

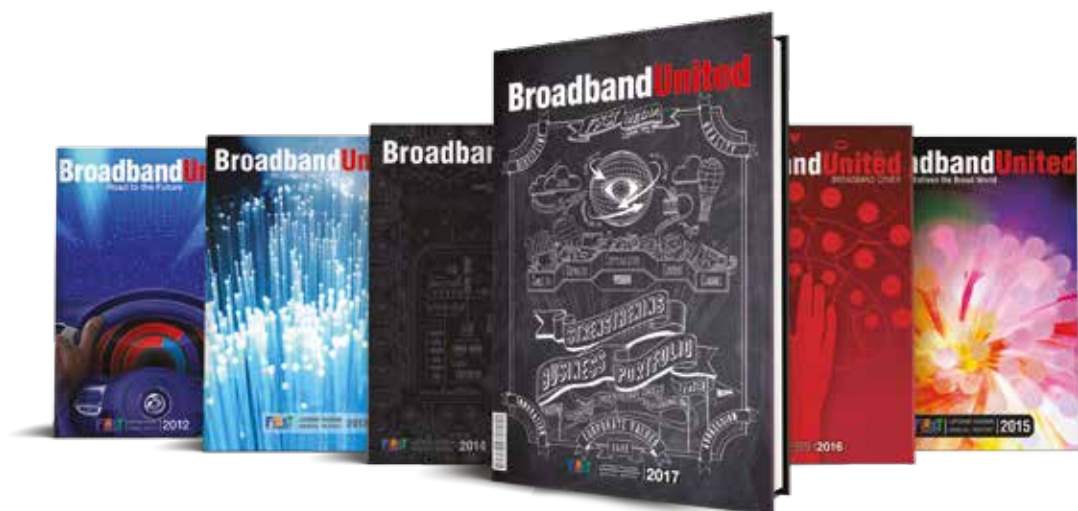
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ENGLISH VERSION

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ANNUAL REPORT THEME CONTINUITY

Annual Report 2012 Theme

Road to the Future

Since two years ago, First Media had become one of the leading company in providing broadband internet service and pay television in Indonesia. Therefore, to represent an integrated service through high speed broadband, including to deliver subscription television service, First Media adopts the term BROADBAND UNITED in each theme of First Media's Annual Report. The theme "Road to the Future" illustrates that First Media is a provider of high speed broadband internet service and subscription television service that becomes a great partner for community in developing their future.

The Annual Report 2013 Theme

Welcoming the Future

People in Indonesia has become part of worldwide community to welcome the rapid change of live impacted by the advance growth of ICT. Examining the rapid growth of ICT and the changes of people's life all over the world, First Media also improves theperformance of its internet broadband service and subscription television service as well as upgrading the ICT technology and expanding network configuration in welcoming the future along with continuous growth of modern technology.

The Annual Report 2014 Theme

Broadband Leader

First Media strategic move in increasing its performance in 2014, includes a dignified business ethics, rules and procedure, risk management, internal control and supervision, leadership, task management and responsibility, empowering management and employee, inline with the growth of ICT and expansion of network service configuration. First Media has changed its corporate position, from pioneer of integrated telecommunication and multimedia services in Indonesia to become a high speed broadband internet service provider and the most advance subscription television provider in Indonesia and become a great partner for community in welcoming future modern technology.

The Annual Report 2015 Theme

Enliven the Broad World

Enliven the lives of many Indonesian to be connected with the extensive world. In the last few years, demand of high speed internet access in most cities in Indonesia increase rapidly. This phenomenon continues to spread to the community from various levels of society in Indonesia. The necessity to access information, entertainment, education, work, until self-actualization are widely spreading in the middle of competitive community. Daily lives are enliven with internet service network that supported with rapid development of ICT.

As a leading company in high speed broaband services and subscription television, First Media is capable to enliven the lives of Indonesian that are connected to all over the world.

The Annual Report 2016 Theme

The Best Partner in Digital Life

First Media consistently develop its TMT based service ability to be the business leader in that sector in Indonesia. Aligned with First Media commitment to become pioneer in TMT industry in Indonesia, First Media also develop its services as content provider for the subscription television services and cinema chain business. Broadcasting content has become an important aspect in First Media business activities to provide added value and distinguish the service of First Media.

During 2016, First Media continues to enhance its performance to be the BEST PARTNER for the Government plan and society necessity in its efforts to elevate its ability to contribute in national economic development in DIGITAL LIFE.

The Annual Report 2017 Theme

Strengthening Business Portfolio

As a business entity in the TMT business, First Media always provides its dedication to develop telecommunication and content network for the improvement of Indonesia ICT (information, communication & technology). First Media sustainability strategy in TMT business development is through initiation of strengthening business portfolio in each of its business units. The business portfolio reinforcement is the First Media's strategic decision to fulfill its responsibilities as the best digital partner. Throughout the year 2017 First Media has implemented professional corporate governance practices such as information disclosure, financial stability, operational effectiveness and business creativity. This is a form of realization of First Media's commitment in maintaining the robustness of its business profile as well as a positive step to become a TMT business leader in Indonesia.

STRENGTHENING BUSINESS PORTFOLIO

Creating a technology, media and telecommunication based company poses a major challenge for First Media in 2017. Digital investment is becoming a future investment for First Media and not to mention for the people of Indonesia. These investment efforts is one way in realizing the First Media as well as the Indonesian's dream to become the largest digital economy community in Southeast Asia, through a creative community activities in moving the wheels of the creative industry economy.

As a strategic investment company as well as a holding company, First Media is very active in reviewing the performance of each of its subsidiaries to deliver good operational performance. The diversity of business models within subsidiaries, encouraging First Media to implement different strategic policies by taking into account the nature of the business of each of its subsidiaries. Nevertheless, First Media is also concerned with the legal and regulatory aspects of each business unit, so that business continuity can be run in accordance with government regulations.

Throughout the year 2017 First Media's strategic decisions to strengthen TMT's business portfolio is by strengthening the telecommunication infrastructure sector such as the backbone network and the 4G Ultra LTE BTS. This strategic policy can not be separated from paying attention to the cost leadership strategy in business operations, therefore to maintain financial balance, increase economic scale and build competence to embrace opportunities in the future.

First Media expectancy through strategic policy in improving the quality of service 4G LTE bandwidth and the availability of Internet network access is that FM can play an important role in improving the digital economy, and increase the penetration of Internet users in Indonesia.

First Media Investment Achievement 2017

When referring to the research report of the Association of Internet Network Providers Indonesia (APJII) in a survey titled “Penetration & Internet Users Behavior in Indonesia Year 2016” shows the penetration of internet users in Indonesia reached 132.7 million users or equivalent to 51.7% of the Indonesian population, 256.2 million people. The survey results show an increase in internet user penetration in Indonesia reaching only 34.9% of the total population in 2014. The increase of internet users who have reached more than 50% showed a positive increament for Indonesia, and First Media is one of the contributors and will continue to build the internet network infrastructure throughout the country.

In early 2017, especially in February, First Media proved its digital investment commitment through BOLT! services with the launch of a bandwidth speed up to 300 Mbps as well as the latest service pack to increase the consumers' interest in 4G Ultra LTE technology. In addition to the quality of bandwidth, the number of BTS 4G Ultra LTE network has reached 3,275 spread over Jabodetabek and Northern Sumatra. This investment result enables First Media to gain 4G LTE subscribers of 3 million by 2017. In addition to wireless services, cable-based services who is run by PT Link Net Tbk also contribute to a productive digital investment. By the end of 2017, Hybrid Fiber Coaxial (HFC) cable network has reached 2 million homepassed covering Jabodetabek, Bandung, Surabaya, Bali, Medan and Batam.



TMT BUSINESS REVIEW

Since First Media initiates rebranding from Kabelvision to First Media in 2007, First Media becomes the pioneer in integrated telecommunication and multimedia business in Indonesia by carrying the Triple Play concept, which is the television subscription services, high speed broadband internet services and data communication through digital communication network.

Information and Communication Technology (ICT) in the world has gone through a lot of progress, either on its technology or the utilization by the society. As well as in Indonesia, the technology in software and hardware has been widely used by society, including small cities. The growth is in line with the increment of internet users in Indonesia based on the survey in 2016, compared to internet users during year 2015 was indicated to increase by 51,8%.

To address those changes, First Media was developed into holding company, to accelerate the business development thus becoming the leading Technology, Media and Telecommunication (“TMT”) company in Indonesia. The purpose of such development is that the Indonesia citizens may continuously utilize ICT equal to the ability of other people around the world. Such thing is deeply impacting the ability to compete in education, business and economic empowerment gradually, including to provide opportunities for young technopreneurs to develop technology-based businesses in Indonesia.

In developing the business in TMT, First Media delivers massive broadband infrastructure to expand the coverage of internet network service and improve its service. First Media believes that the TMT business would be able to promote the creative economy, economic improvement through the digital technology that contributing to the development of the economy of Indonesia which has become one of the best in the world.

Integrated Media Group

Since 2007, First Media has successfully established the integrated TMT business unit. Those efforts have contribute the needs of Indonesian society in digital telecommunication services and integrated television channel. The integration which is First Media's strategic step in developing the TMT business divided into several category such as A (access), B (backbone), C (content) and D (device). Those four categories have become the basic formation to form every business unit in First Media group.

The business unit of First Media form TMT business that engages in providing the telecommunication services with infrastructure network and television subscription services provider, broadcasting content production as well as providing cinema services theatre chain with the coverage that spread through Indonesia.

The continuity and collaboration of each business unit strengthen by good corporate governance of First Media through supervision function with equitable development through 3 (three) discipline values which are: Product Leadership, Operational Excellence and Customer Intimacy of each business unit. The integrated commitment of First Media enhances the creativity of each business unit to produce promising business output. First Media in in view that developing the business unit through those three discipline values is a core to strengthen the corporate to overcome the intense competition in the industry.

First Media stands that Human Resource Management is a basis of success in business operation. Supervision and implementation of good Human Resource system will result in good competence. As among others, regular employee training in various field of division, key performance index, and establishing the synergy culture between the employees between business unit.

First Media as holding company has commit through consistent supervision function, each established business unit would independently be able to provide innovative and creative services. All policies and steps are addressed to support the target of the Indonesian government in developing the creative economy and becoming the world largest digital economy country in Southeast Asia. It is in accordance with Indonesian government vision stated in World Summit on the Information Society in 2016 in Geneva, Swiss.



MILESTONES

In 1994 the Company was established under the name of PT Safira Ananda, after one year, in 1995 the Company changed its name to PT Tanjung Bangun Semesta. In 1998, the Company acquired all Cable TV assets from PT Anditirta Indonusa and changed to PT Tanjung Bangun Semesta Tbk in 1999. In 2000, the Company conducted its initial public offering and listed on the Surabaya Stock Exchange. In the same year, the Company changed its name to PT Broadband Multimedia Tbk and launched its subscription television service in Bali and Surabaya, internet access service and early stage analog network expansion. In 2001 the Company achieved Positive EBITDA and accomplished the initial expansion of the Analog Network. In 2002 the Company was appointed as the sole provider of JATS Remote Trading network owned by the Jakarta Stock Exchange (now the Indonesia Stock Exchange). In 2003 the Company succeeded in reaching 100 thousand cusomters. In 2004 the Company launched internet service under the trade name “MyNet” and obtained ISO 9001: 2000 certification, in 2006 the Company began expanding its digital-based network.

Year	Event
2007	<ul style="list-style-type: none">Changed the name to become PT First Media Tbk.Right Issue I.Introduced “FastNet” broadband-based high speed internet product.Re-Branding of “Kabelvision” to “First Media”.Introduced Triple-Play concept: FastNet, HomeCable and DataComm.Obtained 41 thousand FastNet customers during promotional period.
2008	<ul style="list-style-type: none">Taking over PT Link Net, a company engaged in Internet Service.Establishment of PT First Media Production, PT First Media Television dan PT First Media News.Exercised Warrant Series I.
2009	<ul style="list-style-type: none">Income increased 36% reaching Rp 772 billion and EBITDA totaling Rp 199 billion.Obtained the Broadband Wireless Access (BWA) license for Jabodetabek and Banten area as well as northern part of Sumatra.Introduced FastNet 10 Mbps and FastNet SOHO, HomeCable Family and HomeCable Ultimate.
2010	<ul style="list-style-type: none">Introduced FastNet Kids.HomeCable Family Plus.First HD Channels in Indonesia.FastNet 20 Mbps.Premium Call Center.NSIA Online Payment Facility.Right Issue II.
2011	<ul style="list-style-type: none">Network Expansion (New Roll-Out).Launched Video on Demand.Introduced BeritSatu Channel.Exercised Warrant Series II.

Year	Event
2012	<ul style="list-style-type: none">Introduced PVR (Personal Video Recorder) features.OTT (Over The Top) technology namely watching television broadcast through internet (online) in the form of First Media Live application.
2013	<ul style="list-style-type: none">Network achieved 1 million Homepassed.Launched of subscribed television service through satellite with the name ”BIGTV”.Introduced FastNet 100 Mbps service.Network Expansion to Bandung.Owned 50 High Definition channels in HomeCable service.Exercised Warrant Series II.
2014	<ul style="list-style-type: none">Launch of Android technology based STB (Set-Top-Box).Re-Branding First Media Live to First Media GO.Company acquisition:<ul style="list-style-type: none">1. PT MSH Niaga Telecom Indonesia.2. PT Delta Nusantara Networks.3. PT Prima Wira Utama.4. PT Mitra Mandiri Mantap.5. PT Cinemaxx Global Pasifik.
2015	<ul style="list-style-type: none">Through its subsidiary, PTI, launched the products such as BOLT!4G Powerphone E1, BOLT! 4G Tablet X1, BOLT! Mobile WiFi Hydra, introduced BOLT! Talk application, and conducted strategic collaboration between BOLT! and Samsung and also introduced ULTRA LTE.Through its subsidiary, MSH, conducted partnership to install PABX with Bank Permata.Company subsidiary, PWU, conducted its in building solution with 5 prominent operators in Indonesia. PWU also expand its business to Bali, Medan and Bogor.The Company and BMPA established DSM.The Company performs business restructuring on FMTV.
2016	<ul style="list-style-type: none">BOLT! 4G LTE achieved TOP BRAND 2016 award.Release a movie with title “Blusukan Jakarta”.Special Award: Excellence in Performance Award to Dicky Moechtar as President Director of BOLT! 4G LTE.BOLT! 4G LTE launch its unlimited service packet.BOLT! 4G LTE launched its second BOLT! Zone outlet in Medan.BOLT! 4G LTE achieved “Most Favourite 4G”.Achievement to BeritaSatu News Channel from National Committee of Tobacco Control.New roll out in Malang, East Java.Launched fast internet service FastNet 1 Gbps.Rebranding from First Media Go into First Media X OTT service.Launched STB X1 with 4K technology.Launched Mobile Apps service “My FirstMedia”.BOLT! 4G LTE reached 2 million subscribers.BOLT! 4G LTE achieved TOP IT and TELCO 2016 award.Achievement to BeritaSatu News Channel from Ministry of Trade of Republic of Indonesia.Cooperation with Bogor Mayor by providing Balai Kota Bogor channel.BOLT! achived an award in INDONESIA MOST ADMIREED CEO (IMAC) AWARD 2016.

IMPORTANT EVENTS 2017

Event	Month
BOLT! 4G release 300 Mbps services	February 2017
BOLT! 4G obtained Top Brand Award 2017 in Mobile Internet service Provider category	February 2017
BOLT! 4G launched Bolt Home Unlimited service	February 2017
Strategic Cooperation PT Link Net Tbk with PT Mitra Sindo Sukses, PT Modernland Realty Tbk subsidiaries in the form of Internet and Television infrastructure development	March 2017
First Media received WOW Brand Award 2017	March 2017
BOLT! 4G launched the first Unlimited Package for Smartphone	April 2017
BOLT! 4G obtained Most Innovative Internet Service-Celular Award 2017	May 2017
BOLT! 4G has achieved 3 milion subscriber	June 2017
BOLT! 4G obtained Top Brand Award 2017 (Phase 2) in Mobile Modem Category	July 2017
First Media received Service Quality Award 2017	August 2017
Collaboration OTT service between First Media, BOLT 4G and H00Q	September 2017
BOLT! 4G launched Unlimited Prepaid package	September 2017
Charter of Sport Care 2017 by Ministry of Youth & Sports Affairs	September 2017
BOLT! 4G launched Starter Pack Unlimited for Smartphone	October 2017
BOLT! 4G laucnhed Customer Loyalty Program	October 2017
Forbes Indonesia put PT Link Net Tbk in The Top 50 Companies For 2017- Best of The Best Award The Top 50 Companies For 2017	Oktober 2017
Charter of Pioneer of Traffic Safety by Indonesia National Police	November 2017
PT Link Net Tbk received Corporate Governance Award form Indonesia Institute Of Corporate Directorship	November 2017
First Media received Indonesia Corporate Secretary Award 2017 – 5 Top GCG Issues in Media Sector	Desember 2017
Gathering meeting with the Ministry of Telecommunications & Communications of the Russian Federation – Content Provision Cooperation	Desember 2017



PT FIRST MEDIA Tbk OVERVIEW

Since 2007, PT Broadband Multimedia Tbk change its name to PT First Media Tbk. First Media has define itself as integrated telecommunication and multimedia services pioneer in Indonesia with its TriplePlay concept, which is pay television service, high speed broadband wireless internet access and data communication service over digital telecommunication network.

First Media is a leading holding company among others company which engages in the field of Technology, Media and Telecommunication business. All internal and external policies, strategies, plans and steps which has been taken by First Media are oriented to a goal to be a leading TMT business company and capable to support Government plan to achieve social life target by the power of digital technology which contributes for the nation advancement and economic development through creative economy creative and digital economy. Those are aligned with Government's vision exposed in WSIS Forum, held in 2016, in Jenewa, Swiss.

Coordination between First Media and its subsidiaries creates well integration and cooperation between internet service provider (PT Link Net Tbk and PT Internux) and subscription television service provider (PT First Media Television and PT Indonesia Media Televisi) together with other First Media subsidiaries which engages in the content production (PT First Media Production and PT First Media News), along with its other subsidiaries which engages in telecommunication infrastructure development (PT Prima Wira Utama).

PT First Media Tbk Profile

Business Activities:

- 1. Telecommunication network provider through cable and non-cable, either by fixed network and mobile network;
- 2. Telecommunication service provider, either by fixed network and mobile network; and
- 3. Provider, aggregator and distributor of multimedia content.

Permanent Business License:

Decree of Chairman of BKPM No. 4/I/IU/II/PMDN/TELEKOMUNIKASI/2012, dated December 6th, 2012 regarding Expansion License, Letter of Chairman of BKPM No. 7/I/IU-PB/PMDN/2013, dated July 5th, 2013 regarding Domestic Business Investment Changes Business License.

Operational License:

Decree of Minister of Telecommunication and Informatic No. 119 in 2017, dated January 11th 2017 regarding operation license of Fixed Local Packet-Switched Based Network.



VISION:

To become the premier integrated megamedia services company in Indonesia that capitalizing on the advancement in Internet broadband technology platform in order to deliver superior value to stakeholders.

The Company's vision includes foundation services integrated five-C :

- Cable TV – Multi- Channels Interactive Television
- Computer – Broadband Internet Service
- Communication – Data Communication Services
- Content – Content on Internet and TV
- Channels – In-house Channel productionP

MISSION:

- To be the leader in its field
- To emphasize on competence and professionalism
- To focus on costumer centric
- To become prime employer of choice
- To participate in social corporate citizenship
- To passion at work

CORPORATE VALUES:

- Discipline in our execution
- Quality in our Service
- Innovative in our development
- Aggressive in our market penetration
- Care for our community and environment

BUSINESS STRATEGIC

Utilizing the advances in communications technology – especially the high-speed digital broadband internet technology – to provide the integrated megamedia services at affordable prices in Indonesia.

Consistently become the first in Indonesia to adopt the latest technological breakthrough, in an effort to quantum leap, and deliver superior products and services to customers.

Continuously achieve business efficiency to be the provider of high quality megamedia services with effective and competitive costs.

ARTICLE OF ASSOCIATION

The Company is established under the name of PT Safira Ananda, based on notarial deed No. 37 January 6th,1994 with Decree of the Minister of Justice of the Republic of Indonesia Number C2-1.446 HT.01.01.Th.95 dated February 1st, 1995 that have been referred to the Code of Commercial Law (Gazette Year 1847 No. 23) as amended, the latest by Law No. 4 of 1971.

The following Amendment of the Articles of Association was under the name of PT Tanjung Bangun Semesta Tbk stipulated under in the Deed No. 1 dated December 2nd, 1999 with the Decree of the Minister of Justice of the Republic of Indonesia No. C-19466 HT.01.04.TH.99 dated December 3, 1999 which had referred to the Law No.1 of year 1995 regarding Limited Liability Company.

The following Amendment of several provisions in the statutes was under the name of PT Broadband Multimedia Tbk as stipulated under and recompositionof Articles of Association the Deed No. 56 dated July 30th, 2001 with Receipt of Notice Amendment of Articles of Association by the Minister of Justice and Human Rights of the Republic of Indonesia Number: C- 08744 HT.01.04.TH.2001 on 19 September 2001.

The following Amendment the Articles of Association was under the name of PT First Media Tbk as stipulated under the Deed No. 42 dated August 15th, 2008 with the Decree Minister of Justice and Human Rights of the Republic of Indonesia Number: AHU-74501.AH.01.02.Tahun 2008 dated October 16th, 2008.

The latest amendment of the Articles of Association stipulated under Deed No.33 dated May 15th , 2015 with Receipt of Notice of Amendment of Articles of Association by the Minister of Law and Human Rights of the Republic of Indonesia Number: AHU-AH.01.03-0940134 dated of June 11th, 2015 which refers to the Financial Services Authority Regulation No.32 / POJK.04 / 2014 and No.33/ POJK.04 /2014 as well as other prevailing regulation in the capital market.



CHRONOLOGY OF SHARE OWNERSHIP

In February 2000, the Company held an Initial Public Offering, which was listed on the Surabaya Stock Exchange. After the merger of the Jakarta Stock Exchange and Surabaya Stock Exchange in 2007, the chronology of ownership of shares of the Company are as follows :

2007

Based on the resolutions of Extraordinary General Meeting of Shareholders of the Company dated December 29, 2006 as stipulated under the Deed of Minutes of Extraordinary General Meeting of Shareholders No. 85, dated December 29, 2006, made before Mrs. Poerbaningsih Adi Warsito S.H., Notary in Jakarta, and pursuant to the statement of shareholders resolution stipulated under the Deed of Statement of Meeting Resolution No. 8 dated March 5th, 2007, made before Mrs. Poerbaningsih Adi Warsito S.H., Notary in Jakarta, the Company has increased its subscribed and paid-up capital related to the issuance of new shares of 441,674,000 shares with the aggregate nominal value of Rp220,837,000,000 as a result of the exercise of Right Issue I (PUT I). The deed was accepted and recorded in Legal Entity Administration System Database at the Ministry of Law and Human Rights of the Republic of Indonesia based on the acceptance of Report of Deed of Amendment of Company Articles of Association No. W7-HT.01.04-6246 dated May 3, 2007. Therefore, the structure of the capital and shareholders of the Company is as follows :

56,02% = AcrossAsia Ltd

32,67% = PT Reksa Puspita Karya

11,31% = Shareholders with the ownership ≤ 5%

Description	Registered Common Share Nominal Value Rp 500 per share		
	Number of Shares	Nominal Value	%
Authorized Capital	1.497.200.000	748.600.000.000	
Amount of subscribed and fully paid-up capital	815.974.000	407.987.000.000	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	457.131.716	228.565.858.000	56,02
PT Reksa Puspita Karya	266.579.704	133.289.852.000	32,67
Shareholders with the ownership ≤ 5%	92.262.580	46.131.290.000	11,31

2008

In June 26, 2008 and June 30, 2008, PT Reksa Puspita Karya exercised Warrant Series I respectively amounting to 13,000,000 warrants and 500,000 warrants with the exercise price of Rp 1,000 per warrant. The funds for exercising Warrant Series I have been received by the Company on the June 27, 2008 and July 1, 2008 respectively in the amount of Rp13,000,000,000 and Rp 500,000,000. Therefore, after the exercise of Warrant Series I by PT Reksa Puspita Karya, the subscribed and paid-up capital of the Company has increased to 829,474,000 shares, with the aggregate nominal value of Rp414,737,000,000.

The increase of the subscribed and paid up capital of the Company that occurred related to the exercise of Warrant Series I by PT Reksa Puspita Karya was validated by the resolutions of the Extraordinary General Meeting of Shareholders as stipulated in the Deed of Minutes of Meeting No. 4 dated November 13th, 2009, made by Lindasari Bachroem S.H., Notary in Jakarta and subsequently stated in in the Deed of Meeting Resolution Statement No. 5 dated November 13th, 2009, made before Lindasari Bachroem S.H., Notary in Jakarta.

The Deed has been reported to the Minister of Law and Human Rights of the Republic Indonesia by Acceptance of Notice of Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0000833.AH.01.09.Year 2010 dated January 6th, 2010. Therefore, the structure of the capital and shareholders of the Company is as follows :

55,11% = AcrossAsia Ltd

33,77% = PT Reksa Puspita Karya

11,12% = Shareholders with the ownership ≤ 5%

Description	Registered Common Share Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	1.497.200.000	748.600.000.000	
Amount of subscribed and fully paid-up capital	829.474.000	414.737.000.000	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	457.131.716	228.565.858.000	55,11
PT Reksa Puspita Karya	280.079.704	140.039.852.000	33,77
Shareholders with the ownership ≤ 5%	92.262.580	46.131.290.000	11,12

2009

In 2009, there was no change of share ownership in the Company. The share ownership remains the same as in 2008.

55,11% = AcrossAsia Ltd

33,77% = PT Reksa Puspita Karya

11,12% = Shareholders with the ownership ≤ 5%

2010

On March 18, 2010, the Company had increased its authorized capital to Rp1,650,000,000,000 comprising of 3,300,000,000 shares, as approved pursuant to the resolutions of Extraordinary General Meeting of Shareholders of the Company dated March 4th,2010 as stipulated in the Deed of Minutes of Meeting No. 6 dated March 4th, 2010, made by Lindasari Bachroem S.H.,Notary in Jakarta and is stated in the Deed Of Meeting Resolution Statement No. 7 dated March 4th, 2010, made before Lindasari Bachroem S.H., Notary in Jakarta, which has obtained the approval of the Minister of Law and Human Rights of the Republic Indonesia pursuant to the decree No.AHU-13941.AH.01.02.Year 2010 dated March 18th, 2010, so that the structure of the capital and shareholders of the Company is as follows :

55,11% = AcrossAsia Ltd

33,77% = PT Reksa Puspita Karya

11,12% = Shareholders with the ownership ≤ 5%

Description	Registered Common Share Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	3.300.000.000	1.650.000.000.000	
Amount of subscribed and fully paid-up capital	1.741.895.400	870.947.700.000	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	959.976.602	479.988.301.000	55,11
PT Reksa Puspita Karya	588.167.378	294.083.689.000	33,77
Shareholders with the ownership ≤ 5%	193.751.420	96.875.710.000	11,12

Pursuant to the resolutions of Extraordinary General Meeting of Shareholders of the Company dated April 19th, 2010 as stipulated in the Deed of Minutes of Meeting No. 21 dated April 19th, 2010, made by Lindasari Bachroem S.H., Notary in Jakarta, and pursuant to the shareholder resolution statement stipulated in the Deed of Meeting Resolution Statement No. 7 dated July 20th, 2010, made before Lindasari Bachroem S.H., Notary in Jakarta, the Company has obtained the approval to conduct Right Issue II for the purpose of Shares Issuance with Pre-emptive Rights (PUT II) and to increase the subscribed and paid-up capital related to the issuance of new shares of 912,421,400 shares with the aggregate nominal value of Rp456,210,700,000 as a result of the exercise of PUT II. The deed was accepted and recorded in the Legal Entity Administration System Database at the Ministry of Law and Human Rights of the Republic of Indonesia pursuant to the acceptance of Report of Deed of Amendment of Company's Articles of Association No. AHU-AH.01.10-21071 dated August 18th, 2010. Therefore, the structure of the capital and shareholders of the Company is as follows :

Description	Registered Common Share Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	3.300.000.000	1.650.000.000.000	
Amount of subscribed and fully paid-up capital	1.741.895.400	870.947.700.000	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	959.976.602	479.988.301.000	55,11
PT Reksa Puspita Karya	588.167.378	294.083.689.000	33,77
Shareholders with the ownership ≤ 5%	193.751.420	96.875.710.000	11,12

2011

Pursuant to the resolutions of Extraordinary General Meeting of Shareholders of the Company as stipulated in the Deed of Meeting Resolution Statement No. 16 dated June 3rd,2011,made by Dr.Irawan Soerodjo S.H.,M.Si.,Notary in Jakarta,which has obtained the approval from the Minister of Law and Human Rights of the Republic of Indonesia as per decree No.AHU-36144.AH.01.02.Year 2011 dated July 19th,2011, the Company has increase the authorized capital to Rp3,483,793,800,000 comprising of 6,967,587,600 shares and increased the Subscribed and Paid-Up Capital related to the exercise of Warrant Series II, so that the structure of the capital and shareholders of the Company is as follows :

55,11% = AcrossAsia Ltd

33,77% = PT Reksa Puspita Karya

11,12% = Shareholders with the ownership ≤ 5%

Description	Registered Common Share Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	6.967.587.600	3.483.793.800.000	
Amount of subscribed and fully paid-up capital	1.741.896.900	870.948.450.000	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	959.976.602	479.988.301.000	55,11
PT Reksa Puspita Karya	588.167.378	294.083.689.000	33,77
Shareholders with the ownership ≤ 5%	193.752.920	96.876.460.000	11,12

On October 5th, 2011, the public shareholders of the Company exercised Warrant Series II and the funds from such exercise have been fully received by the Company. The exercise of Warrant Series II has increased the Company's Subscribed and Paid-Up Capital and it is validated by the resolutions of Extraordinary General Meeting of Shareholders of the Company dated October 21st, 2011 as stipulated in the Deed of Minutes of Meeting No.6 dated October 21st, 2011, made by Lindasari Bachroem S.H., Notary in Jakarta. Therefore, the Subscribed and Paid-Up Capital of the Company increased to 1,741,896,978 shares with the aggregate nominal value of Rp870,948,489,000 with the structure of the capital and shareholders of the Company is as follows :

Description	Registered Common Share		
	Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	6.967.587.600	3.483.793.800.000	
Amount of subscribed and fully paid-up capital	1.741.896.978	870.948.489.000	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	959.976.602	479.988.301.000	55,11
PT Reksa Puspita Karya	588.167.378	294.083.689.000	33,77
Shareholders with the ownership ≤ 5%	193.752.998	96.876.449.000	11,12

2012

In 2012, there was no change of share ownership in the Company. The share ownership remains the same as in 2011.

