

 **Ramayana**
PT RAMAYANA LESTARI SENTOSA Tbk



ENDURING VALUES

ANNUAL REPORT 2013

In a time of challenge and change
we forge ahead, meeting all obstacles,
keeping the faith and faithfully
delivering the value.



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The Company's Overview

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One of the most prominent department stores in Indonesia, positioned to cater to the lower- to lower-middle market, Ramayana has grown and prospered with the increased disposable income of average Indonesians, numbering in the tens of millions. First established as a modest effort in 1978, today Ramayana stands as a market leader in its retail segment.

The Company's main business is the sale of garments and accessories for men, women & children, along with accessories and other fashion goods, shoes, toys, household items, stationery and foodstuffs, through Ramayana Supermarket.

Ramayana continues to provide working-class Indonesians living on islands across the archipelago with the most modern trends and styles, at reasonable prices.

Ramayana champions a triune of **QUALITY-SERVICE-VALUE**, and attributes its continued success and steady expansion in the past four decades to its appeal.

Customers demand **QUALITY**. Ramayana delivers quality merchandise, stylishly-designed, in line with contemporary trends.

Ramayana presents the merchandise with superior **SERVICE**. The customer must always feel like an

honored guest, and should be comfortable when shopping. Intense competition is keyed to **VALUE** – one of our Company's core values. With inflation looming and disposable income shrinking, consumers are price-conscious as they never were before. They know prices and they know whether they can afford to buy. Our success in repeat business comes from the value-for-money of our garments and other items.

In a changing world, Ramayana strives to grow profit margins, facing changing demographics and higher prices for basic daily items, affecting the purchasing power of its target markets of middle-low and low- income Indonesians.

In the continuing quest to follow trends and exploit opportunities ahead of real or potential competition, new retail outlets are opened in promising areas, and poor performers are shut down in others.

Ramayana strives to stay sensitive to economic, social and market conditions. In the quest to contribute to social development, providing employment, paying taxes, working as a Good Corporate Citizen and facilitating quality goods for average Indonesians everywhere, the Company grows and develops, along with Indonesia.

VISION

As a retail chain company committed to serving daily needs of the low-to-middle income segment, we vow to offer a wide range of value-for-money products, with friendly, attentive customer service.

MISION

We shall maintain our place as Indonesia's leading retailer, through market expansion, intelligent cost control, upgraded customer service, developed human resources and sustained beneficial relationships with business partners: all in support of maximizing shareholder value.



History

- 1978** The first store established in Jalan Sabang.
- 1985** The first store outside of Jakarta, is located in Bandung, West Java, selling accessories, shoes, and bags.
- 1989** Expanding line of toys, stationery and household appliances, with a total of 13 stores and 2,500 employees.
- 1994** Grown to 35 stores as a shopping destination store; one stop shopping.
- 1996** Becoming a public listed company as PT Ramayana Lestari Sentosa Tbk, with total stores up to 45 stores.
- 1997** The first store was established outside of Java, which is in Bali.
- 1999** The first store was established in Sumatera, which is in Bandar Lampung.
- 2000** The first store was established in Kalimantan, which is in Banjarmasin.
- 2002** The first store was established in Sulawesi, which is in Ujung Pandang.
- 2005** Expanding the capacity with electronic products and fast food restaurant.
- 2010** The first store was established in Papua.
- 2013** The first store was established in Maluku, which is in Ambon



RAMAYANA

IN 2013

2013 was above all a year full of surprises and challenges. Over the years, after enjoying steady success, Ramayana has experienced a steady growth and reliable patronage; in today's unstable economy, where consumers face inflation, unemployment and other such issues, it is not so easy matter to predict the behavior and potential of consumers.

The fact is, from January 2013 sales did not at all develop as predicted by the Company's management; our business always reflected the economic indicator over recent years.

It might be predicted that the 'Year of the Snake' (according to the traditional Chinese calendar), would be a watchful and difficult one. The fact is that the average Indonesian consumer has maintained a spirit of hope and optimism which is not common in many other countries, afflicted by lingering economic weakness, these days.

Long experience and intense study of market trends and economics was insufficient to reveal the effect of how the ongoing global economic slowdown would affect our target market, while overall consumer psychology was still apparently optimistic and bold.

Indonesia's Capital Region was still giving a positive growth approximately about 6.7% for the same store growth (SSG) in 2013 which caused by steady job creation along with an increase in the minimum wage, suppression of inflation and FDI that steadily entering

the Indonesian economy, all this working to augment disposable income of average Jabodetabek consumers. However, that is not the case for stores located on the outer islands which experienced a sales decrement about 1.5% for the same store growth in 2013 due to an economy weakening in those areas which depend heavily on the commodity condition.

Remittances from overseas workers continued to cycle back to Ramayana during the year, especially in Java, where millions TKI, or overseas Indonesian workers, send some tens of billion dollar a year to their families. This enabling sales growth in Java experienced an increment in 2013.

The precipitous decline in demand for commodities had a sharp negative effect on sales in the outer islands of Indonesia, particularly Sumatra and Kalimantan, where the economy is still very depended on the commodity products.

Thus, in summary, we may conclude that 2013 was a year of full challenges for Ramayana.



Financial Highlight 2013

Several economy sectors have weakened in 2013 resulting slowdown in sales volume across the archipelago. In spite of this weakened economy, we have managed to stay in the black. To our relief, the end of 2013 already looks to be a year of recovery for sales and profits.

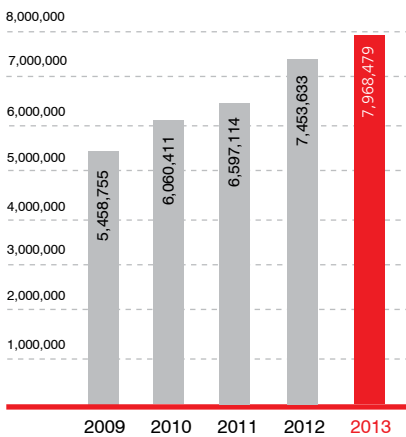
We are naturally grateful for remarkable political, social and economic stability which manifested throughout 2013, an environment which allowed business to operate with confidence and continuity. In dealing with negative influences both domestically and internationally, Bank Indonesia stepped in, time and again, curbing inflation and dampening Rupiah depreciation with benchmark interest rate (BI Rate) corrections.

While there seems to be no end to the economic troubles in the EU and the USA, the growing mass of middle-class Indonesian consumers keeps consuming, and with 2013 GDP growth registered at 5.7%, inflation controlled and a certain amount of disposable income still sufficient to afford our merchandise, both the nation and Ramayana are in good shape. Over the long term, both energy and commodity sectors are bound to pick up.

As ever, the fundamental financial position of our Company is robust, with major cash reserves, and no debt. As we grow, our Company will maintain a prudent stance and improve its performance in the future.

