Investor Newsletter

PT Adira Dinamika Multi Finance Tbk

February 2011

Share Performance

Credit Ratings

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

Shareholding Composition

as of 31 December

	2009	2010	∆YoY
PT Bank Danamon Indonesia Tbk	95.0%	95.0%	-
Public (≤ 5%)	5.0%	5.0%	-

Contacts

I Dewa Made Susila dewa.susila@adira.co.id

Yuky Hondojono yuky.hondojono@adira.co.id

Adira Finance
Corporate Secretary/Investor Relations
Graha Adira 10-12th Floor
Menteng Raya No. 21
Jakarta 10340

Phone : +62 21 3148005, 3918686, +62 21 3924825 (hunting)
Fax : +62-21 392-4827
Website : www.adira.co.id

Highlights of Full Year 2010 Results

- New financing volume rose 78% to Rp25.9 trillion
- Managed receivables increased 52% to Rp29.1 trillion
- Operating Income grew 24% to Rp3.4 trillion
- NPAT rose 21% to Rp1,468 billion
- Net Interest Margin at 8.4%
- ROAA and ROAE were 27.1% and 46.2%, respectively

Financial Highlights

(In Rp bio, unless otherwise stated)

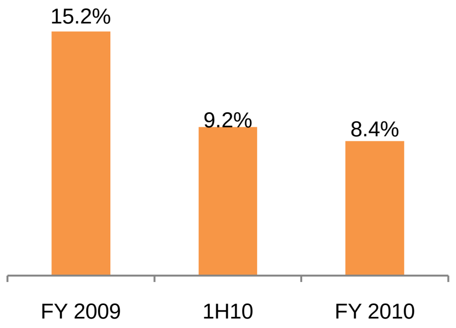
	FY 2009	FY 2010	∆YoY
New financing units	1,104,010	1,713,537	55.2%
New financing volume	14,541	25,938	78.4%
Managed receivables [1]	19,134	29,106	52.1%
Balance Sheet			
Consumer financing receivables [2]	2,562	6,544	155.4%
Total assets	4,330	7,600	75.5%
Borrowings and bonds	902	2,585	186.7%
Total liabilities	1,677	3,807	127.0%
Total equity	2,652	3,795	43.1%
Income Statement			
Net interest income [3]	2,654	1,986	-25.2%
Operating income	2,727	3,370	23.6%
Operating expense	1,083	1,422	31.3%
Cost of credit	53	(3)	-105.0%
Income before tax	1,658	1,932	16.5%
Net income	1,212	1,468	21.1%
Key Ratios (%)			
Net interest margin [3]	15.2%	8.4%	-6.8%
Net profit margin	31.5%	38.6%	7.1%
Cost to income	39.7%	42.2%	2.5%
Return on average assets	30.9%	27.1%	-3.8%
Return on average equity	54.8%	46.2%	-8.6%
Debt to equity	34.0%	68.1%	34.1%

[1] Includes receivables financed by the Parent Company under joint financing scheme.

[2] Includes net off of receivables financed by the Parent Company and allowance for possible losses. Starting 2010, the Company adopted a new accounting policy (SFAS No. 50/55), whereby deferred charges - net were reclassified to consumer financing receivables - net.

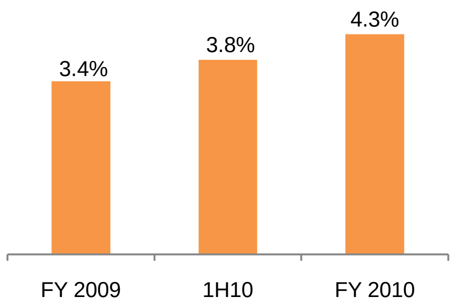
[3] Starting 2010, the Company adopted a new accounting policy (SFAS No. 50/55), whereby consumer financing income for the year ended 2010 was deducted with amortization of deferred charges of acquisition cost.

