

Investor Newsletter

Share Performance



Mar 10 Apr 10 May 10 Jun 10 Jul 10 Aug 10 Sep 10 Oct 10 Nov 10 Dec 10 Jan 11 Feb 11 Mar 11

Credit Ratings

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

Shareholding Composition

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

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Highlights of 1Q 2011 Results

- New financing volume rose 47% to Rp7.1 trillion
- Managed receivables increased 60% to Rp32.7 trillion
- Operating income grew 30% to Rp976 billion
- NPAT rose 17% to Rp388 billion
- NIM stood at 8.1%
- ROAA and ROAE were 19.4% and 38.9%, respectively

Financial Highlight

In Rp billion, unless otherwise stated

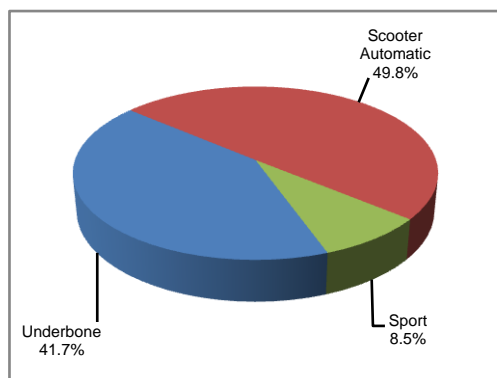
| Balance Sheets | FY 2010 | 1Q 2011 | Δ% |
|---|---------|---------|---------|
| Managed receivables ¹ | 30,656 | 32,687 | 6.6% |
| Consumer financing receivables ² | 6,544 | 6,807 | 4.0% |
| Total assets | 7,600 | 9,177 | 20.7% |
| Borrowings and bonds | 2,585 | 3,811 | 47.4% |
| Total liabilities | 3,805 | 4,994 | 31.3% |
| Total equity | 3,795 | 4,182 | 10.2% |
| Income Statements | 1Q 2010 | 1Q 2011 | Δ% |
| Net interest income | 488 | 602 | 23.4% |
| Operating income | 749 | 976 | 30.3% |
| Operating expense | 308 | 429 | 39.5% |
| Cost of credit | (4) | 19 | -626.8% |
| Income before tax | 445 | 517 | 16.3% |
| Net income | 333 | 388 | 16.5% |
| Key Ratios (%) | 1Q 2010 | 1Q 2011 | Δ% |
| Net interest margin | 10.0% | 8.1% | -1.9% |
| Net profit margin | 40.7% | 34.5% | -6.2% |
| Cost to income | 41.1% | 44.0% | 2.9% |
| Return on average assets | 29.2% | 19.4% | -9.8% |
| Return on average equity | 47.2% | 38.9% | -8.3% |
| Debt to equity | 29.4% | 91.1% | 61.7% |
| New Financing | 1Q 2010 | 1Q 2011 | Δ% |
| New financing units | 328,714 | 442,673 | 34.7% |
| New financing volume | 4,825 | 7,069 | 46.5% |

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

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

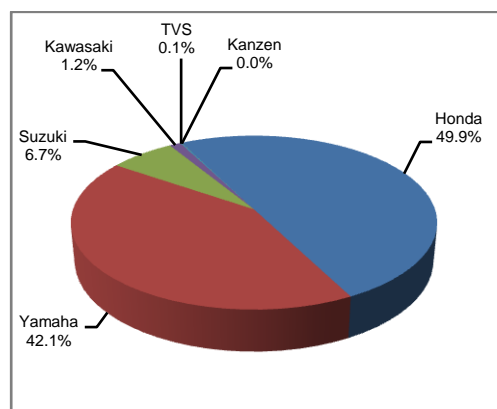
Motorcycle Sales by Types

1Q 2011, % of total



Motorcycle Sales by Brands

1Q 2011, % of total



Indonesian Automotive Market Update

Indonesia automotive industry still performed well in the first quarter of 2011 as a continuation of 2010 significant growth. In the first quarter 2011, the domestic sales of new motorcycles and cars sales increased 21% and 29%, respectively, from the same quarter last year. The high economy growth, high consumer confidence, stable and low interest rates have supported a robust growth in the domestic sales of motorcycles and cars. Low interest rates and increased availability of credit improved the attractiveness of credit financing for customers, thus supporting the credit sales for motorcycles and cars.