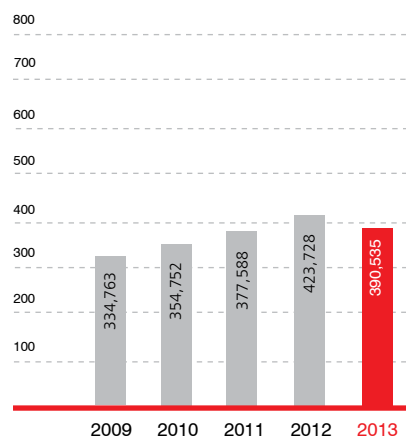
Total Sales

In Million Rupiah



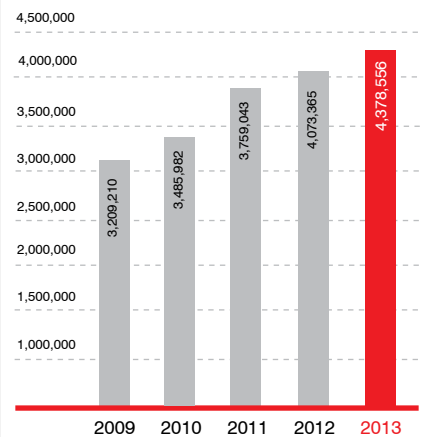
Net Income

In Million Rupiah



Total Assets

In Million Rupiah



| STATEMENTS OF COMPREHENSIVE INCOME | 2013 | 2012 | 2011 | 2010 | 2009 |
|--|-----------|-----------|-----------|-----------|-----------|
| Outright Sales | 5,223,962 | 4,992,478 | 4,467,995 | 4,258,281 | 3,830,788 |
| Consignment Sales | 2,744,517 | 2,461,155 | 2,129,119 | 1,802,130 | 1,627,967 |
| Cost of Consignment Sales | 1,967,661 | 1,753,924 | 1,510,956 | 1,285,243 | 1,148,360 |
| Consignment on Sales Commission | 776,856 | 707,231 | 618,163 | 516,887 | 479,360 |
| Total Revenues | 6,000,818 | 5,699,709 | 5,086,158 | 4,775,168 | 4,310,395 |
| Cost of Outright Sales | 3,860,568 | 3,724,637 | 3,315,084 | 3,116,277 | 2,839,025 |
| Gross Profit | 2,140,250 | 1,975,072 | 1,771,074 | 1,658,891 | 1,471,370 |
| Operating Expenses | 1,741,515 | 1,557,408 | 1,407,014 | 1,288,061 | 1,104,825 |
| Income from Operation | 398,735 | 446,417 | 377,582 | 365,122 | 366,545 |
| Net Other Income | 58,963 | 48,435 | 56,674 | 46,705 | 37,578 |
| Income Before Income Tax | 457,698 | 494,852 | 434,256 | 411,827 | 404,123 |
| Income Tax Expense | 67,163 | 71,124 | 56,667 | 57,075 | 69,360 |
| Income for the Year | 390,535 | 423,728 | 377,588 | 354,752 | 334,763 |
| Number of Shares (in millions) | 7,096 | 7,096 | 7,096 | 7,096 | 7,064 |
| Basic Earnings per Share (Rp) | 55 | 60 | 53 | 50 | 47 |
| STATEMENT OF FINANCIAL POSITION | | | | | |
| Cash and Short Term Investments | 1,273,186 | 1,323,372 | 1,275,561 | 1,085,943 | 1,005,527 |
| Inventories | 872,064 | 763,117 | 715,843 | 729,997 | 640,758 |
| Total Current Assets | 2,374,584 | 2,319,291 | 2,133,254 | 1,940,365 | 1,758,933 |
| Total Assets | 4,378,556 | 4,073,365 | 3,759,043 | 3,485,982 | 3,209,210 |
| Accounts Payable | 874,054 | 723,184 | 691,049 | 603,190 | 568,527 |
| Total Current Liabilities | 963,367 | 871,554 | 780,468 | 680,772 | 626,179 |
| Total Liabilities | 1,161,385 | 1,031,480 | 917,646 | 805,546 | 736,592 |
| Total Equity | 3,217,171 | 3,041,885 | 2,841,397 | 2,680,436 | 2,472,618 |
| Total Loan | 0 | 0 | 0 | 0 | 0 |
| Net Cash Position | 1,273,186 | 1,323,372 | 1,275,561 | 1,085,943 | 1,005,527 |
| Net Working Capital | 1,411,217 | 1,447,737 | 1,352,786 | 1,259,593 | 1,132,754 |
| FINANCIAL RATIOS | | | | | |
| Current Year Profit on Assets (%) | 8.9 | 10.4 | 10 | 10.2 | 10.4 |
| Current Year Profit to Equity (%) | 12.1 | 13.9 | 13.3 | 13.2 | 13.5 |
| Current Ratio (x) | 2.5 | 2.7 | 2.7 | 2.9 | 2.8 |
| Liabilities to Equity (x) | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Liabilities to Total Assets (x) | 0.3 | 0.3 | 0.2 | 0.2 | 0.2 |
| Sales to Total Assets (x) | 1.8 | 1.8 | 1.8 | 1.7 | 1.7 |
| Net Cash Position to Equity (%) | 39,6 | 44 | 45 | 41 | 41 |

The Board of Commissioners' Reports

to the Shareholder

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Paulus Tumewu
President Commissioner

“ We would like to take this opportunity to send out greetings and an appreciation to our valued shareholders, with a salute to the many well-wishers and stakeholders who have supported our efforts over the years as well. Your support is particularly appreciated in a year when we experienced many challenges. “

Our esteem shareholders,

We would like to take this opportunity to send out greetings and an appreciation to our valued shareholders, with a salute to the many well-wishers and stakeholders who have supported our efforts over the years as well. Your support is particularly appreciated in a year when we experienced many challenges.

The Board of Commissioners concludes that in 2013, the Board of Directors has done everything in its power to improve the Company's performance. The total of 2013 revenue reached Rp6,000.8 billion, increase 5.4% from 2012 amounting to Rp5,699.7 billion.

The Company recorded consolidated comprehensive net income amounting to Rp390.5 billion compared to Rp423.7 billion for the same period in 2012.

Based on a prior record of successful achievement, the Board of Commissioners has giving advices and inputs to the Board of Directors to continue any program

to improve the Company's performance. The Board of Commissioners also continues to provide supports to business prospects prepared by the Board of Directors so that it will be continue to be implemented in line with Indonesian economy growth potential in the future.

On behalf of the Board of Commisioners, I wish to send grateful thanks to all employees and business partners, acknowledging their efforts and commitment.

We wish to report that there has been no change in the composition of the Board of Commissioners for the year as stipulated by the authority.

We would also like to recognize the achievements of the Board of Directors in managing the Company through years full of challenges so the Company keeps on taking a forward step.

I also convince all the shareholders that the Company's management committed to continuously optimizing the value for its shareholders.



Paulus Tumewu
President Commissioner

The Board of Directors' Report

to the Board of Commissioners

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Agus Makmur
President Director

“ The outlook of the Company is still promising while facing various challenges with the steep wage increases stipulated by the Government of Indonesia, we predicted a sales increment. “

Our esteem shareholders,

On behalf of the Board of Directors, I wish to convey that the Company continued to experience growth in total sales by 7% from 2012 to meet 94% of the sales target that has been set even though there are goals yet to be unfulfilled in 2013. Although the net income decline by 8% to Rp390.5 billion, the Company's liquidity and balance sheet remain intact as reflected by the ratio of current assets to current liabilities of 2.5 times in 2013.

Meanwhile total sales growth for the same outlets (SSG) reached 2.2% in 2013, but the operating costs also increased, reaching Rp1,338.3 billion compared with total revenues of Rp6,006.8 billion because we always strive to continue to increase sales in order to increase the Company's net profit.

With additional 8 new stores in 2013 and gross total land increase approximately of 50,000 m², our total of stores now reached 118 stores with total land of 1,006,781 m² in 54 cities all over Indonesia.

The outlook of the Company is still promising while facing various challenges with the steep wage increases stipulated by the Government of Indonesia, we predicted a sales increment. As the Indonesian Rupiah began

to slide in value later in the year, we awaited a surge in sales in Java, as the remittance sent by by our international work force (TKI) should have resulted in a positive boost in Ramayana sales. Indonesia's economy also faces many challenges in 2013 in in the midst of a global crisis and weakened Rupiah.

The Company remains committed to practices of Good Corporate Governance, emphasizing values of transparency, independence, accountability, responsibility and fairness. We have continued to foster goodwill in our communities, through sponsorship of various meaningful social activities and group events, complemented with regular donations to deserving charities. We are known and respected in the vicinity of our operations for our Corporate Social Responsibility programs, and this year held Medical Mission, Blood Donation and religious-indexed events.

We wish to report that there has been no change in the composition of the Board of Directors for the year.

On behalf of the Board of Directors, I wish to extend our appreciation particularly to our esteemed Board of Commissioners, management, employees, vendors, customers, communities, government and everyone for their continued trust and support as well.



Agus Makmur
President Director

Operation and Merchandising in 2013

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Ramayana continues to offer value for money, which is offered to customers of the Company from the lower and lower middle class in the entire archipelago.

The Company continues to pursue a prudent expansion strategy and strict cost control, all necessary to maintain profit margins. New products continue to be launched and our promotional, advertising and displays strategy is designed with latest styles which appeal to consumers from all ages. Thus, every few years, the Company's buyers visited a number of the leading cities in Asia to study the latest fashion trends.

Ramayana's suppliers play a key role in this process, because they consult with our design team on an on-going basis. Most have worked closely with us over the years and share a deep understanding. The suppliers and other business partners also provide input

to the Company in order to keep abreast of the latest market tastes and trends.