Net Interest Margin
% of average managed receivables

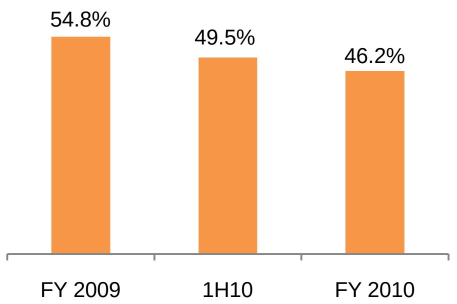


Note: we have applied new acounting standards starting 2010 which resulted in lower net interest margin

Consolidated Cost of Credit
% of average managed receivables



ROAE
% annualized



Income Statement

Net interest income was Rp1,986 billion in 2010 as compared to Rp2,654 billion in the previous year due to changes in accounting policy. Starting early 2010, we recognized the amortization of acqusition cost of consumer financing as a reduction to interest income from previously deducting fee income. Excluding the impact of this acounting policy change, net interest income rose 24% to Rp3,282 billion in 2010 in line with increase in average managed receivables.

Our net interest margin hence declined to 8.4% in 2010 as compared to 15.2% in previous year. Excluding the impact of accounting policy change, net interest margin stood at 14.5% as compared to 15.2% in the previous year, reflecting lower lending rates as well as changing in our financing portfolio composition. Lending rates for new loans declined during 2010 on the back of low interest rate enviroment. While car financing portfolio that have lower lending rates grew faster at 130% in 2010 and as a result car financing portfolio accounted for 32% of our managed receivables at the end of 2010 as compared to 26% a year ago.

As a result of changes in accounting policy, our fee income rose sharply to Rp1,384 billion from Rp72 billion in 2009. Since 2010 the acquistion cost of consumer financing deducts interest income as opposed to previously netting off with fee income.

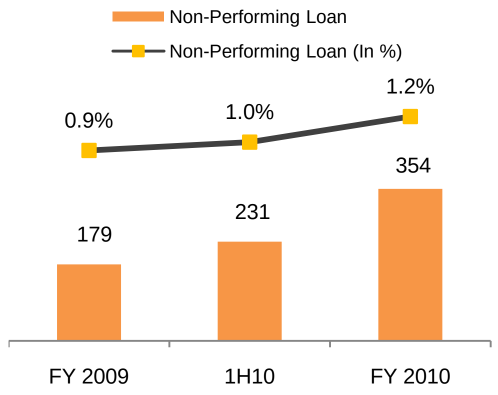
Overall, our operating income rose 24% to Rp3.4 trillion in 2010 from Rp2.7 trillion in 2009 driven by strong growth in our financing receivables. Our average managed receivables increased 34% to Rp 24.1 trillion (excluding acquisition costs) in 2010 as compared to Rp 18.1 trillion in the previous year.

Operating expenses were Rp1,422 billion in 2010, an increase of 31% from Rp1,083 billion in the pervious year partly due to business expansion. We continue expanding our business networks to increase our market presence in the market. During 2010, our networks expanded 72% to 550 networks (including branches, respresentative offices (RO), points of service (POS), kiosks and dealer outlets). To support our growing network and customer base, we added 8,435 employees during the year. As such our employees reached 24,392 employees at the end of 2010. Despite of this expansion, we managed our cost to income ratio at 42% as compared to 40% in the previous year.

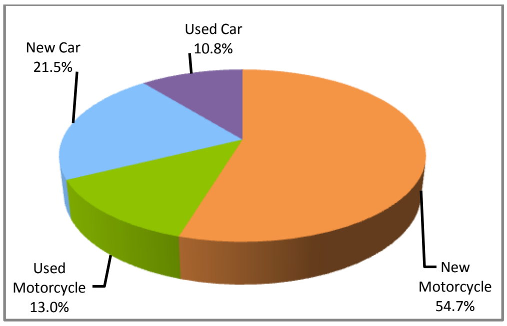
We booked a cost of credit of Rp3 billion in 2010 as opposed to an income of Rp53 billion in the previous year due to the application of new method to estimate required loss allowance as part of the implementation of new accounting policy. However, our consolidated cost of credit, which include receivables under joint financing scheme with the Parent Company, stood at 4.3% of average receivables from 3.4% in the previous year.

