

Investor Newsletter

Share Performance



Credit Ratings

Pefindo	Rating/Outlook
Corporate	idAA+/Stable
Bonds	idAA+/Stable

Shareholding Composition

	1H 2010	1H 2011
PT Bank Danamon Indonesia Tbk	95.0%	95.0%
Public (≤ 5%)	5.0%	5.0%

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Highlights of 1H 2011 Results

- New financing volume rose 34% to Rp14.8 trillion
- Managed receivables increased 15% to Rp35.2 trillion
- Operating income grew 29% to Rp2,025 billion
- NPAT rose 4% to Rp741 billion
- NIM stood at 7.8%
- ROAA and ROAE were 16.0% and 39.0%, respectively

Financial Highlight

In Rp billion, unless otherwise stated

STATEMENTS OF FINANCIAL POSITION	FY 2010	1H 2011	Δ%
Managed receivables ¹	30,656	35,195	14.8%
Consumer financing receivables ²	6,544	9,303	42.2%
Total assets	7,600	10,918	43.7%
Borrowings and bonds	2,585	6,138	137.4%
Total liabilities	3,805	7,336	92.8%
Total equity	3,795	3,582	-5.6%

STATEMENTS OF COMPREHENSIVE INCOME	1H 2010	1H 2011	Δ%
Net interest income	949	1,218	28.4%
Operating income	1,573	2,025	28.8%
Operating expense	675	895	32.7%
Cost of credit	(36)	122	-437.0%
Income before tax	924	989	7.1%
Net income	711	741	4.3%

KEY RATIOS (%)	1H 2010	1H 2011	Δ%
Net interest margin	9.2%	7.8%	-1.4%
Net profit margin	41.0%	31.3%	-9.7%
Cost to income	42.9%	44.2%	1.3%
Return on average assets	30.5%	16.0%	-14.5%
Return on average equity	49.5%	39.0%	-10.5%
Debt to equity	23.6%	171.4%	147.8%

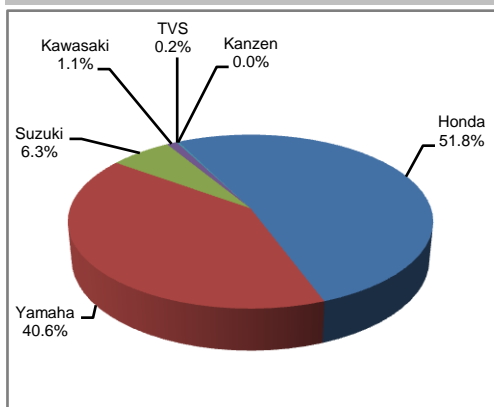
NEW FINANCING	1H 2010	1H 2011	Δ%
New financing units	751,204	933,366	24.2%
New financing volume	11,103	14,826	33.5%

¹ Include receivables financed by the Parent Company under joint financing scheme.

² Include net off of receivables financed by the Parent Company and allowance for possible losses.

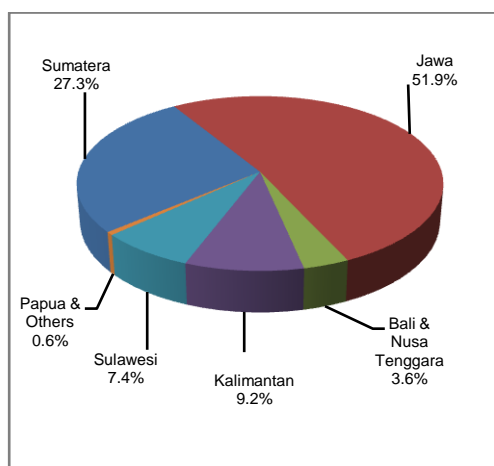
Motorcycle Sales by Brands

1H 2011, % of total



Motorcycle Sales by Region

1H 2011, % of total



The domestic sales of new motorcycle reached 4.1 million units for 1H 2011.
Source: AISI

Indonesian Automotive Market Update

Indonesia automotive industry still performed well in the first semester of 2011 as a continuation of 2010 significant growth. In the first semester 2011, the domestic sales of new motorcycles and cars sales increased 13% and 12%, respectively, from the same semester last year. The stable economy growth, high consumer confidence, stable and maintained interest rates have supported a robust growth in the domestic sales of motorcycles and cars. Stable interest rates and increased availability of credit improved the attractiveness of credit financing for customers, thus supporting the credit sales for motorcycles and cars.