In an effort to provide value for money, we engage in intense planning sessions by calculating the competitive selling price. We continue to monitor the retail industry as a whole and determined to continue to compete with the new approach that is able to increase revenue with a profit.

Throughout the year 2013, we have strived to continuously improve business performance, especially in Java, by opening a number of new outlets. While outlets outside Java has decreased in line with the economic slowdown in the region.

The Management is committed to maintaining the operational efficiency in the future through strict cost control and improved productivity. The Company also seeks to strengthen communication with all business partners to maximize the benefits for both parties.

In promotional activities in 2013, we use the strategy such as bringing national singers and celebrities to the area to greet the customers. This strategy proved so effective that sales increased in the days of the visit. We also synchronize our promotions and discounts to suit Indonesian religious holiday and other festivals.

We continue to make a variety of items featured in every department and train our staff to provide faster, more accurate, and friendlier service to every customer.

Ramayana has made it through some of the major economic crisis in Southeast Asia region in previous decades and remain consistent to work on the middle and lower middle market.

To fulfill our role as "The People's Store", we will continue to maintain current policies, including the provision of a wide range of quality products at affordable prices.



Stores in Java and Outer Islands Outlets

Ramayana has from its humble beginnings been an enterprise of opportunity, determined to compete successfully and grow with the success of the nation.

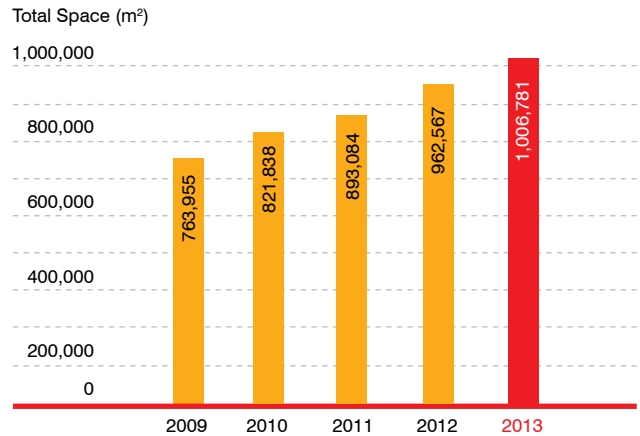
The initial thrust of merchandising was in Greater Jakarta (where there is industry, workers and a concentration of population) and Java.

Once these marketing areas were matured the Company began to look toward the secondary centres, principally

aiming at areas where natural resources (mining, energy) or commodities (palm oil, wood and rubber plantations) signify a concentration of salaried workers – and as areas with huge potential for expansion.

As mentioned above, new outlets will be opened in smaller growing cities in Sumatra, Kalimantan, Sulawesi, Maluku to Papua. However, the Company faced several challenges with a weakened economy in those areas.

“ We are not only proud of the number of stores we have opened and operated successfully, but we also take pride in choosing the location intelligently, our service, marketing and public image. “



Saat ini, Ramayana memiliki toko di lokasi berikut ini:

| NO. | Stores | Addresses |
|-----|--------|---|
| 1 | C001 | Jl. Taman Mini Raya |
| 2 | R02 | Jl. Raya Bekasi km 21, Pulogadung |
| 3 | R05 | Jl. Hasanuddin Bawah Terminal Blok M Mall |
| 4 | R06 | Jl. Pahlawan No.1000 |
| 5 | R08 | Jl. H. Agus Salim No. 34-38 |
| 6 | R10 | Jl. Pasar Palmerah Lt. 2 |
| 7 | R11 | Jl. Raya Ragunan No. 113, Pasar Minggu |
| 8 | R12 | Jl. Pasar Baru No. 69 |
| 9 | R13 | Jl. Raya Bogor, Pasar Kramat Jati, Lt. 1 |
| 10 | R14 | Jl. Tanjung Duren Barat, Pasar Kopro Lt. 2-3 |
| 11 | R15 | Jl. Dewi Sartika No. 1 |
| 12 | R20 | Jl. Ciputat Raya, Plaza Ciputat Raya |
| 13 | R21 | Jl. Ir. H. Juanda, Pratama Plaza |
| 14 | R22 | Jl. Ragunan, ex Terminal Pasar Minggu |
| 15 | R24 | Jl. Raya Pondok Gede, samping Terminal |
| 16 | R25 | Jl. Surya Kencana No. 3 |
| 17 | R26 | Jl. Merdeka, dekat Terminal Cimone |
| 18 | R28 | Jl. By-Pass Cikarang, Pasar Baru Cikarang |
| 19 | R29 | Jl. Kramat Jaya, Tugu Koja, Tanjung Priok |
| 20 | R30 | Jl. Antasari no.1, Plaza Mitra |
| 21 | R31 | Jl. Daan Mogot Raya, Kodim |
| 22 | R32 | Jl. Tebet Raya Dalam, Pasar Tebet |
| 23 | R33 | Jl. Yos Sudarso, Koja Plaza, Tanjung Priok |
| 24 | R34 | Jl. Margonda Raya, Plaza Depok |
| 25 | R35 | Jl. Raya Serang, Mal Cilegon |
| 26 | R36 | Jl. Jend. A. Yani, Jambu Dua |
| 27 | R37 | Jl. Raya Cibitung |
| 28 | R38 | Jl. I Gusti Ngurah Rai, Klender |
| 29 | R39 | Jl. Veteran |
| 30 | R40 | Jl. Lingkar Luar Barat, Cengkareng Timur |
| 31 | R41 | Jl. Pattimura, Sutomo, Pantuan |
| 32 | R42 | Jl. Raya Bogor, Graha Cijantung |
| 33 | R43 | Jl. Raya Jakarta-Bogor, Cibinong |
| 34 | R44 | Jl. Pondok Raya, Plaza Bintaro, Bintaro |
| 35 | R45 | Jl. Sultan Toha |
| 36 | R46 | Jl. Dr. Muwardi II, Pasar Muka |
| 37 | R47 | Jl. Lapangan Tembak, Cibubur |
| 38 | R48 | Jl. R. Intan, Pasar Bawah, Tanjung Karang |
| 39 | R49 | Jl. HOS Cokroaminoto, Ciledug |
| 40 | R50 | Jl. Andi Pettarani; Panakukang Mas |
| 41 | R51 | Jl. Sukarno, Plaza Muara Rapak |
| 42 | R52 | Jl. Pasar Pangkal Pinang, Bangka |
| 43 | R54 | Jl. Letkol Iskandar, Kompleks Ilir Barat Permai |
| 44 | R55 | Jl. Pulau Irian |
| 45 | R56 | Jl. Jend. Sudirman |
| 46 | R57 | Jl. Tanjung Pura |
| 47 | R58 | Jl. Sisingamangaraja |
| 48 | R60 | Jl. Gajah Mada, Pasar Simpang 3 |
| 49 | R61 | Jl. Lalamentik, Floabamora Mal |
| 50 | R62 | Jl. Iskandar Muda, Plasa Medan Baru |
| 51 | R63 | Jl. P. Antasari, Pasar Sentra Antasari |
| 52 | R65 | Jl. Aksara No. 2 |
| 53 | R66 | Jl. Pemuda |
| 54 | R67 | Jl. Tuparev |
| 55 | R68 | Jl. Alternatif, Cileungsi |
| 56 | R70 | Jl. Pengayoman |
| 57 | R71 | Jl. Juanda |
| 58 | R73 | Jl. Emmy Saellan |
| 59 | R74 | Jl. R.E Martadinata, Cikarang |
| 60 | R75 | Jl. Veteran, Kel Kota Baru |

