJK on 10 April 2015.

Sampoerna published the announcement for the meeting to the public in two Indonesian language newspapers, Surya and Bisnis Indonesia, and uploaded it on the IDX's website as well as on Sampoerna's website at www.sampoerna.com, all of which on 18 March 2015. Further, Sampoerna published the meeting invitation to shareholders in two Indonesian language newspapers, Surya and Bisnis Indonesia, and also uploaded it on the IDX's and Sampoerna's websites, all of which on 2 April 2015.

The meeting had five agenda items, each of which was resolved mainly as follows:

Agenda 1

Accepted and approved Sampoerna's 2014 Annual Report and ratified the Company's Consolidated Financial Statements for the financial year ended on 31 December 2014 that had been audited by a certified Independent Public Accounting Firm registered at the OJK, KAP Tanudiredja, Wibisana & Rekan (a member of the PricewaterhouseCoopers network of firms), and fully released and discharged the members of Sampoerna's Board of Directors and the Board of Commissioners for their management and supervisory actions undertaken during financial year 2014.

Agenda 2

Approved and authorized dividend payment in the amount of Rp4,273,425,000,000 or Rp975 per share set aside from Sampoerna's net income for financial year 2014, with the following schedule:

1. Cum Dividend in regular and negotiated markets: 5 May 2015;
2. Ex-Dividend in regular and negotiated markets: 6 May 2015;
3. Cum Dividend in cash market: 8 May 2015;
4. Recording date: 8 May 2015;
5. Ex-Dividend in cash market: 11 May 2015; and
6. Dividend payment date: 28 May 2015.

Agenda 3

Approved the appointment of an Independent Public Accounting Firm registered at the OJK, Tanudiredja, Wibisana, Rintis & Rekan (a member of the PricewaterhouseCoopers network of firms), to audit Sampoerna's Financial Statements for the financial year ended 31 December 2015.

Agenda 4

Approved the amendment to the Company's Articles of Association, among others in respect of the adjustment to the prevailing regulations set forth by the OJK.

Agenda 5

Approved the reappointment of all members of the Board of Directors and Board of Commissioners of Sampoerna, excluding Phang Cheow Hock. In this respect, the Shareholders gave utmost appreciation for Phang Cheow Hock's dedication to Sampoerna during his term of office.

Subsequently, the new compositions of the two Boards are as follows:

Board of Directors:

President Director	: Paul Norman Janelle
Director	: Andre Dahan
Director	: Michael Sandritter
Director	: Nikolaos Papathanasiou
Director	: Peter Alfred Kurt Haase
Director	: Yos Adiguna Ginting
Independent Director	: Wayan Mertasana Tantra

all having terms of office effective as from the date of the meeting until the close of the fifth AGMS after their appointment on 27 April 2015, which is in the year 2020.

Board of Commissioners:

President Commissioner	: John Gledhill
Vice President Commissioner	: Charles Herve Bendotti
Commissioner	: Niken Kristiawan Rachmad
Independent Commissioner	: Goh Kok Ho
Independent Commissioner	: Raden Bagus Permana Angung Dradjattun

All having terms of office effective as from the date of the meeting until the close of the fifth AGMS after their appointment, which is in the year 2020.

CORPORATE GOVERNANCE

b) Extraordinary General Meeting of Shareholders (EGMS)

Sampoerna held three EGMS on 10 August, 18 September, and 9 October 2015. The three meetings fulfilled all legal procedures as the announcements of the meetings were submitted to OJK and IDX. Sampoerna also published the announcements for the meetings in newspapers and IDX's and Sampoerna's websites, respectively on 30 June, 12 August, and 2 September 2015. Furthermore, Sampoerna also notified the agenda of the meetings on 15 July, 27 August, and 17 September 2015, correspondingly.

During the EGMS held on 10 August 2015, the main resolution was as follows:

Approved the proposed distribution of a total of Rp4,527,639,000,000 or Rp1,033 per share as cash dividend, taken from retained earnings for financial years of 1999 to 2014 with the following schedule:

1. Cum Dividend in regular and negotiated markets: 18 August 2015;
2. Ex-Dividend in regular and negotiated markets: 19 August 2015;
3. Cum Dividend in cash market: 21 August 2015;
4. Recording date: 21 August 2015;
5. Ex-Dividend in cash market: 24 August 2015; and
6. Dividend payment date: 9 September 2015.

During the EGMS held on 18 September 2015, the main resolutions were as follows:

Agenda 1

Approved the proposed distribution of a total of Rp3,449,421,000,000 or Rp787 per share as cash dividend, taken from net earnings, until the 2014 financial year with the following schedule:

1. Cum Dividend in regular and negotiated markets: 28 September 2015;
2. Ex-Dividend in regular and negotiated markets: 29 September 2015;
3. Cum Dividend in cash market: 1 October 2015;
4. Recording date: 1 October 2015;
5. Ex-Dividend in cash market: 2 October 2015; and
6. Dividend payment date: 12 October 2015.

Agenda 2

Approved the resignation of Nikolaos Papathanasiou from his position as Director of Sampoerna effective as of the close of the meeting, and fully released and discharged him for actions taken during his tenure in 2015, and gave appreciation for his contribution and dedication.

Approved the appointment of Troy J. Modlin as a new Director of Sampoerna to replace Nikolaos Papathanasiou, for the remaining tenure of the latter, effective as of 18 September 2015.

Subsequently, the new composition of the Board of Directors is as follows:

Board of Directors:

President Director	: Paul Norman Janelle
Director	: Andre Dahan
Director	: Michael Sandritter
Director	: Troy J. Modlin
Director	: Peter Alfred Kurt Haase
Director	: Yos Adiguna Ginting
Independent Director	: Wayan Mertasana Tantra

all having the term of office effective as from the date of the meeting until the close of the fifth AGMS on 27 April 2015, which is in the year of 2020.

Agenda 3

Approved the proposed material transactions as specified under the following agreements:

Inter-company Loan Agreement I: An uncommitted revolving loan facility received by the Company from Philip Morris Finance S.A. ("PM Finance") through one or more withdrawals within a certain period, where the total amount of the loan can exceed 50% of the Company's equity based on the latest audited financial statement of the Company for the relevant time, up to 100% of the Company's equity based on the latest audited consolidated annual financial statement, which is Rp13,498 billion based on the consolidated annual financial statement that was audited on 31 December 2014 or equivalent to US\$1,085,000,000 based on the currency exchange rate on 31 December 2014, but

cannot exceed the limits defined by the prevailing laws and regulations in Indonesia; and

Inter-company Loan Agreement II: An uncommitted revolving loan facility to be provided by the Company to PM Finance, through one or more withdrawals within a certain period, where the total amount of the loan must not exceed 100% of the Company's net income (based on the latest audited annual financial statement of the Company for the relevant time), which is Rp10,181 billion based on the consolidated annual financial statement that was audited on 31 December 2014 or equivalent to US\$818,000,000 based on the currency exchange rate on 31 December 2014, but cannot exceed the limits defined by the prevailing laws and regulations in Indonesia.

During the EGMS held on 9 October 2015, the main resolutions were as follows:

Agenda 1

Approved the Rights Issue with rights to subscribe for 269,723,076 new shares each with a nominal value of Rp100, provided that every holder of 65 existing shares whose name is listed in the Company's shareholder register on 22 October 2015 at 4.00 pm, is entitled to four Rights (*Hak Memesan Efek Terlebih Dahulu - HMETD*) in which each one Right gives its holder to subscribe one new share at a price of Rp77,000.

Agenda 2

Approved the amendments to Sampoerna's Articles of Association article 4 paragraph 2 regarding Sampoerna's issued and paid-up capital.

THE COMPOSITION OF CONTROLLING SHAREHOLDERS

The Company's major shareholder is PMID, a limited liability company established under the laws of the Republic of Indonesia on 10 August 1998. Following the Rights Issue completed in October 2015, PMID owns 92.5% of the shares while the remaining 7.5% is owned by the public.

BOARD OF COMMISSIONERS

The tasks and responsibilities of Sampoerna's Board of Commissioners are stipulated in the Company's Articles of Association and Law No. 40 of 2007 on Limited Liability Companies. In principle, the Board of Commissioners shall supervise the management policy and the management of the Company and give advice to the Board of Directors.

a) Authority

The Board of Commissioners shall have the right, among others, at any time to temporarily dismiss from office one or more members of the Board of Directors, if said members of the Board of Directors have acted contrary to the Articles of Association and/or other prevailing regulations.

b) Composition and Criteria

As of 31 December 2015, the Board of Commissioners has five members consisting of one President Commissioner, one Vice President Commissioner, one Commissioner, and two Independent Commissioners. The number of the Company's Independent Commissioners equals 40% of the total number of Commissioners.

c) Nomination

Commissioners are appointed at a GMS after a selection process conducted by the Nomination and Remuneration Committee.

d) Criteria for Independent Commissioner

- i) The criteria for an Independent Commissioner:
 - Is not a person who works or has the authority and responsibility for planning, directing, controlling, or supervising the activities of the public company within the last six months, except for re-appointment as Independent Commissioner for issuers or public company;
 - Has no shares both directly and indirectly in the issuer or the public company;
 - Has no affiliation with the issuer or public company, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the issuer or public company; and
 - Has no business relationship, directly and indirectly related to the business activities of the issuer or the public company.
- ii) Independence Statement signed by the Company's President Director and the relevant Independent Commissioner.

All members of the Board of Commissioners have no financial and familial relationships up to the second degree with fellow members of Board of Commissioners, members of Board of Directors, and/or controlling shareholders, and do not have any relationship with Sampoerna that could prevent them from acting independently.

CORPORATE GOVERNANCE

e) Meetings

According to article 20.1 of Sampoerna's Articles of Association, the Board of Commissioners must hold a meeting at least once every two months. The Board of Commissioners may also convene a meeting at any time deemed necessary by one or more members of the Board of Commissioners, or upon a written request of one or more members of the Board of Directors or upon a written request of one or more shareholders jointly representing 1/10 (one tenth) of the total number of shares with valid voting rights.

Throughout 2015, the Board of Commissioners held four meetings, which were on 26 March, 18 June, 17 September, and 27 October.

No.	Name	Title	Number of Meeting	Attendance	Attendance Rate During Term of Office
1	John Gledhill	President Commissioner	4	4	100%
2	Charles H. Bendotti	Vice President Commissioner	4	1	25%
3	R.B. Permana Agung D.	Independent Commissioner	4	4	100%
4	Goh Kok Ho	Independent Commissioner	4	4	100%
5	Niken K. Rachmad	Commissioner	4	4	100%
6	Phang Cheow Hock*	Independent Commissioner	1	1	100%

* Term of office ended effective as of 27 April 2015.

f) Procedure for Determining the Remuneration

The Nomination and Remuneration Committee will make recommendations to the Board of Commissioners on remuneration, allowances and other compensation applicable to the Board of Commissioners.

g) Remuneration

The aggregate remuneration and benefits paid or proposed to be paid to the Board of Commissioners for services rendered in all capacities to the Company for the years ended 31 December 2012, 2013, 2014, and 2015, are respectively Rp2.5 billion, Rp2.8 billion, Rp3.6 billion, and Rp3.3 billion.

h) Development Programs for the Board of Commissioners

In 2015, the Company has organized a number of development programs for the Board of Commissioners, such as sessions to update the members of the Board of Commissioners on capital market regulations, board of commissioners liabilities under the Company Law, and other regulations relevant to the business of the Company.

BOARD OF DIRECTORS

The Board of Directors is responsible for managing Sampoerna to achieve its corporate goals for the best interest of Sampoerna. The Board of Directors must perform their duties in good faith and with full responsibility with due observance to the prevailing laws and regulations.

a) Authority

The Board of Directors has the right to represent Sampoerna, both before and outside courts, regarding any matter and in all circumstances, to bind Sampoerna with other parties and other parties with Sampoerna, and to take all actions with respect to management or ownership, but subject to the limitation that for the following actions an approval must be obtained from the Board of Commissioners:

- (i) to borrow or lend monies on behalf of Sampoerna (excluding to withdraw monies of the Company from banks) for each transaction in an amount exceeding the threshold determined from time to time by the Board of Commissioners;
- (ii) to establish a new business enterprise or to participate in other companies either in Indonesia or overseas.

The Board of Directors is also authorized to carry out any action regarding management or ownership pursuant to Sampoerna's Articles of Association, the Law on Limited Liability Companies, the Capital Market Law, and any other applicable laws and regulations.

b) Composition and Criteria

As of 31 December 2015, Sampoerna's Board of Directors has seven members, consisting of one President Director, five Directors, and one Independent Director.

c) Nomination

The Nomination and Remuneration Committee will make recommendations to the Board of Commissioners on the composition of the Board of Directors, including proposals to the Board of Commissioners of qualified candidate(s) as members of the Board of Directors to be conveyed to and approved by the GMS.

d) Criteria for Independent Director

- i) The Criteria for an Independent Director are:
 - Has no affiliation with the controlling shareholder of the listed company at least six months prior to his/her appointment as Independent Director;
 - Has no affiliation with other directors and commissioners of the listed company;
 - Shall not act as Director of other company(s) at the same time; and

- Shall not be an insider of an institution or a Capital Market Supporting Profession whose service was used by Sampoerna for six months prior to his/her appointment as Independent Director.

- ii) Independence Statement signed by Sampoerna's President Director and the relevant Independent Director.

All members of the Board of Directors have no financial and familial relationships up to the second degree with fellow members of Board of Commissioners, members of Board of Directors, and/or controlling shareholders, and do not have a relationship with Sampoerna that could prevent them from acting independently.

e) Meetings

The Board of Directors must hold periodically meeting of at least once a month and may also hold at any time deemed necessary by one or more members of the Board of Directors, or upon written request of one or more shareholders jointly representing 1/10 of the total number of shares with valid voting rights.

Throughout 2015, the Board of Directors held 12 meetings. The Company complied with its Articles of Association and OJK regulation with regards to the minimum number of meetings to be held by its Board of Directors which is 12 times a year.

Throughout 2015, the Board of Directors held 12 meetings which were carried out on 12 January, 2 February, 17 March, 17 April, 11 May, 4 June, 6 July, 14 August, 16 September, 20 October, 4 November, and 7 December 2015.

No.	Name	Title	Number of Meeting	Attendance	Attendance Rate During Term of Office
1	Paul Norman Janelle	President Director	12	12	100%
2	Andre Dahan	Director	12	12	100%
3	Michael Sandritter	Director	12	11	91.67%
4	Peter Alfred Kurt Haase	Director	12	12	100%
5	Yos Adiguna Ginting	Director	12	11	91.67%
6	Nikolaos Papathanasiou*	Director	9	7	77.78%
7	Troy J. Modlin**	Director	3	2	66.67%
8	Wayan Mertasana Tantra	Independent Director	12	9	75%

* Resigned from his position as Director of the Company effective as of 18 September 2015.

** Appointed as Director of the Company replacing Nikolaos Papathanasiou effective as of 18 September 2015.

f) Procedure for Determining the Remuneration

The Nomination and Remuneration Committee will make recommendations to the Board of Commissioners about the remuneration, allowances and other compensation applicable to Board of Directors.

g) Remuneration

The aggregate remuneration and benefits paid or proposed to be paid to Sampoerna's Directors for services rendered in all capacities to Sampoerna for the years ended 31 December 2012, 2013, 2014, and 2015, are respectively Rp63.9 billion, Rp91.6 billion, Rp104.3 billion, and Rp110.3 billion.

CORPORATE GOVERNANCE

h) Development Programs for the Board of Directors

In 2015, the Company organized a number of development programs for the Board of Directors, such as Ambassadors of Culture and Excellence Workshop (ACE), and sessions to update the members of the Board of Directors on capital market regulations, board of directors liabilities under the Company Law, and other regulations relevant to the business of the Company.

ASSESSMENT OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The Nomination and Remuneration Committee will assist the Board of Commissioners in assessing the performance of Board of Directors and/or Board of Commissioners in accordance with their respective remunerations.

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS JOINT MEETINGS

To allow good and effective communication, the Company's Board of Commissioners and Board of Directors also hold joint meetings periodically at least once every four months in accordance with OJK regulation No 33/POJK.04/2014 and Sampoerna's Articles of Association.

Throughout 2015, the Board of Commissioners held three joint meetings with the Board of Directors, which were held on 18 June, 17 September, and 27 October.

No.	Name	Title	Number of Meeting	Attendance	Attendance Rate During Term of Office
1	John Gledhill	President Commissioner	3	3	100%
2	Charles H. Bendotti	Vice President Commissioner	3	-	0%
3	R.B. Permana Agung D.	Independent Commissioner	3	3	100%
4	Goh Kok Ho	Independent Commissioner	3	3	100%
5	Niken K. Rachmad	Commissioner	3	3	100%
6	Paul Norman Janelle	President Director	3	2	66.7%
7	Andre Dahan	Director	3	3	100%
8	Michael Sandritter	Director	3	3	100%
9	Peter Alfred Kurt Haase	Director	3	3	100%
10	Yos Adiguna Ginting	Director	3	1	33.3%
11	Nikolaos Papathanasiou*	Director	2	1	50%
12	Troy J. Modlin**	Director	1	1	100%
13	Wayan Mertasana Tantra	Independent Director	3	1	33.3%

* Resigned from his position as Director of the Company effective as of 18 September 2015.

** Appointed as Director of the Company replacing Nikolaos Papathanasiou effective as of 18 September 2015.

NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee ("NRC") is to provide advice and recommendations to the Board of Commissioners with respect to matters related to the nomination and remuneration of the Board of Directors, Board of Commissioners and Board of Commissioners' Committees.

Based on the approval given during AGMS on 27 April 2012 and taking into account the recommendations of the NRC, the Board of Commissioners gave the NRC authority

to determine: (i) the salary and benefits of each member of the Board of Directors; and (ii) the fees, wages or benefits of each member of the Board of Commissioners for the financial year of 2012, as well as subsequent financial years, until decided otherwise at an AGMS.

The current Chairman of the NRC is Goh Kok Ho, who was appointed on 19 May 2015 for a five-year term replacing Phang Cheow Hock, whose term of office ended on the same date. Other members include Niken Kristiawan Rachmad, who was appointed on 19 May 2015 and Linda Setiawan, who was appointed on 13 March 2013.

Profile of Nomination and Remuneration Committee

The profiles of Goh Kok Ho and Niken Kristiawan Rachmad are available in the section of the Board of Commissioners profile of the Annual Report.

Linda Setiawan

Member of Nomination and Remuneration Committee

An Indonesian citizen, born in Cirebon on 27 December 1977. She has an Environmental Engineering degree from the Bandung Institute of Technology and a Master of Science in Environmental Engineering from the Technische Universität Hamburg-Harburg, Germany. She joined the Company as a Graduate Intake in 2005.

This composition of the NRC membership is already in compliance with the requirement under OJK Regulation No. 34/POJK.04/2014 dated 8 December 2014 regarding Nomination and Remuneration Committee of Issuer or Public Companies. The NRC is required to act independently in performing its duties and is responsible to the Board of Commissioners.

NRC Meeting

The NRC held three meetings during financial year 2015, which was attended by 100% of its members, with the following results:

- On 1 April 2015, the NRC decided to approve recommendation for the reappointment of members of Board of Commissioners and Board of Directors of Sampoerna, except for Phang Cheow Hock, for a further 5-year period, effective as of the close of Sampoerna's 2015 AGMS.
- On 31 July 2015, the NRC decided to approve recommendation for the appointment of Troy J. Modlin as a new Director of Sampoerna replacing Nikolaos Papathanasiou.
- On 17 September 2015, the NRC decided to approve the proposed incentive for the members of Board of Commissioners and Board of Directors of Sampoerna's subsidiaries in Indonesia.

Independency

All members of the Company's Nomination and Remuneration Committee shall be independent parties in order for Sampoerna to gain impartial assessment in terms of nomination and remuneration.

AUDIT COMMITTEE

As set out in the Audit Committee Charter, the Audit Committee assists Sampoerna's Board of Commissioners in fulfilling its statutory and fiduciary duties and responsibilities. The responsibilities of the Audit Committee include reviewing Sampoerna's consolidated financial statements, internal audits, and the implementation of risk management relating to Sampoerna's activities.

By circular resolutions of the Board of Commissioners Decisions of 19 December 2014 and 19 May 2015, Sampoerna's Audit Committee consists of three members, Goh Kok Ho as chairman, where he replaces Phang Cheow Hock following the expiry of Mr. Hock's term of office, Raden Bagus Permana Agung Dradjattun as member (both were re-appointed effective as of 27 April 2015), and Drs. Hanafi Usman as member (re-appointed effective as of 18 December 2014), who has extensive experience in finance and audit.

The members of the Audit Committee can only be appointed for a maximum of 2 (two) terms. Each member of the Audit Committee is required to be competent and independent.

Independency

All members of the Company's Audit Committee shall be independent parties in order for Sampoerna to gain impartial assessment in terms of audit. As of the end of 2015, two of Sampoerna's Audit Committee members were also Sampoerna's Independent Commissioners.

Audit Committee Profile

The profiles of Phang Cheow Hock, Goh Kok Ho, and R.B. Permana Agung Dradjattun are available in the section of the profile of Board of Commissioners of this Annual Report.

Drs. Hanafi Usman

Member of Audit Committee

Indonesian citizen, born in Jakarta on 29 December 1952. Prior to joining Sampoerna he had a long career assuming key positions at the Directorate General of Customs and Excise with his last position as Pembina Utama Madya. He holds a Graduate Degree from the Institute of Finance Science, Ministry of Finance, which he earned in 1979 and an Undergraduate Degree from the Institute of Finance Science, Ministry of Finance, which he earned in 1975.

CORPORATE GOVERNANCE

Audit Committee Meeting and Report

The Committee undertakes its activities in accordance with the agreed annual work plan. In fulfilling its roles and responsibilities, a number of reports and documents were reviewed, and regular meetings and discussions were conducted. Reports reviewed include internal and external audit reports.

The Committee met on quarterly basis with the Head of Internal Audit, Financial Controller, Corporate Secretary, Legal Officers, Tax Officers, and External Auditors.

Meetings with the Head of Internal Audit were held to discuss the internal audit reports and findings, and to assess the effectiveness of the internal controls. Meetings with the Financial Controller and Legal Officers were held in order to ensure the reliability of financial information and the compliance with the prevailing laws and regulations.

The Committee met on four occasions with the external auditors. In these meetings, the Committee reviewed the work of the external auditors and their independence, including the performance of non-audit services.

The Audit Committee held four meetings during financial year 2015, which were held on 17 March, 26 May, 31 July, and 27 October 2015.

No.	Name	Title	Number of Meeting	Attendance	Attendance Rate During Term of Office
1	Phang Cheow Hock*	Chairman of Audit Committee / Independent Commissioner	1	1	100%
2	Goh Kok Ho**	Chairman of Audit Committee / Independent Commissioner	4	4	100%
3	R.B. Permana Agung Dradjattun***	Member of Audit Committee / Independent Commissioner	3	3	100%
4	Drs. Hanafi Usman	Member of Audit Committee	4	3	75%

* Terms of office ended effective as of 27 April 2015.

** Appointed as Chairman of Audit Committee replacing Phang Cheow Hock effective as of 27 April 2015.

*** Appointed as member of Audit Committee effective as of 27 April 2015.

During the year, the Committee visited the Regional/Area Sales Offices, Wholesalers, Key Accounts and Retail Outlets in Pontianak, Batam, and Tanjung Pinang, manufacturing sites in Sukorejo and Rungkut; and Sampoerna's CSR activities in Lombok. Overall, the Audit Committee members are satisfied with the outcomes from the assessment visits in 2015. During the field trips, the Committee met with employees and witnessed the progress of the key business initiatives undertaken by Sampoerna. The first-hand experiences and open dialogues with the employees allowed the Committee to learn and identify the challenges and opportunities.

The following areas have been addressed in the reviews, meetings and discussions:

Financial Statements

The Committee reviewed and discussed key areas with members of the management and the external auditors, including Sampoerna's accounting policies and practices as well as the interim and audited annual financial statements for the year ended 31 December 2015.

These statements were submitted to the capital market authority, published in the national newspapers, and included in the Annual Report. The discussions highlighted the fair presentation and reasonableness of the judgmental factors and appropriateness of significant accounting policies used in the preparation of the financial statements.

The Committee is satisfied with the assurance given by the external auditors that the financial statements have been prepared and fairly presented in accordance with the Indonesian financial accounting standards.

Internal Audit

The Committee reviewed the Internal Audit programs and work plan for the year 2015 and monitored the progress regularly. The Committee is satisfied with the progress made with the implementation of the risk management and internal controls in relation to the implementation of the Sarbanes-Oxley Act.

External Auditors

KAP Tanudiredja, Wibisana, Rintis & Rekan, a member of the PricewaterhouseCoopers network of firms, was reappointed as external auditors to audit Sampoerna's financial statements for the year ended 31 December 2015.

In its meetings with the external auditors, the Committee reviewed and was satisfied with the efficiency and effectiveness of their work and their review of the adequacy of Sampoerna's internal controls. The Committee was further assured that there were no scope limitations on the work of the auditors and that all the significant risks were considered in the audit.

Compliance with Legal and Regulatory Requirements

The Committee has been updated by Sampoerna's legal officers on the changes and developments regarding, and Sampoerna's compliance with, the various rules, regulations and laws relating to its business operations. Sampoerna's legal officers also assured the Committee that there were no significant lawsuits or litigation cases brought by external or internal parties against Sampoerna.

INTERNAL AUDIT

As set out in the Internal Audit Charter, the main task of the Internal Audit is to provide the Board of Directors with an independent objective assessment of the adequacy and effectiveness of the internal control systems implemented by Sampoerna. The Internal Audit Charter was issued in 2009 by the Board of Directors after obtaining approval from the Board of Commissioners.

Khang Wei (Thomas) Lim has served as the Head of Internal Audit since 14 July 2015. He began his career in Ernst & Young Kuala Lumpur, Malaysia in 2003. He joined PMI in 2006 as Corporate Auditor based in the regional headquarters in Hong Kong and has since progressed through several finance positions with increasing responsibilities, including Manager Finance in Philip Morris China and Treasurer Asia. He has a Bachelor of Commerce degree majoring in Accounting from the University of Adelaide, Australia. He is also a member of the Institute of Chartered Accountants of Australia and New Zealand.

The Internal Audit is charged with evaluating the adequacy and effectiveness of the Company's processes for ensuring the integrity of its financial reporting,

implementing internal controls, and monitoring compliance with the Company's Principles & Practices and functional standards. In particular, the Internal Audit assesses the controls, procedures, and systems in place to ensure:

- The reliability and integrity of financial and operational information, and the means used to identify, classify, secure, and report such information;
- The safeguarding of assets;
- Compliance with Sampoerna's principles, practices, and standards; and
- The cost-effective and efficient use of resources.

The Internal Audit also assists the Board of Directors by identifying opportunities for operational improvements or productivity enhancements, and by providing business support services.

Within the framework of the above main responsibilities, the Internal Audit carries out the following activities:

- Develops a risk-based annual audit plan that takes into account the impact of significant changes to the business, including major systems implementations, and new business processes;
- Implements the audit plan by conducting risk-based audits. Monitors and analyzes the action plans based on the recommendations for improvement provided by the Internal Audit and reporting on the same to the Board of Directors and the Board of Commissioners;
- Assesses and evaluates the implementation of internal control and risk management systems;
- Provides timely and informative summaries of its activities to the Board of Directors, the Board of Commissioners and the Audit Committee; and
- Shares internal control trends and best practices across Sampoerna.

For the successful, complete, and timely performance of the Internal Audit's responsibilities, the Internal Audit personnel are authorized to do the following:

- Gain direct and full access to Sampoerna's financial statements, records and facilities as may be reasonably required for it to discharge its responsibilities;
- Directly communicate and convene meetings periodically with the Board of Directors, the Board of Commissioners and/or the Audit Committee; and
- Coordinate with Sampoerna's external auditors.

CORPORATE GOVERNANCE

The Internal Audit employs qualified and experienced professional audit and finance personnel. The Head of Internal Audit and his management team meet monthly to monitor and evaluate the quality, timely completion and reporting of audit activities and findings to the Board of Directors and the Audit Committee.

To maintain the independence of the Internal Audit, personnel from Internal Audit are not directly involved in, and/or making decisions for, Sampoerna's operational activities.

Evaluation on Internal Control System Effectiveness

Sampoerna has evaluated the effectiveness of Sampoerna's internal control and its operations and is satisfied that its internal control system has been carried out adequately and consistently.

As the subsidiary of PMI, Sampoerna implemented procedures to comply with the Sarbanes-Oxley (SOX) Act. The Internal Audit works closely with the PMI Internal Controls function and has adopted the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO) framework as its basis for making Sampoerna's assessment of the Internal Control over Financial Reporting (ICFR) in relation to SOX 404.

Remediation of improvement areas identified during audits conducted by Sampoerna's Internal Audit and PMI's Corporate Audit Department, and SOX program is key priority of the respective process owners. Extent and timing of the remediation activities are monitored by the Internal Audit and periodically updated to the Board of Directors.

CODE OF CONDUCT

Sampoerna adopts PMI's Code of Conduct, known as Guidebook for Success ("**Guidebook**"), which applies to the Board of Commissioners, Board of Directors, and all employees.

The Guidebook describes the fundamental beliefs and attributes that unite and guide Sampoerna in pursuing Sampoerna's goals in a manner consistent with laws and regulations. Those fundamental beliefs and attributes reflect Sampoerna's commitment to society, shareholders, business partners, and above all, the employees on how Sampoerna operates as a company. The commitment is honored irrespective of the challenges and pressures that Sampoerna faces in the business as this is the only way to secure sustainable growth. The boards and employees are committed to provide honest feedback and raise concerns when the circumstances arise.

As examples, the Guidebook covers the following beliefs and attributes:

Workplace Integrity

Sampoerna advocates a work environment that is inclusive, safe, and professional. All employment-related decisions are based on merit. Robust and objective performance appraisal standards are in place to make sure there are no limits on people's opportunity to contribute or advance based on age, childcare responsibilities, disability, ethnicity, gender, gender expression, religion, pregnancy, or other protected personal characteristics. In addition, employees are expected to treat others with respect.

Conflicts of Interest

Conflicts of interest occur when personal, social, financial, or political activities overlap with an employee's work responsibilities. While Sampoerna respects employees' private lives, it needs to know if there are situations where their private interests might overlap with their professional responsibilities. Employees must disclose potential conflicts of interest to the Compliance Department, even if they think that they can manage the issue without assistance.

Anti-Bribery and Corruption

Bribery violates the rule of law, debilitates the well-being of society and is simply unacceptable at Sampoerna.

Fiscal and Trade

Sampoerna does not condone, facilitate, or support contraband or money laundering and works with governments to stop illegal sales of our products. A large number of adult smokers nationwide prefer our brands above all others. This is clearly a very good thing, but it increases the incentives for criminals to trade in our products as contraband in violation of customs or tax laws or to use our company for money laundering. We comply with anti-money laundering laws by using procedures to avoid receiving cash or cash equivalents that are the proceeds of crime. To prevent contraband, Sampoerna monitors customer sales volumes and takes action on suspected illegal diversions of our products. In addition, we screen potential new customers, vendors, and third-party manufacturers to be sure we do not do business with countries, regimes, organizations, or individuals that are subject to trade sanctions.

The Guidebook is disseminated to the members of the Boards and to all employees in formats including mobile application and hardcopy, and it is also accessible through Sampoerna's Intranet. Between the fourth quarter of 2014 and the first quarter of 2015, more than 25,000 employees participated in training and group discussions on the Guidebook. In addition, the employees are regularly refreshed on the principles of the Guidebook through face-to-face discussions and various internal communication channels, including e-learning.

The Guidebook also provides key information regarding Sampoerna's Principles and Practices, which serve as guiding principles that the employees are mandated to follow in completing their daily work. The Compliance Department assesses all incidents of potential breaches of the Principles and Practices and takes appropriate disciplinary actions as and when required.

SPEAK UP PROGRAM (WHISTLEBLOWING)

One of the key attributes in the Guidebook for Success is speaking up. If something does not seem right, or it appears Sampoerna's Principles and Practices or the law is being compromised, employees have an obligation to speak up. We strongly believe that ignoring a potential compliance issue can enable a relatively small problem to grow into a large problem, causing real harm to the employees and Sampoerna.

Sampoerna provides many reporting channels that allow employees and business partners to make anonymous reports of alleged misconduct by other employees.

- Employees may raise concerns to their supervisor or head of department, the Human Resources Department, the Law Department and the Compliance Department.
- A third-party-operated 24-hour Compliance Hotline is available in all languages.
- A web-based Speak-up platform also allows employees report alleged misconduct through online submissions.

All reports received through the above channels are followed up on in a timely manner by Sampoerna's Compliance Department, which conducts fact-finding investigations to verify the validity of all reported alleged misconduct.

It is the commitment of Sampoerna that the details of the reports and investigation outcomes remain confidential at all times. Sampoerna also has a strong commitment that it does not tolerate any form of retaliation against the reporters and that effective measures are put in place to protect the reporters.

EXTERNAL AUDIT

Sampoerna appoints an Independent Public Accountant to audit on its consolidated financial statements. Sampoerna's consolidated financial statements as of and for the year ended 31 December 2015, were audited by KAP Tanudiredja, Wibisana, Rintis & Rekan, formerly known as KAP Tanudiredja, Wibisana & Rekan (a member of the PricewaterhouseCoopers network of firms), independent public accountants.

The process of selection and appointment of the Independent Public accountant always refers to all applicable regulations.

CORPORATE GOVERNANCE

RISK MANAGEMENT

The Board of Directors is responsible for identifying and assessing the Company's risk exposure and ensuring that any potential risks are managed effectively. Assisted by the Internal Audit, the Board of Directors evaluates and updates the Company's annual risk heatmap of its key business activities. The annual exercise involves the assessment of changes (or anticipated) to the internal business processes as well as the external operating environment, likelihood and impact of the identified risks being materialized, and the respective risk management action plans.

Like any other business, Sampoerna is exposed to certain risks. While the Company faces the full range of normal business risks, specific attention is paid to country-related risks, market-related risks and regulation-related risks.

Country-Related Risks

This type of risk may occur due to a variety of factors including Indonesia's geography, or to political or social instability, destabilizing events, serious public health concerns, regional or global economic change, downgrades of Indonesia's sovereign credit rating, as well as the unenforceability of foreign laws in Indonesia. Falling also under this risk type are risks due to climate, affecting the quality of raw materials such as tobacco leaf and clove, or changing prices of the materials due to a shortage in supply.

In mitigating these risks, as examples, Sampoerna practices prudent working capital requirement planning to ensure the Company has available financing support from international and local financial institutions when faced with sudden liquidity shortages in the financial market. In addition, Sampoerna put in place effective business continuity plans to minimize products supply disruptions in the event of uncertain operating environment.

Regulatory Risks

This type of risk includes those emerging from unfavorable changes to the excise tax regime for cigarette products, different local regulations, changes in government policies with respect to the cigarette industry, and restrictions on business activities especially with regards to promotion.

This type of risk is also beyond the Company's control though Sampoerna has managed to anticipate the potential impacts of regulatory changes, generally, through strict compliance to all applicable regulations.

An example of this risk was the increase in tax charged on tobacco products. This increase forced Sampoerna to also increase the retail price of its products, perhaps shifting demand toward lower-priced products or to different categories of products, or seek out illicit products. Deciding otherwise, however, would have reduced profitability.

Market-Related Risks

This type of risk is related to the overall market condition for the tobacco industry and refers to the competitive situation, changes in market tastes, rising health awareness, claims and adverse publicity.

One example of these risks is that in addition to the existing competition, Sampoerna may encounter significant competition from new market entrants or existing competitors attempting to penetrate its market segments. Industry consolidations could also lead to an overall increase in competitive pressures.

To mitigate this risk, Sampoerna routinely conducts market studies to keep it updated about competitive players within the Indonesian tobacco industry.

Evaluation on Risk Management Effectiveness

No significant changes in 2015 were noted in the risk assessment and Sampoerna is satisfied that adequate business continuity plans and mitigation plans are put in place, under the responsibility of the respective heads of department.

EMPLOYEE COMMUNICATION

Communication with employees is an important part of GCG. As such, Sampoerna uses a number of communication platforms, such as the quarterly internal electronic newsletter Lentera, Sampoerna TV, the Company Radio, electronic mail, video blogs, meetings with the President Director and other Directors held at

least twice annually under the name of “Sersan” (Serious but Laidback – Serius Tapi Santai), Sampoerna anniversary activities and other meetings.

CORPORATE SECRETARY

In accordance with OJK Regulation No.35/POJK.04/2014 regarding Corporate Secretaries of Public Companies, Sampoerna appointed Ike Andriani on 3 August 2015 as the Corporate Secretary based on the Board of Directors Approval dated the same. Ike Andriani is an Indonesian citizen, born in Bandung on 9 July 1971. She holds a Bachelor’s Degree in Law from the Catholic University of Parahyangan, Bandung.

The Corporate Secretary assists the Board of Directors in ensuring the Company’s compliance with capital market regulations, and in ensuring that the Board of Directors is always informed about changes to capital market regulations and their implications.

