



PT BAKRIE & BROTHERS Tbk AND SUBSIDIARIES

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CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2006 AND 2005

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2006

(With Comparative Figure as of December 31, 2005)

(Figures in table are expressed in thousands of Rupiah, unless otherwise stated)

ASSETS	2006	2005	LIABILITIES AND STOCKHOLDERS' EQUITY	2006	2005
CURRENT ASSETS			CURRENT LIABILITIES		
Cash and cash equivalents	537,671,846	408,623,827	Short-term loans	217,999,771	125,468,647
Short-term investments	258,568,536	60,408,914	Trade payables		
Trade receivables			Third parties	376,978,417	521,104,703
Related parties - net of allowance for doubtful accounts of			Related parties	11,000	341,257
Rp 2,769,860 in 2006 and Rp 1,911,048 in 2005	12,849,152	3,946,087	Other payables		
Third parties - net of allowance for doubtful accounts of			Third parties	74,536,877	69,927,525
Rp 77,885,144 in 2006 and Rp 119,938,701 in 2005	533,592,200	486,971,108	Related parties	14,438,363	39,039,400
Other receivables			Taxes payable	108,398,225	59,350,614
Third parties - net of allowance for doubtful accounts of			Dividend payable	979,046	748,404
Rp 4,338,431 in 2006 and Rp 3,177,356 in 2005	162,448,200	140,277,670	Accrued expenses	276,627,639	170,663,599
Inventories - net of allowance for obsolescence of			Customers' deposit and unearned revenue	81,067,156	125,306,125
Rp 11,554,602 in 2006 and Rp 9,367,031 in 2005	443,909,900	392,545,048	Current maturities of long-term loans and bonds payable	66,914,259	13,336,520
Advances and prepaid expenses	295,401,642	107,231,993	Obligations under capital lease	1,355,075	2,195,691
Prepaid taxes	120,493,041	55,558,787	Total Current Liabilities	1,219,305,828	1,127,482,485
Total Current Assets	2,364,934,517	1,655,563,434	NON-CURRENT LIABILITIES		
NON-CURRENT ASSETS			Deferred tax liabilities - net	180,019,848	150,096,940
Deferred tax assets - net	166,104,524	162,466,096	Due to related parties	3,065,373	5,257,045
Due from related parties - net of allowance for doubtful			Long-term liabilities - net of current maturities		
accounts of Rp 157,583,314 in 2006 and Rp 154,831,277	718,458,921	778,379,864	Long-term loans and bonds payable	1,759,565,348	1,099,028,192
in 2005			Obligations under capital lease	515,539	734,355
Investments in Associated companies	465,388,173	482,924,357	Total Non-Current Liabilities	1,943,166,108	1,255,116,532
Other long-term investments - net of allowance for unrecoverable			MINORITY INTEREST IN NET ASSETS OF SUBSIDIARIES		
value of investment in bonds and shares of stock of			STOCKHOLDERS' EQUITY		
Rp 551,353 in 2006 and 2005	13,549,294	14,538,892	Capital stock		
Long-term receivables - net of allowance for doubtful accounts			Series A Rp 2,500 (full amount)		
of Rp 253,610,031 in 2006 and 2005	452,368,059	74,682,607	Series B Rp 350 (full amount)		
Fixed assets - net of accumulated depreciation and amortization			Series C Rp 100 (full amount)		
of Rp 1,561,884,833 in 2006 and Rp 1,336,580,297 in 2005	3,691,080,490	3,119,562,758	Authorized shares		
Project development costs	305,302,200	300,602,759	44,393,176,000 shares (full amount)		
Deferred charges - net	88,283,339	42,660,355	Issued and fully paid shares		
Goodwill - net	84,978,487	89,908,008	26,970,278,400 shares (full amount)	5,467,681,440	5,467,681,440
Other non-current assets	316,312,036	291,592,652	Additional paid-in capital	631,400,143	631,400,143
Total Non-Current Assets	6,301,825,523	5,357,318,348	Difference in value of restructuring transactions with entities		
TOTAL ASSETS	8,666,760,040	7,012,881,782	under common control	(75,984,907)	(75,984,907)
			Difference in the equity transactions of Associated companies	197,560,066	68,645,388
			Translations adjustment	385,420,737	411,125,665
			Revaluation increment of fixed assets	3,902,119	3,902,119
			Unrealized gain on investment in securities	373,455	266,229
			Deficit	(2,132,422,646)	(2,347,923,386)
			Total Stockholders' Equity	4,477,930,407	4,159,112,691
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	8,666,760,040	7,012,881,782

CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2006

(With Comparative Figure for the Year Ended December 31, 2005)

(Figures in table are expressed in thousands of Rupiah, unless otherwise stated)