Taken all together, **Adira Finance recorded a net profit after tax of Rp1,468 billion in 2010, an increase of 21% from Rp1,212 billion in the previous year**. Hence ROAA and ROAE stood at 27.1% and 46.2%, respectively, in 2010 as compared to 30.9% and 54.8% in the previous year.

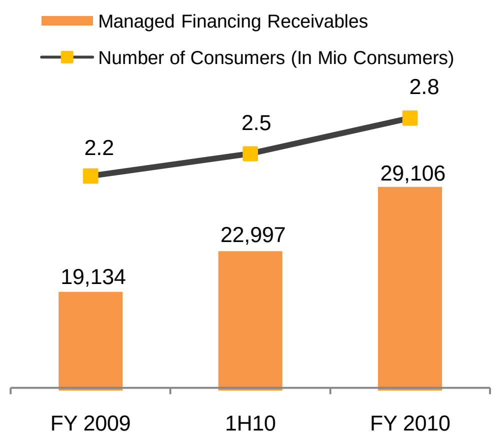
Consolidated Non-Performing Loan
In Rp billion



Outstanding Managed Receivables
% of Total, as of 31 December 2010



Managed Financing Receivables
In Rp billion



Note: Managed Financing Receivables for 1H10 and FY 2010 exclude acquisition costs.

Balance Sheet

Our businesses, both motorcycle and car financing, posted a strong growth in 2010 supported by a recovery in domestic automotive sales as well as market share gain. New financing volume amounted to Rp25.9 trillion, an increase of 78% from Rp14.5 trillion in 2009. Motorcycle financing remains the major contributor of the financing **growth** with new financing volume reaching Rp17,203 billion, representing 66% of our new financing in 2010. Car financing volume also grew strongly at 130% to Rp8,735 billion in 2010 and accounted for the remaining 34% of new financing.

In term of unit, we financed over 1.7 million units of motorcycles and cars in 2010, representing an increase of 55% compared to 1.1 million units in the previous year. Car financing units increased 86% to over 40 thousand units in 2010. As such, **our market share in new car financing rose significantly to 5.2% from 3.4% in the previous year**. Aside from a strong recovery in new car sales, our efforts in building public awareness that Adira Finance also offers car financing started to show an encouraging result. Meanwhile our motorcycle financing business also showed a respectable growth during the year. Total financing unit of motorcycle rose 54% to 1.6 million units in 2010. **Hence, Adira Finance's market share in new motorcycle financing increased further to 15.7%** from 13.2% in 2009. Moreover, about 57% of our new financing in 2010 was originated from Java & Bali areas and the remaining 43% come from outside Java & Bali areas.

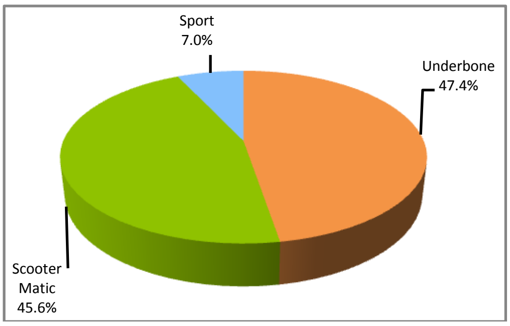
Our net receivables, excluding receivables managed under joint financing scheme with the parent company, rose 155% to Rp6,544 billion at the end of 2010. In addition to growing business, this increase is partly due to the adoption of new accounting policy whereby consumer financing receivables include acquisition costs directly attributed to the origination of consumer financing account (acquisition cost). Excluding the impact of accounting change, our net receivables would stand at Rp4,994 billion, an increase of 88% from Rp2,562 billion a year earlier. This has led our total assets expand 76% to Rp7,600 billion at the end of 2010 from Rp4,330 billion a year ago.