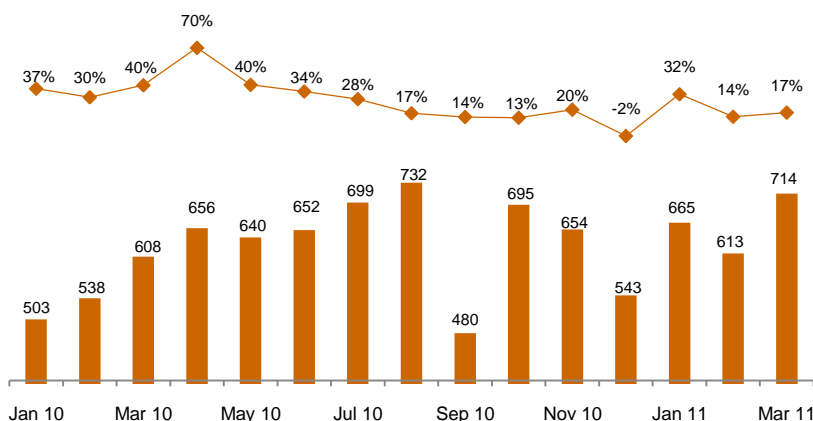
Domestic new motorcycle sales

The domestic sales of new motorcycle reached close to 2 million units in the first quarter 2011, representing a 21% growth from the same period last year sales of 1.6 million units. In term of types, the scooter automatic surpassed an underbone model as the best selling product, accounting for almost a half of sales this quarter. While an underbone model settled at the second place with the market share of 42%. The remaining 8.5% sales came from sport models.

Honda and Yamaha continue their dominance in motorcycle market with a combined market share of 92% in the first quarter 2011. Honda sold over 900 thousand units of new motorcycles this quarter, controlling a market share of 50%. While Yamaha steadily closed its market share gap with Honda with a total sales of 800 thousand units, accounting for a market share of 42%. Suzuki remained as the third largest player in the industry with 7% market share.

National New Motorcycles Sales

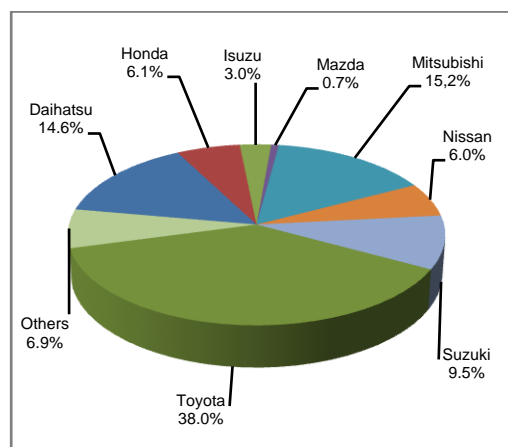
In thousand units, except for %



Source: Indonesian Motorcycles Industry Association (AISI)

Car Sales by Brands

1Q 2011, % of total



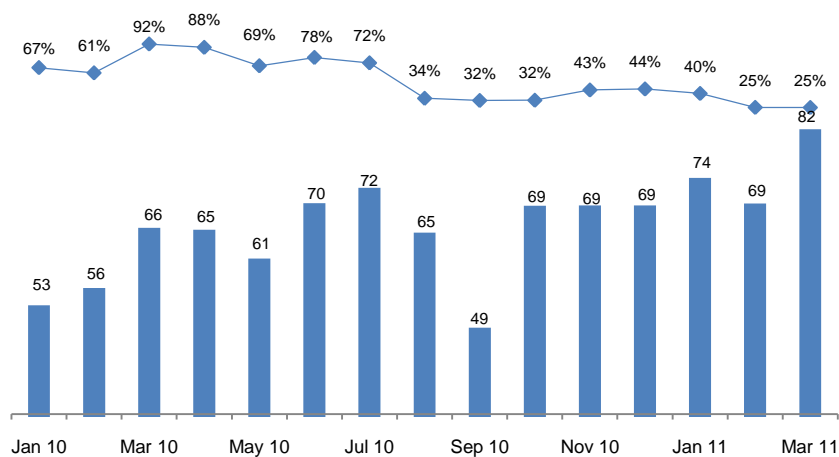
Domestic new car sales

The domestic sales of new car also remained strong with 225 thousand units sales in the first quarter 2011. Compared to the previous year sales of 174 thousand units, new car sales jump up 29%.