	2006	2005
NET REVENUES	4,332,279,836	2,738,471,084
COST OF REVENUES	2,930,528,571	1,939,316,130
GROSS PROFIT	1,401,751,265	799,154,954
OPERATING EXPENSES		
Selling	182,439,048	130,733,318
General and administrative	608,227,278	445,480,488
Total Operating Expenses	790,666,326	576,213,806
INCOME FROM OPERATIONS	611,084,939	222,941,148
OTHER INCOME (EXPENSES)		
Income from insurance claim	17,514,752	-
Gain (Loss) on foreign exchange - net	14,962,274	(156,894,892)
Equity in net income of Associated companies - net	4,498,575	22,629,538
Interest expenses - net	(131,715,121)	(160,893,743)
Bank charges	(25,199,824)	(13,242,811)
Write - off and provision for doubtful accounts - net	(24,204,265)	(7,529,950)
Tax expenses	(8,964,364)	-
Amortization of goodwill and deferred charges	(7,534,629)	(53,022,652)
Loss on decline in value of inventory	(2,187,571)	-
Loss on sale of fixed assets	(1,615,527)	(252,425,133)
Write - off of advance on investment	(1,000,000)	-
Loss on sale of investment in share of stock of Subsidiaries	-	(115,988,252)
and Associated company - net	-	(10,331,374)
Other expenses - net	23,391,734	-
Other Charges - Net	(142,053,966)	(747,699,269)
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAX EXPENSE	469,030,973	(524,758,121)
PROVISION FOR INCOME TAX EXPENSES		
Current	(109,345,556)	(52,285,709)
Deferred	(27,589,955)	(40,871,812)
Provision for Income Tax Expenses	(136,935,511)	(93,157,521)
INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	332,095,462	(617,915,642)
EXTRAORDINARY ITEMS - Gain on loan restructuring	-	949,653,112
INCOME BEFORE MINORITY INTEREST IN NET LOSS (INCOME) OF SUBSIDIARIES	332,095,462	331,737,470
MINORITY INTEREST IN NET LOSS (INCOME) OF SUBSIDIARIES	(116,594,722)	(40,105,462)
NET INCOME	215,500,740	291,632,008
BASIC NET EARNING PER SHARE - (Full amount)	11.43	15.46

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2006

(With Comparative Figure for the Year Ended December 31, 2005)

(Figures in table are expressed in thousands of Rupiah, unless otherwise stated)

	Capital Stock	Additional Paid-In Capital	Difference in Value of Restructuring Transactions with Entities Under Common Control	Difference in the Equity Transactions of Associated Companies	Translations Adjustments	Revaluation Increment of Fixed Assets	Unrealized Gain on Investment in Securities	Deficit	Total Stockholders' Equity
Balance January 1, 2005	3,545,661,600	677,064,866	(93,727,421)	15,151,499	408,159,308	3,902,119	-	(2,639,555,394)	1,916,656,577
Translations adjustment	-	-	-	-	2,966,357	-	-	-	2,966,357
Difference in the equity transactions of Associated companies	-	-	-	53,493,889	-	-	-	-	53,493,889
Paid-up capital	1,922,019,840	-	-	-	-	-	-	-	1,922,019,840
Reclassification of stock issuance cost	-	(45,664,723)	-	-	-	-	-	-	(45,664,723)
Difference in value of restructuring transactions with entities under common control	-	-	17,742,514	-	-	-	-	-	17,742,514
Unrealized gain on investment in securities	-	-	-	-	-	-	266,229	-	266,229
Net income in 2005	-	-	-	-	-	-	-	291,632,008	291,632,008
Balance, December 31, 2005	5,467,681,440	631,400,143	(75,984,907)	68,645,388	411,125,665	3,902,119	266,229	(2,347,923,386)	4,159,112,691
Translations adjustment	-	-	-	-	(25,704,928)	-	-	-	(25,704,928)
Difference in the equity transactions of Associated companies	-	-	-	128,914,678	-	-	-	-	128,914,678
Unrealized gain on investment in securities	-	-	-	-	-	-	107,226	-	107,226
Net income in 2006	-	-	-	-	-	-	-	215,500,740	215,500,740
Balance, December 31, 2006	5,467,681,440	631,400,143	(75,984,907)	197,560,066	385,420,737	3,902,119	373,455	(2,132,422,646)	4,477,930,407

Note:

The Consolidated Financial Statements for the year ended December 31, 2006 are audited by Doli, Bambang, Sudarmadji & Dadang Registered Public Accountants (an independent member firm of BKR International), while The Consolidated Financial Statements for the year ended December 31, 2005 were audited by Jimmy Budhi & Rekan Registered Public Accountants (member of Moores Rowland International)

Jakarta, March 30, 2007
PT Bakrie & Brothers Tbk
 Director

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