55,11% = AcrossAsia Ltd

33,77% = PT Reksa Puspita Karya

11,12% = Shareholders with the ownership ≤ 5%

2013

On August 22nd, 2013, the shareholders of the Company have converted Warrant Series II into shares. The Conversion of Warrant Series II have led to an increase of Subscribed and Paid-Up Capital of the Company as stipulated in the Deed of Meeting Statement Resolution No. 7 dated August 22nd, 2013, made by Rini Yulianti, S.H., Notary in Jakarta, therefore the Subscribed and Paid-Up Capital of the Company becomes 1,742,167,907 shares with the aggregate nominal value of Rp871,083,953,500. The Deed has been accepted and recorded in Legal Entity Administration System Database at the Ministry of Law and Human Rights of the Republic Indonesia based on the acceptance of Report of Deed of Amendment of Company's Articles of Association No. AHU-AH.01.10-35144 dated August 26th, 2013. Therefore, the structure of the capital and shareholders of the Company is as follows :

55,10% = AcrossAsia Ltd

33,76% = PT Reksa Puspita Karya

11,14% = Shareholders with the ownership ≤ 5%

Description	Registered Common Share		
	Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	6.967.587.600	3.483.793.800.000	
Amount of subscribed and fully paid-up capital	1.742.167.907	871.083.953.500	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	959.976.602	479.988.301.000	55,10
PT Reksa Puspita Karya	588.167.378	294.083.689.000	33,76
Shareholders with the ownership ≤ 5%	194.023.927	97.011.963.500	11,14

2017

In 2017 the Company has changed its ownership interest above 5%. The change took place on August 21st, 2017 by PT Inti Anugerah Propertindo owning 150,616,940 shares or representing 8.65% of all shares of the Company which have been placed and remitted. On November 13th, 2017 PT Inti Anugerah Propertindo was renamed become PT Inti Anugerah Pratama with 150,146,640 shareholding or representing 8.62% of the total issued and paid shares of the Company. Therefore, the Company's capital and shareholding are as follows:

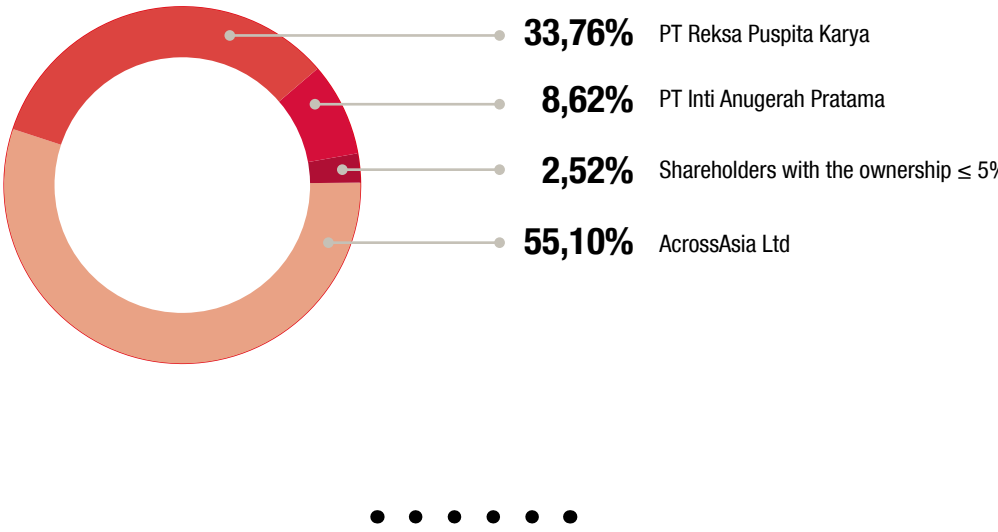
Description	Registered Common Share		
	Nominal Value Rp 500 per share		
	Numbers of Shares	Nominal Value	%
Authorized Capital	6.967.587.600	3.483.793.800.000	
Amount of subscribed and fully paid-up capital	1.742.167.907	871.083.953.500	100,00
Shareholders with the ownership ≥ 5%			
AcrossAsia Ltd	959.976.602	479.988.301.000	55,10
PT Reksa Puspita Karya	588.167.378	294.083.689.000	33,76
PT Inti Anugerah Pratama	150.146.640	75.073.320.000	8,62
Shareholders with the ownership ≤ 5%	43.877.287	21.938.643.500	2,52

55,10% = AcrossAsia Ltd

33,76% = PT Reksa Puspita Karya

8,62% = PT Inti Anugerah Pratama

2,52% = Shareholders with the ownership ≤ 5%



LIST OF 20 MAJOR SHAREHOLDER PT FIRST MEDIA Tbk

31 DECEMBER 2017			
No	Shareholders Name	Number of Shares	Percentage %
1	AcrossAsia Limited	959.976.602	55,10
2	PT Reksa Puspita Karya	588.167.378	33,76
3	PT Inti Anugerah Pratama	150.146.640	8,62
4	PT Indosat Tbk	18.715.000	1,07
5	PT Tunggal Jaya Investama	6.237.390	0,36
6	Emco XII	4.630.600	0,27
7	Aileen Hambali	4.000.000	0,23
8	Go Siau Hong	3.537.390	0,20
9	Yanti Yulianti	599.990	0,03
10	Yong Yulia	542.500	0,03
11	Bank Of Singapore Limited – 2048834001	492.057	0,03
12	Agnes Wida	347.000	0,02
13	PT Ciptadana Capital	288.500	0,02
14	Siaw Yunus Subandi	275.000	0,02
15	Marcelus Ardiwinata	241.000	0,01
16	Elfie	215.000	0,01
17	Herowiratno Gunawan	200.000	0,01
18	UBS AG Singapore Non-Treaty Omnibus Account	200.000	0,01
19	Maria Karna	170.000	0,01
20	Ratnawati Widjaya	150.671	0,01

SHAREHOLDERS WITH THE OWNERSHIP >5%

31 DECEMBER 2017				
No	Shareholders Name	Number of Shares	Percentage	Amount of subscribed
1	AcrossAsia Ltd	959.976.602	55,10	479.988.301.000
2	PT Reksa Puspita Karya	588.167.378	33,76	294.083.689.000
3	PT Inti Anugerah Pratama	150.146.640	8,62	75.073.320.000

SHARE OWNERSHIP BY BOARD OF COMMISSIONER AND DIRECTOR

Throughout 2017, First Media share ownership is not owned by either the Board of Commissioners or the Board of Directors.

BONDS INFORMATION

Throughout 2017, the Company has no bonds/ sukuk/ convertible bonds outstanding in the last 2 (two) fiscal years.



MESSAGE FROM BOARD OF COMMISSIONERS

The honorable shareholders and stakeholders.

We make praise and to give thanks to the God which has been providing us with a spirit from and His grace so that First Media once again capable to get beyond this dynamic year and recorded a pretty good performance in spite of various obstacles which colors the journey of First Media business in the year 2017.

In this annual report we the Board of Commissioners want to express some information on the development or strengthening our portfolio in technology, media and telecommunication business (TMT) which we run to support the Indonesian Government in developing the nation in the digital context. Integrated with strategic message we gave in our previous Annual Report where we as best digital partners for Indonesians not just only develop multimedia business, but also contributes to gradually improved the digital gap in Indonesia. In the context of the national economy, we are concentrating on infrastructure internet connection that growth rate of internet users and e-commerce business more aggressive in foster economic growth.

By considering the things which are conveyed above, let us as the Board of Commissioners to convey the major aspect of supervisi report on First Media operation in accounting year 2017 as part of the Board of Commissioners' duties and responsibility.

OVERVIEW ON BOARD OF DIRECTORS PERFORMANCE

The Board of Commissioners evaluate that the Board of Directors had performed very well in the midst of digital business competition by taking various strategic initiatives that proven by a positive result booked by the company in the latest accounting year. The policy of Board of Directors to improve the efficiency in operational and risk management are incredibly accurate in respond to dynamic economic condition throughout the year 2017.

The Board of Commissioners has positive impression to the Board of Directors policies in strengthening the 4G Ultra LTE internet investment infrastructure in Jabodetabek and Northern of Sumatra also the backbone cable network. This policy is stabilized First Media position as one of foremost TMT businesses in this country, especially in the development of internet network infrastructure of broadband cable and wireless internet access (broadband wireless access).

Besides infrastructure, the Board of Directors also perform satisfactorily by continue to maintain the perceptual powers of First Media brand and BOLT! 4G brand products, that can be seen by a number of businesses awards presented such as TOP Brand, WOW Brand and Service Quality Award. The Board of Commissioners expressed appreciation to the Board of Directors whom can contribute to telecommunication industry with a precise strategy and provide a significant impact in social economy by job creation and other means of simple connectivity that can be used by economic players.

Hence, the Board of Commissioners will continue to provide direction, motivation and input to the Board of Directors as part of the effort to spur the performance of a sustainable Company.

THE VIEW TO THE COMPANY PERFORMANCE IN YEAR 2017

The Board of Commissioners sees First Media is capable to record a good performance in spite of challenges and barrier throughout a very dynamic year of 2017.

The Board of Commissioners perceive that First Media successfully managed to apply a precise strategy to achieve the target set based on analysis and various feedbacks. First Media main achievement to strengthen telecommunication sector by its subsidiaries has reached successfully 2 million internet connection or homepassed, and reached 3 million customers 4G Ultra LTE.

In the future, First Media will continue its strategy to strengthening the telecommunication infrastructure sector and improve business performance so it can contribute more in its role as partners to the Government in achieving the determine target of development.

SUPERVISION OF STRATEGIC IMPLEMENTATION

The Board of Commissioners shall perform active supervision in the that have been set by the Board of Directors. The supervision by the Board of Commissioners observing the performance of and achievement of the Company throughout 2017.

In every opportunity of joint meeting, the Board of Commissioners always demand for clarification from the Board of Directors related progress budget plan, obstacles faced by the Board of Directors and measures taken to face the obstacles.

In addition, The Board of Commissioners also directly supervising by surveying First Media businesses units. Throughout the year 2017, the Board of Directors had carried out proper business strategy and in accordance First Media business plan.

THE BUSINESS PROSPECT

First Media efforts in integration a credible TMT business has been proven right, both in timing and business strategy. First Media is in the view that the prospects of digital business in Indonesia are widely open, especially the internet business related. According to APJII survey in the year 2016, penetration of internet users in Indonesia reached 132.7 million users or equivalent to 51.7 % of the Indonesian population of 256.2 million people. The survey shows that the increase in penetration of the internet users in Indonesia is only 34.9% of the total number of population in the year 2014. Geographically, internet users in Indonesia are spread mostly in the island of Java, 86.3 million or approximately to 65% of the total number of the population. Then in Sumatra Island of 20.75 million users or 15.7 % of the total number of population and the island of Sulawesi is in the third place with a number of users 8.45 million or 6.3% of the total number of population. Distribution on the island of Kalimantan some 5.8% of the total number of population; in Bali-Nusa Tenggara some 4.7% of the total population and Maluku-Papua some 2.5 % of the total number of population.

Increase in internet penetration a positive impact for Indonesia among others in the growth of Small Medium Enterprises (SMES) business which is now starts to migrate from offline to online. Internet access has helped many SMES business in Indonesia to expand their business network digitally. But the development in the business of TMT has not been optimally utilized. Only a handful SMES business exploit e-commerce. Most of the SMES business use web and social media and most of them are new to the use of computers as well as internet access broadband.

This condition is a digital gap which become a great opportunity for First Media to increase penetration of internet users in Indonesia and the TMT business development. As the best digital partners, First Media is in the view that it is important to have solution and media for the SMES businesses to grow bigger and more competitive in the local, regional and international market.

IMPLEMENTATION OF CORPORATE GOVERNANCE

The implementation of Good Corporate Governance (GCG) practice in First Media continously show a better development. First Media consistently perfecting mechanism, structure, and corporate governance organ. First Media committed to implement GCG on each of its business activity. The Board of Commissioners confident that the GCG practices which has been implemented are in accordance with the standard of Corporate Governance.

The Board of Commissioners encourage the Board of Directors to maximize the role of all parts of the Company to establish a business environment that comply with the regulations. So, the Board of Commissioners encourage the Board of Director to strengthen the implementation of Whistleblower System to prevent fraud.

SUPERVISION BY THE BOARD OF COMMISSIONERS

The Board of Commissioners believe in the necessity of discipline to supervise the Company in implementation and enforcement of the best Corporate Governance. It is hoped that the application and enforcement of GCG is inline with First Media strategy in achieving its objectives and plan for First Media to grow continously in the future. In supervising, the Board of Commissioners periodically held meeting with the Board of Directors. The supervision function held by the mechanisms of the Board of Commissioners meeting, the Board of Commissioners meeting with the Board of Directors, the Board of Commissioners meeting with the Committee and Board of Directors and also direct survey to related units.

Throughout the year 2017 , the Board of Commissioners contribute several recommendations and advices for Board of Directors, among others:

- 1. Improvement the quality of Corporate Governance, including conducting review of the Corporate Governance implementation and the enforcement of the Corporate Governance to fit the present needs in development of the Company, business and improve the ability to compete through reliable a process results that can be relied upon.
- 2. Managing professional Standard Operating Procedure and maintain efficient and effective business operation.
- 3. Exploring numbers of latest technology that can help the business development without disregarding the applicable laws and regulations, and the provisions of the Articles of Association. The business development must be able to ascertained the accuracy of practice in any business transaction, such as corporate approval, held its General Shareholders Meeting and do the disclosure of information to the public as a form of Company compliance as a public company.

THE VIEWS OF THE COMMITTEE PERFORMANCE UNDER THE BOARD OF COMMISSIONERS

In carrying out the task, function and responsibilities, the Board of Commissioners assisted by committees under its control, namely Audit Committee and Remuneration and Nominations Committee. In supervising of the corporate activity implementation, the implementation of the organization transformation, and form of its subsidiary business performance, the Board of Commissioners assisted by Audit Committee who works dilligently to ensure First Media accuracy and compliance to any prevailing regulations. The Board of Commissioners directly as well as through Audit Committee provides input, consideration and advice for Board of Directors to ensure the business strategy and Good Corporate Governance executed precisely and and in line with the visions and mission the Company.

Along 2017, the Board of Commisiners is in view that the Committees has perform the tasks and responsibilities well, which they gave some opinion to the Board of Commissioners, among other:

- 1. **Audit Committee**
Regarding on the implementation of GCG among others the control system, confidentiality, a review of the Public Accountant Office, and information to be disclosed to stakeholders and on the implementation of the Internal Audit tasks, including on risk management, internal control, the compliance to the regulations, and fraud prevention.
- 2. **Nominations and Remuneration Committee**
The determination of remuneration to be implemented in accordance with the performance of each of the Board of Directors and the Board of Commissioners, relating to the implementation of GCG, conformity target and achievement, the company performance and conformity work.

CHANGES THE COMPOSITION OF EXECUTIVE BOARD

In April 2017, the composition of the Board of Commissioners of First Media substituted from the previous year. The composition of the Company Board of Commissioners as of 21 April 2017 is as follows:

No	Name	Position
1	Surjadi Soedirdja	President Commisioner (Independent)
2	Paternus Mingkor	Commissioner (Independent)
3	Teguh Pudjowigoro	Commissioner (Independent)
4	Ali Chendra	Commissioner

On 20 June 2017, composition the Board of Commissioners changed to 3 (three) the Board of Commissioners. This event occurred due to the decease of namely Mr. Paternus Mingkor. The new composition has been submitted by First Media to the Authority of the Financial Services and the Indonesian Stock Exchange by letters number SB-036/FM-CSL/OJK/VI/2017.

THE NEXT TARGET

Since the establishment, one of the commitments of First Media is to become contributor in achieving the country and people development to lead in information technology. This commitment means that in every First Media achievement in TMT business must become part of contribution to the government plan and efforts to develop the people and country which leading in Information and Technology. All those things would cope with technology development, the trend changes competition and change the era. Therefore First Media also precede the development of human resources, modernising technology and applying of corporate governance consistent with the needs and the condition.

When the Government sets their policy to make Indonesia as the largest digital economic country in Southeast Asia on year 2020, the Board of Commissioners, the Board of Directors and the Employees of First Media welcomed them with pleased as it conform with the vision and mission of the Company. The next target is to maintain its position as the contributor in the development of Information Technology improve the human resources ability and socialize internet utilization to be full with knowledge and economic benefit to the general public, including future generations.

The Board of Commissioners is in view that First Media cannot be contended with its accomplishment, but need to continuously intensify the synergy within its subsidiaries, considering the competition will be more tight in the future.

APPRECIATION TO STAKEHOLDERS

In this good occasion, we give appreciation to the shareholders for continous support to the Company. The Board of Commissioners would also like to thank and grant highest appreciation to the Board of Directors and all management well as employees of the Company and subsidiaries, for their dedication and hard work so that challenges in 2017 can be overcome. Hopefully the performance in 2017 increasingly spur spirit of all stakeholders to perform better in 2018.

Jakarta, Desember 2017

For and on behalf of the Board of Commissioners,

PT First Media Tbk

Surjadi Soedirdja
President Commissioner (Independent)



REPORT FROM BOARD OF DIRECTORS

The honorable shareholders and stakeholders.

We praise and to give thanks to the God which has been providing us with a spirit from and His grace so that First Media can overcome the year 2017 with good performance. We hereby deliver the annual report of PT First Media Tbk for the book year ending on 31 December 2017, and Consolidated Financial Report which audited by the Public Accountant Amir Abadi Jusuf, Aryanto, Mawar & Associates.

We would also to thank you to most of the all First Media employees who has contributed best to First Media, the Board of Commissioners for all advice and recommendations and the shareholders who trust us to manage the Company.

VIEW OF INDONESIA ECONOMICS

The world economy will continue to grow as emerging market countries still show good development. International Monetary Fund (IMF) in World Economic Outlook in October 2017 projected world economy will grow to 3.6 percent in 2017 and increase to 3.7 percent in 2018 respectively. This economic improvement is influenced by China's economic recovery that is beyond expectations with its growth in the second quarter by 6.9 percent (YoY). Meanwhile, based on the IMF report, concerns about the potential for crisis remains to be wary for the next 3 years.

At the global level there are geo-political challenges that would affect economic development. In Europe the rate of economic growth is still low, plus the uncertainty condition because of the Catalonia in Spain that claim independence. Brexit negotiations are still ongoing but are experiencing some obstacles. In addition to the above, the North Korean is a factor that must be taken into account as an uncertainty although still within controlled limits in terms of economic and security stability in Asia.

THE PROSPECTS OF BUSINESS

First Media efforts in integration of credible TMT business has been proven right, both in the accuracy of time or business strategy. First Media is in view that digital business prospect in Indonesia widely open, especially interenet related business. According to APJII survey in the year 2016, penetration of internet users in Indonesia had reached 132.7 million users or equivalent to 51.7 % of the Indonesian population 256.2 million people. The survey shows that the increase in penetration of the internet users in Indonesia only reached 34.9 % of the total population of in the year 2014.

The increase in internet penetration had a positive impact for Indonesia among others in the growth of small & medium business (SMB) which is start to migrate from offline to online. Internet access has helped around 64% of SMB in Indonesia to expand their busines network by digitally. But the recent development in the TMT business has not been fully utilized. Only a handfull SMB's around 9% utilize e-commerce. Around 18% of the SMB's would utilize web and social media and around 37% is still very new to the use of computers and broadband internet access.

This is a digital gap that was part of a great opportunity for First Media to increase the internet user penetration in Indonesia and the TMT business development. As the best digital partner, First Media considered its important to have solution and media especially for the SMB's to grow and become more competitive, in the local, regional and international.

INCREASE THE COMPANY'S ECONOMIC BUSINESS OF SCALE

Seeing the extensive business opportunities, First Media as a strategic investment company and as holding of TMT business companies is fully determined to grab that opportunity. First Media a strategic step increase the Company economic businesses of scale by strengthening the telecommunication infrastructure sector such as; the main network (backbone), the Internet of Things (IoT), Over-The-Top (OTT) and Cloud Service. In addition First Media does not disregard cost leadership policy in business operational. Those efforts are to maintain financial stability and aggressive income increase.

PERFORMANCE AND THE COMPANY STRATEGIC POLICY

Along the year 2017 under the supervision of the Board of Commisioners and hard work of the Board of Directors, First Media has done several strategic policy to strengthen TMT business portfolio.

As for were the strategic policy:

1. Launched Bolt Home & Mobile Unlimited Package service and unlimited pre-paid packages with free quota.
2. Launched BWA 4G internet speed up to 300 Mbps.
3. Cooperation First Media, BOLT! 4G first Over the Top (OTT) collaboration service with HOOQ - largest video on demand service in Southeast Asia to present best entertainment experience for Indonesian consumers. This collaboration provides the opportunity to First Media and BOLT subscribers to enjoy qualify entertainment through the HOOQ aplication which contains video streaming, local movies downloading and international blockbuster and television serial wherever and anytime.
4. Strategic cooperation with Jakarta Garden City, city scale residential (township) developed by PT Mitra Sukses, subsidiary company of PT Modernland Realty Tbk in Cakung, East Jakarta.
5. Infrastructure development of 4G Ultra LTE and the supporting infrastructure as the right solution to reduce the gap in telecommunication in Indonesia. Until the end of 2017 Bolt 4G Ultra LTE has reach more than 3,000 points to serve the needs of mobile internet of 3 million customers across Jakarta, Bogor, Depok, Tangerang and Bekasi, and the northern of Sumatra.
6. Telecommunication infrastructure development of in-building solution providers conducted by First Media entities, PWU. At this time, their network is available in 68 buildings. PWU has also built wi-fi infrastructure in 41 buildings throughout Indonesia. In addition, telephony business through the business unit, MSH Niaga, recorded that it has serve 1.240 telephony corporate customers.

INFORMATION TECHNOLOGY

As a company that so devoted to Information Technology, First Media put close attention to information technology to support the Company operational. Utilization of information technology by, First Media can monitor the internet network connectivity from hub to end user network through Network Management System and Master Control Room to monitor the pay tv contents.

Besides information technology for network infrastructure support, First Media also developed applications based on Android and IOS to ease subscribers to access its services like payments and self-diagnostic system when disruption occurs.

CORPORATE GOVERNANCE

The development of the Company and their business activities would not disregard of the Corporate Governance with Good Corporate Governance (GCG). The Good Corporate Governance is also aplicable in First Media subsidiaries. In order to ensure Corporate Governance implementation, the Board of Directors periodically conducting coordination meeting with the subsidiaries management. In addition to taking into account business aspects, First Media continuosly ensure that every their business activities are performed in line with the applicable regulations. In addition, First Media internally announce various Standard Operating Procedure (SOP), code of ethics and professional responsibilities tasks, and Company Regulation.

To ensure the GCG enforcement, the Board of Directors conducted monthly review to the activities that going to be undertaken and had been completed by First Media business unit by coordination meetings with the management of each of subsidiaries. Audit Committee whom responsible to the Board of Commisioners of the Company, and Internal Audit Divison whom is responsible to the Board of Directors are actively involved through the supervisory function.

CORPORATE SOCIAL RESPONSIBILITY

First Media performed its social responsibility as enacted by the Government under the Government Regulation No. 47 Year 2012 regarding Social and Environmental Responsibility of the Limited Liability Company and ensure full benefit for the public, such as the provision of scholarship, blood donor, internet service delivery to several schools in remote areas, and many more activities.

HUMAN RESOURCES DEVELOPMENT

An improvement in employees competence is part of the contribution of the human resources development for First Media and also for the labour force in Indonesia.

Human Resources Division launched programs to improve the quality of the employees of the Company through well-structured and planned training and education in line with TMT business which is First Media business. In the other hand the development of Human Resource in information communication technology would be needed by the country to become competitive in global market.

CORPORATE CULTURE

Mental and behavior of human resource in working and participate in community events serve as a platform of discipline and scholastic achievement to produce the excellence performance. Every aspects are managed and practiced as a part of First Media working environment. Among the target is to achieve is not only smart and discipline employee, but also have individual and team positive attitude and reliable be for Indonesian workers.

CHANGES IN THE COMPOSITION OF THE BOARD OF THE DIRECTORS

In 2017 the Company substitute the Board of Directors from the previous year. The following are the composition of the latest Board of Directors of the Company based on Annual General Shareholders Meeting (AGSM) dated of 21 April 2017:

Name	Position
Harianda Noerlan	Presiden Director (Independent)
R. Soeparmadi	Director (Independent)
Hernowo Hadiprodjo	Director (Independent)
Johannes Tong	Director

APPRECIATION

The Board of Directors hereby to thank you and grants high appreciation to all shareholders and stakeholders of the Company, the Board of Commissioners, and all managements and employees who had worked hard to achieve a good performance for years 2017. The high appreciation also given to the Government Authorities, customers, a business associates, the capital market community, and mass media which had support the Company.

The Board of Directors hope that success always be with us and harmonious and comprehensive cooperation which had been established shall continue in the future.

Jakarta, Desember 2017

For and on behalf of the Board of Directors,

PT FIRST MEDIA Tbk

Harianda Noerlan
President Director (Independent)

PROFILE OF BOARD OF COMMISSIONERS

Surjadi Soedirdja | President Commisioner

An Indonesian citizen, 79 years of age, and is domiciled in Indonesia. He has been serving as the President Commissioner of PT First Media since April 21st, 2017. Surjadi Soedirdja received his education from the Indonesia Military Academy in 1962 and completed a number of military service education and training in Indonesia and abroad. After completing his Military Academy education, Surjadi Soedirja went on to complete his KUPALTU (First Advance Officer Course) in 1965, SUSLAPA (Advance Captain Course) in 1969, SESKOAD (Army Command School) and SESKOGAB (School for Staff and Commander of the National Army of Indonesia) abroad in 1974, domestic SESKOGAB in 1979, LEMHANAS (National Security Institution) in 1991 and the lastly was participating in education TAR MANGGALA BP-7 in 1995.

Career Journey

Surjadi Soedirdja is a retired General of the Indonesian National Army. He started his career as DANTON (Platoon Commander) in 1963, DAN KI in 1964, KAROLAT (Head of Training Bureau) in 1967, KASUBRO/TRAKOR GUMIL PUSDIKIF in 1968, WADAN YONIF (Deputy Commander of Infantry Battalion) in 1970, KARO OPS (Bureau Chief of Operation) in 1971, DAN YONIF (Commander of Infantry Battalion) in 1973, DAN DIM (Military District Commander) in 1975, KAS BRIGIF (Chief of Staff of the Infantry Brigade) in 1977, DAN BRIGIF (Commander of the Infantry Brigade) in 1978, DAN KODIKLATDAM (Commander of Command Center for Doctrine, Education and Training) in 1981, DAN REM (Commander of a Military Region Command) in 1982, DANMEN TAR AKMIL (Regimen Commander of Cadet Military Academy) in 1984, WADAN PUSBANG SISOPS TNI AD (Deputy Commander of Development Center of Operation Systems) in 1985, KASDAM IV/DIPONEGORO (Military Area Command Chief of Staff) in 1986, PANGDAM JAYA (Military Area Command Jakarta Raya) in 1988, ASSOPOL KASSOSPOL ABRI (Armed Forces Chief of Socio-Political Staff) in 1990, Governor of Jakarta from 1992-1997.

In 1998 Surjadi Soedirdja started serving as the President Commissioner of PT Krakatau Steel, which marked the start of his career holding a position in a State-owned Enterprise. He held the office of Minister of Internal Affairs as well as the Head of National Land Agency for the period 1999 – 2001. He was Indonesia’s CoordinatiNG Minister for Politics and Security (MENKOPOLKAM) for the period 2000 – 2001. He was the Chairman of Republic of Indonesia’s Board of Honours during the period 1999-2004, and a member of Indonesia’s Board of Honours during the period 2004-2009.

To this day, Surjadi Soedirdja still serves as the Advisor to the Board of Directors at PT Krakatau Steel, a position that he has since 2002. He also held the office of Vice President Commissioner of PT Lippo Karawaci Tbk from 2004 till present. In addition to actively participating in business communitie, Surjadi Soedirja serves as a Chairman in a number of foundations such as having the position of the Chairman of Advisory Board of Putra Mama Foundation (extending scholarship for Aceh – Ambon Students) from 1999 till present, Chairman of theBoard of Trustees of Sultan Ageng Tirtayasa Banten State University from 2002 till present, Chairman of the Advisory Board of Jati Diri Bangsa Foundation since 2002, Chairman of Advisory Board of LIA foundation from 2014 till present, and President of I.U.L.A ASPAC (International Union of Local Authority – Asia Pacific) from 1993 till 1997.

Accolades

Surjadi Soedirja earned a number of accolades throughout his career, from his home country as well as from abroad. Accolades given to him by his home country were Bintang Mahaputera Utama, Bintang Kartika Eka Paksi Pratama, Bintang Kartika Eka Paksi Nararya, Bintang Yudha Dharma Nararya, Bintang Wira Dharma/Dwikora, Satya Lencana Penegak, Satya Lencana Kesetiaan VIII THN, Satya Lencana Kesetiaan XVI THN, Satya Lencana Kesetiaan XXIV THN, Bintang Legiun Veteran Republik Indonesia, Satya Lencana Pembangunan, Ksatria Bhakti Manggala Husada, Manggala Karya Kencana, Lencana Melati Pramuka, Adhi Karya Kencana, Anugerah Medali PWI Jaya, Satya Lencana Kebaktian Sosial, Adhi Manggala Krida (Youth Pioneering) and Kartika Bina Niagatama.

As for the accolades awarded to him from foreign countries are Badge of Honor from the Republic of Venezuela “Order Fransisco De Miranda Segunda Clase”, Badge of Honor from the Federation Republic of Austria “Officer’s Cross”, Badge of Honor from the Republic of France “Commandeur Dans L’Orde National Du Merite”, Badge of Honor from the Ukranian Government “Bohdan Khmelnytsky Order 2nd Degree”, and lastly, Badge of Honor from The Kingdom of the Netherlands, “Groot Officier In De Orde Van Oranje Nassau”.

Teguh Pudjowigoro | Commissioner (Independent)

Indonesian Citizen, aged 65 years, domiciled in Indonesia. He has been holding the position of Independent Commissioner of PT First Media Tbk since 21 April 2017. He earned Bachelor Degree from Universitas Gajah Mada, Yogyakarta, Faculty of Economy in 1976, and participated in various seminars abroad. He is a professional with more than 30 years of experience, particularly in banking industry. He once work in Lippo Bank as the Head of General Affairs Group, Head of Human Resources Group, Head of Asset Management Group, and lastly as the Head of Financing and Operation Division in Lippo Bank Syariah. He once also served as the President Director and Director in Lippo Group’s real estate company.

Ali Chendra | Commissioner

Indonesia Citizens, 57 years old, domiciled in Indonesia. He holds the position as Commissioner of First Media since April 2017. Previously Ali Chendra held the position as the President Director of First Media since 2014. Ali Chendra graduated his bachelor degree from Control Data Institute, Toronto, Canada in 2003. He started his career as technical staff in PT Metrodata/Wang Computer (1979-1983). Then served as Director at PT Total Data (1983-1993); PT Telepoint Nusantara (1993-1999); PT Telplus Digitalindo (1993-1999); and PT Infracom Telesarana (2009-2012). In 2003, he established Indonesian Multimedia Association (APMI) as a Vice Chairman.

He also held a position as a President Director in a number of company, among others: PT Media Citra Indostar (2001-2004); PT MLC/Indovision (2001-2004); PT Datakom Pratama (2005-2006); PT Infokom Elektrindo (2006-2009); PT Indonesia Media Televisi (2012-2014). In addition, he was also a member of Board of Commissioners and Board of Directors in several companies of Bhakti Investama/MNC Group, namely: Linktone-Nasdaq Listed (member of Board of Directors); PT Bhakti Investama Tbk (member of Board of Directors); PT Agis Tbk (member of Board of Directors); PT Metrosel (member of Board of Commissioners); PT Mobile 8 Telecom Tbk (member of Board of Commissioners).

PROFILE OF BOARD OF DIRECTORS

Harianda Noerlan | President Director (Independent)

Indonesian citizen, 55 years old, domiciled in Indonesia. He has been holding the position of Independent Director of PT First Media Tbk since 21st of April 2017, having previously serves as Corporate Services Director and also Corporate Secretary of PT First Media Tbk since 2006. He obtained his Bachelor Degree in Mechanical Engineering from Faculty of Engineering, Trisakty University, Indonesia. He started his professional career in banking industry from 1990 to 2000 in PT Bank Niaga Tbk. His last position was Senior Manager – International Banking Division Head. Then he pursued his career in Indonesian Bank Restructuring Agency – IBRA until 2002 with last position as Vice President – Group Head at Bank Restructuring Unit (BRU). Later he join PT Bank Lippo Tbk until 2006. He held several positions, namely Senior Vice President – Channels & Alliances Group Head; Director of Distribution Financial Services, and Managing Director Compliance.

Johannes Tong | Director

Indonesia citizens, 50 years old, domiciled in Indonesia. He holds the position as Director First Media since 24 April 2013. Johannes Tong obtained his Bachelor degree in physics, mathematics and business administration in Azusa Pacific University and degree of Magister in Business Administration from California State University, Los Angeles.

In addition to his position as Director First Media, he also holds the position as Director in numbers of First Media subsidiaries, among others PT First Media Production (2008-to date), PT Media Sinema Indonesia (2010-to date), and PT Indonesia Media Televisi (2015-to date). He also served as Director in Art Department, Pelita Harapan University.

His previous professional career among others was Loan Officer in Bank of America, Area Manager of TIMS, General Manager of PT Sopanusa Paper Mill & Converting, General Manager of PT Tjagrindo Mas Steel Industry, General Manager of PT Plasma Plastic Industry, General Manager of PT Indonesia Performing Arts, and General Manager of PT Melodia.

R. Soeparmadi | Director (Independent)

Indonesian citizen, aged 76, domiciled in Indonesia. He has been holding the position of Independent Director of PT First Media Tbk since 21st of April, 2017. He earned a Bachelor Degree in English & English literature from the Institute of Teaching & Education in Central Malang.

He is a professional executive with over 39 years of experience in the field of Corporate Finance, Asset Management, Real Estate and General Management. He began his career in Citibank NA (1969 – 1978) and was then appointed as the Managing Director at PT Finconesia (Non Banking Financial Institute). He joined Lippo Group in 1990 and has held several Director posts at various companies among others PT Lippo Pacific Finance, PT Bank Bahari, Lippo Cikarang, Lippo Land, Lippo Bank, PT Gowa Makassar Tourism Development Tbk, one of Lippo Group’s township developers at Tanjung Bunga, Makassar.

Hernowo Hadiprodjo | Director (Independent)

Indonesian citizen, aged 75, domiciled in Indonesia. He has been holding the position of Independent Director of PT First Media Tbk since 21st of April 2017. He earned a Bachelor degree in Law and Social Science from Universitas Indonesia (the University of Indonesia) and a Master of Business Administration from Institut Studi Manajemen dan Institut Manajemen Pembelajaran Jauh (the Institute of Management Study and Institute of Long Distance Management Study).

He began his career as the Assistant Professor and Lecturer in Universitas Indonesia, and was the Middle Management Staff at the Ministry of Higher Education (1960 – 1972). He also held the position of Executive Staff and General Manager at PT Bank Perniagaan Indonesia (1967 – 1982); Vice President and Senior Vice President PT Bank Lippo (1982 – 1989), Finance and Operational Director at PT Bank Mayapada International (1990)

He is the founder and Executive Director of PT Bank Dagang and Industry (1991), founder and Director PT Bak Centris International (1993), President Director of PT Bank Solida (199%), Independent Instructor and Advisor of PT Royalindo Panasonic (1996), advisor of PT Bank Nusa Nasional (1997), Director of Loan Credit and Marketing PT Bank BTPN (1997), and Operational and International Director at PT Bank Putra (1998). In the year of 2000, his position was Human Resources consultant for PT Griya Mee Sejati and a member of Teaching Group at the Jakarta Consulting Group, in addition to holding a position as a Senior Partner at Kramadibrata & Partners and the Founder of Hariwana Law Firm. In 2002, Mr. Hernowo founded and served as Executive Director for ATC Management & Consultant and in 2006 he began to his role as advisor to PT Cilandak Town Square and a Consultant of System and Company Procedures. He is also known as an independent consultant in Management System and Human Resources.