| No | Toko | Alamat |
|-----|------|--|
| 61 | R77 | Jl. A.Yani. No. 1, Kel Benteng Pasar Atas |
| 62 | R78 | Jl. Jend. A Yani |
| 63 | R79 | Jl. Perintis Kemerdekaan |
| 64 | R80 | Jl. Jend. Sudirman |
| 65 | R81 | Jl. Mulawarman |
| 66 | R82 | Jl. Raya Sesetan |
| 67 | R83 | Jl. Adi Sucipto |
| 68 | R84 | Jl. Raya Perawang, Kel. Tualang, Kab. Siak |
| 69 | R85 | Jl. Jenderal Sudirman |
| 70 | R86 | Jl. Lintas Timur |
| 71 | R88 | Jl. Jend. Sudirman |
| 72 | R89 | Jl. Jend. Sudirman |
| 73 | R90 | Jl. Jend. Sudirman |
| 74 | R91 | Jl Raya Abepura, Kec Jayapura Selatan |
| 75 | R93 | Jl. Latumenten No 33 |
| 76 | R94 | Jl. M. Yamin |
| 77 | R95 | Jl. Jend. Sudirman |
| 78 | R96 | Jl. HR. Subrantas |
| 79 | R97 | Jl. Raya Padalarang, Kab. Bandung Barat |
| 80 | R98 | Jl. Panglima Sudirman |
| 81 | R99 | Jl. Guntur, Kel Pakuwon |
| 82 | R100 | Jl. Raya Plered |
| 83 | R101 | Jl. Z.A. Pagar Alam |
| 84 | R102 | Jl. Pasar Kebayoran Lama |
| 85 | R105 | Jl. Raya Parung Bogor, Kab. Bogor |
| 86 | R109 | Jl. Raya Teratai Putih, Duren Sawit |
| 87 | R106 | Jl. Siliwangi/ Kamp. Sekarwangi, Cibadak |
| 88 | R103 | Jl. Jend Ahmad Yani, Kel Klademak |
| 89 | R107 | Jl.H.R Lukman, Link. Kayu Manis |
| 90 | R108 | Jl.Raya Bogor, Cililitan, Jakarta Timur |
| 91 | R110 | Jl. DR. Sutomo, Kel Noyontaan Pekalongan |
| 92 | R111 | Maluku Mall City, Jl Sultan Hassanudin |
| 93 | R112 | Jl. H. Zaenal Mustofa, No. 253 Kel Cihideung |
| 94 | R114 | Jl.Bogor Baru Kel Kedaung Jaya |
| 95 | R115 | Mall Mega Sanur Bulu Kumba, Jl Samratulangi |
| 96 | R116 | Plaza Bangkinang |
| 97 | RB02 | Jl. Dalem Kaum No. 46-52 |
| 98 | RB03 | Jl. Pemuda; Jl. Jend Sudirman |
| 99 | RB05 | Jl. Tipar Gede No. 17 |
| 100 | RB07 | Jl. Pasuketan, Mal Cirebon, Lt. 1 |
| 101 | RB09 | Jl. Malioboro No. 124 |
| 102 | RB10 | Jl. Kusuma Bangsa, THR Mal Surabaya |
| 103 | RB11 | Jl. Simpang Lima, Mal Citraland, Lt. 1 |
| 104 | RB12 | Jl. Rio No. 1, Cimahi Mekar |
| 105 | RB13 | Jl. Merdeka Timur, Plaza Mataraman |
| 106 | RB14 | Jl. Taman Jayeng Romo, Jembatan Merah |
| 107 | RB16 | Jl. Gubernur Suryo, Plaza Multi Sarana |
| 108 | RB17 | Jl. Jend. A. Yani 66-74 |
| 109 | RB20 | Jl. Diponegoro No. 103-AI |
| 110 | RB21 | Jl. Komplek Jodoh, Marina |
| 111 | RB22 | Jl. Bungur Asih |
| 112 | RB23 | Jl. Raya Krian, Kompleks Pasar Krian |
| 113 | RB26 | Jl. Wiratno |
| 114 | RB27 | Jl. Diponegoro |
| 115 | RB28 | Jl. Simpang Tujuh |
| 116 | RB29 | Jl. Jend. Sudirman |
| 117 | RB30 | Jl. Kawasan Komersil Muka Kuning |
| 118 | RB31 | Jl. Bubutan no 1-7 |

Business Review

in 2013

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Operational Review

2013 started off quite unfavorably, in spite of our great expectations. Sales in Java flow more smoothly than those in the outer islands, where sudden changes in commodity markets have a direct effect on our patronage.

During 2013 Ramayana achieved 94% of planned sales targets. In the mean time, the supermarket sector faces a more fierce competition with more aggressive minimarket expansion.

Ramayana always oversees real inflation number which we tend to think higher than the actual figure reported by the Government. As the price of food, transport and utilities tariffs continue to rise, most of our customers don't have necessary disposable income to spend.

Retailing in Indonesia continues to thrive thanks to the fifty million consumers with enough spending power to patronize Ramayana. These mostly young citizens are a hope for future prosperity and for national development.

The Java / Bali axis is the most heavily-populated region of Indonesia, and has been the traditional focus of sales efforts. Up until now we naturally still depend on the core islands for most revenue.

Same-store sales growth of 7% was projected for the year. Ramayana does about a third of its business in supermarket division, but this area is under severe competitive pressure, because of the 'minimarkets' which have sprung up across the nation.

Our Supermarket section is comprised of a mix of approximately 77.1% for foods & toiletries, with another 22.9% for household goods, housewares & stationery. Low gross margins and turnover not as expected, this division need to be further optimized.

Consignment Strategy and Owned Goods at Ramayana

Flexibility, creativity and novelty – these values will draw consumers into Ramayana. When they can be sure of being able to see new styles and novel merchandise, this will be a strong impetus for them to pay us a visit. This is a key reason for our embracing Consignment as a retail tactic, to the extent that it contributes some 32.1% of total sales. To keep displays and merchandise fresh and different, management has set up, developed and nurtured consignment departments. We realize that while the margin on consignment is considerably lower than

the Outright Sales, the advantages are many: lower costs (particularly for sales staff), inventory costs and so forth.

For these and other reasons Ramayana policy is to encourage more area for consignment in future endeavors.

Planning, Opening and Closing Outlets

During 2013 Ramayana operated 118 stores in 54 urban centers, in locations across the Indonesian archipelago.

New stores opened in various cities in Java and outer islands, especially in east Indonesia. Gross total space was estimated at 1,006,781 m², representing a 4.6% increase over measured area for 2012 that reached 962,567 m².

In terms of annual productivity, average sales per square meter amounted to Rp8.0 million per square meter per year for 2013. Through automation, increasingly reliable IT and other technology, we expect to be able to increase the figure of productivity in coming years.

Land deals and land leases to third parties are one way of doing this; as detailed above, consignment is also being championed, in part to create variety while spreading risk. We expect these and similar measures will all add to productivity at the bottom line.

Sales, banners and discounts have traditionally been relied on at Ramayana as the most effective way to draw customers. We continue to use these techniques in 2013 to attract visitors.

It is during Lebaran, Christmas and New Year's – all national holidays – that Ramayana can optimize sales through above-the-line strategies such as targeted television and radio ad campaigns, timely display ads in local and national-coverage newspapers, outdoor billboard displays with eye-catching Banners, situated in strategic areas. Flyers are also distributed in local communities, to generate street level interest. Ramayana store openings are festive events, drawing hundreds of local people – particularly in outlying areas where entertainment is minimal.

Store opening sales and back-to school events are also popular, drawing in the curious as well. Periodic Ramayana discount programs boost sales significantly, while maintaining a high profile for Ramayana brands nationwide. These events also provide an opportunity

to coordinate with our Corporate Social Responsibility program.

Sales Performance in 2013

Revenues rose by 5.3% to Rp6,000.8 billion from Rp5,699.7 billion in 2012 and Rp5,086 billion in 2011.

Growth in sales thus marks 6.9% over that of 2012.

Liquidity & Capital Resources

It is noteworthy to record that the Company's balance sheet in 2013 stood debt-free, as in previous years, and Ramayana remains quite liquid. The current ratio for the year continues to reveal a Company with ample funds and resources, able to deal with all current liabilities and foreseeable contingencies.

Other Income for 2013

Interest income increased by 12.9%, to Rp54.7 billion, in 2013, against Rp48.4 billion during 2012. We recorded a gross margin figure of 26.9% for the year.

Gross Profit for the Year

Gross profit rose by 8.4%, to Rp2,140.2 billion, against the 2012 figure of Rp1,975 billion.

Net Income for the Year

Net income for 2013 stands at Rp390.5 billion, compared to Rp423.7 billion for 2012.

Operating Performance

Operating expenses for 2013 were affected by Government-stipulated minimum wage increases and higher utilities costs, increase by 11.8%, to Rp1,741 billion from Rp1,557 billion in 2012. This category covers salary increases, renovations and maintenance, in addition to utilities. Costs were also incurred for transportation and travel, supplies, advertising and promotions, along with the 8 new Ramayana outlets opened in 2013.

The ratio of operating expenses to total revenue sales stood at 21.9%, against 20.9% for 2012.