The Corporate Secretary carried out the following activities during 2015:

1. Ensured that Sampoerna complies with all regulations in the capital market, including making all the necessary amendments in Sampoerna’s Articles of Association to comply with OJK regulations, and making all the necessary amendments in Sampoerna’s Articles of Association to facilitate the Rights Issue.
2. Assisted the Board of Directors and Board of Commissioners in implementing corporate governance relating to public disclosure, and delivered reports to OJK and IDX.
3. Organized and documented Sampoerna’s Annual and Extraordinary General Meetings of Shareholders held in 2015 in accordance with all applicable regulations of the capital market and Sampoerna’s Articles of Association.
4. Assisted in organizing and documenting the meetings of Sampoerna’s Board of Directors, Board of Commissioners, and the Joint Meeting of the Board of Directors and Board of Commissioners.
5. Acted as a liaison between Sampoerna and Sampoerna’s shareholders, OJK, IDX and Sampoerna’s other stakeholders.

In conducting duties and responsibilities, the Corporate Secretary works with the Law Department. The Corporate Secretary and Investor Relations Department ensures that OJK, IDX, the Indonesian Central Securities Depository, shareholders, investors, securities analysts and the capital market community are adequately informed, in accordance with applicable capital market regulations. The Corporate Secretary’s office is at One Pacific Place, 18th Floor Sudirman Central Business District, Jl. Jenderal Sudirman Kav. 52-53, Jakarta 12190, Indonesia, and can be contacted at phone number (021) 515 1234.

COMPLIANCE

Sampoerna has a dedicated Compliance Department under the Head of Internal Audit. The Compliance Department is headed by a senior manager with a team of trained compliance officers that work closely with Sampoerna’s Compliance Committee, which includes the President Director, in-house counsel, the Human Resources Director, and the Compliance Department of PMI.

The main responsibilities of the Compliance Department include to:

- Develop the annual compliance risk assessments and carry out effective action plans to mitigate compliance hot spots. The Compliance Department holds quarterly meetings with the compliance coordinators from several departments to discuss and monitor the progress of the action plans;
- Collaborate with the compliance coordinators to conduct Compliance/Speak Up awareness and fraud prevention programs, which include training and group discussions, events, and posters placements. Examples of activities in 2015 include the Guidebook for Success anniversary events held in Jakarta and Surabaya offices, and eight “Kelompencapir” compliance town hall sessions conducted by the Compliance officers at sales and distribution centers across Indonesia; and
- Conduct fact-finding investigations and impose employee disciplinary actions that are commensurate to the substantiated misconducts, with close consultation with the Compliance Committee.

SIGNIFICANT LEGAL DISPUTES

Sampoerna currently has no legal disputes that are deemed to have a material financial or operational impact on Sampoerna’s business nor does any of its subsidiaries and members of its Board of Commissioners and Board of Directors.

SHARE OWNERSHIP PROGRAM

Currently, Sampoerna does not have a share ownership program and has not considered one for the near future.

CORPORATE SOCIAL RESPONSIBILITY



SAMPOERNA untuk Indonesia

As an integral part of local communities and as a leading national company, Sampoerna understands the value of supporting community objectives, strictly adhering to its Three Hands Philosophy over many years. This philosophy, which underpins everything we do, represents Sampoerna's commitment to meeting or exceeding the expectations of our three most important stakeholder groups: adult smokers, employees and business partners, and society at large.

As a company that spans a supply chain from agricultural production, through modern manufacturing methods, to large distribution systems and multi-level mass marketing, there is a host of areas to which Sampoerna can and indeed must pay attention in regard to its social responsibilities. To effect positive change, the Company remains engaged with various stakeholders representing academia, business, government agencies, and the community at large.

In regard to environmental responsibility, access to education, community development, and good employee relations, Sampoerna is determined to create an ideal environment for developing and sustaining the Company by seeking to advance the opportunities for Indonesians under the umbrella campaign of "***Sampoerna untuk Indonesia***" (Sampoerna for Indonesia). Sampoerna promotes the four program pillars of Access to Education, Economic Opportunity, Empowering Women, and Disaster Relief and Preparedness. These programs, along with other

corporate social responsibility activities carried out by the Company, are forms of our strong commitment to carry out sustainable and socially responsible investment.

Sampoerna adheres to the objectives of its ultimate parent company, PMI, in all matters, including to ensure that wider community relations meet the expectations of stakeholders. Specifically, Sampoerna supports equal opportunity employment free of discriminatory practices, strict prohibition against any child-labor either in machine-made or hand-rolling operations, and the open and public support for restricting access to and marketing of cigarettes to adults only.

In managing expectations, each of Sampoerna's CSR initiatives is designed to have a direct and sustainable impact to embrace and support stakeholder goals. In 2015, Sampoerna allocated more than Rp79 billion towards its CSR activities. Sampoerna is also directly overseeing the specific contribution made by PMI for investment in local initiatives with the amount of more than Rp80 billion. These PMI contributions and their implementation are channeled through our many long-term partners, including: Putra Sampoerna Foundation, STAPA Center, IDEP Selaras Alam Foundation, TRANSFORM, INOTEK Foundation, Aksi Cepat Tanggap Foundation, and BEDO Foundation.

OUR CSR PHILOSOPHY REPRESENTS SAMPOERNA'S COMMITMENT TO MEETING OR EXCEEDING THE EXPECTATIONS OF OUR THREE MOST IMPORTANT STAKEHOLDER GROUPS: ADULT SMOKERS, EMPLOYEES AND BUSINESS PARTNERS, AND SOCIETY AT LARGE.

CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENTAL RESPONSIBILITY

Sampoerna aims to conduct its business with respect and in a responsible way through its focus on Environment, Health, and Safety (EHS). With our commitment to reduce the environmental impact of our processes, our manufacturing facilities were able to achieve a 7.2% reduction in energy consumption, conserving 14.8% in water usage, and significantly reducing our waste by 16.7%, from our 2010 usage predictions. By achieving all of these, we also contributed to the reduction of our CO₂ emissions by 3.1% compared to previous year.

In addition, all of Sampoerna's production facilities are ISO: 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System) certified. As a form of our responsibility, we also obtained the "Gold Flag" level in Occupational Health and Safety Management System (SMK3) and Zero Accident Award for all Sampoerna's hand-rolled manufacturing facilities from the Ministry of Manpower of the Republic of Indonesia.

GOOD AGRICULTURAL AND AGRICULTURAL LABOR PRACTICES

Working in a company that processes agricultural products, Sampoerna employees have a strong connection to and affinity for all agricultural matters. Thus, with respect for the land and for the well-being of farmers, Sampoerna assists farmers with those resources needed for success, including tobacco, clove, and beyond.

In 2015, Sampoerna continued its Good Agricultural Practices (GAP) program, especially targeting the management of Green Tobacco Sickness and closely engaged with farmers on good agricultural practices to improve crop sustainability. Sampoerna also continued to work with its suppliers and partners in the effort to eliminate any forms of child labor as part of the requirements of our Agricultural Labor Practices ("ALP") Code.

EMPLOYEE, OCCUPATIONAL HEALTH AND SAFETY

In order to provide employees with a work environment that is not only engaging but also safe and secure, Sampoerna has developed and implemented consistent environmental and occupational health, safety and security management systems across all of its manufacturing operations. While the results of regulators' assessments are important, employee input is a key measure in how Sampoerna can fulfill its vision with regard to its Three Hands Philosophy.

Despite the fact of an increasing operational fleet comprising more than 6,000 vehicles leased from reputable transportation business partners, issues of road safety and vehicle maintenance remain one of our top priorities. The Company has implemented various initiatives that successfully resulted in a 14% decrease in crash rate compared to 2014. This represents a reduction from 3.6 to 3.08 cases per million kilometers driven. In order to sustain this positive trend, the Company has undertaken a number of initiatives, such as:

- Top management commitment to the fleet safety;
- Defensive driving training given to all our drivers and co-drivers;
- Intensive fleet safety campaign through various communication media;
- Fleet standardization and procurement of safety parts and components; and
- Involvement of the public to report on any misbehaviour driving performed by the Company's drivers through the call center number placed on the back of our fleets.

SAMPOERNA UNTUK INDONESIA PROGRAMS

Access to Education

Sampoerna supported wide-ranging educational opportunities by providing scholarships to students of all ages. By the end of 2015, we had granted scholarships to over 950 high school students.

On top of that, Sampoerna also provided well-structured financial support to help high-achieving students from underprivileged families, especially in areas where Sampoerna sources tobacco leaf and cloves, continue their education in various universities. In 2015, Sampoerna supported a total of 388 students pursuing university education.

Sampoerna has partnered with eight universities to enhance their library facilities. Those universities are University of Gadjah Mada, University of Padjadjaran, University of Diponegoro, Sepuluh November Institute of Technology, University of Brawijaya, University of Sriwijaya, State University of Jember, and Sampoerna University.

In 2015, Sampoerna continued to escalate its After School Program (“**ASP**”) that aimed to enhance student quality and skills through meaningful and fun activities that have reached more than 3,600 students in Lombok, Lumajang, Rembang and Klaten. This also served Company needs to eliminate child labor in tobacco farming where Sampoerna sources its tobacco, as part the implementation of ALP code. The ASP was carried out during tobacco harvest season to keep the children busy with fun and creative learning activities aimed to prevent them from partaking in the tobacco harvest and curing.

Empowering Women

To ensure that opportunities are indeed open to all, Sampoerna has taken steps to support the aspirations of women within Indonesia. In this regards, women are encouraged to join in programs specially tailored for women in small and medium enterprise training, community engagement, financial management and environment sanitary. One of the signature programs for women is ‘Empowering Tobacco Grower Communities and Women to Prevent Child Labor’ through Community Learning Groups in Jombang, Lumajang, Rembang and Klaten. The program aims to enhance their understanding towards women’s and children’s rights, as well as equipping them with additional skills to increase their welfare. This program has reached more than 750 beneficiaries.

Economic Opportunity

Sampoerna has considerably broadened its small business support for building the economies of various smaller communities and of the country as a whole. Given Indonesia’s dynamic and resource-rich environment, improving the living standard is certainly achievable. However, the skills for successfully starting and operating a range of businesses need to be nurtured.

Sampoerna has combined a multitude of individual engagements with suppliers and potential suppliers all along the value chain with the highly visible and distinguished Sampoerna Entrepreneurships Training Center (“**SETC**”). It helps fulfill part of its vision to exceed the expectations of business partners and the general public.

SETC as a hands-on educational facility is constructed on a 27 hectare site in Pasuruan, East Java, and offers courses in a range of areas including integrated farming and entrepreneurship. Beneficiaries may be engaged within the Sampoerna value chain, but may take skills learned far across the archipelago. This year, over of 8,000 visitors came to experience the facility in addition to the over 3,200 people who received various entrepreneurial training at SETC.

Disaster Relief and Preparedness

The formation of Sampoerna Rescue in 2002 began the process of gaining competency, followed by the larger commitment of establishing the Sampoerna Rescue Training Center (“**SAR-TC**”) in 2012 to help the community build resilience towards disasters.

The establishment of SAR-TC forms a core element combining the Three Hands Philosophy with the *Sampoerna untuk Indonesia* program. As one of the Company’s main stakeholder groups, the general public has responded favorably to the SAR-TC by enrolling for training and participating in outreach events.

In 2015, Sampoerna provided free medical services for 11,771 people across Indonesia and 331 people received disaster preparedness training in SAR-TC. Moreover, Sampoerna also implemented Disaster Preparedness Training in Jakarta, Bandung, Karawang and Samarinda with a total 680 program beneficiaries.

CORPORATE DATA



THE MOST SUCCESSFUL



RIGHTS ISSUE IN SOUTHEAST ASIA

LIST OF SUBSIDIARY COMPANIES

The following is information on the directly-owned subsidiaries of the Company:

PT Perusahaan Dagang dan Industri Panamas (“Panamas”)

Panamas is a limited liability company established on 8 July 1989 and engaged in the cigarette distribution business. Panamas' head office is located at Jl. Taman Sampoerna No. 6 Krembangan Utara, Pabean Cantian Surabaya 60163 - Indonesia.

PT Sampoerna Printpack (“SPP”)

SPP is a limited liability company established on 26 February 1982 and engaged in the printing and packaging business. SPP's head office is located at Jl. Rungkut Industri Raya No.18 Surabaya 60293 - Indonesia.

PT Union Sampoerna Dinamika (“USD”)

USD is a limited liability company established on 18 September 1999 and engaged in the general trading business. USD's head office is located at the One Pacific Place Building, 18th floor Sudirman Central Business District (SCBD) Jl. Jenderal Sudirman Kav. 52-53, Lot 3 & 5 Jakarta 12190 - Indonesia.

PT Wahana Sampoerna (“Wahana Sampoerna”)

Wahana Sampoerna is a limited liability company established on 10 April 1989 and engaged in the property, trading and services business. Wahana Sampoerna's head office is located at Jl. Taman Sampoerna No. 6 Krembangan Utara, Pabean Cantian Surabaya 60163 - Indonesia.

PT Harapan Maju Sentosa (“HMSE”)

HMSE is a limited liability company established on 19 April 1990 and engaged in the cigarette manufacturing and trading business. HMSE's head office is located at Jl. Berbek Industri I No. 22 Waru, Sidoarjo 61256 - Indonesia.

PT Persada Makmur Indonesia (“Persada Makmur”)

Persada Makmur is a limited liability company duly established on 2 September 2003 and engaged in the cigarette manufacturing and trading business. Persada Makmur's head office is located at the One Pacific Place Building, 18th floor Sudirman Central Business District (SCBD) Jl. Jenderal Sudirman Kav. 52-53, Lot 3 & 5 Jakarta 12190 - Indonesia.

PT Handal Logistik Nusantara (“Handal”) - in liquidation process

Handal is a limited liability company established on 11 November 1981 and engaged in the expedition and warehousing business. Handal's head office is located at Jalan Kalirungkut No. 9-11, Surabaya - Indonesia.

PT Taman Dayu (“TD”)

TD is a limited liability company established on 9 June 1978 and engaged in the property development business. TD's head office is located at Jl. Raya Surabaya Malang Km. 48 Pasuruan 67156 - Indonesia.

Sampoerna International Pte. Ltd (“SIP”)

SIP is a company established on 21 February 1995 and engaged in equity investment business in Singapore. SIP having its address at (c/o) Allen & Gledhill LLP, One Marina Boulevard #28-00, Singapore 018989.

CORPORATE DATA

SHARE REGISTRAR

To conduct registration of the Company's shareholder lists, including carrying out registration of share ownership and the distribution of rights related to the shares, such as dividends, rights, and other information required by the shareholders, as well as corporate actions.

PT Sirca Datapro Perdana

Wisma Sirca Jl. Johar, No. 18, Menteng Jakarta 10340
Professional Permit No. 92/KMK.010/1990 dated
29 January 1990.

INDEPENDENT PUBLIC ACCOUNTANT

Independent Public Accountant functions on the financial aspect of the Company was carried out by the public accounting firm, KAP Tanudiredja, Wibisana, Rintis & Rekan.

KAP Tanudiredja, Wibisana, Rintis & Rekan,

formerly known as KAP Tanudiredja, Wibisana & Rekan (a member of the PricewaterhouseCoopers network of firms), independent public accountants.

LEGAL COUNSEL

The following law firm provided legal consulting services to the Company in 2015:

Mochtar Karuwin Komar

WTC 6, 14th Floor
Jl. Jend. Sudirman Kav. 31 Jakarta, 12920 Indonesia

CORPORATE ADDRESS

Headquarters:

Jl. Rungkut Industri Raya No. 18, Surabaya 60293,
Indonesia
Telephone: (031) 8431 699;
Facsimile: (031) 8430 986
Website: www.sampoerna.com

Corporate Representative Office in Jakarta

One Pacific Place, 18th Floor
Sudirman Central Business District (SCBD)
Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190, Indonesia
Telephone: (021) 5151 234;
Facsimile: (021) 5152 234
Email: investor.relations@sampoerna.com

STATEMENT OF MEMBERS OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS ON THE RESPONSIBILITY FOR THE 2015 ANNUAL REPORT OF PT HANJAYA MANDALA SAMPOERNA Tbk.

We, the undersigned, hereby declare that all information in the Annual Report of PT Hanjaya Mandala Sampoerna Tbk. for the year 2015 has been presented in its entirety, and that we assume full responsibility for the accuracy of the contents of such Annual Report.

Jakarta, 5 April 2016

BOARD OF COMMISSIONERS



John Gledhill
President Commissioner



Charles Herve Bendotti
Vice President Commissioner



Niken K. Rachmad
Commissioner



R.B. Permana Agung Dradjattun
Independent Commissioner



Goh Kok Ho
Independent Commissioner

BOARD OF DIRECTORS



Paul Norman Janelle
President Director



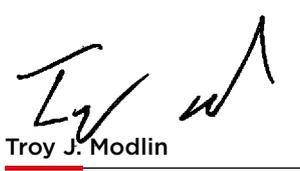
Michael Sandritter
Director



Andre Dahan
Director



Peter Alfred Kurt Haase
Director



Troy J. Modlin
Director



Yos Adiguna Ginting
Director



Wayan Mertasana Tantra
Independent Director



GA





**EMPOWERS YOU
TO CREATE,
PUSHING YOU
TO BECOME
THE PERSON
YOU WANT TO BE**

STOCK HIGHLIGHTS

2014-2015 Quarterly Share Price, Trading Volume and Market Capitalization

2014	Volume	Highest	Lowest	End	Market Capitalization	Number of Shares
Jan-Mar	4,984	71,500	60,000	69,000	302,427,000,000,000	4,383,000,000
Apr-Jun	7,793	74,000	66,000	67,300	294,975,900,000,000	4,383,000,000
Jul-Sep	6,970	72,500	67,000	72,000	315,576,000,000,000	4,383,000,000
Oct-Dec	7,534	72,100	67,375	68,650	300,892,950,000,000	4,383,000,000

2015	Volume	Highest	Lowest	End	Market Capitalization	Number of Shares
Jan-Mar	9,985	73,850	64,900	73,475	322,040,925,000,000	4,383,000,000
Apr-Jun	3,333	75,375	70,500	72,000	315,576,000,000,000	4,383,000,000
Jul-Sep	18,563	90,050	70,500	75,975	332,998,425,000,000	4,383,000,000
Oct-Dec	1,068,513	102,000	76,000	94,000	437,355,969,144,000	4,652,723,076

**PT HANJAYA MANDALA SAMPOERNA Tbk.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2015 AND 2014



**SURAT PERNYATAAN DIREKSI
TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
KONSOLIDASIAN PADA TANGGAL
31 DESEMBER 2015 DAN 2014
SERTA UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2015 DAN 2014
PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK**

PT HM SAMPOERNA Tbk.

**BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE CONSOLIDATED
FINANCIAL STATEMENTS AS AT
DECEMBER 31, 2015 AND 2014
AND FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014
PT HANJAYA MANDALA SAMPOERNA Tbk.
AND SUBSIDIARIES**

Kami yang bertanda tangan di bawah ini:

1. Nama : Paul Norman Janelle
Alamat kantor : One Pacific Place Building, Lt. 18
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Alamat domisili : One Pacific Place Building, Lt. 18
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Nomor telepon : 62-21-5151234
Jabatan : Presiden Direktur
2. Nama : Michael Sandritter
Alamat kantor : One Pacific Place Building, Lt. 18
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Alamat domisili : One Pacific Place Building, Lt. 18
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Nomor telepon : 62-21-5151234
Jabatan : Direktur

menyatakan bahwa:

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Hanjaya Mandala Sampoerna Tbk. dan entitas anak;
2. Laporan keuangan konsolidasian PT Hanjaya Mandala Sampoerna Tbk. dan entitas anak telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Semua informasi dalam laporan keuangan konsolidasian PT Hanjaya Mandala Sampoerna Tbk. dan entitas anak telah dimuat secara lengkap dan benar;
b. Laporan keuangan konsolidasian PT Hanjaya Mandala Sampoerna Tbk. dan entitas anak tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Bertanggung jawab atas sistem pengendalian internal dalam PT Hanjaya Mandala Sampoerna Tbk. dan entitas anak.

Demikian pernyataan ini dibuat dengan sebenarnya.

We, the undersigned:

1. Name : Paul Norman Janelle
Office address : One Pacific Place Building, 18th Fl
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Domicile address : One Pacific Place Building, 18th Fl
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Phone number : 62-21-5151234
Title : President Director
2. Name : Michael Sandritter
Office address : One Pacific Place Building, 18th Fl
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Domicile address : One Pacific Place Building, 18th Fl
Sudirman Central Business
District (SCBD), Jl. Jend.
Sudirman Kav. 52-53, Jakarta
Phone number : 62-21-5151234
Title : Director

declare that:

1. We are responsible for the preparation and presentation of PT Hanjaya Mandala Sampoerna Tbk. and subsidiaries' consolidated financial statements;
2. PT Hanjaya Mandala Sampoerna Tbk. and subsidiaries' consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the PT Hanjaya Mandala Sampoerna Tbk. and subsidiaries' consolidated financial statements has been disclosed in a complete and truthful manner;
b. PT Hanjaya Mandala Sampoerna Tbk. and subsidiaries' consolidated financial statements do not contain any incorrect information or material facts, nor do they omit information or material fact;
4. We are responsible for PT Hanjaya Mandala Sampoerna Tbk. and subsidiaries' internal control system.

Thus, this statement is made truthfully.

Atas nama dan mewakili Direksi/
For and on behalf of the Board of Directors




Paul Norman Janelle / **Michael Sandritter**
Presiden Direktur / Direktur
President Director / Director

JAKARTA

Maret/March 1, 2016

PT HM SAMPOERNA Tbk.



**LAPORAN AUDITOR INDEPENDEN
KEPADA PARA PEMEGANG SAHAM**

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF**

PT HANJAYA MANDALA SAMPOERNA Tbk

Kami telah mengaudit laporan keuangan konsolidasian PT Hanjaya Mandala Sampoerna Tbk dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2015, serta laporan laba-rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan konsolidasian

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab Auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian bebas dari kesalahan penyajian material.

We have audited the accompanying consolidated financial statements of PT Hanjaya Mandala Sampoerna Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of 31 December 2015, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

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

Kantor Akuntan Publik Tanudiredja, Wibisana, Rintis & Rekan
Plaza 89, Jl. H.R. Rasuna Said Kav. X-7 No.6 Jakarta 12940 - INDONESIA, P.O. Box 2473 JKP 10001
T: +62 21 5212901, F: + 62 21 52905555 / 52905050, www.pwc.com/id



Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan konsolidasian. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan konsolidasian, baik yang disebabkan kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan konsolidasian entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan konsolidasian secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Hanjaya Mandala Sampoerna Tbk dan entitas anaknya tanggal 31 Desember 2015, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

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

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

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Hanjaya Mandala Sampoerna Tbk and its subsidiaries as of 31 December 2015, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

JAKARTA
1 Maret/March 2016

Nita Skolastika Ruslim, CPA

Surat Ijin Praktek Akuntan Publik / License of Public Accountant No. AP.0232

**PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

ASET	<u>2015</u>	<u>Catatan/ Notes</u>	<u>2014</u>	ASSETS
Aset lancar				Current assets
Kas dan setara kas	1,718,738	2d,4	65,086	Cash and cash equivalents
Piutang usaha		2e,5		Trade receivables
- Pihak ketiga	2,288,676		855,768	Third parties -
- Pihak-pihak berelasi	170,066	2w,27	153,877	Related parties -
Piutang lainnya		2e		Other receivables
- Pihak ketiga	124,063		80,286	Third parties -
- Pihak-pihak berelasi	2,144,022	2w,27	8,006	Related parties -
Aset keuangan jangka pendek lainnya	1,349,701	2f,27	-	Other short-term financial asset
Persediaan	19,071,523	2h,6	17,431,586	Inventories
Pajak dibayar dimuka		15a		Prepaid taxes
- Pajak penghasilan badan	1,418	2s	2,448	Corporate income tax -
- Pajak lain-lain	1,168,354		676,086	Other taxes -
Uang muka pembelian tembakau	1,536,678	29c	1,328,672	Advances for purchase of tobacco
Biaya dibayar dimuka	156,025	7	171,411	Prepayments
Aset atas kelompok lepasan yang dimiliki untuk dijual	<u>78,066</u>	2k,10	<u>4,288</u>	Assets of disposal group classified as held for sale
Jumlah aset lancar	<u>29,807,330</u>		<u>20,777,514</u>	Total current assets
Aset tidak lancar				Non-current assets
Investasi pada entitas asosiasi	61,789	8	48,347	Investment in associate
Properti investasi	605,616	2j,9	435,991	Investment properties
Aset tetap	6,281,176	2i,10	5,919,600	Fixed assets
Tanah untuk pengembangan	113,729	2m	114,900	Land for development
Aset pajak tangguhan	235,765	2s,15e	219,407	Deferred tax assets
Goodwill	60,423	2n,11	60,423	Goodwill
Aset tidak lancar lainnya	<u>844,896</u>	15d	<u>804,448</u>	Other non-current assets
Jumlah aset tidak lancar	<u>8,203,394</u>		<u>7,603,116</u>	Total non-current assets
JUMLAH ASET	<u>38,010,724</u>		<u>28,380,630</u>	TOTAL ASSETS

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN POSISI KEUANGAN
KONSOLIDASIAN
31 DESEMBER 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali dinyatakan lain)

**CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION
AS AT DECEMBER 31, 2015 AND 2014**
(Expressed in millions of Rupiah,
unless otherwise stated)

	<u>2015</u>	<u>Catatan/ Notes</u>	<u>2014</u>	
LIABILITAS				LIABILITIES
Liabilitas jangka pendek				Current liabilities
Pinjaman		2f,12		<i>Borrowings</i>
- Pihak ketiga	-		90,658	<i>Third party -</i>
- Pihak berelasi	-	2w,27	2,744,820	<i>Related party -</i>
Utang usaha dan lainnya		2f,13		<i>Trade and other payables</i>
- Pihak ketiga	2,313,370		1,819,182	<i>Third parties -</i>
- Pihak-pihak berelasi	877,743	2w,27	942,290	<i>Related parties -</i>
Utang pajak		15b		<i>Taxes payable</i>
- Pajak penghasilan badan	364,569	2s	382,594	<i>Corporate income tax -</i>
- Pajak lain-lain	49,154		723,887	<i>Other taxes -</i>
Utang cukai	-	16	6,164,841	<i>Excise tax payable</i>
Akrual	238,337	2f,14	120,209	<i>Accruals</i>
Liabilitas imbalan kerja				<i>Employee benefit liabilities</i>
- jangka pendek	628,781	2q,24	507,145	<i>- current</i>
Pendapatan tangguhan				<i>Deferred revenue</i>
- jangka pendek	45,410	29a	79,645	<i>- current</i>
Liabilitas keuangan jangka pendek lainnya	-	2f,27	5,329	<i>Other short-term financial liability</i>
Liabilitas sewa pembiayaan				<i>Finance lease liabilities</i>
- jangka pendek	20,248	2l,17	19,630	<i>- current</i>
Liabilitas atas kelompok lepasan dimiliki untuk dijual	<u>1,062</u>	2k,10	<u>-</u>	<i>Liabilities of disposal group classified as held for sale</i>
Jumlah liabilitas jangka pendek	<u>4,538,674</u>		<u>13,600,230</u>	Total current liabilities
Liabilitas jangka panjang				Non-current liabilities
Liabilitas imbalan kerja	1,351,368	2q,24	1,172,616	<i>Employee benefit liabilities</i>
Liabilitas pajak tangguhan	-	2s,15e	730	<i>Deferred tax liabilities</i>
Liabilitas sewa pembiayaan	40,878	2l,17	33,455	<i>Finance lease liabilities</i>
Pendapatan tangguhan	<u>63,744</u>	29a	<u>75,485</u>	<i>Deferred revenue</i>
Jumlah liabilitas jangka panjang	<u>1,455,990</u>		<u>1,282,286</u>	Total non-current liabilities
Jumlah liabilitas	<u>5,994,664</u>		<u>14,882,516</u>	Total liabilities
EKUITAS				EQUITY
Ekuitas yang dapat diatribusikan kepada pemilik entitas induk				Equity attributable to the owners of the parent
Modal saham				<i>Share capital</i>
Modal dasar -				<i>Authorised capital -</i>
6.300.000.000 saham biasa dengan nilai nominal Rp100 (Rupiah penuh) per saham Modal ditempatkan dan disetor penuh - 4.652.723.076 (2014: 4.383.000.000)				<i>6,300,000,000 ordinary shares with par value of Rp100 (full Rupiah) per share Issued and fully paid - 4,652,723,076 (2014: 4,383,000,000) ordinary shares</i>
saham biasa	465,272	18	438,300	
Tambahan modal disetor	20,485,848	2r,2y,19	99,396	<i>Additional paid-in capital</i>
Selisih kurs karena penjabaran laporan keuangan	646,518	2c	646,270	<i>Cumulative translation adjustments</i>
Ekuitas lainnya	(29,721)		(29,721)	<i>Other reserves</i>
Saldo laba				<i>Retained earnings</i>
- Dicadangkan	90,000		90,000	<i>Appropriated -</i>
- Belum dicadangkan	<u>10,358,143</u>		<u>12,253,869</u>	<i>Unappropriated -</i>
Jumlah ekuitas	<u>32,016,060</u>		<u>13,498,114</u>	Total equity
JUMLAH LIABILITAS DAN EKUITAS	<u><u>38,010,724</u></u>		<u><u>28,380,630</u></u>	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali laba per saham dasar)

**CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**
(Expressed in millions of Rupiah,
except basic earnings per share)

	2015	Catatan/ Notes	2014	
Penjualan bersih	89,069,306	2t, 20,21,27	80,690,139	Net revenues
Beban pokok penjualan	(67,304,917)	21,22,27	(60,190,077)	Cost of goods sold
Laba kotor	21,764,389		20,500,062	Gross profit
Beban penjualan	(5,974,163)	22,27	(5,295,372)	<i>Selling expenses</i>
Beban umum dan administrasi	(1,742,155)	22,27	(1,399,271)	<i>General and administrative expenses</i>
Penghasilan lain-lain	148,549		151,822	<i>Other income</i>
Beban lain-lain	(210,358)		(263,106)	<i>Other expenses</i>
Penghasilan keuangan	68,963	27	57,465	<i>Finance income</i>
Biaya keuangan	(138,425)	23,27	(47,416)	<i>Finance costs</i>
Bagian atas hasil bersih entitas asosiasi	15,844	2b,8	14,115	<i>Share of net results of associate</i>
Laba sebelum pajak penghasilan	13,932,644		13,718,299	Profit before income tax
Beban pajak penghasilan	(3,569,336)	2s, 15c	(3,537,216)	<i>Income tax expense</i>
Laba tahun berjalan	10,363,308		10,181,083	Profit for the year
Penghasilan komprehensif lain				Other comprehensive income
Pos yang tidak akan direklasifikasi ke laba rugi:				Items that will not be reclassified to profit or loss:
Pengukuran kembali imbalan pascakerja	(11,432)	2q,24	(221,370)	<i>Remeasurement of post-employment benefits</i>
Beban pajak penghasilan terkait	2,883	2s, 15e	55,221	<i>Related income tax expense</i>
	(8,549)		(166,149)	
Pos yang akan direklasifikasi ke laba rugi:				Items that will be subsequently reclassified to profit or loss:
Selisih kurs karena penjabaran laporan keuangan	248	2c	61	<i>Cumulative translation adjustments</i>
Penghasilan komprehensif lain, setelah pajak	(8,301)		(166,088)	Other comprehensive income, net of tax
JUMLAH PENGHASILAN KOMPREHENSIF TAHUN BERJALAN	10,355,007		10,014,995	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN LABA RUGI DAN PENGHASILAN
KOMPREHENSIF LAIN KONSOLIDASIAN
UNTUK TAHUN YANG BERAKHIR
31 DESEMBER 2015 DAN 2014**
(Dinyatakan dalam jutaan Rupiah,
kecuali laba per saham dasar)

**CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEARS ENDED
DECEMBER 31, 2015 AND 2014**
(Expressed in millions of Rupiah,
except basic earnings per share)

	2015	Catatan/ Notes	2014	
Laba yang diatribusikan kepada:				Profit attributable to:
Pemilik entitas induk	10,363,308		10,181,083	Owners of the parent
Kepentingan nonpengendali	-		-	Non-controlling interest
	10,363,308		10,181,083	
Jumlah penghasilan komprehensif yang diatribusikan kepada:				Total comprehensive income attributable to:
Pemilik entitas induk	10,355,007		10,014,995	Owners of the parent
Kepentingan nonpengendali	-		-	Non-controlling interest
	10,355,007		10,014,995	
Laba per saham dasar dan dilusian (Rupiah penuh)^{*)}	2,326	2x,26	2,306	Basic and diluted earnings per share^{*)}

^{*)}Laba per saham dasar dan dilusian tahun sebelumnya telah disajikan kembali untuk mencerminkan dampak atas Penawaran Umum Terbatas tahun 2015 kepada pemegang saham dalam rangka Penerbitan Hak Memesan Efek Terlebih Dahulu yang disetujui dalam Rapat Umum Pemegang Saham Luar Biasa tanggal 9 Oktober 2015 (Catatan 1 dan 18).

^{*)}Prior year's basic and diluted earnings per share have been restated to reflect the impact of the 2015 Limited Public Offering with preemptive rights as approved in the Extraordinary General Shareholders' Meeting on October 9, 2015 (Notes 1 and 18).

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK/AND SUBSIDIARIES**

**LAPORAN PERUBAHAN EKUITAS KONSOLIDASIAN
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**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**
(Expressed in millions of Rupiah)

	Dapat diatribusikan kepada pemilik entitas induk/Attributable to owners of the parent						Ekuitas lainnya/ Other reserves	Jumlah ekuitas/ Total equity
	Catatan/ Notes	Modal saham/ Share capital	Tambah modal disetor/ Additional paid-in capital	Saldo laba belum dicadangkan/ Retained earnings - unappropriated	Saldo laba dicadangkan/ Retained earnings - appropriated	Selsih kurs karena penjabaran laporan keuangan/ Cumulative translation adjustments		
Saldo 1 Januari 2014		438,300	120,622	12,889,625	90,000	646,209	(29,721)	14,155,035
Laba tahun berjalan		-	-	10,181,083	-	-	-	10,181,083
Penghasilan komprehensif lain		-	-	(166,149)	-	61	-	(166,088)
Jumlah penghasilan komprehensif tahun berjalan		-	-	10,014,934	-	61	-	10,014,995
Pembayaran berbasis saham	2r,19	-	(21,226)	-	-	-	-	(21,226)
Dividen	2u,25	-	-	(10,650,690)	-	-	-	(10,650,690)
		<u>438,300</u>	<u>99,396</u>	<u>12,253,869</u>	<u>90,000</u>	<u>646,270</u>	<u>(29,721)</u>	<u>13,498,114</u>
Saldo 31 Desember 2014								
Laba tahun berjalan		-	-	10,363,308	-	-	-	10,363,308
Penghasilan komprehensif lain		-	-	(8,549)	-	248	-	(8,301)
Jumlah penghasilan komprehensif tahun berjalan		-	-	10,354,759	-	248	-	10,355,007
Penerbitan saham melalui penawaran umum terbatas	18,19	26,972	20,416,953	-	-	-	-	20,443,925
Pembayaran berbasis saham	2r,19	-	(30,501)	-	-	-	-	(30,501)
Dividen	2u,25	-	-	(12,250,485)	-	-	-	(12,250,485)
		<u>465,272</u>	<u>20,485,848</u>	<u>10,358,143</u>	<u>90,000</u>	<u>646,518</u>	<u>(29,721)</u>	<u>32,016,060</u>
Saldo 31 Desember 2015								

Balance as of January 1, 2014
Profit for the year
Other comprehensive income
Total comprehensive income for the year
Share-based payments
Dividends

Balance as of December 31, 2014
Profit for the year
Other comprehensive income
Total comprehensive income for the year
Issuance of shares through limited public offering
Share-based payments
Dividends

Balance as of December 31, 2015

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
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**LAPORAN ARUS KAS KONSOLIDASIAN
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**CONSOLIDATED STATEMENTS OF CASH FLOWS
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(Expressed in millions of Rupiah)

	<u>2015</u>	<u>Catatan/ Notes</u>	<u>2014</u>	
Arus kas dari aktivitas operasi				Cash flows from operating activities
Penerimaan kas dari pelanggan	94,652,091	5,20	87,346,242	Cash receipts from customers
Pembayaran kas kepada pemasok	(31,740,825)		(28,319,489)	Cash payments to suppliers
Pembayaran kas kepada karyawan	(4,018,073)		(3,744,462)	Cash payments to employees
Pembayaran pajak penghasilan badan	(3,824,285)	15c	(4,002,835)	Corporate income tax paid
Pembayaran cukai	(54,237,237)	16	(40,172,789)	Excise tax paid
Biaya keuangan	(138,425)		(47,416)	Finance costs
Penghasilan keuangan	68,963		57,465	Finance income
Kegiatan usaha lainnya	<u>48,954</u>		<u>(13,521)</u>	Other operating activities
Arus kas bersih yang diperoleh dari aktivitas operasi	<u>811,163</u>		<u>11,103,195</u>	Net cash generated from operating activities
Arus kas dari aktivitas investasi				Cash flows from investing activities
Penerimaan piutang lainnya dari pihak berelasi - bersih	-		156,069	Receipt of other receivable from related party - net
Pemberian pinjaman kepada pihak berelasi	(2,271,752)		-	Loans provided to related parties
Penambahan aset keuangan jangka pendek lainnya kepada pihak berelasi	(1,349,701)		-	Increase in other short-term financial assets to related party
Penerimaan dividen dari entitas asosiasi	2,402		-	Receipt of dividend from associate
Penerimaan dari penjualan aset tetap	108,096	10	35,325	Proceeds from sale of fixed assets
Pembayaran untuk:				Payments for:
- Pembelian aset tetap	(832,984)		(1,493,001)	Purchases of fixed assets -
- Pembangunan properti investasi	<u>(190,484)</u>	9	<u>(83,941)</u>	Construction of - investment properties
Arus kas bersih yang digunakan untuk aktivitas investasi	<u>(4,534,423)</u>		<u>(1,385,548)</u>	Net cash used in investing activities
Arus kas dari aktivitas pendanaan				Cash flows from financing activities
Pembayaran liabilitas keuangan jangka pendek lainnya	(5,329)	27	(38,352)	Payments of other short-term financial liability
(Pembayaran)/penerimaan dari pinjaman pihak berelasi	(2,699,995)		308,913	(Repayments)/proceeds from related party loan
Pembayaran kembali sewa pembiayaan	(20,546)	17	(20,366)	Repayments of finance leases
Dividen yang dibayarkan kepada pemegang saham	(12,250,485)	25	(10,650,690)	Dividends paid to shareholders
Penerimaan dari penawaran umum terbatas	20,768,676	18	-	Proceeds from limited public offering
Pembayaran biaya penerbitan saham	<u>(324,751)</u>	19	<u>-</u>	Payments of share issuance costs
Arus kas bersih yang diperoleh dari/(digunakan untuk) aktivitas pendanaan	<u>5,467,570</u>		<u>(10,400,495)</u>	Net cash received from/(used in) financing activities

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
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**CONSOLIDATED STATEMENTS OF CASH FLOWS
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(Expressed in millions of Rupiah)

	<u>2015</u>	<u>Catatan/ Notes</u>	<u>2014</u>	
Kenaikan/(penurunan) bersih kas dan setara kas	1,744,310		(682,848)	Net increase/(decrease) in cash and cash equivalents
Kas dan setara kas pada awal tahun	<u>(25,572)</u>		<u>657,276</u>	Cash and cash equivalents at beginning of the year
Kas dan setara kas pada akhir tahun	<u><u>1,718,738</u></u>		<u><u>(25,572)</u></u>	Cash and cash equivalents at end of the year
Kas dan setara kas terdiri dari:				Cash and cash equivalents comprise of the following:
Kas dan setara kas	1,718,738	2d	65,086	<i>Cash and cash equivalents</i>
Cerukan	<u>-</u>	4 12	<u>(90,658)</u>	<i>Bank overdrafts</i>
	<u><u>1,718,738</u></u>		<u><u>(25,572)</u></u>	

Catatan atas laporan keuangan konsolidasian merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian.