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 sound as reflected by low non-performing loan (NPL). Our NPL ratio stood at 1.2% of outstanding managed receivables at the end of 2010 from 0.9% a year earlier.

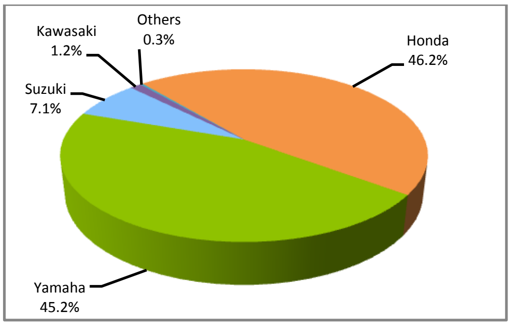
On the funding side, our interest-bearing liabilities increased 187% to Rp2,585 billion at the end of 2010. In October 2010, capitalizing market opportunity, we successfully issued our fourth local bonds of Rp2.0 trillion from the capital market. As such, our outstanding bonds increased 275% to Rp2,535 billion at the end of 2010 from Rp677 billion a year earlier.

Total equity rose 43% to Rp3,795 billion at the end of 2010 from Rp2,652 billion a year earlier due to an increase in retained earnings. Hence, our debt to equity ratio stood at a low 68% at the end of 2010, providing ample room for growth in the future.

Motorcycle Sales by Types
2010, % of total



Motorcycle Sales by Brands
2010, % of total



Domestic Automotive Market

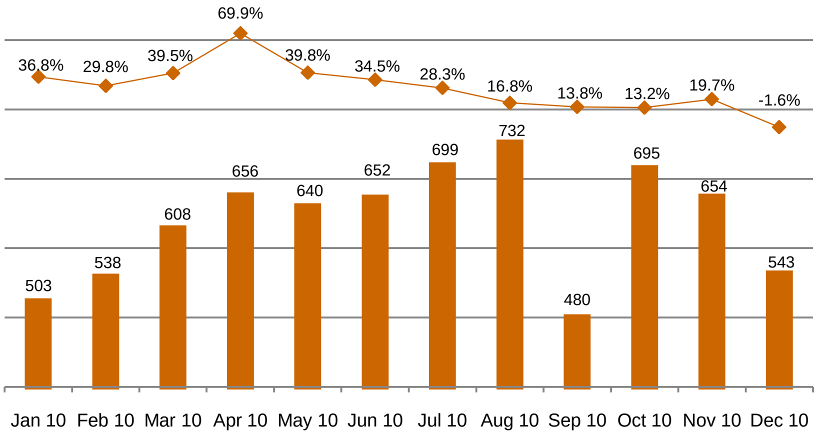
In 2010, Indonesia automotive industry performed well and even managed to break sales records. The domestic sales of new motorcycles and cars sales increased 26% and 57%, respectively. Strong economy growth, high consumer confidence, lower interest rates have contributed to a strong growth in domestic sales of motorcycles and cars. Strong economy growth over the last few years has increased the purchasing power of customers as evidenced by rising GDP/Capita to US$3,000 and has boosted consumer confidence. While lower interest rates and increased availability of credit improved the attractiveness of credit financing for customers, supporting credit sales for motorcycles and cars.

Domestic new motorcycle sales

Indonesian domestic new motorcycles sales broke a new record in 2010. The domestic sales of new motorcycle reached 7.4 million units, representing 26% growth from the previous year sales of 5.9 million units. In term of types, underbone model maintained its dominance position, accounting for 46% of sales in 2010. However, scooter model continued to gain popularity as it accounted for 46% of the sales in 2010 as compared to 9% five year ago, reflecting changes in customer profile of motorcycles. Manufacturers typically target youngster and women with their scooter models. The remaining 7% sales came from sport models.

