



MEDIA GROUP

CORPORATE REPORT
2009



MEDIA GROUP

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MEDIA GROUP AT A GLANCE

Catering Business

To be the leading industrial site catering with solid business relationships, market strength, and customer loyalty by prioritizing customer satisfaction through product quality, excellent services, professionalism, system and regulations compliance, and food safety in which includes health and environmental safety.



Media Business

To become a trustworthy nation wide Indonesian Newspaper and build a professionals human resources and management, to develop a healthy and profitable publishing institution

*To become a distinct Indonesian television station by ranking number one for its news, offering quality entertainment and life-style programming. Providing unique advertising opportunities and achieving loyalty with its viewers and advertisers.



Hospitality

To meet and exceed the expectations of customers, owners, and shareholders, with its tropical character of warm caring, hospitality, trusted in quality and valuable unique innovative products and services.



Energy & Natural Resources

To be the one of the national energy & natural resources within a relatively short period, focusing on sustainable profit, efficiency, and growth, taking into account the social responsibility aspects for the surrounding community and environmental friendly operations, and optimizing returns to shareholders in a responsible manner with consistently exceeded performance.





CHAIRMAN MESSAGE STATEMENT

Media Group is not a legal entity. It is a Management Group that controls, supervises, coordinates, maintains integrations and synergy of all business units and companies.

The history begins with the establishment of Indocater, site catering accomodation company back in 1978. Since then the business has been growing significatly and we continue expanding to other industries including hospitality and printed media and TV, and natural resources based industry, such as oil/gas and energy, coal mining and copper explorations, agro business and others. In its journey, Media Group has recorded

a series of changes following the then social-economic situation. It takes hard work to achieve success when Indonesia was hit by global crisis on second semester of 2008.

The spirit of Media Group, which also applies in every business institution, are individuals who involve in it as chairman, staffs, and every employee. They are the main pillar which confirm existence through corporate spirit.

Innovation, creativity, professionalism, and dedication are the embodiment of that corporate spirit. There are no single company can last out without these ele-

ments. Technology and capital are only supplement, not the main element.

However, business world and modern industry present and future situation can hold several challenge that if we undermines may cause fatal error. Nowadays, every business institution comprehend that its' existence can not be rest upon a single sector. Technology develops rapidly. What is up-to-date today can be outdated in a short period. Local market and global ones race in a tight competition. New hegemonies in business and industry competition dictates existence alteration. Therefore, whoever not ready and prepare with change will die-out.

In Media Group dynamic journey, we realize that its' existence strongly characterize by a philosophical thought: that a business institution has two obligations which have to consistently and balancelly taken care of at the same time. These two obligations are economic mission and social one.

We realize Media Group's continuance can not only be rely upon business advantage. All units have to give social contribution to stakeholders and society wherever they are.

When natural disaster happens, all business units must involve in giving contri-

bution in conformity with their specialization and skills. With this action, social spirit can always be nourished in every individuals.

Environmental concern is not just useful for company's efficiency program target, but also benefitted for our children and grandchildren life continuance.

Media Group commitment in education improvement in Aceh is proven by the large numbers of orphans whom received education and later received scholarship in state universities. ...”We believe that in giving education, children of Aceh can get important role in Indonesia's development

and improving Aceh in days to come.”

Therefore, Media group as part of a good corporate citizen enthusiastically and believe that our business policies incorporate the ten principles of the Global Compact. We are fully supports our actions in working towards sustainability goals--in particular those contained in the UN Global Compact and endorse the future priorities and specific targets we set out in our report.

CORPORATE PHILOSOPHY

VISION

Making This Company And Its' Resources Into Nation's Assets

MISSION

Becoming A Leader In Each Of Its Work Field
Corporate Values

BACKGROUND:

- Values Are Needed In Every Community/Organisation As An Attitude Foundation
- Media Group Participation In Ungc
- These Values Embodied Into Corporate Culture And Code Of Conduct

PURPOSES:

- Differentiation Between "Das Sein" Dan "Das Sollen"
- Guidance, Lighthouse, Direction/Purpose
- Spirit And Way Of Proceeding To Every Media Group Employees