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

**PT HANJAYA MANDALA SAMPOERNA Tbk.
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1. INFORMASI UMUM

PT Hanjaya Mandala Sampoerna Tbk. ("Perusahaan") didirikan di Indonesia pada tanggal 19 Oktober 1963 berdasarkan Akta Notaris Anwar Mahajudin, S.H., No. 69. Akta Pendirian Perusahaan disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. J.A.5/59/15 tanggal 30 April 1964 serta diumumkan dalam Lembaran Berita Negara Republik Indonesia No. 94 tanggal 24 November 1964, Tambahan No. 357. Anggaran Dasar Perusahaan kemudian diubah terakhir kali dengan Akta Notaris Aryanti Artisari, S.H., No. 92 tanggal 29 Desember 2015 mengenai peningkatan modal ditempatkan dan disetor Perusahaan. Perubahan Anggaran Dasar ini telah diterima oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-AH.01.03-0992227 tanggal 30 Desember 2015.

Ruang lingkup kegiatan Perusahaan meliputi manufaktur dan perdagangan rokok serta investasi saham pada perusahaan-perusahaan lain. Kegiatan produksi rokok secara komersial telah dimulai pada tahun 1913 di Surabaya sebagai industri rumah tangga. Pada tahun 1930, industri rumah tangga ini diresmikan dengan dibentuknya NVBM Handel Maatschappij Sampoerna.

Perusahaan berkedudukan di Surabaya, dengan kantor pusat berlokasi di Jl. Rungkut Industri Raya No. 18, Surabaya, serta memiliki pabrik yang berlokasi di Surabaya, Pasuruan, Malang, Karawang, dan Probolinggo. Perusahaan juga memiliki kantor perwakilan korporasi di Jakarta.

Pada tanggal 31 Desember 2015, Perusahaan dan entitas anak (bersama-sama disebut "Grup") memiliki 29.520 orang karyawan tetap (2014: 29.774) (tidak diaudit).

1. GENERAL INFORMATION

PT Hanjaya Mandala Sampoerna Tbk. (the "Company") was established in Indonesia on October 19, 1963 based on Notarial Deed No. 69 of Anwar Mahajudin, S.H. The Company's Deed of Establishment was approved by the Minister of Justice of the Republic of Indonesia by virtue of Decision Letter No. J.A.5/59/15 dated April 30, 1964, and was published in the State Gazette of the Republic of Indonesia No. 94 dated November 24, 1964, Supplement No. 357. The Articles of Association of the Company have been amended, lastly by Notarial Deed No. 92 of Aryanti Artisari, S.H., dated December 29, 2015 concerning the increase in issued and paid-in capital. The amendments to the Articles of Association were accepted by the Minister of Law and Human Rights of the Republic of Indonesia based on Notification Letter regarding the change in article of association No. AHU-AH.01.03-0992227 dated December 30, 2015.

The scope of activities of the Company comprises manufacturing and trading of cigarettes and investing in other companies. The Company started its commercial operations in 1913 in Surabaya, as a home industry. In 1930, this home industry was officially organised under the name of NVBM Handel Maatschappij Sampoerna.

The Company is domiciled in Surabaya, with its head office located at Jl. Rungkut Industri Raya No. 18, Surabaya, and its plants are located in Surabaya, Pasuruan, Malang, Karawang, and Probolinggo. The Company also has a corporate office in Jakarta.

As of December 31, 2015, the Company and subsidiaries (together the "Group") had 29,520 permanent employees (2014: 29,774) (unaudited).

**PT HANJAYA MANDALA SAMPOERNA Tbk.
DAN ENTITAS ANAK/AND SUBSIDIARIES**

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1. INFORMASI UMUM (lanjutan)

Pada tahun 1990, Perusahaan melakukan penawaran umum saham sebanyak 27.000.000 lembar dengan nilai nominal sebesar Rp1.000 (Rupiah penuh) per saham melalui Bursa Efek Indonesia dengan harga penawaran sebesar Rp12.600 (Rupiah penuh) per saham.

Sejak saat itu, Perusahaan telah melaksanakan transaksi-transaksi yang berkaitan dengan modal saham sebagai berikut:

1. GENERAL INFORMATION (continued)

In 1990, the Company made a public offering of its 27,000,000 shares with a par value of Rp1,000 (full Rupiah) per share through the Indonesia Stock Exchange at the offering price of Rp12,600 (full Rupiah) per share.

Since then, the Company has conducted the following capital transactions:

Tahun/ Year	Keterangan/ Description	Jumlah saham yang beredar setelah transaksi/ Total outstanding shares after the transactions
1994	Penerbitan saham bonus, setiap pemegang dua saham lama menerima tiga saham baru/ <i>Issuance of bonus shares, whereby each shareholder holding two shares is entitled to receive three new shares</i>	450,000,000
1996	Perubahan nilai nominal saham dari Rp1.000 (Rupiah penuh) per saham menjadi Rp500 (Rupiah penuh) per saham/ <i>Change in par value per share from Rp1,000 (full Rupiah) per share to Rp500 (full Rupiah) per share</i>	900,000,000
1999	Penerbitan 28.000.000 saham baru dengan nilai nominal Rp500 (Rupiah penuh) per saham/ <i>Issuance of 28,000,000 new shares with par value of Rp500 (full Rupiah) per share</i>	928,000,000
2001	Perubahan nilai nominal saham dari Rp500 (Rupiah penuh) per saham menjadi Rp100 (Rupiah penuh) per saham/ <i>Change in par value per share from Rp500 (full Rupiah) per share to Rp100 (full Rupiah) per share</i>	4,640,000,000
	Perolehan kembali 140.000.000 saham/ <i>Repurchase of 140,000,000 shares</i>	4,500,000,000
2002	Perolehan kembali 108.130.500 saham/ <i>Repurchase of 108,130,500 shares</i>	4,391,869,500
2004	Perolehan kembali 8.869.500 saham/ <i>Repurchase of 8,869,500 shares</i>	4,383,000,000
2015	Penerbitan 269.723.076 saham baru dengan nilai nominal Rp100 (Rupiah penuh) per saham/ <i>Issuance of 269,723,076 new shares with par value of Rp100 (full Rupiah) per share</i>	4,652,723,076

Lihat Catatan 18 untuk informasi mengenai penerbitan 269.723.076 saham baru pada tahun 2015.

Refer to Note 18 for the detailed information on the issuance of 269,723,076 new shares in 2015.

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1. INFORMASI UMUM (lanjutan)

Susunan Komisaris, Direksi, dan Komite Audit Perusahaan adalah sebagai berikut:

	2015
Komisaris:	
Presiden Komisaris	John Gledhill
Wakil Presiden	
Komisaris	Charles Herve Bendotti
Komisaris	Niken Kristiawan Rachmad
Komisaris	
Independen	Goh Kok Ho Raden Bagus Permana Agung Dradjattun

	2015
Direksi:	
Presiden Direktur	Paul Norman Janelle
Direktur	Michael Sandritter Andre Dahan Wayan Mertasana Tantra *) Yos Adiguna Ginting Peter Alfred Kurt Haase Troy J Modlin**)

	2015
Komite Audit:	
Ketua	Goh Kok Ho
Anggota	Hanafi Usman Raden Bagus Permana Agung Dradjattun

1. GENERAL INFORMATION (continued)

The Company's Commissioners, Directors, and Audit Committee are as follows:

	2014
	John Gledhill
	Charles Herve Bendotti Niken Kristiawan Rachmad
	Phang Cheow Hock Goh Kok Ho Raden Bagus Permana Agung Dradjattun

	2014
	Paul Norman Janelle Michael Sandritter Andre Dahan Wayan Mertasana Tantra *) Yos Adiguna Ginting Peter Alfred Kurt Haase Nikolaos Papathanasiou**)

	2014
	Phang Cheow Hock Goh Kok Ho Hanafi Usman

Commissioners:
*President Commissioner
Vice President
Commissioner
Commissioner
Independent
Commissioners*

Directors:
*President Director
Directors*

Audit Committee:
*Chairman
Members*

*) Menjalankan fungsi sebagai Direktur Independen/Acts as Independent Director.

**) Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 18 September 2015, para pemegang saham Perusahaan menyetujui pengunduran diri Nikolaos Papathanasiou dan penunjukan Troy J. Modlin sebagai Direktur Perusahaan/Based on a resolution of the Extraordinary General Shareholders' Meeting on September 18, 2015, the Company's shareholders approved the resignation of Nikolaos Papathanasiou and the appointment of Troy J. Modlin as the Company's Director.

Laporan keuangan konsolidasian mencakup akun-akun Perusahaan dan entitas anak. Entitas anak yang signifikan pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

The consolidated financial statements include the accounts of the Company and its subsidiaries. The significant subsidiaries of the Company as of December 31, 2015 and 2014 are as follows:

Nama perusahaan/ Company name	Kegiatan usaha/ Business activity	Domisili/ Domicile	Tahun beroperasi komersial/ Year of commercial operations	Persentase kepemilikan efektif/ Percentage of effective ownership		Jumlah aset/ Total assets	
				2015 dan/and 2014		2015	2014
				Induk/ Parent	Grup/ Group		
PT Perusahaan Dagang dan Industri Panamas	Distribusi rokok/ Cigarette distribution	Indonesia	1989	99.90	100.0	122,171	105,377
PT Sampoerna Printpack (SPP) *)	Percetakan dan industri produk kemasan/ Printing and packaging	Indonesia	1989	80.02	100.0	213,216	246,116
PT Handal Logistik Nusantara**)	Jasa ekspedisi dan pergudangan/ Expedition and warehousing	Indonesia	1989	99.98	100.0	776	31,382

*) Berhenti produksi sejak Oktober 2015 dan telah dijual kepada pihak ketiga pada tanggal 2 Februari 2016 (Catatan 32). Pada tanggal 31 Desember 2015, aset dan liabilitas SPP disajikan secara terpisah sebagai kelompok lepasan yang dimiliki untuk dijual/Ceased production since October 2015 and had been sold to a third party on February 2, 2016 (Note 32). As at December 31, 2015, assets and liabilities of SPP were separately presented as disposal group classified as held for sale.

**) Dalam proses likuidasi/In liquidation process.

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1. INFORMASI UMUM (lanjutan)

1. GENERAL INFORMATION (continued)

Nama perusahaan/ Company name	Kegiatan usaha/ Business activity	Domisili/ Domicile	Tahun beroperasi komersial/ Year of commercial operations	Persentase kepemilikan efektif/ Percentage of effective ownership		Jumlah aset/ Total assets	
				2015 dan/and 2014		2015	2014
				Induk/ Parent	Grup/ Group		
PT Sampoerna Indonesia Sembilan ¹⁾	Manufaktur dan perdagangan rokok/ Cigarette manufacturing and trading	Indonesia	2002	1.00	100.0	1,192,627	2,106,304
PT Union Sampoerna Dinamika	Perdagangan umum/ General trading	Indonesia	2005	99.99	100.0	38,065	38,060
PT Taman Dayu	Pengembangan properti/ Property development	Indonesia	1990	99.73	100.0	238,741	227,691
PT Golf Taman Dayu	Wisata dan jasa lapangan golf/ Leisure and golf course services	Indonesia	1996	Nil	100.0	42,870	53,424
PT Wahana Sampoerna	Properti, perdagangan dan jasa/ Property, trading and services	Indonesia	1989	99.94	100.0	26,688	16,247
Sampoerna International Pte. Ltd.	Investasi saham pada perusahaan-perusahaan lain/ Equity holdings	Singapura/ Singapore	1995	100.0	100.0	6,848	13,516
PT Harapan Maju Sentosa	Manufaktur dan perdagangan rokok/ Cigarette manufacturing and trading	Indonesia	1989	99.99	100.0	6,277	4,638
PT Persada Makmur Indonesia	Manufaktur dan perdagangan rokok/ Cigarette manufacturing and trading	Indonesia	2003	99.00	100.0	7,492	10,272

¹⁾ Berubah nama dari PT Asia Tembakau efektif sejak 30 Januari 2015/Changed its name from PT Asia Tembakau effective from January 30, 2015.

Entitas induk langsung Perusahaan adalah PT Philip Morris Indonesia, sedangkan entitas induk utama Perusahaan adalah Philip Morris International Inc.

The Company's immediate parent company is PT Philip Morris Indonesia and its ultimate parent company is Philip Morris International Inc.

2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Laporan keuangan konsolidasian Grup disahkan oleh Direksi pada tanggal 1 Maret 2016.

The Group's consolidated financial statements were authorised by the Directors on March 1, 2016.

Laporan keuangan konsolidasian disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia dan peraturan yang ditetapkan oleh Badan Pengawas Pasar Modal dan Lembaga Keuangan (BAPEPAM - LK) (sekarang menjadi Otoritas Jasa Keuangan atau OJK) tentang Penyajian dan Pengungkapan Laporan Keuangan Emiten atau Perusahaan Publik.

The consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards and the regulations imposed by the Capital Market and Financial Institution Supervisory Agency (BAPEPAM - LK) (currently Indonesian Financial Services Authority or OJK) on Presentation and Disclosure of Financial Statements of a Public Company.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

Kecuali dinyatakan berbeda, kebijakan akuntansi telah diterapkan secara konsisten dengan laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2014 yang telah sesuai dengan Standar Akuntansi Keuangan di Indonesia.

a. Dasar penyusunan laporan keuangan konsolidasian

Laporan keuangan konsolidasian disusun berdasarkan konsep harga perolehan, kecuali untuk aset dan liabilitas keuangan (termasuk instrumen derivatif) yang diukur pada nilai wajar melalui laporan laba rugi.

Laporan keuangan konsolidasian disusun dengan menggunakan basis akrual, kecuali untuk laporan arus kas konsolidasian.

Laporan arus kas konsolidasian disusun menggunakan metode langsung dan arus kas dikelompokkan atas dasar kegiatan operasi, investasi dan pendanaan.

Laporan keuangan konsolidasian disusun menggunakan asumsi kelangsungan usaha. Asumsi ini digunakan berdasarkan pengetahuan manajemen atas fakta-fakta dan keadaan sekarang, asumsi-asumsi yang timbul atas pengetahuan tersebut dan ekspektasi saat ini atas kejadian dan tindakan di masa yang akan datang.

Seluruh angka dalam laporan keuangan konsolidasian ini dibulatkan menjadi dan disajikan dalam jutaan Rupiah yang terdekat, kecuali bila dinyatakan lain.

Penyusunan laporan keuangan konsolidasian sesuai dengan Standar Akuntansi Keuangan di Indonesia mengharuskan penggunaan estimasi dan asumsi. Hal tersebut juga mengharuskan manajemen untuk membuat pertimbangan dalam proses penerapan kebijakan akuntansi Grup. Area yang kompleks atau memerlukan tingkat pertimbangan yang lebih tinggi atau area dimana asumsi dan estimasi dapat berdampak signifikan terhadap laporan keuangan konsolidasian diungkapkan di Catatan 28.

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

Unless otherwise stated, the accounting policies applied are consistent with those of the consolidated financial statements for the year ended December 31, 2014 which conform to Indonesian Financial Accounting Standards.

a. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared on the historical cost basis of accounting, except for financial assets and liabilities (including derivative instruments) which are measured at fair value through profit or loss.

The consolidated financial statements are prepared using the accrual basis, except for the consolidated statements of cash flows.

The consolidated statements of cash flows are prepared based on the direct method by classifying cash flows on the basis of operating, investing and financing activities.

The consolidated financial statements have been prepared using the going concern assumption. This assumption is being used based on management's knowledge of current facts and circumstances, assumption based on that knowledge and current expectations of future events and actions.

All figures in the consolidated financial statements are rounded to and stated in millions of Rupiah, unless otherwise stated.

The preparation of the consolidated financial statements in conformity with Indonesian Financial Accounting Standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 28.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

**a. Dasar penyusunan laporan keuangan
konsolidasian (lanjutan)**

**Perubahan pada Pernyataan Standar
Akuntansi Keuangan dan Interpretasi
Pernyataan Standar Akuntansi Keuangan**

Pada tanggal 1 Januari 2015, Grup menerapkan Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") baru dan revisi yang berlaku efektif pada tanggal tersebut.

Perubahan kebijakan akuntansi Grup telah dibuat seperti yang disyaratkan, sesuai dengan ketentuan transisi dalam masing-masing standar dan interpretasi.

Penerapan standar dan interpretasi baru/revisi yang relevan dengan operasi Grup dan menimbulkan efek ke laporan keuangan konsolidasian, terdiri dari:

**PSAK 1 (Revisi 2013), "Penyajian Laporan
Keuangan"**

Perubahan terhadap PSAK 1, "Penyajian Laporan Keuangan" mensyaratkan pengelompokan pos-pos yang disajikan sebagai pendapatan komprehensif lain berdasarkan apakah pos-pos tersebut akan direklasifikasi lebih lanjut ke laporan laba rugi.

PSAK 24 (Revisi 2013), "Imbalan Kerja"

Beberapa revisi penting pada standar ini adalah sebagai berikut:

- Seluruh biaya jasa lalu harus segera diakui sebagai beban. Sebelumnya biaya jasa lalu diamortisasi dengan metode garis lurus selama periode *vesting*
- Biaya bunga dan imbal hasil yang diharapkan dari aset program diganti dengan nilai bunga bersih yang dihitung berdasarkan tingkat diskonto terhadap kewajiban (aset) imbalan pasti bersih
- Revisi standar ini juga mensyaratkan beberapa tambahan pengungkapan. Pengungkapan tersebut telah diungkapkan di Catatan 24.

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

**a. Basis of preparation of consolidated
financial statements (continued)**

**Changes to Statements of Financial
Accounting Standards and Interpretations
of Statements of Financial Accounting
Standards**

On January 1, 2015, the Group adopted new and revised Statements of Financial Accounting Standards ("SFAS") and Interpretations of Statements of Financial Accounting Standards ("ISFAS") that are mandatory for application from that date.

Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective standards and interpretations.

The new/revised standards and interpretations adopted, which are relevant to the Group's operations and affect the consolidated financial statements, are as follows:

**SFAS 1 (Revised 2013), "Presentation of
Financial Statements"**

Amendment to SFAS 1, "Financial Statement Presentation" requires the grouping of items presented in other comprehensive income on the basis of whether they will be reclassified to profit or loss.

**SFAS 24 (Revised 2013), "Employee
Benefits"**

Several notable revisions are as follows:

- All past service costs to be recognised immediately as an expense. Previously, past service costs were amortised on a straight-line basis over the vesting period
- The interest cost and expected return on plan assets is replaced with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset)
- The revised standard also requires additional disclosures. These disclosures have been disclosed in Note 24.

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a. Dasar penyusunan laporan keuangan konsolidasian (lanjutan)

Perubahan pada Pernyataan Standar Akuntansi Keuangan dan Interpretasi Pernyataan Standar Akuntansi Keuangan (lanjutan)

PSAK 24 (Revisi 2013), "Imbalan Kerja" (lanjutan)

Grup memutuskan untuk tidak menerapkan penyesuaian secara retrospektif sesuai dengan ketentuan transisi standar ini karena dampak terhadap laporan keuangan konsolidasian tidak material (lihat Catatan 24 untuk jumlah biaya jasa lalu yang belum diakui untuk tahun sebelumnya).

PSAK 60 (Revisi 2014), "Instrumen Keuangan: Pengungkapan"

Perubahan terhadap PSAK 60, "Instrumen Keuangan: Pengungkapan", mensyaratkan antara lain pengungkapan saling hapus tambahan untuk mengevaluasi dampak atau potensi dampak perjanjian neto, termasuk hak untuk saling hapus yang terkait dengan aset keuangan dan liabilitas keuangan yang diakui pada laporan posisi keuangan konsolidasian.

Pengungkapan saling hapus diungkapkan pada Catatan 3.

PSAK 68, "Pengukuran Nilai Wajar"

Standar yang baru ini bertujuan untuk meningkatkan konsistensi dan mengurangi kompleksitas dengan memberikan definisi yang tepat atas nilai wajar dan sumber tunggal atas pengukuran nilai wajar dan syarat pengungkapan. Persyaratan ini tidak memperluas penggunaan akuntansi nilai wajar tetapi memberikan pedoman penerapan ketika penggunaannya telah diharuskan atau diperbolehkan oleh standar akuntansi keuangan lainnya.

Grup telah menerapkan persyaratan pengungkapan PSAK 68 untuk laporan keuangan konsolidasian untuk tahun yang berakhir pada tanggal 31 Desember 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of preparation of consolidated financial statements (continued)

Changes to Statements of Financial Accounting Standards and Interpretations of Statements of Financial Accounting Standards (continued)

SFAS 24 (Revised 2013), "Employee Benefits" (continued)

The Group decided not to apply the retrospective approach in accordance with the transitional provisions of the standard as the impact to the consolidated financial statements would not be material (see Note 24 for the amount of the unrecognised past service costs for the prior year).

SFAS 60 (Revised 2014), "Financial Instruments: Disclosures"

Amendment to SFAS 60, "Financial Instruments: Disclosures", requires additional offsetting disclosures to evaluate the effects or the potential effects of netting arrangements, including rights of set-off associated with financial assets and recognised financial liabilities, on the Group's consolidated statements of financial position.

The offsetting disclosures are disclosed in Note 3.

SFAS 68, "Fair Value Measurement"

The new standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other financial accounting standards.

The Group has incorporated the disclosure requirements of SFAS 68 for the consolidated financial statements for the year ended December 31, 2015.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
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**a. Dasar penyusunan laporan keuangan
konsolidasian (lanjutan)**

**Perubahan pada Pernyataan Standar
Akuntansi Keuangan dan Interpretasi
Pernyataan Standar Akuntansi Keuangan
(lanjutan)**

Lain-lain

Penerapan dari standar baru/revisi yang efektif sejak 1 Januari 2015 yang relevan dengan operasi Grup namun tidak menimbulkan dampak material terhadap laporan keuangan konsolidasian adalah sebagai berikut:

- PSAK 4 (Revisi 2013) "Laporan Keuangan Tersendiri"
- PSAK 15 (Revisi 2013) "Investasi pada Entitas Asosiasi dan Ventura Bersama"
- PSAK 46 (Revisi 2014) "Pajak Penghasilan"
- PSAK 48 (Revisi 2014) "Penurunan Nilai Aset"
- PSAK 50 (Revisi 2014) "Instrumen Keuangan : Penyajian"
- PSAK 55 (Revisi 2014) "Instrumen Keuangan: Pengakuan dan Pengukuran"
- PSAK 65 "Laporan Keuangan Konsolidasian"
- PSAK 66 (Revisi 2014) "Pengaturan Bersama"
- PSAK 67 "Pengungkapan Kepentingan dalam Entitas Lain"

Standar revisi dan interpretasi baru yang telah diterbitkan dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2016 adalah sebagai berikut:

- PSAK 4 (Revisi 2015) "Laporan Keuangan Tersendiri"
- PSAK 15 (Revisi 2015) "Investasi pada Entitas Asosiasi dan Ventura Bersama"
- PSAK 16 (Revisi 2015) "Aset Tetap"
- PSAK 19 (Revisi 2015) "Aset Takberwujud"
- PSAK 24 (Revisi 2015) "Imbalan Kerja"
- PSAK 65 (Revisi 2015) "Laporan Keuangan Konsolidasian"
- PSAK 66 (Revisi 2015) "Pengaturan Bersama"
- PSAK 67 (Revisi 2015) "Pengungkapan Kepentingan dalam Entitas Lain"
- ISAK 30 "Pungutan"

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

**a. Basis of preparation of consolidated
financial statements (continued)**

**Changes to Statements of Financial
Accounting Standards and Interpretations
of Statements of Financial Accounting
Standards (continued)**

Others

The adoption of the following new/revised standards which were effective on January 1, 2015 which are relevant to the Group's operations, but did not result in a material effect on the consolidated financial statements are as follows:

- SFAS 4 (Revised 2013) "Separate Financial Statements"
- SFAS 15 (Revised 2013) "Investments in Associates and Joint Ventures"
- SFAS 46 (Revised 2014) "Income Taxes"
- SFAS 48 (Revised 2014) "Impairment of Assets"
- SFAS 50 (Revised 2014), "Financial Instruments: Presentation"
- SFAS 55 (Revised 2014) "Financial Instruments: Recognition and Measurement"
- SFAS 65 "Consolidated Financial Statements"
- SFAS 66 (Revised 2014) "Joint Arrangements"
- SFAS 67 "Disclosure of Interests in Other Entities"

Revised standards and a new interpretation issued, which will be effective for the financial year beginning January 1, 2016 are as follows:

- SFAS 4 (Revised 2015) "Separate Financial Statements"
- SFAS 15 (Revised 2015) "Investments in Associates and Joint Ventures"
- SFAS 16 (Revised 2015) "Property, Plant and Equipment"
- SFAS 19 (Revised 2015) "Intangible Assets"
- SFAS 24 (Revised 2015) "Employee Benefits"
- SFAS 65 (Revised 2015) "Consolidated Financial Statements"
- SFAS 66 (Revised 2015) "Joint Arrangements"
- SFAS 67 (Revised 2015) "Disclosures of Interests in Other Entities"
- ISFAS 30 "Levies"

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

a. Dasar penyusunan laporan keuangan konsolidasian (lanjutan)

Perubahan pada Pernyataan Standar Akuntansi Keuangan dan Interpretasi Pernyataan Standar Akuntansi Keuangan (lanjutan)

Lain-lain (lanjutan)

Standar penyesuaian yang telah diterbitkan dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2016 adalah sebagai berikut:

- PSAK 5 (Penyesuaian 2015) "Segmen Operasi"
- PSAK 7 (Penyesuaian 2015) "Pengungkapan Pihak-pihak Berelasi"
- PSAK 13 (Penyesuaian 2015) "Properti Investasi"
- PSAK 16 (Penyesuaian 2015) "Aset Tetap"

- PSAK 19 (Penyesuaian 2015) "Aset Takberwujud"
- PSAK 22 (Penyesuaian 2015) "Kombinasi Bisnis"
- PSAK 25 (Penyesuaian 2015) "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan"
- PSAK 53 (Penyesuaian 2015) "Pembayaran Berbasis Saham"
- PSAK 68 (Penyesuaian 2015) "Pengukuran Nilai Wajar"

Standar revisi dan interpretasi baru yang telah diterbitkan dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2017 adalah sebagai berikut:

- PSAK 1 (Revisi 2015) "Penyajian Laporan Keuangan"
- ISAK 13 "Interpretasi atas Ruang Lingkup PSAK 13 "Properti Investasi"

b. Prinsip - prinsip konsolidasi

(1) Entitas anak

Entitas anak adalah seluruh entitas dimana Grup memiliki pengendalian atas entitas tersebut. Grup mengendalikan entitas ketika Grup terekspos atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan entitas dan memiliki kemampuan untuk mempengaruhi imbal hasil melalui kekuasaan atas entitas tersebut. Entitas anak dikonsolidasikan secara penuh sejak tanggal dimana kendali dialihkan kepada Grup. Konsolidasi atas entitas anak dihentikan sejak tanggal hilangnya pengendalian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of preparation of consolidated financial statements (continued)

Changes to Statements of Financial Accounting Standards and Interpretations of Statements of Financial Accounting Standards (continued)

Others (continued)

Improvement standards issued and will be effective for the financial year beginning January 1, 2016 are as follows:

- SFAS 5 (Improvement 2015) "Operating Segments"
- SFAS 7 (Improvement 2015) "Related Party Disclosures"
- SFAS 13 (Improvement 2015) "Investment Property"
- SFAS 16 (Improvement 2015) "Property, Plant and Equipment"
- SFAS 19 (Improvement 2015) "Intangible Assets"
- SFAS 22 (Improvement 2015) "Business Combinations"
- SFAS 25 (Improvement 2015) "Accounting Policies, Changes in Accounting Estimates and Errors"
- SFAS 53 (Improvement 2015) "Share-based Payment"
- SFAS 68 (Improvement 2015) "Fair Value Measurement"

A revised standard and new interpretations issued, which will be effective for the financial year beginning January 1, 2017, are as follows:

- SFAS 1 (Revised 2015) "Presentation of Financial Statements"
- ISFAS 31 "Interpretation over the Scope of SFAS 13 "Investment Property"

b. Principles of consolidation

(1) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip - prinsip konsolidasi (lanjutan)

(1) Entitas anak (lanjutan)

Dalam mencatat kombinasi bisnis digunakan metode akuisisi. Imbalan yang dialihkan untuk akuisisi adalah sebesar nilai wajar aset yang diserahkan, saham yang diterbitkan atau liabilitas yang diambil-alih pada tanggal akuisisi. Kelebihan jumlah imbalan yang dialihkan dengan nilai wajar jumlah kepentingan non-pengendali atas jumlah aset bersih yang diakuisisi dicatat sebagai *goodwill* (lihat Catatan 2n untuk kebijakan akuntansi atas *goodwill*).

Biaya terkait akuisisi dibebankan ketika terjadi.

Transaksi antar perusahaan, saldo dan keuntungan/kerugian yang belum direalisasi dari transaksi antar perusahaan dalam Grup, dieliminasi.

Kebijakan akuntansi yang digunakan dalam laporan keuangan konsolidasian telah diterapkan secara konsisten oleh entitas anak.

(2) Entitas asosiasi

Entitas asosiasi adalah seluruh entitas dimana Grup mempunyai pengaruh signifikan namun bukan pengendalian, biasanya melalui kepemilikan hak suara antara 20% dan 50%. Investasi pada entitas asosiasi dicatat dengan menggunakan metode ekuitas dan diakui awalnya sebesar harga perolehan. Investasi Grup atas entitas asosiasi termasuk *goodwill* yang diidentifikasi ketika akuisisi.

Bagian Grup atas keuntungan atau kerugian entitas asosiasi pasca akuisisi diakui dalam laporan laba rugi konsolidasian. Laba/rugi komprehensif pasca akuisisi disesuaikan terhadap nilai tercatat investasinya. Jika bagian Grup atas kerugian entitas asosiasi sama dengan atau melebihi kepentingannya pada entitas asosiasi, Grup tidak mengakui kerugian lebih lanjut, kecuali Grup telah mengakui liabilitas atau melakukan pembayaran atas nama entitas asosiasi.

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

b. Principles of consolidation (continued)

(1) Subsidiaries (continued)

The acquisition method is used to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of acquisition. The excess of the aggregate of the consideration transferred, and the fair value of non-controlling interest over the fair value of the identifiable net assets acquired is recorded as goodwill (see Note 2n for the accounting policy on goodwill).

Acquisition-related costs are expensed as incurred.

Intercompany transactions, balances and unrealised gains/losses on transactions between Group companies are eliminated.

The accounting policies adopted in preparing the consolidated financial statements have been consistently applied by the subsidiaries.

(2) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's shares of its associates' post-acquisition profits or losses are recognised in the consolidated profit or loss. The comprehensive post-acquisition profit/loss is adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

b. Prinsip - prinsip konsolidasi (lanjutan)

(2) Entitas asosiasi (lanjutan)

Keuntungan yang belum direalisasi atas transaksi antara Grup dengan entitas asosiasi dieliminasi sebesar jumlah yang mencerminkan proporsi kepemilikan Grup dalam entitas asosiasi. Kerugian yang belum direalisasi juga dieliminasi kecuali transaksi tersebut memberikan bukti adanya penurunan nilai aset yang ditransfer.

Kebijakan akuntansi entitas asosiasi diubah jika diperlukan untuk memastikan konsistensi dengan kebijakan akuntansi yang diadopsi Grup.

c. Penjabaran mata uang asing

(1) Mata uang fungsional dan penyajian

Item-item yang disertakan dalam laporan keuangan setiap entitas anggota Grup diukur menggunakan mata uang yang sesuai dengan lingkungan ekonomi utama di mana entitas beroperasi ("mata uang fungsional").

Laporan keuangan konsolidasian disajikan dalam Rupiah, yang merupakan mata uang fungsional dan penyajian Perusahaan.

(2) Transaksi dan saldo

Transaksi dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Aset dan liabilitas moneter dalam mata uang asing dijabarkan ke dalam mata uang Rupiah dengan kurs yang berlaku pada akhir periode pelaporan.

Keuntungan dan kerugian selisih kurs yang timbul dari penyelesaian transaksi dalam mata uang asing dan dari penjabaran aset dan liabilitas moneter dalam mata uang asing, diakui pada laporan laba rugi konsolidasian.

Nilai tukar terhadap Rupiah pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	Rupiah penuh/Full Rupiah	
	31 Desember/ December 2015	31 Desember/ December 2014
1 Euro	15,085	15,098
1 Franc Swiss	13,949	12,551
1 Dolar Amerika Serikat	13,810	12,420

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

b. Principles of consolidation (continued)

(2) Associates (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset being transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

c. Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Rupiah, which is the functional and presentation currency of the Company.

(2) Transactions and balances

Transactions denominated in a foreign currency are converted into Rupiah at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Rupiah at the exchange rates prevailing at the end of the reporting period.

Exchange gains and losses arising on settlement of transactions in foreign currency and on the translation of foreign currency of monetary assets and liabilities are recognised in the consolidated statements of profit or loss.

The exchange rates used against the Rupiah as of December 31, 2015 and 2014 are as follows:

1 Euro
1 Swiss Franc
1 United States Dollar

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

c. Penjabaran mata uang asing (lanjutan)

(3) Entitas asing di dalam Grup

Laporan laba rugi dan laporan arus kas entitas asing dijabarkan ke dalam mata uang pelaporan Grup dengan menggunakan nilai tukar rata-rata sepanjang tahun sedangkan pada laporan posisi keuangan konsolidasian dijabarkan dengan menggunakan nilai tukar yang berlaku pada akhir periode pelaporan dan akun ekuitas dijabarkan berdasarkan kurs historis. Selisih kurs karena penjabaran laporan keuangan entitas anak di luar negeri dilaporkan secara terpisah dalam akun "Selisih kurs karena penjabaran laporan keuangan" pada komponen ekuitas dalam laporan posisi keuangan konsolidasian. Dalam pelepasan kegiatan usaha luar negeri, jumlah kumulatif selisih kurs yang terkait dengan kegiatan usaha luar negeri tersebut direklasifikasi dari ekuitas ke laba rugi ketika keuntungan atau kerugian dari pelepasan kegiatan usaha luar negeri diakui.