Outlets

As stated above, particular emphasis is being accorded to expansion through the outlying islands, as margins are higher and costs lower. We have high hopes from the 8 new stores opening in 2013.

Under-performing stores are periodically closed after due consideration, and in 2013 we closed 3 stores.

Thus, as of end 2013, we may count a gross total of 1,00,781 m², with net area total at 732,012 m².

Dividends

We would like to confirm that in 2013, as in every year following the 1996 IPO, the Company has disbursed annual cash dividends to its valued shareholders, ranging from 40.0% to 67.4% of the previous year's net profit, as stipulated by stated Company dividend policy. At the most recent Annual General Shareholders' Meeting, the Company disbursed a cash dividend of Rp 30 per share, equivalent to 50.2 % of 2012 net income.

Cash & Cash Equivalents

As of end 2013, total cash and short-term investments stand at Rp1,323.4 billion.

Human Resources Development

at Ramayana in 2013

20

We had to pay higher wages to Indonesian workers – but so did everyone else, by law. The dramatic 25%-40% rise in the legal minimum wage for Greater Jakarta, West Java and other areas was both a blessing and a curse for Indonesian businesses. Averaging some 11% across Indonesia, it naturally raised the cost of doing business considerably, threatened to stoke the latent worry of inflation, and made Indonesian exports less competitive.

For Ramayana, however, while it added to our operational costs, it was much more of a blessing, as the additional disposable income in the pockets of average Indonesians would in due course be spent largely on the items we sell at our outlets.

TRAINING SESSIONS

A three-day training course is provided for all new employees hired by the Company, as well as for the high school apprenticeship trainees (PKL) whom we hire, particularly during the Lebaran season, when foot traffic skyrockets, and Christmas / New Year's as well. Some of the apprenticed students hired as PKL are from the Hotel Division of SMK (vocational schools).

Specialized three-month technical and business training session were offered in the field to selected groups of employees during the year, for the most efficient upgrading.

For school holidays (mid-June to mid-July) and other minor festive seasons, an additional 5,000 temporary employees are customarily hired; that figure doubles for the Lebaran / Idul Fitri season.

In 2013 a new training system was implemented in all stores across the nation. Project-based leadership training was stressed, and close performance evaluation on middle management enabled senior management to appraise the quality of its human resources.

In order to maintain confidence and loyalty among its valued work force, efforts are made to retain employees even during periods of downturn or other interruptions. Superfluous workers are not fired; rather, the Company does not hire replacements, once they retire. Thus the total number of employees had a natural attrition, from 20,856 in 2010 to 15,632 in 2013, with no loss in productivity.



Accepting Corporate Social Responsibility as a Core Value

Ramayana historically supports and advances the welfare of the community at large, particularly for those citizens who live in areas neighboring our stores, warehouses and other facilities. In accepting this responsibility, the Company acknowledges its responsibility to all stakeholders and to its neighbors around the Indonesian archipelago.

Our medical program was held twice on 2013 and has become larger than ever, first on 12 May 2013 at a mass event at Sekolah Bodhisatta, and the second at Ramayana Medika on 26 May 2013, both medical programs took place at Tangerang. The Tangerang

program served complementary medical treatment for total of 2,519 patients, covering diagnosis, application of medications and even full-scale operations, by a staff of doctors and nurses.

The mass CSR event was carried out in collaboration with a local Vihara and Amanda Hospital, led by Dr. Helen.

Some of treatments were minor in nature but there were also fairly serious operations (some of which necessitated follow-up treatment). Here is a breakdown of the type of medical treatment administered and the number of local people who became patients:

| Type of Intervention | Number Treated | Type of Intervention | Number Treated |
|--|----------------|------------------------------|----------------|
| Tumor operation | 147 | Tonsillectomy | 10 |
| Hernia operation | 39 | Cataract operation | 66 |
| Goiter removal operation | 26 | Eye treatment | 168 |
| Pregnancy tumor operation | 20 | Harelip correction operation | 12 |
| Total number of local inhabitants operated on during the event | | | 448 |
| Total expenditure for the CSR event | | | Rp929,421,587 |

Ramayana continues to survey and plan social support of this nature, in its efforts to share its prosperity with needy families who cannot afford medical treatment, particularly those living in areas bordering our businesses.



Good Corporate Governance

COMPANY GOVERNANCE

Implementation of Governance in the Company is based on four basic principles which have thus far guided Company management and employees in their way forward:

1. Transparency

Transparency has been our commitment to ensure the availability of critical information, made accessible to any authorized party in need of it. This information can be in the form of a financial statement, company management or company ownership, among others. All such information should be accurate, clear, and punctual.

Ramayana upholds the principle of openness, as manifested in the implementation of transparency, in providing relevant information to stakeholders. Implementation of this principle is signified by the consistent updating of its corporate website www.ramayana.co.id, which functions as a platform of information for communities, investors and shareholders.

The adherence of Ramayana to transparency is also demonstrated through its Quarterly and Annual Financial Reports, Annual Report, Disclosure of Information and Public Expose conducted yearly, to convey information on the ongoing development at Ramayana as well as its future projections.

2. Accountability

Accountability is defined by the presence of reliable mechanisms, roles and responsibilities in professional management, governing any decision or policy which might have a significant impact on Company operations.

Ramayana puts priority on the rights, obligations, authority and responsibilities of the Board of Directors, Board of Commissioners and Stakeholders. Meetings to conclude strategic decisions take place on a regular between members of the Board of Directors, the Board of Commissioners and Management.

3. Responsibility

Responsibility refers to a clear elaboration of the role of each person in achieving a common goal. It also ensures compliance with all prevailing regulations and social norms. As a public company, and one which prioritizes the principles of Good Corporate Governance, compliance with laws, regulations of the Financial Services Authority (OJK) and the Indonesia Stock Exchange (IDX), government regulations and taxation laws must be complied with, for the long-term benefit of Shareholders.

Meanwhile, as part of its responsibility towards society and the environment, Ramayana and its subsidiaries periodically take part in various corporate social responsibility programs.

4. Feasibility

All decisions and policies made by the Company should be in harmony with the interests of different stakeholders, including customers, suppliers, shareholders, investors and the public.

Inasmuch as Good Corporate Governance (GCG) is a key factor in a company's success, Ramayana has, over the years, implemented principles and practice of Good Corporate Governance in the management of its business, effectively protecting the interests of its stakeholders.

Independence

The Management of Ramayana consists of professionals responsible for ensuring that operations have been executed by anticipating needs and expectations of the market, as well as by observing principles of Corporate Governance.

Decisions are made independently and objectively, in the best interest of Ramayana and its Stakeholders.

Fairness

In performing its duties, all employees and management are required to manifest professionalism and possess

integrity. Every action must be in accordance with the systems and procedures effective in Ramayana Group.

An operative GCG structure ensures implementation of Good Corporate Governance in all operational and strategic activities of the Company.

GENERAL MEETING OF SHAREHOLDERS (GMS)

The GMS is a pinnacle authority in the structure of Good Corporate Governance (GCG). In the GMS, strategic decisions include, among others, changes in the Articles of Association, appointment or dismissal of members of the Board of Commissioners (BOC) or Board of Directors (BOD), approval of the Annual Report, Audited Financial Statements, the supervisory report of the Board of Commissioners and the use of profits, material investment or divestment decisions and capital structure of the Company.

Ramayana conducted its Annual GMS on May 29, 2013. In the Annual GMS, the Annual Report, Audit Report, dividend payments and total fees for the Board of Commissioners were approved by the shareholders.

THE BOARD OF COMMISSIONERS (BOC)

The BOC plays an important role in GCG implementation. The duties and responsibilities of the BOC include supervising the Company's management policy, ensuring appropriate implementation of the Company's Articles of Association, enacting the resolutions of the Shareholders General Meetings within prevailing laws and regulations, and advising the Board of Directors in accordance with the objectives of the Company. In order to perform its duties effectively and to fulfill the requirements of GCG implementation, the BOC has established an Audit Committee, headed by an Independent Commissioner. The Audit Committee reserves the right to access all information available in the Company, provide independent analysis, monitor the examination process of financial reports by both internal and external auditors and provide access to the internal audit function and audit findings.

Meetings of the BOC and joint meetings with the BOD take place regularly. The total amount of remuneration received by the BOC for 2013 was Rp5.7 billion.