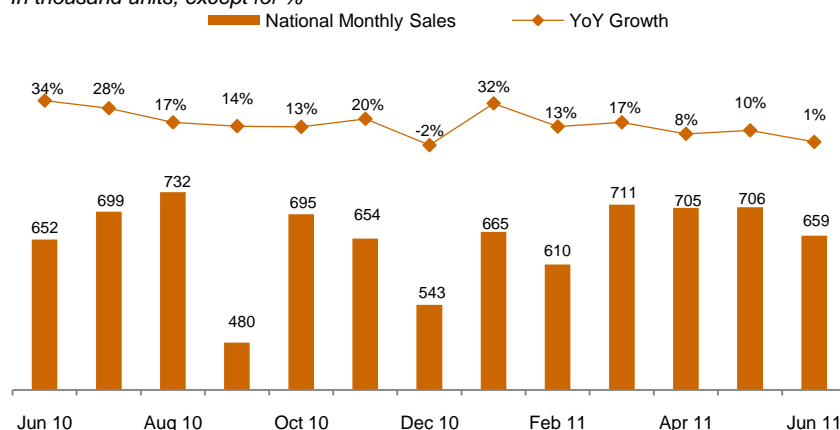
Domestic new motorcycle sales

The domestic sales of new motorcycle reached over 4 million units in the first semester 2011, representing a 13% growth from the same period last year sales of 3.6 million units.

Honda and Yamaha continue their dominance in motorcycle market with a combined market share of 92% in the first semester 2011. Honda sold over 2.1 million units of new motorcycles this semester, controlling a market share of 52%. While Yamaha remained at the second position after Honda with a total sales of 1.6 million units, accounting for a market share of 41%. Suzuki remained as the third largest player in the industry with 6% market share.

National New Motorcycles Sales

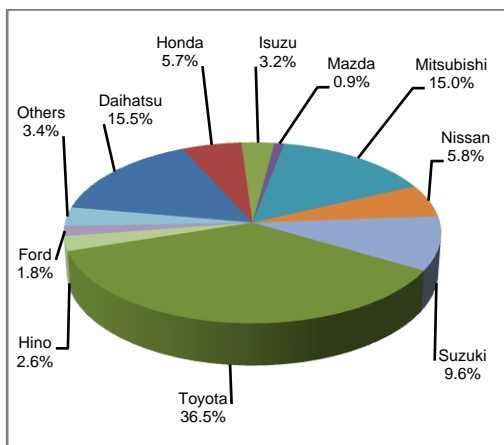
In thousand units, except for %



Source: Indonesian Motorcycles Industry Association (AISI)

Car Sales by Brands

1H 2011, % of total



The domestic sales of new cars managed to increase to 413 thousand units for 1H 2011.

Source: Gaikindo

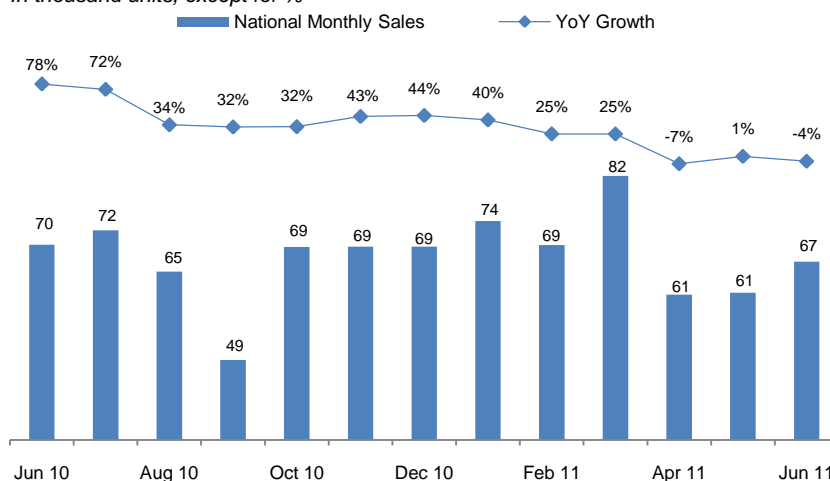
Domestic new car sales

Although the domestic sales of new car slow down as the result of Japan earthquake, which led to shortage of supply to Japanese cars worldwide, however, as the production recovered in June 2011, the national sales managed to increase to 413 thousand units sales in the first semester 2011. Compared to the previous year sales of 370 thousand units, new car sales increase 12%.

Toyota maintained its position as the market leader with 37% market share this semester. While Daihatsu came back as the second largest player with 16% market share. Other big players are Mitsubishi 15%, Suzuki 10% as well as Honda and Nissan more or less in the same level at 6%, respectively.