Pelepasan kegiatan usaha luar negeri dapat terjadi melalui penjualan, likuidasi, pembayaran kembali modal saham atau penghentian seluruh atau sebagian dari entitas.

Penyesuaian atas *goodwill* dan nilai wajar yang timbul dari akuisisi entitas asing diperlakukan sebagai bagian dari aset dan liabilitas entitas asing dan dijabarkan dengan menggunakan kurs pada akhir periode pelaporan.

Akun-akun entitas anak di luar negeri dikonversikan ke mata uang Rupiah dengan menggunakan kurs sebagai berikut:

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

c. Foreign currency translation (continued)

(3) Foreign entities within the Group

Statements of profit or loss and cash flows of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and their consolidated statements of financial position are translated at the exchange rates prevailing at the end of the reporting period and their equity accounts are translated at the historical rate. The resulting difference arising from the translation of the financial statements of foreign subsidiaries is presented as "Cumulative translation adjustments" under the equity section in the consolidated statements of financial position. On the disposal of a foreign operating activities outside the Group, the cumulative translation adjustments relating to that foreign operation activities are reclassified from equity to profit or loss when the gain or loss on disposal of foreign operating activities are recognised.

Disposal of foreign operating activities may occur either through sale, liquidation, repayment of share capital or abandonment of all, or part of, the entity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate prevailing at the end of the reporting period.

The accounts of the foreign entities are translated into Rupiah amounts using the following rates:

Rupiah penuh/Full Rupiah			
Aset dan liabilitas / Assets and liabilities		Laba rugi/ Profit or loss	
2015	2014	2015	2014

1 Dolar
Singapura
("SGD")

9,774

9,381

9,667

9,410

1 Singapore
Dollar
("SGD")

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

d. Kas dan setara kas

Pada laporan arus kas konsolidasian, kas dan setara kas mencakup kas, bank, simpanan bank yang sewaktu-waktu bisa dicairkan, investasi likuid jangka pendek lainnya yang jatuh tempo dalam waktu tiga bulan atau kurang dan cerukan. Pada laporan posisi keuangan konsolidasian, cerukan disajikan bersama sebagai pinjaman dalam liabilitas jangka pendek.

e. Piutang usaha dan lainnya

Pada saat pengakuan awal piutang usaha dan lainnya diakui pada nilai wajarnya dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif kecuali jika dampak diskontonya tidak material, dikurangi dengan penyisihan penurunan nilai piutang.

Penyisihan penurunan nilai piutang diukur berdasarkan penelaahan atas kolektibilitas saldo piutang. Piutang dihapuskan pada saat piutang tersebut dipastikan tidak akan tertagih.

f. Aset dan liabilitas keuangan

Aset keuangan

Manajemen menentukan klasifikasi aset keuangan pada saat pengakuan awal. Pada tanggal 31 Desember 2015 dan 2014, Grup memiliki aset keuangan yang diklasifikasikan sebagai aset keuangan diukur pada nilai wajar melalui laporan laba rugi dan pinjaman yang diberikan dan piutang.

Aset keuangan diukur pada nilai wajar melalui laporan laba rugi jika diperoleh terutama untuk dijual kembali dalam jangka pendek. Derivatif diklasifikasikan sebagai kategori yang diperoleh untuk tujuan diperdagangkan kecuali yang merupakan instrumen lindung nilai.

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

d. Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents include cash on hand, cash in banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated statements of financial position, bank overdrafts are shown within borrowings in current liabilities.

e. Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method except where the effect of the discounting is not material, less provision for impairment.

A provision for impairment of trade receivables is established based on a review of the collectibility of outstanding amounts. Accounts are written-off as bad debts during the period in which they are determined to be non-collectible.

f. Financial assets and liabilities

Financial assets

Management determines the classification of its financial assets at initial recognition. As of December 31, 2015 and 2014, the Group has financial assets classified as financial assets at fair value through profit or loss and loans and receivables.

A financial asset is measured at fair value through profit or loss category if acquired principally for the purpose of selling in the short-term. Derivatives are categorised as held for trading unless they are designated as hedges.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

f. Aset dan liabilitas keuangan (lanjutan)

Aset keuangan (lanjutan)

Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif. Aset kategori ini diklasifikasikan sebagai aset lancar, kecuali untuk yang jatuh tempo lebih dari 12 bulan sejak akhir periode pelaporan. Pinjaman yang diberikan dan piutang Grup terdiri dari piutang usaha, piutang lainnya, aset keuangan jangka pendek lainnya dan kas dan setara kas pada laporan posisi keuangan konsolidasian.

Liabilitas keuangan

Pinjaman jangka pendek, utang usaha dan lainnya, akrual, liabilitas keuangan jangka pendek lainnya, dan liabilitas sewa pembiayaan merupakan liabilitas keuangan yang pada awalnya diakui sebesar nilai wajar dan selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif kecuali jika dampak diskontonya tidak material. Liabilitas kategori ini diklasifikasikan sebagai liabilitas jangka pendek, kecuali untuk liabilitas sewa pembiayaan yang jatuh tempo lebih dari 12 bulan sejak akhir periode pelaporan. Liabilitas keuangan ini diklasifikasikan sebagai liabilitas jangka panjang.

Saling hapus aset keuangan dan liabilitas keuangan

Aset keuangan dan liabilitas keuangan disalinghapuskan dan jumlah netonya dilaporkan pada laporan posisi keuangan konsolidasian ketika terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya niat untuk menyelesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

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

f. Financial assets and liabilities (continued)

Financial assets (continued)

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months since the end of the reporting period. The Group's loans and receivables include trade receivables, other receivables, other short-term financial asset and cash and cash equivalents in the consolidated statements of financial position.

Financial liabilities

Short-term borrowings, trade and other payables, accruals, other short-term financial liability and finance lease liabilities are financial liabilities initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method except where the effect of the discounting is not material. They are included in current liabilities, except for some part of finance lease liabilities with maturities greater than 12 months since the end of the reporting period. These are classified as non-current liabilities.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

g. Instrumen derivatif keuangan

Derivatif pada awalnya diakui sebesar nilai wajar pada saat kontrak tersebut dilakukan dan selanjutnya diukur pada nilai wajarnya. Metode pengakuan keuntungan atau kerugian perubahan nilai wajar tergantung apakah derivatif tersebut dirancang dan memenuhi syarat sebagai instrumen lindung nilai untuk tujuan akuntansi dan sifat dari risiko yang dilindung nilainya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar atas instrumen derivatif yang tidak memenuhi kriteria lindung nilai untuk tujuan akuntansi diakui pada laporan laba rugi konsolidasian.

h. Persediaan

Barang jadi, bahan baku dan *supplies*, barang dalam proses, barang dagangan, tanah dan bangunan untuk dijual diakui sebesar nilai yang lebih rendah antara harga perolehan dan nilai realisasi bersih. Biaya perolehan ditentukan dengan metode rata-rata tertimbang (*weighted-average method*), kecuali untuk persediaan pita cukai yang biayanya ditentukan dengan metode identifikasi khusus (*specific identification method*). Harga perolehan barang jadi dan barang dalam proses terdiri dari biaya bahan baku, tenaga kerja langsung, biaya-biaya langsung lainnya dan biaya *overhead* yang terkait dengan produksi. Persediaan, kecuali tanah dan bangunan untuk dijual yang dimiliki oleh PT Taman Dayu, tidak mencakup biaya pinjaman. Nilai realisasi bersih adalah estimasi harga penjualan dalam kegiatan usaha normal, dikurangi estimasi biaya penyelesaian dan estimasi biaya penjualan.

Provisi persediaan usang dan tidak lancar ditentukan berdasarkan penelaahan atas penggunaan atau penjualan masing-masing jenis persediaan pada masa mendatang. Provisi dihapuskan pada saat persediaan usang dan tidak lancar tersebut telah terjual atau secara fisik dihapuskan.

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

g. Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The method of recognising the resulting gain or loss on the changes in fair value depends on whether the derivative is designated and qualified as a hedging instrument for accounting purposes and the nature of the risk being hedged. The gains or losses arising from changes in the fair value of derivative instruments that do not meet the criteria of hedging for accounting purposes are recognised in the consolidated statements of profit or loss.

h. Inventories

Finished goods, raw materials and supplies, work in progress, merchandise inventory, land and buildings held for sale are stated at the lower of cost or net realisable value. Cost is determined by the weighted-average method, except for the excise tax inventory, for which cost is determined by the specific identification method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. It excludes borrowing costs, except for those relating to land and buildings held for sale belonging to PT Taman Dayu. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated selling expenses.

A provision for obsolete and slow moving inventory is determined based on the review of future usage or sale of individual inventory items. Provisions are written-off as such inventories are sold or physically disposed of.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

i. Aset tetap

Aset tetap disajikan sebesar biaya perolehan, dikurangi dengan akumulasi penyusutan. Penyusutan dihitung dengan menggunakan metode garis lurus. Tanah tidak disusutkan. Taksiran masa manfaat ekonomis aset tetap adalah sebagai berikut:

	<u>Tahun/Years</u>
Bangunan dan prasarana	4 - 40
Mesin dan peralatan	10 - 15
Perabot, peralatan kantor dan laboratorium	3 - 10
Alat-alat pengangkutan	5 - 16

Nilai residu aset, umur manfaat, dan metode penyusutan ditelaah dan jika perlu disesuaikan pada setiap akhir periode laporan.

Aset tetap dalam pembangunan dinyatakan sebesar biaya perolehan dan disajikan sebagai bagian dari aset tetap. Akumulasi biaya perolehan akan dipindahkan ke akun aset tetap yang bersangkutan pada saat aset tersebut telah selesai dikerjakan dan siap untuk digunakan sesuai dengan tujuan penggunaannya. Penyusutan dimulai pada saat aset tersebut siap untuk digunakan sesuai dengan tujuan yang diinginkan manajemen.

Biaya-biaya setelah pengakuan awal diakui sebagai bagian dari nilai tercatat aset tetap atau sebagai aset yang terpisah, sebagaimana mestinya, hanya apabila besar kemungkinan manfaat ekonomis sehubungan dengan aset tersebut di masa mendatang akan mengalir ke Grup dan biaya perolehannya dapat diukur secara andal. Jumlah tercatat komponen yang diganti, dihapuskan. Biaya perbaikan dan pemeliharaan lainnya dibebankan di laporan laba rugi konsolidasian pada saat terjadinya.

Keuntungan dan kerugian yang timbul akibat pelepasan aset tetap ditentukan dengan membandingkan hasil pelepasan dengan nilai tercatatnya dan diakui pada laporan laba rugi konsolidasian.

Biaya legal awal untuk mendapatkan hak legal diakui sebagai bagian biaya akuisisi tanah, biaya-biaya tersebut tidak didepresiasi. Biaya terkait dengan pembaruan hak atas tanah diakui sebagai aset tidak lancar lainnya dan diamortisasi sepanjang umur hukum hak.

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

i. Fixed assets

Fixed assets are stated at historical cost, less accumulated depreciation. Depreciation is computed using the straight-line method. Land is not depreciated. The economic useful lives of the assets are estimated as follows:

Buildings and improvements
Machinery and equipment
Furniture & fixtures, office and laboratory equipment
Transportation equipment

The assets' residual values, useful lives, and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

Construction in progress is stated at historical cost and presented as part of fixed assets. The accumulated costs are reclassified to the appropriate fixed asset account when the construction is complete and the asset is ready for its intended use. Depreciation is charged from the date the asset is ready for use in the manner intended by management.

Subsequent costs are included in the fixed assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statements of profit or loss as incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statements of profit or loss.

Initial legal costs incurred to obtain legal rights are recognised as part of the acquisition cost of the land, and these costs are not depreciated. Costs related to renewal of land rights are recognised as other non-current assets and amortised during the period of the land rights.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

j. Properti investasi

Properti investasi merupakan tanah dan bangunan dan prasarana, serta properti dalam proses pembangunan untuk sewa operasi dan tidak digunakan atau dijual dalam kegiatan operasi normal Grup. Properti investasi dinyatakan sebesar harga perolehan, dikurangi akumulasi penyusutan. Penyusutan bangunan dan prasarana dihitung dengan metode garis lurus, dengan taksiran masa manfaat yang diestimasi 15 - 40 tahun. Tanah tidak disusutkan. Penerimaan dari properti investasi dicatat sebagai penghasilan sewa secara garis lurus selama periode sewa.

k. Aset tidak lancar yang dimiliki untuk dijual

Aset tidak lancar (atau kelompok lepasan) diklasifikasikan sebagai aset tidak lancar yang dimiliki untuk dijual ketika nilai tercatatnya akan dipulihkan terutama melalui transaksi penjualan daripada melalui pemakaian berlanjut dan penjualannya sangat mungkin terjadi. Aset ini dicatat pada nilai yang lebih rendah antara jumlah tercatat dan nilai wajar setelah dikurangi biaya untuk menjual.

Aset tidak lancar yang diklasifikasikan sebagai dimiliki untuk dijual dan aset dalam kelompok lepasan yang dimiliki untuk dijual disajikan secara terpisah dari aset lainnya dalam laporan posisi keuangan konsolidasian. Liabilitas dalam kelompok lepasan yang diklasifikasikan sebagai dimiliki untuk dijual disajikan secara terpisah dari liabilitas lainnya dalam laporan posisi keuangan konsolidasian.

l. Sewa

Grup menyewa aset tetap tertentu. Apabila dalam suatu kontrak sewa porsi yang signifikan atas risiko dan manfaat kepemilikan aset tetap berada di tangan lessor, maka sewa tersebut diklasifikasikan sebagai sewa operasi. Pembayaran sewa operasi dibebankan ke laporan laba rugi konsolidasian secara garis lurus selama periode sewa.

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

j. Investment property

Investment property represents land and building and improvements, and property being constructed for operating lease, rather than for use or sale in the ordinary course of the Group's business. Investment property is stated at cost less accumulated depreciation. Depreciation of building and improvements is computed using the straight-line method, with the estimated useful life of 15 - 40 years. Land is not depreciated. Income received from investment properties are recognised as rent income on a straight-line basis over the period of rent.

k. Non-current assets held for sale

Non-current assets (or disposal groups) are classified as non-current assets held for sale when their carrying amount is to be recovered principally through a sale transaction, rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held for sale and the assets of disposal group classified as held for sale are presented separately from the other assets in the consolidated statements of financial position. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the consolidated statements of financial position.

l. Leases

The Group leases certain fixed assets. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statements of profit or loss on a straight-line basis over the period of the lease.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

l. Sewa (lanjutan)

Dalam penyewaan aset tetap dimana risiko dan manfaat kepemilikan secara substansi berpindah ke lessee (Grup), maka sewa tersebut diklasifikasikan sebagai sewa pembiayaan. Sewa pembiayaan dikapitalisasi pada awal masa sewa sebesar nilai yang lebih rendah antara nilai wajar aset sewaan dan nilai kini pembayaran sewa minimum.

Setiap pembayaran sewa pembiayaan dialokasikan antara bagian yang merupakan pelunasan liabilitas dan bagian yang merupakan biaya keuangan sedemikian rupa sehingga menghasilkan tingkat suku bunga yang konstan atas saldo liabilitas yang tersisa.

Jumlah kewajiban sewa, setelah dikurangi biaya keuangan disajikan sebagai utang jangka pendek dan jangka panjang. Elemen bunga dalam biaya keuangan dibebankan pada laporan laba rugi konsolidasian selama masa sewa sedemikian rupa sehingga menghasilkan suatu tingkat suku bunga periodik yang konstan atas saldo liabilitas yang tersisa setiap periode. Aset tetap yang diperoleh melalui sewa pembiayaan disusutkan selama jangka waktu yang lebih pendek antara umur manfaat aset dan masa sewa.

m. Tanah untuk pengembangan

Tanah yang akan dikembangkan dan dimaksudkan untuk dijual setelah dikembangkan disajikan dalam akun "Tanah untuk pengembangan" dan dinyatakan sebesar nilai yang lebih rendah antara biaya tercatat dan nilai realisasi bersih.

Pada saat dimulainya pengembangan dan pembangunan infrastruktur, nilai tanah yang dimiliki oleh PT Taman Dayu akan dipindahkan ke akun "Persediaan - tanah dan bangunan untuk dijual".

n. Goodwill

Goodwill merupakan kelebihan jumlah imbalan yang dialihkan dibandingkan dengan nilai wajar dari bagian kepentingan non-pengendali atas jumlah aset bersih dan kewajiban teridentifikasi entitas anak yang diakuisisi.

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

l. Leases (continued)

Leases of fixed assets where the lessee (Group) has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each finance lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance.

The corresponding rental obligations, net of finance charges, are included in current and non-current liabilities. The interest element of the finance cost is charged to the consolidated statements of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the assets and the lease term.

m. Land for development

Land which has yet to be developed and for which the intention is to be sold after being developed, is presented under "Land for development" and stated at the lower of cost or net realisable value.

The cost of land belonging to PT Taman Dayu is transferred to "Inventory - land and buildings held for sale" upon commencement of the development and construction of infrastructure.

n. Goodwill

Goodwill represents the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the identifiable net assets and liabilities assumed of the subsidiary acquired.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

n. Goodwill (lanjutan)

Pengujian penurunan nilai atas *goodwill* yang berasal dari akuisisi entitas anak dilakukan setiap tahun atau dapat lebih sering apabila terdapat peristiwa atau perubahan keadaan yang mengindikasikan adanya potensi penurunan nilai. *Goodwill* dicatat sebesar nilai perolehan dikurangi dengan akumulasi kerugian penurunan nilai. Kerugian penurunan nilai *goodwill* ini tidak dapat dipulihkan kembali.

o. Penurunan nilai aset nonkeuangan

Pada setiap akhir periode laporan, Grup menelaah ada atau tidaknya indikasi penurunan nilai aset.

Aset tetap dan aset tidak lancar lainnya, kecuali *goodwill*, ditelaah untuk mengetahui apakah telah terjadi indikasi penurunan nilai bilamana terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa nilai tercatat aset tersebut tidak dapat diperoleh kembali. Kerugian akibat penurunan nilai diakui sebesar selisih antara nilai tercatat aset dengan nilai yang dapat diperoleh kembali dari aset tersebut. Nilai yang dapat diperoleh kembali adalah nilai yang lebih tinggi di antara nilai wajar dikurangi biaya untuk menjual dan nilai pakai aset. Dalam rangka mengukur penurunan nilai, aset dikelompokkan hingga unit terkecil yang menghasilkan arus kas terpisah.

p. Provisi

Provisi diakui apabila Grup mempunyai kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) sebagai akibat peristiwa masa lalu dan besar kemungkinan penyelesaian kewajiban tersebut mengakibatkan arus keluar sumber daya dan jumlah kewajiban tersebut dapat diestimasi dengan andal.

q. Imbalan pascakerja

Perusahaan dan entitas anak tertentu di dalam negeri menyelenggarakan program pensiun iuran pasti mulai 1 April 2008.

Perusahaan dan entitas anak tertentu di dalam negeri harus menyediakan imbalan minimum sesuai yang diatur dalam Undang-Undang Ketenagakerjaan No. 13 Tahun 2003 ("UUTK"). Karena UUTK menentukan rumus tertentu untuk menghitung jumlah minimal imbalan pensiun, pada dasarnya kewajiban pensiun berdasarkan UUTK adalah kewajiban imbalan pasti.

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

n. Goodwill (continued)

Goodwill on acquisition of subsidiaries is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Goodwill is recorded at cost less accumulated impairment losses. Impairment losses on goodwill are not reversible.

o. Impairment of non-financial assets

At the end of each reporting period, the Group reviews whether there is any indication of asset impairment or not.

Fixed assets and other non-current assets, excluding goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

p. Provisions

Provisions are recognised when the Group has a present obligation (legal as well as constructive) as a result of past events and it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

q. Post-employment benefits

The Company and certain of its domestic subsidiaries have a defined contribution pension plan that was started on April 1, 2008.

The Company and certain of its domestic subsidiaries are required to provide minimum benefits as stipulated in the Labor Law No. 13/2003 ("Labor Law"). Since the Labor Law sets the formula for determining the minimum amount of benefits, in substance the pension obligation under the Labor Law represents a defined benefit obligation.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

q. Imbalan pascakerja (lanjutan)

Program iuran pasti adalah program pensiun di mana Perusahaan dan entitas anak tertentu membayar iuran tetap kepada sebuah entitas yang terpisah. Iuran ini dicatat sebagai biaya karyawan pada saat terutang. Perusahaan dan entitas anak tertentu tidak lagi memiliki kewajiban pembayaran lebih lanjut setelah iuran tersebut dibayarkan.

Bila jumlah yang diterima karyawan dari program pensiun lebih kecil dari imbalan seperti yang ditetapkan dalam UUTK, Perusahaan dan entitas anak tertentu di dalam negeri akan melakukan penyisihan atas kekurangan yang ada. Sebagai akibatnya untuk tujuan pelaporan keuangan, program iuran pasti secara efektif diberlakukan seolah-olah sebagai program imbalan pasti. Tambahan penyisihan imbalan sesuai dengan UUTK tersebut tidak didanai (*unfunded*). Perusahaan dan entitas anak tertentu di dalam negeri juga mencatat kewajiban imbalan kerja sesuai UUTK untuk karyawan lainnya yang tidak ikut serta dalam program pensiun yang diselenggarakan oleh Perusahaan dan beberapa entitas anak di dalam negeri.

Dalam penentuan kewajiban imbalan kerja, Perusahaan dan entitas anak tertentu di dalam negeri menentukan nilai kini kewajiban imbalan pasti, biaya jasa kini dan biaya jasa lalu ditentukan berdasarkan perhitungan aktuarial dengan menggunakan metode "Projected Unit Credit".

Nilai kini kewajiban imbalan pasti ditentukan dengan mendiskontokan estimasi arus kas di masa depan dengan menggunakan tingkat bunga Obligasi Pemerintah jangka panjang (dikarenakan saat ini tidak ada pasar aktif untuk obligasi perusahaan yang berkualitas tinggi) pada tanggal pelaporan dalam mata uang sesuai dengan mata uang di mana imbalan tersebut akan dibayarkan dan yang memiliki jangka waktu yang sama dengan kewajiban imbalan pensiun yang bersangkutan.

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

q. Post-employment benefits (continued)

A defined contribution plan is a pension plan under which the Company and certain of its domestic subsidiaries pays fixed contributions into a separate entity. Contributions are recognised as an employee benefit expense when they are due. The Company and certain of its domestic subsidiaries have no further payment obligations once the contributions have been paid.

If the employee funded portion of the pension plan benefit is less than the benefit as required by the Labor Law, the Company and certain of its domestic subsidiaries will provide for such shortage. Consequently for financial reporting purposes, defined contribution plans are effectively treated as if they were defined benefit plans. The additional benefit as required by the Labor Law is unfunded. The Company and certain of its domestic subsidiaries recognise the estimated liabilities for employee benefits obligations stipulated in the Labor Law for their employees which are not covered by the pension plans operated by the Company and certain of its domestic subsidiaries.

In determining the estimated employee benefit obligations, the Company and certain of its domestic subsidiaries determine the present value of the defined benefit obligation, current service cost and past service cost using the "Projected Unit Credit" actuarial valuation method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government Bonds (considering currently there is no deep market for high-quality corporate bonds) on the reporting date that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
(lanjutan)**

q. Imbalan pascakerja (lanjutan)

Pengukuran kembali imbalan pascakerja yang terdiri dari keuntungan dan kerugian aktuarial yang timbul dari penyesuaian pengalaman dan perubahan dalam asumsi-asumsi aktuarial langsung diakui seluruhnya melalui pendapatan komprehensif lainnya dan dilaporkan di saldo laba.

Sehubungan dengan penerapan PSAK 24 (Revisi 2013), sejak tanggal 1 Januari 2015, biaya jasa lalu diakui segera dalam laporan laba rugi konsolidasian. Pada tahun-tahun sebelumnya, biaya jasa lalu diamortisasi dengan metode garis lurus selama periode *vesting*.

Grup mengakui beban pesangon ketika terjadi pemutusan kontrak kerja oleh Grup sebelum tanggal pensiun normal, atau ketika pekerja menerima penawaran untuk mengundurkan diri secara sukarela sebagai pertukaran atas imbalan tersebut. Grup mengakui beban pesangon pada tanggal yang lebih awal di antara: (a) ketika Grup tidak dapat lagi menarik tawaran atas imbalan tersebut; dan (b) ketika Grup mengakui biaya untuk restrukturisasi yang berada dalam ruang lingkup PSAK 57, "Provisi, Liabilitas Kontinjensi dan Aset Kontinjensi" dan melibatkan pembayaran pesangon. Dalam hal terjadi penawaran pengunduran diri secara sukarela, imbalan diukur berdasarkan jumlah karyawan yang diharapkan menerima tawaran tersebut. Imbalan yang jatuh tempo lebih dari 12 bulan setelah periode pelaporan didiskontokan menjadi nilai kininya.

r. Pembayaran berbasis saham

Karyawan yang berhak diberikan saham entitas induk utama Perusahaan yang akan *vesting* setelah tiga tahun. Perusahaan akan mengakui beban sebagai imbalan atas jasa karyawan ini dengan mengkreditkan akun "Tambahkan modal disetor". Jumlah yang harus dibebankan diakui selama periode *vesting* berdasarkan metode garis lurus dan ditentukan berdasarkan nilai wajar saham yang diberikan pada tanggal pemberian kompensasi. Pada akhir periode *vesting*, Perusahaan akan melakukan pembalikan ke akun "Tambahkan modal disetor", berdasarkan jumlah yang ditagih oleh entitas induk utama Perusahaan atas saham yang diberikan.

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

q. Post-employment benefits (continued)

Remeasurement of post-employment benefits consists of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are directly recognised in other comprehensive income and reported in retained earnings.

In relation with the implementation of SFAS 24 (Revised 2013), starting January 1, 2015, past-service costs are recognised immediately in the statements of consolidated profit or loss. In prior years, past-service costs were amortised on a straight line basis over the vesting period.

The Group recognises termination benefits when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFAS 57, "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

r. Share-based payment

The Company's eligible employees are granted shares of the ultimate parent Company which will vest after a three year period. The Company will recognise the expense in respect of the services received from these employees with a corresponding increase to "Additional paid-in capital" account. The amount to be expensed is recognised over the vesting period based on the straight-line method and determined based on the fair value of the shares granted at the grant date. By the end of the vesting period, the Company will make a reversal to the "Additional paid-in capital" account, based on the recharge received from the Company's ultimate parent for the granted shares.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI PENTING
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s. Perpajakan

Beban pajak penghasilan terdiri dari pajak penghasilan kini dan pajak penghasilan tangguhan. Pajak tersebut diakui dalam laporan laba rugi konsolidasian, kecuali apabila pajak tersebut terkait dengan transaksi atau kejadian yang langsung diakui ke ekuitas atau pendapatan komprehensif lain. Dalam hal ini, pajak tersebut diakui langsung pada ekuitas atau pendapatan komprehensif lain.

Grup menggunakan metode liabilitas neraca (*balance sheet liability method*) pada akuntansi pajak tangguhan yang timbul akibat perbedaan temporer yang ada antara aset dan liabilitas atas dasar pajak dengan nilai tercatat aset dan liabilitas dalam laporan keuangan konsolidasian. Untuk masing-masing entitas anak yang dikonsolidasi, aset atau liabilitas pajak tangguhan disajikan dalam jumlah bersih.

Pajak penghasilan tangguhan ditentukan dengan menggunakan tarif pajak berdasarkan undang-undang yang telah diberlakukan atau secara substansi telah diberlakukan pada akhir periode laporan dan diharapkan berlaku pada saat aset pajak tangguhan direalisasikan atau liabilitas pajak tangguhan diselesaikan.

Aset pajak tangguhan diakui apabila terdapat kemungkinan besar bahwa jumlah laba fiskal pada masa datang akan memadai untuk mengkompensasi perbedaan temporer yang menimbulkan aset pajak tangguhan tersebut.

Beban pajak kini dihitung berdasarkan peraturan perpajakan yang berlaku atau secara substantif telah berlaku pada akhir periode pelaporan. Manajemen secara periodik mengevaluasi posisi yang dilaporkan di Surat Pemberitahuan Tahunan (SPT) sehubungan dengan situasi dimana aturan pajak yang berlaku membutuhkan interpretasi. Jika perlu, manajemen menentukan provisi berdasarkan jumlah yang diharapkan akan dibayar kepada otoritas pajak.

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

s. Taxation

The income tax expense is comprised of current and deferred income tax. Tax is recognised in the consolidated statements of profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case, the tax is also recognised directly in equity or other comprehensive income.

The Group applies the balance sheet liability method of deferred tax accounting which arises on temporary differences between tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. For each of the consolidated subsidiaries, the deferred tax assets or liabilities are shown at the applicable net amounts.

Deferred income tax is determined using tax rates based on laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is recognised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date. Management periodically evaluates positions taken in its annual tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes a provision, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

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t. Pengakuan pendapatan dan beban

Pendapatan diukur dengan nilai wajar atas imbalan yang diterima atau dapat diterima. Pendapatan dari penjualan diakui pada saat penyerahan barang atau jasa kepada distributor atau pelanggan. Di dalam penjualan bersih termasuk cukai atas rokok yang telah dijual dan telah dikurangi retur penjualan dan pajak pertambahan nilai.

Beban diakui pada saat terjadinya dengan menggunakan dasar akrual.

u. Distribusi dividen

Distribusi dividen kepada pemilik Perusahaan diakui sebagai liabilitas dalam laporan keuangan konsolidasian Grup pada periode dimana dividen telah disetujui oleh pemegang saham entitas.

v. Pelaporan segmen

Segmen operasi dilaporkan secara konsisten dengan pelaporan internal yang diberikan kepada pengambil keputusan operasional yaitu para direksi Perusahaan. Pengambil keputusan operasional berpendapat bahwa Grup memiliki satu segmen operasi yaitu manufaktur dan perdagangan rokok.

w. Transaksi dengan pihak-pihak berelasi

Grup melakukan transaksi dengan pihak-pihak berelasi seperti yang dijelaskan dalam PSAK 7 (Revisi 2010) "Pengungkapan Pihak-Pihak Berelasi".

Seluruh transaksi yang signifikan dengan pihak-pihak berelasi telah diungkapkan dalam catatan atas laporan keuangan konsolidasian.

x. Laba per saham

Labanya bersih per saham dasar dihitung dengan membagi laba bersih yang tersedia bagi pemegang saham Perusahaan dengan jumlah rata-rata tertimbang saham biasa yang beredar selama tahun yang bersangkutan.

y. Biaya penerbitan saham

Biaya penerbitan saham dikurangkan dari akun tambahan modal disetor dalam laporan keuangan konsolidasian.

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

t. Revenue and expense recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue from sales is generally recognised when the products are delivered or services are rendered to the distributors or customers. Net revenues include excise taxes attributable on cigarettes being sold and are net of returns and value-added tax.

Expenses are recognised when incurred on an accrual basis.

u. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

v. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker i.e. the directors of the Company. The chief operating decision-maker is of the view that the Group operates in one operating segment, i.e. manufacturing and trading of cigarettes.

w. Transactions with related parties

The Group has transactions with related parties, which have related party relationships as defined in accordance with the SFAS 7 (Revised 2010) "Related Party Disclosures".

All significant transactions with related parties are disclosed in the notes to the consolidated financial statements.

x. Earnings per share

Basic earnings per share are computed by dividing the profit attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

y. Share issuance costs

Share issuance costs are deducted from the additional paid-in capital account in the consolidated financial statements.

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3. MANAJEMEN RISIKO KEUANGAN

Faktor risiko keuangan

Aktivitas Grup memiliki berbagai macam risiko keuangan yaitu: risiko pasar (termasuk risiko nilai tukar mata uang asing dan risiko suku bunga), risiko kredit dan risiko likuiditas. Secara keseluruhan, program risiko manajemen Grup difokuskan untuk menghadapi ketidakpastian pasar keuangan dan untuk meminimalisasi hal-hal yang berpotensi memberikan dampak buruk pada kinerja keuangan Grup. Fungsi manajemen risiko keuangan dijalankan oleh departemen treasuri sesuai kebijakan-kebijakan yang disetujui oleh Direksi.

a. Risiko nilai tukar mata uang asing

Grup memonitor adanya risiko yang disebabkan oleh fluktuasi nilai tukar mata uang asing yang timbul dari transaksi komersial masa depan serta aset dan liabilitas yang diakui dalam mata uang asing dengan menggunakan instrumen keuangan lain, jika diperlukan.

Grup menggunakan kontrak *swap* valuta asing atas pinjaman dalam mata uang asing kecuali jika pinjaman tersebut dibayar dengan arus kas yang berasal dari mata uang yang sama. Tujuan dari transaksi *swap* ini untuk mengantisipasi dampak perubahan nilai tukar mata uang asing terhadap laporan keuangan konsolidasian.

Grup memiliki risiko nilai tukar mata uang asing yang timbul dari berbagai eksposur mata uang, terutama pada Dolar Amerika Serikat ("USD").

Pada tanggal 31 Desember 2015, jika USD menguat/melemah sebesar Rp100/1USD terhadap Rupiah dengan semua variabel lainnya termasuk tarif pajak tetap konstan, maka laba setelah pajak untuk tahun berjalan akan meningkat/menurun sebesar Rp12,1 miliar (31 Desember 2014: menurun/meningkat sebesar Rp18,7 miliar) karena keuntungan/kerugian dari penjabaran instrumen keuangan dalam Dolar Amerika Serikat.

3. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Financial risk management is carried out by the treasury department under policies approved by the Directors.

a. Currency risk

The Group monitors the risk due to foreign exchange fluctuation arising from future commercial transactions and assets and liabilities recognised in foreign currencies through other financial instruments, if necessary.

The Group uses foreign currency contract swaps for its foreign currency borrowings except where the foreign currency borrowings are paid for with cash flows generated in the same foreign currency. The purpose of these swaps is to mitigate the impact of movements in foreign exchange rates on the consolidated financial statements.

The Group is exposed to foreign exchange risk arising from various currency exposure, primarily with respect to the United States Dollar ("USD").

At December 31, 2015, if the USD had strengthened/weakened by Rp100/1USD against Rupiah with all other variables including tax rate being held constant, the Company's profit after tax for the year would have been Rp12.1 billion higher/lower (December 31, 2014: Rp18.7 billion lower/high) as a result of currency translation gains/losses on the remaining USD denominated financial instruments.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Faktor risiko keuangan (lanjutan)

a. Risiko nilai tukar mata uang asing (lanjutan)

Pada tanggal 31 Desember 2015 dan 2014, operasi Grup dalam negeri memiliki aset dan liabilitas moneter dalam mata uang asing sebagai berikut:

		31 Desember/December 2015				Setara Rupiah/ Rupiah equivalent		
		Mata uang asing/Foreign currencies (Dalam nilai penuh/in full amount)						
Aset							Assets	
Kas dan setara kas	USD	16,177,820	CHF	-	EUR	9,820	223,564	Cash and cash equivalents
Piutang usaha dan lainnya		162,486,105		-		-	2,243,933	Trade and other receivables
Jumlah aset		178,663,925		-		9,820	2,467,497	Total assets
Liabilitas								Liabilities
Utang usaha dan lainnya		14,147,095	8,640,034		20,294,418		622,032	Trade and other payables
Akrual imbalan kerja		-	5,323,428		-		74,256	Accrued employee benefits
Akrual		2,880,448			-		39,779	Accruals
Jumlah liabilitas		17,027,543	13,963,462		20,294,418		736,067	Total liabilities
Aset - bersih	USD	161,636,382	CHF (13,963,462)		EUR (20,284,598)		1,731,430	Assets - net
		31 Desember/December 2014						
		Mata uang asing/Foreign currencies (Dalam nilai penuh/in full amount)						
Aset								Assets
Kas dan setara kas	USD	26,336	CHF	-	EUR	-	327	Cash and cash equivalents
Piutang usaha dan lainnya		9,624,304		-		-	119,534	Trade and other receivables
Jumlah aset		9,650,640		-		-	119,861	Total assets
Liabilitas								Liabilities
Pinjaman		221,000,000		-		-	2,744,820	Borrowings
Utang usaha dan lainnya		36,551,344	6,115,639		16,609,727		781,498	Trade and other payables
Akrual imbalan kerja		-	2,793,476		-		35,060	Accrued employee benefits
Akrual		921,048			-		11,439	Accruals
Jumlah liabilitas		258,472,392	8,909,115		16,909,727		3,572,817	Total liabilities
Liabilitas - bersih	USD	(248,821,752)	CHF (8,909,115)		EUR (16,909,727)		(3,452,956)	Liabilities - net

Aset dan liabilitas moneter Grup pada tanggal 31 Desember 2015 dan 2014, dilaporkan dalam mata uang Rupiah dengan menggunakan nilai tukar terhadap Rupiah pada tanggal tersebut (Catatan 2c).