CORPORATE VALUES

TRUST

CARE

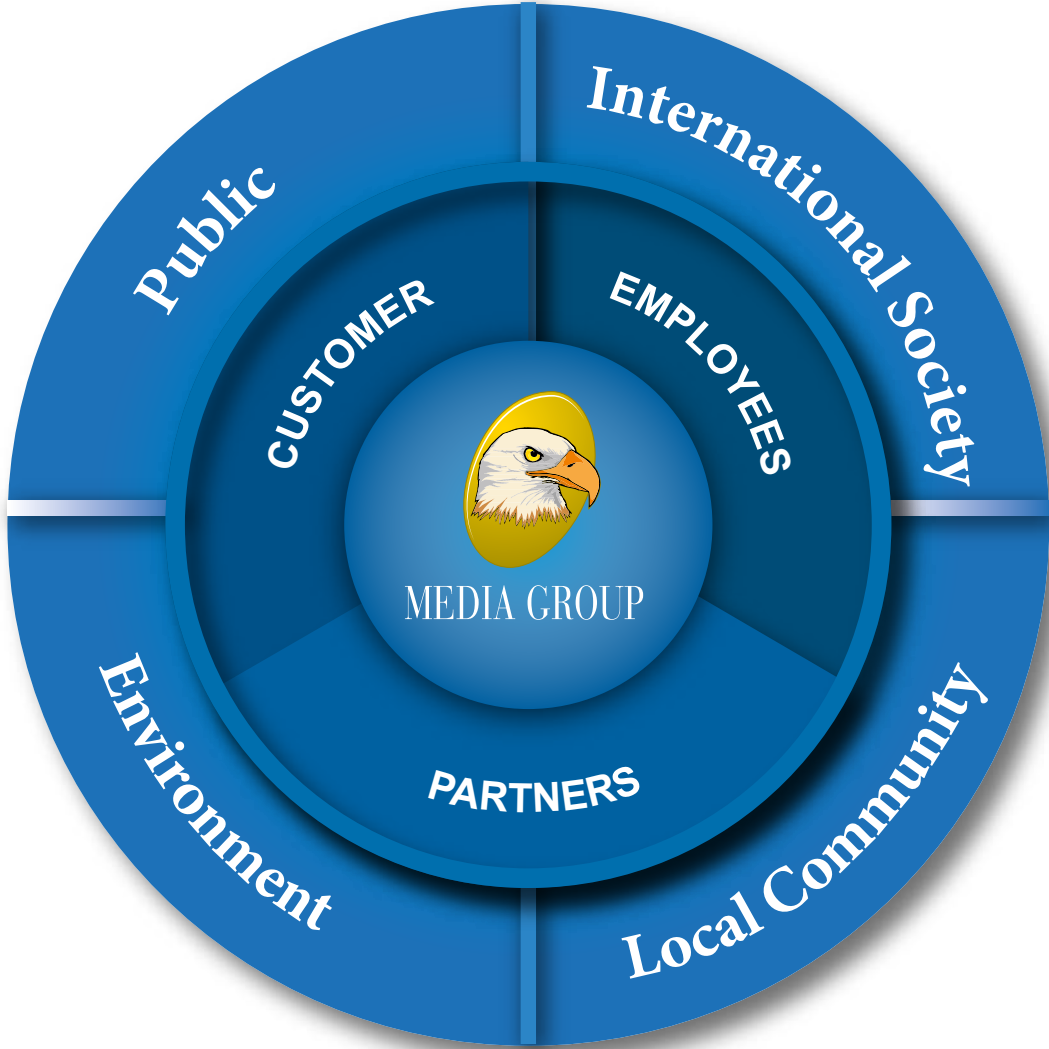
TEAMWORK

INNOVATION



MEDIA GROUP

Corporate Report
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STAKEHOLDERS