National New Cars Sales

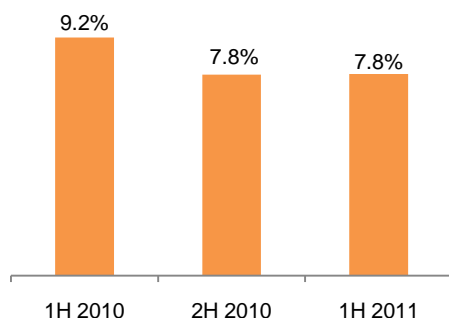
In thousand units, except for %



Source: Association of Indonesian Automotive Industries (GAIKINDO)

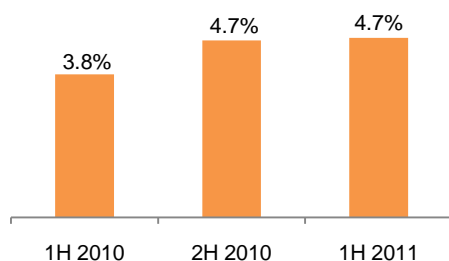
Net Interest Margin (NIM)

% of average managed receivables



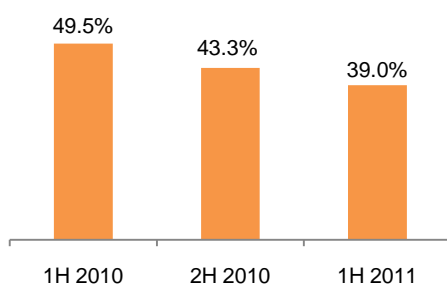
Consolidated Cost of Credit

% of average managed receivables



ROAE

% annualized



Income Statements

Net interest income was Rp1,218 billion in the first semester 2011 as compared to Rp949 billion in the same semester last year on the back of the growing new financing. New financing increased 34% to Rp14.8 trillion in the first semester of 2011 from the same period last year of Rp11.1 trillion. As such, managed receivables rose 15% to Rp35.2 trillion at the end of June 2011 from Rp 30.1 trillion a year earlier.

Net interest margin stood at 7.8% this semester as compared to 9.2% in the first semester last year in part due to lower lending rates on the back of low interest rate environment as well as the application of a more conservative approach in estimating allowance for possible losses. In addition, car financing with lower lending rates grew faster than motorcycle financing. As a result, car financing portfolio accounted for 37% of our managed receivables in June 2011 as compared to 33% a year ago. At the same time, our fee income rose to Rp807 billion in the first semester of 2011 from Rp624 billion in the same semester last year in line with the growth of our new financing. Fee income contributed 40% of our operating income this semester.

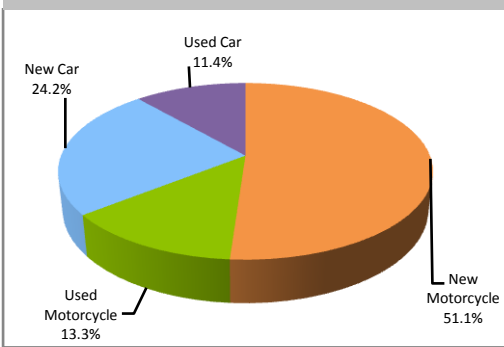
Overall, our operating income rose 29% to Rp2,025 billion from Rp1,573 billion in the first semester last year driven by strong growth in our financing receivables.

Operating expenses were Rp895 billion, an increase of 33% from Rp675 billion in the same period last year mainly due to business networks expansion. We continue expanding our business networks as part of our business strategy to strengthen our market presence in the country as well as to improve our services to customers and dealers. In the first semester 2011, our networks expanded 56% to 607 business networks (including branches, representative offices (RO), kiosks and dealer outlets). To support our growing network and customer base, we added 7,853 employees during the year. As such, our employees reached 27,500 employees in June 2011. Despite of this expansion, we managed our cost to income ratio at 44% as compared to 43% in the same period last year.

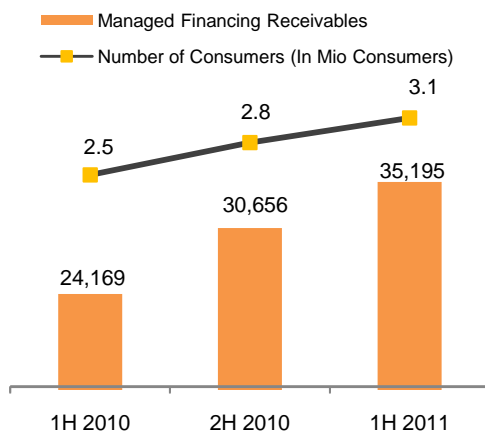
We booked a cost of credit of Rp122 billion in the first semester 2011 as opposed to an income of Rp36 billion in the same period last year due to the a more conservative approach to estimate allowance for possible losses by increasing the accrual of allowance for impairment losses from Rp196 billion to Rp290 billion, an increase of Rp94 billion in order to provide a more prudent presentation. As a result, our consolidated cost of credit, which include receivables under joint financing scheme with the parent company, stood at 4.7% of average receivables in the first semester 2011 from 3.8% in the same period last year.