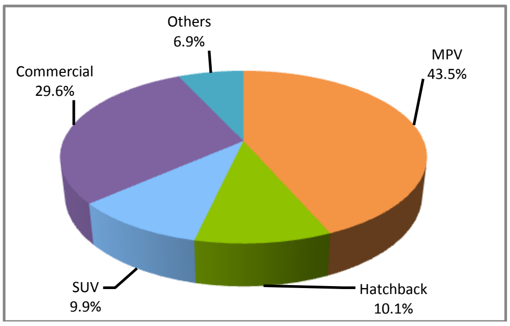
Honda and Yamaha continue to dominate the motorcycle market with combined market share of 91% in 2010, remained stable as compared to previous year. Honda sold 3.4 million units of new motorcycles in 2010, representing a growth of 26% from the previous year sales and a market share of 46%. While Yamaha has steadily closed its market share gap with Honda. Yamaha booked motorcycle sales of 3.3 million units in 2010, up 26% from its 2009 sales of 2.7 million units. Suzuki positioned itself as the third largest player in the industry with 7% market share in 2010.

National New Motorcycles Sales
In Thousand Units

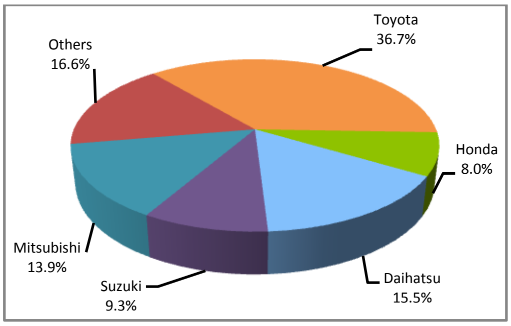


Source: Indonesian Motorcycles Industry Association (AISI)

Car Sales by Types
2010, % of total



Car Sales by Brands
2010, % of total

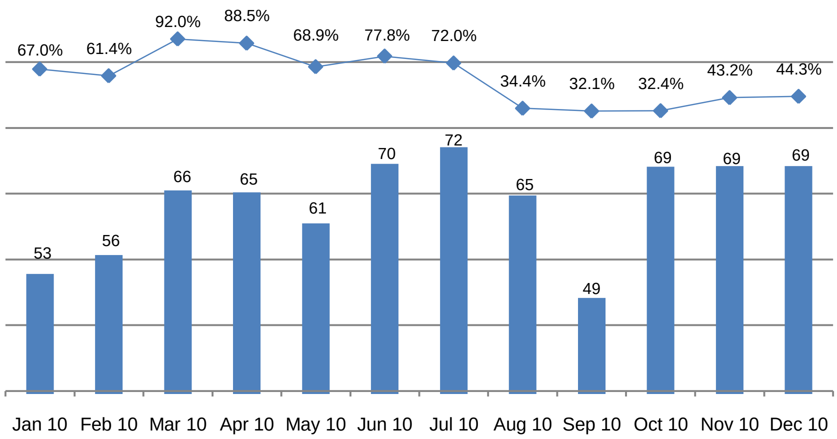


Domestic new car sales

Indonesia new car sales also broke a record with 763 thousand units in 2010, exceeding 2008 record sales of 608 thousand units. Compared to the previous year sales of 486 thousand units, new car sales jump up 57% in 2010. In term of model, multi-purpose vehicle (MPV) remained the most popular model, representing for 44% of 2010 sales. Commercial car accounted for 30% of sales followed by hatchback 10%, sport utility vehicle (SUV) 10% and others 7%.

Toyota continued to dominate the market with 37% market shares in 2010 as compared to 38% in the previous year. Daihatsu maintained its position as the second largest player with 16% market share. Other big players include Mitsubishi 14%, Suzuki 9%, Honda 8%.

National New Cars Sales
In Thousand Units



Source: Association of Indonesian Automotive Industries (GAIKINDO)

Both Indonesian Motorcycles Industry Association (AISI) and Association of Indonesian Automotive Industries (GAIKINDO) have set the sales target for 2011. AISI forecast that new motorcycles sales in 2011 could reach 8.3 million units, representing a growth of 12% from 2010 sales of 7.4 million units. While GAIKINDO project a domestic car to be in the range of 780,000-800,000 units.