MEDIA GROUP

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BOARD OF DIRECTORS

Chairman And Ceo:
Surya Paloh



Corporate Secretary:
Rahni Lowhur Schad



Corporate Business Development:
Rerie L. Moerdijat



**Corporate Finance
& Administration:**
Anna Widjaya



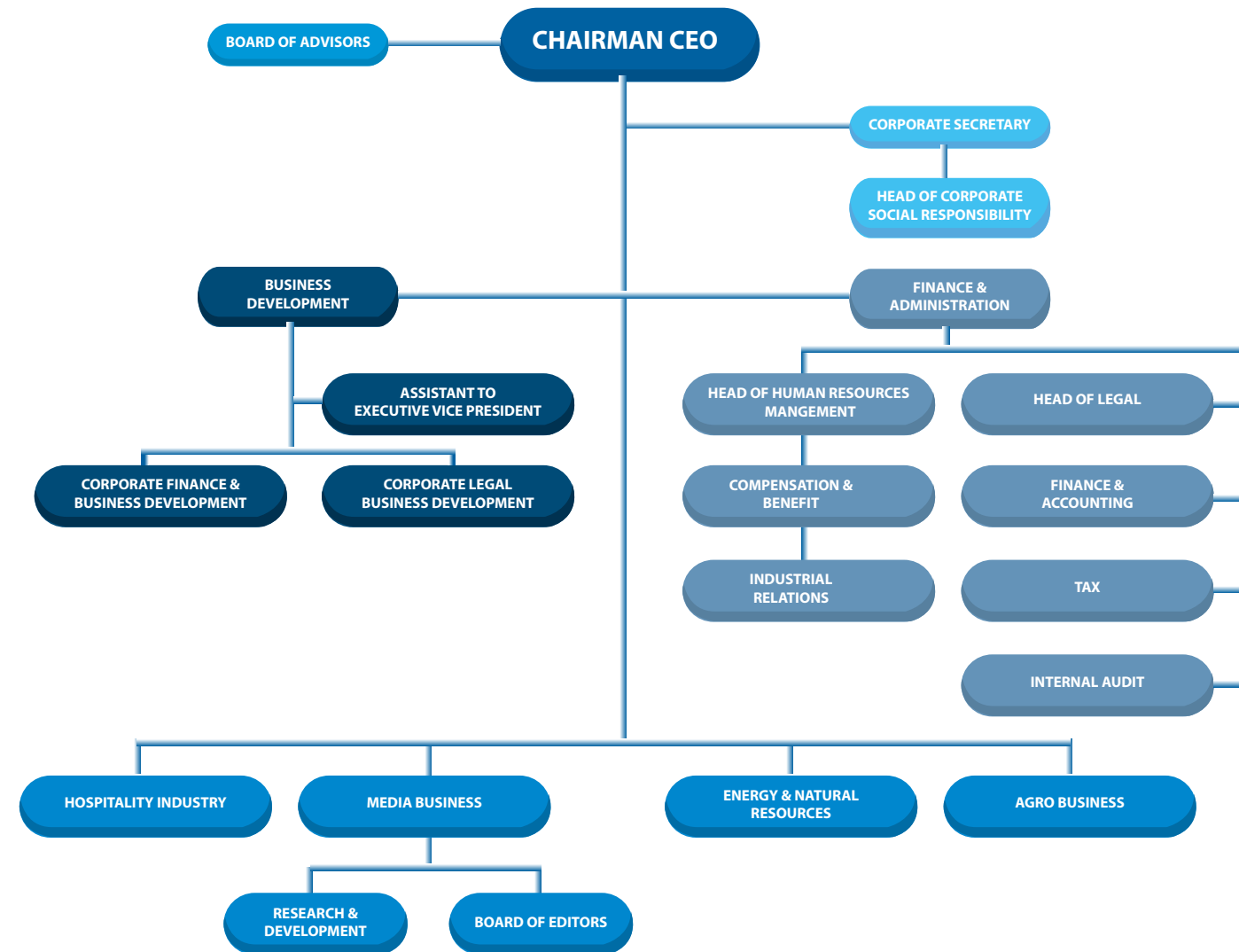
Corporate Advisors:
Djaffar Assegaf



Corporate Advisors:
Andy F. Noya



ORGANIZATION



MEDIA GROUP NETWORK



MEDIA GROUP NETWORK



Jakarta: Siloam International Hospital, Pantai Indah Kapuk Hospital, Media Permata Hijau Hospital, Puri Mandiri Hospital, IPEKA	Karawang: PT Atsumitec	West Java, East Kalimantan: Kaltim Prima coal, Chevron Indonesia Kaltim Co.	Maluku: Citic Seram, Total Indonesia E&P
West Java - Bogor: AZra Hospital	Java Sea: CNOOC SES Ltd, Pertamina Sulu Energy	Riau: Chevron Pacific Indonesia	Papua: BP Berau Ltd, Mine Serve Serui - Logari

MEDIA GROUP NETWORK



DKI Jakarta: Thamrin Hospital, Jakarta International School, Global School	Java Sea: PT Apexindo Pratama Duta,	South Kalimantan: PT Leighton Contractors Indonesia, Thiess Contractors Indonesia	South Jambi: Conoco Phillips (Grissik Ltd. & South Jambi Ltd.)
West Java - Cibitung: PT Moric Indonesia	East Java: PT Timas Suplindo (Gresik)	Riau: BOB PT bumi Siak Pusako,	Seram Island: Kalrez Petroleum (Seram) Ltd.
Karawang: Toyobesq Precision Parts Ind.	East Kalimantan: PT Medco E&P Sembakung, Arutmin, PT United Tractor Tbk., PT Inamco, Total E & P Indonesia, Schlumberger Base Camp, Schlumberger Deltabiru, Schlumberger OFS.I, PT Apexindo Pratama Duta Tbk., Thiess Contractors Indonesia	Batam: McDermott Indonesia	South Sulawesi – Soroako: PT International Nickel Indonesia Tbk.
BSD: Sinarmas World Academy School		South Sumatera: Elnusa Tri Star Ramba Ltd, PT Tambang Batu Bara Bukit Asam (Persero) Tbk.	Papua - Tembaga Pura: PT Freeport Indonesia
Cibubur: Melia Cibubur Hospital			



GOVERNANCE

OPERATION & MANAGEMENT

HUMAN RIGHTS

Media Group apply and supports, upholds and practices freedom of press, freedom of expression, freedom from fear, freedom to express religious beliefs.