THE BOARD OF DIRECTORS (BOD)

The BOD is authorized and is entirely responsible for managing the Company, in accordance with its purposes and objectives, as well as for representing the Company in accordance with the Articles of Association. The duties and responsibilities of the BOD include managing

the daily activities of the Company, implementing the policies, principles, values, strategies, objectives and performance targets that have been evaluated and approved by the BOC, maintaining the Company's long-term business continuity, achieving performance targets, while adhering to the principle of prudence. In accordance with the decision of the Annual GMS on May 29, 2013, related to the duties and authority of the BOD, the following were appointed or confirmed:

President Director: Agus Makmur
Director: Suryanto
Director: Kismanto
Director: Setyadi Surya
Director: Gantang Nitipranatio

Remuneration received by the members of BOD for the year 2013 was Rp4.5 billion.

AUDIT COMMITTEE

The Audit Committee is tasked with providing an independent professional opinion on the Board of Directors' report, identifying issues that require attention of the Board of Commissioners, conducting a review of financial information as issued by the Company, reviewing the work plan and implementation of inspection by internal auditors, reviewing independence and objectivity of external auditors through a review of the audit's adequacy, along with an examination to ensure that all important factors have been considered in the inspection program by external auditors, as well as performing a review.

To ensure its independence, the Audit Committee reports directly to the Board of Commissioners through an Independent Commissioner who serves as Chairman of the Audit Committee. In turn, the Board of Commissioners will propose to the Board of Directors various duties which need to be executed in the Audit Committee report.

In performing its duties and carrying out its responsibilities, the Audit Committee has the authority to obtain information and reviews needed directly from the Department of Internal Audit and Accounting, through communications, speech or by means of meetings with internal and external auditors on the audit, with a letter dispatched to the external auditor on critical items which should be of concern during the inspection by external auditors.

The Audit Committee also stresses the importance of internal control as the responsibility of the Company, as studied and reported by external and internal auditors.

During the year 2013, the Audit Committee has convened 3 times with the Board of Commissioners, providing its independent opinions and suggestions to the Board of Commissioners. The Audit Committee members have also

attended meetings with internal auditors and the Board of Directors to discuss the findings and recommendations from internal auditors to the Board.

Composition of the Audit Committee as of December 31, 2013:

Chairman: Kardinal A. Karim (Independent Commissioner)

Members:

1. Ruddy Hermawan Wongso
2. Tonang Sendjaja

THE EXECUTIVE COMMITTEE

The Executive Committee is composed of the Directors of the Company and its subsidiaries, as well as the general managers of departments and business units. The Executive Committee meets regularly to discuss various aspects in managing the Company and its subsidiaries, which entail marketing, project development, financial reporting and continuous management performance improvement.

CORPORATE SECRETARY

The Corporate Secretary facilitates the relationship between the Company and its Stakeholders. The Corporate Secretary is responsible for adherence to the laws and regulations of the capital market, without exception, thus ensuring that the Company has met and complied with all rules, regulations and laws of the capital market in a timely manner, maintaining all Company documents related to the capital market and its status as a public company, ensuring the availability of information to all Stakeholders, managing investor relations activities, maintaining relationships between the Company and capital market participants, and creating a positive image of the Company, in accordance with its vision, mission, culture and values.

The position of Corporate Secretary is currently held by Setyadi Surya.

INTERNAL AUDIT UNIT

The Internal Audit Unit performs its duties and carries out its responsibilities based on GCG principles, which consist of transparency, accountability, responsibility, independency and fairness.

The implementation of these principles is manifested in the duties and responsibilities of the Internal Audit Unit as stipulated in the Internal Audit Charter, as follows:

- To prepare and implement an Annual Internal Audit Plan.

- To examine and evaluate the implementation of internal control and risk management, in accordance with Company policy.

- To examine and assess the efficiency and effectiveness of finance, accounting, operation, human resources, marketing, information technology and other functions.

- To provide advice for improvement and objective information on all audited activities, at all management levels.

- To prepare a report on audit findings and submit it to the President Director and the BOC.

- To monitor, analyze and report the implementation of recommended actions.

- To collaborate with the Audit Committee. The authority of the Internal Audit Unit includes but is not limited to the following:

- To access all relevant information regarding the Company.

- To communicate directly with the BOD, BOC, and/or Audit Committee.

- To hold meetings in regular and incidental meetings with the BOD, BOC, and/or Audit Committee.

- To coordinate its activities with the external auditor.

COMPLIANCE AUDIT

The Internal Audit Unit has implemented an SOP compliance audit on all units of the Company during January 2013 - December 2013, covering: the cash utilization and management, operational activities, promotions and Human Resources.

Non Facility Management, covering compliance audit in the implementation of Finance & Accounting SOP and Human Resources Department (HRD) SOP in all of Ramayana Group's business units, covers:

- (1) Finance & Accounting SOP:
 - Procedure for petty cash management.
 - Procedure for advance payment.
- (2) Human Resources Department SOP:
 - Procedure for medical reimbursement.
 - Procedure for operational vehicles.

The summary of the compliance audit was to confirm that all of the business units had followed standard operating procedures.

RISK MANAGEMENT

Management realizes that the Company faces a number of risks, which need to be managed with prudence in order to ensure healthy and sustainable business growth. Some of the business risks faced by the Company are:

1. Economic Risk

Economic risk includes a number of factors, such as fluctuations in the Rupiah exchange rate, interest rates and inflation. These factors have a significant impact on the Company's performance, specifically affecting the Company's outstanding loan position and purchasing power of target consumers. In turn, this exerts an effect on consumers' ability to purchase the products and services offered by the Company.

In order to minimize economic risk, Ramayana intensively monitors the economic condition and seeks professional opinions from competent sources. The Company is also naturally hedged against currency fluctuations, through the US-Dollar denominated revenues from its businesses. Furthermore, the Company consistently matches the currency of the loans for project financing with that for project revenues.

2. Security Risk

Security is one of the key issues in any business. In the past, a number of security issues, particularly that of terrorism, have proved to be detrimental to Indonesia and to Ramayana's business activities.

As a preventive action, Ramayana has put in place a set of Standard Operating Procedures (SOP) to address safety and security issues as well as strict security standards on all premises.

3. Business and Property Risks

As a company which owns various highly-valuable assets, Ramayana is also vulnerable to natural disasters and other adverse events, such as fires, earthquakes, floods and other business interruptions. In order to minimize these risks, the Company has ensured that all of its properties are insured with coverage commensurate with the properties' market value. Ensuring accuracy, all insurance policies were underwritten by the most trusted and reliable insurance brokers. The Company also implements a set of SOP to handle emergency events.

4. Competition Risk

In recent years, the retail sector has witnessed increasingly aggressive business competition from small sellers, malls, kiosks and itinerant clothing merchants, targeting our market segments.