Apabila aset dan liabilitas dalam mata uang asing tersebut dijabarkan dengan menggunakan kurs tengah Bank Indonesia pada tanggal 29 Februari 2016, maka aset bersih dalam mata uang asing Grup setelah memperhitungkan transaksi lindung nilai akan meningkat sebesar Rp35,7 miliar.

3. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

a. Currency risk (continued)

As of December 31, 2015 and 2014 the Group's domestic operations had monetary assets and liabilities denominated in foreign currencies, as follows:

The Group's monetary assets and liabilities on December 31, 2015 and 2014 were reported in Rupiah using the exchange rates against Rupiah as of that date (Note 2c).

If the assets and liabilities in foreign currencies as at December 31, 2015, had been translated using the Bank Indonesia mid-rates as at February 29, 2016, the total net foreign currency assets of the Group after taking into account the hedging transactions would increase by approximately Rp35.7 billion.

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Faktor risiko keuangan (lanjutan)

b. Risiko suku bunga

Grup tidak memiliki aset dengan tingkat suku bunga dan pinjaman dengan risiko suku bunga yang signifikan. Grup melakukan pengawasan terhadap tingkat suku bunga untuk meminimalisasi dampak negatif yang mungkin timbul.

Perusahaan memiliki risiko suku bunga atas piutang lainnya (Catatan 27i) dan pinjaman jangka pendek (Catatan 12). Pada tanggal 31 Desember 2015, jika suku bunga meningkat/menurun sebesar 0,5 basis poin dengan semua variabel lainnya termasuk tarif pajak tetap konstan, maka laba setelah pajak untuk tahun berjalan akan meningkat/menurun sebesar Rp14,4 miliar (2014: menurun/meningkat sebesar Rp10,6 miliar).

Kebijakan Grup untuk meminimalisasi risiko suku bunga adalah dengan menganalisa pergerakan tingkat suku bunga dan profil jatuh tempo aset dan liabilitas.

c. Risiko kredit

Grup tidak memiliki konsentrasi untuk risiko kredit. Penjualan kepada pelanggan dilakukan secara tunai dan kredit. Penjualan dengan jangka waktu kredit di atas jumlah tertentu dijamin dengan bank garansi dari pelanggan. Grup mempunyai kebijakan untuk memastikan bahwa penjualan terhadap pelanggan dilakukan dengan riwayat kredit yang tepat, untuk membatasi jumlah kredit maksimum kepada pelanggan dan untuk memonitor penggunaan dari setiap batas kredit secara berkala.

Kualitas kredit dari tiap pelanggan dinilai berdasarkan posisi keuangan, pengalaman masa lalu dan faktor-faktor lainnya. Setiap limit kredit diatur berdasarkan kebijakan internal atau sesuai dengan batasan yang telah ditetapkan oleh Direksi.

Pelanggan dengan batas kredit tertentu diharuskan untuk menempatkan bank garansi kepada Perusahaan. Jumlah piutang usaha yang dijamin oleh bank garansi pada tanggal 31 Desember 2015 adalah sebesar Rp470,6 miliar (31 Desember 2014: Rp281,7 miliar).

3. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

b. Interest rate risk

The Group has no significant interest bearing assets and significant interest rate risk arising from borrowings. The Group monitors the interest rate risk exposure to minimise any negative effects.

The Company is exposed to interest rate risk on its other receivables (Note 27i) and its short term borrowings (Note 12). At December 31, 2015, if the interest rate had increased/decreased by 0.5 basis point with all variables including tax rates being held constant, the Company's profit after tax for the year would increase/decrease by Rp14.4 billion (2014: decrease/increase Rp10.6 billion).

The Group's policy to minimise the interest rate risk is by analysing the movement of interest rate margins and the maturity profile of assets and liabilities.

c. Credit risk

The Group has no significant concentrations of credit risk. Sales are made in cash and credit. Sales made with credit terms above certain amounts are secured with bank guarantees on behalf of customers. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history, to limit the amount of maximum credit threshold to customers and to monitor the utilisation of the credit limits on a regular basis.

The credit quality of customers is assessed based on the financial position, past experience and other factors. The individual credit limits are set based on internal policies or in accordance with limits set by the Directors.

Customers with certain credit limits are required to place bank guarantees with the Company. Trade receivables secured by customer bank guarantees as of December 31, 2015 amounted to Rp470.6 billion (December 31, 2014: Rp281.7 billion).

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Faktor risiko keuangan (lanjutan)

c. Risiko kredit (lanjutan)

Lihat Catatan 5 untuk analisis umur piutang usaha.

Risiko kredit yang timbul dari uang muka kepada PT Sadhana dijamin sepenuhnya oleh *Standby Letter of Credit* seperti diungkapkan pada Catatan 29c.

Grup mengelola risiko kredit yang terkait dengan simpanan di bank dengan memonitor reputasi dan tingkat rasio permodalan bank.

d. Risiko likuiditas

Pengelolaan risiko likuiditas dilakukan dengan memastikan tersedianya kas dan setara kas yang cukup dan tersedianya pendanaan dari sejumlah fasilitas kredit yang mengikat. Oleh karena sifat dasar dari bisnis yang dinamis, departemen treasury juga memastikan tersedianya pendanaan melalui fasilitas kredit dari Philip Morris Finance SA dan beberapa bank.

Tabel di bawah merupakan analisis jatuh tempo liabilitas keuangan Grup dalam rentang waktu yang menunjukkan jatuh tempo kontraktual untuk semua liabilitas keuangan non-derivatif dan derivatif untuk pemahaman terhadap arus kas. Jumlah yang diungkapkan dalam tabel adalah arus kas kontraktual yang tidak terdiskonto (termasuk pembayaran pokok dan bunga).

	Jatuh tempo kontraktual liabilitas keuangan/ Contractual maturities of financial liabilities				Jumlah/ Total	
	Kurang dari 1 tahun/ No later than 1 year	Antara 1 dan 2 tahun/ Between 1 and 2 years	Lebih dari 2 tahun/ More than 2 years	Jumlah/ Total		
31 Desember 2015						December 31, 2015
Utang usaha dan lainnya	3,191,113	-	-	3,191,113		<i>Trade and other payables</i>
Akrual	238,337	-	-	238,337		<i>Accruals</i>
Akrual imbalan kerja	584,781	-	-	584,781		<i>Accrued employee benefits</i>
Liabilitas sewa pembiayaan	24,995	15,584	31,891	72,470		<i>Finance lease liabilities</i>
Jumlah	4,039,226	15,584	31,891	4,086,701		Total

3. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

c. Credit risk (continued)

Refer to Note 5 for the aging analysis of trade receivables.

Credit risk that arises from the advance to PT Sadhana is fully covered by a *Standby Letter of Credit* as disclosed in Note 29c.

The Group manages credit risks exposed from its deposit with banks by monitoring the banks' reputation and capitalisation ratio.

d. Liquidity risk

Liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury department also maintains flexibility in funding by maintaining availability credit lines from Philip Morris Finance SA and several banks.

The following table analyses the Group's financial liabilities by relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities and derivative financial instruments for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows (including principal and interest payment).

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Faktor risiko keuangan (lanjutan)

d. Risiko likuiditas (lanjutan)

3. FINANCIAL RISK MANAGEMENT (continued)

Financial risk factors (continued)

d. Liquidity risk (continued)

	Jatuh tempo kontraktual liabilitas keuangan/ Contractual maturities of financial liabilities				
	Kurang dari 1 tahun/ No later than 1 year	Antara 1 dan 2 tahun/ Between 1 and 2 years	Lebih dari 2 tahun/ More than 2 years	Jumlah/ Total	
31 Desember 2014					December 31, 2014
Pinjaman	2,850,828	-	-	2,850,828	<i>Borrowings</i>
Utang usaha dan lainnya	2,761,472	-	-	2,761,472	<i>Trade and other payables</i>
Akrua	120,209	-	-	120,209	<i>Accruals</i>
Akrua imbalan kerja	466,229	-	-	466,229	<i>Accrued employee benefits</i>
Liabilitas keuangan jangka pendek lainnya	5,329	-	-	5,329	<i>Other short-term financial liability</i>
Liabilitas sewa pembiayaan	<u>23,409</u>	<u>18,942</u>	<u>18,534</u>	<u>60,885</u>	<i>Finance lease liabilities</i>
Jumlah	<u>6,227,476</u>	<u>18,942</u>	<u>18,534</u>	<u>6,264,952</u>	<i>Total</i>

Estimasi nilai wajar

Nilai tercatat dari aset dan liabilitas keuangan diasumsikan mendekati nilai wajarnya karena jatuh tempo dalam jangka waktu yang pendek dan dampak dari diskonto yang tidak signifikan.

Nilai wajar aset dan liabilitas keuangan diestimasi untuk keperluan pengakuan dan pengukuran atau untuk keperluan pengungkapan.

PSAK 68, "Pengukuran Nilai Wajar" mensyaratkan pengungkapan atas pengukuran nilai wajar dengan tingkat hierarki nilai wajar sebagai berikut:

- (a) harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1)
- (b) input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) atau secara tidak langsung (misalnya derivasi dari harga) (tingkat 2), dan
- (c) input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (tingkat 3).

Fair value estimation

The carrying amounts of the financial assets and liabilities are assumed to approximate their fair values due to their short-term maturity and the impact of discounting is not significant.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

SFAS 68, "Fair Value Measurement" requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Estimasi nilai wajar (lanjutan)

Nilai wajar instrumen keuangan yang tidak diperdagangkan di pasar aktif ditentukan dengan menggunakan teknik penilaian tertentu. Teknik tersebut menggunakan data pasar yang dapat diobservasi sepanjang tersedia dan seminimal mungkin mengacu pada estimasi. Apabila seluruh input signifikan atas nilai wajar dapat diobservasi, instrumen keuangan ini termasuk dalam tingkat 2.

Aset dan liabilitas keuangan Grup yang diukur dan diakui dengan hierarki tingkat pengukuran nilai wajar tingkat 2 adalah instrumen keuangan derivatif.

Instrumen keuangan disalinghapus

Aset dan liabilitas keuangan berikut tunduk pada dasar saling dihapuskan berdasarkan perjanjian induk untuk menyelesaikan secara neto dan perjanjian serupa:

3. FINANCIAL RISK MANAGEMENT (continued)

Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

The Group's financial assets and liabilities that are measured and recognised using the fair value measurement of level 2 are derivative financial instruments.

Offsetting financial instruments

The following financial assets and liabilities are subject to offsetting based on enforceable master netting arrangements and similar arrangements:

	Jumlah bruto (liabilitas)/aset keuangan yang diakui disalinghapuskan di laporan posisi keuangan/ Gross amounts of recognised financial (liabilities)/assets set off in the statements of financial position	Jumlah neto aset/(liabilitas) keuangan disajikan di laporan posisi keuangan/ Net amounts of financial asset/(liabilities) presented in the statements of financial position	Perjanjian penyelesaian neto/ Netting off arrangement	Jumlah neto/ Net amount	
31 Desember 2015					December 31, 2015
Piutang lainnya					Other receivables
- Instrumen keuangan derivatif	1,596	-	1,596	(1,596)	Derivative financial instruments -
Aset keuangan jangka pendek lainnya	1,490,516	(140,815)	1,349,701	-	Other short-term financial asset
	<u>1,492,112</u>	<u>(140,815)</u>	<u>1,351,297</u>	<u>(1,596)</u>	<u>1,349,701</u>
31 Desember 2014					December 31, 2014
Kas dan setara kas	273,832	(208,746)	65,086	-	Cash and cash equivalents
Pinjaman					Borrowings
- Pihak ketiga - cerukan	(299,404)	208,746	(90,658)	-	Third party - overdraft -
Utang usaha dan lainnya					Trade and other payables
- Instrumen keuangan derivatif	-	(31,821)	(31,821)	31,821	Derivative financial instruments -
	<u>(25,572)</u>	<u>(31,821)</u>	<u>(57,393)</u>	<u>31,821</u>	<u>(25,572)</u>

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3. MANAJEMEN RISIKO KEUANGAN (lanjutan)

Instrumen keuangan disalinghapus (lanjutan)

Untuk aset dan liabilitas keuangan yang tunduk pada perjanjian induk untuk penyelesaian secara neto atau pengaturan serupa di atas, setiap perjanjian antara Grup dan pihak lawan memperbolehkan penyelesaian secara neto atas aset dan liabilitas keuangan yang relevan ketika kedua pihak memilih untuk menyelesaikan secara neto. Dalam hal tidak terdapat opsi pemilihan tersebut, aset dan liabilitas keuangan diselesaikan secara bruto, tetapi masing-masing pihak dalam perjanjian induk penyelesaian secara neto atau perjanjian serupa mempunyai opsi untuk menyelesaikan seluruh jumlah tersebut secara neto dalam hal kelalaian dari pihak lain.

Pengelolaan modal

Tujuan Grup dalam pengelolaan permodalan adalah untuk mempertahankan kelangsungan usaha Grup guna memberikan imbal hasil kepada pemegang saham. Untuk mempertahankan atau menyesuaikan struktur modal, Grup dapat menyesuaikan jumlah dividen yang dibayar kepada pemegang saham, menerbitkan saham baru atau menjual aset untuk mengurangi utang. Jumlah modal dihitung dari ekuitas seperti yang ada pada laporan posisi keuangan konsolidasian ditambah utang neto.

4. KAS DAN SETARA KAS

	<u>2015</u>	<u>2014</u>
Pihak ketiga:		
Kas	14,890	37,398
Bank	323,333	27,415
Deposito berjangka	<u>1,380,515</u>	<u>273</u>
Jumlah	<u><u>1,718,738</u></u>	<u><u>65,086</u></u>

a. Bank

	<u>2015</u>	<u>2014</u>
Rupiah		
- Deutsche Bank AG	85,836	7,705
- PT Bank Negara Indonesia (Persero) Tbk.	3,703	5,644
- Citibank N.A	2,454	2,607
- PT Bank Mandiri (Persero) Tbk.	1,662	4,754
- Lain-lain	<u>3,681</u>	<u>4,291</u>
Jumlah	<u><u>97,336</u></u>	<u><u>25,001</u></u>

3. FINANCIAL RISK MANAGEMENT (continued)

Offsetting financial instruments (continued)

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both parties elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the enforceable master netting arrangements or similar arrangements will have the option to settle all amounts on a net basis in the event of default of the other party.

Capital management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. Total capital is calculated as equity as shown in the consolidated statements of financial position plus net debt.

4. CASH AND CASH EQUIVALENTS

Third parties:
Cash on hand
Cash in banks
Time deposits
Total

a. Cash in banks

	<u>2015</u>	<u>2014</u>
Rupiah		
- Deutsche Bank AG	85,836	7,705
- PT Bank Negara Indonesia (Persero) Tbk.	3,703	5,644
- Citibank N.A	2,454	2,607
- PT Bank Mandiri (Persero) Tbk.	1,662	4,754
- Others	<u>3,681</u>	<u>4,291</u>
Jumlah	<u><u>97,336</u></u>	<u><u>25,001</u></u>

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4. KAS DAN SETARA KAS (lanjutan)

4. CASH AND CASH EQUIVALENTS (continued)

a. Bank (lanjutan)

a. Cash in banks (continued)

	<u>2015</u>	<u>2014</u>	
Dolar Amerika Serikat			<i>United States Dollar</i>
- Deutsche Bank AG	223,909	2,269	<i>Deutsche Bank AG -</i>
- Lain-lain	183	145	<i>Others -</i>
Mata uang asing lainnya	<u>1,905</u>	<u>-</u>	<i>Other foreign currencies</i>
Jumlah	<u>225,997</u>	<u>2,414</u>	<i>Total</i>
Jumlah bank	<u><u>323,333</u></u>	<u><u>27,415</u></u>	<i>Total cash in banks</i>

b. Deposito berjangka

b. Time deposits

	<u>2015</u>	<u>2014</u>	
Rupiah			<i>Rupiah</i>
- Citibank N.A	1,380,000	-	<i>Citibank N.A -</i>
- PT Bank Mandiri (Persero) Tbk.	<u>515</u>	<u>273</u>	<i>PT Bank Mandiri (Persero) Tbk. -</i>
Jumlah deposito berjangka	<u><u>1,380,515</u></u>	<u><u>273</u></u>	<i>Total time deposits</i>

Suku bunga per tahun deposito berjangka yang berlaku selama tahun berjalan adalah sebagai berikut:

The annual interest rates of the time deposits during the year are as follows:

	<u>2015</u>	<u>2014</u>	
Deposito Rupiah	2.00% - 9.50%	4.25% - 9.00%	<i>Rupiah Deposit</i>

Eksposur maksimum terhadap risiko kredit pada akhir periode pelaporan adalah senilai jumlah tercatat dari setiap kategori kas dan setara kas sebagaimana dijabarkan di atas.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

5. PIUTANG USAHA

5. TRADE RECEIVABLES

	<u>2015</u>	<u>2014</u>	
Pihak ketiga	2,294,201	861,212	<i>Third parties</i>
Dikurangi:			<i>Less:</i>
Penyisihan penurunan nilai piutang usaha	<u>(5,525)</u>	<u>(5,444)</u>	<i>Provision for impairment of trade receivables</i>
Pihak ketiga - bersih	2,288,676	855,768	<i>Third parties - net</i>
Pihak-pihak berelasi (Catatan 27h)	<u>170,066</u>	<u>153,877</u>	<i>Related parties (Note 27h)</i>
Jumlah	<u><u>2,458,742</u></u>	<u><u>1,009,645</u></u>	<i>Total</i>

Piutang usaha dari pihak ketiga terutama terdiri dari tagihan kepada pedagang-pedagang rokok.

Trade receivables from third parties mainly consist of receivables from cigarette merchants.

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5. PIUTANG USAHA (lanjutan)

Analisis umur piutang usaha adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
Belum jatuh tempo	2,276,453	735,424
Jatuh tempo		
1 - 30 hari	171,205	262,828
31 - 60 hari	4,293	6,576
61 - 90 hari	200	51
> 90 hari	<u>12,116</u>	<u>10,210</u>
Jumlah	2,464,267	1,015,089
Dikurangi:		
Penyisihan penurunan nilai piutang usaha	<u>(5,525)</u>	<u>(5,444)</u>
Bersih	<u>2,458,742</u>	<u>1,009,645</u>

Pada tanggal 31 Desember 2015, piutang usaha sebesar Rp182.289 (2014: Rp274.221) telah lewat jatuh tempo namun tidak mengalami penurunan nilai, karena Grup berkeyakinan bahwa piutang usaha dapat ditagih seluruhnya. Grup memiliki proses standar untuk penerimaan pelanggan dan penelaahan kinerja pelanggan secara berkala.

Eksposur maksimum risiko kredit pada tanggal pelaporan adalah sebesar nilai tercatat masing-masing kategori piutang yang disebutkan di atas, dikurangi dengan bank garansi dari pelanggan sebesar Rp470,6 miliar per 31 Desember 2015 (2014: Rp281,7 miliar).

Mutasi penyisihan penurunan nilai piutang usaha adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
Saldo awal	5,444	5,494
Penambahan penyisihan	3,809	3,800
Penghapusan	<u>(3,728)</u>	<u>(3,850)</u>
Saldo akhir	<u>5,525</u>	<u>5,444</u>

Manajemen berkeyakinan bahwa saldo penyisihan atas penurunan nilai piutang cukup untuk menutupi kerugian dari tidak tertagihnya piutang usaha.

Lihat Catatan 3a untuk rincian saldo dalam mata uang asing.

5. TRADE RECEIVABLES (continued)

The aging analysis of trade receivables is as follows:

	<u>2015</u>	<u>2014</u>
Belum jatuh tempo	2,276,453	735,424
Jatuh tempo		
1 - 30 hari	171,205	262,828
31 - 60 hari	4,293	6,576
61 - 90 hari	200	51
> 90 hari	<u>12,116</u>	<u>10,210</u>
Jumlah	2,464,267	1,015,089
Dikurangi:		
Penyisihan penurunan nilai piutang usaha	<u>(5,525)</u>	<u>(5,444)</u>
Bersih	<u>2,458,742</u>	<u>1,009,645</u>

As of December 31, 2015, trade receivables of Rp182,289 (2014: Rp274,221) were past due but not impaired, since the Group believes that the trade receivables are fully collectible. The Group has a standard process for customers admission and regular review of their performance.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above, less customer bank guarantees which amounted to Rp470.6 billion as of December 31, 2015 (2014: Rp281.7 billion).

The movements in the provision for impairment of trade receivables are as follows:

	<u>2015</u>	<u>2014</u>
Saldo awal	5,444	5,494
Penambahan penyisihan	3,809	3,800
Penghapusan	<u>(3,728)</u>	<u>(3,850)</u>
Saldo akhir	<u>5,525</u>	<u>5,444</u>

Management believes that the provision for impairment of trade receivables is adequate to cover losses on uncollectible trade receivables.

Refer to Note 3a for details of balance in foreign currencies.

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6. PERSEDIAAN

6. INVENTORIES

	<u>2015</u>	<u>2014</u>	
Barang jadi	3,013,203	2,460,669	<i>Finished goods</i>
Barang dalam proses	228,572	315,647	<i>Work in progress</i>
Bahan baku	12,054,346	11,853,189	<i>Raw materials</i>
Pita cukai	2,948,013	2,054,272	<i>Excise tax</i>
Suku cadang	193,804	199,138	<i>Spare parts</i>
Bahan pembantu dan lainnya	1,923	2,240	<i>Sub-materials and others</i>
Persediaan dalam perjalanan	<u>142,814</u>	<u>1,561</u>	<i>Goods in transit</i>
	18,582,675	16,886,716	
Barang dagangan	<u>621,771</u>	<u>611,563</u>	<i>Merchandise inventory</i>
Jumlah	19,204,446	17,498,279	<i>Total</i>
Dikurangi:			<i>Less:</i>
Penyisihan persediaan usang dan tidak lancar	<u>(161,381)</u>	<u>(98,116)</u>	<i>Provision for obsolete and slow moving inventories</i>
Bersih	19,043,065	17,400,163	<i>Net</i>
Tanah dan bangunan untuk dijual	<u>28,458</u>	<u>31,423</u>	<i>Land and buildings held for sale</i>
Jumlah persediaan	<u><u>19,071,523</u></u>	<u><u>17,431,586</u></u>	<i>Total inventories</i>

Mutasi penyisihan persediaan usang dan tidak lancar adalah sebagai berikut:

The movements in the provision for obsolete and slow moving inventories were as follows:

	<u>2015</u>	<u>2014</u>	
Saldo awal	98,116	108,927	<i>Beginning balance</i>
Penambahan penyisihan	323,620	272,542	<i>Provision raised</i>
Penghapusan	<u>(260,355)</u>	<u>(283,353)</u>	<i>Write-offs</i>
Saldo akhir	<u><u>161,381</u></u>	<u><u>98,116</u></u>	<i>Ending balance</i>

Manajemen berkeyakinan bahwa penyisihan persediaan usang dan tidak lancar cukup untuk menutup kemungkinan kerugian yang terjadi di kemudian hari.

Management believes that the provision for obsolete and slow moving inventories is adequate to cover possible losses in the future.

Aset tetap dan persediaan Grup telah diasuransikan terhadap berbagai risiko industri (*all industrial risks*), termasuk risiko-risiko *business interruption* dan *marine cargo*, dengan keseluruhan nilai pertanggungan sampai dengan USD4,0 miliar pada tanggal 31 Desember 2015 (2014: USD4,2 miliar) (Catatan 10). Manajemen berkeyakinan bahwa nilai pertanggungan asuransi tersebut cukup untuk menutup kemungkinan kerugian yang timbul dari risiko tersebut.

Fixed assets and inventories of the Group are insured against all industrial risks, including business interruption and marine cargo risks, with an insured limit up to USD4.0 billion as of December 31, 2015 (2014: USD4.2 billion) (Note 10). Management believes that the insurance coverage is adequate to cover possible losses from the risks mentioned above.

Biaya persediaan yang diakui sebagai beban dan termasuk dalam "beban pokok penjualan" adalah sebesar Rp61.703.265 untuk tahun yang berakhir pada tanggal 31 Desember 2015 (2014: Rp55.618.431).

The cost of inventories recognised as expense and included in "cost of goods sold" amounted to Rp61,703,265 for the year ended December 31, 2015 (2014: Rp55,618,431).

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7. BIAYA DIBAYAR DIMUKA

7. PREPAYMENTS

	<u>2015</u>	<u>2014</u>	
Sewa	67,541	69,204	Rent
Asuransi	51,117	57,029	Insurance
Iklan dan promosi	9,767	31,661	Advertising and promotion
Lain-lain	27,600	13,517	Others
Jumlah	<u>156,025</u>	<u>171,411</u>	Total

8. INVESTASI PADA ENTITAS ASOSIASI

8. INVESTMENT IN ASSOCIATE

Investasi pada entitas asosiasi merupakan 49% kepemilikan Grup di Vinataba-Philip Morris Limited (dahulu Vinasa Tobacco Joint Venture Company Limited) yang berdomisili di Vietnam, dan dicatat berdasarkan metode ekuitas.

Investment in associate represents the Group's 49% interest in Vinataba-Philip Morris Limited (previously Vinasa Tobacco Joint Venture Company Limited) domiciled in Vietnam, and it is accounted for using the equity method.

9. PROPERTI INVESTASI

9. INVESTMENT PROPERTIES

		<u>2015</u>			
	<u>Saldo awal/ Beginning balance</u>	<u>Penambahan/ Additions</u>	<u>Reklasifikasi/ Reclassifications</u>	<u>Saldo akhir/ Ending balance</u>	
Biaya perolehan					Acquisition cost
Tanah	30,398	1,151	-	31,549	Land
Bangunan dan prasarana	407,159	106,328	92,749	606,236	Buildings and improvements
Jumlah	437,557	107,479	92,749	637,785	Total
Aset tetap dalam pembangunan	12,447	83,005	(92,749)	2,703	Construction in progress
Jumlah biaya perolehan	450,004	190,484	-	640,488	Total acquisition cost
Akumulasi penyusutan					Accumulated depreciation
Bangunan dan prasarana	(14,013)	(20,859)	-	(34,872)	Buildings and improvements
Jumlah akumulasi penyusutan	(14,013)	(20,859)	-	(34,872)	Total accumulated depreciation
Nilai buku bersih	<u>435,991</u>			<u>605,616</u>	Net book value
		<u>2014</u>			
	<u>Saldo awal/ Beginning balance</u>	<u>Penambahan/ Additions</u>	<u>Reklasifikasi/ Reclassifications</u>	<u>Saldo akhir/ Ending balance</u>	
Biaya perolehan					Acquisition cost
Tanah	30,316	82	-	30,398	Land
Bangunan dan prasarana	205,421	1,607	200,131	407,159	Buildings and improvements
Jumlah	235,737	1,689	200,131	437,557	Total
Aset tetap dalam pembangunan	130,326	82,252	(200,131)	12,447	Construction in progress
Jumlah biaya perolehan	366,063	83,941	-	450,004	Total acquisition cost
Akumulasi penyusutan					Accumulated depreciation
Bangunan dan prasarana	(2,449)	(11,564)	-	(14,013)	Buildings and improvements
Jumlah akumulasi penyusutan	(2,449)	(11,564)	-	(14,013)	Total accumulated depreciation
Nilai buku bersih	<u>363,614</u>			<u>435,991</u>	Net book value

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9. PROPERTI INVESTASI (lanjutan)

Pada tanggal 31 Desember 2015, persentase penyelesaian aset tetap dalam pembangunan terhadap nilai kontrak adalah sekitar 99,9% (2014: 99,5%).

Perusahaan telah menandatangani perjanjian sewa menyewa dengan PT Philip Morris Indonesia ("PMID"), pemegang saham pengendali, untuk menyewakan properti investasi tersebut kepada PMID (Catatan 29a).

Pendapatan sewa dari properti investasi sebesar Rp43,2 miliar (2014: Rp42,8 miliar) dicatat sebagai bagian dari penghasilan lain-lain di laporan laba rugi konsolidasian.

Pada tanggal 31 Desember 2014, nilai wajar properti investasi berdasarkan penilaian yang dilakukan oleh penilai independen Achmanan Satria Pangaloan & Rekan dalam laporannya tanggal 12 Januari 2015 adalah sebesar Rp562,6 miliar. Nilai tersebut ditentukan berdasarkan pendekatan data pasar dengan membandingkan properti yang sejenis. Harga jual dari tanah dan bangunan yang serupa disesuaikan untuk beberapa perbedaan yang spesifik seperti ukuran properti. Input yang paling signifikan dalam penilaian ini adalah harga per meter persegi. Teknik pengukuran nilai wajar ini termasuk dalam hirarki nilai wajar tingkat 2. Penambahan properti investasi selama tahun 2015 merupakan nilai kini atas biaya konstruksinya dan diasumsikan mendekati nilai wajarnya.

Manajemen berkeyakinan nilai wajar tersebut mendekati nilai wajar pada tanggal 31 Desember 2015

9. INVESTMENT PROPERTIES (continued)

As of December 31, 2015, the percentage of completion of the construction in progress was approximately 99.9% (2014: 99.5%).

The Company entered into a lease agreement with PT Philip Morris Indonesia ("PMID"), the controlling shareholder, to lease the above investment properties to PMID (Note 29a).

Rental income from the investment properties of Rp43.2 billion (2014: Rp42.8 billion) was recorded as part of other income in the consolidated statements of profit and loss.

As at December 31, 2014, the fair value of the investment properties based on the valuation performed by independent valuer Achmanan Satria Pangaloan & Rekan in their report dated January 12, 2015 was amounted to Rp562.6 billion. The value is based on market data approach by comparing similar properties. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square meter. The fair value technique is included in fair value measurement hierarchy level 2. The additions to the investment properties during 2015 represent the current costs of the construction and are assumed to approximate their fair values.

Management believes such fair value amount approximates the fair value as of December 31, 2015.

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10. ASET TETAP

10. FIXED ASSETS

	2015				Saldo akhir/ Ending balance	
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification		
Biaya perolehan						Acquisition cost
<u>Pemilikan langsung</u>						<u>Direct ownership</u>
Tanah	275,772	9,176	(111)	(6,303)	278,534	Land
Bangunan dan prasarana	2,354,861	33,125	(21,426)	99,811	2,466,371	Buildings and improvements
Mesin dan peralatan	4,328,113	5,007	(23,895)	1,227,144	5,536,369	Machinery and equipment
Perabot, peralatan kantor dan laboratorium	907,745	-	(76,503)	133,689	964,931	Furniture & fixtures, office and laboratory equipment
Alat-alat pengangkutan	190,304	673	(76,813)	(1,291)	112,873	Transportation equipment
Aset tetap dalam pembangunan						Construction in progress
- Bangunan dan prasarana	161,344	51,719	-	(103,991)	109,072	Buildings and - improvements
- Mesin dan peralatan	1,102,780	746,312	-	(1,279,060)	570,032	Machinery and equipment -
- Perabot, peralatan kantor dan laboratorium	144,417	183,869	-	(134,778)	193,508	Furniture & fixtures, office and laboratory equipment
Jumlah	9,465,336	1,029,881	(198,748)	(64,779)	10,231,690	Total
<u>Sewa pembiayaan</u>						<u>Finance leases</u>
Alat-alat pengangkutan	97,728	32,814	(18,277)	-	112,265	Transportation equipment
Jumlah biaya perolehan	9,563,064	1,062,695	(217,025)	(64,779)	10,343,955	Total acquisition cost
Akumulasi penyusutan						Accumulated depreciation
<u>Pemilikan langsung</u>						<u>Direct ownership</u>
Bangunan dan prasarana	(898,250)	(131,847)	12,671	2,867	(1,014,559)	Buildings and improvements
Mesin dan peralatan	(1,868,165)	(389,723)	23,087	28,013	(2,206,788)	Machinery and equipment
Perabot, peralatan kantor dan laboratorium	(727,047)	(105,745)	76,196	944	(755,652)	Furniture & fixtures, office and laboratory equipment
Alat-alat pengangkutan	(101,460)	(7,433)	76,812	811	(31,270)	Transportation equipment
Jumlah	(3,594,922)	(634,748)	188,766	32,635	(4,008,269)	Total
<u>Sewa pembiayaan</u>						<u>Finance leases</u>
Alat-alat pengangkutan	(48,542)	(20,018)	14,050	-	(54,510)	Transportation equipment
Jumlah akumulasi penyusutan	(3,643,464)	(654,766)	202,816	32,635	(4,062,779)	Total accumulated depreciation
Nilai buku bersih	<u>5,919,600</u>				<u>6,281,176</u>	Net book value

Pada tanggal 31 Desember 2015, tanah, bangunan dan prasarana, mesin dan peralatan, perabot dan peralatan kantor dan alat-alat pengangkutan yang sebelumnya diklasifikasikan sebagai aset tetap direklasifikasi ke aset tidak lancar yang dimiliki untuk dijual, dengan total biaya perolehan dan akumulasi penyusutan sejumlah Rp64,8 miliar dan Rp32,6 miliar.

As of December 31, 2015, land, buildings and improvements, machinery and equipment, furniture and fixtures and office equipment and transportation equipment previously classified as fixed assets were reclassified to non-current assets held for sale, with total acquisition cost and accumulated depreciation of Rp64.8 billion and Rp32.6 billion, respectively.

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10. ASET TETAP (lanjutan)

10. FIXED ASSETS (continued)

	2014				Saldo akhir/ Ending balance	
	Saldo awal/ Beginning balance	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification		
Biaya perolehan						Acquisition cost
<u>Pemilikan langsung</u>						<u>Direct ownership</u>
Tanah	259,684	20,088	-	(4,000)	275,772	Land
Bangunan dan prasarana	2,283,566	-	(18,756)	90,051	2,354,861	Buildings and improvements
Mesin dan peralatan	3,633,497	25,100	(72,675)	742,191	4,328,113	Machinery and equipment
Perabot, peralatan kantor dan laboratorium	929,570	10,910	(97,116)	64,381	907,745	Furniture & fixtures, office and laboratory equipment
Alat-alat pengangkutan	115,562	647	(2)	74,097	190,304	Transportation equipment
Aset tetap dalam pembangunan						Construction in progress
- Bangunan dan prasarana	66,150	185,532	-	(90,338)	161,344	Buildings and - improvements
- Mesin dan peralatan	466,323	1,378,648	-	(742,191)	1,102,780	Machinery and equipment -
- Perabot, peralatan kantor dan laboratorium	64,159	144,639	-	(64,381)	144,417	Furniture & fixtures, office - and laboratory equipment
Jumlah	7,818,511	1,765,564	(188,549)	69,810	9,465,336	Total
<u>Sewa pembiayaan</u>						<u>Finance leases</u>
Alat-alat pengangkutan	103,817	25,946	(32,035)	-	97,728	Transportation equipment
Jumlah biaya perolehan	7,922,328	1,791,510	(220,584)	69,810	9,563,064	Total acquisition cost
Akumulasi penyusutan						Accumulated depreciation
<u>Pemilikan langsung</u>						<u>Direct ownership</u>
Bangunan dan prasarana	(799,026)	(116,686)	17,462	-	(898,250)	Buildings and improvements
Mesin dan peralatan	(1,624,269)	(308,229)	64,333	-	(1,868,165)	Machinery and equipment
Perabot, peralatan kantor dan laboratorium	(715,887)	(104,441)	93,281	-	(727,047)	Furniture & fixtures, office and laboratory equipment
Alat-alat pengangkutan	(19,947)	(17,481)	2	(64,034)	(101,460)	Transportation equipment
Jumlah	(3,159,129)	(546,837)	175,078	(64,034)	(3,594,922)	Total
<u>Sewa pembiayaan</u>						<u>Finance leases</u>
Alat-alat pengangkutan	(54,530)	(19,952)	25,940	-	(48,542)	Transportation equipment
Jumlah akumulasi penyusutan	(3,213,659)	(566,789)	201,018	(64,034)	(3,643,464)	Total accumulated depreciation
Nilai buku bersih	<u>4,708,669</u>				<u>5,919,600</u>	Net book value

Pada tanggal 31 Desember 2014, alat pengangkutan yang sebelumnya diklasifikasikan sebagai aset tidak lancar yang dimiliki untuk dijual, direklasifikasi ke aset tetap. Biaya perolehan dan akumulasi penyusutan alat pengangkutan yang direklasifikasi sejumlah Rp74,1 miliar dan Rp64,0 miliar.

As of December 31, 2014, transportation equipment previously classified as non-current assets held for sale was reclassified to fixed assets. The acquisition cost and accumulated depreciation of the transportation equipment reclassified was Rp74.1 billion and Rp64.0 billion, respectively.

Pada tanggal 31 Desember 2015, jumlah harga perolehan aset tetap yang telah disusutkan penuh dan masih digunakan adalah sebesar Rp1,6 triliun (31 Desember 2014: Rp1,4 triliun).

As at December 31, 2015, the acquisition costs of fixed assets which have been fully depreciated and are still being used amounted to Rp1.6 trillion (December 31, 2014: Rp1.4 trillion).

Tidak terdapat aset tetap yang dijaminkan.

There are no fixed assets pledged as collateral.