PROFILE OF AUDIT COMMITTEE

Teguh Pudjowigoro | Chairman of Audit Committee

Indonesian Citizen, aged 65 years, domiciled in Indonesia. He has been holding the position of Independent Commissioner of PT First Media Tbk since 21 April 2017. He earned Bachelor Degree from Universitas Gajah Mada, Yogyakarta, Faculty of Economy in 1976, and participated in various seminars abroad. Complete resume of Mr. Teguh Pudjowigoro can be seen in Board of Commissioner profile.

Herman Latief | Member of Audit Committee

An Indonesian citizen, 71 years old, was born in Bukit Tinggi. He has been serving as a member of the Company's Audit Committee since 2014 to date. Mr. Herman Latief earned a Diplom Ingenieur Architect (Dipl. Ing) from TFH, Hamburg, Germany. He started his career as an architect at PT Widya Pertiwi Engineering (1976-1978), a Director at a company under the Kalbe Farma group (1979-1988), held several positions at PT Lippo Cikarang Tbk with the latest occupation as the Vice President Commissioner (1989-2001), as a Commissioner at PT Lippo Land Development (2001-2004), a Commissioner at PT Bukit Sentul Tbk (2004-2005), a Director at PT East Jakarta Industrial Park (2004-2010), the Audit Committee at PT Pacific Utama Tbk (2005-2007), the Audit Committee at di PT Gowa Makassar (2005-2007), the Audit Committee at PT Multipolar Tbk (2007-2009), actively involved in the Board of Advisors of the Industrial Zone Association (HKI) (1995-2000) and the Vice Chairman of the Real Estate Indonesia (1999-2008). He is currently holding a position as a Vice Chairman of the Board of Advisors of HKI (since 2000), the Vice Chairman of the Committee for Industrial Zone Development of the Indonesia Chambers of Commerce (KADIN) (since 2008), the Audit Committee of PT Star Pacific Tbk (since 2010) and the Audit Committee of PT Lippo General Insurance Tbk (since 2012) and Director Member of PT Tjakra Tritunggal Perkasa (SPH Channel TV) sejak 2016.

R. Hikmat Kartadjoemena | Member of Audit Committee

Indonesian citizen, born in Semarang in 1943, graduated from the City University, New York, United States. He has extensive experience in the banking business in Indonesia. Starting his career as a Deputy Assistant in New York for the Export-Import Bank Indonesia in 1970-1975, he was appointed by the Chemical Bank of New York to become Chief Representative Chemical Bank in Jakarta in 1983-1987. Subsequently he served as Vice President and Director of Corporate banking Unibank Pacific Bank. He served as a Commissioner of PT Inti Indorayon Utama Tbk in 1990-1997. He also served as Advisor to Indonesia in Newbridge Capital (Singapore) Pte Ltd and Commissioner of Saratoga Capital in the year 1997 to 2008, then served as Senior Advisor to Indonesia in Imprimis (Singapore) Pte Ltd and Khronos Advisory Limited up to today. He joined First Media as a Member of the Audit Committee since January 2013.

PROFILE OF NOMINATION & REMUNERATION COMMITTEE

Surjadi Soedirdja | Chairman of Nomination & Remuneration Committee

An Indonesian citizen, 79 years of age, and is domiciled in Indonesia. He has been serving as the President Commissioner of PT First Media since April 21st, 2017. Surjadi Soedirdja received his education from the Indonesia Military Academy in 1962 and completed a number of military service education and training in Indonesia and abroad. Complete resume of Mr. Surjadi Soedirdja can be seen in Board of Commissioner profile.

Markus Permadi | Member of Nomination & Remuneration Committee

Indonesia citizen dan domiciled in Indonesia. He obtained his bachelor degree in Faculty of Engineering at the University of Indonesia and master degree in Faculty of Economy at University of Indonesia. He holds the position as a the Nomination and remuneration member at PT First Media Tbk in 2015 and holds as a Commissioner since 25 April 2013. He started his career in banking, he worked at Citibank NA in 1971 to 1983 with his last position as Vice President, PT Bank Central Asia years 1983-1990 as Director, and Bank Lippo 1990-1998 years as President Director.

He also served as Assistant Secretary / Deputy of Public Service and Resource Development in the Office of Minister of State Enterprises / Management Body of BUMN in 1998 and Assistant Secretary / Deputy of Financial Services from 1998 to 2000. Later he served as a Commissioner of PT Bank Mandiri (Persero) Tbk 1998 to 2003. Later, he continued his career in PT Citra Marga Nusaphala Persada Tbk as Commissioner from 1999 to 2000 and Independent Commissioner (2001-2007).

Markus Permadi served as Vice President / Independent Commissioner of PT Bank Mandiri (Persero) Tbk, then served as a Commissioner on the Deposit Insurance Agency in 2005 - 2008. He then joined PT Broadband Multimedia Tbk as Commissioner (2006-2007). He also served as President Commissioner of PT Ciptadana Multifinance (2006 - 2007), Commissioner of the Primary Interaction Media (2007 -2012), and President Commissioner of PT Star Pacific Tbk (2009 -2013). Since 2012 until now, Markus Permadi served as a Commissioner of PT Bank National Nobu. Since 1993, Markus Permadi take the time to take care of education as Secretary of Pelita Harapan Education Foundation until today.

Shinta Melani Paruntu | Member of Nomination & Remuneration Committee

Indonesian citizen and domiciled in Indonesia. She completed her education and earned Bachelor Degree from Faculty of Psychology, University of Indonesia. She is a member of Nomination and Remuneration Committee of PT First Media Tbk in 2015 and concurrently is Human Resources Division Head. Since 21 April 2017, she also serve as Corporate Secretary of PT First Media Tbk. She has an experience in human resources management in various business industries. She started her professional career in human resources management as Recruitment Officer in PT Bank Danamon Indonesia Tbk in 1996. She then joined Indonesian Bank Restructuring Agency (IBRA) as Senior Human Resources Officer (1999-2001) and PriceWaterhouseCoopers Public Accountant Firm as Human Resources Assistant Manager (2002-2004) up to her last position was Human Resources Manager in PT Energi Mega Persada Tbk (2004-2008) prior to joining PT First Media Tbk as Human Resources Division Head.

ECONOMIC AND INDUSTRY REVIEW

WORLD MACRO ECONOMICS

The world economy will continue to grow as emerging market countries still show good dynamics. International Monetary Fund (IMF) in World Economic Outlook in October 2017 projected world economic will grow to 3.6 percent in 2017 and increase to 3.7 percent in 2018 respectively. This economic improvement is influenced by China's economic recovery that is beyond expectations with its growth in the 2nd quarter by 6.9 percent (YoY). Meanwhile, based on the IMF report, concerns about the potential for crisis remains to be wary for the next 3 years.

At the global level there are geo-political challenges that would affect economic development. In Europe the rate of economic growth is still low, plus the uncertainty condition because of the Catalonia factor in Spain that demands independence. Brexit negotiations are still ongoing but are experiencing some obstacles. In addition to the above, the North Korean factor is a factor that must be taken into account as an uncertainty although still within controlled limits in terms of economic and security stability in Asia.

For Indonesia, those conditions, global prospects and challenges are still conducive and large economic powers such as China are rebalancing to maintain their high growth rate. In 2018, Indonesia's economic growth will still be quite positive although it still faces some challenges, both from external and domestic factors. One of the influenced external factors is the change in monetary policy stance of the central bank of the United States and Europe where they normalized the balance sheet and increase the interest rate. The impact of this monetary policy is reducing global liquidity and also put pressure on the Rupiah. Nevertheless, the Indonesian monetary authority were able to maintain the stability of the IDR exchange rate during this time.

DOMESTIC MACRO ECONOMICS

From domestic macro economy, there are challenges in consumption and purchasing power aspects. Digital economy through transformation process is growing rapidly much faster than expected. The positive side of the digital economy is the wide and easy opportunity for people to get involved into economic activity, whether in trade, transportation, financial services, and other services. At the same time, conventional economic activities, such as retail, are slowing down and moving into e-commerce activities. In the framework of Indonesia's economic growth which is in the 5 percent range, the digital economy has a positive place, especially since the number of potential consumers (consuming class) is overwhelming. With large economic size and large consumer size, the future economic growth will still be driven by the consumption factor of society.

The impact of this transformation to the digital economy is seen in abnormalities in economic activity where with sufficient economic growth rate there is a decrease in economic activity in conventional shopping centers such as Glodok, Mangga Dua, Tanah Abang, and major markets in others large cities. The current economic condition is quite good. The challenge for the next 2-3 years is the government sector, especially APBN, bureaucracy, regulation and other derivatives. The fiscal condition is becoming limited when viewed from its acquisition capacity, but the bigger problem is in the inefficiency of its expenditure level. The current taxation policy shows that fiscal policies are contra productive to national economic growth. Therefore, the business world still need relaxation policies from the Government.

The target of tax growth does not seem to be easy to achieve because the Government has often set high targets such as the period when the economy is highly grown. With such current moderate growth rates, the target of tax revenue should not be ambitious. The large manufacturing sector, which has a large portion, is not maximizing their growth like in the past, therefore the burden of sustaining economic growth is concentrate on the services sectors.

FUTURE INDONESIA ECONOMICS

With open economic system, the future of Indonesia's economy will still be based on export activities. Economic growth based on export and industrial product competitiveness that can put Indonesia's economy growth at a moderate level. Export dynamics can be relied upon to spur economic growth. At the present time the trade balance is experiencing an exhilarating growth. During January to September 2017, surplus of the trade balance has reached 10.87 billion US dollars, greater than the surplus in the same period of the previous year. Export performance contributed 19 percent to Gross Domestic Profit (GDP) and is projected to keep rising as the commodity prices especially coal, crude oil and Crude Palm Oil (CPO) grow faster than in the 2014-2016 period.

Currently investment activities shows an encouraging development. Investment can be consider as a growth engine, which is playing a good role to stimulate the economic growth. In the second quarter of 2017 investment growth was recorded at 5.35 percent (YoY). The trend of investment development is now relatively better than the previous year although the 2018 and 2019 as political years is considered to have an added risk. However, based on the experience of democracy implementation in Indonesia, the 2018 preparation process and the 2019 election are expected to remain safe.

In summary, the global economic conditions in 2018 will still growing relatively better, although there are some challenges that should be taken into account. Domestic economic and political conditions with all the dynamics will remain conducive in promoting economic growth. By 2018, the Indonesian economy is expected to grow in the range of 5.2 to 5.3 percent.

THE GROWTH OF DIGITAL INDUSTRY

The number of e-commerce business players in Indonesia is expected to continue to increase in line with the increasing number of companies starting to expand their business to the digital areas. The 2016 Economy Survey by the Central Bureau of Statistic (Badan Pusat Statistik-BPS) confirms this by saying that e-commerce industry in Indonesia is growing by 17% in the last 10 years. In addition the Bloomberg analysis said in 2020 more than half the Indonesian population engaged in e-commerce business activities, and McKinsey estimate transition the business to digital establishment will increase economic growth up to US\$ 150 billion in the end of 2025

Since 2016, the government through the Ministry of Communication and Informatics has been doing an even distribution of internet connection. This effort is to push Indonesian in their business competitiveness by 80% in 2020 through optimizing communication and informatics industry.

In line with this Government's efforts, First Media as a business players in communication and informatics industry would like to take the role as the best partners for the government and society in realizing the empowerment and development of national economy based on information technology and digital.

With current population Indonesia is up to 262 million people more than 50% or around 143 million people is now engage internet connection in 2017, as the newest Association of Indonesia Internet Service Providers (Asosiasi Penyelenggara Jasa Internet Indonesia- APJII) reports. However, the number and percentage of internet users is still low when compared with neighboring countries such as Malaysia which has a penetration rate of 66% and Singapore at 80%.

First Media sees this low penetration in internet connection as a promising business prospect. Referring to digital consumption research which shows the behavior of internet users in Indonesia who always wanted the existence of innovative and new products. In addition, the behavior of Indonesian internet users who make the Internet as a digital lifestyle makes them always want to be first and foremost in terms of services and digital devices. This is the opportunity First Media tried to utilized and optimized as an opportunity to expand its business.

PRODUCTS AND BUSINESS REVIEW

A Glance of First Media Businesses

First Media is a company working in the area of technology, media and telecommunication (TMT) business which includes broadband internet services by cable and wireless, subscription television services, data communication through digital communication network in-buildings, passive multimedia infrastructure services, telephony network services through an integrated smart network, and multimedia content creator.

As a leading company in TMT business, First Media seeks for innovation in telecommunication sector, television programs, service network construction and infrastructure expansion, and creation of multimedia content, as well as synergizing all of the products, services and solutions for customer satisfaction.

First Media businesses that operate by its subsidiaries and/or association along with the service products are generated as follows:

1. Telecommunication Business Segment.
2. Media Business Segment.
3. Content Creator Business Segment.

OPERATION REVIEW PER SEGMENT

Telecommunication Business Segment

Telecommunication business segment divided into 4 (four) business categories, which are: cable broadband network services, broadband wireless access network, telephony business through an integrated smart network and construction of telecommunication infrastructure.

CABLE BROADBAND INTERNET NETWORK BUSINESS

A glance/ Profile

In the beginning, this business was operated by First Media itself in the year of 2007 and afterwards was novated to PT Link Net Tbk ("LN") since 2011 until this present-day. This business provide an integrated services, which is (i) high speed broadband internet service ("FastNet") and (ii) digital communication service through digital telecommunication network ("DataComm"). All of the above mentioned integrated network operated by high technology Hybrid Fiber Coaxial ("HFC") cable and able to operate 870 MHz two-way broadband services.

Product and Services

"FastNet" is an internet service cable based product. This product is available in Indonesia as the first product that provide fast and affordable internet services that cost IDR 99,000 for speed up to 384 Kbps. With HFC network with frequency up to 870 Mhz, FastNet is able to deliver large bandwidth to Indonesian citizens.

Currently, the coverage of FastNet service has reach Jabodetabek, Bandung, Surabaya, Bali, Medan dan Batam. First Media and its subsidiaries consistently implementing the best technology development in all of the products to generate integrated telecommunication and multimedia services. In 2015, First Media well-known as the first cable broadband service provider whom able to provide 200 Mbps capacity to its subscribers and then later launch the 1Gbps speed services which available through

improvement on the quality of the broadband technology by Fiber to the Home (FTTH) services in 2016. In 2017, First Media improves the quality of the broadband technology by launching the smart living services as an augmented product.

"Datacomm" is a high speed data communication service by mean of fiber optic cable for business and other commercial needs. Through fiber optic infrastructure, DataComm provides data services for corporate customers in various industrial and business sectors. DataComm service has been serving the internet service for corporations in financial business area in Jakarta for many years.

This corporate solutions service consists of internet service, bandwidth on demand, IP Transit, Metro Lease line, Intercity lease line, International lease line, MPLS VPN solution, Data Center hosting, Web hosting, Content Delivery Network, IP Phone, Clean Pipe and PaaS/ IaaS for cloud services. Those several solutions can provide convenience for corporations in supporting their business, and gives the perception that First Media is the best corporate partner in supporting business acceleration.

BROADBAND WIRELESS ACCESS (BWA)

A glance/ Profile

Based on years experiences in managing the broadband internet network, First Media understand that the escalation of needs of broadband wireless access in for mobile customers. Internux is First Media's subsidiary that operates wireless broadband internet network – Broadband Wireless Access (BWA) under the brand of "BOLT! 4G Ultra LTE". This service adopting the 4G LTE-TDD (Long Term Evolution – Time Division Duplex) and advanced technology network LTE Advanced (LTE-A) that can carry up-to 300 Mbps downstream.

Currently BOLT! has regular (individual) customer market segmentation and corporate customers. In 2017, BOLT announced that has acquired more than 3 million subscribers from both segments. To support its services, BOLT currently has 3.275 sites of BTS (Base Transceiver Station) spread over Jabodetabek and Northern Sumatera areas.

Product and Services

With the mission of "Transforming Lives", BOLT! serves the demand of mobile and fixed broadband internet network. Currently BOLT! is the only wireless broadband internet service provider in Indonesia that has Ultra Unlimited internet products, which are internet service packages without limitation of quota usage.

To respond the public demand of fixed wireless internet for permanent use (at home or office), in early 2017 BOLT launches BOLT Home Unlimited product which is a True Unlimited postpaid service with 5 (five) choices speeds up to 50 Mbps. BOLT also provides Outdoor CPE (Customer Premise Equipment) devices that increase signal reception quality, therefore customers get a much better experience in enjoying BOLT internet service. As of mid December 2017, BOLT has acquired more than 70,000 subscribers through this Unlimited BOLT product.

For the first time in Indonesia, BOLT launched Unlimited internet prepaid product without quota limitation in 2017. This product consists of 3 (three) variant data packets with difference validity, the longest is up-to 30 days with download speed up-to 8 Mbps. To complement Unlimited prepaid internet product variants, BOLT continues to roll out its Unlimited Starter Pack prepaid product in October 2017. This product is intended for use on mobile phones, with download speeds up-to 3 Mbps, and is available in 2 (two) different product variations, with 30 days active period. As of mid December 2017, BOLT has acquired more than 18,000 subscribers for this prepaid Starter Pack Unlimited product only.

Based on the insight and understanding that over 70% of data usage is for video consumption, in October 2017 BOLT announced the first Over The Top (OTT) service partnership with HOOQ, the Southeast Asia's largest Video On Demand service. This collaboration provides an opportunity for BOLT subscribers to enjoy quality entertainment through the HOOQ app containing streaming video, local movie downloads and international blockbusters and TV series anywhere and anytime. As of mid December 2017, more than 35,000 BOLT customers have enjoyed HOOQ video services through this collaborative program.

INTEGRATED SMART NETWORK TELEPHONY BUSINESS

A glance/ Profile

One of the available telecommunication service is the telephony value added service, which provide value added service for basic telephony, including telephony service through smart integrated network, calling card, and interactive voice response technology, and public radio page.

PT MSH Niaga Telecom Indonesia (“MSH Niaga”) is one of the telephony value added calling card service provider with affordable price. First Media has vision to become a leading telecommunication solution service in Indonesia.

Product and Services

Telephony service has a high competition among the similar business. Therefore, MSH Niaga prioritize its excellence of utilization of the product and technology as well as provision of responsive customer service and to meet the customer requirement. Despite of calling card, MSH Niaga expands its service by utilizing access with fiber optic (FO) link. This service is applied to achieve high volume of conversation traffic with excellent and stable voice quality. This service uses Fixed Wireless Terminal (FWT) in cooperation with the cellular operators. By this service, the usage of PSTN is limited, therefore it serves as a backup in case of occurrence of disruption event of Telkom network.

MSH Niaga market are mostly the corporate customers in Jakarta and Surabaya. Until 31 Desember 2017, MSH Niaga has served 1,240 corporate customers from various industries, such as hospital, banking, insurance, pharmaceutical, automotive, and mining. As the need of telecommunication service in Indonesia is increasing, MSH Niaga is confident to develop telephony service, especially in telecommunication solution business.

Another solution from MSH Niaga is encouraging Hosted PBX service to be collectively used by MSH Niaga customers, so the customers do not require to have their own PBX, but simply install IP-Phone in their own offices. For further development, MSH Niaga will work with VoIP solution system development companies, where with this partnership MSH Niaga will develop Cloud PBX Systems services, which offer centralized PBX functions. Customers only need to install IP-phones or Analog Terminal Adapters (ATAs) for analog and fax phones. Other than that, MSH Niaga will also develop the Smartphone Client service, where the Android and iOS smartphone will be used in Fixed-Mobile Integration feature. In this service the smartphone will be connected to Cloud PBX via Wifi or Mobile Data, therefore the need for both business and residential telephony will be covered wherever they are. MSH Niaga also provides communication solutions such as meeting WebRTC solution, audio and video conferencing in HD quality and encrypted. This video conferencing service can accommodate up to 10 participants and classroom features such as webinars (web conferencing) up to 50 video participants.

TELECOMMUNICATION INFRASTRUCTURE CONSTRUCTION BUSINESS

A glance/ Profile

PT Prima Wira Utama (“PWU”) is a subsidiary of First Media that engaged in the business of construction, management, operation and arrangement of telecommunication infrastructure. This telecommunication infrastructure includes but not limited to Distribution Antenna System (DAS), amplifier cellular phone signal, digital signage, CCTV, EDC machine, and many other forms. This telecommunication infrastructure is provided in office buildings, residential areas (housing complex and apartment), hospital, hotel, education center, and shopping center. Devices used in this service is owned by First Media.

Currently PWU has built in-building solution in 68 buildings spread throughout Indonesia. PWU has also develop wireless infrastructure in 38 shopping center and 3 hospitals, in order to deliver Wi-Fi services to tenant and customer of the shopping center or hospital. This infrastructure delivered by PWU in cooperation with Link Net so it would enable customer to enjoy the fastest wi-fi up to 100 Mbps which is the fastest facilities for shopping center and hospital customer in Indonesia.

Here are the list of shopping center and hospitals that equipped with WI-FI network until the year of 2017:

No	Building Name	Location
1	Lippo Mall Puri	Jakarta
2	PX Pavillion	Jakarta
3	Pluit Village	Jakarta
4	Plaza Semanggi	Jakarta
5	Gajah Mada Plaza	Jakarta
6	Tamini Square	Jakarta
7	Pejaten Village	Jakarta
8	Cibubur Junction	Jakarta
9	RS. Siloam Kebun Jeruk	Jakarta
10	Hypermart Lippo Karawaci Utara	Tangerang
11	RS Umum Siloam Karawaci	Tangerang
12	RS. Siloam Lippo Village	Tangerang
13	Maxxboxx Karawaci	Tangerang
14	Lippo Mall Cikarang	Cikarang
15	Cikarang City Walk	Cikarang
16	Maxxboxx Orange County	Cikarang
17	Lippo Plaza Medan	Medan
18	Sun Plaza	Medan
19	Plaza Medan Fair	Medan
20	Lippo Mall Kuta	Bali
21	Duta Plaza Bali	Bali
22	Lippo Plaza Sunset	Bali
23	Bandung Indah Plaza	Bandung
24	Istana Plaza	Bandung

No	Building Name	Location
25	Lippo Plaza Jogja	Yogyakarta
26	Palembang Icon	Palembang
27	Lippo Plaza Keboen Raya Bogor	Bogor
28	Depok Town Square	Depok
29	Lippo Plaza Bogor	Bogor
NEW LOCATION IN 2017		
30	City of Tomorrow	Surabaya
31	Lippo Mall Kemang	Jakarta
32	Blu Plaza	Bekasi
33	Palembang Square	Palembang
34	Mall of Serang	Banten
35	Lippo Plaza Jember	Jawa Timur
36	Lippo Plaza Lubuk Linggau	Sumatera Selatan
37	Benton Junction – Maxx Coffee	Tangerang
38	UPH Gedung A – Maxx Cofee and Books & Beyond	Tangerang
39	Supermall Karawaci - Hypermart, Matahari Dept. Store & Foodmart	Tangerang
40	Aryaduta Kuta Icon	Bali
41	Menara Asia	Tangerang

MEDIA BUSINESS

Media business is divided into 2 (two) business categories which are the cable subscription television service and direct to home subscription television service.

CABLE SUBSCRIPTION TELEVISION

A glance/ Profile

First Media subsidiaries, PT First Media Television (“First Media Television”), in cooperation with Link Net for utilization of network cable, to deliver qualified television broadcasting in High Definition format with the most channels in Indonesia under the brand name “HomeCable”.

There are various channels delivered by HomeCable, starting from education, news, music, entertainment, lifestyle, and children. Not only broadcasting international channels, HomeCable also provides 6 local in-house channels produced by First Media business units, such as J’Go, Dangdutz, Hi TV, MIX, Foodie TV and BeritaSatu News Channel. All in-house channels are produced by PT First Media Production (“First Media Production”) and PT First Media News (“First Media News”), is part of creative channel from HomeCable to support local content.

Product and Service

Currently, the necessity to watch television without limitation of space has become a high demand for people in all over the world. The audiences no longer want to be restricted by any requirement to enjoy movies, favourite channels, especially live shows at home. Television audiences expect the availability of technology that enable them watch on their own mobile device. The necessity to watch television through internet network services become viral.

Using the tagline of “TV Anywhere” under FirstMediaX, First Media implement the technology that would enable subscriber to watch their favourite channels through PC, laptop, smartphone, or tablet including watching live streaming. To ensure the freedom to watch, Link Net cooperate with BOLT! 4G LTE. FirstMediaX can also be accessed through Google Chrome or Firefox browser. FirstMediaX application can be downloaded through App Store (Apple IOS) or Play Store (Android).

Such demand push First Media to provide its television subscription network with Smart Box X1 HD that equipped with internal DOCSIS 3.0 modem with interactive facility, so that subscribers are able to enjoy Video on Demand, 7-days Catch-Up TV, Personal Video Recorder, Games, Video Streaming, Mirror Casting, Dolby 5.1, 4K Technology and access to broadband internet with Google Android Lollipop platform. As result, subscribers are able to access various Android applications such as Youtube, Gmail, Facebook, and Twitter. X1 HD smart box also functioning as Wi-Fi with DLNA that enable Wi-Fi access to the whole house. The scope of HomeCable subcription television includes the area of Jabodetabek, Bandung, Surabaya, Malang and Bali and can be enjoyed by audience in all ages.

First Media has long concerns regarding contents that are prohibited for children. Therefore, the products are equipped with parental controls feature, either for internet service or subscription television services. First Media believes that technology must provide certainty for the parent relating to the content to be consumed by their children.

DIRECT-TO-HOME PAY TELEVISION BUSINESS (SATELLITE)

A glance/ Profile

BiGTV is one of the business units of First Media that engaged in providing direct-to-home subscription television services. BiGTV established under the legal entity name of PT Indonesia Media Televisi (“Indonesia Media Televisi”) which is an affiliated company of First Media.

The percentage of television penetration in 2014 was 59,6% and predicted to remain increasing until 69% in the year of 2023 (MPA Data 2015). While the level of television subscription penetration is still very low, which is 10% in 2014 and 14,5% in 2023 (MPA Data 2015). This data provide us information that there is a big potential to provide subscription television services to Indonesian citizens. Considering Indonesia geographical condition that are mostly consists of islands, the most suitable technology infrastructure to reach the whole Indonesia territory is satellite technology. First Media see this business unit could be a good opportunity in distributing contents massively to throughout the archipelago.

Product and Service

BiGTV distributes the channel in KU-band frequency with Lippo Star-1 satellite that launched in July 2012. At the moment BiGTV uses 3.5 transponders to present 102 channel that consist of HD channels and SD channelsl. To accelerate subscription television business, BIG TV offer several package and subscription method as follows:

1. Bundling Package

This bundling package is the combination between mobile internet and home internet BOLT! 4G with Satellite TV. This service covered only in Jabodetabek and Medan area. The bundling package offered is as follows:

No	Package Name	Specification
Mobile Internet		
1	BIG Deal 20 Gb	100 Mbps and 62 Channels
2	BIG Deal Unlimited	10 Mbps and 62 Channels
3	BIG Sun Unlimited	10 Mbps and 72 Channels
Home Internet		
4	BIG Deal Unlimited	8 Mbps and 62 Channels
5	BIG Deal Unlimited	13 Mbps and 62 Channels
6	BIG Deal Unlimited	19 Mbps and 62 Channels
7	BIG Deal Unlimited	50 Mbps and 62 Channels

2. TV Package

Beside bundling package, BIG TV offered a single product or TV only services that divided into 4 (four) packages subscription

No	Package Name	Specification
1	BIG Universe	97 Channels
2	BIG Star	86 Channels
3	BIG Sun	74 Channels
4	BIG Deal	62 Channels

3. Subscription Method

BiGTV also facilitate its subscribers with two service options which are postpaid, where the customer use equipments on rental-basis and payment options would be made in advance in accordance with the package or prepaid by voucher. This prepaid system is similar to the process of top up credit in cellular phone, however subscribers has to purchase the decoder and satellite dish prior the use of service.

CONTENT PRODUCTION BUSINESS

Content production is one of the business line that need to be developed in global TMT business competition. First Media subsidiary, PT First Media Production (“First Media Production”) and PT First Media News (“First Media News”) has become the business unit of First Media in producing and developing broadcasting channel.

FIRST MEDIA NEWS (BERITASATU NEWS CHANNEL)

A glance/ Profile

The need of latest information has become the demand of modern communities. The continuity of information updates even becomes a part of competition for content provider in this era. First Media encourages First Media News as news and information generator that distributed through “BeritaSatu News Channel”. First Media establish this business unit in 2008 as a strategic movement to develop different value in broadcasting industry.

First Media, through First Media News, is able to provide information and news to public with high standard of journalism alongside while upholding the integrity value, objectivity, impartiality, and news accuracy. A strong editorial vision that respects objective values, brilliant, comprehensive and investigative are the values that always maintained by BeritaSatu News Channel.

Product and Service

BeritaSatu News Channel

The program designed by BeritaSatu News Channel divide into 2 (two) section such as journal program that contains latest news and current affair program that presents the new information and knowledge. The list of programs in BeritaSatu News Channel are as follows:

Programme Name	Descriptions
dK Show	60 minutes talk show with inspirational figures to explore topics that are close to people's lives, public-oriented, highlighting human sides. Guided by Donny deKeizer as presenter, the program wrapped in an easy going conversation but influence the audience to get up and act on the live examples of prominent figures presented in each episode.

Programme Name	Descriptions
Special Interview with Claudius Boekan	As the name implies, this talk show program only presents the top figures in the field. Hosted by the BeritaSatu Channel News Editor, Claudius Boekan, the program features in-depth interviews of figures from various sectors, from policy makers, top leaders in government, presidential candidates, influential politicians, private figures, NGO figures, to leading artists.
Fakta Data	Through figures, data and facts, this program invites audience to understand the various problems and phenomena in the country and the world. Through interesting and easy to digest graphics, audience will get a full picture of various issues.
BeritaSatu Highlight	Excerpts of important and interesting news stories presented briefly, as a summary of the strongest news everyday. Viewers will get an overview of current affairs.
Female Zone	Presenting only inspirational women figures, this program aims to inspire women from various fields who excel and change their environment.
Jurnal Ekstra	Contains short coverage of interesting things around us, delivered lightly and attractively but very informative about attractions, community activities, hobbies, art, culinary, sports, to economic stretching.
Business Round Up	A week review on important events in the economy field where viewers can get a complete picture of the economic development of the country and the world.
People & Inspiration	On the spot talkshow with inspirational young figures, presented in a casual yet weighty pack. The figures presented are those who have worked and brought changes in their respective environments.
In-depth	Long and deep coverage of topics that affect people's lives to indicate the problems, causes, and ideas and thoughts that might be the solution.
Travel Notes	Contains of reporter travel to places of interest, inspirative, and worth a visit. In addition to reviewing the visual advantages of each tourist attraction, this program also raised the values of the wisdom of the location.
Jurnal Pagi	The morning bulletin program reviews news that happens all night until the morning.
Market Corner	Business economics program with emphasizing on capital markets and brief dialogue on business and investment tips.
News on The Spot	News program delivered directly from the event location.
Lunch Talk	A talk show programs on public policy, social issues, and public services interactive with viewers.
Prime Time	The main news program featuring the latest issues and events of the political, legal, economic and social areas of society that occur throughout the day.
Prime Time Talk	Dialogue discussed the hottest issue that happened that same day with prominent resource persons, accompanied by interactive dialogue with viewers.
Connect 360	Programs that present a variety of news, information, and debates on a case from the point of view of social media.
Hot Economy	The latest program that addresses various interesting issues surrounding the economy, business, and finance at home and abroad with key sources.
Money Report	Programs that feature a variety of important economic events, ranging from capital markets, money markets, and corporate actions and important economic policies.

Programme Name	Descriptions
Jurnal Malam	A bulletin that presents up-to-date information on events that take place during the day and into the night.
Football Insight	The sports program which packed with an event approach and resource analysis
News Update	The most actual quick news presented hourly.
News of the Week	Review of the most important and strong news of the week, presented in complete and analytic
Soundbite	The most important and powerful statement/ statement snippet of the most important person or event of the week.
Segmen khusus Digital Wave	Segments containing news about artificial intelligence and digital development and progress.

BeritaSatu News Channel Access

BeritaSatu News Channel can be accessed on channel number 6 (Standard Definition) and channel number 301 (High Definition) in HomeCable television subscription. On top of that, BeritaSatu News Channel also cooperates with several national PayTV, local, terrestrial digital, FTA analog terrestrial, FTA digital terrestrial and Mobile Internet. Since December 2017, BeritaSatu News Channel also broadcast in Indovision network in chanel number 103.

FIRST MEDIA PRODUCTION

A glance/ Profile

First Media Production (FMP) was established in 2008. This business unit is engaged in private television broadcasting. First Media Production divide their business into 3 divisions which are production, post-production as well as event. The specific forms of the business model run by First Media Production are television commercial, event, company profile maker, channel and movie (short movie and movie).

First Media Production has produces in-house channels, such as Foodie, Hi!, J'go. In 2017, First Media Production presents a new channel called Home and Living. In addition, First Media Production also produces advertisements and develops in-house broadcasts delivered through HomeCable and BiGTV.