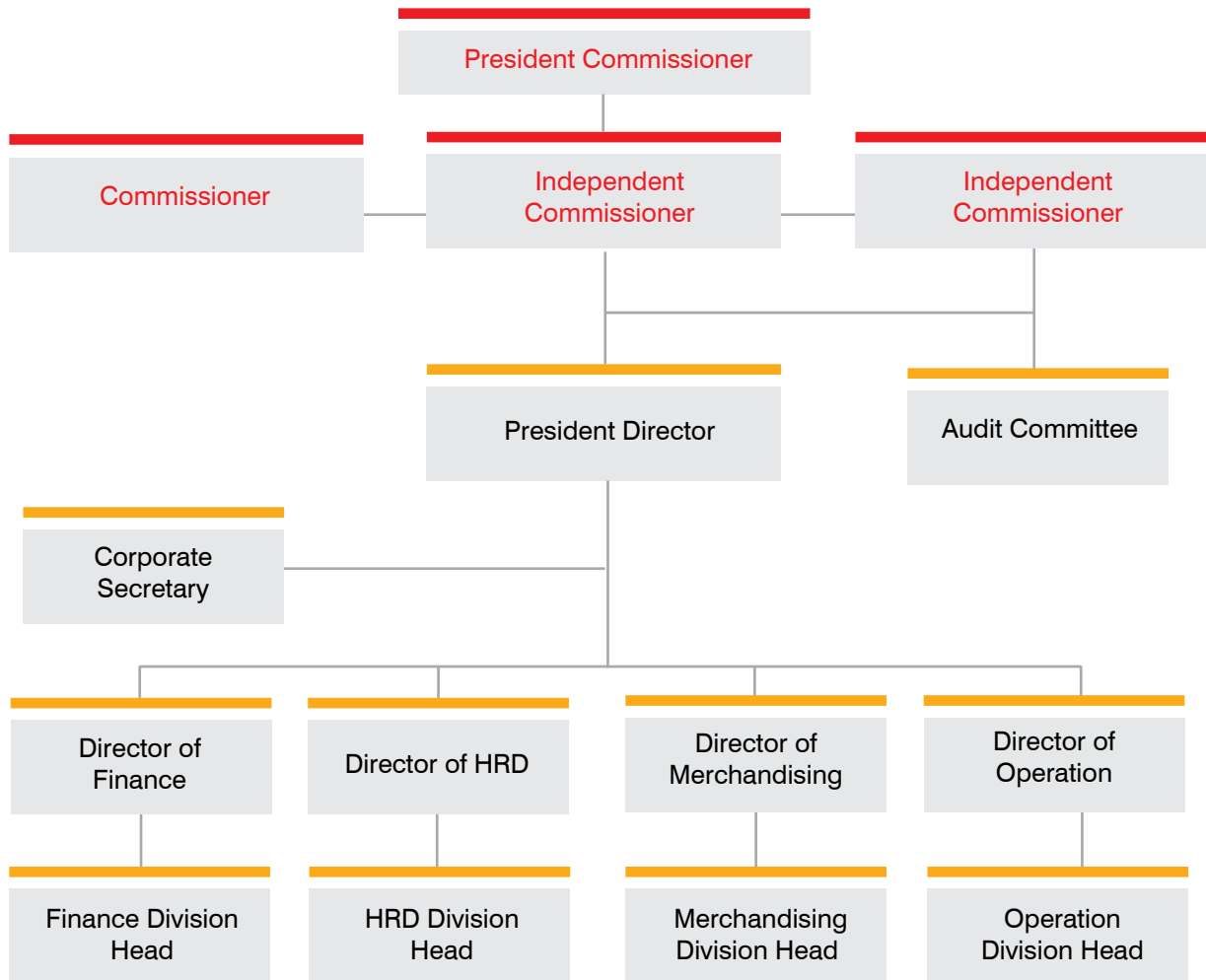
Competition thus emerges in two forms – first from competitors within the industry, and second from an over-supply of retail spaces in the market. Hence suppliers try to attract more customers by cutting prices and offering special promotions. In order to win in such a competitive business climate, product innovation remains the primary option in the Company's business development activities, by featuring originality, uniqueness, and products of highest quality, as well as excellent service and complete supporting facilities in accordance with customer needs.

5. Legal Risk

To establish or open a supermarket or department store, the company must obtain a permit from the relevant agency, taking into account the government's role as a regulator of policy covering various social sectors, economic and cultural communities in the area. Therefore, the Company is always working with relevant local agencies and consistently meeting the legal requirements imposed by the Government.



Struktur Organisasi



Management Discussion and Analysis

REVENUE

Even though failed to achieve the planned numbers, the Company managed to increase its total revenues in 2013 at Rp6,000.8 billion increase from Rp5,699.7 billion in 2012. This modest achievement is the result of several important initiatives such as business expansion by adding new outlets, cost-saving and margin-protecting done by the Company and is directly related to increased sales of consignment and outright sales where the outright sales in 2013 recorded at Rp5,223.9 billion increase from Rp4,922.5 billion, or by 4.6%. Meanwhile, the Consignment Revenue grew 11.5% for the year to Rp2,744.5 billion in 2013 from Rp2,461.2 billion in 2012.

GROSS PROFIT

Along with the increase in sales revenue of outright sales and consignment sales, the Company booked an 8.4% increase in gross profit, at Rp2,140.2 billion, compared to the 2012 figure of Rp1,975.1 billion. We also note a slight improvement in gross profit margin of 0.4%.

OPERATING EXPENSES

This post covers Marketing Expenses, General and Administrative Expenses, and Depreciation and Amortization Expenses. Total operating expenses in 2013 were up 11.8%, from Rp1,557.4 billion in 2012 to Rp1,741.5 Billion. A major increase occurred in the minimum wage, along with utilities. The basic electricity tariff is steadily adjusted upward, (especially for businesses), and management expenses rise in line with the revenue growth of the Company.

OPERATING PROFIT

The Company's operating profit for 2013 decreased by 9.7% to Rp403.0 billion from Rp446.4 billion in 2012, this is mainly due to the increase in general and administrative expenses and other operating expenses.

NET PROFIT

In 2013, the Company has recorded Rp390.5 billion in net income, against Rp423.7 billion in 2012, for a decrease of 7.8%, this is mainly due to a decrease in operating income resulting from the increase in general and administrative expenses and other operating expenses.



STATEMENT OF FINANCIAL POSITION

Assets

As of December 31, 2013, Total Assets marked Rp4,378.5 billion, against Rp 4,073.4 billion for the previous year. This increase mainly due to the increment of Company's Fixed Assets in 2013.

Liabilities

The Company's total liabilities for 2013 increased by 12.6% to Rp1,161.4 billion from Rp1,031.5 billion in 2012, due to the increase of short term liabilities and employee benefit liabilities.

Equity

The Company's Equity increase 5.8% from Rp3,041.9 billion in 2012 to Rp3,217.2 billion in 2013, this is mainly due to the increase in retained earnings in line with the success of the Company to record net profit of Rp390.5 billion in 2013.

Dividends

At the Annual General Shareholders' Meeting on 29th May 2013, the Company disbursed a cash dividend of Rp30 per share, equivalent to 50.2% of 2012 net income.

THE SHAREHOLDER'S COMPOSITION

| Share Capital | As of December 2013 |
|-------------------------------|---------------------|
| Authorized Capital | 28,000,000,000 |
| Issued and Fully Paid Capital | 7,096,000,000 |

| Composition of the Shareholders | 2013 | IPO |
|---|--------|--------|
| PT Ramayana Lestari Sentosa | 55.88% | 61.10% |
| Paulus Tumewu (President Commissioner) | 3.66% | 16% |
| Public (<5%) | 40.46% | 22.90% |

RAMAYANA SHARE PRICE ON THE IDX

| 2012 | Quarter | Highest | Lowest | Closing | Volume |
|------|---------|---------|--------|---------|------------|
| | 1 | 860 | 660 | 783 | 5,593,071 |
| | 2 | 1,060 | 770 | 911 | 10,471,145 |
| | 3 | 1,270 | 920 | 1,101 | 5,907,361 |
| | 4 | 1,440 | 970 | 1,187 | 7,287,692 |

| 2013 | Quarter | Highest | Lowest | Closing | Volume |
|------|---------|---------|--------|---------|------------|
| | 1 | 1,430 | 1,090 | 1,238 | 17,309,517 |
| | 2 | 1,640 | 1,250 | 1,438 | 12,693,913 |
| | 3 | 1,410 | 850 | 1,184 | 10,101,590 |
| | 4 | 1,450 | 980 | 1,171 | 4,694,033 |

THE HISTORY OF OUR SHARE LISTINGS

| Information | Listing Date on Stock Exchange | Number of Shares |
|-------------------------|--------------------------------|------------------|
| Initial Public Offering | 26 June 1996 | 80,000,000 |
| Bonus Shares | 15 September 1997 | 700,000,000 |
| Stock Split | 8 June 2000 | 1,400,000,000 |
| Stock Split | 18 June 2004 | 7,000,000,000 |
| ESOP | 4 July 2005 | 7,032,000,000 |
| ESOP | 2 October 2006 | 7,064,000,000 |
| ESOP | 28 July 2010 | 7,096,000,000 |

Biodata: The Board of Commissioners

1. Paulus Tumewu / President Commissioner

The Founder of the Company, Mr. Tumewu was born in Ujung Pandang, Sulawesi in 1952. From an early age he took part in retail activities, helping in his parent's shop in Ujung Pandang (Makassar).

It was in 1978 that he first established what would become Indonesia's second-largest retail chain, under the name of Ramayana, with the opening of the first store on Jl. Sabang, Central Jakarta. In 1983 this store was incorporated into a public Company, known as PT Ramayana Lestari Sentosa. Calling upon his more than thirty years of experience, Mr. Tumewu has been the single driving force behind Ramayana's growth and sustained success.