A special forum is provided for all employees to express their opinions periodically at Yearly Town Hall

Meeting with all level of leader. Regular meetings are held between staff and management level for effective sharing, implementation and monitoring company strategy, objectives and goals. Weekly meetings are held between departments, divisions and directorates to ensure coordination and transparency in operations.

The provision of a prayer hall within the office area which allows employees to hold religious gatherings such as Friday 's prayer, Moslem Eid Mubarak, EidAdha etc. The same provision goes to non-Moslems' to hold their gathering anywhere within the office area for the purposes' related to the expression of their faiths such.

Our Hospitality unit also provides associate canteen to ensure employees fulfill their basic need for good and healthy food and drinks.

Media Group's Newspaper Group & News TV station objective is to provide continuous information access for the public and to act as critical watchdog of the Legislative and Executive Governments through news and current affairs programs that promote diversity of opinions, freedom of expression and ideas as well as critical thinking. Our news strives to highlight and disclose abuses and po-

tential abuses in the country in particular through our investigation and in-depth coverage and hard news or talkshows. We complies the regulations, which are renewed once every two years, to protect employees basic human rights and ascertain that they are not in anyway violated. Media Group only allows employees and associate to work within their schedule and give substitute day off if they work for additional hour.

As the Corporate Leader actively part of Indonesia Delegate in High Level Segment of the Commission on Narcotics Drugs – UNODC (United Nations Office

on Drugs and Crime), Media Group is highly concern about drug prevention at work place. Corporate regulation consist of drug prevention program that must be follow by all level of leader and employee e.g. urine test, consultation and counseling session, rehabilitation program for drug user or abuser. Corporate provide this program at all cost. During corporate anniversary, we give awards and recognition to individuals who have done much in promoting human rights and improving democracy in the country. Internally we give awards and recognition to employee of the month



Media Group doesn't employ underage individuals as stated in Indonesian employment regulation.

and employee of the year in form of care to business and care to environment.

“LABOUR ISSUE”

Our employees mainly consist of skilled professionals with university degrees. Technical knowledge, creativity and professionalism are criteria with which Media Group employ its people, while productivity and quality are criteria by which we rate their performance. We pay all employees regularly on the 28th day of each month and provide sufficient benefits e.g. yearly bonus, insurance, attendance, transportation, stipend, services, phone bills, over time, facilities etc Employment is based on mutual needs

and mutual benefits between the company and employee and all contracts freely entered by both parties. Parties, employee and management have done annual performance review to give chance to all level of company in making improvement for them and also for the business where the area for improvement was agreed. Media Group doesn't employ underage individuals as stated in Indonesian employment regulation. Media Group bases its employment policy on skills, professionalism, and technical knowledge. It does not consider based on gender, race, religion or ethnicity. Media group has many females in its manage-

ment level and taking on decision-making roles.

ANTI CORRUPTION

We strive to promote transparency and objectivity in its business conduct. The public is made known through fillers and PSA that our journalist are forbidden from accepting all forms of bribery and employee found to breach this code of conduct face severe penalties often resulting in termination of employment. Our company conducts both internal and external audits to ensure compliance with existing regulations and standard operating procedures.

SOCIAL CONTRIBUTION
COMMUNITY INVESTMENT

HIGHLIGHTS

Aceh & North Sumatera	usd16,4 millions
Yogyakarta & Central Java	usd 2,9 millions
West Java	usd 2,2 millions
West Sumatera	usd 1,2 millions

“THE FOUNDATION”

In response to the aftermath of the natural disaster triggered by the powerful earthquake and tsunami that struck Aceh and North Sumatera (December 2004), Media Group has been involved in a series of humanitarian activities under the umbrella of “Indonesia Menangis” (Indonesia Weeping). The same humanitarian activities involved when earthquake struck Yogyakarta & Central Java (2006), West Java (2009) and West Sumatera (2009). The activities of “Indonesia Menangis” are

sponsored and linked with the live broadcast and airing of the disaster via METRO TV, our news channel. Such humanitarian activities involve active participation of the public, both individuals and institutions, from Indonesia and overseas comprising donations (cash, goods and services) as well as joint programs with various parties and institutions. The humanitarian activities organized by the Media Group consist of 2 phases. The first phase is the emergency response

comprised channeling of emergency goods (food, clothing, medicine, medical goods, equipment, evacuation, tools, building materials, emergency equipment, vehicles, educational equipment, children toys etc), mobilizing and deployment of volunteers and setting up posts to track missing family members. The second phase comprise activities of educational rehabilitation focused on constructing school buildings in the disaster areas, helping in the health sector and other sectors.