Product and Service

Cinematography

List of in-house channels produced by FMP until 2016 :

Movie Name	Year of release	Genre
Sepuluh	2009	Drama
Mica	2013	Romantic Drama
Blusukan Jakarta	2016	Drama Adventure

List of in-house channels produced by First Media Production since 2008:

In-house channels name	Genre	Description
Foodie TV	Kuliner/ Culinary	Program that examine various oriental and Indonesian food.
Hi TV	General Entertainment	Information and entertainment program addressed to teenager and adult in Indonesia. This program present inspiration for society, from culinary, cooking, health, fashion, and music.
JGo	Movie	Program that specifically contain of Indonesian movies.
MIX	Musik/ Music	Music program that contain music clip whether local or international.
Dangdutz	Musik/ Music	Music program that specifically present Indonesian Dangdut.
Home and Living	General Property	Program that discuss about architecture and home inspiration

Latest Programs

In this year, First Media Production consistently release several numbers of new programs from various genre such as food, kids, music and featured. Here are the description or summary of the program that produced by First Media Production:

No	Genre	Program Name	Short Description
1	Food	The Dishes	Programs that discuss about food, start from history to the facts of the food.
		Grill Garden	Programs that show featuring grilled dishes.
		Hiker Brunch	Programs that gives reference about favorit food venue in Jakarta
		One In Three	Cooking program that will guide to cook 3 food with one main ingredients.
		Foodieland	Culinary program about Balinese food
		Easy Way To Cook	Cooking program with easy cuisine and clear guidance
		Foodiegram	Review the variety of food that are sell by online.
		Cooking Buzz	Cooking program with simple menu and tastefull
		I'm Barista	Review all barista profile
		Food And Plate	Street food program guided by professional chef.
		Tjemilan Koe	Cooking program with chef Stela that expert in snacks.
		Hot Spicy Food	Information about spicy food venue

No	Genre	Program Name	Short Description
2	Kids	See It Do It	Education program that invite kids to gain knowledge through educational video.
		Fun Drawing	An easy drawing tutorial program
3	Fashion	I'm Pretty	Cosmetic tutorial program
4	Musik	New Radio Clip	Radio Clip program with new outlook
		Young And Pop	Music program that discuss about lifestyle
		Star Showcase	World concert Musical program
		Cord Play	Programs that teach technique of playing a musical instrument by displaying video clips.
5	Travelling	Gate Away Hunter	Cruise travel programs in several Asia's exciting countries.
		Selfie In	Traveling Program for vlogger
6	Featured	Space And Design	Programs that review the interior insects of the building, from dwelling to restaurant.
		Street Wheler	Insight Automotive program
		The Collest Trick	The entertainment program shows interesting tricks.
		I Design	Full discussion and review of a residential corner that needs renovation.

VIEW MAGAZINE

VIEW magazine is one of the communication media reserved for First Media customers, either in the form of conventional and digital form. In addition, It helps TV channels content working with First Media in terms of increasing the potential in the number of subscribers as well as the value of a the TV channel itself.

This direct marketing business can widen the scope of the base customers, whether the customers who could potentially improve its service package (top up package) or First Media prospective new customers. One of its approach is through review article about the event and interesting seed programs from channels in First Media network and coverage event that takes place in Indonesia, especially in Jakarta area that have high value on news.

The need to present interesting articles can be divided into several segments, i.e. for adult of 58%, women 14%, man 14%, teenagers 7% and childrens and baby 7%. It is expected that the split of segments meets the daily needs of First Media subscribers for various events and information on they custom. As for the event and information presented by First Media for subscribers among others: about sports, technology, tourism, culture (especially Asia), music, movies (starting from cartoon to action movie), fashion, electronic game, cooking, and other. The contents of VIEW magazine covering schedule of the event 22%, articles 74% and advertising 4%. The TV channels can participate to increase the numbers of viewers through the pages of a quiz and advertisement pages, either one page and banner ads, by providing information about the campaign being excecuted in the same month. Of such cooperation was proposed can be done with some TV channels all at once every month.

VIEW magazine have established cooperation with Cek&Ricek to enrich and extend the provision of information to readers by giving 12 an addition pages. The cooperation has been established since September 2011, until today. This cooperation has brought additional value for VIEW magazine into the delivery of information about the entertainment worlds and the businesses entertainment in Indonesia.

Since 2011, size of VIEW magazine adjusted to suit the needs of customers and more practical and efficient way to be carried everywhere. Over the consideration as well as many demand to obtain VIEW magazine, at the end of 2011 customers watered down again to obtain a VIEW magazine by means of downloaded VIEW magazine at no charge using digital devices, especially smart phone owned by customers, through Wayang Force application. In line with the moment, now VIEW magazine has been working with some applications such as Gramedia Digital, Higo apps, buqu apps, BeritSatu apps and Indonesia Magazine apps. In addition, VIEW magazine digital version can be downloaded at no charge through FirstMediaX (Bit.ly/ViewFirstMedia) website and BigTV (Bit.ly/ViewBigTV) website.

MARKETING STRATEGY AND PROMOTION

First Media implemented integrated and comprehensive marketing strategy to raise the favorable brand that can give a positive impact to the sales. Therefore, First Media focusing on how to keep the three aspect of management which is Product, Brand and Customer Management.

The expectations from the above mentioned aspect is that First Media able to form customer enthusiasm on the product and services. As an aspect of marketing management, First Media make an illustration of marketing concept that implement and becoming guide for its' subsidiaries.



MARKETING STRATEGY IMPLEMENTATION

BOLT! 4G Ultra LTE

First Media's formulated marketing strategy for Broadband Wireless Access 2.3 Ghz business is as follows:

1. Increase MIFI 4G users especially for the youth market segment and consumers who have high mobility behavior by offering various MIFI models as needed.
2. Build customer service outlets (Bolt Zone) at several strategic points in Jabodetabek and northern Sumatera areas that easier for consumers to interact with 4G Bolt service.
3. Offer Unlimited package service for Smartphone or Bolt Home users with 2 (two) subscription method i.e. prepaid and postpaid.
4. Adding the infrastructure of Base Transceiver Station (BTS) 4G at several strategic location points in Jabodetabek and northern Sumatera areas. This is to maximize 4G network connections so customers can enjoy BOLT service optimally.
5. Marketing Channel through telephone using a telesales agent.
6. Cooperation with outlets partner as marketing channels use to distribute BOLT products! 4G through mobile phone outlets.
7. Increase internet speed up-to 300 Mbps.

FASTNET & HOMECABLE X1

FastNet & HomeCable X1 both are product and service for home segment. The marketing strategy formulated by First Media for these two products are as follows :

1. Offering an integrated services with bundling packages between the Internet and Pay TV.
2. Offering Android-based STB (set-top-box) X1 that can optimize Pay TV services with additional features such as PVR (Private Video Recording).
3. Offering an over-the-top (OTT) service application, First Media X which is a streaming content service through smartphones and tablets.
4. Develop e-mail notification system and procedures regarding the network condition. Should the network conditions in a particular residential area were disrupted, the customer service will directly inform the network conditions to the subscriber of and the estimated time recovery.
5. Provide an application called MyFirst Media that can be accessed via IOS and Android based smartphones. This application is provided to facilitate subscribers in accessing information such as:
 1. Displays monthly bills and product package names.
 2. First Media network conditions.
 3. Credit card payment features and other payment guides.
 4. Features of additional package purchase (add-on).

Beside product and billing information, an application called “My First Media”, comes with a “self-diagnostic system” feature. Advanced features provided by First Media to facilitate subscribers in handling technical issues in place.

6. Established subscribers services team related to product information, subscription registration, installation schedule, to handling damage. In addition to Contact Center, First Media established a subscribers handling division that is divided into two teams to handle subscriber problems.
7. Technical support team helps more subscribers by phone in contact center and handling subscribers problem through system. Field care team, is a team to overcome subscriber problems in the field. This team will come to subscriber's home to solve problems such as cable damage, STB turnover, and handling in the installation of product devices.
8. Marketing channel through telephone using a telesales agent.
9. Use social media in promoting products of subsidiaries. The social media used through Facebook, Twitter, Instagram and Youtube.
10. First Media commercial sites or websites can be accessed through www.firstmedia.com; www.bolt.id; www.bigtvhd.com; with the objective to enable subscribers to access products and services.

DATACOMM

Marketing strategy formulated for corporate business or an enterprise solution is as follows:

1. Internet service products such as dedicated internet, bandwidth-on-demand, IP Transit.
2. Metro Lease Services such as metro lease line, intercity lease line and international lease line.
3. Managed services such as MPLS VPN Solution and Content Delivery Network.
4. Value added services services such as PaaS/ IaaS (cloud service), IP Phone, Data Center Hosting, Web Hosting, and Clean Pipe.
5. Improve the quality of services in troubleshooting and internet activation on new customers.

BIG TV

The formulated marketing strategies for the satellite television business are as follows:

1. Increase user market share for satellite television especially in outside Jabodetabek areas.
2. Offer a competitive subscription package by offering a number of international and local channel favorites.
3. Offer prepaid and postpaid subscription methods to make it easier for subscribers to enjoy satellite television services.
4. Improve image quality and broadcast sharpness
5. Offer bundling packages of satellite television and BOLT! 4G Ultra LTE.

TELEPHONY

The formulated marketing strategies for the telephony business are as follows:

1. Offer calling card service by extending the service with access utilization of FO (Fiber Optic) link. This service is applied for high volume conversation volume with good sound quality and stable.
2. Service using FWT (Fixed Wireless Terminal) through cooperation with celular provider. By this service the usage of PSTN is limited, so it can be the backup in the event of interruption in Telkom network.

- Encourage Hosted PBX services to be shared by MSH Niaga customers, so the customers do not have to have their own PBX, but simply install an IP-Phone in their respective offices
-
- Intensive relationships to corporate customers to maintain the quality of service and gain trust in the long term.

FIRST MEDIA PRODUCTION

The formulated marketing strategies for content production home businesses are as follows:

- Producing in-house content to help pay TV business HomeCable X1 and BIG TV.
- Producing Movies, FTV and Television Commercial.

INFRASTRUCTURE NETWORK TELECOMMUNICATION

Marketing strategy for business development of telecommunication infrastructure more towards B2B (Business-to-Business) marketing aspect as effort is as follows:

- Building telecommunication network in cooperation with Building Management and telecommunication operator.
- Build a WIFI network, Distributed Antenna System and in-building system.

MARKETING ACTIVITIES & PROMOTION

EXHIBITION

This promotional activity is done by exhibition in several shopping malls displaying BOLT products! 4G Ultra LTE, BiGTV, FastNet, HomeCable, and FirstMediaX. Throughout the year of 2017, exhibition held at Lippo Mall Cikarang with the theme of the 7th Gen Experience Tour Exhibition Tour. This exhibition event features upgraded promo deals and 10 Cinemaxx movie tickets.

MEDIA GATHERING

The media gathering was held on Wednesday, June 14th, 2017 to announce that of BOLT 4G Ultra LTE subscribers has reached 3 million subscribers. In this media gathering, BOLT! 4G Ultra LTE also announce the latest unlimited package for mobile package and home package.

DISTRIBUTION CHANNEL

As for distribution of products and services, First Media utilizes several service outlets that aim to facilitate consumers in interacting with Product & Brand, and to improve customer loyalty. Below are the list of Bolt Zone addresses spread across Jabodetabek and northern Sumatra.

No	Bolt Zone Address	Location
1	Bolt Zone Gajah Mada Plaza Lt. Ground No. 110 Jl. Gajah Mada No. 19, Jakarta 10130	Jakarta Pusat
2	Bolt Zone ITC Cempaka Mas Lt. 4 Blok D No. 294 Jl. Letjen Suprpto, Jakarta 14360	Jakarta Pusat
3	Bolt Zone Gajah Mada II Plaza Lt. Ground No. 8-9 Jl. Gajah Mada No. 19-26, Jakarta 10130	Jakarta Pusat
4	Bolt Zone ITC Roxy Mas Lt. Dasar No. 046 Jl. KH. Hasyim Ashari No. 125, Cideng, Gambir	Jakarta Pusat
5	Bolt Store Cideng Jl. Tanah Abang II No. 87 B	Jakarta Pusat

No	Bolt Zone Address	Location
6	Bolt Zone Plaza Semanggi Lt. 1 Unit 007 Kawasan Bisnis Granadha, Jalan Jendral Sudirman Kav. 50, Karet Semanggi, Setiabudi.	Jakarta Selatan
7	Bolt Zone Kemang Village Lt. UG No. OD-07	Jakarta Selatan
8	Bolt Zone Pejaten Village Lt. Ground Jl. Warung Jati Barat No. 39, Jatipadang, Pasar Minggu	Jakarta Selatan
9	Bolt Zone Haji Nawi Jl. Haji Nawi Raya No. 49 Kec. Cilandak, Kel. Gandari Selatan	Jakarta Selatan
10	Bolt Zone BeritaSatu Plaza Jl. Jend. Gatot Subroto Kav. 35-36	Jakarta Selatan
11	Bolt Zone Cibubur Junction Jl. Jambore No. 1 Lt.2 No. 55	Jakarta Timur
12	Bolt Zone Tamini Square Lt. 2 Jalan Taman Mini Raya, Pinang Ranti, 13560, Indonesia	Jakarta Timur
13	Bolt Zone Raden Inten Jl. Raden Inten II No. 85	Jakarta Timur
14	Bolt Zone Rawamangun Jl. Balap Sepeda II No. 45 Rawamangun	Jakarta Timur
15	Bolt Zone Lippo Mall Puri Lt. 2 Unit 49 Jl. Puri Indah Raya Blok U1, Puri Indah CBD Kembangan	Jakarta Barat
16	Bolt Zone Kebun Jeruk Jl. Lapangan Bola No. 32, Kebun Jeruk	Jakarta Barat
17	Bolt Zone Hypermart Mall Matahari Daan Mogot Jl. Daan Mogot KM 16, Daan Mogot	Jakarta Barat
18	Bolt Zone Pluit Village Lt. 3 No. 37-38 Jalan Pluit Indah Raya RT.1/RW.4, Pluit, Penjaringan, Jakarta Utara, 14450, Indonesia	Jakarta Utara
19	Bolt Zone Kelapa Gading Ruko Jl. Boulevard Barat Raya Blok LC-7 No. 54, Kelapa Gading	Jakarta Utara
20	Bolt Zone Bogor Jl. Raya Padjajaran No. 89D	Bogor
21	Bolt Zone Lippo Mall Kebun Raya Bogor Jl. Raya Padjajaran No. 27 Bogor Tengah	Bogor
22	Bolt Zone Express Puncak Jl. Raya Puncak KM 77 Leuwimalang, Cisarua	Bogor
23	Bolt Zone Depok Town Square Lt. G Blok GS 30 No. 1-7 Jl. Margonda Raya No. 1, Pondok Cina, Depok	Depok
24	Bolt Zone Cinere Jl. Raya Cinere No. 19	Depok
25	Bolt Zone Sawangan Jl. Raya Sawangan No. 9	Depok

No	Bolt Zone Address	Location
26	Bolt Zone WTC Matahari WTC Matahari Serpong Lt. 3 Unit TC 1 No. 3-2	Tangerang
27	Bolt Zone Metropolis Town Square	Tangerang
28	Bolt Zone Ciledug Jl. KH. Hasyim Ashari No. 139 Ciledug	Tangerang
29	Bolt Zone Maxxboxx Lippo Village Jl. Boulevard Jend. Sudirman No. 1110, Lippo Village	Tangerang
30	Bolt Zone Ruko WTC Serpong Ruko WTC Serpong No. 5827 Serpong	Tangerang
31	Bolt Zone Hypermart Gading Serpong Jl. Boulevard Raya Kav. Golf Blok M 5/2 Gading Serpong	Tangerang
32	Bolt Zone Living Plaza Bintaro Lt. Dasar Jl. Bintaro Utama Raya Kav. 11 Blok B7 No. A1	Tangerang
33	Bolt Zone Grand Mall Bekasi Lt. 1 Unit K1 No. 7 Grand Mal Bekasi Lantai. 3A, Jl. Jenderal Sudirman No. 1, Harapan Mulya, Medan Satria	Bekasi
34	Bolt Zone Cikarang Jl. MH Thamrin Lippo Mall Cikarang Lt. 1 No. 53	Bekasi
35	Bolt Zone Kalimalang Jl. KH Noer Ali Kav. 8 Ruko Mega Kalimalang	Bekasi
36	Bolt Zone Lippo Office Cikarang Jl. Gunung Panderman Kav. 05 Lippo Cikarang	Bekasi
37	Bolt Zone Sun Plaza Medan Lt. 1A No. 31 Jl. KH. Zainul Arifin No. 7	Medan
38	Bolt Zone Mansyur Jl. DR. Mansyur No. 84 B	Medan
39	Bolt Zone Plaza Medan Fair Lt. 1AE No. 1 Jl. Jend. Gatot Subroto No. 30	Medan
40	Bolt Zone Lippo Plaza Medan Ground UG-21 Jl. Imam Bonjol No. 6	Medan
41	Bolt Zone Johor Jl. A.H Nasution Ruko ATTC No.8	Medan
42	Bolt Zone Binjai Super Mall Lt. Ground Jl. Soekarno Hatta No. 14 Timbang Langkat	Medan
43	Bolt Zone Mall Of Serang Jl. Kemang Kali Gandu, Kotabaru, Exit Tol Serang Timur, Panancangan, Cipocok Jaya, Kota Serang	Serang

BOLT BUSINESS

UNLIMITED.

+DEDICATED IP PUBLIC

HARGA MULAI
Rp 1.500.000
/bulan

KANTOR LEBIH SERU DENGAN BOLT BUSINESS!

OPERATIONAL REVIEW

Network Infrastructure Development

First Media together with its subsidiaries are one among the ICT network developers in Indonesia. Therefore, developing the network infrastructure is a part that must be consistently done, especially to sustain as the leader in TMT company. Other than reason to compete with other similar company, it is an obligation as consequences of a company that committed to contribute to the people and Republic of Indonesia, as well as supporting the government program in Masteplan for Acceleration dan Expansion of Indonesia Economy Development (MP3I).

Cable Telecommunication Network

During year 2017, First Media subsidiaries, Link Net expands its Hybrid-Fibre-Coaxial (HFC) cable network up to 2 million homepass that extends from Jabodetabek, Bandung, Surabaya, Bali, Medan and Batam. Until 31 December 2017, Link Net also expands the Metro-Ethernet services for corporate subscribers in several office building. There were 98 buildings that has been installed with Metro-Ethernet communication network which will facilitate and accelerate the demand of corporate customers in improving the exchange of data and information to accelerate the business process.

Wireless Telecommunication Network

During 2017, First Media in collaboration with Internux, First Media's subsidiary, also expands the wireless network services on 4G-LTE TDD (Time Division Duplex) basis by expanding the coverage area up to 3,275 sites spread across Jabodetabek and northern Sumatera.

Telecommunication Service Provider

With the state-of-the-art technology of telecommunication network owned by First Media and its subsidiary, First Media is able to provide various most advance telecommunication services. Not only reliable, the telecommunication service delivered and developed are also optimal in supporting the needs of the customers, either for private usage or business.

Internet Service Access

Nowadays, internet access is one of the telecommunication services that is substantial for society. The utilization make possible of connection between people with unlimited access of information as well as distance and time barrier, so that internet access become a part of telecommunication services that widely used by people. Speed is one of the main elements to be considered to use certain internet access service.

In 2016, Link Net, First Media's subsidiary, provides broadband internet access through cable with the download speed up to 1Gbps, without download and upload limit. By utilizing the telecommunication network through cable, the stable and fast internet access provide the good quality of usage with shorter time.

Beside broadband internet access through cable, First Media also provides broadband wireless access with 4G LTE Advance technology, together with Internux, and through satellite with VSAT technology, by Link Net. 4G LTE internet access addressed for mobile internet users and VSAT internet become a solution for need of internet access for corporate in remote areas and small villages around Indonesia.

Telephony Value Added Service

Through its' subsidiary, MSH Niaga Telecom Indonesia, First Media provides calling card telephony value added service. With this service, MSH Niaga Telecom Indonesia is able to provide telecommunication services through telephone with affordable price.

Broadcasting and Channel Provider

First Media provides subscription television service through its' subsidiary, First Media Television for broadcasting through cable and Indonesia Media Televisi for direct-to-home broadcasting. Beside providing television subscription services through cable and satellite, Link Net, First Media subsidiary launch FirstMediaX application, over-the-top application (OTT) or TV Anywhere. By FirstMediaX, subscribers are be able to enjoy television channels through mobile devices. Equipped with catch-up feature and video on demand (VOD), subscribers would not miss their favorite program.

To support the broadcasting business, First Media through its' subsidiary, First Media News and First Media Production, provides entertaining, excellent and informative channels. First Media News provides BeritaSatu News Channel, the accurate, objective and impartial news channel. First Media Production as production house, produce television commercial, creates company profile and channel programs and movies (either short movie or cinema movie).

Licensing or Business License

In operating the telecommunication business, First Media own several license in accordance with the prevailing regulations.

Local Fixed Network Operation Packet Switch Based

In 27 July 2009, First Media appointed as winner of selection in provision of Fixed Local Packet-Switched based Network with 2.3 GHz radio frequency band for Broadband Wireless Access in northern Sumatera, Banten, Jakarta, Bogor, Depok, Tangerang, and Bekasi. In continuance of the assignment, First Media obtains the operation license for Fixed Local Packet-Switched Based Network No. 420/KEP/M.KOMINFO/11/2009 dated 6 November 2009 and amended by Minister of Telecommunication and Information Decree No. 179/KEP/M.KOMINFO/04/2012 dated 2 April 2012.

To complete the operation license of Fixed Local Packet-Switched Based Network for Broadband Wireless Access, First Media has obtained Radio Frequency Band License No. 2011G/DJPT.4/KOMINFO/11/2009 and No. 2011F/DJPT.4/KOMINFO/11/2009 from Minister of Communication and Informatics.

In 27 June 2011, Link Net, First Media subsidiary has obtained the operation license of Fixed Local Packet-Switched Based Network from Minister of Communication and Informatics Decree No.246/KEP/M.KOMINFO/06/2011. Link Net provide telecommunication network based on Hybrid Fiber Coaxial Technology.

In 2012, Internux has obtained the operation license of Fixed Local Packet-Switched Based Network from the Minister of Communication and Informatics Decree No. 243/KEP/M.KOMINFO/04/2012 dated 26 April 2012.

Closed Fixed Network

In 24 March 2014, Link Net, First Media subsidiary has obtained operation license of Closed Fixed Network from Minister of Communication and Informatics of Republic of Indonesia No. 312 year 2014 about Closed Fixed Network License.

Internet Service

In 27 July 2009, Link Net, First Media subsidiary has obtained the Internet Service Provider License from Director General of Post and Telecommunication as stated in the Decree No. 176/DIRJEN/2009. After 5-years period evaluation, Link Net obtained the Internet Service Provider No. 51 year 2015 dated 27 January 2015 published by Director General of Post and Information Technology.

Internux, First Media subsidiary has obtained the Internet Service Provider license Number 34 year 2014 dated 29 January 2014 from Minister of Communication and Informatics that supersede the Decree of Director General of Post and Telecommunication No. 305/Dirjen/2005.

Internet Interconnection Service

In 27 January 2015, Link Net, First Media subsidiary has obtained the license for Internet Interconnection Service Provider based on Decree of Director General of Post and Informatics No. 50 year 2015.

Calling Card Telephony Added Value Service

MSH Niaga Telecom Indonesia, First Media subsidiary has obtained the Calling Card Telephony Added Value Service license based on Decree of Director General Post and Telecommunication No. 77/DIRJEN/2010 dated 17 February 2010.

Television Subscription Service

In 3 September 2004, First Media has obtained television subscription services based on Decree of Director General Post and Telecommunication Minister of Transportation No. 256/Dirjen/2004, for television subscription service with national coverage.

To comply with law No. 32 Year of 2002 regarding of Broadcasting and Government Regulation No. 52 Year 2005 in regard of Television Subscription Services, in 11 November 2010, First Media subsidiary, First Media Television has obtained the television subscription provider services license based on the Decree of Minister of Communication and Informatics of Republic of Indonesia No. 339.KEP/M.KOMINFO/11/2010, superseded the pay television subscription service owned by First Media. Until the end of 2016, First Media through First Media Television has operated TV cable business in Jakarta, Bogor, Depok, Tangerang, Bekasi (Jabodetabek), Bandung, Surabaya, and Bali.

In February 2012, Indonesia Media Televisi, First Media subsidiary has obtained the television subscription service license based on Decree of Minister of Communication and Informatics of Republic of Indonesia No. 112/KEP/M.KOMINFO/02/2012.

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FUNCTIONAL REVIEWS

Human Resource Management

In any sector of businesses, one of the major contribution of a company is to absorb and develop its manpower resulting so that the country will have skillful and even expert manpower, to compete with other manpower all around the globe. Companies play an important role in global human resource competition.

First Media fully understand the reasoning above ,therefore human resource management in each of its subsidiaries are as well become important as part of its strategy, planning, and each of its development. First Media consistently improve synergy and efficiency between First Media and its subsidiaries based on its core values which are implemented to achieve its vision and mission.

HUMAN RESOURCE INFORMATION SYSTEM

Since 2011, Human Resource Information System (HRIS) has been developed in cooperation with Information Technology Division. The implementation of the Overtime Online System, e-Recruitment System and Exit Clearance Online System have been running and consistently upgraded. The system delivers major contribution in activities and workflow in Human Resource Division and organization. Its convenience to operate, ease the user to gather the latest information including to manage all managing every stage in recruitment process. Management is able to obtain the transparent and most updated information regarding human resource. This integrated system is accurate and effective in terms of cost.

PERFORMANCE MANAGEMENT SYSTEM

Performance Management System (PMS) in First Media done electronically through *Electronic Performance Management System* (E-PMS). The performance management system develop by First Media under the E-PMS links the objective as well as vision and mission of the organization for employees. As the result, every employee are aware of the direction and purpose to be achieved by the organization, and cognizant of its participation to achieve its target.

E-PMS also create a fair and objective assessment, and refer its assessment aspect in the achievement of target and behavior competencies. E-PMS is developed by Management by Objectives (MBO) approach, promoted by Peter Drucker. There are sustainable cycles in this system, which include Performance Planning, Performance Coaching, and Performance Appraisal.

The assessment under E-PMS is based on two things namely targets which are elaborated in the Key Business Objective (KBO) and Key Performance Indicator (KPI), and employee behavior under Behavior Competencies (BC). Assessment in KBO emphasize 70 percent of the total assessment, while BC emphasize 30 percent, with maximum assessment score up to 130 percent of the total achievement. The assessment score aggregated from the total KBO and BC linked with certain range of numbers and rated.

For the scoring to be more fair and objective, the assessment score of an employee is compared to the score of its colleagues within the same department. This process is called normalization. The normalization process is conducted in 3 levels, started from the section, department, and division level. In the normalization process, the score from assessment process is likely to change.

One aspect of the assessment under KBO is coaching. Every employee with team member will automatically have KBO Coaching. The purpose is to develop coaching culture within the company. Coaching is expected to assist the employee in achieving its target, and overcome the obstacle occurs in daily activities.

The coaching process is performed one by one. An employee with team member will perform coaching for each of its team member. Subsequently, the result from such coaching process to be included in the PMS.

Periodically, the E-PMS system is upgraded to become better and better. Upgrades in E-PMS include the dimensions under Behavior Competencies, with approaches which adapts to the development and requirement. The changes of dimension may include: Discipline and Control, Leadership and Support, Communication, Achievement, Self-Development, Challenge and Problem Solving.

Employee Composition of the Company

Number of First Media Employees

In the year 2017, the total employee of First Media are 993 employees that consists of 34 employees of First Media and 959 employees of its subsidiaries. The decline number of employees of First Media Group caused by the Company no longer consolidated with PT Cinemaxx Global Pacific since December 31, 2016.

Profile of total Employee Total Employee as of 31 December	First Media	Subsidiaries	First Media Group
2017	34	959	993
2016	52	1,480	1,532

Number Of Employees by Position

Profile of First Media employees in year 2017, based on the position or title, consist of 4 (four) Directors, 2 (two) Senior Managements, 8 (eight) Managements, 5 (five) Supervisors, 11 (eleven) Staffs and 4 (four) Non-Staffs.

Employee Profile based on position Position	2017 First Media	Subsidiaries	First Media Group
Director	4	12	16
Senior Management	2	10	12
Management	8	65	73
Supervisor	5	82	87
Staff	11	728	739
Non-Staff	4	62	66

Employee Profile based on position Position	2016 First Media	Subsidiaries	First Media Group
Director	7	19	26
Senior Management	5	14	19
Management	8	108	116
Supervisor	5	158	163
Staff	23	1167	1190
Non-Staff	4	14	18

Number Of Employees by Education

In year 2017, the employee composition based on the education background dominated by Master degree (“S2”), Bachelor degree (“S1”) and Diploma 3 (“D3”) with composition of 5 (five) people for Master Degree, 23 (twenty three) people for Bachelor degree and 4 (four) people for D3.

Employee profile based on education background		2017		
Education		First Media	Subsidiaries	First Media Group
S3/ Doctorate		-	-	-
S2/ Master		5	37	42
S1/ Bachelor		23	661	684
Diploma		4	144	148
Senior High school and below		2	117	119

Employee profile based on education background		2016		
Education		First Media	Subsidiaries	First Media Group
S3/ Doctorate		1	-	1
S2/ Master		5	44	49
S1/ Bachelor		38	709	747
Diploma		5	199	204
Senior High school and below		2	528	530

Employee profile based on age is as follows:

Employee Profile based on age		2017		
Age		First Media	Subsidiaries	First Media Group
51 >		7	14	21
46-50 years old		3	53	56
41-45 years old		4	86	90
36-40 years old		6	177	183
31-35 years old		8	262	270
26-30 years old		2	270	272
25 years below		4	97	101

Employee Profile based on age		2016		
Age		First Media	Subsidiaries	First Media Group
51 >		6	12	18
46-50 years old		4	38	42
41-45 years old		10	66	76
36-40 years old		7	164	171
31-35 years old		12	267	279
26-30 years old		7	388	395
25 years below		5	545	550

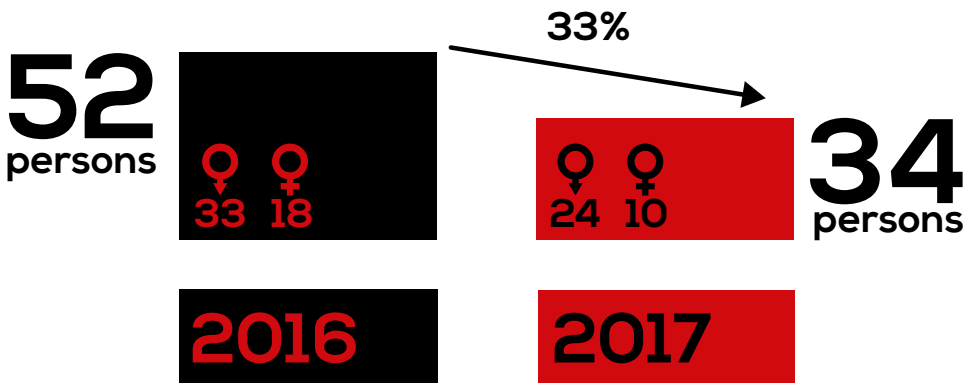
Number Of Employees by Gender

From the employee composition of First Media Group, based on the gender, it can be seen that in year 2017, male employees are in the aggregate of 24 (twenty four) people and female employee are in the aggregate of 10(ten) people.

Employee profile based on Gender		2017		
Gender		First Media	Subsidiaries	First Media Group
Male		24	694	717
Female		10	265	273

Employee profile based on Gender		2016		
Gender		First Media	Subsidiaries	First Media Group
Male		33	1068	1101
Female		18	412	430

Number of First Media Employees



TRAINING AND IMPROVEMENT OF EMPLOYEE COMPETENCIES

Throughout the year 2017, the Company has carried out its duties and responsibilities in improving the competence of human resources through several of training. The list of training that has been implemented by the Company throughout the year 2017 as follows:

No	Training Program	Date	Title Level	Training Objective
1	New Sales Training Regular (Every Monday & Wednesday)	January - August	Sales Staff	Insight information about product and service BOLT! 4G Ultra LTE
2	A.B.U Training For ISP, EP, AR, ISP (Trainee, Associate, Senior)	January - August	Sales Staff	Enhancement of skill & knowledge Sales Team
3	A.B.U Training For TSO (Trainee, Associate, Senior)	February - March	Telesales Officer	Enhancement of skill & knowledge for Telesales Team
4	A.B.U Training For OBC (Trainee, Associate, Senior)	April	Staff	Enhancement of skill & knowledge for Outbound Call Team
5	Field Training Program For Sales	May – August	Sales Staff	Direct Coaching & Mentoring for team sales
6	Personal Branding & Communication Skills CS Bolt! Zone	May	Staff	Building Bolt Zone Customer Service identity that can fulfill consumer expectations.
7	New Employee Induction	May	Staff, Leader, Dept/ Div Head	Provides knowledge of the organization's mission vision, job scope, HR rules, COMBEN, Career management
8	Leadership Challenge Training	May	Dept Head	Prepare team Leaders who are ready to face organizational challenges and climate change
9	Leadership Game Plan For TL Telesales	May	Team Leader	Leadership character building
10	Leadership Game Plan For TL Event Promotor	June	Team Leader	Leadership character building
11	Refreshment & Technical Skills For CS Bolt! Care	June	Staff	Refreshment knowledge and technical skill about product and problem solving
12	A.B.U Training For CS BOLT! Care (Trainee, Associate, Senior)	June	Staff	BOLT! team care Improvement knowledge and skill
13	Stand Up Selling For CS BOLT! Zone	June	Staff	Provides knowledge and selling skill to BOLT! Zone Customer Service.
14	Leadersip Skills Need At Every Level	July	Leader	Provide leadership skill for manager

No	Training Program	Date	Title Level	Training Objective
15	Leadership Game Plan For TL Direct Sales	July	Team Leader	Leadership character buidling
16	Presentation Skills For Manager	July	Leader & Dept Head	Providing presentation skill to all manager
17	Direct Coaching & Mentoring For TSO	August	Staff	Mentoring & Coaching session for selling improvement.
18	Computer Security Training	August	Staff, Leader, Dept/ Div Head	IT & Computer security system socialization
19	Refreshment Product Knowledge Training ISP TRAD & MC	August	Sales Staff	Refreshment knowledge about BOLT! 4G LTE product & services
20	New Sales Training Regular (Senin & Rabu Setiap Minggu)	September - December	Sales Staff	Provide knowledge about BOLT! 4G LTE product & services
21	A.B.U Training For ISP, EP, AR, ISP (Trainee, Associate, Senior)	September - December	Sales Staff	Sales team knowledge improvement
22	Direct Coaching & Mentoring For TSO	September - December	Staff	Mentoring & Coaching session for selling skill improvement.
23	Field Training Program For Sales	September - December	Sales Staff	Mentoring & Coaching session for selling skill improvement.
24	Leadership Skills Need At Every Level	September	Leader & Dept Head	Providing leadership skill for manager
25	Team Building Training For Employee	October	Staff, Leader, Dept/ Div Head	Teamwork building improvement
26	Soft Skills Training For CSR BOLT! Zone	October	Staff	Providing soff skill for BOLT! Zone Customer Service
27	Coaching Skills For Leaders	November	Leader & Dept Head	Coaching skill for Leader.
28	New Employee induction	November	Staff, Leader, Dept/ Div Head	Provides knowledge of the organization's mission vision, job scope, HR rules, COMBEN, Career management
29	A.B.U Training For TELESales (Trainee, Associate, Senior)	November - December	Staff	Sales team knowledge improvement
30	Future Leaders Program For Sales	December	Senior Staff	Leadership preparation candidate for organization requirements
31	Expertise Program For Sales	December	Staff	Sales team knowledge improvement in telecommunication aspect

FINANCIAL REVIEWS

INTRODUCTION

Throughout 2017, First Media continues to solidify its performance to maximize results through its subsidiaries. In 2017, First Media still recorded negative EBITDA, however there was an increase in EBITDA by 20% or Rp 155,449 million compared to 2016. The decrease in Cost of Services and Operating Expenses has also contributed in the decrease of Net Loss in 2017 by 6% compared to 2016.