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10. ASET TETAP (lanjutan)

Pada tanggal 31 Desember 2015, persentase penyelesaian rata-rata atas aset tetap dalam pembangunan yang diakui dalam pelaporan keuangan adalah sekitar 54,0% (31 Desember 2014: 53,5%). Aset tetap dalam pembangunan yang sebagian besar terdiri atas bangunan dan prasarana dan mesin dan peralatan diharapkan akan selesai secara bertahap dari tahun 2016 sampai tahun 2018.

Keuntungan atas pelepasan aset tetap yang diakui untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>	
Hasil penjualan	108,096	35,325	<i>Proceeds of sale</i>
Nilai buku bersih	<u>(9,982)</u>	<u>(13,471)</u>	<i>Net book value</i>
Jumlah	<u>98,114</u>	<u>21,854</u>	<i>Total</i>

Beban penyusutan dialokasikan sebagai berikut:

10. FIXED ASSETS (continued)

As of December 31, 2015, the average percentage of completion of the construction in progress recognised for financial reporting was approximately 54.0% (December 31, 2014: 53.5%). Construction in progress, which mainly consists of buildings and improvements and machinery and equipment, is expected to be completed gradually from 2016 until 2018.

Gain on disposal of fixed assets for the years ended December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>	
Beban pokok penjualan	491,268	417,136	<i>Cost of goods sold</i>
Beban penjualan	84,156	69,617	<i>Selling expenses</i>
Beban umum dan administrasi	<u>79,342</u>	<u>80,036</u>	<i>General and administrative expenses</i>
Jumlah	<u>654,766</u>	<u>566,789</u>	<i>Total</i>

Kelompok lepasan yang dimiliki untuk dijual

Pada bulan Oktober 2015, manajemen memutuskan untuk menjual PT Sampoerna Printpack ("SPP"), entitas anak, kepada PT Infiniti Wahana, pihak ketiga. Lihat Catatan 32 untuk perjanjian jual beli saham bersyarat. Sehubungan dengan rencana penjualan SPP tersebut, pada tanggal 31 Desember 2015, aset dan liabilitas SPP disajikan secara terpisah sebagai kelompok lepasan yang dimiliki untuk dijual di laporan posisi keuangan konsolidasian.

Pada tanggal 31 Desember 2015 dan 2014, kelompok lepasan aset yang dimiliki untuk dijual dan liabilitas atas kelompok lepasan yang dimiliki untuk dijual adalah sebagai berikut:

Disposal group classified as held for sale

In October 2015, management decided to sell PT Sampoerna Printpack ("SPP"), a subsidiary, to PT Infiniti Wahana, a third party. Refer to Note 32 for the Conditional Share Sales and Purchase Agreement. In relation with the plan to sale SPP, as at December 31, 2015, the assets and liabilities of SPP were separately presented as disposal group held for sale in the consolidated statement of financial position.

As of December 31, 2015 and 2014, the disposal group of assets classified as held for sale and the liabilities of the disposal group held for sale are as follows:

	<u>2015</u>	<u>2014</u>	
Aset atas kelompok lepasan yang dimiliki untuk dijual			<i>Assets of disposal group classified as held for sale</i>
Aset tetap*	36,432	4,288	<i>Fixed assets*</i>
Persediaan	25,768	-	<i>Inventories</i>
Aset lainnya	<u>15,866</u>	<u>-</u>	<i>Other assets</i>
Jumlah	<u>78,066</u>	<u>4,288</u>	<i>Total</i>

*Termasuk aset tetap yang dimiliki oleh PT Wahana Sampoerna sebesar Rp4.288 (2014: Rp4.288).

*Including fixed assets owned by PT Wahana Sampoerna of Rp4,288 (2014: Rp4,288).

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10. ASET TETAP (lanjutan)

Kelompok lepasan yang dimiliki untuk dijual
(lanjutan)

	2015
Liabilitas atas kelompok lepasan yang dimiliki untuk dijual	
Liabilitas lainnya	1,062
	-

Aset tetap dan persediaan Grup telah diasuransikan terhadap berbagai risiko industri (*all industrial risks*), termasuk risiko-risiko *business interruption* dan *marine cargo* dengan keseluruhan nilai pertanggungan sampai dengan USD4,0 miliar pada tanggal 31 Desember 2015 (2014: USD4,2 miliar) (Catatan 6). Manajemen berkeyakinan bahwa nilai pertanggungan asuransi tersebut cukup untuk menutup kemungkinan kerugian yang timbul dari risiko tersebut.

Grup memiliki tanah dengan Hak Guna Bangunan (HGB) untuk jangka waktu antara 20 tahun dan 30 tahun yang dapat diperpanjang pada saat berakhirnya masa berlaku.

Pada tanggal 31 Desember 2015, nilai jual objek pajak untuk tanah dan bangunan yang dimiliki Grup berdasarkan surat pemberitahuan pajak bumi dan bangunan (NJOP) adalah sebesar Rp3.243,5 miliar (2014: Rp1.754,8 miliar). Nilai tersebut merupakan observasi harga jual oleh Direktorat Jenderal Pajak dari objek yang sejenis dan termasuk dalam hierarki nilai wajar tingkat 2.

11. GOODWILL

Goodwill pada tanggal 31 Desember 2015 dan 2014 sebesar Rp60,4 miliar.

Manajemen berkeyakinan bahwa nilai tercatat *goodwill* tidak melebihi jumlah terpulihkannya.

12. PINJAMAN

	2015	2014
Pihak ketiga		
Cerukan		
- Deutsche Bank AG	-	90,658
Pihak berelasi		
- Philip Morris Finance SA (Catatan 27k)	-	2,744,820
Jumlah pinjaman	-	2,835,478

10. FIXED ASSETS (continued)

Disposal group classified as held for sale
(continued)

	2014
Liabilities of disposal group classified as held for sale	
Other liabilities	-
	-

Fixed assets and inventories of the Group are insured against all industrial risks, including business interruption and marine cargo risks, with an insured limit of up to USD4.0 billion as of December 31, 2015 (2014: USD4.2 billion) (Note 6). Management believes the insurance coverage is adequate to cover possible losses from the risks mentioned above.

The Group has parcels of land with Building Utilisation Rights (HGB) ranging from 20 years to 30 years which are expected to be renewed at their expiration dates.

As at December 31 2015, the sale value of the tax object of the Group's land and building based on the latest available property tax assessment (NJOP) amounted to Rp3,243.5 billion (2014: Rp1,754.8 billion). The value is a sales observation price estimated by the Directorate General of Tax from similar objects and included in the fair value measurement hierarchy level 2.

11. GOODWILL

Goodwill as of December 31, 2015 and 2014 are Rp60.4 billion.

Management believes that the carrying amount of the goodwill does not exceed its recoverable amount.

12. BORROWINGS

Third party
Overdraft
Deutsche Bank AG -
Related party
Philip Morris Finance SA -
(Note 27k)
Total borrowings

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12. PINJAMAN (lanjutan)

Seluruh pinjaman di atas tidak dijamin dan tidak terdapat pembatasan terkait dengan pinjaman-pinjaman ini.

Pihak ketiga

Tingkat suku bunga tahunan yang berlaku untuk cerukan:

	2015	2014
Cerukan	-	8.0%

Fasilitas cerukan dari Deutsche Bank AG akan berakhir pada tanggal 30 Juni 2016.

Pihak berelasi

Fasilitas ini digunakan untuk keperluan korporasi pada umumnya.

Lihat Catatan 29f untuk perjanjian fasilitas pinjaman.

Pada tanggal 31 Desember 2014, jumlah saldo pinjaman adalah sebesar USD221 juta atau setara dengan Rp2,74 triliun dengan tingkat suku bunga tahunan yang berlaku 6,89% - 7,05%. Pinjaman ini telah jatuh tempo dan telah dibayar pada bulan Januari 2015.

Untuk mengurangi risiko fluktuasi nilai tukar pinjaman jangka pendek dari Philip Morris Finance SA, pada tanggal 31 Desember 2014, Perusahaan melakukan transaksi *swap* valuta asing dengan beberapa bank dengan jumlah nilai nosional sebesar USD221 juta, mencakup jumlah dasar pinjaman. Kontrak tersebut telah jatuh tempo antara tanggal 15 Januari dan 28 Januari 2015.

12. BORROWINGS (continued)

The above borrowings were not secured and there were no covenants related with these borrowings.

Third parties

The annual interest rates on the overdraft:

	2015	2014
Overdraft	-	8.0%

The overdraft facility from Deutsche Bank AG will expire on June 30, 2016.

Related party

The facilities are to be used for general corporate purposes.

Refer to Note 29f for the loan facility agreement.

As of December 31, 2014, the outstanding intercompany loan amounted to USD221 million or equivalent to Rp2.74 trillion with annual interest rate 6.89% - 7.05%. The loan was due and has been paid in January 2015.

To mitigate the risk of fluctuations in the exchange rate of the short-term loan from Philip Morris Finance SA, as of December 31, 2014, the Company entered into foreign currency swap transactions with several banks with a total notional amount of USD221 million covering the underlying loan principal. These contracts were due between January 15 and January 28, 2015.

13. UTANG USAHA DAN LAINNYA

	2015	2014
Pihak ketiga	2,313,370	1,819,182
Pihak-pihak berelasi (Catatan 27j)	877,743	942,290
Jumlah	3,191,113	2,761,472

Utang usaha dan lainnya - pihak ketiga terutama timbul dari biaya produksi, pembelian tembakau, *flavour*, saos, bahan pembungkus, biaya iklan dan promosi, dan aset tetap. Tidak terdapat aset yang dijamin atas utang usaha yang diperoleh Grup.

Lihat Catatan 3a untuk rincian saldo dalam mata uang asing.

13. TRADE AND OTHER PAYABLES

*Third parties
Related parties (Note 27j)*

Total

Trade and other payables - third parties are mostly derived from production costs, purchases of tobacco, flavour, sauce, wrapping materials, advertising and promotion expenses, and fixed assets. There were no assets used as collateral for trade payables obtained by the Group.

Refer to Note 3a for details of balances in foreign currencies.

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14. AKRUAL

14. ACCRUALS

	<u>2015</u>	<u>2014</u>	
Honorarium tenaga ahli	126,542	6,645	<i>Professional fees</i>
Biaya produksi	45,897	47,468	<i>Production costs</i>
Iklan dan promosi	43,114	32,131	<i>Advertising and promotion</i>
Distribusi	3,082	13,939	<i>Distribution</i>
Lain-lain	19,702	20,026	<i>Others</i>
Jumlah	<u>238,337</u>	<u>120,209</u>	<i>Total</i>

15. PERPAJAKAN

15. TAXATION

a. Pajak dibayar dimuka

a. Prepaid taxes

	<u>2015</u>	<u>2014</u>	
Pajak penghasilan badan - Tahun pajak 2014	<u>1,418</u>	<u>2,448</u>	<i>Corporate income tax Fiscal year 2014 -</i>
Pajak lain-lain - Pajak Pertambahan Nilai - Lainnya	<u>1,165,697</u> <u>2,657</u>	<u>673,269</u> <u>2,817</u>	<i>Other taxes Value Added Taxes - Others -</i>
Jumlah	<u>1,168,354</u>	<u>676,086</u>	<i>Total</i>

b. Utang pajak

b. Taxes payable

	<u>2015</u>	<u>2014</u>	
Pajak penghasilan badan - Pasal 25 - Pasal 29	<u>277,021</u> <u>87,548</u>	<u>270,559</u> <u>112,035</u>	<i>Corporate income tax Article 25 - Article 29 -</i>
Jumlah	<u>364,569</u>	<u>382,594</u>	<i>Total</i>
Pajak lain-lain - Pajak penghasilan lainnya - Pajak Pertambahan Nilai - Lainnya	<u>48,032</u> <u>912</u> <u>210</u>	<u>57,598</u> <u>666,082</u> <u>207</u>	<i>Other taxes Other withholding taxes - Value Added Taxes - Others -</i>
Jumlah	<u>49,154</u>	<u>723,887</u>	<i>Total</i>

c. Beban pajak penghasilan

c. Income tax expense

	<u>2015</u>	<u>2014</u>	
Perusahaan			<i>The Company</i>
Kini	3,449,194	3,395,163	<i>Current</i>
Tangguhan	(15,662)	(12,457)	<i>Deferred</i>
Penyesuaian periode lalu	<u>2,405</u>	<u>10,529</u>	<i>Prior period adjustment</i>
Jumlah	<u>3,435,937</u>	<u>3,393,235</u>	<i>Total</i>

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15. PERPAJAKAN (lanjutan)

15. TAXATION (continued)

c. Beban pajak penghasilan (lanjutan)

c. Income tax expense (continued)

	<u>2015</u>	<u>2014</u>	
Entitas anak			Subsidiaries
Kini	141,003	143,825	Current
Tangguhan	(7,604)	(1,843)	Deferred
Penyesuaian periode lalu	<u>-</u>	<u>1,999</u>	Prior period adjustment
Jumlah	<u>133,399</u>	<u>143,981</u>	Total
Konsolidasian			Consolidated
Kini	3,590,197	3,538,988	Current
Tangguhan	(23,266)	(14,300)	Deferred
Penyesuaian periode lalu	<u>2,405</u>	<u>12,528</u>	Prior period adjustment
Jumlah	<u>3,569,336</u>	<u>3,537,216</u>	Total

Pajak atas laba Grup sebelum pajak berbeda dari nilai teoritis yang mungkin timbul apabila menggunakan rata-rata tertimbang tarif pajak terhadap laba pada entitas konsolidasian sebagai berikut:

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits on the consolidated entities as follows:

	<u>2015</u>	<u>2014</u>	
Laba konsolidasian sebelum pajak penghasilan	<u>13,932,644</u>	<u>13,718,299</u>	Consolidated profit before income tax
Pajak dihitung dengan tarif pajak yang berlaku	3,487,408	3,429,307	Tax calculated at applicable tax rate
Dampak pajak atas:			Tax effects of:
- Bagian atas hasil bersih entitas asosiasi	(3,961)	(3,529)	Share of net results - of associate
- Penghasilan kena pajak final	(44,713)	(26,947)	Income subject to final tax -
- Beban yang tidak dapat dikurangkan	127,321	127,074	Non-deductible expenses -
- Penghasilan dividen	601	-	Dividend income -
- Rugi fiskal yang tidak diakui	281	2,832	Unrecognised fiscal loss -
- Penyesuaian pajak tangguhan periode lalu	(6)	(4,049)	Prior year deferred tax - adjustment
Penyesuaian periode lalu	<u>2,405</u>	<u>12,528</u>	Prior period adjustment
Beban pajak penghasilan	<u>3,569,336</u>	<u>3,537,216</u>	Income tax expense

Rekonsiliasi antara laba sebelum pajak penghasilan dengan penghasilan kena pajak Perusahaan adalah sebagai berikut:

The reconciliations between profit before income tax and the taxable income of the Company are as follows:

	<u>2015</u>	<u>2014</u>	
Laba konsolidasian sebelum pajak penghasilan	13,932,644	13,718,299	Consolidated profit before income tax
Dikurangi:			Less:
Laba entitas anak sebelum pajak penghasilan	(512,237)	(554,491)	Profit of subsidiaries before income tax
Bagian atas hasil bersih entitas asosiasi	<u>(15,844)</u>	<u>(14,115)</u>	Share of net results of associate

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15. PERPAJAKAN (lanjutan)

c. Beban pajak penghasilan (lanjutan)

Rekonsiliasi antara laba sebelum pajak penghasilan dengan penghasilan kena pajak Perusahaan adalah sebagai berikut: (lanjutan)

	<u>2015</u>	<u>2014</u>
Laba sebelum pajak penghasilan Perusahaan	13,404,563	13,149,693
Beda temporer:		
Kewajiban imbalan pascakerja	181,611	18,603
Akrua	166,617	74,028
Biaya ditangguhkan	(107)	704
Aset tetap	(255,182)	(38,689)
Pembayaran berbasis saham	(30,289)	(21,344)
Beda permanen:		
Beban yang tidak dapat dikurangkan	504,642	504,164
Penghasilan dividen	2,402	-
Penghasilan yang telah dikenakan pajak penghasilan final:		
- Penjualan tanah	(73,230)	(24,613)
- Bunga	(38,781)	(20,915)
- Sewa	(65,467)	(60,979)

Penghasilan kena pajak Perusahaan

13,796,779 13,580,652

Perhitungan pajak penghasilan dan utang pajak penghasilan adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>
Beban pajak penghasilan - kini		
- Perusahaan	3,449,194	3,395,163
- Entitas anak	141,003	143,825
Jumlah	<u>3,590,197</u>	<u>3,538,988</u>
Dikurangi pembayaran pajak penghasilan		
- Perusahaan	3,383,735	3,395,100
- Entitas anak	118,914	34,301
Jumlah	<u>3,502,649</u>	<u>3,429,401</u>
Utang pajak penghasilan badan Pasal 29		
- Perusahaan	65,459	63
- Entitas anak	22,089	111,972
Jumlah	<u>87,548</u>	<u>112,035</u>

Lebih bayar pajak penghasilan badan

- 2,448

Dalam laporan keuangan konsolidasian ini, jumlah penghasilan kena pajak didasarkan atas perhitungan sementara, karena Perusahaan belum menyampaikan Surat Pemberitahuan Tahunan pajak penghasilan badan pada saat penyelesaian laporan keuangan konsolidasian.

15. TAXATION (continued)

c. Income tax expense (continued)

The reconciliations between profit before income tax and the taxable income of the Company are as follows: (continued)

	<u>2015</u>	<u>2014</u>
Profit before income tax attributable to the Company	13,404,563	13,149,693
Temporary differences:		
Post-employment benefit obligations	181,611	18,603
Accruals	166,617	74,028
Deferred charges	(107)	704
Fixed assets	(255,182)	(38,689)
Share-based payments	(30,289)	(21,344)
Permanent differences:		
Non-deductible expenses	504,642	504,164
Dividend income	2,402	-
Income already subject to final tax:		
Sale of land	(73,230)	(24,613)
Interest	(38,781)	(20,915)
Rent	(65,467)	(60,979)

Taxable income of the Company

The computations of income tax - current and income tax payable are as follows:

	<u>2015</u>	<u>2014</u>
Income tax expense - current		
The Company	3,449,194	3,395,163
Subsidiaries	141,003	143,825
Total	<u>3,590,197</u>	<u>3,538,988</u>
Less payments of income taxes		
The Company	3,383,735	3,395,100
Subsidiaries	118,914	34,301
Total	<u>3,502,649</u>	<u>3,429,401</u>
Corporate income tax payable Article 29		
The Company	65,459	63
Subsidiaries	22,089	111,972
Total	<u>87,548</u>	<u>112,035</u>
Prepaid corporate income tax		
Subsidiaries	<u>-</u>	<u>2,448</u>

In these consolidated financial statements, the amount of taxable income is based on preliminary calculations, as the Company has not yet submitted its corporate income tax returns when these consolidated financial statements were finalised.

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15. PERPAJAKAN (lanjutan)

15. TAXATION (continued)

d. Surat ketetapan pajak

d. Tax assessment letters

	2015	2014	
Tagihan pengembalian pajak penghasilan (disajikan sebagai bagian dari "Aset tidak lancar lainnya")			Claims for tax refunds (presented as part of "Other non-current assets")
- Perusahaan	568,359	354,564	The Company -

Tahun Pajak 2008

Pada bulan Oktober 2013, Perusahaan menerima surat ketetapan pajak kurang bayar atas pajak penghasilan badan tahun 2008 sebesar Rp31,1 miliar. Perusahaan menyetujui sebagian ketetapan pajak sebesar Rp100 juta dan telah membayar dan membukukan sebagai biaya dalam laporan laba rugi konsolidasian tahun 2013. Perusahaan juga telah membayar sisa tagihan sebesar Rp31 miliar dan mengajukan keberatan kepada kantor pajak di bulan Februari 2014. Di bulan Desember 2014, kantor pajak telah mengeluarkan surat keputusan untuk mempertahankan semua hasil pemeriksaan. Perusahaan telah mengajukan surat banding ke Pengadilan Pajak pada bulan Maret 2015. Pada bulan Februari 2016, Pengadilan Pajak menolak seluruh banding Perusahaan. Atas keputusan Pengadilan Pajak ini, Perusahaan berencana untuk mengajukan Peninjauan Kembali ke Mahkamah Agung.

Fiscal Year 2008

In October 2013, the Company received a tax underpayment assessment letter for 2008 corporate income tax amounting to Rp31.1 billion. The Company accepted a portion of the tax assessment of Rp100 million and has paid and charged it as expense in the 2013 consolidated statement of profit or loss. The Company has also paid the remaining amount of Rp31 billion and lodged an objection letter to the tax office in February 2014. The Tax Office has issued the decision letter in December 2014 to retain all of the tax audit results. The Company has submitted an appeal letter to the Tax Court in March 2015. In February 2016, the Tax Court declined the appeal entirely. The Company is planning to submit the Judicial Review to the Supreme Court.

Tahun Pajak 2011

Pada bulan Juli dan Agustus 2014, Perusahaan menerima surat ketetapan pajak kurang bayar atas pajak penghasilan badan, pajak pertambahan nilai dan pajak penghasilan lainnya untuk tahun pajak 2011 dengan jumlah sebesar Rp341,3 miliar. Perusahaan menyetujui sebagian ketetapan pajak sebesar Rp17,7 miliar dan telah membayar dan membukukan sebagai biaya dalam laporan laba rugi konsolidasian tahun 2014. Perusahaan juga telah membayar sisa tagihan sebesar Rp323,6 miliar dan mengajukan keberatan kepada kantor pajak di bulan Oktober 2014. Pada bulan Oktober 2015, kantor pajak telah mengeluarkan surat keputusan untuk mempertahankan semua hasil pemeriksaan. Atas keputusan ini, Perusahaan mengajukan surat banding ke Pengadilan Pajak pada bulan Januari 2016. Sampai dengan tanggal laporan keuangan konsolidasian ini, hasil dari banding tersebut belum diketahui.

Fiscal Year 2011

In July and August 2014, the Company received tax underpayment assessment letters for 2011 corporate income tax, value added tax and withholding taxes in total amount of Rp341.3 billion. The Company accepted a portion of the tax assessment of Rp17.7 billion, which has been paid and charged as expense in the 2014 consolidated statement of profit or loss. The Company has also paid the remaining amount of Rp323.6 billion and filed an objection letter to the tax office in October 2014. The Tax Office has issued the decision letter in October 2015 to retain all of the tax audit results. The Company has submitted an appeal letter to the Tax Court in January 2016. The result of the appeal is not decided up to the date of these consolidated financial statements.

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15. PERPAJAKAN (lanjutan)

d. Surat ketetapan pajak (lanjutan)

Tahun Pajak 2010

Pada bulan Januari 2015, Perusahaan menerima surat ketetapan pajak kurang bayar atas pajak penghasilan badan dan pajak penghasilan lainnya untuk tahun pajak 2010 sejumlah Rp217,4 miliar. Perusahaan menyetujui sebagian ketetapan pajak sebesar Rp3,6 miliar dan telah membayar dan membukukan sebagai biaya dalam laporan laba rugi konsolidasian tahun 2015. Perusahaan juga telah membayar sisa tagihan sebesar Rp213,8 miliar dan mengajukan keberatan kepada kantor pajak di bulan April 2015. Sampai tanggal laporan keuangan konsolidasian ini, hasil dari keberatan tersebut belum diketahui.

e. Pajak penghasilan tangguhan

Aset dan liabilitas pajak tangguhan pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

15. TAXATION (continued)

d. Tax assessment letter (continued)

Fiscal Year 2010

In January 2015, the Company received tax underpayment assessment letters for 2010 corporate income tax and withholding taxes in total amount of Rp217.4 billion. The Company accepted a portion of the tax assessment of Rp3.6 billion, which has been paid and charged as expense in the 2015 consolidated statement of profit or loss. The Company has also paid the remaining amount of Rp213.8 billion and filed objection letters to the Tax Office in April 2015. The result of the objection is not decided up to the date of these consolidated financial statements.

e. Deferred income tax

The deferred tax assets and liabilities as of December 31, 2015 and 2014 were as follows:

	2015				Saldo akhir/ Ending balance	
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) pada laporan laba rugi/ Credited/ (charged) to profit or loss	Dikreditkan/ (dibebankan) pada pendapatan komprehensif lain/Credited/ (charged) to other comprehensive income	Direklasifikasi ke aset tidak lancar yang dimiliki untuk dijual/ Reclass to non-current assets held for sale		
Perusahaan						The Company
Akrual	39,580	12,971	-	-	52,551	Accruals
Akrual imbalan kerja	109,776	28,683	-	-	138,459	employee benefits Post-employment benefit obligations
Kewajiban imbalan pascakerja	296,706	45,403	4,087	-	346,196	Deferred charges
Biaya ditangguhkan	1,283	(27)	-	-	1,256	Fixed assets
Aset tetap	(248,686)	(63,796)	-	-	(312,482)	Share-based payments
Pembayaran berbasis saham	14,276	(7,572)	-	-	6,704	
Jumlah	<u>212,935</u>	<u>15,662</u>	<u>4,087</u>	<u>-</u>	<u>232,684</u>	Total
Entitas anak						Subsidiaries
Aset pajak tangguhan	6,472	6,874	(1,204)	(9,061)	3,081	Deferred tax assets
Liabilitas pajak tangguhan	(730)	730	-	-	-	Deferred tax liabilities
Jumlah	<u>5,742</u>	<u>7,604</u>	<u>(1,204)</u>	<u>(9,061)</u>	<u>3,081</u>	Total
Konsolidasian						Consolidated
Aset pajak tangguhan	219,407	22,536	2,883	(9,061)	235,765	Deferred tax assets
Liabilitas pajak tangguhan	(730)	730	-	-	-	Deferred tax liabilities
Jumlah	<u>218,677</u>	<u>23,266</u>	<u>2,883</u>	<u>(9,061)</u>	<u>235,765</u>	Total

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15. PERPAJAKAN (lanjutan)

15. TAXATION (continued)

e. Pajak penghasilan tangguhan (lanjutan)

e. Deferred income tax (continued)

	2014			
	Saldo awal/ Beginning balance	Dikreditkan/ (dibebankan) pada laporan laba rugi/ Credited/ (charged) to profit or loss	Dikreditkan pada pendapatan komprehensif lain/Credited to other comprehensive income	Saldo akhir/ Ending balance
Perusahaan				The Company
Akrual	39,085	495	-	39,580 <i>Accruals</i>
Akrual imbalan kerja	91,764	18,012	-	109,776 <i>Accrued employee benefits</i>
Kewajiban imbalan pascakerja	238,569	4,652	53,485	296,706 <i>Post-employment benefit obligations</i>
Biaya ditangguhkan	1,107	176	-	1,283 <i>Deferred charges</i>
Aset tetap	(243,144)	(5,542)	-	(248,686) <i>Fixed assets</i>
Pembayaran berbasis saham	19,612	(5,336)	-	14,276 <i>Share-based payments</i>
Jumlah	<u>146,993</u>	<u>12,457</u>	<u>53,485</u>	<u>212,935</u> <i>Total</i>
Entitas anak				Subsidiaries
Aset pajak tangguhan	2,799	1,937	1,736	6,472 <i>Deferred tax assets</i>
Liabilitas pajak tangguhan	(636)	(94)	-	(730) <i>Deferred tax liabilities</i>
Jumlah	<u>2,163</u>	<u>1,843</u>	<u>1,736</u>	<u>5,742</u> <i>Total</i>
Konsolidasian				Consolidated
Aset pajak tangguhan	149,792	14,394	55,221	219,407 <i>Deferred tax assets</i>
Liabilitas pajak tangguhan	(636)	(94)	-	(730) <i>Deferred tax liabilities</i>
Jumlah	<u>149,156</u>	<u>14,300</u>	<u>55,221</u>	<u>218,677</u> <i>Total</i>

Analisis aset dan liabilitas pajak tangguhan adalah sebagai berikut:

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2015	2014	
Aset pajak tangguhan yang akan dipulihkan:			<i>Deferred tax assets to be recovered:</i>
- dalam 12 bulan	165,588	174,859	<i>within 12 months -</i>
- setelah 12 bulan	70,177	44,548	<i>after more than 12 months -</i>
	<u>235,765</u>	<u>219,407</u>	
Liabilitas pajak tangguhan yang akan dipulihkan dalam 12 bulan	-	(730)	<i>Deferred tax liabilities to be recovered within 12 months</i>
	<u>-</u>	<u>(730)</u>	

f. Administrasi pajak di Indonesia

f. Tax administration in Indonesia

Undang-undang Perpajakan yang berlaku di Indonesia mengatur bahwa masing-masing entitas dalam Grup di Indonesia, menghitung, menetapkan dan membayar sendiri besarnya jumlah pajak yang terutang secara individu. Berdasarkan peraturan perundang-undangan yang berlaku, Direktur Jenderal Pajak dapat menetapkan atau mengubah jumlah pajak terutang dalam batas waktu lima tahun sejak saat terutangnya pajak.

The taxation laws of Indonesia require that each company in the Group within Indonesia submits individual tax returns on the basis of self assessment. Under prevailing regulations the Director General of Tax may assess or amend taxes within five years of the time the tax becomes due.

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16. UTANG CUKAI

Utang cukai merupakan utang yang timbul dari pembelian pita cukai.

Pada bulan September 2015, Perusahaan menerima surat Tagihan Bea Masuk dan Cukai periode 1 Juni 2012 sampai 31 Mei 2014 sebesar Rp71,6 miliar. Perusahaan menyetujui seluruh tagihan tersebut dan telah membayar seluruh tagihan dan membukukan sebagai biaya dalam laporan laba rugi konsolidasian tahun 2015.

16. EXCISE TAX PAYABLE

Excise tax payable represents payables arising from the purchase of excise tax stamps.

In September 2015, the Company received a Customs and Excise Tax Collection Letter for the period of June 1, 2012 to May 31, 2014 amounting to Rp71.6 billion. The Company accepted all the entire claims and has paid the amount and charged it as expense in the 2015 consolidated statement of profit or loss.

17. LIABILITAS SEWA PEMBIAYAAN

17. FINANCE LEASE LIABILITIES

	<u>2015</u>	<u>2014</u>	
Liabilitas sewa pembiayaan bruto- pembayaran sewa minimum:			<i>Gross finance lease liabilities- minimum lease payments:</i>
- Tidak lebih dari 1 tahun	24,995	23,409	<i>No later than 1 year -</i>
- Lebih dari 1 tahun sampai 5 tahun	<u>47,475</u>	<u>37,476</u>	<i>More than 1 year and up - to 5 years</i>
Jumlah	72,470	60,885	<i>Total</i>
Beban keuangan di masa depan atas sewa pembiayaan	<u>(11,344)</u>	<u>(7,800)</u>	<i>Future finance charges on finance leases</i>
Nilai kini liabilitas sewa pembiayaan	<u>61,126</u>	<u>53,085</u>	<i>Present value of finance lease liabilities</i>
Nilai kini liabilitas sewa pembiayaan			<i>Present value of finance lease liabilities</i>
- Tidak lebih dari 1 tahun	20,248	19,630	<i>No later than 1 year -</i>
- Lebih dari 1 tahun sampai 5 tahun	<u>40,878</u>	<u>33,455</u>	<i>More than 1 year and up - to 5 years</i>
	<u>61,126</u>	<u>53,085</u>	

Seluruh sewa pembiayaan dilakukan dengan pihak ketiga, terutama dengan PT Serasi Autoraya dan PT Adi Sarana Armada Tbk.

All the finance leases were entered into with third parties, mainly with PT Serasi Autoraya and PT Adi Sarana Armada Tbk.

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18. MODAL SAHAM

Saham Perusahaan bernilai nominal Rp100 (Rupiah penuh) per saham. Rincian kepemilikan saham Perusahaan pada tanggal 31 Desember 2015 dan 2014 adalah sebagai berikut:

18. SHARE CAPITAL

The Company's shares have a par value of Rp100 (full Rupiah) per share. The share ownership details of the Company as of December 31, 2015 and 2014 were as follows:

2015			
Pemegang saham/ Shareholders	Jumlah saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase pemilikan/ Percentage of ownership	Jumlah/ Amount
PT Philip Morris Indonesia	4,303,768,845	92.50	430,377
Masyarakat (masing-masing di bawah 5%)/Public (individually less than 5%)	<u>348,954,231</u>	<u>7.50</u>	<u>34,895</u>
Modal saham yang beredar/ Outstanding share capital	<u><u>4,652,723,076</u></u>	<u><u>100.00</u></u>	<u><u>465,272</u></u>
2014			
Pemegang saham/ Shareholders	Jumlah saham ditempatkan dan disetor penuh/ Number of shares issued and fully paid	Persentase pemilikan/ Percentage of ownership	Jumlah/ Amount
PT Philip Morris Indonesia	4,303,168,205	98.18	430,317
Masyarakat/Public	<u>79,831,795</u>	<u>1.82</u>	<u>7,983</u>
Modal saham yang beredar/ Outstanding share capital	<u><u>4,383,000,000</u></u>	<u><u>100.00</u></u>	<u><u>438,300</u></u>

Pada tanggal 11 Agustus 2015, Perusahaan melakukan pendaftaran pertama Penawaran Umum Terbatas Perusahaan (PUT) dalam rangka Hak Memesan Efek Terlebih Dahulu (HMETD) kepada OJK. PUT dinyatakan efektif oleh OJK pada tanggal 8 Oktober 2015 dan disetujui oleh Rapat Umum Pemegang Saham Luar Biasa pada tanggal 9 Oktober 2015.

On August 11, 2015, the Company made a first registration for the Limited Public Offering (LPO) in respect of a rights issue with Pre-emptive Rights to OJK. The LPO was deemed effective by OJK on October 8, 2015 and approved by the Extraordinary General Shareholders' Meeting on October 9, 2015.

Selanjutnya, tanggal 30 Oktober 2015, Perusahaan menyelesaikan PUT tersebut dan menerbitkan 269.723.076 saham baru dengan nilai nominal Rp100 (Rupiah penuh) per lembar saham pada harga pelaksanaan sebesar Rp77.000 (Rupiah penuh) per lembar saham.

Subsequently, on October 30, 2015, the Company finalised the LPO and issued 269,723,076 new shares with Rp100 (full Rupiah) par value per share at an exercise price of Rp77,000 (full Rupiah) per share.

Total selisih antara harga pelaksanaan dan nilai nominal per lembar saham disajikan sebagai bagian dari akun "Tambahan modal disetor".

The resulting difference arising between the exercise price and the par value per share was presented as part of "Additional paid-in capital".

Lihat Catatan 19 untuk rincian saldo tambahan modal disetor.

Refer to Note 19 for details of balance of additional paid-in capital.

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18. MODAL SAHAM (lanjutan)

PUT dilakukan oleh Perusahaan dalam rangka mematuhi ketentuan Bursa Efek Indonesia (BEI), dimana jumlah saham perusahaan tercatat yang dimiliki oleh pemegang saham bukan pengendali dan bukan pemegang saham utama adalah paling kurang 7,5% dari jumlah saham dalam modal disetor.

19. TAMBAHAN MODAL DISETOR

Rincian perubahan tambahan modal disetor adalah sebagai berikut:

	31 Desember/ December 2014	Penawaran umum terbatas/ Limited public offering	Pembayaran berbasis saham/ Share-based payments	31 Desember/ December 2015	
Tambahan modal disetor	42,077	20,741,704	-	20,783,781	<i>Additional paid-in capital</i>
Biaya penerbitan saham	-	(324,751)	-	(324,751)	<i>Share issuance costs</i>
Pembayaran berbasis saham	57,319	-	(30,501)	26,818	<i>Share-based payments</i>
Jumlah tambahan modal disetor	99,396	20,416,953	(30,501)	20,485,848	Total additional paid-in capital

Biaya penerbitan saham terdiri dari biaya jasa profesional yang dibayarkan kepada penjamin emisi, konsultan hukum, akuntan publik dan biaya transaksi lainnya yang dapat diatribusikan langsung sebagai bagian dari PUT (Catatan 18).

Pembayaran berbasis saham merupakan program Philip Morris International Inc. ("PMI"), dimana karyawan yang memenuhi kriteria tertentu berhak untuk berpartisipasi dalam program ini.

Saham yang diterbitkan akan menjadi hak karyawan apabila karyawan yang bersangkutan masih bekerja di Perusahaan selama tiga tahun sejak tanggal pemberian.

Setiap tahun, Perusahaan mencatat kewajiban kepada PMI serta melakukan pembalikan ke akun "Tambahan modal disetor" berdasarkan jumlah yang ditagih oleh PMI atas saham yang telah vested.

Jumlah kompensasi berbasis saham yang diakui dalam laporan laba rugi komprehensif konsolidasian untuk tahun-tahun yang berakhir 31 Desember 2015 dan 2014 masing-masing adalah Rp64,4 miliar dan Rp70,3 miliar.

18. SHARE CAPITAL (continued)

The LPO was undertaken to fulfil the requirement of the Indonesia Stock Exchange (IDX), whereby the total shares owned by non-controlling and non-principal shareholders of a listed company may not be less than 7.5% of total shares in the paid-in capital.