Toyota maintained its position as the market leader with 38% market share this quarter. While Mitsubishi came back as the second largest player with 15% market share. Other big players are Daihatsu 14.6%, Suzuki 9.5% as well as Honda 6.1% and Nissan 6.0%.

National New Cars Sales

In thousand units, except for %

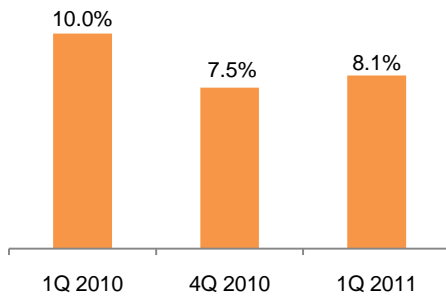


Source: Association of Indonesian Automotive Industries (GAIKINDO)

Both Indonesian Motorcycles Industry Association (AISI) and Association of Indonesian Automotive Industries (GAIKINDO) remained positive on their sales targets for 2011. AISI forecasted that new motorcycles sales in 2011 could reach 8.3 million units, representing a growth of 12% from last year sales of 7.4 million units. While GAIKINDO project a domestic car sales to be in the range of 780,000-800,000 units.

Net Interest Margin (NIM)

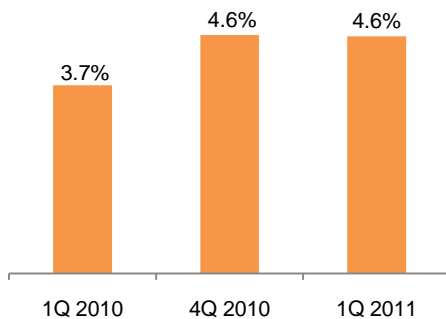
% of average managed receivables



Note: Adira Finance have applied new accounting standards starting 2010, which resulted in lower net interest margin.

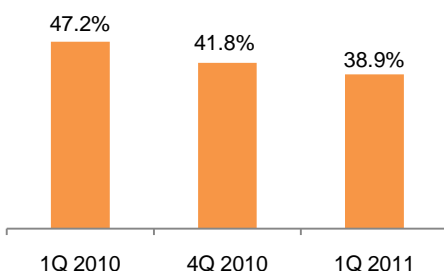
Consolidated Cost of Credit

% of average managed receivables



ROAE

% annualized



Income Statements

Net interest income was Rp602 billion in the first quarter 2011 as compared to Rp488 billion in the same quarter last year on the back of the growing new financing. New financing increased 47% to Rp7.1 trillion in the first quarter of 2011 from the same period last year of Rp4.8 trillion. As such, managed receivables rose 60% to Rp32.7 trillion at the end of March 2011 from Rp 20.5 trillion a year earlier.

Net interest margin stood at 8.1% this quarter as compared to 10.0% in the first quarter last year in part due to lower lending rates on the back of low interest rate environment. In addition, car financing with lower lending rates grew faster than motorcycle financing. As a result, car financing portfolio accounted for 34% of our managed receivables in March 2011 as compared to 28% a year ago. At the same time, our fee income rose to Rp374 billion in the first quarter of 2011 from Rp261 billion in the same quarter last year in line with the growth of our new financing. Fee income contributed 38% of our operating income this quarter.

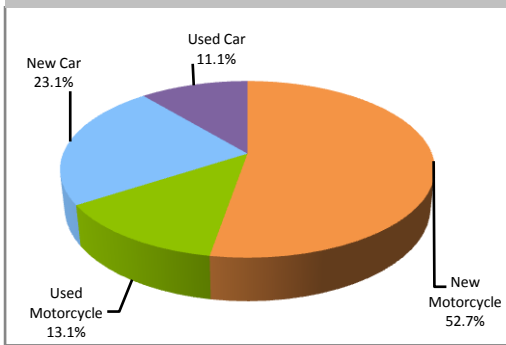
Overall, our operating income rose 30% to Rp976 billion from Rp749 billion in the first quarter last year driven by strong growth in our financing receivables.