EDUCATION PROJECTS UNDER SUKMA FOUNDATION ACEH PROJECTS



HIGHLIGHTS

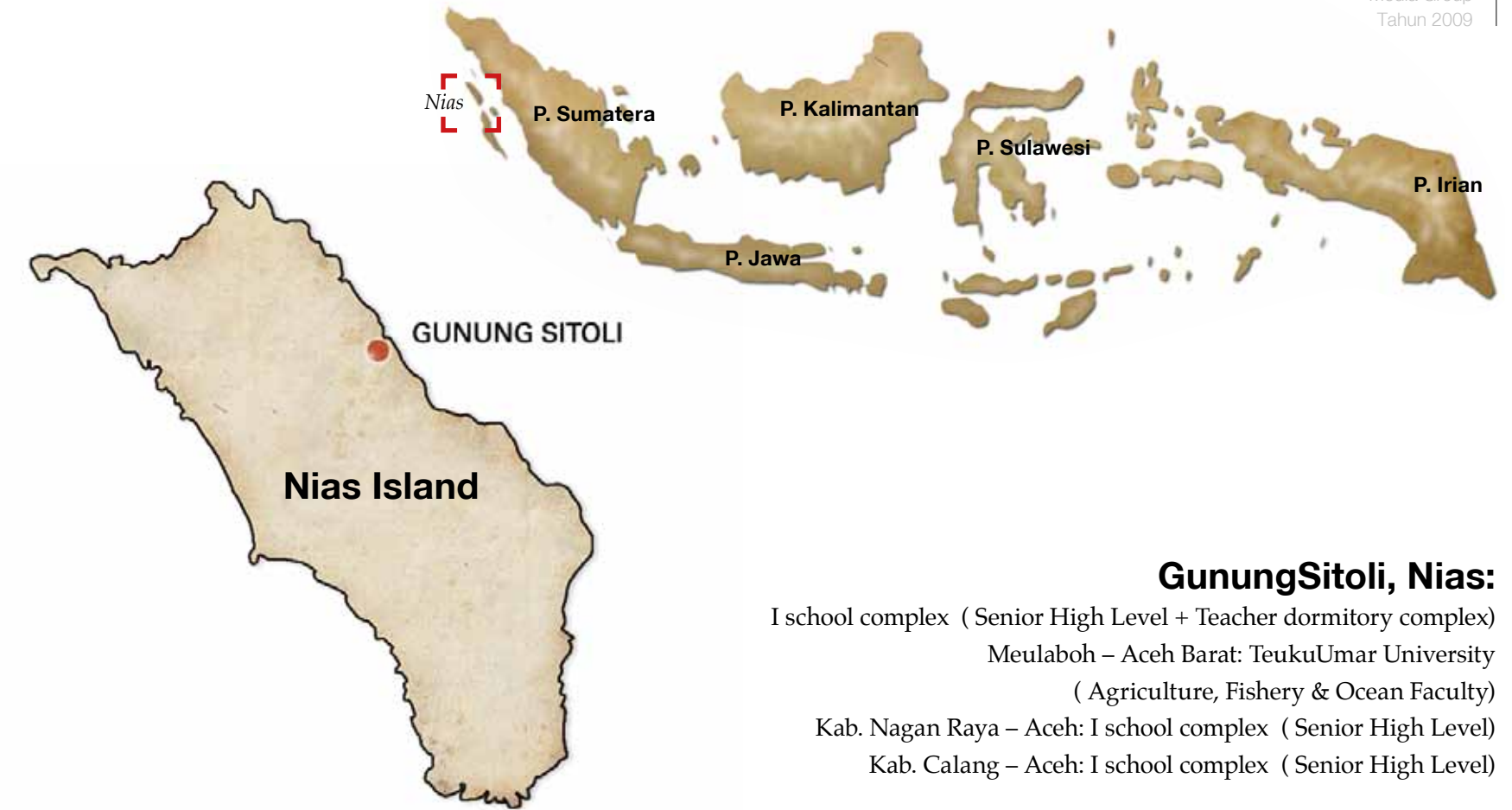
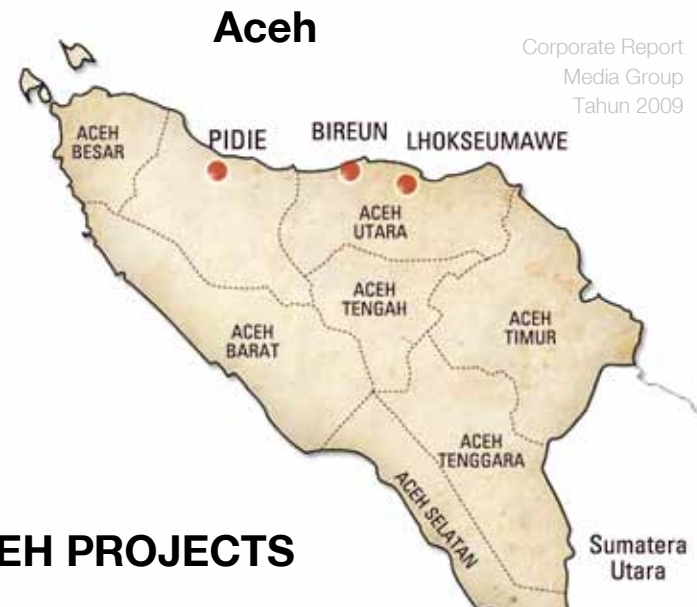
Sukma Bangsa School located in Pidie	:	Elementary, Junior, Senior Level (24 classrooms & dormitory complex)
Bireuen	:	Elementary, Junior, Senior Level (24 classrooms & dormitory complex)
Lhokseumawe	:	Elementary, Junior, Senior Level (24 classrooms & dormitory complex)