2. M. Iqbal / Commissioner

Muhammad Iqbal was born in Serang, West Java in 1962, and is an Indonesian national.

He was awarded a Bachelor's Degree in Law from the University of Indonesia in 1987, and joined the Company in 1989, first working as a Store Supervisor.

He was promoted to the post of Store Manager, where he served three years, and then became Store Operations Manager in 1994. From 1995 to 2001 Mr. Iqbal was a Commissioner of the Company, and joined the Board of Commissioners again in 2007.

3. Koh Boon Kim / Independent Commissioner

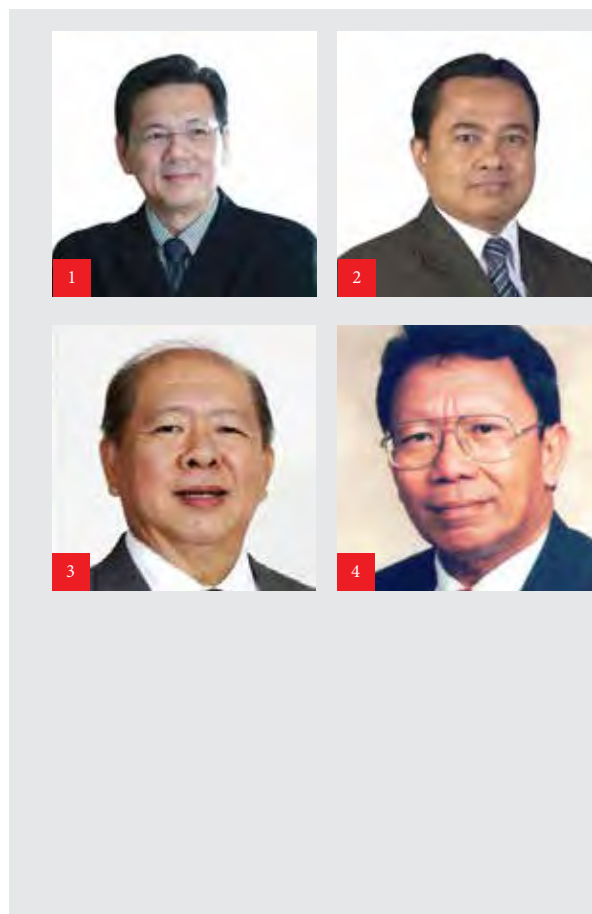
A Singaporean national born in 1947, Mr. Koh was awarded a Degree from the University of Chicago Graduate School of Business.

He has over thirty years of experience in the Asian retail industry and has served as Senior Advisor to the Company since 1988.

4. Kardinal Alamsyah Karim / Independent Commissioner

Mr. Karim was born in Padang, West Sumatra in 1942 and is an Indonesian national.

He holds a Master of Management Degree from the Asian Institute of Management, Philippines. Mr. Karim previously served as an Accountant with Prasetio, Utomo & Partners, rising over a period of some 27 years to the position of Deputy Managing Partner.



Biodata: The Board of Directors



1



2



3



4



5

1. Agus Makmur / President Director

An Indonesian national, he is 56 years of age, and was born in Makassar (Ujung Pandang), Sulawesi, where he graduated from the Catholic University of Ujung Pandang.

He joined with Ramayana to manage the growing retail business. Mr. Makmur has 36 years of experience in the retail industry and currently supervises the daily operations of the Company.

2. Suryanto / Direktur

An Indonesian national born in Pangkal Pinang, Mr. Suryanto joined the Board of Directors in 2006. This 50-year-old executive holds a Degree in Accounting from Trisakti University, where he graduated in 1987.

He is also an Honours Graduate of the Professional Accounting Education Program at the University of Indonesia. He began his career at the respected firm

of Prasetyo, Utomo & Partner. He also held a senior management position with another retail firm for some ten years, worked two years as a Group Controller and four years as Director of an electronics manufacturing company, before joining Ramayana.

3. Setyadi Surya / Direktur

Mr. Setyadi Surya, an Indonesian citizen, was born in Jakarta in 1957. He received his BA in 1979 in the field of Accounting from the Indonesian Administration Foundation, graduated in 1979 in the field of Economics and Management from Tarumanegara University and was awarded a Master's Degree in Theology from STTB The Way in 2011.

Mr. Setyadi Surya became active in the retail field in 1980, when he started and developed one of the largest retail divisions in his position as Head of Operations & Merchandising.

He joined Ramayana in 1990 to serve in the Store Development Department, and then worked in Store Operations in 1994. In 1996 he was appointed a Director of Human Resources. Then in 2005 he was chosen to serve as a Commissioner, after which he became a Director in 2007. His current position is that of Corporate Secretary.

4. Kismanto / Direktur

Mr. Kismanto is an Indonesian national, 53 years of age. He was born in Majenang, Central Java and joined the Company as a Senior Counter Head in 1980; three years later he was promoted to Cashier Head and later, as Store Manager.

He played an instrumental rôle in the Company's robust growth. Mr. Kismanto was appointed Regional Manager in 1989 and became Merchandise Controller in 1993, in which position he was responsible for the entire Company network of stores. In 1995 he was asked to join the Board as Director of Marketing and Merchandising.

5. Gantang Nitipranatio / Direktur

Gantang Nitipranatio, an Indonesian citizen, was born in Magelang in 1956. He graduated from Atma Jaya University, Yogyakarta, in 1981, being awarded a BA Degree in Economics.

Mr. Gantang is married and has three children, and has worked at Matahari Dept. Store (1984-2004), started up and developed a specialty store (2004-2006) before entering Ramayana as Head of Merchandising in 2007. He became a Company Director in 2011.

Corporate Data

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Jakarta 10350, Indonesia
Telp : + 62 21 3922332
Fax : + 62 21 3923003
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Audit Committee's Report

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In order to establish the principles of Good Corporate Governance, the Company has established an Audit Committee, whose mandate it is to assist the Board in carrying out its duties and responsibilities with respect to business risk management and to the Company's internal control system.

In accordance with the regulations of the Financial Service Authority (OJK – previously known as Capital Market Supervisory Agency and Financial Institution - BAPEPAM & LK) and the Indonesia Stock Exchange, the Audit Committee has conducted several meetings, among others being those on March 18, 2013 to review the Company's financial statements ended December 31, 2012, June 12, 2013, August 30, 2013, and November 8, 2013 to review the Company's interim report. These meetings discussed the findings of and recommendations by the External Auditor, the Board of Directors, the Internal Auditor and the Corporate Secretary.

Disclosure obligations on the review by the Audit Committee of the Company's Annual Report - the following are our submissions:

- a. Selection of Certified Public Accountants for 2013, recommended by the Board of Directors, taking into account aspects of independence and competence, and approved by the Board of Commissioners, having received authority from the shareholders in a General Meeting of Shareholders held on May 29, 2013.
- b. The Company is run by an effective internal control system, which is being continually upgraded, in accordance with policies outlined by the Board of Directors and supervised by the Board of Commissioners.
- c. Financial statements have been prepared and well presented to meet general accounting principles as practiced in the Republic of Indonesia.
- d. The Company always adheres to the regulations of capital markets and to other laws relating to the activities of the Company.
- e. There has been no known potential for abuse or diversion which would require attention or the consideration of the Board of Commissioners.

Similarly, this Audit Committee report was presented. We thank the Board of Commissioners for their attention.

Jakarta, March 25, 2014

Komite Audit PT Ramayana Lestari Sentosa Tbk

Kardinal A. Karim
Chairman

Ruddy Hermawan Wongso
Member

Tonang Sandjaja
Member

Annual Report Approval

The 2013 Annual Report, as well as the financial statements and other related informations prepares by the management of PT Ramayana Lestari Sentosa Tbk have been approved by the Board of Commissioners and the Board of Directors.

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THE BOARD OF COMMISSIONERS

Paulus Tumewu
President Commissioner

Koh Boon Kim
Independent Commissioner

M. Iqbal
Commissioner

Kardinal A. Karim
Independent Commissioner

THE BOARD OF DIRECTORS

Agus Makmur
President Commissioner

Suryanto
Director

Kismanto
Director

Setyadi Surya
Director

Gantang Nitipranatio
Director



Financial Statements 2013

Along with the Independent Auditor's Report
for the Year Ended
December 31, 2013 and 2012