The following is a summary of the consolidated financial statements of First Media for the year – year ended on December 31, 2017 and 2016:

Description (in IDR Millions)	2017	2016
Revenues	982,463	1,308,250
Cost of Services	(1,208,370)	(1,438,665)
Gross Loss	(225,907)	(130,415)
Operating Expenses	(402,219)	(653,160)
EBITDA	(628,126)	(783,575)
Depreciation and Amortization	(802,582)	(855,026)
Finance Cost	(422,304)	(391,781)
Equity in Net Profit Of Associates	350,633	275,128
Gain from Sales of Shares of Subsidiaries	--	131,025
Others - Net	7,491	36,919
Loss for The Year	(1,494,888)	(1,587,310)
Total Comprehensive Loss for The Year	(1,601,824)	(1,527,124)
Loss For The Year Attributable to :		
Equity Holders of the Parent Entity	(1,100,674)	(794,678)
Non-Controlling Interests	(394,214)	(792,632)

Highlight

In General, the performance of business units of First Media during the year 2017 has decreased compared to the year 2016. The decrease was mainly due to First Media's divestment in PT Cinemaxx Global Pasifik, business unit in cinemas, on December 30, 2016. At the same time, First Media still expanded its investment and capital expenditures to improve the service quality, as well as selectively expand network and equipment related to development of products and services. The Management has been continuously implementing prudent financial policies throughout the activities of the business units of First Media.

OPERATING REVENUES

First Media recorded Revenues amounting to Rp 982,463 million in 2017 showing a decrease of Rp 325,787 million or 25% compared to 2016 which amounted to Rp 1,308,250 million. The decrease was mainly due to First Media's divestment in PT Cinemaxx Global Pasifik, resulted First Media has no longer revenue from cinema services, as well as decrease in the revenue from Communication Devices in line with increased availability of such devices in the open market.

The following table shows the composition of First Media Revenues:

Products (in IDR Millions)	2017		2016	
	The Total Number of	%	The Total Number of	%
Subscription Fees for Internet and Data Communication Services	740,049	75	730,283	56
Cinema	-	-	288,372	22
Communication Devices	87,246	9	163,413	12
Others	219,279	22	176,278	13
Sales Discount	(64,111)	(6)	(50,096)	(3)
Total	982,463	100	1,308,250	100

COST OF SERVICES

First Media's Cost of Services consist of Costs and Expenditure related to:

- BTS Tower Rental
- Permits and Licenses
- Communication Devices
- Bandwith Fees and Other Internet Access
- Cinema
- Others

Cost of Service in 2017 was Rp 1,208,370 million, decreased by Rp 230,295 million or 16% compared to 2016 which reached Rp 1,438,665 million. This is mostly due to absence of cost related to cinema following divestment of PT Cinemaxx Global Pasifik, as well as decrease in cost of BTS Tower Rental and Communication Devices. The ratio of total Cost of Services against Revenue is 123% in 2017 or increased by 13% compared to 2016 of 110%.

The following table shows the composition of First Media's Cost of Services:

Products (in IDR Millions)	2017		2016	
	Amount	%	Amount	%
BTS Tower Rental	610,722	51	656,102	46
Permits and Licenses	316,837	26	321,277	22
Communication Devices	106,763	9	155,260	11
Bandwidth Fees and Other Internet Access	27,479	2	51,383	4
Cinema	-	-	122,834	8
Others	146,569	12	131,809	9
Total	1,208,370	100	1,438,665	100

GROSS LOSS

Gross loss increased by 73% or Rp 95,492 million compared to 2016 to become Rp 225,907 million in 2017. The decrease in cost of services has not been able to reduce the Gross Loss in the year 2017, which is mainly caused by revenue from cinema service that is no longer being recorded by First Media.

OPERATING EXPENSES

Operating expenses consist of Selling Expenses and General and Administrative Expenses. Operating expenses in 2017 was 402,219 million, decreased by Rp 250,941 million from Rp653,160 million in 2016. The decrease in operating expenses was in line with the implementation of discipline cost management through 2017.

LOSS FOR THE YEAR

In 2017, First Media recorded Loss for The Year amounting to Rp 1,494,888 million, decreased by Rp 92,422 million compared to 2016 which amounted to Rp 1,587,310 million.

TOTAL COMPREHENSIVE LOSS FOR THE YEAR

Total Comprehensive loss for 2017 amounting to Rp 1,601,824 million, increased by Rp 74.700 million or 5% compared to 2016.

LOSS FOR THE YEAR ATTRIBUTABLE

Loss For the Year Attributable to Equity Holders of the Parent Entity in the year 2017 amounting to Rp 1,100,674 million, while loss for the year attributable to the non-controlling interests amounting to Rp 394,214 million.

ASSET POSITION

Total assets per 31 December 2017 amounted to Rp 12,089,473 million, decreased by Rp 690,050 million or 5% compared to total assets per 31 December 2016. Current Assets decreased by Rp 85,462 million from Rp 971,313 million on December 31, 2016 to become Rp 885,851 million on December 31, 2017. Non Current Assets decreased by Rp 604,588 million from Rp 11,808,210 million on December 31, 2016 to become Rp 11,203,622 million on December 31, 2017.

LIABILITIES POSITION

Total liabilities increased by Rp 876,981 million, from Rp 5,540,481 million on December 31, 2016 to become Rp 6,417,462 million on December 31, 2017. Total current liabilities increased by Rp 572,901 million from Rp 4,110,888 million on December 31, 2016 to become Rp 4,683,789 million on December 31, 2017. The Increase in current liabilities is due to the increase in bank loan, leased liability and trade payable in the year 2017.

Non Current Liabilities increased by Rp 304,080 million from Rp 1,429,593 million on December 31, 2016 to Rp 1,733,673 million on December 31, 2017. The increase was mainly due to an increase in bank loan in 2017.

EQUITY/CAPITAL STRUCTURE

Total equity as per 31 December 2017 amounted to Rp 5,672,011 million, decreased by Rp 1,567,031 million or 22% compared to total equity as per 31 December 2016.

Below is a table showing First Media's Capital Structure.

Equity Structure (in IDR Millions)	2017 Amount	Portion (%)	2016 Amount	Portion (%)
Total Liabilities	3,620,524	39	3,283,997	32
Net Equity	5,957,131	61	7,164,741	68
Total Equity Invested	9,577,655	100	10,448,738	100

LIQUIDITY AND CAPITAL EXPENDITURES

Net Cash Flows Used in Operating Activities in 2017 amounted to Rp 367,118 million, increased by Rp 204,748 million compared to year 2016. Cash receipts from customers amounted to Rp 1,016,806 million was used for payment to suppliers and other third parties of Rp 612,634 million, payments for Operating Expenses of Rp 228,576 million, payments to employees of Rp 158,130 million, payment of corporate income tax of Rp 682 million, interest payment of Rp 384,911 million and interest income received of Rp 1,009 million. Net cash used for investment activities amounted to Rp 147,178 million in 2017, decreased by Rp 642,443 million compared to 2016.

In 2017, the net cash flow obtained from the financing activities amounted to Rp 534,132 million, decreased by Rp 472,697 million compared to 2016.

TRANSACTIONS INFORMATION & MATERIAL FACTS AFTER REPORTING PERIOD

1. In January 2018, PWU, a subsidiary, has repaid off the loan obtained from PT Bank Mega Tbk amounting to Rp150,000 million.
2. Based on the Resolution of the Board of Directors and the Board of Commissioners of PT Link Net Tbk (an associate) based on Letter No. SK-001/LN/XII/17 dated 15 December 2017 has approved distribution of interim cash dividend amounting to Rp150,000 million. Such distribution of interim cash dividend was made on 15 January 2018 and the Company received an amount of Rp52,226 million as a proportion based on percentage of its ownership in PT Link Net Tbk.

MATERIAL TRANSACTION & FACTS

During 2017 First Media has several transaction and the fact. Below are the material transaction and fact of First Media:

1. Based on Deed No. 1 dated January 06, 2017, MMM (a subsidiary) has subscribed new shares which issued by PT I and compensate PT I's debt to MMM amounting to Rp66,600 milion becoming 666,000,000 shares.
2. Based on Deed No. 15 dated February 28, 2017 of Rini Yulianti, S.H, notary in Jakarta, the shareholders have agreed to reduce CIAT's authorized capital to become Rp400 million and paid in capital of Rp101 million.

3. On April 27, 2017, First Media and Credit Suisse AG, Singapore Branch and PT BNP Paribas entered into an agreement for an amendment of Bank Loan Agreement. This transaction information and Material Facts has been reported by First Media to Financial Services Authority (“OJK”) based on Letter No. SB-30/FM-CSL/OJK/IV/2017 on April 28, 2017.
4. On July 7, 2017, First Media has signed Letter of Guarantee to provide corporate guarantee to Nomura International Plc. for a partial amount of vendor financing facility of PT. Internux, subsidiary of First Media. This transaction information and Material Facts has been reported by First Media to Financial Services Authority (“OJK”) based on Letter No. SB-041/FM-CSL/KI/VII/2017 on July 11, 2017.
5. On August 23, 2017, First Media has submitted Information Disclosure regarding change of ownership of shares by 5% or higher for a transaction occurred on August 21, 2017. This transaction information and Material Facts has been reported by First Media to Financial Services Authority (“OJK”) based on Letter No.SB-049/FM-CSL/OJK/VIII/2017.
6. On October 9, 2017 First Media has submitted Information Disclosure regarding affiliated transaction, in which First Media received assistance from PT. Link Net Tbk for review of a strategic planning. This transaction information has been reported by First Media to Indonesia Stock Exchange based on Letter No. SB-057/FM-CSL/X/2017 and to Financial Services Authority (“OJK”) based on Letter No. SB-058/FM-CSL/X/2017.

DIVIDEND POLICY

Based on Annual General meeting of Shareholders dated 21 April 2017, it was approved and decided not to distribute dividend to First Media’s shareholders for the year 2016.

This decision was made in order First Media to maintain Capital Adequacy Ratio to further support all the business units development and the fact that First Media still recorded Loss for The Year in 2017

EMPLOYEE STOCK OWNERSHIP PROGRAM

Until 31 December 2017, First Media does not have employee/management stock ownership program (ESOP/MSOP).

REALIZATION OF USE OF FUND FROM PUBLIC OFFERING

In realization of the use of the Fund regarding to public offering, First Media has submit a report regarding to Realization of the Use of Fund from convertible securities that can be converted into shares from the period of 3 January 2011 until May 3, 2013 based on letter No. SB-055/CSL/OJK/VI/2013, as well as confirmation letter regarding to Realization of the Use of Fund to Financial Services Authority (“OJK”) no. SB-071/CSL/OJK/VI/2013.

ABILITY TO PAY DEBT AND COLLECTIBILITY OF RECEIVABLE

In 2017, days of receivables collectibility is 33 (thirty three) days, which shows current and collectible category. While for the ability to pay debt, days of trade payables to suppliers is averaged at 16 months. With such condition, First media has the ability to pay the payables to suppliers.

MATERIAL BINDING FOR INVESTMENT IN ASSET

In 2017, most of the capital expenditure of First Media was used to buy telecommunication devices and supporting devices for expansion of new project in 2017.

ACCOUNTING POLICIES

The consolidated financial statement were prepared and presented in accordance with Indonesian Financial Accounting Standarts which include the Statement of Financial Accounting Standarts (PSAK) and Interpretation of Financial Accounting Standart (ISAK) issued by the Financial Accounting Standards Board –Indonesian Institute of Accountant (DSAK IAI –), and regulations in the Capital Market include Regulation of Financial Services Authority/Capital Market and Supervisory Board and Financial Institutions (OJK/ Bapepam-LK) No. VIII. G. 7 regarding guidelines for the presentation of the financial statements, decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 regarding presentation and disclosure of financial statement of issuers or public company.

CHANGES IN REGULATION

During 2017, there were no changes in regulations that have significant impact to First Media and the financial statement.



CORPORATE GOVERNANCE

In Indonesia, the General Guidelines for Good Corporate Governance – (GCG), are established by the National Committee on Governance (KNKG) based on the basic five pillars of GCG, namely: Transparency, Accountability, Responsibility, Independency, Fairness – TARIF. First Media has been applying those principles of five pillars in its corporate governance.

First Media as a public company has been continuously reviewing good practices in the business communities and applying it in First Media business activities. In order that the basic five pillars are optimally applied, First Media has aligned the principles of the basic five pillars with the company values, namely:

- Dicipline in the implementation.
- Quality in services.
- Innovation in the development
- Aggresive in market penetration
- Attention to the communities and environment

In addition to the alignment of the principles of basic five pillars with Company values, First Media has also prepared another corporate governance tool, which refers to the applicable Law No. 40/ 2007 on Limited Liability Company, regulations of Financial Services Authority (OJK) and Indonesian Stock Exchange.

Up to the year of 2017, First Media has GCG tools namely :

1. Charter of the Board of Commissioners & Board of Directors
2. Code of Ethics and Professional Accountability
3. Internal Control System
4. Articles of Association

GOOD CORPORATE GOVERNANCE PRINCIPLES

BASIC FIVE PILLARS OF GOOD CORPORATE GOVERNANCE

TRANSPARENCY

First Media has always been providing relevant information which is easily accessible to the shareholders and stakeholders in a timely manner. First Media also provide an official website of First Media <http://www.firstmedia.co.id> as one of the facilities accessible by the stakeholders to obtain any information about First Media.

ACCOUNTABILITY

First Media shall be responsible to the shareholders and stakeholders to manage the company in a proper, measurable manner, that fits to the interests of the company, with due regard to the interests of the shareholders and stakeholders.

In the implementation, First Media has stipulated clearly the function, duties, and responsibilities of each organ and division of the Company, and has always ensured that all organs of the Company and divisions in First Media as well as its employees have sufficient competencies, in accordance with their duties and responsibilities, as well as their roles in First Media’s business activities.

RESPONSIBILITY

First Media have responsibilties for carrying out its business according to the prevailing laws and regulations. The compliance with the laws and regulations shall guarantee the comfort of customers in enjoying services. On the other hand, First Media can carry out its business activities smoothly and achieve its business sustainability.

INDEPENDENCE

First Media is committed to maintain its independence in order it is not dominating each other, is not under undue influence of certain interests, and it is free from any interests, so that any decisions taken will always be objective and provide an optimal output for the interests of shareholders, stakeholders and employees.

In the implementation, First Media has appointed a number of independent parties that are highly reputable to sit in the Board of Commissioners and Board of Directors, as well as to provide an optimal role for First Media’s Audit Committee in conducting supervision on the business activities of First Media.

EQUALITY AND FAIRNESS

First Media shall provide a fair opportunity to all parties to access company information accordance with the principle of transparency within the scope of domicile of each party, according to the benefit and contribution given by the capital market authority, capital market community and stakeholders to First Media. Equality principle shall also be appllied by First Media for each competent individual who is willing to work and highly dedicated for the sake of mutual advancement. There will be no discrimination for the career development of First Media’s employees based on ethnicity, religion, race, group, gender, and physical condition. First Media has always been maintaining and giving due regard as to have a balance between rights and obligations of employees in a just and fair manner.

STRUCTURE OF CORPORATE GOVERNANCE

GENERAL MEETING OF SHAREHOLDERS AND PUBLIC EXPOSURE

GMS has the authority which is not provided to the Board of Directors or Board of Commissioners, within the limits stipulated in the laws and/or articles of association.

In GMS forum, shareholders shall be entitled to obtain information related to First Media from the Board of Directors and/or Board of Commissioners, to the extent it is related to the agenda of the meeting and is not contrary to the company's interests.

GMS in the agenda 'Other matters' shall not be entitled to make a decision, unless all shareholders attend the meeting and/or are represented in the GMS and approve the additional agenda of the meeting. Decisions on the additional meeting agenda must be approved unanimously.

IMPLEMENTATION OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

In 2017 First Media convened an Annual General Meeting of Shareholders (AGMS) for the fiscal year of 2016 on 21st of April 2017.

AGMS in the fiscal year of 2016 was held in Hotel Aryaduta Tugu Tani Jakarta, and attended by 1.682.713.668 shares or 96,59% of total shares of 1.742.167.907 shares which are the total shares issued by First Media.

The agenda of AGMS was announced on 7th of March 2017 in a daily newspaper Investor Daily, while the invitation to the meeting held in 29 March 2017 was published in the daily newspaper Investor Daily.

Minutes of AGMS 2017 were released on 21 April 2017 and the results of the resolutions of 2017 AGMS could be seen in the official website of First Media <http://www.firstmedia.co.id>

The results of 2017 AGMS resolutions together with its implementations in 2017 are as follows:

RESOLUTIONS OF ANNUAL GMS OF 2017	APPROVED	IMPLEMENTATION
AGENDA 1		
1. Accept and approve the Annual Report of First Media including the report on the supervisory assignment of Board of Commissioners for the fiscal year ending 31 December 2016, as well as work and development plans of First Media.	100% shares with voting rights attending the meeting	Directly implemented in 2017 AGMS
2. Validate the profit/loss balance of First Media for the fiscal year ending 31 December 2016 and give full discharge and release (<i>acquitt et de charge</i>) in the most extensive meaning to all members of Board of Directors and Board of Commissioners of First Media for the management and supervision conducted during the fiscal year ending 31 December 2016.	100% shares with voting rights present in the meeting	Directly implemented in 2017 AGMS

RESOLUTIONS OF ANNUAL GMS OF 2017	APPROVED	IMPLEMENTATION
AGENDA 2		
Approve First Media's policy not to distribute dividends to shareholders for the fiscal year 2016	100% shares with voting rights present in the meeting	Directly implemented in 2017 AGMS
AGENDA 3		
1. Appoint Amir Abadi Jusuf, Aryanto, Mawar & Rekan Public Accountant Firm as public accountant Firm that will audit the Company's Financial Report for the 2017 fiscal year, and give authorization to the Board of Directors to determine honorarium and other requirements for the appointed Public Accountant Firm.	100% shares with voting rights present in the meeting	Directly implemented in 2017 AGMS
2. To approve delegation of authority to the Board of Commissioners of the Company to determine another public accountant firm that will audit the Company's Financial Statements for the 2017 fiscal year, in the case of Public Accountant Firm stipulated in point (1) above can not perform its duties for any reason. The appointing of other public accounting firm shall comply with the terms and conditions under applicable regulations.		
AGENDA 4		
1. Approve the appointment of Board of Commissioners and Board of Directors effective from the closing date of the Meeting until the closing of First Media's Annual General Meeting of Shareholders for the fiscal year 2019 which will be convened in the year 2020, with the following composition :	100% shares with voting rights present in the meeting	Directly implemented in 2017 AGMS

Board of Commissioners	Name
President Commissioner (Independent)	Surjadi Soedirdja
Commissioner (Independent)	Paternus Mingkor
Commissioner (Independent)	Teguh Pudjowigoro
Commissioner	Ali Chendra

Board of Directors	Name
President Director (Independent)	Harianda Noerlan
Director	Johannes Tong
Director (Independent)	Soeparmardi
Director (Independent)	Hernowo Hadiprodjo

RESOLUTIONS OF ANNUAL GMS OF 2017	APPROVED	IMPLEMENTATION
2. Approve the conferment of authority and power with substitution right to the Board of Directors of First Media to take any actions related to the determination of the composition of members of Board of Commissioners and Board of Directors of First Media including but not limited to restate such resolutions in a Notarial deed, and further give notice to the Minister of Law and Human Rights of the Republic of Indonesia in accordance with the applicable laws and regulations, register the composition of members of Board of Directors and Board of Commissioners in the Company Register and to submit and sign all applications and or other required documents without exception in accordance with the applicable laws and regulations.	100% shares with voting rights are present in the meeting	Directly implemented in 2017 AGMS
3. Approve the conferment of authority to the President Commissioner to determine honorarium, allowance, salary, bonus and/or other remunerations for members of Board of Directors and Board of Commissioners of First Media.	100% shares with voting rights present in the meeting	Directly implemented in 2017 AGMS

PROCEDURE FOR HOLDING AGMS

In the Law on Limited Liability Company and Articles of Association of First Media, AGMS shall be convened at the latest six months after the end of fiscal year.

During AGMS, the Board of Commissioners and Board of Directors shall present and report the following subjects :

1. Annual Report.
2. Board of Directors' report on First Media performance for the current fiscal year and future business prospect.
3. Board of Commissioners' report on supervision conducted during the fiscal year and corporate target in the future.
4. Profit usage recommendation.

In general the stages of GMS implementation are as follows :

Time	Activities
D -44	Notice to The Financial Services Authority (OJK) shall be submitted 5 working days prior to the announcement of GMS.
D -37	Advertisement of GMS Announcement. <ul style="list-style-type: none"> First Media shall make an announcement that GMS will be held in a newspaper which is to be published at the latest 14 days prior to the announcement of invitation (not including the date of announcement and the date of invitation), in the websites of Indonesian Stock Exchange and First Media.

Time	Activities
D -29	Time limit for the submission of proposal of GMS Agenda by the 5% shareholders.
D -23	Recording date of the shareholders who are entitled to attend GMS.
D -22	Advertisement of GMS invitation. <ul style="list-style-type: none"> First Media shall announce the invitation to shareholders in a newspaper published at the latest 21 days prior to the date of the holding of GMS (not including the date of invitation and date of GMS), in the websites of Indonesian Stock Exchange and First Media.
D	GMS
D +2	Notice and announcement of the results of GMS. <ul style="list-style-type: none"> First Media shall announce the summary of minutes of meeting of GMS to the communities in the newspaper, websites of Indonesian Stock Exchange and First Media, at the latest 2 working days after holding a GMS. First Media shall submit a proof of announcement of minutes of meeting of GMS to The Financial Services Authority (OJK) at the latest 2 working days after announcement.
D+30	Submission of minutes of meeting of GMS to The Financial Services Authority (OJK).

IMPLEMENTATION OF PUBLIC EXPOSE

In 2017, First Media held a Public Expose on 21 April 2017, as the implementation of Regulation of Indonesian Stock Exchange Number I-E point V.2 of Decision of Board of Directors of PT Bursa Efek Jakarta No: Kep-306/BEJ/07-2004, on Obligations of Information Submission.

The implementation of First Media Public Exposure is as follows:

1. Held on :
 - Day/Date : Friday, 21 April 2017
 - Time : 15:00 – 17:00 Western Indonesian Time
 - Venue : Ballroom A, Hotel Aryaduta Tugu Tani
Jl. Prapatan 44-48, Jakarta 10110
2. The attending Management :
 - President Director : Harianda Noerlan
 - Chief Financial Officer : Timotius M. Sulaiman
3. The Public present :
 - Journalists from various mass media.

INFORMATION OF CONTROLLING SHAREHOLDERS

The controlling shareholders of First Media are AcrossAsia Limited totaling 55,10%, while the remaining shareholding is by PT Reksa Puspita Karya totaling 33,76%, PT Inti Anugerah Pratama totalling 8,62% and the public amounting 2,52%.

BOARD OF COMMISSIONERS

In accordance with the applicable laws and regulations, the Board of Commissioners is the organ of First Media representing the shareholders in conducting supervisory function on the implementation of policies and strategies of First Media conducted by the Board of Directors and giving directions / advice to the Board of Directors for the management of First Media with good intention, prudence and accountability, as well as carrying out the function with the purpose to enhance the image of First Media in the eyes of the public and shareholders. The Board of Commissioners shall be responsible to GMS. GMS shall act as the organ appointing and dismissing members of Board of Commissioners.

Collectively, the duties of Board of Commissioners are to supervise the management of company conducted by the Board of Directors and give advice related to the policies of Board of Directors. The said policies of Board of Directors are related to the plans for development, work plan and annual budget of the Company, implementation of the provisions of Articles of Association and resolutions of GMS, as well as all applicable and relevant laws and regulations and to monitor its implementation.

The Board of Commissioners of First Media shall continuously monitor the effectiveness of company policies, performance, and decision making process by the Board of Directors, including the implementation of strategy to meet the expectation of shareholders and other stakeholders. The result of supervision along with the reviews and opinions of Board of Commissioners shall be presented at GMS as part of assessment of Board of Director's performance.

The Board of Commissioners shall also monitor and conduct evaluation on the application of GCG, examine and review the annual report prepared by the Board of Directors, and to sign the report to provided that the Board of Commissioners approve the content of annual report's materials.

CHARTER OF BOARD OF COMMISSIONERS

Charter of Board of Commissioners shall be the work guidelines for the Board of Commissioners and code of ethics applicable for all members of Board of Commissioners of First Media in carrying out its duties in order that it is in alignment with Good Corporate Governance practices.

Charter of Board of Commissioners has been validated since 1 June 2016, signed by all members of Board of Commissioners and has been uploaded in the official website of First Media www.firstmedia.co.id

COMPOSITION OF BOARD OF COMMISSIONERS

During the AGMS held on 21 April 2017, the meeting approved to appoint Board of Commissioners of First Media effective from the closing of the Meeting until the closing of Annual General Meeting of Shareholders of Media for the fiscal year 2019 which will be held in 2020, with the following composition :

Board of Commissioners	Position	Term-of-office since
Surjadi Soedirdja	President Commissioner (Independent)	21 April 2017
Paternus Mingkor*	Commissioner (Independent)	21 April 2017
Teguh Pudjowigoro	Commissioner (Independent)	21 April 2017
Ali Chendra	Commissioner	21 April 2017

*Deceased away on 20 June 2017

As recorded in the Deed No. 13 dated 21 April 2017 drawn up by Notary Andalia Farida SH, MH, Notary in Central Jakarta.

REQUIREMENTS, MEMBERSHIP, AND TERM-OF-OFFICE

The applicable formal and material requirements, have been met by all members of Board of Commissioners of First Media. The formal requirements are of general in nature, according to the applicable laws and regulations, while the material requirements are of special in nature, adjusted with the need and the nature of business of First Media. The Board of Commissioners is a board and each member of Board of Commissioners may not act individually but rather collectively based on the resolutions of Board of Commissioners.

Pursuant to Law No. 40 of 2007 regarding Limited Liability Company and Regulation of Financial Service Authority (OJK) No.33/POJK.4/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, those who may be appointed as members of Board of Commissioners are individuals that meet the requirements at the time of appointment and during the term-of-office, as follows:

- Having a good character, morality and integrity;
- Competent in taking legal actions;
- Within 5 (five) years prior to the appointment and during the term-of-office:
 - has never been declared bankrupt;
 - has never been a member of Board of Directors and/or member of Board of Commissioners declared guilty of causing a company to be declared bankrupt;
 - has never been punished for committing a criminal offense causing state financial losses and/or related to financial sector; and
 - has never been a member of Board of Directors and/or member of Board of Commissioners who during the term-of-office :
 - once did not convene an annual GMS;
 - its accountability as a member of Board of Directors and/or member of Board of Commissioners once was not accepted by GMS or once did not give its accountability as a member of Board of Directors and/or member of Board of Commissioners to GMS; and
 - once caused the company that has obtained a license, approval, or registration from Financial Service Authority did not fulfill its obligation to submit an annual report and/or financial statements to Financial Service Authority.
- is committed to comply with the laws and regulations; and
- Has knowledge and/or expertise in the area as required by Issuers or Public Companies.

DUTIES AND RESPONSIBILITIES OF BOARD OF COMMISSIONERS

The scope of duties of Board of Commissioners that have the authority to conduct supervision on company management and report to shareholders in a GMS, is as follows :

- Board of Commissioners shall :
 - Conduct supervision on the management of the company conducted by Board of Directors in general, either pertaining the company or company businesses and give advice to the Board of Directors.

- b. Carry out the duties specifically assigned to them pursuant to the Articles of Association, applicable laws and regulations and/or based on the resolutions of GMS; and
 - c. Carry out the duties, responsibilities and exercise authority according to the provisions of Company's Articles of Association and resolutions of GMS.
- 2. In conducting supervision, the Board of Commissioners shall direct, monitor and evaluate the implementation of strategic policies of company.
 - 3. Members of Board of Commissioners shall carry out its duties and responsibilities in good faith, full of responsibility, and with prudence.
 - 4. Board of Commissioners shall apply and ensure the implementation of risk management and principles of Good Corporate Governance in any company business activities at all levels or stages of the organization.
 - 5. Board of Commissioners shall evaluate and approve the company's work plan.
 - 6. Board of Commissioners shall assist and drive the efforts for company enhancement and development.
 - 7. in supporting the effectiveness of implementation of duties and responsibilities, the Board of Commissioners shall form an Audit Committee and may establish another committee in accordance with the applicable laws and regulations.
 - 8. Board of Commissioners shall make an evaluation on the performance of the committee that assists the Board of Commissioners in performing its duties and responsibilities at the end of each financial year.
 - 9. In certain condition, the Board of Commissioners shall convene an Annual GMS and other GMS in accordance with its authority as provided under the laws and regulatinos and Articles of Association.
 - 10. The main duties of President Commissioner as *primus inter pares* are to coordinate the activities of Board of Commissioners and to ensure that every member of Board of Commissioners may express its opinion based on sufficient information.
 - 11. GMS shall be led by a member of Board of Commissioners appointed by the Board of Commissioners. In the event all members of Board of Commissioners are not present or prevented to attend of which impediment no evidence to third parties shall be required, then GMS shall be chaired by the President Director. In the event all members of Board of Commissioners and Board of Directors are not present or prevented to attend, then GMS shall be chaired by the shareholders present in the GMS who are appointed from and by GMS participants.

RIGHTS AND AUTHORITY OF BOARD OF COMMISSIONERS

- 1. Board of Commissioners shall give an approval and assistance to the Board of Directors in taking a certain leal actions as provided under company's Articles of Association.
- 2. The decision making by the Board of Commissioners will not release the responsibilities of Board of Directors for carrying out company management.
- 3. The Board of Commissioners either jointly or severally at any time within office hours of the company shall be

entitled to enter the premises or other places used or controlled by the Company, and shall be entitled to examine all books, letters and other exhibits, examine and verify the cash position, and such other things, and shall be entitled to know all actions taken by the Board of Directors.

- 4. The Board of Commissioners may request for a GMS to be convened.
- 5. The Board of Commissioners at any time may be suspended by one or more members of Board of Directors if the member of Board of Directors acts in contravention with the Articles of Association and/or applicable laws and regulations.
- 6. The suspension shall be notified to the person concerned along with its reasons.
- 7. Within a period of no later than 90 (ninety) days after the suspension, the Board of Commissioners shall convene a GMS to decide whether such member of the Board of Directors shall be dismissed or re-instated to his/her former position, whereas the suspended member of Board of Directors shall be given an opportunity to defend himself/ herself.
- 8. The mechanism concerning such implementation of GMS, is provided under the company's Articles of Association.
- 9. The Board of Commissioners may take actions for company management within a certain condition for a certain period.
- 10. The authority of Board of Commissioners shall be determined pursuant to Articles of Association or GMS resolutions.
- 11. In carrying out its duties and responsibilities, the Board of Commissioners is not involved in the decision making for Company's operational activities, with the exception of matters provided under the company's Articles of Association or applicable laws and regulations.
- 12. The Board of Commissioners shall be entitled to access all data, information and/or company reports which are required to carry out its duties and responsibilities.
- 13. Request for data, information and/or company report shall be submitted through the Company Secretary.

The duties, authority and responsibility as well as the guidelines and rules of the Board of Commissioners are described in details in the Charter of Board of Commissioners which are accessible from the official website of First Media www.firstmedia.co.id

INTEGRITY OF THE BOARD OF COMMISSIONERS

Members of Board of Commissioners are expected to keep its integrity in carrying out its duties and responsibilities in accordance with the moral values and applicable regulations, including for matters of compliance with financial rules.