Operating expenses were Rp429 billion, an increase of 40% from Rp308 billion in the same period last year mainly due to business networks expansion. We continue expanding our business networks as part of our business strategy to strengthen our market presence in the country as well as to improve our services to customers and dealers. In the first quarter 2011, our networks expanded 6% to 581 networks (including branches, representative offices (RO), points of service (POS), kiosks and dealer outlets). To support our growing network and customer base, we added 8,343 employees during the year. As such, our employees reached 25,850 employees in March 2011. Despite of this expansion, we managed our cost to income ratio at 44% as compared to 41% in the same period last year.

We booked a cost of credit of Rp19 billion in the first quarter 2011 as opposed to an income of Rp4 billion in the same period last year due to use of new method to estimate required loss allowance as part of the implementation of new accounting policy. However, our consolidated cost of credit, which include receivables under joint financing scheme with the parent company, stood at 4.6% of average receivables in the first quarter 2011 from 3.7% in the same period last year.

Taken all together, **Adira Finance recorded a Net Profit after Tax of Rp388 billion in the first quarter 2011, an increase of 17% from Rp333 billion in the same period last year.** Hence ROAA and ROAE stood at 19.4% and 38.9%, respectively, as compared to 29.2% and 47.2% in the same period last year.

Outstanding Managed Receivables
% of total, as at 31 March 2011



Balance Sheets

Our businesses, both motorcycle and car financing, continue to post a strong growth in the first quarter 2011 supported by a robust growth in domestic automotive sales as well as market share gain. New financing volume amounted to Rp7.1 trillion, with motorcycle financing remains as the major contributor of the financing growth reaching Rp4,403 billion, representing 62% of new financing. Furthermore, car financing also grew strongly at 71% to Rp2,666 billion and accounted for the remaining 38% of new financing.

In term of unit, we financed over 443 thousand units of motorcycles and cars in the first quarter 2011, representing an increase of 35% compared to 329 thousand units in the same period last year. Car financing units increased 47% to over 21 thousand units this quarter. As such, **our market share in new car financing rose significantly to 5.3% from 4.1% in the same period last year.** Aside from a strong growth in new car sales, our efforts in building public awareness that Adira Finance also offers car financing continue to show encouraging results. Meanwhile, our motorcycle financing business also showed a respectable growth during the period. **Total financing unit of motorcycle rose 34% to 421 thousand units in the first quarter 2011.** Hence, Adira Finance's market share in new motorcycle financing increased to 13.9% from 13.4% in the same quarter last year. Moreover, about 48% of our new financing was originated from Java areas and the remaining 52% come from outside Java areas.

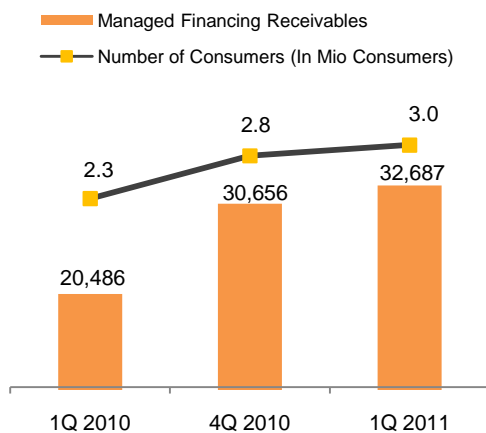
Our net receivables, excluding receivables managed under joint financing scheme, increased 4% to Rp6,807 billion in March 2011 from Rp6,544 billion at the end of 2010. In addition, Total Assets expanded 21% to Rp9,177 billion as of March 2011 from Rp7,600 billion at the end of 2010.

We continue to apply prudent lending practices to maintain asset quality as one of the key success factors in consumer financing business. The quality of our managed financing receivables (including joint financing receivables) remained in check as shown by manageable non-performing loan (NPL) ratio. Our NPL ratio stood at 1.3% of managed receivables as of March 2011 as compared to 1.2% at the end of 2010.