Taken all together, **Adira Finance recorded a Net Profit after Tax of Rp741 billion in the first semester 2011, an increase of 4% from Rp711 billion in the same period last year.** Hence ROAA and ROAE stood at 16.0% and 39.0%, respectively, as compared to 30.5% and 49.5% in the same period last year.

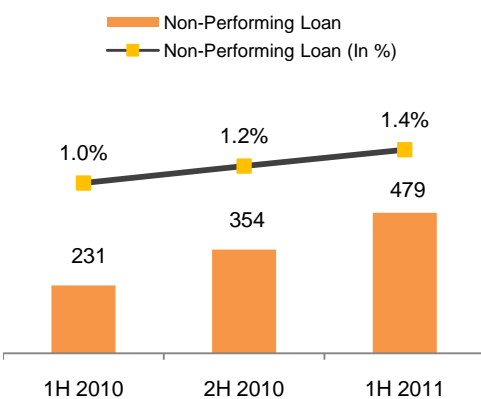
Outstanding Managed Receivables
% of total, as at 30 June 2011



Managed Financing Receivables
In Rp billion



Consolidated Non-Performing Loan
In Rp billion



Balance Sheets

Our businesses, both motorcycle and car financing, continue to post a strong growth in the first semester 2011 supported by a robust growth in domestic automotive sales as well as market share gain. New financing volume amounted to Rp14.8 trillion, with motorcycle financing remains as the major contributor of the financing growth reaching Rp9,322 billion, representing 63% of new financing. Furthermore, car financing also grew strongly at 54% to Rp5,504 billion and accounted for the remaining 37% of new financing.

In term of unit, we financed over 933 thousand units of motorcycles and cars in the first semester 2011, representing an increase of 24% compared to 751 thousand units in the same period last year. Car financing units increased 39% to over 45 thousand units this semester. As such, **our market share in new car financing rose significantly to 6.0% from 4.4% in the same period last year.** Aside from a strong growth in new car sales, our efforts in building public awareness that Adira Finance also offers car financing continue to show encouraging results. Meanwhile, our motorcycle financing business also showed a respectable growth during the period. **Total financing unit of motorcycle rose 24% to 888 thousand units in the first semester 2011.** Hence, Adira Finance's market share in new motorcycle financing was stable at 14.3%. Moreover, the origination of new financing for semester I 2011 was equally shared between Java and outside Java areas.

Our net receivables, excluding receivables managed under joint financing scheme, increased 42% to Rp9,303 billion in June 2011 from Rp6,544 billion at the end of 2010. In addition, Total Assets expanded 44% to Rp10,918 billion as of June 2011 from Rp7,600 billion at the end of 2010.

We continue to apply prudent lending practices to maintain asset quality as one of the key success factors in consumer financing business. The quality of our managed financing receivables (including joint financing receivables) remained in check as shown by manageable non-performing loan (NPL) ratio. Our NPL ratio stood at 1.4% of managed receivables as of June 2011 as compared to 1.2% at the end of 2010, which was an acceptable increase due to a significant growth in the managed receivables.

On the funding side, our interest-bearing liabilities increased 137% to Rp6,138 billion as compared to Rp2,585 billion at the end of 2010. To support the business growth as well as to diversify our funding, we undertake a number of funding initiatives, including bond issuance, borrowing and other funding initiatives. During the first six months of 2011, we managed to obtain some borrowing facilities from banks. As such, our outstanding borrowings increased to Rp1,250 billion as of June 2011 from Rp50 billion at the end of 2010.

Total equity decreased 6% to Rp3,582 billion as of June 2011 from Rp3,795 billion at the end of 2010 due to an increase in retained earnings as well as payment of dividend in June 2011. Hence, our debt to equity ratio stood at a low 171% in June 2011, providing ample room for growth in the future.

Corporate Updates

■ Issuance of Adira Finance Bonds V With Fixed Coupon Rate

The Company has finalized its Bonds V issuance and listed it on the Bourse on 30 May 2011.