The Charter of Board of Commissioners in Article 5, states the criteria of persons that may be appointed as members of Board of Commissioners. The criteria among other things are competent in taking legal actions and within five years prior to his/her appointment has never been declared bankrupt or has never been a member of Board of Directors/Board of Commissioners in another company declared guilty for causing the company declared bankrupt, and has never been punished for a criminal offense causing state financial losses or related to financial sector.

INDEPENDENCY OF BOARD OF COMMISSIONERS

To maintain the independency of the Board of Commissioners, First Media shall determine that at least 30% (thirty percent) of members of Board of Commissioners are Independent Commissioners coming from circles outside First Media, and one of the conditions is that he/she must have financial background.

The existence of the Independent Commissioner is meant to drive a more objective climate and provide an equality among various interests, including the interests of company and interests of company and interests of stakeholders as the main principles for decision making by the Board of Commissioners.

With this decision, the Board of Commissioners of First Media shall become independent, free from the influence of other members of Board of Commissioners and Board of Directors as well as controlling shareholders.

In accordance with the provisions and restrictions based on applicable regulations, an Independent Commissioner shall meet the following requirements :

- shall not be a person working or having an authority and responsibility to plan, lead, control, or supervise First Media activities within the last 6 (six) months, except for the re-appointment as a Independent Commissioner in the next period;
- shall not have First Media shares either directly or indirectly. Does not have affiliated relationship with members of Board of Commissioners, members of Board of Directors or main shareholders of First Media; and
- shall not have business relationship either directly or indirectly related to First Media business activities. An Independent Commissioners that has served for 2 (two) terms may be re-appointed to the extent the Independent Commissioner declares that he/she is still independent of GMS.

Out of 4 (four) members of First Media's Commissioners, based on the resolutions of AGMS dated 21 April 2017, there are 2 (two) Independent Commissioners namely Surjadi Soedirdja and Teguh Pudjowigoro. These two members of Independent Commissioners have met all terms and conditions of independence as set forth in the regulations of OJK and Indonesian Stock Exchange.

THE IMPLEMENTATION OF DUTIES OF BOARD OF COMMISSIONERS 2017

Throughout 2017, apart from giving advice and directions by means of correspondence to the Board of Directors, Board of Commissioners and giving opinions as well as recommendations that include operational management or other matters in accordance with its duties and responsibilities, the recommendations of Board of Commissioners are also conveyed in the joint meeting of Board of Commissioners and Board of Directors such as recommendations for putting audit process in order, focusing and improving human resources, processes and other fundamental issues.

MEETING OF BOARD OF COMMISSIONERS

In the supervisory process on operational activities of First Media, Board of Commissioners shall conduct a meeting or an evaluation on the monthly operational report and discuss with the relevant committees, in line with the issues that need attention. Meetings are conducted periodically every 3 (three) months to discuss Company performance, business plan of Board of Directors, as well as strategic issues that require the approval of Board of Commissioners. If deemed necessary, members of Board of Directors may be invited to the Board of Commissioners' Meeting.

Throughout 2017 the Board of Commissioners of First Media held 6 (six) formal meetings and also a number of other informal meetings to discuss the the result of report of Board of Directors on its performance for a certain period in running the company. The level of attendance of members of Board of Commissioners in the meeting is as follows :

No.	Date and Agenda	Commissioner			
		SS	PM	TP	AC
1.	5 May 2017 : First Media Group Business Review	√	√	√	√
2.	22 May 2017 : First Media Performance of April 2017	√	-	√	√
3.	30 June 2017 : First Media Performance of May 2017	√	-	√	√
4.	26 August 2017 : First Media Performance of July 2017	√	-	√	-
5.	25 October 2017 : First Media Performance of Sept 2017	√	-	√	√
6.	20 December 2017 : First Media Performance of Nov 2017	√	-	√	√
Total Attendance		6	1	6	5
SS = Surjadi Soedirdja, PM = Paternus Mingkor, AC = Ali Chendra, TP = Teguh Pudjowigoro					

The Board of Commissioners of First Media in carrying out its supervisory function also conducted informal meetings. In addition, the Board of Commissioners has collectively took 8 (eight) resolutions in lieu of meetings (circulars), among other things, concerning the approval for an extension of loan facility, the effectiveness of Charter of Board of Commissioners and Charter of Board of Directors of First Media.

COMPETENCY ENHANCEMENT OF BOARD OF COMMISSIONERS

In 2017 the Board of Commissioners had not participated in the various competency enhancement activities.

BOARD OF DIRECTORS

The Board of Directors is an organ of First Media authorized and fully responsible for the management and operation of First Media and shall act as the leader in the management by always giving due regard to the interests and objectives of First Media and business units as well as considering the interests of shareholders and all stakeholders.

The Board of Directors shall be authorized to act and take any actions concerning either the management or ownership of company assets including binding the company with another party and/or another party with the company, with a number of limitations as stipulated in the company's Articles of Association. Legally, the Board of Directors shal be responsible for representing the company within and outside the court.

The Board of Directors shall be appointed and dismissed based on GMS resolutions. The Board of Directors of First Media have a term-of-office until the 3rd (third) Annual GMS since the date of appointment. Shareholders in AGMS or EGMS shall be entitled to dismiss members of Board of Directors at any time prior to the end of its term-of-office.

CHARTER OF BOARD OF DIRECTORS

The Charter of Board of Directors shall be the work guidelines and code of ethics applicable for all members of Board of Directors of First Media in carrying out their duties, responsibility, exercising its authority transparantly, full of accountability and responsibility, independent and fair in its efforts in achieving the objectives of the company as well as give the values as expected by the interested party. The Charter of Board of Directors has been validated since 1 June 2016, signed by all members of the Board of Directors and approved by the Board of Commissioners.

COMPOSITION OF BOARD OF DIRECTORS

During the AGMS held on 21 April 2017, the meeting approved to determine the Board of Directors of First Media effective from the closing of the Meeting until the closing of Annual General Meeting of Shareholders of First Media for the fiscal year 2019 which will be held in 2020, with the following composition:

Board of Directors	Title	Term-of-office since
Harianda Noerlan	President Director (Independent)	21 April 2017
R. Soeparmadi	Director (Independent)	21 April 2017
Hernowo Hadiprodjo	Director (Independent)	21 April 2017
Johannes Tong	Director	24 April 2013

As recorded in the Deed No. 12 dated 21 April 2017 drawn up by Notary Andalia Farida SH, MH, Notary in Jakarta, domiciled in Central Jakarta.

It has been decided that the number of members of Board of Directors is 4 (four) members, considering the fact that First of Media is a holding company with a number of subsidiaries, and in consideration of the capability of the respective member of Board of Directors in implementing their duties, either individual or collective duties and in order to have a faster, more accurate and effective decision making process of the Board of Directors.

The appointment of members of Board of Directors shall also consider the aspect of diversity, knowledge and experience of the respective members, and at least a member of the Board of Directors has knowledge and expertise in finance or accounting.

REQUIREMENTS, MEMBERSHIP AND TERM-OF-OFFICE

Pursuant to Law No. 40 of 2007 regarding Limited Liability Company and Regulation of Financial Services Authority (OJK) No.33/POJK.4/2014 regarding Board of Directors and Board of Commissioners of Issuers or Public Companies, those who may be appointed as members of Board of Directors are natural person that meet the requirements at the time of his/her appointment and during the term-of-office:

- a. Has a good character, morality and integrity;
- b. Competent in taking legal actions;
- c. within 5 (five) years prior to the appointment and during the term-of-office:
 1. has never been declared bankrupt;
 2. has never been a member of Board of Directors and/or member of Board of Commissioners declared guilty of causing a company to be declared bankrupt;
 3. has never been punished for committing a criminal offence causing state financial losses and/or related to financial sector; and
 4. has never been a member of Board of Directors and/or member of Board of Commissioners that during the term-of-office;
 - a) once did not convene an annual GMS ;

- b) his/her accountability as a member of Board of Directors and/or member of Board of Commissioners once was not accepted by GMS or once did not give his/her accountability as a member of Board of Directors and/or member of Board of Commissioners to GMS; and
 - c) once has caused the company that has obtained a license, approval, or registration from Financial Services Authority does not meet the obligation to submit an annual report and/or financial report to the Financial Services Authority.
5. has a commitment to comply with the laws and regulations;
 6. has knowledge and/or expertise in the areas required by Issuers or

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Pursuant to Articles of Association of First Media, in summary the Board of Directors shall be responsible for the management of First Media in good faith and with full of responsibility, the Board of Directors shall also be responsible to take any actions for and on behalf of First Media, either within or outside the court, in any matter or event, with another party. The Board of Directors shall also be accountable for the implementation of its duties to shareholders through GMS.

The duties and responsibilities of Board of Directors, are as follows:

1. The Board of Directors shall manage the company for the interest of the company in achieving the purpose and objective of the company.
2. The Board of Directors shall manage the company in accordance with the authority as provided in the Articles of Association and applicable laws and regulations.
3. The Board of Directors shall manage the company assets in accordance with the applicable laws and regulations.
4. The Board of Directors shall apply risk management and principles of *Good Corporate Governance* in every company business activity at all levels or stages in the organization.
5. The Board of Directors shall determine the organizational structure and work system of the company.
6. The Board of Directors shall convene annual GMS and other GMS in accordance with the laws and regulations and Articles of Association.
7. Each member of Board of Directors shall carry out his/her duties and responsibilities in good faith, full of responsibilities, and prudence.
8. In supporting the effectiveness of implementation of duties and responsibilities, the Board of Directors may form a committee.
9. In the event a committee has been formed, the Board of Directors shall make an evaluation on the committee performance at the end of each of fiscal year.
10. The Board of Directors shall be responsible to the shareholders for the implementation of its duties through GMS.

AUTHORITY OF BOARD OF DIRECTORS

The authority of members of the company's Board of Directors is as follows:

1. The Board of Directors is authorized to undertake company management with the policies deemed appropriate, according to the purpose and objective of the company.
2. The Board of Directors is authorized to represent the company within and outside the Courts of Justice concerning all matters and in all events, to bind the company to other parties and other parties to the company, and to take all actions, both pertaining to management or ownership affairs, but with the limitation that for the following actions, it will require a written approval from the Board of Commissioners.
 - a. Borrowing or lending the money under the name of the company (not including withdrawing money from the credits that have been opened and in the event the Company has undertaken the Company's business activities);
 - b. Establishing a new business or participate in another company either within the country or overseas.
 - c. Releasing company's participation in another company.
 - d. Binding the company as a guarantor.
3. In taking legal actions in the form of material transaction or transaction that has conflict of interests, it must obtain the approval of GMS with due observance of the provisions of Company's Articles of Association.
4. Two members of Board of Directors shall jointly act for and on behalf of the Board of Directors and represent the Company.
5. Members of Board of Directors shall not be entitled to represent the Company in the event of:
 - a. there is a case at the court between the company and a member of the concerned member of Board of Directors; and
 - b. the concerned members of the Board of Directors have conflict of interests with the company's interests.
6. In the event of a situation as referred to in paragraph (5), those entitled to represent the company are :
 - a. Another member of Board of Directors who does/do not have conflict of interest with the company;
 - b. Board of Commissioners, in the event all members of Board of Directors have conflict of interests with the company; or
 - c. Another party appointed by GMS in the event all members of Board of Directors and Board of Commissioners have conflicts of interest with the company.
7. The Board of Directors may give a written authorization to 1 (one) or more company employees or other parties for and on behalf of the company to take a certain legal action as stated in the power of attorney.
8. A Member of Board of Directors is prohibited to give general power to other parties that result into transfer of duties and functions to the Board of Directors.

9. The division of management duties and authorities among members of Board of Directors shall be determined based on GMS resolutions. In the event GMS does not determine such division, then the division of duties and authorities of members of Board of Directors shall be determined based on the approval of Board of Commissioners.

INTEGRITY OF BOARD OF DIRECTORS

Each member of Board of Directors of First Media is expected to keep his/her integrity in carrying out its duties and responsibilities in accordance with the moral values and applicable regulations, including compliance with financial rules. The Charter of Board of Directors states the criteria of the persons that may be appointed as members of Board of Directors. Such criteria among other things, are competent in taking legal actions and within five years prior to his/her appointment has never been declared bankrupt or become a member of Board of Directors/Board of Commissioners in another company who is declared guilty of has caused the company declared bankrupt, and has never been punished for committing a criminal offense causing state financial losses or related to financial sector.

INDEPENDENCY OF THE BOARD OF DIRECTORS

For the interest of the company, in order the Board of Directors may act as best as possible the independency of Board of Directors is one of important factors that should be maintained. In order to maintain its independency, First Media established a rule based on the applicable laws and regulations and it is stated in the Charter of Board of Directors concerning the requirements of Independent Director. In addition to meeting general requirements of Board of Directors, an Independent Director must also meet the following requirements :

- a. Does not have an affiliated relationship with First Media's controlling shareholders at least 6 (six) months prior to its appointment as Independent Director;
- b. Does not have an affiliated relationship with members of Board of Commissioners or other members of First Media's Board of Directors;
- c. Does not concurrently sit on the Board of Directors in another company;
- d. Does not become a person in an agency or capital market supporting profession whose services are utilized by First Media for 6 (six) months prior to its appointment as an Independent Director.

Any party with the exception of company organ shall be prohibited to interfere with company management and the members of Board of Directors shall be prohibited to conduct activities that may disrupt its independence in managing the company. The independence of Board of Directors shall be guaranteed by the company in accordance with the applicable laws and regulations related to independence and conflict of interest of Board of Directors.

DIVISION OF DUTIES OF THE BOARD OF DIRECTORS

With reference to the chapter concerning duties and responsibilities of Board of Directors, each member of First Media's Board of Directors may carry out duties and make a decision but the decision of Board of Directors is a joint responsibility. The Board of Directors carry out the duties in a collegial manner. The position of members of Board of Directors including that of President Director is equal. The duties of President Director are to coordinate the activities of Board of Directors. However, in order to be more efficient and effective in carrying out the duties, the division of duties among members of Board of Directors shall be made in accordance with their areas of competencies. The division of duties based on their area of expertise does not eliminate the responsibilities of Board of Directors to manage the company in a collegial manner.

The division of duties of the Board of Directors is made to ensure that the duties of all members of Board of Directors in managing the company is carried out effectively, in view of the fact that First Media is a holding company with a number of subsidiary companies, and by considering the capability of each member of Board of Directors in carrying out their duties, either individual duties and/or collective responsibilities and to undertake the decision making process of the Board of Directors to be more speedy, accurate and effective.

In the event GMS does not determine the area of duties of the Board of Directors, then the division of duties of Board of Directors shall be determined based on the Board of Directors' resolutions, as follows:

A. **Harianda Noerlan**, President Director.

Responsible for all activities in First Media as well as subsidiary companies including :

- Gives directions and control the policies, vision, mission and strategies of companies.
- Coordinates problem solving of company issues, planning policy, controlling, achievement of long term targets of the company, audit policy, enhancement of culture, image and Corporate Good Governance (GCG).
- Supervising the Internal Audit Unit and Corporate Secretary.

B. **Hernowo Hadiprodjo**, Finance Director

Responsible for controlling the whole financial and risk management policies, including :

- Implement efficiency and effectiveness of financial functions in the company and subsidiary companies.
- Coordinate the implementation of Annual Business Plan and Long Term Business Plan related to accounting and financial control, treasury, as well as fund resource management for company development.
- Coordinate company risk management
- Supervising Treasury Division Group, Accounting & Tax, Investor Relations and Risk Management.

C. **R. Soeparmadi**, Director of Corporate Services

Responsible to company operational supporting aspects including :

- Strategy for the management and development of human resources (HR), recruitment, develop and retain HR with high performance and core values including in terms of welfare and rewards;
- Design and develop an effective organization;
- Supervise Corporate Legal, Corporate Communication, and Human Resources Divisions

D. **Johannes Tong**, Director of Subsidiaries Business Development

Responsible for the subsidiaries business supervision and development of Media and Content Group, including :

- Gives strategic direction to develop subsidiaries (Internux, First Media Production, First Media News, Big TV, Media Sinema Indonesia) related to the strategy and execution plan, including communication to the stakeholders.

- Gives directions to define guidelines for operational excellence for stakeholders.
- Monitors operational activities of the related subsidiaries and ensures the strategies applied in the subsidiaries are aligned with the overall corporate agenda.

MEETING OF BOARD OF DIRECTORS

The Board of Directors shall be obliged to conduct meeting periodically at minimum 1 (one) time a month. In addition to that, the meeting of Board of Directors may be conducted at any time deemed necessary by one or more member(s) of Board of Directors, or upon a written request of the meeting of Board of Commissioners, or upon a written request of one or more shareholder(s) who jointly have 1/10 or more of total shares with voting rights. Such meeting shall be conducted at the domicile of First Media or business activities of First Media.

The Board of Directors shall also participate in the Meeting of Board of Commissioners to discuss the progress of First Media in general. A meeting of Board of Directors shall be deemed valid and entitled to make a binding resolution if more than 50% of the total members of Board of Directors are present or represented in the meeting.

Throughout 2017, the Board of Directors held 12 (twelve) meetings, to make an evaluation on the performance achievement of First Media or other matters deemed important. The Board of Directors jointly have made 13 (thirteen) resolutions in lieu of a meeting (circular) which among others are concerning : assets, human resources and remuneration. The level of attendance of members of Board of Directors in the meeting is as follows:

No.	Date and Agenda	Board of Directors			
		HN	JT	SP	HH
1	1 May 2017, Financial & Operational Performance	√	√	√	√
2	25 May 2017, Discussion on the TIK / ICT industrial development trend	√	√	√	√
3	6 June 2017, Coordination Meeting of Reviewers of Bolt 4G Business	√	√	√	√
4	21 July 2017, Mid Year Financial Statement Meeting	√	√	√	√
5	11 August 2017, Financial Performance and Business Operation	√	√	√	√
6	25 August 2017, Financial Performance and Business Operation	√	√	√	√
7	8 September 2017, Financial Performance and Business Operation	√	√	√	√
8	22 September 2017, Financial and Operational Performance	√	√	√	√
9	13 October 2017, Meeting on Financial Statement per September	√	√	√	√
10	27 October 2017, Financial & Operational Performance	√	√	√	√
11	17 November 2017, Financial & Operational Performance	√	√	√	√
12	15 December 2017, Business plan and target for the year 2018	√	√	√	√
Total Attendance		12	12	12	12
HN = Harianda Noerlan, JT = Johannes Tong, SP = R.Soeparmadi, HH = Hernowo Hadiprodjo					

COMPETENCY ENHANCEMENT OF THE BOARD OF DIRECTORS

During the year of 2017 the Board of Directors have participated in a number of competency enhancement activities through a number of seminars with various topics in accordance with their respective areas of expertise. The following is the report on the participation of Board of Directors in seminars throughout 2017 :

No	Board of Directors	Topic of Seminars / Trainings	Organizers	Date
1	Harianda Noerlan	1. Risk Governance Master Class	ERMA (Enterprise Risk Management Academy)	6 December 2017
		2. Navigating The Future Of Risk – Integration of Business Process		7-8 December 2017

JOINT MEETING OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

In achieving the objectives and business sustainability of First Media in the long term, a coordination in company management between Board of Commissioners and Board of Directors of First Media is required. In order to have the same views and resolve an important issue related to business sustainability and business operation the Board of Commissioners and Board of Directors shall conduct periodical joint meetings.

This joint meeting has the purpose to discuss various agenda concerning work plan, operation, business opportunities, as well as strategic issues that require the approval of Board of Commissioners. In a such joint meeting the periodical reports of Board of Directors were discussed, where the Board of Commissioners gave response, notes and advice as contained in the minutes of meeting.

Throughout 2017 the Board of Commissioners and Board of Directors held 3 (three) joint meetings with the following level of attendance from the members of Board of Commissioners and Board of Directors:

Join Meeting of Board of Commissioners and Board of Directors									
No.	Date and Agenda	Board of Commissioners				Board of Directors			
		SS	TP	PM	AC	HN	JT	HH	SP
1	27 April 2017 Introduction to the business of First Media Group and review of business strategies	-	√	-	-	√	√	√	√
2	22 May 2017 Financial Performance and Operation First Media Group	√	√	-	√	√	√	√	√
3	27 September 2017 Financial Performance and Operation First Media Group	√	√	-	√	√	√	√	√
	Attendance	2	3	0	2	3	3	3	3

SS = Surjadi Soedirdja, **PM** = Paternus Mingkor, **TP** = Teguh Pudjowigoro, **AC** = Ali Chendra
HN = Harianda Noerlan, **JT** = Johannes Tong, **SP** = R. Soeparmadi, **HH** = Hernowo Hadiprodjo

REMUNERATION POLICY

The Committee for Nomination and Remuneration made an analysis and recommendation on the amount of remuneration for members of Board of Commissioners and Board of Directors based on the performance achievement of Board of Commissioners dan Board of Directors. In determining the basis for deciding and giving recommendation for a credible amount of remuneration, the Committee is supported by a strong database from a market survey on similar companies. Further the Committee formulates a number of main factors in the proposal for the amount of remuneration of Board of Commissioners and Board of Directors.

The recommendation of Nomination and Remuneration Committee concerning the amount of remuneration for the Board of Commissioners and remuneration for the Board of Directors is submitted to the President Commissioner who is given mandate and authority based on GMS resolutions to determine the honorarium, allowance, salary, bonus and/other remuneration for members of Board of Directors and Board of Commissioners of First Media.

The remuneration /compensation of Key Management in this case the Board of Commissioners and Board of Directors of First Media for the fiscal year ending 31 December 2017 and 2016 is as follows:

Total Remuneration for the Key Management of First Media

In million Rupiah

	2017	2016
Board of Commissioner		
Short term Salary and fee	1,036	2,202
Board of Directors		
Short term Salary and fee	34,984	40,127
Total	36,020	40,329

* As stated in 2017 Financial Statement

*Prior to tax deduction = *Before Tax*

PERFORMANCE EVALUATION OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

One mechanism for the evaluation of the performance of the Board of Commissioners and Board of Directors is in the annual GMS forum conducted in a collegial manner. The performance evaluation of Board of Commissioners and Board of Directors is related to the overall performance achievement of the company. One of the resolutions of 2017 Annual GMS is the approval of Company Annual Report for the Fiscal Year 2016 including Report for the Implementation of Supervisory Duties of Board of Commissioners during 2016 Fiscal Year, at the same time giving full release and discharge of responsibilities (*acquit et decharge*) to the Board of Directors dan Board of Commissioners for the management and supervision during 2016 Fiscal Year.

PERFORMANCE EVALUATION OF BOARD OF COMMISSIONERS

In general, the performance of Board of Commissioners is determined based on the duties and obligations stipulated under the prevailing laws and regulations and company's articles of association as well as mandate of shareholders. The performance of Board of Commissioners and members of Board of Commissioners is evaluated by the Shareholders in GMS. A formal evaluation criteria is given transparently to the members of Board of Commissioners since its appointment. The evaluation result of the overall performance of Board of Commissioners and performance of the respective individual member of Board of Commissioners is an integral part of the compensation scheme and incentive provision for members of Board of Commissioners.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

In general, the performance of Board of Directors in a collegial manner is determined based on duties and obligations stipulated in the prevailing laws and regulations and company's Articles and Association as well as shareholders' mandate. The performance of Board of Directors and members of Board of Directors is evaluated by the shareholders in GMS. The formal evaluation criteria shall be given transparently to the members of Board of Directors since the date of its appointment as stated in the Management Contract, which will become the performance target of Board of Directors in a collegial manner as well as individually.

The performance Board of Directors shall be the main focus of the Board of Commissioners, where the supervision on the company management undertaken by the Board of Directors shall become the main duties of Board of Commissioners. The performance evaluation results of each individual member of Board of Directors, either the one conveyed by the Board of Commissioners or the one conveyed directly by the Board of Directors in AGMS, shall be one of the basis of considerations for shareholders to dismiss and/or re-appoint the concerned members of Board of Directors. The performance evaluation result shall serve as a means for evaluation and enhancement of effectiveness of the Board of Directors, and is an integral part of the compensation scheme and incentive provision for members of Board of Directors.

DIVERSITY OF COMPOSITION OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

The number and composition of Board of Commissioners and Board of Directors shall be determined by GMS, adjusted with the vision and mission of First Media, to allow an implementation of an effective supervision and speedy, accurate and independent decision making.

Up to 31 December 2017, First Media does not have specific and written rules about the diversity and composition of members of Board of Commissioners as well as Board of Directors. For the appointment of members of Board of Commissioners and Board of Directors, First Media shall consider the competencies of candidates and refer to the prevailing laws and regulations.

The diversity of composition of the Company's Board of Commissioners and Board of Directors is as follows:

Name	Gender	Education	Experience
Surjadi Soerdirdja	Male	Education AKMIL (Military Academy)	Having an experience in military affairs, Regional Head of DKI Jakarta Province, as well as experience in business development.
Teguh Pudjowigoro	Male	Bachelor of Economy from Universitas Gajah Mada, Yogyakarta	Having an experience in banking industrial sector

Name	Gender	Education	Experience
Ali Chendra	Male	Bachelor Degree from the Control Data Institute, Toronto, Canada	Having experience in management and business development.
Harianda Noerlan	Male	Bachelor Degree of Mechanical Engineering, Universitas Trisakti	Having experience in banking sector
Hernowo Hadiprodjo	Male	Bachelor of Law and Bachelor of Social Studies from Universitas Indonesia as well as Master of Business Administration from Institut Studi Manajemen dan Institut Manajemen Pembelajaran Jauh (the Institute of Management Study and Institute of Long Distance Management Study).	Having experience in banking sector and consultant of Human Resources Management
R. Soeparmadi	Male	Bachelor of English Language & English Literature from Institut Keguruan & Ilmu Pendidikan Malang Pusat (Institute of Teaching & Education, Central Malang)	Having experience during 39 years in Corporate Finance, Asset Management, Real Estate and General Management
Johannes Tong	Male	Bachelor degree in physics and mathematics, and business administration from Azusa Pacific University and Master Degree education with a degree of Magister in Business Administration di California State University, Los Angeles.	Having experience in management and business development.

MAIN SHAREHOLDERS AND AFFILIATE RELATIONSHIP

AFFILIATE RELATIONSHIP BETWEEN BOARD OF COMMISSIONERS, BOARD OF DIRECTORS AND SHAREHOLDERS

Up to 31 December 2017, there is no affiliate relationship among members of Board of Commissioners and members of Board of Directors and main shareholders of First Media.

POLICY ON CONFLICTS OF INTEREST

First Media as a public company operating in Indonesia, in addition to having the obligation to comply with the requirements and prevailing laws and regulations, also having responsibilities to the public, customers, shareholders, and stakeholders in providing products and services with high standard of ethics and professionalism.

Conflict of interest is a condition where every member of First Media cannot carry out its duties and responsibilities in making an objective decision according to its authorities in the company. Such a condition may give personal benefits to the family or another party outside the company, which as a consequence will harm the company as it cannot have an optimal choice or result.

Any member of First Media should prevent himself/herself from being in a situation that can cause a conflict of interest with the interest of First Media and/or its customers. In such a situation, every member of First Media shall act to protect the interests and reputation of First Media and its customers.

Any member of First Media shall not disclose any information concerning right of ownership and confidential information concerning First Media or suppliers or other confidential information pertaining First Media operation to third parties, except with a prior written approval from First Media and/or another party as required by the prevailing laws. This provision may still be applicable and binding despite of termination of employment.

Regulation concerning this matter in First Media is stipulated in the “Code of Ethics and Professional Responsibility” under the Decision Letter of Board of Directors SK No.002/DIR/IV/15.

As the implementation of Code of Ethics and Professional Responsibility of First Media, any member of First Media shall sign a Statement on Disclosure) which in essence is a confirmation of having fully read and understood and therefore give a commitment to comply with the Code of Ethics and Professional Responsibility stipulated by First Media and which may be amended from time to time.

SHARE OWNERSHIP OF BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Until 31 December 2017, there were no members of Board of Commissioners and members of Board of Directors owning First Media’s shares.

AUDIT COMMITTEE

An Audit Committee is a committee established by and responsible to the Board of Commissioners to assist in carrying out the duties and function of Board of Commissioners in examining or conducting an audit as deemed necessary on the implementation of function of the Board of Directors in managing the company. The Audit Committee is chaired by an Independent Commissioner comprising of members of an independent party having a capability in accounting and finance.

LEGAL BASIS OF AUDIT COMMITTEE

The existence of Audit Committee for a public company refers to the Regulation No. IX.I.5 on the Establishment and Guidelines for Audit Committee Work Implementation which has been renewed by a Decision of Chairman of Bapepam-LK No. KEP-643/ BL/2012 dated 7 December 2012 (Regulation IX.I.5) which was further revised by Regulation of Financial Services Regulation (OJK) No. 55 of 2015 dated 23 December 2015 on the Establishment and Guideline for Audit Committee Work Implementation.

CHARTER OF AUDIT COMMITTEE

The groundwork of Audit Committee is Charter of Audit Committee which has been validated since 1 June 2016 and is accessible in the official website of First Media www.firstmedia.co.id

COMPOSITION OF MEMBERSHIP OF AUDIT COMMITTEE

First Media’s Audit Committee has 3 (three) members, chaired by an Independent Commissioner who concurrently is a member along with the other members coming from an independent external party. The change of Chairman of Company’s Audit Committee has been stipulated by the Resolution of Board of Commissioners dated 31 July 2017 Number BOC-012/FM-CSL/VII/2017, a notice has been submitted to the Financial Services Authority (OJK) with letter Number SB-041/FM-CSL/OJK/VII/2017 dated 2 August 2017

In the year 2017 the composition of Audit Committee of First Media is as follows:

1. **Teguh Pudjowigoro** (Chairman / Independent Commissioner)
2. **Herman Latief** (Member/Independent)
3. **Raden Hikmat Kartadjoemena** (Member/Independent)

REQUIREMENTS FOR MEMBERS OF AUDIT COMMITTEE

Requirements for members of Audit Committee, among others are as follows:

1. Having high integrity;
2. One of members of Audit Committee has an educational background in accounting and finance, so that he/she is competent in reading and understanding financial statements;
3. Having sufficient knowledge concerning Company business, risk management and relevant regulations on capital market;
4. Having sufficient knowledge and experience in accordance with his/her educational background;
5. Is able to communicate well; and
6. As an independent party, which should meet the requirements, among others, does not have shares in the company, does not work relationship or business with the company within the last 6 months, and does not have family relationship with the main shareholders, members of Board of Commissioners, and members of Board of Directors of the company which potentially may arise a conflict of interest.

WORK PERIOD OF AUDIT COMMITTEE

The work period of members of Audit Committee shall not be longer than the term-of-office of Board of Commissioners as provided for under company’s Articles of Association and may be re-appointed only for the next 1 (one) period.

INDEPENDENCE DISCLOSURE

All members of Audit Committee shall come from an independent party, shall not have shares in First Media, shall not have a business relationship with the Company, and shall not have a family relationship with the main shareholders, Board of Commissioners and Board of Directors as well as experience and knowledge as set forth in OJK regulations.

DUTIES, RESPONSIBILITIES AND AUTHORITY OF AUDIT COMMITTEE

The Audit Committee in carrying out the function, has the duties and responsibilities to :

- Conducting a review on financial information issued by First Media among others, financial statements, projection, and other financial information.
- Conducting a review on compliance with the laws and regulations which are related to First Media's activities.
- Give an independent opinion in the event of difference of opinion between the management and accountant on the services provided.
- Give recommendations to the Board of Commissioners on the appointment of an accountant based on independence, scope of assignment, and fee for services.
- Conducting a review on the implementation of audit by an internal auditor and supervise the implementation of follow up by the Board of Directors on internal auditor's findings.
- Conducting a review on the activities of risk management conducted by the Board of Directors, if First Media does not have a risk monitoring function under the Board of Commissioners.
- Review the complaints related to First Media's accounting process and financial reporting.
- Review and provide conditions to the Board of Commissioners related to the potential conflict of interest of First Media; and
- Maintain confidentiality of document, data and information First Media.

AUDIT COMMITTEE FUNCTION

The main function of the Audit Committee is explained as follows :

- Report the evaluation result of risk management to the Commissioner in managing the potential of risks which may disrupt the running of business;
- Evaluate the performance of Company and its subsidiaries regularly (quarterly, semesterly, and annually) concerning the achievement of business targets, market condition and trend, prediction of performance in the future, also report the findings as well give recommendations to improve the performance of Commissioners;
- Submit reports made by Board of Directors in a professional and independent manner;
- Together with Internal Audit, give an evaluation on documentation procedure and implementation of management as suggested by the operation department to enhance the performance of financial transaction and reporting system;
- Discuss the business environmental development by identifying the potential development of Company's performance;
- Ensure that the Company's financial statements are in accordance with the accounting principles established;
- Ensure that internal control system, financial reporting process and GCG are well implemented in the Company.

AUDIT COMMITTEE MEETING

Throughout 2017, the Audit Committee has carried out the duties and responsibilities and conducted number of meetings. Audit Committee meetings were held 4 (four) times and attended by all members (100%).