Since being founded in 2006, Sukma Bangsa School (education year 2010-2011) have been educated 360 elementary school pupils, 312 junior high pupils, 404 high school pupils. Today, the school have 96 teachers and 79 person who join supporting team.

SSB have several achievements since 2006. Some students became winners in many academic competitions, such as science and physics Olympic, astronomy, geography, economics, mathematics, English, local

language, scout, sports, art & culture, and religion.

The importance of education is our main focus on how to rebuild Aceh. Giving chance for acehnese children to study and build their future, meaning we are re-build Aceh as well. Teacher training and exchange between the schools helping teacher to understand the needs of the students, experience the challenge they face on different cases and developing qualified teachers.



GunungSitoli, Nias:

I school complex (Senior High Level + Teacher dormitory complex)
Meulaboh – Aceh Barat: TeukuUmar University
(Agriculture, Fishery & Ocean Faculty)
Kab. Nagan Raya – Aceh: I school complex (Senior High Level)
Kab. Calang – Aceh: I school complex (Senior High Level)



West Java



EDUCATION PROJECTS BUILD BY MEDIA GROUP FOUNDATION

West Java:

Kab. Tasikmalaya: 2 schools complex (Elementary level)
Kab. Ciamis: 2 schools complex (Elementary level)
Kab. Garut: 2 schools complex (Elementary & Senior High Level)
Kab. Cianjur: 2 schools complex (Elementary & Junior Level)
Kab. Bandung: 3 schools complex (Elementary level)

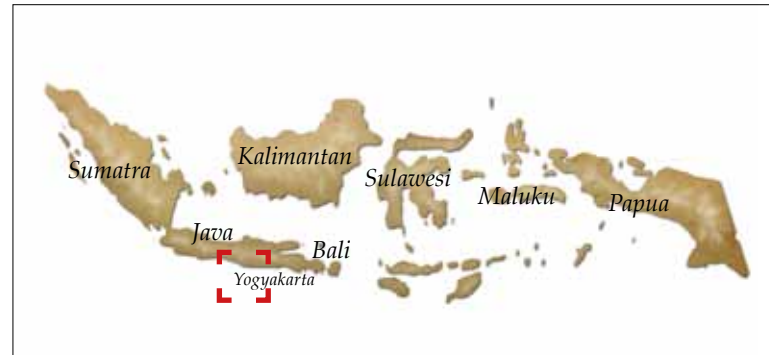
West Sumatera



West Sumatera:

Kab. Agam: 2 schools complex (Elementary & Junior Level)
Kab. Padang Pariaman: 10 schools complex
(Elementary & Junior High, Senior High Level)
Kota Pariaman: 2 schools complex (Elementary level)
Kota Padang: 1 schools complex (Junior Level)
Kab. Pesisir Selatan: 3 schools complex
(Elementary, Junior and Senior Level)





Yogyakarta & Central Java :

16 units ambulance for State Hospitals

21 Health clinics

Klaten, Sleman, Wonosari (Gunungkidul),

Wates (Kulonprogo), Yogyakarta, Bantul,





HUMANITARIAN ACTIVITIES

Media Group involve in a role to help health issues to our community across Indonesia. It is adversely impact life of the community. These goals can be achieve through action link to our business unit social activities.

A. Prosthesis Movement

Initiate by Kick Andy Foundation (www.kickandy.com) in 2008 and Ministry of Technology supported by financial contributors (donators) as much as more than 1000 prosthetic leg has been given to our communities across Indonesia. Today we have more donators to contribute in making leg prosthesis in order to build the confidence of handicapped.

“What we build
is their soul, so
that their physical
bodies can work
for this nation.”

Andy F Noya – Kick Andy Foundation





B. Satu Hati Cerdaskan Bangsa

Initiate by Pocari Sweat, Media Group and Kick Andy Foundation in 2008, this program is concentrating on building libraries and books distribution across the country including remote location in Papua , Kalimantan and Sumatera. Until today as much as ..books has been distributed and ... libraries has been build.