19. ADDITIONAL PAID-IN CAPITAL

Detail movement of the additional paid-in capital is as follows:

Share issuance costs represent professional fees paid to the underwriters, lawyers, public accountant and other directly attributable transaction costs as part of the LPO (Note 18).

Share-based payments is a Philip Morris International Inc. ("PMI") program, whereby employees who meet certain criteria are eligible to participate in this program.

Shares granted will become employees' rights if the employees remain in employment with the Company for three years since the grant date.

On an annual basis, there will be a recharge from PMI for the amount of shares vested, on which the Company will record the liability to PMI and reverse the "Additional paid-in capital" account.

Total share-based compensation recognised in the consolidated statements of comprehensive profit or loss for the years ended December 31, 2015 and 2014 were Rp64.4 billion and Rp70.3 billion, respectively.

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20. PENJUALAN BERSIH

20. NET REVENUES

	<u>2015</u>	<u>2014</u>	
Ekspor	559,384	382,835	<i>Export</i>
Lokal			<i>Local</i>
Sigaret kretek mesin	55,594,361	48,722,026	<i>Machine-made clove cigarettes</i>
Sigaret kretek tangan	19,058,352	18,645,171	<i>Hand-rolled clove cigarettes</i>
Sigaret putih mesin	13,336,188	12,149,413	<i>White cigarettes</i>
Lainnya	521,021	790,694	<i>Others</i>
	<u>89,069,306</u>	<u>80,690,139</u>	<i>Total</i>

Tidak ada penjualan kepada satu pelanggan dengan jumlah kumulatif penjualan melebihi 10% dari total penjualan bersih konsolidasian.

There were no sales to any single customer for which the cumulative total sales exceeded 10% of total net revenue.

21. INFORMASI SEGMENT

21. SEGMENT INFORMATION

Manajemen berpendapat bahwa Grup memiliki satu segmen usaha, yaitu manufaktur dan perdagangan rokok, dimana persentase penjualan dan aset segmen usaha terhadap penjualan bersih dan aset konsolidasian Grup adalah sebagai berikut:

Management is of the view that the Group operates in one operating segment, i.e. manufacturing and trading of cigarettes, given that the percentage of sales and assets of this segment to the total consolidated net revenues and assets of the Group were as follows:

	<u>2015</u>	<u>2014</u>	
Persentase penjualan bersih terhadap penjualan bersih konsolidasian	99.8%	99.8%	<i>Percentage of the net revenues to consolidated net revenues</i>
Persentase aset terhadap aset konsolidasian	98.5%	97.8%	<i>Percentage of the assets to consolidated assets</i>

Persentase penjualan bersih, beban pokok penjualan, total aset dan pengeluaran modal Grup dari usaha di Indonesia terhadap total penjualan bersih, beban pokok penjualan, aset dan pengeluaran modal konsolidasian adalah sebagai berikut:

Percentage of the Group's net revenues, cost of goods sold, total assets and capital expenditures from operations in Indonesia to the total consolidated net revenues, cost of goods sold, assets and capital expenditures were as follows:

	<u>2015</u>	<u>2014</u>	
Persentase penjualan bersih dari usaha di Indonesia terhadap total penjualan bersih konsolidasian	100%	100%	<i>Percentage of net revenues from operations in Indonesia to consolidated net revenues</i>
Persentase beban pokok penjualan dari usaha di Indonesia terhadap beban pokok penjualan konsolidasian	100%	100%	<i>Percentage of cost of goods sold from operations in Indonesia to consolidated cost of goods sold</i>
Persentase total aset di Indonesia terhadap total aset konsolidasian	99.9%	99.8%	<i>Percentage of total assets in Indonesia to consolidated assets</i>
Persentase pengeluaran modal di Indonesia terhadap total pengeluaran modal konsolidasian	100%	100%	<i>Percentage of capital expenditures in Indonesia to consolidated capital expenditures</i>

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22. BEBAN BERDASARKAN SIFAT

Jumlah beban pokok penjualan, beban penjualan dan beban umum dan administrasi adalah sebagai berikut:

	2015	2014
Beban pokok penjualan	67,304,917	60,190,077
Beban penjualan	5,974,163	5,295,372
Beban umum dan administrasi	1,742,155	1,399,271
	<u>75,021,235</u>	<u>66,884,720</u>

Berikut merupakan rekonsiliasi beban pokok penjualan:

	2015	2014
Beban produksi	16,087,806	14,317,403
Pita cukai*	46,969,244	42,022,181
Persediaan barang jadi dan barang dagangan awal tahun	3,072,232	2,485,396
Pembelian barang dagangan	4,784,923	4,410,244
Persediaan barang jadi dan barang dagangan akhir tahun	<u>(3,634,974)</u>	<u>(3,072,232)</u>
Beban pokok penjualan rokok	67,279,231	60,162,992
Beban pokok penjualan lainnya	<u>25,686</u>	<u>27,085</u>
Jumlah	<u>67,304,917</u>	<u>60,190,077</u>

*Termasuk pita cukai atas barang dagangan yang dibeli dari PT Philip Morris Indonesia yang telah terjual.

Beban berdasarkan sifat untuk beban pokok penjualan, beban penjualan dan beban umum dan administrasi adalah sebagai berikut:

	2015	2014
Pita cukai*	46,969,244	42,022,181
Beban pokok penjualan barang dagangan	4,382,416	3,935,877
Bahan baku	10,351,605	9,604,723
Gaji, upah dan manfaat karyawan	4,086,773	3,538,581
Biaya overhead lainnya	3,215,959	2,551,355
Iklan dan promosi	2,877,289	2,532,726
Pengangkutan dan distribusi	684,174	499,169
Penyusutan	675,625	578,353
Jasa manajemen	607,340	465,935
Sewa	274,952	261,403
Perjalanan dinas	140,918	115,776
Honorarium tenaga ahli	125,373	190,176
Asuransi	79,587	81,166
Pelatihan dan pengembangan	69,219	61,893
Telepon dan faksimili	58,587	54,753
Penelitian dan pengembangan	49,214	46,925
Keamanan	45,954	41,711
Lain-lain (masing-masing dibawah Rp40 miliar)	<u>327,006</u>	<u>302,017</u>
Jumlah	<u>75,021,235</u>	<u>66,884,720</u>

*Termasuk pita cukai atas barang dagangan yang dibeli dari PT Philip Morris Indonesia yang telah terjual.

22. EXPENSES BY NATURE

The total cost of goods sold, selling expenses and general and administrative expenses were as follows:

Cost of goods sold
Selling expenses
General and administrative expenses

The following is the reconciliation of cost of goods sold:

Production costs
Excise tax*
Beginning balance of finished goods and merchandise inventory
Purchase of merchandise inventory
Ending balance of finished goods and merchandise inventory
Cost of goods sold for cigarettes
Cost of other sales
Total

*Including excise tax stamps of sold merchandise inventory purchased from PT Philip Morris Indonesia.

Expenses by nature of cost of goods sold, selling expenses and general and administrative expenses are as follows:

Excise tax stamps*
Cost of merchandise inventory sold
Raw materials
Salaries, wages and employee benefits
Other overhead costs
Advertising and promotion
Transportation and distribution
Depreciation
Management services
Rent
Travelling expense
Professional fees
Insurance
Training and development
Telephone and facsimile
Research and development
Security expense
Others (less than Rp40 billion each)
Total

*Including excise tax stamps of sold merchandise inventory purchased from PT Philip Morris Indonesia.

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22. BEBAN BERDASARKAN SIFAT (lanjutan)

Tidak ada pembelian dari pihak tertentu dengan nilai transaksi lebih dari 10% penjualan bersih konsolidasian selain pembelian rokok dari PMID (Catatan 27c) dan pita cukai dari Kantor Bea dan Cukai.

22. EXPENSES BY NATURE (continued)

There were no purchases from any party exceeding 10% of the consolidated net revenues other than purchases of cigarettes from PMID (Note 27c) and excise tax stamps from Customs and Excise Office.

23. BIAYA KEUANGAN

	<u>2015</u>	<u>2014</u>
Biaya keuangan		
- Pinjaman bank	88,099	1,168
- Pinjaman jangka pendek pihak - pihak berelasi (Catatan 27e)	27,227	3,748
- Liabilitas sewa pembiayaan	4,807	4,522
- Lain-lain	<u>18,292</u>	<u>37,978</u>
Jumlah	<u><u>138,425</u></u>	<u><u>47,416</u></u>

*Finance costs
Bank loan -
Short-term borrowing -
related parties
(Note 27e)
Finance lease liabilities -
Others -
Total*

23. FINANCE COSTS

24. LIABILITAS IMBALAN KERJA

	<u>2015</u>	<u>2014</u>
Akrual imbalan kerja	584,781	466,229
Kewajiban imbalan pascakerja	<u>1,395,368</u>	<u>1,213,532</u>
	1,980,149	1,679,761
Dikurangi:		
Bagian jangka pendek	<u>(628,781)</u>	<u>(507,145)</u>
Bagian jangka panjang	<u><u>1,351,368</u></u>	<u><u>1,172,616</u></u>

*Accrued employee benefits
Post-employment benefit
obligations

Less:
Current portion
Non-current portion*

24. EMPLOYEE BENEFIT LIABILITIES

Program Pensiun

Pada tanggal 1 April 2008, Perusahaan menyelenggarakan program pensiun iuran pasti yang dikelola oleh Dana Pensiun Lembaga Keuangan AIAF (DPLK AIAF). Berdasarkan program pensiun iuran pasti, imbalan yang akan diterima karyawan ditentukan dari besarnya kontribusi yang dibayarkan oleh pemberi kerja dan karyawannya ditambah dengan hasil investasi atas dana tersebut. Kontribusi dari karyawan adalah bersifat sukarela. Kontribusi Perusahaan dan entitas anak tertentu di dalam negeri atas program pensiun iuran pasti adalah sebesar 8,5% dari gaji karyawan atau Rp110,3 miliar untuk tahun yang berakhir pada tanggal 31 Desember 2015 (31 Desember 2014: Rp98,5 miliar).

Kontribusi yang diharapkan untuk program imbalan pascakerja untuk tahun yang berakhir pada 31 Desember 2016 adalah Rp135 miliar.

Pension Plan

On April 1, 2008, the Company established a defined contribution pension plan managed by Dana Pensiun Lembaga Keuangan AIAF (DPLK AIAF). Under the defined contribution pension plan, the benefit received by an employee is determined based on the contribution paid by the employer and the employees added with the return on investment of the fund. Contributions from employees are voluntary. The Company and certain of its domestic subsidiaries' contribution to the defined contribution pension plan is 8.5% of the employee's basic salary or Rp110.3 billion for the year ended December 31, 2015 (December 31, 2014: Rp98.5 billion).

Expected contributions to post-employment benefit plans for the year ending December 31, 2016 are Rp135 billion.

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24. LIABILITAS IMBALAN KERJA (lanjutan)

Imbalan pascakerja yang tidak dicakup oleh program pensiun di atas

Imbalan pascakerja yang tidak dicakup oleh program pensiun meliputi bagian imbalan berdasarkan Undang-Undang Ketenagakerjaan atas karyawan-karyawan yang tidak ikut serta dalam program pensiun iuran pasti yang disebut di atas dan atas karyawan-karyawan yang ikut dalam keanggotaan program, dimana saldo program pensiun iuran pasti di bawah saldo imbalan berdasarkan Undang-Undang Ketenagakerjaan. Tingkat dari imbalan yang tersedia bergantung pada lamanya jasa dan gaji karyawan pada tahun terakhir sampai pensiun.

Perhitungan atas imbalan pascakerja yang tidak dicakup oleh program pensiun didasarkan pada penilaian aktuarial yang dilakukan oleh PT Towers Watson Purbajaga, aktuaris independen berdasarkan laporannya tertanggal 18 Februari 2016 (2014: tertanggal 24 Februari 2015), menggunakan metode "Projected Unit Credit" dengan menggunakan asumsi sebagai berikut:

	<u>2015</u>	<u>2014</u>	
Tingkat diskonto tahunan	9.00%	8.00%	<i>Annual discount rate</i>
Tingkat kenaikan gaji tahunan	8.00%	8.00%	<i>Annual salary increase</i>
Usia pensiun normal	55 tahun/years	55 tahun/years	<i>Normal retirement age</i>
Usia pensiun dini	45 tahun/years	45 tahun/years	<i>Early retirement age</i>
Tingkat perputaran pekerja	2% dari usia 25 sampai 54/flat from age 25 until 54	2% dari usia 25 sampai 54/flat from age 25 until 54	<i>Employee turnover rate</i>
Tingkat pekerja cacat	10% dari/of TMI'11	10% dari/of TMI'11	<i>Disability rate</i>
Tabel tingkat kematian	TMI'11 Indonesian Mortality Table 2011	TMI'11 Indonesian Mortality Table 2011	<i>Mortality table</i>

Dikarenakan hambatan pada efisiensi produksi dan kondisi ekonomi eksternal, Perusahaan sebagai pemegang saham pengendali SPP memutuskan untuk menghentikan operasi SPP sejak Oktober 2015. Keputusan ini menyebabkan pembayaran pesangon kepada seluruh karyawan SPP yang terdiri dari kewajiban sebagaimana ditetapkan dalam Undang Undang Ketenagakerjaan dan pembayaran tambahan berdasarkan kebijaksanaan manajemen. Seluruh pembayaran telah diberikan kepada karyawan pada bulan November 2015.

24. EMPLOYEE BENEFIT LIABILITIES (continued)

Post-employment benefits not covered by the pension plan above

Post-employment benefits not covered by the pension plan include the benefit entitlements under Labor Law of those employees who are not members of the defined contribution pension plan referred to above and for those who are members of the plan, but where the account balance is below the legally required minimum amount of benefits. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Estimated post-employment benefits not covered by the pension plan have been determined based on the actuarial valuation undertaken by PT Towers Watson Purbajaga, an independent actuary, in its reports dated February 18, 2016 (2014: dated February 24, 2015), using the "Projected Unit Credit" method with the following assumptions:

Due to the constraints in term of production efficiency and external economic conditions, the Company as the controlling shareholder of SPP decided to cease the operation of SPP since October 2015. This decision resulted in separation payments to all SPP employees, which consist of the full obligation under the Labor Law and, in addition, a discretionary payment from the management. All payments have been made to the employees in November 2015.

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24. LIABILITAS IMBALAN KERJA (lanjutan)

Sehubungan dengan adanya penurunan penjualan sigaret kretek tangan (SKT) secara terus menerus, yang disebabkan oleh adanya perubahan preferensi konsumen, Perusahaan melakukan beberapa langkah-langkah termasuk menutup pabrik SKT di Jember dan Lumajang pada 31 Mei 2014, dan pada saat yang sama tetap fokus melanjutkan produksi SKT di lima pabrik lainnya di Surabaya, Malang, dan Probolinggo. Program ini mengakibatkan pembayaran pesangon kepada sejumlah karyawan yang terkena dampak termasuk didalamnya adalah kewajiban sebagaimana ditetapkan dalam Undang Undang Ketenagakerjaan dan pembayaran tambahan berdasarkan kebijaksanaan manajemen. Seluruh pembayaran telah diberikan kepada karyawan pada akhir Juni 2014.

Jumlah kewajiban imbalan pascakerja yang diakui pada laporan posisi keuangan konsolidasian ditentukan sebagai berikut:

	<u>2015</u>	<u>2014</u>	
Nilai kini kewajiban	1,395,368	1,271,392	<i>Present value of obligation</i>
Biaya jasa lalu yang belum diakui	-	(57,860)	<i>Unrecognised past service costs</i>
			<i>Post-employment benefit obligations</i>
Kewajiban imbalan pascakerja	1,395,368	1,213,532	
Dikurangi:			<i>Less:</i>
Kewajiban imbalan pascakerja - jangka pendek	(44,000)	(40,916)	<i>Post-employment benefit obligations - current</i>
Kewajiban imbalan pascakerja - jangka panjang	<u>1,351,368</u>	<u>1,172,616</u>	<i>Post-employment benefit obligations - non-current</i>

Mutasi nilai kini dari kewajiban imbalan pasti selama tahun berjalan adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>	
Pada awal tahun	1,271,392	1,039,084	<i>At the beginning of the year</i>
Biaya jasa kini	88,835	73,635	<i>Current service cost</i>
Biaya bunga	99,630	91,945	<i>Interest cost</i>
Pengukuran kembali			<i>Remeasurements</i>
- Kerugian penyesuaian pengalaman	148,544	104,689	<i>Loss from - experience adjustment</i>
- (Keuntungan)/kerugian perubahan asumsi aktuarial	(137,112)	116,681	<i>(Gain)/loss from change - in actuarial assumptions</i>
Perubahan program	-	(548)	<i>Plan change</i>
Imbalan yang dibayar	(60,345)	(39,256)	<i>Benefits paid</i>
Kurtailmen	5,725	50,252	<i>Curtailment</i>
Penyelesaian	(21,121)	(164,635)	<i>Settlement</i>
Mutasi karyawan	(180)	(455)	<i>Transfer of employees</i>
Pada akhir tahun	<u>1,395,368</u>	<u>1,271,392</u>	<i>At the end of the year</i>

24. EMPLOYEE BENEFIT LIABILITIES (continued)

As a result of continuous decline in the sales of hand-rolled cigarette (SKT), due to consumer changing preferences, the Company has taken measures which include discontinuing its SKT production in the Jember and Lumajang manufacturing facilities by May 31, 2014, while at the same time continuing to focus its SKT production at the 5 remaining production facilities in Surabaya, Malang and Probolinggo. This program resulted in separation payments to a group of the impacted employees, which included the full obligation under the Labor Law and, in addition, a generous discretionary payment from the management. All payments have been made to the employees by the end of June 2014.

The amounts of the post-employment benefit obligation recognised in the consolidated statements of financial position are determined as follows:

The movement in the present value of defined benefit obligation over the year is as follows:

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24. LIABILITAS IMBALAN KERJA (lanjutan)

Rincian beban imbalan pascakerja yang tidak dicakup oleh program pensiun pada tahun yang berakhir pada 31 Desember 2015 dan 2014 adalah sebagai berikut:

	<u>2015</u>	<u>2014</u>	
Biaya jasa kini	88,835	73,635	Current service cost
Beban bunga	99,630	91,945	Interest cost
Biaya jasa lalu	57,860	7,343	Past service cost
Kurtailmen dan penyelesaian	<u>5,725</u>	<u>52,741</u>	Curtailment and settlement
Jumlah	<u><u>252,050</u></u>	<u><u>225,664</u></u>	Total

Sehubungan dengan penerapan PSAK No. 24 (Revisi 2013), Grup telah mengubah kebijakan akuntansinya dengan mengakui biaya jasa lalu secara langsung di laporan laba rugi konsolidasian, efektif sejak 1 Januari 2015. Untuk tahun yang berakhir pada 31 Desember 2014 biaya jasa lalu diamortisasi secara garis lurus sepanjang waktu tertentu. Apabila biaya jasa lalu diakui secara langsung di laporan laba rugi konsolidasian, dampaknya tidak material.

Nilai akumulasi kerugian aktuarial setelah pajak yang dicatat pada saldo laba sebesar Rp354,9 miliar pada 31 Desember 2015 (31 Desember 2014: Rp346,3 miliar).

Melalui program imbalan pasti yang dimiliki oleh Grup, Grup terpengaruh oleh beberapa risiko sebagai berikut:

- a. Risiko suku bunga. Kewajiban imbalan pasti yang dihitung berdasarkan PSAK 24 menggunakan tingkat diskonto obligasi. Jika tingkat diskonto tersebut turun, maka kewajiban imbalan pasti akan cenderung mengalami kenaikan.
- b. Risiko inflasi atas gaji. Kenaikan aktual atas inflasi dibandingkan dengan tingkat kenaikan gaji akan membuat kewajiban imbalan pasti menjadi lebih tinggi.

Sensitivitas kewajiban imbalan pasti karena perubahan asumsi aktuarial adalah sebagai berikut:

	Dampak kepada nilai kini kewajiban imbalan pasti/ Impact on present value defined benefit obligation			
	Perubahan asumsi/ Change in assumption	Kenaikan asumsi/ Increase in assumption	Penurunan asumsi/ Decrease in assumption	
Tingkat diskonto	50 basis poin/basis points	Penurunan sebesar/Decrease by Rp61,966	Kenaikan sebesar/Increase by Rp66,112	Discount rate
Tingkat kenaikan gaji	50 basis poin/basis points	Kenaikan sebesar/Increase by Rp93,695	Penurunan sebesar/Decrease by Rp86,382	Salary increase

24. EMPLOYEE BENEFIT LIABILITIES (continued)

The details of the post-employment benefit expenses not covered by the pension plan for the year ended December 31, 2015 and 2014, were as follows:

In relation to the implementation of SFAS No. 24 (Revised 2013), the Group has changed its accounting policy to recognise past service costs immediately in the consolidated statement of profit or loss, effective on January 1, 2015. For the year ended December 31, 2014, the past service costs were amortised on a straight line basis over the specified period of time. If the past service costs had been recognised immediately in the consolidated statements of profit or loss, the impact would not be material.

Accumulated actuarial loss net of tax recorded in retained earnings amounted to Rp354.9 billion as of December 31, 2015 (December 31, 2014: Rp346.3 billion).

Through its defined benefit pension plans, the Group is exposed to a number of risks, which are detailed below:

- a. Interest rate risk. The defined benefit obligation calculated under SFAS 24 uses a discount rate on bond yields. If bond yields fall, the defined benefit will tend to increase.
- b. Salary inflation risk. Higher actual increase than expected increase in salary will increase the defined benefit obligation.

The sensitivity of the post-employment benefit obligation to changes in the actuarial assumptions is as follows:

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Analisis sensitivitas di atas didasarkan pada perubahan atas asumsi tunggal dengan asumsi lainnya konstan. Pada praktiknya, kecil kemungkinan hal tersebut terjadi, dan perubahan-perubahan dalam beberapa asumsi mungkin saling berhubungan. Ketika melakukan perhitungan sensitivitas dari kewajiban imbalan pasti ke asumsi aktuarial yang signifikan, metode yang sama (nilai kini dari kewajiban imbalan pasti yang dihitung dengan menggunakan metode *projected unit credit* pada akhir periode pelaporan) telah diterapkan seperti saat menghitung kewajiban pensiun yang diakui pada laporan posisi keuangan konsolidasian.

Durasi rata-rata tertimbang dari kewajiban imbalan pasti adalah 10,0 tahun.

25. DIVIDEN

2015

Berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan tanggal 27 April 2015, para pemegang saham Perusahaan telah menyetujui dan mengesahkan pembayaran Dividen Tunai sebesar Rp4,27 triliun atau Rp975 (Rupiah penuh) per saham yang berasal dari laba bersih tahun buku 2014, dan seluruhnya dibayarkan pada tanggal 28 Mei 2015.

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 10 Agustus 2015, para pemegang saham Perusahaan telah menyetujui dan mengesahkan pembayaran Dividen Tunai sejumlah Rp4,53 triliun atau Rp1.033 (Rupiah penuh) per saham yang berasal dari saldo laba Perusahaan sejak tahun buku 1999 sampai dengan 2014, yang dibayarkan pada tanggal 9 September 2015.

Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 18 September 2015, para pemegang saham Perusahaan telah menyetujui dan mengesahkan pembayaran Dividen Tunai sejumlah Rp3,45 triliun atau Rp787 (Rupiah penuh) per saham yang berasal dari saldo laba Perusahaan sampai dengan 2014, yang dibayarkan pada tanggal 12 Oktober 2015.

24. EMPLOYEE BENEFIT LIABILITIES (continued)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated statement of financial position.

The weighted average duration of the defined benefit obligation is 10.0 years.

25. DIVIDENDS

2015

Based on a resolution of the Annual Shareholders' General Meeting on April 27, 2015, the Company's shareholders approved and ratified the payment of a Cash Dividend of Rp4.27 trillion or Rp975 (full Rupiah) per share from the net income of the 2014 financial year, and the amount was fully paid on May 28, 2015.

Based on a resolution of the Extraordinary General Shareholders' Meeting on August 10, 2015, the Company's shareholders approved and ratified the payment of a Cash Dividend of Rp4.53 trillion or Rp1,033 (full Rupiah) per share from the Company's retained earnings from 1999 to 2014, and the amount was paid on September 9, 2015.

Based on a resolution of Extraordinary General Shareholders' Meeting on September 18, 2015, the Company's shareholders approved and ratified the payment of a Cash Dividend of Rp3.45 trillion or Rp787 (full Rupiah) per share from the Company's retained earnings as of 2014, and the amount was paid on October 12, 2015.

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25. DIVIDEN (lanjutan)

2014

Berdasarkan keputusan Rapat Umum Pemegang Saham Tahunan tanggal 9 Mei 2014, para pemegang saham Perusahaan telah menyetujui dan mengesahkan pembayaran Dividen Tunai sebesar Rp10,65 triliun atau Rp2.430 (Rupiah penuh) per saham yang berasal dari laba bersih tahun buku 2013, dimana:

- Rp4,06 triliun atau Rp927 (Rupiah penuh) per saham telah dibayarkan pada tanggal 20 Juni 2014;
- Rp1,58 triliun atau Rp360 (Rupiah penuh) per saham telah dibayarkan pada tanggal 30 September 2014;
- Rp5,01 triliun atau Rp1.143 (Rupiah penuh) per saham telah dibayarkan pada tanggal 23 Desember 2014.

26. LABA PER SAHAM

Laba per saham dihitung dengan membagi laba yang dapat diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada periode bersangkutan.

	2015	2014
Laba per saham:		
Laba yang dapat diatribusikan kepada pemilik entitas induk	10,363,308	10,181,083
Rata-rata tertimbang jumlah saham biasa yang beredar - dasar dan dilusian	4,454,614,430	4,414,992,701
Laba per saham - dasar dan dilusian (Rupiah penuh)	2,326	2,306

Sehubungan dengan PUT yang dijabarkan pada Catatan 1 dan 18, jumlah rata-rata tertimbang atas saham yang beredar dan laba per saham dasar dan dilusian tahun lalu telah disajikan kembali untuk mencerminkan unsur bonus dalam penerbitan Hak Memesan Efek Terlebih Dahulu tersebut.

27. INFORMASI MENGENAI PIHAK BERELASI

Dalam kegiatan usaha normal, Grup melakukan transaksi dengan pihak-pihak berelasi (lihat Catatan 29).

Penentuan harga atas transaksi-transaksi dengan pihak-pihak berelasi dilakukan berdasarkan metode sesuai dengan jenis transaksinya seperti metode *cost-plus*, *comparable uncontrolled price*, dan *transactional net margin*.

25. DIVIDENDS (continued)

2014

Based on a resolution of the Annual Shareholders' General Meeting on May 9, 2014, the Company's shareholders approved and ratified the payment of a Cash Dividend of Rp10.65 trillion or Rp2,430 (full Rupiah) per share from the net income of the 2013 financial year, whereby:

- *Rp4.06 trillion or Rp927 (full Rupiah) per share was paid on June 20, 2014;*
- *Rp1.58 trillion or Rp360 (full Rupiah) per share was paid on September 30, 2014;*
- *Rp5.01 trillion or Rp1,143 (full Rupiah) per share was paid on December 23, 2014.*

26. EARNINGS PER SHARE

Earnings per share is calculated by dividing profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period.

	2015	2014
Earnings per share:		
<i>Profit attributable to owners of the parent</i>	10,363,308	10,181,083
<i>Weighted average number of ordinary shares outstanding - basic and diluted</i>	4,454,614,430	4,414,992,701
<i>Earnings per share - basic and diluted (full Rupiah)</i>	2,326	2,306

In connection with the LPO as disclosed in Note 1 and 18, the prior year's weighted average number of shares outstanding and earnings per share (basic and diluted) have been restated to reflect the effect of bonus element in the preemptive right.

27. RELATED PARTY INFORMATION

The Group, in its regular conduct of business, has engaged in transactions with related parties (see Note 29).

The pricing for transactions with related parties are determined based on methods in accordance with the type of the transactions such as cost-plus method, comparable uncontrolled price method, and transactional net margin method.

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27. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)

27. RELATED PARTY INFORMATION (continued)

a. Sifat transaksi material dan hubungan istimewa

a. Nature of material transactions and relationship with related parties

Pihak berelasi/ Related parties	Sifat hubungan dengan pihak berelasi/ Relationship with the related parties	Transaksi yang signifikan/ Significant transactions
Philip Morris International Inc.	Entitas induk utama Grup/ <i>The Group's ultimate parent company</i>	- Pembiayaan/ <i>Financing</i>
PT Philip Morris Indonesia	Pemegang saham pengendali/ <i>Controlling shareholder</i>	- Penjualan dan pembelian tembakau dan bahan baku langsung/ <i>Sales and purchase of tobacco and direct materials</i> - Pendapatan dan biaya jasa manajemen/ <i>Management services income and charges</i> - Pendapatan jasa teknis/ <i>Technical services income</i> - Pembiayaan/ <i>Financing</i> - Pendapatan sewa tanah dan bangunan/ <i>Land and building rent income</i> - Penjualan dan pembelian mesin dan peralatan/ <i>Sales and purchase of machinery and equipment</i> - Pembelian rokok/ <i>Purchase of cigarettes</i> - Penjualan dan pembelian suku cadang/ <i>Sales and purchase of sparepart</i> - Pembelian gedung dan peralatan gedung/ <i>Purchase of building and building equipment</i> - Pendapatan dari billboard marketing/ <i>Billboard marketing income</i> - Biaya jasa manajemen/ <i>Management services charges</i>
Philip Morris Products SA	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan rokok/ <i>Sales of cigarettes</i> - Pendapatan royalti/ <i>Royalty income</i> - Pendapatan jasa teknis untuk pengembangan produk/ <i>Technical services income for product development</i> - Pendapatan jasa kepegawaian/ <i>Personnel services income</i>
Philip Morris International Management SA	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan rokok/ <i>Sales of cigarettes</i> - Penjualan tembakau dan bahan baku langsung/ <i>Sales of tobacco and direct materials</i> - Pendapatan jasa teknis dan manajemen/ <i>Technical and management services income</i> - Biaya jasa teknis dan manajemen/ <i>Technical and management services charges</i> - Pembelian tembakau dan bahan baku langsung/ <i>Purchase of tobacco and direct materials</i>
Philip Morris Services SA (sebelumnya dikenal sebagai/previous known as Philip Morris Management Services SA)	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Pendapatan jasa kepegawaian/ <i>Personnel services income</i> - Biaya jasa kepegawaian/ <i>Personnel services charges</i>

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27. INFORMASI MENGENAI PIHAK BERELASI
(lanjutan)

27. RELATED PARTY INFORMATION (continued)

a. Sifat transaksi material dan hubungan istimewa (lanjutan)

a. Nature of material transactions and relationship with related parties (continued)

Pihak berelasi/ Related parties	Sifat hubungan dengan pihak berelasi/ Relationship with the related parties	Transaksi yang signifikan/ Significant transactions
Philip Morris Finance SA	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Pembiayaan/ <i>Financing</i>
Philip Morris Limited Moorabbin	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan rokok/ <i>Sales of cigarettes</i> - Pembelian mesin/ <i>Purchase of machinery</i> - Biaya jasa manajemen/ <i>Management services charges</i> - Pembelian bahan baku langsung/ <i>Purchase of direct materials</i>
Philip Morris (Malaysia) Sdn. Bhd.	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan bahan baku langsung/ <i>Sales of direct materials</i> - Penjualan rokok/ <i>Sales of cigarettes</i> - Pembelian tembakau dan bahan baku langsung/ <i>Purchase of tobacco and direct materials</i> - Pendapatan jasa kepegawaian/ <i>Personnel services income</i> - Biaya jasa manajemen/ <i>Management services charges</i>
Philip Morris Global Services Inc.	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Biaya jasa manajemen/ <i>Management services charges</i>
Philip Morris Brasil Industria E Comercio LTDA	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan bahan baku langsung/ <i>Sales of direct materials</i> - Biaya jasa kepegawaian/ <i>Personnel services charges</i>
Godfrey Phillips India Ltd.	Entitas asosiasi dari entitas induk utama Grup/ <i>Associate of the Group's ultimate parent company</i>	- Penjualan tembakau dan bahan baku langsung/ <i>Sales of tobacco and direct materials</i> - Pembelian tembakau/ <i>Purchase of tobacco</i>
Godfrey Phillips (Malaysia)	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan rokok/ <i>Sales of cigarettes</i> - Biaya jasa manajemen/ <i>Management services charges</i> - Pendapatan jasa manajemen/ <i>Management services income</i> - Pembelian bahan baku langsung/ <i>Purchase of direct materials</i>
Philip Morris International IT Service Center SARL	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Pendapatan jasa teknis/ <i>Technical services income</i> - Biaya jasa manajemen/ <i>Management services charges</i>
Papastratos Cigarette Manufacturing	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan rokok/ <i>Sales of cigarettes</i> - Biaya jasa manajemen/ <i>Management services charges</i>
Philip Morris (Pakistan) Limited	Entitas anak dari entitas induk utama Grup/ <i>Subsidiary of the Group's ultimate parent company</i>	- Penjualan mesin/ <i>Sales of machinery</i> - Penjualan bahan baku langsung/ <i>Sales of direct materials</i> - Pembelian mesin/ <i>Purchase of machinery</i>

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27. RELATED PARTY INFORMATION (continued)

a. Sifat transaksi material dan hubungan istimewa (lanjutan)

a. Nature of material transactions and relationship with related parties (continued)

Pihak berelasi/ Related parties	Sifat hubungan dengan pihak berelasi/ Relationship with the related parties	Transaksi yang signifikan/ Significant transactions
Philip Morris Fortune Tobacco Company	Entitas anak dari entitas induk utama Grup/Subsidiary of the Group's ultimate parent company	- Pembelian tembakau/Purchase of tobacco - Penjualan tembakau dan bahan baku langsung/Sales of tobacco and direct materials - Penjualan suku cadang/Sales of spareparts - Biaya jasa kepegawaian dan manajemen/Personnel and management services charges
Philip Morris Philippines Manufacturing Inc.	Entitas anak dari entitas induk utama Grup/Subsidiary of the Group's ultimate parent company	- Penjualan tembakau dan bahan baku langsung/Sales of tobacco and direct materials - Pembelian bahan baku langsung/Purchase of direct materials - Biaya jasa manajemen/Management services charges - Pendapatan jasa manajemen/Management services income - Pembelian tembakau/Purchase of tobacco - Biaya jasa kepegawaian/Personnel services charges - Biaya jasa teknis/Technical services expense
Philip Morris International Engineering SA	Entitas anak dari entitas induk utama Grup/Subsidiary of the Group's ultimate parent company	- Penjualan mesin/Sales of machinery
Philip Morris Mexico Productos Y	Entitas anak dari entitas induk utama Grup/Subsidiary of the Group's ultimate parent company	- Penjualan bahan baku langsung/Sales of direct materials
ZAO Philip Morris Izhora	Entitas anak dari entitas induk utama Grup/Subsidiary of the Group's ultimate parent company	- Pembelian mesin/Purchase of machinery

b. Penjualan bersih

b. Net revenues

	2015	2014	
Pemegang saham pengendali PT Philip Morris Indonesia	<u>375,773</u>	<u>634,934</u>	Controlling shareholder PT Philip Morris Indonesia
Persentase terhadap penjualan bersih konsolidasian	<u>0.42%</u>	<u>0.79%</u>	As a percentage of the consolidated net revenues
Entitas asosiasi dari entitas induk utama Grup Godfrey Phillips India Ltd.	<u>18,981</u>	<u>20,875</u>	Associate of the Group's ultimate parent company Godfrey Phillips India Ltd.
Persentase terhadap penjualan bersih konsolidasian	<u>0.02%</u>	<u>0.03%</u>	As a percentage of the consolidated net revenues

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27. RELATED PARTY INFORMATION (continued)

b. Penjualan bersih (lanjutan)

b. Net revenues (continued)

	<u>2015</u>	<u>2014</u>	
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris International Management SA	282,779	129,661	Philip Morris International Management SA
Papastratos Cigarette Manufacturing	80,097	29,731	Papastratos Cigarette Manufacturing
Philip Morris Products SA	73,526	75,412	Philip Morris Products SA
Philip Morris Limited Moorabbin	46,393	29,692	Philip Morris Limited Moorabbin
Philip Morris (Malaysia) Sdn. Bhd.	41,889	43,509	Philip Morris (Malaysia) Sdn. Bhd.
Philip Morris Mexico Productos Y	4,773	-	Philip Morris Mexico Productos Y
Philip Morris Brasil Industria E Comercio LTDA	3,450	6,777	Philip Morris Brasil Industria E Comercio LTDA
Philip Morris Fortune Tobacco Company	2,440	18,713	Philip Morris Fortune Tobacco Company
Philip Morris Philippines Manufacturing Inc.	927	8,182	Philip Morris Philippines Manufacturing Inc.
Lain-lain (masing-masing di bawah Rp2,3 miliar)	<u>4,129</u>	<u>3,899</u>	Others (less than Rp2.3 billion each)
	<u>540,403</u>	<u>345,576</u>	
Persentase terhadap penjualan bersih konsolidasian	<u>0.61%</u>	<u>0.43%</u>	As a percentage of the consolidated net revenues

c. Pembelian

c. Purchases

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	<u>12,871,809</u>	<u>11,771,702</u>	PT Philip Morris Indonesia
Persentase terhadap beban pokok penjualan konsolidasian	<u>19.12%</u>	<u>19.56%</u>	As a percentage of the consolidated cost of goods sold
Entitas asosiasi dari entitas induk utama Grup			Associate of the Group's ultimate parent company
Godfrey Phillips India Ltd.	<u>-</u>	<u>3,125</u>	Godfrey Phillips India Ltd.
Persentase terhadap beban pokok penjualan konsolidasian	<u>-</u>	<u>0.01%</u>	As a percentage of the consolidated cost of goods sold