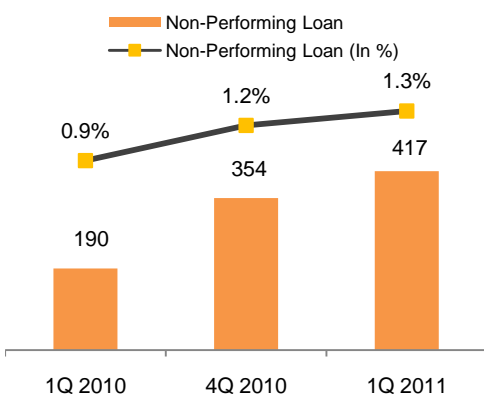
On the funding side, our interest-bearing liabilities increased 47% to Rp3,811 billion as compared to Rp2,585 billion at the end of 2010. To support the business growth as well as to diversify our funding, we undertake a number of funding initiatives, including bond issuance, borrowing and other funding initiatives. During the first three months of 2011, we managed to obtain some borrowing facilities from banks. As such, our outstanding borrowings increased to Rp1,275 billion as of March 2011 from Rp50 billion at the end of 2010.

Total equity increased 10% to Rp4,182 billion as of March 2011 from Rp3,795 billion at the end of 2010 due to an increase in retained earnings. Hence, our debt to equity ratio stood at a low 91% in March 2011, providing ample room for growth in the future.

Managed Financing Receivables
In Rp billion



Consolidated Non-Performing Loan
In Rp billion



Corporate Updates

■ Issuance of Adira Finance Bonds V With Fixed Coupon Rate

Adira Finance is in the process to issue its fifth bonds, which is expected to be completed at the end of May 2011 as part of an effort of funding diversification. The bonds was rated idAA+ (Double A plus; stable outlook) by PEFINDO. We have appointed PT DBS Vickers Securities Indonesia, PT Indo Premier Securities, PT Mandiri Sekuritas and PT Standard Chartered Securities Indonesia as the underwriters for the bonds issuance.

The Company held a public expose in conjunction with the public offering of the bonds on 21 April 2011 in the Ritz-Carlton Hotel, Jakarta.

Further details of the bonds issuance plan are as follows:

| Serial | Tenor | Coupon Range |
|----------|-----------|--------------|
| Serial A | 370 days | 7.30%-7.80% |
| Serial B | 24 months | 8.00%-8.70% |
| Serial C | 36 months | 8.75%-9.50% |
| Serial D | 48 months | 8.90%-9.90% |

■ 2011 Annual General Meeting of Shareholders

On 28 April 2011, the Company held its Annual General Meeting of Shareholders (AGMS) and Public Expose in Jakarta. The AGMS has approved among others:

• Appropriation of 2010 Net Income

The Company proposed the appropriation of the Company's 2010 Net Profit during the AGMS dated 28 April 2011 to be as follows:

| Description | % NPAT | Rp billion |
|---|-------------|------------------|
| 2010 Net Income | 100% | 1,467,906 |
| Appropriation of 2010 Net Income | | |
| General Reserves | 1% | 14,679 |
| Dividend Distribution | 65% | 954,140 |
| Retained Earnings | 34% | 499,087 |
| Total | 100% | 1,467,906 |

• Payment of Dividend

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

• Changes in the Composition of Boards of Commissioners and Directors

AGMS also approved the resignation of Theodore Permadi Rachmat from his current position as the Company's President Commissioner and Erida Gunawan from her position as the Company's Director.

At the same time, the shareholders also approved the appointment of Mr. Ho Hon Cheong as the President Commissioner and Pande Radja Silalahi as the Company's Commissioner concurrently as Independent Commissioner. The resignations and appointment became effective since the adjournment of the 2011 AGMS.