C. BaktiSosial

Cataract Operation – Seram Island, Maluku
In cooperation with Eye Doctor Specialist Union in West Java, Cicendo Eye Hospital in Bandung, Faculty of Medicine Padjadjaran University, and Christoffel Blind Mission Germany, Media Group conducted cataract operation for 103 patient in several remote areas in Seram Island, Maluku.



D. Break Fasting with Orphans

Media Group annual activity is break fasting with orphans. In 2009, around 1.200 orphans received aid fund. They also break fasting, which is a traditional Moslem religious ritual, along with Media Group employees. This based upon spirit of giving through inspiring activities.



“Building empathy and growing the spirit of giving to the lesser and to the unfortunate ones.”

Adjie S SoeraAtmadjje – Metro TV.



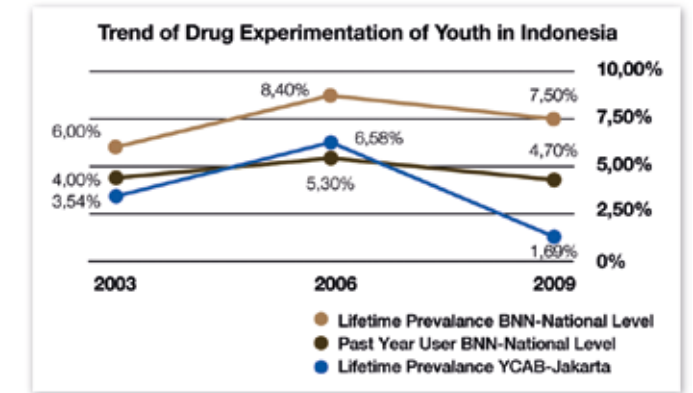
E. Drug Prevention Program



GUE MAU HIDUP

(Read: I want to live)

In cooperation with BNN (National Narcotics Board of Indonesia) and YCAB, Media Indonesia Daily conducted a series of Road Show entitled “Gue Mau Hidup” (“I Want To Live”) since 2007 in schools from junior high to high schools in cities, such Bogor, Bandung, Jakarta, Bekasi.



This Road Show is an event which specially designed to form direct campaign to schools. In it there are interactive counseling, Anti-Drug Ambassador Competition, and entertainment in form of music and games. The final event of this road show conducted exactly on International Day against Drug Abuse and Illicit Trafficking.

Fact	: 3.1 to 3.6 million people exposed to drug abuse. (BNN 2008)
Goal	: “Educating students to recognize drugs and be able to reject drug abuse as early as possible.”
Program	: Road show to schools from junior high level to high school.



F. THE LIFE AWARDS

In 2008 Media Group and The Regional Representative of UNODC for East Asia and the Pacific Office, BNN dan YCAB launched the first UNODC-YCAB Life Award – Journalism Recognition Award for the Prevention of Drug Abuse in Indonesia.

“Aimed at giving appreciation to the best-published works by journalists. The Life Awards competition is dedicated to the recognition of reporting that focus on the prevention of drugs abuse.” -www.thelifeawards.org