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27. RELATED PARTY INFORMATION (continued)

c. Pembelian (lanjutan)

c. Purchases (continued)

	<u>2015</u>	<u>2014</u>	
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris International Management SA	529,232	214,791	Philip Morris International Management SA
Philip Morris Limited Moorabbin	17,677	-	Philip Morris Limited Moorabbin
Philip Morris Fortune Tobacco Company	8,991	92	Philip Morris Fortune Tobacco Company
Philip Morris (Pakistan) Limited	4,380	-	Philip Morris (Pakistan) Limited
Philip Morris (Malaysia) Sdn. Bhd.	308	41,466	Philip Morris (Malaysia) Sdn. Bhd.
ZAO Philip Morris Izhora	-	25,385	ZAO Philip Morris Izhora
Lain-lain (masing-masing di bawah Rp2,3 miliar)	<u>801</u>	<u>664</u>	Others (less than Rp2.3 billion each)
	<u>561,389</u>	<u>282,398</u>	
Persentase terhadap beban pokok penjualan konsolidasian	<u>0.83%</u>	<u>0.47%</u>	As a percentage of the consolidated cost of goods sold

d. Biaya jasa dan lainnya

d. Service charges and others

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	<u>96</u>	<u>2,607</u>	PT Philip Morris Indonesia
Persentase terhadap beban penjualan dan beban umum dan administrasi konsolidasian	<u>0.00%</u>	<u>0.04%</u>	As a percentage of the consolidated selling expenses and general and administrative expenses
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris International Management SA	670,057	512,294	Philip Morris International Management SA
Philip Morris Services SA	323,328	344,120	Philip Morris Services SA
Philip Morris International IT Service Center SARL	247,742	208,777	Philip Morris International IT Service Center SARL
Philip Morris Philippines Manufacturing Inc.	10,705	-	Philip Morris Philippines Manufacturing Inc.
Philip Morris Global Services Inc.	9,356	8,468	Philip Morris Global Services Inc.
Philip Morris Limited Moorabbin	3,770	-	Philip Morris Limited Moorabbin
Godfrey Phillips (Malaysia)	1,830	4,198	Godfrey Phillips (Malaysia)
Lain-lain (masing-masing di bawah Rp2,3 miliar)	<u>1,025</u>	<u>3,537</u>	Others (less than Rp2.3 billion each)
	<u>1,267,813</u>	<u>1,081,394</u>	
Persentase terhadap beban penjualan dan beban umum dan administrasi konsolidasian	<u>16.43%</u>	<u>16.15%</u>	As a percentage of the consolidated selling expenses and general and administrative expenses

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27. RELATED PARTY INFORMATION (continued)

e. Biaya keuangan

e. Finance costs

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	<u>19,785</u>	<u>2,475</u>	PT Philip Morris Indonesia
Persentase terhadap biaya keuangan konsolidasian	<u>14.29%</u>	<u>5.22%</u>	As a percentage of the consolidated finance costs
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris Finance SA	<u>7,442</u>	<u>1,273</u>	Philip Morris Finance SA
Persentase terhadap biaya keuangan konsolidasian	<u>5.38%</u>	<u>2.68%</u>	As a percentage of the consolidated finance costs

f. Penghasilan jasa dan lainnya

f. Service income and others

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	<u>158,515</u>	<u>116,615</u>	PT Philip Morris Indonesia
Persentase terhadap laba sebelum pajak penghasilan konsolidasian	<u>1.14%</u>	<u>0.85%</u>	As a percentage of the consolidated profit before income tax
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris International IT Service Center SARL	146,297	133,900	Philip Morris International IT Service Center SARL
Philip Morris Products SA	78,209	80,234	Philip Morris Products SA
Philip Morris International Management SA	73,708	64,807	Philip Morris International Management SA
Philip Morris Services SA	39,710	36,364	Philip Morris Services SA
Philip Morris International Engineering SA	2,485	-	Philip Morris International Engineering SA
Philip Morris (Pakistan) Limited	-	6,463	Philip Morris (Pakistan) Limited
Lain-lain (masing-masing di bawah Rp2,3 miliar)	<u>1,163</u>	<u>-</u>	Others (less than Rp2.3 billion each)
	<u>341,572</u>	<u>321,768</u>	
Persentase terhadap laba sebelum pajak penghasilan konsolidasian	<u>2.45%</u>	<u>2.35%</u>	As a percentage of the consolidated profit before income tax

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27. RELATED PARTY INFORMATION (continued)

g. Penghasilan keuangan

g. Finance income

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	26,979	36,434	PT Philip Morris Indonesia
Persentase terhadap penghasilan keuangan konsolidasian	39.12%	63.40%	As a percentage of the consolidated finance income
Entitas induk utama Grup			The Group's ultimate parent company
Philip Morris International Inc.	2,963	-	Philip Morris International Inc.
Persentase terhadap penghasilan keuangan konsolidasian	4.30%	-	As a percentage of the consolidated finance income
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris Finance SA	-	5	Philip Morris Finance SA
Persentase terhadap penghasilan keuangan konsolidasian	-	0.01%	As a percentage of the consolidated finance income

h. Piutang usaha

h. Trade receivables

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	68,351	42,833	PT Philip Morris Indonesia
Persentase terhadap aset konsolidasian	0.18%	0.15%	As a percentage of the consolidated assets
Entitas asosiasi dari entitas induk utama Grup			Associate of the Group's ultimate parent company
Godfrey Phillips India Ltd.	3,032	4,613	Godfrey Phillips India Ltd.
Persentase terhadap aset konsolidasian	0.01%	0.02%	As a percentage of the consolidated assets
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris International Management SA	30,376	44,564	Philip Morris International Management SA
Philip Morris International IT Service Center SARL	24,912	11,209	Philip Morris International IT Service Center SARL
Philip Morris Products SA Papastratos Cigarette Manufacturing	13,792	18,161	Philip Morris Products SA Papastratos Cigarette Manufacturing
Philip Morris Limited Moorabbin	6,048	1,519	Philip Morris Limited Moorabbin
Philip Morris Services SA	2,878	2,664	Philip Morris Services SA
Philip Morris (Malaysia) Sdn. Bhd.	2,841	2,880	Philip Morris (Malaysia) Sdn. Bhd.
Philip Morris Fortune Tobacco Company	31	5,801	Philip Morris Fortune Tobacco Company
Philip Morris Philippines Manufacturing Inc.	273	3,430	Philip Morris Philippines Manufacturing Inc.
Lain-lain (masing-masing di bawah Rp2,3 miliar)	4,401	4,022	Others (less than Rp2.3 billion each)
	<u>98,683</u>	<u>106,431</u>	
Persentase terhadap aset konsolidasian	0.26%	0.38%	As a percentage of the consolidated assets

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**27. INFORMASI MENGENAI PIHAK BERELASI
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27. RELATED PARTY INFORMATION (continued)

i. Piutang lainnya - lancar

i. Other receivables - current

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	69,050	-	PT Philip Morris Indonesia
Persentase terhadap aset konsolidasian	0.18%	-	As a percentage of the consolidated assets
Entitas induk utama			Ultimate parent company
Philip Morris International Inc.	2,071,572	-	Philip Morris International Inc.
Persentase terhadap aset konsolidasian	5.45%	-	As a percentage of the consolidated assets
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris Finance SA	3,400	8,006	Philip Morris Finance SA
Persentase terhadap aset konsolidasian	0.01%	0.03%	As a percentage of the consolidated assets

Lihat Catatan 29f untuk perjanjian fasilitas pinjaman.

Refer to Note 29f for the loan facility agreement.

Jumlah saldo piutang kepada Philip Morris International Inc. pada tanggal 31 Desember 2015 adalah sebesar USD150 juta atau setara dengan Rp2,07 triliun dan memiliki tingkat suku bunga tahunan 0,34%.

The outstanding loan receivable from Philip Morris International Inc. as at December 31, 2015 amounted to USD150 million or equivalent to Rp2.07 trillion and bore an annual interest rate of 0.34%.

Untuk mengurangi risiko fluktuasi nilai tukar atas piutang kepada Philip Morris International Inc., Perusahaan melakukan transaksi swap valuta asing dengan bank, dengan jumlah nilai nosional sebesar USD100 juta. Kontrak tersebut akan jatuh tempo pada tanggal 23 Februari 2016 dan 30 Juni 2016.

To mitigate the risk of fluctuations in the exchange rate of the receivable from Philip Morris International Inc., the Company entered into foreign currency swap transactions with banks, with a total notional amount of USD100 million. These contracts will be due on February 23, 2016 and June 30, 2016.

Sampoerna International Pte. Ltd., entitas anak di Singapura, memberikan pinjaman kepada Philip Morris Finance SA. Jumlah saldo piutang pihak berelasi pada tanggal 31 Desember 2015 adalah sebesar SGD0,35 juta atau setara dengan Rp3,4 miliar (31 Desember 2014: SGD0,85 juta atau setara dengan Rp8,0 miliar) dan memiliki tingkat suku bunga tahunan 0,46% pada tanggal 31 Desember 2015 (31 Desember 2014: 0,05%).

Sampoerna International Pte. Ltd., a subsidiary in Singapore, provided intercompany loans to Philip Morris Finance SA. The outstanding intercompany loan receivable at December 31, 2015 amounted to SGD0.35 million or equivalent to Rp3.4 billion (December 31, 2014: USD0.85 million or equivalent to Rp8.0 billion) and bore an annual interest rate of 0.46% at December 31, 2015 (December 31, 2014: 0.05%).

Eksposur maksimum risiko kredit pada tanggal pelaporan adalah sebesar nilai tercatat dari masing-masing piutang lainnya yang dijabarkan di atas.

The maximum exposure to credit risk at the reporting date is the carrying amount of the related other receivables mentioned above.

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27. RELATED PARTY INFORMATION (continued)

j. Utang usaha dan lainnya

j. Trade and other payables

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	657,434	821,693	PT Philip Morris Indonesia
Persentase terhadap liabilitas konsolidasian	10.97%	5.52%	As a percentage of the consolidated liabilities
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris International Management SA	163,792	61,223	Philip Morris International Management SA
Philip Morris International IT Service Center SARL	28,093	34,461	Philip Morris International IT Service Center SARL
Philip Morris Services SA	23,796	15,374	Philip Morris Services SA
Philip Morris Philippines Manufacturing Inc.	3,071	-	Philip Morris Philippines Manufacturing Inc.
Philip Morris Global Services Inc.	521	2,340	Philip Morris Global Services Inc.
Philip Morris (Malaysia) Sdn. Bhd.	51	2,680	Philip Morris (Malaysia) Sdn. Bhd.
Godfrey Phillips (Malaysia)	-	2,436	Godfrey Phillips (Malaysia)
Lain-lain (masing-masing di bawah Rp2,3 miliar)	985	2,083	Others (less than Rp2.3 billion each)
	<u>220,309</u>	<u>120,597</u>	
Persentase terhadap liabilitas konsolidasian	3.68%	0.81%	As a percentage of the consolidated liabilities

k. Pinjaman

k. Borrowings

	<u>2015</u>	<u>2014</u>	
Entitas anak dari entitas induk utama Grup			Subsidiary of the Group's ultimate parent company
Philip Morris Finance SA	-	2,744,820	Philip Morris Finance SA
Persentase terhadap liabilitas konsolidasian	-	18.44%	As a percentage of the consolidated liabilities

l. Aset dan liabilitas keuangan jangka pendek lainnya

l. Other short-term financial asset and liability

Aset keuangan jangka pendek lainnya

Other short-term financial asset

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	1,349,701	-	PT Philip Morris Indonesia
Persentase terhadap aset konsolidasian	3.55%	-	As a percentage of the consolidated assets

Liabilitas keuangan jangka pendek lainnya

Other short-term financial liability

	<u>2015</u>	<u>2014</u>	
Pemegang saham pengendali			Controlling shareholder
PT Philip Morris Indonesia	-	5,329	PT Philip Morris Indonesia
Persentase terhadap liabilitas konsolidasian	-	0.04%	As a percentage of the consolidated liabilities

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I. Aset dan liabilitas keuangan jangka pendek lainnya (lanjutan)

Aset dan liabilitas keuangan jangka pendek tersebut berasal dari pengelolaan kas dengan PMID, dengan tingkat suku bunga tahunan yang berlaku sebesar 5,10%-10,00% untuk tahun yang berakhir pada tanggal 31 Desember 2015 (2014: 5,30%-7,55%).

Eksposur maksimum risiko kredit pada tanggal pelaporan adalah sebesar nilai tercatat dari masing-masing aset keuangan jangka pendek lainnya yang dijabarkan di atas.

m. Kompensasi manajemen kunci

Personil manajemen kunci Perusahaan adalah Direksi dan Komisaris yang dirinci pada Catatan 1.

Kompensasi manajemen kunci terdiri atas gaji dan imbalan kerja jangka pendek lainnya, pembayaran berbasis saham, dan imbalan pascakerja. Pada tanggal 31 Desember 2015, jumlah kompensasi adalah sebesar Rp113,6 miliar (31 Desember 2014: Rp107,9 miliar) dengan rincian sebagai berikut:

27. RELATED PARTY INFORMATION (continued)

I. Other short-term financial asset and liability (continued)

The short-term financial asset and liability resulted from the cash management arrangement with PMID, with applicable annual interest rate of 5.10%-10.00% for the year ended December 31, 2015 (2014: 5.30%-7.55%).

The maximum exposure to credit risk at the reporting date is the carrying amount of the related other short-term financial assets mentioned above.

m. Key management compensation

Key management personnel of the Company are the Directors and Commissioners as detailed in Note 1.

The compensation of the key management personnel comprises salaries and other short-term benefits, share-based payments, and post-employment benefits. As of December 31, 2015, the total compensation amounted to Rp113.6 billion (December 31, 2014: Rp107.9 billion) with the details as follows:

	31 Desember/December 2015				
	Komisaris/ Commissioners		Direksi/ Directors		
	Persentase/ Percentage *)	Dalam jutaan Rupiah/ in millions Rupiah	Persentase/ Percentage *)	Dalam jutaan Rupiah/ in millions Rupiah	
Gaji dan imbalan kerja jangka pendek lainnya	0.08	3,279	1.90	77,476	Salaries and other short-term benefits
Pembayaran berbasis saham	-	-	0.69	28,356	Share-based payments
Imbalan pascakerja	-	-	0.11	4,466	Post-employment benefits
Jumlah	<u>0.08</u>	<u>3,279</u>	<u>2.70</u>	<u>110,298</u>	Total
	31 Desember/December 2014				
	Komisaris/ Commissioners		Direksi/ Directors		
	Persentase/ Percentage *)	Dalam jutaan Rupiah/ in millions Rupiah	Persentase/ Percentage *)	Dalam jutaan Rupiah/ in millions Rupiah	
Gaji dan imbalan kerja jangka pendek lainnya	0.12	3,606	2.56	75,667	Salaries and other short-term benefits
Pembayaran berbasis saham	-	-	0.89	26,451	Share-based payments
Imbalan pascakerja	-	-	0.07	2,225	Post-employment benefits
Jumlah	<u>0.12</u>	<u>3,606</u>	<u>3.52</u>	<u>104,343</u>	Total

*) Persentase terhadap jumlah gaji, upah dan manfaat karyawan (Catatan 22)/Percentage of total salaries, wages and employee benefits (Note 22)

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**28. ESTIMASI DAN PERTIMBANGAN AKUNTANSI
YANG PENTING**

Estimasi dan pertimbangan yang digunakan dalam penyusunan laporan keuangan konsolidasian terus dievaluasi berdasarkan pengalaman historis dan faktor lainnya, termasuk ekspektasi dari peristiwa masa depan yang diyakini wajar. Hasil aktual dapat berbeda dengan jumlah yang diestimasi. Estimasi dan asumsi yang memiliki pengaruh signifikan terhadap jumlah tercatat aset dan liabilitas diungkapkan di bawah ini.

Penurunan nilai aset nonkeuangan

Grup melakukan tes penurunan nilai setiap tahun untuk goodwill. Aset tetap dan aset tidak lancar lainnya, kecuali goodwill ditelaah untuk penurunan nilai apabila terdapat kejadian atau perubahan keadaan yang mengindikasikan bahwa jumlah tercatat aset melebihi nilai yang dapat diperoleh kembali. Nilai yang dapat diperoleh kembali suatu aset atau unit penghasil kas ditentukan berdasarkan yang lebih tinggi antara harga jual bersih dan nilai pakai, dihitung berdasarkan asumsi dan estimasi manajemen.

Penyusutan aset tetap

Manajemen menentukan estimasi masa manfaat dan beban penyusutan dari aset tetap. Manajemen akan menyesuaikan beban penyusutan jika masa manfaatnya berbeda dari estimasi sebelumnya atau manajemen akan menghapusbukukan atau melakukan penurunan nilai atas aset yang secara teknis telah usang atau aset tidak strategis yang dihentikan penggunaannya atau dijual.

Kewajiban imbalan kerja

Nilai kini kewajiban imbalan kerja tergantung pada sejumlah faktor yang ditentukan dengan menggunakan sejumlah asumsi aktuarial. Asumsi yang digunakan dalam menentukan biaya bersih untuk pensiun termasuk tingkat pengembalian jangka panjang yang diharapkan atas investasi dana program pensiun iuran pasti dan tingkat diskonto yang relevan. Setiap perubahan dalam asumsi ini akan berdampak pada nilai tercatat kewajiban imbalan kerja.

Asumsi penting lainnya untuk kewajiban imbalan kerja sebagian didasarkan pada kondisi pasar saat ini.

**28. CRITICAL ACCOUNTING ESTIMATES AND
JUDGEMENTS**

Estimates and judgments used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Actual results may differ from these estimates. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are disclosed below.

Impairment of non-financial assets

The Group tests annually whether goodwill suffered any impairment. Fixed assets and other non-current assets, excluding goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or cash generating unit is determined based on the higher of its fair value less costs to sell and its value in use, calculated on the basis of management's assumptions and estimates.

Depreciation of fixed assets

Management determines the estimated useful lives and related depreciation charges for the fixed assets. Management will revise the depreciation charge where useful lives are different from those previously estimated, or it will write-off or write down technically for obsolete or non-strategic assets that have been abandoned or sold.

Employee benefits obligation

The present value of the employee benefits obligation depends on a number of factors that are determined on a number of actuarial assumptions. The assumptions used in determining the net cost for pensions include the expected long-term rate of return on investment of the defined contribution pension fund and the relevant discount rate. Any changes in these assumptions will impact the carrying amount of the employee benefits obligation.

Other key assumptions for the employee benefits obligation are based in part on current market conditions.

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**28. ESTIMASI DAN PERTIMBANGAN AKUNTANSI
YANG PENTING (lanjutan)**

Pajak penghasilan

Pertimbangan signifikan diperlukan dalam menentukan provisi pajak penghasilan. Grup mengakui liabilitas untuk area audit pajak yang diantisipasi berdasarkan estimasi apakah tambahan pajak akan terutang. Jika hasil pajak final berbeda dengan jumlah yang sudah dicatat, selisihnya akan mempengaruhi aset dan liabilitas pajak kini dan tangguhan pada periode ditentukan hasilnya pajak tersebut.

29. PERJANJIAN-PERJANJIAN PENTING

- a. Pada tanggal 27 Juni 2012, Perusahaan menandatangani perjanjian sewa menyewa dengan PMID, dimana Perusahaan menyewakan tanah dan bangunan yang berlokasi di Karawang, Jawa Barat untuk periode 1 Oktober 2012 sampai dengan 30 September 2022. Perjanjian ini kemudian diubah dengan perjanjian sewa menyewa tanggal 27 Juni 2013. Total biaya sewa adalah sebesar Rp463,6 miliar dengan jadwal pembayaran sewa sebagai berikut:
- masa sewa lima tahun pertama mulai 1 Oktober 2012 sampai dengan 30 September 2017 sebesar Rp199,1 miliar, dimana sewa sebesar Rp112,0 miliar telah dibayarkan pada tanggal 2 Oktober 2012, dan sebesar Rp87,1 miliar pada tanggal 1 Juli 2013. Pada tanggal 31 Desember 2015, pendapatan tangguhan atas sewa sebesar Rp75,0 miliar (31 Desember 2014: Rp117,9 miliar).
 - masa sewa lima tahun kedua yaitu periode 1 Oktober 2017 sampai dengan 30 September 2022 adalah sebesar Rp264,5 miliar, yang akan dibayarkan selambat-lambatnya 1 Oktober 2017.

**28. CRITICAL ACCOUNTING ESTIMATES AND
JUDGEMENTS (continued)**

Income taxes

Significant judgment is required in determining the provision for income taxes. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the current and deferred income tax assets and liabilities in the period in which such determination is made.

29. SIGNIFICANT AGREEMENTS

- a. On June 27, 2012, the Company entered into a lease agreement with PMID, whereby the Company leases land and buildings located in Karawang, West Java, for the period from October 1, 2012 until September 30, 2022. This agreement was subsequently amended by a lease agreement dated June 27, 2013. The total lease amounts to Rp463.6 billion, with the payment terms as follows:
- Rp199.1 billion for the first five years lease period from October 1, 2012 to September 30, 2017 whereby Rp112.0 billion was paid on October 2, 2012; and the remaining of Rp87.1 billion was paid on July 1, 2013. As of December 31, 2015 the deferred revenue of this lease was Rp75.0 billion (December 31, 2014: Rp117.9 billion).
 - Rp264.5 billion is payable at the latest on October 1, 2017 for the second five years from October 1, 2017 to September 30, 2022.

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29. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

- b. Pada tanggal 3 Desember 2015, Perusahaan menandatangani perjanjian sewa menyewa baru dengan PMID, dimana Perusahaan menyewakan gudang yang berlokasi di Karawang, Jawa Barat untuk periode 3 Desember 2015 sampai dengan 2 Desember 2020. Total biaya sewa untuk masa sewa lima tahun adalah sebesar Rp12,01 miliar dengan jadwal pembayaran sewa sebagai berikut:
- pembayaran pertama sebesar Rp6,00 miliar telah dilunasi pada tanggal 3 Desember 2015. Pada tanggal 31 Desember 2015, pendapatan tangguhan atas sewa sebesar Rp5,80 miliar.
 - pembayaran kedua sebesar Rp6,01 miliar akan dilunasi selambat-lambatnya 3 Juni 2016.
- c. Pada tanggal 31 Maret 2008, Perusahaan menandatangani perjanjian pembelian tembakau dengan PT Sadhana untuk membeli sebagian besar kebutuhan tembakau domestik selama lima tahun berdasarkan harga pasar. Perjanjian tersebut berlaku selama lima tahun dan akan diperpanjang secara otomatis untuk periode lima tahun berikutnya.

Pada tanggal 31 Desember 2015, Perusahaan memiliki uang muka sejumlah Rp1,54 triliun (31 Desember 2014: Rp1,33 triliun) untuk pembelian tembakau yang belum direalisasikan. Pembayaran uang muka telah dijamin sepenuhnya oleh *Standby Letter of Credit*.

- d. Perusahaan menandatangani perjanjian kerjasama dengan Mitra Produksi Sigaret ("MPS") untuk memproduksi sigaret kretek tangan. Perjanjian ini umumnya berlaku untuk jangka waktu bervariasi antara satu sampai dengan tiga tahun dan dapat diperpanjang atas persetujuan kedua belah pihak. Sebagai akibat dari penurunan penjualan sigaret kretek tangan (SKT) secara terus menerus, yang disebabkan oleh adanya perubahan preferensi konsumen, pada bulan Juni 2015 Perusahaan telah mengubah volume produksi kontraktual, yang menyebabkan adanya kompensasi sebesar Rp604,3 miliar kepada seluruh MPS. Kompensasi kepada MPS tersebut termasuk dalam beban produksi untuk tahun yang berakhir pada tanggal 31 Desember 2015 dan telah dibayarkan pada tanggal 3 Juli 2015

29. SIGNIFICANT AGREEMENTS (continued)

- b. On December 3, 2015, the Company entered into a new lease agreement with PMID, whereby the Company leases warehouses located in Karawang, West Java, for the period from December 3, 2015 until December 2, 2020. The total lease amounts for five years lease period amounting to Rp12.01 billion, with the payment terms as follows:

- Rp6.00 billion for the first payment was paid on December 3, 2015. As of December 31, 2015 the deferred revenue of this lease was Rp5.80 billion.

- Rp6.01 billion is payable at the latest on June 3, 2016.

- c. On March 31, 2008, the Company entered into a leaf supply agreement with PT Sadhana to procure a significant portion of the Company's total Indonesian packed leaf tobacco requirements for five years at market price. The agreement is valid for five years and shall be automatically renewed for another five years.

As of December 31, 2015, the Company had advances of Rp1.54 trillion (December 31, 2014: Rp1.33 trillion) for the purchase of tobacco that had yet to be settled. These advance payments are fully covered by a *Standby Letter of Credit*.

- d. The Company has signed cooperation agreements with Third Party Operators ("TPO") to produce hand-rolled cigarettes. These agreements vary from one to three years and are extendable based on mutual agreement by both parties. Further, as a result of continuous decline in the sales of hand-rolled cigarettes (SKT), due to consumer changing preferences, in June 2015 the Company has amended the contractual production volume, resulting in compensation to the TPOs in total amount of Rp604.3 billion. The compensation to the TPOs has been included as part of the production costs for the year ended December 31, 2015 and has been paid on July 3, 2015.

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29. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

Jumlah biaya produksi dan jasa manajemen yang dibayarkan kepada MPS sebesar Rp1,64 triliun untuk tahun yang berakhir pada tanggal 31 Desember 2015 (2014: Rp1,56 triliun) termasuk dalam beban produksi.

- e. Transaksi dengan pihak-pihak berelasi telah disetujui dalam Rapat Umum Pemegang Saham Luar Biasa tanggal 27 Juni 2006 dan 18 Oktober 2006. Kemudian, Grup menandatangani berbagai perjanjian dengan PMID atau pihak-pihak terafiliasi sehubungan dengan:
- penyediaan barang (tembakau, bahan baku, bahan kemasan rokok, mesin dan suku cadang),
 - penyediaan jasa (pengelolaan gudang tembakau, jasa manajemen, jasa sistem informasi, jasa penjualan dan manajemen merek, jasa teknis untuk penelitian dan pengembangan dan jasa kepegawaian),
 - lisensi merek dagang, sub-lisensi merek dagang, kontrak manufaktur, pembiayaan
- f. Berdasarkan keputusan Rapat Umum Pemegang Saham Luar Biasa tanggal 18 September 2015, para pemegang saham menyetujui transaksi pinjaman antar pihak berafiliasi sebagai berikut:
- Perjanjian penerimaan fasilitas pinjaman (*uncommitted revolving facilities*) dari Philip Morris Finance SA dengan jumlah penerimaan pinjaman sampai dengan 100% ekuitas Perusahaan berdasarkan laporan keuangan tahunan terakhir yang telah diaudit.
 - Perjanjian pemberian fasilitas pinjaman (*uncommitted revolving facilities*) kepada Philip Morris Finance SA dengan jumlah pemberian pinjaman sampai dengan 100% dari laba bersih Perusahaan berdasarkan laporan keuangan tahunan terakhir yang telah diaudit.

Fasilitas-fasilitas pinjaman di atas dapat dipindahkan sebagian atau seluruhnya kepada entitas anak langsung atau tidak langsung dari Philip Morris International Inc., entitas induk utama Grup, dengan syarat dan ketentuan yang sama.

29. SIGNIFICANT AGREEMENTS (continued)

Total production costs and management service fees paid to the TPOs of Rp1.64 trillion for the year ended December 31, 2015 (2014: Rp1.56 trillion), are included within production costs.

- e. *The related parties arrangements were approved in the Extraordinary Shareholders' General Meetings on June 27, 2006 and October 18, 2006. Subsequently, the Group entered into various agreements with PMID or its affiliated parties in relation to:*
- *supply transactions (tobacco, raw materials, cigarette packaging materials, machinery and spare parts),*
 - *service transactions (leaf warehouse management, management services, information system services, sales and brand management services, technical support for research and development and personnel services),*
 - *trademark license, trademark sub-license, contract manufacturing, financing.*
- f. *Based on the Extraordinary General Shareholders' Meeting on September 18, 2015, the Company's shareholders approved the loans transactions between affiliated parties as follows:*
- *The uncommitted revolving facilities agreement from Philip Morris Finance SA with a maximum amount up to 100% of the equity of the Company based on its latest annual audited financial statements.*
 - *The uncommitted revolving facilities agreement to Philip Morris Finance SA with a maximum amount up to 100% of the net income of the Company based on its latest annual audited financial statements.*

The above facilities can be assigned to direct or indirect subsidiaries of Philip Morris International Inc., the Group's ultimate parent company, under the same terms and conditions.

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29. PERJANJIAN-PERJANJIAN PENTING (lanjutan)

29. SIGNIFICANT AGREEMENTS (continued)

Perjanjian - perjanjian fasilitas pinjaman tersebut berlaku sampai dengan tanggal 1 September 2025 dan dapat diperpanjang berdasarkan kesepakatan kedua belah pihak. Fasilitas ini akan digunakan untuk keperluan korporasi pada umumnya.

Those intercompany loan facility agreements are valid until September 1, 2025 and are extendable by mutual agreement of both parties. The facilities are to be used for general corporate purposes.

Pada tanggal 4 November 2015, Philip Morris Finance SA menyetujui untuk memindahkan seluruh hak dan kewajiban yang timbul dari perjanjian tersebut termasuk 100% fasilitas pinjaman kepada Philip Morris International Inc.

On November 4, 2015, Philip Morris Finance SA agreed to transfer its rights and obligations under the agreement include 100% portion of the loan facility to Philip Morris International Inc.

- g. Pada tanggal 22 Desember 2009, Perusahaan menandatangani perjanjian dengan PMID untuk menunjuk Perusahaan sebagai distributor tunggal untuk menjual rokok-rokok produksi PMID di Indonesia terhitung sejak tanggal 1 Januari 2010 sampai dengan 28 Februari 2015. Pada tanggal 17 Februari 2015, perjanjian tersebut diperpanjang untuk periode 1 Maret 2015 sampai dengan 28 Februari 2025.

- g. *On December 22, 2009, the Company entered into an agreement with PMID to assign the Company as the sole distributor of PMID's cigarette products in Indonesia effective from January 1, 2010 until February 28, 2015. On February 17, 2015, the agreement has been extended for the period of March 1, 2015 until February 28, 2025.*

- h. PT Taman Dayu ("TD") menandatangani perjanjian kerjasama pengembangan proyek dengan PT Ciputra Surya Tbk. selama 20 tahun sehubungan dengan properti milik TD, berlaku sejak tanggal 7 April 2005. Persentase pendapatan TD terhadap penjualan bersih konsolidasian adalah sebagai berikut:

- h. *PT Taman Dayu ("TD") has signed a 20 year joint project development agreement with PT Ciputra Surya Tbk. in relation to property owned by TD, effective from April 7, 2005. TD revenue as a percentage of the consolidated net revenues is as follows:*

	2015	2014	
Persentase pendapatan TD terhadap penjualan bersih konsolidasian	0.08%	0.09%	<i>Percentage of TD's revenue to the consolidated net revenues</i>

- i. Grup memiliki fasilitas kredit berupa pinjaman, cerukan, bank garansi dan letters of credit dari beberapa bank dengan total fasilitas dan fasilitas kredit yang belum digunakan sebagai berikut:

- i. *The Group has authorised and unused credit facilities for loans, bank overdrafts, bank guarantees and letters of credit from several banks as follows:*

	2015	2014	
Fasilitas kredit			Total facilities
USD (dalam jutaan)	196	115	<i>USD (in million)</i>
Rp (dalam jutaan)	4,850,000	2,796,476	<i>Rp (in million)</i>
Fasilitas kredit yang belum digunakan			Unused credit facilities
USD (dalam jutaan)	196	107	<i>USD (in million)</i>
Rp (dalam jutaan)	4,843,347	1,547,587	<i>Rp (in million)</i>

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30. KOMITMEN DAN KONTINJENSI

30. COMMITMENTS AND CONTINGENCIES

KOMITMEN

COMMITMENTS

a. Pembelian aset tetap

a. Purchase of fixed assets

Grup mempunyai komitmen sehubungan dengan pembelian aset tetap dan pembangunan properti investasi sebagai berikut:

The Group had outstanding commitments relating to the purchase of fixed assets and construction of the investment property as follows:

	<u>2015</u>	<u>2014</u>	
Komitmen (dalam jutaan rupiah)	366,961	539,440	Commitment (in millions rupiah)

b. Sewa

b. Leases

Jumlah pembayaran minimum sewa operasi di masa mendatang yang berasal dari sewa operasi adalah sebagai berikut:

The future aggregate minimum lease payments under operating leases are as follows:

	<u>2015</u>	<u>2014</u>	
Tidak lebih dari 1 tahun	237,816	235,203	No later than 1 year
Antara lebih dari 1 tahun sampai 5 tahun	<u>475,004</u>	<u>430,107</u>	More than 1 year and up to 5 years
Jumlah	<u><u>712,820</u></u>	<u><u>665,310</u></u>	Total

KONTINJENSI

CONTINGENCIES

Pada tanggal 31 Desember 2015 dan 2014, Grup tidak memiliki liabilitas kontinjensi signifikan.

As of December 31, 2015 and 2014, the Group has no significant contingent liabilities.

31. TRANSAKSI NON KAS

31. NON-CASH TRANSACTIONS

Transaksi yang tidak mempengaruhi arus kas adalah sebagai berikut:

The transactions which did not affect the cash flows are as follows:

	<u>2015</u>	<u>2014</u>	
Perolehan aset tetap dan properti investasi melalui sewa pembiayaan dan utang lainnya	373,114	337,222	Acquisition of fixed assets and investment property using finance lease and other payables
Reklasifikasi aset tidak lancar yang dimiliki untuk dijual ke aset tetap	-	10,049	Reclassification of non-current assets held for sale to fixed assets
Reklasifikasi aset tetap ke aset atas kelompok lepasan yang dimiliki untuk dijual	32,144	4,288	Reclassification of fixed assets to assets of disposal group classified as held for sale

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**32. KEJADIAN PENTING SETELAH PERIODE
PELAPORAN**

Pada tanggal 2 Februari 2016, Perusahaan dan PT Union Sampoerna Dinamika ("USD"), entitas anak, sebagai pemegang saham PT Sampoerna Printpack ("SPP"), menandatangani Perjanjian Jual Beli Saham Bersyarat untuk menjual SPP kepada PT Infiniti Wahana ("Infiniti"), pihak ketiga, dengan harga jual sebesar Rp300 miliar.

Berdasarkan perjanjian tersebut, Perusahaan dan USD setuju untuk menjual seluruh kepemilikan sahamnya di SPP dengan beberapa prasyarat yang harus dipenuhi oleh Infiniti, termasuk pengalihan atas saham PT Perusahaan Dagang dan Industri Panamas ("Panamas") yang dimiliki oleh SPP kepada Perusahaan.

Apabila seluruh prasyarat dalam Perjanjian Jual Beli Saham Bersyarat tidak dipenuhi pada tanggal 3 Maret 2016 (atau suatu tanggal lain sebagaimana disetujui oleh para pihak dari perjanjian), kecuali untuk prasyarat yang dapat dikesampingkan secara tertulis, maka perjanjian tersebut akan menjadi batal demi hukum.

Pada tanggal 3 Februari 2016, SPP mengalihkan seluruh saham Panamas kepada Perusahaan dengan nilai transaksi sebesar Rp1,2 miliar.

**32. SIGNIFICANT EVENT AFTER REPORTING
PERIOD**

On February 2, 2016, the Company and PT Union Sampoerna Dinamika ("USD"), a subsidiary, as the shareholders of PT Sampoerna Printpack ("SPP"), entered into a Conditional Share Sale and Purchase Agreement to sell SPP to PT Infiniti Wahana ("Infiniti"), a third party, for a consideration of Rp300 billion.

In accordance with the agreement, the Company and USD agreed to sell all its respective shares in SPP with several conditions precedent should be fulfilled by Infiniti, including the transfer of shares in PT Perusahaan Dagang dan Industri Panamas ("Panamas") owned by SPP to the Company.

If all the conditions precedent in the Conditional Share Sale and Purchase Agreement are not being fulfilled by March 3, 2016 (or such later date as agreed by parties to the agreement), except for any such condition precedent that is capable of being waived in writing, the agreement will become null and void.

On February 3, 2016, SPP sold all its shares in Panamas to the Company with a consideration of Rp1.2 billion.

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