Hence, the new composition of the Company's management is as follows:

Board of Commissioners

| | | |
|---|---|-------------------------|
| President Commissioner | : | Ho Hon Cheong |
| Commissioner / Independent Commissioner | : | Djoko Sudyatmiko |
| Commissioner / Independent Commissioner | : | Eng Heng Nee Philip |
| Commissioner / Independent Commissioner | : | Pande Radja Silalahi *) |
| Commissioner | : | Muliadi Rahardja |
| Commissioner | : | Vera Eve Lim |
| Commissioner | : | Rajeev Kakar |

Board of Directors

| | | |
|--------------------|---|-----------------------|
| President Director | : | Stanley Setia Atmadja |
| Director | : | Marwoto Soebiakno |
| Director | : | Hafid Hadeli |
| Director | : | Ho Lioeng Min |
| Director | : | I Dewa Made Susila |

**) Pande Radja Silalahi will be effective as a Commissioner, concurrently as Independent Commissioner after passing the fit and proper test, which is organized by Bapepam dan LK.*

PT ADIRA DINAMIKA MULTI FINANCE Tbk
BALANCE SHEETS
31 DECEMBER 2010 (AUDITED) AND 31 MARCH 2011

(Expressed in millions of Rupiah, unless otherwise stated)

| Description | 31 December 2010 | 31 March 2011 |
|--|------------------|------------------|
| ASSETS | | |
| Cash and cash equivalents | | |
| Cash on hand | 40,692 | 56,091 |
| Cash in banks and cash equivalents | | |
| Third parties | 228,766 | 225,422 |
| Related party | 349,071 | 1,538,423 |
| Consumer financing receivables - net | | |
| Third parties | 6,543,673 | 6,807,270 |
| Related party | 153 | 224 |
| Prepaid expenses | 135,744 | 148,285 |
| Other receivables - net | | |
| Third parties | 29,826 | 49,638 |
| Related parties | 1,574 | 1,131 |
| Investment in shares, related party | 650 | 650 |
| Fixed assets - net book value | 191,360 | 201,866 |
| Intangible assets | 34,843 | 31,577 |
| Other assets - net | 43,263 | 115,945 |
| TOTAL ASSETS | 7,599,615 | 9,176,522 |
| LIABILITIES | | |
| Borrowings | 50,000 | 1,275,000 |
| Accrued expenses | | |
| Third parties | 614,391 | 541,062 |
| Related party | 3,895 | 3,880 |
| Bonds payable - net | | |
| Third parties | 2,314,232 | 2,315,247 |
| Related party | 221,000 | 221,000 |
| Other payables | | |
| Third parties | 153,929 | 163,835 |
| Related parties | 91,128 | 98,437 |
| Taxes payable | 53,479 | 27,862 |
| Deferred tax liabilities - net | 302,802 | 347,796 |
| TOTAL LIABILITIES | 3,804,856 | 4,994,119 |
| EQUITY | | |
| Share capital - par value Rp 100 (full amount) per share | | |
| Authorized capital 4,000,000,000 shares | | |
| Issued and fully paid 1,000,000,000 shares | 100,000 | 100,000 |
| Retained earnings | | |
| Appropriated | 44,934 | 44,934 |
| Unappropriated | 3,649,825 | 4,037,469 |
| TOTAL EQUITY | 3,794,759 | 4,182,403 |
| TOTAL LIABILITIES AND EQUITY | 7,599,615 | 9,176,522 |

PT ADIRA DINAMIKA MULTI FINANCE Tbk
STATEMENTS OF INCOME
FOR THREE-MONTH PERIODS ENDED 31 MARCH 2010 AND 2011
(Expressed in millions of Rupiah, unless otherwise stated)

| Description | 31 March 2010 | 31 March 2011 |
|--|------------------|------------------|
| INCOME | | |
| Consumer financing | 517,954 | 666,760 |
| Others | 323,310 | 474,739 |
| TOTAL INCOME | 841,264 | 1,141,499 |
| EXPENSES | | |
| Salaries and benefits | (211,970) | (293,067) |
| General and administrative | (95,535) | (136,023) |
| Interest expense and financing charges | (30,076) | (66,452) |
| Allowance for impairment losses on consumer financing receivables | (26,827) | (51,239) |
| Marketing | (25,672) | (48,399) |
| Others | (6,662) | (29,369) |
| TOTAL EXPENSES | (396,742) | (624,549) |
| INCOME BEFORE INCOME TAX | 444,522 | 516,950 |
| INCOME TAX EXPENSE | (111,811) | (129,306) |
| NET INCOME | 332,711 | 387,644 |
| EARNINGS PER SHARE - BASIC (expressed in full amount of Rupiah) | 333 | 388 |

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