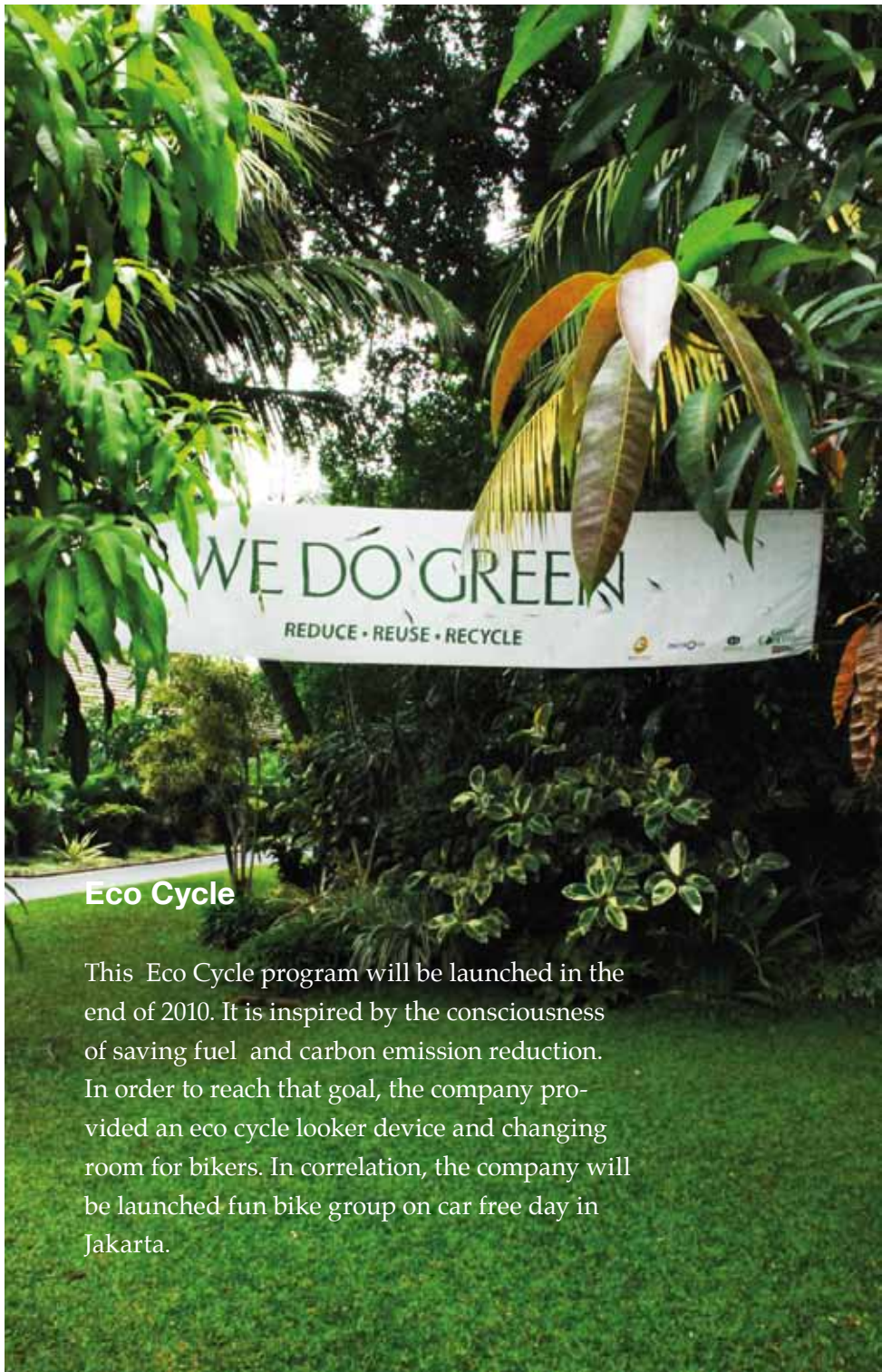
In 2011 Media Group, UNODC office (Vienna), BNN, YCAB and Masima Group will launched the second UNODC-YCAB Life Award – Journalism Recognition Award for the Prevention of Drug Abuse in Indonesia and Asia Pacific. The Award night would be in conjunction with the commemoration of the International Day against Drug Abuse and Illicit Trafficking.





G. KAMPUNG BERSIH NARKOBA

BNN and BNP DKI Jakarta Province along with Media Indonesia Daily organized “Festival Kampung Kite Bersih Narkoba” (Our Village Free From Drugs) in October 2009 until December 2009. Involving 2.671 district in all five Jakarta region and Thousand Islands, this event theme is “Stepping Into Free Drugs Indonesia in the year 2015” . Activities on this event are public sports, religious rituals, and volunteer work. There are also public space design and utilization competition which using anti-drugs ornaments.



ENVIRONMENT & CLIMATE CHANGE

PROTECTING THE ENVIRONMENT

We realize that in previous years there are natural disasters and nature phenomena which changing into negative trend. Floods, typhoons, landslides, and huge rainfall are among others. These are nature signs which indicates disastrous process lead into destruction. It has direct

connection with global issue: climate change and global warming.

Green Concern Unit Media Indonesia

Green Office Policy Unit Media Indonesia Strategy & Management
Green Office Policy has been formally in place since 2007. The Green Committee review and revised the strategy to achieve a

step change in company performance. The Strategy involves our business operational and aligns with our business goals.

Action plan were built around 2 steps :

1. Operational impacts – minimizing our use of resources, focusing on energy consumption in buildings, paper usage. Since 2007 we aim in decrease paper consumption to 1.250 kg or 35%. The reduction of

energy use in our buildings by 9% each year. To prohibit the use of Styrofoam in any kind of activities is one of our commitment.

2. Employee workshop: To ensure Media Indonesia employees aware of this climate change issue, the company have conducted a series of training and workshop which is a part of MDGs campaign and Media Group's Green Concern. All Media Indonesia's employees had discern climate change issue from Al Gore's An Inconvenient Truth. The company wish that his remarkable presentation can grow empathy and changing Media Indonesia's employees behavior to save the environment.

Eco Cycle

This Eco Cycle program will be launched in the end of 2010. It is inspired by the consciousness of saving fuel and carbon emission reduction. In order to reach that goal, the company provided an eco cycle lookout device and changing room for bikers. In correlation, the company will be launched fun bike group on car free day in Jakarta.



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