Date	Meeting Agenda	DJR	TP	HL	RHK
22 March 2017	1. Presentation of audit result of External Auditor for financial statements of 2016 fiscal year.	√	-	√	√
12 June 2017	1. Review of activity report on Internal Audit Unit for Q1 and Q2 of 2017				
	2. Recommendation of Audit Committee on the results of activity of Internal Audit Unit for Q1 and Q2 of 2017.	-	√	√	√
	3. Presentation of Risk Management framework in the Company and Business Units.				
26 Sept 2017	1. Review of interim financial statements of Company for Semester 1 of 2017.				
	2. Review and recommendation of Audit Committee on the Risk Management implementation in the Company.				
	3. Recommendation of Audit Committee on the result of activity of Internal Audit Unit for Q3 of 2017.	-	√	√	√
	4. Review of Audit Committee on the progress of the implementation of Risk Management workplan in the Company and Business Unit.				
Date	Meeting Agenda	DJR	TP	HL	RHK
4 December 2017	1. Review on the interim financial report of the Company per October 2017 Audit.				
	2. Review on the activity report of Internal Audit Unit for Q4 of 2017.				
	3. Recommendation of Audit Committee on the activity result of Internal Audit of Q4 2017	-	√	√	√
	4. Review of Audit Committee on the implementation progress of Risk Management work plan in the Company and Business Unit.				
Attendance		1	3	4	4
DJR = Didik J. Rachbini, TP = Teguh Pudjowigoro, HL = Herman Latief, RHK = Raden Hikmat Kartadjoemena					

ACTIVITIES OF AUDIT COMMITTEE IN 2017

In carrying out its duties, the Audit Committee in the year of 2017 has :

- Prepared and proposed the Work Plan of Audit Committee for 2017;
- Reviewed the presentation of Quarterly Financial Statements submitted to Financial Services Authority (OJK) and Indonesian Stock Exchange (BEI), as well as conducted monitoring in order that the Financial Statements are issued timely and accurately;

3. Reviewed the implementation of work program of Internal Audit Unit, as well as giving input to improve efficiency and effectiveness of Internal Audit Unit;
4. Reviewed the independence of objectivity of accountant in carrying out an audit for the fiscal year of 2016 and fiscal year of 2017;
5. Reviewed the sufficiency of audit conducted by the accountant to ensure that all substantial risks have been covered in the financial statements and have been adequately considered;
6. Give recommendations on the appointment of Public Accountant Office (KAP) that will audit the Financial Statements for the 2018 fiscal year;
7. Reviewed audit findings, either by Internal Audit Unit or by accountant, and monitored the follow up of audit recommendations on findings;
8. Monitored management of risks faced by the company and application of Good Corporate Governance (GCG) as well as give input to improve its application; and
9. Report to the Board of Commissioners on the risks faced by the company and the implementation of risk management by the Board of Directors.

REPORT ON THE IMPLEMENTATION OF AUDIT COMMITTEE ACTIVITIES

Throughout 2017, First Media through the Audit Committee has taken actions which among others are:

1. Reviewed the results of audit conducted by the Internal Audit Unit.
2. Reviewed the activity of risk management carried out by the management.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is a committee established by and responsible to the Board of Commissioners of First Media, pursuant to the Regulation of Financial Services Authority Number 34/POJK.04/2014 on Nomination and Remuneration Committee of Issuers or Public Companies dated 8 December 2014 ("POJK No.34").

The establishment of Nomination and Remuneration Committee is an integral part of First Media's endeavor in implementing the principles of Good Corporate Governance or GCG that cover the aspects of transparency, accountability, independence, fairness, justice and equality.

With an increasingly complex duties and function of the Board of Commissioners in conducting supervision on First Media, the Board of Commissioners of First Media has formed a Nomination and Remuneration Committee pursuant to the Resolutions of Board of Commissioners of PT First Media Tbk No. BOC-016/CSL/15. First Media appointed 3 (three) members of Nomination and Remuneration Committee, one of them is a person having managerial position under the Board of Directors supervising human resources.

MEMBERSHIP OF NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of First Media has 3 (three) members, chaired by an Independent President Commissioner who is concurrently a member and the other members are coming from independent external parties. The change of Chairman of Nomination and Remuneration Committee has been made by the Company through the Decision of Board of Commissioners dated 31 July 2017, No BOC-013/FM-CSL/VII/17 and has been notified to the Financial Services Authority pursuant to letter of Financial Services Authority pursuant to No. SB-044/FM-CSL/OJK/VIII/2017 dated 2 August 2017.

In the year of 2017 the composition of Nomination and Remuneration Committee of First Media is

1. **Surjadi Soedirdja** (Chairman/ Independent President Commissioner)
2. **Markus Permadi** (Member/Independent)
3. **Shinta Melani Paruntu** (Member)

MEETING OF NOMINATION AND REMUNERATION COMMITTEE 2017

In the year of 2017 Meeting of Nomination and Remuneration Committee organized 3 (three) meetings attended by all members (100%). The following is the table of attendance and the meeting agenda of nomination and remuneration committee of the Company:

Date	Meeting Agenda	MU	SS	MP	SMP
26 January 2017	Discussion on the structure and amount of remuneration of members of Board of Commissioners and Board of Directors	√	-	√	√
20 July 2017	Evaluation on Board of Commissioners' and Board of Directors' performance.	-	√	√	√
14 December 2017	Discussion of the amount of remuneration of Board of Commissioners and Board of Directors for 2018.	-	√	√	√
Attendance		1	2	3	3

SS = Surjadi Soedirdja, **MP** = Markus Permadi, **SMP** = Shinta M. Paruntu, **MU** = Muladi

DUTIES, RESPONSIBILITIES AND AUTHORITY OF NOMINATION AND REMUNERATION COMMITTEE

As set forth in the Charter of Nomination and Remuneration Committee, the duties and responsibilities of Nomination and Remuneration Committee is to assist the Board of Commissioners in performing the supervisory function and to ensure that the implementation of nomination and remuneration run objectively, effectively and efficiently, and according to the principles of HR management and GCG.

The duties of Nomination Committee among others are as follows:

1. Review and monitor to ensure that the company already has nomination strategies and policies, that include organizational analysis process, procedures and criteria for recruitment and selection, as well as promotion and succession.
2. Prepare the criteria of composition, selection, qualification, evaluation, and the requirements and transparant nomination procedure for candidate members of Board of Commissioners, Board of Directors and senior management officials one level under the Board of Directors.

3. Submit recommendations to the Board of Commissioners, names of candidate Members of Board of Commissioners and Board of Directors that will be proposed.
4. Submit recommendations and assist Board of Commissioners to ensure that the names of candidate members of Board of Commissioners dan Board of Directors proposed, either from internal or external company, is in accordance with the selection criteria, due diligence and nomination procedure set forth in the Charter of Board of Commissioners and Charter of Board of Directors and management policy.

While the duties of Committee in terms of Remuneration among others are as follows :

1. Understand the applicable laws and regulations and provisions in remuneration policy and comply with it.
2. Ensure that the company has a transparent remuneration system in the form of salary or honorarium, allowance and facility which is permanent in nature and in the form of work compensation and incentive which is variable in nature.
3. Give recommendation on nomination system, transparent evaluation of remuneration for the Board of Commissioners, Board of Directors and officials one level below the Board of Directors and subsequently submit a recommendation to the Board of Commissioners.
4. Assist the Board of Commissioners in formulating and determine remuneration policy, in the form of salary or honorarium, allowance and facilities which is permanent and variable in nature or the Board of Commissioners, Board of Directors and officials one level below the Board of Directors.
5. Monitor the level of remuneration in a similar company as a comparison in determining remuneration policy of the company.
6. Ensure the availability of liability insurance and personal accident insurance for Directors, Commissioners, and company officials, and other insurances if deemed necessary.
7. Evaluate employee reward system, allowance provision, and other facilities, as well as submit a transparent recommendation at minimum every two years relating to the evaluation on the system, another alternative reward such as share option, retirement system and allowance, as well as other systems and allowances in the event of mass termination of employment.

In carrying out its duties, the Nomination and Remuneration Committee work independently and upon the approval of Board of Commissioners, shall be authorized to fully access, freely and not limited to the companies related to the implementation of effectiveness of Nomination and Remuneration practices as well as HR management in First Media and its subsidiaries. With a written approval from the Board of Commissioners, the Committee may also employ an expert or consultant and form a GCH team to assist in the implementation of its duties.

The Report of Nomination and Remuneration Committee is delivered only to the Board of Commissioners, periodically, at least once in three months.

CODE OF ETHICS OF NOMINATION AND REMUNERATION COMMITTEE

Members of Nomination and Remuneration Committee are committed to deliver its best capability and comply with code of ethics as members of Nomination and Remuneration Committee, by prioritizing integrity, independence, objectivity, honesty and commitment to GCG.

PERFORMANCE EVALUATION OF NOMINATION AND REMUNERATION COMMITTEE

Performance evaluation of Nomination and Remuneration Committee and its members is carried out at least once a year, by considering the effectiveness of Nomination and Remuneration Committee in undertaking its function, level of attendance in the meetings, level of understanding about the issues faced by First Media, and achievement of KPI that has been established.

CORPORATE SECRETARY

The existence of Corporate Secretary is based on Financial Services Authority (OJK) Regulation Number : 35/POJK/04/2014, dated 8 December 2014 regarding Corporate Secretary of Issuers or Public Companies. In general, the function of Corporate Secretary is as a Compliance Officer assisting the duties of Board of Directors in complying with the provisions of good corporate governance in the public companies or issuers.

Public Companies as legal entities has 3 (three) organs that have the function to run the Company, namely GMS, Board of Commissioners, and Board of Directors. Board of Directors as a company organ having duties and responsibilities to manage the company in a collegial manner. In the management, the Board of Directors should ensure the smooth communication between the company and stakeholders, and one of the means is by giving empowerment to the function of Corporate Secretary.

In line with economic development, in particular in capital market, the role of Corporate Secretary is increasingly more important not only in terms of administrative function and communication, but also in ensuring the compliance of public companies with laws and regulations, and improving the implementation of public corporate governance. The Corporate Secretary is also expected to continuously keep the Board of Directors and Board of Commissioners updated on any information about the regulations that should be complied with by public companies and provide important information to the Board of Directors and Board of Commissioners in decision making.

The Corporate Secretary is required to have qualifications in line with their duties and responsibilities, as well as to improve his/her knowledge and capability to support the implementation of his/her duties. The existence of Corporate Secretary is to provide positive values in assisting public company management, so as to enhance the confidence of shareholders, and other stakeholders.

As a liaison officer between First Media and company executive and stakeholders, First Media appointed a Corporate Secretary who is responsible to the President Director. The current Corporate Secretary is Shinta Melani Paruntu who was appointed by Decision Letter No.: SK-001/FM-DIR/IV/2017.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of Corporate Secretary are as follows :

1. Keep up with Capital Market development specifically with the prevailing laws and regulations on Capital Market.
2. As a liaison officer and facilitator of communication among the Board of Directors, Board of Commissioners, shareholders, relevant government/institution, society and stakeholders.
3. Coordinate giving opinion from the legal point of view, document management, public relations protocol and company ceremonies to support company activities in order it is running effectively and efficiently as well as improve company image.

- Organize secretariat activities within Board of Directors, Board of Commissioners and the company including its administrative issues including managing GMS documents, minutes of meetings of the Board of Directors, Board of Commissioners, joint meeting, Special Shareholder Register, documentation on difference of opinions, invitation, agenda and meeting materials and other documents.
- Coordinate the Board of Directors's activities related to corporation activities to support the effectiveness of the function of Board of Directors and company performance.
- Represent the Board of Directors when dealing with external or internal parties of the company in accordance with the assignment and policies set forth.

PROFILE OF CORPORATE SECRETARY

The position of Corporate Secretary of First Media at present is held by Shinta Melani Paruntu, an Indonesian Citizen. She completed her education and earned Bachelor Degree from the Psychology Faculty of Universitas Indonesia.

She has an experience in human resources management in various business industries. She started her professional career in human resources management as Recruitment Officer in PT Bank Danamon Indonesia Tbk in 1996. She then joined Indonesian Bank Restructuring Agency (IBRA) as Senior Human Resources Officer (1999-2001) and PriceWaterhouseCoopers Public Accountant Firm as Human Resources Assistant Manager (2002-2004) up to her last position was Human Resources Manager in PT Energi Mega Persada Tbk (2004-2008) prior to joining PT First Media Tbk as Human Resources Division Head.

CORPORATE SECRETARY'S ACTIVITIES

The activities carried out by the Corporate Secretary Division during 2017 are as follows :

- Keep up with the development capital market regulations and ensure company's compliance with the applicable regulations. The Company issued four Financial Statements and one Annual Report.
- Had correspondence with the capital market regulator (OJK and BEI) as well as other supporting agencies.
- Submit information disclosure concerning the company, among others in the form of press conference, and websites
- Coordinate holding Annual GMS on 21 April 2017.
- Coordinate annual public exposure at the same time with holding of Annual GMS on 21 April 2017.

CORPORATE SECRETARY'S TRAININGS

In the frame of developing the competencies of Corporate Secretary, First Media participated in various trainings and socialization organized by various agencies.

Names of Trainings	Location	Organizers	Time
Socialization of E-Registration	Jakarta	OJK	17 May 2017
Workshop Corporate Secretary- CG Officer – ICSA	Jakarta	ICSA	30 and 31 August 2017

Names of Trainings	Location	Organizers	Time
Socialization materials of OJK Regulation No. 21/POJK.04/2015 on the Application of Open Corporate Governance Guidelines through the approach Comply or Explain	Jakarta	OJK	16 August 2017
Sosialization of Regulation on the Conversion & Revision of Old Regulation to OJK Regulation	Jakarta	OJK	5 October 2017
First International Conference of GCG - Key Challenges Corporate Governance in 2017 and What's Next in 2018	Jakarta	ICSA	2 November 2017

CORPORATE SECRETARY'S ACTIVITIES

Corporate Secretary's Activities and Investor Relations for 2017

No.	Activities	Number of Activities
1.	Annual Report	1
2.	Public Expose	1
3.	General Meeting of Shareholders	1

INVESTOR RELATIONS

Investor Relations have the duties to provide information service and develop good relationship with the parties interested in share investment, particularly shareholders, securities analyst, investment manager, institution and retail broker and the media/press. Investor Relations of First Media is chaired by Liryawati.

In applying the principles of disclosure and transparency on their material activities, First Media through Investor Relations made a good two-way communication such as meeting with analysts, existing investors as well as potential investors, through conference call as well as other communication means such as Company presentation, annual report, website, press conference, and e-mail.

Investor Relations continuously improve the quality and quantity of material information submitted, either operationally and financially, to the existing and potential investors. In addition Investor Relations participate in the meeting forums for domestic and foreign investors as well as roadshow.

INTERNAL AUDIT UNIT

The establishment of Internal Audit Unit is based on the regulation of Otoritas Jasa Keuangan No. 56/POJK.04/2015 concerning the establishment and guidelines for the formulation of charter of internal audit unit, with the purpose of giving professional, independent and objective opinions to the President Director on Company's activities and operation.

The main role of Internal Audit Unit is directed to give certainty to the effectiveness of corporate governance, assist the management in minimizing operational risks, and further strengthen the effectiveness of internal control in line with the policies established by First Media.

In the practice, the Internal Audit Unit used a systematic and comprehensive framework, with Risk-based audit approach, as the effort to protect company's assets, brands, and sustainability of company businesses. This is the core mandate of the role of Internal Audit First Media.

In carrying out its duties, Internal Audit Unit will always cooperate with the Audit Committee and it is the realization of First Media's commitment in creating good and efficient governance.

DUTIES AND RESPONSIBILITIES

Internal Audit Unit has the duty to test and evaluate the implementation of internal control and risk management system in accordance with First Media policies, the audit activities include :

- 1. Work in cooperation with the Internal Audit Unit in the subsidiaries to formulate a risk-based approach and request the approval of President Director after first of all, discussing with the Audit Committee on annual audit planning;
- 2. Conduct audit in finance, accounting, operation, human resources, information technology etc;
- 3. Produce a report on audit results and submit the report to the President Director;
- 4. Provide recommendations for improvement and objective information on the activities which have been scrutinized at all levels of management;
- 5. Monitor the follow up of audit recommendations, to ensure that improvement has been made and undertaken well in a consistent manner;
- 6. Ensure internal control has been running well at all lines in the company for the achievement of accurate and trusted financial statements; effective and efficient operation; compliance with the laws and regulations;
- 7. Cooperate with the Audit Committee;
- 8. Conduct audit ad-hoc according to the proposal / assignment of the President Director;
- 9. Make an evaluation on the quality of internal audit activities carried out.

PROFILE OF HEAD OF INTERNAL AUDIT UNIT

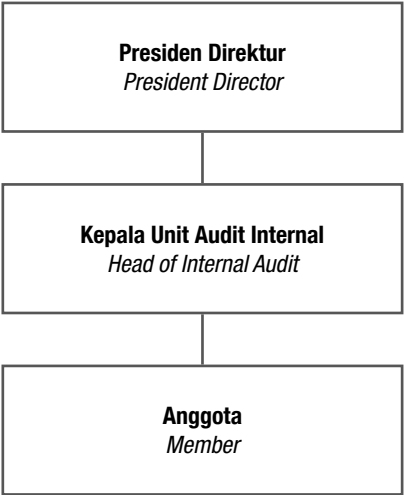
As of 1 September 2016, the position of the Head of Internal Audit held by Julidon F. Siregar who was appointed pursuant to the Decision Letter of the Board of Directors No.SK-001/DIR/IX/2016.

Mr. Julidon F. Siregar has experience in finance and audit. He earned Bachelor degree in accounting from Sekolah Tinggi Ilmu Ekonomi, Bandung (Higher Education of Economics, Bandung) and Master Degree in financial management from Universitas Padjajaran, Bandung. He has a number of certificates and participated in several trainings such as Auditing Training (BDO Tanubrata), Tax Planning, Brevert A & B, Develop Standard Operation Procedure, Portfolio Analysis, and trainings as Lecturers / Deans at the Universities.

He started his career in finance by working as an accountant in Bandung Alliance International School (BAIS) during the period 1999-2001, External Auditor Staff at the Public Accountant Office BDO Tanubrata during the period 2001-2004, Senior Internal Auditor di PT Trikomsel Oke Tbk tahun 2004-2008, Head of Internal Audit di PT Madhucon Indonesia

for the period of 2008-2009, Finance & Accounting Manager in PT Tribun Media Grafika for the period 2009-2012, Head of Compliance & Cost Control in Eurokars Group of Company for the period 2013-2015 and Department Head Strategic Alignment & Business Development PT First Media Tbk for the period April 2015 through August 2016.

STRUCTURE & POSITION OF INTERNAL AUDIT UNIT



Internal Audit Unit structurally is chaired by the Head of internal Audit Unit. The Head of Internal Audit Unit is appointed and dismissed directly by the President Director after having the approval from the Board of Commissioners. President Director may dismiss the Head of internal Audit Unit, after obtaining the approval of the Board of Commissioners, if the Head of Internal Audit Unit does not meet the requirements as an Internal Auditor as provided under the Regulation of Otoritas Jasa Keuangan No.56/POJK.04/2015 and or fails in his/her job or is not competent in carrying out the duties. The Head of Internal Audit Unit shall be fully responsible to the President Director and assisted by 5 (five) members of Internal Audit Unit who is directly responsible to the Head of Internal Audit Unit.

QUALIFICATION AND CERTIFICATION OF INTERNAL AUDIT UNIT

The Qualifications and Certification of Internal Audit Unit in general, the requirements of membership of Internal Audit Unit are as follows :

- 1. Having integrity and acting professionally, independent, honest and objective in carrying out the duties.
- 2. Having knowledge and experience concerning audit techniques and discipline of other knowledge relevant to the area of duties.
- 3. Having knowledge concerning laws and regulations in capital market and other relevant laws and regulations.
- 4. Having the competencies to interact and communicate well and effectively both verbally and in writing.
- 5. Having the obligation to comply with the professional standards and code of ethics issued by the Internal Audit association.
- 6. Having the obligation to maintain information confidentiality and/or Company data related to the carrying out the duties and responsibilities of Internal Audit.
- 7. Understand the principles of good corporate governance and risk management; and
- 8. Prepared to increase knowledge, expertise and professional capacity continuously.

ACTIVITIES OF INTERNAL AUDIT UNIT 2017

The main topics of Internal Audit Unit in 2017 is to review the effectiveness of risk management and functionality of company internal control, as well as operational efficiency. Additionally, Internal Audit Unit also conducted an ad-hoc audit upon the request of management.

Internal Audit Unit activities in 2017 are as follows:

1. Audit planning for 2017 shall be determined by First Media management;
2. Throughout 2017, 5 (five) surveillance audits have been conducted to assess the compliance with policies, operational risks, and testing effectiveness of operational control in Financial, Sales, Operasional Support, Supply Chain Management, and Customer Service Divisions;
3. There are 2 (two) special audits upon the request of management as a response to the specific risks that arise;
4. Apart from conducting audit activities, the Internal Audit Unit also monitors regularly the actions made on audit findings and recommendations for improvement in the previous year, as well as findings and recommendations in the current year.

Monitoring is done in the 5 (five) audit findings and recommendations as a follow up of the status of the previous audit findings and recommendations. The five findings and recommendations have been completed by the process owner in accordance with the directions from the Management.

5. Conduct identification and risk assessment in First Media's business units as a measure to update the list of risks by adjusting with the current condition of company environment.

The main recommendations issued related to the audit are as follows :

1. A more effective risk management, related to financial risks and operational risks;
2. A more effective and efficient asset management for strategic and operational objectives;
3. Improvement of internal control function during sales process in the business units ;
4. Improvement of effectiveness of supply chain management process and quality of customer service in business units.

Internal Audit Unit reported the audit results, findings and recommendations to the President Director any time an audit has been completed. The audit findings and recommendations have also been followed up properly by the management.

The long-term plan of First Media, is that the Internal Audit Unit gradually conduct an audit centralization process throughout the company. Previously, the audit process was carried out in each subsidiary by the Internal Audit Unit of each subsidiary. In the long term plan of First Media, the internal audit working units in each subsidiary will be consolidated, where First Media's Internal Audit Unit is the one organizing all audit activities in a consolidated manner.

SOCIALIZATION AND IMPROVEMENT OF GOOD CORPORATE GOVERNANCE PRACTICES

IMPROVEMENT OF GOVERNANCE ASPECTS THROUGH THE PARTICIPATION OF STAKEHOLDERS

In order to meet the expectation of the stakeholders, First Media continuously improve good corporate governance practices by giving attention which is more focused on the respective stakeholder. First Media shall further adjust the mechanism and policy applicable in the company with the development of expectation of it stakeholders.

Some developments which have been and are being carried out in First Media related to meeting the expectation of stakeholders in 2017 are :

PREVENTION OF INSIDER TRADING, CORRUPTION AND FRAUD

First Media has policies set forth in the Code of Ethics and Professional Responsibilities that prohibit each of their member to use data and information deemed confidential for personal interests or their own interests or other third parties' interests. This policy includes corruption, fraud, and insider trading

.

POLICY ON THE SELECTION OF SUPPLIERS

First Media has a policy that each procurement of goods and services whether it is of material and sustainable or temporary, will have to go through a selection process. This selection process can be done through an open or closed tender and/or direct appointment with the condition that they have an experience of good teamwork. In complying with the policy, First Media conducts the following activities :

1. Make an assessment on the profile and performance of candidate suppliers.
2. Determine the candidate suppliers.
3. Call or request the candidate suppliers to participate in goods and services procurement.
4. Make an evaluation on the documents offered by the candidate suppliers
5. Ensure the availability of goods / services with the specification required or such products / services can be made available by the candidate suppliers.
6. Conduct negotiation and determine the winner.

Requirements to be a supplier among others are :

1. Individual or Legal Entity
2. Has the products required by First Media Group
3. Has the expertise and good reputation in its field
4. Is able to provide good service and competitive price and has high integrity.

- 5. Has a good financial and operational performance in the Company at minimum within the past 3 years.
- 6. And others that are determined in accordance with the type of procurement of Goods/Services.

FULFILLMENT OF CREDITOR RIGHTS

From time to time First Media requires a large amount of expenses which may be obtained from corporate actions as well as in the form of loan facility from creditors. For the purpose, First Media will have to always give due regard to the interests of creditors in order to have continuous trust from the creditors, as such the prospect of growth in the long term could be maintained in a sustainable manner.

In the event First Media made a Loan Agreement with the Creditors, then First Media has the rights and obligations among others as follows :

- 1. First Media's Rights :
 - a. Obtain Loan as has been agreed with the Creditors; and
 - b. Obtain data or information related to the recording of realization of the utilization of credit facility and payment of obligations that has been made by First Media; and
 - c. Obtain service from Creditors as has been agreed upon; and
 - d. File an objection to the calculation of Loan interests and provision to Creditors in the event there is a discrepancy between the calculation of Creditors and First Media; and
 - e. Acquire back the original document to be made as a guarantee or collateral for the Loan.
- 2. Obligations of First Media :
 - a. Make payment of principal debt, interests and/or provision to Creditors in a timely manner
 - b. Provide information transparently, accurately and timely at the time of request as well use of the Loan ;.
 - c. Maintain financial ratio in accordance with the ratio agreed with the Creditors.
 - d. Prioritize settlement of all obligations arising from the realization of the Loan , which is used for the interests of First Media.
 - e. Submit annual financial statements which are to be audited at the latest 3 (three) months after the closing of the concerned fiscal year.
 - f. Use Loan in accordance with the objective of Credit users as agreed upon.
 - g. Notify the creditors in the event of a change of composition of management and/or shareholders of First Media.
 - h. Notify the creditors on the distribution of dividend to the shareholders of First Media.
 - i. Submit a copy of deed of amendment of Company's Articles of Association any time there is an amendment.
 - j. Not binding itself as a debt guarantor or put the assets of First Media as a security to another party, unless with the creditor's permission.

IMPORTANT CASES FACED BY FIRST MEDIA

Discussion about an important cases faced by First Media and its subsidiaries is presented at the section of Legal Proceeding in the Consolidated Financial Statements for the Fiscal Year Ending on 31 December 2017.

INFORMATION DISCLOSURE

ACCESS AND TRANSPRANCY OF INFORMATION

First Media disseminate information on activities and performance of First Media periodically. Disclosure is for the purpose of fulfilling the mandate and complying with the provisions of Financial Services Authority. The activities carried out by First Media throughout 2017 among others First Media issued Annual Report books which are distributed to the shareholders and other stakeholders, as well as routine delivery of reports, publications on First Media businesses and accurate financial statements.

ADVERTISEMENTS OF PUBLICATION AND NOTICE

During 2017, First Media has placed announcement ads in the printed media. The following list is the First Media publication ads of First Media in 2017 where notice or announcements have been placed in mass media during 2017.

No	Description	Media	Date of Issuance
1	AGMS Announcement	Investor Daily	14 March 2017
2	Invitation to AGMS	Investor Daily	29 March 2017
3	Financial Statements of 2016	Suara Pembaruan	29 March 2017
4	Announcements on the Minutes of AGMS Meeting	Investor Daily	26 April 2017
5	Mid year Financial Statements	Suara Pembaruan	22 August 2017

WEBSITE

First Media has always ensured to external parties, the compliance with information disclosure provisions. This compliance, in particular in delivering a number of reports and other important information that have to be uploaded in the website. First Media has been managing its website with the address www.firstmedia.co.id

The reports as well as other information that should be uploaded in the website are quarterly, annual financial reports, report on the registration of security holders, report on foreign exchange debt data, annual report, public disclosure materials, charter and information disclosure that should be known by the public.

CODE OF ETHICS AND PROFESSIONAL RESPONSIBILITIES

Since 19 October 2010 First Media has put into effect the Code of Ethics and Professional Responsibility (Code of Ethics) by the Decision Letter of Board of Directors No: SK No.002/DIR/IV/15, as one form of commitment of First Media in implementing GCG. Guided by international standards, the commitment to continuously comply with the applicable regulations and the application of good governance in First Media, it is fundamentally crucial for First Media to establish the Standards of Code of Ethics and Professional Responsibilities. In addition, as a benchmark in the efforts to achieve business operational balance in First Media and to also obtain business sustainability which in the long term is not only reflected by the compliance of First Media with regulations which are binding,

All management and employees shall understand the standards of Code of Ethics as a reference and basis in regulating the relationship between employees and First Media, fellow employees, customers, suppliers, shareholders, stakeholders, government and public. This Code of Ethics contains a collection of commitments comprising of business ethics and work ethics of each member of First Media.

As an implementation of Code of Ethics and Professional Responsibility of First Media, each member of First Media shall sign a Statement of Disclosure which in essence giving confirmation that he/she has read and fully understood and therefore give his/her commitment to comply with the Code of ethics and Professional Responsibilities as specified by First Media and which will be amended from time to time.

Throughout 2017 First Media did not discover any incompliance with the code of ethics and which may disturb the operational sustainability of First Media.

ARTICLES OF ASSOCIATION

The Company was established under the name PT Safira Ananda, pursuant to Deed of Establishment No.37 dated 6 January 1994 with Decision of Ministry of Justice of the Republic of Indonesia Number C2-1.446 HT.01.01.Th.95 dated 1 February 1995. The next amendment of the entire Articles of Association was when it under name of PT Tanjung Bangun Semesta Tbk as contained in the Deed No.1 dated 2 December 1999 with Decision of Minister of Justice of the Republic Indonesia Number: C-19466 HT.01.04.TH.99 dated 3 December 1999.

Amendment of a number of articles in the Articles of Association at the same time reformulate the Company's Articles of Association when it was under the name of PT Broadband Multimedia Tbk as contained in the Deed No.56 dated 30 July 2001 with Receipt of Notice of Deed of Amendment of Articles of Association by Minister of Justice and Human Rights of the Republic of Indonesia Number: C-08744 HT.01.04.TH.2001 dated 19 September 2001.

The next amendment of the entire Articles of Association when it was under the name of PT First Media Tbk as contained in the Deed No.42 dated 15 August 2008 with Decision of Minister of Law and Human Rights of the Republic of Indonesia Number : AHU-74501.AH.01.02. Tahun 2008 dated 16 October 2008.

The last amendment of all Articles of Association when it was under the name of PT First Media Tbk as contained in the Deed No.33 dated 15 May 2015 with Receipt of Notice of Amendment of Articles of Association by Minister of Law and Human Rights of the Republic of Indonesia Number : AHU-AH.01.03-0940134 dated 11 June 2015 that has been adjusted with Regulation of Financial Service Authority Number : 32/POJK.04/2014 and Number : 33/POJK.04/2014 as well as other laws and regulations applicable in capital market sector.

GUIDELINES FOR WORK SYSTEM OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

In addition to being regulated in the company's Articles of Association, the duties of and authority of the Board of Commissioners and Board of Directors set forth in the company's Articles of Association are confirmed and detailed in the Charter of Board of Commissioners and Charter of Board of Directors that regulates GCG practices particularly for the Board of Commissioners and Board of Directors.

The Charter of Board of Commissioners and Charter of Board of Directors contain an agreement between Board of Directors and Board of Commissioners concerning the duties, authority and responsibility of each company organ to improve the quality and effectiveness of work relationship among company organs, apply GCG principles and develop independence in making decisions and can carry out their respective duties and responsibilities in accordance with the expectation of shareholders and other stakeholders.

Charter of Board of Commissioners signed by all members of Board of Commissioners and Charter of Board of Directors signed by all members of Board of Directors, were validated on 1 June 2016 and uploaded in First Media's website (www.firstmedia.co.id)

COMPANY REGULATION

Company Regulation is a document which is mandatory for a company to have in Indonesia which meets the provisions, as provided under Law No. 13 Tahun 2003 regarding Manpower.

First Media's Company regulation is prepared in line with the philosophy of the Five Principles (Pancasila) and National Development Program, in particular in the area of economic improvement and enhancement of nation's life standards. With regard to the matter, First Media has the intention not only to play a role in Indonesian economic development by developing its business activities, but also in developing its human resources through the enhancement of competition and competencies of its human resources.

The efforts of First Media in carrying out the company's governance are reflected in its vision, mission and values, up to how First Media complies with the applicable regulations in achieving the vision, mission and values. The awareness that First Media should be a part of good corporate citizens, has made First Media providing a balanced regulation for First Media external and internal relationship.

The party related to First Media external relationship, among others is government and independent agencies related to the business activities First Media, users of First Media services, partner companies in First Media business activities, and communities located in the surrounding area of First Media business place. While the party having First Media internal relationship is First Media organ and its employees. For the purpose First Media has prepared a series of regulations defined as company regulations.

Based on the awareness of First Media to define a balanced regulation to regulate First Media's external and internal relationship and to create good corporate governance, a regulation is formulated to include prestigious business ethics principles, policies and procedures, risk management, internal control and supervision, leadership, duties and responsibilities, management empowerment and employees competition complete with work evaluation system and awards.

The company regulations established by First Media should be able to strengthen the structure of corporate governance to create a harmonious and effective work relationship, among organs and employees of First Media. The supervisory system,

evaluation, and actions should be based on accuracy and accountability, without giving constraints to the performance of each organ of First Media. Therefore, the corporate governance process may be carried out with continuously improved quality, starting from the level of employees, management up to the leaders of First Media. The continuously increasing governance process will eventually be able to maintain First Media's external and internal relationship.

Human resources management have been established as one part of First Media's development strategic planning, because that way First Media will be able to smoothly and sustainably enhance its capability to compete with other companies in Indonesia.

First Media always believe that human resources are the most important asset for the existence, sustainable growth and development of First Media in the long term. Various aspects are considered by First Media in order that a harmonious, secure, stabile, peaceful and dynamic relationship could be created between First Media and all of its employees, among others through clarity in giving assignments, rights and daily obligations of each employee, giving attention to employees' health, as well as work atmosphere that support employees' performance. These aspects are expected to enhance employees' productivity and assist in creating peace and satisfaction for employees at work so that it will assist solving any issues that may arise by way of deliberations.