Further details of the bonds issuance are as follows:

Serial	Tenor	Coupon Range	Principal Amount
Serial A	370 days	8.00%	Rp612,000 mio
Serial B	24 months	8.80%	Rp160,000 mio
Serial C	36 months	9.60%	Rp567,000 mio
Serial D	48 months	10.00%	Rp1,161,000 mio
Total Principal of Bonds Issued			Rp2,500,000 mio

■ Payment of Dividend

In the AGMS held on 28 April 2011 has approved the payment of cash dividend of Rp954.14 billion or Rp954.14 per share, which accounted for approximately 65% of the Company's 2010 Net Income of Rp1,468 billion. The distribution has been made through the payment agent on 28 June 2011.

■ Settlement of Bonds

In semester I 2011, the Company has carried out the settlement of its matured bonds, which was made through the payment agents with the following details:

Bonds	Principal Amount	Gross Interest	Date of Settlement
Adira Finance Bonds III Serial B	Rp51,000 mio	Rp1,728 mio	13 May 2011
Adira Finance Bonds II Serial C	Rp90,000 mio	Rp3,285 mio	8 June 2011
Total	Rp141,000 mio	Rp5,013 mio	

■ Funding Initiative

Adira Finance obtained borrowings from Citicorp Investment Bank (Singapore) Ltd amounted to Rp500 billion, with 6 months tenor. The agreement was signed on 21 July 2011. The borrowings will be used to fund the Company's new bookings for 2011.

PT ADIRA DINAMIKA MULTI FINANCE Tbk
STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2010 (AUDITED) AND 30 JUNE 2011

(Expressed in millions of Rupiah, unless otherwise stated)

Description	31 December 2010	30 June 2011
ASSETS		
Cash and cash equivalents		
Cash on hand	40,692	82,874
Cash in banks and cash equivalents		
Third parties	228,766	292,568
Related party	349,071	570,092
Consumer financing receivables - net		
Third parties	6,543,673	9,302,686
Related party	153	405
Prepaid expenses	135,744	174,685
Other receivables - net		
Third parties	29,826	85,896
Related parties	1,574	6,514
Investment in shares, related party	650	650
Fixed assets - net book value	191,360	216,940
Intangible assets	34,843	30,250
Other assets - net	43,263	154,853
TOTAL ASSETS	7,599,615	10,918,413
LIABILITIES		
Borrowings	50,000	1,250,000
Accrued expenses		
Third parties	614,391	569,410
Related party	3,895	7,071
Bonds payable - net		
Third parties	2,314,232	4,395,886
Related party	221,000	492,000
Other payables		
Third parties	163,335	121,862
Related parties	81,722	105,319
Taxes payable	53,479	38,127
Deferred tax liabilities - net	302,802	356,789
TOTAL LIABILITIES	3,804,856	7,336,464
EQUITY		
Share capital - par value Rp 100 (full amount) per share		
Authorized capital 4,000,000,000 shares		
Issued and fully paid 1,000,000,000 shares	100,000	100,000
Retained earnings		
Appropriated	44,934	59,613
Unappropriated	3,649,825	3,422,336
TOTAL EQUITY	3,794,759	3,581,949
TOTAL LIABILITIES AND EQUITY	7,599,615	10,918,413

PT ADIRA DINAMIKA MULTI FINANCE Tbk
STATEMENTS OF COMPREHENSIVE INCOME
FOR SIX-MONTH PERIODS ENDED 30 JUNE 2010 (AUDITED) AND 2011
(Expressed in millions of Rupiah, unless otherwise stated)

Description	30 June 2010	30 June 2011
INCOME		
Consumer financing	1,005,946	1,394,548
Others	778,069	1,002,212
TOTAL INCOME	1,784,015	2,396,760
EXPENSES		
Salaries and benefits	(476,676)	(611,446)
General and administrative	(199,884)	(283,965)
Allowance for impairment losses on consumer financing receivables	(47,309)	(188,356)
Interest expense and financing charges	(57,749)	(180,850)
Marketing	(59,285)	(84,386)
Others	(21,516)	(58,790)
TOTAL EXPENSES	(862,419)	(1,407,793)
INCOME BEFORE INCOME TAX	921,596	988,967
INCOME TAX EXPENSE	(210,979)	(247,637)
NET INCOME	710,617	741,330
OTHER COMPREHENSIVE INCOME	-	-
COMPREHENSIVE INCOME	710,617	741,330
EARNINGS PER SHARE - BASIC (expressed in full amount of Rupiah)	711	741

Note: Several accounts in the financial statements as of and six-month period ended 30 June 2010 have been reclassified to conform with the presentation on the financial statements as of and six-month period ended 30 June 2011.

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