Corporate Updates

Extra Ordinary General Meeting of Shareholders

Adira Finance held an Extra Ordinary General Meeting of Shareholders (EGMS) on 2 December 2010. EGMS has approved the new composition of the Board of Commissioner members as follows:

President Commissioner, concurrently as Independent Commissioner	:	Theodore Permadi Rachmat
Commissioner, concurrently as Independent Commissioner	:	Djoko Sudyatmiko
Commissioner, concurrently as Independent Commissioner	:	Eng Heng Nee Philip
Commissioner	:	Ho Hon Cheong
Commissioner	:	Muliadi Rahardja
Commissioner	:	Vera Eve Lim
Commissioner	:	Rajeev Kakar

PT ADIRA DINAMIKA MULTI FINANCE Tbk
BALANCE SHEETS (AUDITED)
31 DECEMBER 2009 AND 2010

(Expressed in millions of Rupiah, unless otherwise stated)

Description	FY 2009	FY 2010
ASSETS		
Cash and cash equivalents		
Cash on hand	26,295	40,692
Cash in banks and cash equivalents		
Third parties	183,426	228,766
Related party	277,286	349,071
Consumer financing receivables - net [1]		
Third parties	2,561,914	6,543,673
Related party	-	153
Prepaid expenses	74,655	135,744
Deferred charges - net [1]		
Third parties	976,006	-
Related parties	6,274	-
Other receivables - net		
Third parties	18,929	29,826
Related parties	2,297	1,574
Investment in shares, related party	650	650
Fixed assets - net book value	144,667	191,360
Intangible assets	43,847	34,843
Other assets - net	13,303	43,263
TOTAL ASSETS	**4,329,549**	**7,599,615**
LIABILITIES		
Borrowings	225,000	50,000
Accrued expenses		
Third parties	351,450	614,391
Related party	2,402	3,895
Bonds payable - net		
Third parties	550,854	2,314,232
Related party	126,000	221,000
Other payables		
Third parties	109,075	163,335
Related parties	42,377	81,722
Taxes payable	51,004	53,479
Deferred tax liabilities - net	218,984	302,802
TOTAL LIABILITIES	**1,677,146**	**3,804,856**
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	32,810	44,934
Unappropriated	2,519,593	3,649,825
TOTAL EQUITY	**2,652,403**	**3,794,759**
TOTAL LIABILITIES AND EQUITY	**4,329,549**	**7,599,615**

[1] *Starting 2010, the Company adopted a new accounting policy (SFAS No. 50/55), whereby deferred charges - net were reclassified to consumer financing receivables - net.*

PT ADIRA DINAMIKA MULTI FINANCE Tbk
STATEMENTS OF INCOME (AUDITED)
FOR THE YEARS ENDED 31 DECEMBER 2009 AND 2010
(Expressed in millions of Rupiah, unless otherwise stated)

Description	FY 2009	FY 2010
INCOME		
Consumer financing [1]	2,777,866	2,118,888
Others	1,166,900	1,778,297
TOTAL INCOME	**3,944,766**	**3,897,185**
EXPENSES		
Salaries and benefits	(732,102)	(979,506)
General and administrative	(351,020)	(442,598)
Allowance for impairment losses on consumer financing receivables	(32,679)	(193,466)
Marketing	(50,528)	(170,445)
Interest expense and financing charges	(123,624)	(134,991)
Acquisition cost of consumer financing [1]	(949,821)	-
Others	(46,645)	(44,456)
TOTAL EXPENSES	**(2,286,419)**	**(1,965,462)**
INCOME BEFORE INCOME TAX	**1,658,347**	**1,931,723**
INCOME TAX EXPENSE	**(445,947)**	**(463,817)**
NET INCOME	**1,212,400**	**1,467,906**
EARNINGS PER SHARE - BASIC (expressed in full amount of Rupiah)	**1,212**	**1,468**

[1] *Starting 2010, the Company adopted a new accounting policy (SFAS No. 50/55), whereby consumer financing income for year ended 31 December 2010 was deducted with amortization of deferred charges of acquisition cost.*