First Media's company regulations have been prepared in accordance with the applicable laws and regulations and are in line with the core values of the company. The documents have been validated pursuant to Decision Letter of Director General of Industrial Relations and Manpower Social Security – Ministry of Manpower of the Republic of Indonesia Number: Kep.403/PHIJSK-PK/PP/III/2016 dated 29 March 2016 regarding validation of PT First Media Tbk's Company Regulation

In general, First Media's Company Regulations contain the rights and obligations of employees and First Media, and the provisions that have the purpose to develop a harmonious, selaras and balanced in the endeavor to improve efficiency, productivity and work achievement optimally. It is hoped that First Media's Company Regulation can create a conducive industrial relationship between employees and First Media, in observance of the prevailing laws and regulations and government regulation, including its adjustment in the future.

COMPANY POLICY

Company policy is the translation of laws, regulations and targets established by the Board of Directors as a guideline for the management in carrying out business activities. The company strategic policies reflect First Media's commitment to apply GCG in its activities. The company policy adopted has always observed the core values and attributes of company leadership.

VIOLATION REPORTING SYSTEM

BACKGROUND

In line with the commitment of the company to implement Good Corporate Governance (GCG), First Media continuously make efforts to give due regard to the interests of each stakeholder based on fairness and equality in accordance with Good Corporate Governance (GCG) principles. For the purpose, it is necessary to have a good and efficient supervisory system which is applicable for all First Media's subsidiaries, including its stakeholders. In the implementation, stakeholders often receive complaints as the rights of stakeholders are not paid attention to and even sometimes ignored by the company.

Complaints of violations by stakeholders, if it is not settled well, potentially will harm the stakeholders and or the company itself. A standard mechanism in handling complaints of violations are absolutely necessary so that there are no prolonged disputes or disagreements between stakeholders and the company. As such it will not lead to diminishing reputation and confidence from the public to the company. Therefore, First Media has prepared and developed a whistleblowing system (WBS) since 2011.

PURPOSE AND OBJECTIVE

Settlement to the complaints of violations by stakeholders is a form of enhanced protection to stakeholders for the purpose of securing the rights in dealing with the company and securing the handling that meet the rules and requirements established by the company, government and competent authorities. For the purpose, it is necessary to formulate a suitable policy, system and procedure for handling to regulate the settlement of complaints of violations for stakeholders in a Policy for Management of Complaints of Violations. The purpose and objectives :

- 1. The purpose of Policy for Management of Complaints of Violations as a basis or guidelines in handling Complaints of Violations from stakeholders is to secure that a mechanism for an effective settlement of complaints of violation within a sufficient period is in place.
- 2. The purpose of formulation of Policy for Management of Complaints of Violations is an endeavor to disclose a number of issues in the company which are not in accordance with the ethical standards applicable in the company. The types of alleged violation which may be reported are among others :

LEGAL BASIS

- 1. Law of the Republic of Indonesia Number 31 of 1999 on Corruption Eradication which is amended by Law of the Republic of Indonesia Number 20 of 2001 on Amendment to Law of the Republic of Indonesia Number 31 of 1999 on Corruption Eradication.
- 2. Law of the Republic of Indonesia Number 13 of 2006 on Witness and Victim Protection.
- 3. Law of the Republic of Indonesia Number 13 of 2003 on Manpower
- 4. Government Regulation of the Republic of Indonesia Number 71 of 2000 on Procedure for Implementation of Public Participation and Giving of Awards in Corruption Prevention and Eradication.

- 5. Guideline for System of Complaint of Violations (Whistleblowing System) of 2008 by Governance policy National Committee on Governance (KNKG).
- 6. Government Regulation and Code of Ethics and Professional Responsibility of PT First Media Tbk

SCOPE

Policy in managing Complaints of Violations shall be put into effect for the Board of Commissioners, Board of Directors, and all employees within PT First Media Tbk and all its business untits in carrying out its daily duties in accordance with Good Corporate Governance (GCG) principles.

DEFINITION

- 1. Board of Commissioners is a company organ representing shareholders to conduct supervision and give directions/advice to Board of Directors in managing the company and carry out the function to enhance the company image in the eyes of the public and shareholders.
- 2. Board of Directors is a company organ fully responsible for company management for the interest and achieving company objectives, as well as represent the company both within and outside the court of justice in accordance with the provisions of Articles of Association subject to the all regulations applicable for Public Companies and continue applying the principles of Good Corporate Governance.
- 3. The supporting organ of Board of Commissioners is an organ assisting the Board of Commissioners in carrying out the supervisory function in the company, such as Audit Committee, Investment Committee and Secretary of Board of Commissioners.
- 4. PT First Media Tbk and all its business units which hereinafter shall be referred to as First Media is a Public Company.
- 5. Employees of First Media are workers of First Media whose appointment, dismissal as well as its rights and obligaitons, shall be determined by the Board of Directors based on the laws and regulations on manpower
- 6. The recipient of Complaints of Violations is the Board of Directors and Board of Commissioners.
- 7. Complaint of Violations is a disclosure of violations or unlawful acts.
- 8. A violation is an unethical/immoral act or other act which may harm the organization as well as stakeholders, by employees or organizational leader against another organizational leader or another agency which may take actions against that violation. This disclosure is generally confidential.
- 9. The reporter of a violation is an internal party or an employee of the Company itself, and there is a possibility that the reporter is from an external party namely participants, suppliers, regulator, other stakeholders
- 10. Reported party of a Violation is a the person who is claimed/ reported for an indication/allegation of violation of Code of Ethics and Professional Responsibilities (Code Of Conduct).
- 11. Representatives of stakeholders are individuals, agencies and or legal entities acting for and on behalf of stakeholders based on a special power of attorney from stakeholders.

- 12. Stakeholders are the parties that have some concerns with the company.
- 13. The managing team of Complaint of Violation is a team comprising of members of Audit Internal Audit, Human Resources Division and other working units under the authority of Board of Directors pursuant to the Decision of Board of Directors.
- 14. Disciplinary violation is an act in violation of disciplinary rules for company employees.
- 15. Disciplinary hearing is a hearing conducted to decide a case on disciplinary violation.
- 16. Criminal act is an act prohibited by legal rules where the prohibition is along with a threat or sanction for those in violation thereof as provided under Indonesian Criminal Code (KUHP).

GENERAL PROVISIONS IN HANDLING COMPLAINT OF VIOLATION

POLICY

Receipt and Settlement of Complaint of Violations

- 1. First Media shall accept complaint of violations from internal as well external parties.
- 2. First Media shall receive and settle complaint of violations either from reporter who provided his/her identity or not.
- 3. First Media provides 2 (two) channels for complaint management, namely through Board of Directors and Board of Commissioners in accordance with the level of the perpetrators of violation.

Establishment of Managing Team for Complaint of Violation

- 1. The authority of Board of Directors and the Establishment of Managing Team for Complaint of Violation allegedly committed by First Media's employees
 - a. Board of Directors shal be responsible for the implementation of Policy on the Management of Complaint of Violations allegedly committed by Employee of First Media as set forth in this guideline.
 - b. Board of Directors shall form a Managing Team for Complaint of Violations having members of representatives from Internal Supervisory Unit (Satuan Pengawasan Internal), Human Resources Division and another party required in accordance with the competencies and expertise pursuant to resolutions of Board of Directors.
 - c. The Head of the Managing Team for Complaint of Violations through the Board of Directors is the Internal Supervisory Unit (Satuan Pengawasan Internal).
 - d. The Managing Team for Complaint of Violations through the Board of Directors has the duties to follow up Complaint of Violations allegedly filed by First Media's Employee.
- 2. The authority of Board of Commissioners and the establishment of Managing Team for Complaint of Violations allegedly committed by Board of Directors, Board of Commissioners, Supporting Organ of Board of Commissioners and Head of Work Unit.
 - a. Board of Commissioners shall be responsible for the implementation of Policy on Management of Complaint of Violations by the Board of Directors, Board of Commissioners, Supporting Organ of Board of Commissioners and Head of Work Unit as set forth in this guideline.

- b. Board of Commissioners shall form a Managing Team for Complaint of Violations comprising of member representatives from Audit Committee and other parties as necessary in line with their competencies and expertise pursuant to the decision of Board of Commissioners.
- c. Head of Managing Team for Complaint of Violations through the Board of Commissioners is the Audit Committee.
- d. The Managing Team for Complaint of Violations through the Board of Commissioners has the duties to follow up any violations allegedly committed by Board of Directors, Board of Commissioners, Supporting Organ of Board of Commissioners and Head of Work Unit.

MANAGEMENT OF COMPLAINT OF VIOLATIONS

Receiving and Settlement of Complaint of Violations

- 1. Complaint of violations allegedly is committed by First Media's Employee shall be addressed to the Company's Board of Directors.
- 2. Complaint of violations allegedly is committed by Board of Directors, Board of Commissioners, Supporting Organ of Board of Commissioners and Head of Unit Work shall be addressed to First Media's Board of Commissioners
- 3. When receiving complaint of violations not from Board of Directors or Board of Commissioners, the person concerned shall pass on the complaint of violations to the Board of Directors or Board of Commissioners.
- 4. First Media shall receive any complaint of violations filed by stakeholders and/or representatives of stakeholders orally or in writing.
- 5. First Media, in this case, the Managing Team for Complaint of Violations, shall give an explanation on the policies and procedures for settlement of complaint of violations at the time stakeholders and/or representatives of stakeholders file for such complaint of violations .
- 6. Complaint of violations allegedly committed by First Media Employee as referred to in this guideline shall be made in writing and the mechanism is by submitting an official letter addressed to the Board of Directors, by means of direct delivery or by post to First Media at the following address:

Board of Directors PT FIRST MEDIA Tbk
For the attn. of the Managing Team for Complaint of violations
LIPPO CYBER PARK
Bulevar Gajah Mada No. 2170 Lippo Village
Tangerang 15811

- 7. Complaint of violations allegedly is committed by Board of Directors, Board of Commissioners, Supporting Organ of Board of Commissioners and Head of Work Unit as referred to in this guideline shall be made in writing and the mechanism is by submitting an official letter addressed to the Board of Directors, by means of direct delivery or by post to First Media at the following address :

Board of Commissioners PT FIRST MEDIA Tbk
For the attn . of the Managing Team for Complaint of Violations
LIPPO CYBER PARK
Bulevar Gajah Mada No. 2170 Lippo Village
Tangerang 15811

- 8. A written complaint of violations should be completed with a photocopy of identity and supporting evidence such as a document related to the transaction that has been made and/or complaint of violations which will be filed.
- 9. A written complaint of violations without identity shall be completed with a supporting document such as document related to the transaction that has been made and/or complaint of violations which will be filed.
- 10. The company shall give a receipt if the complaint of violations is submitted in writing and supported with an identity.
- 11. If the complaint of violations is addressed to the representatives of stakeholders, in addition to the above documents, the other documents to be submitted are :
 - a. Photocopy of evidence of identity of stakeholders and representatives of stakeholders
 - b. Power of Attorney from to stakeholders to the representatives of stakeholders stating that the stakeholders give an authority to act for and on behalf of stakeholders. If the repretatives of stakeholders are an agency or a legal entity, then it should be attached with a document stating that the party filing for a complaint is competent to represent the agency or the legal entity.
- 12. First Media shall submit a proof of receipt of complaint of violations to the stakeholders and/or representatives of stakeholders that file such complaint.

Complaint Handling Process

- 1. The Managing Team for complaint of violations conducts a verification on the incoming report based on the records made by the team. The Managing Team for Complaint of violations will decide whether or not an investigation is required for the complaint of violations within a period of 30 (thirty) days and it can be extended at the longest 30 (thirty) working days.
- 2. If the verification as referred to in paragraph (1) indicates that the complaint is not true and there is no evidence then it will not be processed further.
- 3. If the result of verification shows that there is an indication of violation supported with sufficient evidence, then such a complaint can be processed further to the stage of investigation .
- 4. With regard to complaint of violations involving an Employee of First Media that requires an investigation, it shall be followed up by the Managing Team for Complaint of violations at the level of Board of Directors to be investigated;
- 5. With regard to complaint of violations involving Board of Directors, Board of Commissioners, Supporting Organ of Board of Commissioners and Head of Work Unit that requires an investigation, it shall be followed up by the Managing Team for Complaint of violations at the level of Commissioner to be investigated.
- 6. The perpetrator of violations that has been proven based on the result of an investigaton, will be processed according to the applicable regulation.
- 7. If based on the result of investigation it is proven that there is a disciplinary violation by a First Media's employee, then It may be followed up with a disciplinary hearing in accordance with the applicable provisions with the Board of Directors as the judge, Internal Supervisory Unit (Satuan Pengawas Internal) as the prosecutor, Human Resources Division or Law Division as the defender and the opinions and input from the concerned supervisor.
- 8. If the result of investigation proves that there is a violation by First Media's Employee leading to a criminal offence, this case may be filed to the law enforcement agency to be followed up by a legal proceeding according to applicable laws with the Board of Directors or the attorney as the official filing for the case.

Complaint Administration

1. The whole process of complaint of violations shall be administered well by the Managing Team for Complaint of violations.
2. Records of receipt of complaint of violations shall contain at least :
 - a. Registration Number
 - b. Date of receipt
 - c. Receiving officer
 - d. Short description

Follow-up Monitoring

1. Follow up monitoring on complaint of violations shall be carried out by the Managing Team for Complaint of violations.
2. Managing Team for Complaint of violations under the leadership of the Head of Managing Team for Complaint of Violation must inform to the Board of Directors about the complaints of violations received, those investigated and those deemed to have been settled, at any time required.
3. Managing Team for Complaint of violations under the leadership of Audit Committee shall inform the Board of Commissioners of the complaint of violations received, those investigated, and those deemed to have been settled, at any time required.

Response Submission

1. First Media through the Managing Team for Complaint of violations may inform and/or give a response to the status of settlement process of complaint of violations to stakeholders and/or representatives of stakeholders who ask for an explanation to First Media concerning complaint of violations filed.
2. For complaint of violations without identity, there is no obligation for First Media to give a response.

Publication and Socialization

First Media shall publish and socialize the Policy on Management of Complaint of violations to all First Media's Employees as well as stakeholders through various company media, such as :

1. Obtain a signed statement concerning the support from all Board of Commissioners, Board of Directors and all First Media's employees on the implementation of Policy on Complaint of violations .
2. Print and distribute this policy.

PROTECTION AND APPRECIATION

Protection of Reporting Party and Reported Party

1. First Media shall protect the reporting party.
2. Protection of reporting party is intended to give encouragement to report violations.
3. Protection of reporting party shall include :
 - a. Assurance of confidentiality of the identity of the reporting party and the content of report.
 - b. Security assurance for the reporting party and his/her family.

- c. Protection assurance from any treatment that may harm him/her.
- d. First Media shall give assurance of confidentiality of reported party's identity up to the time the status is changed to the one investigated.

Appreciation for Reporting Party

1. First Media may give an appreciation to the reporting party for a violation that can be proven so that the asset/finance of First Media can be saved.
2. Awards can be given by a policy of Board of Directors.

SUBMISSION OF REPORT OF ALLEGED VIOLATION

The Party entitled to make a report is any party related to First Media or a third party outside First Media who feels that they have been harmed or just would like to report about the alleged violation. A report on alleged violation may be reported by sending a written report to the following address:

PT First Media Tbk
BeritaSatu Plaza 4th Floor, Suite 401
Jl. Jend. Gatot Subroto Kav. 35-36, Jakarta Selatan
For the attention of Independent Commissioner/Audit Committee

PROTECTION FOR REPORTING PARTY

For a report proven to be true, First Media will give protection to the reporting party. The protection for the reporting party will include :

1. Assurance of Confidentiality on reporting party's identity and content of the report;
2. Assurance of protection on any treatment harming the reporting party;
3. Assurance of protection from any threat, intimidation, punishment or unpleasant treatment from the reported party.

If based on the result of investigation it is proven that the reported party has committed a violation, then the person will be imposed a sanction in accordance with the applicable provisions.

COMPLAINT HANDLING

Any WBS report will be recorded and registered at a special register made by WBS Team, which will then be evaluated based on the evidence obtained, and then a recommendation is made whether it should be followed up by an investigation to have a more in-depth information. In the investigation to find evidence of alleged violation, WBS Team may ask the Internal Audit Unit to carry this out.

1. If the alleged violation reported requires a special expertise in forensic audit, WBS Team may ask an independent third party to carry this out.
2. If the report on alleged violation does not meet the minimum requirements for reporting in WBS system, WBS Team may declare not to continue to the stage of investigation, and close the issue reported,
3. If the report on alleged violation is followed by an investigation, WBS team shall inform the development to the Board of Commissioners.
4. After the investigation has been completed, WBS Team shall submit the report and recommendations to the Board of Commissioners, and subsequently a Decision Letter of Board of Commissioners will be issued which decision is either enforcement, system improvement or closing the case.
5. If the alleged violation is supported with the evidence that a criminal offense has definitely occurred, WBS Team may give a recommendation to the Board of Directors to report it to the authorities, without prejudice to the authority of WBS Team to follow up with an investigation related to other matters beyond the report on alleged criminal offense.

THE PARTY MANAGING THE COMPLAINTS

WBS Report received will be handled by a professional and independent team, in this case the Audit Committee appointed by the Board of Commissioners

INTERNAL CONTROL SYSTEM

The internal control system applicable in First Media includes :

1. Internal control environment in a disciplined and structured company including company values, code of conduct, company regulations, financial control, operation, HRD and compliance with laws and regulations;
2. Review and manage business risks;
3. Control activities;
4. Information and communication system ; and
5. Monitoring

In its application, the line internal control system in First Media is conducted by each function which is directly related to each line of defense: risk owner, risk control, and risk assurance, which activities are regulated by a number of policies such as guidelines, SOP, and work instruction.

EFFECTIVENESS OF INTERNAL CONTROL SYSTEM

Effectiveness of internal control system together with its follow up shall be done by considering the characters of findings by internal units. For findings related to business process, things are put in order by improving policies and standard operational procedures which will subsequently be disseminated again to all related functions. Any findings related to employee discipline will be followed up by referring to Company Regulation. Meanwhile findings related to the system will be followed up in cooperation with the function of Information Technology and Communication a the supporting element.

The company internal control system is also reviewed regularly and comprehensively by external audit. Internal audit has established communication line with external audit to exchange ideas and share information as necessary.

RISK MANAGEMENT

First Media shall manage company risks with a comprehensive and integrated risk management, to manage all risks faced by First Media and its subsidiaries, and to mitigate the impact of the risks that may occur with due regard to the risk profile of each business unit as well as the overall risk profile as a holding company.

Implementation of Risk Management is going through a number of as follows :

- 1. Identification of risks by considering internal and external factors ;
- 2. Continuous and timely analysis and evaluation to determine priority scale and source of risks;
- 3. Applying strategy for mitigation of risks in a sustainable manner as well as the resources required for such management;
- 4. Communication and the role of the relevant stakeholders; and
- 5. Record and determine risk profile to be monitored and examined for its development and change.

FIRST MEDIA’S RISK PROFILE

First Media has a risk profile based on the main risks faced in its operational activities as follows :

CREDIT RISKS :

Credit risk is a risk of one of the parties for financial instrument failing to meet its liability and has caused another party suffering from financial losses. First Media’s financial losses that has potential credit risks comprising of cash and cash equivalent in bank, account payable and other payables. The amount of maximum credit risk exposure is the same as the values recorded on such accounts. For credit risks related to bank, only banks with good predicate will be chosen. In addition, First Media policy is not to limit the exposure to one certain institution so that First Media has cash and cash equivalent in various banks.

CURRENCY RISKS / CURRENCY EXCHANGE

Currency risks is a risk of fluctuation of financial instrument value due to the change of foreign currency exchange. First Media conducts transactions using foreign currency among others work capital financing of First Media, so that First Media must convert Rupiah to foreign currency, particularly American Dollar, to meet the liability requirements in foreign currency when the time is due. Fluctuations of Rupiah currency exchange against American dollar may give an impact to the financial condition of First Media. First Media is managing currency risk by supervising the fluctuation of currency exchange continuously in order they can take the right measure such as adopting value hedging transaction if it necessary to mitigate foreign currency risks.

INTEREST RISKS

Interest risk is a risk of fluctuation of financial instrument value due to the change of market interest. First Media has interest risk particularly due to taking loan using floating interest rate. First Media conducts supervision on the impact of interest movement to minimize the negative impact against First Media.

LIQUIDITY RISKS

Liquidity risk is a risk where First Media will suffer from problems in obtaining funds to meet their commitment related to financial instrument. First Media shall manage liquidity risk by maintaining adequate cash and cash equivalent to allow First Media meeting the commitment of First Media for normal operation of First Media. In addition, First Media also conducts supervision on the projection and actual cash flow continuously as well as supervision on the due date of assets and financial liability.

IMPLEMENTATION OF ASPECTS AND GOVERNANCE PRINCIPLES IN ACCORDANCE WITH THE PROVISIONS OF FINANCIAL SERVICE AUTHORITY

Based on Circular of Financial Services Authority No.32/SEOJK.04/2015 on Guidelines for Public Corporate Governance, the standard implementation for GCG includes 5 (five) aspects, 8 (eight) principles, and 25 (twenty five) recommendations for application of aspects and principles of good corporate governance. Recommendations for the application of aspects and principles of good corporate governance in the governance guidelines are the standards for the application of aspects and principles of good corporate governance which should be applied by PT First Media Tbk to implement governance principles. The description of the application is as follows :

Table of Implementation of Application of Aspects and Principles of Governance in Accordance to OJK’s Terms

No	Principle	Recommendation	Implementation Explanation
1	Aspect 1: Relationship between Public-listed Company and Shareholders in Ensuring the Rights of Shareholders	Principle 1 Increase the Value of Holding General Meeting of Shareholders (AGM)	1. Public-listed Company has a way or a technical procedure for voting, either openly or closed that promote independence and the interest of the shareholders.
		1. All members of the Board of Directors and Board of Commissioners of Public-listed Company are present at the Annual General Meeting of Shareholders (AGMS)	The Company has fulfilled Principle 1 and Recommendation 2.
	Principle 2 Increase Communication Quality between The Company and Shareholders or Investor.	1. Summary of the minutes of GMS is available in the Company's public-listed company's website for at least 1 (one) year.	The Company has fulfilled Principle 1 and Recommendation 3. Minutes of GMS can be accessed by the public and shareholders through the Company's website http://www.firstmedia.co.id/investor-relations/announcement
		1. The Public-listed Company has a communication policy with shareholders or investor.	The Company has fulfilled Principle 2 and Recommendation 4. Access to openness of information that is accessible to the public and shareholders through the Company's website http://www.firstmedia.co.id/investor-relations/announcement
		1. The Company revealed the communication policy of the Public-listed Company and shareholders or investor on the website.	The Company has fulfilled Principle 2 and Recommendation 5. Access to openness of information is accessible to the public and shareholders through the Company's website http://www.firstmedia.co.id/investor-relations/announcement

No	Principle	Recommendation	Implementation Explanation
2	Aspect 2: The Function and Role of Board of Commissioners		
	Principle 3 Strengthen the membership and composition of Board of Commissioner	1. The determination of the number of members of the Board of Commissioner shall consider the condition of the Company.	The Company has fulfilled Principle 3 and Recommendation 6. The Company has clarified the composition of Board of Commissioner in this annual report.
		1. The determination of the composition of members of the Board of Commissioners shall take into account the diversity of skills, knowledge and necessary experience.	The Company has fulfilled Principle 3 and Recommendation 7. The Company has clarified the definition of diversity in the composition of the Board of Commissioners in this annual report
	Principle 4 Increase the quality of the Task Implementation and Responsibility of the Board Commissioners	1. The Board of Commissioners has a policy on self-assessment to assess the performance of the Board of Commissioners	The Company has fulfilled Principle 4 and Recommendation 8. The Company has implemented an assessment mechanism to assess the Board of Commissioner in a collegial manner in the AGMS forum.
		2. Self Assessment policy to assess the performance of the Board of Commissioners, is disclosed through the annual report of the Company.	The Company has fulfilled Principle 4 and Recommendation 9. The Company has an explanation of the evaluation of the Board of Commissioner's performance in this Annual Report.
		1. The Board of Commissioners has a policy pertaining to the resignation of a member of Board of Commissioners if a member is involved in financial crime.	The Company referred to Law of Limited Liability Company, Articles of Association, as well as the regulation on Capital Market
		1. The Board of Commissioners or Committee undertaking the Nomination and Remuneration function prepared a succession policy in the Nomination process of members of Board of Directors.	The Company has fulfilled Principle 4 and Recommendation 11. The Company has an explanation of the function of Nomination and Remuneration Committee in this Annual Report.

No	Principle	Recommendation	Implementation Explanation
3	Aspect 3: The Function and Role of the Board of Director		
	Principle 5 Strengthen the membership and composition of Board of Directors	1. Determination on the Number of members of Board of Directors taking into consideration the condition of the Public-listed Company along with the effectiveness in the decision making.	The Company has fulfilled Principle 5 and Recommendation 12. The Company has an explanation pertaining to the Board of Director in this annual report.
		2. Determination of the composition of the Board of Directors taking into account the diversity of expertise, knowledge and necessary experience	The Company has fulfilled Principle 5 and Recommendation 13. The Company has an explanation pertaining to the diversity in the composition of the Board of Directors in this annual report.
		3. Members of the Board of Directors that oversees Accounting and Finance has the expertise and/or the knowledge in the field of accounting.	The Company has fulfilled Principle 5 and Recommendation 14. The Company has an explanation pertaining to the Board of Directors, specifically in the division of tasks of the Board of Director in this Annual Report.
	Principle 6 Increase the Quality of Task Implementation and Board of Directors' Responsibility	4. The Board of Directors has their own self-assessment policy to assess the performance of the Board of Directors	The Company has fulfilled Principle 6 and Recommendation 15. The Company has implemented a mechanism for the assessment of the Board of Directors in a collegial manner in the AGMS forum.
		4. Self-assessment policy to assess the performance of the Board of Directors is disclosed through the annual report of the public-listed company	The Company has fulfilled Principle 6 and Recommendation 16. The Company has an explanation of the performance evaluation of the Board of Director in this Annual Report.
		5. Board of Directors has a policy pertaining to the resignation of a member of the Board of Directors if the said member is involved in a financial crime.	The Company referred to Law on Limited Liability Company, Articles of Association, as well as the regulation of the Capital Market

No	Principle	Recommendation	Implementation Explanation
4	Aspect 4: Stakeholders' Participation		
	Pemangku Kepentingan. Principle 7 Increase the Aspect of Corporate Governance through the Participation of Stakeholders	6. The Public-listed Company has a policy to prevent insider trading	The Company has fulfilled Principle 7 and Recommendation 18. The Company has a Code of Ethics and Professional Responsibility No. SK No. 002/DIR/IV/15 to prevent insider trading, and the explanation is stated in this Annual Report.
		7. The Public-listed Company has an anti-corruption and anti-fraud policy	The Company has fulfilled Principle 7 and Recommendation 19. The Company has a Code of Ethics and Professional Responsibility No. SK No. 002/DIR/IV/15 on anti-corruption and anti-fraud policy
		8. The Public-listed Company has a policy pertaining to selection and improvement in suppliers' and vendors' ability.	The Company has fulfilled Principle 7 and Recommendation 20. The Company has an explanation pertaining to the policy in the selection of suppliers in this annual report.
		9. The Public-listed Company has a policy pertaining to the fulfillment of creditors' rights.	The Company has fulfilled Principle 7 and Recommendation 21. The Company has an explanation pertaining to the policy of fulfillment of creditors' rights in this annual report
		10. The Public-listed Company has a policy pertaining to whistleblowing system.	The Company has fulfilled Principle 7 and Recommendation 22. The Company has an explanation pertaining to customers' complaint (whistleblowing) in this annual report.
		11. The Public-listed Company has a policy pertaining to awarding long term incentive to the Board of Directors and the employees.	The Company has fulfilled Principle 7 and Recommendation 23. The Company has an explanation pertaining to Board of Commissioners and Directors' remunerations in this annual report.
5	Aspect 5: Information Disclosure		
	Principle 8 Increase the implementation of information disclosure	12. The Public-listed Company harnessed the use of information technology more broadly apart from the website as a media for information disclosure.	The Company has fulfilled Principle 8 and Recommendation 24.
		13. The Public-listed Company disclosed the ultimate beneficiary in the share ownership of the Public-listed Company at least 5%, in addition to disclosing the ultimate beneficiary in the share ownership of the Public-listed Company through main shareholders and controllers	The Company has fulfilled Principle 8 and Recommendation 25. The Company has an explanation pertaining to information from the main shareholders and controllers in this annual report.

BEST FAMILY ENTERTAINMENT



HARGA MULAI DARI **Rp 97.500*** **/Bulan**

* MIN. BERLANGGANAN 12 BULAN

Channel dapat berubah sewaktu-waktu tanpa pemberitahuan | Syarat & ketentuan berlaku

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CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is an inseparable part from the development of a company. It is a commitment from business entity to act ethically and contribute to economic development from local community or public community, along side with the improvement of standard living of the employee and its family.

First Media implement the corporate social responsibility in form of transparency of company financial management by involving external auditor, financial reporting to public, the utilization of electronic system in management in order to minimize the use of paper that might deliver a positive impact to environment, health protection for employee and its family, provides working opportunity for potential human resource that available in the community as well as improving working ability for each employee with training that in line with the business of the company. Beside of that, the other activities was added by conducting blood transfusion activities which is often needed by communities.

Legal Basis and Policies

In Indonesia, the implementation of Corporate Social Responsibility (“CSR”) regulated in Government Regulation No. 47of 2012 regarding Corporate Social Responsibility and Corporate Environment, which is the implementing regulation regarding to provisions of Article 74 Law No. 40 of 2007 regarding the Company Law. Therefore, Government Regulation No. 47 Year 2012 becomes the legal basis for us to develop and implement the CSR programme both inside and outside the company.

Financial Reporting to Public

First Media consistently delivers the transparency regarding to the financial report in March and September as well as the yearly financial statement. The financial statement is frequently reported by First Media to Financial Services Authority (OJK) as well as Indonesia Stock Exchange. To fulfill the information needed by public or shareholders, First Media also published the financial information through the official website of First Media at www.firstmedia.co.id.

Electronic Management System

The implementation of electronic management system was implemented by First Media through integrated system based on Enterprise Resource Planning (“ERP”) for purchasing procedure, human resource system management, general affair, documentation and correspondence. Beside the documentation system and the management system that was orderly safe and orderly placed, the implementation of electronic management system also inspired by concern of the environment. As publicly known, the usage of paper for company’s operational could spend a lot of papers. While the raw material of the paper comes from the tree that if it was chopped continuously would harm the life on earth.

Occupational Safety and Health

First Media provide health insurance facility for the employees and their family through Badan Penyelenggara Jaminan Sosial (BPJS) and Lippo Insurance. As mandated on Law No. 13 of 2013 in respect of Manpower and Government Regulation No. 50 of 2012 in respect of Implementation of Health Management System and Healthcare. Therefore, First Media fully understand that each manpower need comfortability guaranteed by health insurance for themselves and their family. As a result, manpower would be able to focus on their daily task in the company.

In order to control the risks associated with working activities to create safety working places, efficient, and productive, First Media has implement the occupational safety and health (OSH) management system in First Media working environment. OSH is an effort made by the First Media to secure and protect employees which realized through prevention efforts of occupational accident and occupational desseases. During 2016, activities done by First Media that are related to the implementation of OSH include:

- 1. Occupational safety and health training.
- 2. Training and simulation of emergency response of fire.
- 3. Dissemination of safety and health management system (OSH).

Employee Recruitment and Competencies Development

Along with the development of each business unit in First Media, it also open the manpower recruitment from communities. This is a part of active participation from First Media in terms of accommodating and developing the available human resource in communities. Employee recruitment by First Media absorb the manpower market in Indonesia that increase annually.

In the manpower selection and recruitment activities, First Media adjust with the competency of each employee. First Media always provide ongoing career opportunities as long as the manpower shows optimal work performance. The development of potential manpower was integrated with the orientation of development of First Media business unit which are given by training, seminar, and secondary education through cooperation with university.

Cybercrime & Healthy Internet

Cybercrime is a crime performed with and used technology, so that prevention and eradication by means of penal is not enough. It took facilities in the form of technology itself as a means of non penal. That technology can actually not enough if cooperation with individuals and institution support it.

First Media as institution is expected to participate in pressing the occurencess of cybercrime by campaigning about the use of healthy internet and having cooperation with Republic of Indonesia Police. The form of Healthy Internet campaign is education of ethics in doing internet. In interacting with other users in internet covered by a specific rules called nettiquette or ethics on internet. Although there is no standard statutes on how the ettiquette to interact on internet, the ettiquette interacting in the real life can be use for this purpose. First Media will always campaigning and delivered this message to internet users especially First Media customers.

Blood Donation

The Corporate social responsibilities that annually done in First Media is blood donation by manpower in First Media business unit. Availability of blood in hospital always needed and never be predicted when or who will need it. On one side, through the sincerity if First Media manpower, First Media contribute in donating blood for people who need it. On the other side, blood donation activities will healthier the donator, so that First Media manpower who donate the blood would be healthier.In 2017, the blood donation activities in cooperation with Palang Merah Indonesia has been realized for 8 (eight) times.

The blood donation activities in 2017 are as follows :

Date	Location	Realization Participants
25 January 2017	BeritaSatu Plaza, Gatot Subroto	111
30 January 2017	Link Net Building, Karawaci	134
10 May 2017	Link Net Building, Karawaci	91
15 May 2017	BeritaSatu Plaza, Gatot Subroto	53
7 Sept 2017	Link Net Building, Karawaci	142
14 Sept 2017	BeritaSatu Plaza, Gatot Subroto	97
14 Des 2017	Link Net Building, Karawaci	146
21 Des 2017	BeritaSatu Plaza, Gatot Subroto	78